

LUXURY

2018 FIRST QUARTER RESULTS

The beginning of **2018** started with a sign of **growth** for the major European top-end brands, which, despite the unfavorable exchange rate and the growing economic and geopolitical uncertainties, continued on the positive path already recorded last year. Once again, the giants of French luxury (LVMH and Kering) stand out, followed at a distance by the Italian brands, which show contrasting results (Ferragamo in recovery, Tod's losing ground).

First quarter of the year on the rise for **LVMH**, which scored an organic growth of 13% (constant rates) in comparison with the 2017. Excellent sales performance among all the major international markets, in particular Asia (+21%), USA (+10%) and EU (+6%). The fashion and leather goods division leads the upward trend (+16%), by attesting the positive moment of all the major brands of the group, starting from Louis Vuitton. Solid performance by Christian Dior Couture. Good also Fendi, Loro Piana and Céline.

Excellent results for the **Kering** group: +36.5% revenues in the first three months of 2018 (constant rates). The race of Gucci (+49%) continued unabated over all the markets, particularly North America and Asia Pacific, followed by Yves Saint Laurent (+20%) and Bottega Veneta (+0.7%). Balenciaga's performance is convincing, driven mainly by the sales of the footwear division. Definitely positive trend also for Alexander McQueen.

Revenues up by 11% for **Hermès** (constant rates), whose results encourage the brand to maintain ambitious growth targets also in the medium-term. In particular, the new collections proposed in the leather goods segment were rewarded (+8%); the trend of the clothing and accessories division (+17%) is also very positive. Expanding sales among all the major international markets: Asia +14%, America +9% and Europe +7%.

Continuous downward trend for the **Tod's** group results (-2% at constant rates). The exchange rate effect negatively affected the group revenues, mostly penalizing Roger Vivier (limited to a -3% of revenues at constant rates). Hogan also dropped back (-5%), dragged down by the weakness of the Italian market. Tod's (+1%) rose slightly, benefiting from the good signs in footwear sales, which increased during the quarter. Setback for Fay (-12%). Critical issues remain on the Italian market (-12% turnover in the quarter), while sales in the EU, the Americas and Greater China were good.

Salvatore Ferragamo revenues returned positive in the first three months of 2018: +2% at constant rates. The leather goods segment accelerates, going up by 7%. On the other hand, footwear is suffering (-2%). The turnover segmentation by main geographical areas rewards the sales in Europe and North America (+2% both); difficulties in Japan (-8%) and Latin America (-1%). The Pacific Area does well (+5%), with the increases in Chinese market sales standing out (Mainland China +18%, Hong Kong +34%). Weak performance of purchases from the South Korea.