

CLIENTS' PERFORMANCE FORECASTS 2021

According to the most recent available data, analysts estimate **that 2020 will close with a drastic reduction in the luxury personal goods market** (fashion, jewelry, accessories, cosmetics), equal to -23%, in line with the overall result of the luxury industry (-20/22%). However, although scenarios remain uncertain, **a return to double-digit growth is expected in 2021** (+14% on average), while we will have to wait until the next two years to observe a full recovery of the losses incurred by this market due to the Covid-19 global pandemic.

Products

In the breakdown by category, **leather goods** will see the highest growth (+16% in 2021) thanks to increased online purchases and a propensity for higher cost "purchase-investments" already observed in part of 2020. The trend is expected to continue, allowing leather goods to return to pre-Covid levels as early as the end of next year.

Upward forecasts also for **clothing** and **footwear** (+14% next year), which are, however, showing less dynamic growth than leather goods. Negative impacts especially include overstocking, the massive use of smart-working and the dynamism of *Activewear/Leisurewear*.

The **automotive** sector will recover with production increases between 7% and 9% in 2020-2021, after a heavy end in the current year (-20%). More limited declines for the luxury car segment where the estimated loss is between 8/10%.

Due to the pandemic, it is estimated that the world **furniture** market will decline by 4% in 2020, while next year the market is expected to resume growth at an average rate of 7%, thanks also to the strengthening of several trends that have emerged in relation to the pandemic. A growing role for the home, understood as a personal "cocoon", with increasing needs for personalization, self-expression and functionality that will drive the purchase of design accessories and complements. At the same time, the loosening of the boundaries between living and working spaces will emphasize the importance of comfort among the key purchase criteria in the furniture sector.

Consumption

The analysis of consumption emphasizes the strong growth of the Asian area: +17% in 2021, in the face of renewed confirmation of the world leadership of **Chinese** consumers in spending on personal luxury goods. Chinese purchases are in fact estimated to increase by 20% over the next year, with a partial return to travelspending. Rediscovered dynamism also for the **Japanese**, which combines with the possible greater attraction of travel from China: +10% the forecast growth in Japanese consumption. Despite the absence of tourist flows (50% of sales of luxury personal goods in the EU), consumption in **Europe** will recover, although moderately (+11% in 2021), in light of the fact that the impediment to travel will favor purchases of goods over traditional travel/hospitality spending.

Solidity for **North American** consumers (+12% growth in consumption next year), who will be quickly inclined to return to purchases of luxury personal goods, especially domestically.

Source: Altagamma, Bain&Co, Cassa Depositi e Prestiti, ANFIA/OICA, Roland Berger, S&P