BERNSTEIN
SOCIETE GENERALE GROUP

28 September 2026

Global Luxury Goods

Global Luxury Goods & China Macrofinancial: The hoped-for U-shaped recovery looks in fact like an L



Luca Solca
+41 582 723 126
luca.solca@bernsteinsg.com



Maria Meita
+44 20 7170 0540
maria.meita@bernsteinsg.com



Yi-Peng Khoo, CFA
+44 20 7676 6822
yi-peng.khoo@bernsteinsg.com



Eric Chen, CFA
+852 2123 2628
eric.chen@bernsteinsg.com

Specialist Sales



Alix Turner
+44 20 7762 4044
alix.turner@bernsteinsg.com

We recently hosted a webinar with Charlene Chu, Autonomous' China Macrofinancial analyst, to discuss the Chinese consumer outlook and the implications for global luxury demand.

Our analyses suggest that the Chinese macroeconomic slowdown is deeper than headline GDP growth would suggest. Alternative measures of economic activity all point to a softer environment. Household wealth has been hit by falling property prices, youth unemployment remains elevated, and the traditional engines of wealth creation and luxury consumption, notably real estate and finance, are no longer providing the same support. Household savings are being drawn down, but consumption is not recovering – a worrying sign that Chinese consumers may be spending down their savings just to get by.

Unsurprisingly, luxury demand in China remains subdued. While some brands with smaller exposure continue to report relatively stable trading, others are highlighting weaker consumer confidence and softer demand in China as a key reason for worsening 3Q26E prospects (see Global Luxury Goods: Another Chinese false dawn?). Chinese consumers remain too important to global luxury demand for sustained weakness to be ignored.

A Chinese U-shaped recovery is proving elusive. Traditional engines of wealth creation and consumption have slowed. Real estate remains in year five of a severe correction outside of Tier 1 cities; the financial industry is no longer creating the same pool of high-income consumers, confronting salary cuts and bonus clawbacks. Demographic headwinds are intensifying; AI and robotics promise further pressure on salaries and employment.

Analysis points to this picture not changing materially in the near-term. Despite "Liberation Day", exports remain one of the few areas still supporting the Chinese economy. This is reducing the pressure on policymakers to finally engineer a consumption-led recovery. There remains a clear ideological preference for supporting companies and local governments rather than directly supporting households. A meaningful pivot towards consumption would likely require conditions to deteriorate further; without such an event, one should only expect incremental, but ultimately temporary, stimulus packages.

Chinese consumers are trading down; they are not giving up on luxury goods. Consumers feeling the pinch do not simply buy a cheaper handbag, they may also allocate their more precious dollars where they see more value for money, be it in experiences or in jewellery. But just because soft luxury has fallen out of favour does not mean human nature has changed: the cultural relevance of luxury goods remains strong, especially in China.

Waiting for the macroeconomic setting to improve is not a strategy; luxury brands need to tackle affordability and perceived value for money. Shrinking wallets and punchy price increases have started to place luxury brands and luxury goods out of reach. Brands need to avoid being perceived as "products for somebody else" = out of reach, and out of mind. If consumers continue to fall further down, brands must either find ways to follow them – through price, mix, or categories (beauty, eyewear) – or risk becoming irrelevant (see LVMH: Louis Vuitton's Entry Price Opportunity).

See the Disclosure Appendix of this report for required disclosures, analyst certifications and other important information. Alternatively, visit our Global Research Disclosure Website.

First Published: 28 Sep 2026 05:00 UTC Completion Date: 27 Sep 2026 21:36 UTC

INVESTMENT IMPLICATIONS

The Chinese middle-class cavalry is not coming over the horizon to rescue global luxury goods industry. With 1/2 to 2/3 of the growth of the 2000s and 2010s coming off, luxury companies need to work harder and better to generate top line momentum to maintain margins, ROIC and TSR performance.

Richemont - our top pick - remains in a state of grace, as dominance in jewellery allows it to be effective at both extremes of a globally polarising consumer audience (see Richemont: From Conglomerate to Compounder - the "right" valuation). **LVMH** and **Hermès** have high-quality self-help opportunities to become more effective in the entry price and the top end respectively, but execution will take time (see LVMH: Louis Vuitton's Entry Price Opportunity and Hermès: Subject to gravity).

We further moderate our forecasts for FY27E to ground them more realistically.

- We now forecast **LVMH F&LG OSG of +1.8%** in FY27E (vs. +5% previously and vs. consensus at +3.8%), reflecting a potential soft patch of growth for Louis Vuitton, particularly in China, as it works to tackle 'value for money'. We see **LVMH Group OSG at +3.6% for FY27E** vs. consensus at +4.3%. We trim our EBIT% forecasts to reflect lower top-line growth. This leads to a -5.6% fall in our FY27E EPS forecasts, leaving us -3.6% and -7.3% below consensus in FY26E and FY27E. We continue to value LVMH on a target 1.5x relative P/E multiple to the MSCI Europe, equivalent to a 21.5x NTM+1 P/E, arriving at an updated target price of €480.

- We now forecast **Hermès Group OSG of +7%** in FY27E (vs. +7.6% previously and vs. consensus at +7.7%). We trim our Leather Goods growth forecast slightly, and now see the division growing at +9.3% in FY27E (vs. consensus at +10%) - we expect Hermès to moderate price increase in FY27E. Our EBIT% forecasts are largely unchanged. Our FY27E EPS forecasts fall by ~1%, landing -5% below consensus. We continue to value Hermès on a target 2.6x relative P/E multiple to the MSCI Europe, equivalent to a 33x NTM+1 P/E. We maintain our target price of €1,750.

- Our top-line forecasts for **Richemont** remain unchanged. We continue to expect Richemont's Jewellery Maisons to enjoy strong brand momentum, while Richemont's relatively low exposure to Mainland Chinese demand should help to insulate near-term growth. We tweak our FY26E and FY27E EBIT% forecasts as we attenuate operating leverage expectations: low communications spending in FY1H26A were likely only temporary, and may well mean-revert in FY27E. Lower EBIT % forecasts lead to a -3-4% fall in our FY26E and FY27E EPS forecasts, which remain +4% and +6% above consensus (reflecting higher top-line growth expectations). We continue to value Richemont on a target 2.1x relative P/E multiple to the MSCI Europe, equivalent to a 27x NTM+1 P/E. We maintain our target price of CHF240.

DETAILS

TRANSCRIPT

Alix Turner (AT): Okay, good afternoon or good morning, everybody. Thank you so much for joining us. We're joined today by Luca Solca, our Global Luxury Goods Analyst, and Charlene Chu from Autonomous, our China Macro Financial Analyst, to debate the future of the Chinese consumer—a theme we've discussed many times in the past.

Luca Solca (LC): Thank you, Alex, and thank you all for being on the call. Maybe I'll just give a brief introduction to give you a sense of where we are in terms of the luxury sector, and then Charlene will enlighten us on what is going on in China.

The luxury industry has been going through a soft patch. What is clearly missing, and has been missing for a few years, is strong support in terms of Chinese engagement with luxury. We've seen strong growth in America. We've seen decent growth in Europe and strong growth in the Middle East, but the feedback from Chinese consumers has been relatively muted.

There's a big debate at the moment about whether this gets worse in the third quarter of 2026. Different companies are saying different things. I was with Hermès last week, and they were pointing to the impact of new fiscal measures on rich consumers in China. Taxation on Chinese residents holding assets abroad has been hardened and is apparently being implemented more aggressively. There were also new rules on how authorities will assess requests to leave the country, and apparently more latitude to deny permission to leave China.

All in all, if I look at the market, we see that Chinese consumer confidence continues to be depressed. Some of the companies are saying this is an issue: Hermès, definitely. Maria and I were discussing the situation with Brunello Cucinelli earlier this week. They have a much smaller business in China and are saying, "No, we're fine. Business as usual."

So, it's interesting to understand where we are, and with that, I would just leave the floor to Charlene to give us some insight and understanding of what is going on and what could potentially be going on in the quarters to come.

Thank you very much again. Thank you, Charlene. The floor is yours.

Charlene Chu (CC): Thank you, Luca.

If you go to the first slide (Exhibit 1), what you can see here is the relentless slowdown in Chinese retail sales. There was a bit of a pickup following reopening, along with some volatility in the first couple of years afterward.

For the most part, we are seeing retail sales growth slow further. We've now had five months in which retail sales growth was less than 1%. In the chart on the right, you can see that traditional retailers—meaning places you can visit in person—have been under the most pressure. But even e-commerce is now under pressure, so this is fairly universal.

Next slide (Exhibit 2). In terms of different sectors, we have broken this into four different areas. China introduced a major stimulus program about a year ago related to trade-ins across different categories of goods, including autos, and we are now lapping that period. That is one reason for some of the pressure on retail sales. You can see that the weakest category is the stimulus-related group. That reflects the significant uplift we saw in the first half of 2025. However, other categories are also under pressure. Restaurant spending is now negative. Oil-related spending, despite the price increases, remains negative, and everything else that does not fall into the other categories is only growing marginally. So, we have broad-based pressure here.

Next slide (Exhibit 3). The question really is: what is going on? What is happening with the consumer? I think there are multiple drivers at work here.

So, the first point I would make is that economic growth in China is not the 4% to 5% that the authorities say GDP growth is. Capital expenditure by companies and local governments is contracting by double digits. The property downturn remains very intense. We've got double-digit declines across all those areas, and now, with the Iran war, there is cost-push inflation weighing on corporate margins and causing companies to cut wages and lay people off.

On the wage and labour front, there is not much employment security at this point. People remain very worried about losing their jobs, stagnating wages, or even wage declines. This is particularly true for the two sectors that historically generated the largest increases in income and the biggest cohort of luxury purchasers: real estate and finance. For real estate, we are now in year five

of a very severe correction. The creation of new property-related millionaires has diminished considerably.

In the financial sector, the government has taken the view that people working in finance are earning abnormally high salaries. It has been encouraging financial institutions to cut wages and even claw back bonuses. We know of people who have experienced two or three wage cuts. So, for the two areas that used to drive upward mobility, rising incomes, and movement into high-income luxury purchases, that has really disappeared.

On top of all of this, we've seen a significant hit to household wealth from the decline in property prices. On average, that decline is about 40%, depending on where you are in the country, but overall, I would say around 40%. That used to be the retirement nest egg for many Chinese families. The only way to make that up in a weak economy, where bond yields are low and alternative investments generate limited returns, is to save more and spend less. That is the mode Chinese consumers are in today.

The last thing I would mention is the demographic cliff. This is really starting to hit China. The population aged 30 to 50, which in most countries is the largest consumer cohort, fell by 14.4 million people from 2020 to 2025. It is projected to fall by almost 47 million from 2025 to 2030, a decline of about 7%. So, we have this demographic drag in the background that is also weighing on consumption.

The next few slides relate to everything I have just discussed, so you can see the underlying data. This slide (Exhibit 4) shows our Autonomous Economic Activity Composite for China. Given the issues with GDP growth data, it is important to have an independent measure of economic activity. The top chart shows the rolling 12-month view, and the bottom chart shows the rolling three-month view. You can see in the lower chart that our measure of real growth in China is effectively near recession territory. We have seen a significant slowdown in growth this year, which is weighing on activity.

Next slide (Exhibit 5). In terms of the capex recession, I wanted to include this slide so you can understand what is happening with corporate investment. Historically, high investment was a major driver of income growth, wage growth, and job creation because new factories were constantly being built. Now, you can see how deeply negative investment has become, and that is clearly weighing on job creation and income growth.

I would also note that the different colours on the chart to the left reflect periods when the Chinese authorities revised the data series. In each instance, the revisions removed weaker numbers. This had the effect of making the data appear stronger and conditions more stable than they actually were. They have been doing this for several years, and now they are effectively allowing the data to turn deeply negative.

Next slide (Exhibit 6). This is our pulse check on the property sector. The lines in the charts represent the rolling 12-month values for new starts, sales, and investment. Within each chart, there is also a table showing the monthly year-on-year data. As you can see, the declines continue and remain substantial. New starts were down 30% in August, despite this already being the fifth year of the correction. Property sales remain down double digits, while property investment is down 26%. By no means has this sector turned around.

Next slide (Exhibit 7). This shows what has been happening in property prices. In Tier 1 cities, prices have effectively bottomed out, with only modest increases over the past several months. The problem is that this stabilization is not really filtering through to the rest of the market. We should remember that Tier 1 cities represent a population of roughly 120 million people in a country of 1.4 billion. In other words, less than 10% of the population is seeing any stabilization in the property market. The remaining 90% of the country continues to experience declining prices. Naturally, that keeps people on the sidelines if they are worried that a property purchased today could be worth 10% less next year.

Next slide (Exhibit 8). On the unemployment side, I would note that we are using different scales here, but each chart is presented over a 6% range to make comparisons easier. The chart on the left shows that youth unemployment continues to rise, reaching 18.9% in the latest reading. So, youth unemployment remains very elevated. The next group, workers aged 25 to 29, is also seeing greater pressure in the labour market, although not to the same extent as younger workers. The 30 to 59 age group has remained much more stable. That younger cohort is clearly under pressure, and I think seeing the employment difficulties experienced by other groups has also continued to weigh on confidence regarding job security.

Next slide (Exhibit 9). This shows three different consumer confidence measures, including the general consumer confidence index on the left. All of these indicators have improved somewhat since 2024, but they remain well below pre-pandemic levels. Looking at the chart on the right, and really all three measures, you can see a renewed deterioration since the start of the Iran war, most notably in employment expectations. That supports our view that China is not immune to the effects of the conflict in

Iran. Despite its large oil reserves, the war is still having an impact on sentiment.

Next slide (Exhibit 10). This is the final chart, showing the rolling four-quarter total of household savings, including deposits, retail investment products, wealth management products, and money market funds.

If you look back to 2022, during the pandemic, you can see a sharp increase in the red line. At the time, many people expected that when China reopened in 2023, consumers would begin spending down those savings, leading to a significant rebound in consumption. We did see a decline in that red line, but we never really returned to the consumption levels seen before the pandemic. What is more concerning is that household savings flows are now declining quite significantly, yet retail sales are not improving at all. We have now had five months of retail sales growth at 1% or less, and that is worrying because it suggests household budgets are extremely tight. Consumers appear to be drawing down savings simply to get by, rather than to spend on discretionary purchases.

That gives you a general overview of the consumer. I'll pass it back to Luca for his comments.

LC: Thank you very much indeed, Charlene. It is very clear that the situation in China remains extremely challenging.

It also suggests that the industry should not expect a miracle anytime soon. The feedback we receive from people working in the industry in China is that this should be regarded, at least based on what we can see today, as the new normal. There is plenty in what Charlene has shared to suggest that this is indeed likely to be the case.

Without further ado, I will ask Alex to open the floor and let us know whether there are any questions from investors for Charlene or me.

AT: Thank you very much. Indeed, there are. First up, a question for Charlene: are expectations still too high for China in 2027?

CC: I think they are. We are clearly in a fairly severe economic slowdown. The only thing really holding up at this point is exports. However, we are also about to start lapping very strong export figures. The double-digit growth in exports that you have been reading about really began around the fourth quarter of last year. As we lap those figures, it will become harder for that bright spot in the economy to hold up as well.

The authorities are not doing anything meaningful on the stimulus front to turn things around. If we had some form of government action in the background that could help, then I might say there would be no need to revise expectations for 2027. But right now, it is not a great setup going into next year.

That is particularly true when we consider the trade tensions between China and the EU. Those are expected to come to a head in mid-October, which is the deadline the EU has set for deciding how it will respond to Chinese trade practices if China does not concede to some of its demands. So, yes, I do think 2027 is shaping up to be much weaker than people expect.

AT: Thank you very much. Next question for Luca. Are there parallels with the experience in Japan, especially regarding luxury? Do we have three decades of no growth ahead of us?

LC: Well, certainly, Japan had a few decades of no growth. At the moment, there is a temptation to say that the U-shaped recovery we were expecting looks much more like an L. Therefore, I think it would be judicious to revise down expectations for broader industry growth over the next few years.

After all, Chinese consumers remain a very important constituency. They are no longer the most important, because American consumers, supported by the wealth effect from strong financial markets, have taken the number one position globally. Still, for some of the companies we cover, Chinese consumers account for anywhere from around 15% to the high-30% range of consumption.

More muted growth and continued weakness in Chinese consumer confidence would therefore imply lower growth for the global luxury industry. The luxury industry grew by close to 8% annually in the roughly 30 years leading up to 2019. Depending on how the Chinese contribution is calculated, around 50% to two-thirds of that growth, according to some sources, came from Chinese consumers. Considering the industry's efforts to grow in other regions, it is probably prudent to assume that growth without a revival in Chinese demand would be roughly half of that rate—closer to 4% or 5% than to 7% or 8%.

AT: Thank you. Back to Charlene, please. Is the drawdown in savings, without a corresponding increase in consumption, a byproduct of rising unemployment or bonus clawbacks?

CC: It certainly could be. I tend to think that bonus clawbacks, although we hear about them frequently among financial-sector professionals, do not affect a sufficiently large share of the population to cause total savings to decline. They certainly do not help, but I do not think they are the main driver.

I suspect the situation reflects a couple of factors. One is an ageing population. At some point, people save for retirement and then begin spending down those savings. We now have more people in that category. There has also been considerable reluctance to spend because of the income pressures we have discussed. Many people in China have moved into lower-income gig work after losing their jobs. On top of that, they simply cannot meet the same savings targets they had in the past because they are now earning much lower wages than before.

AT: Thank you. Following on from that, another question regarding the wage cuts you were talking about. Typically, how quickly are these enacted, and do you see them as an ongoing threat?

CC: It really depends on the institution. I am thinking about friends, contacts, and people the team knows in the financial sector, since we are all in the same industry.

We know of some people who have gone through three different rounds of wage cuts, and they seem to come out of nowhere. It is not as though this always happens in December or right before Chinese New Year. It tends to happen when management decides that costs need to come down. So, there is no clear timing pattern. For some financial institutions, it has only happened once. For others, it has been threatened but not implemented. For others, it has happened three times. It really varies by company and by employee, depending on where management believes it can take the most money back from.

AT: Thank you. And another one for you, Charlene. Do you think the stabilization in Tier 1 property prices could see another leg down following the offshore tax reform?

CC: What I did not show in the slides, although I do have the data if people are interested, is that there are two types of inventories in China. One is regular residential units, and the other is what we call commercial apartments.

Inventory of commercial apartments remains elevated, particularly in lower-tier cities. But if you look at regular residential inventory in Tier 1 cities, it has become fairly balanced. So, I tend to think we really are at a bottom in Tier 1 cities. Now, if we were to see a significant slowdown in other parts of the economy, particularly exports, then we could certainly see renewed pressure. For example, if fewer data centres are built in the U.S. next year and, as a result, fewer goods are imported from China, then we could see problems. But I tend to think the risks are more related to a broader economic slowdown rather than the property market itself.

AT: Thanks, Charlene. Luca, one for you, please. How should we think about the demographic headwind on luxury spending in China, and what does that mean for future preferences? Do you think there will be more purchasing of the likes of Ralph Lauren instead of Hermès?

LC: Well, I think the overall demographic decline is a concern, but only to a point. It is particularly important when looking at broader consumer categories. When I look at luxury, however, the penetration of the Chinese market—important as Chinese consumers have become—has remained relatively thin.

Even the largest brands have said that they have fewer than five million Chinese consumers globally. This means that, while the overall population may be shrinking, there could still be more people entering the luxury-consumer cohort if the prospects for the middle class were to improve more broadly, particularly at aspirational and accessible luxury price points.

It is not clear how this will develop. However, Charlene's comments on unemployment dovetail with what we have heard from luxury-goods brands: older consumers are in better shape and continue to spend, while younger cohorts are under greater pressure.

Ultimately, it depends on whether there are more people in the broader middle class and whether they can find opportunities to improve their position in the current economic and macroeconomic environment. Both seem relatively unlikely.

That leads me to believe that differentiated offerings from Chinese brands—Songmont, for example—as well as accessible-luxury price points, could be more conducive to growth. Brands such as Polo Ralph Lauren and Coach have an opportunity to

benefit from this trend.

This question of affordability is part of a broader issue. We have written extensively about the challenges facing the global middle class.

If China, as seems probable, does not improve the prospects for its middle class, affordability becomes an even more severe and important issue for luxury brands to address. We have argued that large brands such as Vuitton need to come back to reality and recognise that their core audience is middle class. They cannot keep increasing their price mix indefinitely. On the contrary, they should introduce more compelling price points.

In light of what we see in this presentation, this becomes an even more important imperative.

Luxury-goods brands have benefited first from the global rise of the middle class through globalisation and then from the post-COVID euphoria, when people who had lived through a near-death experience were keen to spend money. They now have to come back to Earth and confront a situation in which inflation in America is rising quickly, the cost of living is going through the roof—made worse by Liberation Day and by the wars—and macroeconomic growth in China is particularly sluggish.

So, where is the money going to come from for the middle class to splurge? Not from many places, especially if artificial-intelligence implementation puts further pressure on the white-collar working class in the years ahead.

The issue of affordability and price positioning is therefore very important. We believe one reason jewellery has been performing so well is that jewellery at €3,000, €4,000, or €5,000 is now much more compelling relative to handbags and soft luxury following post-COVID inflation. We need to recognise that this is where compelling value lies. This is where the battle in luxury will be fought and won or lost.

AT: Thank you, Luca. We'll go back to Charlene now with a question on AI. Charlene, how do you think AI will affect the China macro-outlook and also employment?

CC: It is still unclear in China, as it is everywhere else in the world. However, China faces two related threats. It not only faces the threat from AI but is also pushing very aggressively into humanoid robots and robotics more broadly. That is beginning to result in greater automation of factory jobs. I think this is one of the issues affecting employment at the moment: more people are losing their jobs as a result of a combination of robotics and AI and then having to take low-income work simply to make ends meet.

So, I think China is very exposed. Arguably, the entire world is exposed to this, but China is even more exposed, in my view, because of its strong push into robotics. You could ask why China is doing this. I think it comes down to the demographic challenges it faces and the concern that it will have a shrinking workforce and will need robots to replace workers. That makes sense in the long term.

However, the demographic drag is a long-term issue, while the hollowing out of jobs could happen much more quickly. I think that is where we are today, and it is one of the factors weighing on employment in China.

AT: Thank you. Back over to Luca now. Luca, do you think the luxury companies' difficulties are purely macroeconomic in China, or is it more that their value proposition is no longer resonating with customers? We've seen local sportswear brands gain ground. While obviously there are not yet any true local equivalents in luxury, what changes do you think we're seeing in consumer behaviour?

LC: I think it's very difficult to separate one from the other. You know, in a similar vein to the fox and the grapes, if you cannot reach the grapes, you make yourself happy with something else. I think this is indeed what's happening. We need to recognise and understand that the trading-down behaviour consumers embrace is not category-specific. It can involve switching from one product or experience to another: I don't buy a bag, but I go out to restaurants more often. Or I go indoor skiing in Shenzhen for €100 per day, and I can do that maybe 20 times with what I would have spent on a bag. Or I walk in the mountains, or I buy a Chinese brand that resonates with me, provides a very good message and, I would add in parentheses, conveniently costs a lot less.

If, at one point, the industry positions itself as being out of reach, people will switch off from it. Like, I think most of the people on this call are switched off from private jets and 50-meter yachts. Maybe some of our clients are rich enough to contemplate those, but most of the people on the street think these products do not exist, because they are for somebody else.

So, I think what the industry has to avoid is becoming, in the minds of many people, something for somebody else. The cultural relevance of luxury goods brands in China and globally in the past 30 years has been very, very important: these brands have reshaped the center of town and the shopping areas of major cities in China and elsewhere. These brands have been in top-of-mind positions for those who bought them, and for those who maybe couldn't buy them but hoped that, at one point, by saving money, they could buy them.

If consumers fall further behind, brands must either find a way to follow them—possibly not by cutting prices outright, because that would be a killer for brand equity—or risk becoming irrelevant. That is how people might construct, let's say, a post hoc rationalisation: "Oh, I'm no longer interested in luxury because I've now found enlightenment, and I do yoga instead. I contemplate the world, and I read the philosophers." That's not human nature.

I think good and beautiful things have resonated with people and have been high on their list of desires for as long as we know. But this, again, going back to what I was saying before, confronts the industry with a very significant affordability dilemma. On the one hand, you don't want to cut prices because you are selling the idea that you're exclusive, precious, and distinct. On the other hand, if you're losing your core consumer audience, you need to find a way to win it back—which is why, for example, Titan has launched beauty products. Beauty, I like to say, is the luxury of the poor. It allows consumers to enter the brand at a significantly lower absolute price point, which is also why I think shoes have been growing so strongly.

Incidentally, within each brand, shoes are typically a third of the average handbag price—which is why we think that glasses and smart glasses could be a very important category for luxury goods brands, as a way to, again, bring products to consumers at less than $1,000. That, I think, is going to be the shape of things to come.

And I think generalization—giving the sense that, all of a sudden, consumers are no longer interested in products because they know better and they care about experiences—misses the economic rationale behind those choices and is just happy to look at what people declare without looking at how their behaviour is actually shaped.

AT: Thanks, Luca. I've got one more question for each of you. Charlene, somebody is asking whether we are approaching a breaking point at which the state shifts towards a consumption-driven growth model. Could you please comment?

CC: I don't think we are. I think we'd have to see a big rupture on the export side. We need to move very aggressively to a different model, and that kind of rupture would require not only the relationship with the EU to become very problematic—so the EU starting to turn toward tariffs and import quotas and that type of thing—but we'd probably also need to see the air coming out of AI data center building, because so many inputs from China are being pulled in for that effort. As long as that is going on, you're probably still going to have pretty elevated export numbers, so we'd have to see both of those happening at the same time, and a view from the authorities that this is not just a temporary slowdown, but that they really think, okay, this is permanent for a few years now, and we need to pivot to the consumer.

Historically, it's just important to keep in mind that the Communist Party has a very strong aversion to giving households money. Xi Jinping has said repeatedly, "I do not want China to become a welfare state like Western countries." They believe they support households by supporting companies, who then employ people. So, it will be a very big ideological leap to get them to the point where they start saying, well, we need to actually give Chinese households a lot more money, and pivot to that being the main driver of growth in the economy—not local governments, and not state-owned enterprises.

So, things are going to have to get worse and more extreme before we get that kind of pivot, in my view. Anything else is just going to be these incremental, modest stimulus packages we all read about, and then they don't really do anything, and we still have the same problems facing the economy.

AT: Thank you. The last question is for both of you and concerns lower-tier cities. Charlene, what do you think is needed to turn those cities around? Luca, what have the companies you cover said about their footprints and expansion plans in those cities?

CC: I do feel like the real estate overhang is very severe in lower-tier cities. I mean, really, at the heart of that problem is a massive supply imbalance, where there's been tremendous overbuilding, and the demand for units is still very low.

At this point, my view is that the only thing that can really close that gap is to start knocking down old real estate. They need to physically tighten supply. I think that would help the lower-tier cities. Now, no one in China is talking about that. That's just my view of what needs to be done, so I wouldn't by any means say that they're about to do it. But it would help if they did.

The other thing they could do is encourage further urbanisation—or, rather, encourage more people to move off farms and into lower-tier cities. The only issue is, what would they do once they were there? They would need jobs in those lower-tier cities, and that, I think, is a major stumbling block as well. This is why we remain in this stagnant position: there is no easy answer, and it will require much more aggressive policy measures.

LC: When it comes to the retail networks of luxury-goods companies, we see that the overall tide has been going out: demand in China has been declining, but asymmetrically. There are locations where demand is actually improving, with Hong Kong certainly at the top of the list. Shanghai has also been on the front foot. I think this dovetails with what Charlene was showing: the real estate market has turned positive, or slightly positive, in those locations. It has certainly turned positive in Hong Kong, causing a significant uptick in consumer confidence and local resident spending. This is in addition to tourist spending, as people come to Hong Kong because of frictions with Japan, Korea, and a few other neighbouring states, as well as changes in foreign-exchange rates.

Most luxury-goods brands find themselves overexposed to inland China and lower-tier locations where store economics are no longer sustainable. Many brands are between a rock and a hard place: closing stores and exiting those cities would send a very negative message to consumers, but keeping those locations open would drag on the bottom line. I think many are therefore scratching their heads. This is especially true for smaller brands, which cannot extract concessions from landlords, while larger brands can threaten to withdraw. If they do withdraw, entire shopping malls may collapse.

So, I'm less worried about the big guys. I'm a bit more worried about the smaller players, who could indeed be facing the brunt of this pressure. You've seen that executives who come from a different background have no qualms, especially when these difficulties in China are compounded by a very weak brand position. Think of Gucci slashing more than half of its stores under Luca de Meo, coming from the automotive industry. I think the risk of such draconian programs is that you possibly beef up the bottom line in the short term, but you definitely hurt the brand equity in the long term. And so, I'm not sure this would be an advisable and sustainable position for players to embrace.

I think that most of them will work on the margin and try to beef up retail space productivity by carefully closing the lower-tier tail of stores that they have. But I don't expect anybody to embrace such a draconian and aggressive stance as Kering has done.

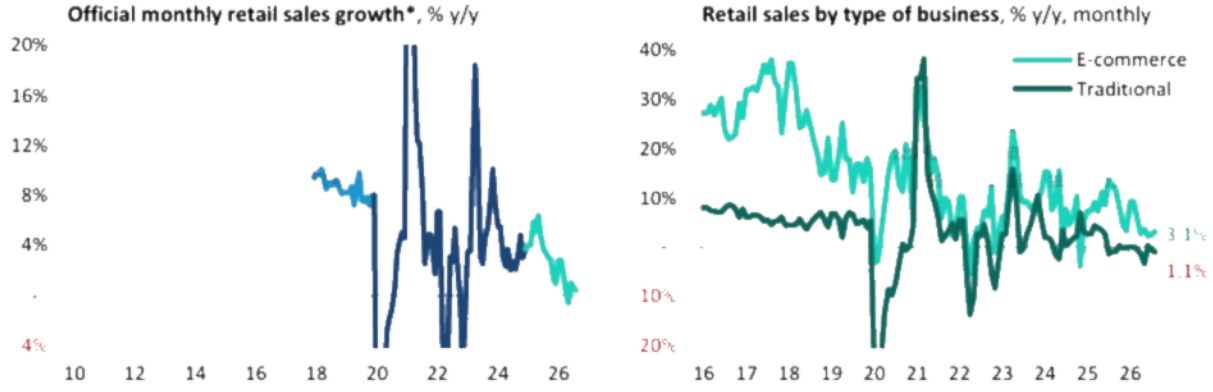
AT: Thank you very much. I have no more questions. So, Luca and Charlene, thank you so much for your time. It's wonderful to get you both together again, and hopefully we can do another one of these in the near term.

LC: Thank you very much indeed. Have a good weekend, everyone. Thank you, Charlene.

CHINA MACRO - SLIDES

The exhibits below represent the China Macro slide deck from the webinar.

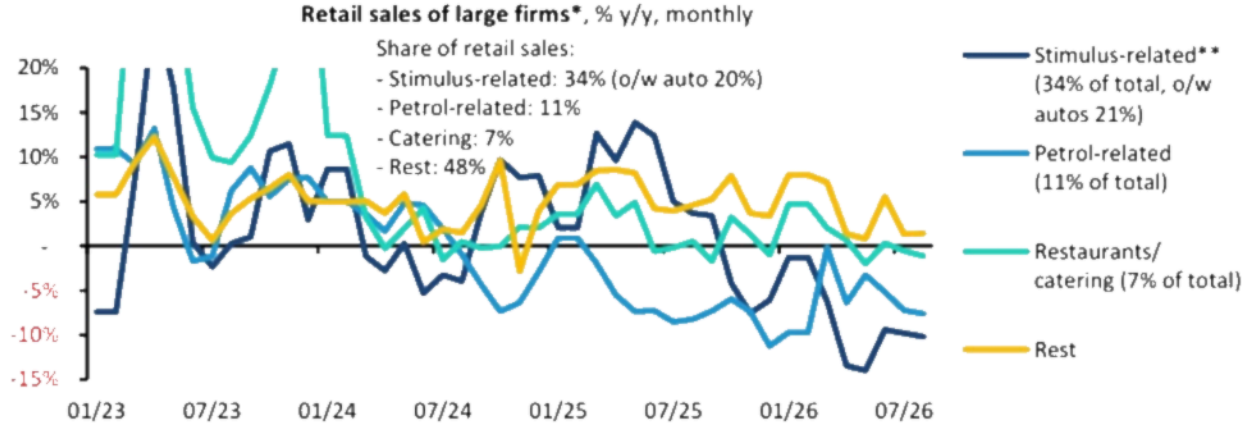
EXHIBIT 1: **Retail sales growth slowed to just +0.4% y/y in Aug, the 5th straight month of 1% or less readings. While traditional retailers remained under the greatest pressure, e-commerce sales were also soft**



*Series was revised in 2018, 2020 and 2025, with some entities taken out, which is what the change in colors signifies.

**Other official data on e-commerce sales shows a decline of -0.1% y/y in Nov 2025.
Source: CEIC, Autonomous Research

EXHIBIT 2: **All major segments at large retailers slowed further in August**



Entreprises with annual main business revenue of CNY20mn or more. ** Includes autos, household electric 1 appliances, furniture, communication appliances, and contruction & decoration materials.
Source: CEIC, Autonomous Research

人在草木间

EXHIBIT 3: **Why Chinese consumption continues to show few signs of life**

- **Economic growth is weaker than official data suggest.** Capex is contracting by double-digits, the property downturn remains unrelenting, and bad cost-push inflation from the Iran war is squeezing corporate margins

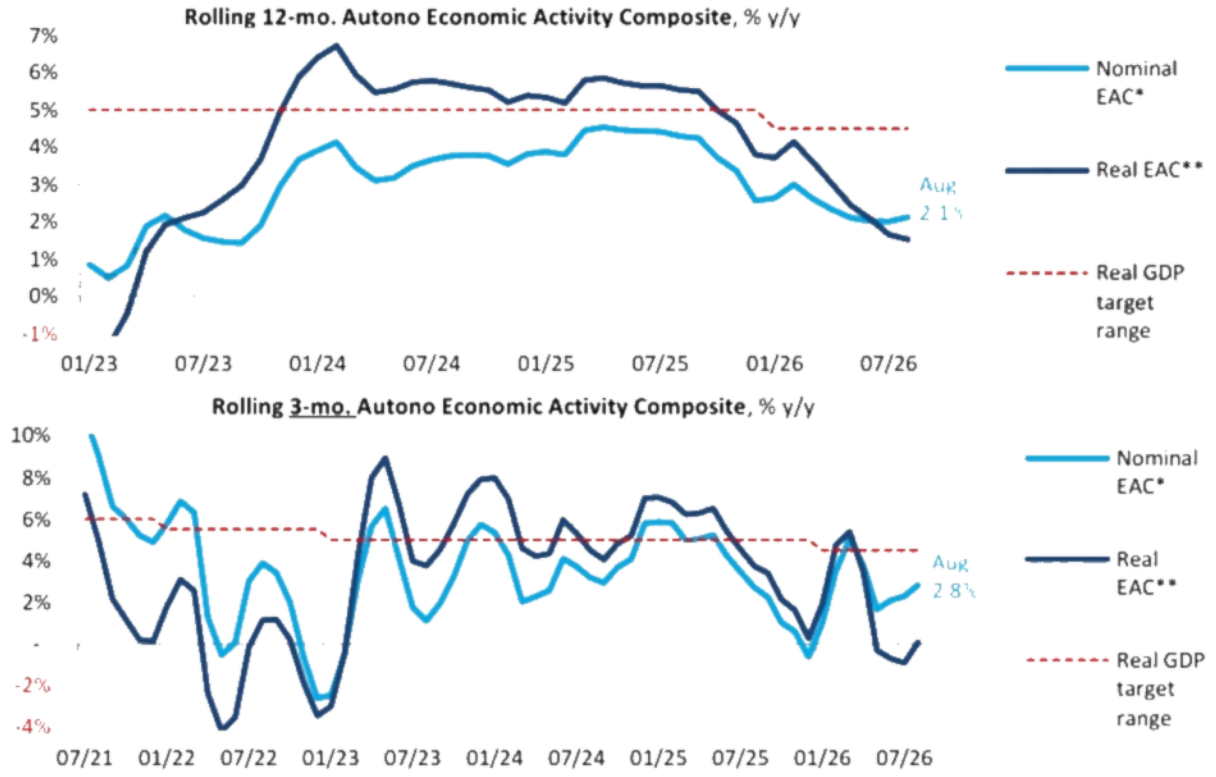
- **Job losses, wage stagnation/contraction, and employment insecurity have led to more conservative spending by Chinese people**
  - Real estate & finance professionals were the main sources of rapidly rising wealth and demand for luxury goods in the past. Both of these pools have shrunk
  - High-paid jobs in real estate have disappeared, while the government has taken aim at what it sees as abnormally high salaries in the financial sector and encouraged financial institutions to cut wages and claw back past bonuses

- **Household wealth has taken a severe hit from the decline in property prices**, which have fallen an average of c. -40% since 2021. This was the retirement nest egg for many families, and the only way to make up this gap in a weak economy is to save more

- **A demographic cliff**. The population of 30- to 50-yr olds – the largest consumption cohort – fell by -14.4mn people from 2020-25. By 2030, we expect it to fall another much heftier -46.9mn people (-7.3% vs. 2025)

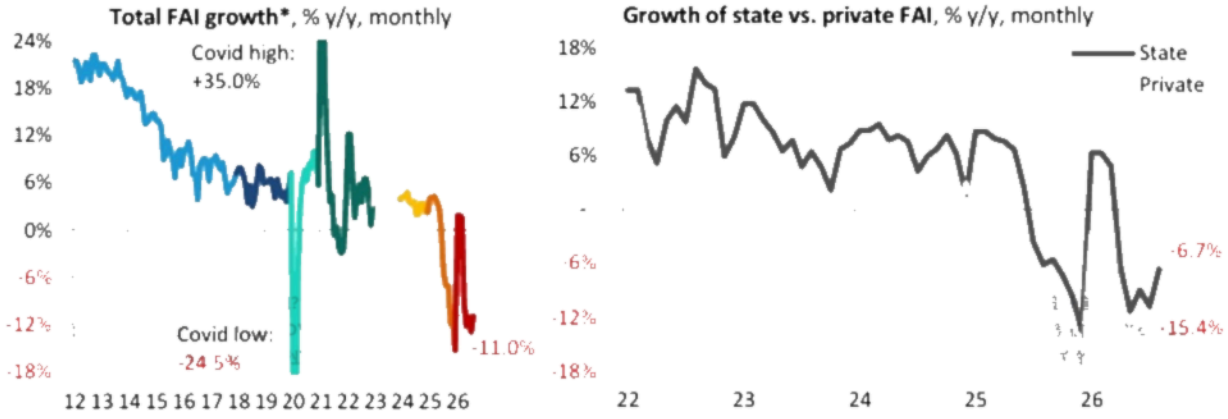
Source: Autonomous Research

EXHIBIT 4: **GDP growth figures of 4.5-5.0% are difficult to square when capex is in recession and consumption is growing < 1%. Our 3-mo. EACs show China closer to recession territory over the past 3 months**



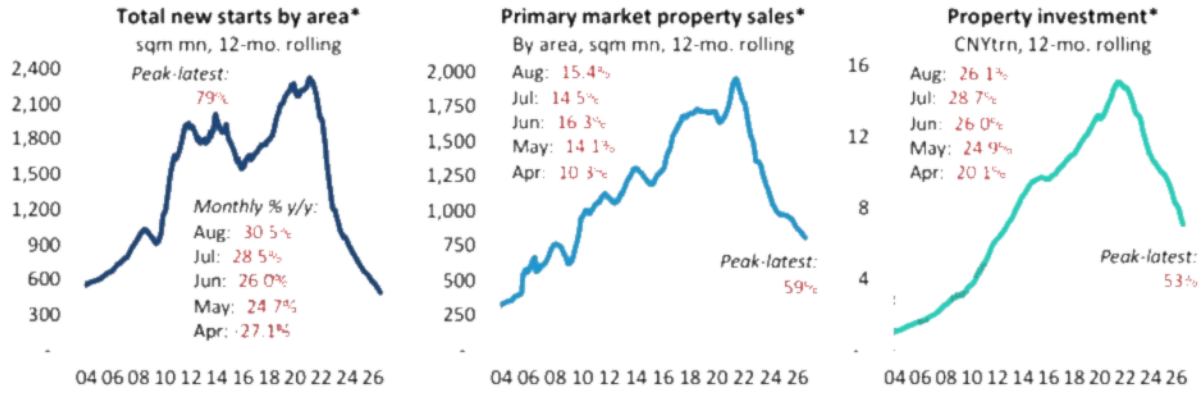
*Weighted average of official data on retail sales, exports, IP, FAI, and freight traffic. We replace property FAI with property investment for that segment of FAI. **FAI is deflated by the PPI, retail sales by an adjusted CPI, and nominal export growth is substituted with real export growth from 2005 onward; prior to 2005, export growth is deflated by the PPI.*
Source: CEIC, Bloomberg, Autonomous Research

EXHIBIT 5: **FAI continued to contact at a double-digit rate in August despite narrower declines in SOE investment**



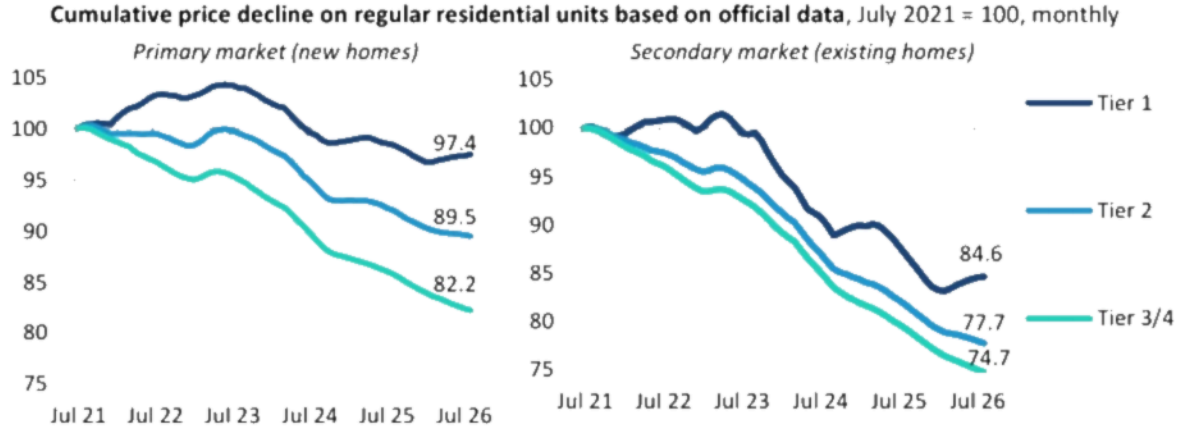
*Series was revised in 2018, 2020, 2021, 2023, 2024, 2025 and 2026, with some entities taken out.
Source: CEIC, Autonomous Research

EXHIBIT 6: **Property activity remained deeply depressed in August, with starts, sales, and investment all contracting at double-digit rates**



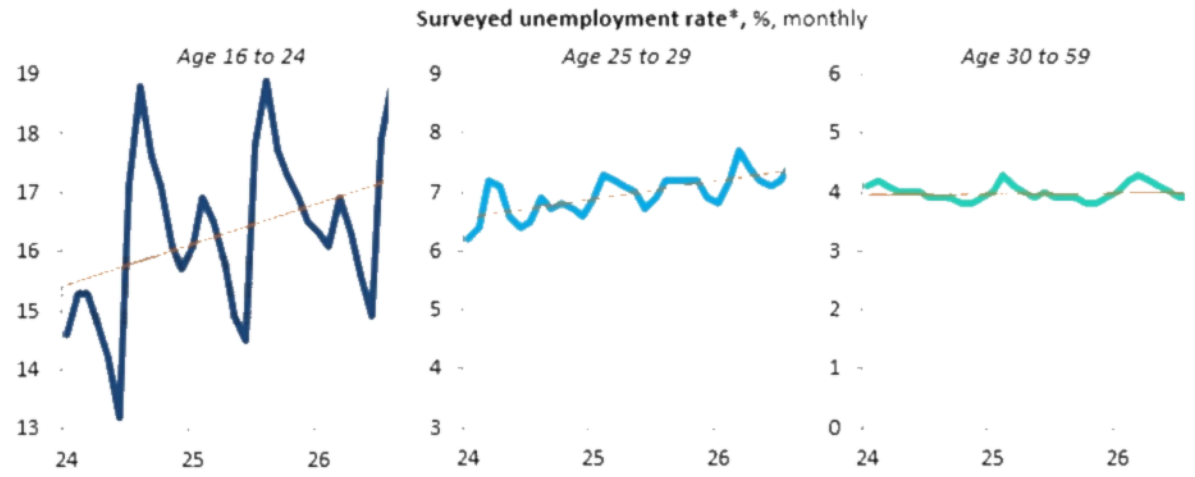
*Based on growth rates derived from official nominal data, which differ from new official growth rates.
Source: CEIC, Autonomous Research

EXHIBIT 7: **Property prices in Tier 1 cities have been rising for a few months, but continue to decline in Tier 2 and below**



Source: CEIC, Autonomous Research

EXHIBIT 8: **Unemployment among youth and workers age 25-29 has been rising**



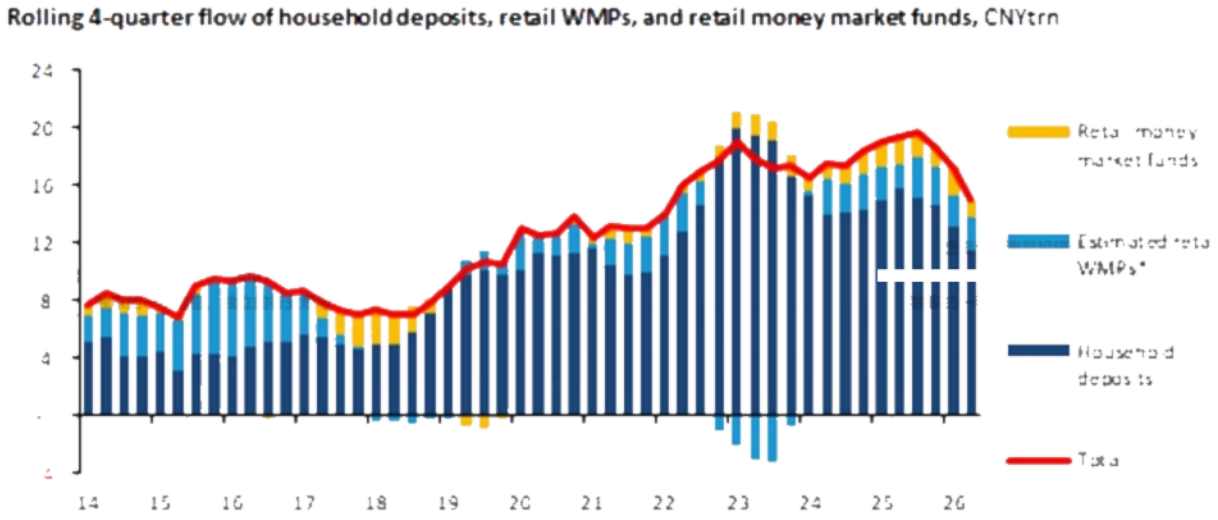
Source: CEIC, Autonomous Research

EXHIBIT 9: **Consumer confidence has improved a bit but remains depressed**



*A reading of above 100 signals a boost in consumer confidence or income expectation, and vice versa.
Source: CEIC, Autonomous Research

EXHIBIT 10: **The big spend-down in savings is occurring, but without any uplift in consumption. This suggests household budgets are extremely tight**



*Assumes 60% of bank WMPs prior to 2018 were held by households and 80% from 2018 onward.
Source: CEIC, Wind, China Securities Journal, Autonomous Research

SUPPORTING EXHIBITS: LUXURY

EXHIBIT 11: **Luxury exposure by geography**

			Geographical Exposure (Revenues, estimates)						
Category	Price Point	Company	Europe	Americas	Greater China	Japan	Rest of Asia	ROW	Chinese Nationals
Soft	High-End	Brunello Cucinelli	35%	37%	14%	6%	8%	0%	19%
Hard	Core	Richemont	23%	25%	18%	10%	14%	9%	23%
Soft	Core	Kering	30%	24%	20%	8%	9%	9%	27%
Soft	High-End	Zegna	36%	30%	23%	8%	4%	0%	28%
Soft	Core	LVMH	26%	18%	25%	11%	10%	10%	33%
Soft	Core	Prada	31%	18%	24%	13%	9%	5%	34%
Hard	Core	Swatch	24%	21%	23%	10%	16%	5%	35%
Soft	Core	Moncler	34%	14%	27%	11%	12%	2%	39%
Soft	High-End	Hermès	25%	19%	33%	10%	9%	4%	41%
Soft	Core	Burberry	31%	21%	28%	7%	8%	4%	42%
Eyewear	Core	EssilorLuxottica	38%	45%	5%	3%	4%	5%	5%
		Average (ex. EL.FP)	29%	21%	25%	10%	10%	5%	34%

LVMH = F&LG
Source: Company reports, Bernstein analysis and estimates

APPENDIX

EXHIBIT 12: Global Luxury Goods - OSG Breakdown

Company	Division	Bernstein - New		Bernstein - Old		New vs. Old (bps)		Consensus		New vs. Consensus	
		2026	2027	2026	2027	2026	2027	2026	2027	2026	2027
LVMH	**Group**	**2.1%**	**3.6%**	**2.2%**	**5.2%**	**-14**	**-162**	**2.4%**	**4.5%**	**-37**	**-94**
	Wines & Spirits	3.5%	3.0%	3.5%	2.0%	0	100	3.8%	3.2%	-35	-20
	Fashion & Leather Goods	-0.9%	1.8%	-0.6%	5.0%	-29	-321	0.7%	4.2%	-156	-244
	Perfumes & Cosmetics	0.8%	3.8%	0.8%	5.0%	0	-125	0.3%	4.0%	54	-24
	Watches & Jewelry	7.5%	6.7%	7.5%	5.0%	0	175	7.8%	7.0%	-27	-25
	Selective Retailing	5.2%	5.5%	5.2%	7.0%	0	-146	4.7%	5.0%	55	54
Hermès	**Group**	**6.2%**	**7.0%**	**6.2%**	**7.6%**	**0**	**-61**	**6.7%**	**8.0%**	**-53**	**-97**
	Leather Goods - Saddlery	10.2%	9.3%	10.2%	9.5%	0	-24	10.5%	10.0%	-34	-74
	Ready-to-Wear & Acc.	2.0%	5.2%	2.0%	6.5%	0	-131	3.0%	6.0%	-99	-77
	Silk and Textiles	8.7%	5.3%	8.7%	5.5%	0	-16	8.1%	6.0%	59	-66
	Other Hermès Sectors	5.0%	5.8%	5.0%	7.2%	0	-135	5.8%	7.0%	-71	-115
	Perfumes	-5.9%	3.7%	-5.9%	3.0%	0	72	-3.5%	4.0%	-242	-25
	Watches	1.0%	3.5%	1.0%	3.0%	0	49	0.6%	3.5%	39	-1
	Other products	2.9%	3.0%	2.9%	3.0%	0	0	3.6%	4.0%	-62	-100
Richemont	**Group**	**14.8%**	**10.1%**	**14.8%**	**10.1%**	**0**	**0**	**11.0%**	**12.3%**	**384**	**-224**
	Jewellery Maisons	18.1%	12.0%	18.1%	12.0%	0	0	14.0%	14.8%	411	-276
	Specialist Watchmakers	4.9%	4.0%	4.9%	4.0%	0	0	1.0%	5.0%	395	-100
	All Other Businesses	5.8%	4.0%	5.8%	4.0%	0	0	3.0%	5.9%	278	-190

Source: Visible Alpha, Company reports, Bernstein analysis and estimates

EXHIBIT 13: Global Luxury Goods - EBIT% Breakdown

Company	Division	Bernstein - New				New vs. Old (bps)		Consensus		New vs. Consensus	
		2026	2027	2026	2027	2026	2027	2026	2027	2026	2027
Hermès	**Hermès Group**	**39.9%**	**39.9%**	**39.9%**	**39.9%**	0	0	**40.3%**	**40.4%**	-43	-56
	France	43.7%	44.0%	43.7%	44.0%	0	0	45.1%	44.8%	-141	-80
	Rest of Europe	34.0%	34.0%	34.0%	34.0%	0	0	34.4%	34.4%	-44	-40
	Japan	40.4%	40.5%	40.4%	40.5%	0	0	39.3%	39.3%	107	122
	Rest of Asia	40.0%	40.5%	40.0%	40.5%	0	0	40.5%	41.0%	-59	-55
	Americas	36.3%	37.0%	36.3%	37.0%	0	0	35.7%	35.7%	56	126
	Other	39.4%	40.0%	39.4%	40.0%	0	0	38.5%	38.0%	94	202
LVMH	**LVMH Group**	**21.5%**	**21.7%**	**21.5%**	**22.5%**	-1	-81	**21.9%**	**22.4%**	-45	-67
	Wines & Spirits	19.0%	21.0%	19.0%	21.0%	0	0	19.4%	20.3%	-42	72
	Fashion & Leather Goods	34.0%	34.0%	34.0%	35.8%	0	-180	34.5%	34.9%	-48	-94
	Perfumes & Cosmetics	8.8%	9.5%	8.8%	9.5%	0	0	9.2%	9.5%	-38	5
	Watches & Jewelry	15.0%	16.0%	15.0%	16.0%	0	0	15.3%	16.1%	-33	-12
	Selective Retailing	10.0%	10.3%	10.0%	10.0%	0	30	10.1%	10.4%	-14	-13
		2027	2028	2027	2028	2027	2028	2027	2028	2027	2028
Richemont	**Richemont Group**	**22.1%**	**23.4%**	**23.0%**	**24.2%**	-96	-75	**21.3%**	**22.5%**	77	94
	Jewellery Maisons	31.0%	31.7%	32.1%	32.5%	-110	-80	30.8%	31.7%	17	1
	Specialist Watchmakers	5.5%	7.8%	6.0%	7.8%	-50	0	5.1%	7.2%	41	62

Source: Company reports, Visible Alpha, Bernstein estimates and analysis

EXHIBIT 14: **Where We Stand**

WHERE WE STAND

(In reporting currency, in millions)	Revenue - Bernstein View			YoY Change - Bernstein (%)			vs. Consensus (%)	
	2025	2026	2027	2025	2026	2027	2026	2027
LVMH Moet Hennessy Louis Vuitton	80,807	80,530	83,222	-5%	0%	3%	0%	-1%
Kering	14,675	14,548	15,407	-15%	-1%	6%	0%	-1%
Hermes International	16,002	16,739	17,911	5%	5%	7%	0%	-1%
Cie Financiere Richemont	22,420	25,535	28,106	5%	14%	10%	2%	4%
Swatch Group	6,280	6,544	6,778	-7%	4%	4%	0%	-2%
Moncler Spa	3,132	3,298	3,534	1%	5%	7%	2%	2%
Burberry Group Plc	2,420	2,555	2,716	-2%	6%	6%	0%	1%
Prada S.P.A.	5,718	6,508	6,859	5%	14%	5%	1%	1%
Brunello Cucinelli	1,408	1,547	1,728	10%	10%	12%	0%	1%
Ermenegildo Zegna	1,917	2,039	2,244	-2%	6%	10%	0%	2%
Salvatore Ferragamo	977	967	1,028	-6%	-1%	6%	-1%	1%
	Org. Growth - Bernstein View			**YoY Change - Bernstein (%)**			**vs. Consensus (bps)**	
	2025	2026	2027	2025	2026	2027	2026	2027
LVMH Moet Hennessy Louis Vuitton	-1.0%	2.1%	3.6%				(17)	(61)
Kering	-10.0%	1.2%	5.7%				14	(80)
Hermes International	8.9%	6.2%	7.0%				(38)	(54)
Cie Financiere Richemont	11.0%	14.8%	10.1%				305	290
Swatch Group	-1.3%	8.2%	3.6%				387	(130)
Moncler Spa	3.1%	7.0%	7.6%				103	193
Burberry Group Plc	0.1%	4.8%	6.3%				24	45
Prada S.P.A.	9.0%	3.4%	5.4%				(552)	108
Brunello Cucinelli	11.5%	11.0%	10.6%				(75)	28
Ermenegildo Zegna	1.1%	8.6%	8.0%				54	49
Salvatore Ferragamo	-3.7%	2.1%	4.5%				100	88
	EBIT - Bernstein View			**YoY Change - Bernstein (%)**			**vs. Consensus (%)**	
	2025	2026	2027	2025	2026	2027	2026	2027
LVMH Moet Hennessy Louis Vuitton	17,755	17,275	18,094	-9%	-3%	5%	-2%	-4%
Kering	1,631	1,860	2,245	-36%	14%	21%	0%	-5%
Hermes International	6,569	6,682	7,145	7%	2%	7%	-1%	-2%
Cie Financiere Richemont	4,551	5,637	6,589	2%	24%	17%	3%	5%
Swatch Group	135	414	612	-56%	207%	48%	25%	10%
Moncler Spa	913	983	1,066	0%	8%	8%	4%	5%
Burberry Group Plc	160	229	312	515%	43%	36%	-7%	-6%
Prada S.P.A.	1,299	1,256	1,386	2%	-3%	10%	2%	3%
Brunello Cucinelli	228	268	306	8%	18%	14%	0%	2%
Ermenegildo Zegna*	163	197	257	-2%	21%	31%	1%	5%
Salvatore Ferragamo	(21)	39	64	-56%	n.m.	66%	-6%	16%
	EBIT % - Bernstein View			**YoY Change - Bernstein (bps)**			**vs. Consensus (bps)**	
	2025	2026	2027	2025	2026	2027	2026	2027
LVMH Moet Hennessy Louis Vuitton	22.0%	21.5%	21.7%	(114)	(52)	29	(45)	(67)
Kering	11.1%	12.8%	14.6%	(374)	167	179	1	(69)
Hermes International	41.1%	39.9%	39.9%	52	(113)	(2)	(33)	(35)
Cie Financiere Richemont	20.3%	22.1%	23.4%	(58)	177	137	69	92
Swatch Group	2.1%	6.3%	9.0%	(236)	418	270	66	61
Moncler Spa	29.2%	29.8%	30.2%	(31)	64	36	69	71
Burberry Group Plc	6.6%	9.0%	11.5%	556	237	251	(74)	(80)
Prada S.P.A.	22.7%	19.3%	20.2%	(84)	(342)	90	17	36
Brunello Cucinelli	16.2%	17.3%	17.7%	(38)	113	40	3	8
Ermenegildo Zegna	8.5%	9.7%	11.5%	(7)	116	180	14	34
Salvatore Ferragamo	-2.2%	4.0%	6.2%	254	619	223	36	85
	EPS - Bernstein View			**YoY Change - Bernstein (%)**			**vs. Consensus (%)**	
	2025	2026	2027	2025	2026	2027	2026	2027
LVMH Moet Hennessy Louis Vuitton	22.73	21.86	22.92	-13%	-4%	5%	-3%	-7%
Kering	4.35	6.60	9.44	-59%	52%	43%	1%	-5%
Hermes International	43.12	43.80	47.07	-2%	2%	7%	-3%	-5%
Cie Financiere Richemont	5.96	7.73	9.04	-7%	30%	17%	4%	6%
Swatch Group	0.03	5.53	8.59	-99%		55%	31%	15%
Moncler Spa	2.31	2.46	2.66	-2%	7%	8%	5%	6%
Burberry Group Plc	0.24	0.35	0.54	n.m.	44%	52%	-7%	-4%
Prada S.P.A.	0.33	0.31	0.35	2%	-6%	11%	2%	4%
Brunello Cucinelli	1.99	2.31	2.69	13%	16%	17%	2%	3%
Ermenegildo Zegna	0.45	0.40	0.55	38%	-11%	38%	-4%	3%
Salvatore Ferragamo	(0.30)	0.05	0.17	-28%	n.m.	n.m.	65%	15%

Note that calendar years for CFR and BRBY correspond to the their closest financial year or quarter (i.e. CY2025 = FY2026; CY3Q25 = FY2Q26), unless stated otherwise

*Zegna Aj. EBIT
Source: Company reports, Visible Alpha, Bernstein analysis and estimates

EXHIBIT 15: **Global Luxury Goods - Valuations**

Current Global Luxury Goods Valuation CY 2026					
	P/E	Relative P/E	EV/Sales	EV/EBITDA	EV/EBIT
Brunello Cucinelli	35.5	2.3	4.2	14.2	24.9
Kering	33.1	2.1	2.6	9.8	20.2
Hermès	30.3	2.0	7.9	17.4	19.6
Zegna	28.5	1.8	1.9	8.6	20.3
Burberry	26.7	1.7	1.8	7.7	18.7
Richemont	24.1	1.6	4.1	14.6	18.7
EssilorLuxottica	19.7	1.3	2.7	11.3	17.0
Moncler	18.4	1.2	3.9	10.0	13.4
LVMH	17.6	1.1	2.8	9.1	12.7
Birkenstock	15.2	1.0	2.6	8.5	10.4
Prada	14.3	0.9	2.3	7.0	12.0
Salvatore Ferragamo	n.m.	n.m.	1.8	9.5	40.6
Swatch	n.m.	n.m.	1.3	10.8	24.9
Average	24.0	1.5	3.1	10.7	19.5

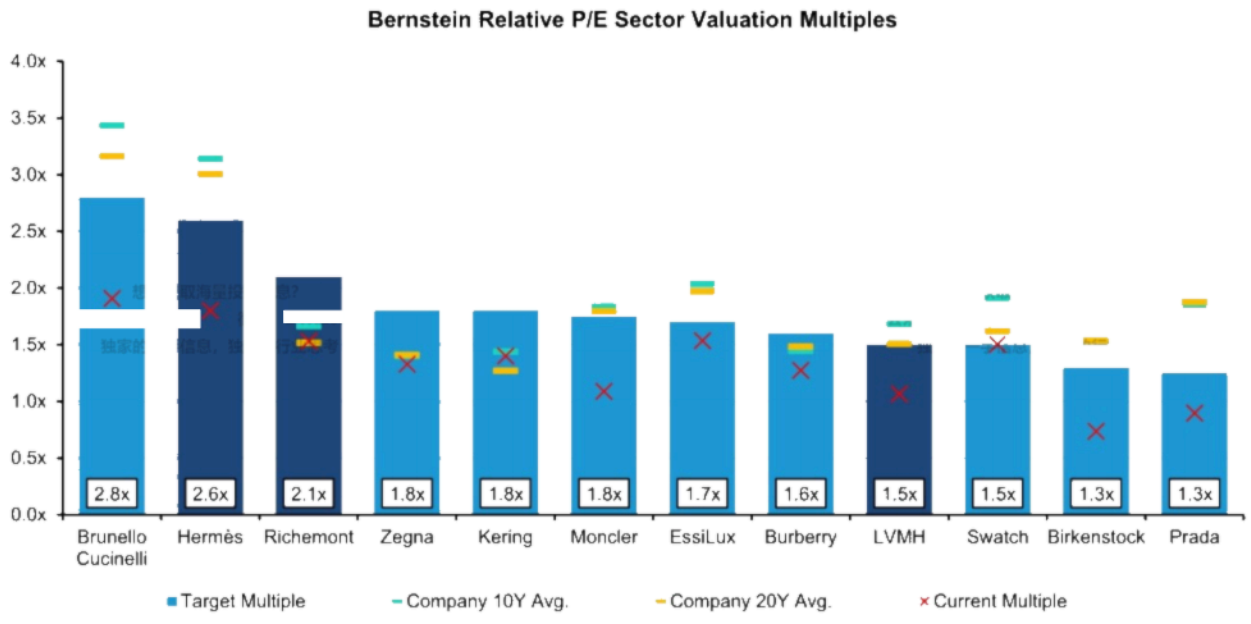
Source: Bloomberg (as of 25/09/26), Bernstein analysis

EXHIBIT 16: **Global Luxury Valuation Premium/(Discount) vs. 10 year History**

Global Luxury Valuation Premium/(Discount) vs 10 year History						
	P/E	Relative P/E	EV/Sales	EV/EBITDA	EV/EBIT	Average
Zegna	44%	31%	26%	34%	n.m.	34%
Swatch	n.m.	n.m.	(21%)	17%	46%	14%
Richemont	(6%)	(7%)	23%	9%	(2%)	4%
Burberry	22%	19%	(27%)	(27%)	15%	0%
Salvatore Ferragamo	n.m.	n.m.	(23%)	14%	n.m.	(5%)
Kering	n.m.	n.m.	(28%)	(19%)	27%	(7%)
Brunello Cucinelli	(34%)	(33%)	(2%)	(17%)	(21%)	(21%)
LVMH	(31%)	(33%)	(32%)	(34%)	(29%)	(32%)
EssilorLuxottica	(37%)	(38%)	(28%)	(29%)	(29%)	(32%)
Moncler	(34%)	(35%)	(31%)	(34%)	(31%)	(33%)
Birkenstock	(34%)	(37%)	(35%)	(34%)	(34%)	(35%)
Hermès	(36%)	(38%)	(31%)	(37%)	(38%)	(36%)
Prada	(49%)	(50%)	(31%)	(37%)	(42%)	(42%)
Average	(19)%	(22)%	(18)%	(15)%	(13)%	(15)%

Source: Bloomberg (as of 25/09/26), Bernstein analysis

EXHIBIT 17: **Global Luxury Goods - Relative P/E**



Source: Bloomberg, Bernstein analysis

APPENDIX - FINANCIAL FORECASTS

EXHIBIT 18: **LVMH - Income Statement**

INCOME STATEMENT (EUR million)	2019A	2020A	2021A	2022A	2023A	2024A	2025A	2026E	2027E	2028E
Net Sales	53,670	44,651	64,215	79,184	86,153	84,683	80,807	80,938	84,222	87,986
Cost of Sales	(18,123)	(15,871)	(20,355)	(24,988)	(26,876)	(27,918)	(27,279)	(26,938)	(27,213)	(28,993)
Gross Margin	**35,547**	**28,780**	**43,860**	**54,196**	**59,277**	**56,765**	**53,528**	**53,553**	**55,509**	**58,073**
SG&A	(18,963)	(14,383)	(20,892)	(26,952)	(29,305)	(29,426)	(27,847)	(28,281)	(29,064)	(29,937)
Income (loss) from Associates	28	(42)	13	37	7	28	75	19	19	21
EBITDA	**16,612**	**14,355**	**22,981**	**27,281**	**29,979**	**27,367**	**25,756**	**25,372**	**26,445**	**28,137**
Amortisation & Depreciation	(5,108)	(6,050)	(5,830)	(6,226)	(7,177)	(7,796)	(8,001)	(8,097)	(8,351)	(8,601)
ADJUSTED EBIT	**11,504**	**8,305**	**17,151**	**21,055**	**22,802**	**19,571**	**17,755**	**17,275**	**18,094**	**19,535**
Other Operating Income & Expense	(231)	(333)	4	(54)	(242)	(664)	(656)			
EBIT	**11,273**	**7,972**	**17,155**	**21,001**	**22,560**	**18,907**	**17,099**	**17,275**	**18,094**	**19,535**
Net Financial Result	(559)	(608)	53	(888)	(935)	(792)	(401)	(401)	(401)	(401)
Profit before Tax	**10,714**	**7,364**	**17,208**	**20,113**	**21,625**	**18,115**	**16,698**	**16,874**	**17,693**	**19,134**
Tax	(2,932)	(2,409)	(4,510)	(5,362)	(5,673)	(5,157)	(5,476)	(5,535)	(5,803)	(5,568)
Net Profit	**7,782**	**4,955**	**12,698**	**14,751**	**15,952**	**12,958**	**11,222**	**11,340**	**11,890**	**13,566**
Net Minorities	(611)	(253)	(662)	(667)	(778)	(408)	(344)	(454)	(476)	(543)
Goodwill										
REPORTED Net Profit for the Group	**7,171**	**4,702**	**12,036**	**14,084**	**15,174**	**12,550**	**10,878**	**10,886**	**11,414**	**13,024**
Discontinued Operations & Exceptionals	(168)	(224)	3	(40)	(179)	(475)	(441)			
ADJUSTED Net Profit for the Group	**7,339**	**4,926**	**12,033**	**14,124**	**15,353**	**13,025**	**11,319**	**10,886**	**11,414**	**13,024**
Diluted Shares Outstanding	503,839,542	504,210,133	503,895,592	502,480,100	500,304,316	499,681,046	497,976,118	497,976,118	497,976,118	497,976,118
REPORTED EPS, diluted (EUR)	**14.23**	**9.33**	**23.89**	**28.03**	**30.33**	**25.12**	**21.84**	**21.86**	**22.92**	**26.15**
ADJUSTED EPS, diluted (EUR)	**14.57**	**9.77**	**23.88**	**28.11**	**30.69**	**26.07**	**22.73**	**21.86**	**22.92**	**26.15**

Source: Company reports, Bernstein analysis and estimates

EXHIBIT 19: **LVMH - Cash Flow Statement**

CASH FLOW STATEMENT (EUR million)	2019A	2020A	2021A	2022A	2023A	2024A	2025A	2026E	2027E	2028E
Net Profit for the Group	7,339	4,926	12,033	14,124	15,353	13,025	11,319	10,886	11,414	13,024
Amortisation & Depreciation	5,108	6,050	5,830	6,226	7,177	7,796	8,001	8,097	8,351	8,601
Other Adjustments	3,836	3,181	4,714	6,434	7,127	6,845	6,049	6,471	6,661	6,491
Gross Cash from Operations	**16,283**	**14,157**	**22,577**	**26,784**	**29,657**	**27,666**	**25,369**	**25,354**	**26,426**	**28,116**
Changes in net working capital	(1,154)	(367)	426	(3,019)	(4,577)	(1,925)	(576)	(1,977)	(595)	(986)
Interest, taxes and dividends from associates	(3,313)	(2,669)	(4,358)	(5,892)	(6,501)	(6,342)	(5,478)	(5,941)	(6,291)	(6,965)
Net Cash from Operations	**11,816**	**11,121**	**18,645**	**17,873**	**18,579**	**19,399**	**19,315**	**17,444**	**19,629**	**21,164**
Capex	(3,323)	(2,529)	(3,329)	(5,203)	(7,938)	(5,581)	(4,668)	(5,740)	(4,907)	(4,270)
Acquisitions	(2,478)	(536)	(13,226)	(809)	(721)	(438)	149	0	0	0
Divestitures	36	63	675	241	465	59	122	0	0	0
Financial Investments	(104)	63	(99)	(149)	(116)	(579)	(243)	(172)	(126)	(128)
Net Cash from Investments	**(5,869)**	**(2,939)**	**(15,979)**	**(5,920)**	**(8,310)**	**(6,539)**	**(4,640)**	**(5,912)**	**(4,334)**	**(4,399)**
Issue of debt & equity	2,940	17,538	255	3,786	6,005	3,683	2,101	0	0	0
Dividends paid	(3,678)	(2,799)	(4,161)	(6,775)	(7,159)	(7,322)	(7,123)	(7,123)	(7,123)	(7,469)
Debt rep & Share rep	(4,046)	(7,338)	(9,422)	(8,258)	(8,370)	(6,903)	(8,842)	0	0	0
Other financing activities	50	2	(1,828)	(1,439)	127	(174)	(1,032)	0	0	0
Net Cash from Financing Activities	**(4,734)**	**7,403**	**(15,156)**	**(12,686)**	**(9,397)**	**(10,716)**	**(14,896)**	**(7,123)**	**(7,123)**	**(7,469)**
Effect of FX rate changes	39	(1,052)	498	55	(273)	80	(248)	0	0	0
Net Cash from discontinued operations								0	0	0
TOTAL Net Cash Flow	**1,252**	**14,533**	**(11,992)**	**(678)**	**599**	**2,224**	**(469)**	**4,409**	**8,173**	**9,297**

Source: Company reports, Bernstein analysis and estimates

EXHIBIT 20: **LVMH - Balance Sheet**

BALANCE SHEET (EUR million)	2019A	2020A	2021A	2022A	2023A	2024A	2025A	2026E	2027E	2028E
Cash & Cash Equivalents	5,673	19,962	8,021	7,300	7,774	9,631	8,794	13,203	21,376	30,673
Short term borrowings	(7,610)	(10,638)	(8,075)	(9,359)	(10,680)	(10,851)	(7,925)	(10,172)	(13,172)	(10,172)
Inventory	13,717	13,016	16,549	20,319	22,952	23,669	22,659	24,391	25,656	26,213
Trade Receivables	3,450	2,756	3,787	4,258	4,728	4,730	4,332	4,854	5,116	5,248
Trade Payables	(5,814)	(5,098)	(7,086)	(8,788)	(9,049)	(8,630)	(8,223)	(8,500)	(8,735)	(9,135)
Other Current Assets	3,670	4,238	5,944	7,863	8,256	9,441	12,394	12,394	12,394	12,394
Other Current Liabilities	(2,894)	(2,884)	(3,654)	(3,843)	(3,876)	(4,203)	(5,078)	(5,078)	(5,078)	(5,078)
Net Working Capital	**10,192**	**21,352**	**15,486**	**17,750**	**20,105**	**23,787**	**26,953**	**31,093**	**39,861**	**50,144**
Net Fixed Assets	30,942	30,745	33,898	37,670	43,010	46,506	44,588	42,231	38,087	33,756
Intangibles	33,246	33,054	50,455	50,214	49,611	46,587	41,444	41,444	41,444	41,444
Other Non Current Assets	5,809	4,899	6,657	7,022	7,363	8,626	7,826	8,014	8,256	8,301
Total Net Assets	**80,189**	**90,050**	**106,496**	**112,656**	**120,089**	**125,506**	**120,811**	**122,781**	**127,548**	**133,645**
Long term debt	(5,101)	(14,065)	(12,165)	(10,380)	(11,227)	(12,091)	(12,418)	(10,172)	(13,172)	(10,172)
Other non Current Liabilities	(36,723)	(37,157)	(45,422)	(45,672)	(46,161)	(44,128)	(39,444)	(39,444)	(39,444)	(39,444)
Minorities	(1,779)	(1,417)	(1,790)	(1,493)	(1,684)	(1,770)	(1,477)	(1,931)	(2,406)	(2,949)
Equity	(36,586)	(37,412)	(47,119)	(55,111)	(61,017)	(67,517)	(67,472)	(71,235)	(73,526)	(81,081)
Total Net Liabilities	**(80,189)**	**(90,051)**	**(106,496)**	**(112,656)**	**(120,089)**	**(125,506)**	**(120,811)**	**(122,781)**	**(127,548)**	**(133,645)**

Source: Company reports, Bernstein analysis and estimates

EXHIBIT 21: **Hermès - Income Statement**

INCOME STATEMENT (EUR million)	1999A	2000A	2019A	2020A	2021A	2022A	2023A	2024A	2025A	2026E	2027E	2028E
Net Sales	927	1,159	6,883	6,389	8,982	11,602	13,427	15,170	16,002	[illegible]	[illegible]	[illegible]
Cost of Sales	(385)	(442)	(2,125)	(2,013)	(2,580)	(3,389)	(3,720)	(4,511)	(4,623)	[illegible]	[illegible]	[illegible]
Gross Margin	**542**	**717**	**4,759**	**4,376**	**6,402**	**8,213**	**9,708**	**10,660**	**11,379**	**11,901**	**12,609**	**13,638**
SG&A	(309)	(382)	(1,972)	(1,881)	(2,308)	(2,909)	(3,392)	(3,667)	(3,884)	[illegible]	[illegible]	[illegible]
EBITDA	**233**	**335**	**2,787**	**2,496**	**4,094**	**5,304**	**6,316**	**6,993**	**7,495**	**7,736**	**8,238**	**8,918**
Amortisation & Depreciation	(35)	(42)	(448)	(514)	(563)	(607)	(666)	(844)	(926)	[illegible]	[illegible]	[illegible]
Other Operating Income & Expense												
EBIT	**198**	**293**	**2,339**	**1,981**	**3,531**	**4,697**	**5,650**	**6,149**	**6,569**	**6,682**	**7,145**	**7,738**
Net Financial Result	3	7	(69)	(86)	(96)	(62)	190	283	207	[illegible]	[illegible]	[illegible]
Profit before Tax	**202**	**300**	**2,270**	**1,895**	**3,435**	**4,635**	**5,840**	**6,432**	**6,776**	**6,894**	**7,409**	**8,050**
Tax	(74)	(115)	(751)	(585)	(1,015)	(1,305)	(1,623)	(1,845)	(2,263)	[illegible]	[illegible]	[illegible]
Income (loss) from Associates	0	2	16	16	34	50	105	44	47	[illegible]	[illegible]	[illegible]
Net Profit	**128**	**187**	**1,535**	**1,327**	**2,454**	**3,380**	**4,322**	**4,631**	**4,560**	**4,632**	**4,978**	**5,771**
Net Minorities	(3)	(7)	(7)	(4)	(8)	(13)	(12)	(28)	(36)	[illegible]	[illegible]	[illegible]
Goodwill	(7)	(5)										
ADJUSTED Net Profit for the Group	**119**	**175**	**1,528**	**1,322**	**2,446**	**3,367**	**4,310**	**4,603**	**4,524**	**4,596**	**4,939**	**5,725**
Discontinued Operations & Exceptionals			0	63	0	0	0	0	0			
REPORTED Net Profit for the Group	**119**	**175**	**1,528**	**1,385**	**2,446**	**3,367**	**4,310**	**4,603**	**4,524**	**4,596**	**4,939**	**5,725**
Diluted Shares Outstanding (million)	111,557,703	111,595,521	105,055,331	104,888,511	104,964,401	104,936,295	104,842,483	104,925,000	104,925,000	[illegible]	[illegible]	[illegible]
ADJUSTED EPS, diluted (EUR)	**1.07**	**1.57**	**14.55**	**12.61**	**23.30**	**32.09**	**41.11**	**43.87**	**43.12**	**43.80**	**47.07**	**54.57**
REPORTED EPS, diluted (EUR)	**1.07**	**1.57**	**14.55**	**13.21**	**23.30**	**32.09**	**41.11**	**43.87**	**43.12**	**43.80**	**47.07**	**54.57**

Source: Company reports, Bernstein analysis and estimates

EXHIBIT 22: **Hermès - Cash Flow Statement**

CASH FLOW STATEMENT (EUR million)	1999A	2000A	2019A	2020A	2021A	2022A	2023A	2024A	2025A	2026E	2027E	2028E
Net Profit for the Group	119	175	1,528	1,385	2,445	3,367	4,311	4,603	4,524	[illegible]	[illegible]	[illegible]
Amortisation & Depreciation	35	42	448	514	563	607	666	844	926	[illegible]	[illegible]	[illegible]
Other Adjustments	9	4	101	93	60	148	161	(54)	184	[illegible]	[illegible]	[illegible]
Gross Cash from Operations	**162**	**221**	**2,077**	**1,993**	**3,068**	**4,122**	**5,138**	**5,393**	**5,634**	**7,736**	**8,238**	**8,918**
Changes in net working capital	14	(7)	24	(350)	346	73	(794)	(239)	(233)	[illegible]	[illegible]	[illegible]
Interest, taxes and dividends from associates	0	0	0	0	0	0	0	0	0	[illegible]	[illegible]	[illegible]
Net Cash from Operations	**176**	**214**	**2,101**	**1,642**	**3,414**	**4,195**	**4,344**	**5,154**	**5,401**	**5,885**	**5,846**	**6,722**
Capex	(98)	(96)	(478)	(448)	(532)	(518)	(859)	(1,067)	(1,161)	[illegible]	[illegible]	[illegible]
Acquisitions	0	0	0	(72)	0	(1)	(288)	(229)	(60)	[illegible]	[illegible]	[illegible]
Divestitures	[illegible]	1	46	107	15	37	93	97	49	[illegible]	[illegible]	[illegible]
Financial Investments			(77)	(36)	(198)	(166)	(52)	(27)	(180)	[illegible]	[illegible]	[illegible]
Net Cash from Investments	**(97)**	**(95)**	**(509)**	**(454)**	**(715)**	**(648)**	**(1,106)**	**(1,226)**	**(1,352)**	**(1,064)**	**(1,069)**	**(1,074)**
Issue of debt & equity	0	0	0	8	0	0	0	0	8	[illegible]	[illegible]	[illegible]
Dividends paid	(27)	(35)	(487)	(490)	(490)	(852)	(1,386)	(2,705)	(2,796)	[illegible]	[illegible]	[illegible]
Debt rep & Share rep	0	0	(256)	(329)	(378)	(384)	(408)	(343)	(349)	[illegible]	[illegible]	[illegible]
Other financing activities	(0)	0	0	0	0	0	0	2	1	[illegible]	[illegible]	[illegible]
Net Cash from Financing Activities	**(28)**	**(35)**	**(743)**	**(810)**	**(868)**	**(1,236)**	**(1,794)**	**(3,046)**	**(3,136)**	**(1,838)**	**(1,976)**	**(2,290)**
Effect of FX rate changes	0	0	33	(55)	110	159	(138)	119	(364)	[illegible]	[illegible]	[illegible]
Net Cash from discontinued operations	(25)	11	0	0	0	0	0	0	0			
TOTAL Net Cash Flow	**26**	**95**	**882**	**324**	**1,941**	**2,470**	**1,306**	**1,001**	**549**	**2,983**	**2,802**	**3,357**

Source: Company reports, Bernstein analysis and estimates

EXHIBIT 23: **Hermès - Balance Sheet**

BALANCE SHEET (EUR million)	1999A	2000A	2019A	2020A	2021A	2022A	2023A	2024A	2025A	2026E	2027E	2028E
Cash & Cash Equivalents	332	428	4,384	4,733	6,696	9,222	10,625	11,643	12,240	[illegible]	[illegible]	[illegible]
Short term borrowings	0	0	(21)	(25)	(1)	(2)	(1)	0	0	[illegible]	[illegible]	[illegible]
Inventory	214	257	1,133	1,289	1,449	1,779	2,414	2,797	2,575	[illegible]	[illegible]	[illegible]
Trade Receivables	101	129	318	250	333	383	431	478	418	[illegible]	[illegible]	[illegible]
Trade Payables	(110)	(141)	(480)	(448)	(535)	(777)	(880)	(832)	(792)	[illegible]	[illegible]	[illegible]
Other Current Assets	97	121	756	378	368	442	539	558	677	[illegible]	[illegible]	[illegible]
Other Current Liabilities	(149)	(185)	(1,523)	(1,366)	(2,040)	(2,225)	(2,303)	(2,797)	(2,393)	[illegible]	[illegible]	[illegible]
Net Working Capital	**486**	**608**	**4,067**	**4,811**	**6,270**	**8,822**	**10,825**	**11,847**	**12,725**	**15,462**	**18,437**	**21,967**
Net Fixed Assets	283	325	2,574	3,166	3,407	3,597	4,063	4,766	5,488	[illegible]	[illegible]	[illegible]
Intangibles	76	80	200	264	300	213	297	465	411	[illegible]	[illegible]	[illegible]
Other Non Current Assets	33	38	1,016	972	1,295	1,822	2,078	2,378	2,512	[illegible]	[illegible]	[illegible]
Total Net Assets	**878**	**1,052**	**7,858**	**9,212**	**11,272**	**14,454**	**17,263**	**19,456**	**21,136**	**23,931**	**26,934**	**30,414**
Long term debt	(175)	(178)	(301)	(18)	(74)	(351)	(50)	(61)	(34)	[illegible]	[illegible]	[illegible]
Other non Current Liabilities	(61)	(72)	(1,252)	(1,803)	(1,835)	(1,963)	(2,010)	(2,061)	(2,257)	[illegible]	[illegible]	[illegible]
Minorities	(24)	(30)	(81)	(11)	(12)	(16)	(2)	(7)	(6)	[illegible]	[illegible]	[illegible]
Equity	(619)	(772)	(6,568)	(7,380)	(9,401)	(12,440)	(15,201)	(17,327)	(18,840)	[illegible]	[illegible]	[illegible]
Total Net Liabilities	**(878)**	**(1,052)**	**(7,858)**	**(9,212)**	**(11,272)**	**(14,454)**	**(17,263)**	**(19,456)**	**(21,137)**	**(23,931)**	**(26,934)**	**(30,414)**

Source: Company reports, Bernstein analysis and estimates

EXHIBIT 24: **Richemont - Income Statement**

INCOME STATEMENT (EUR million)	2020A	2021A	2022A	2023A	2024A	2025A	2026A	2027E	2028E	2029E
Net Sales	14,238	13,144	19,181	19,953	20,616	21,399	22,420	25,535	28,106	30,384
Cost of Sales	(5,627)	(5,283)	(7,154)	(6,237)	(6,580)	(7,080)	(7,982)	[illegible]	[illegible]	[illegible]
Gross Margin	**8,611**	**7,861**	**12,027**	**13,716**	**14,036**	**14,319**	**14,438**	**16,342**	**18,016**	**19,507**
SG&A	(5,601)	(4,865)	(7,087)	(7,212)	(7,810)	(8,293)	(8,279)	[illegible]	[illegible]	[illegible]
EBITDA	**3,010**	**2,996**	**4,940**	**6,504**	**6,226**	**6,026**	**6,159**	**7,296**	**8,360**	**9,201**
Amortisation & Depreciation	(1,492)	(1,518)	(1,550)	(1,473)	(1,432)	(1,559)	(1,608)	[illegible]	[illegible]	[illegible]
Other Operating Income & Expense										
EBIT	**1,518**	**1,478**	**3,390**	**5,031**	**4,794**	**4,467**	**4,551**	**5,637**	**6,589**	**7,311**
Net Financial Result	(337)	25	(844)	(314)	(178)	(53)	(144)	[illegible]	[illegible]	[illegible]
Profit before Tax	**1,181**	**1,503**	**2,546**	**4,717**	**4,616**	**4,414**	**4,407**	**5,520**	**6,454**	**7,147**
Tax	(267)	(226)	(498)	(847)	(837)	(727)	(886)	[illegible]	[illegible]	[illegible]
Income (loss) from Associates and other post-tax inc	17	12	31	41	39	75	2	[illegible]	[illegible]	[illegible]
Net Profit	**931**	**1,289**	**2,079**	**3,911**	**3,818**	**3,762**	**3,523**	**4,570**	**5,344**	**5,918**
Net Minorities	2	12	(5)	12	7	1	(20)	[illegible]	[illegible]	[illegible]
Goodwill										
ADJUSTED Net Profit for the Group	**933**	**1,301**	**2,074**	**3,923**	**3,825**	**3,763**	**3,503**	**4,545**	**5,314**	**5,884**
Discontinued Operations & Exceptionals	(51)	(20)	(57)	(3,610)	(1,463)	(1,012)	20	[illegible]	[illegible]	[illegible]
REPORTED Net Profit for the Group	**882**	**1,281**	**2,017**	**313**	**2,362**	**2,751**	**3,523**	**4,545**	**5,314**	**5,884**
Diluted Shares Outstanding	566,800,000	566,600,000	574,400,000	576,700,000	579,400,000	588,900,000	587,900,000	587,900,000	587,900,000	587,900,000
ADJUSTED EPS, diluted (EUR)	**1.65**	**2.30**	**3.61**	**6.80**	**6.60**	**6.39**	**5.96**	**7.73**	**9.04**	**10.01**
REPORTED EPS, diluted (EUR)	**1.56**	**2.26**	**3.51**	**0.54**	**4.08**	**4.67**	**5.99**	**7.73**	**9.04**	**10.01**

Source: Company reports, Bernstein estimates and analysis

EXHIBIT 25: **Richemont - Cash Flow Statement**

CASH FLOW STATEMENT (EUR million)	2020A	2021A	2022A	2023A	2024A	2025A	2026A	2027E	2028E	2029E
Net Profit for the Group	882	1,281	2,017	313	2,362	2,751	3,523	4,545	5,314	5,884
Amortisation & Depreciation	1,492	1,518	1,550	1,473	1,432	1,559	1,608	1,659	1,771	1,846
Other Adjustments	750	233	1,526	4,698	2,424	1,800	1,250	1,092	1,275	1,472
Gross Cash from Operations	**3,124**	**3,032**	**5,093**	**6,484**	**6,218**	**6,110**	**6,381**	**7,296**	**8,360**	**9,201**
Changes in net working capital	(327)	529	81	(1,167)	(651)	(693)	(514)	(1,276)	(994)	(848)
Interest, taxes and dividends from associates	(427)	(343)	(536)	(826)	(871)	(974)	(987)	(1,102)	(1,284)	(1,412)
Net Cash from Operations	**2,370**	**3,218**	**4,638**	**4,491**	**4,696**	**4,443**	**4,880**	**4,923**	**6,108**	**6,911**
Capex	(769)	(893)	(1,127)	(1,041)	(1,089)	(1,423)	(1,326)	(1,330)	(1,337)	(1,344)
Acquisitions	(246)	(33)	(298)	(378)	(317)	(138)	(643)	0	0	0
Divestitures	0	64	167	19	8	62	6	0	0	0
Financial Investments	189	(1,333)	(1,020)	(673)	(1,158)	(49)	399	0	0	0
Net Cash from Investments	**(826)**	**(2,195)**	**(2,278)**	**(2,073)**	**(2,556)**	**(1,548)**	**(1,564)**	**(1,330)**	**(1,337)**	**(1,344)**
Issue of debt & equity	13	2,104	124	202	193	165	30	0	0	0
Dividends paid	(1,017)	(529)	(1,041)	(1,851)	(2,072)	(1,710)	(1,889)	(2,272)	(2,657)	(2,942)
Debt rep & Share rep	(365)	(85)	(16)	(6)	(60)	(124)	(1,692)	0	0	0
Other financing activities	(554)	(584)	(834)	(663)	117	(881)	(780)	0	0	0
Net Cash from Financing Activities	**(1,923)**	**906**	**(1,767)**	**(2,318)**	**(1,822)**	**(2,550)**	**(4,331)**	**(2,272)**	**(2,657)**	**(2,942)**
Effect of FX rate changes	17	(134)	195	(32)	(48)	42	(5)	0	0	0
Net Cash from discontinued operations										
TOTAL Net Cash Flow	**(362)**	**1,795**	**788**	**68**	**270**	**387**	**(1,020)**	**1,321**	**2,113**	**2,625**

Source: Company reports, Bernstein estimates and analysis

EXHIBIT 26: **Richemont - Balance Sheet**

Balance Sheet (EUR million)	2020A	2021A	2022A	2023A	2024A	2025A	2026A	2027E	2028E	2029E
Cash & Cash Equivalents	4,462	7,877	9,877	10,936	10,710	7,606	8,522	9,843	11,956	14,581
Short term borrowings	(2,478)	(4,097)	(5,310)	(5,834)	(6,072)	(4,024)	(4,252)	(4,271)	(4,271)	(4,271)
Inventory	6,658	6,319	7,099	7,096	7,980	9,013	9,715	11,188	12,282	13,239
Trade Receivables	1,246	1,369	1,662	1,708	1,910	1,897	1,907	2,177	2,391	2,584
Trade Payables	(600)	(675)	(3,351)	(2,960)	(2,964)	(3,079)	(3,086)	(3,554)	(3,901)	(4,205)
Other Current Assets	4,406	5,562	6,687	7,504	8,851	9,200	8,790	8,790	8,790	8,790
Other Current Liabilities	(2,797)	(3,364)	(1,846)	(3,514)	(2,756)	(2,672)	(2,003)	(2,003)	(2,003)	(2,003)
Net Working Capital	**10,897**	**12,991**	**14,818**	**14,936**	**17,659**	**17,941**	**19,593**	**22,165**	**25,242**	**28,715**
Net Fixed Assets	6,220	6,142	6,590	6,942	7,601	8,490	9,095	8,766	8,332	7,786
Intangibles	6,088	5,892	5,880	1,107	1,439	1,549	1,428	1,428	1,428	1,428
Other Non Current Assets	1,381	2,198	2,191	5,594	4,190	3,251	3,166	3,207	3,246	3,295
Total Net Assets	**24,586**	**27,223**	**29,479**	**28,579**	**30,889**	**31,231**	**33,282**	**35,561**	**38,248**	**41,224**
Long term debt	(3,951)	(5,937)	(5,948)	(5,954)	(5,972)	(4,487)	(4,487)	(4,468)	(4,468)	(4,468)
Other non Current Liabilities	(3,376)	(3,402)	(3,668)	(3,606)	(4,282)	(4,578)	(4,653)	(4,653)	(4,653)	(4,653)
Minorities	(123)	(110)	(49)	(60)	(114)	(67)	(66)	(92)	(122)	(156)
Equity	(17,136)	(17,774)	(19,814)	(18,959)	(20,521)	(22,099)	(24,076)	(26,348)	(29,005)	(31,947)
Total Net Liabilities	**(24,586)**	**(27,223)**	**(29,479)**	**(28,579)**	**(30,889)**	**(31,231)**	**(33,282)**	**(35,561)**	**(38,248)**	**(41,224)**

Source: Company reports, Bernstein estimates and analysis

BERNSTEIN TICKER TABLE

Ticker	Rating	Cur	25 Sep 2026 Closing Price	Price Target	TTM Rel. Perf.	Cur	Adjusted EPS 2025A	2026E	2027E	Adjusted P/E (x) 2025A	2026E	2027E
BIRK (Birkenstock)	M	USD	33.60	55.00	(42.4)%	EUR	1.85	1.98	2.48	15.9	14.9	11.9
BC.IM (Brunello Cucinelli)	O	EUR	80.80	104.00	(20.1)%	EUR	1.99	2.31	2.69	40.7	35.0	30.0
BRBY.LN (Burberry)	O	GBp	1,017.00	1,300.00	(24.4)%	GBP	0.24	0.35	0.54	41.6	28.8	19.0
CFR.SW (Richemont)	O	CHF	171.40	240.00	1.1%	EUR	5.96	**7.73**	**9.04**	30.5	23.5	20.1
OLD								8.07	9.33			
ZGN	O	USD	12.73	14.00	27.0%	EUR	0.45	0.40	0.55	24.7	27.8	20.2
EL.FP (EssilorLuxottica)	M	EUR	143.90	185.00	(61.0)%	EUR	6.79	7.39	8.01	21.2	19.5	18.0
RMS.FP (Hermes)	O	EUR	1,347.50	1,750.00	(49.7)%	EUR	43.12	43.80	**47.07**	31.3	30.8	28.6
OLD									47.33			
KER.FP (Kering)	M	EUR	223.35	270.00	(32.3)%	EUR	4.35	6.60	9.44	51.3	33.8	23.7
MC.FP (LVMH)	O	EUR	396.85	**480.00**	(36.8)%	EUR	22.73	**21.86**	**22.92**	17.5	18.2	17.3
OLD				520.00				21.90	24.27			
MONC.IM (Moncler)	O	EUR	43.56	57.50	(26.0)%	EUR	2.31	2.46	2.66	18.9	17.7	16.4
1913.HK (Prada SpA)	O	HKD	38.68	50.00	(42.0)%	EUR	0.33	0.31	0.35	13.0	13.8	12.4
SFER.IM (Ferragamo)	O	EUR	7.41	8.70	32.7%	EUR	(0.30)	0.05	0.17	(25.1)	149.6	42.5
UHR.SW (Swatch)	M	CHF	183.25	195.00	8.5%	CHF	0.03	5.53	8.59	N/M	33.1	21.3
SPX			7,743.41									
EDME			1,584.25									
EMLSF			6,390.20									
ASIAX			1,978.05									

PRICE TARGET CHANGE / ESTIMATE CHANGE IN BOLD

O - Outperform, M - Market-Perform, U - Underperform, NR - Not Rated, CS - Coverage Suspended

BRBY.LN, CFR.SW base year is 2026;

Source: Bloomberg, Bernstein estimates and analysis.