



Fashion & Luxury Private Equity and Investors Survey 2025

Global Report

Objective of the study

- 1 Macro-economical context evolution**, analyzing consumers financial well-being and spending intentions
- 2 Overview of the Fashion & Luxury Market** with sizing and historical evolution by Sector, highlighting **company revenues growth** and **marginality**
- 3 Definition of the Key trends affecting the Fashion & Luxury market**
- 4 Overview and sizing of Fashion & Luxury M&A deals** by region and sector, highlighting bidders' profiles and portfolio exit strategies
- 5 Survey conducted on main Private Equity funds** to highlight historical and forecasted key investments trends



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Preface

In 2025 the Fashion & Luxury sector continues to demonstrate resilience despite **macroeconomic** and **geopolitical uncertainty**. While most investors expect **trade barriers** to weigh negatively on the market, particularly in North America, Europe and Asia, the majority remain committed to pursuing opportunities in the industry.

After years of strong post-pandemic recovery, the market experienced a **slowdown in 2024**, with M&A activity reflecting this cautious outlook, with a decline in transaction volumes but a stronger **focus on mid-sized targets**. Consolidation strategies, the growing role of artificial intelligence and sustainability are expected to shape investment outlooks in 2025. Moreover, **Europe** remains the **most attractive region** for investors globally, ahead of North America, while preferences are shifting towards complementary segments rather than investment in F&L brands.

Macroeconomic uncertainties have hindered growth within the F&L sector, leading to a **year-over-year decline** in **sales** and **marginality**. The **Luxury Cars, Watches & Jewellery**, and **Private Jets** segments are among the **most affected**, experiencing an average **decline of over 10% in EBITDA margin**. To counteract this negative trend, luxury companies are **adjusting their supply chains** and **go-to-market strategies** by leveraging technological innovations, such as **Artificial Intelligence**.

In order to analyze and measure market trends and expectations on M&A activities, **Deloitte** is ready to launch the **tenth edition of the “Global Fashion & Luxury Private Equity and Investors Survey”**.



Methodology and Contents

	F&L INDUSTRY BUSINESS PERFORMANCE		M&A DEAL MONITOR 2024 AND 1H 2025		PRIVATE EQUITY AND INVESTORS SURVEY 2025	
CONTENTS	- Macro-economic context - Sales and margins performance by sector - Insights on Luxury market trends for the upcoming year		- Size of M&A deals by F&L sector - Target company profiles - Investor profiles - Analysis of global deals		- F&L market outlook and macro uncertainty impact - Exit and investment strategies in 2025 - Investors' current portfolio of F&L assets	
GEO SCOPE						
DATA SOURCE	- Companies' annual financial reports and presentations - Interviews with C-level industry experts - Deloitte expertise	PRIMARY DATA LEVEL 	- News and reports from major media providers - Investor press releases - Company press releases	PRIMARY DATA LEVEL 	- Online survey based on Computer Assisted Web Interviewing (CAWI) - Interviews with Private Equity funds' top management	PRIMARY DATA LEVEL
REMARKS	THE INVESTORS' SURVEY TARGETED SENIOR MEMBERS WITHIN PRIVATE EQUITY FUNDS, WITH A SUBSTANTIAL KNOWLEDGE OF THE F&L INDUSTRY					

Legend ○ Full secondary data ● Full primary data

Fashion & Luxury Sector Coverage

The study considers nine sectors of the F&L industry, of which three are Personal Luxury Goods.

Personal Luxury Goods



Apparel & Accessories



Cosmetics & Fragrances



Watches & Jewellery

Other Luxury Sectors



Furniture & Houseware



Private Jets



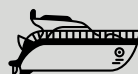
Luxury Cars



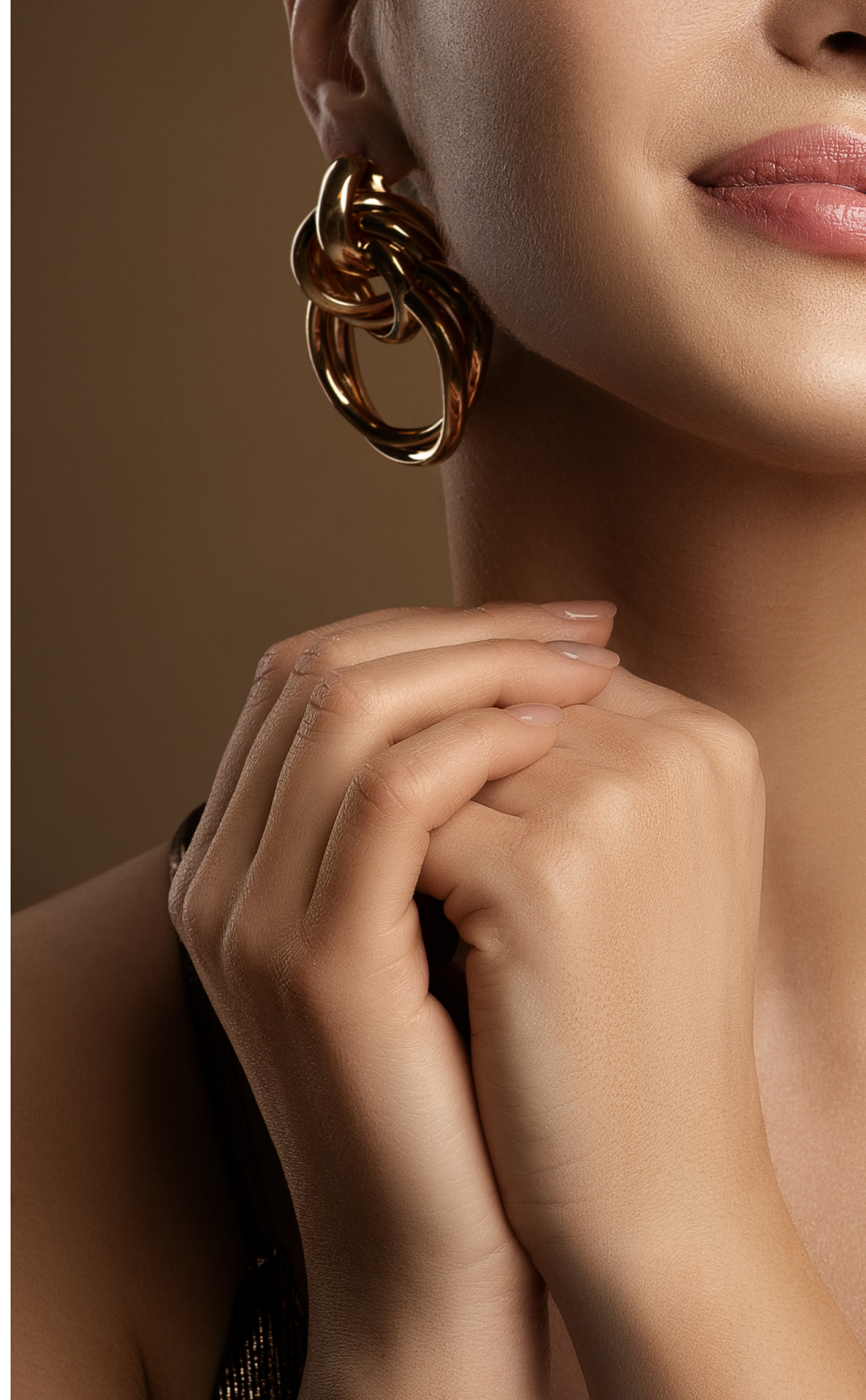
Luxury Hospitality



Luxury Cruises



Yachts



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Macro-economical context

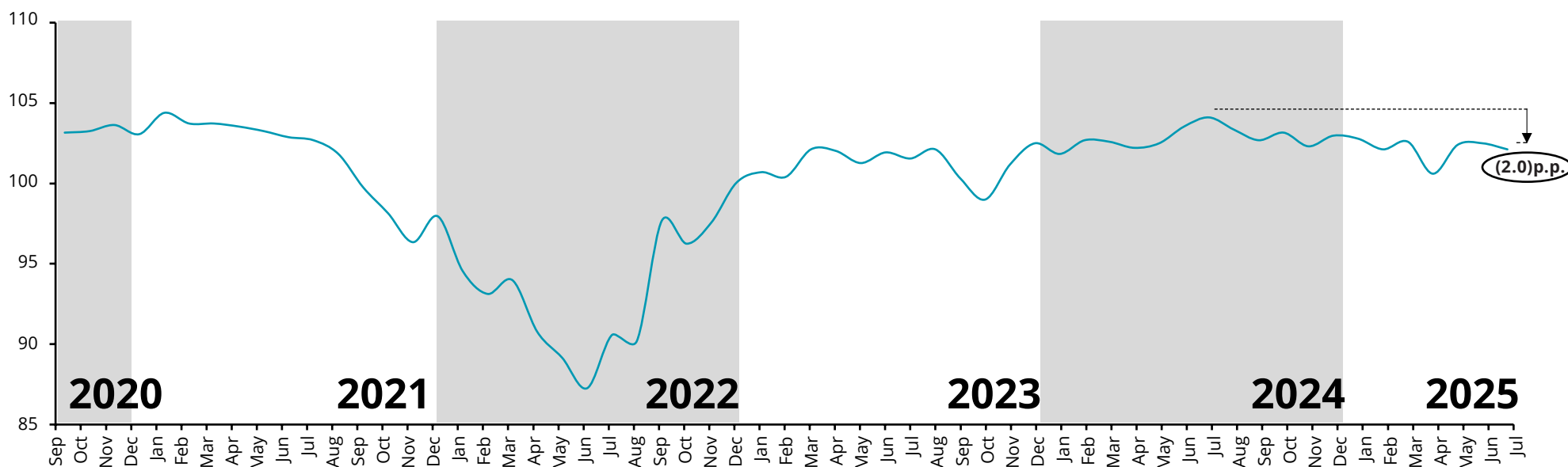


Financial Well-Being Index

Recent macroeconomic events have generated uncertainty among consumers, as evidenced by the negative trajectory of the Financial Well-Being Index since July 2024

Global Financial Well-Being Index¹ evolution

(Index April 2020=100)



Notes: (1) Deloitte's financial well-being index (FWBI) captures changes in how consumers are feeling about their present-day financial health and future financial security / Source: Deloitte ConsumerSignals, updated in August 2025

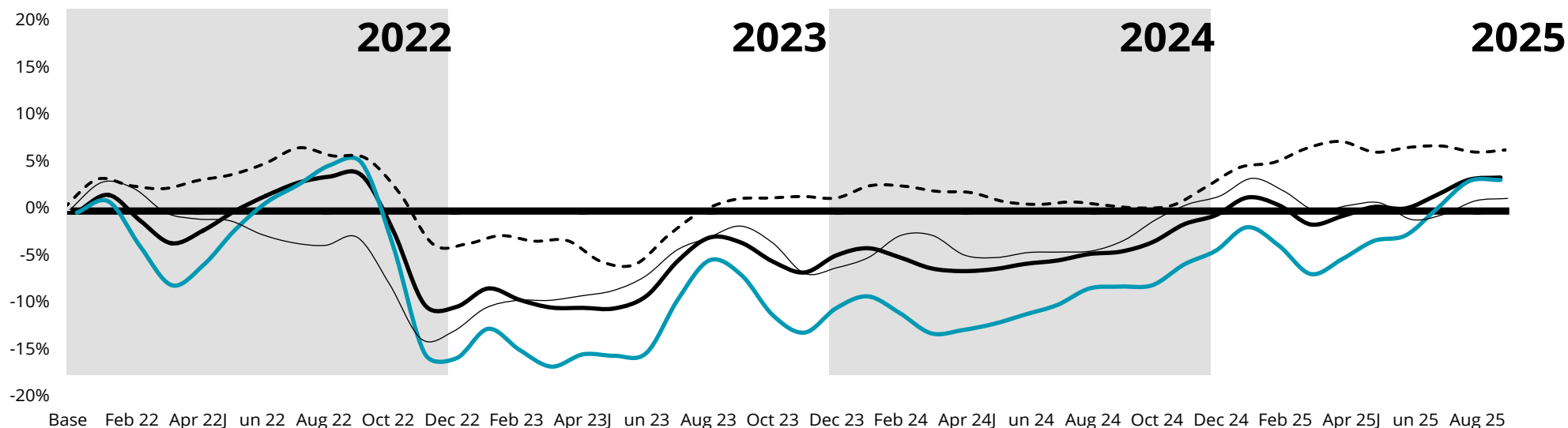


Spending intention Index

Despite the gradual erosion in global financial confidence, discretionary spending intentions are seeing a strong rebound in 2025, revealing an apparent divergence between how consumers feel and how they intend to spend

Spending intention Index evolution

(Percentage change¹)



- Total spending
- Saving and investing
- Spending in discretionary goods²
- - - Spending in non-discretionary goods³

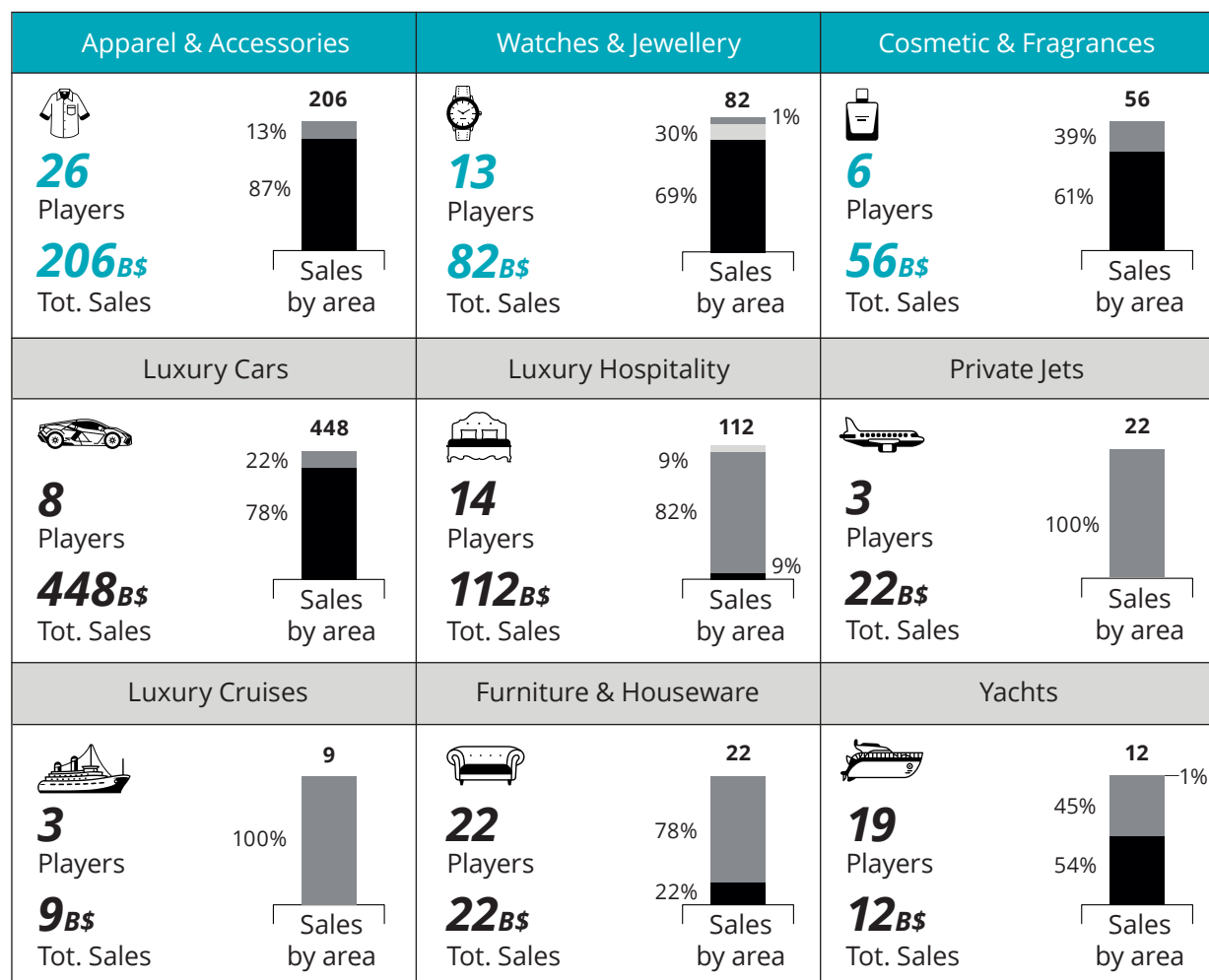
Notes: (1) Percentage change of estimated monthly spending amount; (2) Discretionary purchases are optional goods and services that are not essential for survival but can be chosen based on personal preferences or desires; (3) Non-discretionary purchases refer to goods and services that are essential for survival or basic needs, such as food, housing, healthcare, and utilities / Source: Deloitte ConsumerSignals, updated in August 2025

Market Insights and Perspective



Deloitte Fashion & Luxury panel in 2024

The Fashion & Luxury industry business performance analysis was conducted on a panel of 114 companies, totaling almost 969B\$ of sales in FY2024.



Personal Luxury Goods

45 Players

35% of turnover

Other F&L Sectors

69 Players

65% of turnover

Deloitte F&L Panel:

114 Players

~ 969 B\$ Turnover

Rest of the World
 North America
 Europe

Notes: Values reported at constant current rate / Source: Elaboration on Company Financial Report data

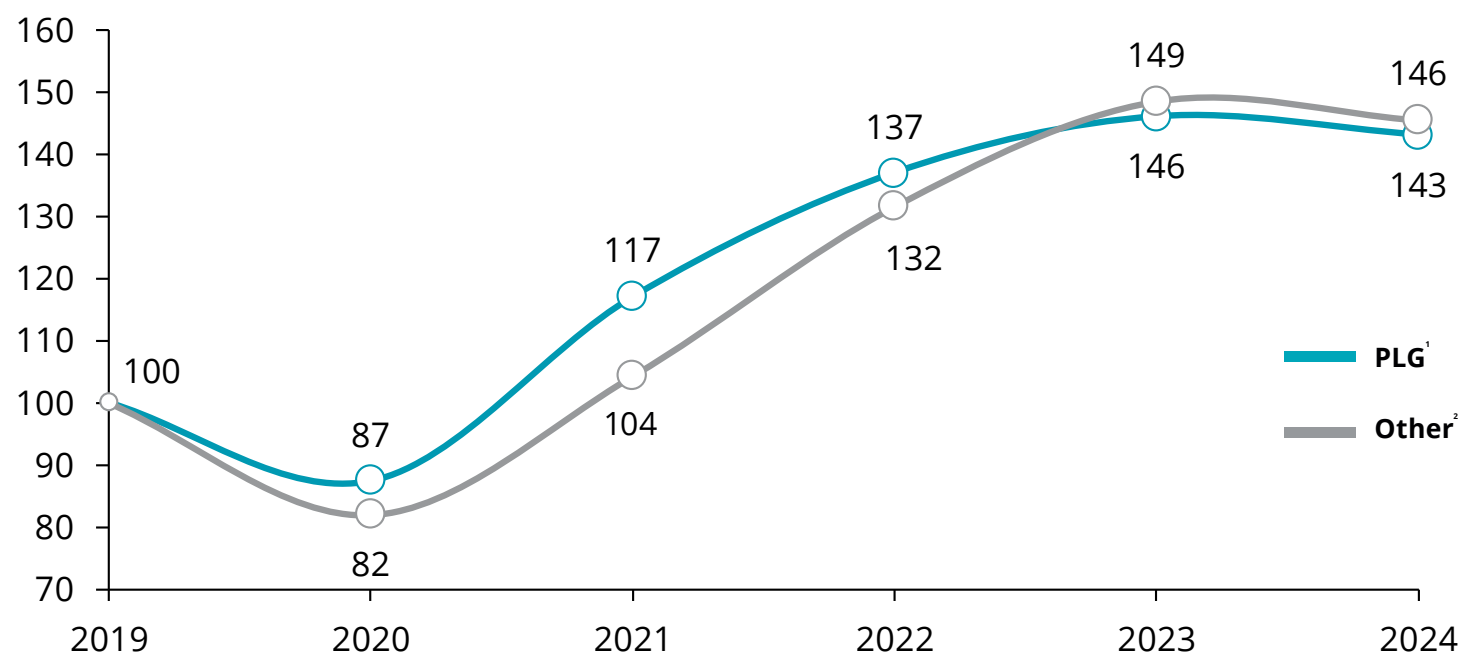


Sales performance 2019-24

Compared to previous years, Luxury market has declined both in terms of sales (-2.0% Y-o-Y 2023-24), and EBITDA Margin %, particularly for Other Luxury Sectors

2019-24 F&L Sales Index evolution

(Index of Sales 2019=100, Percentage)



CAGR 2019-24	Y-o-Y 2023-24
+7.4%	(2.0%)
+7.8%	(2.0%)

	2019	2020	2021	2022	2023	2024	Delta p.p. 2019-24	Delta p.p. 2023-24
EBITDA % PLG ¹	22.9%	20.6%	26.3%	26.4%	25.5%	23.7%	+0.8pp	(1.8pp)
EBITDA % Other Lux ²	14.7%	11.0%	14.1%	15.6%	15.3%	12.9%	(1.8)pp	(2.3)pp

Notes: Values reported at constant exchange rate; (1) Personal Luxury Goods; (2) Other Luxury Sectors / Source: Elaboration on Company Financial

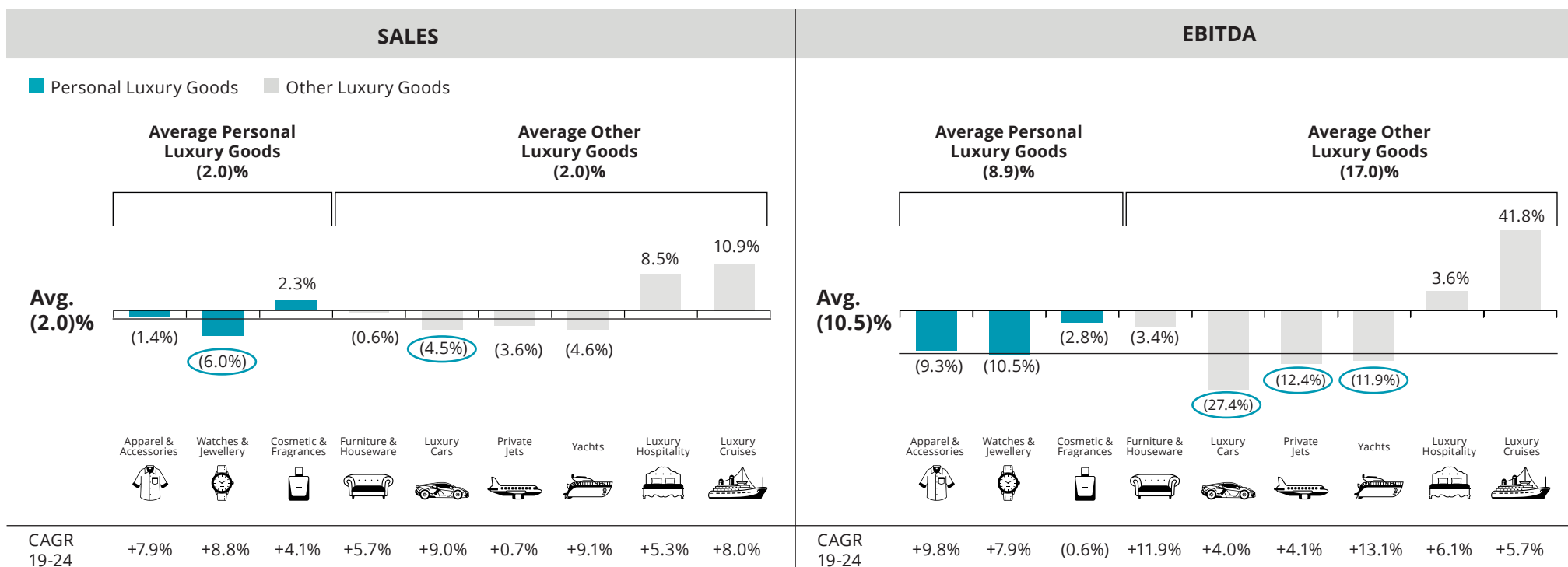


Financials performance evolution (1/2)

Luxury sectors sales show an average slight decrease (-2.0%) compared to 2023, mainly driven by Watches & Jewellery and Luxury Cars. In terms of EBITDA the path is strongly negative, particularly for experiential sectors like Luxury Cars, Yachts and Private Jets

Financials growth by Sector Y-o-Y 23-24

(Percentage)



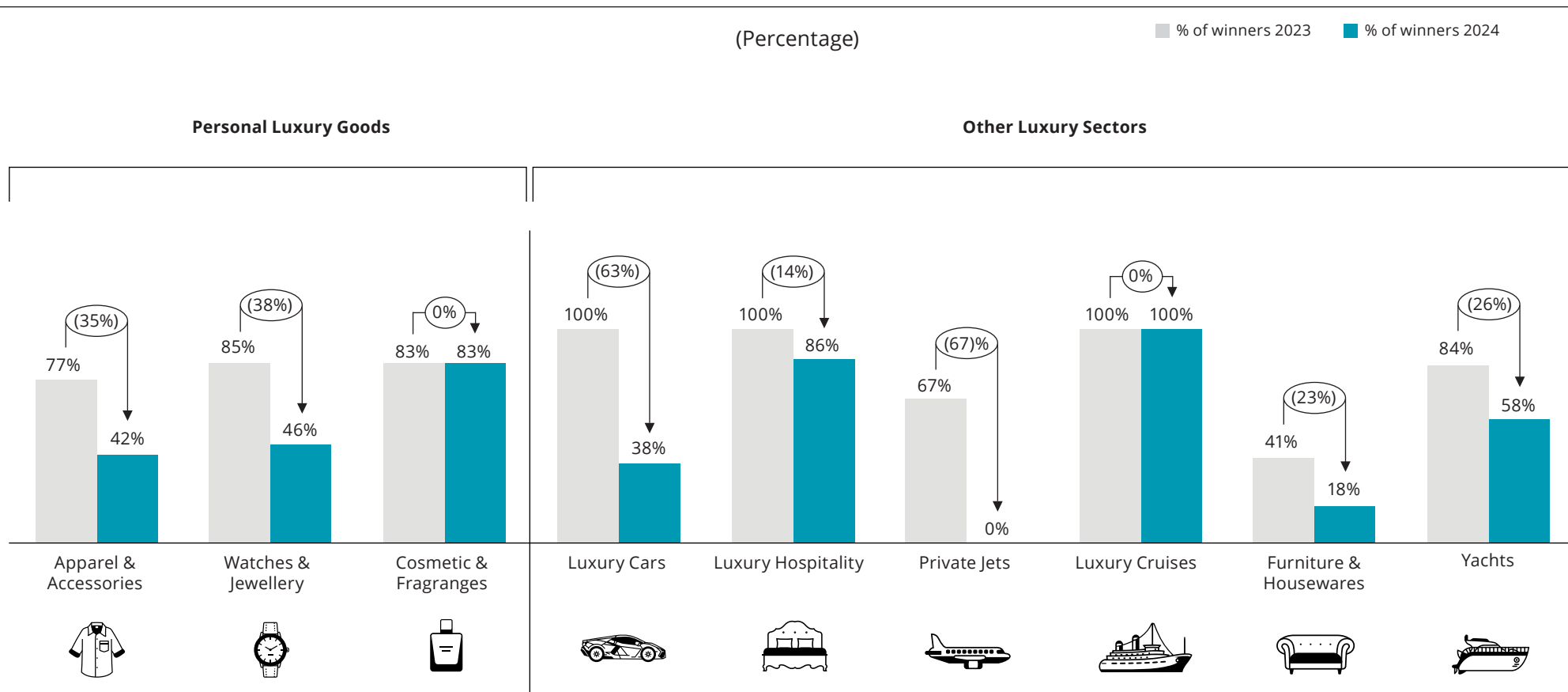
Notes: Values reported at constant exchange rate / Source: Elaboration on Company Financial



Financials performance evolution (2/2)

The luxury industry is experiencing a polarization trend, with a decreasing number of players showing positive Year-over-Year sales growth, mainly due to the normalization of sales after the post-Covid period

Percentage of winners¹ by Sector



Notes: Values reported at constant exchange rate; (1) Percentage of companies recording positive Y-o-Y on total / Source: Elaboration on Company Financial





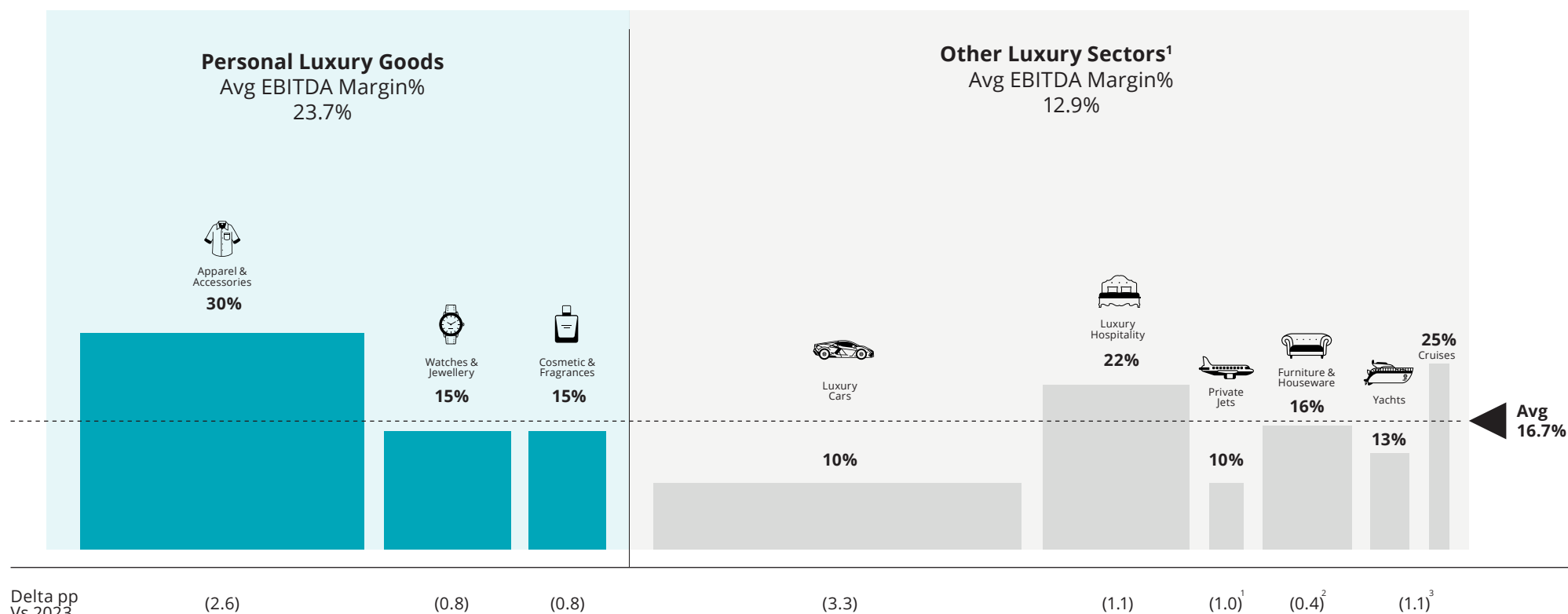
2024 financial performance

The average EBITDA margin in Luxury Sectors is 16.7% in 2024 (-2.1 p.p. vs 2023), with PLG still presenting higher values, mainly driven by Apparel & Accessories (29.4%). All sectors recorded a decrease in EBITDA Margin % compared to 2023, with luxury cars dropping 3.3 p.p.

2024 Profit Pool by Sector

(Percentage)

← Sales →
↕ EBITDA Margin%

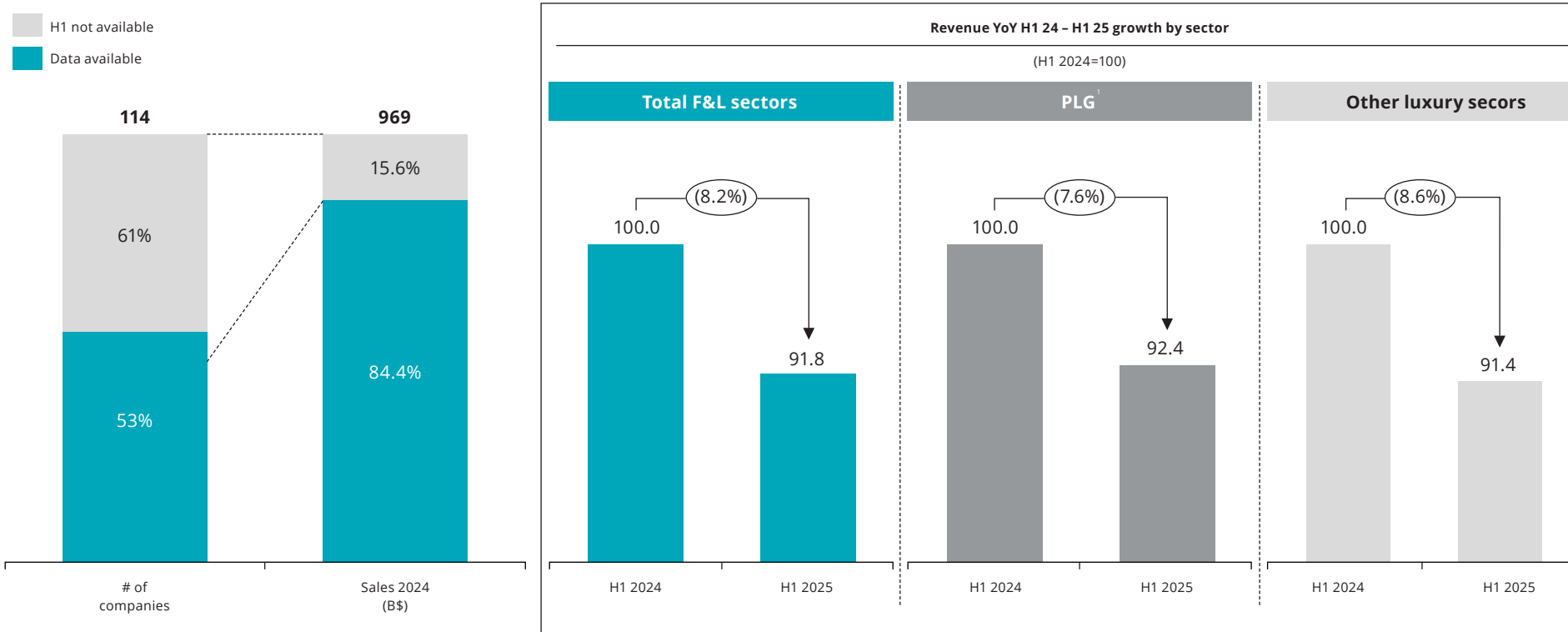


Notes: Values reported at constant exchange rate, (1) Refers to Private Jets, (2) refers to Furniture & Houseware, (3) Refers to Yachts / Source: Elaboration on Company Financial Report data



H1 2025 Performance

Of the full list of players, 53 have available data for the first half of 2025, accounting for approximately 84% of 2024 revenue. The first half of 2025 confirms the negative trend from 2024 for both PLG¹ and other luxury sectors



Notes: Values reported at constant exchange rate; (1) Personal Luxury Goods / Source: Elaboration on Company Financial Report data



Key market trends

Luxury market is facing major changes and challenges for what concerns customers preferences, rising markets, regulations and supply chain redesign.

Top 5 trends affecting the luxury market

Nearshoring production



Geopolitical tensions, new trade barriers, tariffs introduced by USA, and pressure to be more sustainable are prompting brands to **diversify** their **production outside of China**.

As a result, they are focusing on **nearshoring** to ensure a **more agile supply chains**

China's slowdown & Emerging markets



China's economic slowdown is forcing luxury brands to **shift their focus** to **established Asian markets**, such as Japan and Korea, as well as to **emerging markets**, such as India.

India is experiencing a **rise in ultra-high-net-worth individuals (UHNWIs)** and is investing in new **luxury shopping malls** and **department stores**

Stock efficiency



New **EU regulations** on stock management are prompting companies to **reevaluate their stockout models**, considering **alternative channels** (e.g., outlets) that **minimize costs** while **maintaining brand value**

Artificial Intelligence



AI is becoming **increasingly present** and necessary throughout the luxury sector's, focusing on:

- **Personalized marketing** communications and campaigns
- **Design and creativity** for **rapid innovation** while maintaining heritage
- **Supply chain optimization**

Demand polarization



The **clientele** of the F&L market **is becoming increasingly polarized** within the **top 0.1%** of the **population**, who account for **23% of luxury expenditures**. This trend highlights the importance of **leveraging service ecosystems tailored** specifically to this select audience

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M&A Deal Monitor 2024



Fashion & Luxury M&A deals

Overview of deals in 2024 by Sector

	358 Deals in 2023 333 Deals in 2024		-25 Deals
Sector	2023	2024	Delta
 Apparel & Accessories	105	85	(20)
 Hotels	144	145	+1
 Watches & Jewellery	17	15	(2)
 Cosmetics & Fragrances	21	34	+13
 Furniture	13	23	+10
 Private Jets	8	3	(5)
 Yachts	16	11	(5)
 Cars	24	11	(13)
 Cruises	-	-	-
 Restaurants	10	6	(4)

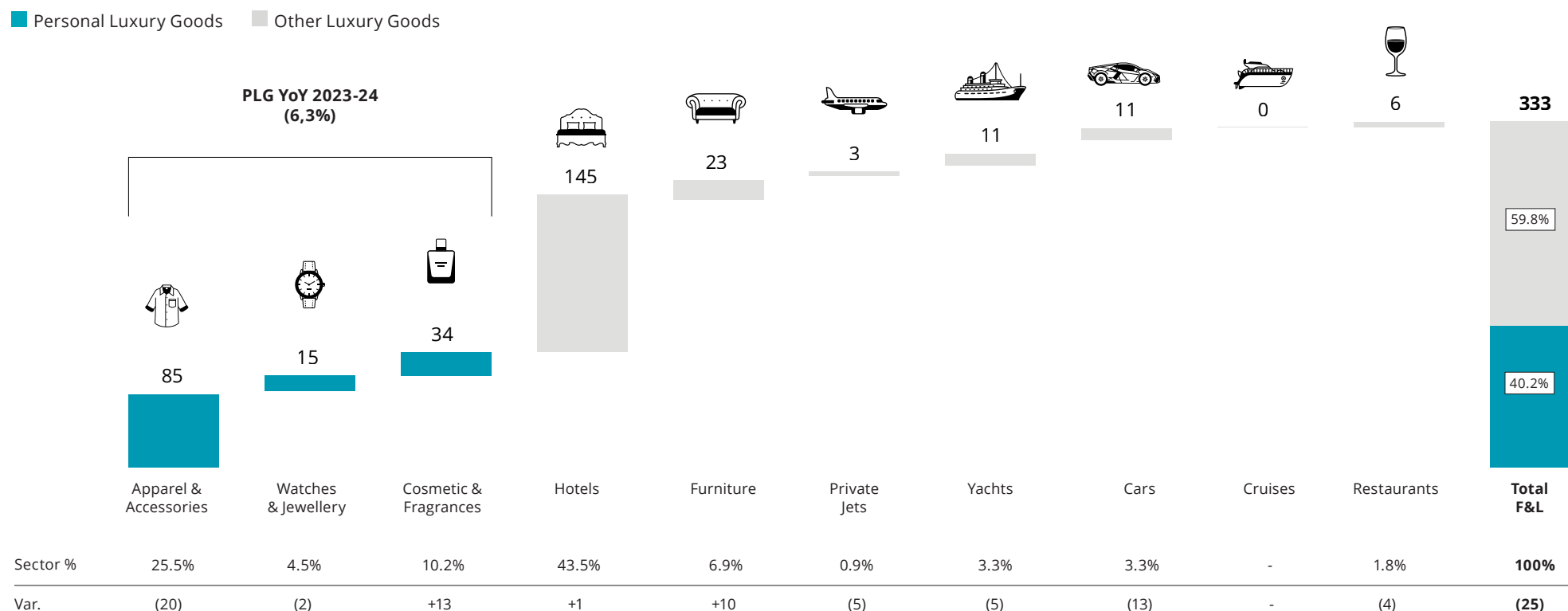
Note: the analysis considers both closed and announced deals during 2024
 Source: Elaboration on Deloitte intelligence data



Size of main M&A deals

The Fashion & Luxury industry remained active in 2024, recording 333 M&A transactions, a 7.0% decline from 358 deals in 2023. Personal Luxury Goods accounted for 134 deals in 2024, down 6.3% compared to 2023, and represented 40.2% of all transactions.

Overview of deals in 2024 by sector



Key Findings:

Similarly to previous years, the Luxury Hotels sector confirms itself as the most attractive one to investors during 2024, accounting for 43.5% of deals while Apparel & Accessories sector shows the worst performance with a significant drop of #20 deals, compared to 2023. Cosmetic & Fragrances and Furniture segments have registered an increase respectively by #13 and #10 deals compared to 2023. On the other hand, Cars, Yachts, Private Jets and Restaurants sectors fell by #13, #5, #5 and #4, respectively. Luxury Hotels slightly increased by #1, and Watches & Jewellery slightly decreased by #2.



Fashion & Luxury M&A deals

Top Luxury Deals of 2024

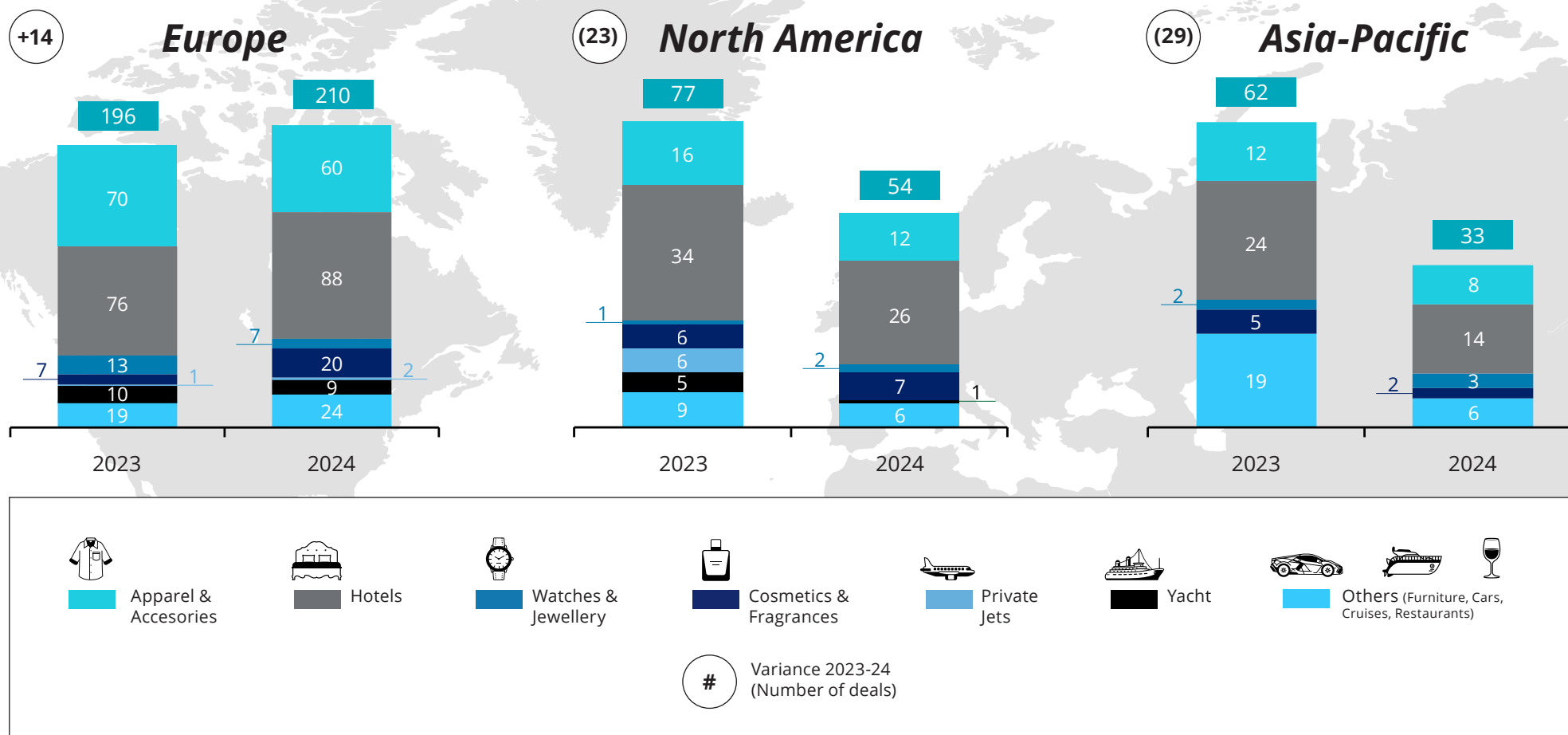
		TARGET	BIDDER	STAKE	DEAL VALUE (\$M)
July		Neiman Marcus Group Inc	Hudson's Bay Co	100.0%	2,543
December		Soho House & Co Inc	Undisclosed Acquirer	100.0%	1,760
April		L'Occitane International SA	L'Occitane Groupe SA	27.6%	1,721
December		McLaren Automotive Ltd; McLaren Racing Ltd	CYVN Holdings LLC	100.0%	1,510
July		Supreme	EssilorLuxottica SA	24.0%	1,426
December		33 Marriott International hotels	KKR & Co Inc; The Baupost Group LLC	100.0%	1,125
March		IM Motors Technology Co Ltd	SAIC Motor Corp Ltd; Shanghai Lingang Economic ; Development (Group) Co Ltd & Others	24.2%	1,306
August		Sotheby's	BidFair USA LLC; Abu Dhabi Developmental Holding Co PJSC	<50%	952
February		Polestar Automotive UK plc	Zhejiang Geely Holding Group Co Ltd; Existing Shareholders	29.9%	821
January		Arizona Biltmore	Pyramid Advisors Limited Partnership; Henderson Park Capital Management	100.0%	674
November		TASAKI & Co Ltd	Unison Capital Inc; FountainVest Partners (Asia) Ltd	100.0%	656
April		Charlotte Tilbury Beauty Ltd	Exea Empresarial SL; Puig Brands SA	19.2%	634
February		Tod's SpA	Catterton Management Co LLC	36.0%	532
January		RoC Opco LLC	Bridgepoint Advisers Ltd	>50%	478
August		Nio Holding Co., Ltd.	Anhui Provincial Emerging Industry Investment Co., Ltd.; CMG-SDIC Capital Management Co Ltd & Others	11.7%	437

Note: the analysis considers both closed and announced deals during 2024
Source: Elaboration on Deloitte intelligence data



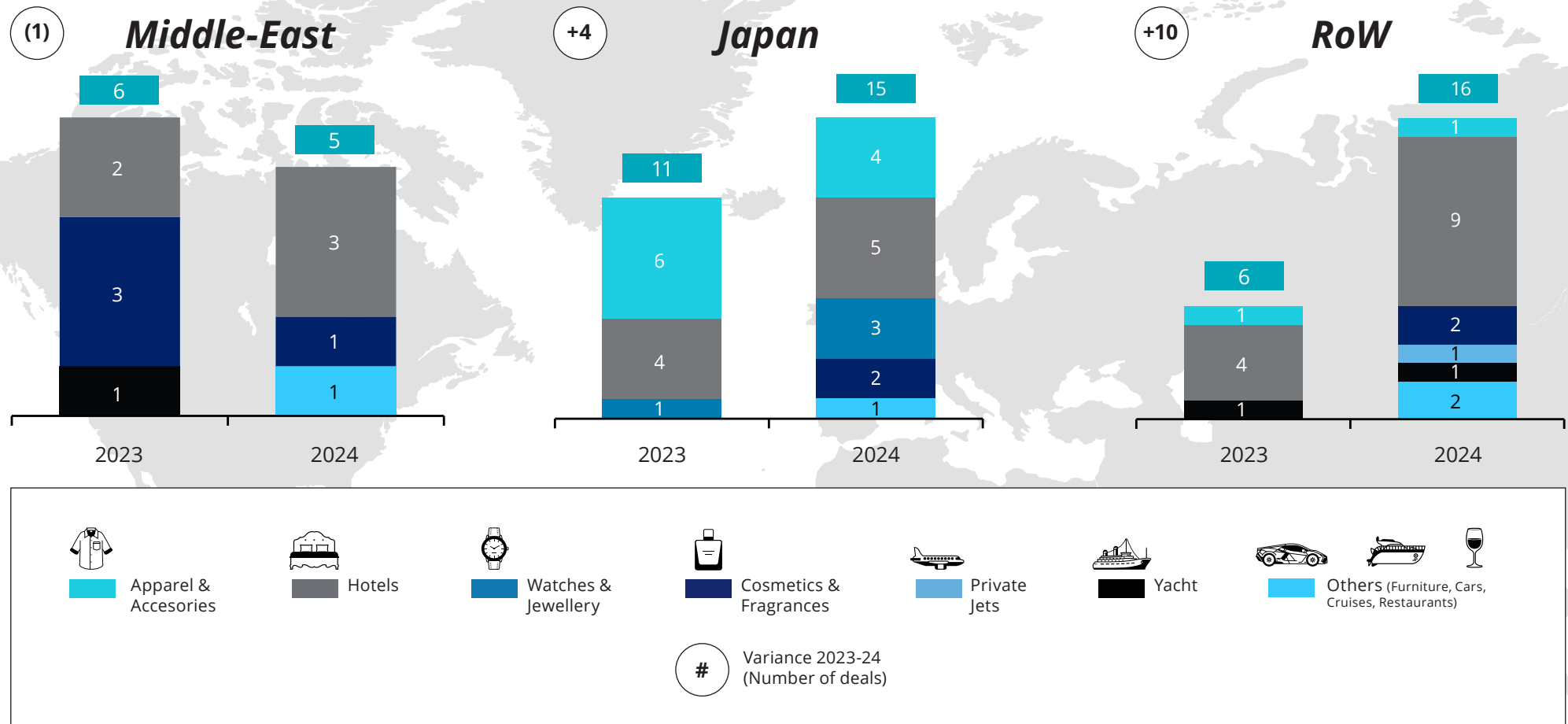


M&A deals by region and sector 2024



Key Findings:

Europe showed the highest increase of Fashion & Luxury deals in 2024 with 14 more deals with respect to 2023. Rest of the World and Japan showed positive momentum with +10 and +4 deals vs. 2023 respectively, while Middle East remained broadly flat (-1 deal). North America and Asia-Pacific had the largest drops compared to 2023, with -23 and -29 deals respectively, due to reduced activity across Hotels and Apparel sectors. Hotels and Apparel & Accessories remained the key drivers of global Fashion & Luxury M&A in both 2023 and 2024, though with shifting regional dynamic.

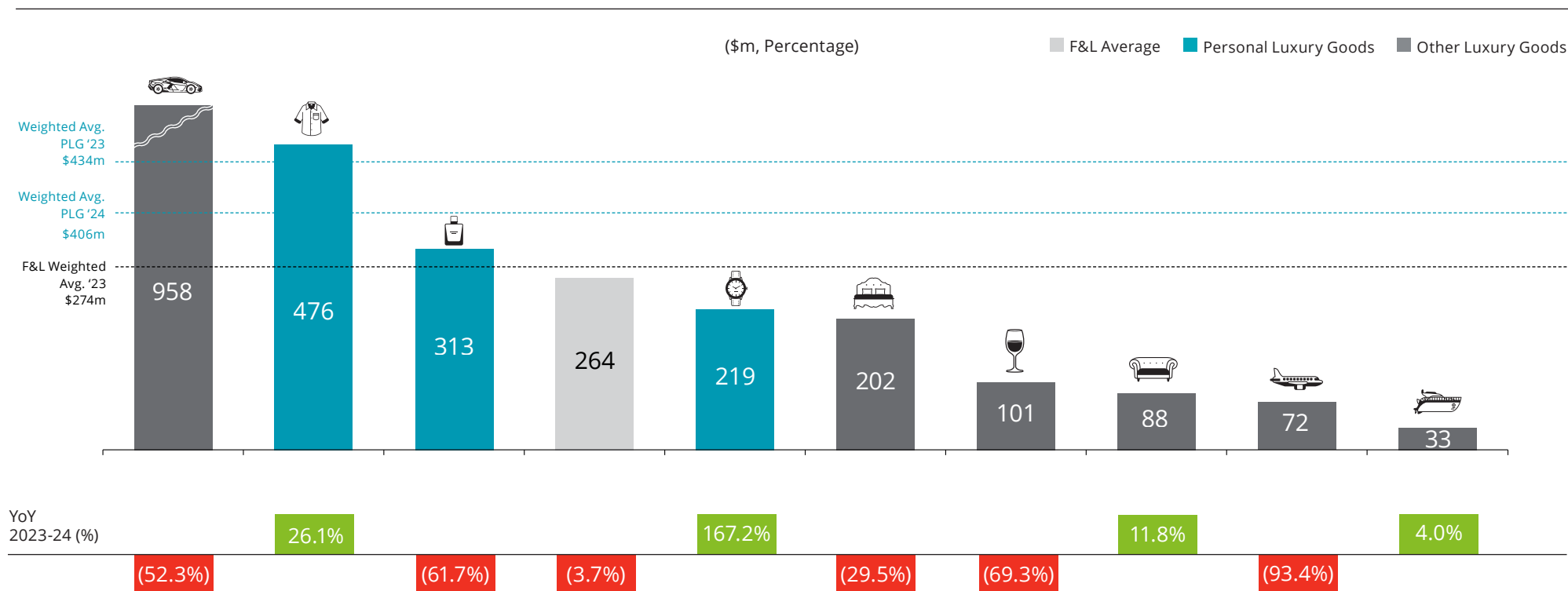




Average value of main deals by sector

In 2024, Luxury Cars led with the highest average deal value at \$958m, followed by Apparel & Accessories (\$476m) and Watches & Jewelry (\$313m). Yachts recorded the lowest at \$33m, while the overall Fashion & Luxury sector averaged \$264m.

Average value per deal in 2024 – Breakdown by sector



Key Findings:

Luxury Cars saw their average deal value fall by -52% in 2024, remaining the sector with the highest average value per deal. Apparel and Furniture industries showed a rise, reaching an average value of \$476m and \$88m 2024. Watches & Jewelry industry experienced an exponential rise compared to 2023, showing an increase of 167% with an average value of \$219m. Cosmetics & Fragrances, Hotels, Private Jets and Restaurants witnessed a reduction in the average deal value with respect to the previous year by -62%, -30%, -93% and -69%, respectively.

Note: the average deal value has been calculated based upon data of disclosed transactions



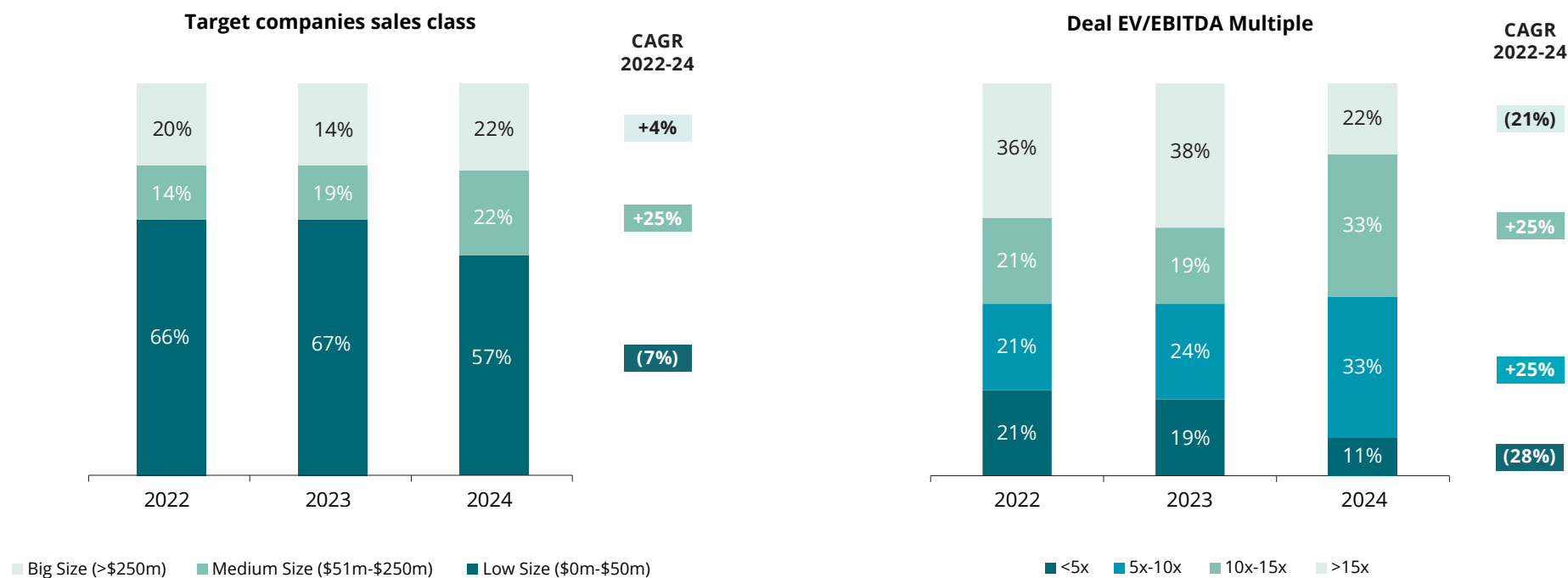


Target company features

Over the 2022–2024 period, the share of Medium Size targets (\$51m–\$250m) had a significant increase (+25 pts), while Low Size targets (\$0–\$50m) decreased (-7 pts), indicating a gradual shift toward mid-sized deals. On the valuation side, the share of deals with 5x–10x and 10x–15x EV/EBITDA multiples rose (+25 pts each), while transactions in the <5x and >15x brackets declined, especially those above 15x (-21 pts).

Investment strategies by bidder type

(Percentage, Enterprise Value - EV/EBITDA multiples)

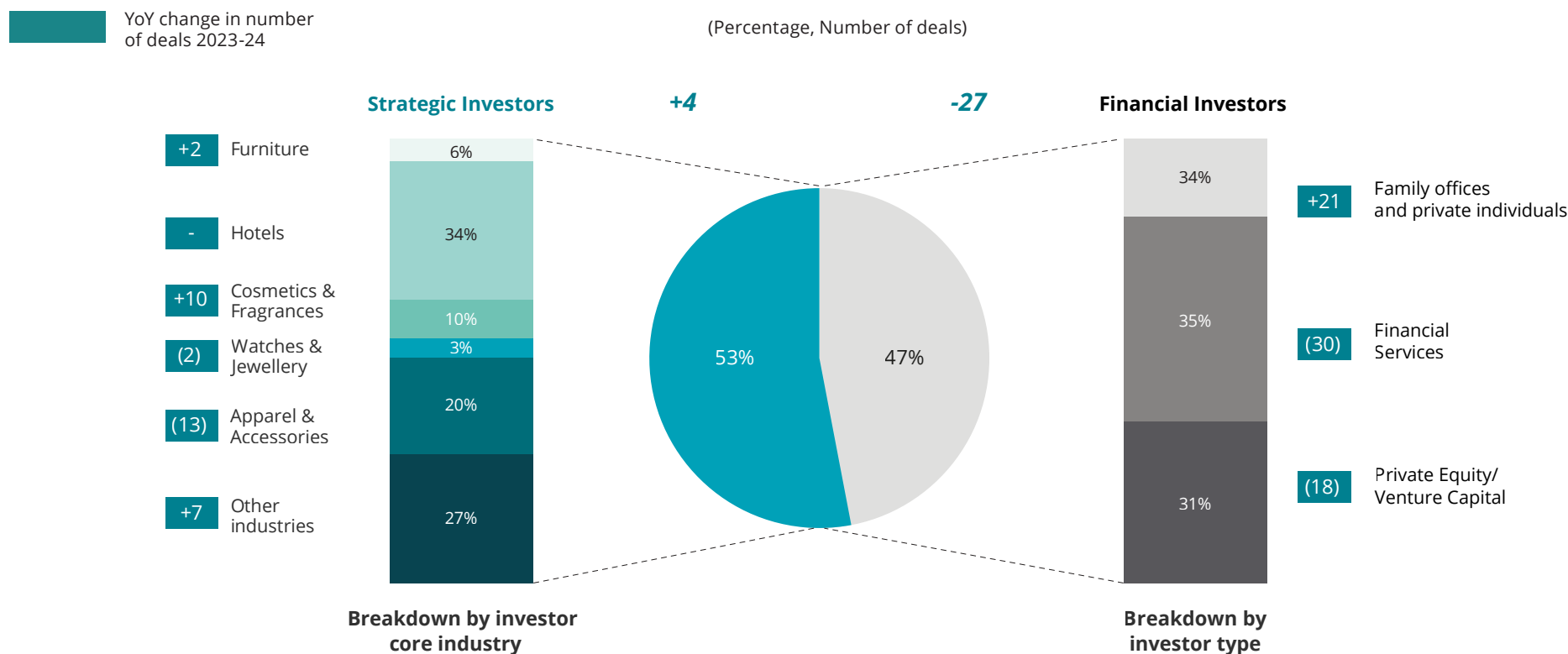




Investors profiles

In 2024, Strategic Investors accounted for 53% of bidders, primarily from the Hotels and Apparel & Accessories sectors. Financial Investors made up the remaining 47%, evenly split across Private Equity, Venture Capital, Financial Services, Family offices and private individuals.

Main bidders' profile



Key Findings:

Deals conducted by strategic investors, mainly operating in the Apparel & Accessories, Hotels and Other industries, represent 81% of deals. Most of the financial investors' contribution comes from Financial Services (35%)



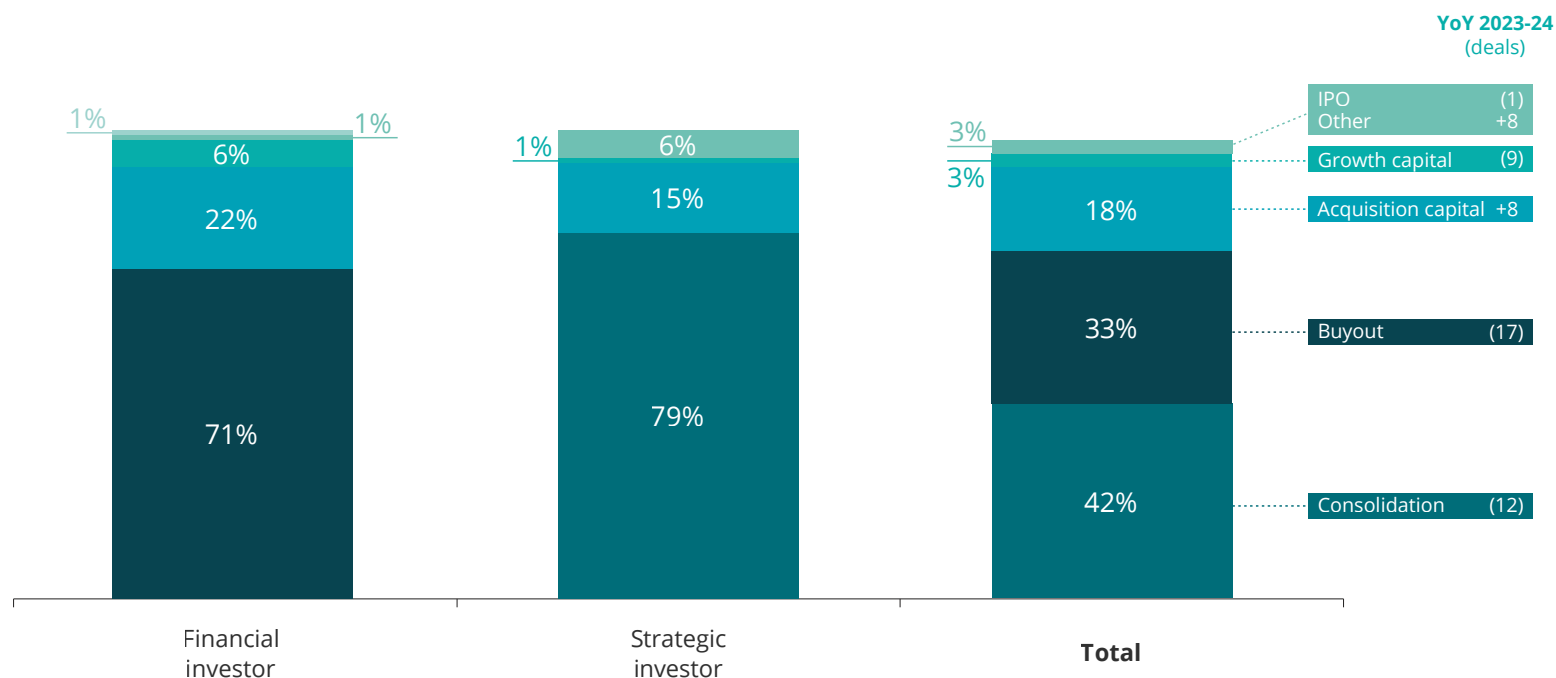


Portfolio exit strategies

In 2024, most acquisitions were driven by consolidations (42%) and buyouts (33%), with financial investors primarily executing buyouts and strategic investors leading consolidations.

Investment strategies by bidder type

(Percentage, Number of deals)



Key Findings:

2024 saw a growth in investments through Acquisition Capital (+8 deals), while Consolidation, Buyout and Growth Capital investments decreased with respect to 2023 (-12, -17 and -9 deals respectively)

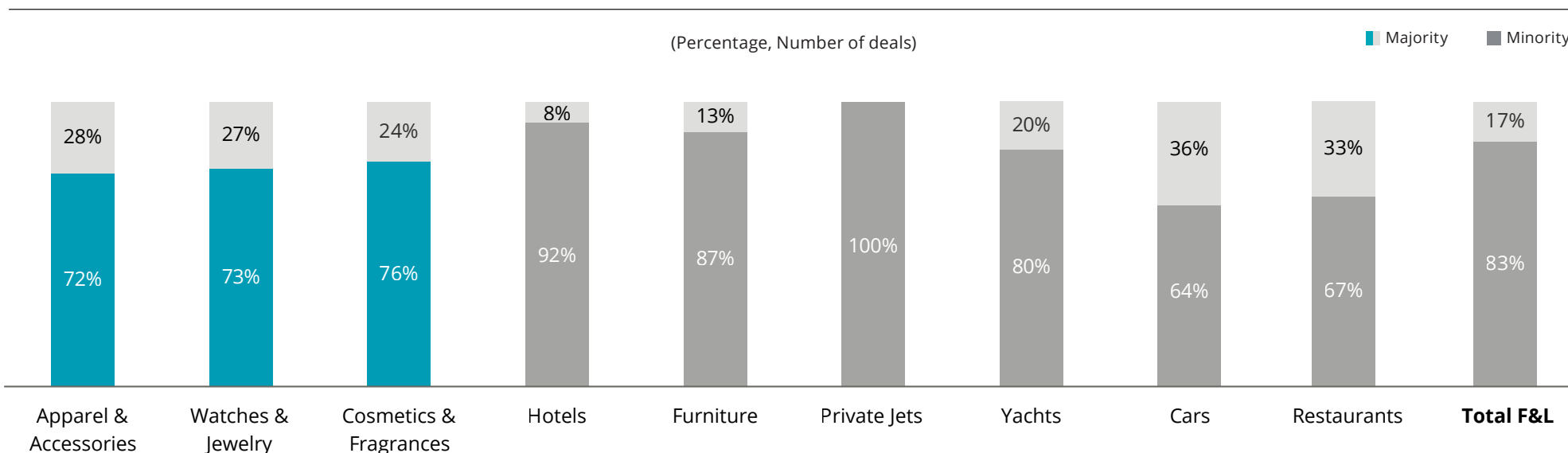
Note: Growth Capital refers to minority investments via capital increase (AuCap); Acquisition Capital refers to a minority investment via share purchase
Source: Elaboration on Deloitte intelligence data



Bidders' investment stake

In 2024, majority stake deals declined to 83%, mainly led by a 13-point decrease in the Personal Luxury Goods sector and a 3-point decrease in other luxury sectors, such as Hotels and Cars.

Investment stakes by sector



PERSONAL LUXURY SECTORS

73% Majority
(13%)pts (change 23-24)

OTHER LUXURY SECTORS

89% Majority
(3%)pts (change 23-24)

TOTAL LUXURY SECTORS

83% Majority
(6%)pts (change 23-24)

M&A Deal Monitor 1H2025 vs 1H2024



Fashion & Luxury M&A deals

Overview of deals in 1H 2025 by Sector

	188 Deals in 1H 2024 162 Deals in 1H 2025		-26 Deals
Sector	1H 2024	1H 2025	Delta
 Apparel & Accessories	53	44	(9)
 Hotels	86	63	(23)
 Watches & Jewellery	3	7	+4
 Cosmetics & Fragrances	18	20	+2
 Furniture	13	9	(4)
 Private Jets	2	5	+3
 Yachts	5	5	-
 Cars	8	7	(1)
 Cruises	-	1	+1
 Restaurants	-	1	+1

Note: the analysis considers both closed and announced deals during first half of 2024 and 2025
 Source: Elaboration on Deloitte intelligence data



Fashion & Luxury M&A deals

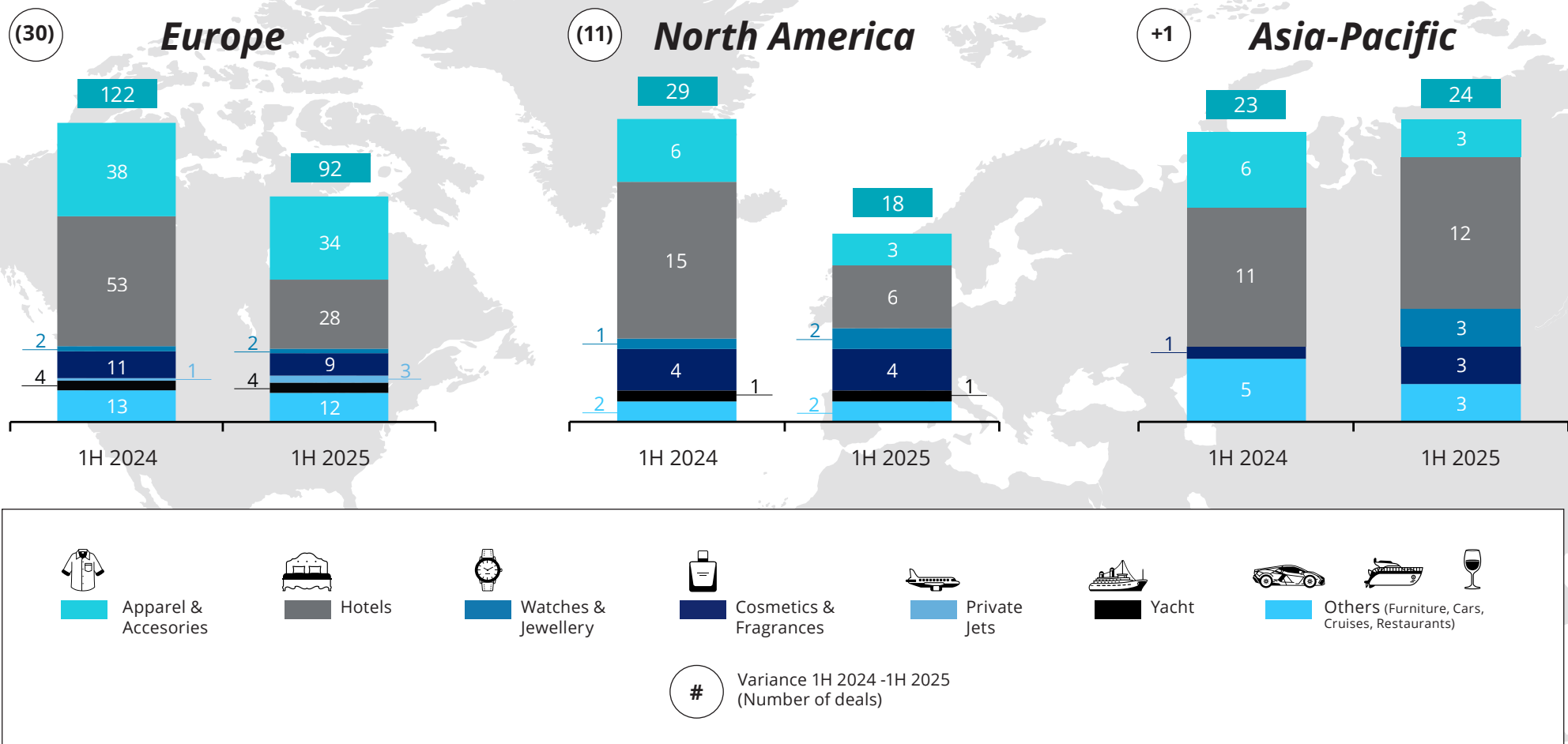
Top Luxury Deals of 1H 2025

		TARGET	BIDDER	STAKE	DEAL VALUE (\$M)
April		Gianni Versace Srl	Prada SpA	100.0%	1,465
June		Medik8 Ltd	L'Oreal SA	Majority	1,113
May		HRBeauty LLC	elf Beauty Inc	100.0%	1,036
February		Astir Palace Vouliagmeni SA	George Prokopiou	70.0%	820
March		Vista Global Holding Ltd	RRJ Management (HK) Ltd; Andalusian Private Capital LP	Undisclosed	645
April		Amara Holdings Ltd	Wing Tai Holdings Ltd; Newfields Advisors Sdn Bhd; Shorea Capital Pte Ltd; DRC Investments Pte Ltd; Albertsons Capital Pte Ltd	100.0%	629
January		Hilton Fukuoka Sea Hawk	Japan Hotel REIT Investment Corp	100.0%	462
February		Kurt Geiger Ltd	Steven Madden Ltd	100.0%	407
March		NIO Inc	Contemporary Amperex Technology Co Ltd	Minority	372
June		Fairmont La Hacienda Costa del Sol	Activum SG Advisory GmbH	100.0%	199

Note: the analysis considers both closed and announced deals during 1H 2025
Source: Elaboration on Deloitte intelligence data



M&A deals by region and sector 1H 2025

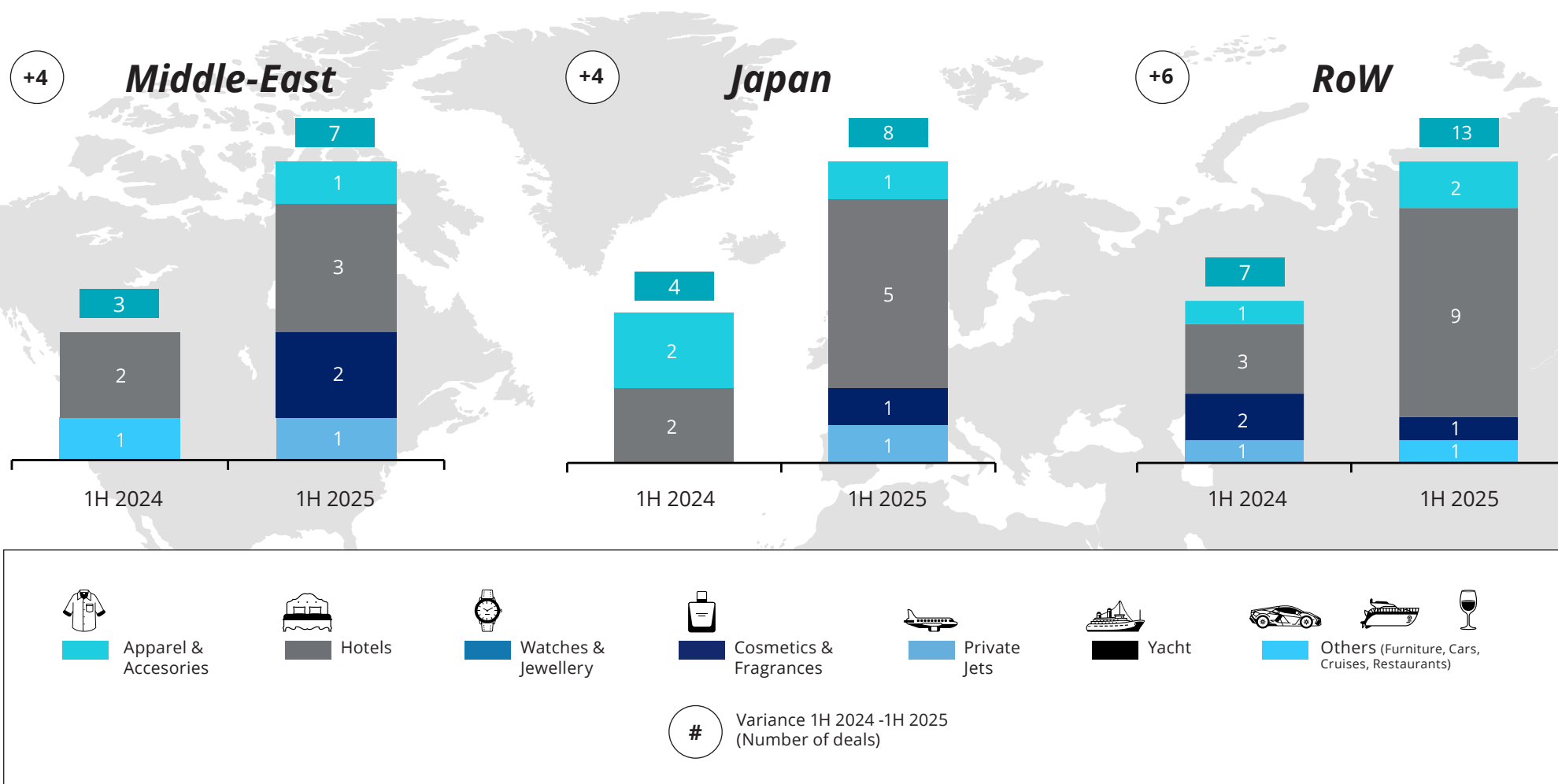


Key Findings:

Europe registered the sharpest decline in Fashion & Luxury deals in the 1st half of 2025, with 30 fewer transactions than in the same period of 2024.

North America followed with -11 deals, driven by reduced activity in Hotels and a slowdown in Apparel.

Rest of the World, Japan and Middle East showed growth (+6; +4; +4 deals), supported by more diversified sector activity, while Asia-Pacific remained stable (+1) Hotels and Apparel & Accessories remained key global drivers, though regional sector dynamics shifted in 2025.

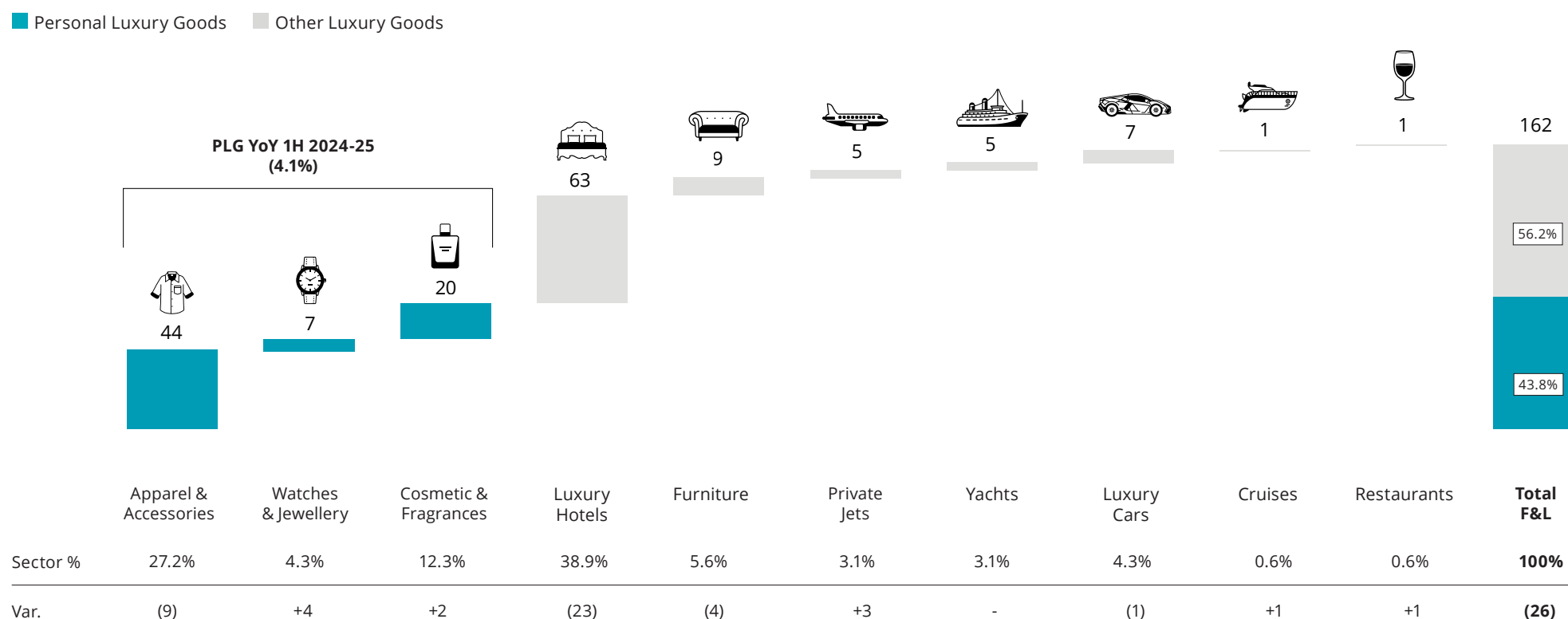




Size of main M&A deals

The F&L industry recorded 162 M&A deals in 1H 2025, down (13.8%) compared to 1H 2024. Personal Luxury Goods declined by -4.1%, representing 43.8% of total transactions. Hotels remained the most active sector (63 deals) but saw the biggest decrease (-23 deals). Apparel & Accessories also declined (-9 deals), while Watches and Cosmetics slightly increased.

Overview of deals in 1H 2025 by sector



Key Findings:

Similarly to 1H 2024, Hotels confirms itself as the most attractive sector during 1H 2025, even if the sector showed a significant drop of #23 deals, compared to 1H 2024. Watches & Jewellery and Cosmetics & Fragrances segments have registered an increase respectively by #4 and #2 compared to 1H 2024. On the other hand, Apparel & Accessories, Furniture and Cars sectors fell by #9, #4 and #1, respectively. Cruises and Restaurants slightly increased by #1 deal respectively.

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Key trends by sector – Investor perspective

Investors' sentiment on F&L market trends for the next 3 years shows a more cautious outlook with respect to 2024. Cosmetics & Fragrances and Hotels, remain among the top-performing sectors. Apparel shows signs of weakening, while Cars and Yachts are confirmed as the worst performing sectors over the period.

Expected F&L market trends for the next 3 years – Breakdown by sector



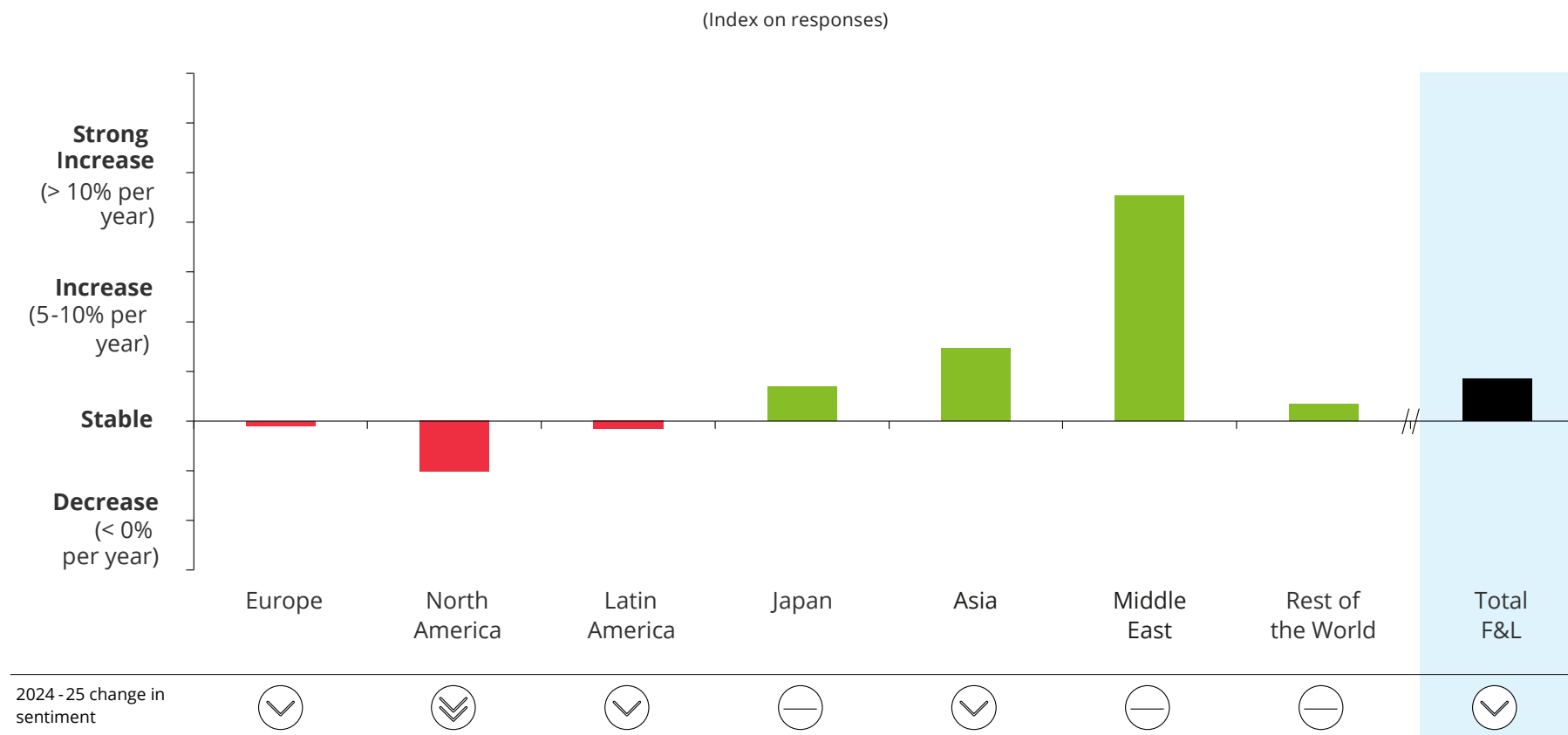
Note: Other includes Food Chains, Design and Technology
Source: Elaboration on Deloitte survey and interviews with industry experts



Key trends by geographical area – Investor perspective

Compared to last year, investor sentiment on F&L market trends has dropped significantly across all regions except the Middle East. North America shows the steepest decline, while Europe and Latin America move close to zero or negative territory. Expectations for Japan and Middle East remain unchanged.

Expected F&L market trends for the next 3 years – Breakdown by region



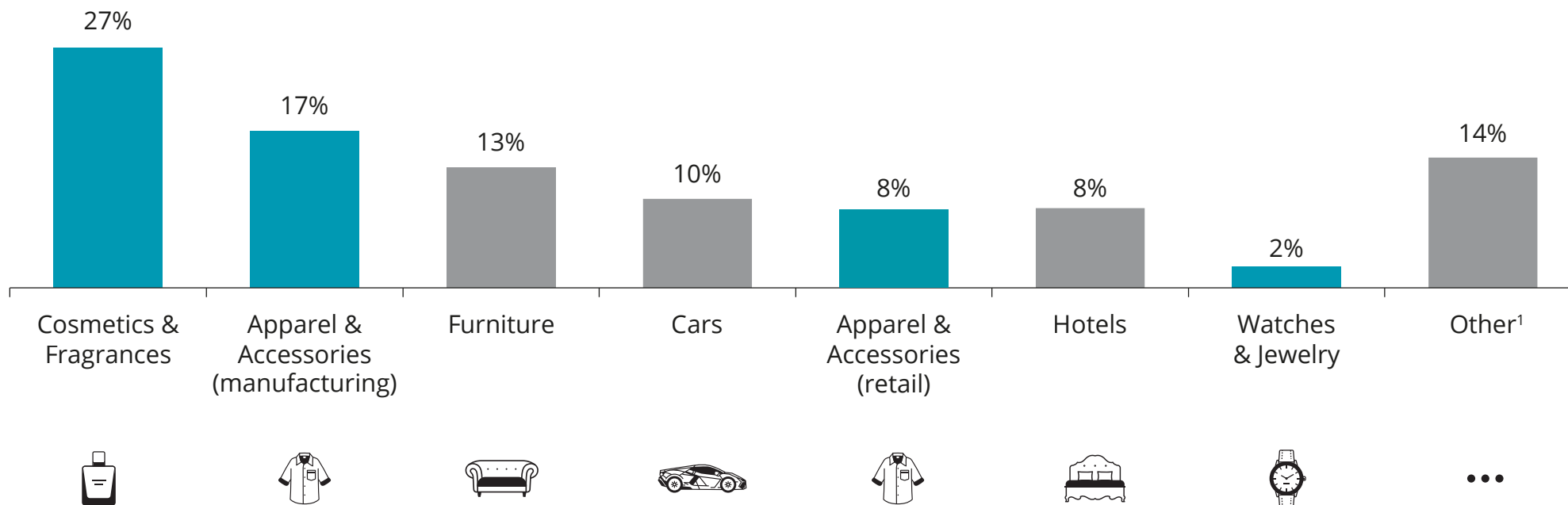


ESG impact on F&L

According to respondents, the Fashion & Luxury industries best aligned with ESG innovations are within Personal Luxury Goods, specifically Apparel & Accessories (manufacturing) and Cosmetics & Fragrances.

Main F&L sectors keeping up with ESG innovations

(Multiple choice question)



Key Findings:

With the aim of finding new ways to connect with their customers, F&L companies are reinventing themselves: one of the pillars on which these companies are building their relaunch is sustainability. The main sectors that invest in ESG innovations are: Cosmetics & Fragrances (27%) , Apparel & Accessories (manufacturing) (17%) and Furniture (13%).

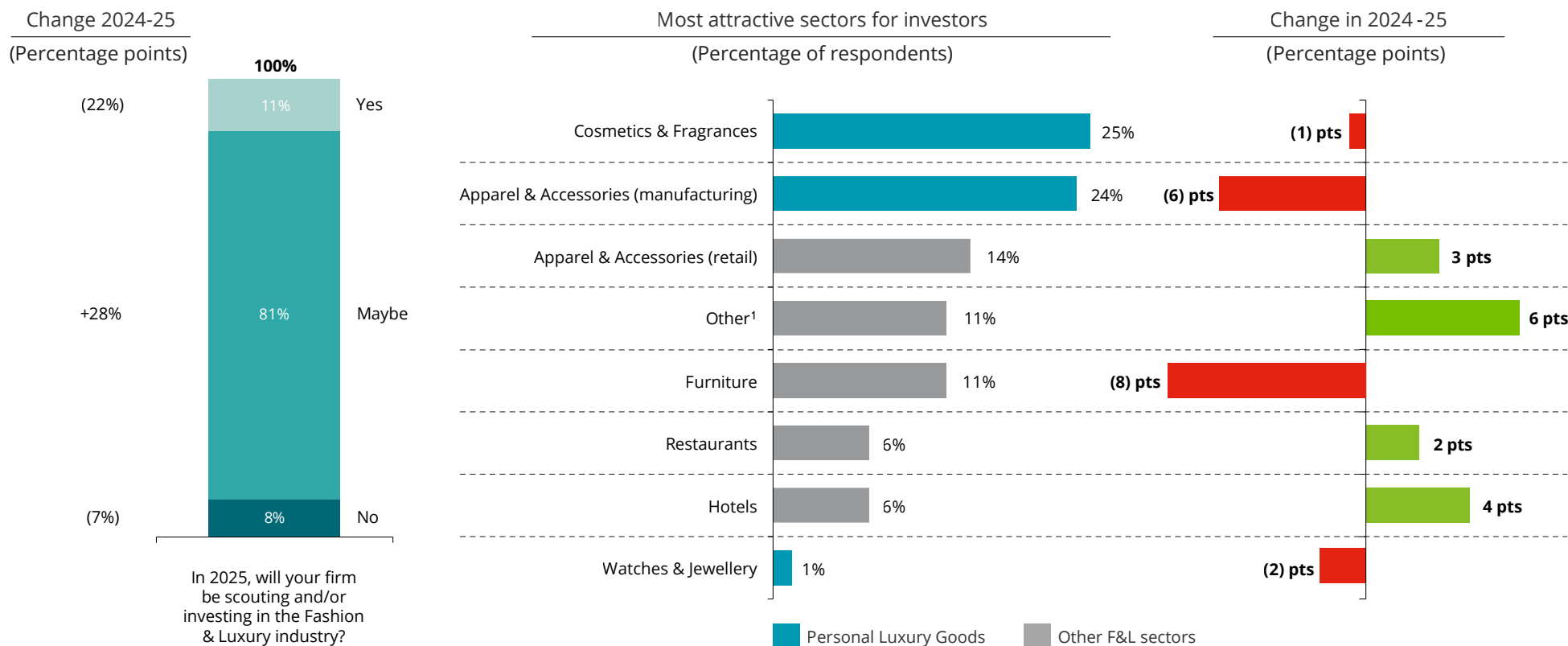
Note: 1) Other includes Restaurants, Yachts, Cruises and Private Jets
Source: Elaboration on Deloitte survey





Expected new investments

In 2025, **90% of survey respondents could be interested in investing in Fashion & Luxury sectors**. Personal Luxury Goods remain attractive, with Cosmetics & Fragrances now ranking first. However, Apparel & Accessories (manufacturing) and Furniture see the sharpest drops, while Hotels and Restaurants sectors gain traction.



Key Findings:

Sectors considered to be the most attractive from survey respondents are: Cosmetics & Fragrances (25%), Apparel & Accessories – manufacturing (24%), and Apparel and Accessories – retail (14%). Interest across sectors is changing compared to last year: Apparel & Accessories – manufacturing shows a decrease of -6pts. On the other hand, Hotels and Other showed an increase of +6pts and +4pts respectively compared to the previous year.

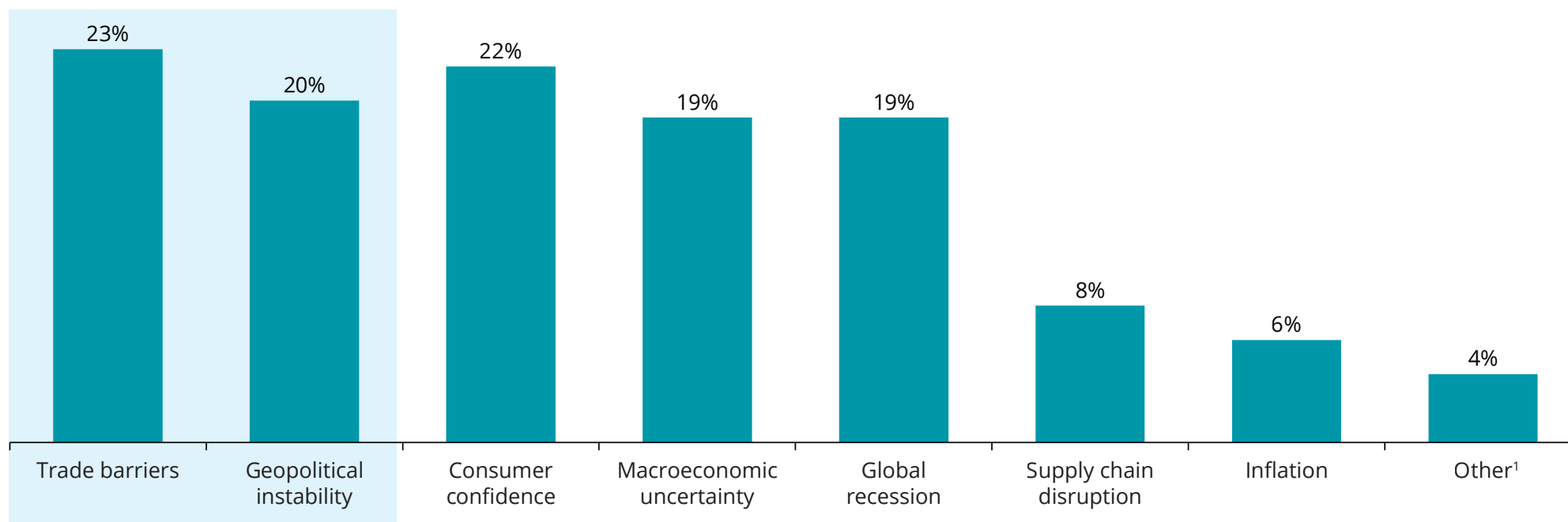


Key risk factors for the F&L industry in 2025

Trade barriers (23%), Consumer confidence (22%), and Geopolitical instability (20%) are expected to be the most pressing challenges for the Fashion & Luxury industry in 2025. These are closely followed by macroeconomic uncertainty and global recession.

Main challenges affecting F&L industry

(Multiple choice question)



Focus on pages 47-49

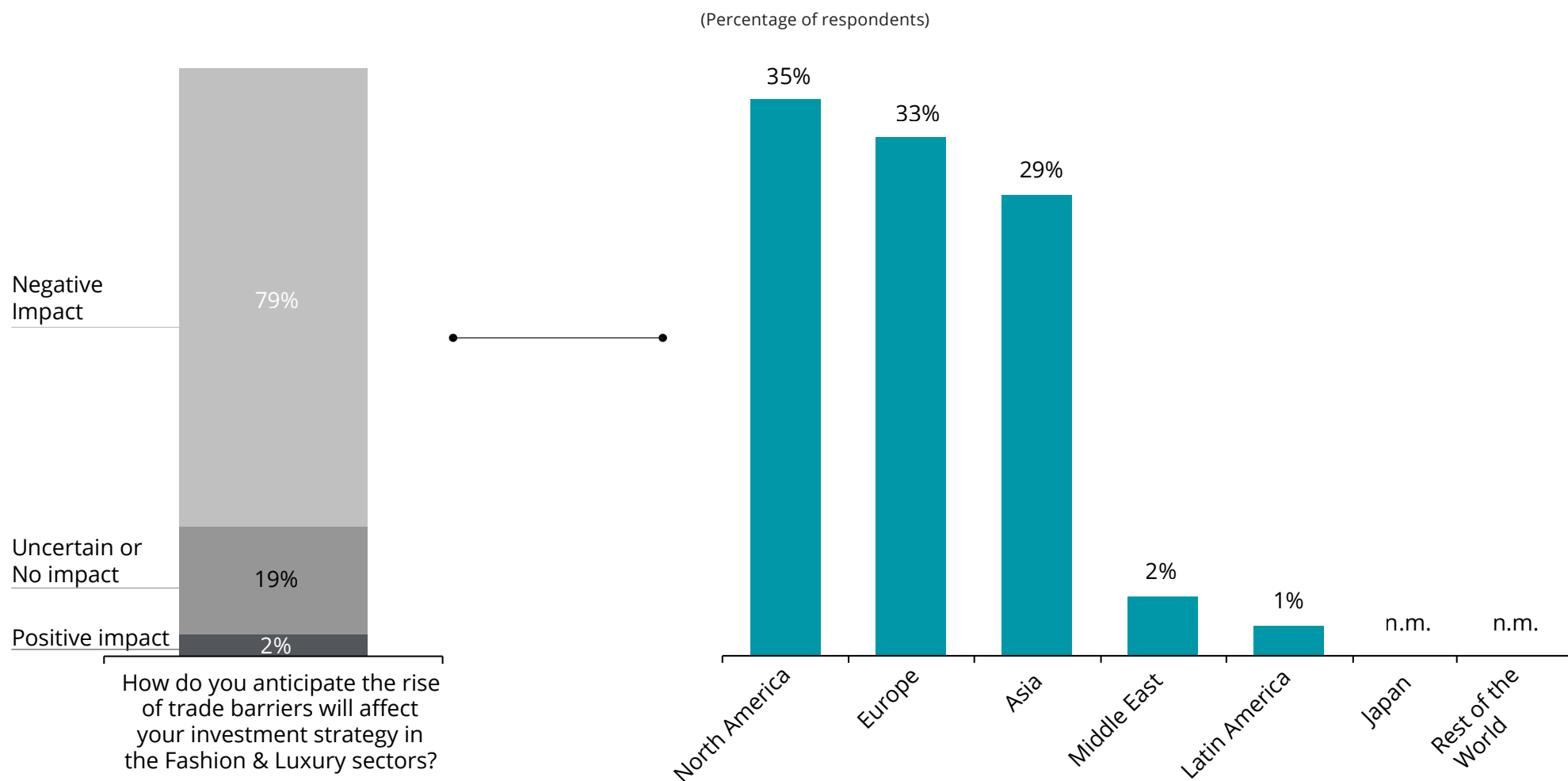
Note: 1) Other includes Energy prices and Procurement of raw materials
Source: Elaboration on Deloitte survey



Trade Barriers: impact on geographical areas

Trade barriers such as tariffs, import/export restrictions and sanctions are perceived as a key challenge in 2025, with **nearly 80% of investors expecting a negative impact** on their investment strategy. North America, Europe and Asia are identified as the regions most exposed to rising trade restrictions.

Impact of trade barriers on geographical areas





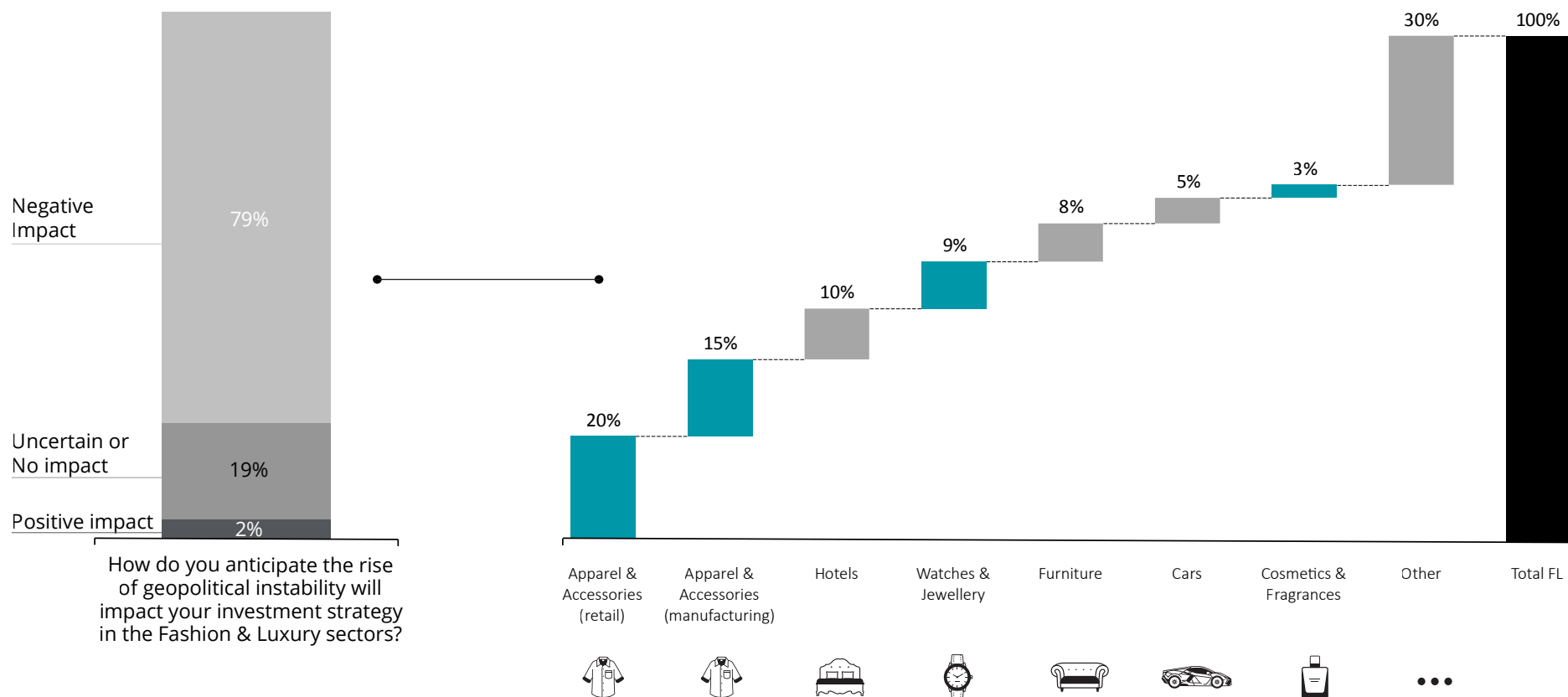


Geopolitical instability: impact on F&L sector

In 2025, over 75% of investors foresee a negative impact on the Fashion & Luxury sector due to rising geopolitical instability. The most affected categories include Apparel & Accessories (retail and manufacturing), Hotels and Watches & Jewellery

Impact of geopolitical instability on F&L sectors

(Percentage of respondents)





Main features and expectation of potential investments in F&L

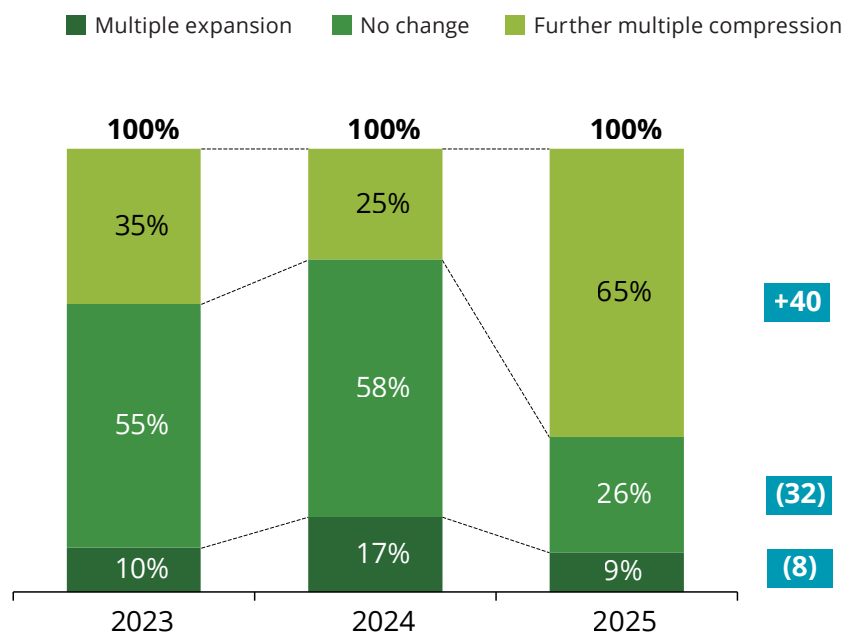
In 2025, investors anticipate a clear shift in valuation trends: the share expecting multiple compression jumps to 65%, up from 25% in 2024, while those anticipating expansion drop to just 9%. At the same time, deal structures remain stable, with 88% of investors confirming a preference for majority acquisitions compared to minority investments.

Expectations of the new F&L investment deals

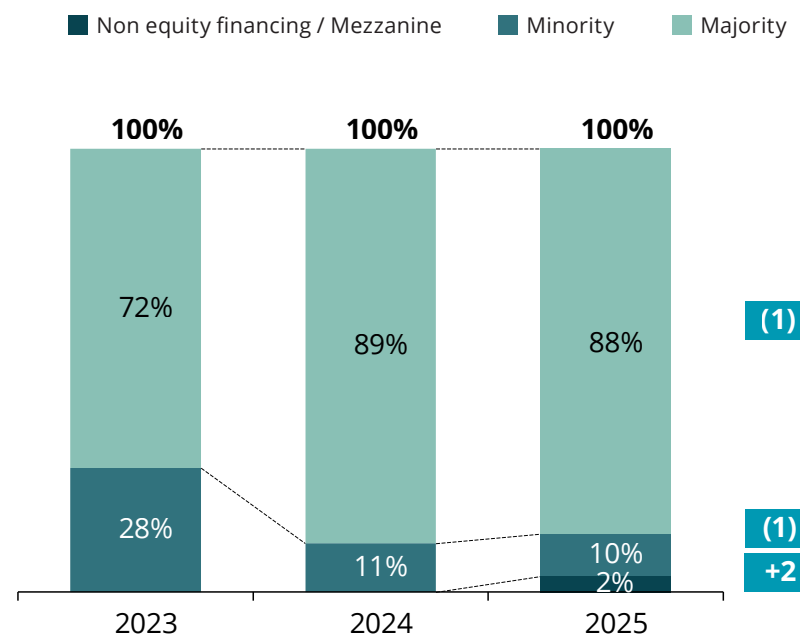
(Percentage of respondents)

Change in 2024-2025 (% points)

EV/EBITDA MULTIPLE



STAKE



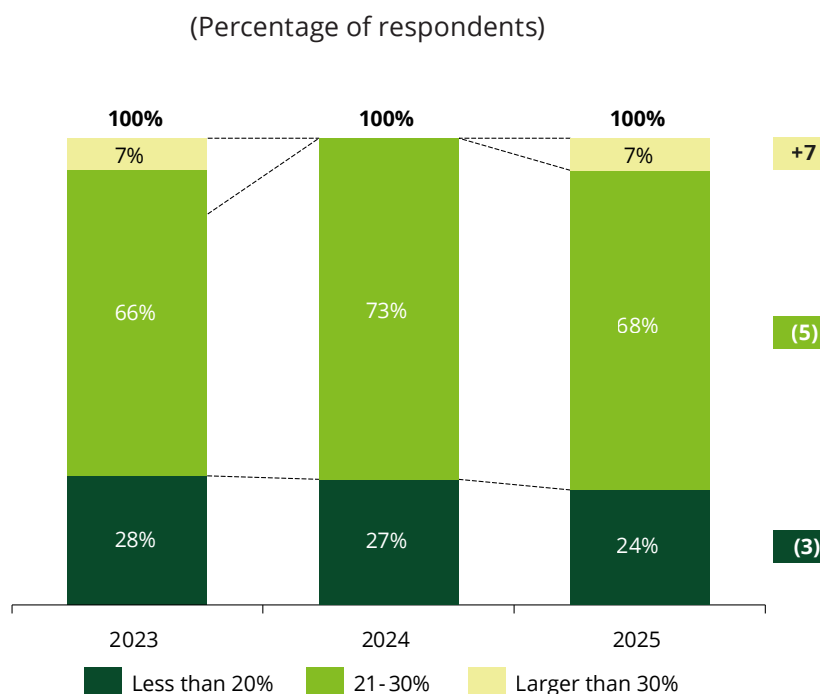
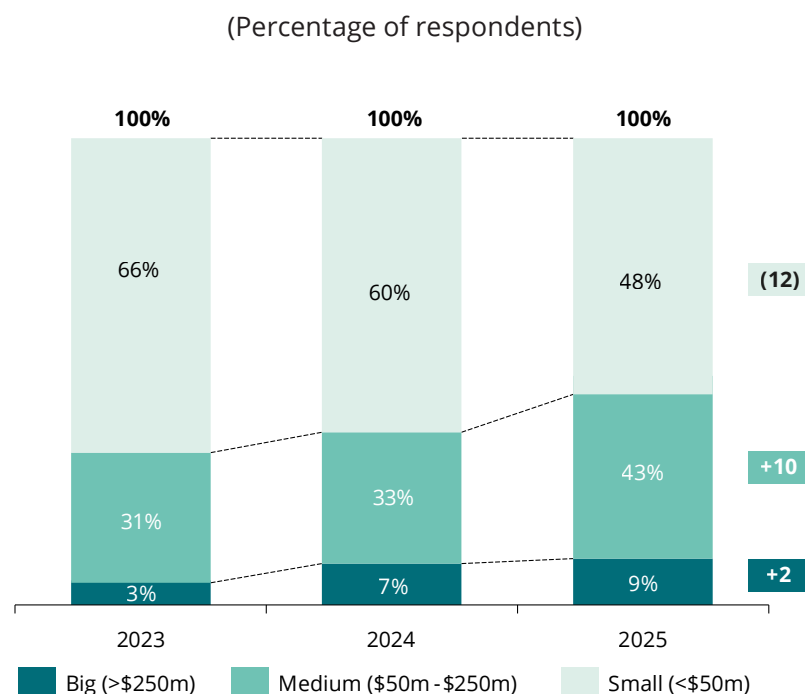


Size and expected returns of potential investment in F&L

Almost half of investors are willing to invest in small (<\$50m) companies, even though 43% of them have become highly interested in medium (\$50m-\$250m) sized firms (+10 pts). Most investors (68%) expect an IRR of 21–30% on new investments, while 24% anticipate returns below 20% and only 7% project returns above 30%.

Average sales of potential target companies

Internal Rate of Return (IRR) expected from new F&L investments



Key Findings:

The majority among investors prefer to invest in small sized firms, even though this preference has decreased to 48% (-12 pts vs 2024). On the other hand, investors wishing to invest in medium and big sized companies have grown up to 43% and 9% respectively. In terms of returns, most investors (68%) expect an internal rate of return (IRR) between 21% and 30%, while 24% anticipate an IRR below 20%.



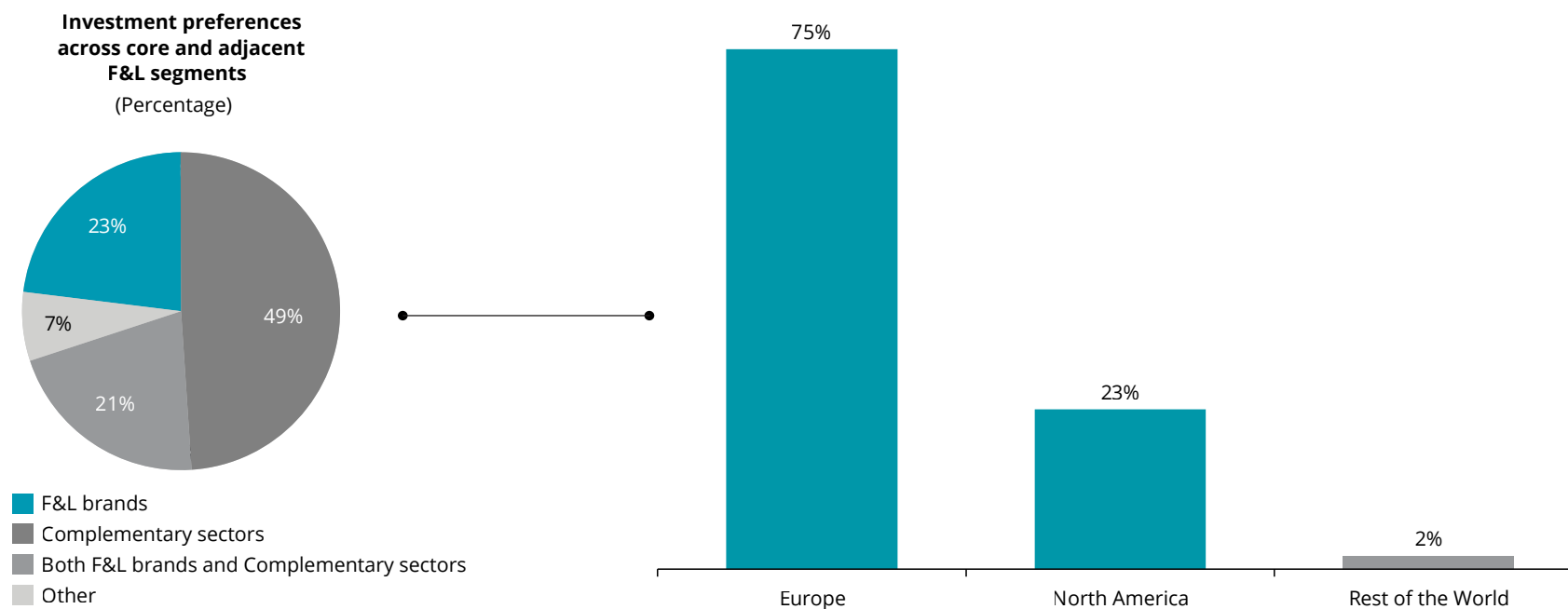


Regions and segments with highest investment potential

In 2025, investors identify Europe (75%) and North America (23%) as the regions with the highest investment potential in the Fashion & Luxury space. At the same time, investment preferences shift toward complementary business sectors, such as accessories, resale, and services, now attracting 49% of respondents, compared to 23% for direct investment in F&L brands.

Regions with highest potential

(Percentage of respondents)



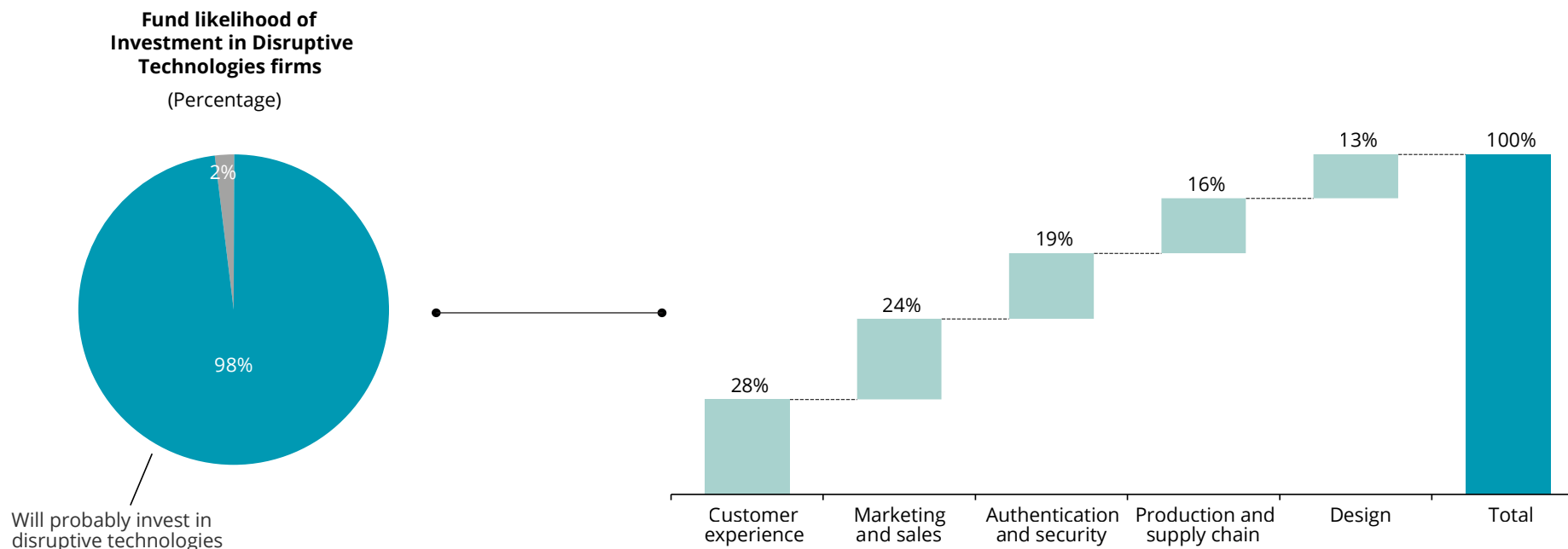


Impact of disruptive technologies

In 2025, 98% of survey participants might invest in disruptive technologies to benefit from potential synergies with current assets, showing an increase of +31% pts compared to 2024. Artificial Intelligence, already identified as the most impactful disruptive technology in 2024, continues to gain traction, with expected impact concentrated in Customer Experience, Marketing & Sales, and Authentication & Security.

Impact of Artificial Intelligence on Fashion & Luxury business areas

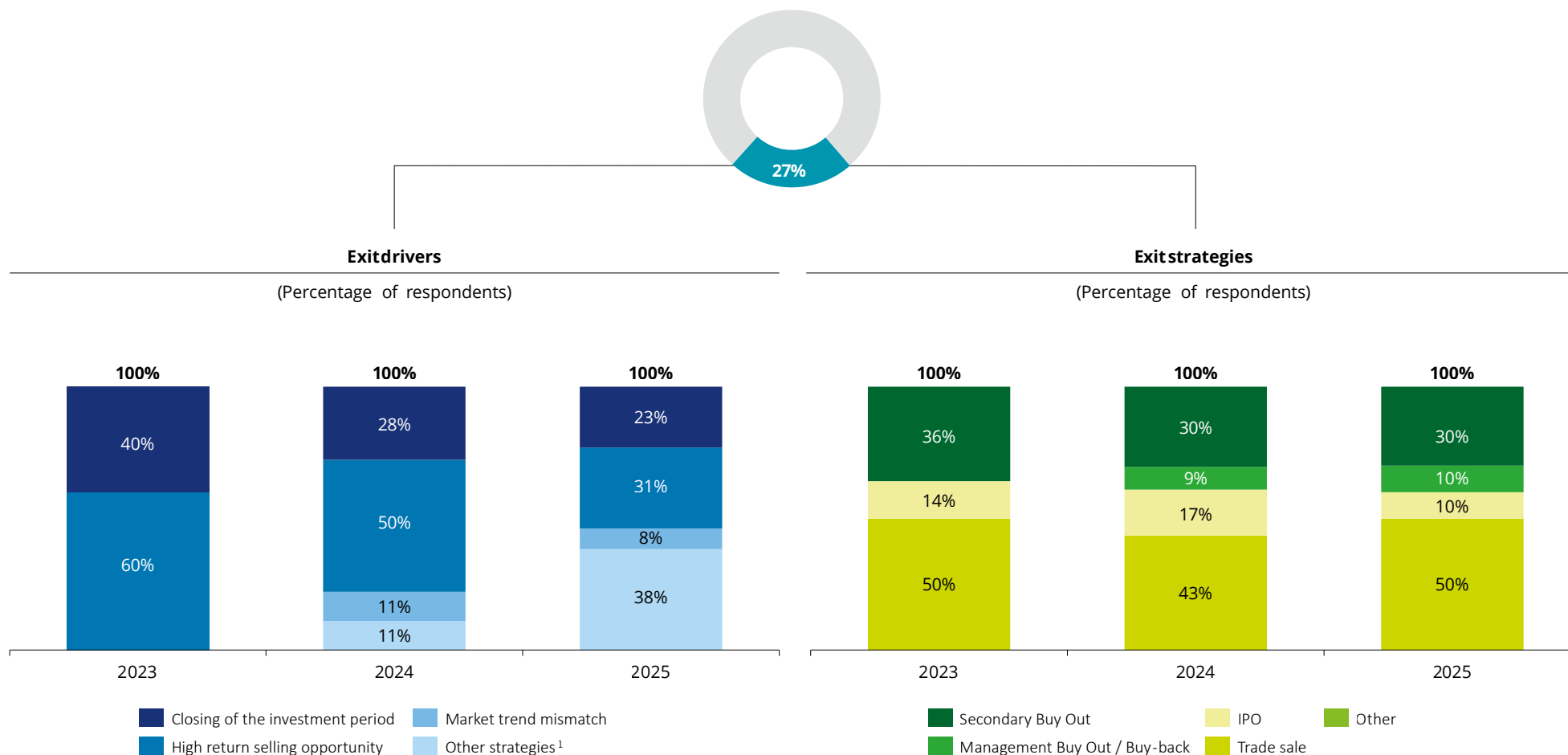
(Percentage of respondents)





Funds' F&L exit strategy for 2025

Funds considering divesting a F&L asset in 2025 represent 27% of respondents, showing an increase of 5% pts compared to 2024. The main exit drivers are High returns opportunities (31%) and Closing investment period (23%), while the main exit strategy will be Trade sale (50%) or Secondary Buy out (30%).



Notes: 1) Other drivers include Change of the general investment strategy, and Interest in other F&L segment/industry



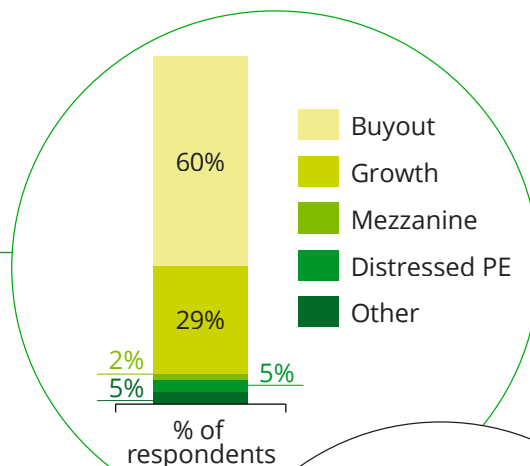


Profile of survey respondents - Funds' key features

The majority of respondents, corresponding to 90% of the total, are part of Private Equity Funds, whose strategic approach is mainly based on buyouts (60%) in the Industrial (24%) and Fashion & Luxury (19%) sectors. 43% of PE Funds own net assets between \$100 - \$500m.

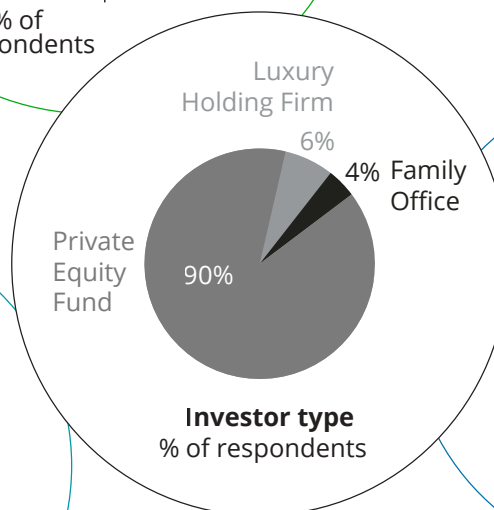
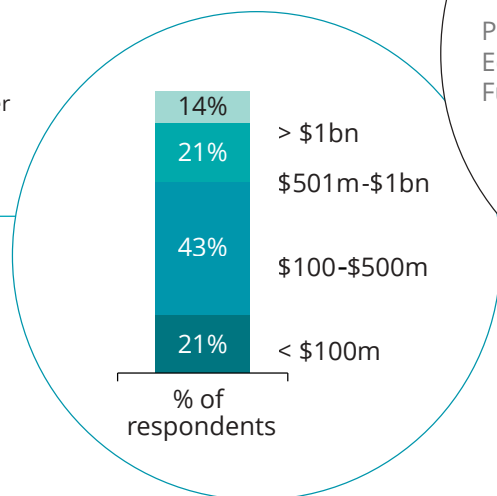
Fund strategy

The main strategic approaches of the involved funds are: Buyout (60%) and Growth (29%) strategies



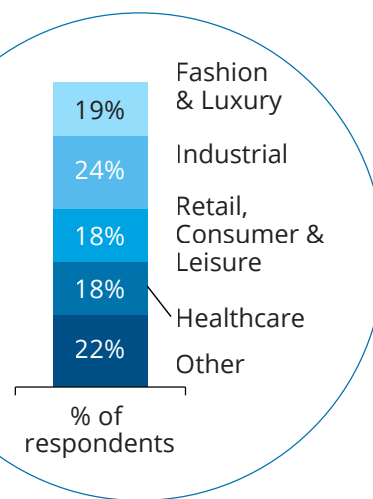
Fund net assets

43% of respondents to the survey have net assets between \$100-\$500m, while 21% have full net assets lesser than \$100m and 14% of them have net assets greater than \$1bn



Fund core industries

The main core industries performed in investors' portfolio are: Industrial (24%) F&L (19%), Healthcare (18%), and Retail, Consumer & Leisure (18%)

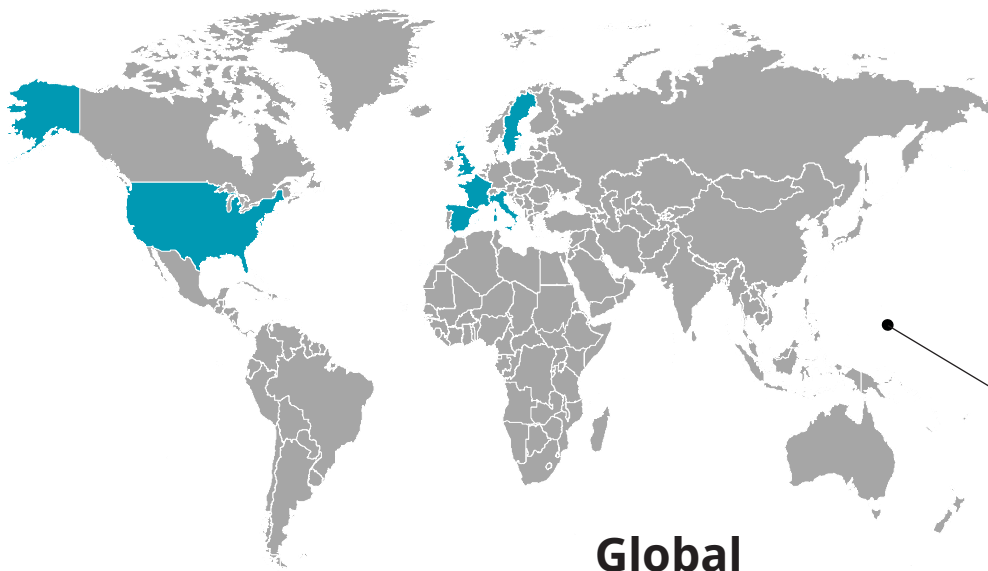




Profile of survey respondents

The survey participants' role correspond for 56% to Managing director/Partner, 20% to Director/ Principal and 20% to Investment manager.

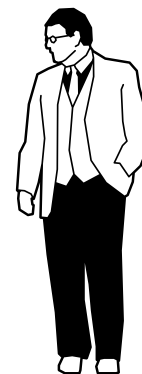
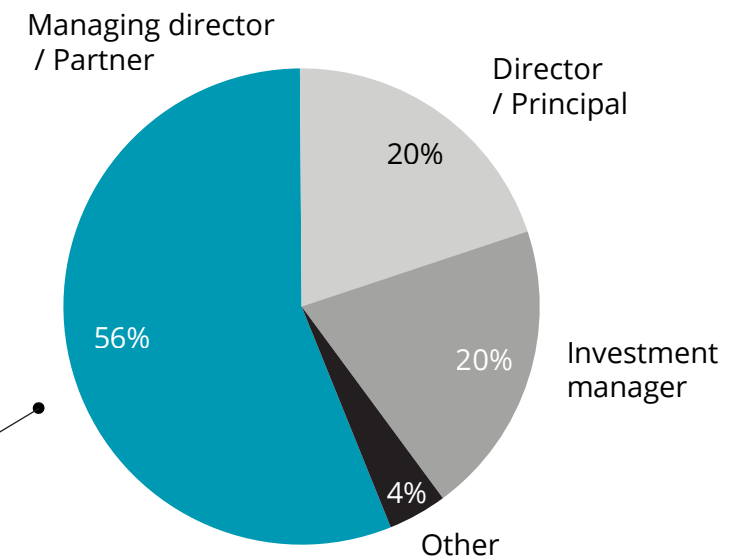
Respondents' locations



■ Main countries

Respondents' roles

(Percentage of respondents)

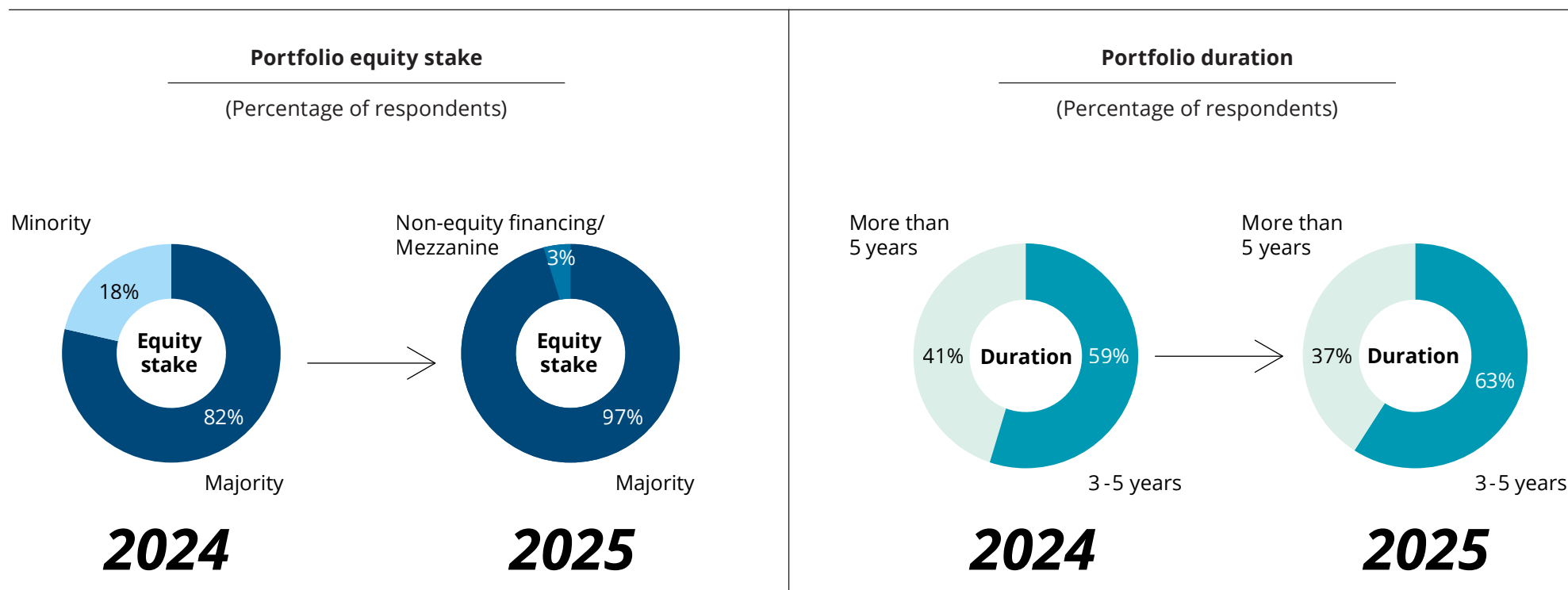




Funds' current F&L portfolio: structure

As in 2024, a majority continues to be the overwhelmingly chosen equity stake, accounting for 97% in 2025 (+15 p.p.). In 2025, 3-5 years is the preferable holding period for a F&L asset (+4 p.p.).

41% of investors have a Fashion & Luxury asset in their portfolio







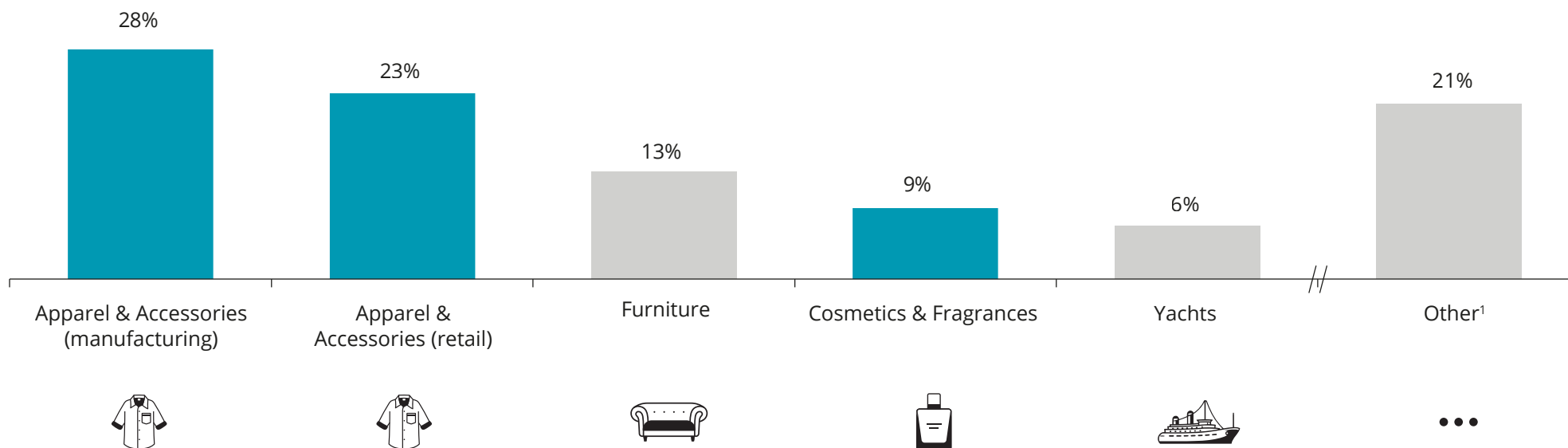
Funds' current F&L portfolio: main sectors

The main F&L assets held by investors are Apparel & Accessories (51%, including both retail and manufacturing companies), Furniture (13%), Cosmetics & Fragrances (9%) and Yachts (6%).

Main F&L assets managed by investors

(Multiple choice question)

50% of investors have a Fashion & Luxury asset in their portfolio



Note: 1) "Other F&L sectors" includes mainly: Restaurants.
Source: Elaboration on Deloitte survey

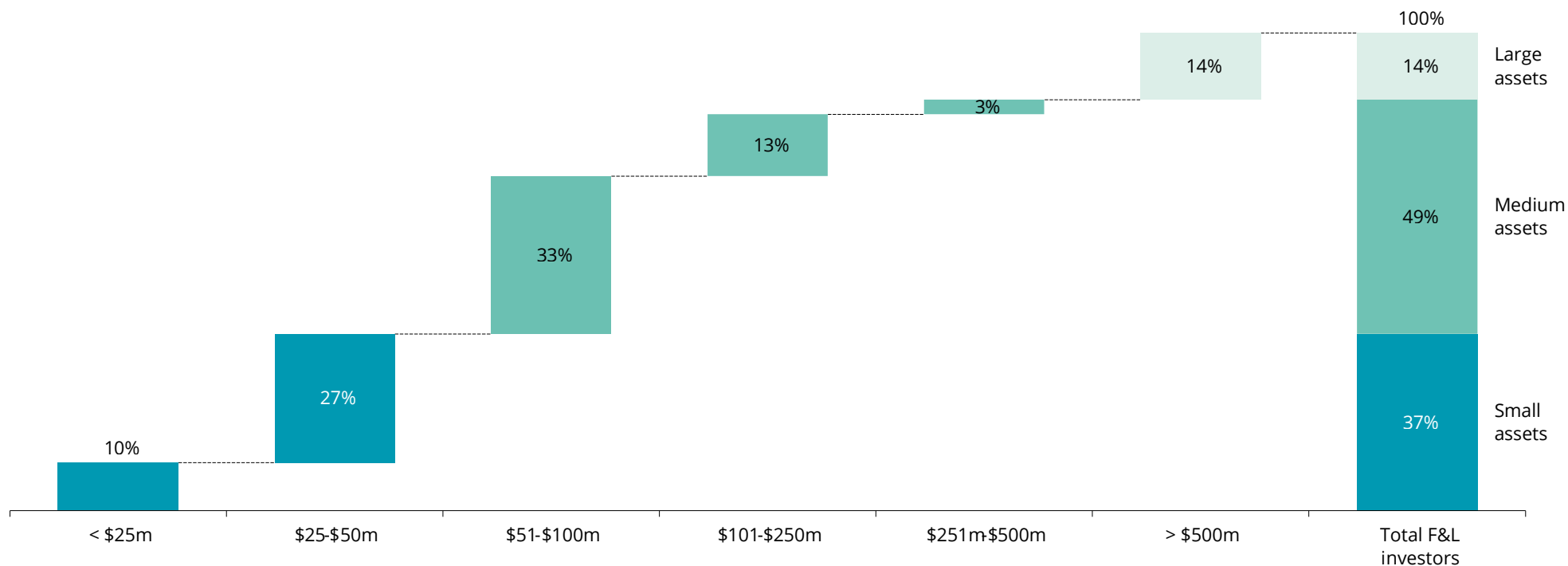


Funds' current F&L portfolio: average asset size

Among survey participants, 37% hold Fashion & Luxury assets with average turnover below \$50m, 49% hold medium-sized assets (\$51m–\$500m), and the remaining 14% have large-sized assets exceeding \$500m.

Average turnover of F&L assets in investors' portfolio

(Percentage of respondents)





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Preface & Methodology

Market Insights and Perspective of F&L Industry

M&A Deal Monitor

Private Equity and Investors Survey

Glossary and Contacts



Glossary

Main terms and abbreviations

PLG	Personal Luxury Goods include the following sectors: Apparel & Accessories, Cosmetics & Fragrances and Watches & Jewelry
AuM	Assets Under Management
CAGR	Compound Annual Growth Rate
F&L	Fashion & Luxury Acronym for Internal
IRR	Internal Rate of Return
PE	Private Equity
RoW	Rest of the World

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