

Family Owned Global Luxury Firms Report Good Growth Numbers

Family owned luxury firms have reported impressive growth numbers. Their performance gain is significant as many economies and business sectors are going through slowdown and tough times. The Paris based fashion house Hermes, controlled by the descendants of founder Thierry Hermes, registered 22.6% increase in its revenue for 2012. Compared to sales of €2.8 billion in 2011, the firm reported the figure of €3.5 billion for 2012. The company registered best growth figures (of 25%) in Asian markets. The company's Ready-to-wear and Accessories division grew the fastest, with revenue increasing by 18%. The company also makes the iconic Birkin bag.

Italy-based luxury goods retailer Salvatore Ferragamo Group continued to witness strong demand for its luxury products. The group owned by the Ferragamo family clocked revenue growth of 17% in 2012 with sales figure touching €1.2 billion. The net profits of the firm went up by 21% compared to 2011 results. The Florence headquartered marketer of top-end shoes and handbags recorded net profits of €125 million for 2012. Thirty six percent of the group's total revenue figure came from the Asia-Pacific region, which has now become Ferragamo's biggest market.

LVMH, the Paris based luxury goods group controlled by Arnault family posted revenue growth of 6% to €6.9 billion in its results for first quarter of 2013. The company's retailing division had the strongest revenue growth at 16%, followed by the wines and spirits division, which grew at 6%.

Rémy Cointreau, the Heriard Dubreuil family controlled French alcohol manufacturer that markets high-end brands including Rémy Martin, registered double-digit growth in sales for second year in a row. The company's revenues for the financial year ending with this March were up 16.3% to €1.2 billion. Most of this growth came from US and Asian markets.

Source: Campden FB: Family Business Round-up, March 25, and April 19, 2013