

Global Luxury Goods

Connections Series

Emerging Consumer Survey 2014: Encouraging

The Credit Suisse Research Institute has published its fourth [Emerging Consumer Survey](#), engaging AC Nielsen to interview 16,000 consumers across nine emerging countries including China, Russia, India, Indonesia, Brazil, Mexico, South Africa, Turkey and Saudi Arabia ([summary version here](#)).

- **Purchase intent for the next 12 months is rising** across most categories we surveyed and across all key emerging markets (except for mixed trends in Brazil). Rising purchase intent in China stands out as the biggest surprise including improvement vs. last year's survey in watches and sporting goods. Improving purchase intent in Russia, India, Saudi Arabia and Indonesia also bodes well for our names. **Around 50% of consumers we surveyed plan to purchase Western brands** over the next 12 months, with sporting goods standing out (>70% of respondents), a clear positive for Nike and Adidas.

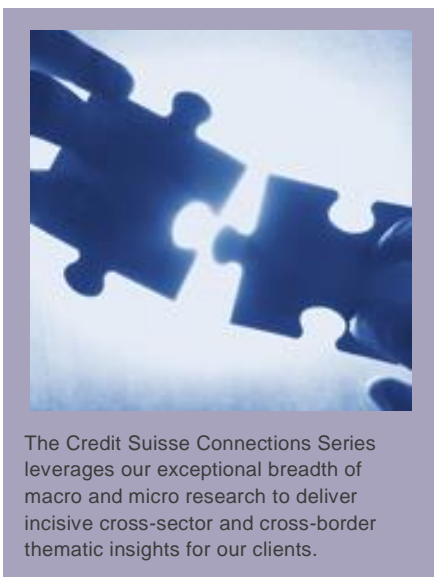
Which brands are winning in BRIC countries on purchase intent?

- **China:** *Chanel* in leather goods and perfumes (and the gap vs. the rest is increasing) followed by *Hermes* and *Armani*. *Rolex/Omega* (in watches), *Lacoste/Hermes/Burberry* (in fashion), *Adidas* (in sporting goods) appear as the most desired global brands. Local brands dominate in jewellery, where we see good penetration upside for *Cartier/Tiffany/Bulgari/Piaget*.
- **Russia:** *Prada* (in leather), *Boss/Chanel* (in perfumes), *Lacoste* (in fashion), *Adidas* (in sporting goods) and *Tissot* (in watches) stand out.
- **Brazil:** *Lacoste* and *Calvin Klein* stand out in fashion and leather, *Nike* and *Adidas* in sports and local brands in watches, jewellery and perfumes.
- **India:** Local premium brands dominate most categories, especially jewellery and watches, while *Adidas* is the clear leader in sporting goods.
- **Global stocks to explore the emerging consumer theme in 2014:** In Europe, we have several names well placed in emerging markets, but we favour **Adidas (CS Focus List), Richemont, Swatch** and **Prada**. In the US, we flag **Ralph Lauren** and **Tiffany** as our key ideas and **Chow Tai Fook** in Asia.

Figure 1: Featured Global Luxury stocks

Stock	Rating	Target price	CY14E P/E	CY14E EV/EBITDA	CY14E EV/sales
Adidas Group	Outperform	€97	17.6	11.7	1.1
Swatch	Outperform	SFr 650	16.7	11.2	3.2
Richemont	Outperform	SFr 100	17.9	10.6	2.9
Chow Tai Fook	Outperform	HK\$14.5	15.1	10.4	1.5
PRADA	Outperform	HK\$86	16.1	10.0	3.5
Ralph Lauren	Outperform	US\$185	16.5	8.5	1.6
Tiffany	Outperform	US\$96	20.5	10.2	2.6

Source: Credit Suisse estimates



The Credit Suisse Connections Series leverages our exceptional breadth of macro and micro research to deliver incisive cross-sector and cross-border thematic insights for our clients.

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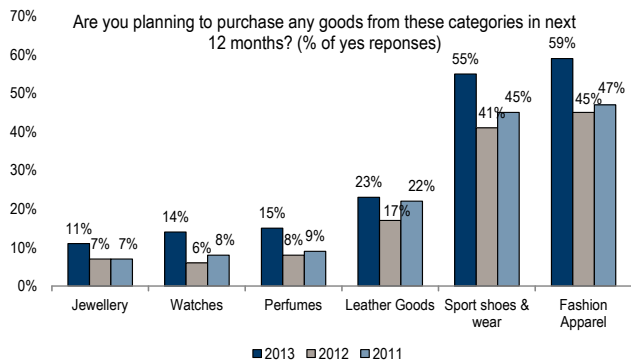
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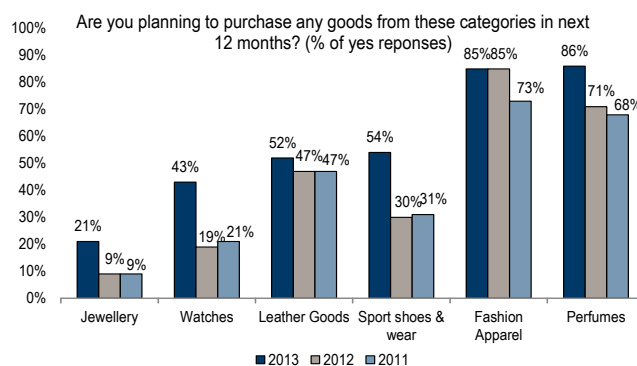
Focus charts

Figure 2: China: purchase intent rising across the board



Source: Credit Suisse Emerging Market Survey 2014

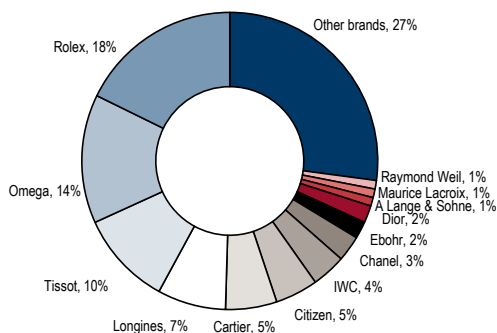
Figure 3: Saudi Arabia: purchase intent is rising



Source: Credit Suisse Emerging Market Survey 2014

Figure 4: Watches in China: Omega is second to Rolex; Tissot and Longines are enjoying good momentum

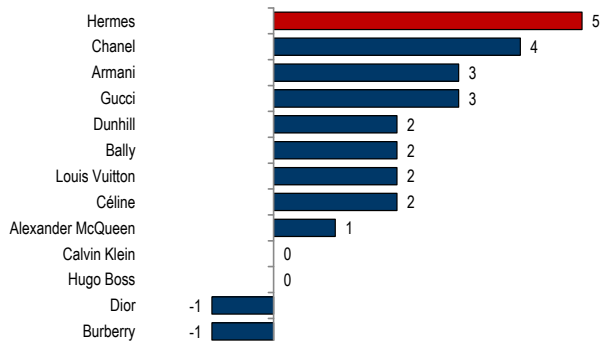
Purchase intent for international watch brands in China



Source: Credit Suisse Emerging Market Survey 2014

Figure 5: Leather goods in China: Hermes / Chanel have the most positive momentum, Chanel continues to lead

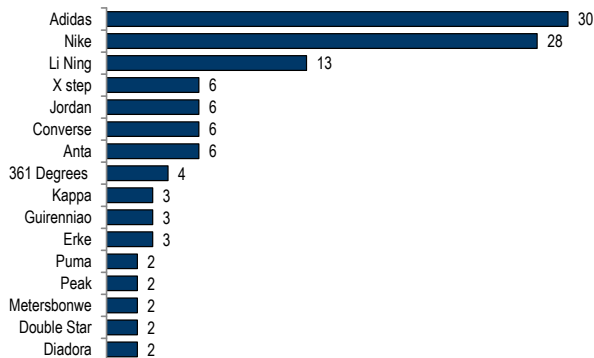
Change in purchase intent for global leather goods brands in China



Source: Credit Suisse Emerging Market Survey 2014

Figure 6: adidas and Nike are the sporting brands enjoying strongest brand equity / pricing power in China

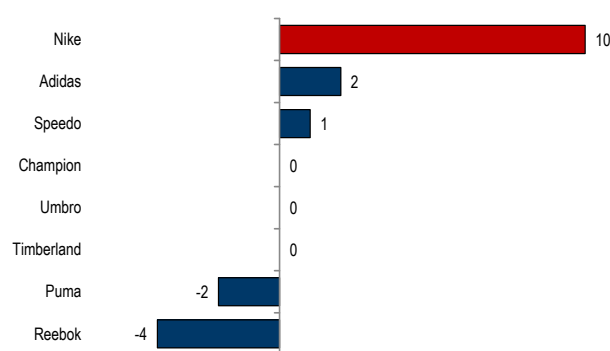
Sporting goods brands that Chinese are willing to pay more for



Source: Credit Suisse Emerging Market Survey 2014

Figure 7: Sporting goods in Russia: adidas is the absolute leader but Nike is narrowing the gap, Reebok/Puma losing

Change in purchase intent for global sporting goods brands in Russia



Source: Credit Suisse Emerging Market Survey 2014

The authors of this report wishes to acknowledge the contribution made by Maya Mahadevan, an employee of CRISIL Global Research and Analytics, a division of CRISIL Limited, a third-party provider of offshore research services to Credit Suisse.

Executive summary

The Credit Suisse Research Institute has published its fourth Emerging Consumer Survey, engaging AC Nielsen to interview 16,000 consumers across nine emerging countries.

Key takeaways at sector level

- **Improving purchase intent for the next 12 months is rising** over most discretionary categories we surveyed across emerging markets, except for Brazil (where the data was mixed). Improving trends in China stand out as the biggest surprise in this survey. The key highlights for the BRIC countries are:
 - **China:** The latest survey points to significant improvement in purchase intent across all categories, a clear contrast with a decline seen in 2012. This includes purchase intent for Watches moving to 14% of total respondents planning to buy in the next 12 months from 6% in the last survey (positive for Swatch / Richemont) and purchase intent for sporting goods moving to 55% from 41% in the previous survey (positive for adidas and Nike).
 - **Russia:** The latest survey shows consistent improvement across categories albeit not as marked as in China. Trends in fashion apparel, leather, perfumes and sporting goods look encouraging, which bodes well for adidas.
 - **Brazil:** The latest survey indicates a mixed picture, with improvement in perfumes, leather and watches contrasting with declines in purchase intent in jewellery and sporting goods. We expect the upcoming World Cup to fuel demand for football products; only the wealthiest Brazilians buy European luxury brands, making them more insulated against mixed trends for the Brazilian consumer.
 - **India:** Purchase intent shows improvement across categories, with a marked upward trend in sporting goods in particular, which bodes well for adidas group.
- Among the other countries surveyed, purchase intent has been trending favourably versus last year's survey in Saudi Arabia and Indonesia.
- **Around 50% of consumers surveyed across all markets plan to purchase western brands for discretionary categories** in the next 12 months. **In terms of categories**, sporting goods stand out, a structural positive for the likes of Nike and adidas. **In terms of countries**, Saudi Arabia and Mexico stand out as the emerging countries where consumers favour Western brands to an even greater extent.

Key takeaways at brand level

Our analysis of this proprietary data provides a view of relative purchase intent and pricing power for international luxury and sport shoes and wear brands in China, Russia, Brazil and India.

One caveat for luxury is that this survey includes responses from all income brackets, hence this is not a study focused solely on the high net worth population that typically represents the core/regular clientele for luxury brands, which may explain any divergence with surveys focused solely on millionaires. A second caveat is that the number of responses may have been relatively limited because of the exclusivity of the luxury goods sector, particularly in markets such as India and Brazil.

Having said that, we think that the survey provides some interesting brand insights and many of them are consistent with last year's survey.

The key highlights by category for BRIC countries from this year's survey are:

- **Leather goods:** *Chanel* continues to enjoy the highest purchase intent among international luxury brands in China (and with the biggest improvement vs. last year's survey) and is also the brand Chinese consumers are willing to pay more for, followed by *Hermes*, *Armani* and *Dior*. *Prada* leads the pack in Russia and is also among the brands Russian consumers are willing to pay more for (along with *Armani* and *Chanel*). *Armani* stands out again in India. This shows how LV and Gucci have been losing ground to less penetrated brands in a more sophisticated Chinese luxury market.
- **Fashion apparel:** In China, Brazil and Russia, *Lacoste* continues to enjoy the highest purchase intent and ranks among the brand consumers think is worth paying more for. Our survey also highlights *Hermes* standing out in China (good inroads vs. last year's survey), *Prada*, *Hugo Boss* and *Armani* are well placed in Russia, *Calvin Klein* stands out in Brazil and *Levi's* stands out in India. *Hermes* again is the brand the Chinese are willing to pay more for, with *Burberry* and *Armani* also well placed.
- **Perfumes:** *Chanel* enjoys the highest purchase intent and is by far the brand consumers are willing to pay more for in China (followed by *Dior*). *Hugo Boss* and *Chanel* rank among the most desired brands in Russia, with *Chanel* being the top brand Russian consumers are willing to pay more for. Local brands are dominant in Brazil. *Cartier* is the top global brand that the Chinese are willing to pay more for.
- **Watches:** *Rolex* leads in terms of purchase intent and pricing power in China, closely followed by *Omega*, with *Longines* and *Tissot* continuing the positive momentum seen last year. In Russia, *Tissot* stands out among international brands. Swatch Group owns three of the top five brands that Chinese are willing to pay more for.
- **Jewellery:** *Chow Tai Seng* enjoys the highest purchase intent in China, followed by other local brands. *Cartier*, *Piaget* and *Swarovski* are among the international brands that stand out in China. *Tiffany* and *Swarovski* enjoy strongest pricing power in Russia. *Tiffany* is again the most desired international jewellery brand in Brazil.
- **Sports shoes and wear:** *Adidas* and *Nike* continue to enjoy the highest purchase intent and pricing power across most markets: In China, both are very close, in Russia, adidas leads but Nike is closing the gap, in Brazil, Nike leads and adidas is a solid number 2, in India, *Adidas* is the clear leader with *Reebok* also well placed. A good illustration of the health of the adidas brand in China, Russia and India is that this is the brand that local consumers are willing to pay more for (30%, 46% and 37% of our surveyed sample respectively).

Investment thesis for global stock ideas to explore the emerging consumer theme in 2014

adidas Group (CS Focus List, TP €97) – leading in emerging markets. Organic sales momentum to accelerate to +9% in 4Q and 2014 (helped by initiatives around next year's World Cup and easier comparatives), attractive valuation (thanks to margin expansion potential not priced in and wide valuation gap versus Nike) and rising dividend pay-out (towards 40% vs. 35% in 2012) should drive short-term (S-T) outperformance. In the long term (L-T), we like the brand's credentials in sports performance (especially in football and running), sports lifestyle (winning in China) and its broad-based presence in emerging markets (45% of group sales).

Richemont (Outperform, TP SFr100) – superior hard-luxury portfolio well placed in emerging markets. In the S-T, we see underlying acceleration to double-digit sales growth with investors now factoring lowered FY14E margins and no disposals of underperforming brands. Lower raw material costs should act as a tailwind to gross margins from 1H15 and higher operating leverage potential should fuel above-sector

average mid-teen EBIT growth from FY15. In the L-T, we like its advantaged competitive position in higher-priced jewellery (c.80% of this €55bn market is unbranded), superior pricing power, strong presence in emerging markets (about half of group sales) and improving operating leverage from 2015E.

Swatch Group (Outperform, TP SFr650) – advantaged competitive position in China.

We are buyers of the stock for five key reasons: (a) *Longines* and *Tissot* remain big market share winners in the short and long term, (b) prospects of stabilisation for its flagship *Omega* brand in China in 2014, (c) sector-leading industrial base and R&D leadership in watches, (d) growth optionality in the US market, in jewellery and in retail, (e) attractive valuation on HOLT® relative to peers.

PRADA (Outperform, TP HKD86) – penetration upside in BRIC to drive highest top-line growth among peers.

Strong momentum among the major global luxury brands in Greater China is driving demand in other key markets such as Europe, Japan, and the US. Catalysts in the near-to-medium term are accelerating top-line growth trends (SSSG) and continued margin expansion in PRADA brand. Long-term brand and share price value will largely be a function of rising store productivity levels and higher ROIC. Acquiring Prada under HK70 should prove prescient, opportunistic and rewarding because PRADA has (1) the lowest 2014E PEG multiple of all global luxury stocks; (2) the highest forecast sales and EPS growth for 2014; (3) a superior earnings revision trend to its peers; and (4) is expected to post positive SSSG momentum in 4QFY14

Chow Tai Fook (Outperform, TP HKD14.5) – riding on improving consumer sentiments in China.

Physical gold remains the major product category sold by domestic jewellers in Greater China (accounting for more than 60% sales mix last FY), yet contributing only 30-40% to group gross profit due to the lower margin than gem-set jewellery. In 2014, we expect the demand for gold product to normalise post gold rush in 2013 and the demand for high-end jewellery to pick up on the back of a more stable economy and political environment in China. Recent sales trend suggested an improving consumer sentiment on high-end jewellery, where the average selling price finally picked up on the growth trend and SSSG accelerated. We expect Chow Tai Fook to pose stronger-than-peers earrings momentum in the short run on the back of its (1) most extensive retail exposure in Mainland China; (2) highest sales mix of gem-sets jewellery; (3) expanding and improving wholesales business; and (4) relative lower comparatives in 2013. In the long run, Chow Tai Fook is likely to enjoy the first mover advantage on urbanisation given its penetration in lower-tier cities in China.

Ralph Lauren (Outperform, TP \$185) – global premium brand well positioned to gain share in emerging markets.

Our long-term growth thesis for Ralph Lauren is predicated on the view that the brand is underpenetrated in Europe and Asia-Pacific relative to other premium apparel brands. This provides opportunity to sustain high single digit revenue growth and margin expansion towards 20% longer term as mix shifts to higher-margin regions. This growth profile would warrant a multiple premium to premium apparel peers of 19-20x forward P/E. With brand repositioning well underway in China, we expect 2014 to prove an inflection point for emerging market demand.

Tiffany (Outperform, TP \$96) –

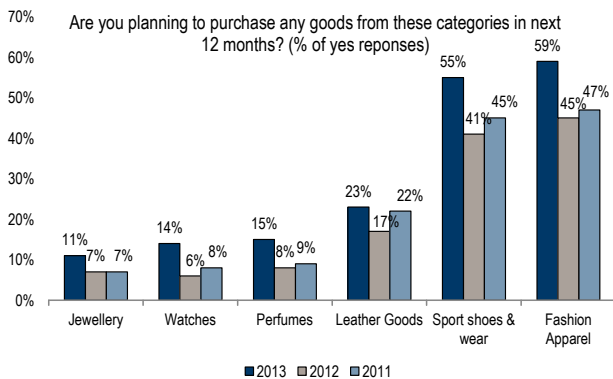
We consider Tiffany a leading brand in the global jewelry space, with ample opportunity to grow revenue at a high-single-digit rate and earnings in the teens over the next five years. The recent acquisition of distribution in the Middle East and Russia positions the company for accelerated square footage growth in emerging markets. In addition, increasing focus on higher-end product lines and engagement jewellery looks likely to support comparable store sales gains across APAC and the Middle East. We believe that margin expansion opportunities with improving raw materials prices and a mix shift to higher-margin regions of the world add compelling upside opportunities to the consensus over the next 24 months.

Survey implications at category level

Category purchase intent highlights by country

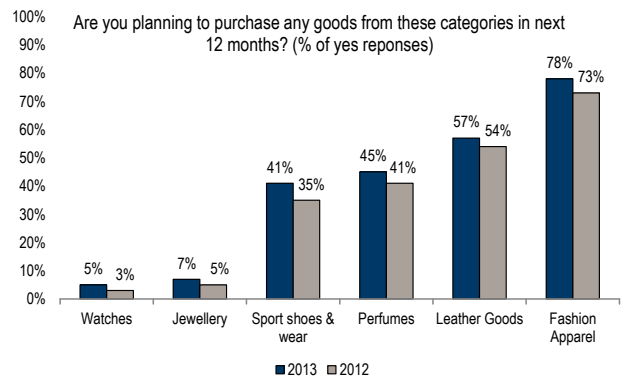
- China:** Our latest survey points to significant improvement in purchase intent across all categories, a clear contrast with a decline seen in 2012. This includes watches, which have been particularly affected in the past year or so (encouraging for Swatch and Richemont) and also sporting goods (which should benefit adidas and Nike)
- Russia:** The latest survey shows consistent improvement across categories albeit not as marked as in China. Sequential trends in Fashion apparel, leather, perfumes and sporting goods look encouraging. Adidas has the biggest exposure in our coverage to this market.

Figure 8: China – purchase intent by category



Source: Credit Suisse Emerging Market Survey 2014

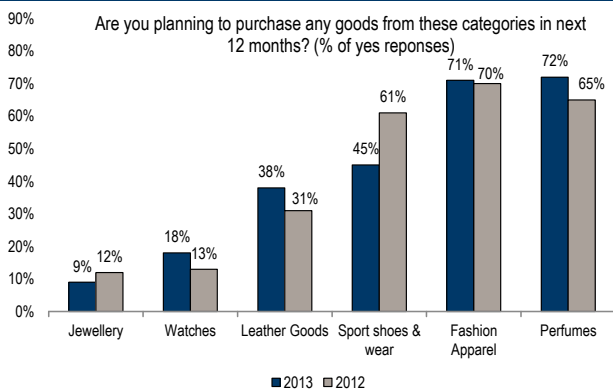
Figure 9: Russia – purchase intent by category



Source: Credit Suisse Emerging Market Survey 2014

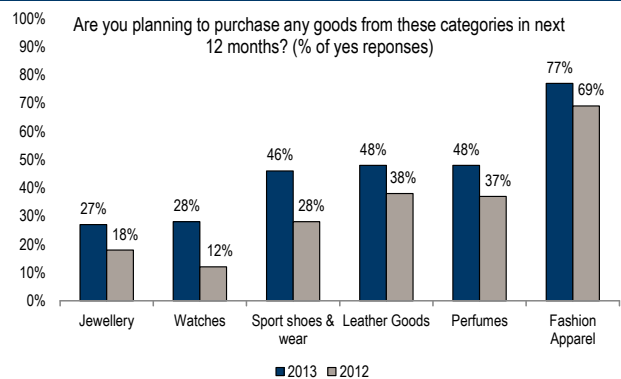
- Brazil:** The latest survey indicates a mixed picture, with improvement in perfumes, leather goods and watches contrasting with a decline in purchase intent in jewellery and sporting goods. However, we expect the World Cup to fuel demand for football products; the European luxury brands are mostly purchased by the Brazilian wealthiest, making them more insulated against mixed trends for the mainstream consumer.
- India:** Purchase intent shows improvement across categories, with a marked upward trend in sporting goods in particular, which bodes well for adidas group.

Figure 10: Brazil – purchase intent by category



Source: Credit Suisse Emerging Market Survey 2014

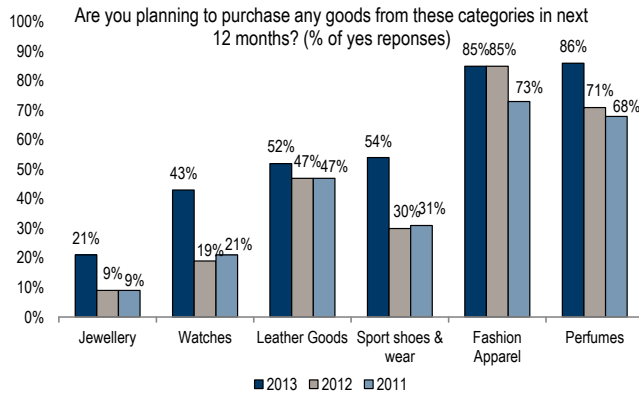
Figure 11: India – purchase intent by category



Source: Credit Suisse Emerging Market Survey 2014

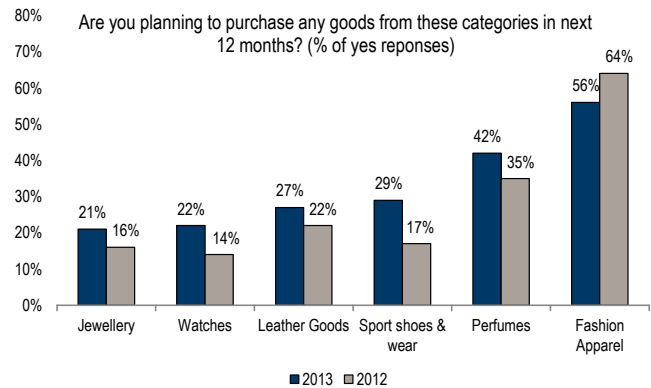
- **Saudi Arabia:** Our latest survey points to a significant increase in purchase intent for **Watches, Jewellery** and **sporting goods** versus 2013.
- **Indonesia:** Our latest survey points to an improvement in purchase intent in all categories except for Fashion & Apparel (which was unusually strong in 2013).

Figure 12: Saudi Arabia - purchase intent by category



Source: Credit Suisse Emerging Market Survey 2014

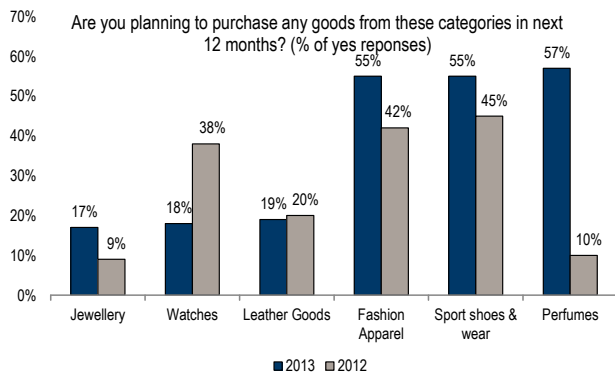
Figure 13: Indonesia - purchase intent by category



Source: Credit Suisse Emerging Market Survey 2014

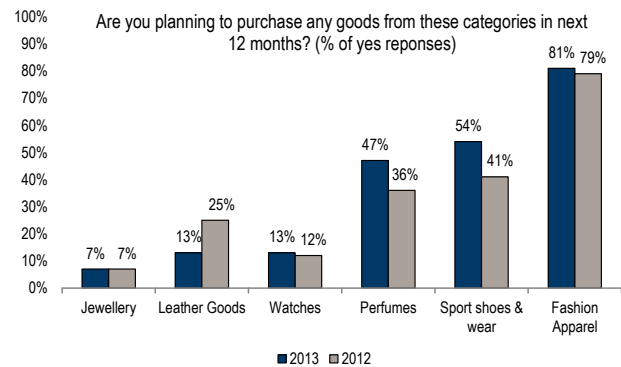
- **South Africa:** A significant increase in purchase intent for **Perfumes** (against a very low base in 2012) and improvement for other categories contrasts with a decline in purchase intent for watches.
- **Turkey:** Our survey points to improving trends for perfumes and sporting goods, stable purchase intent trends for watches and jewellery and a decline in leather goods.

Figure 14: South Africa - purchase intent by category



Source: Credit Suisse Emerging Market Survey 2014

Figure 15: Turkey - purchase intent by category



Source: Credit Suisse Emerging Market Survey 2014

In summary, our latest survey points to improving purchase intent trends across most emerging markets, except for Brazil where the data was mixed. In contrast with last year's survey declines, China stands out as the biggest surprise with a significant improvement in purchase intent across all categories, including watches and sporting goods. This bodes well for our global luxury and sporting goods companies in 2014.

Emerging consumers prefer Western brands in the consumer discretionary space

When we look at aspirational behavior of emerging market consumers, it points more heavily in the direction of Western brands

Around 50% of consumers surveyed across all markets plan to purchase Western brands for discretionary categories in the next 12 months, with fashion apparel, sports shoes & wear, perfumes and leather goods being the highest.

Jewellery was the lowest at only 24% of consumers planning to buy Western brands due to: (a) the dominance of lower-priced local brands, the purchase of which is primarily motivated by the commodity value, and (b) low penetration of luxury/design jewellery, of which the core clientele remains the high-net worth population in emerging markets (that said, we notice jewellery as one category where consumers are seeking western branded jewellery from a lower base for its prestige and heritage).

Figure 16 reveals two other trends with regards to relative preference for Western brands:

- **In terms of categories**, sporting goods stand out as the category for Western brands, a structural positive for the likes of Nike and adidas.
- **In terms of countries**, Saudi Arabia and Mexico stand out as the emerging countries where consumers favour Western brands to an even greater extent.

Figure 16: Purchase intent in next 12 months: about 50% of consumers surveyed across all emerging markets plan to purchase Western brands for discretionary consumer categories

% respondents planning to buy	Average	Brazil	China	India	Indonesia	Russia	Saudi Arabia	South Africa	Turkey	Mexico
Fashion apparel										
Western brands	47%	35%	27%	44%	59%	24%	84%	44%	41%	64%
Domestic brands	37%	53%	60%	46%	18%	42%	6%	50%	32%	23%
Leather bags and shoes										
Western brands	45%	38%	40%	14%	53%	19%	76%	58%	29%	75%
Domestic brands	33%	38%	45%	76%	39%	10%	7%	29%	50%	4%
Sports shoes & wear										
Western brands	73%	83%	51%	58%	71%	71%	89%	83%	76%	77%
Domestic brands	18%	15%	45%	36%	23%	5%	3%	13%	9%	14%
Jewellery										
Western brands	24%	36%	22%	2%	24%	20%	23%	24%	18%	50%
Domestic brands	63%	53%	77%	67%	41%	68%	73%	71%	78%	41%
Perfumes										
Western brands	66%	39%	82%	52%	69%	69%	85%	60%	60%	82%
Domestic brands	22%	60%	10%	42%	10%	9%	12%	34%	13%	12%

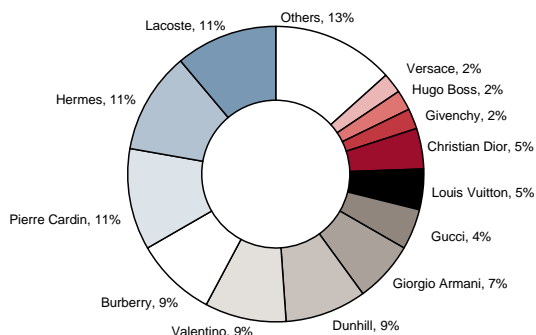
Source: Credit Suisse Emerging Market Survey 2014

Survey implications at brand level

China: key takeaways for luxury and sports brands

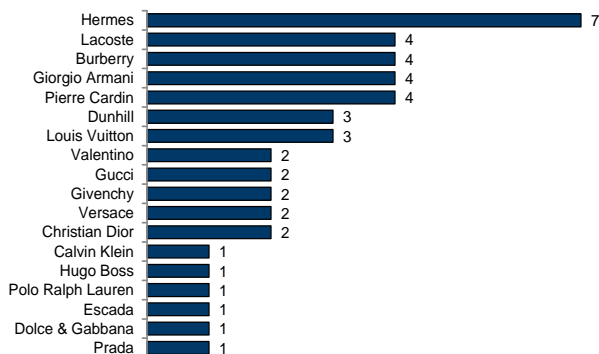
Fashion apparel: Lacoste enjoys the highest purchase intent (similar to 2013), followed by Hermes, which replaces Burberry. Other well-positioned international brands include Burberry, Valentino, Dunhill and Armani. In addition, Hermes, Lacoste and Burberry stand out as the global brands the Chinese think are worth paying more for.

Figure 17: Purchase intent for fashion apparel brands



Source: Credit Suisse Emerging Market Survey 2014

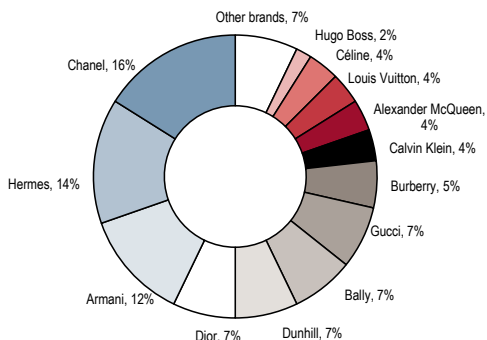
Figure 18: Apparel brands 'worth paying more for' (%)



Source: Credit Suisse Emerging Market Survey 2014

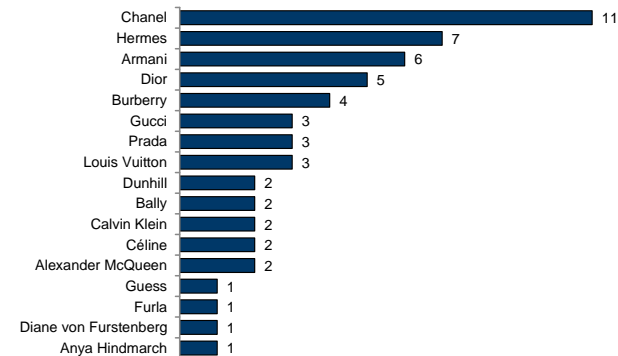
Leather goods – Chanel leads on purchase intent and pricing power. Hermes, Armani, Dior, Gucci and Dunhill also seem well placed. Chanel stands out as the brand Chinese consumers consider worth paying more for, followed by Hermes, Armani, Dior.

Figure 19: Purchase intent for non-local leather brands



Source: Credit Suisse Emerging Market Survey 2014

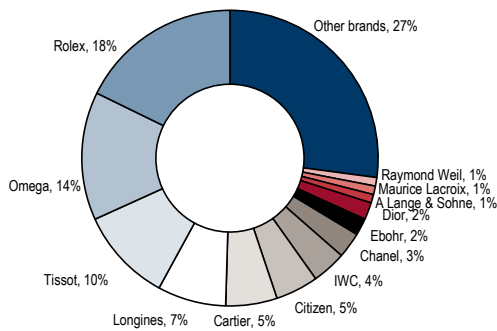
Figure 20: Leather brands 'worth paying more for' (%)



Source: Credit Suisse Emerging Market Survey 2014

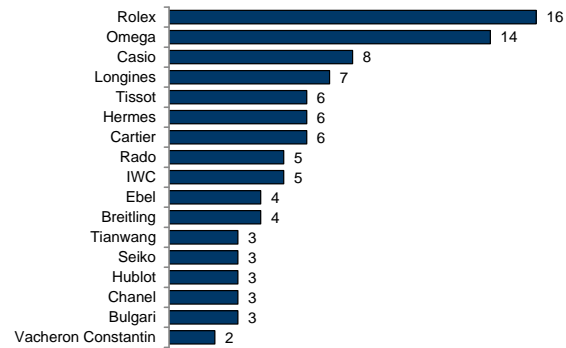
Watches – Rolex leading this year, closely followed by Omega. Rolex and Omega continue to enjoy the highest purchase intent (consistent with previous surveys). Swatch Group brands Longines and Tissot continue to be well placed similar to last year. Cartier and Citizen are other well positioned watch brands in China. Rolex is now ahead of Omega (a close second) as the watch brand Chinese consumers think is worth paying more for. Longines remains among the leading brands in China; Casio, Tissot, Hermes and Cartier are the other brands Chinese are willing to pay more for.

Figure 21: Purchase intent for watch brands



Source: Credit Suisse Emerging Market Survey 2014

Figure 22: Watch brands 'worth paying more for' (%)

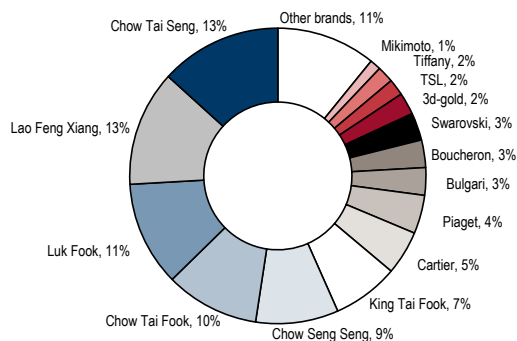


Source: Credit Suisse Emerging Market Survey 2014

Jewellery – Chow Tai Seng and Lao Feng Xiang are the leaders in our latest survey.

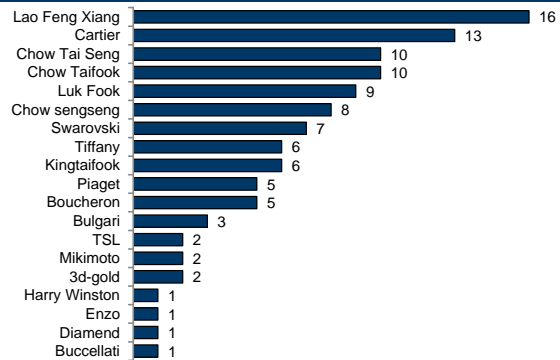
Chow Tai Fook remains among the leading brands, with international brands such as Cartier, Bulgari, Boucheron, Swarovski and Tiffany placed well behind (far more exclusive than local brands). The positive takeaway is the significant improvement for Cartier among brands Chinese consumers consider worth paying more for.

Figure 23: Purchase intent for branded jewellery



Source: Credit Suisse Emerging Market Survey 2014

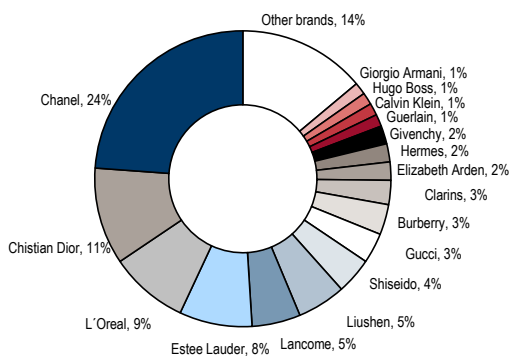
Figure 24: Jewellery brands 'worth paying more for' (%)



Source: Credit Suisse Emerging Market Survey 2014

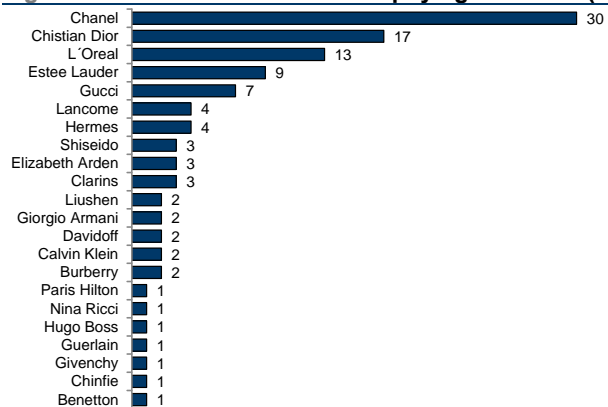
Perfumes – Chanel remains the absolute leader, followed by Dior, L'Oreal and Estee Lauder. Chanel is also the brand that Chinese consumers are willing to pay more for by a considerable margin followed by Dior, L'Oreal and Estee Lauder.

Figure 25: Share of purchase intent for perfumes



Source: Credit Suisse Emerging Market Survey 2014

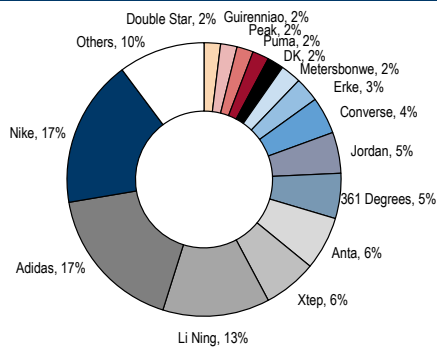
Figure 26: Perfume brands 'worth paying more for' (%)



Source: Credit Suisse Emerging Market Survey 2014

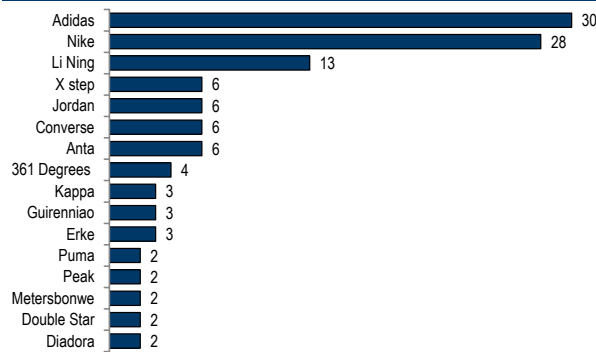
Sports shoes and wear – Nike and Adidas are ahead in terms of purchase intent, followed by Li Ning. The pricing power list is also topped by Adidas, with Nike a close second and Li Ning a distant third, consistent with last year's survey results.

Figure 27: Purchase intent for sport shoes and wear



Source: Credit Suisse Emerging Market Survey 2014

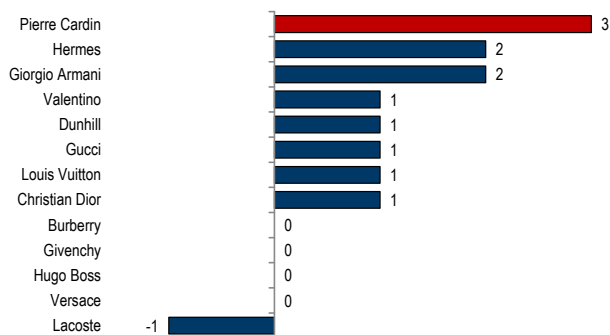
Figure 28: Sporting brands 'worth paying more for' (%)



Source: Credit Suisse Emerging Market Survey 2014

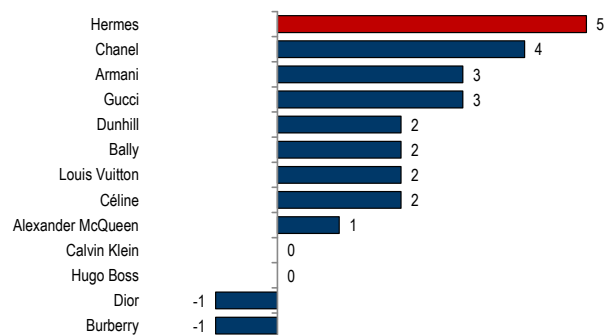
Brand momentum vs. 2013 – *Pierre Cardin*, *Hermes* and *Armani* are top gainers in terms of purchase intent among the Chinese consumers. *Hermes* is the brand enjoying the biggest improvement in Leather goods, followed by *Chanel*.

Figure 29: Apparel brand momentum vs. last year



Source: Credit Suisse Emerging Market Survey 2014

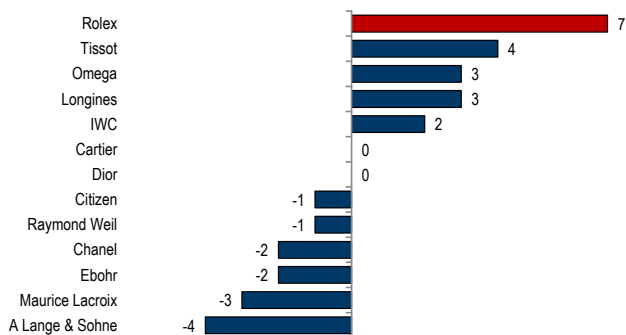
Figure 30: Leather brand momentum vs. last year



Source: Credit Suisse Emerging Market Survey 2014

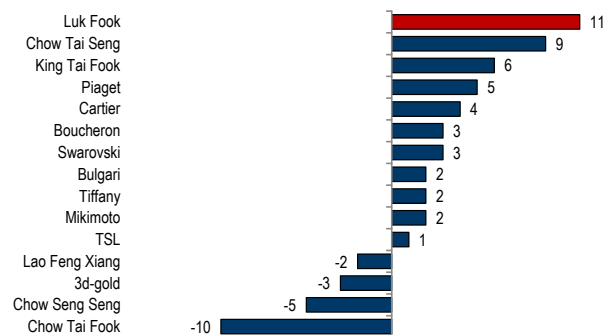
Among watch brands, *Rolex* has made good inroads with *Tissot*, *Longines* and *Omega* also improving. In jewellery, *Luk Fook* and other local brands have made inroads vs. last year's survey, while *Piaget* and *Cartier* are top gainers among international names.

Figure 31: Watches brand momentum vs. 2013



Source: Credit Suisse Emerging Market Survey 2014

Figure 32: Jewellery brand momentum vs. 2013

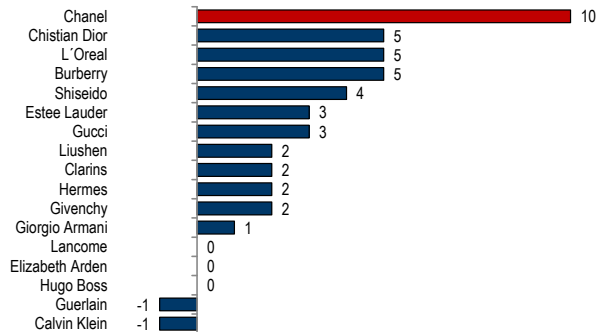


Source: Credit Suisse Emerging Market Survey 2014

Chanel is the biggest gainer in the Perfume category, followed by *Dior*, *L'Oreal* and *Burberry*.

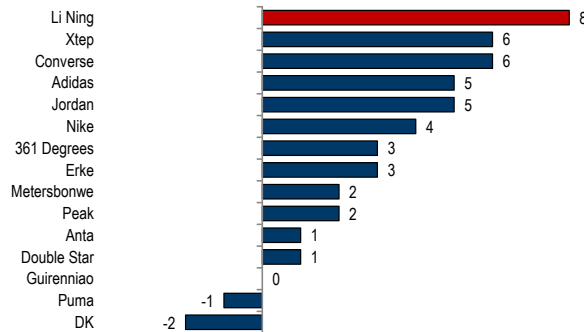
In sporting goods, *Adidas*, *Jordan* and *Nike* are the main gainers among international brands in terms of purchase intent.

Figure 33: Perfumes brand momentum vs. 2013



Source: Credit Suisse Emerging Market Survey 2014

Figure 34: Sporting goods brand momentum vs. 2013

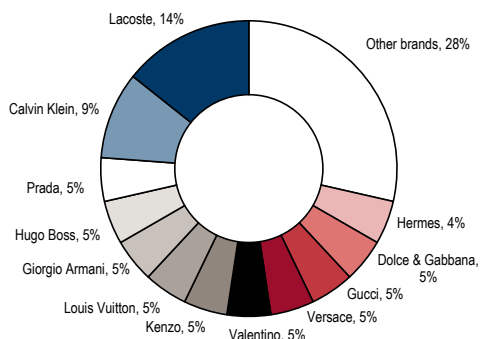


Source: Credit Suisse Emerging Market Survey 2014

Russia: Key takeaways for luxury and sports brands

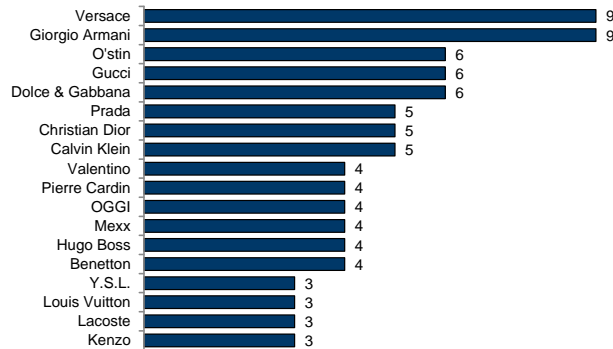
Fashion apparel – Lacoste and Calvin Klein enjoy the highest purchase intent followed by **Prada, Hugo Boss, Armani** and others. **Versace, Armani and Gucci** stand out among the international brands that Russian consumers are willing to pay more for, which is consistent with last year's survey results.

Figure 35: Purchase intent for fashion apparel brands



Source: Credit Suisse Emerging Market Survey 2014

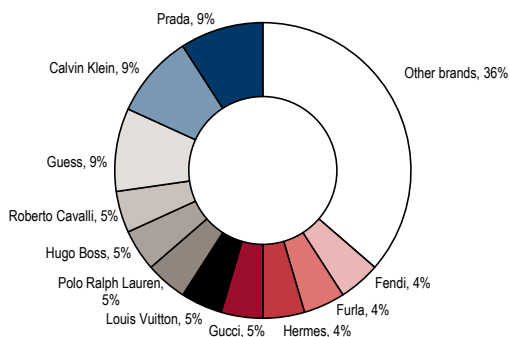
Figure 36: Apparel brands 'worth paying more for' (%)



Source: Credit Suisse Emerging Market Survey 2014

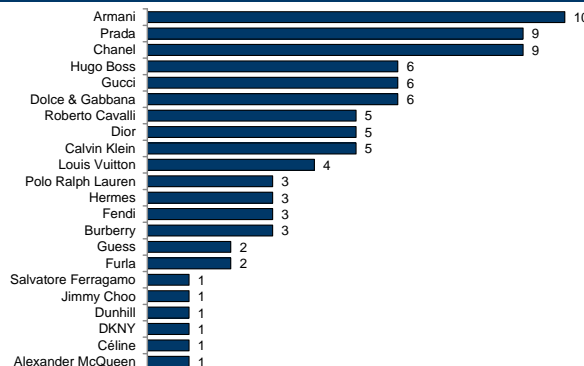
Leather goods – Prada and Calvin Klein have the highest purchase intent among Russian consumers. Among the brands that Russian consumers are willing to pay more for, **Armani, Prada and Chanel** stand out. This is also consistent with last year's survey.

Figure 37: Purchase intent for luxury leather brands



Source: Credit Suisse Emerging Market Survey 2014

Figure 38: Leather brands 'worth paying more for' (%)



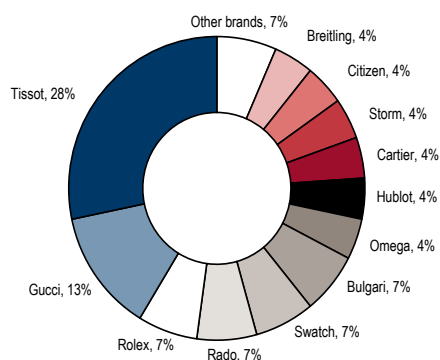
Source: Credit Suisse Emerging Market Survey 2014

Watches – Tissot leads followed by **Gucci, Rolex and Rado** among the brands with the highest purchase intent. Similar to previous years, Rolex is clearly ahead of others as the brand that Russian consumers deem worth paying more for; Dior and Cartier are tied at a distant second place.

Jewellery – Swarovski, Tiffany and Bulgari are the best-placed brands. They also stand out as the brands consumers think are worth paying more for. But we note that the number of responses was relatively limited.

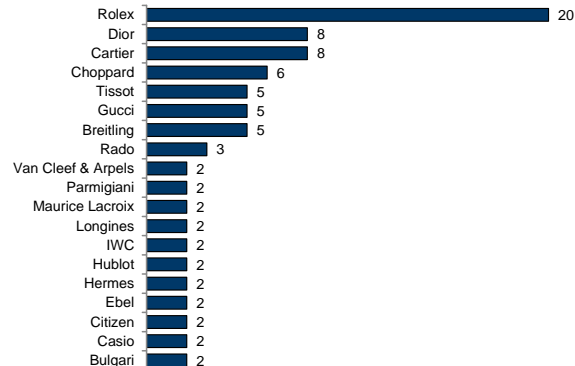
Perfumes – Kenzo and Hugo Boss are the leaders in purchase intent among Russian consumers. Brands such as Chanel, L’Oreal, Dior and Lacoste are also well placed among the international brands. Chanel has a comfortable lead over others when it comes to Russian consumers’ choice of brands worth paying more for. It is followed by Dior, similar to last year’s survey results.

Figure 39: Purchase intent for watch brands



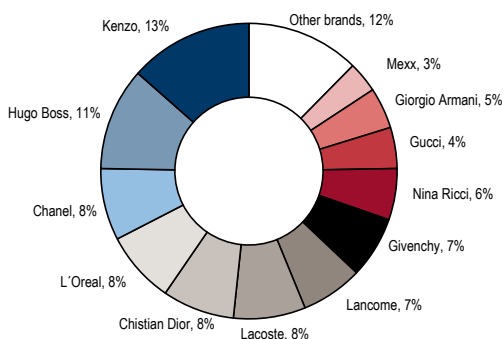
Source: Credit Suisse Emerging Market Survey 2014

Figure 40: Int. watch brands ‘worth paying more for’ (%)



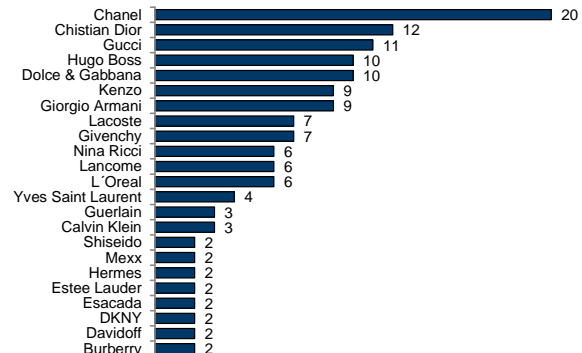
Source: Credit Suisse Emerging Market Survey 2014

Figure 41: Purchase intent for perfumes



Source: Credit Suisse Emerging Market Survey 2014

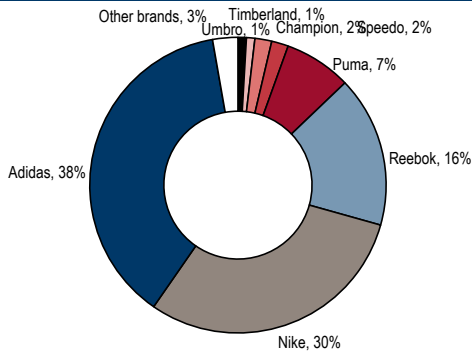
Figure 42: Perfumes brands ‘worth paying more for’ (%)



Source: Credit Suisse Emerging Market Survey 2014

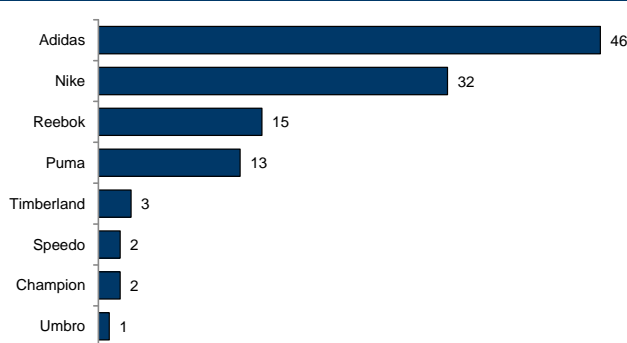
Sports shoes and wear – Adidas and Nike are leaders in intent and pricing power with a considerable lead vs. **Reebok** and **Puma**, similar to 2013. **Reebok** has slipped a few points in pricing power while **Puma** has made some inroads vs. last year’s survey.

Figure 43: Purchase intent for sport shoes and wear



Source: Credit Suisse Emerging Market Survey 2014

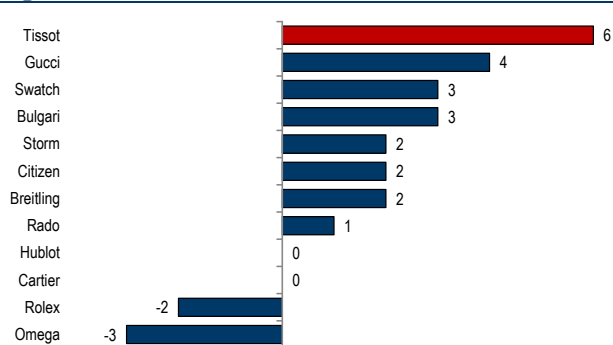
Figure 44: Sporting brands 'worth paying more for' (%)



Source: Credit Suisse Emerging Market Survey 2014

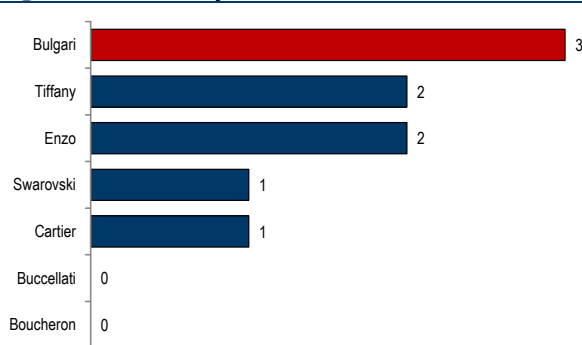
Brand momentum vs. last year – No meaningful changes in purchase intent levels versus last year were observed in fashion apparel and leather. In watches, **Tissot** has made good inroads while **Bulgari** and **Tiffany** improved versus 2013.

Figure 45: Watches brand momentum vs. 2013



Source: Credit Suisse Emerging Market Survey 2014

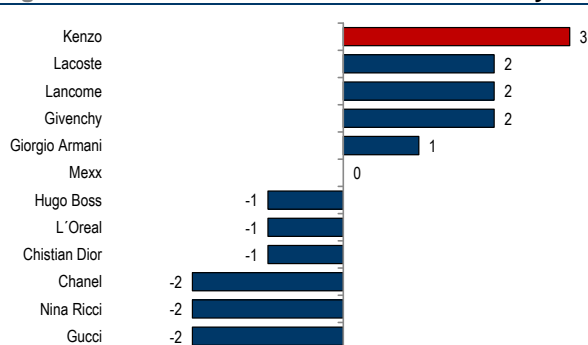
Figure 46: Jewellery brand momentum vs. 2013



Source: Credit Suisse Emerging Market Survey 2014

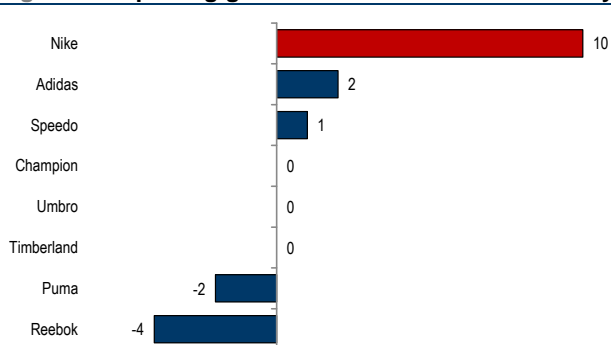
Kenzo is the biggest gainer in the Perfume category while **Nike** has made the biggest inroads among the sporting brands followed by **Adidas** (at the expense of **Reebok**)

Figure 47: Perfumes brand momentum vs. last year



Source: Credit Suisse Emerging Market Survey 2014

Figure 48: Sporting goods brand momentum vs. last year

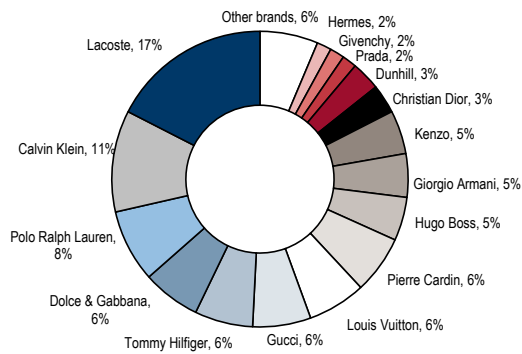


Source: Credit Suisse Emerging Market Survey 2014

Brazil: key takeaways for luxury and sports brands

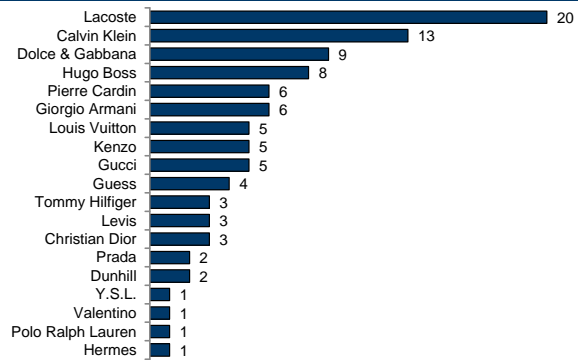
Fashion apparel – **Lacoste** stands out, followed by *Calvin Klein*, *Ralph Lauren*, *D&G*, *Tommy Hilfiger*, *Gucci* and *LV*. *Lacoste* (followed by *Calvin Klein*) stands out as the brand Brazilian consumers are willing to pay more for, consistent with last year's survey results.

Figure 49: Purchase intent for int. fashion apparel brands



Source: Credit Suisse Emerging Market Survey 2014

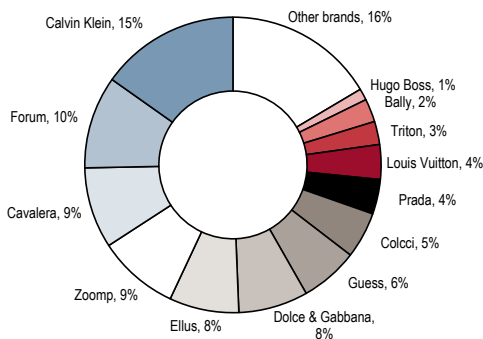
Figure 50: Int. apparel brands 'worth paying more for' (%)



Source: Credit Suisse Emerging Market Survey 2014

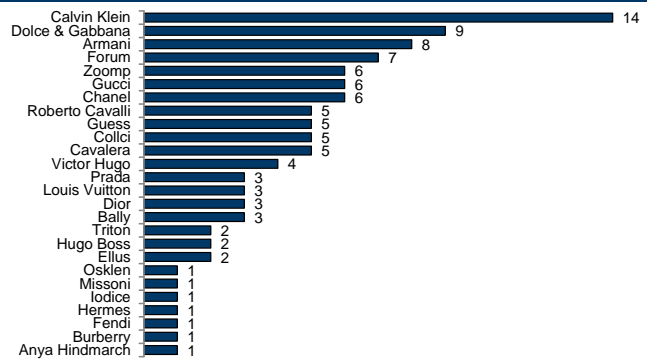
Leather goods – Calvin Klein shows the highest purchase intent followed by local brands; D&G, Guess, Prada are other popular international brands. Calvin Klein, D&G and Armani are the brands Brazilian consumers are willing to pay more for – a change from last year's leaders Armani and Hugo Boss (which saw a significant slip in ranking).

Figure 51: Purchase intent for leather goods brands



Source: Credit Suisse Emerging Market Survey 2014

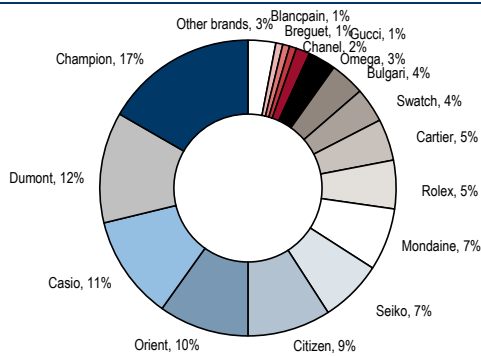
Figure 52: Leather brands 'worth paying more for' (%)



Source: Credit Suisse Emerging Market Survey 2014

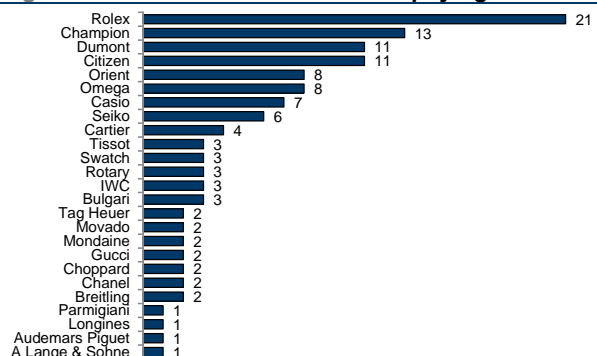
Watches – Champion leads in purchase intent followed by Dumont and Casio. Rolex, Cartier, Swatch and others feature among the international brands. Rolex stands out among brands Brazilian consumers are willing to pay more for.

Figure 53: Purchase intent for watch brands



Source: Credit Suisse Emerging Market Survey 2014

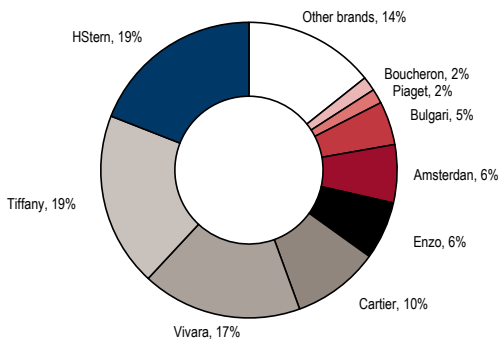
Figure 54: Intl. watch brands 'worth paying more for' (%)



Source: Credit Suisse Emerging Market Survey 2014

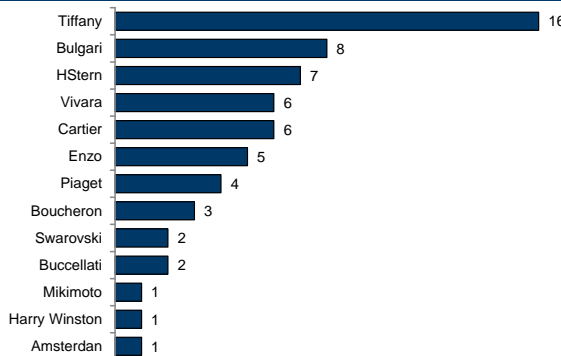
Jewellery – Tiffany and Cartier are well placed among international brands. Tiffany is comfortably leading competitors as the international brand Brazilian consumers are willing to pay more for (followed by Bulgari) and HStern.

Figure 55: Purchase intent for branded jewellery



Source: Credit Suisse Emerging Market Survey 2014

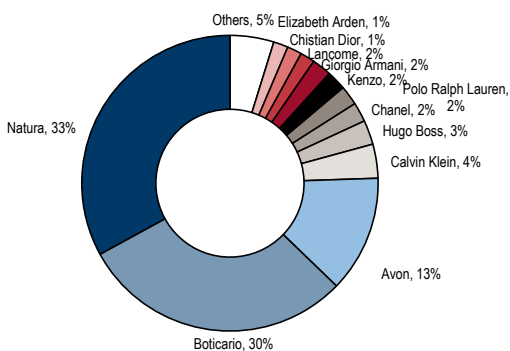
Figure 56: Jewellery brands 'worth paying more for' (%)



Source: Credit Suisse Emerging Market Survey 2014

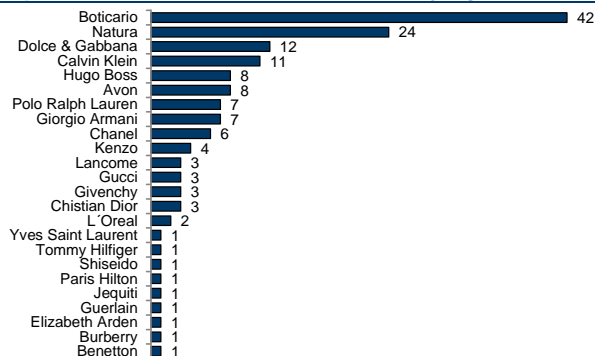
Perfumes – higher purchase intent for local mainstream brands *Natura* and *Boticario*. These are also the brands Brazilian consumers are willing to pay more for.

Figure 57: Purchase intent for perfumes



Source: Credit Suisse Emerging Market Survey 2014

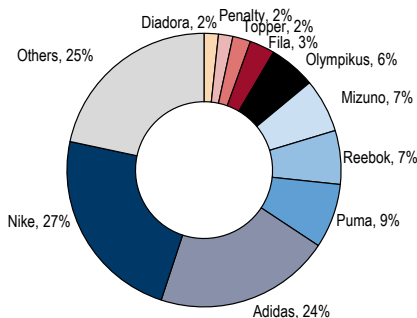
Figure 58: Perfumes brands 'worth paying more for' (%)



Source: Credit Suisse Emerging Market Survey 2014

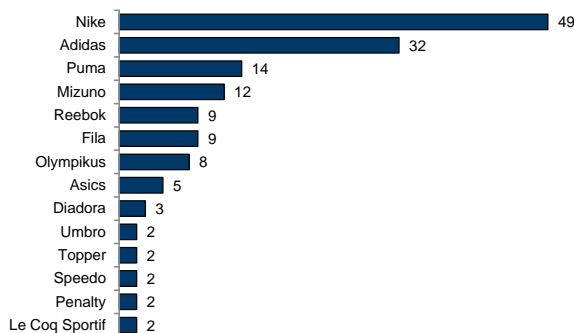
Sports shoes and wear – *Nike* and *Adidas* are the clear leaders in purchase intent with *Puma* in third place. In terms of brands worth paying more for, Brazilian consumers prefer *Nike* well ahead of all its rivals, followed by *Adidas*.

Figure 59: Purchase intent for sport shoes and wear



Source: Credit Suisse Emerging Market Survey 2014

Figure 60: Sporting brands 'worth paying more for' (%)

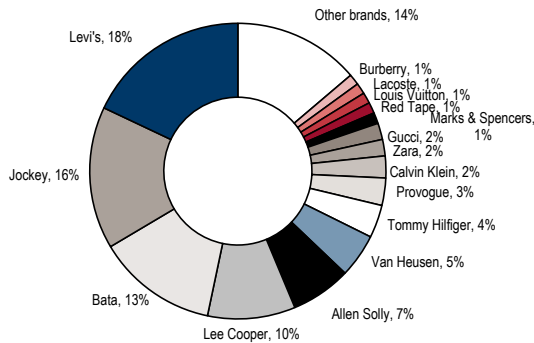


Source: Credit Suisse Emerging Market Survey 2014

India: key takeaways for luxury and sports brands

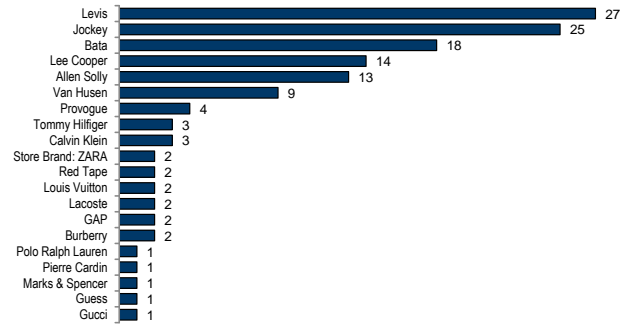
Fashion apparel – Levi's enjoys the highest purchase intent among international brands. This is also the brand that Indian consumers are willing to pay more for.

Figure 61: Purchase intent for int. fashion apparel brands



Source: Credit Suisse Emerging Market Survey 2014

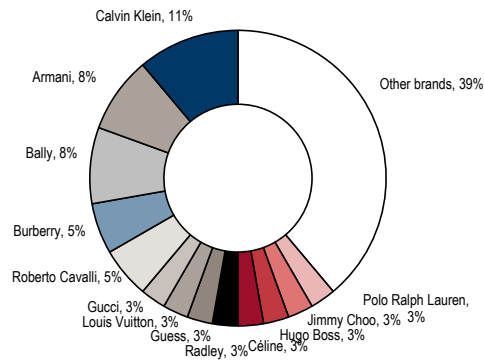
Figure 62: Int. apparel brands 'worth paying more for' (%)



Source: Credit Suisse Emerging Market Survey 2014

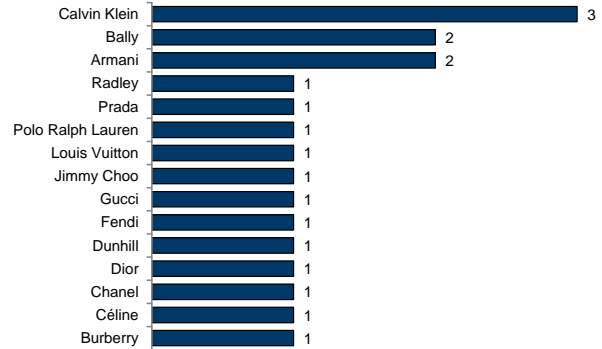
Leather goods – Calvin Klein, Armani and Bally enjoy the highest purchase intent among international brands.

Figure 63: Purchase intent for leather goods brands



Source: Credit Suisse Emerging Market Survey 2014

Figure 64: Leather brands 'worth paying more for' (%)

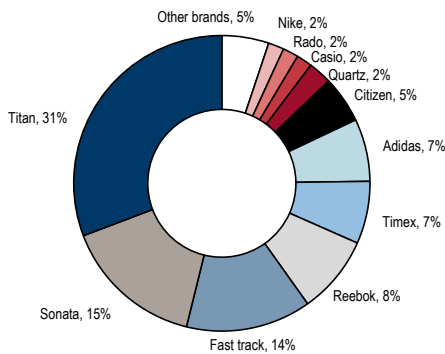


Source: Credit Suisse Emerging Market Survey 2014

Watches – purchase intent higher for strong local mainstream brands.

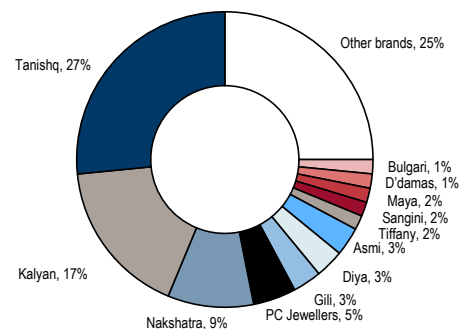
Jewellery – purchase intent and brand worth higher for local mainstream brands.

Figure 65: Purchase intent for watch brands



Source: Credit Suisse Emerging Market Survey 2014

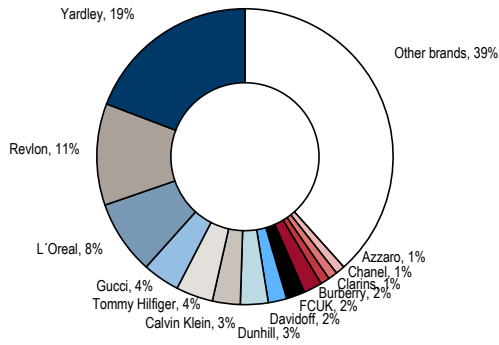
Figure 66: Purchase intent for branded jewellery



Source: Credit Suisse Emerging Market Survey 2014

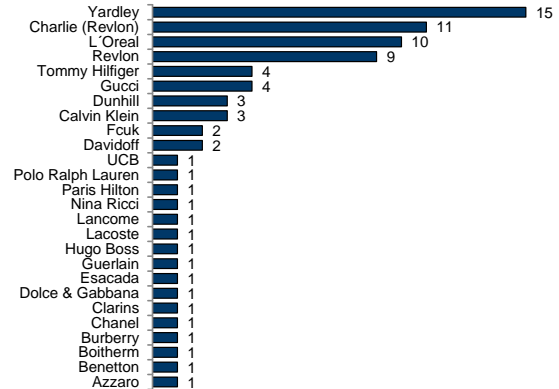
Perfumes – Yardley has the highest purchase intent and pricing power among international brands, followed closely by Revlon.

Figure 67: Purchase intent for perfumes



Source: Credit Suisse Emerging Market Survey 2014

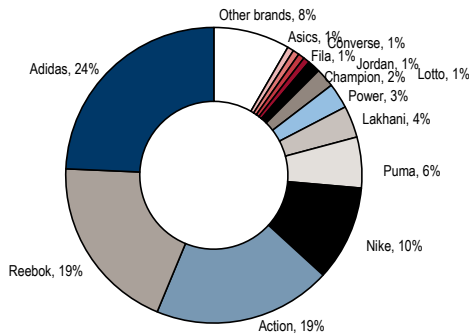
Figure 68: Perfumes brands 'worth paying more for' (%)



Source: Credit Suisse Emerging Market Survey 2014

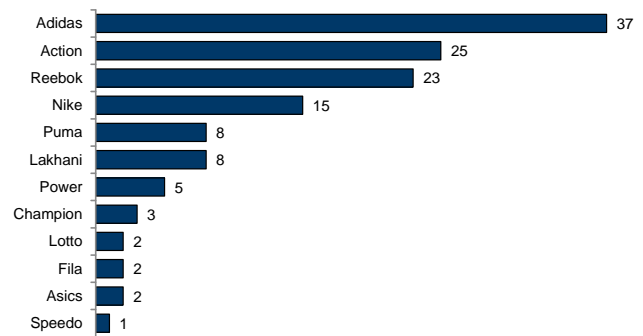
Sports shoes and wear – Adidas and Reebok are well ahead in terms of purchase intent. Adidas stands out as the global brand consumers are willing to pay more for.

Figure 69: Purchase intent for sport shoes and wear



Source: Credit Suisse Emerging Market Survey 2014

Figure 70: Sporting brands 'worth paying more for' (%)



Source: Credit Suisse Emerging Market Survey 2014

Global investment implications

Implications for European luxury names

Adidas: well placed to continue leading in BRIC countries in 2014. We expect adidas group (c45% of group revenues in 2013E from emerging markets) to benefit from double-digit growth across emerging markets in 2014, with Latin America standing out thanks to the boost from the upcoming World Cup in Brazil this year and Russia gradually recovering. We believe the strength of the brand in emerging markets is explained by strong credentials of the adidas brand in sports performance (especially football and running) and lifestyle (with *Originals* and *NEO*). Our survey is positive for adidas on several fronts:

- **Sporting goods is the category that stands out in terms of preference of emerging consumers for Western brands such as adidas over local brands** across the countries we surveyed (on average, 73% planning to buy Western sporting brands vs. only 18% planning to buy local brands)
- **Sporting goods purchase intent is rising in 2013 vs. 2012**, in particular in key adidas strongholds such as China (55% planning to purchase in the next 12 months vs. 41% in the previous survey), Russia (41% vs. 35% in the previous one) and India (46% vs. 28% of total respondents in the previous survey).
- **adidas and Nike leading in emerging markets:** In China, adidas and Nike are very close as the two brands with the highest purchase intent and percentage of respondents willing to pay more for them. In Russia, the adidas brand remains the brand with the highest purchase intent and the brand local consumers are willing to pay more for, but we note a significant improvement for Nike in purchase intent with brands such as Reebok slipping vs. 2013. In India, adidas and Reebok continue to enjoy the highest purchase intent and brand equity ahead of Nike and all other competitors. In Brazil, Nike is the leader but adidas enjoys a strong number two position.

Richemont: positive read-through from improving purchase intent in China and Saudi Arabia in particular. Richemont has significant exposure to emerging market world travellers (c50% of group revenues, with c25% from Hong Kong/China alone and excluding buying in flagship cities in Europe/US). Our survey results are encouraging on several fronts:

- **Purchase intent for the next 12 months has significantly increased across all categories in China** in the latest survey compared to 2013, in particular for Richemont's core categories: purchase intent for jewellery is up to 11% of total respondents (from 7% in the previous survey) and in watches to 14% of total respondents (from 6% previously). Purchase intent for watches and jewellery in Saudi Arabia (a very attractive market for Richemont) also showed a marked improvement versus last year's survey.
- **Cartier remains among the winning international brands** while Piaget in jewellery and IWC in watches are benefiting from rising purchase intent trends in China. There is clear penetration potential for Cartier and the group's other brands in jewellery dominated by local players (China, India) or in markets where international peers are ahead such as *Tiffany* among Brazilians. Cartier is also recognised as one of the international hard luxury brands that Russian consumers are willing to pay more for.

With its superior positioning advantage and strong pricing power, Richemont remains well placed with most brands at the high end of the luxury pyramid in emerging markets such as China, where brand equity has been built over decades of consistent reinvestment in communication, local infrastructure and retail presence.

Swatch Group: established strong competitive position in China. Our latest survey results are encouraging for Swatch Group on the following fronts:

- Rising purchase intent for watches in China (see previous commentary)
- Despite a significant pullback in the gifting business, *Omega* continues to enjoy unparalleled strength in China (second highest purchase intent after *Rolex* and the second brand that Chinese consumers are willing to pay more for – again after *Rolex*).
- The survey indicates a consistent increase in purchase intent and the brand worth of *Longines* and *Tissot* versus 2013 results in China.
- *Tissot* is the watch brand with the highest purchase intent in Russia and the brand that gained the most versus last year's survey among Russian consumers.
- Significant increase in purchase intent vs. 2013 in Saudi Arabia, which supports bright growth prospects for the group in the Middle East region

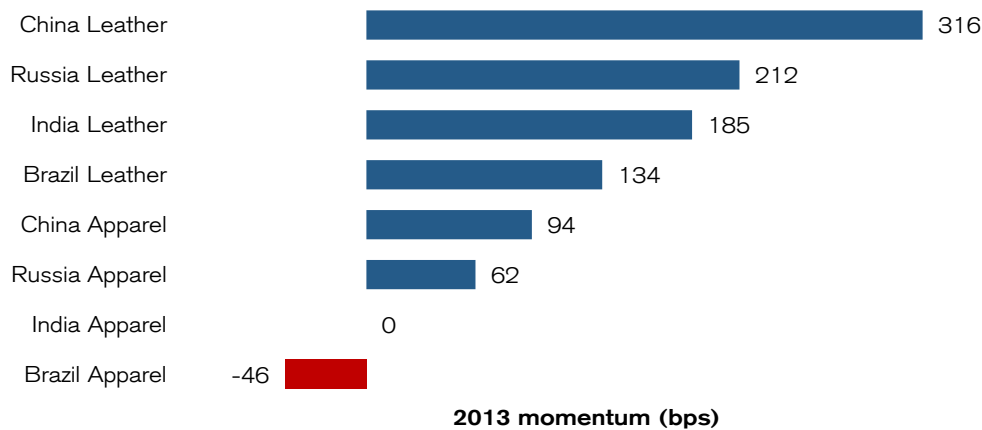
Implications for Hong Kong-listed names

PRADA: penetration upside potential in BRIC to drive highest top-line growth among peers

Our thesis on PRADA is centred on the view that low penetration coupled with rising brand awareness in global emerging markets should drive the highest sales and earnings growth rates in 2014 among global luxury peers. Operating leverage on the back of accelerating top-line momentum in both the PRADA and Miu Miu brands should lead to higher margins and returns after a quarter of declining EBITDA margins in 3QFY14.

We see brand awareness momentum as the key catalyst to PRADA capitalising on what we consider to be one of the most appealing penetration upside potential stories among global luxury brands. PRADA's brand awareness (brands that consumers are willing to pay a premium for) momentum continues to be positive and strongest in China and Russia leather goods (Figure 71). Aside from Russia and China, PRADA remains outside the top 10 for brand awareness, but we expect this should change in the next two years on the back of positive brand awareness momentum in India and Brazil leather goods. Brazil penetration potential is particularly strong as its core luxury clientele is travelling more, growing fast from a relatively small base buying luxury goods abroad (given import duties that are greater than in China) and increasing in sophistication.

Figure 71: Rising brand awareness is the key catalyst to penetration upside potential
 Change in % of respondents who think PRADA brand is worth paying more for



Source: Company data, Credit Suisse research

Let's not forget the impact rising brand awareness of the PRADA brand has on sales growth in developed markets such as Europe and North America, where many emerging market consumers spend heavily on global luxury brands. In 9MFY14, double-digit growth in PRADA's European retail network is evidence that traveller purchases remain healthy, while 36% growth in US retail reflected the fact that more Chinese travellers are shopping there for luxury goods.

We recommend looking for buying opportunities on recent weakness because long-term brand performance remains strong and valuation is attractive. Top-line momentum improvement should come before any margin scare is validated or not, so we believe this should still be a medium-term catalyst for the stock to move higher.

Chow Tai Fook has the strongest brand recognition

Chow Tai Fook is the leading jewellery retailer in the Greater China region. In our view, brand recognition is the key differentiating factor for jewellery retailers, which determines their ability to expand market share.

We believe Chow Tai Fook (CTF)'s extensive retail network, which is one of the largest among Asian jewellers, in terms of number of store counts, should drive further market share gains in such a fragmented market.

On the other hand, CTF's vertically integrated operations and its being one of the very few jewellers possessing the capability to process rough diamonds, provide it with a significant sourcing and pricing advantage against competitors.

Implications for US luxury/premium names

US names are underrepresented in emerging markets

We note that American premium/luxury brands are relatively under-represented in Emerging Markets 'share of luxury purchase intent' and 'brands worth paying more for' surveys compared to their European peers.

However, within our coverage, we highlight Ralph Lauren and Tiffany as best positioned in terms of their global premium brand positioning and image to gain share in emerging markets consumer' luxury purchases.

Why is Ralph Lauren well positioned?

We believe Ralph Lauren (RL) is still in the early stages of repositioning and growth in Europe and the emerging markets alike. We highlight that in Europe, still a leading destination for emerging markets shopping tourism, RL is underpenetrated with 25 stores versus the peer average of 58 stores.

We also note that RL is in the process of upscaling the brand in previously distributor run markets. Most significantly in China, RL has shut down 60% of weaker distribution points and is planning to open 60 new stores over the next three years.

We expect RL's increased emphasis on higher end product lines and premium store experience to lead to increased intention of purchase especially in emerging markets.

Why is Tiffany well positioned?

We consider Tiffany a leading brand in the global jewellery space, with ample opportunity to grow revenue at a high-single-digit rate and earnings in the teens over the next five years. The recent acquisition of distribution in the Middle East and Russia positions the company for accelerated square footage growth in emerging markets. In addition, increasing focus on higher-end product lines and engagement jewellery looks likely to support comparable store sales gains across APAC and the Middle East. Margin expansion opportunities with improving raw materials prices and a mix shift to higher-margin regions of the world, in our view, add compelling upside opportunities to the consensus over the next 24 months.

Appendix: Valuation comparables

Figure 72: Global luxury valuation multiples

Valuation Metrics	Rating	Close Price		Upside	Market cap	EV	P/E		EV/Sales		EV/EBITDA		Div. Yield	
		local c.	local c.				CY14E	CY15E	CY14E	CY15E	CY14E	CY15E	CY14E	CY15E
Richemont	O	86	100	16%	36,810	33,044	17.9x	15.8x	2.9x	2.7x	10.6x	9.3x	1.0%	1.2%
Swatch	O	570	650	14%	25,195	24,183	16.7x	14.8x	3.2x	3.0x	11.2x	10.0x	1.7%	1.9%
LVMH	N	134	142	6%	67,875	76,203	17.6x	16.0x	2.4x	2.2x	9.6x	8.8x	2.3%	2.6%
Kering	N	148	164	11%	18,656	21,933	13.7x	12.0x	2.2x	2.0x	9.9x	8.9x	3.2%	3.7%
Hermes	U	240	235	(2%)	25,310	24,391	29.0x	26.3x	6.0x	5.5x	16.6x	14.9x	1.4%	1.5%
Burberry	N	1,484	1,600	8%	7,907	7,494	17.9x	16.3x	2.5x	2.2x	9.4x	8.5x	2.3%	2.5%
Hugo Boss	N	95	95	0%	6,660	6,737	17.5x	15.4x	2.6x	2.4x	11.0x	9.7x	4.0%	4.5%
Tod's	O	99	125	27%	3,023	2,880	20.0x	17.8x	2.8x	2.6x	11.2x	10.0x	2.8%	3.1%
Ferragamo	U	23	24	5%	3,845	3,850	24.1x	20.2x	2.9x	2.6x	13.1x	11.1x	2.3%	2.7%
Prada	O	62	86	39%	15,034	14,661	16.1x	13.4x	3.5x	3.0x	10.0x	8.5x	0.2%	0.3%
European average*					169,971	176,325	17.3x	15.5x	2.6x	2.4x	10.2x	9.2x	2.1%	2.4%
Coach	N	46	46	(1%)	9,482	9,010	14.4x	13.4x	2.4x	2.3x	8.2x	7.9x	-	-
Ralph Lauren	O	152	185	22%	10,036	9,228	16.5x	14.6x	1.6x	1.5x	8.5x	7.7x	1.1%	1.2%
Tiffany	O	86	96	11%	8,128	8,242	20.5x	17.1x	2.6x	2.4x	10.2x	9.2x	-	-
US average					27,646	26,480	16.9x	14.9x	2.2x	2.0x	8.9x	8.2x	0.4%	0.5%
Chow Tai Fook	O	12	15	21%	11,381	10,987	15.1x	12.8x	1.5x	1.3x	10.4x	8.9x	1.9%	2.5%
Luk Fook	U	27	27	(0%)	1,492	1,343	10.1x	8.7x	0.8x	0.7x	6.9x	6.0x	4.0%	4.6%
Chow Sang Sang	O	21	25	20%	1,361	1,543	10.0x	8.0x	0.6x	0.6x	7.9x	6.5x	3.5%	4.4%
Emperor Wat. & Jew.	NR	0	NR	NA	307	239	7.8x	6.4x	0.3x	0.3x	4.5x	3.6x	3.8%	4.5%
Hengdeli	NR	2	NR	NA	710	897	9.8x	8.5x	0.6x	0.6x	6.3x	5.5x	2.8%	3.2%
Asian average					15,250	15,009	13.8x	11.7x	1.3x	1.1x	9.5x	8.1x	2.3%	3.0%
Global average					212,867	217,814	17.0x	15.1x	2.5x	2.3x	10.0x	9.0x	1.9%	2.2%

Source: Company data, Thomson Reuters for not rated stocks, Credit Suisse estimates. *excludes Hermes. Prices as of 06/02/14

Figure 73: Global luxury key operating metrics

Operating Metrics	Sales			EBIT			EPS			EBIT margin			ND / FY1E EBITDA	CFROI@
	FY1E	FY1E growth	FY0-3E CAGR	FY1E	FY1E growth	FY0-3E CAGR	FY1E	FY1E growth	FY0-3E CAGR	FY0	FY1E	FY2E		
	local c.	%	%	local c.	%	%	local c.	%	%	%	%	%	x	%
Richemont	10,570	4%	7%	2,371	(2%)	8%	3.64	2%	9%	23.9%	22.4%	23.6%	(1.3x)	14.2%
Swatch	9,178	9%	9%	2,314	(5%)	6%	34.17	(9%)	4%	28.8%	25.2%	26.1%	(0.5x)	11.8%
LVMH	29,103	4%	7%	6,014	2%	6%	7.06	(0%)	6%	21.1%	20.7%	20.5%	0.7x	13.4%
Kering	9,691	(0%)	4%	1,762	(2%)	6%	9.83	(11%)	4%	18.4%	18.2%	18.7%	1.6x	16.8%
Hermes	3,760	8%	9%	1,210	8%	9%	7.57	7%	9%	32.1%	32.2%	32.4%	(0.8x)	27.2%
Burberry	2,327	16%	14%	466	9%	10%	0.77	10%	10%	21.4%	20.0%	20.0%	(0.6x)	19.6%
Hugo Boss	2,445	4%	7%	473	8%	10%	4.97	10%	11%	18.6%	19.4%	19.5%	0.1x	17.7%
Tod's	979	(1%)	5%	198	(5%)	5%	4.54	(4%)	5%	21.2%	20.2%	20.7%	(0.6x)	12.9%
Ferragamo	1,258	9%	9%	222	14%	16%	0.82	31%	22%	16.9%	17.6%	18.7%	0.0x	11.3%
Prada	3,779	15%	15%	1,096	23%	21%	0.31	25%	22%	27.0%	29.0%	30.1%	(0.3x)	14.1%
European average*		6%	8%		2%	8%		3%	9%	21.3%	20.5%	21.0%	(0.1x)	14.7%
Coach	4,902	(3%)	3%	1,294	(18%)	(5%)	3.16	(15%)	(1%)	31.1%	26.4%	25.3%	(0.4x)	27.8%
Ralph Lauren	8,082	9%	9%	1,221	8%	10%	9.46	12%	13%	15.2%	15.1%	15.4%	(0.7x)	15.0%
Tiffany	4,042	7%	8%	803	15%	14%	1.47	(55%)	16%	18.4%	19.9%	21.0%	0.2x	9.0%
US average		4%	6%		2%	6%		(19%)	9%	21.5%	20.5%	20.6%	(0.3x)	17.3%
Chow Tai Fook	74,409	30%	18%	9,304	27%	20%	0.71	29%	21%	12.7%	12.5%	13.2%	(0.4x)	11.7%
Luk Fook	18,420	37%	18%	1,861	22%	14%	2.61	22%	14%	11.4%	10.1%	10.3%	(0.8x)	14.7%
Chow Sang Sang	25,337	39%	17%	1,544	39%	23%	1.81	25%	19%	6.1%	6.1%	6.7%	0.4x	8.8%
Emperor Wat. & Jew.	6,824	4%	8%	394	(20%)	7%	0.05	(23%)	7%	7.6%	5.8%	6.6%	(1.6x)	7.8%
Hengdeli	13,460	11%	10%	1,212	(17%)	1%	0.13	(22%)	3%	12.1%	9.0%	9.0%	1.2x	10.3%
Asian average		24%	14%		10%	13%		6%	13%	10.0%	8.7%	9.2%	(0.2x)	10.7%
Global average		11%	9%		5%	9%		(3%)	10%	17.6%	16.5%	16.9%	(0.2x)	14.2%

Source: Company data, Thomson Reuters for not rated stocks, Credit Suisse estimates. *excludes Hermes

Companies Mentioned (Price as of 06-Feb-2014)

Adidas AG (ADSGn.F, €85.22)
Burberry Group (BRBY.L, 1484.0p)
Casio (6952.T, ¥1,054)
Chow Sang Sang (0116.HK, HK\$21.2)
Chow Tai Fook Jewellery Group Limited (1929.HK, HK\$12.0)
Coach Inc (COH.N, \$46.42)
Compagnie Financiere Richemont SA (CFR.VX, SFr86.3)
Estee Lauder Companies Inc (EL.N, \$66.8)
Hermes International (HRMS.PA, €239.75)
Hugo Boss (BOSSn.DE, €94.6)
Kering (PRTP.PA, €147.85)
L'Oreal (OREP.PA, €123.5)
LVMH (LVMH.PA, €133.7)
Li Ning Co Ltd (2331.HK, HK\$6.02)
Luk Fook Holdings International (0590.HK, HK\$26.7)
Marks & Spencer (MKS.L, 472.7p)
Natura Cosméticos S.A. (NATU3.SA, R\$39.0)
Nike Inc. (NKE.N, \$71.51)
PRADA S.p.A. (1913.HK, HK\$61.95)
Ralph Lauren (RL.N, \$152.23)
Salvatore Ferragamo SpA (SFER.MI, €22.83)
Shiseido (4911.T, ¥1,585)
Swatch Group (UHR.VX, SFr569.5)
Tiffany & Co (TIF.N, \$86.26)
Tod's Spa (TOD.MI, €98.75)
Tumi Holdings (TUMI.N, \$19.99)

Disclosure Appendix

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