



The Luxury Goods Market in Poland

November 2016

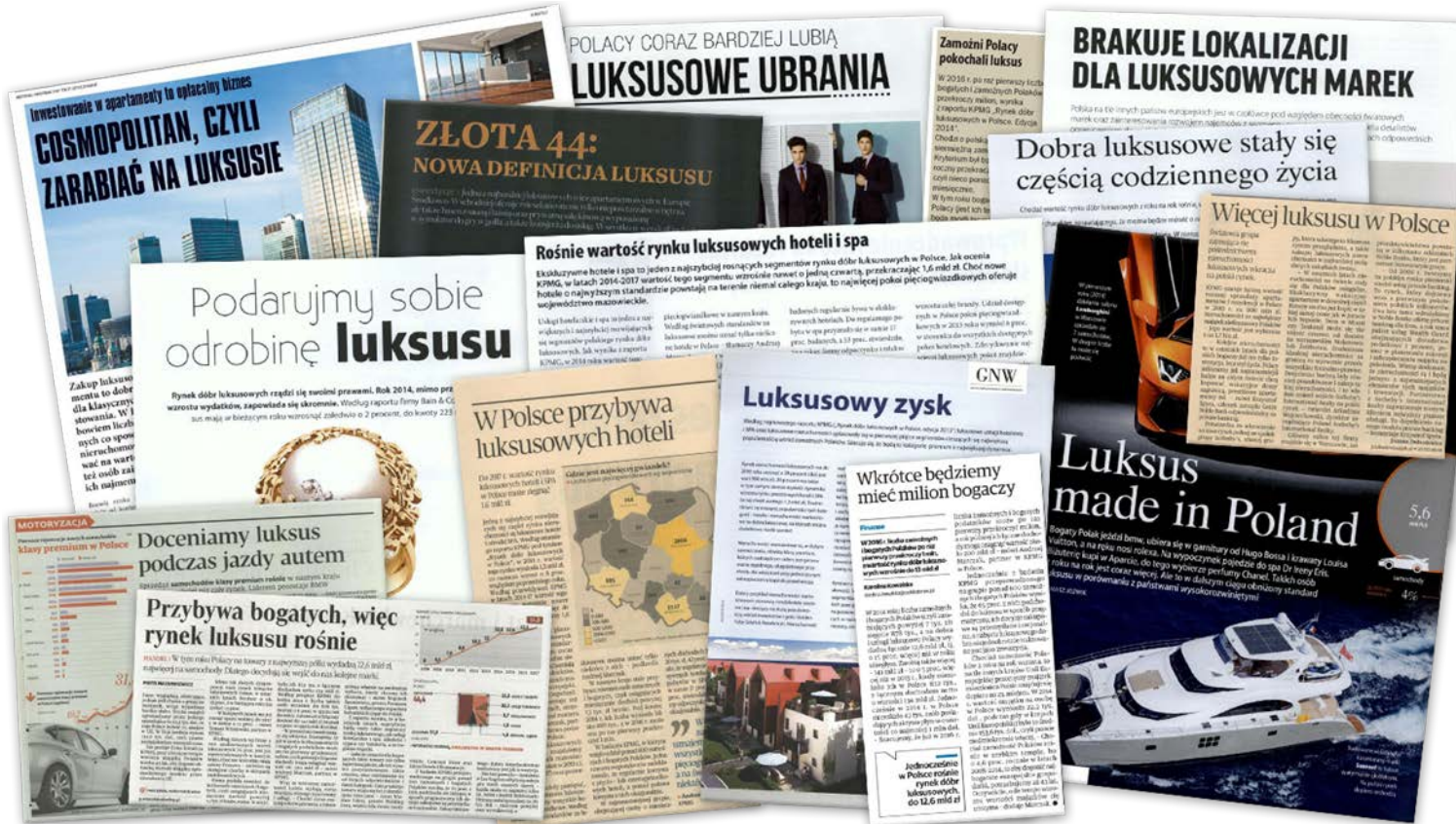
KPMG.pl

The sixth edition of the report: "The luxury goods market in Poland"



- The only annual, comprehensive publication about the luxury goods market in Poland
- The report covers such topics as: buyers of luxury goods in Poland and their financial situation, leading Polish premium and luxury brands, various segments of the luxury goods market

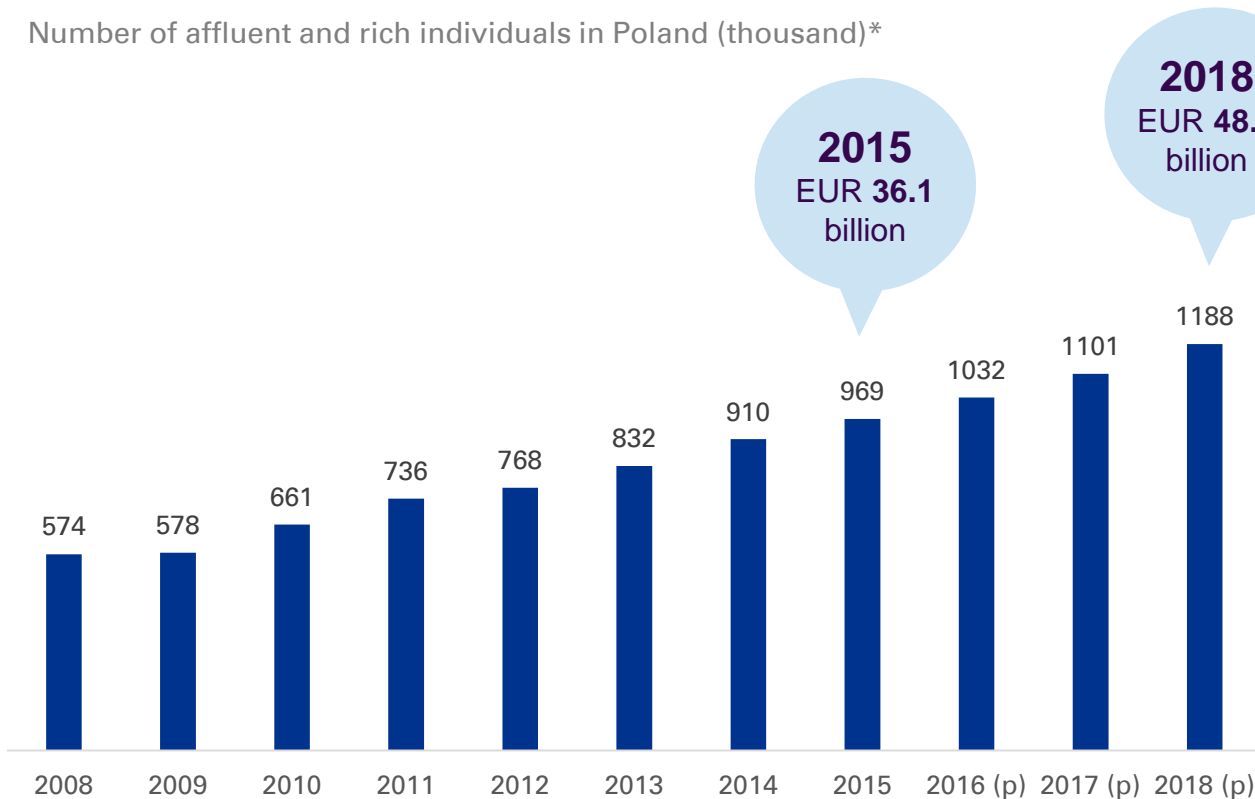
Our report in the media



- More than 1,000 citations by the most important Polish media
- Our report was quoted by foreign newspapers such as: The Economist, Financial Times

Number of affluent and rich individuals is rising constantly

Number of affluent and rich individuals in Poland (thousand)*



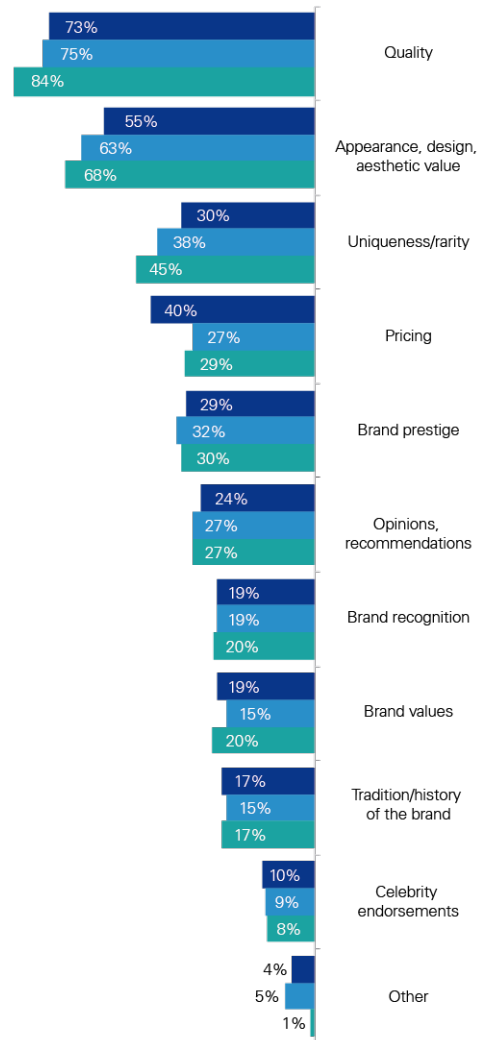
- The net income of affluent and rich Poles in 2015 totalled nearly EUR 36.1 billion
- The number of high net worth individuals (HNWI)** in Poland is estimated to be 43,000

Total annual net income of affluent and rich individuals in Poland

- Taxpayers who pay progressive income tax (second band) or a flat-rate income tax at 19%.
- Individuals with US\$ 1 million in liquid financial assets.

Source: Analysis by KPMG in Poland based on Ministry of Finance and Credit Suisse data; (p) – projection by KPMG

Polish luxury goods buyer pay attention mostly to the quality of products and services



- More than half of manufacturers and distributors of luxury goods think that high-earning individuals also guide their choices by brand prestige. However, the responses given by affluent and rich Poles suggest that the importance of this factor is much lower at the moment



Affluent
PLN 7.1-10
thousand



Very affluent
PLN 10-20
thousand

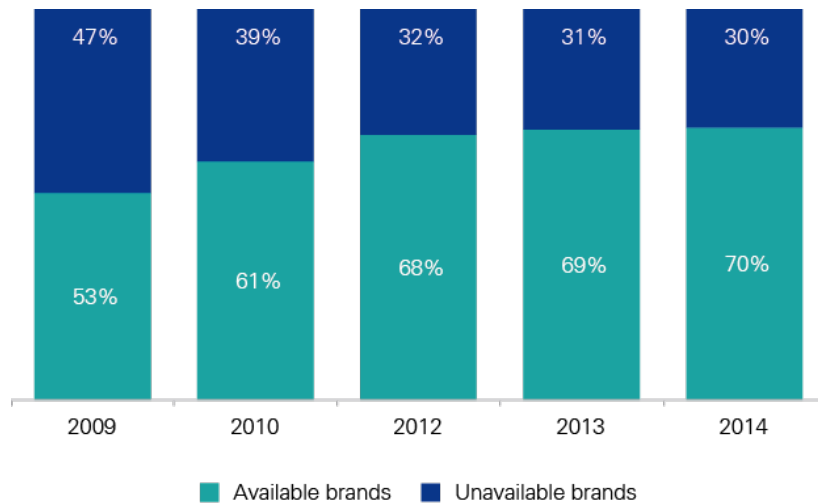


Rich
PLN 20+
thousand

Source: Analysis by KPMG in Poland

70% of global luxury brands are accessible to Polish consumer

Presence of luxury brands in Poland

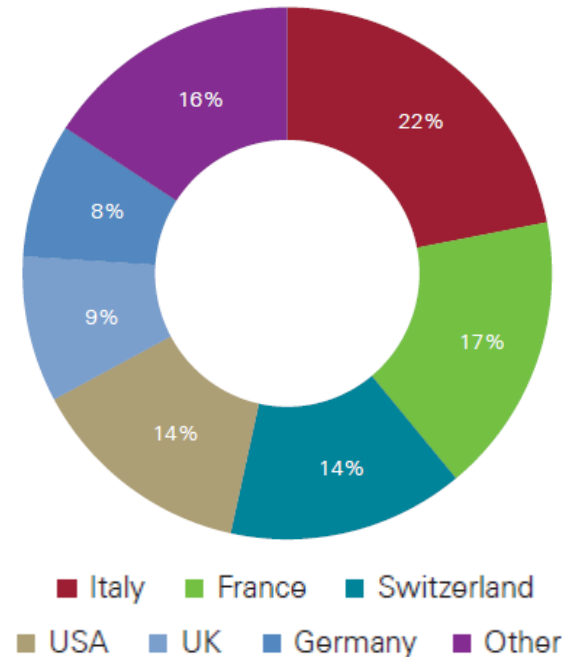


The graph comprises over 200 key global luxury brands

- 70% of global luxury brands are present in Poland*

* The brand is officially distributed in Poland (mostly in multi-brand stores)

Origin of luxury brands available in Poland

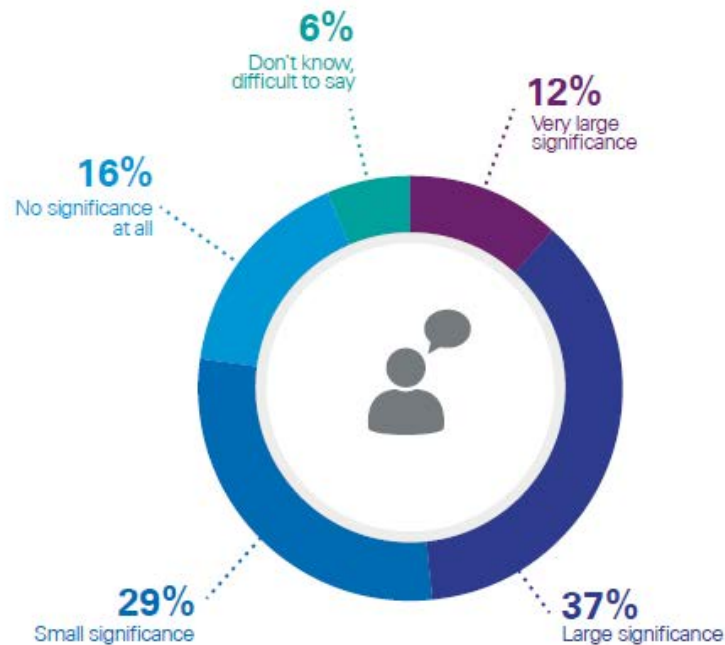


- The origin structure of luxury brands available in Poland confirms the greatest expansion of Italian brands (22%)

Source: Analysis by KPMG in Poland

Label "Made in" has a large significance when buying premium and luxury brands

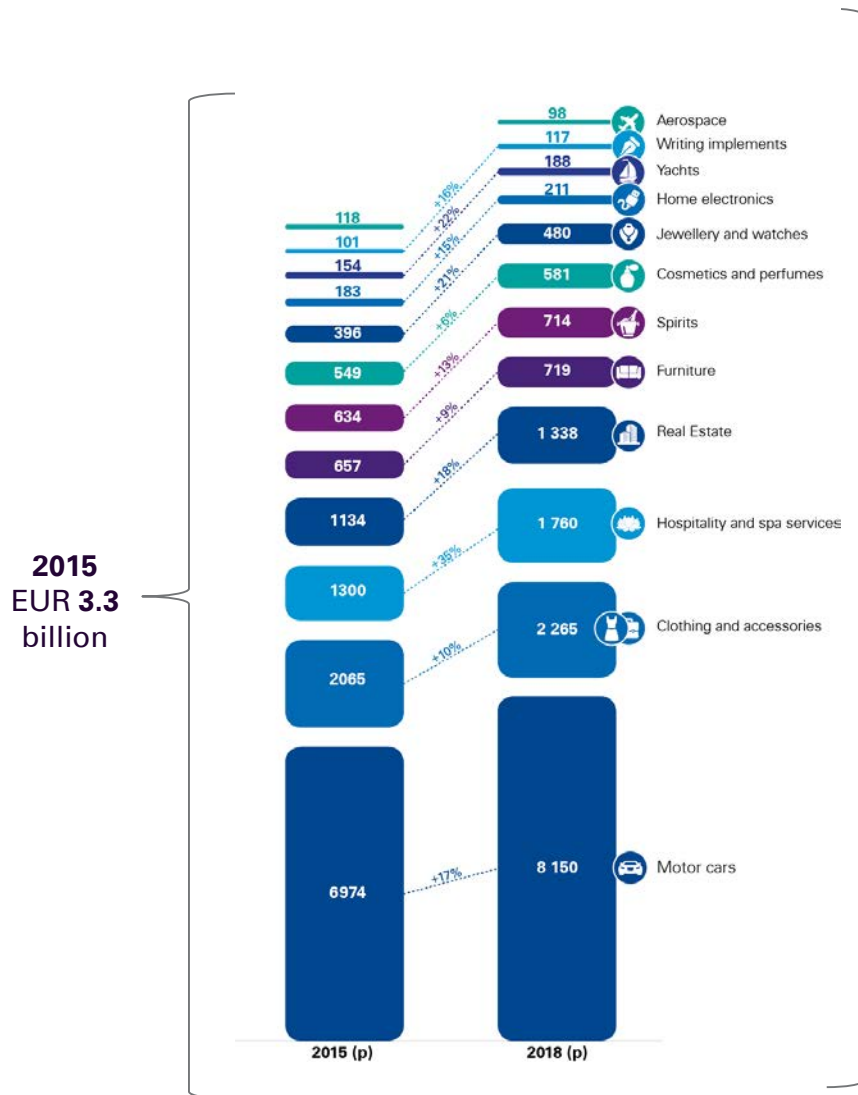
What significance does the country of origin of a brand have for you when buying premium or luxury brands?



- Almost half of affluent and rich Poles declare that the label 'Made in' has a large or very large significance when buying premium and luxury brands
- Only 16% claim that the country of origin of a brand has no significance for them

Source: Analysis by KPMG in Poland based on consumer research

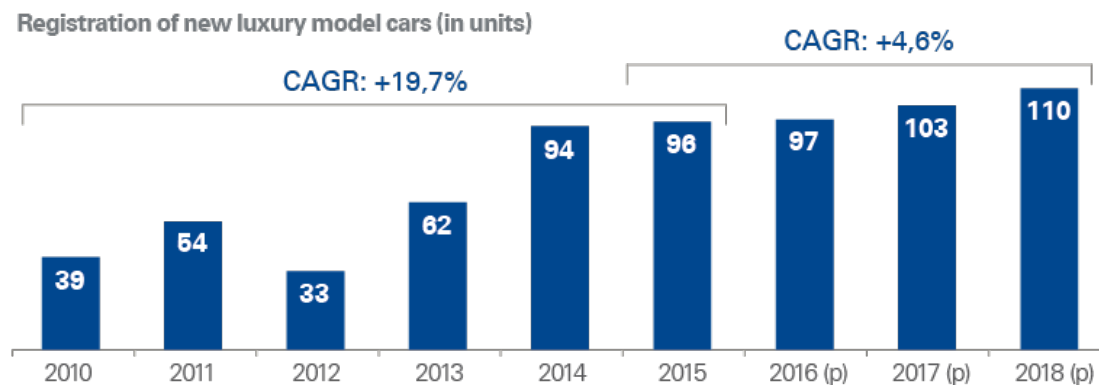
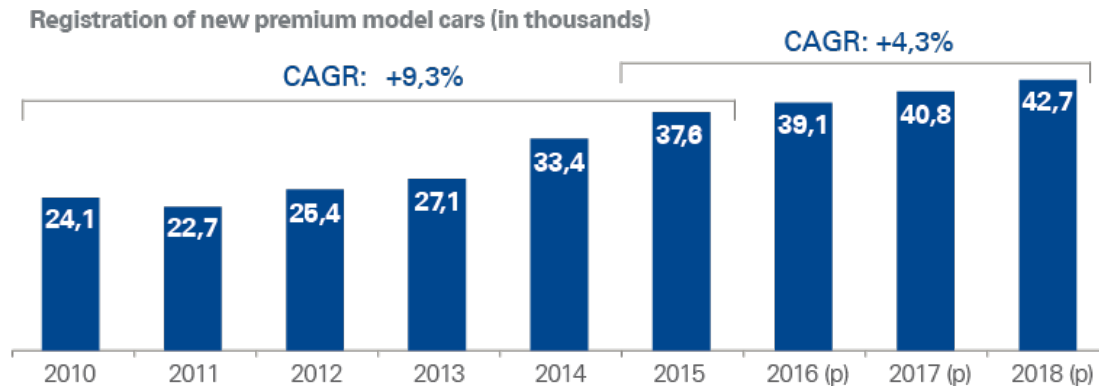
Value of the luxury goods market in Poland is growing



- In 2015, the value of the luxury goods market in Poland was estimated at EUR 3.3 bn
- This signifies a 13% increase in relation to the previous year
- The largest category presented in the analysis is luxury and premium cars; the value of this segment reaches close to EUR 1.6 bn, which represents almost half of the entire value of Polish luxury goods market
- The forecasts developed by KPMG in Poland and Euromonitor International show that the value of the Polish luxury market will grow to EUR 3.9 bn by 2018

Source: Analysis by KPMG in Poland based on PZPM/CEP data, Euromonitor International data and projections; (p) – projection
Data on the chart in PLN million

The segment of premium and luxury cars represents almost half of the entire value of Polish luxury goods market



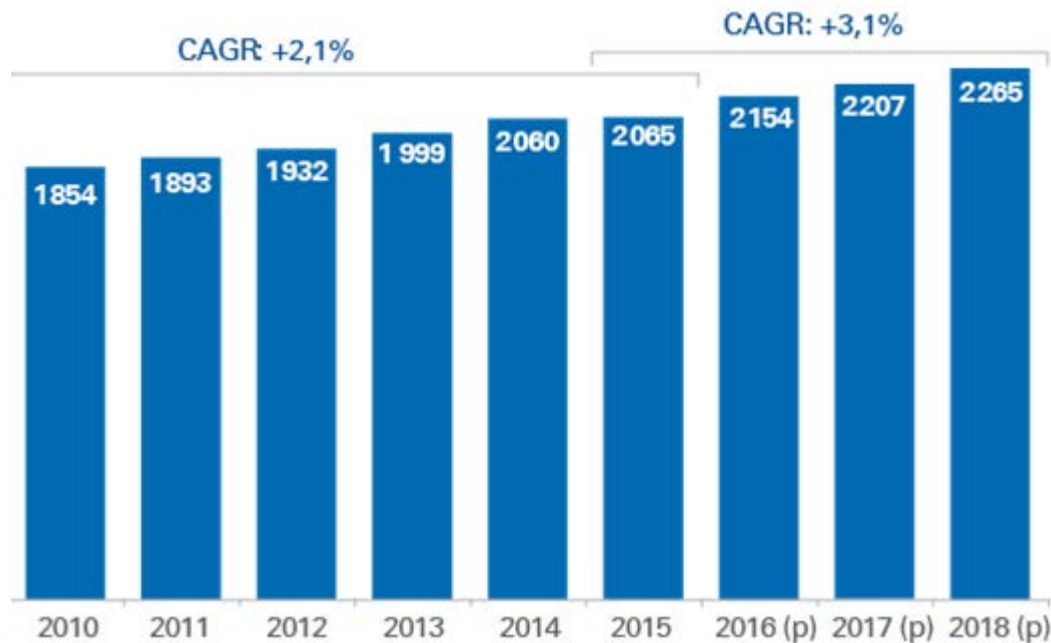
- Luxury and premium cars are the largest segment of the luxury goods market in Poland
- In 2015, the value of the luxury and premium car market in Poland was estimated at EUR 1.6 bn

CAGR – Compound Annual Growth Rate

Source: Analysis by KPMG in Poland based on PZPM/CEP data; (p) – projection

Polish market of luxury clothing and accessories is constantly developing

Value of the luxury clothing and accessories market in Poland (in PLN million)



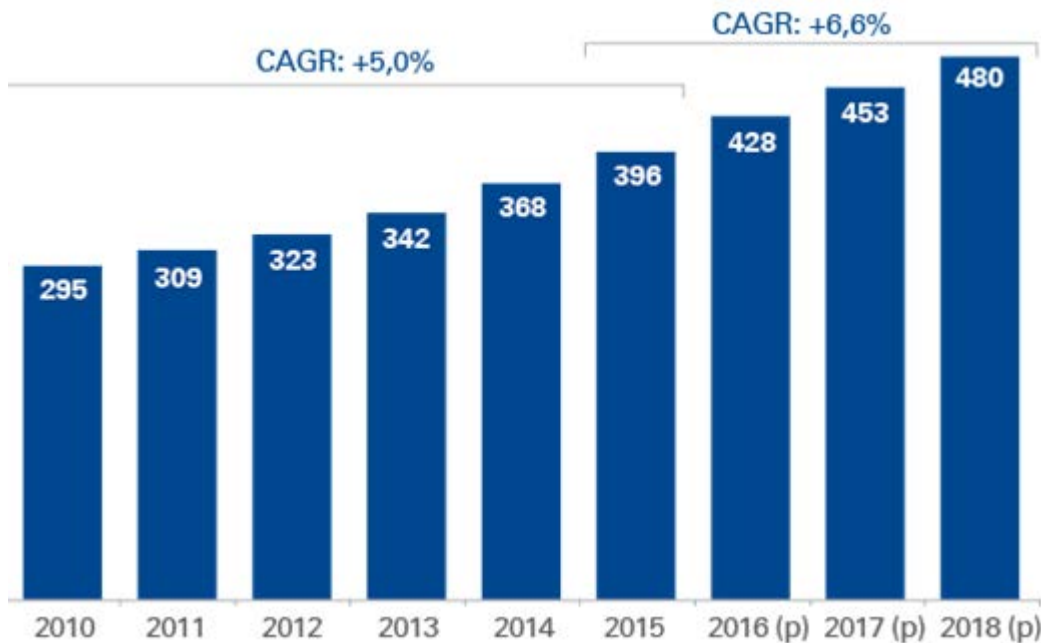
- In 2015, the value of the luxury clothing and accessories market in Poland amounted to EUR 481 million

CAGR – Compound Annual Growth Rate

Source: Analysis by KPMG in Poland based on Euromonitor International data and projections; (p) – projection

Market of luxury jewellery and watches is among the fastest growing luxury segments in Poland

Value of the luxury jewellery and watches market in Poland (in PLN million)



- The segment of luxury jewellery and watches is likely to grow at the fastest pace
- The market of luxury jewellery and watches grew to EUR 92.3 million in 2015
- Forecasts by KPMG in Poland and Euromonitor International show that the value of this segment will grow to EUR 111.9 million in 2018

CAGR – Compound Annual Growth Rate

Source: Analysis by KPMG in Poland based on Euromonitor International data and projections; (p) – projection

Luxury spirits market in Poland is sixth biggest segment in the total value of the Polish luxury goods market

Value of the luxury spirits market in Poland (in PLN million)



- In 2015, the value of the luxury spirits market in Poland amounted to EUR 147.8 million
- Some Polish vodkas are among the world's elite, some brands are universally acknowledged as a synonym for luxury and can easily compete with Russian or Scandinavian vodkas
- There is a constant increase in consumption of premium alcohols, especially in categories such as cognac, whisky, champagne and branded wine

CAGR – Compound Annual Growth Rate

Source: Analysis by KPMG in Poland based on Euromonitor International data and projections; (p) – projection

Key Conclusions

- **The value of the market for luxury goods in 2015 is estimated at EUR 3.3 billion**

This represents an increase of 13% on the previous year

- **Luxury and premium cars are the largest segment of the luxury goods market in Poland**

According to KPMG analysis, the luxury clothing and accessories market is the second largest segment; its value is estimated at EUR 0.5 billion

- **The net income of affluent and rich Poles in 2015 amounts to approximately EUR 36 billion**

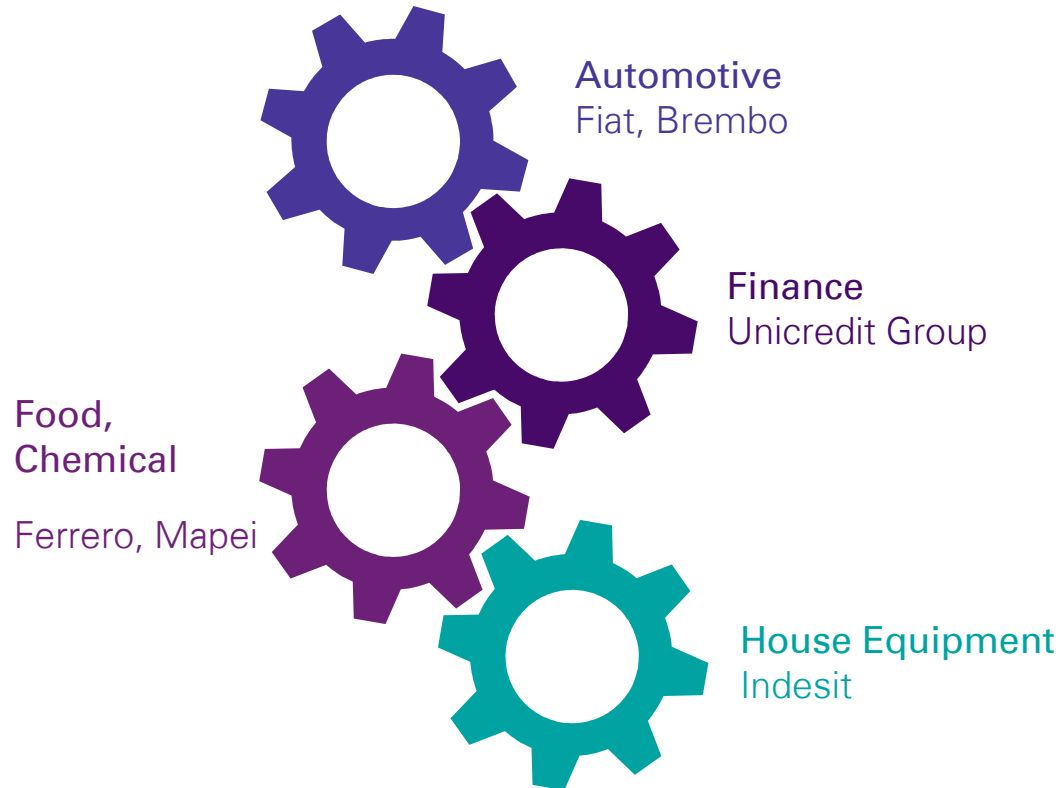
The number of high net worth individuals (HNWI) in Poland is estimated to be 43,000

- **For almost half of the affluent and rich buyers, the country of origin has a big or very big significance in the buying process**

The sixth edition of the report: **"The luxury goods market in Poland"** is available in English on our website.

Italy – the 6th largest direct foreign investor in Poland

Italian investments in Poland – sectors, examples



- Over 1 300 firms in Poland possess Italian capital
- Automotive sector is the most developed sector with Italian capital in Poland; firms, operating in this industry, employ approx. 15 thousand people, representing 17% of total employment of companies with the Italian capital
- According to Italian companies, Poland is the most attractive investment target country in the CEE region

Source: Analysis by KPMG in Poland

Italian desk in Polonia

“KPMG Italian Desk”: sostegno e consulenza alle aziende ed investitori italiani in Polonia



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