

Deloitte: Luxury M&A Slows in 2024 but Remains Strong Magnet for Investors in 2025

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The luxury fashion and lifestyle sector may have slowed in deal-making, but it continues to remain a powerful magnet for global investors. Deloitte's latest *Fashion & Luxury Private Equity and Investors Survey 2025* reveals that **92% of investment funds still view the sector as attractive**, even as geopolitical uncertainty and customs duties cloud the outlook.

? A Year of Slower Transactions

The data confirms the cooling trend: **308 luxury and fashion deals were recorded in 2024**, compared to 333 in 2023 — a drop of 25 year-on-year. High-profile events included **Mytheresa's takeover of YNAP** from Richemont and the failed merger of U.S. giants Capri (Michael Kors) and Tapestry (Coach).

The first half of 2025 showed similar moderation, with **162 deals completed**, down 14% from the same period last year. However, the landmark **acquisition of Versace by Prada Group for €1.25 billion** reaffirmed luxury's enduring appeal.

? Key Sector Trends

- **Luxury goods** (40.2% of deals) saw a 6.3% decline overall.
 - *Clothing & Accessories*: 85 deals in 2024, down by 20.
 - *Watches & Jewellery*: 15 deals, down from 17.
 - *Cosmetics & Fragrances*: The only bright spot, rising from 21 to 34 (+13).
- **Luxury hotels** led the M&A race with 145 transactions, followed by furnishings (+10 to 23).
- **Yachts and automobiles** saw sharp declines (–5 and –13 respectively).

The **average deal size stood at €260 million**, slightly lower than in 2023 (–4%), underscoring a growing investor focus on **medium-sized companies** ripe for consolidation.

? Regional Outlook & Customs Concerns

Europe continues to dominate luxury deal-making, with **210 transactions in 2024**, up 14 from the year prior, representing 75% of investor preference. North America and Asia-Pacific, however, saw significant declines.

Yet investors remain wary: **80% cite customs duties as a top concern**, with North America (35%), Europe (33%), and Asia (29%) seen as most vulnerable to rising trade barriers.

? Deloitte's Perspective

“Elio Milantoni, partner at Deloitte, emphasized: *‘Despite a macroeconomic context marked by uncertainty, fashion and luxury continue to inspire investor interest. Strategies are shifting towards mid-sized companies, driving sector consolidation and diversification into adjacent industries.’*”

? Bottom Line

Even with fewer mega-deals, the luxury sector remains a **top priority for investors**, proving its resilience and long-term allure. From couture houses to hotels and cosmetics, **luxury continues to reinvent itself as a safe haven for capital** in uncertain times.

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