

COMMERCE

Richemont reports 3pc sales decrease for Q3

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dunhill spring/summer 2016 campaign

By STAFF REPORTS

Luxury conglomerate Richemont's revenues for the third quarter ending Dec. 13 saw a 4 percent decline to a total of \$3.21 billion at average exchange rates.

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The decline is being attributed to slowing tourism in Europe and a slowdown in demand for high-end timepieces in Asia-Pacific countries such as China. Despite a decrease in watch sales for the quarter, Richemont saw strong growth among its jewelry brands, including Cartier.

Starting off

Due to a decrease in affluent consumers traveling abroad to Europe, especially in the wake of the Nov. 13 terrorist attacks in Paris, as well as lowered interest in timepieces, Richemont saw a 3 percent dip in sales for the third quarter.

In terms of watch sales, Richemont saw a decline of 4 percent in Hong Kong, Macau and the Americas. Although WWD says this "reflects caution in the wholesale channel," Richemont did report sales growth is improving in Greater China.

Elsewhere, Richemont saw "subdued" sales in the Americas with "limited growth" in the Middle East and Africa and slow growth in Japan, despite many brands focusing attention on the country. Overall, Richemont's results show that there will be "bright spots" for luxury houses as 2016 kicks off.



Vacheron Constantin Harmony timepiece

Other labels under the Richemont umbrella such as Chlo, Peter Millar and Montblanc saw modest growth for the third quarter.

Richemont owns brands such as Cartier, Baume & Mercier and dunhill, among others.

In November, French jewelry house Cartier's CEO resigned, citing personal reasons for his departure.

While likely to be unrelated, news of the CEO shake up at Cartier was shared by Mr. Rupert during announcements of Richemont's half-year results, ending Sept. 30. The results were positive, showing an 15 percent sales increase year-over-year to \$6.32 billion.

Richemont's net profit for the period rose 22 percent to \$1.19 billion. Its operating margin was 24 percent, a decrease of 2 percent from the year-ago period ([see story](#)).

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