

COMMERCE

Versace cautiously optimistic for 2016 after strong 2015

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Versace Emoji

By STAFF REPORTS

Italian fashion house Gianni Versace has reported strong 2015 results, with revenues for the year growing by 17.5 percent to \$709.5 million.

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During 2015, Versace's retail sales increased by 28.9 percent to \$440.7 million and its EBITDA went up 19.9 percent to \$89.1 million. With strong growth in all major markets, the fashion label attributes the positive results for 2015 to its primary Versace line's accessories and the success of Versus Versace and licensees such as fragrance, eyewear and home decor.

Strength in numbers

While revenue and retail sales saw an upward trajectory, Versace's wholesale business was described as "flat." Versace's wholesale revenue for 2015 was \$214.4 million, down slightly from \$258.3 million the prior year.

Versace's royalties also increased by 17 percent to 55 million. In addition the brand saw income generated by ecommerce increase 31.2 percent.

In 2015, Versace saw strong growth across all major markets, with revenues being 33 percent higher in Europe than the year-ago. China also saw a 36.6 percent growth, and the whole of Asia saw an increase of 26.7 percent.

Versace has returned to Japan after departing the market in 2009. When Versace had a retail presence in Japan, the label operated four boutiques in total, and now as its re-entrance process has begun, the brand has opened three storefronts. The three stores capture different facets of the brand, with Versus Versace opening in April, Versace Home in July and a mainline flagship that has just opened ([see story](#)).

North America also saw strong market growth, with Versace seeing a 27 percent increase.



Versace's spring/summer 2016 campaign

In a statement, Gian Giacomo Ferraris, CEO, said, "Versace had an outstanding year in 2015, showing resilience in the face of a tough environment for the global luxury industry.

"Under the creative leadership of Ms. Donatella Versace, we have a unique point of view in fashion, a high quality product and growing engagement with the new generations," he said. "In the past 12 months Ms. Versace and her formidable creative team have continued to strengthen Versace's fashion language, and to infuse the brand with relevance to today's luxury consumers.

"Looking ahead, we are cautiously optimistic for 2016 and we stand by our objective of continued growth in revenues despite choppy conditions in the first quarter of the year and increasing uncertainties on a global scale. We believe we have significant growth opportunities long-term, and we will continue to focus on our development strategies.

"In 2016, we will invest up to \$55 million for new store openings, major store refurbishments, including our Fifth Avenue flagship in New York and our Milan flagship on via Montenapoleone, as well as for our ecommerce business."

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