

APPAREL AND ACCESSORIES

Jimmy Choo's H1 growth propelled by China, menswear

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Jimmy Choo Romy shoes, pre-fall 2016

By STAFF REPORTS

British footwear and accessories maker Jimmy Choo is reporting 9.2 percent revenue growth at current exchange rate for the first half of 2016, despite the difficulties currently faced by the luxury market.

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For the first half of 2016, Jimmy Choo saw gross margin expansion and cost control that drove its adjusted EBITDA growth of 12.8 percent, and adjusted EBIT growth of 13.7 percent. Momentum in the Asian market, "impressive growth" in China combined with an 8 percent revenue increase from its menswear category helped Jimmy Choo to achieve these first half results.

Step in the right direction

Jimmy Choo's growth and margin improvement for the half year ending June 30 saw operating profits increase 42.6 percent to 25.3 million, or \$33.3 million at current exchange rates.

The British footwear labels EBITDA cash conversion increased from 70 percent to 84 percent from the year-ago.

By region, Jimmy Choo saw growth in Asia, especially in the Chinese market. During the first half the brand also managed repositioning in a challenging United States market.

During the first half of 2016, Jimmy Choo also began celebrations for its 20th anniversary ([see story](#)), receiving global acclaim for its new, innovative product offerings and for its design team, led by creative director Sandra Choi.

"This is an impressive set of results and it is of great credit to Pierre Denis and his talented teams that they have achieved both growth and marginal expansion in such challenging market conditions," said Peter Harf, chairman of Jimmy Choo, in a statement.

"The prospects for the business in its 20th year have never looked better and we are confident in its growth prospects and the global opportunity for the brand," he said.



Jimmy Choo 20th anniversary limited-edition Vivy sunglasses

The British brand also continued licensing growth for its fragrances and eyewear, demonstrating Jimmy Choo's flexibility and versatility.

Jimmy Choo has also invested heavily in its store network during the first half, opening six new directly operated stores in the half and renovating and relocating another nine. Jimmy Choo concept stores are also performing well, making up 40 percent of its direct operated stores portfolio.

As a British brand, concerns over how the Brexit vote would impact bottom lines were considered. But, Jimmy Choo sees significant growth potential for its global business and is entering the second half strong. It is also benefiting positively from the weaker pound value.

"These results represent an excellent performance in the period, with growth and margin expansion leading to improved earnings, further enhancing the brand's track record of delivery in all market conditions," said Pierre Denis, CEO of Jimmy Choo, in a statement.

"This is combined with strong underlying cash flow conversion leading to further positive steps on deleveraging," he said. "We have made a good start to the second half and we remain optimistic about our prospects both for this year and for our performance in the future."

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