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Ralph Lauren upholds confidence in Way Forward plan for Q2

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Ralph Lauren's Iconic Style campaign

By STAFF REPORTS

U.S. fashion label Ralph Lauren has released its financial results for the second quarter of fiscal 2017, and will maintain its outlook for the remainder of the year.

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Ralph Lauren recently set into motion its "Way Forward" plan to rejuvenate the brand and its profits in an ever-changing industry landscape. For the second quarter of fiscal 2017, Ralph Lauren's net revenues were consistent with its Way Forward plan, posting \$1.8 billion.

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The brand's income statement review for the second quarter of fiscal 2017 is down 8 percent from the year-ago. On a reported basis, international revenues increase by 2 percent in the second quarter, which was offset by a North American decline of 12 percent.

Ralph Lauren's wholesale revenue decreased by 10 percent to \$831 million, driven by a declining North America. Shipments to this market were strategically reduced as part of the Way Forward plan.

Retail revenue also decreased at a rate of 5 percent to a reported \$942 million in the second quarter.

Ralph Lauren's licensing revenue saw an increase of 2 percent for the quarter for revenues of \$48 million.



Ralph Lauren's Iconic Style campaign

The gross profit for the second quarter of fiscal 2017 was \$954 million. This figure includes \$81 million in non-cash inventory-related charges.

During the quarter, Ralph Lauren also announced the closure of seven underperforming storefronts, its plans to shutter the Denim & Supply line and saw global media impressions double from its see-now, buy-now fashion show ([see story](#)).

"We are changing with the consumer, as we demonstrated in September with our first-ever see-now, buy-now runway show at our flagship store on Madison Avenue," said Ralph Lauren, executive chairman and chief creative officer, in a statement.

"I am confident that this industry leading endeavor in combination with our other elements of the Way Forward plan are strengthening our brand to support future profitable growth," he said.

Ralph Lauren understands that the way forward is propelled by innovation.

In October, Ralph Lauren promoted its eponymous founder's son, David Lauren, to chief innovation officer and vice chairman of the board.

Ralph Lauren's chief innovation officer position was created with Mr. Lauren in mind. The 44-year-old executive has been responsible for many of Ralph Lauren's innovations, especially in regard to the brand's digital and ecommerce efforts ([see story](#)).