

APPAREL AND ACCESSORIES

Tod's confident overall after subtle Q4 2016 improvements

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Tod's spring/summer 2017 campaign

By STAFF REPORTS

Italian leather goods brand Tod's saw an improved sales trend due to the popularity of its fall/winter collections, but revenues overall for fiscal year 2016 declined 3.2 percent compared to 2015.

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Tod's Group sales totalled 1.004 billion euros, or \$1.0 billion at current exchange rates, with an 18 percent EBITDA margin for fiscal year 2016. For the fourth quarter of 2016, the brand's sales totalled 246.3 million euros, or \$264 million, down 1.5 percent from the year-ago quarter.

Ta-Tod's

Although Tod's Group sales were down 1.5 percent from Q4 2015, the brand's results are being hailed as an improvement compared to the first nine months of 2016. This improvement is being related to the brand's fall/winter collections that focused on Tod's Group's "iconic and evergreen products."

Tod's Group includes the Tod's brand, Hogan, Fay and Roger Vivier.

"Considering the epochal change taking place in the world of distribution, we developed a new store format, which can meet the new requirements; also ecommerce, on which we are strongly committed to capture the great growth potential, will give an important contribution," said Diego Della Valle, chairman and CEO of Tod's Group, in a statement.

As a standalone brand, Tod's sales totalled 559 million euros, or \$600 million for fiscal year 2016. This is a 6.7 percent decrease compared to the year-ago.

Tod's bases its sales total decrease on a sharp decline of in-store traffic, especially by tourists ([see story](#)). But, its new collections, focused on iconic products, have received positive feedback.



Model Suki Waterhouse for Tod's

By category, revenues from shoes totaled 791.3 million euros, or \$849 million, a decline of 2.5 percent from 2015. Although there was a decline, a noticeable improvement was recorded for the fourth quarter.

Leather goods and accessories declined by 9.4 percent from 2015 for a total of 142.5 million euros, or \$152 million. The group's apparel business was up 2.2 percent from 2015 with sales of \$68.3 million euros, or \$73 million.

Regionally, Tod's noted declines in domestic sales and only saw slightly higher revenue totals for the rest of Europe compared to 2015, with the exception of France and the United Kingdom. Sales in the Americas and Greater China also declined, but "rest of the world," such as South Korea, was slightly higher or flat for fiscal year 2016.



Tod's London boutique

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"We remain highly focused on the organic growth and we are confident to achieve strong results, also thanks to the effectiveness of the new forms of communications that we have implemented and to the contribution of digital," he said.

"In terms of profitability, we will continue to benefit from the cost efficiency measures started last year and, even thanks to the strengthening of the management team, we are confident that we will reach an improvement of results starting from this year."