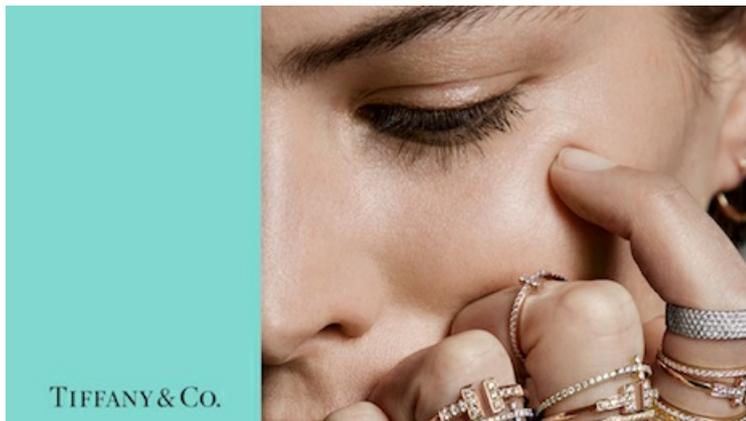


JEWELRY

Tiffany posts "modest" Q2, H1 2017 sales amidst retail struggles

August 24, 2017



Cameron Russell wears Tiffany T two rings and Elsa Peretti Diamonds by the Yard for fall 2017. Image courtesy of Tiffany & Co.

By STAFF REPORTS

In both the second quarter and first half of 2017, U.S. jeweler Tiffany & Co. saw modest net sales increase, but store sales continued to suffer.

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Tiffany has had troubled financial results for a number of quarters, but has taken steps to make improvements through new hires, product launches and campaign strategies. Despite its efforts, Tiffany's retail is not recovering as well as its sales.

Retail blues

In Q2, Tiffany's worldwide net sales grew 3 percent to \$960 million, but comparable store sales dropped by 2 percent.

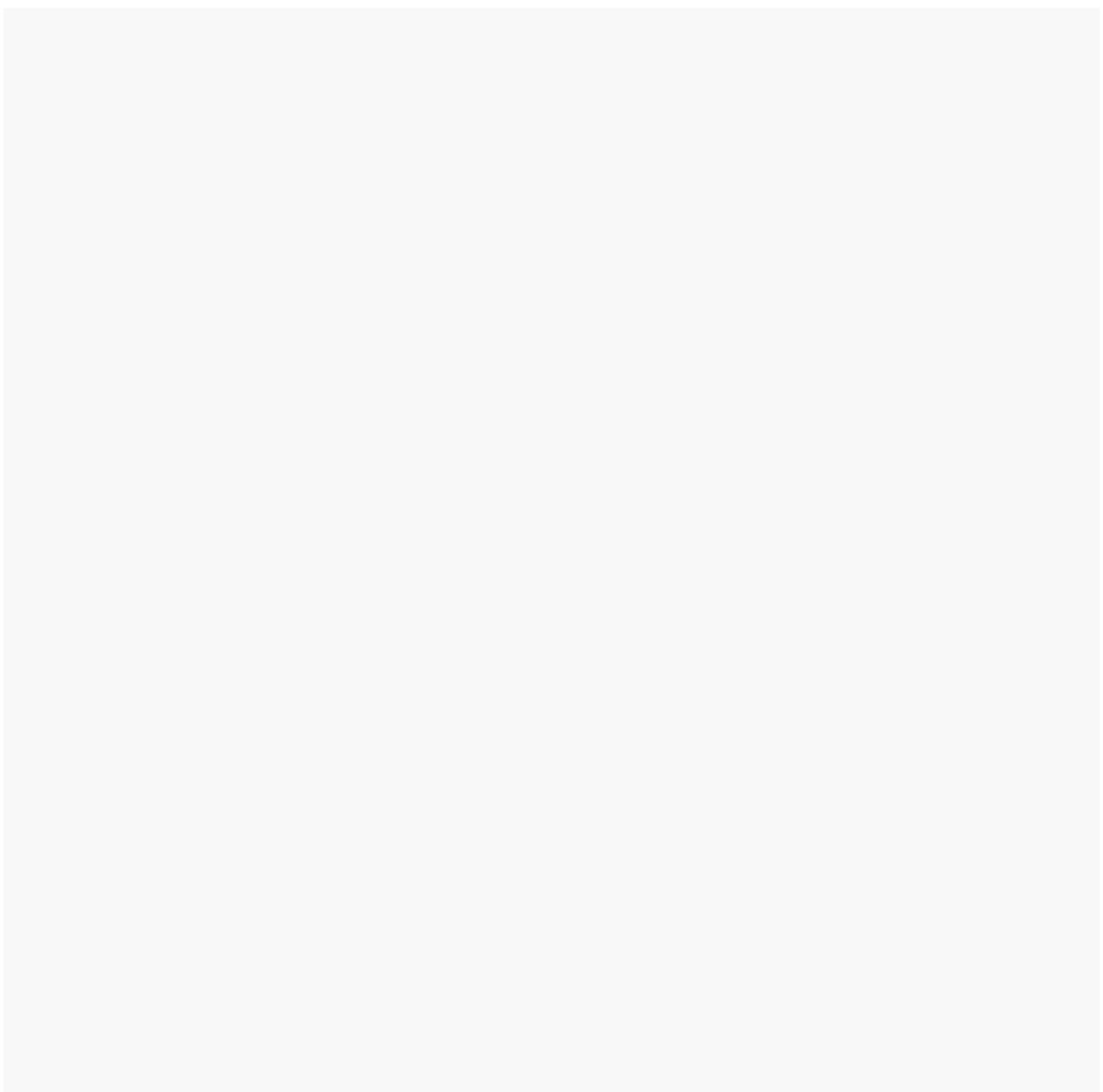
Tiffany noted that the wholesale sale of diamonds as well as wholesale sales in Asia-Pacific increased. The jeweler also saw strong ecommerce sales growth for the quarter.

As diamond wholesale increased, growth in fashion and designer jewelry contrasted.

For H1, the jeweler's worldwide net sales totaled \$1.9 billion, a 2 percent gain from the year-ago half. Comparable store sales were 2 percent lower than H1 2016, due to similar trends from the quarter.

"While net earnings rose in the first half, we remain determined to drive comparable store sales growth and stronger, sustainable earnings growth through a continued focus on product design innovation in jewelry and luxury accessories, further optimization of our store base, more impactful marketing communications and highly effective customer engagement both in-store and online," said Michael J. Kowalski, chairman of the board and interim CEO, in a statement.

"We are delighted to recently announce the appointment of a new CEO, Alessandro Bogliolo, an accomplished jewelry and luxury retail executive who will soon join Tiffany," he said ([see story](#)). "My fellow directors and I believe that, under his leadership, the management team can realize the potential of our extraordinary global brand."



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A post shared by Tiffany & Co. (@tiffanyandco) on Jul 20, 2017 at 9:25am PDT

By market, Tiffany saw total sales increase 1 percent to \$439 million in the quarter and declined 1 percent to \$830 million in the first half in the Americas. Comparable store sales dropped 1 and 2 percent, respectively.

In the Asia-Pacific region, Tiffany's total sales were \$235 million in the quarter and \$492 million for H1, a 2 and 5 percent increase from the prior year, respectively. But, store sales dropped 7 percent for the quarter and 5 percent in the half.

Japan's total sales were \$140 million, 1 percent above the year prior. Sales for the first half were nearly unchanged from the year-ago half at \$208 million.

European total sales reached \$114 million for Q2, 3 percent above the year-ago period. Sales of \$208 million in H1 were equal to the first half of 2017.

Tiffany notes that its retail sales have been impacted by lower foreign tourist spending.

During H1 2017, Tiffany opened three brand-operated storefronts, yet shuttered four others.

At the half's end July 31, Tiffany had 312 stores: 124 in the Americas; 85 in Asia-Pacific; 54 in Japan; 44 in Europe and five in the United Arab Emirates. In H1 2016, Tiffany had 311 stores.

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