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Richemont's H1 sales up 10pc

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Chlo spring/summer 2017. Image credit: Chlo

By STAFF REPORTS

Swiss luxury conglomerate Richemont's sales for the first half of fiscal 2018 grew 10 percent year-on-year, which the group says is partly the result of an improved trading environment.

For the six months ended Sept. 30, Richemont's sales were up 12 percent on a constant currency basis. Per the unaudited results, the company is expecting its profit to be up 80 percent.

Retail rebounding

The 2017 fiscal year was challenging for Richemont. The group's revenues were impacted by inventory buybacks primarily centered on its watches, resulting in a 14 percent drop in its wholesale channels.

Richemont's gross profit for the year also fell 4 percent (see story).

Without the same inventory issues this year, the group's sales have rebounded. Richemont has also benefited from more positive exchange rate movements.

Cartier's Drive de Cartier timepiece. Image credit: Cartier

In addition to its sales being up, Richemont's operating profit for the first half of the year grew 45 percent over the same period last year.

Richemont's full results for the first half of the fiscal year will be released on Nov. 10.

Beyond Richemont, other luxury companies are seeing improvements from last year.

Luxury conglomerate Mot Hennessy Louis Vuitton saw increased revenues across its business groups for the first nine months of 2017, but the company is still strategizing against economic and geopolitical uncertainty.

Following two quarters of growth, the third quarter continued the trend, delivering sales that were up 14 percent from the previous year. So far for the year, the group's 30.1 billion euros, or $35.4 billion, in sales represent an increase of 14 percent from 2016's figures (see story).