

RETAIL

YNAP net revenues up 17.7pc for Q3 2017

November 8, 2017



Net-A-Porter's fall/winter 2017 ad campaign. Image courtesy of Net-A-Porter

By STAFF REPORTS

Online retail's Yoox Net-A-Porter Group has recorded solid organic growth in the third quarter of 2017, with net revenues totaling 481.8 million euros, or \$557.7 million at current exchange rates.

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YNAP's third-quarter net revenues saw an increase of 17.7 percent on an organic basis, compared to the year-ago quarter's 435.4 million euros reported revenue. Across YNAP's three business lines, which includes multi-brand in season, multi-brand off-season and gross merchandise value of online flagship stores, the group saw balanced organic performance for the quarter, each posting double-digit increases.

Yoox Net-A-Porter Group includes Yoox, Net-A-Porter, Mr Porter and The Outnet.

Performance and opportunities

YNAP's nine-month net revenues totaled 1.5 billion euros, or \$1.7 billion, up 18.6 percent compared with 1.3 billion euros (\$1.5 billion) for the year-ago period.

As for Q3 2017, ended Sept. 30, YNAP posted positive growth in all key markets. The United Kingdom and continental Europe witnessed "marked acceleration" during the quarter.

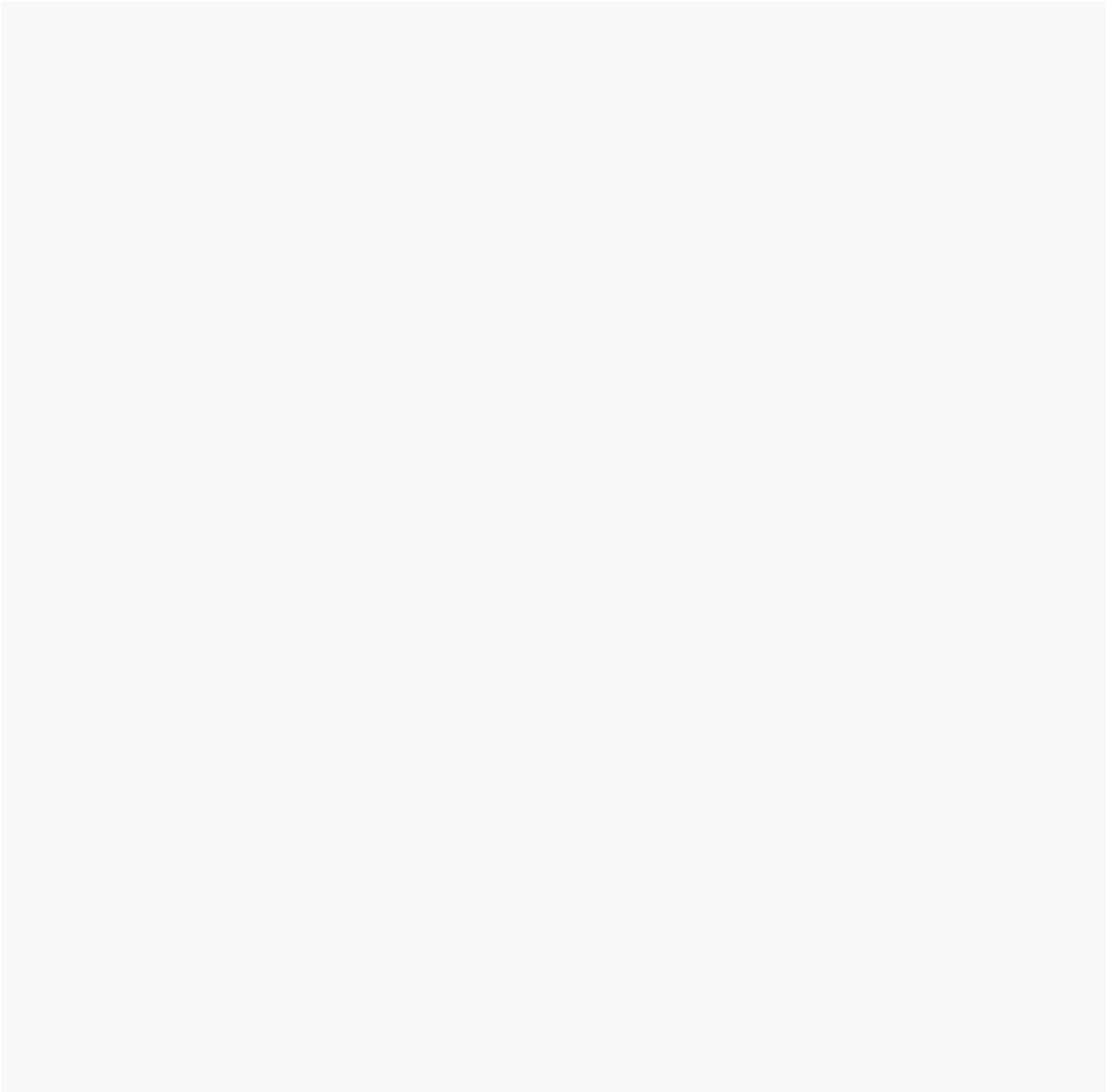
The U.K., for example, achieved net revenues of 63.8 million euros (\$73 million), up 20.1 percent from the second quarter of 2017, which was recorded at an increase of 11.7 percent. YNAP's revenue increase was driven by its multi-brand online stores.

For the first nine months of 2017, this result is translated to 202.3 million euros (\$234 million), up 15.1 percent from 191.7 million euros (\$222 million), in the same period of 2016.

Elsewhere in Europe, Italy posted solid performance in Q3, driven by Yoox, with net revenues of 34.1 million euros (\$39.5 million), up 14.2 percent from the year-ago quarter. Europe saw improved momentum continue in the third quarter, with net revenues accelerating 17.5 percent to 134.7 million euros (\$156.1 million).

Third-quarter net revenues in Asia Pacific grew by 14 percent for a total of 82.2 million euros (\$95.2 million). The Hong Kong market greatly contributed to the region's performance.

North America, YNAP's number-one market, increased net revenues by 10.3 percent to 138.6 million (160.6 million) compared to the third quarter of 2016. In the first nine months of 2017, North America's net revenues increased by 15 percent.



Strong performance for first nine months of 2017 @ynap: revenues reach 1.5bn, up 18.6%. 2017 marked by significant milestones: from the success of the #hardluxury category, to the exciting launch of @mrporterlive very own label @mrp, to creating a state of the art omni-channel business model with Next Era and much more to come! #YNAPResults

A post shared by YOOX NET-A-PORTER GROUP (@ynap) on Nov 8, 2017 at 9:00am PST

"Revenues remained strong in the third quarter, increasing 17.7 percent year on year," said Federico Marchetti, CEO of Yoox Net-A-Porter Group, in a statement. "This solid organic growth was nicely balanced across our in-season, off-season and online flagship stores business lines."

Overall, as of Sept. 30, YNAP's multi-brand in-season business on Net-A-Porter and Mr Porter accounted for 52 percent of the group's consolidated net revenues. For the quarter, multi-brand in-season resulted in net revenues of

788.9 million euros (\$914.6 million) in the first nine months of 2017, up 18.8 percent from the year-ago period.

The in-season business has benefited greatly from YNAP's exclusive capsule collections and ecommerce partnerships by brands such as Burberry, Armani and Chopard.



Chopard sells its Happy Diamonds collection on Net-A-Porter. Image credit: Net-A-Porter

YNAP's multi-brand off-season business, which includes YOOX and The Outnet, accounted for 38.6 percent of the group's consolidated net revenues. Off-season net revenues totaled 203.6 million euros (\$236 million), an increase of 17.4 percent compared to Q3 2016.

As for YNAP's online flagship stores, which include the ecommerce sites of Armani and Chloe, the business contributed 9.4 percent to the group's overall consolidated net revenues.

Additional YNAP highlights from the first nine-months of 2017 include the debut of Mr Porter's signature menswear line, Mr P ([see story](#)) and the July introduction of Next Era

The Next Era rollout enables brands using YNAP's online flagship platform to offer a "single view of inventory." Valentino will be the first to activate this unified inventory view in the United States.

Once launched fully, Next Era will allow YNAP partner brands to enhance delivery services and offer unprecedented online product assortments across their own stores and the retailer's logistics network.

"I am particularly excited about the recent launch of Mr Porter's own label, Mr P," YNAP's Mr. Marchetti said. "Driven by seven years of customer insights and data, together with the impressive know-how of our buyers and our editors, the Mr P collection is built around a range of essentials.



Mr Porter's Mr P includes more than 50 menswear pieces. Image credit: Mr Porter, photo by Stefan Hindrichs

"The label draws its strength from our unmatched vantage point into the male wardrobe provided by Mr Porter, the world's leading destination for men's style," he said.

Additional key performance indicators shared by YNAP include:

-586.5 million visits, compared with 510.1 million during the first nine months of 2016

-6.8 million orders, compared with 5.9 million in the year-ago period

-An average order value of 330 euros (\$382), compared with 331 euros (\$363) the prior nine-month period due to unfavorable exchange rates

-3.1 million active users, compared with 2.8 million during the first nine months of 2016

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