

JEWELRY

Richemont's sales, profits rise in H1

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Richemont's Van Cleef & Arpels recorded double-digit growth in H1. Image credit: Van Cleef & Arpels

By STAFF REPORTS

Swiss conglomerate Richemont's sales in the first half of the 2018 fiscal year were up across regions and categories, with much of the growth driven by its jewelers.

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While it faced challenges last year, for the six months ended Sept. 30, Richemont's profits were up 80 percent and its sales rose 10 percent. While the group saw positive movement in most markets, China, Korea, Hong Kong and the United Kingdom all achieved double-digit growth.

Year-over-year

For the first half of the fiscal year, Richemont's sales were 5.605 billion euros, or about \$6.534 billion at current exchange.

While retail was up 11 percent, Richemont's wholesale business also recorded growth of 9 percent.

Richemont's jewelry and watch division saw double-digit growth. Its jewelers, including Cartier, had an increase in sales of 15 percent, while its specialist watchmakers' sales rose 6 percent.

Last year, Richemont was hit by inventory buy-backs of its watches, something which did not happen again this year. However, if these buy-backs are taken out of the equation, the company's sales are still up 8 percent over last year.



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

Most of Richemont's brands in the division that includes fashion and accessories houses saw sales increases, with the category growing 3 percent overall.

By region, Asia saw the strongest growth, with sales up 25 percent. A weaker yen in Japan helped bump the market's sales by 7 percent.

The Americas similarly saw a 10 percent increase in sales. Europe and the Middle East both saw a slight 3 percent sales growth, with European sales impacted by a strong euro and Middle Eastern sales hit by geopolitical uncertainty.

"The positive sales and profit performance achieved by Richemont in the first half of this financial year highlights the generally improved macro environment," said Johann Rupert, chairman of Richemont, in a statement. "The Group also benefited from easier comparative figures and favorable movements in period-end exchange rates."

As it looks to further transform its watchmakers, Richemont is also making some changes to its executive committee. Jérôme Lambert will assume the newly created role of chief operating officer, providing oversight for all houses excluding Cartier and Van Cleef & Arpels.

Mr. Lambert will also oversee Richemont's central and regional support, aside from finance, human resources and technology.

Richemont has also created a new head of specialist watchmakers distribution position, which has been filled by Emmanuel Perrin, currently Cartier's international sales director.

"The changes announced today will continue our transformation of the specialist watchmakers' business models to meet the demands of today's environment," Mr. Rupert said. "Mr. Perrin, in his 25 years with the group, has been successful with Van Cleef & Arpels and, most recently, Cartier, in developing partnerships with our wholesale partners. A prime area of focus will be matching supply with end customer demand."

Richemont has seen a number of adjustments to its leadership.

Less than a year after being named Richemont's head of watchmaking, marketing and digital, Georges Kern left the company in July, taking on the role of CEO of Breitling ([see story](#)).

Richemont recently appointed its first chief technology officer and a new group human resources director to its senior leadership. Two main challenges for luxury today have been adopting new technologies as quickly as they emerge and hiring appropriate and quality talent at all levels of a brand ([see story](#)).

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