

JEWELRY

Tiffany's Q3 2017 growth propelled by Mainland China, fashion jewelry sales

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Tiffany engagement ring setting in rose gold. Image credit: Tiffany

By STAFF REPORTS

U.S. jeweler Tiffany & Co.'s worldwide net sales increased 3 percent to \$976 million thanks to sales growth in most regions during the third quarter of 2017.

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Ended Oct. 31, Tiffany's third-quarter sales increase was attributed to its fashion jewelry and high, fine and solitaire jewelry categories, during a time when the brand is working to further diversify its product offering. As for its nine-month year-to-date results, also ended Oct. 31, Tiffany's worldwide net sales totaled \$2.8 billion, 2 percent above the year prior, and comparable store sales declined by 2 percent.

Getting better

By region, Tiffany's total sales in the Americas reached \$421 million in the third quarter, 1 percent higher than the prior year. Total sales of \$1.3 billion in the year-to-date were about equal to the prior year.

Across the Americas, Tiffany management noted that there were no significant variations in the region. Overall sales softness was attributed to lower spending by foreign tourists.

In comparison, the Asia-Pacific region saw total sales rise 15 percent to \$283 million in the third quarter, an 8 percent increase to \$775 million in the year-to-date.

Asia-Pacific sales growth was due to increased wholesale and retail sales and strong growth in Mainland China. Most other regional countries saw a decline because of lower Chinese tourist spending.

Japan total sales for the third quarter and year-to-date declined by 8 and 3 percent, respectively, because of a weakened yen. Total sales for the quarter totaled \$139 million and \$407 million for the nine-month period.

Tiffany's European sales increased 5 percent for Q3 to \$110 million and grew 2 percent year-to-date to \$318 million. Retail sales growth was seen across most of continental Europe, but there was a dip in sales in the United Kingdom.



Tiffany & Co.'s new CEO is optimistic about the jeweler's opportunities. Image credit: Tiffany

The U.S. jeweler opened seven brand-operated stores in the 9 month period and closed five. As of Oct. 31, Tiffany operated 315 stores versus 313 a year ago.

Today, Tiffany has 125 stores in the Americas, 86 in Asia-Pacific, 54 in Japan, 46 in Europe and four in the United Arab Emirates.

In a statement, Alessandro Bogliolo, Tiffany's new CEO who joined the brand in October ([see story](#)), said:

"Tiffany is such an inspiring brand with an incredibly rich legacy, traditions of excellence in craftsmanship and design and leadership in sustainability. I am very excited to be leading our team and enthusiastic about the tremendous opportunities we have to further develop our global business.

"These latest financial results marginally exceed our expectations, but I believe that Tiffany has the medium to long-term potential to achieve meaningful comparable store sales growth and drive higher operating margins and earnings growth," he said.

"Looking forward, we will increasingly capitalize on the strength of the Tiffany & Co. brand with stronger organizational focus on innovation in product, digital, communication and the customer experience."

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