

APPAREL AND ACCESSORIES

Gucci, Saint Laurent, Balenciaga support Kering's 27.1 pc Q1 growth

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Gucci is one of the most loved brands in the U.K. Image credit: Gucci

By STAFF REPORTS

Luxury group Kering saw a significant rise in profit during the first quarter of 2018, as it continues to focus on its luxury brands and sell off its mass market assets.

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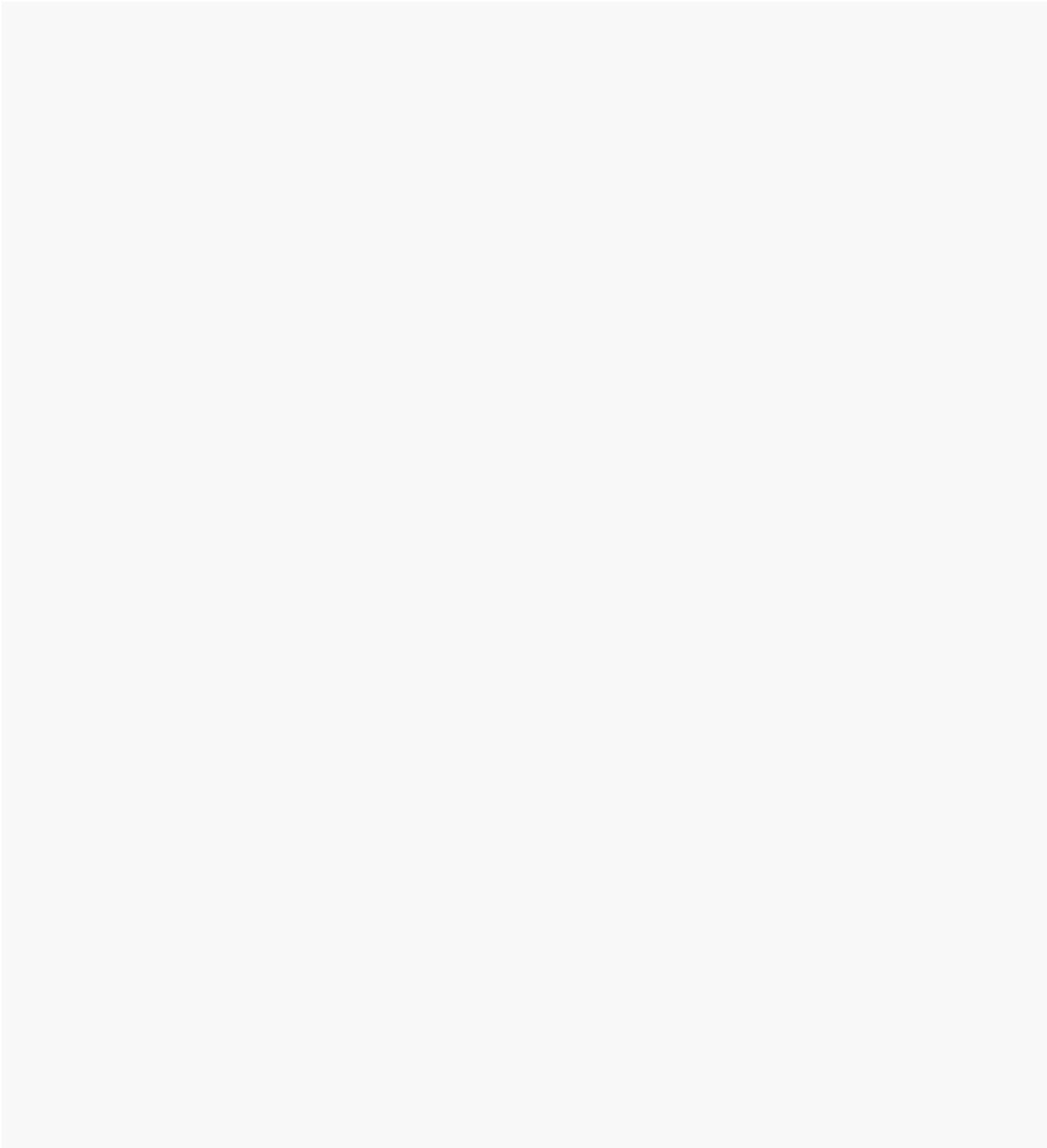
Gucci saw a growth of 19.6 percent in sales on a comparable basis and Saint Laurent saw a 19.6 percent increase in sales. The former totaled 1.8 billion euros, or \$2.2 billion in revenue, and the latter saw 408.2 million euros, or \$493 million at current exchange.

"Kering maintained its outstanding sales momentum in the first quarter," said Franois-Henri Pinault, chairman and CEO of Kering, in a statement. "Under its new luxury pure player profile, the group clearly outperformed a market that remains well oriented.

"Gucci, Saint Laurent and Balenciaga set a high mark within a group that delivered sharp growth as a whole," he said. "In the balance of the year, we face a high base of comparison and a tough currency environment, but we are confident in the ability of our houses to continue doing better than their peers, leveraging their innovativeness and creative audacity."

Exponential growth

Kering's Bottega Veneta has undergone an extensive plan of action, and has delivered a .7 percent growth on a comparable basis.



Reign of shine. The trio of shimmering long dresses from #BottegaVenetaSS18, made of iridescent silk and embroidered with metal eyelets, are featured in the latest issue of @voguebrasil. Photographer: @zee_nunes Stylist: @danielueda1 #BottegaVenetaEditorial #BottegaVeneta

A post shared by Bottega Veneta (@bottegaveneta) on Apr 24, 2018 at 8:06am PDT

The group has also noted that Balenciaga saw exceptional growth, supporting its 37.9 percent comparable sales increase. The brand supported Kering's sharp growth in ready-to-wear and shoes.

Kering ended the first three months of the year with a total of 3.1 billion euros, or \$3.8 billion at current exchange, in revenue.

The company reported that the growth was seen balanced throughout most of its businesses.

Direct-operated stores saw a 39.9 percent comparable increase and North America saw 54.3 percent comparable growth.

Kering also stated that its online businesses more than doubled and wholesale jumped 30.5 percent on a

comparable basis.

Lately, Kering has been ramping up its focus on luxury. The French group plans to sell off skate brand Volcom as it seeks to center its efforts solely on its high-end labels.

On April 6, Kering announced it had started the process to dispose of its ownership of Volcom. This follows Kering's plans to distribute Puma shares to its shareholders, allowing it to dedicate itself to its luxury activities ([see more](#)).

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