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Ralph Lauren reports earnings gain in fiscal Q4

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Ralph Lauren opts for nautical motifs in Polo CP-93. Image credit: Ralph Lauren

By STAFF REPORTS

U.S. fashion company Ralph Lauren reported a surprise earnings gain in the fourth quarter after it saw a loss the previous year.

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For the fiscal quarter ended on March 31, earnings per diluted share were \$.50 and \$.90 on an adjusted scale. The label's earnings fell from \$1.53 billion from \$1.57 billion, but saw actual profit compared to last year's quarter.

"We delivered on our commitments for the fourth quarter and full year, and we made strong operational progress," said Patrice Louvet, president/CEO of Ralph Lauren, in a statement. "We start the new year with a solid foundation including a clear strategic plan to deliver long-term growth and value creation, an engaged global organization, and a strong balance sheet."

"We look forward to discussing our plan in more detail at our Investor Day on June 7," he said. "Ralph and I are also pleased to welcome Michael George, who has recently joined our board of directors, and Angela Ahrendts, who will be nominated for election to join our board in August."

Ms. Ahrendts was originally the senior vice president of retail for Apple, while Mr. George is the president/CEO of video and ecommerce retailer Qurate Retail Inc. As Ralph Lauren looks to innovate the customer experience, these board members will bring expertise in both technology and retail ([see more](#)).

Earnings report

Ralph Lauren saw a gross profit \$909 million, which includes \$6 million inventory charges.

The label stated that its direct-to-consumer network saw an increase of 4 percent, growing in every quarter.

A jumped investment in marketing by 10 percent was also apparent, progressing in digital and social media. Heavy digital strategies for the Winter Olympics, its February Fashion Show, the Snow Beach Limited Edition launch and the new Spring Polo reveal helped support the brand in the fourth fiscal quarter.

Ralph Lauren followed many brands who are investing further in Asia, with an increased store presence. This

delivered a 4 percent constant currency comp growth in just the fourth quarter and 3 percent for the whole year. A 4 percent decreased in inventory on a reported basis met some of Ralph Lauren's agility plans, as it adjusted operating expenses in fiscal 2018 through increased efficiencies.

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Ralph Lauren invests in digital ads for the Olympics. Image credit: Ralph Lauren

"As we reflect on the year, I am incredibly proud of what the team is doing to elevate and energize our brand around the world," said Ralph Lauren, executive chairman and chief creative officer of Ralph Lauren, in a statement.

"Patrice and I have developed a strong partnership over the past year and I am confident that we are on the right path as we kick off our 50th anniversary celebration and build the future of our iconic company and brand," he said.