

APPAREL AND ACCESSORIES

Ralph Lauren invests in strategic growth plan

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

By STAFF REPORTS

U.S. fashion label Ralph Lauren is "writing its next chapter" with a new growth plan that seeks to increase its compound growth and launches a stock buyback program.

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A five-year plan, which Ralph Lauren has named "Writing Our Next Chapter," was presented June 7 at a meeting for investors and analysts. The new plan seeks to cater to younger generations and pivots to a digital-first strategy, along with adding the chief operating officer of online marketplace Etsy to its board of directors.

Adaption and growth

Ralph Lauren is introducing an additional stock repurchase program up to \$1 billion as well as a 25 percent dividend increase authorized by the board of directors.

The \$1 billion is up from its original \$100 million buyback program announced in December.

A change in the definition of comparable store sales is also a part of the new plan, starting in fiscal 2019. The change will reflect the change in sales of the company's stores that have been open for at least 13 full fiscal months.

The label will also be looking to support and reinvigorate its core products while also stimulating under-developed sectors.

A targeted expansion for certain regions and channels are also a part of the new strategy.



Ralph Lauren will also start to focus on digital. Image credit: Ralph Lauren

"As we reflect on 50 years, I am so energized by the work we are doing to build the future for our company and iconic brand," said Ralph Lauren, executive chairman and chief creative officer of Ralph Lauren, in a statement. "With a clear plan, Patrice's leadership and our dedicated, passionate teams all over the world, we are reigniting the entrepreneurial spirit that is at the heart of our heritage and culture."

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

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 ([see story](#)).

"We are confident that with our clear strategic plan in place, we can return Ralph Lauren to sustainable long-term growth and value creation," said Patrice Louvet, president and CEO of Ralph Lauren, in statement. "We are building on a solid foundation, starting with our iconic Ralph Lauren brand, our engaged global organization and a strong balance sheet.

"By putting the consumer back at the center of our business, elevating and energizing our brands and balancing productivity with growth, we'll be well-positioned to deliver our next great chapter," he said.

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