

APPAREL AND ACCESSORIES

Chanel lets financial figures out of the bag

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Chanel has released its financial figures for the first time. Image credit: Chanel

By STAFF REPORT'S

French fashion label Chanel has revealed that its sales totaled \$9.62 billion in 2017, an increase of 11 percent from the previous year.

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While its status as a privately owned company means that Chanel does not have to publicize its results, the house opted to publish its financial figures for the first time in its history. In interviews with [Reuters](#) and [The New York Times](#), Chanel chief financial officer Philippe Blondiaux noted that by voluntarily publishing the results, the house was not planning to go public or seek acquisition, instead intending to stay private for the long-term.

Chanel clarity

Founded in 1910, Chanel is known for its fashion and beauty products. But while the blockbuster brand is a household name, its financial success has until now been a secret.

Chanel's sales put it on par with Louis Vuitton, which has about \$9 billion in sales per year, and ahead of Gucci, which recently surpassed the \$7 billion mark and is aiming to grow to a \$12 billion brand.

Recently there has been speculation that Chanel could be an attractive target for conglomerates such as LVMH or Kering. However, Mr. Blondiaux is hoping that by releasing its results, the house can show its ability to stay independent for "centuries" to come.

The company's profits were up 18.5 percent from 2016, totaling \$1.79 billion.



In addition to fashion, Chanel has a strong beauty business. Image credit: Chanel

A key growth driver for Chanel last year was Asia, which grew 16.5 percent.

One of Chanel's key areas of investment is technology.

Chanel is working with Farfetch to connect consumers' online and offline experiences through technology.

Farfetch and Chanel have signed an exclusive multi-year innovation partnership agreement that will see the partners develop customer-centric digital solutions for the brand's retail operations both in-store and online. This first-of-its-kind partnership is based on a shared vision that the future of retail hinges on "ultra-personalized experiences" ([see story](#)).

However, while the brand is working to add innovation to its retail experience, for the moment it has not made the move into selling apparel online.

As part of its announcement, Chanel also revealed it has established a British-based holding company Chanel Limited to unite all of its activities and employees, from fashion to fragrance.

"Transparency is the coin of the realm these days," said Mickey Alam Khan, editor in chief of Luxury Daily. "Quite obviously, Chanel is looking to put the kibosh on rumors that it isn't doing too well or that it is up for sale or that its succession plan, if it has one, is flawed.

"The release of the numbers also is a debutante move to let its second-guessing peers such as Louis Vuitton, Hermès and Gucci know that Chanel's in the same dance as them," he said. "What these numbers clearly prove is that Chanel is clearly among the leading luxury conglomerates worldwide including LVMH, Kering, Richemont, Hermès, Swatch Group and Rolex, along with the hospitality and automotive brands.

"All in all, it's a move that combines PR, boast, talent attraction and a nod to the times – customers and employees will rely on rumors in the absence of fact and clarity. It's a smart move for them. I think Chanel wants to signal it's a major presence in luxury and perhaps is open to acquisitions down the road as well."