

APPAREL AND ACCESSORIES

## Gucci, Balenciaga, Alexander McQueen push Kering growth

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Gucci handbag campaign. Image credit: Gucci

By STAFF REPORTS

French luxury group Kering has seen a positive first half of the year, pushed by Gucci and growth in China as it continues to focus on luxury.

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Its pivot to value luxury rather than mass market has been successful for Kering in H1 2018. Consolidated revenue in the first half of 2018 was up 26 percent to 6 billion euros, or \$7 billion at current exchange.

Luxury growth

Gucci helped drive Kering's earnings for H1 2018, with a record-high operating margin at 38.2 percent and a revenue growth of 44 percent on a comparable basis.

Designer label Yves Saint Laurent also supported the group's growth with a 19.7 percent increase in sales.

However, Bottega Veneta saw a decrease of 0.9 percent, while Balenciaga and Alexander McQueen helped a 36.5 percent increase on a comparable basis for other brands.



Balenciaga grew its earned media placements in April. Image credit: Balenciaga

"Kering achieved dazzling top-line and earnings performances in the quarter and six months," said the group in a statement. "Our growth, grounded in the exclusivity and desirability of our brands, is remarkably healthy.

"The development model we implement across our houses paves the way for increased value creation as well as profitable, sustained and consistent organic growth," it said. "While facing increasingly demanding comps and an uncertain global environment, we will once again substantially enhance our financial and operating performances in 2018."

Kering recently parted ways with another one of its brands as Puma solidified its exit.

The departure of Puma made the resolution put forth at Kering's shareholders meeting on Apr. 26 concrete. Puma's exit came just a few weeks after one of Kering's other brands, Stella McCartney, began the process of exiting the group, as it looks to unload its mass market brands ([see story](#)).

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