

APPAREL AND ACCESSORIES

Ralph Lauren sees rise in revenue after pivoting to elevate its luxury status

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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 has reported that its shares have risen 5 percent after it debuted a new business strategy.

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The company saw earnings per diluted share of \$1.31 on a reported basis and \$1.54 on an adjusted basis for the first quarter of 2019. Ralph Lauren invested 20 percent more in its marketing budget, mostly on its Spring Polo campaign.

Revenue growth

Ralph Lauren's growth in revenue was also greatly supported by sales in Asia, with revenue up by 19 percent.

Japan, South Korea, China and Europe were up 8 percent in the first quarter of 2018.

"I continue to be inspired and energized by the passion our teams have for our brand and our company," said Ralph Lauren, executive chairman and chief creative officer of the company, in a statement. "This passion along with Patrice's partnership over the last year, the clear plan he and the team laid out in June, and the initial progress in this quarter, give me confidence in our future as we celebrate 50 years in business."



Ralph Lauren recently named two new board directors and sees profit. Image credit: Ralph Lauren

The company also saw gross margin up 120 basis points with lower discount rates.

Revenue in the first quarter of 2018 rose by 3 percent to \$1.4 billion on a reported basis and was up 1 percent in constant currency.

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.

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 ([see story](#)).

"We are off to an encouraging start to the new fiscal year on both the top and the bottom line," said Patrice Louvet, president and CEO of Ralph Lauren, in a statement. "Our teams around the world are fully engaged and focused on executing the Next Great Chapter plan we shared at our recent Investor Day.

"Guided by our three core principles of putting the consumer at the center of all we do, elevating and energizing our brand and balancing productivity and growth, we are on track to return the company to long-term, sustainable growth and value creation," he said.

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