

APPAREL AND ACCESSORIES

Kering's revenues rise 28pc in Q3

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Alexander McQueen fall/winter 2018 campaign. Image credit: Alexander McQueen

By STAFF REPORTS

Luxury conglomerate Kering saw growth across regions in the third quarter of 2018, with North America seeing the sharpest increase.

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Kering's revenues for the quarter ended Sept. 30 totaled 3.4 billion euros, or about \$3.9 billion, up 27.6 percent from the same period of 2017. While Kering's houses on the whole have been achieving rapid growth, Gucci, Alexander McQueen and Balenciaga are among the brands boosting the group's performance.

Global growth

All of Kering's houses saw a 27.2 percent increase during the quarter. The company saw growth across all regions and distribution channels, including wholesale, direct-operated retail and ecommerce, which rose more than 80 percent.

Gucci outperformed the average with a 34.9 percent rise in revenues, reaching 2.1 billion euros, or \$2.4 billion. The brand's retail sales were up 35 percent, while its ecommerce business has grown almost 70 percent in the past year on a comparable basis.



Gucci has seen its revenues rise. Image courtesy of Gucci

Yves Saint Laurent also saw strong growth, with its revenues increasing 16.5 percent year-over-year. Both wholesale and direct-operated store sales achieved double-digit growth, with North America's brand boutiques up 27.5 percent.

Bottega Veneta is currently in a period of transition as newly installed creative director Daniel Lee gets set to show his first collection in December. Despite seeing a positive response to recent leather goods designs, Bottega Veneta took a hit from falling tourism in Western Europe, ending the quarter down 7.8 percent from 2017.

The other houses in Kering's portfolio saw a combined growth of 32.2 percent. The group notes that Alexander McQueen and Balenciaga are continuing their upwards momentum, while couture, leather goods and jewelry continue to perform well.

Kering Eyewear grew 47.9 percent during the quarter, with total sales of 76 million euros,

"We are extraordinarily proud of the remarkable performances Kering delivers quarter after quarter," said Francois-Henri Pinault, chairman and CEO of Kering, in a statement.

"Our growth, whose pace is unprecedented in the luxury sector, is sound, well balanced and sustained across all regions and distribution channels," he said. "The talent of each of our houses at creating strong emotional ties with its customers, conceiving a bold, generous creative universe and reinventing its codes, is at the root of Kering's success.

"Beyond short-term developments, we know that the secular growth of the luxury market, but particularly our solid fundamentals and the discipline with which we implement our strategy, will continue to support our operating and financial outperformance."

During the quarter, Kering joined the Euro STOXX 50 Index, becoming one of the top 50 public companies by market capitalization in the Eurozone.

Since 1988, Kering has listed its shares on the Euronext exchange. With this addition, Kering joins other luxury leaders including BMW, LVMH and Daimler on the STOXX 50 Index ([see story](#)).

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