

JEWELRY

Tiffany records 7pc growth for 2018, despite Q4 softening

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Tiffany T jewelry. Image credit: Tiffany & Co.

By STAFF REPORTS

While jeweler Tiffany & Co.'s sales dipped 1 percent in the fourth quarter of 2018, the company recorded growth for the full year.

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Across 2018, the brand saw record sales of \$4.4 billion, a rise of 7 percent year-over-year. A softening in the second half of the year is attributed to reduced tourism demand and a market plagued by uncertainty.

Year in review

Tiffany saw growth across all regions during the year.

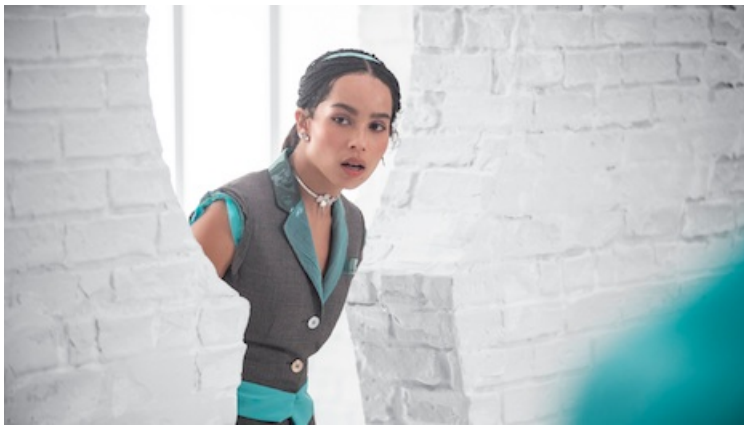
Asia Pacific was the strongest performing region, with an increase of 13 percent to \$1.2 billion. Consumers spent more locally and tourists bought Tiffany products while in South Korea, helping to boost growth.

Japan also saw significant growth, with sales up 8 percent to \$643 million, as both tourists and locals upped their spending.

Locals and tourists in the Americas grew their shopping in the year, boosting sales 5 percent to \$2 billion.

Meanwhile, in Europe sales from locals were up while tourist spending declined, leading to total sales of \$504 million, a 3 percent increase for the year.

In the fourth quarter, much of the decline was driven by Asia Pacific and Europe, which saw their sales drop a respective 1 and 3 percent. During the same period, sales in the Americas remained flat and Japan recorded sales growth of 3 percent.



Zoe Kravitz for Tiffany's holiday campaign. Image courtesy of Tiffany & Co.

Tiffany's net earnings for the year were \$586 million, up from \$370 million in 2017.

Jewelry collections saw the greatest increase with a rise of 11 percent for the year, while engagement jewelry recorded growth of 4 percent. Designer jewelry grew slightly by 1 percent.

2018 saw Tiffany launch chief artistic officer Reed Krakoff's first high-jewelry collection, Paper Flowers ([see story](#)).

Tiffany added a net six stores during the year ended Jan. 30, as it opened 10 and closed four locations. The brand also relocated 10 of its boutiques.

"Our team is proud of its accomplishments in 2018 that contributed to net sales surpassing levels not seen since 2014," said Alessandro Bogliolo, CEO of Tiffany, in a statement. "Softer trends in the second half of the year reflected, in part, what we believe were external challenges and uncertainties.

"Most important, we are still in the early stages of a journey to achieve long-term sales, margin and earnings growth for this legendary brand, and are making progress across our six key strategic priorities: amplifying an evolved brand message, renewing our product offerings and enhancing in-store presentations, delivering an exciting omnichannel customer experience, strengthening our competitive position and leading in key markets, cultivating a more efficient operating model and inspiring an aligned and agile organization to win," he said. "I continue to strongly believe that Tiffany has vast global growth opportunities and we look forward to realizing our full potential in the future."