

APPAREL AND ACCESSORIES

Kering's Q1 revenues rise 21.9pc

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Gucci's revenues were up double digits. Image credit: Gucci

By STAFF REPORT'S

Luxury conglomerate Kering saw strong growth in the first quarter of 2019, as Gucci and Saint Laurent posted double-digit increases.

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The group's total revenues for the quarter were 3.785 billion euros, or \$4.276 billion at current exchange, up 21.9 percent year-over-year. Almost 40 percent of all of Kering's sales from the quarter came from Asia Pacific, pointing to continued strength in the region.

Retail revenues

Kering's comparison basis for the first quarter was high, but the company still saw year-over-year growth for most of its brands.

Gucci's revenues rose 24.6 percent, totaling 2.326 billion euros, or \$2.627 billion. Direct-operated store sales grew 20.3 percent, and Gucci boutiques in Asia-Pacific saw comparable growth of 35.3 percent.

Meanwhile, Yves Saint Laurent sales were up 21.9 percent to 497.5 million, or \$562 million, driven by its ready-to-wear and handbag lines.

Bottega Veneta is currently in a transition as creative director Daniel Lee takes over. The house's revenues for the quarter were down 5 percent, but Kering is optimistic after reactions to Mr. Lee's first runway show.



Bottega Veneta's fall/winter 2019 runway show. Image credit: Bottega Veneta

Kering's other houses collectively saw growth of 25 percent. Direct-operated store sales for couture and leather goods brands including Alexander McQueen and Balenciaga grew by double digits.

Across the board, Kering's direct-operated retail sales were up 19 percent on a comparable basis, while its wholesale revenues rose 12 percent.

Kering Eyewear saw growth of 23 percent, driven by Gucci, Balenciaga and Montblanc.

"Delivering a solid start to 2019, Kering continued to outperform," said Franois-Henri Pinault, chairman and CEO of Kering, in a statement. "On top of very strong increases in the first quarter of last year, Gucci, Saint Laurent and our other houses all posted excellent revenue growth, fueled by the creativity of their offers and the innovativeness of their execution.

"As Bottega Veneta implements a fundamental reset, early indicators are highly encouraging," he said. "The agility we have put at the heart of our organization positions us well to continue achieving steady, sustainable and profitable growth."

Kering's consolidated revenues were up 26.3 percent in 2018, as its key fashion houses saw double-digit increases.

The group's revenues for the year totaled 13.67 billion euros, or about \$15.46 billion at current exchange. Gucci's and Saint Laurent's growth was slightly down from 2017, but the brands still saw respective revenue increases of 33.4 percent and 16.1 percent ([see story](#)).