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JEWELRY

Richemont's digital acquisitions boost full-year sales growth to 27pc

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Cartier has some of the most differentiated ecommerce services, according to DLG. Image credit: Cartier

By STAFF REPORTS

Swiss conglomerate Richemont saw growth across its business areas in its latest fiscal year, as the addition of Yoox Net-A-Porter Group and Watchfinder led to double-digit sales increases.

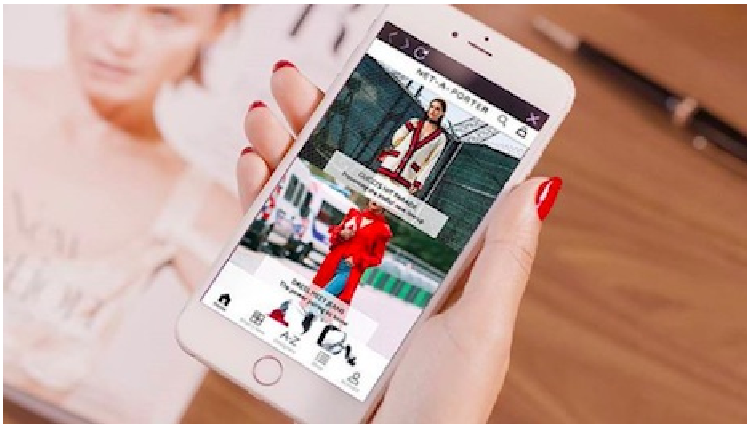
With the acquisitions made during the year, the group's sales were up 27 percent, while without the digital retailers sales grew 8 percent. Richemont's growth drivers for the year ended March 31 were jewelry houses and retailers.

Digital investment

Richemont's sales for the year were 13.989 billion euros, or about $15.618 billion.

The company saw double-digit sales growth in almost all regions. The addition of YNAP helped to further growth in the Americas and Europe by a respective 41 percent and 36 percent.

Comparatively, without the online distributors sales were up 11 percent in the Americas and 1 percent in Europe.



YNAP's retailers including Net-A-Porter helped to boost European and American sales. Image credit: Net-A-Porter

Asia Pacific also grew by 20 percent, while Japan's sales were up 17 percent.

Richemont's Middle East and Africa sales grew 9 percent, as purchases for its specialist watchmakers declined.

The company's retail channels were up 8 percent, with its watchmakers and jewelers seeing double-digit store sales growth.

Compared to the previous year, direct-operated stores now account for a smaller portion of the group's total revenues thanks to more online distribution. Today 53 percent of sales come from boutiques, compared to 61 percent before.

Richemont's wholesale business grew 7 percent. While Europe and the Middle East and Africa saw declines, Asia Pacific and Japan had double-digit increases in the channel.

Cartier and Van Cleef & Arpels together grew 10 percent, with especially strong growth in the Americas and Asia Pacific.

Richemont's watchmakers similarly saw strong growth in the Americas, Asia Pacific and Japan, driving sales up 10 percent.

The company's other brands, including its fashion labels, saw a narrower sales growth of 2 percent. Without the impact of Richemont's recent sales of Shanghai Tang and Lancel (see story), the category rose 5 percent.

In addition to sales growth, the company's profits were up by 128 percent.

"We are determined to ensure that our unique maisons remain attractive and compelling both with the timeless and unique creations they design, craft and sell as well as the way they engage with clients through memorable service and experiences, in both the physical and digital worlds," said Johann Rupert, chairman of Richemont, in a statement.

"We will continue to encourage an innovative and entrepreneurial mindset among our colleagues," he said. "We will foster a collaborative and inclusive working environment where talent thrives and sustainability is embedded across all our operations.

"In today's uncertain environment, the strength of our balance sheet and the agility, creativity and skills of our 33,800 employees allow us to remain confident in our ability to achieve our long-term ambitions. I am truly grateful for their passion, integrity and commitment."