

WATCHES AND JEWELRY

Double-digit growth in Asia helps drive Richemont's Q1 sales

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Richemont's Van Cleef & Arpels recorded 7 percent growth in Q1. Image credit: Van Cleef & Arpels

By STAFF REPORTS

Swiss luxury conglomerate Richemont's sales were up 12 percent in the first quarter of the fiscal year, thanks in part to double-digit growth in Asia and its jewelry houses.

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Richemont's year-over-year comparison was also impacted by the addition of its recently acquired online distributors, without whom its sales were up 6 percent. The group's total sales for the quarter were 3.7 billion euros, or about \$4.2 billion at current exchange.

Asia boost

For the three months ended June 30, Richemont's reported sales were up high single digits or double digits across most regions, excluding the Middle East and Africa. However, when the impact of Yoox Net-A-Porter and Watchfinder is removed, there is more of a contrast between regions.

Asia Pacific and Japan both saw strong growth. Asia Pacific sales were up 9 percent, driven by mainland China, which was boosted by the lowered value added tax.

Meanwhile, Japan's sales were up 6 percent as both tourists and domestic shoppers spent more.

Hong Kong's sales contracted, due partly to the protests ([see story](#)). The Hong Kong dollar's strength also hit Richemont's sales.



Cartier's sales were up this past quarter. Image credit: Cartier

In the Americas, sales were up 1 percent, as jewelry and fashion houses offset declines from the group's watchmakers.

European sales were down 1 percent, as its jewelers saw growth and its other businesses declined in the region.

Sales in the Middle East and Africa declined 12 percent, due to currency shifts and the end of some of Richemont's wholesale partnerships.

Richemont's online sales saw double-digit growth and its direct-operated retail sales were up 6 percent. Wholesale declined by 2 percent, which was partly attributed to the group's cautious approach to distribution.

By category, Richemont's jewelers saw a sales increase of 7 percent, while its watchmakers declined by 2 percent. Sales in the group's other businesses, which include fashion houses, fell by 3 percent year-over-year in part due to the sale of handbag label Lancel.

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 ([see story](#)).

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