

APPAREL AND ACCESSORIES

## Kering's revenues up 18.6pc in H1

July 25, 2019



*Kering's revenues were up in the first half. Image credit: Gucci*

By STAFF REPORTS

French luxury group Kering saw double-digit growth in the first half of 2019, driven by both its direct-operated retail channels and wholesale.

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Kering's revenues totaled 7.364 billion euros, or about \$8.2 billion at current exchange, up 18.6 percent year-over-year. The company's margins and profitability are also rising, with recurring operating income up 25 percent.

### Global growth

Kering's sales from its direct-operated retail channels were up 16.1 percent year-over-year on a comparable basis, compared to the 11.6 percent growth in wholesale. Online revenues grew 19.7 percent.

While Kering recorded growth in all regions, the strongest performing markets were Asia Pacific and Western Europe, which were up 36 percent and 31 percent, respectively.

Gucci has been on an upward growth trajectory in the last few years, and its revenues in the first half of the year were greater than the entirety of its 2016 business.

The brand's revenues totaled 4.617 billion, or \$5.14 billion, up 19.8 percent. Gucci's wholesale and direct-operated stores both saw 16 percent growth rates.

Saint Laurent's revenues rose 20.4 percent to 973 million euros, or about \$1.08 billion. All regions saw double-digit growth, and the brand's store network sales were up 19 percent.

Bottega Veneta's revenues declined by 0.6 percent, as the brand continues to adjust to a new creative direction. Designer Daniel Lee's collections have been well received, but they still do not make up the bulk of the brand's merchandise at Bottega Veneta points of sale.



*Bottega Veneta's spring/summer 2019 campaign. Image courtesy of Bottega Veneta*

The label's sales inched up 0.8 percent in the second quarter on a comparable basis, compared to the 3.8 percent comparable decline in the first half.

Bottega Veneta is also undergoing another leadership change, as Bartolomeo Rongone is appointed CEO of the Kering-owned house.

Mr. Rongone comes to Bottega Veneta from fellow Kering fashion label Saint Laurent, where he is chief operating officer. He succeeds Bottega Veneta's current CEO Claus-Dietrich Lahrs, who has chosen to step down from the position after about three years to be able to spend more time with his family and take on an entrepreneurial role ([see story](#)).

Kering's other luxury brands collectively grew 23.1 percent, driven by Balenciaga and Alexander McQueen as well as jewelry houses.

"In the first half of the year, we delivered another very strong set of results," said Francois-Henri Pinault, chairman/CEO of Kering, in a statement. "Kering's revenue growth handily topped market trends, and was highly profitable.

"We created an additional 1.2 billion euros in revenue in the six months, and our operating margin reached a record 29.5 percent," he said. "Our strategy is clearly paying off. The success of our brands, built on creativity, innovation and customer dedication, along with rigorous execution and financial discipline, are delivering a superior combination of organic growth and sustainable profitability."

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