

APPAREL AND ACCESSORIES

Capri Holdings sees double-digit growth in Q1

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Jimmy Choo is another brand in the Capri family. Image credit: Capri Holdings

By STAFF REPORTS

Fashion group Capri Holdings experienced revenue growth of nearly 12 percent in the first quarter of fiscal 2020, despite declines at Jimmy Choo and Michael Kors.

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For the first quarter ended June 29, the company's revenues were \$1.346 billion, up 11.9 percent year-over-year. Capri has also adjusted its outlook for the remainder of the 2020 fiscal year.

Changing expectations

Although Capri saw double-digit growth as a whole, revenues from both Jimmy Choo and Michael Kors declined from the first quarter of 2019.

The group acquired Versace in the second quarter of fiscal 2019, and did not release comparable revenue numbers ([see story](#)). The Italian label's revenue for the first quarter was \$207 million.

Jimmy Choo experienced a decrease of 8.7 percent in revenues year-over-year, to \$158 million.

Michael Kors' revenues totaled \$981 million, despite a 4.8 percent drop year-over-year relating to its North American wholesale channel. In the second quarter, Capri expects Michael Kors' revenues to surpass the \$1 billion mark.



Michael Kors Collection fall 2019 runway show at NYFW. Image credit: Michael Kors

Capri has also adjusted its forecast for fiscal 2020, primarily as a result of unfavorable foreign currency issues. Total revenue is expected to be approximately \$5.8 billion, down from \$6 billion.

After fiscal year 2019 ended March 30, Capri Holdings had made public expectations to become a \$6 billion company, as it aims to rapidly expand Versace into a billion-dollar brand ([see story](#)). Versace is anticipated to grow revenues to \$220 million in the second quarter.

"We are pleased with our first quarter results, which reflect 12 percent revenue growth as well as better than expected operating margin and earnings per share," said John D. Idol, chairman/CEO of Capri Holdings, in a statement.

"These results continue to position our company to execute against our strategic initiatives.

"Based on our first quarter performance, we are reaffirming our earnings per share guidance for fiscal 2020, which includes the impact of the strengthening U.S. dollar and additional tariffs on imports from China," he said. "With the power of Versace and Jimmy Choo, and the strength of Michael Kors, we remain confident that our three iconic, founder-led fashion brands position Capri Holdings to grow revenue to \$8 billion over time and deliver multiple years of earnings growth."

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