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Kering shows 13.3pc jump to \$17.3B in revenue last year

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Kering brand Bottega Veneta's back, with a 2.2 percent growth in 2019. Image credit: Bottega Veneta; Photo credit: Tyrone Lebon

By LUXURY DAILY NEWS SERVICE

Gucci owner Kering, undaunted by a challenging environment in China, reported \$17.3 billion (15.9 billion) in revenue for 2019, up 16.2 percent as reported and 13.3 percent on a comparable basis.

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The Paris-based group's recurring operating income was up 19.6 percent to \$5.2 billion, recurring operating margin was 30.1 percent, net income was \$2.5 billion and recurring net income up 15.1 percent to \$3.5 billion. Recommended dividend per share was \$12.53, up 10 percent.

"Kering delivered another year of sustained profitable growth in 2019, as total revenues significantly exceeded the 15-billion-euro mark and our recurring operating margin topped 30% for the first time ever," said Francois-Henri Pinault, chairman/CEO of Kering, in a statement.

"We are pursuing the implementation of our strategy," he said. "We are focused on developing our houses, executing flawlessly and creating value.

"In the challenging period China is facing right now, we want to express once again our support to all our colleagues and our solidarity with the Chinese people. These particularly uncertain conditions don't call into question Kering's fundamentals in the luxury industry.

Thanks to the strength of our model, the talent and dedication of our 38,000 people sharing a culture of creativity and responsibility, and to our disciplined financial stewardship, we are confident in our growth potential in the medium and long term."

Kering is one of the leading luxury conglomerates and holding companies worldwide, competing with LVMH Mot Hennessy Louis Vuitton, Richemont, Chanel and Herms.

On the up

Growth by Kering brand was sustained and increased last year, per the earnings report.

Gucci comparable sales were up 13.3 percent and Saint Laurent comparable revenue grew 14.4 percent.

The success of its new collections saw Bottega Veneta return to growth with a 2.2 percent comparable jump in sales. Other Kering brands, including Balenciaga and Alexander McQueen, recorded a 17.8 percent increase in comp sales.

The Kering group also includes brands such as Brioni, Boucheron, Pomellato, DoDo, Qeelin, Ulysse Nardin, Girard-Perregaux and Kering Eyewear.

Flying the flag

Kering's upward trajectory follows a similar ebullient performance put in by luxury's largest group, compatriot LVMH, which is cleared to buy U.S. jeweler Tiffany & Co. for \$16.2 billion.

LVMH, owner of brands such as Louis Vuitton and Christian Dior, posted revenue of \$59.1 billion (53.7 billion) for 2019, up 15 percent from the previous year's 46.8 billion.

Organic revenue growth was 10 percent. Europe and the United States showed good growth last year, and so did Asia, despite a difficult environment in Hong Kong in the second half of 2019 ([see story](#)).

"LVMH had another record year, both in terms of revenue and results," said Bernard Arnault, chairman/CEO of LVMH, in a statement at the time from the company's Paris headquarters.

"The desirability of our brands, the creativity and quality of our products, the unique experience offered to our customers, and the talent and the commitment of our teams are the group's strengths and have, once again, made the difference," he said.

"In addition to the many successes of our maisons, highlights of the year include the arrival of the exceptional hotel group Belmond, the partnership with Stella McCartney and the agreement with prestigious jewelry maison, Tiffany & Co."

[Please click here to access the PDF of the 2019 Kering financial release](#)

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