

RETAIL

Kering chairman/CEO Franois-Henri Pinault, in nod to COVID-19 turmoil, takes major pay cut

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Franois-Henri Pinault is chairman/CEO of Kering

By LUXURY DAILY NEWS SERVICE

Kering, owner of brands such as Gucci, Saint Laurent and Bottega Veneta, said company chairman/CEO Franois-Henri Pinault will reduce the fixed portion of his salary by 25 percent from April 1 to Dec. 31.

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Mr. Pinault and Jean-Franois-Palus, Kering group managing director, have also decided to waive all of the variable portions of their annual remuneration for 2020.

"These decisions have been approved by the group's board of directors, which will submit a revised 2020 remuneration policy to the vote of the shareholders at the next annual general meeting," Kering said in a statement.

Kering's annual meeting in Paris has been pushed back to June 23 from the original April 23 due to the ongoing lockdown in France.

Hair cut, too

The decisions were made in light of the COVID-19 coronavirus pandemic that has shaken the underpinnings of economies and devastated lives and livelihoods worldwide.

Along with China, where the virus originated, countries that were particularly hard hit were Italy, France, Spain, United Kingdom and the United States all key centers of luxury production and consumption.

Italy alone accounts for 40 percent of all luxury goods manufactured worldwide.

China last year accounted for 90 percent of the sales growth worldwide in luxury and almost one-fifth of total consumption.

New York in the U.S. also accounts for a third of all luxury spending worldwide across sectors.

Brands from luxury holding companies such as **Kering** and its bigger rival, Paris-based **LVMH**, have suffered heavily due to national lockdowns and the ban on movement of consumers and goods.

Both companies have contributed generously toward COVID-19 relief efforts.

Kering has brands in fashion, leather goods, jewelry and watches, including Gucci, Saint Laurent, Bottega Veneta, Balenciaga, Alexander McQueen, Brioni, Boucheron, Pomellato, DoDo, Qeelin, Ulysse Nardin and Girard-Perregaux, as well as Kering Eyewear.

The company has 38,000 employees worldwide and posted 2019 revenue of \$16.9 billion.

HIT HARD by the coronavirus fallout, Kering estimates that its first-quarter revenue ending March 31 will be down 13 percent to 14 percent in reported terms and around 15 percent compared to the year-ago period.

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