

APPAREL AND ACCESSORIES

Kering revenues fall to \$6.3B, despite exponential ecommerce growth

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Gucci accounted for more than \$3 billion of Kering's H1 2020 revenues. Image courtesy of Gucci

By LUXURY DAILY NEWS SERVICE

French luxury group Kering saw its revenues plunge about 30 percent in the first half of 2020 to 5.378 billion euro, or \$6.309 billion at current exchange, as fallout continues after the coronavirus pandemic led to widespread store closures and drastically reduced tourism amid global lockdowns.

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Kering's revenue fell 29.6 percent as reported and 30.1 percent on a comparable basis from the same period last year. However, with such a sudden and dramatic fall in in-store shopping, Kering's online sales grew 47.2 percent in the first six months of 2020.

"It is fair to say that the first half of 2020 has been the toughest period we have faced we stand in solidarity with all who are suffering through this situation and acknowledge the remarkable contribution of all our associates," said Francois-Henri Pinault, Kering chairman/CEO, in a statement. "Our results today underscore the extent of the disruption exacted by the pandemic on our operations.

"We entered 2020 in a particularly solid position our global scale, the desirability and agility of our brands, and our values of sustainability and responsibility, all are key assets in weathering current conditions," he said. "Our strategic vision is only reinforced by the crisis and, with the benefit of our sound financials, innovativeness and digital expertise, we are pursuing its implementation with consistency and determination."

Ecommerce growth accelerates

Kering had a strong 2019 and reported 15.9 billion euro, or \$17.3 billion, in revenue, up 16.2 percent as reported and 13.3 percent on a comparable basis ([see story](#)). The luxury conglomerate says this strength continued into 2020 until COVID-19-related lockdowns began.

Gucci's revenues for H1 2020 topped 3.072 billion euro, or \$3.604 billion, but this was still a drop of 33.8 percent on a comparable basis year-over-year. Revenues for Yves Saint Laurent fell 30.6 percent on a comparable basis to 681 million euro, or \$799 million.

Bottega Veneta was the most resilient of Kering's houses, with revenues falling less than 10 percent on a

comparable basis to 503 million euro, or \$590 million. The remaining labels, including Balenciaga and Alexander McQueen, saw their combined revenues drop by about a quarter.



Bottega Veneta revenues fell less than 10 percent. Image credit: Bottega Veneta

Ecommerce sales continued to rise sharply, including growth of 72.4 percent in the second quarter alone. This follows an encouraging 21.1 percent rise in online sales for all Kering brands in the first quarter ([see story](#)).

Kering, like rival French luxury group LVMH ([see story](#)), also pointed to the start of an encouraging recovery in Asia-Pacific, led by mainland China. This comes after lockdowns in the region began to expire and stores reopened.

"The resilience of our performances validates our model and supports our confidence that we will come out of this crisis even stronger," Mr. Pinault said.

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