

APPAREL AND ACCESSORIES

## Led by mainland China, Kering sees solid rebound during Q3

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*Kering's Bottega Veneta saw double-digit revenue growth in Q3 2020. Image credit: Tyrone Lebon for Bottega Veneta*

By LUXURY DAILY NEWS SERVICE

French luxury conglomerate Kering experienced a rebound in the third quarter of 2020, while ecommerce revenues continue to climb.

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As lockdowns ended, pent-up local demand led to revenues generated by directly-operated stores that approach Q3 2019 levels. Online now accounts for more than 10 percent of Kering's retail sales in the first nine months of 2020.

"In a tough environment, Kering achieved substantial revenue recovery in the third quarter," said Francois-Henri Pinault, chairman/CEO at Kering, in a statement. "The creativity of each of our houses and the agility of our organization led to a sharp rebound in sales, nearly matching the level of the 2019 third quarter.

"We are pursuing with determination the implementation of our strategic initiatives the internalization of our ecommerce activities reached other key milestones and we continue bolstering our growth platforms," he said.

"With a solid financial situation, further reinforced recently, we keep investing in our Houses, to enhance their exclusivity, and strengthening our positions.

"Against a backdrop that remains uncertain, and despite limited visibility, we are well prepared and confident in our ability to deliver good performances over time."

### Return to growth

Kering's consolidated revenue in Q3 2020 was 3.717 billion euro, or \$4.394 billion at current exchange. Year-over-year, this is a dip of 4.3 percent as reported and 1.2 percent on a comparable basis.

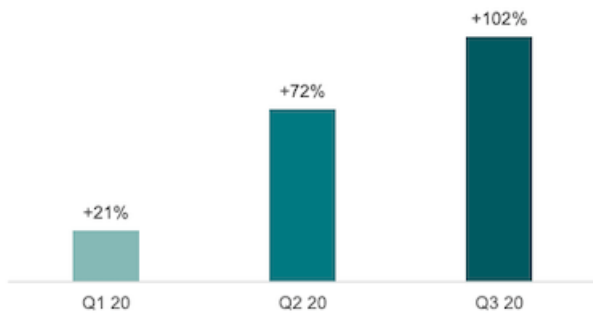
For the group's directly-operated stores, revenues were up 44.1 percent in North America and up 18.5 percent in Asia-Pacific buoyed by revenue growth of 80 percent in mainland China. The lack of tourism continues to hamper western Europe and Japan, which saw revenues decline 41 and 22.8 percent, respectively.

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## ONLINE ACCELERATION

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### E-COMMERCE COMPARABLE REVENUE GROWTH



*Kering's ecommerce revenues continue to climb. Image credit: Kering*

The slowdown in travel retail also impacted Kering's wholesale revenue, which is down 5.2 percent on a comparable basis. However, this also reflects the group's emphasis on more exclusive distribution.

Bottega Veneta experienced double-digit growth, with revenues jumping 20.7 percent on a comparable basis year-over-year to 332.5 million euro, or \$393 million at current exchange. Yves Saint Laurent saw more modest growth in the third quarter, with revenues up 3.9 percent on a comparable basis to 510.7 million euro, or \$603.8 million.

Gucci, Kering's biggest brand, achieved revenues of 2.087 billion euro, or \$2.467 billion, in the third quarter. However, this is still down 8.9 percent from Gucci's revenues in Q3 2019.

Overall, Kering's other houses returned to growth in the third quarter.

Ecommerce sales were up 110 percent, and now account for 12.5 percent of Kering's total sales for the first nine months of 2020.

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 group had seen 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 most of the second quarter was dominated by prolonged lockdowns across the globe ([see story](#)).