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Richemont sees sales gains in Q3, boosted by ecommerce, China

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Richemont's jewelry maisons, including Cartier, saw strong sales growth. Image credit: Cartier

By LUXURY DAILY NEWS SERVICE

Swiss luxury group Richemont saw double-digit growth in online sales, as its recovery continued into the third quarter of its fiscal year.

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Despite a turbulent economic and retail climate amid the COVID-19 pandemic, Richemont's sales increased 1 percent at current exchange and 5 percent at constant exchange year-over-year for the quarter ended Dec. 31. Double-digit growth in Asia Pacific and the Middle East and Africa helped the group overcome more tepid sales in the Americas, Japan and Europe.

Richemont recovery

Richemont's sales for the third quarter totaled 4.186 billion euro, or \$5.069 billion at current exchange rates.

While sales from wholesale channels dipped 8 percent in Q3, both physical and online retail saw gains. At constant exchange rates, Richemont's online retail sales jumped 17 percent while in-store retail sales grew by 8 percent.

Regionally, sales in Asia Pacific increased by 25 percent at constant exchange, led by China, excluding Taiwan, with 80 percent growth. It was the only region to surpass \$1 billion in sales, with sales of 1.729 billion euro, or \$2.094 billion.



Online sales were up double-digits. Image credit: Net-A-Porter

Middle East and Africa saw 27 percent sales growth at constant exchange, with Saudi Arabia as the standout.

The Americas saw sales grew by 3 percent at constant exchange and fall by 4 percent at current exchange year-over-year. Sales from October through December 2020 totaled 841 million euro, or \$1.018 billion, compared to 847 million euro, or \$1.059 billion, from the same period in 2019.

Japan saw similar fluctuations, with quarterly sales up 1 percent at constant exchange rates and down 2 percent at current exchange rates.

The steepest declines were experienced in Europe, Richemont's second-most valuable market, with sales down 20 percent at constant exchange and 22 percent at current exchange.

Industry watchers expect Europe's recovery to take longer than other regions because of its heavy reliance on tourism ([see story](#)).

By segment, Richemont's jewelry maisons saw strong performances. Taking into account both jewelry and watch sales from Cartier and Van Cleef & Arpels, the category experienced sales growth of 14 percent at constant exchange and accounted for sales of 2.366 billion euro, or \$2.865 billion.

Richemont's online distributors saw nearly stagnate sales while its specialty watchmakers experienced losses year-over-year.

Online channels and ecommerce will remain essential for Richemont, particularly as it continues to grow in China.

Richemont and Chinese ecommerce giant Alibaba plan to invest \$600 million together in private convertible notes issued by Farfetch Limited. Richemont and Alibaba will also invest \$500 million together in Farfetch China, taking a combined 25 percent stake in a new joint venture that will include Farfetch's marketplace operations in the China region ([see story](#)).

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