

APPAREL AND ACCESSORIES

Capri Holdings sees improvement in Q3 revenue

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Model Kendall Jenner models for Versace. Image credit: Capri Holdings

By LUXURY DAILY NEWS SERVICE

Fashion group Capri Holdings is showing signs of recovery, having surpassed Q3 revenue estimates as the COVID-19 pandemic continues.

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The company earned a total revenue of \$1.3 billion, a 17.1 percent decline year-over-year and a sequential improvement relative to the second quarter. It also saw a 65 percent increase in ecommerce sales, as well as positive retail sales across all of its luxury brands in Asia, led by double digit growth in mainland China.

"We are a year into the global pandemic that has profoundly impacted the entire world," said John D. Idol, chairman and CEO of Capri Holdings, in a statement. "Our thoughts and prayers remain with all those who have been affected.

"I am incredibly proud of our entire team and what Capri Holdings has been able to accomplish during this unprecedented time," he said. "Looking back over the last three quarters since the onset of COVID-19, we are encouraged by the performance of all our luxury houses, which illustrates the strength of our brands as well as the resilience and agility of our businesses."

Positive growth

For the period ending Dec. 26, Capri Holdings' earned a gross profit of \$848 million and 65.1 percent margin, compared to \$932 million and 59.3 percent in 2019. Income from operations was \$167 million with an operating margin of 12.8 percent, compared to \$205 million and 13.0 percent in 2019.



Capri Holdings was founded in 1981 by American designer Michael Kors. Image credit: Capri Holdings

Capri Holdings' net income was \$179 million, or \$1.18 per diluted share compared to \$210 million, or \$1.38 per diluted share in the prior year. Its net inventory at the end of the period was \$789 million, an 18 percent decrease compared to 2019.

Versace earned \$195 million in revenue, which was nearly the same in 2019. The brand had an operating income of \$13 million, compared to \$12 million in 2019.

Jimmy Choo earned \$121 million in revenue, a decrease of 26.7 percent compared to 2019. The brand had an operating income of \$8 million, compared to \$9 million in 2019.

Michael Kors earned \$986 million in revenue, a year-over-year drop of 18.6 percent. The brand had an operating income of \$281 million, compared to \$288 million in 2019.

Capri Holdings is not providing annual earnings guidance for fiscal year 2021 due to the lack of visibility surrounding the progression of the pandemic, macroeconomic fundamentals and tourism flows.

This week, the company pledged \$20 million to Capri Holdings Foundation for the Advancement of Diversity in Fashion, in an effort to further its commitment to workforce diversity. The foundation will work with educational institutions to create opportunities in fashion for underrepresented communities ([see story](#)).

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