

APPAREL AND ACCESSORIES

## Kering revenue hits \$15.8B in 2020, as Gucci's growth stalls

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*Nini for Gucci Eyewear spring/summer 2021. Image credit: Gucci*

By LUXURY DAILY NEWS SERVICE

French luxury conglomerate Kering continued its recovery from the COVID-19 pandemic in the second half of 2020, but its flagship label continues to falter compared to its peers.

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With a strong rebound in North America and Asia Pacific in the second half of the year, Kering's reported revenue is 13.1 billion euro, or \$15.8 billion at current exchange, for 2020. However, Italian fashion label Gucci which accounted for more than 60 percent of Kering's revenues in 2019 saw its revenues fall more than 22 percent on a reported basis.

### Bright spots

Kering's revenues fell by 17.5 percent on a reported basis year-over-year, wiping out nearly all of the group's revenue growth from 2018 to 2019 ([see story](#)). Nonetheless, Kering's earnings show improvement from H1 2020 when revenues plunged about 30 percent at the onset of the pandemic ([see story](#)).

In light of persistent store closures and minimal tourism, ecommerce climbed 67.5 percent y-o-y and now accounts for 13 percent of Kering's sales.

Wholesale revenue dropped 17.4 percent on a comparable basis as the group looks to better control the channel. Gucci was particularly hit by the shift in wholesale strategy and saw this revenue stream fall by 33.4 percent on a comparable basis.

After years of growth, Gucci saw the steepest revenue loss among all of Kering's luxury houses down 22.7 for 2020 revenues of 7.4 billion euro, or \$8.9 billion. However, the brand's ecommerce sales have jumped 70 percent y-o-y and mainland China sales are especially robust.

Gucci still accounts for the majority of Kering's revenue, but its share decreased in 2020.

In Q4 2020, Gucci's revenues were down 10.3 percent while Yves Saint Laurent and Bottega Veneta both showed growth in the fourth quarter.



*While Gucci continues to struggle, Yves Saint Laurent and Bottega Veneta saw revenue growth in Q4 2020. Image credit: YSL*

For the year overall, France's Yves Saint Laurent recorded revenue of 1.7 billion euro, or \$2.0 billion, down 14.9 percent on a reported basis from 2019. Meanwhile, Italian label Bottega Veneta recorded annual revenue growth of 3.7 percent on a reported basis, with revenue of 1.2 billion euro, or \$1.4 billion.

Smaller fashion labels Balenciaga and Alexander McQueen also posted y-o-y revenue growth.

"In a year of disruption, Kering demonstrated remarkable resilience and agility," said Francois-Henri Pinault, chairman/CEO of Kering, in a statement. "We achieved a solid top-line recovery in the second half, we protected our margins while continuing to invest in our houses and growth platforms, our cash flow generation remained elevated and we further strengthened the group's financial structure.

"We are emerging from the crisis stronger and better positioned to leverage the rebound," he said. "We invest in all our brands to maximize their potential, and to resume our profitable growth journey."

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