

APPAREL AND ACCESSORIES

## Capri Holdings sees 13pc increase in retail sales in Q4

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Capri Holdings owns Versace, Jimmy Choo and Michael Kors. Image credit: Capri Holdings

By KATIE TAMOLA

Fashion group Capri Holdings is seeing improvement, even after reporting that revenue was flat in the fourth quarter of 2021 compared to last year.

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Retail sales for the group increased by 13 percent globally, with growth across all three of its houses: Versace, Jimmy Choo and Michael Kors. Ecommerce sales also increased by 80 percent.

"Looking back on fiscal 2021, the COVID-19 pandemic has had a profound effect on the entire world," said John D. Idol, chairman and CEO of Capri Holdings, in a statement. "The unprecedented challenges tested our business and industry in ways we could never have imagined.

"Despite these challenges, we were encouraged by the performance of all three of our luxury houses, with revenue and earnings significantly exceeding our expectations," he said. "These results are a testament to the strength of our brands as well as the dedication, resilience and agility of the entire Capri Holdings team."

### Fourth quarter results

Capri Holdings group saw total revenue of \$1.2 billion in the fourth quarter, which is flat compared to last year. On a constant currency basis, total revenue decreased by 3.8 percent.

During Q4 2021, the group experienced closures and restrictions due to COVID-19 lockdowns. On average, approximately 60 percent of the company's retail stores were closed in Europe, the Middle East and Africa and approximately 40 percent of the company's retail stores were closed in Canada.

Gross profit was \$737 million compared to \$631 million last year. Loss from operations was \$139 million compared to a loss of \$536 million the prior year.

Versace's fourth quarter revenue of \$235 million increased by 10.3 percent compared to the prior year. Regarding constant currency, total revenue was approximately flat.

Jimmy Choo's fourth quarter revenue of \$124 million increased by 15.9 percent compared to the prior year and on a

constant currency basis, total revenue increased by 10.3 percent.



*Versace is showcasing its summer collection in a new comical vignette. Image credit: Versace*

Fourth quarter revenue of \$838 million decreased by 3.9 percent compared to the prior year for Michael Kors. On a constant currency basis, total revenue for the brand decreased by 6.5 percent.

Last quarter, Capri Holdings showed signs of recovery, having surpassed Q3 revenue estimates as the COVID-19 pandemic continued. 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 ([see story](#)).

When looking forward to fiscal year 2022, Capri Holdings expects to reach a total revenue of approximately \$5.1 billion.

"Looking forward, we remain optimistic about the outlook for the fashion luxury industry and Capri Holdings," Mr. Idol said. "As the world starts to recover from the pandemic, we are confident in our growth opportunities for Versace, Jimmy Choo and Michael Kors.

"We believe our three luxury houses position Capri Holdings to deliver multiple years of revenue and earnings growth, as well as increase shareholder value."

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