

APPAREL AND ACCESSORIES

Kering improves on pre-pandemic performance in H1 2021

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Serena Williams and James Corden for Gucci Beloved. Image courtesy of Gucci

By LUXURY DAILY NEWS SERVICE

French luxury conglomerate Kering saw a strong rebound in the first half of 2021, improving on its performance in the first halves of both 2020 and 2019.

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For the six months ended on June 30, Kering recorded consolidated revenue of 8.047 billion euro, or \$9.524 billion at current exchange up 54.1 percent from H1 2020 and 8.4 percent higher than H1 2019, on a comparable basis. All houses contributed to Kering's rebound performance, further indication that luxury's COVID-19 recovery has sustained momentum.

"Kering delivered excellent performances in the first half and resumed its trajectory of strong, profitable growth," said Francois-Henri Pinault, chairman/CEO of **Kering**, in a statement.

"All our houses contributed to a sharp rebound in total revenue, which comfortably exceeded its 2019 level, with a remarkable acceleration in the second quarter," he said. "While returning to substantial profitability and leveraging the desirability of our brands, we are stepping up the pace of our investments in our houses and strategic initiatives, notably to enhance the exclusivity and control of our distribution."

Maisons momentum

After Kering achieved revenue growth of 25.8 percent year-over-year in the first quarter and 5.5 percent from Q1 2019 ([see story](#)), this further accelerated in the second quarter. Kering's Q2 2021 revenues were up 95 percent y-o-y and 11.2 percent from Q2 2019 on a comparable basis.

Strong demand in North America and Asia Pacific drove sales generated in directly operated stores, which were responsible for about 80 percent of the maisons' first half sales.



Yves Saint Laurent saw its revenue increase 118.5 percent in Q2 2021. Image credit: Yves Saint Laurent

Including ecommerce, H1 2021 comparable store sales were up 60.1 percent y-o-y and 11.2 percent from H1 2019. The growth is more impressive accounting for the average of 15 percent of stores that remained closed during the first half.

Ecommerce sales, which represented 14 percent of all retail sales in the first half, saw revenue growth of 78.5 percent y-o-y.

Italian fashion label Gucci, Kering's flagship brand, saw comparable growth of 50.3 percent y-o-y, achieving 4.479 billion euro, or \$5.341 billion, in revenue.

During a strong second quarter, Gucci saw sales increase 10.7 percent from Q2 2019. In line with Gucci's changing distribution strategy, sales in directly operated stores were up 59 and 6.3 percent from the first halves of 2020 and 2019, respectively, and accounted for 91 percent of the brand's total revenue.

France's Yves Saint Laurent saw even stronger revenue growth of 58.2 percent y-o-y on a comparable basis for revenue of 1.045 billion euro, or \$1.237 billion. Revenue jumped by triple digits in the second quarter alone.

Italian label Bottega Veneta recorded revenue of 707 million euro, or \$843 million, for 45 percent revenue growth y-o-y on a comparable basis.

Combined, Kering's other houses, including Balenciaga and Alexander McQueen, saw revenue jump 64.5 percent y-o-y on a comparable basis.

Kering expects to see its rebound continue into the second half of 2021.

"Our teams are demonstrating their agility in this fast-moving environment, and we have the right assets, resources and strategy to successfully pursue our journey," Mr. Pinault said.

Rival French luxury group LVMH Mot Hennessy Louis Vuitton saw record revenue of 28.7 billion euros, or \$33.89 billion at current exchange, in the first half of 2021, up 56 percent compared to the same period in 2020. ([see story](#)).

Meanwhile, Swiss luxury conglomerate Richemont saw sales increase by 129 percent y-o-y for the first quarter of 2021 ended June 30.