

APPAREL AND ACCESSORIES

Tapestry reports strong Q2 growth, raises annual revenue forecast

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Due to steady performance in its second quarter, across all brands, the company is expanding its revenue forecast for 2022. Image credit: Stuart Weitzman

By LUXURY DAILY NEWS SERVICE

Fashion group Tapestry, Inc. saw a 27 percent revenue increase during the second quarter of its 2022 fiscal year compared to 2021, reaching \$2.14 billion in total net sales.

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The company's digital sales revenue grew nearly 30 percent compared to Q2 2021 and nearly tripled compared to pre-pandemic levels. Considering its Q2 performance and strong balance sheet, Tapestry expects to return more than \$1.5 billion to shareholders in the 2022 fiscal year, an increase of \$25 million since last year.

"We delivered record sales this holiday quarter, highlighted by an inflection at Kate Spade, ongoing momentum at Coach and a return to pre-pandemic revenue levels at Stuart Weitzman," said Joanne Crevoiserat, CEO of Tapestry, in a statement.

"The combination of bold initiatives, compelling product and effective execution enabled us to win with consumers across our brands," she said. "Based on these results, we are raising our revenue, operating income, and EPS guidance for the fiscal year."

Strong future

In Q2, Tapestry delivered over 35 percent revenue growth in North America compared to the fiscal year 2021 and increased 25 percent compared to 2020.

In mainland China, the group drove a mid-single-digit sales increase versus fiscal year, and 35 percent against pre-pandemic levels.



Tapestry expects its earnings per diluted share to increase from \$3.60 to \$3.65. Image credit: Coach

During this period, Tapestry aimed to make meaningful progress under its Acceleration Program by refocusing its attention on the consumer, leveraging data and becoming a more responsive organization.

Tapestry recruited nearly 3 million new customers across channels in North America, representing a double-digit increase versus the prior year.

It also drove higher retention rates, increased repeat transactions and reengaged former customers across its various brands.

To satisfy growing customer demand, despite disruptions to supply chains, Tapestry leveraged its network to expedite inventory.

In the fall, Tapestry's Coach addressed criticism over its handling of unwanted goods, and promised to cease the destruction of damaged or unsellable products.

Following an uproar on short-form video platform TikTok, the handbag and accessories brand committed to reusing these products in its Re(Loved) program and other circularity initiatives. According to Anne Sacks, the individual who posted the viral TikTok exposing the brand, Coach's previous policy was to slash and throw away its unwanted merchandise ([see story](#)).

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