

## Kering sees 21pc revenue jump in Q1 2022, Gucci's growth slows

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*Gucci saw its revenue growth stall, in part due to COVID lockdowns in China. Images courtesy of Gucci*

By LUXURY DAILY NEWS SERVICE

French luxury conglomerate Kering saw double-digit revenue growth in the first quarter of 2022, but COVID-related lockdowns are impacting sales in Asia Pacific.

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Year-over-year, Kering's Q1 revenues were up 27.4 percent on a reported basis and 21.4 percent on a comparable basis to 4.956 billion euros, or about \$5.369 at current exchange. Sales from online channels and directly operated stores also showed growth for the quarter ended March 31.

"We opened 2022 on a very solid first quarter in a more uncertain environment, notably impacted by tightening COVID restrictions in China since March," said Francois-Henri Pinault, chairman/CEO of **Kering**, in a statement. "All our houses posted double-digit revenue growth in the quarter, with spectacular performances at Saint Laurent, our other houses, particularly Balenciaga, and Kering Eyewear."

### Uneven recovery

Italian fashion house Gucci saw its revenues climb by 13.4 percent on a comparable basis to 2.591 billion euros, or about \$2.806 billion.

The label's recent financial performance has been uneven. After Gucci experienced the revenue loss among all of Kering's luxury houses in 2020, down 22.7 percent for the year ([see story](#)), it rebounded last year with double-digit growth each quarter except for Q3 2021, when growth stalled to 3.8 percent y-o-y ([see story](#)).

"Gucci's strong showing in North America and Europe was overshadowed by its exposure to China, where we are boosting its organization to fully capture the vitality of the market," Mr. Pinault said.



*Bethany Nagy for Saint Laurent summer 2022. Image credit: Saint Laurent*

Meanwhile, France's Saint Laurent saw growth of 37.2 percent on a comparable basis to 739 million euros, or about \$800.5 million.

Italian fashion label Bottega Veneta continued its upward trajectory with Q1 2022 revenues of 396 million euros, or about \$428.9 million a jump of 16 percent on a comparable basis. Notably, compared to Q1 2019, Bottega Veneta's revenues have grown by 59 percent on a comparable basis.

Kering's other houses combined for 35 percent revenue growth on a comparable basis to 973 million euros, or \$1.054 billion. Balenciaga and Alexander McQueen saw strong growth while Brioni continues to bounce back, and Kering's jewelry maisons also had solid performances.

The first quarter also saw Kering sell Swiss watchmakers Girard-Perregaux and Ulysse Nardin ([see story](#)).

Although the group exited the watchmaking business, this was offset by the consolidation of Danish luxury eyewear brand Lindberg ([see story](#)). Kering Eyewear's quarterly revenue climbed 36 percent on a comparable basis to 300 million euros, or about \$325.1 million.



*Brioni is on the rebound. Image credit: Brioni*

Regionally, Western Europe saw retail sales jump 75 percent y-o-y; however, sales in the market remain 1 percent down from Q1 2019's figures. Asia Pacific, excluding Japan, saw flat retail sales for the quarter but is up 31 percent from Q1 2019 while Japan's 20 percent y-o-y growth remains down 4 percent from three years ago.

North America has seen the strongest recovery, with retail sales up 42 percent y-o-y and 94 percent from Q1 2019.

Kering remains optimistic heading into the second quarter, but continued lockdowns in China are contributing to the economic uncertainty.

"While we remain attentive to economic and geopolitical conditions, we invest in all our brands, whose attractiveness will continue to fuel our growth and profitability," Mr. Pinault said. "Finally, I want to express my heartfelt sympathy, on behalf of all of us at Kering, to the people whose lives are affected by the war in Ukraine."