

APPAREL AND ACCESSORIES

Tapestry sees 13 pc revenue growth in Q3

May 12, 2022



Digital revenue thrived with a 20 percent increase year-over-year. Image credit: Tapestry, Inc.

By LUXURY DAILY NEWS SERVICE

U.S. fashion group Tapestry, Inc. has exceeded expectations, now on pace to return approximately \$1.9 billion to shareholders in the fiscal year 2022.

Subscribe to **Luxury Daily**
Plus: Just released
State of Luxury 2019 **Save \$246 ▶**

For third quarter ended April 2, 2022, the group saw a 13 percent revenue growth, including double-digit increases at each of its brand. Global sales passed expectations despite a volatile market, with revenue growth of 22 percent in North America.

"Our third quarter results significantly exceeded expectations led by continued strong growth in North America," said Joanne Crevoiserat, CEO of **Tapestry Inc.**, in a statement. "We drove increased customer demand at Coach, Kate Spade and Stuart Weitzman, reflecting the vibrancy of each of our brands, the power of our platform and our team's successful execution of our strategic initiatives."

Vibrant brands

Tapestry's year-to-date performance indicates that the group will be able to return \$1.9 billion to shareholders, as opposed to the previous outlook of more than \$1.5 billion.

Net sales for the third quarter came in at \$1.44 billion, reflecting a 13 percent increase from the \$1.27 billion that came in last year. Gross profit was \$1.01 billion for the same period.

Digital revenue for the group thrived with a 20 percent increase year-over-year.



Coach is one of Tapestry's brands. Image credit: Coach

Leather goods house Coach saw net revenue of \$1.1 billion in the third quarter, a 11 percent increase y-o-y, with the brand excitedly adding new colorways, fabrics and embellishments to core offerings. The brand also experienced almost 25 percent of digital growth and acquired 800,000 new customers across North American channels while driving higher purchase frequency.

Leather goods and apparel brand Kate Spade achieved sales and operating income ahead of expectations, earning \$302 million in revenue in the third quarter, a 19 percent increase y-o-y. The label also acquired 600,000 new customers across North American channels.

Footwear brand Stuart Weitzman gained momentum in the wholesale channel, re-establishing a presence in all Nordstrom full-price doors in North America. While 20 percent of the brand's total revenue stems from digital, the label saw \$64 million in revenue in the third quarter, an 11 percent increase y-o-y.

In the third quarter of 2022, Tapestry saw its Acceleration Program, a strategy that emphasizes the company's focus on the consumer, pan out beneficially. The group recruited more than 1.4 million new customers across channels in North America, maintaining a customer-centered lens and fostering emotional connections with shoppers.

"Our performance reinforces the meaningful runway ahead across our portfolio," Ms. Crevoiserat said. "We are harnessing our unique blend of magic and logic distinctive brands amplified by an agile and data-rich platform."

In February, Tapestry also reported strong growth, leading the group to raise its annual revenue forecast ([see story](#)).