

APPAREL AND ACCESSORIES

PVH Corp. sees Q2 losses, anticipates additional falls

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Calvin Klein saw a revenue decrease of 1 percent y-o-y, per parent company PVH Corp. earnings. Image credit: Calvin Klein

By LUXURY DAILY NEWS SERVICE

U.S. fashion group PVH Corp.'s second quarter revenue decreased by 8 percent year-over-year, landing at \$2.1 billion.

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The second quarter, ended July 31, 2022, saw a revenue decrease that is believed to be attributed to the group's heritage brands and the war in Ukraine. PVH anticipates additional losses, with a full year revenue outlook projected to decrease 4 percent to 3 percent, compared to a previously projected 1 to 2 percent increase.

"Our Calvin Klein and Tommy Hilfiger businesses continued to exhibit underlying strength in the second quarter, despite the increasingly challenging macroeconomic environment as the quarter progressed," said Stefan Larsson, CEO of **PVH Corp.**, in a statement.

"We continued to execute very well in Europe and Asia, where countries not currently impacted by COVID are performing significantly above pre-pandemic levels, while in North America we continue to be impacted by ongoing supply chain pressures."

Exploring opportunities for growth

Revenue losses stretched across several categories and brands for PVH Corp.

The group's direct-to-consumer revenue decreased 5 percent y-o-y, wholesale earnings decreased 11 percent y-o-y and total digital revenue decreased by 7 percent y-o-y.

Gross margin was 57.2 percent compared to 57.7 percent in 2021, while inventory increased by 19 percent y-o-y.

Tommy Hilfiger revenue decreased 5 percent y-o-y, as Tommy Hilfiger International revenue decreased by 9 percent and Tommy Hilfiger North America revenue increased by 6 percent.

Calvin Klein revenue decreased 1 percent y-o-y, as Calvin Klein International revenue saw a 2 percent decrease and Calvin Klein North America saw a 1 percent decrease.

Heritage brands revenue decreased a sizable 44 percent compared to 2021, reflecting a 37 percent decrease

resulting from the heritage brands' exit from retail business.

As revenue for the full year 2022 is expected to decrease 4 percent to 3 percent y-o-y, PVH anticipates its Q3 will see a revenue decrease of 5 percent to 4 percent y-o-y.

PVH could ostensibly be entering a phase of change, as one of its CEOs has announced her exit.



Ms. Donnelly assumed her role as CEO of PVH Americas in 2021. Image credit: PVH Corp.

Ms. Donnelly, who served as the CEO of PVH Americas and Calvin Klein Global, plans to leave the group for other opportunities. PVH Corp. is currently working on separating her responsibilities into two roles in an attempt to foster its PVH+ Plan ([see story](#)).

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