

APPAREL AND ACCESSORIES

Kering Q3 revenue, buoyed by Gucci and YSL, up 23pc to \$5B

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As an evolution of Gucci's signature emblem, the GG monogram is seen in a neon-colored knit across a selection of shoes in the Exquisite Gucci collection. Image credit: Gucci

By LUXURY DAILY NEWS SERVICE

Kering, parent to Gucci and Yves Saint Laurent, posted third-quarter revenue of \$5.03 billion, up 23 percent as reported and a 14 percent jump on a comparable basis.

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The strong showing mimicked rival Hermes' performance, proving that demand for luxury products and services is resilient even with continued economic, health and geopolitical concerns.

"Kering's solid performances in the third quarter underscore the strength of the group and the pertinence of our strategy," Kering chairman/CEO Francois-Henri Pinault said in a statement.

"We delivered sharp top-line growth, both versus last year and from pre-pandemic levels," he said.

"Our ongoing focus on the exclusivity of our brands and on the quality of their distribution are yielding very positive results and reinforce their positioning in their key markets.

"In an increasingly complex environment, we maintain the required flexibility to support our profitability and sustain our investments in the long-term outlook of all our houses, Gucci first and foremost. We are as confident as ever in the potential and prospects of the group."

Per **Kering**:

- Group revenue in the third quarter of 2022 was up 23 percent as reported and up 14 percent on a comparable basis compared to the third quarter of 2021. Versus the third quarter of 2019, comparable revenue was up 28 percent.
- Revenue in the directly operated store network continued to grow at a rapid pace, up 19 percent on a comparable basis. All regions posted growth. Western Europe (+74 percent) and Japan (+31 percent) achieved particularly outstanding performances. In North America (+1 percent), steady activity reflects the high comparison base together with the hefty contribution from American tourists to European sales momentum.

Growth in Asia Pacific (+7 percent) was robust, despite the impact of COVID-19 restrictions in mainland China.

Gucci: continuing healthy growth

In the third quarter, Gucci's revenue totaled \$2.53 billion (2.58 billion), up 18 percent as reported and 9 percent on a comparable basis.

Sales generated in directly operated stores grew 9 percent on a comparable basis.

Momentum remained very strong in Western Europe, supported by both local customers and tourists, particularly from the United States. Conversely, this factor weighed activity in North America itself.

In Japan, revenue rose sharply. Performance in mainland China was mixed, impacting sales in Asia Pacific, where overall trends posted a notable improvement.

Wholesale revenue rose 2 percent. The rationalization of this channel is now complete.

Yves Saint Laurent: another strong quarter

Yves Saint Laurent achieved an outstanding third quarter with revenue of \$898 million (916 million), up 40 percent as reported and up 30 percent on a comparable basis.

Sales in directly operated stores rose sharply, up 38 percent on a comparable basis, driven by all product categories.

Revenue in Western Europe more than doubled relative to the third quarter of 2021 due to the resumption of tourism and the house's desirability with local customers.

All other geographical zones saw strong growth.

Wholesale revenue rose 13 percent on a comparable basis.

Bottega Veneta: healthy growth trajectory

Bottega Veneta's revenue totaled \$428.4 million (437 million) in the third quarter, up 20 percent as reported and up 14 percent on a comparable basis.

Growth was driven by sales in directly operated stores, up 20 percent on a comparable basis, reflecting the excellent reception of Matthieu Blazy's first collection.

Performance was particularly remarkable in Western Europe and Japan.

Wholesale revenue fell 5 percent, in line with the House's strategy of streamlining this channel.

Other houses

In the third quarter, revenue from Kering's other houses totaled \$975.3 million

(995 million), an increase of 17 percent as reported and 13 percent on a comparable basis.

Revenue from directly operated stores grew sharply, up 43 percent on a comparable basis.

Sales at Balenciaga and Alexander McQueen were particularly buoyant across all product categories.

Brioni continued its rebound. Boucheron and Pomellato once again posted very good performances. Qeelin held out well against the complex operating environment in China.

Wholesale revenue was down 25 percent reflecting the houses' strategy to reduce the contribution of this channel, as well as calendar phasing effects.

Kering Eyewear and corporate

Third-quarter revenue from Kering eyewear and corporate amounted to \$248 million (253 million).

Kering Eyewear achieved total sales of \$241 million (246 million), up 23 percent on a comparable basis.

Growth was sustained across all regions and distribution channels, with significant contributions from Gucci and Cartier and sharp growth in all brands.

Following the successful integration of Lindberg, the acquisition of Maui Jim has recently been completed.

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