

COMMERCE

Tapestry net sales down 5pc in final quarter of 2022

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Tapestry owns Coach, Kate Spade and Stuart Weitzman. Image credit: Tapestry Inc.

By LUXURY DAILY NEWS SERVICE

U.S. fashion group Tapestry, Inc. is adjusting fiscal outlooks for 2023 following the release of an earnings report for the period ending Dec. 31, 2022.

In the last quarter of 2022, which the company refers to as Q2, the group's net sales totaled \$2.03 billion, representing a 5 percent decrease year-over-year at constant currency, as compared to \$2.14 billion in Q2 2021. In good news, the conglomerate acquired nearly 2.6 million new customers in the North American market, with almost half hailing from the Gen Z and millennial demographic groups.

"During the key holiday season where brand magic, compelling product and operational excellence are required to win with consumers we outperformed expectations," said Joanne Crevoiserat, CEO of **Tapestry, Inc.**, in a statement.

"Moving forward, we will continue to power our iconic brands to move at the speed of the consumer," Ms. Crevoiserat said. "We are staying agile amid an uncertain environment by leaning into Tapestry's core strengths: purpose-led brands with emotional customer connections amplified by our digitally enabled, direct-to-consumer platform.

"Our focus is clear, and we are confident in our ability to drive sustainable growth and deliver meaningful value for all stakeholders."

Marginal moves

The conglomerate, which owns Stuart Weitzman, as well as Coach and Kate Spade, is presenting a picture of earnings that follow a pattern of end-of-year downturns for luxury players.

While Coach and Kate Spade saw lower y-o-y slides of 5 percent and 2 percent respectively, Stuart Weitzman notably saw losses in the double digits, landing at 26 percent.

In North America, revenues dipped 2 percent y-o-y at constant currency. With revenue declines of 20 percent on the same basis in Greater China, Tapestry also acknowledges challenges associated with the region's COVID-19 closures.

The group claims low-single-digit growth rates outside of Greater China, driven by in-store sales. Interestingly, included as part of the conglomerate's release is a store count.



Coach has seen success in-store in 2022, per Tapestry's most recent quarterly reports. Image credit: Tapestry

On a full-year basis, it appears that Coach carried here, with 17 international openings as of July 2, 2022, bringing retail totals to 602 stores worldwide outside of North America in this timeframe.

As of Dec. 31, 2022, Coach operates 612 stores worldwide, and 341 in North America, its highest store count across both regions among all three brands.

Throughout the quarter, Tapestry says the company focused on securing long-term relationships with customers and providing innovative and high-quality products, as well as memorable experiences, across channels.

Tapestry returned \$272 million to its shareholders for the quarter, and noted a common stock buyback worth nearly \$700 million is in the works for fiscal year 2023.

On ESG, the group has also shown progress in meeting its 2030 sustainability targets across three key areas of materials, community work, and emissions ([see story](#)).

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