

COMMERCE

## Zegna Group continues climb after NYSE listing, revenues up 15.5pc in 2022

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Facade of the new Zegna Lab retail space, located in New York City. Image courtesy of Ermenegildo Zegna

By LUXURY DAILY NEWS SERVICE

Italian menswear brand Zegna's parent company is reflecting on a period of robust growth, despite late-year setbacks amid the APAC region.

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For the period ending Dec. 31, 2022, the company is reporting revenues of 1.49 billion euros, or \$1.63 billion at the current exchange rates, up 15.5 percent year-over-year. Ermenegildo Zegna Group made history in November 2021, becoming the first Italian luxury label to go live on the NYSE one year later, the owner of the Zegna and Thom Browne brands appears well-poised for growth in 2023.

"Our robust performance in 2022 reflects the strong momentum and desirability of our brands as well as the soundness and success of our strategy and execution," said Ermenegildo "Gildo" Zegna, chairman and CEO of the [Zegna Group](#), in a statement.

"Last year, we embarked on a journey of rebranding our namesake label, as we unveiled the ZEGNA One Brand," Mr. Zegna said. "We are still at the beginning of this journey, having just launched the second season and a number of new initiatives.

"2023 is off to an encouraging start, with solid double-digit performance in the Group's retail network, and I am optimistic that the reopening of the Greater China Region following COVID-19-related restrictions, together with the positive response to our collections we are seeing from our customers worldwide, will continue to drive the growth of our global business."

Up-and-up

Per the release of recent fiscal results, it seems that the Italian menswear magnate has found success in sticking to a strategic financial script thus far.

Originally unveiled in the latter half of 2021 as part of a transformative rebrand, leaders at the company embarked on a widespread consolidation of multiple entities including Ermenegildo Zegna, "Z Zegna" and "Ermenegildo Zegna XXX."

All sub-brands were folded into the "Zegna One Brand." Now, this merged operation announces a profit of 65.3 million euros, or \$71.29 million at the current exchange rates, garnered during 2022.



*The group began trading on the NYSE at the end of 2021. Image credit: Zegna Group*

Highlights from Zegna's most recent earnings round include increased demand for luxury leisurewear and footwear, as well as the promotion of the Zegna X app the company shares that 35 percent of boutique revenues in 2022 hailed from the channel.

The sustained growth of subsidiary Thom Browne, plus concerted top luxury positioning efforts, also kept sales afloat.

The latter of the two fits well with current industry trends.

Between cultural programming fueled by popular shows such as HBO's "Succession" and a shift away from post-pandemic party dressing, Zegna has entered many a "quiet luxury" conversation of late.

Lensed in New York City, Global [#TripleStitch](#) Ambassador Kieran Culkin's commitment to excellence sees him join our [#ZEGNA232](#) Community.

Follow his road to success with the new season of Succession, premiering tonight in the USA. [#KieranCulkin](#) [#ZEGNA232](#) [#TripleStitch](#) [pic.twitter.com/yXpS444h8u](https://pic.twitter.com/yXpS444h8u)

ZEGNA (@Zegna) [March 26, 2023](#)

The concept has been boosted by the latest wave of runway shows, which saw a notable transition away from maximalism think Alessandro Michele's Gucci toward a quieter aesthetic.

Proponents of this "high luxury" tier have long aligned themselves with the comparatively pared-down luxury look, as top brands begin to hone in on the top 20 percent of luxury shoppers with pockets deep enough to drive 70 percent of sales ([see story](#)) as recessionary concerns loom.

Zegna could continue to fare well amid these circumstances.

"It is important to acknowledge that current financial uncertainties and an ever-changing global environment have the potential to affect consumer attitudes and buying patterns," Mr. Zegna said.

"We remain focused on executing our strategy to further strengthen our market-leading position and our Made in Italy manufacturing platform, while managing opportunities and challenges on Our Road to achieving our medium-term ambitions," he said. "We will do all of this without compromising our values and our dedication to quality, innovation, the environment, and our people."

Annual figures aside, fourth-quarter sales were largely impacted by ongoing COVID-19-related restrictions imparted in the Greater China Region.

The company notes that, if accompanying slow downs sparked by the region's policies were to be excluded from the picture with particular reference to the stretch from mid-March to the end of May, and again in the fourth quarter Zegna could make claim to a revenue increase of 42 percent year-over-year.



*The menswear house is now the official luxury travelwear partner of global football club Real Madrid. Image courtesy of Ermenegildo Zegna Group*

The company expects double-digit revenue growth for the first quarter of 2023, forecasting 2 billion euros, or roughly \$2.18 billion, in revenue for the full year.

On the topic of growth, the company's acquisition of a longtime fashion figure's namesake ready-to-wear line still stands.

Ermenegildo Zegna Group acquired Tom Ford Fashion via a long-term licensee agreement reached last year. The progression of this deal could work to further boost new year earnings.

"In November 2022, we announced the Tom Ford Fashion business transaction alongside The Este Lauder Companies," Mr. Zegna said.

"Subject to and following the completion of that transaction we will acquire the Tom Ford Fashion operations and operate the Tom Ford Fashion business under a long-term license from The Este Lauder Companies," he said. "I look forward to sharing more details about our plans for this exceptional brand once the transaction closes, likely in the second quarter of this year."

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