

COMMERCE

## Total revenues at Capri Holdings down 10.5pc in 2023

May 31, 2023



*As expenses increase and the economy presents mounting challenges, all three of Capri Holdings' luxury houses, Versace, Jimmy Choo and Michael Kors, took a financial hit. Image credit: Capri Holdings*

By LUXURY DAILY NEWS SERVICE

U.S. fashion group Capri Holdings saw lessened revenues and profits across the board in the fourth quarter of 2023.

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For the full fiscal year, ended April 2, 2023, the group's total revenue of \$1.335 billion decreased by 10.5 percent compared to the year previous. As expenses increase and the economy presents mounting challenges, all three of Capri Holdings' luxury houses, Versace, Jimmy Choo and Michael Kors, took a financial hit the group is choosing to look forward, per statements from leadership.

"With Versace, Jimmy Choo and Michael Kors we have three incredibly powerful brands to drive our future growth," said John D. Idol, chairman and CEO of **Capri Holdings**, in a statement.

"While we recognize that there are near-term uncertainties in the Americas, we are encouraged by the strong trends in Asia and continued growth in EMEA," Mr. Idol said. "Looking to fiscal 2024, we anticipate revenue will increase low-single-digits and earnings per share will increase mid-single-digits.

"Beyond fiscal 2024, we remain confident in our ability to achieve our long-term goals over time due to the resilience of the luxury industry, the strength of our three powerful iconic brands and the talented group of employees executing our strategic initiatives."

### Losing battle

With the revenue decreasing at 10.5 percent on a reported basis, the company saw a 3 percent decrease on a 13-week constant currency basis.

Gross profit was at \$867 million with a gross margin of 64.9 percent, compared to \$956 million and 64.1 percent the year before. When adjusted, 2023 comes in at \$863 million for gross profit with a margin of 64.6 percent compared to 2022's \$951 million and 63.7 percent.

Adjusted income from Capri Holdings operations was \$121 million with an operating margin of 9.1 percent. The year prior, the income stood at \$212 million and the operating margin at 14.2 percent.

Take your styling cues from Yoyo Kulala and make every ensemble pop with bubblegum pink Bing pumps [#JimmyChoo](https://t.co/UUP1L0Dofh) <https://t.co/UUP1L0Dofh> [pic.twitter.com/H93RJjg5P3](https://t.co/UUP1L0Dofh)

Jimmy Choo (@jimmychoo) May 31, 2023

The group saw an adjusted net income of \$121 million as well, or \$0.97 per diluted share, however in 2022 that number was \$152 million, or \$1.02 per diluted share.

The group's loss from operations came in at \$40 million with a 3 percent operating margin. Net loss stood at \$34 million, or \$0.28 per diluted share.

Net inventory as of April 1, 2023, was at \$1.057 billion, seeing a 3.6 percent decrease compared to the 2022 fiscal year.

Revenues across all three luxury houses took a dip as well, a stark contrast from last fiscal year's record performance ([see story](#)).

Versace saw a 13 percent decrease compared to the year prior, seeing \$274 million in revenue. On a constant currency basis, that decrease sits at 8.6 percent.

The brand's operating income came in at \$14 million compared to \$50 million the year prior. The operating margins for 2023 stood at 5.1 percent and in 2022, at 15.9 percent.

Jimmy Choo, another brand of the group, also struggled, with revenue dipping 3.2 percent compared to the year prior, coming in at \$151 million. The brand pointed out that on a 13-week constant currency basis, total revenue increased 5.6 percent.

Revenue for the Michael Kors brand decreased by 10.9 percent year-over-year, seeing \$910 million.

Operating income for the brand was \$147 million with an operating margin of 16.2 percent. In 2022, those numbers were \$210 million and 20.6 percent.