

COMMERCE

Zegna Group profits up nearly 150pc amid strong first half

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The conglomerate saw revenue growth across Zegna, Thom Browne and Tom Ford Fashion, its three subsidiaries. Image credit: Zegna

By LUXURY DAILY NEWS SERVICE

Sales from the brands housed under Italy's Ermenegildo Zegna Group are substantially boosting the overarching company's bottom lines.

The owner of U.S. luxury brand Tom Ford Fashion, American menswear brand Thom Browne and Italian menswear brand Zegna reported high marks across its earnings in H1 2023, highlighted by a 147.9 percent boost to profits compared to the first half of 2022. Across EMEA, North America, Latin America and APAC, Zegna Group's revenues rose by more than 20 percent during the period.

"Throughout the first half of the year, Zegna Group's unique capabilities have been on full display, contributing to continued and strong revenue growth," said Ermenegildo Zegna, chairman and CEO of the [Ermenegildo Zegna Group](#), in a statement.

"This is particularly evident in the outstanding performance in the United States and EMEA, as we communicated back in July, as well as in our significant progress towards growing profitability," Mr. Zegna said. "Our performance during this six-month period again confirms the successful execution of our strategy, including our ZEGNA One Brand strategy which is driving remarkable improvements in productivity across our direct-to-consumer stores, and our commitment to continue investing in marketing and advertising, as well as the expansion of distribution across all our brands.

"Our Made in Italy Luxury Textile Laboratory Platform, which directly benefits our group brands, continues to be an important part of our growth blueprint."

Only up

After listing on the New York Stock Exchange in 2021 ([see story](#)), Zegna Group's fiscal marks are on the up and up as the company paves its path toward overall profitability.

In the six months ended June 30, 2023, the company's revenues reached 903 million euros, or nearly \$970 million at current exchange, up 23.9 percent from H1 2022. Profits were the star of the show though, surging from 21 million euros to 52.1 million euros or \$56 million granting the group's leaders a triple-digit year-over-year growth rate.

With this, the group's profit margin reached 5.8 percent, doubling its figure from the same period last year.

Across its three brands, growth remained steady, with Zegna leading the way, yielding 651.8 million euros, or \$699.8 million in revenue responsible for about two-thirds of the conglomerate's total and rising by 17.9 percent year-over-year.

Thom Browne's revenues rose by just under 12 percent to 208 million euros, representing \$223.4 million at current exchange. The recently acquired Tom Ford Fashion didn't have 2022 figures to draw from but brought in 64 million euros, or \$687.1 million in revenue from January through June.

North America led the way in regional revenue growth for the group, increasing by 28.9 percent when compared to H1 2022. APAC remains the corporation's largest market by sales, drawing in more than 389 million euros, or \$417.6 million, in revenue.

EMEA is the second-biggest base for Zegna Group, with its revenues rising by more than 60 million euros, or \$64.4 million, y-o-y.

The conglomerate will hold a capital market day to reveal its updated medium and long-term financial goals, including Tom Ford Fashion in the December discussion.



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

"As we progress in the second half of the year, we continue to be extremely attentive on executing our plan, with a major focus on working alongside the new leadership team at Tom Ford Fashion to further develop and position the brand as an icon in ultra-luxury while also supporting the further expansion of the Thom Browne footprint," said Mr. Zegna, in a statement.

"In this dynamic operating environment, we are encouraged by the strong growth we are seeing in the United States and EMEA but also acknowledge the impact of a milder recovery in Greater China," he said. "I am proud of our exceptional leadership team, and we are confident in the steps we have taken to position our portfolio of brands in the more resilient ultra-luxury segment and to strengthen the group's own retail network and achieve a more balanced geographical presence.

"There is rich and exciting potential for the group's three brands, and we look forward to continuing to execute our strategy to enhance their performance even further."