COMMERCE

Sales at Richemont shoot up in closing quarter of 2023

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Asia Pacific represented the majority of regional sales during the term, posting 2.05 billion euros. Image credit: Richemont

By LUXURY DAILY NEWS SERVICE

Revenues at Swiss luxury conglomerate Richemont are back on the rise.

For the third quarter of its current fiscal year, which ran from Oct. 1 to Dec. 31, 2023, sales are up 8 percent year-over-year (y-o-y) at constant rates, reaching 5.59 billion euros or just over $6 billion at current exchange. The sudden growth was driven by strong performances from its jewelry maisons, as well as gains in Asia Pacific, which both buoyed the corporation's financial performance.

Retail rebound

Following stagnation in the previous quarter, retail sales increased as holiday pushes closed out 2023.

Rising 11 percent y-o-y, in-store sales upheld the conglomerate's overall growth in its third quarter as consumers returned to bricks-and-mortar locations. At the same time, wholesale income was boosted by 4 percent following a period of decline (see story).

Consistent with its last disclosure, online shopping continued to fall to the tune of 5 percent during the last three months of the year, as compared to the same stretch in 2022.

From October through December, double-digit sales performance jumps were seen across nearly all regions. The only outliers were the Americas, up 8 percent y-o-y, and Europe, down 3 percent at constant rates y-o-y.

Meanwhile, sales in Japan and Asia Pacific rose by 18 percent and 13 percent respectively, while those in Richemont's Middle East and Africa region shot up 10 percent.

Asia Pacific represented the majority of regional sales during the term, posting 2.05 billion euros or $2.22 billion at current exchange, up nearly 100 million euros compared to the same time in 2022. The corporation shared that a combined 25 percent increase in sales in mainland China, Macau and Hong Kong contributed heavily to the acceleration.

Jewelry is said to have had the strongest performance last quarter, lifting sales by 12 percent y-o-y. The category is largely responsible for the entire conglomerate's positive trajectory amid an industry slowdown; houses such as Buccellati, Cartier and Van Cleef & Arpels saw the most growth.

Richemont's watchmaking segment saw a slight increase in sales too, to the tune of 3 percent, with all other subsidiaries such as French fashion house Chlo and German luxury goods maker Montblanc, grouped together in the report, remaining stagnant, collectively falling by 1 percent at constant rates.

The cash considerations of the Yoox Net-a-Porter deal with Farfetch (see story) are not included in the disclosure, said to be "assets of disposal group held for sale" and "liabilities of disposal group held for sale."