

COMMERCE

Sales growth at Kering slips 4pc in 2023

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While Kering's flagship houses saw profit losses, its accessories and eyewear players experienced growth. Image credit: Kering

By LUXURY DAILY NEWS SERVICE

Fighting declined sales, French luxury conglomerate Kering will focus on revitalizing its business in 2024.

Decreasing 4 percent year-over-year (y-o-y) on a reported basis, the group brought in 19.6 billion euros, or \$21.1 billion at current exchange. While Kering's flagship houses saw profit losses, its accessories and eyewear players, from the likes of French and Milanese jewelers Boucheron and Pomellato to American sunglasses brand Maui Jim, experienced growth.

"In a trying year for the group, we strengthened our organization and took significant steps to further enhance the visibility and exclusivity of our houses," said Francois-Henri Pinault, chairman and CEO of Kering, in a statement.

"We are focused on revitalizing Gucci, leveraging the unique blend of craftsmanship, Italian heritage, and modernity that characterizes this iconic house," Mr. Pinault said. "The launch of Kering Beaut and the acquisition of Creed, a storied maker of high-end fragrances, will enable us to capture our share of the steadily growing beauty market.

"In a market environment that remains uncertain in early 2024, our continuing investments in our houses will put pressure on our results in the short term."

Slowed sales

For the fourth quarter ending on Dec. 31, 2023, revenues decreased 6 percent y-o-y, landing at 5 billion euros, or \$5.3 billion at current exchange.

This follows a recent pattern of mixed performances: though Kering's reported sales increased 15 percent overall in 2022, growth in the fourth quarter of that year dipped 2 percent. Results from the conglomerate's latest annual term are still proving cause for concern.

Revenues at Italian fashion label Gucci, traditionally Kering's highest earner, slipped 6 percent in 2023, at 9.9 billion euros, or \$10.6 billion at current exchange. In 2022, that total was slightly higher, at 10.5 billion euros, or \$11.3 billion.



Kering's annual results align with a recent pattern of mixed performances. Image credit: Gucci

French fashion house Saint Laurent also stumbled during this period, landing at 3.2 billion euros, or \$3.4 billion at current exchange. This marks a 4 percent decrease compared to 2022's figure of 3.3 billion euros, or \$3.6 billion.

Meanwhile, Italian fashion house Bottega Veneta saw a 6 percent sink from the 1.7 billion euros, or \$1.9 billion at current exchange, collected in 2022. Last year, the business earned 1.7 billion euros, or \$1.8 billion.

Revenues at all of Kering's other apparel ateliers, including French fashion house Balenciaga ([see story](#)) and British fashion house Alexander McQueen, slumped 9 percent y-o-y, selling a total of 3.5 billion euros, or \$3.8 billion, in 2023. The year prior, these maisons reported 3.9 billion euros in 2022, or \$4.2 billion at current exchange.

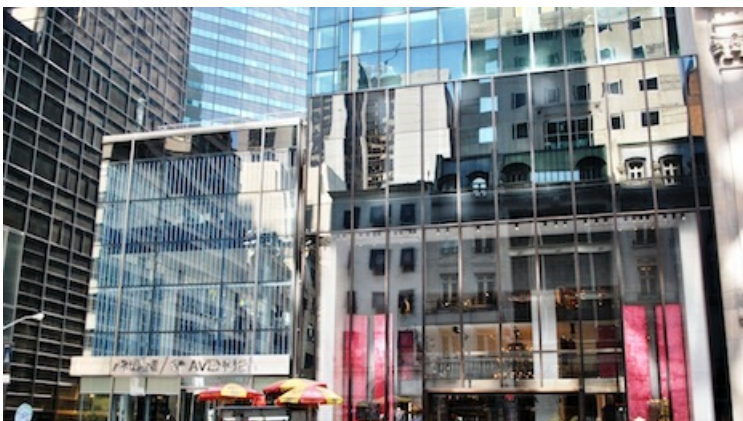


Maui Jim was one of the few Kering maisons to skirt the decline, helping the eyewear unit to achieve double-digit growth. Image credit: Maui Jim

The group's eyewear division offered a contrast to the steady flow of dropping revenues. For 2023, this unit achieved a record-breaking 1.5 billion euros, or \$1.6 billion at current exchange, up 35 percent y-o-y as reported.

These gains are attributed, in part, to the consolidation of Maui Jim ([see story](#)). Kering is seeking to replicate this success, identifying two main goals for the year ahead: maintaining a trend of profitable long-term growth and affirming its status as an influencer of the luxury industry.

Investments that support the development and expansion of the parent company's subsidiaries ([see story](#)) will take priority and, according to a statement, the group will aim to exhibit more discipline as it pertains to cost structure this year.



Kering recently acquired retail space on Fifth Avenue. Image credit: Elisa Rolle/Wikimedia Commons

"Thanks to the experience gained across the group through a decade of outstanding expansion, we are confident in achieving our long-term ambitions," said Mr. Pinault, in a statement.

In 2024, the conglomerate states that recurring operating income will drop. It warns that the first half of the year will especially see declines.

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