

COMMERCE

Capri Holdings battles weak end-of-year sales in Americas, Europe

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Sales at Versace, Jimmy Choo and Michael Kors all fell during the last three months of 2023. Image credit: Capri Holdings

By LUXURY DAILY NEWS SERVICE

U.S. fashion group Capri Holdings is faced with a pullback from its luxury consumers.

Its revenues have declined by 6.6 percent at constant rates, diving from \$1.51 billion in 2022 to \$1.42 billion for the period ended Dec. 30, 2023. Losses are attributed to softened consumer demand in the Americas, affecting Italian fashion label Versace, British footwear label Jimmy Choo and, most of all, U.S. fashion label Michael Kors.

"Overall, our performance in the third quarter continued to be impacted by softening demand for fashion luxury goods," said John D. Idol, chairman and CEO of [Capri Holdings](#), in a statement.

"However, sales trends improved sequentially in the third quarter, driven by better results in our own retail channel while sales in our wholesale channel remained challenged," Mr. Idol said. "Versace, Jimmy Choo and Michael Kors continued to resonate with consumers as evidenced by the 10.7 million new consumers added across our databases, representing 13 percent growth versus last year.

"In fact, we achieved a new milestone, with our database surpassing 90 million customers; this reflects the strong brand equity and enduring value of our three iconic houses."

Hard times

Revenues at Versace, Jimmy Choo and Michael Kors all fell from October to December.

During the last three months of 2023 this marks the third quarter of the holding company's 2024 fiscal net income also plunged 53.3 percent year-over-year.

Sales at Italian fashion label Versace dipped by 10.8 percent y-o-y, garnering the second-highest total of the three Capri Holdings brands: \$227 million. British footwear label Jimmy Choo's revenue is down by 3 percent y-o-y, totaling \$166 million.

Moving downmarket slightly, the biggest Capri Holdings brand, U.S. fashion label Michael Kors, brought in \$1.03 billion, with growth taking a 6.2 percent hit y-o-y.

Introducing [#VersaceResort24](#)

The collection presents a full Versace wardrobe, from heritage tweed in Versace pastel colors, the iconic Medusa '95 signifier on ready-to-wear, and Gianni Ribbon shoes.

Campaign made in collaboration with Money Agency

Now at pic.twitter.com/JycPkcyplM

VERSACE (@Versace) January 8, 2024

From October to December, Versace shoppers in Europe, the Middle East and Africa were responsible for nearly half of its income but held back on purchases versus previous quarters.

Growth in the Americas also declined, with Asia up slightly, moving from \$51 million during the same quarter the year before to \$56 million last quarter.

Mirroring Versace, Jimmy Choo saw similar successes in Asia, while sales were completely stagnant across EMEA when compared to the same period in 2022, dipping some in the Americas.

Michael Kors was the only Capri Holdings subsidiary to see losses across all regions at the end of the year.

Besides its new CEO ([see story](#)), others at the C-suite level have been working through operational challenges, outlining the issue during an investor call last November.



Capri Holdings owns Versace, Jimmy Choo and Michael Kors. Image credit: Capri Holdings

"In early July, we implemented a new ecommerce platform for Michael Kors in the Americas," said Mr. Idol, in a statement.

"While we are excited about the long-term benefits, the transition negatively impacted our second quarter results."

This quarter presented much of the same struggles. A statement cites that "total company retail sales declined in the mid-single-digits with trends being impacted by softening luxury consumer demand primarily in the Americas as well as by the Michael Kors Americas ecommerce implementation issues discussed last quarter."

The conglomerate's acquisition by U.S. fashion group Tapestry awaits approval, leaving Capri Holdings optimistic for the future, based on where the buyer stands financially ([see story](#)).

"We look forward to the successful completion of the merger transaction with Tapestry in calendar year 2024," said Mr. Idol, in a statement.

"This combination will deliver value to our shareholders as well as provide new opportunities for our dedicated employees around the world as Capri Holdings becomes part of a larger and more diversified company," he said. "By joining with Tapestry, we will have greater resources and capabilities to accelerate the expansion of our global reach while preserving the unique DNA of our brands."