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COMMERCE

Quarterly revenues at Richemont stall, sales crash in China

July 16, 2024

Losses across Asia Pacific held the conglomerate back last quarter. Image credit: Richemont

By ZACH JAMES FOR LUXURY DAILY NEWS SERVICE

Swiss luxury conglomerate Richemont continues to navigate a global slowdown in demand for luxury goods.

The owner of brands and businesses such as French jeweler Cartier and Swiss watchmaker Piaget generated 5.26 billion euros, or $5.73 billion at current exchange, in Q1 2024. The 1 percent year-over-year uptick at constant rates includes double-digit revenue declines in APAC, excluding Japan.

Give or take

Quarterly losses experienced in China, plus Hong Kong and Macau, two additional popular shopping destinations, overshadow growth from other major markets.

Revenue in Japan jumped by 59 percent compared to Q1 2023, reaching $656 million, representing Richemont's largest regional gain. Separately, in Asia Pacific, revenues decreased, dipping by nearly 20 percent y-o-y and canceling out progress; though sales increased in South Korea and Malaysia during this period, China faced a 27 percent y-o-y decrease, impacting the region's ability to recover.

Despite the decline, APAC is still the conglomerate's largest market by this measure, raking in $1.95 billion from January to March.

Buccellati, Cartier and Van Cleef & Arpels led the way in Q1. Image credit: Cartier

The Americas, the company's second-biggest revenue driver, brought in $1.3 billion during the same span, rising 10 percent. Europe's $1.27 billion in quarterly sales translated to a 5 percent y-o-y boost, while the Middle East and Africa's bottom line is up 8 percent, reaching $511 million.

Jewelry maisons (see story) Buccellati, Cartier and Van Cleef & Arpels led the way with $3.97 billion garnered at the start of the year, a 4 percent boost compared to the first quarter of 2023.

Its watchmaking brands are down 13 percent, contributing just under $1 billion to last quarter's totals. The fashion and accessories members of Richemont's portfolio, however, yielded 6 percent more sales y-o-y.

In-store and online retail both saw sales growth in the low-single-digit percentages, and Richemont mentions that direct-to-client sales are also on the up and up.