

## COMMERCE

# Luxury slowdown troubles Zegna Group in third quarter

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*Zegna's Shanghai store in Sino-Ocean Taikoo Li, a mixed-use development located in the Jinjiang District of Chengdu, China. Image credit: Zegna*

By LUXURY DAILY NEWS SERVICE

Italy's Ermenegildo Zegna Group is calling attention to its preliminary sales results for the first nine months of 2024.

During this period, revenues rose 1.7 percent year-over-year to 1.35 billion euros, or \$1.46 billion at current exchange. The third quarter saw a y-o-y sales decline of -7.8 percent.

"The first nine months of 2024 saw our revenues grow 2 percent from the same period last year," said Ermenegildo "Gildo" Zegna, chairman and CEO of the [Ermenegildo Zegna Group](#), in a statement.

"Although third quarter revenues showed a slowdown for the Group, I am reassured by the continued positive performance of the ZEGNA brand, boosted by the DTC channel, and also by the quality of talent we have brought into Thom Browne and TOM FORD FASHION as we work to strengthen those teams."

## Critical condition

Zegna Group's flagship menswear brand, as well as U.S. fashion label Thom Browne and U.S. luxury brand Tom Ford, which lost its creative director in July ([see story](#)), garnered most of the parent company's Q3 sales, totaling 363.32 million euros, or \$392.29 at current exchange.

Direct-to-consumer channels grew by .8 percent during the three-month term, while its branded wholesale business dipped by 26.8 percent, both y-o-y.



*Zegna's updated branding displayed at the NYSE in 2021. Image courtesy of Ermenegildo Zegna Group*

The company faced tough conditions during the period, though Japan outperformed other regions, scaling sales 6.1 percent in Q3 2024 as compared to Q3 2023, versus Greater China's double-digit loss of 22.8 percent on the same basis.

"Looking ahead to the fourth quarter of 2024 and into 2025, we continue to foresee an uncertain environment, particularly in the Greater China Region.

"However, I believe that our Group is fully prepared to face the future with stronger brands, a clearer vision and strengthened management team."

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