PVH returns to profit, announces leadership changes

By Robin Driver  -  June 3, 2021

PVH Corp., the New York-based owner of brands including Calvin Klein and Tommy Hilfiger, reported Q1 earnings of $99.9 million, or $1.38 per diluted share, on Wednesday, and also announced that both chief operating and financial officer Mike Shaffer and Calvin Klein CEO Cheryl Abel-Hodges are stepping down. In the previous year’s first quarter, PVH posted a loss of $1.1 billion, or $15.37 per diluted share.

In the first quarter ended May 2, 2021, the company’s revenue totaled $2.08 billion, up 55% from $1.34 billion in the prior-year period, which was heavily impacted by the Covid-19 pandemic. In constant currencies, the increase was 46%.

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Revenue from digital channels saw particularly strong growth, posting a 95% increase, with digital penetration as a percentage of total revenue rising to approximately 25%.

Direct-to-consumer revenue at the company rose 66% year over year, while wholesale revenue increased 53%, progress driven by a strong performance in Europe.

At Tommy Hilfiger, revenues increased 63%, reflecting 78% growth in the brand’s international revenue and a 25% rise in North American revenue. Year-over-year growth at Calvin Klein was 65%, including a 91% increase in international revenue and a 27% rise in North America.

PVH’s heritage brands segment managed a 9% year-over-year rise in its quarterly revenue, despite a reduction of 14% due to the sale of the Speedo North America business in April of last year.

Commenting on PVH’s quarterly results in a release, the company’s CEO, Stefan Larsson, said, “we are very pleased with our first quarter 2021 results, which significantly exceeded our expectations, and reflect our team’s strong execution of our accelerated recovery priorities across our businesses globally – focused on the Calvin Klein and Tommy Hilfiger brands, our international markets, driving product strength with increased pricing power and margin expansion, and winning in the marketplace through super-charging e-commerce.”

In line with its strong Q1 results, PVH revealed that it has raised its financial guidance for the full fiscal year 2021. The company now expects to achieve annual earnings per share (EPS) of approximately $5.50, up from a previous outlook of $5.00.

In a separate release published on Wednesday, PVH also announced the departure of chief operating and financial officer Mike Shaffer, who will be stepping down from his role in September after more than three decades at the company.

During his time at the group, Shaffer helped with its acquisitions of Tommy Hilfiger in 2010 and Warnaco in 2013. He also drove investments in infrastructure and operational capabilities, and supported the company’s efforts in the areas of corporate responsibility, supply chain and technology. PVH has already begun an external search for Shaffer’s successor as CFO.

Furthermore, Calvin Klein CEO Cheryl Abel-Hodges is stepping away from her current role. From July 1 through February 2022, she will continue to serve at the company in an advisory position, while Trish Donnelly, who currently serves as CEO of PVH Americas, will take the helm at the brand.

Abel-Hodges first joined PVH as president of whole sale sportswear – Izod in 2016, before transitioning to the position of president for global Calvin Klein underwear in 2013. She has held the role of Calvin Klein CEO since June 2019.

“I want to thank Cheryl for her partnership and passion for this brand, and for everything she has done over her almost 15-year career with PVH,” commented Larsson. “As well as her role with Calvin Klein, Cheryl made an impact on many areas of the company, including overseeing PVH’s innovative underwear platform, which harnesses the collective power and best practices from across the company’s iconic portfolio of brands.”

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