Ermenegildo Zegna sees its sales soar 27% in 2021

By Dominique Muret - 2 February 2022

Ermenegildo Zegna is ending the financial year on a high note. The Italian luxury menswear group, which has just recently gone public on the New York Stock Exchange, showed a 27% growth in 2021, with a turnover of €1.29 billion. According to its preliminary annual results released by the company on Tuesday, the brand is fast approaching its pre-pandemic level, registering a decline of only 2% compared to 2019. CEO Gildo Zegna also took this opportunity to announce that the fashion house will no longer use real fur.

He explained the decision in a press release: "Part of Zegna’s philosophy since its founding in 1910 is the belief that creating products of the highest quality goes hand in hand with respect for the natural world around us. Based on these values, the Zegna Group has decided that the 2022 collections will be the last to use fur for Zegna and Thom Browne," which are the two Ermenegildo Zegna Group brands.

The Zegna fashion house accounts for nearly 66% of the total revenues of the Piedmont-born group, Thom Browne accounts for 20%, while the rest of the revenues come from the group's textile activities. Last year, Zegna saw its sales jump 33% to €847.3 million, while remaining below its 2019 level (-8%). These positive results are largely due to the company’s strong sales growth in its shoes and leisurewear departments. For several seasons now, creative director Alessandro Sartori has been working in depth on modernizing the brand's classic pieces in order to deliver a younger, more versatile and casual product range.

Thom Browne posted even better financial results, recording "an exceptional performance" with a jump of 64% compared to 2019 and 47% over last year, to €263.3 million. Its direct sales more than doubled (+127%) compared to 2019 (+63% over 2020) with a revenue increase much more pronounced than just its scope for growth, which saw the brand grow from 28 monobrand stores in 2019 to 52 in just two years' time.

The group's textile revenues also saw a double-digit growth (+17%, but -6% vs. 2019) at €102.2 million.

Ermenegildo Zegna Group’s sales increased across all regions except Japan, where they fell by 10% due to the country’s drop in tourism and ongoing Covid-19 restrictions. Sales in North America jumped 46% to €191.2 million, due in large part to a strong financial performance in the United States, where revenues rose 53% year-over-year.
Positive results were also seen in Asia-Pacific (+26%), at €696.3 million, the group's main market with a 54% share. Sales soared in the Greater China Region (+34%), which alone accounts for almost half of the company's total revenues. This is due to the repatriation of Chinese domestic luxury goods spending and the strong presence of the Zegna brand in the country since the last 30 years.

In the EMEA region, which accounts for 29% of the group's total revenues, sales climbed by 20% to €380 million. This increase was driven by Italy's financial rebound, indicating a clear recovery to its 2019 pre-pandemic level, and by the exceptional performance in the United Arab Emirates, particularly in retail.

The direct sales channel, which currently accounts for 66% of total revenue (up from 61% in 2019), garnered a 39% growth in 2021 (+6% vs. 2019), while the wholesale channel saw a 14% increase (-11% vs. 2019). While Zegna has initiated "a major rebranding" and refocused its sales on the direct channel since 2019, "its growth has been strong, a sign of a positive response to the brand's market redefinition strategy," stated the company.

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