PVH caps off stellar 2021 with 28% sales uptick; Calvin Klein, international shines

By Benjamin Fitzgerald - March 30, 2022

PVH Corp. announced on Tuesday strong fourth quarter revenue and earnings that surpassed expectations, capping off a year that saw annual revenues lift 28% and operating margins beat out 2019 pre-pandemic levels.

New York-based PVH said revenue for the fourth quarter increased 16% (increased 20% on a constant currency basis) to $2.43 billion, compared to the prior year period, despite continued supply chain and logistics disruptions and the ongoing impacts of the Covid-19 pandemic, and reflected strong performance in the company’s international businesses, primarily driven by Europe.

Online sales in the quarter were up 10%, while direct-to-consumer sales increased 13%. Wholesale revenues lifted 20%, said the company, due to the favorable impact of the shift in the timing of U.S. wholesale shipments from the third quarter into the fourth quarter as a result of logistics disruptions in October.

By brand, Tommy Hilfiger revenues gained 18%, on the back of a 20% increase in international sales and a 14% in its North America market. Calvin Klein quarterly sales surged 27%, driven by a 32% gain in North America and a 24% increase internationally.

Net income for the quarter totalled $390.8 million, a return to black from the prior-year quarterly loss of $58.1 million, the company said in a statement.

“We delivered strong fourth quarter revenue and earnings above guidance,” said Stefan Larsson, chief executive officer, PVH Corp.

“For 2021, we executed on our accelerated recovery priorities, achieving operating margins that were above 2019...
For 2021, we executed on our accelerated recovery priorities, achieving operating margins that were above 2019 pre-pandemic levels and ahead of our plan, driven by strong gross margin expansion, further positioning PVH to win with the consumer in the ‘new normal’ and deliver sustainable profitable long-term growth."

Full year 2021 revenues gained 28% to $9.155 billion (increased 26% on a constant currency basis) compared to 2020, while revenue through digital channels grew approximately 30% compared to 2020. By brand, Tommy Hilfiger revenues lifted 29%, while Calvin Klein surged 39%.

Net income for the year totalled $952 million, recovering from the $1.1 billion loss recorded in 2020.

In 2022, PVH is projecting revenue growth of 2% to 3%.

“As we look ahead, we are confident in the strength and momentum in our business and our ability to drive strong underlying top and bottom line growth by leaning in to what is within our control, despite the significantly increased macroeconomic and geopolitical volatility over the last few months, including the war in Ukraine, the impact of the global pandemic, and the inflationary pressures we see across our regions,” added Larsson.

"We will successfully navigate these headwinds in 2022, and we will do it through driving brand and product relevance with our two iconic global brands, Calvin Klein and Tommy Hilfiger, super-charging digital, further improving our consumer engagement, and driving efficiencies while investing in our strategic growth areas."

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