PVH unveils multi-year strategic plan to hit $12.5 billion in sales by 2025

By Benjamin Fitzgerald  - April 14, 2022

PVH Corp. on Wednesday unveiled a multi-year strategic plan to surpass $12 billion in revenues by 2025, clocking compounded annual growth in the high-single digits for the next three years.

The New York-based company, which owns Calvin Klein and Tommy Hilfiger brands, preceded its investor day on April 13 with a statement from CEO, Stefan Larsson, outlining the company's PVH+ Plan, a new roadmap for brand-, digital- and direct-to-consumer (DTC)-led sustainable, profitable growth through 2025.

"Having successfully driven an accelerated recovery and generated record earnings per share in 2021, our priority now is to connect with the consumer in ways that reflect the formula to win in the 'new normal' and create long-term value," said Larsson.

"The execution of the PVH+ Plan will accelerate the growth of Calvin Klein and Tommy Hilfiger, two of the most iconic brands in the world, by unlocking their full potential across each of our regions."

The new strategy is comprised of five main pillars: product, where PVH aims to create the "best hero products" across key growth categories; consumer engagement, by creating a 360-degree consumer engagement built around the "hero products", by "partnering with the best creators in the industry"; digitally-led marketplace, by accelerating digital growth and "building a holistic distribution strategy for Calvin Klein and Tommy Hilfiger; developing a demand- and data-driven operating model; and driving efficiencies and investing in growth.

PVH said the execution of its new strategy will see high single-digit compounded annual growth (CAGR) from 2021 to approximately $12.5 billion in 2025. The key drivers of revenue growth across brand, region and channel include balanced growth from Calvin Klein and Tommy Hilfiger globally, in addition to high single-digit CAGR in Europe and the Americas, with mid-teens CAGR in Asia Pacific.

The company also expects beyond 20% CAGR in its digital channels and predicts direct-to-consumer brick and mortar to outpace wholesale.
"Our new, multi-year strategic growth plan leverages the global strength of our brands and reflects the compelling opportunities we see across our channels and geographies," said Zac Coughlin, chief financial officer, PVH.

"While investing to fully capitalize on the global, digital and DTC-focused potential of our plan, we will also drive efficiencies that together will accelerate earnings growth and deliver strong and sustainable shareholder returns."

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