PVH posts 20% decline in Q4 revenues

By Robin Driver - March 31, 2021

PVH Corp., the New York-based owner of brands including Tommy Hilfiger and Calvin Klein, achieved revenue of $2.1 billion in the fourth quarter ended January 31, 2021, representing a year-over-year decrease of 20% from $2.5 billion. In constant currencies, the decline was 23%.

Revenues fell across PVH’s brand portfolio, as the Covid-19 pandemic continued to have a significant impact on the company’s operations. At Tommy Hilfiger, revenues decreased 16%, reflecting declines of 28% in North America and 10% internationally, while at Calvin Klein, the decrease was 17%, including declines of 25% in North America and 10% internationally.

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The group's heritage brands business, which includes Van Heusen, Geoffrey Beene, Izod, Arrow, Warner's, True & Co. and Olga, posted a 41% decline in revenues. This included the impact of the sale of the Speedo North America business, which resulted in a 17% decrease in sales.

As announced in July of last year, PVH is planning to complete the exit of its heritage brands retail business by mid-2021.

Broken down by channel, PVH's revenues fell 20% year over year in its direct-to-consumer business, despite a 68% increase in digital commerce, while its wholesale channel posted a 19% decline.

Quarterly net loss at the company was $57.7 million, or $0.81 per diluted share, compared to a loss of $67.4 million, or $0.93 per diluted share, in the prior-year period.

“We delivered fourth quarter revenue in line with expectations despite more extensive lockdowns in Europe, as we successfully navigated the uncertainty and unprecedented impacts caused by the pandemic to drive towards an accelerated recovery,” commented PVH CEO Stefan Larsson in a release.

“We remain focused on connecting our core strengths to where the consumer is going – with our biggest brands Calvin Klein and Tommy Hilfiger, in how we are super charging e-commerce, through our casual assortments, and how we are taking market share in our international businesses,” he added.

For the full fiscal year 2020, PVH reported revenue of $7.1 billion, down 29% from $9.9 billion in 2019. Annual revenues declined 23% at Tommy Hilfiger, 28% at Calvin Klein and 44% in the company's heritage brand business.

PVH saw a 69% increase in revenues in its directly operated digital commerce businesses in 2020.

Net loss for the year was $1.1 billion, or $15.96 per diluted share, compared to earnings of $415.1 million, or $5.60 per diluted share, in 2019.

In 2021, PVH expects its revenues to increase in the range of 22% to 24% compared to 2020, while annual earnings are expected to be approximately $5.00.

In the first quarter, revenues are projected to increase between 42% and 44% year over year, with earnings per share expected to be in the range of $0.28 to $0.31.

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