PVH Corp. records 46% sales uptick in second quarter, lifts full-year guidance

By Benjamin Fitzgerald - August 31, 2021

Calvin Klein parent PVH Corp. on Tuesday recorded a double-digit sales uptick for the second-quarter, prompting the U.S. apparel company to lift its full-year guidance for fiscal 2021.

The New York-based PVH Corp, which owns Tommy Hilfiger and Calvin Klein, saw second-quarter revenues increase 46% to $2.313 billion (or 40% on a constant currency basis), compared to the prior year period.

Revenue in international businesses significantly exceeded 2019 pre-pandemic levels, while total wholesale revenue increased 77%, both segments primarily driven by Europe, said PVH in a press release.

For the three months ending August 1, revenue through digital channels grew approximately 35% compared to the prior year period, and digital penetration as a percentage of total revenue continued to be approximately 25%.

Total direct-to-consumer revenue for the second quarter increased 19%, while digital commerce was flat to the prior year period despite exceptionally strong growth in 2020 due to temporary store closures and occupancy restrictions.

Tommy Hilfiger total revenues surged 41% to $1.13 billion, up from $803 million the same time last year. Tommy Hilfiger international rose 40%, while the brand witnessed a 45% lift in North America.

Calvin Klein jumped 56% during the quarter to $922 million, compared with $590 million a year ago. The brand's international business increased 47%, surpassed by a 75% acceleration in Calvin Klein's North America market.

Revenues in the Heritage Brands business increased 37% to $255 million, up from $186 million last year.
Earnings per share were $2.51 for the second quarter of 2021, compared to a loss per share of $(0.72) in the prior year period. Adjusted earnings came in at $2.72 per share.

"Based on our strong first half results, along with strong underlying trends, we are raising our full year outlook, which continues to reflect gross margins above 2019 pre-pandemic levels and further improvement in our operating margin," said chief executive officer Stefan Larsson.

Looking ahead, PVH now anticipates a 26% to 28% increase in revenue this year. In June, it projected revenue growth around 22% to 24%.

Full-year earnings are projected to be around $8.80 a share for the year, up from its prior forecast of $6.60 a share. On an adjusted basis, it views earnings around $8.50 a share, compared with $6.50 a share.

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