G-III sales lifted by recovering demand for lifestyle apparel

By Robin Driver  -  September 2, 2021

G-III Apparel Group, Ltd., the New York-based owner of DKNY announced a year-over-year increase of 62.5% in its second-quarter sales on Thursday, as the company's continued strength in casualwear was boosted by increases in broader lifestyle categories.

In the second quarter ended July 31, 2021, the group reported net sales of $483.1 million, compared to $297.2 million in the same period in the previous year, when the company suffered the impact of disruptions related to the Covid-19 crisis.

According to G-III chairman and CEO Morris Goldfarb, this progress was driven by a combination of strong casualwear sales and a rise in demand for other lifestyle categories, including dresses and careerwear.
Casualwear sales and a rise in demand for other lifestyle categories, including dresses and careerwear, as consumers have returned to both work and social events. Alongside DKNY and Donna Karan, G-III’s portfolio contains more than 30 licensed and proprietary brands, including the likes of Calvin Klein, Tommy Hilfiger and Karl Lagerfeld Paris.

Net income for the quarter came to $19.2 million, or $0.39 per diluted share, compared to a net loss of $15.0 million, or $0.31 per share, in the prior-year quarter.

“We delivered outstanding second quarter results that exceeded our guidance for both the top and bottom lines,” commented Goldfarb in a release. “Throughout the pandemic, we navigated through the challenges as our world class teams have remained focused on delivering positive results. We are encouraged by the strong consumer demand that we are seeing for apparel and accessories.”

In the first six months of the year, G-III’s net sales totaled $1.0 billion, up 42.8% from $702.3 million in the first half of 2020. Net income for the period was $45.5 million, or $0.92 per diluted share, compared to a loss of $54.3 million, or $1.13 per diluted share, a year earlier.

In light of its stronger than expected performance in Q2, G-III also announced that it has raised its full-year financial guidance. The company now expects its annual net sales to total approximately $2.70 billion, while net income is expected to be between $155.0 million and $165.0 million, or $3.10 and $3.20 per diluted share. The group’s previous guidance had predicted sales of around $2.57 billion and net income between $125.0 million and $135.0 million, or $2.60 and $2.70 per diluted share.

In the third quarter, G-III currently expects to report net sales of approximately $1.00 billion and net income in the range of $80.0 million to $90.0 million, or $1.65 to $1.75 per diluted share.

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