PVH posts surprise profit as stay-at-home lifts casual clothing demand

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PVH Corp reported a surprise quarterly profit on Wednesday, as the apparel retailer benefited from strong demand for comfortable and casual clothing during the coronavirus-led shift to work from home, sending its shares up over 4%.

The Calvin Klein and Tommy Hilfiger owner also projected encouraging sales trends in China and Europe for the coming months and forecast revenue in the second half of its fiscal year to decline 25%, smaller than the 33% drop it posted in the second quarter.

The company’s North American business, however, remains under pressure due to a resurgence in virus infections, a lack of tourist traffic and a fall in shipments to department stores.

PVH, which also owns Van Heusen, reported total revenue of $1.58 billion for the second quarter ended Aug. 2, beating analysts’ estimates of $1.25 billion.

Online sales through its own channels surged 87%.

The company reported an attributable net loss of $51.4 million, or 72 cents per share, compared to a profit of $193.5 million, or $2.58 per share, a year earlier.

Excluding certain items, the company earned 13 cents per share, compared with the average analyst estimate of a loss of $2.43, according to IBES data from Refinitiv.

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