Ralph Lauren sees revenue below estimates as lockdowns bite

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Ralph Lauren Corp on Thursday forecast a bigger-than-expected drop in fourth-quarter revenue, as the high-end apparel maker struggles with new lockdowns in its major markets of Europe and Japan.
Shares fell 2% before the bell as the company also missed third-quarter revenue estimates.

Many European governments put their economies back into lockdown late last year due to a spike in coronavirus cases, severely constraining a major market for luxury goods companies who were banking on a strong holiday shopping season to help ride out the virus hit.

Ralph Lauren said it expects fourth-quarter fiscal 2021 revenue to fall by mid-to-high single digits, while analysts’ were expecting a 2.9% drop, according to IBES data from Refinitiv.

Net revenue fell to $1.43 billion in the third quarter ended Dec. 26, from $1.75 billion a year earlier. Analysts on average had estimated $1.47 billion.

The company said it plans to reinstate its quarterly dividend in the first half of fiscal 2022.