Valentino climbs back to pre-pandemic levels in 2021

By Dominique Muret - 22 March 2022

Valentino found new impetus in 2021, after a fiscal 2020 that was strongly affected by the Covid-19 pandemic. The Italian luxury label has announced it turned a profit again last year, after posting a net loss of €127 million in 2020. “Both net profits and EBIT were higher than 2019,” stated Valentino, explaining it cannot provide any figures for the time being, since its financial statement has not yet been approved.

Valentino’s latest ready-to-wear collection was unveiled in Paris in March - Valentino

In 2021, Valentino generated a revenue of €1.231 billion, equivalent to a hefty 39.5% increase over 2020. Growth at constant exchange rates was 41%, and revenue grew by 3% over 2019. In Q4 alone, sales increased by 11% over the last quarter of 2019, growing by 29% in Valentino’s direct retail channel. “December 2021 was the single most successful month in the Roman label’s history,” emphasised Valentino in a press release.

The reasons behind such a positive last part of the year were the increase in full-price sales, the strengthening of Valentino’s personalised concierge service, available online too, which enables customers to enjoy a tailored experience, but especially the label’s repositioning into the very high-end segment of the market, initiated two years ago by CEO Jacopo Venturini. In parallel, Valentino is broadening its clientèle by attracting younger consumers. The highest growth rates were recorded in Europe, North America and the Middle East.

The direct retail channel is becoming increasingly crucial, and accounted for 57% of total sales. “The short-term objective is to reach a 70% share by 2024-25,” the label told FashionNetwork.com. Valentino is currently present in 100 countries via over 200 directly owned stores. In 2021, the label opened 15 new addresses, and is targeting 21 new openings in 2022, especially in China and elsewhere in Asia, but also in Europe.

The business generated by Valentino’s e-shop has more than doubled in the last two years, its share of revenue rising from 5% in 2019 to 16% in 2021. Online sales grew in double-digits over 2020, and in triple digits over 2019. A performance that has prompted the label, owned by Qatari investment fund Mayhoola, to take back control of its e-tail operations, which were until now outsourced to Yoox Net-a-Porter. The label told FashionNetwork.com that the transition began in February.
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In parallel, Valentino has cut back and rationalised the share of sales produced by the wholesale channel (41% in 2021), and now has 1,600 multibrand clients worldwide.

Last year, Valentino's sales were driven chiefly by accessories, which accounted for 66% of total revenue, while ready-to-wear accounted for 32% and other categories for 2%. Notably, sales for the fragrance and beauty lines, managed under licence by L’Oréal, jumped up by 97% in 2021.

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