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# Armani revenues fall 5% in 2024 as luxury slowdown persists

The Milan-based company reported a dip in revenues, due to global tensions and high levels of uncertainty. The company's investments, though, are up.

Armani Group's fiscal 2024 revenues fell 5 per cent to €2.3 billion, the group reported on 2 July. Profits fared worse, with EBITDA down 24 per cent to €398 million compared to €523 million in 2023.

The news comes off the back of Armani's Milan Fashion Week show, which Mr Armani missed for the first time since 1975, due to him being at home recovering from an illness.

"During 2024, while well aware of the market slowdown already evident in the second half of 2023 and of the many challenges arising from the international context, I continued to operate with an eye to the future," chairman and CEO Giorgio Armani said in a statement. "It is with this in mind that I chose in any case to invest in projects of great symbolic and practical significance, which are fundamental to the future of the company. The year 2024, however, closed with positive results, the fruit of solid and prudent management, further confirming the group's solidity."

Despite the market slowdown, Armani Group doubled its investments, reaching a record €332 million for fiscal 2024, approximately double the investments it made in 2023 (€168.5 million). These included store renovations and insourcing of e-commerce management. Here, the brand is taking a similar approach to Chanel, which, despite a dip in profits, plans to maintain its increased investment levels in 2025.

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Mr Armani reportedly phoned ahead of the Emporio Armani show to ask why it hadn't begun at Milan Men's.

Photo: Courtesy of Giorgio Armani

Armani Group did not break down company revenues by region, but did note the proportion of sales each accounted for in 2024. Europe generated 49 per cent of consolidated net revenues in 2024, in line with the previous year. The Americas accounted for 22 per cent, while Asia Pacific fell to around 19 per cent. The latter is down slightly compared to 2023, which the company said reflects the slowdown in the Chinese market. (Armani didn't disclose revenue share for Asia Pacific in 2023.)

It's not just China that is facing disruption. In the most recent bout of earnings, executives flagged obstacles across the board, from tariffs complicating operational planning to shaky consumer sentiment across the globe due to high levels of political and economic uncertainty.

Despite these hurdles, the group didn't alter its operations too drastically, deputy managing director and chief commercial officer Giuseppe Marsocci said in a statement. "We opted for 'moderate' pricing policies, with increases below the rate of inflation, and for distribution focused on quality rather than quantity, as demonstrated by the stability in the number of stores, with no pressure on new openings and very selective approach," he said. "Ultimately, the decision was to prioritise product quality and the customer experience, even at the cost of sacrificing margins in the short term, in the conviction that this choice will make us more competitive when the market returns to growth."

Mr Armani, too, is confident that this approach will be rewarded in the near future. "I am convinced that pursuing consistency and continuity and avoiding the pursuit of immediate gains is the best strategy to ensure long-term success," he said. "Thanks to this approach, in an increasingly complex and competitive global environment, I am proud to say that we have maintained the group's independence and stability. I am confident that the current market difficulties and international tensions will ease in the near future."

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