

Tiffany & Co. Reports “Difficult” Quarter

Softness in tourist spending fueled its sales decline

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Source: JCK Online.com

Tiffany & Co. reported decidedly downbeat results for its first quarter (ended April 30), with comps tumbling 9 percent and worldwide sales falling 7 percent to \$897 million.

“As expected, this was a difficult quarter in terms of both sales and earnings growth,” CEO Frederic Cumenal said in a statement. Challenges include “continued pressure from foreign tourist spending in Europe, the U.S., and Asia, particularly in Hong Kong,” he said.

The company also cited softness in U.S. consumer spending.

Net earnings totaled \$87 million, down 7 percent from the prior year’s \$105 million.

In a conference call following the release of its financial results, vice president of investor relations Mark Aaron talked up the company’s upcoming initiatives, including its watch line and campaign touting the 130th anniversary of its six-prong Tiffany setting.

That campaign will also “emphasize the exceptional quality and rarity of our diamonds,” he said.

He added that the company hopes to return to growth once its initiatives start paying off and macro headwinds subside.