

# RALPH LAUREN

## Corporate Media Analysis Report

### RALPH LAUREN REPORTS THIRD-QUARTER FISCAL 2025 EARNINGS

The Ralph Lauren Corporation (NYSE: RL) released its third-quarter 2025 earnings report on February 6th, 2025. The company reported strong sales and profits, with its net revenue growing by 11% to \$2.1 billion compared to the same time in the year prior. This strong performance has garnered praise from analysts and business media outlets, commending Ralph Lauren Corporation for its surprising financial performance and strategies despite economic uncertainty.

#### **Positive Sentiments**

One of the most notable takeaways from Ralph Lauren's report was the overall significant growth in direct-to-consumer sales. The company reported a 12% growth in direct-to-consumer business, supported by the 1.9 million new customers, who were mainly younger and higher-value customers (Schulz, 2025). These customers were acquired through holiday marketing campaigns such as a coffee and pop-up shop in New York as well as other activations and a campaign featuring Lando Norris, a driver for Formula 1 (Mcdade, 2025). This strategic focus helped drive adjusted earnings per share to \$4.82, surpassing the analyst estimate of \$4.53. Additionally, the company reported prioritizing a reduction on discounts which helped the profit margin increase to 68.4%, up 200 basis points from last year. The operating margin also increased to 18.7%, up 230 basis points from the previous year emphasizing the company's effective brand positioning and operational efficiency (Investing.com, 2025).

Ralph Lauren also focused on geographical expansion and this played a major role in the quarter's success. The company opened 34 new stores globally in key cities with notable growth across multiple regions (Yahoo! Finance, 2025). European revenue increased by 16%, Asia increased by 14%, and in China there was a notable growth of 20% (Investing.com, 2025). North America also saw a 7% revenue growth as a result of focused brand initiatives and overall enhanced direct to consumer engagement.

# RALPH LAUREN

## **Negative Sentiments**

Although Ralph Lauren Corporation had some key achievements, there are still some areas to consider and be wary of, such as the impact of foreign currency fluctuations. The strong U.S. dollar hurt revenue growth in Q3, costing Ralph Lauren 100 to 150 basis points (Investing.com, 2025). Looking ahead into the fourth quarter, foreign currency may cost Ralph Lauren 300 basis points which could negatively impact future growth.

Looking ahead, global inflation and supply chain problems could impact future revenue growth for the rest of the fiscal year as both factors may affect delivery timelines and overall operating costs. Ralph Lauren also plans to leave 60 department stores this fiscal year, which may negatively impact short-term revenue (Yahoo! Finance, 2025). Ralph Lauren seems to be aware that this is not beneficial to their financial results, but is implementing these closures as a strategic move to refine the brand and shift focus toward higher performing channels which could affect sales volume for the time being.

## **Financial Analyst Opinion**

Harrison Miller from Investors.com highlighted Ralph Lauren's financial performance, which exceeded analyst expectations. At the time the report was released, he said, "shares are trading well above their previous all-time high of 260.77 from January 28" (Miller, 2025). According to Dana Telsey on Reuters.com, she believes Ralph Lauren has the correct strategies in place to "elevate the brand and win in key cities while expanding in under-penetrated categories to deliver top-line growth" (Rajesh, 2025). Zacks Equity Research from Yahoo! Finance reported on Ralph Lauren's surprising holiday performance but also emphasized the company faces "ongoing geopolitical and macroeconomic challenges...which could impact future performance" (Yahoo! Finance, 2025). Overall, analysts commend Ralph Lauren for their recent performance but acknowledge the challenges that the company may face moving forward.

# RALPH LAUREN

## Citations

Investing.com. (2025). Earnings call transcript: Ralph Lauren Q3 FY2025 beats forecasts, stock surges.

Investing.com. Retrieved March 21, 2025, from

<https://www.investing.com/news/transcripts/earnings-call-transcript-ralph-lauren-q3-fy2025-beats-forecasts-stock-surges-93CH-3854329>

Reuters. (2025, February 6). Ralph Lauren raises annual revenue forecast on strong apparel demand.

Reuters. Retrieved March 20, 2025, from

<https://www.reuters.com/business/retail-consumer/ralph-lauren-raises-annual-revenue-forecast-strong-apparel-demand-2025-02-06/>

Investopedia. (2025). Ralph Lauren stock hits all-time high on strong holiday sales earnings.

Investopedia. Retrieved March 20, 2025, from

<https://www.investopedia.com/ralph-lauren-stock-hits-all-time-high-on-strong-holiday-sales-earnings-8786935>

Investor's Business Daily. (2025). Ralph Lauren earnings Q3 2025: RL stock rallies. Investor's Business

Daily. Retrieved March 21, 2025, from

<https://www.investors.com/news/ralph-lauren-earnings-q3-2025-rl-stock-rally/>

Vogue Business. (2025, February). Direct-to-consumer sales make up two-thirds of Ralph Lauren's

business. Vogue Business. Retrieved March 21, 2025, from

[https://www.voguebusiness.com/story/companies/ralph-lauren-revenues-rise-11-on-global-uptick?utm\\_source](https://www.voguebusiness.com/story/companies/ralph-lauren-revenues-rise-11-on-global-uptick?utm_source)

# RALPH LAUREN

Yahoo Finance. (2025). Ralph Lauren Corp. (RL) Q3 earnings beat. Yahoo Finance. Retrieved March 21, 2025, from

[https://finance.yahoo.com/news/ralph-lauren-corp-rl-q3-071300254.html?guccounter=1&guce\\_referrer=aHR0cHM6Ly93d3cuZ29vZ2x1LmNvbS8&guce\\_referrer\\_sig=AQAAALYLwd5umEooUyjFOOmEWG4QB4EOD5SV9X3CVYQPoQb5HumREuzitMRfYoHnG9FLadIyoZiwpFHfYu6F7gAhVdaNQ6JnxMNshicKj\\_CEnhPbYP-vzzUaovxoBGUMGW9i\\_tsuMozbh7V\\_ib3q-n\\_gDpFuc6EbUHEkIjgle9VxdWF](https://finance.yahoo.com/news/ralph-lauren-corp-rl-q3-071300254.html?guccounter=1&guce_referrer=aHR0cHM6Ly93d3cuZ29vZ2x1LmNvbS8&guce_referrer_sig=AQAAALYLwd5umEooUyjFOOmEWG4QB4EOD5SV9X3CVYQPoQb5HumREuzitMRfYoHnG9FLadIyoZiwpFHfYu6F7gAhVdaNQ6JnxMNshicKj_CEnhPbYP-vzzUaovxoBGUMGW9i_tsuMozbh7V_ib3q-n_gDpFuc6EbUHEkIjgle9VxdWF)

Yahoo Finance. (2025). RL Q3 earnings beat: Stock rallies. Yahoo Finance. Retrieved March 21, 2025, from [https://finance.yahoo.com/news/rl-q3-earnings-beat-stock-174900159.html?utm\\_source](https://finance.yahoo.com/news/rl-q3-earnings-beat-stock-174900159.html?utm_source)