Luxottica profits soar on dollar tailwind

Luxottica, the Italian eyewear group, is seeing green.

Profits at the Milan-based company climbed by more than a third in its fiscal first quarter as the group benefited from a sharply stronger dollar and sales at its North American operations accelerated.

The company said it earned €210.4m, or 44 cents per share, in the three months to the end of March, up 34 per cent from a year earlier. Sales advanced by a fifth to €2.2bn.

Analysts had expected the company to report net income of €209m on sales of $2.2bn.

Luxottica said sales in constant currencies rose 5.3 per cent, as it found a "material tailwind" in a weaker euro.

The slide in the common currency has offered European-based companies assistance in two parts: they are now able to better compete on price with foreign peers when manufacturing is done within the region and sales earned abroad are translated back at higher rates.

The company's North American business continued to outperform executive expectations, with the launch of Michael Kors eyewear — which Luxottica launched in January — helping lift revenues from the region 29 per cent.

Same-store sales, a key industry metric, at Luxottica's LensCrafters rose 5.9 per cent from a year earlier while Sunglass Hut comparable sales advanced 7.4 per cent.

Luxottica, the world's largest eyewear company by sales, was thrust into the limelight after its chief executive resigned amid reports of turmoil with Leonardo Del Vecchio, the 79-year-old founder and chairman of the company.

The turmoil added to investor concern that startup eyewear manufacturers, including Warby Parker — which sell glasses exclusively online —, were upending the traditionally lucrative industry.