

COMMERCE

LVMH, Catterton join forces to create global investment firm

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Image courtesy of LVMH

By STAFF REPORTS

Mot Hennessy Louis Vuitton, Groupe Arnault and private equity firm Catterton are entering a new partnership to form what will be the largest consumer-focused investment company.

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The new firm, named L Catterton, will be global, joining Catterton's North American and Latin American assets with LVMH and Groupe Arnault's European and Asian investments conducted under the franchises L Capital and L Real Estate. This combines each investor's respective expertise while maintaining consistency, as each fund will continue to be overseen by its existing owner.

Coming together

L Catterton, will be headed by co-CEOs J. Michael Chu and Scott A. Dahnke, currently managing partners at Catterton. Head offices will be in Greenwich, CT and London, with additional regional offices in Europe, Asia and Latin America.

The combined firm will be 60 percent owned by the partners in L Catterton, with the remaining 40 percent co-owned by LVMH and Groupe Arnault.

L Catterton plans to use six different fund strategies, focusing its attention toward consumer buyouts and growth opportunities, as well as real estate investments. The firm's assets are expected to rise to \$12 billion once successor funds are closed.

Catterton's investments cover all sectors, including retail, restaurants, consumer products and media, such as Restoration Hardware, Frederic Fekkai and P.F. Chang's. L Capital currently invests in Giuseppe Zanotti, Princess Yachts International and Gant, while L Real Estate was behind the developments Miami Design District and L'Avenue Shanghai.



Image courtesy of Guiseppe Zanotti

The deal is expected to close in early 2016.

"We are delighted to partner with Catterton and its team," said Bernard Arnault, chairman and CEO of LVMH and Groupe Arnault, in a company statement. "L Catterton will provide investors with a unique value creation platform, bringing together our global network and industry expertise with Catterton's long-standing operational approach to building value in consumer investments.

"Having been investors in Catterton's funds since 1998, we have participated in its growth and success, evidenced by its strong track record and its distinctive culture," he continued. "I would also like especially to thank Daniel Piette whose entrepreneurship and leadership have been instrumental in creating and developing the L Capital franchise over the past 15 years. I very much look forward to continuing to collaborate with him at LVMH."

Groupe Arnault has also made other investments recently, looking for additional growth opportunities outside of LVMH.

Last April, fashion ecommerce platform Lyst raised \$40 million in a Series C investment round that included contributions from LVMH controlling shareholder Groupe Arnault.

The additional funds will be instrumental in Lyst's global expansion of its universal shopping cart, which allows consumers to purchase from multiple retailers in one transaction. Lyst is seeing transactions from hundreds of countries, and the platform has grown 300 percent year-on-year over the past three years ([see story](#)).