

APPAREL AND ACCESSORIES

Valentino owner acquires majority stake in Balmain

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Balmain spring/summer 2016 ad campaign

By STAFF REPORTS

After months of speculation about a potential deal, French fashion label Balmain's acquisition by Mayhoola for Investments has been confirmed.

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The Qatari-based Mayhoola, which also owns Valentino, is acquiring a majority stake in the brand in a transaction valued at more than \$522 million. As one of the last few independently owned fashion labels, having this investment will help Balmain remain competitive.

Under new ownership

In 2014, Balmain's CEO and controlling shareholder Alain Hivelin died, leaving the fashion house's future uncertain. His majority ownership passed to a holding company owned by his family.

This deal with Mayhoola, which took months to broker, also included Balmain investor Jean-Francois Dehecq, the co-founder of Sanofi and the chairman of Balmain. According to Reuters, Mr. Dehecq is planning to resign from his position, while it is expected that current CEO Emmanuel Diemoz, who took over following Mr. Hivelin's death, will remain at the head of the brand.

The investment from Mayhoola will be focused on growing Balmain's international presence, as the brand currently has only 17 direct-operated stores globally. The funds will also be put toward an expansion of the house's accessories collection.

Balmain has seen great popularity under the creative direction of Olivier Rousteing, who was placed at the helm of the brand as a 24-year-old in 2011. Through the designer's relationship with celebrities such as the Kardashian family and a much-hyped collaboration with H&M, the brand has become a household name.



Balmain's collection for H&M

According to the [Financial Times](#), Mayhoola may be looking to combine Valentino and Balmain into one fashion group, listing the company.

Independent fashion companies have become appealing prospects for equity investors.

Last year, Italian fashion label Roberto Cavalli sold a 90 percent stake in its company to private equity group Clessidra. Under the deal, announced April 30, Roberto Cavalli will retain the other 10 percent ([see story](#)).

Being able to compete with conglomerates in the digital space requires capital, which Versace got with the help of investor Blackstone, which took a 20 percent stake in the company in 2014. The brand is open to and working on an IPO ([see story](#)).

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