

APPAREL AND ACCESSORIES

LVMH adds Rimowa to stable of brands

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Rimowa's Salsa Air collection

By STAFF REPORTS

Luggage maker Rimowa has become part of luxury conglomerate Mot Hennessy Louis Vuitton.

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Dieter Morszeck, grandson of Rimowa's founder, has sold a majority stake in the company to LVMH, becoming the first German house under the group's umbrella. As part of the deal, Alexandre Arnault will become co-manager of Rimowa, with Mr. Morszeck retaining his role as business manager.

"Rimowa is a beautiful century-old company which I have followed with interest the development, being one of its loyal customers for many years," Mr. Arnault said in a statement. "The Rimowa suitcases are renowned for their quality, functionality and unique design. It is an honor for me to join Rimowa to work with Dieter."

Rolling into LVMH

Founded in 1898 in Cologne by Paul Morszeck, Rimowa is known for its innovations in luggage aimed at lightweight construction and ease of use. Throughout its more than a century in business, the brand has remained family owned and run.

The founder's son Richard Morszeck is credited with developing the first aluminum suitcase, bringing it to market in 1937. This case featured the parallel grooves that grace Rimowa's luggage to this day.

Rimowa's third generation created a waterproof metal suitcase in 1976. The brand also marketed the first polycarbonate luggage in 2000, which maintains its balance with a patented system of ball bearings.

Most recently, Rimowa teamed with airline Lufthansa on Bluetooth-enabled electric tags. When checking a bag, the owner's boarding pass is matched with a tag on the Rimowa case using a smartphone.



Rimowa suitcase with Bluetooth tag

"My grandfather founded Rimowa there over a century and I joined the company 44 years ago," said Dieter Morzeck in a statement. "Transmit this family adventure and this beautiful company LVMH ensures to all employees of Rimowa a promising future.

"Over the past two years, I had the opportunity to establish close ties with the Arnault family and especially Alexandre," he said. "Alexandre and I talked a lot about the attractive development prospects available to us and the common values that we share.

"I am very happy that he is joining Rimowa and I have every confidence in its ability to accelerate the current development with me."

Rimowa sold 80 percent of its shares to LVMH for 640 million euro, or about \$714 million at current exchange. The transaction expected to close in January of 2017.

The luggage brand's 2016 sales are expected to surpass 400 million euro, or \$446 million.



Rimowa campaign

"Rimowa is a brand with a unique heritage," said Bernard Arnault. "We share with Dieter Morszeck the same passion for innovation and a common desire to offer high quality products from a European tradition of craftsmanship.

"I am also pleased that Rimowa is the first German house LVMH," he said. "Germany is recognized worldwide for its dynamic family businesses and the quality of their products. I'm glad Rimowa now allows LVMH to be associated

with."

With the transaction, Dieter Morszeck has established an eponymous foundation, which will support scientific research, humanitarian work, health and education in Germany and around the world. A large part of Rimowa's proceeds will be directed to the Rimowa Dieter Morszeck Foundation.

In recent years, other family-owned luxury houses have found new ownership.

Qatari-based Mayhoola, which also owns Valentino, acquired a majority stake in Balmain 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 ([see story](#)).

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