

APPAREL AND ACCESSORIES

## Michael Kors buys Jimmy Choo in cash deal

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*Jimmy Choo now has an opportunity to build out its accessories. Image credit: Jimmy Choo*

By STAFF REPORTS

U.S. fashion label Michael Kors has reached an agreement to acquire British footwear maker Jimmy Choo.

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After weeks of speculation, Michael Kors will purchase Jimmy Choo for 230 British pence, or \$3, per share in cash, with an enterprise value of approximately \$1.350 billion. In April, Jimmy Choo put itself up for sale to maximize value for its shareholders after its majority owner JAB Luxury decided to pursue consumer packaged goods and foods rather than luxury products ([see story](#)).

"We are pleased to announce the acquisition of Jimmy Choo, an iconic brand with a rich history as a leading global luxury house," said John D. Idol, chairman and CEO of Michael Kors, in a statement. "Jimmy Choo is known worldwide for its glamorous and fashion-forward footwear.

"The company is a leader in setting fashion trends," he said. "Its innovative designs and exceptional craftsmanship resonate with trendsetters globally.

"We believe that Jimmy Choo is poised for meaningful growth in the future and our company is committed to supporting the strong brand equity that Jimmy Choo has built over the last 20 years."

### When Choo becomes Kors

Founded in 1996, Jimmy Choo offers high-quality footwear and accessories. The brand has a strong presence in Europe, the Middle East, the Americas and Asia in addition to a well-developed online platform, which has seen strong revenue growth in recent years.

Jimmy Choo has approximately 150 company-operated boutiques, 560 multi-brand stores and more than 60 franchise stores around the world.

Strategic rationale for the acquisition will deliver a number of benefits such as the opportunity to grow Jimmy Choo's sales to \$1 billion and diversify its product offering.

Jimmy Choo will also be positioned to enhance the growing footwear market and grow the men's shoe category. The footwear brand will also be able to expand further into accessories.

Additionally, Jimmy Choo will have greater exposure to global markets, especially Asia.



*Jimmy Choo fall/winter 2017. Image credit: Jimmy Choo*

Now that Jimmy Choo is owned by Michael Kors, there will not be executive changes to preserve the brand's continuous momentum.

Pierre Denis will continue as Jimmy Choo's CEO, a position he has held since 2012. Since joining the brand, Jimmy Choo has seen compounded sales growth of 11 percent annually.

Creative director Sandra Choi will continue to lead Jimmy Choo's creative and design teams. Ms. Choi has been the sole creative director at Jimmy Choo since 2013.

"Mr. Denis, Ms. Choi and the rest of the highly talented management team have done a tremendous job, and this continuity of leadership will ensure that the DNA of Jimmy Choo is maintained as we work together to continue to grow the brand globally," Michael Kors' Mr. Idol said.



*Jimmy Choo fall/winter 2017. Image credit: Jimmy Choo*

In a statement, Mr. Denis said, "It is a privilege for our management team to lead Jimmy Choo and to preside over such an exciting period for our company. We are convinced that there is so much more that can be delivered in the years ahead.

"We look forward to working closely with the leadership and team at Michael Kors Holding Ltd to further develop our iconic brand," he said. "Our two companies share the same vision of style and trend leadership.

"Our luxury heritage is the foundation of Jimmy Choo, and we will continue to bring our brand vision to consumers globally."

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