

APPAREL AND ACCESSORIES

Lanvin facing hard times as sales decline, flagship sold

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Sources say Lanvin's fall/winter 2017 collection orders are down 50 percent from the year-ago. Image credit: Lanvin

By STAFF REPORTS

French atelier Lanvin's financial struggles continue, after a French commercial court audit filed a warning over the brand's declining sales.

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Sources close to the matter told Reuters that Lanvin's sales forecast for the year will decline 30 percent in 2017, following a 23 percent drop the year prior. As a privately-owned brand, Lanvin, which is Paris' oldest fashion house, established in 1889, does not publicize its earnings, but its struggles have been well-documented following the 2015 exit of longtime designer Alber Elbaz.

Troubles at the atelier

Per French business law, auditors must be transparent by informing company managers and filing court warnings when a brand's financial standings become compromised.

Lanvin's forecasted losses for 2017 are expected to be at least 27 million euros, or \$31 at current exchange. Sources had previously told Reuters that 2016's losses totaled 18.3 million euros, or \$21.1 million.

During its September presentation, where pieces are shown to retail buyers, showroom orders were down 50 percent from the year prior. Lanvin's latest collection was designed by Olivier Lapidus, who previously designed for Balmain's menswear collections.



Lanvin fall/winter 2017 was designed by Olivier Lapidus. Image credit: Lanvin

Mr. Lapidus was hired as the replacement of Bouchra Jarrar ([see story](#)), who was brought in following Mr. Albaz' forced departure from Lanvin after a 14-year tenure.

Seventy-five percent of Lanvin is owned by Shaw-Lan Wang, who fired Mr. Albaz due to directional tensions ([see story](#)). Despite the brand's financial issues, it seems Ms. Wang is not interested in offloading Lanvin to a conglomerate or other entity.

Ms. Wang's dismissal of Mr. Albaz started a chain reaction of struggles including an employee strike ([see story](#)), layoffs, board members resignations and cost cutting measures.

Today, WWD reports that Jeanne Lanvin's descendants sold its Rue du Faubourg Saint-Honor flagship, which holds its men's store, for between 150 million to 200 million euros, or between \$173 million and \$231 million, to Compagnie Financiere Richemont's real estate division.

Lanvin SA could not afford a counter bid against Richemont, and has now entered talks with the luxury goods conglomerate over the future of the flagship building.

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