

APPAREL AND ACCESSORIES

## Kering floats Puma share distribution with luxury pure player goal

January 11, 2018



Cara Delevingne for Puma. Image credit: Puma

By STAFF REPORTS

French conglomerate Kering Group has proposed to distribute approximately 70 percent of its shares in athletic brand Puma to focus more heavily on luxury goods.

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Kering currently owns 86.3 percent of Puma shares, but is looking to offload the majority of its holdings to free up the group, allowing for more focus on its status as a leading pure player in luxury. Post transaction, Kering would retain about 16 percent of Puma shares.

Puma play

Kering's board of directors unanimously proposed its plans to distribute Puma's shares on Jan. 11.

The Pinault family's investment firm, Groupe Artmis, which holds 40.9 percent of Kering's shares, will become the long-term strategic shareholder of Puma.

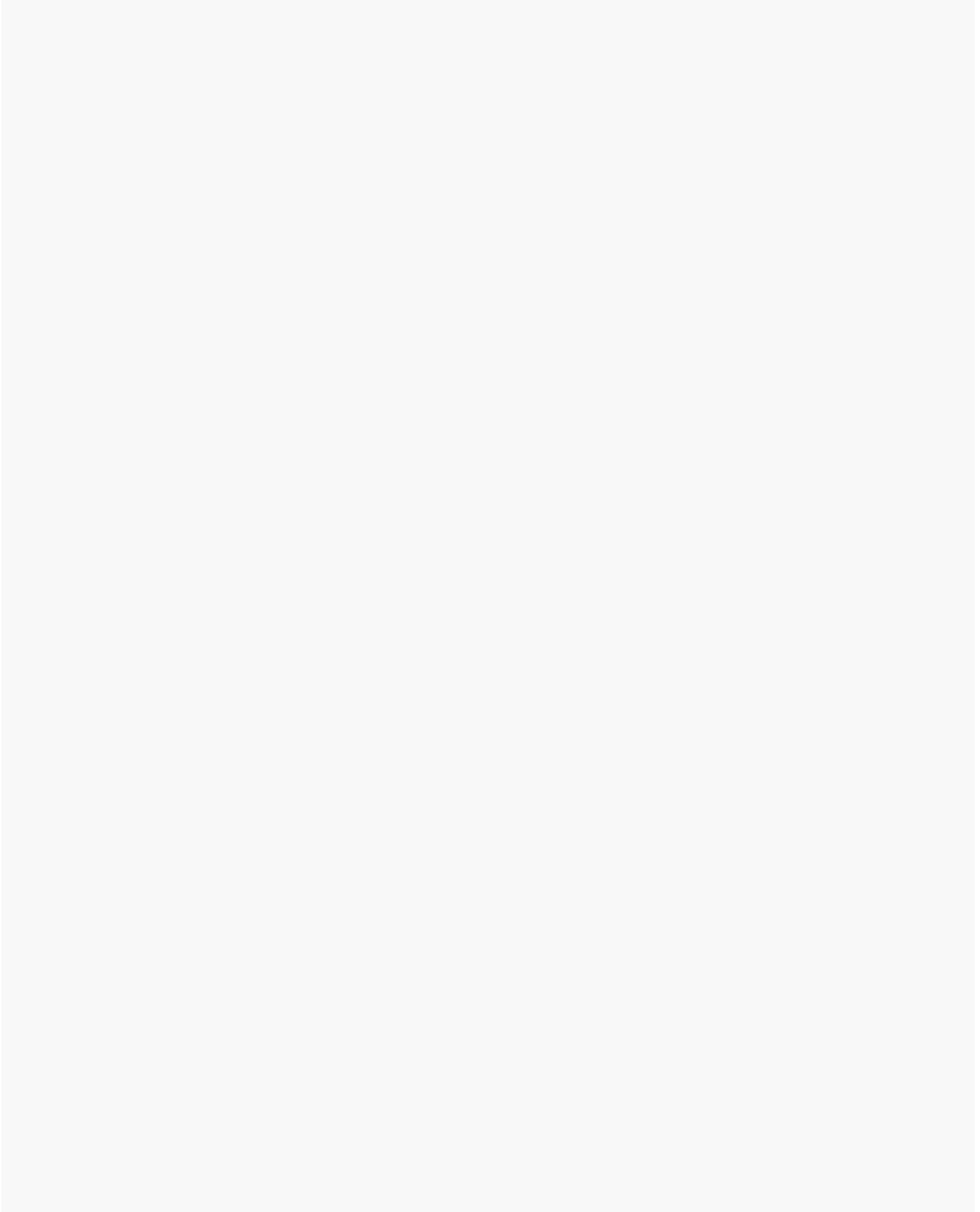
Artemis would then have an ownership of about 29 percent in Puma. Puma's free float would be increased to approximately 55 percent.

If the Puma proposal goes forward, Kering would be better situated to "reinforce its status as a leading pure player in luxury with an enhanced, best-in-class profitability."

Doing so would assist Kering's ambitions to continue to grow and develop its brands such as Gucci, Saint Laurent, Stella McCartney and Alexander McQueen. The share contemplation comes on the heels of a record-breaking 2017 for Kering's luxury brands ([see story](#)).

Kering shareholders would also directly benefit from the proposal due to the potential the world-leading sports brand has and its increased free float and stock market visibility.

Puma's management team is fully committed to pursue a successful strategy to continue to deliver growth and profitability for the brand and its shareholders.



A triple threat and AF. @selenagomez in Phenom, our most savage trainer yet. #DoYou

A post shared by PUMA (@puma) on Nov 21, 2017 at 11:01am PST

"The contemplated distribution of Puma shares to our shareholders would be a significant milestone in the history of the group," said Francois-Henri Pinault, chairman and CEO of Kering, in a statement. "Kering would dedicate itself entirely to the development of its luxury houses, whose enduring appeal, built on creative audacity and innovativeness, will allow us to continue to gain market share and create value."

"This operation would enable our shareholders to directly benefit from Puma's future value creation," he said. "We

are proud to have supported the turnaround of Puma, which now has unrivalled capabilities to take full advantage of the specific dynamics of its global markets and is poised to achieve sustainable growth, led by its talented and passionate management team.

"We have laid strong foundations for a bright future for Puma. The full support of both Artmis, which would become Puma's main shareholder, and Kering, as a significant minority shareholder, reflects a strong confidence in the company's ability to continue to deliver its strategic and financial objectives."

Final terms of the distribution of Puma shares are currently under review and will be submitted to a vote of Kering shareholders at the annual general meeting on April 26.

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