

APPAREL AND ACCESSORIES

## Richemont looks to sell off problematic label to streamline business

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*Image from Lancel's Escapade campaign. Image credit: Lancel.*

By STAFF REPORTS

Luxury goods conglomerate Richemont is hoping to improve profits by dropping an under performing brand.

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Richemont is in talks to sell off French leather goods maker Lancel to luxury briefcase brand Piquadro. The group previously attempted to sell Lancel five years ago but failed to do so.

### Streamlining and expansions

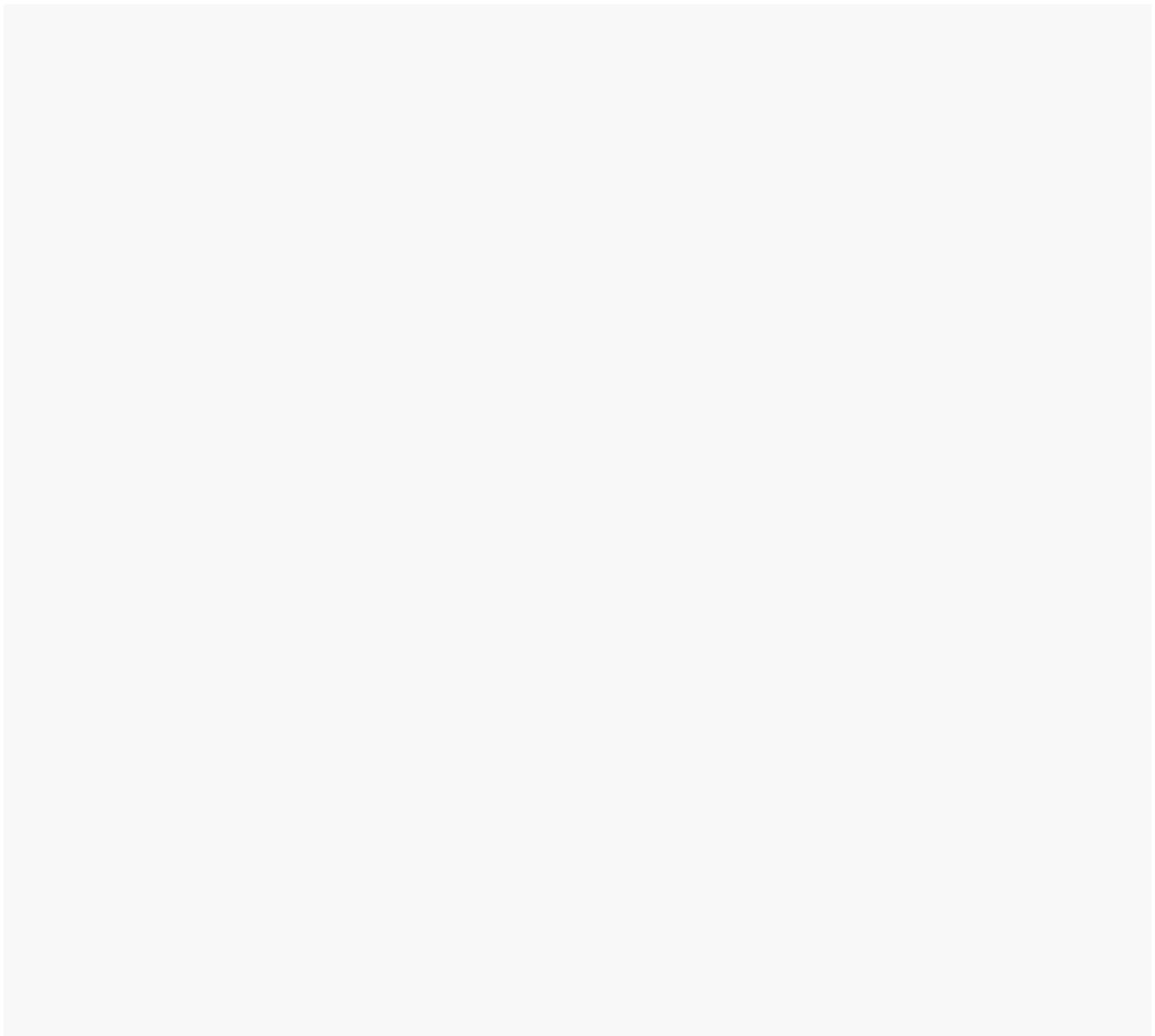
Richemont has been struggling with its accessories sector, but its overall business has recently been looking up, prompting it to make its business more efficient by selling off brands that are having problems such as Lancel.

Boosted by its jewelers, luxury conglomerate Richemont saw sales for third quarter of 2017, which ended Dec. 31, increase by 7 percent compared to the year-prior period.

Richemont's holdings include mostly jewelers and watchmakers, sectors that have been challenged by the market's volatility and a waning interest for high-end timepieces in many regions. Despite recent struggles for these sectors, Richemont has recorded strong performance from its jewelers and an increase in watch retail sales for Q3 2017 ([see more](#)).

Reuters spoke to financial services firm Exane BNP Paribas, where its head of luxury goods explained that Lancel is likely to see a yearly loss of 40 million euros, or \$49 million at current exchange.

Lancel's yearly sales are estimated to be between 130 million to 150 million euros, or \$159 to \$184 million at current exchange.



Mais que peut contenir la valise Aviona d'une amoureuse de Paris, artiste et libre comme l'air ? What could be possibly hiding in this Aviona luggage? Clue: it belongs to a Paris city lover and an artist free as a bird #outdoor #travelling #weekend #tgif #getaway #avionabylancel #lancel

A post shared by LANCEL (@lancelofficial) on Mar 12, 2018 at 11:30am PDT

The luxury goods conglomerate previously restructured Lancel after it failed its original plan to sell in 2013.

Richemont's deal with Piquadro is expected to be completed within the first half of this year. The luxury conglomerate has not commented on the news, but Piquadro has stated that the two are in exclusive talks and will close the transaction within 2018 after an official deal has been made.

While Richemont may be streamlining its business more, Piquadro is looking to expand. The briefcase brand recently also acquired another leather goods brand The Bridge two years ago.

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