

APPAREL AND ACCESSORIES

Richemont completes sale of Lancel

June 4, 2018



Lancel's June handbag. Image credit: Lancel

By STAFF REPORTS

Swiss conglomerate Richemont has sold French handbag label Lancel to Italian leather goods group Piquadro.

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The June 2 transaction gives Piquadro control of Lancel's entire share capital, including Richemont's almost 100 percent stake and Lancel International and Lancel Group, the companies that run the brand's retail presence in Spain and Italy. Last year, Lancel's EBITDA was negative, but Piquadro notes that the brand has the financial resources and heritage to achieve future growth.

Changing hands

In 2017, Lancel's total revenues were 53 million euros, or about \$62 million at current exchange. The brand runs 60 direct-operated stores and has 11 franchised locations in 39 countries around the world.

As part of the sale, Richemont is receiving a portion of Lancel's profits from the last decade.

Following the transaction, Richemont says the sale will have no significant impact on its balance sheet for the fiscal year ending in March 2019.



Lancel makes handbags and luggage. Image credit: Lancel

"We are very proud to bring to the Piquadro Group a historic French brand that has been a style icon of unrivalled excellence since 1876," said Marco Palmieri, chairman/CEO of the Piquadro Group, in a statement. "The Parisian taste for line and detail, the superlative quality, the fascinating aura of a history that began in 1876: these are the extraordinary heritage of the Maison Lancel, and offer great potential for growth.

"This acquisition is part of a strategy of bringing together accessory brands that we began about a year ago with the acquisition of the historic Florentine leather goods brand The Bridge, a strategy that we intend to pursue with a view to generating greater and greater synergies," he said.

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

The group previously attempted to sell Lancel five years ago but failed to do so ([see story](#)).