

APPAREL AND ACCESSORIES

Capri Holdings eyes \$8B revenue goal as Versace acquisition closes

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Gigi Hadid for Versace's spring and summer campaign. Image credit: Versace

By STAFF REPORTS

Michael Kors Holdings has completed its acquisition of Italian fashion label Versace, and has changed its name to reflect the group's growing multi-brand organization.

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In honor of the new name, Capri Holdings' current New York Stock Exchange ticker symbol is also changing from KORS to CPRI from Jan. 2. Now including Michael Kors, Jimmy Choo and Versace, Capri Holdings is planning to grow its collective revenues and international business.

"With the acquisition of Versace, we have now created one of the leading global fashion luxury groups in the world," said John D. Idol, chairman and CEO of Capri Holdings, in a statement. "The new name for our group, Capri Holdings, is inspired by the fabled island which has long been recognized as an iconic, glamorous and luxury destination.

"The island's spectacular three rock formation, formed over 200 million years ago, is symbolic of the timeless heritage and strong foundation that is at the core of each of the three founder-led brands," he said.

Joining together

In November, Michael Kors Holdings announced it was acquiring Versace. The group signed an official agreement buying all of Versace's remaining shares for 1.83 billion euros, or \$2.12 billion at current exchange at the time of the deal ([see story](#)).

"Versace has long been recognized as one of the world's leading fashion luxury houses, and is synonymous with Italian glamour and style," Mr. Idol said. "We are thrilled that the house of Versace is now part of the Capri Holdings family of luxury brands.

"We look forward to working with chief creative officer Donatella Versace, chief executive officer Jonathan Akeroyd and their incredibly talented team to continue to drive Versace's growth and success globally," he said.



Jonathan Akeroyd, Donatella Versace and John D. Idol. Image credit: Michael Kors/Rahi Rezvani

Now Capri Holdings has three founder-led brands that represent American, British and Italian luxury. Among the brands, Capri sees opportunities to leverage operational synergies.

The company plans to have its revenues reach \$8 billion in the long term, growing Michael Kors to a \$5 billion brand, Jimmy Choo to \$1 billion and Versace to \$2 billion.

Capri also sees the potential for growing the share of sales that come from Asia. Whereas 11 percent of its current revenues are tied to Asia, its goal is for 19 percent of sales to come from the continent.

This acquisition moves Capri Holdings further into European luxury. Capri Holdings has been in a race with Tapestry Inc. to create the next luxury conglomerate, as both groups have recently shifted from mono-brand companies to portfolios of like-minded labels ([see story](#)).

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