

APPAREL AND ACCESSORIES

## Moncler's first acquisition hints at future ambitions

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*Moncler is acquiring Italian sportswear competitor Stone Island. Image credit: Moncler*

By SARAH RAMIREZ

French-Italian outerwear brand Moncler is acquiring the owner of popular streetwear brand Stone Island in a move indicating the luxury label will be a buyer, not a seller, as the sector potentially consolidates in the coming months and years.

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Established in Ravarino, Italy in 1982, Stone Island was first purchased by Italy's Sportswear Company in the mid-1990s. The new deal will make both brands more competitive with larger luxury players as the streetwear and casualwear segments continue to grow.

"The broader luxury industry is taking stock on how to retain and capture new audiences," said Rebecca Miller, founder/principal of **Miller&company**, New York. "Acquisitions are often the preferred vehicle to quickly addressing gaps in offerings, audience and growth.

"Stone Island, which takes inspiration from military uniforms and workwear delivering high-performance apparel, provides a number of areas Moncler has elected to enhance ranging from increased technical capabilities, to strengthening their position as a sportswear company, to reaching a younger audience and its desire to build a stronger sense of global community with its consumers," she said. "Moncler and Stone Island have recognized and are honoring their collective inclusivity of evolving cultural values' advancing the sense of belonging by combining the intersection of art, culture, music and sport."

### Moncler moves

The acquisition, announced on Dec. 7, reportedly values Stone Island at 1.15 billion euro, or \$1.39 billion at the current exchange rate, and is expected to be completed by the first half of next year ([see story](#)). Shares of Moncler closed up 1.85 percent in Milan after the deal was revealed.

Both Moncler and Stone Island will remain separate brands, but will partner on business development, sustainability practices and more.

## BEYOND FASHION BEYOND LUXURY

### STONE ISLAND JOINS MONCLER

Moncler and Stone Island announce today that they have reached an agreement as a result of which Stone Island joins Moncler to develop together a new shared vision of luxury.

Read more on <https://t.co/7d4IjSnMor> [pic.twitter.com/cOIP75Le3l](https://pic.twitter.com/cOIP75Le3l)

Moncler (@Moncler) [December 7, 2020](#)

*Moncler shared news of the acquisition on social media*

In addition to sharing their Italian heritage, both brands have other similarities.

"Why Stone Island? It is a brand which has similar pillars to Moncler with a strong focus on outerwear and sustainability," said Yana Bushmeleva, COO of [Fashionbi](#), Milan. "Plus the company has demonstrated significant growth in terms of customer interest and revenue."

Moncler, which was founded in 1952, has built up its luxury pedigree since it was purchased by Italian entrepreneur Remo Ruffini in 2003. Since 2018, the Moncler Genius project has allowed the brand to collaborate on exclusive collections with luxury designers including Jonathan Anderson, of JW Anderson and Loewe, and Valentino's Pierpaolo Piccioli.

Stone Island has a lower entry point but has a strong following, particularly among Gen Z consumers in Europe. The brand has also previously been named to the Lyst Index of hottest fashion brands ([see story](#)).



*Stone Island's fall/winter 2021 collection. Image credit: Stone Island*

Recently, Stone Island has been building its retail presence in the United States, opening a boutique in Miami earlier this month for its third standalone store in the country. Moncler has more than 30 outposts in the U.S.

"Moncler receives about three-quarters of its revenue from its more than 200 stores, while Stone Island has less than 25 stores, but derives three-quarters of its revenue from their wholesale accounts," Ms. Miller said. "There is an opportunity for growth for both brands through multiple channels."

By partnering with Moncler, Stone Island will likely make inroads in mainland China as well. In the first half of 2020, Moncler saw double-digit growth in the market ([see story](#)).

"This is a partnership that represents a great opportunity for the continued development of both companies and which will help Stone Island accelerate its international growth thanks to Moncler's experience in both the physical and digital retail world," said Carlo Rivetti, CEO of Sportswear Company, in a statement.

#### Streetwear M&A

Mergers and acquisitions are commonplace during times of economic uncertainty as brands try to maximize value.

According to a new report from McKinsey & Company and Business of Fashion, executives believe luxury is prime for more acquisitions and mergers, although mid-sized players may be more at-risk than niche, independent brands ([see story](#)).

Moncler's acquisition of Stone Island is an instance of two mid-size brands coming together. While Moncler's future plans remain to be seen this is the first acquisition for the label it may have an advantage over luxury conglomerates such as LVMH and Kering since it operates in a leaner manner instead of dealing with corporate bloating.

"Remo Ruffini is a successful entrepreneur and ambitious person," Fashionbi's Ms. Bushmeleva said. "I tend to believe that Stone Island can be a first but not the last brand of a future group of companies united around Moncler brand.

"And the current crisis in retail is a favorable moment for acquisition of a perspective brands," she said.

Small luxury groups include Capri Holdings, owner of Michael Kors, Jimmy Choo and Versace, as well as Tapestry, owner of Stuart Weitzman, Kate Spade and Coach.

In another recent M&A move, global streetwear brand Supreme, which is popular among younger affluent consumers, was purchased by lifestyle apparel, footwear and accessories company VF Corporation.

Through the \$2 billion acquisition, the VF Corp. accelerates its consumer minded, retail-centric, hyper-digital business model transformation. Supreme's direct-to-consumer model, brand loyalty and global footprint aligns with the "street-inspired" aspects of VF's brands ([see story](#)).

"It is a fair statement to say that while we have all had the opportunity to be more casual in our clothing choices throughout most of 2020, there is also a strong urge to get back to a more recognized normalcy, be it a new normalcy," Ms. Miller said. "The luxury brands that have invested in not only product options but the way they communicate in an authentic, meaningful way will be the clear winners."

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