

APPAREL AND ACCESSORIES

Birkenstock sells majority stake to LVMH-backed firm

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German footwear label Birkenstock is gaining a connection to the world of luxury in new acquisition. Image courtesy of Birkenstock

By LUXURY DAILY NEWS SERVICE

LVMH Mot Hennessy Louis Vuitton-backed private equity firm L Catterton has acquired a majority stake of German footwear label Birkenstock, hoping to boost sales in China and India, as well as online.

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Birkenstock enjoys a loyal customer base, and the acquisition allows the footwear a connection to the world of luxury. The acquisition is seemingly mutually beneficial, as Birkenstock reports to have had a "record year" in 2020 and will now be able to reach even more consumers.

"Birkenstock was founded nearly 250 years ago and has grown to become one of the few iconic brands in the footwear industry" said Bernard Arnault, chairman/CEO of LVMH, in a statement. "We truly appreciate brands with this long heritage."

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In January 2016, Catterton, a consumer-focused private equity firm, formed a partnership with LVMH to create **L Catterton**, an American-French private equity company. The partnership that focuses on emerging high-growth enterprises works to identify collaboration opportunities, consumer insights, and more.

CNBC reports that Birkenstock is said to be valued at about 4 billion euros, or \$4.85 billion at current exchange.



The suede leather Tulum sandal from the footwear brand. Image courtesy of Birkenstock

In 2019, the German footwear company reported revenues of 720 million euros, or over \$872 million at current exchange. The acquisition sets LVMH up to continue identifying products that appealing to younger consumers and ultimately grow the next generation of luxury buyers.

Lately, LVMH and L Catteron have been investing more money and thought into products that may expand consumer bases.

L Catteron recently invested \$115 million into Savage X Fenty, pop singer Rihanna's lingerie brand ([see story](#)).

LVMH's wine and spirits division Mot Hennessy has acquired a 50 percent stake in Champagne brand Armand de Brignac, owned by rapper and entrepreneur Shawn Jay-Z Carter, as it looks to appeal to a more diverse and global luxury consumer ([see story](#)).