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COMMERCE

Lanvin Group valuation, down $250M, contends with exceptionally high H1 earnings

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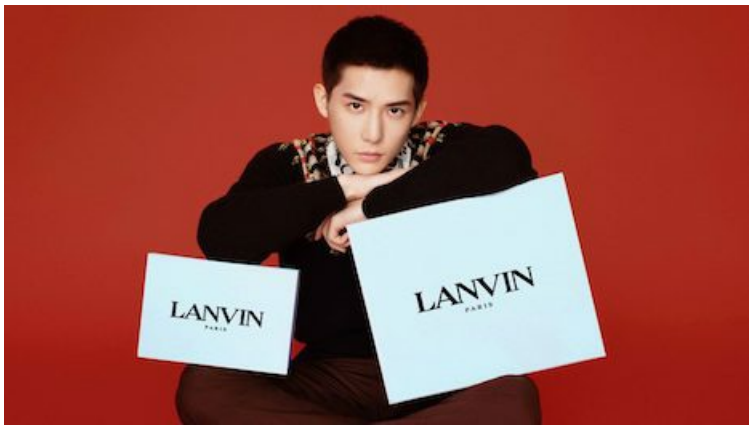


Lanvin Group, up 73pc in H1, shares strong momentum before heading to the New York Stock Exchange. Image courtesy of Lanvin

By LUXURY DAILY NEWS SERVICE

Shanghai-based luxury fashion firm Lanvin Group is reporting one of the year's largest luxury earnings leaps, while simultaneously initiating a drastic discount, in the lead-up to its SPAC listing.

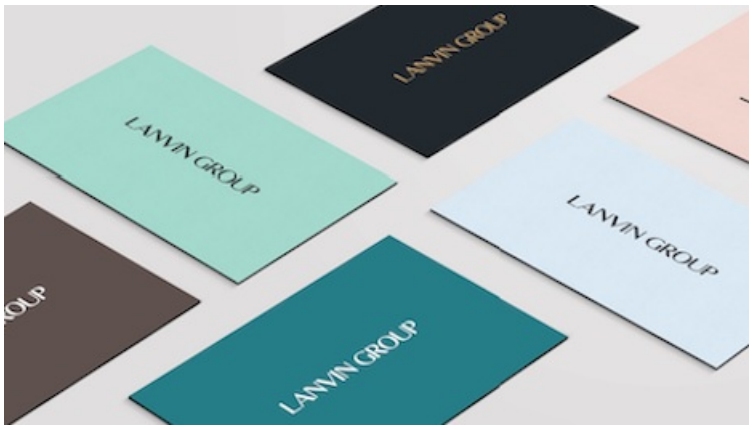
The parent company, which owns French fashion house Lanvin, is up 73 percent in the six-month period ending June 30, 2022, marking the first half of the company's fiscal. At the same time, Lanvin Group has devalued its cost from $1.25 billion to $1 billion, in a bid to appear more attractive to potential investors.

"Lanvin Group continues to deliver on its strategy, with record first half results and momentum continuing to build across all brands, in all markets and across all sales channels," said Joann Cheng, chairman and CEO at Lanvin Group, in a statement.

Larger than life

Luxury's third oldest French fashion house still in operation sits under a conglomerate that seems to be faring very well fiscally, as the group has reported revenues of 202 million euros, or $198 million at current exchange, as compared to the same period in 2021.

Lanvin Group's latest earnings round shows 73 percent year-over-year revenue growth, representing what it says is one of the highest growth rates in the global luxury industry.



Lanvin modernized its logo and created a new website in 2021, which could be partially responsible for an upswing in profits. Image credit: Lanvin Group

The group's flagship brand Lanvin reached 117 percent year-over-year global sales increases, while wholesale channels jumped up 260 percent in Lanvin Group's first fiscal half.

Regarding the latter, Lanvin, Italian footwear label Sergio Rossi and Austrian lingerie brand Wolford's parent company cites an improved product and merchandising strategy as its formula for success.

Despite usurping more modest industry-wide fiscal reports, Lanvin Group has notably clipped its company valuation by a substantial amount in a move that could make its price more attractive to investors.

The firm also adds a new shareholder into the mix.

South Korea-based leading global financial services conglomerate Meritz Financial Group has committed $50 million in a private placement by way of its subsidiary, Meritz Securities Co., Ltd., with the potential for an additional $15 million subscription between the two parties.

"We are delighted to welcome Meritz to join our strategic ecosystem to help support our global expansion strategy and the long-term sustainable growth of our brands," Ms. Cheng said.

"This commitment, by an established global investor amid challenging market conditions, further validates the potential of our group to create value with our unique proposition to transform heritage brands."

All in all, Lanvin Group's latest reports could showcase an attempt to position itself favorably in light of its upcoming IPO (see story).