

COMMERCE

With support from L Catterton, Tod's Group takes steps toward privatization

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If successful in pushing the deal through, the brand's owners, the Della Valles, would retain a 54 percent share in the family business. Image courtesy of Tod's

By LUXURY DAILY NEWS SERVICE

Italian fashion label Tod's parent company is entertaining an offer that could shake up the luxury market.

In a move that would help the family-owned operation back away from the Milan Stock Exchange, private equity firm L Catterton is looking to buy 36 percent of Tod's Group. The potential sale price of just over \$550 million values the business, comprised of its flagship brand plus French footwear label Roger Vivier and sister brands Hogan and Fay, at \$1.5 billion.

Family business

Tod's has remained a publicly traded company for over 20 years, an era that will end should this deal be finalized. The bid, at \$46 per share, places a premium of nearly 18 percent on last Friday's closing price.

In order to delist, the group would need to reach a threshold of at least 90 percent ownership between partners. Under the current terms of the agreement, the brands' owners, the Della Valle family, seek to retain control of Tod's with a 54 percent stake.

Diego Della Valle, CEO and chairman of Tod's, plans to issue 10.24 percent of his stake in the business to L Catterton to complete the transaction, while LVMH holds on to its 10 percent.

This means that combined, LVMH and L Catterton, founded in partnership with the French luxury conglomerate and principal investment firm Groupe Arnault, would possess a 46 percent share.



The label has attempted to take itself private in the past. Image credit: Tod's/Joaquin Laguigne

In financial disclosures, Mr. Della Valle stated that the offer would help internal flexibility and cut management costs. Tod's tried to take itself off the market in 2022 ([see story](#)) in an attempt that failed to meet the 90 percent threshold.

The deal proves the willingness of L Catterton, a majority shareholder in other family-owned operations such as Italian fashion house Etro, to pay top dollar for Tod's Group, shelling out about \$300 million more than its current \$1.2 billion market valuation.

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