

BUSINESS

Style Capital Acquires 40 Percent Of E-tailer LuisaViaRoma

● He is to present the collection next January in Paris.

BY ALESSANDRA TURRA

MILAN — One of the most anticipated M&A deals in the Milanese fashion industry has finally happened.

Italian private equity firm Style Capital invested 130 million euros to acquire a 40 percent stake in Florence-based multibrand e-tailer LuisaViaRoma, one of the four leading luxury online shopping destinations in Europe and the U.S.

The operation was mainly made through a capital increase, aimed at supporting the future growth of the e-commerce platform, which has a turnover of around 230 million euros.

Following the acquisition, which will

be finalized by the end of 2021, Andrea Panconesi, whose grandmother Luisa Jaquin in 1929 opened a small boutique on Florence's Via Roma, the first seed of the family company's success, will become chairman, while the appointment of a new chief executive officer will be announced soon.

"I think the pandemic gave a boost and accelerated the change in the way people buy luxury goods that was already happening before. This process will have a long tail and this is a crucial moment to determine the real leaders of the market of the future," said Style Capital founder and CEO Roberta Benaglia. "I believe that Andrea has been smart in understanding the importance of opening the capital of his company to a financial partner that can help [in] consolidating and further expanding its role in the international e-commerce business."

"We were the only big player in our sector that was not public or participated by a big group. Nowadays, to grow you need big investments, especially because the e-commerce scenario has very much changed from 10 years ago, when small investments could guarantee big returns," said Panconesi. "To make this big step, we looked around and we found Style Capital's proposal very attractive, since they share with us the same vision of the future."

Benaglia highlighted that Style Capital got the better of its competitors because



"we have the mentality of a luxury brand that uses technology to reach its goals, and not of a tech company that operates in the fashion industry." Over the years, Style Capital built great credibility in the fashion arena through high-level M&A operations involving a range of prestigious brands, including Golden Goose, MSGM, Forte Forte and Zimmermann.

According to Benaglia, the new CEO, who has already been chosen, will act as "Andrea's sparring partner," adding that LuisaViaRoma doesn't require a reorganization, but a "reinforcement of the existing executive management."

Asked about the future goals of the company, Panconesi said significant investments will be made mainly in two areas, CRM and the IT platform, that is directly operated by the company.

Strengthening the e-tailer's role in the international markets is also in

the company's pipeline. As Benaglia explained, if LuisaViaRoma is a leader in Italy, where its sales increased 80 percent over the past three years, the company has huge potential to grow in Europe and in the U.S. In particular, Panconesi said the U.S. is traditionally a key market for LuisaViaRoma, not only online, but also at its Florentine brick-and-mortar location. "Traditionally, the biggest spenders at our store in Florence are Americans."

As part of the internationalization process, the company will rely not only on digital and performance marketing investments, but will also try to boost its brand awareness through physical events across the globe.

LuisaViaRoma has an ongoing partnership with UNICEF and was involved in four charity gala events hosted on Italy's Sardinia and Capri islands; they are hosting a North American iteration of the format on Dec. 29 at St. Barth's Eden Rock five-star resort. "There will be around 400 guests and Dua Lipa will perform live," said Panconesi. "I think that especially the young generations are very attentive to social issues and they appreciate the company embracing good causes."

Discussing future strategies, Benaglia also stressed it will be key for LuisaViaRoma to continue investing in emerging, niche brands, and, at the same time, keep developing special partnerships and collaborations with established luxury brands.