

Shandong Ruyi signs deal to acquire SMCP

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Friday, April 01 2016

Shandong Ruyi has signed a deal which would see the Chinese textile company acquire a controlling stake in fashion group Sandro, Maje and Claudie Pierlot (SMCP), valued at an estimated 1.3 billion euros.

Shandong Ruyi confirms acquisition of SMCP

News of the impending deal broke earlier this week, as private equity firm Kohlberg Kravis Roberts & Co. (KKR) were said to be close to signing an agreement with Shandong Ruyi. KKR will maintain a minority interest in the group, as the three firms confirmed they had signed an exclusivity agreement for the acquisition in a joint-statement, which will see Shandong Ruyi accelerate the brands international expansion scheme.

Evelyne Chetrite, founder and managing director of SMCP, commented: “My sister, Judith Milgrom, and I are delighted to embark on the next phase in the journey of our company alongside Shandong Ruyi Group. Judith and I reaffirm our full commitment to the business and remain focused on our goal: continuing to build the highly desirable brands Sandro, Maje and Claudie Pierlot and further extending their reach. Shandong Ruyi Group, as business with strong values, shares this long-term vision and ambition, and is the right partner for us.”

Details regarding the financial terms of the deal were not disclosed, and the transaction remains “subject to works council consultation and customary regulatory approval.” Under the agreement, Shandong Ruyi will keep SMCP current design and creative teams in place in Paris as well as its current strategy and organisational structure, “while benefitting from the global retailing expertise of its new shareholder.” The new shareholder will also maintain and guard the fashion brands DNA and “unique identity.”

Shandong Chairman, Yafu Qiu, said the acquisition was a “significant step” for the company and its goal of becoming “a leader in the fully-integrated textiles and fashion business in both China and globally.” “We have been highly impressed by the success of Sandro, Maje, and Claudie Pierlot and hold great respect for the founders and management of SMCP both for their passion and their achievement,” said Qiu.

“By taking on board the expertise of SMCP, a group well-rooted with strong Parisian heritage, we would combine their merits with our existing strength in Asia, in particular China, in order to take both companies forward. Not only are we very excited to be forming a promising partnership with leaders at SMCP and KKR, but we also look forward to supporting SMCP in achieving its long-term objective of becoming a global leader in accessible luxury.”

Source: www.fashionunited.com