

BUSINESS

Permira Acquiring Majority Stake in Gruppo Florence



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BY LUISA ZARGANI

MILAN – Private equity firm Permira is acquiring a majority stake in Gruppo Florence from existing shareholders VAM Investments, **Fondo Italiano** d'Investimento, Italmobiliare, and Gruppo Florence's entrepreneurs.

The entrepreneurs, the management team and VAM Investments will reinvest a significant portion of their proceeds and will remain committed to the project.

Fondo Italiano d'Investimento will also retain a minority stake.

Attila Kiss will continue to lead Gruppo Florence as chief executive officer and Francesco Trapani will retain his role as chairman.

Financial terms of the deal were not disclosed. As reported, speculation about a possible Permira interest in Gruppo Florence had been circulating for months.

"Our industrial project involves significant investments in training, innovative digital tools, research on sustainable production processes, and qualified management for the design and implementation of these programs," said Kiss. "To achieve our ambitions, it is necessary to bring together a significant

number of companies, in particular leveraging their heritage and expertise."

Gruppo Florence was established in October 2020 with the goal of developing a platform to supply high-quality Made in Italy products to major luxury fashion brands, leveraging competitive prices, guaranteeing prompt and flexible deliveries and solutions, while safeguarding the technical and cultural know-how of small and medium-sized family-owned Italian companies.

Former Bulgari and LVMH Moët Hennessy Louis Vuitton executive Trapani, who is also chairman of VAM Investments, said "the high interest we received from many entrepreneurs who spontaneously sought to join Gruppo Florence clearly demonstrates that the intuition of enhancing the consolidation of the Made in Italy luxury supply chain was a winning decision. We are ready now to partner with Permira for the second phase of Gruppo Florence's growth."

The group has quickly grown to own 26 companies from informal outerwear manufacturers Emmegi and Giuntini to Ciemmecci, a company that specializes in the production of leather and fur pieces and footwear specialists Lorenza Calzaturificio and Novarese, to name a few. As is customary for Gruppo Florence, the founding families have agreed to reinvest in the holding as minority shareholders.

The group generated revenues of more than 600 million euros in 2022.

Permira partner Francesco Pascalizi said "we are true believers in the Gruppo Florence industrial vision and in the role of 'Made in Italy' within the luxury supply chain."

The deal, which is subject to customary regulatory approvals, is expected to close in the fourth quarter of 2023.

As reported, Gruppo Florence is also earmarking investments of around 20 million euros, of which around 50 percent is destined for the expansion of the operations, production and commercial spaces; 4 million euros will be channeled into technology, and 5 million euros in the strengthening of the production and logistic plans to support a higher level of service.

With the goal to expand production and build new plants to move some steps internally, improving the welfare of employees and the industrial performance, and investing also in machines, the group is planning a number of real estate projects.

The group expects to hire 200 new employees, seeking tailors and quality control technicians, operations managers or IT and legal specialists, to name a few positions.

As reported, in March Kiss revealed during the Future for Fashion conference in Florence that the company's "destiny" is an initial public offering.

Permira has over the years invested in fashion in Valentino and Golden Goose, for example.

Reign Lauren photograph by Rodin Bonica

