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NEW YORK

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IPO on Ice

Furla reports a leap in first-half sales and postpones its initial public offering.

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Nineties in View

Eyewear brands showing at Vision Expo West look to the decade for inspiration.

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Bridget Foley's Diary

Catching up with Ralph Lauren on his decision to show in Bedford, N.Y.

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Swear By It

Tom Ford certainly did, in more ways than one. First, the invitation to his celebrity draw of a show Wednesday night came with a fragrance named F--king Fabulous. As for the clothes, they stuck to the high-glam, super-sexy styles for which he is known, from maillots paired with cargo pants and a tailored jacket to figure-hugging evening gowns like the one seen here on Gigi Hadid. *For more on NYFW, see pages 26 to 31.*

PHOTOGRAPH BY STÉPHANE FEUGÈRE



ACCESSORIES

Furla Postpones IPO Plans

- The Italian accessories company continues to grow and is focusing on expanding its production.

BY LUISA ZARGANI

MILAN – Furla continues to grow rapidly after a record-breaking 2016, but it's postponing its plans for an initial public offering.

"We need to strengthen our manufacturing and we have no need to raise cash," president Giovanna Furlanetto told WWD.

Furla produces 2.5 million bags yearly and it is working to increase production by 500,000 units. While the focus is on the premium market, Furlanetto said she plans to introduce a collection of higher-end bags made with vegetable-tanned leather and retailing at between 400 and 600 euros.

In May 2016, after years of speculation, Furla said it had set in motion plans to go public, inking an agreement with TIP Tamburi Investment Partners SpA. The Marzotto, Loro Piana and Ferragamo families are among the investors in TIP, which also has stakes in Hugo Boss and Ferrari. In 2013, TIP invested in Remo Ruffini's holding company, Ruffini Partecipazioni, indirectly buying a stake in Moncler, which went public at the end of 2013. Tamburi had tentatively set the IPO for 2018, depending on market conditions.

The delay in any IPO was revealed as the Italian accessories group said sales rose 23.5 percent in the first half of 2017 to 238 million euros, compared with 193 million euros in the first half of 2016. At constant



Furla's Westfield Sydney store.

exchange, sales rose 22 percent. Even Furlanetto admitted the growth was "unexpected" on top of a record-breaking 2016.

In the first half, the Asia-Pacific region registered a 63 percent jump in sales. In particular, China, where the company has 43 stores, reported strong expansion and like-for-like double-digit growth. Similarly, South Korea and Australia showed "extraordinary results," said chief executive officer Alberto Camerlengo.

"Asia is growing and it's a healthy market, we sell full price, it's not a market of discounts," Camerlengo observed.

Furla entered Australia three years ago and has just expanded its store in Westfield in Sydney with a 80-foot facade. Sales in

this region were up 64 percent. "Five-star partners and five-star locations are key," Furlanetto said.

He said the company is reevaluating its partnerships globally, pointing to a new partner in Thailand, for example, where Furla has inked an agreement with Pacifica Group, succeeding longstanding partner Central Group, and in India, working now with Reliance Industries. The company is now directly managing Portugal's web of seven stores after 18 years with a partner, said Furlanetto, and revamping them all.

The retail channel accounted for 65 percent of sales in the period. As of June 30, the company had 444 stores, of which half were directly operated. This is the same

number as at the end of December, but the company has closed 24 units and opened 24, in an effort to upgrade its network and expand square footage of the stores. Like-for-like sales were up double-digit. "We are seeing more units per transaction, with the new categories that we are introducing – eyewear, watches and textiles," Furlanetto said.

Camerlengo remarked on the growing success of the men's division. In Asia, in particular, it was up 133 percent. In the region, nine men's travel retail points of sale just opened with the fall season and an additional seven units will bow for spring. Of these, two are in the U.S., in Philadelphia and Dallas, and one in T Galleria Guam. Furlanetto revealed that, in February, the company will start showing the men's and women's categories together, foregoing Pitti Uomo in January.

In the first six months, Japan and the Europe, Middle East and Africa region were each up 16 percent while the U.S. reported a 3 percent gain in revenues. "This is a healthy growth, without discounts," said Camerlengo, noting that the company has stopped selling on Amazon to focus on full-price business.

The EMEA region, including Italy, represented 45 percent of sales; Japan 24 percent; the Asia-Pacific region 24 percent, and the U.S. 7 percent.

The travel retail sector also expanded, growing 47 percent and leveraging a total of 292 points of sale between boutiques, corners, shops-in-shop, in-flight and cruises.

The brand is available in more than 100 countries and is carried by 1,200 multi-brand and department stores.

The group has recently unveiled new boutiques in London on Brompton Road and in Amsterdam on PC Hoofstraat. Other openings are expected by the end of 2017 in Hong Kong, Beijing, Tokyo and Prague. Furlanetto said the plan is also to enter Canada and New Zealand.

ACCESSORIES

L Catterton Asia Takes Stake in Gentle Monster

- The quirky South Korean sunglasses-maker can become a billion-dollar brand, the private equity firm said.

BY TIFFANY AP

HONG KONG – Private equity firm L Catterton Asia, leading a consortium of investors including Groupe Arnault, has taken a stake in Gentle Monster, the quirky eyewear brand from South Korea.

With the investment, L Catterton Asia becomes the second-largest shareholder after the brand's founders and kick-starts a strategy to grow the company into a billion-dollar business over the next six to eight years, up from the nearly \$200 million it does now.

"I believe that across Asia there are only about six to eight brands that can achieve this level of notoriety, with a unique image, that's differentiated among lifestyle brands," said Ravi Thakran, L Catterton Asia's chairman and managing partner.

"Over the last decade, first starting in Japan, then in South Korea, Taiwan and China markets, companies have made an effort to create brands with a unique character. For example, you see that in whisky with Yamazaki and Hibiki, in chocolate with Royce', SK-II in beauty and Shiseido,

but there are only a few. And when it comes to lifestyle and consumer goods or accessories there are even fewer. Gentle Monster is ripe for that," he added.

Gentle Monster was founded in 2011 by Jay Oh and Hankook Kim and is known for its "weird beauty" and unusual retail stores. Each store is a highly unique concept and provides an experience that's been likened to visiting an art gallery.

Previous brand collaborations include link-ups with Hood by Air, Henrik Vibskov and Opening Ceremony, and the actress Tilda Swinton.

"It stands for something unique, this real beauty," Thakran said. "Beauty with a quirk, beauty with a twist. Second, the brand says I will present my product in the highest-quality fashion. Every store has a 'wow' factor. It may look like a bedroom, or look like a perfume store, or a store that looks like a very exquisite bar. It has the phenomenal 'wow' factor."

Currently Gentle Monster counts 160 points of sale in 19 countries, including six overseas flagships in New York, Beijing, Shanghai, Chengdu and Hong Kong. A flagship is opening in the ION mall in Singapore this month.

The brand operates wholesale accounts but Thakran emphasized it is always directly controlled.

The South Korean market forms the



Gentle Monster's Shanghai flagship.

company's largest customer base, followed by China. Thakran said it would evolve quickly into a global brand establishing a footprint in all major cities including London, Los Angeles, Dubai and more.

"We are looking at 25 percent CAGR on this company and we believe it's going to maintain that momentum," he added. "We can grow much faster but we want to control it."

In the next 18 months, they are likely to explore new product categories, he said. L Catterton's 2014 investment into leading South Korean agency YG Entertainment also makes a great partner for Gentle Monster.

"YG is the leading name in the sector, [representing] G-Dragon, Psy," Thakran said. "It's the number-one modeling agency, it's the number-one television drama producer. Each of those arenas is a gateway. The founders of those two

companies [YG and Gentle Monster] are good friends and they both have great respect for each other. Even before we completed our investment they already had been in talks with the South Korean stars of YG."

Although South Korea is experiencing considerable geopolitical turmoil – with the head of large conglomerates like Lotte under investigation for corruption, the chief executive officer of Samsung sentenced to prison for bribery and the THAAD fallout with China leading to lowered tourist flows – Thakran said it was not a big worry for them.

"That is much more about the mass and large-scale tourism play, where we are not affected," he said. China continues to account for a substantial part of the business, he said, but Gentle Monster's global growth ambitions are not overly dependent on it.