



## Temasek Builds 10% Stake in Zegna in Boost for Expansion Plans

The Singapore state-owned investor has agreed to buy a roughly 5 percent stake in Ermenegildo Zegna for \$126.4 million, after previously scooping up shares amounting to another 5 percent. The deal will accelerate the Italian fashion group's expansion plans, the company said.



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Temasek Holdings Pte is building a 10 percent stake in Ermenegildo Zegna Group worth about \$220 million, helping accelerate the Italian fashion house's expansion plans.

The Singapore state-owned investor agreed to buy a roughly 5 percent stake from **Zegna** for \$126.4 million, according to a statement Tuesday, confirming a previous Bloomberg report. That adds to a previous 5 percent holding it built after scooping up shares in the market.

Zegna shares were up 10 percent in premarket trading in New York after the report. The stock gained 9.6 percent so far this year.

"We will use the fresh capital to reinforce our brands globally and to invest in the retail business, particularly in the customer experiencing area," Chairman and CEO Ermenegildo "Gildo" Zegna said in an interview. The cash will also be used for investments in artificial intelligence and supply chain, he added.

Zegna is looking to accelerate its transformation into a high-end leisurewear brand from a family-run menswear company, which was founded in 1910 as a humble woolen mill. The Italian company acquired Tom Ford International in 2023 in a push for global growth. Zegna sales rose 2.2 percent in 2024 to about €1.95 billion (\$2.3 billion).

The deal comes as the outlook in the global luxury industry remains mixed. Last week, French group LVMH Moët Hennessy Louis Vuitton SE reported a decline in second-quarter sales due to a demand downturn. Meanwhile, Italian producer of expensive cashmere clothing Brunello Cucinelli SpA saw its revenue increase.

Nagi Hamiyeh, head of the Europe, Middle East and Africa at Temasek, is expected to become a non-executive board member at the luxury firm.





Temasek's net portfolio value reached S\$434 billion (€337 billion) as of March 31, up S\$45 billion from the year before, thanks in large part to higher share prices at some of its Singaporean holdings as well as assets in the US, India and China. The firm reported divestments worth S\$42 billion for its last fiscal year — its largest annual disposal on record.

“One thing is certain: the company is not for sale, the family is still at the helm and this is not going to change,” Zegna said.

