



Kering and Mayhoola postpone Valentino deal

Under the new terms, Kering has the option to acquire 100 per cent of the share capital of Valentino no later than 2029.

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Kering and Mayhoola jointly announced on Wednesday that they are postponing plans for Kering to fully acquire Valentino, putting off a significant buy for Kering, which is in the midst of a CEO transition.

In 2023, Kering acquired a 30 per cent shareholding in Mayhoola-owned Roman house Valentino. The agreement with Mayhoola included an option for Kering to acquire the remaining 70 per cent stake of the brand's share capital no later than 2028. This deadline is now deferred to 2029. Mayhoola's put options (which give Kering the access to buy Valentino at a certain price without obligation) on Kering for its remaining stake in Valentino are now postponed from 2026 and 2027 to 2028 and 2029. Other terms of the deal will remain the same, according to the joint statement.

The transaction is part of a broader strategic partnership between Kering and Mayhoola, which could lead to Mayhoola becoming a shareholder in Kering. "As a new chapter at Valentino has opened with the appointment of Riccardo Bellini as CEO, Kering and Mayhoola confirm their strategic partnership to support the development of the iconic Italian luxury house and remain entirely committed to its long-term success," the joint statement reads.

Kering deputy CEO Jean-Marc Duplaix had referenced a potential postponement during the company first half earnings in July. At the end of 2024, Kering had estimated the valuation of the remaining stake of Valentino at around €4 billion. Both Mayhoola and Kering will benefit from a little bit more time to finish the deal. In August, Mayhoola appointed Bellini as CEO of Valentino, taking over from former chief executive Jacopo Venturini. The house is navigating a difficult period, as creative director Alessandro Michele's early collections have yet to deliver commercial success, and the market for luxury fashion remains highly challenging. In 2024, Valentino's sales decreased by 2 per cent to €1.31 billion, and its EBITDA amounted to €246 million, down 22 per cent year-on-year. Postponing should allow Mayhoola to sell the remaining stake at a higher valuation after the house rebounds.

Meanwhile, Kering is dealing with financial declines of its own. Group sales fell 15 per cent to €3.7 billion in the second quarter of the year, and debt has ballooned to reach €9.5 billion by the end of the first half 2025. Incoming CEO Luca de Meo cited deleveraging among his first priorities during the company's combined general meeting on Tuesday. Postponing the deal should allow Kering to pay off the debt before moving forward with the acquisition.

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