Anders Holch Povlsen of Bestseller invests in Israeli multibrand e-tailer Terminal X

By Olivier Guyot - June 17, 2021

Terminal X is probably dreaming of the kind of success enjoyed by German fashion e-tailer About You, which has just been listed on the stock market with a valuation of approximately €4 billion. The connection between the uber-successful German e-tailer and the Israeli multi-brand site is a holding company called Heartland.

Heartland is the family holding company of Anders Holch Povlsen, founder of Scandinavian ready-to-wear giant Bestseller, owner of labels like Jack&Jones, Only and Vero Moda, among others. In 2018, the visionary Danish entrepreneur, who had already invested successfully in Asos and Zalando, spotted the potential of German e-tailer About You, operated by the Otto Group. He proceeded to invest some €300 million in the e-tailer.

Will his business eye prove to be as sharp with Terminal X? Heartland has recently acquired a 10.1% stake in the Israeli e-tailer. And, as with About You, Povlsen has made sure the company is backed by a strong local player.

Terminal X, which sells products by 160 local and international brands on the Israeli market, has been growing steadily over the last three years, managing to carve out a leadership position on the market. The website was founded in 2017 and is backed by the Fox Group, which owned a 60% stake in Terminal X before Povlsen stepped in. Idan Ofer and Udi Angel, the founders, owned a 26.5% stake (13.25% each) and investment firm Horovitz Young Holdings a further 13.5%, according to Israeli magazine Globes, which published an article on Terminal X last April. In 2020, Terminal X reported a revenue of ILS226 million (equivalent to €56 million, up 182% compared to 2019).

Fox Group is a leading player in the fashion and footwear retail sector in Israel, with a network of 800 stores and distribution agreements with global names such as Mango, American Eagle, Nike and Foot Locker.

“We were very impressed by Terminal X,” said Povlsen in a press release. “The company has outstanding capabilities, with strong sales growth and a remarkable commercial performance, and this has encouraged us to enter into this partnership,” he added. The proposed listing on the Tel Aviv stock exchange is designed to enable
Terminal X to accelerate its development projects. “The partnership with Heartland will bolster Terminal X both on the domestic market and for its expansion in other countries. Heartland has a proven track record in talent-spotting e-commerce players before they become global leaders, and the partnership we are entering into today is a significant strategic step for the future of the company and its continued growth,” said Nir Horovitz, CEO of Terminal X.

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