For luxury labels, supply-chain control has become strategic, particularly with a view to sustainable development. As recently as early June, premium menswear and textiles group Ermenegildo Zegna took control of Tessitura Ubertino, a specialist in tweed and jacquard fabrics. Now, Zegna has joined forces with Milanese luxury label Prada to acquire a stake in Italian spinning mill Filati Biagioli Modesto, a cashmere production specialist.

The value of the transaction was not disclosed. However, Prada and Zegna provided some details on the operation in a press release. Notably, they indicated that they will each own a 40% stake in Filati Biagioli Modesto. The Biagioli family will instead retain a 15% stake, while the remaining 5% goes to Renato Cotto.

The latter, a manager from the town of Biella, Zegna’s stronghold in Piedmont, has a lengthy experience in the textile industry. He will assume the role of CEO of Filati Biagioli Modesto, while the Ermenegildo Zegna group’s CEO, Gildo Zegna, will become the spinning company’s president. Franca Biagioli and the CEO of the Prada Group, Patrizio Bertelli, will also join the company’s board of directors.

Filati Biagioli Modesto was founded more than a century ago, in 1919, in Montale, Tuscany. It concentrated on producing carded yarns until the 1960s, when it turned into a producer of top-end yarns, including cashmere, sourcing the best raw materials from around the world. The company operates a large dyeing plant and a research laboratory, combining artisanal skills with cutting-edge technology and ensuring the full transformation process from fibre to yarn is entirely localised.
According to Bertelli, this acquisition is wholly in line with the Prada group's philosophy of aiming for “direct control of the whole supply chain.” Bertelli added that “it is also an additional strategic investment that makes it possible to preserve the know-how and century-old tradition of Italian excellence in the production of high-value textiles, as well as [the result of] a synergistic approach between two Italian groups, with the long-hoped-for goal of working in an integrated manner within the Italian fashion industry and made-in-Italy manufacturing.”

In an interview earlier this year with Italian business daily Il Sole 24 Ore, the boss of Prada, a group that operates 23 production sites and employs approximately 13,000 people, said he intends to invest €100 million a year to acquire manufacturing facilities in Italy. "For me, it's a social commitment over and above being an industrialist. I see it as a way to safeguard our territory: we cannot disperse energy and know-how, and we must think about the next 20 years, when the luxury market will be expanding," said Bertelli.

"Over the years, acquiring iconic Italian companies, each specialised in a specific manufacturing field, has enabled Zegna to set up a genuine hub for luxury textiles production, aimed at producing fabrics of the highest quality while
Zegna to set up a genuine hub for luxury textiles production, aimed at producing fabrics of the highest quality while preserving the uniqueness of our country's supply chain," said Gildo Zegna.

“I am particularly proud today of this new acquisition, because it allows us not only to complete our textiles division by adding another prestigious producer specialised in high-end yarns, but also because we have at our side, in this project, a great Italian fashion industry entrepreneur," concluded Gildo Zegna.

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