LVMH to buy 60% stake in Off-White, Abloh to expand role in the group

By Sandra Halliday - July 20, 2021

In a month that’s shaping up to be a big one as far as luxury deals are concerned, the latest news is that LVMH is boosting its minority stake in Off-White. The streetwear label founded by Virgil Abloh will now be 60% owned by the French giant.
Importantly too, the designer will also take an expanded role within LVMH beyond his existing post as creative chief at Louis Vuitton menswear.

Reflecting a current trend in which designers are keen to maintain a big say in what happens to their brands, Abloh retains a 40% stake in seven-year-old Off-White.

The label will also continue its licensing deal with Farfetch-owned New Guards Group.

The transaction is expected to close within 60 days and should then see the Off-White store chain being expanded as a priority. LVMH and Abloh didn't share any financial details of the new agreement.

Abloh has been at the helm of Louis Vuitton menswear since 2018 and will retain that role while working with the ever-growing empire “to launch new brands and partner with existing ones in a variety of sectors beyond the realm of fashion”, they said.

It’s a clear statement that this dominant global luxury group sees the future of its sector less in the rarified world of the couture ateliers on which it once relied and more in the realm of street fashion that has become the style of choice for so many luxury consumers. It’s also a sign that luxury consumers aren’t only interested in brands to wear but will buy into a well-designed and marketed luxury concept for other aspects of their lifestyles.

Talking to the FT, Abloh cited hotels, wines & spirits, and upscale jewellery as example areas that “I have a sensibility for”.

Abloh said linking more deeply with the group would help him turn Off-White into a “truly multi-line luxury brand”. He’s also hoping the move will boost the industry’s diversity.

At the British Fashion Council’s Institute of Positive Fashion Forum recently, Abloh had bemoaned the lack of diversity in the industry and called for fast, positive action. And with this new deal he’s expecting that it will allow him to foster new talent.

The designer and entrepreneur is a guaranteed publicity generator for LVMH and the collabs he’s worked on alongside Rimowa, Nike and Ikea have had a high profile because of his involvement.

It’s been a busy time for the luxury sector this year as luxury groups, labels and individual designers have faced up to the world post-pandemic. The activity this month alone underlines that. Only yesterday, Ermenegildo Zegna announce plans to list its shares in a deal with InvestIndustrial Acquisition Corp and, on Sunday, LVMH had revealed a deal to buy a majority stake in Etro. Earlier this month, Phoebe Philo had announced her return to fashion’s front line — also backed by LVMH — with a new eponymous label.

By Sandra Halliday

Copyright © 2021 FashionNetwork.com All rights reserved.