M&S is mulling Gieves & Hawkes buy - report

By Sandra Halliday - October 31, 2021

After rescuing failed Jaeger, it seems M&S now has its sights set on another distressed prestige name, Gieves & Hawkes.

A report in the Times at the weekend said M&S is considering a bid for the 250 year-old Savile Row bespoke tailor that also makes ready-to-wear.

The brand is facing a winding up order later this week in a Hong Kong court after Chinese owner Trinity Group (ultimately a part of struggling Shandong Ruyi) defaulted on a loan. Trinity owns Kent & Curwen and Cerutti too, which are also at risk.

The report said M&S may be considering a swoop on Shandong Ruyi’s Aquascutum label as well. That upscale outerwear brand is no longer sold in the UK but is a well-known British heritage label.

Sources told the Times that M&S was interested in buying Gieves & Hawkes but hadn’t yet named an adviser to run the process.
Not that success in its aim would be guaranteed. It has been suggested that Trinity would rather sell to another Chinese firm, something it has failed to do so far, and also that a turnaround specialist could be a more likely buyer.

But if no buyer is found, the alternative for Gieves & Hawkes could be liquidation after two-and-half centuries. It's understood that a liquidator — restructuring firm RSM — has already been lined up. That in itself doesn’t necessarily mean the end of the label though, as some buyers might be interested in taking it on without it being encumbered by store leases.

Given that the firm’s problems largely stem from issues at its parent company, it clearly could still have a future. The big issue for it — and for other businesses in the Shandong Ruyi orbit, such as Sandro and Maje owner SMCP — is that the Chinese firm has too much debt.

It took on this debt to finance its ambitions to be a major luxury group and previously suggested it wanted to be a Chinese version of LVMH. In a massive buying spree, it bought up a number of European high-end brands.

As for M&S, the company that once only sold its own-brands, now offers a range of third-party labels, and the purchase of Jaeger — for which it has recently launched a first collection — suggests that it has its eye on other prestige brand opportunities.

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