Nanushka accelerates its global expansion, targets €50 million

By Triana Alonso  -  14 June 2022

The ability to adapt quickly to changing times is an essential feature of Nanushka's success. The Hungarian brand founded in 2006 was one of the first niche firms to adopt sustainable practices, positioning itself in the accessible luxury segment with its timeless collections and vegan fabrics.

Sixteen years later, the Budapest-based brand became one of the first to suspend its operations in Russia in February and dedicated its last runway show held during Paris Fashion Week to Ukrainian people, with the colors of their flag adorning the models’ makeup looks and a string quartet playing the country’s anthem. Starting this summer, Nanushka will be focusing on its innovative ‘Sun Series’ creative project.
Functionality, chic elegance and comfort are the words with which Sandra Sandor, founder of Nanushka, describes her brand's identity. The entrepreneur with a passion for industrial design and the Arts and Crafts movement graduated from the London College of Fashion, before returning to her native Hungary to launch her own brand under a local and artisanal concept. The label’s clean lines, modern minimalism, and accessible luxury positioning (with bags starting from 175 euros to coats priced at 1495 euros) quickly won over influencers and celebrities, such as Selena Gomez and Hailey Bieber, who catapulted the brand into the spotlight. Today, the brand presents its collections in Paris and already has almost half a million followers on Instagram.

Nanushka's popularity has not only been limited to social media. "We've grown a lot in the last few years, it's been quite a journey," told Peter Baldaszti, Sandra Sandor's husband and CEO of Nanushka, to FashionNetwork.com.

Baldaszti joined his wife's company in 2017. At that time, sales amounted to €1 million. Five years later, the brand is expecting to close the current financial year with a turnover of €50 million. As the executive explained, Covid-19 posed a "great challenge" for the brand in terms of "supply chain" disruptions, but sales continued to perform well, thanks to the online channel.

According to the CEO, who is also the founder of the Vanguards Group conglomerate (which operates the Nanushka, Aeron and Sunnei brands), 30% of revenues come from the brand's online channel and its three company-owned stores in Budapest, London and New York. Meanwhile, the remaining 70% comes from the wholesale channel.

"I am not a staunch advocate of the direct-to-consumer business model in fashion. I believe in the value of the wholesale model, with careful distribution, relevant points of sale and strategic partners. It is fundamental for the brand. And the financial objective is to find the right balance between the two," said Baldaszti. In three to four years, the company aims to reach a balance where each part of the business represents 50% of total turnover.
The brand's collections are currently sold in more than 140 physical points-of-sale worldwide, including Le Bon Marché, La Rinascente, Nordstrom, Saks Fifth Avenue and Neiman Marcus. In the online channel, the brand is present in a handful of luxury e-commerce platforms, such as Farfetch, MyTheresa, Browns, Matchesfashion and Net-a-Porter.

Flagship stores in Paris and Milan

"Our plans for the future involve a major retail expansion," said the businessman, revealing that the brand is planning on opening a second store in the United States between the end of this year and the beginning of next year, as well to land in Shanghai and open its own flagship store in Tmall.

"The Chinese market is tremendously important for us," said Baldaszti, revealing that, for the moment, the United States and the United Kingdom are its leading markets in terms of sales.

Nanushka is also on the lookout for the "perfect locations", both in Milan and Paris, that would best suit its brand positioning. "Our goal is to open stores that act as a mission statement and offer the full brand experience, all the collections as well as a café," said the CEO.

The brand held a unique presentation in Paris during the last Fashion Week at the Palais Garnier and is already organizing a runway show for next season or the following one in the French capital. "Paris is the place that makes..."
organizing a runway show for next season or the following one in the French capital. "Paris is the place that makes the most sense for us, our aesthetic fits perfectly with the city. We like doing presentations because they last longer and you can admire the looks better, but I love seeing garments in motion. I'm looking forward to staging a different kind of show," said Sandor.

The main challenges ahead for Nanushka concern sustainability. "We are currently engaged in a progressive process, replacing materials with certified or recycled materials for each collection," claimed Sandor. The brand has pledged that by 2025, all raw materials used will be sustainable.

"Every season we keep improving, but it's still far from ideal. It's a long road ahead and our biggest challenge for the future," admitted Baldaszti. In addition, the Hungarian company is planning to "significantly expand its team," which now stands at 100 people, between the 50 employees at the Budapest facility and around 20 employees at the London office, which has just doubled in size.

The company's expansion is also coming in innovative forms. Nanushka will be temporarily installed in Ibiza between June 1 and August 18. The first initiative of the annual series taking place at the iconic Parisian club Silencio in Ibiza aims to function as a "natural expansion" of the Hungarian brand's universe by promoting art and design. The immersive space located on the beachfront in Cala Moli has been developed together with architect Charlotte Taylor and visual artist Pietro Terzini.

It will not be a traditional summer pop-up store, however, but rather a summer residence where visitors will be able to expand their creative experiences and strengthen their ties with the community, created in response to widespread isolation caused by the pandemic over the past few years.

‘Nanushka Sun Series' will host parties, intimate dinners and creative performances, which will be used to present the brand’s new beachwear line. The store will also carry looks from the Resort 2022 and Spring/Summer 2022 collections.

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