Galeries Lafayette group finalises acquisition of La Redoute

By Marion Deslandes - April 10, 2018

After heralding the intention of acquiring a majority stake in French mail order/e-tail company La Redoute last August, on 10th April French department store group Galeries Lafayette announced it finalised the operation via its holding company Motier SAS, having also obtained the approval of the national regulatory authorities. Galeries Lafayette now owns a 51% stake in La Redoute.

The mixed homeware and fashion store opened by La Redoute in Lyon, France, in 2017 - La Redoute

The department store group also confirmed its intention of eventually acquiring a 100% stake in La Redoute, as had been previously announced in a joint press conference.

It is a genuine turning point for Galeries Lafayette. The acquisition will in fact allow the group to have a more pronounced e-tail orientation, the kind of transformation that Galeries Lafayette needed. In its new corporate configuration, the group describes itself as “a new leader in omni-channel retailing, specialised in fashion and homeware, with French roots and an international reach.” The group also stated that “the merger has given rise to the largest French apparel retailer in value terms.”

The new corporation is worth €4.5 billion in annual revenue and is pursuing the ambitious objective of reaching a revenue of €5.5 billion in 2020.

Galeries Lafayette and La Redoute both pledged to add to each other’s value. “The two retailers will remain independent, they are both iconic brands, but there will be no prejudice against exploring possible synergies, whether in terms of product range, data-sharing or customer information,” said Eric Courteille, co-Director of La Redoute, last August. For example, La Redoute will be able to tap the Galeries Lafayette’s retail expertise to extend its own store network, while Galeries Lafayette will rely on La Redoute’s digital savvy to boost its web presence.

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