

Buyout groups hope to build 'LVMH of things'

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Private equity firms Investindustrial and the Carlyle Group have signed a joint venture to create a new holding company for high-end interior design brands, in a bid to create an "LVMH of things".

The firms will have equal stakes in the JV, which includes B&B Italia, Flos and Louis Poulsen, and has combined revenues of €500m. Investindustrial and Carlyle are expected to have about €1bn to pursue further deals.

Other shareholders include Piero Gandini of Flos and Giorgio Busnelli of B&B Italia, the entrepreneurs behind the respective design groups, who will act as chairman and vice-chairman.

The launch follows Investindustrial's acquisition of a portfolio of design brands over the past three years, with Andrea Bonomi, chairman of the firm's advisory board, saying that Italian companies in the sector were "subscale". He added that new structure would open the way to "significant growth and international development".

Marco De Benedetti, co-head of Carlyle Europe, said the market had "compelling long-term growth prospects".

The joint venture comes at a time when other private equity groups are looking to invest in Italy.

Investcorp, a Bahrain-listed investment group, is considering backing luxury and retail businesses in the country through a special purpose acquisition vehicle via the Italian stock exchange.

It is seeking to raise €200m-€300m from institutional investors in the country, according to a person with direct knowledge of the plans. It will operate on a deal-by-deal basis rather than raising a blind-pool fund.

Investcorp has been in the luxury sector in Italy for more than three decades, with involvement in Riva boats, Gucci and other brands. It declined to comment.

Both Carlyle and Investindustrial have recently added to their European funds, giving them plenty of unallocated capital to deploy on deals.

Last May, Investindustrial raised €375m to target mid-sized companies.

Carlyle is close to raising €5bn from large institutional investors. It declined to comment on the fundraising.

