Kering issues €1.5 billion bond

By Dominique Muret - 2 May 2022

Kering has raised €1.5 billion through a new bond issue. The operation has been announced at a time when the luxury group is very much back on the upswing after two years marked by the pandemic, recording 27% growth in Q1 2022, when its revenue reached €4.956 billion despite an “uncertain environment.”

Kering's bond issue partly finances the acquisition of eyewear brand Maui Jim

The bond issue is divided into two tranches, each of €750 million. The first is for a three-year bond with a 1.25% coupon, the second for an eight-year one with a 1.875% coupon, as Kering indicated in a press release.

According to Kering, notably the owner of Gucci, Saint Laurent, Bottega Veneta and Balenciaga, the operation “enables Kering to enhance its funding flexibility through refinancing of existing debt and the partial financing of the Maui Jim acquisition.”

The latter was announced in March by Kering Eyewear. The luxury group’s subsidiary specialised in eyewear bought Danish brand Lindberg in July 2021, and last month it reported the acquisition of Maui Jim, “the world’s largest independently owned high-end eyewear brand with a leading position in North America.” Kering did not disclose the value of the transaction.
Kering underlined “the great success of this [bond] issue with investors,” confirming “the market’s confidence in the credit quality of the Group.” Kering’s long-term debt is rated ‘A’ with a stable outlook by Standard & Poor’s. The bond issue is also perhaps a way for the group to lay the groundwork for a potential new acquisition.

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