Ecopel buys Spanish faux-fur specialist Silmatex, looks to USA

By Matthieu Guinebault - 7 July 2022

Franco-Chinese faux-fur specialist Ecopel has recently acquired a stake in Silmatex, Spain’s remaining local faux-fur producer, having taken over French manufacturer Peltex in 2019. Ecopel is also currently negotiating to buy an Italian faux-fur producer, and its CEO Christopher Sarfati indicated that Ecopel is targeting acquisitions in the USA by 2025 or 2026.

The pandemic did not slow down Ecopel's growth. On the contrary, the company has reportedly enjoyed a 50% revenue rise in the period, growing to about €100 million. “The crisis has allowed us to start making acquisitions, as well as developing new fibres and new services for our clients,” said Sarfati. He stated that demand for faux fur has intensified with the closure of China’s borders, so that the share of Ecopel’s output destined for the Chinese domestic market has risen to 30%.

The acquisition of French company Peltex in 2019 meant that between 2% and 3% of Ecopel’s output is generated outside China. An output share that Ecopel hopes to increase to 15-20% after recently buying a stake in Spanish producer Silmatex, located north of Barcelona. “This is the last Spanish company in the [faux-fur] sector,” said Sarfati, adding that Ecopel has been negotiating the acquisition of an Italian family business for a year. “The largest faux-fur manufacturer in Italy,” he said.

This manufacturing triad spanning France, Spain and Italy could, in the long term, account for between 30% and 40% of Ecopel's revenue. “We are keen to maintain our activity in Asia, but also to recreate in Europe a localised business and product strategy, tapping the know-how that we have developed in China,” said Sarfati. “Faux fur remains a niche sector. After exploring France, Spain and Italy, we have few acquisition options left,” he added.

Aiming for America, biodegradability
Ecopel is not intent on boosting its production capacity in Asia where, owing to Covid-19, Sarfati has not travelled in the last three years, but it is turning its gaze westward. "Our next step will be to enter the American market, with our own factories," he told FashionNetwork.com. Has Ecopel identified any acquisition target yet? "We are looking, but not yet. We are not ready operationally, this is a project we are developing for 2025 and 2026, and it will come to fruition very quickly," said Sarfati.

Ecopel has about 2,000 employees, as well as style offices in Tokyo, London and Paris. At the end of 2021, it launched a first generation of biodegradable furs, designed to accelerate fur's end-of-life disposal, an approach that is a logical follow-up to previous launches. In 2019, Ecopel introduced with Stella McCartney the Koba range, furs made from corn residue using Dupont's Sorona fibre, a range that currently accounts for 20% the company's business.

About 40% of Ecopel's revenue is now generated by faux fur made entirely of recycled polyester, a segment that the company entered into in 2018. "Recycled [products] are no longer a trend, they are the core," said Sarfati. "We initially wanted the drop acrylic and modacrylic fibres, without knowing if it was going to work. But now our clients are demanding it," he added.

Ecopel is currently working on other alternatives for producing faux fur, notably seeking to use natural materials such as hemp or nettle fibres. "We're able to make [faux] furs that only an industry professional can distinguish from real ones," he said. Sarfati pointed out that the faux-fur market still has some way to go. "The difficulty with recycling is that we use very fine fibres, from which we can produce short-hair fur. Conversely, for long hair, we have recently released a first [product] made of unrecycled polyester, leaving however the possibility of creating a recycled base. Many new developments are still in the offing."

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