

ITALIAN SHOES MARKET LEADER ACQUIRES GERMAN BRANDED COMPANY

Deal snapshot

- Condor Trade, the leading Italian manufacturer of slippers and sandals, has acquired Rohde Shoes from the insolvency administrator.
- With more than US\$100 million in turnover and an annual production of 30 million pairs of sandals, Condor Trade sells its products mostly under its Inblu brand. The company is headquartered in Italy and has production facilities in Europe and Asia.
- Rohde Shoes is an iconic German company engaged in the design and distribution of high-end slippers and sandals. Prior to entering into insolvency, the company's sales exceeded US\$50 million.
- The acquisition ensures the continuity of the business, and its 50 employees will keep their jobs.



Transaction rationale

Condor Trade was eager to acquire the long-established Rohde brand to increase its portfolio. The German market is not an easy one, and domestic customers tend to favor local brands. With this acquisition our client can combine “Made in Italy” design and quality with a strong German brand to approach the local market with a competitive advantage.

Our role in the transaction

Oaklins' Italian team successfully advised Condor Trade throughout the acquisition process, coordinating the due diligence and negotiating with the German insolvency administrator within a tight timeframe and in a highly competitive scenario.



Market trends and deal drivers

- Germany is one of the key markets for slippers and sandals.
- To succeed in the German market, it is crucial to have a well-known local brand with a long heritage, characteristics that Rohde has.

M&A valuation aspects

- Condor Trade acquired the assets and business of the insolvent party. Due to the insolvency, standard assessment metrics could not be applied.
- The valuation was based on the real estate, machinery, equipment, inventory and intellectual property, including the Rohde brand. To successfully close the transaction, the parties also agreed to maintain the workforce and keep the business running in the current location.
- In general, the public players active in the footwear sector are benefiting from high valuation multiples. The two multibillion players, Nike and Puma, have an EBITDA multiple of circa x20. The Italian public company Tod's, with over US\$1 billion in sales and a solid and stable EBITDA margin, is traded at x14. US-based open shoe manufacturer Crocs is traded at x16.
- There is an increasing international brand awareness in the footwear market and a continuous expansion of the customer base – the growing middle-class – driven by the demand for the well-being and sporting lifestyle in new emerging economies.

Oaklins industry specialists



✉ **Davide Milano**, Partner, Oaklins, Italy

“What we see in M&A is that local manufacturers are interested in penetrating new geographies and gaining new customers. At the same time, they are looking for heritage brands to acquire to raise their visibility as branded products allow them to charge premium prices and consequently achieve higher margins.”



✉ **Jonathan Buxton**, Practice Leader Consumer & Retail, Cavendish, an Oaklins member firm in the UK

Jonathan has over 25 years' experience in mergers and acquisitions. He is also the global head of Oaklins' Consumer & Retail Group, which focuses on branded businesses in the retail, consumer goods, food, leisure and luxury sectors. High profile sell-side deals Jonathan has advised on include Robert Dyas, Boardman Bikes, Raleigh Cycle, Smythson and Liberty.

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