

# Sonia Rykiel Asset Sale to Wind Up by End of Year

**The fabled striped knitwear brand's trademark, archives and prototypes are up for sale; rental contracts for stores are also on the table.**

By Mimosa Spencer on October 16, 2019



**PARIS** — Could Sonia Rykiel be back in time for Christmas shopping? Might sound like a stretch, but it's not impossible — the sale of the famed striped-knitwear's assets is set to wind up by the end of the year, according to Richard Morgan, who is acting as financial adviser for the court-appointed liquidators on the transaction.

Initial bids for the Parisian label's assets — which include the global trademark for all products and categories and 50 years of archives and prototypes — are due at the end of October and a shortlist will be drawn up in November, with a view to concluding the transaction by the end of the year.

Sonia Rykiel Resort 2020  
Courtesy Photo

Potential bidders also have the option of taking over rental contracts for the Saint Germain flagship or other stores in France, which are in Deauville, Bordeaux, Cannes and on Rue du Faubourg Saint-Honoré in Paris.

Morgan's firm, Richard Morgan Advisory, was mandated in September by the court-appointed liquidators Fides and Montravers Yang-Ting, following a Paris commercial court's decision in July to liquidate the company after no winning bid emerged from a sale process under receivership. This time, it is a straight asset sale, not involving debt or any costs related to business operations.

The label was acquired by Hong Kong billionaires Victor and William Fung in 2012 and became part of the luxury group First Heritage Brands, alongside Belgian leather goods-maker Delvaux and high-end footwear-maker Robert Clergerie and run by LVMH Moët Hennessy Louis Vuitton veteran Jean-Marc Loubier.

The investors had set out to revive the business by capitalizing on its identity, which centered on the house's iconic founder Sonia Rykiel, known as the "Queen of Knits." Rykiel, who passed away in 2016 at the age of 86, was a fiery-haired figure who captured the liberated, feminist flavor of the French capital's Left Bank with spirited knits, stripes and sequins that carried broad appeal.

But despite the label's strong heritage — there is even a street in Paris named after the late designer — approval from fashion critics and resonance in its home market, revenues had declined and, following an event-packed 50th anniversary year, executives halted turnaround efforts and in January mandated Rothschild & Co. to find an investor or outright buyer for the label.

In April, the house went into receivership, kicking off a fourth-month bidding process that ended after no winning bid emerged despite a flurry of interest and deadline extensions. The label's struggles have thrown the spotlight on challenges faced by smaller brands to compete in an industry that has become highly digitalized, requiring hefty investments in infrastructure.

Interest in Sonia Rykiel's patrimony extends to the cultural realm, as illustrated by a letter from deputy Paris Mayor Christophe Girard to France's Culture Minister Franck Riester in August, offering to house Sonia Rykiel's archives in the city's fashion museum, the Palais Galliera.

The archives represent a "testimony of immeasurable value of a remarkable fashion figure, the liberation of women through clothing and couture savoir-faire," Girard said in the letter.