



PRIVATE EQUITY IN ACTION - CASE STUDY

# Tommy Hilfiger



<b>Country</b>	Netherlands
<b>Region</b>	Noord-Holland
<b>Investor</b>	Apax Partners

In a highly competitive fashion market, brands are constantly seeking to innovate and gain a unique, niche position in the market. When Tommy Hilfiger took on investment from Apax Partners in 2006 the business was suffering in the US and had lost its clear positioning. There was a need to revive the brand.

Apax invested heavily in growth and were able to crystallise the value in this iconic brand. By the time the firm came to exit in 2010, Tommy Hilfiger was back on top, having nearly doubled its number of stores globally, added more than 1,000 new employees and revived its brand position. The business moved to the next chapter of its story under the stewardship of the Phillips-Van Heusen Corporation.

## What did the business need?

- Strategic change to reflect global presence and premium brand positioning
- Rebuilding of the business in North America
- Organic store expansion

## How did private equity backing create lasting value?

- Introduced new management structure
- Repositioned and restructured the business, consolidating supplier base
- Outsourced operations to specialist outlets enabling greater resource focus on core values
- Optimised e-commerce potential through relaunch of online

**1.5x**

net debt at exit – down from 4.3x at entry

**1,000**

employees added during the investment period



Apax's depth of knowledge of the sector, coupled with their great operational insight and financial expertise allowed us to put the business in the position it is today.

**FRED GEHRING**  
CEO  
Tommy Hilfiger

function, in partnership with D+S - another Apax business

- More than €400m invested in the growth of the business
- Entered into a ground-breaking exclusive department store distribution agreement with Macy's in the US

## What outcomes did private equity investment achieve?

- Enterprise value rose from 1.2bn euro at entry to 2.3bn euro at exit
- Number of stores increased from 574 to 1,002
- EBITDA increased from 180m euro to 256m euro
- Net debt decreased from around 4.3x EBITDA at entry to 1.5x EBITDA
- Employee numbers rose by more than 1,000



## More information

[Tommy Hilfiger](#)

[Apax Partners](#)