

# WWD

Fashion. Beauty. Business.

## WWD Honors

Valentino Garavani and Giancarlo Giammetti will receive the 2025 WWD John B. Fairchild Honor this October.

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## Kering Cuts

Kering plans more cost-cutting measures following a 46 percent drop in first-half profits due to Gucci.

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## Who Is Spending?

A look at fashion and retail companies' capital expenditures reveals some clear leaders.

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## Logan's Run

Logan Lerman is on a high, with millions of edits devoted to him on TikTok, his role in the indie hit "Oh, Hi," and an upcoming part in "Only Murders in the Building." Just don't ask him to watch himself — although he does read reviews. "I love hearing people's reactions," he told WWD. *For more, see pages 18 to 23.*

PHOTOGRAPH BY JENNA GREENE



## FASHION

# Valentino Garavani and Giancarlo Giammetti To Receive 2025 John B. Fairchild Honor

- The Honor will be presented in Manhattan on Oct. 28, the first night of the WWD Apparel & Retail CEO Summit.

BY WWD STAFF

Women's Wear Daily on Wednesday revealed Valentino Garavani and Giancarlo Giammetti as the 2025 recipients of the WWD John B. Fairchild Honor.

Presented annually at the WWD Honors gala, the John B. Fairchild Honor celebrates individuals whose creativity, vision and careers have left an enduring impact on the global fashion industry. Past recipients have been Ralph Lauren, Giorgio Armani, Karl Lagerfeld, Leonard Lauder, Miuccia Prada, Tommy Hilfger, Maria Grazia Chiuri and Brunello Cucinelli.

This year's award will be presented live on Oct. 28 at the WWD Honors dinner, held on the opening night of the WWD Apparel & Retail CEO Summit in New York City. This year's summit also will celebrate WWD's 115th anniversary, with special recognition for the 2025 list of 115 Fashion and Beauty Newsmakers and Originals.

"As WWD celebrates its 115th anniversary, it is more important than ever to recognize the creative and business leadership that continues to shape and define the industry," said Amanda Smith, chief executive officer of Fairchild Media Group. "This year's John B. Fairchild Honor celebrates the power of both legacy and innovation, and Valentino Garavani and Giancarlo Giammetti's partnership is a testament to the ability to continue to create significant connections with new audiences time and again."

"Valentino Garavani's artistry and vision have consistently redefined elegance and glamour, making him a true icon whose influence spans generations, and someone whom Mr. Fairchild admired and respected immensely," dubbing him "The Chic," added James Fallon, chief



Valentino Garavani and Giancarlo Giammetti

content officer of WWD and Fairchild Media Group. "His unique ability to blend timeless sophistication with innovative design has left an indelible mark on haute couture, ready-to-wear and menswear.

Alongside him, Giancarlo Giammetti's strategic genius and business acumen built a global empire around that creative vision. Their collaborative legacy is not only groundbreaking design, but brilliant

business leadership, and that is the foundation for true magic."

WWD dubbed Garavani The Chic in light of the sophisticated femininity of his designs, but also given his own stylish, impeccably tailored clothes – sharing with Giammetti the look and a dreamy lifestyle, with beautifully decorated houses in Gstaad, London, New York and the Château de Wideville, outside Paris. They have collected artworks for decades and several of these masterpieces are on display at the first exhibition of the Fondazione Valentino Garavani and Giancarlo Giammetti in Rome alongside 50 iconic Valentino designs – all in red – spanning five decades. The color red is indeed a brand signature, but the couturier famously showed a celebrated all-white collection in 1968.

That year, Jacqueline Kennedy wore Valentino's ivory georgette and lace minidress when she married Greek shipping tycoon Aristotle Onassis on his private island, Scorpios. She was one of the designer's loyal clients, who ranged from Marella Agnelli, Brooke Astor, Nancy Reagan and Nancy Kissinger, to Marie-Helene de Rothschild, Elizabeth Taylor, Sophia Loren and European royalty such as Queen Maxima of Holland and Princess Marie-Chantal of Greece. As the brand developed globally, it became a favorite with Hollywood A-listers, too, from Uma Thurman, Gwyneth Paltrow and Scarlett Johansson to Anne Hathaway and Julia Roberts, who famously wore a vintage Valentino receiving her Academy Award for "Erin Brockovich."

Valentino Garavani's first couture studio opened in 1959 and his ready-to-wear collection launched in 1970. His haute couture bowed in Paris at the Ecole des Beaux-Arts in 1989. He and Giammetti retired in January 2008 after the brand's final couture show, when it was owned by the equity fund Permira. The brand has been owned by the Qatar-based Mayhoola for Investments since 2012.

## BUSINESS

## Maggie Gauger Exits Nike to Head Up Athleta

Maggie Gauger

- Gauger succeeds Chris Blakeslee, who is stepping down from the role.

BY DAVID MOIN

Maggie Gauger is making the leap from one athletic company to another.

Gauger, the head of Nike's North America women's business, will become global brand president and chief executive officer of Gap Inc.'s Athleta brand on Friday, succeeding Chris Blakeslee, who is stepping down from the role.

"As we continue to reinvigorate our house of iconic American brands to not only shape culture but drive profitable, sustainable growth over the long term, we believe in Athleta's incredible potential in the women's active market and within our portfolio," Gap Inc. CEO Richard Dickson, said in a statement Tuesday morning. "Over the past two years, Chris has led the early stages of Athleta's reset, recentering the brand to win with innovative performance product and

refining the brand's point of view, helping to position Athleta for the future."

Athleta's recent results haven't been the best. First-quarter net sales of \$308 million were down 6 percent from the year-ago period, while comparable sales were off 8 percent. Work is being done to reset the brand and improve product and marketing, which the company earlier this year acknowledged would take some time. Gap Inc.'s Old Navy and Gap brands generated sales gains last quarter, while Banana Republic's sales were down. Banana Republic continues to search for a new CEO.

Last year Athleta's net sales of \$1.4 billion were down 1 percent versus the year before. Comparable sales were flat.

Regarding Athleta, Dickson stated, "We are thrilled for Maggie Gauger to join as CEO of Athleta as we look to accelerate the brand's reinvigoration. Maggie blends proven business transformation capabilities, deep consumer centricity, product fluency and a heartfelt commitment to empowering women and girls. This combination of skills and experiences will equip her to lead Athleta into its next chapter of growth – rooted in purpose, performance and people."

Gauger comes to Athleta with more than 20 years of experience in key leadership roles at Nike, most recently serving as the head of its North America women's

business, where she was responsible for driving growth including customer acquisition and other areas within the large active and athleisure market.

"I'm energized to bring my experience working at the intersection of sport, style and culture to Athleta – a brand with strong purpose and still so much untapped potential," Gauger said in a statement. "Athleta has an unwavering mission focused on the power of women – not just as athletes, but as leaders, creators and changemakers. And I can't wait to work with the incredible Athleta team to grow, to lead, and to inspire the next generation through the power of product and community."

As Gauger transitions into her role, Blakeslee will remain with the company as an adviser to support a smooth transition, Gap Inc. indicated.

A certified B Corporation, part of Athleta's mission is to inspire women and girls to find confidence, strength and well-being through movement. The collection of performance apparel, as Gap Inc. noted, is designed for women by women. Founded in 1998, Athleta offers apparel for yoga, training, recovery and travel. The brand was acquired by Gap Inc. in 2008. In 2016, the company launched Athleta Girl. Athleta operates about 250 Athleta stores and athleta.com.



## BUSINESS

# Kering Deepens Cost Cuts After Another Dismal Quarter



A look from Gucci's cruise 2026 collection.



François-Henri Pinault and Demna

● The French luxury group is preparing for the arrival of new CEO Luca de Meo by ramping up store closures, but has no plans to sell ailing brands.

BY JOELLE DIDERICH

**PARIS** — Kering is ramping up its cost-cutting efforts as it prepares to welcome new chief executive officer Luca de Meo, who has a reputation as a “cost killer” specialized in turning around ailing companies.

Much of the presentation of the French luxury group's first-half results on Tuesday focused on its efforts to slash expenditures and curb debt, which include closing stores, selling real estate and reducing headcount.

Kering is battling to stem the ongoing hemorrhage at Gucci, which posted another 25 percent decline in organic sales in the second quarter as consumers wait for new creative director Demna's debut presentation in September, which will be accompanied by a sprinkling of see-now, buy-now products in stores.

Group net profit plummeted 46 percent in the first half, highlighting the challenges faced by de Meo when he takes the reins on Sept. 15, succeeding François-Henri Pinault, who has held the title since 2005 and navigated the family-controlled conglomerate through multiple transformations. Pinault remains chairman.

“The first half of 2025 has been a period of momentous decisions for Kering,”

Pinault said in a statement, referring to de Meo's appointment and the arrival of new creative directors at Gucci, Balenciaga and Bottega Veneta.

“Though the numbers we are reporting remain well below our potential, we are certain that our comprehensive efforts of the past two years have set healthy foundations for the next stages in Kering's development,” Pinault added.

Kering said it will close more stores than initially anticipated after another dismal quarter.

Revenues in the three months to June 31 fell 18 percent at reported exchange rates to 3.7 billion euros, representing a decline of 15 percent in comparable terms. This was below the 3.75 billion euros the market was expecting, and marked a slight worsening from the first quarter.

Chief financial officer Armelle Poulou said the group now plans to shutter 80 boutiques in 2025, up from the 50 announced at the start of the year.

There were 41 net closures in the first half, with Gucci and the “other houses” group — mainly Balenciaga and Alexander McQueen — accounting for 18 each. Kering also closed seven outlets, and plans further store closures in 2026 and 2027.

Most of its luxury brands saw organic sales declines in the second quarter.

Saint Laurent fell 10 percent, and the “other houses” division 16 percent. Bottega Veneta saw a moderate bright spot, with a 1 percent rise. The Kering eyewear and corporate division also bucked the trend with a 3 percent increase.

By comparison, comparable sales at LVMH Moët Hennessy Louis Vuitton's key fashion and leather goods division were down 9 percent year-over-year in the second quarter, missing consensus estimates.

## No Quick Fix

However, Kering said it had no plans to sell underperforming brands, amid reports that LVMH is shopping around Marc Jacobs, after offloading its stakes in Off-White and Stella McCartney last year. Kering is focused instead on redressing ailing labels like McQueen, which is undergoing a restructuring.

“We have a clear strategy for all the brands, and we are working to execute properly the strategy brand by brand,” said Jean-Marc Duplaix, deputy CEO in charge of operations and finance. “But so far, when it comes to the portfolio of brands, we have no plan of disposal.”

Weighted down by trade wars, geopolitical tensions and financial market volatility, the global market for personal luxury goods will likely fall by between 2 and 5 percent this year, according to the latest Luxury Goods Worldwide Market Study from Bain and Altgamma.

Compounding anemic demand in China and volatility in the U.S., Kering was impacted by a “sharp decline” in tourism.

Sales in directly operated stores fell 19 percent in Asia-Pacific and 10 percent in North America, an improvement compared with the first quarter. They were down 29 percent in Japan and 17 percent in Western Europe as strong currencies deterred foreign shoppers.

Poulou said the group has anticipated the trade deal reached on Sunday under which European Union goods entering the U.S. will be subject to a 15 percent tariff.

“We consider that this is manageable through price adjustments,” she said, noting that some brands preemptively raised prices in the second quarter. A second wave of increases could follow in the fall, depending on consumer sentiment.

Francesca Belletini, Kering's deputy CEO in charge of brand development, said the outlook in China remains murky, despite signs of resilience in high-end products such as fine jewelry and watches.

“The general economic environment still creates a low consumer confidence. Currently, the rate of saving is very high,” she said.

“High-quality products are the ones that are performing better at the moment. We still remain positive on China.”

Belletini added. “But we don't know yet when the trend is going to change. It's very difficult to say.”

While Kering has been trimming costs across the board, it does not see a quick return to profit growth.

Recurring operating profit for the first half was down 39 percent to 969 million euros, above the consensus estimate of 933 million euros. The recurring operating margin fell to 12.8 percent from 17.5 percent in the same period a year ago.

Kering expects the EBIT margin to decline again in the second half, but much less than in the first six months of the year, Poulou said. Given the ongoing weakness in Asia, it has revised downwards its forecast for the gross margin, which is now expected to remain stable in the second half, instead of improving.

## Hunting for Cash

Kering cut first-half operational expenditures by 11 percent in reported terms, with a substantial contribution from fixed costs. Poulou foresees a decline in the mid- to high single digits for the full year, namely to preserve advertising and promotions spend to sustain brand visibility and amplify upcoming designer debuts.

Headcount is down 4 percent year-to-date, with Duplaix noting that staffing levels at Gucci are 22 percent below their 2022 peak.

Capital expenditures amounted to 431 million euros in the first half, down 20 percent year-over-year excluding real estate, and were expected to total 1 billion euros for the full year.

Kering said it generated 1.5 billion euros in the first half from the ongoing refinancing of real estate and other assets, with another 1.7 billion euros projected for the second half and beyond.

Under a deal with private equity firm Ardian valued at 837 million euros, Kering agreed to transfer three of its prestigious addresses in Paris to a new joint venture. It has also sold a building in Tokyo's Omotesando district and The Mall Luxury Outlets, which operates two luxury outlet destinations in Italy.

In a research note earlier this month, Bernstein analyst Luca Solca said de Meo, a turnaround specialist with decades of experience in the automobile industry, must curb Kering's elevated debt levels, and perhaps “negotiate a larger ‘equity for Valentino’ deal with Mayhoola.”

Two years ago, Kering bought a 30 percent stake in Valentino for 1.7 billion euros in cash as part of a broader strategic partnership with the Qatari investment fund. The French group has an option to buy 100 percent of Valentino's capital by 2028, while Mayhoola could become a shareholder in Kering.

According to Bernstein's tallies, Kering will need up to 3.4 billion euros in cash to pay for the remaining 70 percent.

Duplaix said that while he could not speak on behalf of Mayhoola, he did not believe it would be advantageous for the company to exercise its put option in 2026, given that Valentino's performance in 2025 will be impacted by efforts to streamline its distribution.

In the event that Mayhoola cashes out early, the price would be “substantially” below 4 billion euros, the executive said in response to an analyst's question.

He added that de Meo likely will not lay out his vision until next year.

“Luca has already met with several key internal stakeholders in the group, starting with François-Henri, of course, but also Francesca and myself, and he's preparing for his formal arrival,” Duplaix said.

“We are all looking forward to working with him but of course, it will be up to him to define his road map and to tell you when he will have the occasion to present his ambitions,” he said.

## BUSINESS

# Ermenegildo Zegna Group Inks Deal to Sell Stake to Temasek

● As of Wednesday, the Singapore-based investment company will hold 10 percent of the Italian group.

BY LUISA ZARGANI

**MILAN** – Capitalizing on the momentum of its brands, the Ermenegildo Zegna Group is welcoming a new partner.

Zegna has inked an agreement to sell 14.1 million shares to Venezia Investments Pte. Ltd., an indirect wholly-owned subsidiary of Singapore-based investment company Temasek Holdings. This amounts to around 5 percent of the group.

The price was pegged at \$8.95 a share, an average of Zegna share prices over the period from June 30 to July 25, so that upon the closing, expected on Wednesday, the Italian group will receive a total of \$126.4 million.

Zegna is publicly listed on the New York Stock Exchange and Temasek previously acquired 12.7 million ordinary through market purchases, or a little less than 5 percent, in an undefined time frame. After the closing of the transaction, Temasek will own a total of 26.8 million shares, equivalent to 10 percent of Zegna.

"I am delighted to welcome Temasek as a strategic investor in our group's shareholder base," said Gildo Zegna, chairman and chief executive officer of the group. "Their investment is a strong endorsement of our vision and long-term growth potential, while firmly recognizing the global significance

of the Italian luxury sector. With Temasek's partnership, we are even better positioned to help strengthen our organic expansion globally and to reinforce our unique role as a custodian of truly authentic brands."

Nagi Hamiyeh, head of EMEA of Temasek, stated that the Zegna Group "has successfully established itself in the high-end luxury segment and presents significant long-term value creation opportunities across each brand. Our investment in them underscores our ongoing commitment to support leading European businesses with strong track records and global potential."

Hamiyeh concluded by saying that Temasek will be "a thoughtful, long-term partner to the Zegna family and management team, empowering them to execute on their growth strategy and supporting their vision to elevate their iconic brands and global footprint."

In a statement, Zegna said "the enhanced financial flexibility will allow the group to carefully seize selected opportunities for accelerating the organic growth of the current brand portfolio." It pointed to Temasek's "wealth of experience in the luxury sector and deep knowledge of the Asian market" contributing to the Zegna group's "growth prospects and support the expansion in key geographies" where it is still underdeveloped.

Hamiyeh is expected to join the Zegna Group's board of directors in June.

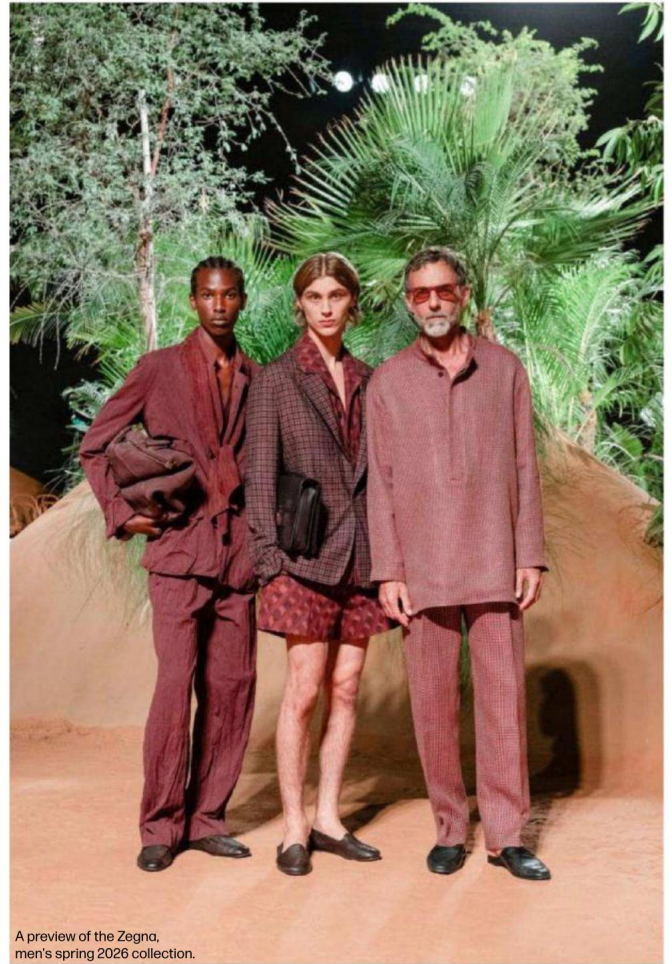
Temasek has a wide range of investments in different business, among which are Amazon, Visa Inc. and Singapore Airlines. It had previously invested in Stone Island and Li & Fung. Its net portfolio is valued at 299 billion euros. The group has 13 offices in nine countries around the world.

After the closing of the Temasek transaction, the Zegna family will have a 60.3 percent stake in the group, down from 63.4 percent. A source explained that the 5 percent stake acquired by Temasek from the group comprised treasury shares, set aside by the parent company for extraordinary operations upon the listing. "This transaction dilutes the capital." To list in New York in Dec. 2021, Zegna entered into a business agreement with Investindustrial Acquisition Corp., a special purpose acquisition corporation, sponsored by investment subsidiaries of Investindustrial VII LP. Investindustrial will have an 11 percent stake in Zegna, down from 12 percent and 19 percent will be free-floating, down from 25 percent.

A market source said that "at this moment, having cash in the coffers is a very important asset. Zegna has no interest in delisting the company or in additional M&A, but with the new funds can invest in the organic growth of its brands." As of Dec. 31, the group's net financial position stood at a negative 94 million euros. Thanks to the transaction with Temasek, it will be cash positive for 14 million euros, converting \$126.4 million into 108 million euros.

The Ermenegildo Zegna Group marks 115 years in business in 2025, and while it stays true to the values of its namesake founder and its heritage, the Italian company has morphed into a publicly traded luxury powerhouse reporting 2024 sales of 1.94 billion euros comprising the Thom Browne brand and Tom Ford Fashion in addition to its Zegna menswear fashion label.

The company was established in 1910 in Trivero, Piedmont as a producer of woolen



A preview of the Zegna, men's spring 2026 collection.

fabric and textile mill and is now in its fourth generation of family ownership and operation.

Gildo Zegna over the years spearheaded the development of a strong textile supply chain, which includes the likes of Bonotto and Tessitura Ubertino, among others. In addition to its own Lanificio Zegna, the group's textile supply chain includes Tessitura di Novara, Bonotto and Dondi, all acquired over the years, helping to raise its position in the country in terms of variety and size. In 2018, the family-owned group also finalized the acquisition of a controlling stake in Pelle Tessuta, which specializes in the weaving of leather, and bought a majority stake in Cappellificio Cervo, a historic men's hat brand based in Biella.

In June 2021, in a sign of an increased effort to protect Italy's unique supply chain, Zegna and Prada joined forces to acquire a majority stake Filati Biagioli Modesto SpA, each with a 40 percent stake in the cashmere firm.

As part of its strategy to rely on its own manufacturing capabilities and supply chain, the group plans to build a new luxury footwear and leather goods production facility in Sala Baganza, near Parma. The plant is scheduled to be completed by December 2026 and is expected to employ more than 300 people at full capacity in 2027.



Thom Browne, resort 2026



Tom Ford, fall 2025

BEAUTY

# L'Oréal Q2 Organic Sales Rise 2.4 Percent



● The world's largest beauty company expects the beauty industry to continue growing this year, despite economic and geopolitical tensions.

BY JENNIFER WEIL

**NEW YORK** – L'Oréal reported second-quarter 2025 sales declined 1.3 percent in reported terms but rose 2.4 percent on a like-for-like basis, bolstered by its Professional Products division, emerging markets and China.

Adjusted for phasing linked to its 2024 and 2025 IT transformation, the world's largest beauty company's like-for-like sales growth was 3.7 percent in the three months ended June 30, versus 2.6 percent in the first quarter of this year.

Sales for the maker of Lancôme, Garnier

and La Roche-Posay products reached 10.74 billion euros in the second quarter.

"There are a lot of moving parts (again) related to IT system prompted sales skews in the U.S. (2024) and China (2025)," wrote David Hayes, an equity analyst at Jefferies, in a note. "The conclusion, 2Q is slightly disappointing, led by Luxe and Europe sequentially slowing – somewhat offset by a step-up in [North America], perhaps via pre-tariff buying(?)"

For the first half, L'Oréal's sales came in at 22.47 billion euros, up 1.6 percent on a reported basis and 3 percent in like-for-like terms. Currency fluctuations negatively impacted sales by 1.9 percent.

"As anticipated, L'Oréal's like-for-like growth accelerated between first and second quarter. The ongoing strength in emerging markets, the slight rebound in mainland China and the gradual recovery in North America more than offset the

expected slowdown in Europe, once again validating our multi-polar model," Nicolas Hieronimus, L'Oréal chief executive officer, said in a statement released after the market close Tuesday.

He noted that acceleration was backed by a gradual improvement in the beauty market's growth worldwide, which L'Oréal expects will continue over the upcoming two quarters, as well as by the early success of the group's beauty stimulus plan, which is driven by key product launches.

In the half, net profit excluding non-recurring items equaled 3.78 billion euros, up 1 percent.

"Our operating margin increased by 30 basis points in the first half, particularly thanks to rigorous management of our operating expenses," said Hieronimus. "Our numerous initiatives in the second half will benefit from strong brand support, notably our major upcoming launches including our new Prada for men and first Miu Miu fragrances."

By division and on a like-for-like basis, L'Oréal's Professional Products division's sales increased 6.5 percent to 2.55 billion euros; the Dermatological Beauty division's sales gained 3.1 percent to 3.86 billion euros; the Consumer Products division's sales grew 2.8 percent to 8.41 billion euros, and the Luxe division's sales advanced 2 percent to 7.66 billion euros.

In geographic and like-for-like terms, the South Asia-Pacific, Middle East, North Africa and Sub-Saharan Africa, or SAPMENA-SSA, zone and Latin America were the group's fastest-growing regions, registering sales increases of 10.4 percent and 10.3 percent to 2.06 billion euros and 1.66 billion euros, respectively. European sales equaled 7.53 billion euros, up 3.4 percent, while those from North America were 5.82 billion euros, a 2 percent rise.

In the half, sales in North Asia declined 1.1 percent to 5.39 billion euros. On an adjusted basis, mainland China's business returned to growth, according to L'Oréal.

Fragrance and hair care were the company's fastest-growing product categories in the half.

The company remains optimistic about the beauty business overall.

"I am confident that we will continue to outperform the global beauty market – which we expect to grow, even amidst the current economic and geopolitical tensions – and to achieve another year of growth in sales and an increase in our profitability," said Hieronimus, who will discuss results further with financial analysts and journalists during a call scheduled for Wednesday.



La Roche-Posay products.

BEAUTY

# Procter & Gamble Names Shailesh Jejurikar CEO, Reports Q4 Earnings

● Shailesh Jejurikar to succeed Jon Moeller as CEO in 2026 as P&G navigates tariffs and price strategies for growth.

BY KATHRYN HOPKINS

**P&G is undergoing a leadership change** at the very top as the consumer goods giant said price hikes are on their way amid the ever-evolving tariffs landscape.

Shailesh Jejurikar, currently chief operating officer, will succeed Jon Moeller as president and CEO, effective Jan. 1. Moeller will become executive chairman of P&G, whose brands include Pampers, Tide, Gillette and SK-II.

Jejurikar joined P&G in 1989 and has been a member of P&G's global leadership team since 2014, holding various senior leadership roles in categories, sectors and regions.

"P&G people, our brands, and our capabilities in innovation and operational excellence fuel my confidence for a future of sustained growth and value creation," said Jejurikar.

"It has been an honor to serve as CEO of P&G, and I am incredibly proud of

the value created by the people of P&G through an integrated strategy that is being executed with excellence," added Moeller. "I look forward to supporting Shailesh and the entire team as they continue to improve the performance and value of P&G brands and categories to win with consumers and customers around the world."

The news came as the company said it would increase prices on around a quarter of items.

"At these rates, tariffs alone are a 5-point headwind to core EPS growth in fiscal 2026. We will look for every opportunity to mitigate these impacts, including sourcing flexibility, productivity improvements, and pricing with innovation in affected categories and markets," said Moeller during an earnings call.

Its fiscal 2026 outlook includes \$1 billion before tax in higher costs from tariffs based on rates announced since July 9, Moeller explained. "You can think about the tariff impact in three buckets. About \$200 million from materials and products imported from China to the U.S. Another \$200 million from Canada's tariffs on goods shipped from the U.S. And the



remaining \$600 million from tariffs on goods coming to the U.S. from the rest of the world."

The company reported fiscal year 2025 fourth-quarter net sales of \$20.9 billion, up 2 percent versus the prior year and a touch above Wall Street estimates. Organic sales, which excludes the impacts of foreign exchange and acquisitions and divestitures, also increased 2 percent.

Diluted net earnings per share were \$1.48, an increase of 17 percent. Analysts had penciled in \$1.42.

Within that, beauty segment organic sales rose 1 percent year-over-year, while hair care organic sales were unchanged as

growth in Latin America and Europe was offset by volume declines in North America and Greater China.

Personal Care organic sales increased low-single digits and skin care organic sales were unchanged. Grooming segment organic sales increased 1 percent versus year ago.

"We grew sales and profit in fiscal 2025 and returned high levels of cash to shareowners in a dynamic, difficult and volatile environment," said Moeller. "In fiscal 2026, we expect to deliver another year of organic sales growth, core EPS growth and strong adjusted free cash flow productivity."

## BUSINESS

# SMCP Q2 Sales Up 3 Percent With Full-price Strategy Boosting Growth

- Sales surged 21.6 percent in the Americas, despite incorporating tariffs and raising prices in the U.S.

BY RHONDA RICHFORD

**PARIS** - Sandro and Maje parent company SMCP reported modest growth as the French fashion group continues to pursue a strict full-price strategy and tight inventory controls to stabilize sales across its brands.

In the second quarter, sales rose 3.3 percent on an organic basis, reaching 304.5 million euros.

The stabilization of the company, following overexposure in China and the subsequent shuttering of stores there, is part of chief executive officer Isabelle Guichot's long-term recovery strategy.

"These aren't overnight changes – they are long-term strategic projects. We are seeing the results of what we planted over the last 18 months," she said on a call following the release of the results.

Inventory on hand was down 13 percent year-over-year.

Guichot highlighted key initiatives, including the hiring of new brand heads tasked with rethinking and revitalizing the group's portfolio of contemporary labels. The company has also appointed a new head of digital strategy to rebuild its online presence.

"All this sets us up for recovery in 2025," she said.

One key market was the Americas, which delivered a standout performance in the second quarter, with sales surging 21.6 percent. Growth was fueled by price increases and higher volumes, supported by momentum from several U.S. store openings last year.

"We posted remarkable organic growth there, despite a competitive and uncertain environment. This growth came through both retail and partnerships – including concessions and franchise partners," Guichot said.

Sales in the Americas reached 49.6 million euros, despite the closure of 25 points of sale in Canada following the shutdown of Hudson's Bay locations.

The company is currently seeking a new partner in Canada.

Guichot said the company has raised prices in the U.S. and incorporated tariffs into its pricing model. "It's consistent with our forecasts and doesn't negatively impact performance. In fact, we've historically priced U.S. collections higher than European ones, so the impact is relatively contained. Our U.S. success isn't just pricing, it's volume as well," she said.

She added that about 60 percent of the company's production is now outside of China and that this diversification strategy will be an asset moving forward.

"Yes, Chinese-made goods are more affected by tariffs. But overall, we built this into our pricing models – 20 percent tariffs on European-made goods and higher on Chinese-made items. The

strategy is sound," she said.

In its home market of France, sales edged up by less than 1 percent on an organic basis to 104.9 million euros.

"We saw good momentum across all channels and continue to focus on our retail strategy, particularly around margin optimization and reduced discounting," said Guichot.

She noted that SMCP's stable of brands are "performing better than most of our peers," at a time when French high street labels have been hit by a wave of closures and administrative bankruptcy procedures. With other brands shuttering, "we're gaining market share fairly easily," she said.

Across the rest of the Europe, Middle East and Africa region, excluding France, sales rose 3 percent to 106 million euros. SMCP noted that retail performance remained steady, while wholesale results were affected by timing shifts.

In the Asia-Pacific region, sales declined 6.2 percent to 43.9 million euros, reflecting a wave of store closures, primarily in China. However, EMEA benefited from expansion into new markets such as the Balkans and Jordan.

"That was expected. The decline reflects the strategic contraction of the network last year," said Guichot. "One key area we're closely monitoring is in-store traffic, which is stabilizing. We're seeing promising starts in emerging markets like India, Indonesia, and the Philippines."

## Still Waiting for Its Shares

In an update on SMCP's long-running legal battle with former majority shareholders Dynamic Treasure Group and European TopSoho, the Singapore High Court ordered the restitution of shares that were illegally transferred in 2021. The decision was handed down on July 10, and the shares were to be returned within one week – but SMCP has yet to receive them.

Guichot said that while DTG and European TopSoho could still appeal the ruling, SMCP has initiated transfer procedures through the Singapore court and will inform the markets as required.

## Sandro Still on Top

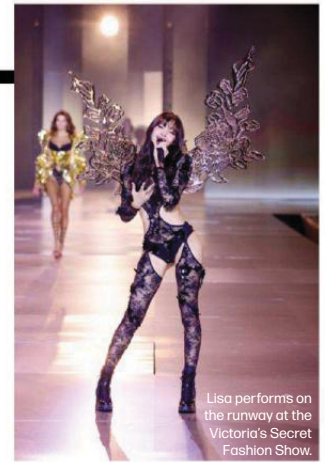
Looking at performance by brand, Sandro posted a 3.3 percent increase in second-quarter sales, reaching 154.7 million euros. "Little sister" brand Maje grew 4.9 percent to 113.6 million euros, with 14 new points of sale opening in the EMEA region in the second quarter.

Combined sales for Claudie Pierlot and men's brand Fursac, which are not reported individually, totaled 36.2 million euros – down 1.3 million euros year-over-year – in line with expectations following the closure of four Claudie Pierlot stores during the three-month period to June 30.

Claudie Pierlot is among the brands that have a new creative team and is rebranding to be known simply as "Claudie" going forward.

Looking at the first half, total sales reached 601.1 million euros, representing a 3 percent increase on an organic basis in the first six months of the year.

Net financial debt stood at 206 million euros as of June 30 – an 87-million-euro reduction from the same date a year earlier. Guichot noted that the company's debt ratio has now fallen below 2 percent and emphasized that SMCP is continuing to de-leverage in order to strengthen its financial position moving forward.



Lisa performs on the runway at the Victoria's Secret Fashion Show.

## FASHION

# Victoria's Secret Gets Runway Ready Again

- The company teased the return of its runway bonanza.

BY EVAN CLARK

The Angels are getting ready to come back.

Victoria's Secret & Co. confirmed that its runway show would be returning this year with a teaser on Instagram that also encouraged shoppers to download the brand's app to get additional details.

For years the show was a televised staple for fashion, drawing big-name models with big social reach to the runway each fall and plastering the brand everywhere with not just the famed Angel wings, but fantastical looks.

After a hiatus and some soul searching about just who the show was for and why the brand seemed so obsessed with pleasing the male gaze, Victoria's Secret took back to the runway again in Brooklyn last October.

The glitz and the glam were definitely there – as were the models, including Adriana Lima, Alessandra Ambrosio, Grace Elizabeth, Taylor Hill and Tyra Banks, and wings aplenty. Cher, Tyla and Lisa were musical guests.

But the vibe was different. The show's return was orchestrated by women and the looks on display were not aspirational one-offs, but looks that would be in the brand's stores.

Hillary Super, who became chief executive officer of the company shortly before the show last year, is clearly ready to carry on the tradition and use the event to stoke brand heat, building interest with consumers as the runway is readied.

The trick is going to be to use that brand heat to drive the business, which is still in turnaround mode and facing pressure from activist investors. Last month, Barington Capital chief James Mitarotonda slammed the company for revenue and stock declines, "operational and strategic shortcomings" and pushed for it to replace most of all of its board members.

Mitarotonda said the company should be "reestablishing merchandising discipline, launching bold, exciting and imaginative marketing campaigns, and, where appropriate, reintroducing successful legacy elements, such as the iconic Angels campaign."

The Angels at least are due to hit the runway again.



The Sandro store on Avenue des Champs-Élysées in Paris.

FASHION

# Biagiotti Group Celebrates 60 Years



Laura and Lavinia Biagiotti in 1998 in Rome at the Cordoned Staircase.



Laura Biagiotti with her husband Gianni Cigna and daughter Lavinia Biagiotti Cigna.



Laura Biagiotti in China in 1988.

● While planning the future, Lavinia Biagiotti Cigna reflects on six decades of the family-owned brand's pioneering journey, including milestones such as the first Italian fashion shows in China in 1988 and in Russia in 1995.

BY LUISA ZARGANI

**MILAN** – The Biagiotti Group was established on July 30, 1965, and the anniversary marks “60 years of many stories of fashion, beauty and enterprise that weave into one bigger pioneering story of three generations of women at the helm,” said Lavinia Biagiotti Cigna, president and chief executive officer. In addition, “it’s a company that is still entirely family-owned and all-around Italian,” she pointed out proudly.

Her grandmother Delia Soldaini Biagiotti founded the company as an atelier in Rome, and her mother Laura turned it into an international brand.

Lavinia credits them both as her mentors. “My grandmother Delia was truly emancipated. Orphaned at 14, in 1928 she started working to feed her three siblings, moving up the ladder to become a company manager until she decided to open her atelier to spend more time with her daughter Laura. From a passion and a hobby, it became a business.”

Fondly, she also recalls her father Gianni Cigna, who died in 1996, for being the business strategist of the company.

Asked if she ever envisioned a different future for herself, she said, “No, I never had any doubt I would work for the company.” She rose to the occasion in 1997, when she was only 18, a year after her father’s death. “It was instinctive and natural. I had always seen my parents as a very solid couple and I did not want my



Laura Biagiotti, fall 2025

mother to be alone. I wanted to become her copilot.”

Known for her expertise in developing luxury cashmere pieces, Laura Biagiotti contributed to the success of Italian fashion around the world. Her first namesake collection debuted in 1972 at the Sala Bianca in Florence, together with designs by Ottavio and Rosita Missoni, Walter Albini, Krizia’s Mariuccia Mandelli and Gianfranco Ferré.

She was the first Italian designer to present a fashion show in China. The event took place in Beijing on April 25, 1988, followed by a show at the Grand Theater of the Kremlin in February 1995. Biagiotti was the first Italian designer to present a fashion show in the former venue of the



Laura Biagiotti backstage at the brand's first fashion show in 1972.

USSR Communist Party in Moscow.

In addition to having in 2010 received the title of Cavaliere del Lavoro, one of the highest honors bestowed by the president of the Italian Republic, Laura was the first woman to be awarded the Premio Leonardo for her exceptional contribution in promoting Italian fashion worldwide.

Since taking the helm of the company when her mother died in 2017 at age 73, Lavinia has brought forward her legacy, passing through the pandemic, staging shows in Piazza del Campidoglio, a symbol of the Roman Renaissance designed by Michelangelo Buonarroti on the Capitoline Hill and home to the City Hall, and in other key locations in the Italian capital, such as the museum of the Ara Pacis, the contemporary art museum MAXXI, and the Centrale Montemartini, the city’s first power plant dating back to 1912 that was converted into a museum in 1997, with classic archeology and precious mosaics contrasting with the original diesel motors or the huge steam boiler.

Laura Biagiotti became a friend and muse of French artist René Gruau, who created several illustrations for her, including one of her image reproduced on signature tote bags produced in the brand’s colors of reference – red, black and white.

Ever since the launch of the first

fragrance in 1982, Biagiotti has had a successful perfume business, including the Roma and the Forever lines, among others, and licensed to Angelini Group in 2014 after 20 years with Procter & Gamble.

Lavinia has also continued to invest in the Marco Simone castle, the headquarters of the brand, located in Guidonia, about 10 miles from Rome. At the end of the ‘70s, her parents bought the medieval castle, restored it and built a golf course to prevent

additional urbanization of the area. Lavinia is also president of the Marco Simone Golf & Country Club, and she succeeded in bringing the Ryder Cup there in 2023, the first time it was held in Italy, attracting 271,000 visitors from all over the world.

“I am pursuing the development of Marco Simone as a destination,” she said. “After all, I think we are moving away from ownership to experiences, people are seeking emotions.”

She is digitalizing the archives, which comprise 150,000 pieces collected over the years, and revealed she is restoring an antique Roman villa in the name of her mother. Additionally, she confided that her dream would be to open a resort.

The company has been supporting the territory, contributing to the restoration of several landmarks, ranging from the Cordoned Staircase of the Campidoglio and the Grand Stage Curtain of the Fenice Opera House in Venice, to the Palazzo Farnese Fountains in Rome and the Fountain of Dea Roma in the Italian capital, as well as the Piccolo Teatro in Milan, where the brand has been showing more than 70 collections since 1998. At the moment, Lavinia is planning a donation to the city of Milan.

“Rome is my roots and Milan has given me wings,” she said.



Here and right: Shay Mitchell in pieces from the Gap x Béis collaboration.



Luggage from the collaboration.



Mitchell said she's also designed a sweatsuit outfit for kids which is a travel-inspired print, where they can actually color it with washable markers. Mitchell said she hopes someday to add more travel-inspired apparel pieces to her Béis collection.

To create the collection, Mitchell said she visited Gap's New York offices about three times, and the process "was really collaborative."

"It was an incredible experience getting to work with their designers, hearing how they come up with their next collections." She also went to New York to do fittings and try-ons. She also took her boyfriend and they did fittings on him for the men's looks.

Mitchell said the denim jackets in blue and in khaki are her favorite. She also said all their hoods are extra large so people can cover their eyes when they're traveling. "You have that room to wear a sweater underneath. My number-one thing with traveling is just layering, layering, layering," she said. She also designed a sports bra and boxer shorts.

Asked where the interest in travel apparel came from, she said, "I think from

the experience of traveling and being uncomfortable. You can still look chic and put together when you're traveling, while also being comfortable," she said.

Mitchell will appear in the campaign that features a playful 75-second film, "Go Big, Don't Go Home," shot by Bjorn Ioss and directed by Andrew B. Byers. Creatively directed by Mitchell and her partner Matte Babel, the film stars the couple alongside their children, Atlas and Rome, marking the family's first branded shoot together.

Set inside a life-sized denim suitcase, Mitchell cycles through travel-ready looks from the collection, while her children wear matching Baby & Toddler VintageSoft Hoodies and Barrel Sweatpants.

The Gap x Béis collection launches Friday on gap.com, beistravel.com and in select Gap stores. Gap.com will offer the full collection, including apparel, accessories, luggage and travel bags, while beistravel.com will carry luggage and travel bags and select apparel styles, with international shipping available to countries and regions including Canada, Japan, U.K. and the European Union. An assortment will be sold in more than 50 Gap stores across the U.S., four stores in Canada and six stores in Japan.

Mitchell has more than 35 million followers on social media, where she'll also be promoting the Gap x Béis Collection.

Mitchell, who is best known for her appearance in "Pretty Little Liars," is also an ambassador for OXG hair care brand. Her other TV roles include the psychological thriller series "You," and Hulu series, "Dollface." She's also appeared in such films as "Dreamland," "Mother's Day," "Something From Tiffany's" and "The Possession of Hannah Grace." The actress said she just finished filming a movie, "The Up and Comer," that will be coming out later this year.

## BUSINESS

# Gap Collaborates With Béis

● The 26-piece capsule is codigned by Gap and actress Shay Mitchell, founder and chief creative officer of Béis.

BY LISA LOCKWOOD

### Gap is on the move.

The San Francisco-based apparel and accessories retailer is collaborating with lifestyle brand Béis, founded by actress and entrepreneur Shay Mitchell, on a limited-edition collection of apparel, luggage and travel bags, launching Friday.

The 26-piece collection highlights luggage and travel bags and marks the introduction of Béis' first travel-ready clothing collaboration. The luggage and bags come in a limited-edition blue inspired by Gap's signature denim and the apparel is offered in a range of Béis' signature colors such as beige, black and Berry Pink. Mitchell founded Béis, which is pronounced base, in 2018.

"Béis is built on functional and accessible design. Partnering with Gap let us bring Béis-ics to more people than ever," said the 38-year-old Mitchell. "I've been wearing Gap since I was a kid, so designing a collection that allows you to express your personal style while on the go feels like a full-circle moment. This line is for anyone who wants to look good, feel good and travel in style."

Mark Breitbart, president and chief executive officer of Gap, said, "As a brand known for iconic essentials, we knew a collection designed to showcase your personal style wherever life takes you would resonate deeply with our

customers. Béis has built a powerful brand with a highly engaged community, driven by Shay's authentic connection to her audience. Gap x Béis delivers a modern take on versatile travel wear, brought to life through a digitally led campaign that reflects the built-in memories of traveling with a family."

Retail prices range from \$8 to \$128 for apparel and accessories, and \$128 to \$378 for luggage and travel items.

In a Zoom interview, Mitchell spoke about her affinity for the Gap brand. "This has been on my vision board for many years. I have always been a huge fan of Gap and have always shopped there. Gap has always been known for their staple items. You can go in there and you know you're getting a quality piece that is kind of timeless. I think the combination of Gap with Béis, and the function that we add to all of our products was sort of a really happy marriage between [the two companies]."

Among the key items are Convertible Cargo Barrel Pants (\$118) that transforms pants into cargo shorts; Convertible Bandeau Jumpsuit (\$88) that can be worn as a full jumpsuit or folded down into pants; Heavyweight Travel Hoodie (\$128), with a built-in inflatable neck pillow in the hood that offers in-flight comfort; The Denim Weekender (\$124) that is carry-on friendly with a wide opening and separate bottom storage for shoes and toiletries; The Carry-on Roller (\$288) that is a Béis bestseller with a built-in compression and expansion up to two inches, and The Denim Travel Backpack (\$128), which has a padded interior sleeve that fits most laptops and

two exterior water bottle pockets.

This is the first time Mitchell has designed clothing, and she said she was excited to bring her travel aesthetic and packing and traveling expertise to the Gap x Béis collection. She said one of the most important aspects of the apparel was being able to take these pieces and put them in a carry-on and make different outfits from them. The cargo pants were designed to be fashion forward and you can put them on with a pair of heels and take off the bottoms "and you have these really chic shorts," she said.

She said a few of the pieces, such as the large size T-shirts and denim jacket, can be worn by men. Overall, sizes range from XXS to XL. Bottoms are 24R to 33R, and 00-16. Toddler styles, which include VintageSoft Barrel Sweatpants and VintageSoft Hoodie, range from 6 to 12 months to 6 years.

She said they designed a suitcase inspired by Gap denim and have added a twill look to their luggage. There is also a denim jacket and barrel pant that was done in a cream khaki color. The color palette includes black, denim, khaki and a little bit of pink.

The collaboration, which was two-and-a-half years in the making, will be for one season. Mitchell said she will make personal appearances at Gap stores worldwide. The collection will be available starting Friday. "We'll have a lot of fun content material coming out and we're actually going to Japan. I'm doing a little surprise pop-up there as well," she said. Mitchell plans to celebrate the collection at Gap Times Square in Manhattan on Thursday night.

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## BUSINESS

# Retail's Spending Divide: How Capex Could Shape The Future of Fashion

- Apparel brands and retailers mostly plan to increase spending this year, but are having to learn how to fund AI developments.

BY EVAN CLARK

The received wisdom in corporate America is that to you need to spend money to make money.

And that's true enough.

But exactly how much money companies choose to push back into their businesses and how well all of those dollars are spent matters – a lot.

Fashion is going through something of an investment cycle, pouring more resources into both technology and stores.

A WWD study of annual reports that detail planned capital expenditures for the year ahead showed that 14 of the 18 companies examined are ramping up spending.

As the largest apparel merchants, Amazon and Walmart Inc. are on the list, but are really outliers – dominating like they do in the world of e-commerce and, in Walmart's case, brick-and-mortar stores.

Together, the two leaders plan to spend more than \$100 billion on capex this year, plowing more funds into a future that is not just bigger in terms of scale, but more digitally empowered.

Amazon plowed 12.2 percent of its sales into capex last year and plans to spend more this year, and while much of that goes toward beefing up its lucrative web services cloud business, it offers a useful point of comparison. The rest of the list spent just 3.5 percent of sales on what accountants refer to as “property, plant and equipment.”

And some of the weakest companies in the industry are cutting back on their spending.

Kohl's Corp., for instance, is cutting its capex to a range of \$400 million to \$425 million, down from \$466 million last year, a decline of 11.5 percent at the midpoint. There is some nuance – Kohl's just came off a stretch where it ramped up spending to roll out Sephora shops-in-shop – but the company is also deep in a turnaround

“We often go into retailers and their systems are old and insufficient and they've been kind of patched together for so many years. A lot of it is just an upgrade.... So they might have low tech costs, but they're really just delaying the inevitable. We call it tech debt.”

SONIA LAPINSKY, *AlixPartners*

effort and has plenty of areas that could use some TLC.

Sonia Lapinsky, leader of fashion retail at AlixPartners, compared capex spending to the wealth divide in the broader economy.

“The big companies are like the billionaires,” she said. “They just keep getting more and more advantages, are able to spend and get so far ahead.”

That competition – everybody's competing with Amazon and Walmart one way or another – makes it all the more important for everybody else in the business of making and selling fashion to be careful of where they put their money.

The problem is, there are so many places to spend – and catch up, since so many fashion players like to be fast followers instead of pioneers.

“We often go into retailers and their systems are old and insufficient and they've been kind of patched together for so many years,” Lapinsky said. “A lot of it is just an upgrade. At some point they have to upgrade a lot of that technology infrastructure. So they might have low tech costs, but they're really just delaying the inevitable. We call it tech debt.”

Likewise, retailers and brands also deemphasized their physical stores over

the pandemic and are still playing catch-up.

“It's 2025, and we're finally realizing that people actually do want to shop in stores again,” Lapinsky said. “Retailers took all the cost out of stores when they shut them down. They kind of got used to this low level of both expense and cost. Now it's almost like store debt. The same thing. The stores are needing some facelifts and upgrades and the consumer's demanding a better experience.”

While the buck always stops with the chief executive officer, the matter of capex really does land squarely on the corner-office desk.

CEOs at large companies shape strategy and “sell” investors on the promise of future growth, but at the core, their job is to allocate resources, dedicating money and people to a problem or plan.

“You're having every leader – the head of stores, the head of marketing, digital product – all coming to you with all of these investment requirements and telling you that they're the most important and the most critical,” Lapinsky said. “How does that leader assess and trade off where they're going to put their dollars, what's going to give them the biggest bang for their buck?”

That's a question all the more pressing now that artificial intelligence is at the center of not just the cultural conversation, but the investment conversation in business.

“We're going to see a kind of a shift in the retail CEO over the coming years, because the skillset is just different,” Lapinsky said. “And those that don't kind of embrace this and either learn what questions to ask and how to put the right people around themselves, I think are going to really fall short.”

AI is set to get more and more investment, even though companies are still trying to figure out just how to effectively put that money to work.

“What we've seen over the last couple of years is everybody's dabbling in AI,” said Nora Kleinenwillinghoefer, who leads luxury and fashion in the consumer practice of Kearney. “If you're not dabbling in AI today, you're not keeping up with the market.”

That dabbling has CEOs thinking bigger and bigger.

“What we're seeing the shift in now is brands meaningfully re-imagining the future of work,” Kleinenwillinghoefer said. “So we're talking everything from concept through the product design, merchandising and planning functions. Some of those naturally lend themselves more towards automation.”

Likewise, brands are planning to use AI to aid in design, connect with consumers and more.

“It's not just automate the task here or get some good insights over there,” she said. “It's about really rethinking the role of those individuals. What is the merchant of the future doing? How are they scenario planning? How are they looking at data sources in a much more meaningful way?”

Getting all of that right requires the kind of leadership that money really can't buy.

## GETTING AHEAD OR CATCHING UP IN CAPEX

FASHION AND RELATED COMPANIES ARE GENERALLY PLANNING ON SPENDING MORE THIS YEAR.

|                            | 2024 CAPEX<br>(In millions) | % OF REVENUES | 2025 PLANNED CAPEX<br>(In millions) | PROJECTED CHANGE,<br>AT THE MIDPOINT |
|----------------------------|-----------------------------|---------------|-------------------------------------|--------------------------------------|
| TARGET CORP.               | \$2,900                     | 2.7%          | \$4,000-\$5,000                     | 55.2%                                |
| RALPH LAUREN CORP.*        | \$216                       | 3.1%          | \$296-\$371                         | 54.4%                                |
| AMERICAN EAGLE OUTFITTERS  | \$223                       | 4.2%          | \$300                               | 34.5%                                |
| URBAN OUTFITTERS INC.      | \$183                       | 3.3%          | \$240                               | 31.1%                                |
| PVH CORP.                  | \$159                       | 1.8%          | \$200                               | 25.8%                                |
| DICK'S SPORTING GOODS INC. | \$803                       | 6.0%          | \$1,000                             | 24.5%                                |
| UNDER ARMOUR INC.**        | \$169                       | 3.0%          | \$152-\$253                         | 19.8%                                |
| ROSS STORES INC.           | \$720                       | 3.4%          | \$855                               | 18.8%                                |
| COLUMBIA SPORTWEAR CO.     | \$60                        | 1.8%          | \$60-\$80                           | 16.7%                                |
| LEVI STRAUSS & CO.         | \$228                       | 3.6%          | \$260                               | 14.0%                                |
| TJX COS. INC.              | \$1,900                     | 3.4%          | \$2,100-\$2,200                     | 13.2%                                |
| ABERCROMBIE & FITCH CO.    | \$183                       | 3.7%          | \$200                               | 9.3%                                 |
| LULULEMON ATHLETICA INC.   | \$689                       | 6.5%          | \$740-\$760                         | 8.9%                                 |
| AMAZON***                  | \$77,700                    | 12.2%         | \$77,700+                           | 0% +                                 |
| WALMART INC.               | \$23,800                    | 3.5%          | \$21,000-\$25,000                   | -3.4%                                |
| MACY'S INC.                | \$882                       | 3.7%          | \$800                               | -9.3%                                |
| KOHL'S CORP.               | \$466                       | 2.9%          | \$400-\$425                         | -11.5%                               |
| CAPRI HOLDINGS             | \$128                       | 2.5%          | \$110                               | -14.1%                               |

\*According to analyst revenue estimates via Yahoo Finance.

\*\*Based on long-term plans to spend 3 to 5 percent of revenues on CapEx.

\*\*\*Plans to increase spending this year.

Source: Securities and Exchange Commission filings and company statements

## BEAUTY

# Kulfi Beauty Is Coming to the U.K.

- The South Asian brand is launching with Space NK as part of its international expansion.

BY HIKMAT MOHAMMED

**LONDON** – The South Asian community is growing at a fast speed, populationally and economically.

According to statistics from the Office for National Statistics in the U.K., there's a growing population of more than 5.5 million South Asians across England and Wales and in the U.S., South Asians have a growing population of more than 5.4 million according to a survey conducted by South Asian Americans Leading Together, otherwise known as SAALT.

India is on track to become luxury's next frontier according to a 2024 Barclays report. The country accounts for around 2 percent of global luxury sales – Barclays



Kulfi Beauty's blush product.

estimates the market will quickly grow at an annual rate of 15 to 25 percent for the next seven years to reach between 23 billion euros and 38 billion euros, driven by a rising middle class.

Kulfi Beauty, the South Asian-founded and -inspired makeup brand that launched in 2021 is already ahead of the curve and its founder Priyanka Ganjoo sees no signs of slowing down.

The brand is already stocked at Sephora in the U.S., spanning across hundreds of stores and now it's entering the U.K. with Space NK, a go-to retailer for premium beauty.

"One of the things that came up often on our social media or when we looked at traffic on our website, is that the U.K. was one of the markets that was demanding us to come over. It's a market that was always going to be a strategic priority for us because we know there's a very large South Asian diaspora there, but it's also a very vibrant and multicultural beauty market," Ganjoo said in a joint interview with Margaret Mitchell, chief commercial officer of Space NK.

The founder didn't want a flash in the pan moment for Kulfi Beauty.

"It was important not to just do a pop-up, but to really show that we're here for the long term and I really believe that the brand can really build a sustainable business in the U.K., but it was about finding a partner that understood our vision," Ganjoo said.

Kulfi Beauty has been growing by 200 percent year-over-year in the U.S. and it's a trajectory that the founder hopes will be mirrored in the U.K. market.

The brand is bringing its full range to Space NK including its latest launch the Double Life Serum Primer, as well as their

signature hero items: the Kajal Eyeliner, the Badi Lash Mascara, the 2I-shade concealer and the Staining Lip Oil, which has been gaining attraction on TikTok.

"The South Asian diaspora is arguably underserved in terms of complexion shades and colors and just being spoken to. We see a broader customer and frankly, commercial opportunity in terms of serving the South Asian population. When we were connected with Priyanka and the team, we fell in love with how she talks about bringing joy and fun into the brand," Mitchell said.

She added that during a time when lip products are the centerpiece of every brand, it was refreshing to take on Kulfi Beauty and its focus on eye products.

At Space NK, eyeliners and mascaras are still flying off the shelves, but there's a low supply coming in from brands.

"Kulfi Beauty is an early stage makeup brand that has a strong complexion [range] and that means it has the potential to really have an element of trends, but also have that long-term repeat customer. Complexion is something that is really important for building a makeup brand with longevity," Mitchell said.

Space NK's strategy for the brand is to localize its products across the country rather than keeping it limited to London-centric areas only. They will be stocking it across different cities and university towns in the U.K.

"We have 83 stores across the U.K. and Ireland. We know that London is pretty saturated when it comes to beauty and the customer outside of London still wants to come and touch and feel products to find their shade and experiment with newness and smell fragrance. Anytime we're thinking about launches or activations,

Priyanka Ganjoo



we're thinking nationally," Mitchell said.

It's likely that Kulfi Beauty will resonate quickly with its colorful packaging and bold font – it's as charming and bubbly as Ganjoo, who speaks with constant cheer.

She named the brand kulfi after the frozen dairy dessert that she grew up with in Delhi, which she calls the "epitome of fun, joy and happiness" after a hot summer's day playing in a playground.

"From a brand perspective, what was really important to me was to channel joy because a lot of my formative experiences with beauty have been challenging from a lens of not feeling beautiful or included. I wanted to shift that narrative to be something that's joyful and playful. We're very loud and proud about the cultural cues and the makeup we create," Ganjoo said.

As most beauty brands play with the idea of food and desserts, Kulfi Beauty won't be branching out into the desserts category or Whole Foods just yet, but she is gearing up for creating more makeup and skin care hybrid products for the near future.

## EXCLUSIVE

# Maed Makes Retail Debut at Sephora

- The lip care brand will launch at the retailer on Aug. 18 as part of its "Next Big Thing" display.

BY RYMA CHIKHOUNE

**When Denise Vasi** steps into a room, chances are she's wearing a red lip.

It's more than a signature; it's the foundation of Maed, the ritual-driven lip care brand she launched in September 2024 in Los Angeles. Now it makes its retail debut at Sephora on Aug. 18., available first online before expanding into 80 stores on Aug. 25 as part of the retailer's "Next Big Thing" display.

The bold color didn't just define her look, it was an element of her career. She began as a model – a face of beauty brands like Bobbi Brown and L'Oréal – before transitioning to acting, and eventually starring in VH1's "Single Ladies," a comedy-drama that premiered in 2011 and ran for four seasons.

"The red lip was my thing," Vasi said, recalling her role. "I helped create the whole look."

Red lipstick wasn't often seen on screen, because it was hard to sustain with production demands, she went on: "It was very difficult to maintain for 17 hours, taking it off, putting it on, keeping it looking great."

Vasi began to see how red lip formulas fell short, often failing to hold up over long hours and drying out lips, she explained.

A longtime beauty lover, she first launched Maed in 2017 as a digital platform focused on "clean" beauty and wellness. With about 150,000 Instagram followers at the time, she's grown a built-in audience that continues to follow her journey to this day. (She now counts 261,000 on the platform.)

With Maed beauty, Vasi brought together everything she'd learned to create a "clean," vegan, cruelty-free and performance-driven brand that prioritizes care, long-wear color, and is rooted in ritual.

"I was constantly asked, 'How are you always in a red lip like this?'" she said. The answer was exfoliation and hydration – a personal routine she turned into Maed's three-step system. "Our serum is the secret sauce," she continued. "It's meant to seep into the skin and actually treat the lip barrier."

She also learned from makeup artists, she added: "The best artists never put a look of color on my face until they did some version of care."

Sephora will offer her four core products, which are all formulated with cherry coffee seed oil and the brand's bioactive complex – a hydrating, reparative and protective mix with bio-identical collagen peptides (structurally identical to the collagen found in the human body), ceramides and plant stem cells. Made in the U.S. and Italy, Vasi follows EU "clean" standards.

The line showcases: the \$26 Reveal Lip Polish, a scrub that melts into a balm with

dissolvable sugar crystals; \$36 Reset Lip Serum, made with lemon peel oil; \$32 Revive Day + Night Lip Balm, with squalane and raspberry stem cell, and the \$36 Signature Lip Pigment, a creamy, matte red liquid lip that promises to complement every skin tone. It's made with maca root, tucuma butter and jojoba esters.

The retail launch also marks an exclusive expansion for the brand, introducing two new tinted versions of the balm: "Vow,"

a nude, and "Reckon," a plum hue with brown undertones.

Sephora is expected to contribute an estimated 65 percent of overall sales in the Maed's debut year, according to industry sources.

What's next? Eventually, a full expansion into color cosmetics.

"Coming down the pipeline are a couple more lip products," Vasi said. "We have a few core products that we need to hit before we can technically claim to be the authority in the lip category, and that's my goal. And then from there, you know, we're a cosmetics brand, so we will go on and move into other spaces."

Denise Vasi for Maed.



EXCLUSIVE

# Nara Organics Launches With Investments



● The brand, founded by Esther Hallam, has raised \$32 million over the past seven years as it has been in research and development.

BY EMILY BURNS

## Clean baby formula has arrived.

Nara Organics on Tuesday will launch its clean baby formula in the U.S. direct-to-consumer to start, with plans to expand into retail. The brand's Organic Infant Formula, \$180 for four cans, which is developed in Germany, does not include palm oil, soy, corn syrup, maltodextrin or GMOs and is FDA-registered and USDA-certified organic. A starter bundle for two mini cans is available for \$36.

To date the brand has raised \$32 million from Nicky Hilton Rothschild, Sara and Erin Foster, Serena Williams, Mindy Grossman, Gina Rodriguez, Keleigh Teller, Karla Souza, AlleyCorp., Torch Capital, Corazon Ventures, BBG Ventures and GingerbreadCapital. Additionally, Nara Organics is backed by medical advisers,

including board certified pediatricians Dr. Jessica Acker, Dr. Jessica Hippolyte and Dr. Payal Adhikari; OB-GYNs Dr. Rachel Bervell and Dr. Latisha Moreta; pediatric nutritionist Nicole Silber, and neonatal nurse and sleep expert Cara Dumaplin.

Nara Organics was founded by Esther Hallam, also chief executive officer, seven years ago, shortly after having her daughter Nara, whom the brand is named after. Hallam also founded the Nara Baby + Mom Tracker app, which has had more than 1 million users to date.

"It really goes back to my first day home from the hospital. I had never intended to formula feed. I was nursing Nara, and I was in tears because it was so painful," Hallam said. "Not one person told me about how challenging breastfeeding could be and that I might not breastfeed. I had to look for formula. I couldn't find a single product that I felt good giving her. I would stay up and do my research and read all the ingredients."

Through her research, Hallam discovered that at the time the majority of formula in the U.S. featured additional

ingredients like corn syrup, palm oil and soy. In order to give her daughter a clean alternative, Hallam resorted to purchasing formula from Europe that she discovered via a Facebook group.

"I ordered European formula with random strangers on Facebook [in a bulk order] to feed to my daughter, and for two years, just felt really angry about that and didn't understand why, in the United States, a first world country, I'm importing formula from another country," she said.

This experience kickstarted Hallam to start working on Nara Organics. Over the past seven years she has developed the brand's clean formula, undergone a human baby clinical trial and completed the FDA regulatory process. In addition to what it doesn't include, Nara Organics is further differentiated by the ingredients that it does formulate with. It includes the highest percentage of milk fat in a formula on the market in the U.S., milk fat globule membrane, prebiotics for gut health and immune support and DHA for brain development.

Hallam's experience, while frustrating, is not unique, which ultimately led to investor interest from a number of celebrities, including Hilton Rothschild.

"I breastfed all three of my children, but eventually life got in the way, and I turned to formula, and I could not find anything in America," Hilton Rothschild said. "Like Esther, I started buying baby formula in Europe because I just found it so much better."

She continued: "I was introduced to Esther by a mutual friend from L.A. who's very into health and wellness....I was just so impressed with her story that she has literally built this formula from scratch, done years of clinical trials and seven years later, she's coming to market. It's very exciting to be part of this innovative baby formula coming to market."

Since then Hilton Rothschild has been gifting Nara Organics to friends and family to test and has received overwhelmingly positive feedback.

"From the minute that I met Nicky, I was so impressed with her," Hallam said. "She just genuinely understands consumers, moms of all kinds. Because she's been part of our culture and just various communities for such a long time, she really does have a finger on the pulse for what it is that consumers want. I also found her to be incredibly savvy and a really smart business woman. As a thought partner, it's just nice to have a sounding board as we prepare to go to market."

In a statement, investor Erin Foster added: "As a new parent, you feel immense pressure to make sure you're feeding your baby the best, and no matter how you choose to feed your baby, each and every parent deserves to feel confident in their feeding journey. For me, when I was ready to introduce formula for Noa, finding a product that was organic, clean and made with whole milk was paramount."

To coincide with the launch, Nara Organics will be donating 1,400 cans of its formula to Good+ Foundation, a nonprofit that supports families experiencing poverty.



Allison Hahn

BEAUTY

# Alison Hahn, Sephora's Head of Makeup and Fragrance, to Retire

● Hahn was also active in recruiting brands for the retailer's partnership with Kohl's.

BY JAMES MANSO

A **mastermind** of some of Sephora's key categories is set to retire.

Alison Hahn, Sephora's Stateside senior vice president of merchandising for makeup, fragrance and Sephora at Kohl's, will be retiring at the end of August.

Effective Aug. 25, the organization has made some shifts to its internal organization, including Carye Campbell's promotion to senior vice president of merchandising for fragrance.

Amy Abrams, the senior vice president of merchandising, makeup, is broadening her purview to the whole category. Jennifer Cohen, vice president of makeup merchandising, will report to Abrams. Laurette Puhlmann is taking on all of

Sephora Collection of makeup and being promoted to senior director. She will report to Cohen, and Sephora will also be opening a new vice president of merchandising role for makeup. Sydney Feeter and Jessica Harvey will also report to Abrams.

For Sephora at Kohl's, Bronwen Russell will helm merchandising and report to Carolyn Bojanowski, executive vice president, merchandising, U.S., at the retailer.

"Alison leaves an incredible legacy and imprint on our business," Bojanowski wrote in a memo to employees. "Hailed as one of the most talented merchants in the beauty community, she's been at the forefront of discovering many breakout brands including Haus Labs, Rare Beauty and Kayali. She's also helped grow the fragrance category and was instrumental in signing over 100 beauty brands into Sephora at Kohl's."

Makeup is beauty's largest category in the U.S. prestige market, while fragrance is the runner-up and fastest growing,

and both have been busy at Sephora. Mary Phillips revealed the launch of her new makeup brand, M.Ph, at the retailer Monday; Selena Gomez's Rare Beauty is introducing fragrance at Sephora as reported Tuesday.

"There's so many different clients out there who are interested in a lot of different things. They all have great innovation, they're great new voices in makeup, specifically in artistry, and we love to prioritize emerging talent," Hahn said of Phillips' brand. "We strive to be the best at that, that's our role to deliver great brands and products to our clients. That's our north star."

Hahn joined Sephora after working in home, fashion and accessories, and as she told WWD in 2023 at the time of her CEW Women's Leadership Awards honoring, "Any good merchant, and any good business, has to think of the client first. You must have a client-first mindset, it's not ego-driven."



## HOME DESIGN

# B&B Italia Opens New Seoul Store



B&amp;B Italia's new store in Seoul.



Inside the new store.

- Despite major executive and strategy changes of its parent company Flos B&B Italia group, B&B Italia said it's forging ahead with retail expansion.

BY SOFIA CELESTE

**MILAN** – B&B Italia Group's parent company Flos B&B Italia is on a mission to sell off its galaxy of brands asset by asset, but the Italian furniture brand is pressing on with worldwide expansion plans.

"The new opening represents a significant step in the distribution plan of B&B Italia Group, which continues its path of global distribution expansion," the company said in a statement.

Its latest monobrand store in Seoul was opened in collaboration with Duomo, a local partner. Located in the heart of Hakdong, a design district located in the bustling Gangnam area, the new showroom spans 10,763 square feet and also houses its upscale furniture brands Maxalto and Azucena. The store's location facilitates interaction with the burgeoning design community, chief executive officer Demetrio Apolloni said. The new space will provide professional services for clients, architects and developers in the region, including design consultations for both residential and contract projects.

"With our trusted partner Duomo, and with our heritage and passion, we aim to inspire and engage the local community of architects, interior designers and design lovers." Testament to the rise in South Korean collectors and emerging design voices, Design Miami will unfurl its first

event in the city with an exhibition to be held Sept. 1 to Sept. 14 in the Zaha Hadid-designed Dongdaemun Design Plaza, a landmark in Seoul.

In an interview with WWD in December, Apolloni said store openings in South Korea, Japan and Australia were key to its strategy. In the U.S. – where there are stores in Chicago, Dallas, Miami, San Francisco, Los Angeles, Boston and New York – the firm has introduced a new retail model in which fellow upscale brands Maxalto and Arclinea interact together under one roof. The new Boston location, in the Back Bay district, is a prime example of one of its directly operated stores that is emblematic of this new model. In Miami the group recently enlarged its B&B Italia Design Studio.

Interiors were curated by B&B Italia's interior designer team. Unique to the Seoul location, walls were adorned with a cement effect for the indoor collections, while the space showcasing B&B Italia's outdoor collections is distinguished by a metal structure with an exclusive clay color. The first floor dedicated to Maxalto features luminous walls covered in rice paper for a museum-like effect. The design culminates in a centerpiece that is a scenographic oval staircase that connects the ground and the first floors.

In July, the firm ended its agreement with Fendi Casa, when Milan-based Luxury Living Group said Fendi, which originally terminated its agreement with Luxury Living Group in 2021, has returned and signed an agreement for the production of its home line.

In 2021, Fendi and Flos B&B Italia, then known as Design Holding, formed Fashion Furniture Design, or FF Design, to develop the Fendi Casa business.

Flos B&B Italia Group also comprises Flos, Louis Poulsen, Lumens and Audo Copenhagen.

## HOME DESIGN

# Italy's Wood Industry Urges EU to Finalize Mercosur Trade Deal

- The woodworking sector pushes for the trade deal to lift tariffs, boost exports to South America and offset U.S. losses.

BY SOFIA CELESTE

**MILAN** – Now that the EU and the U.S. reached a trade deal, fixing tariffs on EU exports at 15 percent, the focus has turned to South America.

The Brazilian market, for example, is highly protected with an applied customs averaging duty of 13.5 percent, according to the European Commission.

On Tuesday, FederlegnoArredo, the Italian federation of woodworking and furniture industries which represents the majority of Europe's luxury furniture-makers, said its president Claudio Feltrin met with Italy's Deputy Prime Minister and Minister of Foreign Affairs Antonio Tajani in July to discuss supporting a historic deal that would lift tariffs on goods to the region.

"The government insists that the European Commission finalize the Mercosur agreement as soon as possible. This would remove the existing tariffs for a very interesting area for our exports, starting with Brazil," Feltrin said, adding that swift action would counterbalance the 15 percent tariffs on goods to the U.S. market. Brazil



Claudio Feltrin

was strongly represented at Salone del Mobile.Milano in April, he stated. "They clearly appreciate our design products and [the nation] offers great potential for growth and development for wood-furniture enterprises," he said. His statements were first aired on Italy's Class CNBC.

The EU encourages Brazil to reduce tariff and non-tariff barriers, and to promote a stable and more open regulatory environment for European



The Quirinale Palace in Rome.

investors and traders.

The 27-nation European Union and Mercosur, the South American trade bloc that includes Brazil, Argentina, Paraguay, Uruguay and Bolivia have been discussing a trade deal since 1999. A draft deal was finally announced in 2019, but it has not been backed by major EU countries like France. The European Commission said the deal will save EU companies 4 billion euros worth of export duties per year.

The European Commission reached an agreement with South American countries in December 2024 but delayed submitting it as it awaits ratification by the member states and the European Parliament. The goal of the EU Mercosur trade deal is to increase bilateral trade and investment and lower tariff and non-tariff trade barriers, notably for small and medium-sized companies. It would also create more stable and predictable rules for trade and investment through better and stronger rules, in the area of intellectual property

rights, for example, as well as competition and good regulatory practices.

Feltrin said the spotlight was also on India, a country that is imposing mandatory certifications that will create roadblocks for Italian goods.

According to economists at Istat, Italy's statistics bureau, forecasts in June said the Italian economy is expected to grow 0.6 percent in 2025 and 0.8 percent in 2026, lifted by improving domestic demand.

The nation's largest industry confederation, Confindustria, insisted that amid difficult times, geographical diversification is key. The report said Italian exporters should focus on markets with high growth potential, such as the South American trade bloc, which contributed 7.5 billion euros to Italian exports. The report also mentioned India, Australia and South East Asia. According to Confindustria's estimates, sales of goods to the rest of the world could increase by about 13 billion euros cumulatively in 2027, offsetting U.S. export losses.

## BUSINESS

# Report Charts Shifts in Chinese Travel and Spending Habits



According to the report, Japan remains a top choice for Chinese travelers.

- An Oliver Wyman report said that both core and casual luxury shoppers are becoming more cautious in 2025.

BY DENNI HU

**Adding context** to the recent luxury slowdown, a recent survey from Oliver Wyman detailed how Chinese shoppers are shifting their shopping and travel behaviors.

Conducted in May, the study includes feedback from 2,000 affluent Chinese customers with monthly household incomes exceeding 30,000 renminbi, or \$4,193.40, which approximates to the top 7 percent of the Chinese population.

According to the Oliver Wyman study, both core and casual luxury shoppers are becoming more cautious in 2025. Twenty-six percent of core luxury shoppers surveyed intend to spend more on luxury, a 2 percent increase compared to 2024,

but only 11 percent of casual luxury shoppers surveyed intend to spend more on luxury, a 15 percent drop compared to 2024. The consulting firm identified core luxury shoppers as those who spend more than 40,000 renminbi, or \$5,591.20, and casual ones as those who spend below that threshold.

“Core luxury shoppers expect to increase their spending in the second half of 2025, due to travel, while casual ones will continue to hold back. Watches and fine jewelry will likely take the biggest hit among affluent luxury shoppers,” the report explained.

“The core luxury shopper continues to spend, but that’s an increasingly smaller group of customers for brands to focus on; there are actually people dropping out of the category as well, because they are spending on something other than luxury,” explained Imke Wouters, a partner at Oliver Wyman.

Gen Z, a major contributor to luxury spending in 2021, has scaled back as their optimism about future earnings fades.

“Gen Z went straight into the true luxury brands in 2021 – spending a significant part of their income – but they are not getting into luxury anymore, and you see that spending is more concentrated with the Millennial generation again,” Wouters said. When asked about their overall luxury shopping intentions, both domestically and abroad, a net 6 percent of Gen Z respondents said they will reduce

their spending.

“When you invest in a big ticket item, like a handbag, you look forward to having an increase in income in the upcoming years, so it’s not going to cost as much with that mindset, but looking into the current economic situation, there’s more uncertainty, so people shift spending to much smaller items. For example, we are seeing a pickup in prestige beauty,” Wouters added.

The survey added that affluent Gen Z in tier-one cities are the heaviest hit by the broader sentiment decline. However, total per capita travel spending for the Gen Z cohort is expected to rise. “[Both] Gen Z and Millennials are significantly more interested in ‘bleisure’ travel, shorter weekend getaways, and staycations,” the report said.

With softer travel demands, Oliver Wyman predicts that overseas luxury spending will stabilize at around 45 percent of travelers’ total spending this year, which, in total, accounts for about 25 percent of China’s total luxury spending.

Nearby travel destinations such as Malaysia, Japan, South Korea and Singapore will benefit the most from the rebound. Oliver Wyman expects outbound travel to return to 2019 levels by the end of this year.

“Hong Kong is losing ground among affluent travelers in particular, while Japan is the clear winner,” the report said. “Although interest in Thailand still exists, personal safety is still a major concern among Chinese travelers,” the report added.

Domestic travel, which was about 60 percent above pre-COVID-19 levels during the May Day holiday, has yet to fully recover, according to Oliver Wyman.

Top domestic destinations include Beijing, Shanghai, Hainan, Sichuan and Guangdong, according to the survey.

## BUSINESS

# PGA Tour Superstore Names Troy Rice CEO

- He had previously worked for the golf retailer’s owner, Arthur Blank, at Home Depot.

BY JEAN E. PALMIERI

**PGA Tour Superstore** has a new chief.

The Atlanta-based golf retailer has named Troy Rice its new chief executive officer, effective Sept. 2. He succeeds Dick Sullivan who announced his plans to retire in April. Sullivan will remain executive chairman of PGA Tour Superstore and a member of its Arthur M. Blank board of trustees.

Jill Spiegel will continue as president of the chain and will report to Rice.

Rice served for the past three years as CEO of Total Wine & More, a retail beverage chain. He will report to Blank Family of Businesses owner and chairman Arthur M. Blank who acquired PGA Tour Superstore in 2010 when there were only 10 stores. The company has since grown to 77 stores in 28 states. The plan is to increase the number of stores to more than 100 over the next two years, the company said.

Rice began his career at The Home Depot when it was being led by Blank, who cofounded the business with Bernie Marcus. Rice spent 16 years there, rising from management trainee to senior vice president of store operations, and also held senior leadership roles at Office Depot and Toys R Us.

During his time at Total Wine & More, Rice helped the company increase sales from \$2.5 billion to \$6 billion and grew the fleet from 165 to 274 stores while accelerating online sales from \$300 million

to over \$1 billion.

“Troy’s proven record of success makes him an exceptional fit to lead as our new CEO of PGA Tour Superstore,” said Blank. “His experience and leadership roles at Home Depot and in dynamic retailers since then underscore his deep understanding of our core values and operational discipline. His achievements, particularly his ability to drive growth, lead transformation and elevate customer experiences, reflect his understanding of today’s retail climate. We are excited to welcome him into our family of businesses and are confident we’ll continue to ascend under his leadership and on the foundation of our values. I look forward to all we will accomplish together in the years ahead.”

“I am thrilled to join PGA Tour Superstore and help build on the business that Arthur, Dick, Jill and the entire team have created,” said Rice. “This is truly a best-in-class business that leads the way in customer experience and provides golfers with the best the game can offer. Between the product selection, associate knowledge, and in-store services, PGA Tour Superstore offers an unparalleled experience in the market.”

Rice continued: “To work with Arthur again, who is a true visionary in the retail business, is a dream come true for me, and I am especially proud to join an organization that lives and breathes its values like PGA Tour Superstore.” PGA Tour Superstore offers equipment and apparel for golf enthusiasts and is operated by Golf & Tennis Pro Shop Inc., a subsidiary of Atlanta-based AMB Sports.



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# WWD

An ad image of Sydney Sweeney for American Eagle.



BUSINESS

# Sydney Sweeney's American Eagle Ads Sized Up by Crisis Specialists

- The retailer's campaign with the "White Lotus" actress has led to some criticism online.

BY ROSEMARY FEITELBERG

Nearly a week after American Eagle released its new ad campaign with Sydney Sweeney, many are still dissing or discussing it, depending whom you ask. For many, the online and social media backlash was rooted in the tag line "Sydney Sweeney Has Great Genes."

In one promotional video, the 27-year-old "White Lotus" and "Euphoria" actress is seen lying on the floor zipping up her jeans, as she says, "Genes are passed down from parents to offspring, often determining traits like hair color, personality and even eye color." The camera then focuses on her face, when she says, "My jeans are blue." The narrator then says the tagline: "Sydney Sweeney has great jeans." Some questioned the narrative and the use of "genes" as a sign of eugenics.

Media requests to American Eagle and its spokesperson at the outside public relations firm We Are Shadow were unreturned Monday and Tuesday. Sweeney's agency MN2S did not respond to a media request, nor did a representative for the fashion stylist Molly Dickson, who worked on the campaign.

Moroch Partners' chief executive officer Matt Powell described the controversy as "a non-troversy, as the connection is very much a stretch." He said, "The smart play for the brand is to not respond in this case. This is especially true knowing that American Eagle is traditionally more conservative and avoids polarizing or provocative stances. If they were to join the conversation, they'd need to be prepared for the conversation that comes with it. Staying silent doesn't fuel the fire."

Crisis communications specialist Molly McPherson was unable to comment Tuesday but referred to her Instagram post about the situation. In an Instagram Story, she said, "If you look at the Sydney Sweeney ad and the campaign that is tying in her blue jeans with blue eyes and blonde hair, you think, 'Hmm...'" When they conceived that ad, it went through all of those different people, and nobody flagged the content thinking it might cause outrage? When you walk into an American Eagle store and look at the customer base, are they worried about outrage online based on this campaign? Not likely."

McPherson said it doesn't matter if it's American Eagle or a Ryan Reynolds-produced ad with Gwyneth Paltrow, nothing is a coincidence. She said, "Everything is choreographed for a reason. There is a puppeteer, who is designing a campaign whether it's an ad or PR to get you to think about it, have an emotion about it, talk about with other people, and to talk about it online. In the end, it all comes down to this [rubbing a thumb over an index symbol as a sign of money]."

Prior to the launch in an interview with WWD, American Eagle's chief marketing officer Craig Brommers described the campaign as "potentially one of the biggest gets in American Eagle history." He said, "Sydney Sweeney is the 'It' girl of the moment, and she is helping us create the 'It' jeans campaign of the season. Sydney really encapsulates American Eagle. She is the girl who can play the red carpet but she's also the girl next door, and that duality really defines Gen Z and Millennials."

American Eagle is also partnering with Snapchat, which Brommers flagged as "the number-one way that Gen Z communicates with one another." The brand is creating

sponsored Snap Stories, that will allow Sweeney to directly message users.

A spokesperson for Snapchat declined to say whether it plans to modify its involvement or to comment about the criticism that the campaign is reminiscent of Nazi terminology, and perceived similarities to Calvin Klein's 1981 campaign with Brooke Shields.

Media requests to Be Real, which is also part of the campaign's digital efforts, were not acknowledged.

Brommers had touted the campaign's reach in a LinkedIn post last week that attracted praise and criticism. The initial game plan included a Sphere takeover in Las Vegas, 3D billboards in Times Square and Los Angeles, the first ever Broadcast Channel on Instagram, a Pinterest board with Sweeney's picks, AI try on technology for AE's "Great Jeans" and a "Euphoria" partnership on HBO Max.

Caitlin Duffy-Ryon, founder and chief marketing officer of AI Safety & Literacy, posted, "Please explain the thinking behind literally using 'genes' in some of the launch advertising? It's extremely disconcerting to see, especially given today's political climate." Anastasia Karklina Gabriel, author of "Cultural Intelligence for Marketers," wrote, "What exactly was the cultural 'insight' behind this outrageously racist and explicitly eugenics coded campaign about blue jeans/jeans?"

Others used social media to critique the creative for being similar to Brooke Shields' "Nothing comes between me and my Calvins" campaign from 1981. A spokesperson for the designer Calvin Klein declined to comment Monday about either controversy tied to the new American Eagle campaign.

The campaign's debut spurred a rally for the stock, which reportedly increased the market value of the brand by more than

\$400 million. American Eagle's shares increased by 4.2 percent on July 24, the day the campaign was released. And after the market closed on Monday, its stock price finished slightly up by 2.47 percent.

Evan Nierman, founder and chief executive officer of the global crisis public relations firm Red Banyan, suggested that American Eagle has "let too much time pass not acknowledging the backlash. The brand has failed to get ahead of the narrative, which is allowing online speculation and outrage to spread."

"When a campaign sparks this level of cultural criticism, a well-timed, timely response is everything. American Eagle's inaction suggests either unpreparedness or a calculated gamble that the storm will pass. Executives may feel good about the elevated share price, yet a silent approach does not inspire public confidence or brand credibility," he said.

From his view, "any delay in clarifying the campaign's intent and emphasizing its values "is only going to amplify the perception that it's indifferent to public concerns. In time, that share price could easily drop," Nierman said.

Sew Branded's founder Scott Woodward said Craig Brommers is "a very fine CMO and Jennifer Foyle is a brilliant merchant and executive, but I would have addressed it by now."

He compared the Sweeney campaign as being as "tone deaf big" as Kendall Jenner's 2017 Pepsi commercial that was titled "Live for Now - Moments." Pepsi pulled that ad, after being criticized for attempting to capitalize on the Black Lives Matter movement by imitating protests. Woodward said of American Eagle's situation, "It's not going to go away. I don't think they thought it would land this way with youth and media people. They love being loved too much."

## BUSINESS

# Sean Combs Requests to Be Released Before Sentencing

● The former music mogul and Sean John founder has an Oct. 3 sentencing hearing.

BY ROSEMARY FEITELBERG

**Sean Combs' legal team** has requested his release from prison ahead of his October sentencing on prostitution charges.

The lawyers for the former music mogul and Sean John founder claimed that his continued confinement is "unwarranted." He is being held at the Metropolitan Detention Center in Brooklyn, where he has been since his arrest in September.

Following a seven-week trial, the "I'll Be Missing You" singer was found guilty of two counts of transportation to engage in prostitution. Each count could carry a prison sentence of up to 10 years. The 12-person jury found Combs not guilty of one count of racketeering, and two counts of sex trafficking. The prosecutors had argued that Combs ran a criminal enterprise with the help of his associates from at least 2004 to 2024. He denied all charges against him as well as any wrongdoing.

During the trial, jurors heard from Combs' former girlfriend Cassie Ventura, a model and singer, and another ex-girlfriend, who testified anonymously. Both women testified that they had been forced to have drug-fueled sex with hired escorts for days on end.

Combs' lawyers claimed that the Mann Act "has never been applied to facts similar to these to prosecute or incarcerate any other person." Passed in 1910 and previously known as the White-Slave Traffic Act, the federal law "criminalizes the transportation of any woman or girl for the purpose of prostitution or debauchery, or for any immoral purpose."

Sent on July 29, the 12-page request to Justice Arun Subramanian was signed by eight attorneys with the Agnifilo Intrater law firm. The filing claims, "There has literally never been a case like this one, where a person and his girlfriend arranged for adult men to have consensual sexual relations with the adult long-term girlfriend as part of a demonstrated 'swingers' lifestyle and has been prosecuted and incarcerated under the Mann Act."

Media requests seeking comment about the release request to Ventura's attorney Douglas Wigdor of Wigdor LLP were not immediately returned Tuesday.

Combs' proposed bail package would include his signing a \$50 million bond secured by his Miami home and co-signed by "three financially responsible people," whose names were not identified. Combs would reside in Miami and limit travel to the southern district of Florida and the southern district of New York for attorney meetings. He would surrender

his passport and be placed under the supervision of the U.S. Pretrial Services Agency, according to the filing.

In an attempt to "invalidate any claim that Mr. Combs poses a future danger," the request notes how he had enrolled in a domestic violence program prior to his arrest and detention.

In order for the 55-year-old to be released, two conditions must be met: the district court must find by clear and convincing evidence that person is not likely to flee or pose a danger to the safety of any other person in the community if released. Secondly, it must be shown that there are exceptional reasons why such person's detention would not be appropriate, according to the request.

The request also notes how across the country where the primary or sole conviction was for a violation of 18 U.S.C. 2421(a), the "defendants who were not charged with running a prostitution business have been released pending sentencing."

The motion insists: "Sean Combs should not be in jail for this conduct" (page 3) and argues that the government's approach "is inconsistent with Justice Department policy" (page 3), which historically prioritizes the prosecution of commercial profiteers, not individual customers in consensual settings.

The request cites how Combs "pursued a consensual lifestyle with two of his

long-term girlfriends and obviously was not involved in making a profit from prostitution, which was not even alleged by the government."

The filing stated, "In the lifestyle that he and other adults voluntarily chose, Mr. Combs would be called a swinger. But in the vocabulary of the Mann Act or of prostitution generally, he might – at worst – be somewhat analogous to a 'John,' someone who pays to have sex with a sex worker, in this case a male sex worker, more particularly a male sex worker who works for and is vetted by a well-known agency called Cowboys for Angels, or another similar agency or who works as a paid porn star in connection with movies. Sean Combs should not be in jail for this conduct. In fact, he may be the only person currently in a United States jail for being any sort of John, and certainly the only person in jail for hiring adult male escorts for him and his girlfriend, when he did not even have sex with the escort himself."

Combs' attorneys contended that over the past 75 years, "the White-Slave Traffic Act has been limited to defendants, who cause interstate travel for financial gain through the business of prostitution, as reflected in the cases brought under the statute as well as the explicit enforcement policies set out in the United States Attorney Manual, more recently called the Justice Manual."

Sean Combs performs onstage during the 2023 MTV Video Music Awards at Prudential Center in Newark, N.J.





Logan Lerman in a Kenzo hairy wool alpaca and mohair mix jacket over talent's own tank top (worn throughout); Coach wool and polyester pants.

# SAY 'HI' to LOGAN

Logan Lerman reflects on his latest role in the indie film "Oh, Hi," his approach to "a--hole" characters and the thrill of working with comedy legends on "Only Murders in the Building."

By Leigh Nordstrom Photographs by Jenna Greene Styled by Alex Badia

**There are a lot of people** who want to look at Logan Lerman's face. The millions of edits dedicated to him on TikTok would suggest as much, as would his casting in Haim's video for their song "Down to Be Wrong" from earlier this summer – and then, of course, there's his film career.

Lerman himself is not one of those people.

"I haven't seen the movie," he says, sunk into a sofa on a recent afternoon at the end of his New York trip, of his new film "Oh, Hi." "I don't know if I should say that or not, because I'm telling people to see it, but I haven't seen it."

The 33-year-old, who'd rather not watch himself onscreen, does like seeing what other people think of his movies, however.

"I love reading reviews," he says, a rare admission from an actor these days. "I love hearing people's reactions."

After a breakout at Sundance, "Oh, Hi," the sophomore feature from Sophie Brooks, is now out in theaters, and you should take Lerman at his word: it's worth going to see.

"Oh, Hi" follows Iris, played by Molly Gordon, and Isaac on what appears to be a perfect first couple's weekend away. They arrive at a charming house upstate, go for a swim, Isaac makes scallops, it's all very romantic – until Isaac says he's not looking for a relationship, and the weekend spirals off its axis.

Lerman was simply sent the script in an email, along with the offer, and was soon in Germantown, N.Y., on set.

"It was one of those beautiful things where I read it and knew I wanted to be a part of it," he says. "And a few months later we were making it. I was really lucky."

He'd never met Gordon before, despite growing up near one another and running in similar circles, but had a connection to the actress: when he was 12, he'd worked with her dad, director Bryan Gordon, on a TV show. As Iris and Isaac, they present a different take on two romantic leads with the kind of good conflict that interests Lerman.

"Isaac as a character was interesting for me because I have never played a person like him before, and I just want to do new things all the time, and it would seem challenging to try to wrap my head around some of the elements of the story, be it the physicality or just the moment the film takes a left turn," he says. "There's this one scene where Isaac and

Iris get into a little bit of a fight post-sex, and just thinking about how to navigate that scene was really interesting to me and something I couldn't stop thinking about."

It's easy to see Isaac as the bad guy initially, and Lerman does concede he was "being an a--hole," but that's what made him appealing.

"I had a lot of empathy for Isaac. I thought there was a tortured person there. He had some demons that he was working through," he says. "I didn't see him as a bad guy. I just saw him as a person who had s-t to deal with. He had to work through some stuff from his childhood or something like that. I kind of became obsessed with the idea of why he reacted the way he did, why he runs from love or why he's afraid of commitment, and I find people like that interesting generally."

Without spoiling the movie, Isaac spends a significant amount of time being handcuffed to a bed, which presented Lerman with a new opportunity to get into the physicality of the character.

"It really wasn't bad at all, especially compared to movies where I'm running all day long or doing fight scenes or dealing with heights and s-t like that," he says. "It was limited, but within the confines of an actor's blocking, it was really cool. It made a lot of things happen that I couldn't have planned unless I was rehearsing a chain to a bed – which I wasn't."

Lerman broke out as the title character in the "Percy Jackson" movies starting in 2010, starring in "The Perks of Being a Wallflower" along the way in 2012. Since then his credits include "Noah" and "Fury" and last year he starred alongside Joey King in the historical series "We Were the Lucky Ones." Later this fall, he joins the new season of "Only Murders in the Building" alongside comedy greats Martin Short and Steve Martin.

"It's such a visceral thing," he says of choosing his roles. "It's not one thing I'm looking for exactly, other than just not being repetitive. It's just kind of boring for me. I want to do different things. I just feel like sometimes you read something and you just can't stop thinking about it, and that's enough for me. That's what I'm looking for."

"Only Murders" came to him last-minute, and required very little selling.

"It was just like, 'do you want to go hang out with these legends for a little bit and have some fun?' I was like, 'I'll be there. I'll do whatever you want to do,'" he says. "I just want to hang out with Martin Short."



Ami Paris cotton blouse  
and virgin wool trousers;  
Bruno Magli loafers.



**WWD**

Prada cotton shirt,  
cotton robe, wool pants  
and leather loafers.



Noah x Peter Anderson cotton T-shirt.

Senior market editor, accessories: **Thomas Waller**

Senior market editor: **Emily Mercer**

Fashion assistants: **Ari Stark** and **Kimberly Infante**

Grooming by **Eddie Cook**

# Fashion Scoops



Dario Vitale



Players of Como 1907 sporting the navy looks Brioni designed for the soccer team.

## Dario's First

Dario Vitale's first collection for Versace will not be presented through a runway fashion show, according to sources.

Asked for a comment, a Versace representative confirmed and said Vitale's debut collection "will see the house host an intimate event, honoring the past and envisioning the future," scheduled on Sept. 26 in Milan. The city's Fashion Week is expected to run Sept. 23-29 but the calendar has not been released yet.

The spring 2026 collection will be unveiled through a presentation and, according to sources, there is a video component.

This is a new development for Versace, which has over the years staged fashion shows with major models and friends of the house ranging from Demi Moore and Elton John to Miley Cyrus and Anne Hathaway, even enlisting Jennifer Lopez and Dua Lipa to walk the runways.

In March, Donatella Versace was named chief brand ambassador of the

fashion house she has helped grow on her own for the past 28 years, following the death of her brother Gianni. Her last show was paraded in Milan in February for fall, hinging on the house's bold, baroque prints. The designer was succeeded by Dario Vitale, named chief creative officer, on April 1.

Vitale was previously Miu Miu's ready-to-wear design director and left the company in January.

In April, after months of speculation, Prada finally confirmed it was acquiring 100 percent of Versace from Capri Holdings for 1.25 billion euros. The transaction is expected to close in the second half of 2025.

Announcing the deal, Lorenzo Bertelli, head of CSR at Prada Group, said: "I think we don't need to change the brand, we need to just evolve it and make the right things happen and together bring back Versace to be a huge success. So we need just to be patient, and we know very well that there is no one single ingredient for success."

During a conference call with analysts at the time, Prada Group CEO Andrea

Guerra underscored that Vitale's exit from Miu Miu was "his own decision, independent and very personal," and that it was not the harbinger of this acquisition.

Pressed for further comment on finding Vitale at Versace, Guerra said, "We are happy to find him as a trusted pair of hands in such an important position for the future of the brand, we are very happy to really welcome all the team, wherever they are in the world and whatever they're doing. We really need to be warm and give everyone the opportunity to show their impact and their talent."

—LUISA ZARGANI

## Fashion Goals

Brioni is the latest luxury brand to tap into the appeal of sports, namely soccer.

But rather than betting on big teams and acclaimed players, the Kering Group-owned label has partnered with Como 1907, the Lake Como-based soccer club that has been generating a lot of buzz with its smart

marketing strategies and collaborations.

As part of the tie-up, Brioni will dress the team off-field for the 2025-2026 season. Players will debut exclusive creations by the sartorial fashion house, beginning with a double-breasted navy suit in Solaro fabric paired with the Trama polo shirt in navy cotton.

This is the first time the brand is engaging in a soccer partnership and it is understood that a series of joint initiatives will add to the collaboration throughout the season, further building on the bustling marketing activity of the club.

To be sure, the storied team established in 1907 has been on a growth trajectory in both sports and popularity since Indonesian brothers Robert Budi and Michael Bambang Hartono — owners of the Djarum Group conglomerate, among others — acquired it through the U.K.-based media and entertainment company Sent Entertainment Ltd. The new owners spearheaded a successful revamp by ensuring its financial stability, enrolling key

players and investing heavily in increasing the club's visibility and turning it into an international brand.

These efforts culminated in the return to the Serie A tournament — Italy's top domestic league — after more than two decades in 2024 under coach Francesc "Cesc" Fàbregas Soler, the Spanish professional soccer manager and former player who joined the Italian team in 2022 and was named its head coach a year later. Former soccer star Thierry Henry, who played with Fàbregas at Arsenal Football Club in the past, also invested in the club in 2022.

Henry was seen supporting the club at the stadium along with a bevy of A-list celebrities, including Keira Knightley, Michael Fassbender, Adrien Brody, Andrew Garfield, Jeff Goldblum, Hugh Grant and Kate Beckinsale, to cite a few. Such an attendance made for quite a unique case in the Italian soccer scene and contributed in generating heat around Como 1907 beyond its sports results, especially

on social media.

In addition to banking on inviting celebrities and the intrinsic attractiveness of Lake Como as a luxury destination, the club's new management also pressed on key partnerships and collaborations with the fashion industry in its brand building.

Last year, it named Rhuigi Villaseñor chief brand officer, tasking the Rhude designer, who is also a minority owner of the team, with the fashion direction for the club, as well as turning it into a lifestyle brand.

Villaseñor gave a preview at what Como 1907 fans could expect during his Rhude spring 2025 ready-to-wear men's runway show, which he staged in Lake Como. Following that, he's overseen also exclusive drops for the team, including the most recent collaboration with Hublot.

As reported, the two parties released the Hublot Classic Fusion Como Edition, a 42-mm chronograph encased in a sleek black ceramic case with a deep blue dial, made available in a limited run of 50 pieces retailing for 17,500 euros each.

—SANDRA SALIBIAN