

Steve Madden snaps up two U.S. fashion brands

This week, Steve Madden, the U.S. designer and marketer of footwear and fashion accessories, acquired two privately-held fashion brands; namely Greats Brand, Inc. and BB Dakota. Greats is a digitally native footwear brand specialising in premium sneakers made in Italy while BB Dakota is a contemporary women's apparel company.



Image credit: Steve Madden

The majority of Greats products are sold direct-to-consumer on greats.com as well as in its flagship retail store in New York City. Founded in 2014 in Brooklyn, the brand had net sales in the 12 months ended 30 June 2019 of approximately \$13 million.

Commenting on the deal, Edward Rosenfeld, chairman and chief executive officer of Steve Madden said they see significant opportunity to expand the business by combining Greats' strengths – which include "an outstanding brand and stylish, classic designs that appeal to today's more casual consumer" – with Steve Madden's proven business model, established infrastructure and global reach.

Steve Madden, founder, creative and design chief of Steve Madden, said, "Rarely in my 30 years since I started Steve Madden have I come across an opportunity as exciting as this. Ryan's shoes are the talk among all the millennial men I encounter. He reminds me so much of myself."

Ryan Babenzein, founder and CEO of Greats, added, "Steve is a true maverick and is one of the people I look up to in the footwear industry. He's created a multi-billion-dollar footwear business from nothing and there are less than a handful of people in the world who have done that. Getting the chance to collaborate with and learn from Steve and the rest of the Madden Company to accelerate my business is something that made a tonne of sense to me. My goal has been the same since I started Greats, and that is to create one of the leading footwear brands in the world."

Expanding apparel category

Founded in 2005 by Gloria Brandes, BB Dakota products are distributed to wholesale customers, including department stores, e-commerce retailers and specialty boutiques, as well as on bbdakota.com. BB Dakota's brand portfolio includes owned brands BB Dakota and Jack by BB Dakota and licensed brand Cupcakes and Cashmere. BB Dakota had net sales in the 12 months ended 30 June 2019 of approximately \$43 million.

Rosenfeld commented, "We are pleased to complete the acquisition of BB Dakota, an apparel company known for its consistently on-trend designs. With its laser focus on product and strong track record of execution, we believe BB Dakota is a great fit for Steve Madden and provides the ideal platform to expand our brands in the apparel category."

Gloria Brandes, founder and CEO of BB Dakota, added, "Steve Madden and BB Dakota have a unique synergy in that they are both product-driven companies whose brands have maintained a long-standing appeal with the consumer due to superior product and accessible pricing. We are tremendously excited by this dynamic partnership that will serve to jump start the Steve Madden apparel segment of this strong company and we plan to take full advantage of this opportunity for growth."

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