

## Retail &amp; consumer. Growth push



Big cheese: Eataly was founded in Piedmont 10 years ago but has already grown to a business with €350m in annual revenues — Alessandro Gerardo/Reuters

## Eataly founder believes time is ripe for IPO

Food emporia chief hires former head of Luxottica to prepare group for Milan listing

RACHEL SANDERSON — MILAN

Visitors to Eataly NYC, the four-storey Italian food emporium on Fifth Avenue, have many delights to keep them reaching for their wallets this weekend: a bottle of olive oil for \$40; a wine tasting with expert Jancis Robinson; lunch with Michelin-starred chefs Mario Batali, Massimo Bottura and Carlo Cracco.

Judging by the crowds at the store since it opened five years ago, there will be plenty of takers. Eataly — a food-as-entertainment place with 23 stores worldwide — is an Italian success story.

Founded 10 years ago in Piedmont by Oscar Farinetti, who made a fortune in appliances, Eataly had €350m in revenues last year, of which more than €10m

came from its flagship US store.

Now Mr Farinetti is hoping to bolster the group by hiring Andrea Guerra — head of eyewear group Luxottica for a decade and, for the past year, adviser to Italian premier Matteo Renzi — as executive chairman. The aim of Mr Guerra, who starts on October 1, is to double Eataly's revenues in the next couple of years, ready for a listing in Milan.

"We consumers take as given the functionality of products, and buy on emotions," Mr Guerra says. "Oscar Farinetti was one of the few who understood that the world today moves on emotion." But for the management, and prospective investors, the question is: how many more emotional foodies can Eataly find?

It has opened in Seoul and will open in Munich before Christmas. A second New York store is to open next spring, followed by Los Angeles and Boston. Its UK debut is planned for autumn next

year in Selfridges. Paris will follow. Mr Farinetti has said that, at this point, the group will be ready for an IPO.

"It is an important milestone," says Mr Guerra, who is taking a 5 per cent stake in the company.

Profit will be the next one, says Luigi Consiglio, analyst at food industry consultancy GEA. "The opportunity for Eataly is huge," he says. "They need now to go for profitability, and Andrea Guerra is the perfect person to do that."

For the executive turned government adviser, even Eataly's slogans have a particular relevance. One of them — "Beauty will save us" — is one of Mr Renzi's favourite phrases. Is this business influencing politics or politics influencing business?

"Eataly represents the new wave of Italy — we can make new things, we can build new businesses, we can do it," says Mr Guerra, who had a remit for business, finance and industry in the Renzi government.

His passage from private sector to government and back has made him one of Italy's most influential leaders.

"I hadn't had a boss for a long time and I liked this boss," he says of his experience with Mr Renzi. Earlier this month Rome revised its growth forecasts upwards to 0.9 per cent this year and 1.6 per cent next. Mr Guerra says the government's long-term aim is to achieve growth of at least 2 to 3 per cent a year.

He seems impressed by the public sector colleagues he worked with. "When they plan mid term, I prefer guys from the private sector, but in dealing with emergencies, I have never seen better people in my life," he says of his experience working in Rome.

Among the private sector recruits have been: Claudio Costamagna, former head of Goldman Sachs in Europe, Middle East and Africa, who was appointed chairman of Italy's €400bn sovereign wealth fund Cassa Depositi e Prestiti; Fabio Gallia, former CEO of BNP Paribas's Italy unit who is now the fund's CEO; and Francesco Caio, former chief

executive of GE-owned aerospace group Avio, who is chief executive of Poste Italiane — which started its IPO roadshow on Monday.

"Today there is a generation of people who have success and, as the Americans say, they want to 'give back'. And finally they see the opportunity," Mr Guerra says. He reveals he has had half a dozen calls from executives wanting to know if it is worth dipping into Roman politics. His answer: "Give it a go, I tell them. You can make a difference".

