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Skechers to go private in $9.4-billion deal

By Caroline Petrow-Cohen
TIMES STAFF WRITER

Skechers, the Manhattan Beach footwear brand that makes athletic and walking shoes, is going private in a $9.4-billion deal.

New York investment firm 3G Capital will acquire the company in a transaction that is expected to close in the third quarter, 3G Capital said Monday.

Skechers had a market value of about $7.4 billion before the deal was announced. The $9.4-billion valuation reflects a price of $63 per share when accounting for Class A and Class B shares. Shares of the company were up nearly 25% on Monday but had fallen 28% year to date through Friday's close.

"Skechers is an iconic, founder-led brand with a track record of creativity and innovation. We have immense admiration for the business that this team has built, and look forward to supporting the Company's next chapter," 3G said in a statement.

Shoppers at the Skechers store in Manhattan Beach last summer. (Christina House / Los Angeles Times)

The sale announcement follows a decision by Skechers to not offer full-year earnings guidance in April, citing "macroeconomic uncertainty stemming from global trade policies."

President Trump's aggressive tariffs have impacted trade with major manufacturing hubs including Vietnam and China, where Skechers makes a large portion of its shoes. Trump placed a 145% tax on goods imported from China.

The tariffs and subsequent trade wars have raised consumer prices and hit large and small retailers who rely on importers' goods in Southern California and elsewhere. Skechers is adjusting its prices and working with vendors to mitigate costs, Bloomberg reported.

"Particularly in this environment, where there's some economic shock waves going through the consumer products industry, not being publicly traded can be an advantage," said Lloyd Greif, an investment banker with longstanding ties to Skechers Chief Executive Robert Greenberg.

Greif expects the partnership between Skechers and 3G Capital to be mutually beneficial. The footwear company imports 40% of its product from China, Greif said, and will have to restructure its supply chain in light of the tariffs.

Skechers' affordable prices and focus on comfort have provided a strong foundation for the company, Greif added, preparing it for economic downturns.

The company reported record quarterly sales last month of $2.41 billion, more than a 7% increase from last year. In 2024, Skechers saw $8.97 billion in annual sales and sold 27 million units. Net earnings during the quarter dropped 2% to $202.4 million.

The footwear company, known for its original designs including Hands Free Slip-Ins and Shape Ups with arch support, was founded in California in 1992. The venture began by selling boots to loggers and has since expanded to offer a range of sneakers for adults and kids.

The company has a flagship retail storefront in Manhattan Beach and hundreds of locations across the country, including several more in Southern California.

Skechers was founded by current Chief Executive Robert Greenberg, who will continue to lead the company after its acquisition. Greenberg has prioritized comfortable styles at affordable price points, a strategy that has helped his company flourish while competitors such as Nike and Adidas have faltered.

Analysts and company leadership attribute the brand's success to a strategy built around constant innovation and a diverse array of footwear products.

Skechers declined to comment on the deal. The company's share price closed Monday at $61.39, down around 8% year to date.