Is the UK’s Frasers group about to make a multi-billion pound bid for Germany’s Hugo Boss? Some investors in the latter certainly seem to think so as its shares jumped on Friday on speculation that Frasers – which already holds a 15%+ stake in the upscale company – has ambitions to take control.
The 7% share price rise meant that Hugo Boss was valued at around €3.2 billion, or £2.7 billion.

That came as the Telegraph reported that Frasers, which has previously said it intended to be a “supportive shareholder” of Hugo Boss, is eyeing up the company. It has reportedly been buying more shares in it in recent months, which could be part of its wider strategy to “elevate” its retail offer.

It also has a significant stake in high-end leather good specialist Mulberry and has been working hard to expand its high-end operations, including opening new flagship stores for its Flannels chain.

That said, the owner of Sports Direct, Jack Wills and House of Fraser, isn't only buying stakes luxury businesses as it also has a sizeable holding in value-focused Studio Retail too.

The company has a long history of buying shares strategically without attempting to take control of the businesses it invests in. But that doesn’t mean such a move is out of the question. Its long-running — and ultimately unsuccessful — attempt to take control of Debenhams (having started by buying a minority stake) shows that.

If Frasers does want to buy Hugo Boss, it might not have the field to itself, however, with the company’s shares having also risen last month after a report that LVMH was interested in it as well.

Neither Frasers nor Hugo Boss have commented on the Telegraph report.

Meanwhile, Hugo Boss is forging ahead with its recovery plan regardless and will soon have a new CEO at the helm. Its new boss Daniel Grieder, who takes over next month, wants revenues to more than double within five years, Manager Magazin reported on Friday.

The ex-Tommy Hilfiger head said there’s no reason Hugo Boss should’t be able to emulate Hilfiger’s achievements.

By Sandra Halliday