

L'Oréal to sell The Body Shop for €1bn

By  Lauren Hartzenberg

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#NEWSWATCH: Beauty products giant L'Oréal has signed a contract to sell The Body Shop to Brazilian cosmetics maker Natura Cosméticos for a reported €1 billion.



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The Body Shop was founded in 1976 by entrepreneur Anita Roddick and bought by L'Oreal in 2006 for approximately €940 million at the height of its success. While the British high street brand remains one of the world's biggest cosmetics chains with 3,000 stores in 66 countries, it has faced an influx of competition from brands with a similar ethos, which centres around natural and sustainably-sourced materials and ethical production processes.

In comparison to L'Oreal's other brands, The Body Shop has been an underperformer. According to [Times Live](#), its sales fell 4.8% last year and its profit margin dropped to 3.7%.



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Founded in São Paulo in 1969 by Luiz Seabra, Natura is Brazil's top business in cosmetics, perfumes and toiletries and sells products in seven Latin American countries as well as in France.

The acquisition forms part of the group's plans to grow internationally. According to the Brazilian company, combined with The Body Shop, Natura would have annual sales of 11.5 billion real (€3.1 billion), 3,200 retail outlets and 17,000 employees.

"The acquisition of The Body Shop is a decisive step in making Natura Group an international player in the cosmetics industry, following in the footsteps of our previous [acquisition of Aesop](#) in 2013," said João Paulo Ferreira, Natura's chief executive.

"In a sense, Natura and The Body Shop are like twins. We have been walking parallel paths in the past, and today, those paths are converging. We both share a same vision of cosmetics, advocating the use of natural ingredients, seeking to use our business as a platform to raise environmental consciousness," he added.

L'Oreal said it has received the nod of approval from its works council but the proposed sale is subject to clearance by antitrust authorities notably in Brazil and in the United States, and expected to close during 2017.

For more:

[L'Oréal sells The Body Shop to Natura Cosméticos](#)

[Body Shop bought by Brazil's Natura](#)

[L'Oreal finalises sale of The Body Shop](#)

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