

# Aurelius in exclusive talks to buy The Body Shop

The private equity investor that owns Footasylum is in pole position to buy The Body Shop, the ethical cosmetics chain founded by Dame Anita Roddick and her husband Gordon nearly 50 years ago.

Sky News has learnt that Aurelius Group is in exclusive negotiations to buy the British-based chain, which was put up for sale by its Brazilian owner during the summer.

Banking sources said this weekend that a deal was expected to be signed in November.

If completed, a deal is expected to value The Body Shop at a substantially lower price than the £400m to £500m suggested in some media reports since the auction was launched, the sources added.

A more exact price could not be ascertained on Sunday.

Aurelius acquired the streetwear and sportswear chain Footasylum just over a year ago after JD Sports Fashion was ordered to sell it by competition regulators.

It also owns the Lloyds Pharmacy group, which it bought from its American parent and has since been selling on a piecemeal basis.

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Aurelius is said to have seen off competition to buy The Body Shop from rival bidders including Alteri Investors, private equity firm Epiris and Elliott Advisors, the owner of bookseller Waterstones.

Owned by Natura, a Brazilian group, The Body Shop employs about 10,000 people, and operates roughly 3,000 stores in 70 countries.

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Although it has struggled to achieve profitable growth for years, it retains a prominent presence on British high streets.

The Roddicks were prominent champions of environmental causes, a positioning which helped it gain an edge over rival retailers during the 1980s and 90s.

Its opposition to the animal testing of cosmetics was also unusual in the decades immediately after it was founded.

The Body Shop's distinctiveness has, however, been diminished in recent years by the emergence of competitors which have also put sustainability at the heart of their businesses while more effectively targeting younger consumers.

Dame Anita died in 2007.

Natura was reported to have paid more than \$1bn to buy The Body Shop in 2017, meaning its sale to Aurelius is likely to value it at less than half that sum.

The Brazilian company has been working with bankers at Morgan Stanley on the sale, and is understood to be keen to conclude a deal before the end of the year.

It was owned by L'Oreal, the cosmetics giant, prior to its sale to Natura.

Coincidentally, Natura agreed to sell Aesop, the cosmetics brand, to L'Oreal in April for a reported \$2.5bn.

Apart from confirmation in August that it was exploring "strategic alternatives" for The Body Shop, Sao Paulo-listed Natura has not commented publicly on the disposal process.

Aurelius declined to comment, while Natura could not be reached for comment.