

Beauty Bay hires bankers to review options after IPO stalls

An online beauty platform which had drawn up plans for a London flotation has hired bankers to review options that could include an outright sale.

Sky News understands that Beauty Bay, which was founded more than 20 years ago by brothers Arron and David Gabbie, has appointed Threadstone Capital, a US-based firm, to advise it.

City sources said on Tuesday that Beauty Bay was examining a full or partial sale to new investors, but could also opt to acquire other businesses in an attempt to continue expanding.

One insider said the business was “not immune” to the inflationary headwinds facing consumer goods groups, but insisted that it was trading better than in the immediate pre-COVID period.

Beauty Bay, which is understood not to carry any debt, is thought to be unlikely to revive the prospect of an initial public offering, which it had been planning for last year.

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The market volatility exacerbated by Russia’s invasion of Ukraine has rendered London’s flotations market temporarily moribund, although companies such as Burger King UK remain hopeful of listing this year.

Manchester-based Beauty Bay sources hard-to-find brands such as Anastasia Beverly Hills and The Ordinary and sells them to its fast-growing customer base.

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It is majority-owned by the Gabbies.

The company's prospective valuation is unclear, although one source said it had hired Threadstone partly because of the firm's previous work as an adviser to Cult Beauty when it was sold to the London-listed company THG last year.

Beauty Bay declined to comment.