

Cath Kidston owners exploring sale just eight months after buying it

The owner of the Cath Kidston retail brand is exploring a sale just eight months after buying it.

Sky News has learnt that Hilco Capital, which specialises in buying distressed consumer businesses, has been approached by a number of potential buyers of the modern vintage brand.

City sources said Hilco was lining up PricewaterhouseCoopers (PwC) to advise on a sale.

It was unclear on Thursday what structure a disposal by Hilco would take and whether any bidders would seek to take control of the whole company.

London-based Hilco has owned some of Britain's best-known retailers, including Homebase and HMV.

Cath Kidston was bought out of administration little more than two years ago by Baring Private Equity Asia (BPEA).

At one stage, it had scores of shops, but now trades from just four of its own outlets.

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Cath Kidston collapsed into administration in 2020 with the loss of nearly 1,000 jobs.

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It was established by its eponymous founder in 1993, became a

high street fixture with scores of standalone shops.

Like many retailers, its fortunes were hit by the pandemic, forcing it into insolvency just under three years ago.

BPEA, which took full control of Cath Kidston in 2016, struck a pre-pack insolvency deal which entailed the closure of its entire UK high street estate.

It still has fewer than a handful of stores in Saudi Arabia.

Known for its floral and polka dot designs, Cath Kidston has been run for several years by Melinda Paraie, who joined as chief executive from luxury goods brand Coach in 2018.

It expanded from a single shop in West London selling car boot finds and vintage fabric into a business offering fashion, homewares and accessories.

The chain made a fortune for its founder when she sold a stake to private equity firm TA Associates about 12 years ago in a deal reportedly worth £100m.

Hilco could not be reached for comment.