

# The Hut Group applies finishing touches to £275m Cult Beauty takeover

The London-listed company's acquisition of Cult Beauty, co-founded by Alexia Inge, will be announced to the stock market on Wednesday morning, Sky News learns.



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Alexia Inge (l) co-founded Cult Beauty in 2007. Pic: AP



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**The London-listed owner of The Hut Group, the health and beauty e-commerce giant, will this week unveil the latest instalment in a blizzard of industry dealmaking: a £275m takeover of Cult Beauty.**

Sky News has learnt that THG will announce the acquisition of Cult on Wednesday morning.

It will come two months after THG, which floated last autumn, struck a deal with the Japanese technology group SoftBank that provided it with a further \$1bn warchest for strategic acquisitions.

Adding Cult to its portfolio, which also includes brands such as Lookfantastic, will cement THG's status as leader in the prestige beauty category.

**THG**

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The Hut Group will announce the deal on Wednesday

Cult, which was founded in 2007 by Alexia Inge and Jessica Deluca, sells about 300 independent brands, such as Charlotte Tilbury, Living Proof and Molton Brown.

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The pair launched it, in the words of Ms Inge, amid frustration about existing offerings in the market.



"One day Jessica and I decided to analyse our bathroom beauty stash and tot up the cost of the quarter-used products we'd wasted our hard-earned money on (I dare you to try it!)," she said.

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"For me, this amounted to just shy of £900, which provided the 'shove' we required to start on our quest to curate a beauty Hall of Fame: our own authoritative treasure trove of products that our customers could trust."

Cult is chaired by Carmen Busquets, co-founder of the online fashion site Net-a-porter.

Its investors include Mark Quinn-Newall and Murray Salmon, who also backed Net-a-porter.

Cult has held talks with several prospective bidders in recent months, including ASOS, the online fashion retailer.

The takeover being announced this week is also expected to benefit THG's e-commerce fulfilment division, Ingenuity, by enabling it to forge closer ties with many of the brands sold by Cult.

THG's purchase of Cult is the latest in a string of transactions in the online beauty sector.

Last week, Sephora, the French cosmetics giant, bought Feelunique, for £132m, while Revolution Beauty listed on the London Stock Exchange last month.

BeautyBay, another player in the sector, is also preparing to go public.

THG declined to comment on Tuesday evening, while Cult could not be reached for comment.



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