

Body Shop International PLC**About half of The Body Shop's 198 stores expected to close**

Move by administrator puts hundreds of jobs at ethical beauty retailer at risk



Insolvency practitioners will reduce The Body Shop's headcount at its offices in London and Littlehampton by 40%, to 400 full-time staff © Bloomberg

Laura Onita in London FEBRUARY 20 2024

The Body Shop will close just under half of its 198 UK stores, putting hundreds of jobs at risk, the ethical beauty retailer's administrators said on Tuesday.

Seven stores will close immediately, with more sites to be targeted in the coming weeks. Insolvency practitioners will reduce the headcount at its offices in London and Littlehampton by 40 per cent to 400 full-time staff.

The news comes a week after private equity owners Aurelius [appointed administrators](#) at FRP Advisory to radically slim down the business.

The retailer, which gained a cult following in the 1980s with products such as its white musk range and body butters, employs more than 2,200 staff. It was founded in 1976 by the late Anita Roddick and her husband Gordon, and it became famous for advocating a form of ethical capitalism.

"After years of unprofitability and following a full evaluation of The Body Shop's UK business, the joint administrators have concluded that the current store portfolio mix is no longer viable," FRP said on Tuesday.

By reducing its exposure to bricks and mortar stores, the business will focus on the brand's products, online sales channels and wholesale strategies, it added.

FRP said its turnaround efforts would make it a "more nimble, financially viable model".

It added: "This swift action will help re-energise The Body Shop's iconic brand and provide it with the best platform to achieve its ambition to be a modern, dynamic beauty brand that is able to return to profitability and compete for the long term."

Aurelius, which also owns sportswear chain Footasylum, bought the cosmetics brand from Brazilian company Natura & Co in November and took over its operations at the beginning of the year.

It also became a significant creditor after The Body Shop took out a series of loans from Aurelius, pledging some of the company's most valuable assets in return, meaning Aurelius would have a claim over them in case of a collapse.

The firm considers the arrangement standard practice and protection in high-risk investments, a person close to Aurelius told the Financial Times last week.

As a creditor, Aurelius is in pole position to buy back the leaner business, shorn of its liabilities, with other interested parties likely to have to pay more than what Aurelius is owed for it, one restructuring expert also said.

Before FRP was appointed, Aurelius sold a large chunk of its lossmaking international business, including Germany and France, to a family office it has collaborated with and sold businesses to before. Last week, The Body Shop filed for bankruptcy in Germany, where it employed 350 staff in 2021.

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