

Coty buys controlling stake in Kylie Cosmetics for \$600m

Kylie Jenner is selling a 51% stake in her beauty business Kylie Cosmetics to multinational fragrance and cosmetics company Coty for \$600 million.



Kylie Jenner. Image credit: Wikimedia

In a press statement, the companies announced that they've entered into a long-term strategic partnership in order to "jointly build and further develop Kylie's existing beauty business into a global powerhouse brand".

Together, Coty and Jenner will set and lead the strategic direction of the partnership, focusing on global expansion and entry into new beauty categories. Jenner and her team will continue to lead all creative efforts in terms of product and communications initiatives, building on her global reach capabilities through social media.

Reality TV star Jenner, the youngest of the five Kardashian-Jenner sisters, founded the Kylie Cosmetics brand in 2015. Both of her brands, Kylie Cosmetics and Kylie Skin, are two of the fastest-growing and most-engaged beauty brands on social media. She will remain the public face of the brand, which will be renamed Kylie Beauty.

Coty will have overall responsibility for the portfolio's development, leveraging its global knowledge and capabilities in R&D, manufacturing, distribution, commercial and go-to-market expertise, as well as its understanding of the fragrances, cosmetics and skincare categories. In addition to its responsibilities within the partnership, Coty will act as a licensee for skincare, fragrances and nail products.



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Pierre Laubies, Coty chief executive officer, said, “We are pleased to welcome Kylie into our organisation and family. Combining Kylie’s creative vision and unparalleled consumer interest with Coty’s expertise and leadership in prestige beauty products is an exciting next step in our transformation and will leverage our core strengths around fragrances, cosmetics and skincare, allowing Kylie’s brands to reach their full potential.”

Jenner commented: “I’m excited to partner with Coty to continue to reach even more fans of Kylie Cosmetics and Kylie Skin around the world. I look forward to continuing the creativity and ingenuity for each collection that consumers have come to expect and engaging with my fans across social media. This partnership will allow me and my team to stay focused on the creation and development of each product while building the brand into an international beauty powerhouse.”

The acquisition is expected to close in the third quarter of fiscal year 2020. All beauty categories within the new partnership will continue to be sold through luxury beauty retailers as well as owned digital channels.

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