

NATURA TO ACQUIRE AVON IN \$2BN DEAL

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The Body Shop owner Natura has announced it is to acquire Avon in an all-stock offer of \$2bn (£1.6bn).

The buy-out would mean Natura shareholders owning 76 percent of the company, with the remaining part owned by Avon shareholders.

Having been in talks for months, the deal will give Natura a firm grip on the direct sales market and the companies a commanding market share of around 47 percent in Brazil. Shares of both companies ended 9 percent higher on Wednesday this week following speculation of a deal.

Natura has stated it expects the purchase to be finalised early 2020, subject to regulatory approval.

Jan Zijderveld, Avon's Chief Executive, said, "This combination is the start of an exciting new chapter in Avon's 130-year history.

"It stands as a testament to the progress of our efforts to 'Open Up Avon', and we believe it will allow us to significantly accelerate our strategy and further expand into the online channel.

"Over the past year, we have started a transformation to strengthen Avon's competitiveness by renewing our focus on Her, simplifying our operations, and modernising and digitising our brand.

"Together with Natura, we will have broader access to innovation and a portfolio of products, a stronger e-commerce and digital platform, and improved data and tools for Representatives to drive growth and enhance value for shareholders."

Natura's acquisition signals the end of a troubled period for Avon, which saw the company move its headquarters from New York to the UK and cut 2,500 worldwide as part of a rejuvenation plan.