

L Brands Inc

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Victoria's Secret to go private as underfire boss departs

Victoria's Secret is to be taken private in a deal that values the struggling US lingerie brand at US\$1bn.

L Brands Inc.'s (NYSE:LB), its US parent company, announced it will sell off 55% of the designer to private equity firm Sycamore Partners and retain a 45% stake.

Following the transaction, chief executive and chairman Les Wexner will retire from the board.

Wexner has been pressured over his relationship with Jeffrey Epstein, the disgraced American financier convicted for sexual offences against young girls.

The brand is also seen as out-of-step with current thinking in terms of body positivity.

Victoria's Secret was renowned for its seductive designs but pulled its annual fashion show last year as it looked to "evolve the marketing".

"We believe the separation of Victoria's Secret Lingerie, Victoria's Secret Beauty and PINK into a privately held company provides the best path to restoring these businesses to their historic levels of profitability and growth," Wexner said in a release.

Victoria's Secret had been losing ground to e-commerce startups like ThirdLove and Rihanna's Savage X Fenty. So I'd be remiss if I didn't mention that this Victoria's Secret deal was announced on RiRi's birthday #HappyBirthdayRihanna <https://t.co/QGD77tIBwD>

— Jordyn Holman (@JordynJournals) February 20, 2020

The brand has come under fire as the industry calls for more diversity in terms of aesthetic values.

It has been compared against Savage X Fenty, a lingerie line created by Rihanna, who has previously modelled for Victoria's Secret.

The singer's line has become popular for promoting inclusivity, rather than selling garments that look good at the expense of comfort.

Shares in L Brands were trading 1% higher at US\$24.52 on Thursday afternoon.

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Share Information

Code: LB1
Listing: NYSE
Sector: Hardware & electrical equipment
Website: www.labarge.com

Company Synopsis:

LaBarge produces electronic equipment for use in a variety of applications, including military communication, radar and weapons systems; industrial automation; military and commercial aircraft; satellites; space launch vehicles; oil and gas wells; mine automation equipment; and medical devices.

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