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Burberry retools beauty business with Coty licensing deal

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Amber Anderson for Burberry Full Kisses

By STAFF REPORTS

British fashion label Burberry is changing up its beauty strategy as it signs a license with Coty International for cosmetics, skincare and fragrances.

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In 2012, Burberry opted to end its licensing deal with Inter Parfums, moving its beauty production and distribution in-house. Now, Burberry has reversed course again, become a Coty licensor under a long-term global deal.

Beauty buy

When Burberry was taking its beauty business in-house, then-CEO Angela Ahrendts noted both the growth potential possible as well as the branding implications of having a greater control over the beauty category.

On April 3, Coty announced it had acquired Burberry as a license. Under the agreement, Burberry Beauty will be handled by Coty's Luxury division, which will develop, produce and distribute the label's products worldwide, both in Burberry's own channels and beauty retailers.

"We are delighted to partner with Coty, a world leader in luxury fragrance and makeup," said Christopher Bailey, CEO of Burberry, in a brand statement. "Working with a global partner of Coty's scale and expertise will help drive the next phase of Burberry Beauty's development and position this business for growth."



Mr. Burberry grooming collection

This transaction, which is subject to regulatory approvals, is set to close in the fourth quarter of this year. When the deal goes through, Coty will buy about \$62 million worth of inventory.

As part of Coty, Burberry joins fellow licensors Marc Jacobs, Hugo Boss and Gucci.

"Burberry is an iconic luxury brand," said Edgar Huber, president Coty Luxury, in a statement. "It fits perfectly with Coty Luxury's portfolio, which includes contemporary and globally relevant prestige beauty brands.

"We are uniquely positioned to develop Burberry Beauty to the next level," he said. "This is another significant step in building Coty's Luxury division."

Last fiscal year, Burberry Beauty revenues were 203 million pounds, or \$253 million at current exchange.

Last year, Coty hired from Burberry as it looked to strengthen its luxury division.

Simona Cattaneo, who was previously the head of Burberry's in-house beauty business, became the CMO for Coty Luxury, according to [Women's Wear Daily](#). This new talent has likely helped Coty as it welcomed 41 beauty labels from Procter & Gamble, including a number of luxury fragrance licenses ([see story](#)).