

RETAIL

Sephora cuts ties with Russia, sells subsidiary

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Sephora is parting ways with its Russian subsidiary. Image credit: Sephora

By LUXURY DAILY NEWS SERVICE

LVMH-owned beauty retailer Sephora is parting ways with its Russian subsidiary, a further indication of continued plans to cut ties with the country.

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According to [CNBC](#), Sephora is selling the subsidiary as myriad businesses continue leaving Russia due to its ongoing war with Ukraine. Sephora closed all its Russian stores and cut online shopping in the country in March.

"Sephora today announces the signature of an agreement for the sale of 100% of the shares of its subsidiary in Russia to its local General Manager, aimed at favoring continuity for employees," [LVMH](#) said in a statement on July 11.

Closing shop

In March, LVMH reported having 124 stores and about 3,500 employees in Russia.

Sephora will transfer 100 percent of the shares of its Russian subsidiary to its CEO Evgeny Drozdov.



Russia reportedly accounts for less than 3 percent of Sephora's brand sales. Image credit: Sephora

Sephora, which has 88 stores in Russia with 1,200 employees, did not disclose the deal's financial terms. All former Sephora stores will now function under the "Ile de Beaute" brand.

Russia **reportedly** accounts for less than 3 percent of Sephora's brand sales.

As of March 6, all 124 physical stores owned by LVMH in Russia were closed, with no details on when they would resume operations. The United States, United Kingdom and European Union have all imposed strict sanctions on Russia, most of which involve severing business ties with the country.

LVMH followed closely behind its counterparts, such as Hermès, Richemont and Burberry, who had spoken up on the conflict by either pausing commercial operations in Russia or donating to Ukraine (**see story**).

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