

Victoria's Secret to buy online lingerie startup Adore Me for \$400m

Victoria's Secret & Co. (VS&Co) has agreed to fully acquire digitally-native intimates brand Adore Me, Inc. for \$400m in cash.



Victoria's Secret Love Cloud campaign 2022. Source: Supplied

Founded in the US in 2011 as an online lingerie startup, Adore Me has evolved into a direct-to-consumer lingerie and apparel brand serving women of all sizes and budgets.

Named a leading Digital Native Growth Brand in intimates by the NPD Group, Adore Me serves more than 1.2 million active customers and is powered by a proprietary technology platform with differentiated customer experiences including 'Home Try-On' and monthly subscription options. The startup is also working to push the category forward in a more environmentally-conscious way, becoming the first Certified B Corporation intimate apparel brand in the US.

Technology at the forefront

VS&Co said the deal offers the opportunity to leverage Adore Me's expertise and technology to continue to improve the Victoria's Secret and Pink customer shopping experience and accelerate the modernisation of VS&Co's digital platform. As a leader in the intimates value segment, Adore Me will also serve as a growth vehicle for VS&Co, providing access to a consumer that is complementary to VS&Co's existing customer base, the lingerie giant said.

“I’m absolutely delighted to be announcing this transaction, welcoming Adore Me into the VS&Co family. Adore Me is a technology-led, digital-first innovator in the intimates category that will help us bring differentiated experiences to Victoria’s Secret and Pink customers,” said Martin Waters, CEO, Victoria’s Secret & Co.

“This acquisition will be a significant accelerant as we pivot toward growth and modernise the foundation of our company with an entrepreneurial mindset that puts technology at the forefront of everything we do. In partnering with the incredible team at Adore Me, we will move to the future much faster,” he added.



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The structured transaction includes an initial upfront \$400m cash payment and further cash consideration, a portion of which is fixed and a portion of which is based on the performance of Adore Me and achievement of specified growth and synergy targets over a two-year period.

Complementing physical retail offering

Adore Me’s 'Home Try-On' offering generates strong retention among its customers with a personalised product experience and has achieved scale by leveraging a complex combination of proprietary logistics, algorithms and operational assets.

VS&Co stated that this shopping experience presents an attractive new option for the Victoria’s Secret customer base and exemplifies the next generation of retail innovation to complement Victoria’s Secret’s best-in-class physical store offering.

Morgan Hermand, founder and CEO of Adore Me, commented, “We have significantly grown our business over the past decade, and are excited to bring our technology, purchase experiences, inclusive assortment, brand and team to join the next phase of Victoria’s Secret’s growth and customer journey transformation.”

The transaction is expected to close by the end of January 2023, subject to customary closing conditions and regulatory clearances.

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