

BEAUTY / SKIN CARE

Unilever Acquires Tatcha in Deal Said Approaching \$500M

Tatcha's products center around rituals of the geisha, and use ingredients like rice, algae and green tea.

By [Allison Collins](#) on June 10, 2019



 Tatcha's product line centers around skin-care rituals.

[Unilever](#) has acquired luxury skin-care brand Tatcha.

Tatcha was founded by Vicky Tsai 10 years ago after a trip to Kyoto, Japan, and adoption of the skin-care rituals of the geisha helped helped fix her acute dermatitis. She sold her engagement

ESSENTIALIST
— TODAY'S MUST READ —



**Exclusive: Abel-Hodges
Named CEO of Calvin Klein**

LATEST GALLERIES

COLLECTIONS

ring to start the company, which was first known for its blotting papers, and gradually built out the product assortment using an ancient book of geisha beauty rituals as a roadmap.

Terms of the [Unilever](#) acquisition were not disclosed, but industry sources said that price tag approaches \$500 million, and that the brand is on track to do \$100 million in net sales for 2019.

Tsai and Vasiliki Petrou, executive vice president of Unilever Prestige, first met a few years ago when Tatcha was working on its first real capital raise, Tsai said. “She was so real in the meeting and we connected so deeply that I actually cried, and then when I left I told Venette Ho from Financo, who is our banker and also a friend, I said, ‘I’m sure there’s nothing to do with them now, but I love Vasiliki and I hope I get to do something with her one day.’”

The two kept in touch, exchanging thoughts on being women in business and scaling brands. “We weren’t planning on doing anything. Then we started spending more time together and we were like, ‘let’s just get married,’” Tsai said. Tatcha never went through a formal M&A process for the deal, she noted.

[Read More: Unilever Acquires Eco-Friendly Laundry Care Brand, The Laundress](#)

The brand’s products center around caring gently for the skin, in contrast to products that damage layers of skin in order to prompt cell renewal. The product development process for the brand is often long — The Essence, for example, took Tatcha’s in-house scientists seven years to formulate. That product, \$95, contains Hadasei-3, a superfood complex created with green tea, algae and rice that is meant to antiage skin.

“The things where we’ve taken the most risk, which is a primer [that] is inspired by geisha, but we do it with silk instead of wax, those have proven to be some of our most successful and now becoming hero parts of our collection,” Tsai said.

Today, the company’s best-selling products include The Silk Canvas Filter Finish Protective Primer, \$52, The Water Cream, \$68, and The Dewy Skin Cream, \$68. The brand is also well known for its Dewy Skin Mist, \$48, and recently launched The Satin Skin Mist, \$48, meant for people with more oily skin.



Red Valentino Resort 2020



COLLECTIONS

Brooks Brothers Resort 2020



On the Red Carpet at the 73rd Annual Tony Awards

Tatcha's products have the Green at Sephora seal, are cruelty free, and are made without mineral oil, synthetic fragrances, parabens and several other ingredients.

Under Unilever, Tatcha will continue to follow the Geisha beauty book as a guide, and take as long as it wants to formulate products, both Tsai and Petrou said. It will also open a second headquarters in Tokyo.

[**Read More: Unilever Beauty Sales Climb 3.1% in Q1, Fueled By Prestige, New Brands**](#)

“A lot of our ingredients are all food based and they haven't really been used that much in beauty yet, so I love that Unilever has all this expertise in food and food science,” Tsai said. “I have this fantasy of running through the halls of London and introducing my skin-care scientists to their food scientists to see what amazing things could happen.”

Petrou said she sees lots of potential for international expansion for Tatcha. “There is an unprecedented appeal already from the Chinese consumer about Tatcha, and I am personally very happy because there is so much potential still to develop the skin care category in the west, but also in China,” Petrou said. “I have seen when an influencer in China talks about Tatcha, the brand gets sold out immediately in the west.”

While prestige skin care is a category Unilever has demonstrated interest in — it went on an acquisition spree a few years ago, buying up Murad, Dermalogica, Kate Somerville and Ren — Petrou said she's not buying Tatcha just because of growth in the skin-care subsegment.

“I got where I feel authenticity and I see the strength of the brand...while I have some strategic categories I'm interested in in beauty, I don't have rules of ticking boxes,” she said.

[**Read More: Unilever's Olly Acquisition Underscores Supplement Interest**](#)

What she is interested in, however, is supporting women-led companies. “One of my missions in life is to support female entrepreneurs, and I truly believe in female power and I truly believe the future is female, so even one more reason why I



WWD FREE ALERTS & NEWSLETTERS

Enter your email address **SIGN UP**

[PRIVACY POLICY](#)

PMC TRENDING


BGR
Marvel insider says a movie we thought was coming in MCU Phase 4 isn't happening at all


TVLine
Corporate Renewed for Third and Final Season


HollywoodLife
Jada Pinkett Smith Finally Reveals The Truth About


DEADLINE

wanted to partner with Vicky and Tatcha. It's not easy for female entrepreneurs, so I want to do my part to make the world a better place for women to work, excel and succeed," Petrou said.

Girl power aside, the two companies also saw alignment on the charitable front — both are purpose-driven businesses. Tatcha has a long-standing partnership with Rooms to Read, a program that helps send girls to school, and Unilever has many programs around building up local economies and sustainability.

Tatcha is said to be growing quickly. The business had been backed by private equity firm Castanea Partners, working with Janet Gurwitch and Steve Berg since late 2017.

Gurwitch credited the merchandisers at Sephora and QVC with helping to grow the business. Under the firm, key hires, like [Jean-Marc Plisson](#) from Shiseido, who is now Tatcha's chief executive officer, were also brought on board.

"The brand is beautiful," Gurwitch said, about what attracted her to Tatcha initially. "I saw so many legacy brands not resonating, and I thought [Tsai] had an opportunity to take part of that upscale skin-care business....I love the story, that it was done in Japan, with her. She is so key to the development of each stockkeeping unit, but it's modern."



0 Comments

WWD

1 Login

Recommend

Tweet

Share

Sort by Newest

Start the discussion...

LOG IN WITH

OR SIGN UP WITH DISQUS

Name

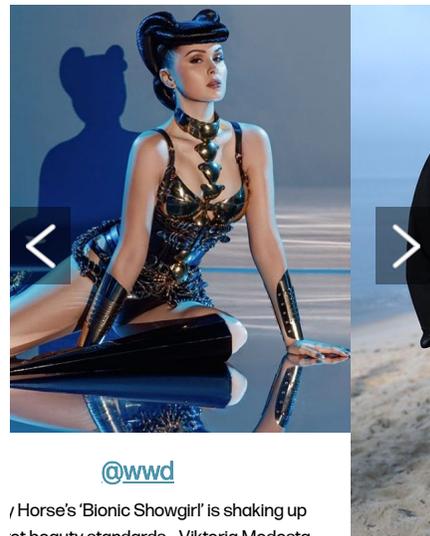
Be the first to comment.



Steven Soderbergh To Produce Short-

Recommended by Outbrain

SOCIAL STUDIES



@wwd

Horse's 'Bionic Showgirl' is shaking up et beauty standards. Viktoria Modesta ssioned three prosthetic legs for each pearances within the 90-minute show. "I ld see people looking at the diamond-red prosthetic and realize everything that 've thought for decades is being put in tion: what their parents taught them, or > how uncomfortable they've always felt d people with disabilities," said Modesta. re still deep-rooted negative ideas about t that somehow if your body is differently d, it affects who you are. It's just the most onsense ever." Report: @fleurfleurette . deye #ViktoriaModesta #bionicshowgirl

"Next to Miley Men's S w @cl