



Home > Topics > Financial

JULY 31, 2019 1:27PM ET

# Wacoal's \$85-Million Acquisition Signals Red-Hot Market for DTC Lingerie

By Vicki M. Young



CREDIT: Lively/Nordstrom

**Sourcing Summit NY** – Join us on Oct. 17 for the must-attend apparel supply chain conference.

LEARN MORE

Digitally native [intimates](#) brand [Lively](#) has a new owner, Japanese firm Wacoal Holdings Corp, which inked an \$85 million acquisition deal.

## RELATED ARTICLES

- [Inside Interfilere Shanghai's New Green Village](#)
- [Video: How Trust Fuels On-Demand Retail](#)

According to Wacoal, the acquisition will be through its U.S. subsidiary Wacoal International Corp. The terms of the agreement call for the purchase of the shares of Intimates Online Inc., the operator of the [Lively](#) brand.

The deal is expected to close on Friday and the parties have included an earn-out of between \$20 million to \$55 million over a four-year period, provided certain performance targets are met. According to the terms of the agreement provided by Wacoal, Lively's sales in 2018 totaled nearly \$11.5 million, while its net losses totaled nearly \$3.7 million. Volume in 2018 doubled that of 2017's figure, which was \$5.3 million.

The deal is expected to give Wacoal a way to expand its presence and market share among a younger consumer demographic.

Wacoal said as much: "In our overseas business, the U.S. market is one of the markets in which high growth is expected, but its market environment is changing dramatically. In recent years, emerging brands called [digitally native] are gaining support from millennials against the background of diversifying preferences among consumers, change in distribution channels [from physical stores to e-commerce], and the rise of new communication tools."

The Japanese acquirer also noted, "With the integration of Intimates Online into our group, we will be able to gain millennial customers, which is a customer segment different from that of our group's main customers, and will also capture future growth through e-commerce sales and digital marketing methods."

Wacoal also said that the Lively brand will be able to accelerate its growth by using the infrastructure that Wacoal has in place.

Lively was founded in 2015 by Michelle Cordeiro Grant, a Victoria's Secret alumna. Grant is expected to continue at the firm. Last year Lively popped up in 11 Nordstrom stores and on the retailer's website from mid-September through December. Nordstrom was Lively's first retail partner.

The Lively product mix includes bralettes, cup styles and no-wires. It also includes loungewear. Prices range depending on item, but generally are no higher than \$65. Lively is also part of the new group of direct-to-consumer brands that are emphatic about not marking down their assortments.

Among the major shareholders who will share in the sale proceeds are NF Ventures, GGV Capital and Grant.

Wacoal was represented by MMG Advisors on the deal.