STUDY NOTES · BASIC CONCEPT

All about the proposed Nykaa and 82°E deal

Indian Economy

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1. Deal Overview

Nykaa is currently in discussions to acquire a majority stake in 82°E, the premium skincare brand founded by Deepika Padukone. The deal is still under negotiation, and no final agreement has been announced yet. If finalized, Deepika is expected to retain a minority stake, while Nykaa may take a controlling role in the business.

2. Performance of 82°E

Launched in late 2022, 82°E operates as a direct-to-consumer (D2C) skincare brand. However, it has struggled to achieve the expected growth. Financial data shows that the company reported a 30% decline in revenue to ₹14.7 crore in FY2025, along with losses of ₹12.26 crore. These figures highlight the challenges the brand is currently facing in scaling its business.

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3. Key Challenges

Several factors have impacted the performance of 82°E:

- Premium pricing (around ₹2,500 for 50 ml products)
- Unclear brand positioning in a crowded market
- Strong competition from digital-first skincare brands

These issues have made it difficult for the brand to attract and retain a wider customer base.

4. Why Nykaa is Interested

Nykaa sees this acquisition as a strategic move to strengthen its “House of Nykaa” portfolio and expand its presence in the premium skincare segment. With a strong customer base of around 42 million users, Nykaa has the ability to improve distribution, visibility, and repeat purchases for 82°E. Its established platform and logistics network can help scale the brand more effectively.

5. Existing Relationship

Nykaa and Deepika Padukone already share a business relationship. In September last year, Deepika was appointed as a global brand ambassador for Nykaa. This existing collaboration may make the potential deal smoother and more strategically aligned.

6. Industry Trend: D2C Consolidation

This development reflects a broader trend in the direct-to-consumer (D2C) sector, where larger companies are acquiring or investing in smaller brands. The goal is to expand product offerings, capture market share, and strengthen competitive positioning in the rapidly growing beauty and personal care industry.

7. Conclusion

The potential Nykaa–82°E deal represents a win-win opportunity—Nykaa can expand its premium portfolio, while 82°E can benefit from better scale, distribution, and brand positioning. However, the final success of the deal will depend on how effectively Nykaa addresses the brand’s current challenges in pricing, competition, and growth.

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