# THG faces FTSE 250 demotion as Matt Moulding commits £60m to rescue plan



One of the UK’s most vocal business figures faces a significant blow as his company, THG, is poised for demotion from the FTSE 250 index mere months after its inclusion. Founded by Matt Moulding, THG, formerly known as The Hut Group, joined the ranks of the FTSE 250 in March, riding high on expectations of rivaling industry giants such as Amazon. However, following a staggering 95 per cent drop in its share price since its initial public offering (IPO) in 2020, the online retailer now finds itself valued at just £344 million. Moulding's personal wealth has similarly taken a nosedive, plummeting from £493 million to approximately £24 million.

Moulding has been forthright in attributing THG's challenges to external factors, including the press and the dynamics of the London Stock Exchange. Describing the listing experience as having “just sucked from start to finish,” he characterises the current market environment as a “barren wasteland.” The fate of THG’s FTSE 250 status will ultimately depend on its share price at the market close on Tuesday, and the implications of this potential demotion extend beyond mere status acknowledgment within the investment community.

In a recent strategic shift to bolster THG’s financial standing, Moulding announced a significant equity raise and refinancing initiative. Committing up to £60 million to this effort, Moulding aims to reduce the company's overall debt and extend the repayment term to 2029. This plan follows the demerger of THG’s digital logistics division, Ingenuity, which is expected to position the retailer as a more cash-generative entity in the global market, thus creating a more appealing prospect for investors.

Earlier in 2023, in a bid to improve corporate governance and regain investor confidence, Moulding relinquished his “golden” share, which had previously allowed him to veto hostile takeovers. This move was part of a broader strategy to prepare THG for a potential premium listing on the London Stock Exchange, aiming to enhance the company's reputation and visibility within the market. Despite these steps, the underlying issues of financial fragility remain a significant concern for the organisation and its leadership.

In a related development, Moulding has recently instigated cost-cutting measures at City AM, a financial newspaper that THG acquired in a rescue deal last summer. These measures, which include freezes on hiring and promotions for at least six months, reflect Moulding's commitment to transforming the loss-making entity into a viable asset, while also coinciding with THG's strategic spin-off of its technology division.

While Moulding remains a passionate advocate for THG's potential, the impending challenges of the FTSE 250 exit serve as a sobering reminder of the volatile nature of the market. The road ahead is fraught with uncertainty, yet Moulding's ongoing investments and strategic pivots signal a determination to navigate through this tumultuous period in pursuit of long-term viability.

## Reference Map:

* Paragraph 1 – [[1]](https://www.dailymail.co.uk/money/markets/article-14767559/Matt-Mouldings-THG-set-FTSE-demotion.html?ns_mchannel=rss&ns_campaign=1490&ito=1490), [[6]](https://www.proactiveinvestors.com/companies/news/1067479/thg-to-join-the-ftse-250-1067479.html)
* Paragraph 2 – [[2]](https://www.sharecast.com/news/news-and-announcements/ceo-matt-moulding-commits-up-to-pound60m-as-thg-announces-debt-refinancing-equity-raise--19199178.html), [[5]](https://www.sharecast.com/news/news-and-announcements/thg-raises-pound90m-founder-matthew-moulding-contributes-pound60m--19203381.html)
* Paragraph 3 – [[4]](https://www.theguardian.com/business/2023/jun/21/thg-chief-matt-moulding-gives-up-golden-share), [[3]](https://www.telegraph.co.uk/business/2024/10/19/matt-moulding-cuts-spending-at-city-am/)
* Paragraph 4 – [[7]](https://www.cosmeticsbusiness.com/thg-matt-moulding-invests-%C2%A360m-equity-raise-refinancing), [[2]](https://www.sharecast.com/news/news-and-announcements/ceo-matt-moulding-commits-up-to-pound60m-as-thg-announces-debt-refinancing-equity-raise--19199178.html)

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## Bibliography

1. <https://www.dailymail.co.uk/money/markets/article-14767559/Matt-Mouldings-THG-set-FTSE-demotion.html?ns_mchannel=rss&ns_campaign=1490&ito=1490> - Please view link - unable to able to access data
2. <https://www.sharecast.com/news/news-and-announcements/ceo-matt-moulding-commits-up-to-pound60m-as-thg-announces-debt-refinancing-equity-raise--19199178.html> - On 24 March 2025, THG announced a debt refinancing and equity raise to support its strategic growth targets following the demerger of the Ingenuity business. CEO Matt Moulding agreed to contribute up to £60 million to the equity raise. The refinancing aims to reduce the company's overall debt and extend the term to 2029, positioning THG as a cash-generative global retailer and brand owner. The proposed refinancing would decrease net total leverage from 3.2x to 2.6x based on adjusted EBITDA of £92 million in 2024.
3. <https://www.telegraph.co.uk/business/2024/10/19/matt-moulding-cuts-spending-at-city-am/> - In October 2024, Matt Moulding, CEO of THG, implemented cost-cutting measures at the financial newspaper City AM, which THG had acquired out of administration in a £1.5 million rescue deal the previous summer. The measures included a freeze on hiring, pay rises, and promotions for at least six months, aiming to transform the loss-making title into a profitable business. This decision followed THG's £75 million spin-off of its tech division, Ingenuity, with Moulding expected to invest £10 million in the equity raise.
4. <https://www.theguardian.com/business/2023/jun/21/thg-chief-matt-moulding-gives-up-golden-share> - In June 2023, Matt Moulding, CEO of THG, relinquished his 'golden' share, which had granted him the power to veto hostile takeovers. This move aimed to promote good corporate governance and facilitate THG's application for a premium listing on the London Stock Exchange. The cancellation of the controlling share was part of THG's efforts to regain investor confidence following a significant decline in its share price and to pave the way for a premium listing in 2022.
5. <https://www.sharecast.com/news/news-and-announcements/thg-raises-pound90m-founder-matthew-moulding-contributes-pound60m--19203381.html> - On 25 March 2025, THG announced it had raised £90 million through a share placing and refinancing, with founder and CEO Matthew Moulding contributing £60 million. The funds aim to support THG's strategic growth targets following the demerger of the Ingenuity division. The refinancing is expected to reduce the company's overall debt and extend the term to 2029, positioning THG as a cash-generative global retailer and brand owner. The proposed refinancing would decrease net total leverage from 3.2x to 2.6x based on adjusted EBITDA of £92 million in 2024.
6. <https://www.proactiveinvestors.com/companies/news/1067479/thg-to-join-the-ftse-250-1067479.html> - In March 2025, THG was set to join the FTSE 250 Index, marking a significant milestone for the e-commerce group following the demerger of THG Ingenuity. The inclusion was expected to attract both index funds and active mid-cap investors, increasing liquidity and visibility for the stock. CEO Matt Moulding described the move as an important moment in THG's evolution, focusing on its beauty, health, and wellness brands, including Lookfantastic, Dermstore, and Cult Beauty.
7. <https://www.cosmeticsbusiness.com/thg-matt-moulding-invests-%C2%A360m-equity-raise-refinancing> - Following the demerger of its digital logistics business, Ingenuity, in 2024, THG founder and CEO Matt Moulding committed up to £60 million as part of a refinancing deal and equity fundraise. This investment was on top of the £50 million worth of shares Moulding had purchased since THG's IPO in 2020. The funds aimed to support THG's strategic growth targets and reduce overall debt, positioning the company as a cash-generative global retailer and brand owner.