

# Moulding's Hut Group lands hangar sale

6 Jul 2023 | by Charlie Schouten, Chris Borland

E-commerce giant offloads non-core asset after reporting £550m loss

- **What** The Hut Group has sold a hangar at Manchester airport to LCN
- **Why** Company owned by Matthew Moulding considers asset as non-core, with building previously placed under offer
- **What next** Sale of other THG properties in progress

LCN Capital has acquired a 245,000 sq ft building at Manchester airport from e-commerce giant The Hut Group (THG), *React News* can reveal.

The 245,000 sq ft building, formerly home to collapsed airline Thomas Cook, was purchased by THG, but it has never occupied the site and has since sublet it to STS Aviation Services.

*React News* revealed the asset was up for sale earlier this year with a [price tag of around £40m](#), with LCN's deal understood to be around this level. LCN's purchase of the hangar has been backed by a £22m facility from Rothschild & Co.

In its accounts last year THG, founded and owned by Matthew Moulding, described the hangar as a "non-core freehold asset" valued at £44m.

The building, which is within the boundaries of the airport itself, was offered directly to the market and had been placed under offer several times. Before LCN, it was most recently to be sold to Longmead, before a deal failed to progress.

The asset was being offered to the market directly by THG, with a sale-and-leaseback deal floated.

It represents another long-let addition to LCN's UK platform, which also includes BT's new hub in Bristol and Unilever's newly constructed London campus.

## **Icon sale ongoing**

The hangar is the second major asset sale to be mooted for THG-leased property this month. Icon, a 1m sq ft logistics-led business park next to Manchester airport ultimately owned by Moulding, is set to be [sold to ICG](#).

THG bought the site in 2019 for an estimated £250m before offloading it to Guernsey-based Moulding Capital the following year. Moulding Capital is also owned by Matthew Moulding, and is separate from THG.

The Icon business park has been used as security for a £128m element of a £202m loan that Warrington Council provided to the group of companies controlled by Moulding Capital in 2020.

## **Hut Group facing headwinds**

The sale of the hangar comes after THG slumped to a loss in its most recent full-year results.

In April, the group unveiled its annual results for the year to 31 March 2022, with a pre-tax loss of £550m causing a 17% drop in the company's share price.

Moulding became a landlord to the company after a controversial sale-and-leaseback deal in the run-up to the company's stock market flotation in 2020. The group has also secured more than £200m in loans from Warrington Council.



The Hut Group's loan for a 300,000 sq ft office was pulled earlier this year

Since its floatation, which valued THG at around £5bn, the firm's stock has fallen significantly, with the company now valued at around £1bn.

Japanese investor SoftBank was previously set to purchase a chunk of the company's technology division for \$1.6bn, but pulled out of the deal and also sold its entire stake in the company to Moulding and the Qatar Investment Authority in October last year.

The future of another of the company's projects is unclear, after *React News* revealed in January that a £70m debt facility to the group to develop a new 300,000 sq ft office **had been cancelled**.

The facility, agreed in 2020 with Trafford Council, was pulled without ever being drawn down, with construction of the planned headquarters building yet to begin.

All parties declined to comment on the deal for Hangar One.