



L'Occitane International S.A.

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R.C.S. Luxembourg: B80359
(Incorporated under the laws of Luxembourg with limited liability)*

L'Occitane International S.A. Announces Offer from Controlling Shareholder to Take Company Private

- Offer price of HK\$34.00 in cash per share is final and represents approximately 60.83% premium to undisturbed 60-trading day average closing price of HK\$21.14 per share.
- €1.7 billion take-private transaction values 100% of L'Occitane International S.A. at €6.0 billion on an equity value basis.
- Proposed privatisation unlocks immediate value for minority shareholders and aims to provide greater flexibility in making longer-term business decisions.
- Shareholders representing 25.79% of the Offer Shares held by Disinterested Shareholders have already committed to tender their shares, and an additional 12.17% have committed to recommend the offer or provided support letters.

(29 April 2024, Hong Kong and Luxembourg) The Board of Directors (the "Board") of L'Occitane International S.A. (the "Company", Stock Code: 0973.HK) today announced that L'Occitane Groupe S.A. ("Offeror"), the controlling shareholder of the Company, has offered to acquire all shares in the Company (other than treasury shares) that Offeror does not already own ("Offer Shares"), with the intention to privatise and delist the Company from the Hong Kong Stock Exchange. The rationale is to allow the current management team, which would remain in place, to continue operations of the Company's business as it is and invest in long-term sustainable growth initiatives as a privately held company.

Offeror is ultimately controlled by Reinold Geiger, the Chairman and director of both the Company and Offeror. Offeror and its concert parties own 72.64% of issued and outstanding shares in the Company.

Offeror has offered a purchase price of HK\$34.00 per share in cash (the "Offer"). Offeror has indicated the offer price is final and will not be increased further.

Offeror intends to finance the consideration through a combination of external debt facilities provided by Crédit Agricole Corporate and Investment Bank (CA-CIB), with additional financing capital provided by funds managed by Blackstone Inc. and its affiliates and Goldman Sachs Asset Management International or its affiliates.

In response, the Board has established an Independent Board Committee (the "IBC") comprised solely of dedicated independent non-executive directors to evaluate the Offer and make a recommendation to minority shareholders as to whether the Offer is fair and reasonable and as to acceptance. Somerley Capital Limited, as Independent Financial Adviser, has been appointed by the Company, and approved by the IBC, to advise the IBC in connection with the Offer. The IBC's recommendation will be included in a composite document to be jointly published by Offeror and the Company ("Composite Document"), which will officially commence the Offer.

Flexibility to invest in longer-term growth initiatives

A combination of industry dynamics and pressures of operating as a listed company underlies the rationale for the transaction.

Offeror believes that, in order to maintain and invigorate the respective market shares of the Company's brands in an increasingly competitive environment, significant further investment in marketing, store refurbishment, IT infrastructure and attracting talent are of vital importance. These investments would entail incurring more expenses in order to lay the foundation for longer-term growth.

The Offer provides greater flexibility to the Company, as a privately-operated business, to pursue strategic investments and more efficiently implement strategies, free from the pressures of the capital markets' expectations, regulatory costs and disclosure obligations, share price fluctuations, and sensitivity to short-term market and investor sentiment. This flexibility is particularly important because competition in the global skincare and cosmetics industry continues to intensify with the entry of new international and local brands.

Privatising the Company would better address these challenges by enabling the Company to more efficiently and effectively implement strategies that are vital for longer-term sustainable growth.

Unlocking shareholder value at a compelling premium

For minority shareholders, this transaction provides an attractive opportunity to monetise their investments at a premium over market price. The offer price exceeds the all-time high closing price of HK\$33.60 per share since the Company's IPO in 2010, and represents:

- A premium of approximately 30.77% over the undisturbed closing price of HK\$26.00 per share as quoted on the Hong Kong Stock Exchange on 5 February 2024, the last trading day prior to the leak in the press around the existence of discussions between Offeror and certain third parties to take the Company private (the "Leak Date");
- a premium of approximately 49.91% and 60.83% over the undisturbed average closing price of approximately HK\$22.68 per share and HK\$21.14 per share for the 30 and 60 consecutive trading days up to the last trading day prior to the Leak Date, respectively.

In addition to a compelling valuation, the Offer would allow shareholders to realise their investment in the Company for cash amidst an uncertain market climate marked by geopolitical factors and uncertain sentiment in the broader equity markets, among others.

The Offer is particularly compelling in light of the prolonged low trading liquidity of the Company's shares, which makes it challenging for minority shareholders and vested option holders to sell a substantial amount of shares without adversely affecting the share price.

Additionally, appropriate arrangements have been made for holders of options and free shares of the Company to enable all holders interested in the Company's securities to realise their investment in the Company for cash.

In sum, Offeror believes that a take-private transaction in its current form allows shareholders to derive maximum benefit and avoid exposure to uncertain market conditions.

Intention to retain employees, pursue long-term sustainable growth

For the Company's employees and business partners, the transaction would provide the Company with greater flexibility in making longer-term focused business decisions and pursuing long-term sustainable growth. Offeror has stated its intention to continue operating the Company's business and retain employees across all geographies, other than the changes that would occur in the ordinary course of business.

Reinold Geiger, current majority owner of the Company and of Offeror, said: "Our family has always taken a responsible, long-term view when it comes to developing our company. The cosmetics sector is undergoing profound changes, and our company has significantly transformed into a geographically balanced multi-brand group, marked by strategic acquisitions such as ELEMIS, Sol de Janeiro, and, most recently, Dr. Vranjes Firenze. The transaction we are launching today will enable us to focus on rebuilding the foundation for the long-term sustainable growth of our company."

Terms and timing of the Offer

The Offer is subject to a minimum 90% acceptance threshold by shareholders other than Offeror or its concert parties (the "Disinterested Shareholders").

Offeror has received Irrevocable Undertakings from existing Disinterested Shareholders representing in total approximately 25.79% of the Offer Shares held by Disinterested Shareholders to accept the offer. In addition, Disinterested Shareholders representing approximately 12.17% of the Offer Shares held by Disinterested Shareholders have committed to recommend the offer or provided Non-binding Letters of Support.

Offeror intends to conduct a squeeze-out of shares not tendered to the Offer, if it acquires not less than 90% of Offer Shares held by Disinterested Shareholders by 26 August 2024 (or as otherwise extended).

The timing of the Offer will commence upon publication of the Composite Document, which will be published at a later date.

Additional information about the Offer, as well as appropriate arrangements for holders of options and free shares of the Company, can be found in the 3.5 announcement published on the website of the Hong Kong Stock Exchange.

J.P. Morgan Securities (Asia Pacific) Limited is acting as exclusive financial adviser to Offeror. Crédit Agricole Corporate and Investment Bank (CA-CIB) and Corporate Finance International (CFI Group) are acting as exclusive financial advisers to Offeror in connection with the raising of capital and the overall structuring of the financing.

Skadden, Arps, Slate, Meagher & Flom LLP is acting as global legal counsel to Offeror and Arendt & Medernach is acting as Luxembourg counsel to Offeror.

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About L'Occitane International S.A.

L'Occitane International S.A. is an international multi-brand group that manufactures and retails premium beauty and wellness products. The Company operates in 90 countries worldwide and has more than 3,000 retail outlets, including over 1,300 of its own stores. Within its portfolio of premium beauty brands that champion organic and natural ingredients are: L'OCCITANE en Provence, Melvita, Erborian, L'OCCITANE au Brésil, LimeLife, ELEMIS, Sol de Janeiro and Dr. Vranjes Firenze.

With its nature-positive vision and entrepreneurial ethos, it is committed to investing in communities, biodiversity, reducing waste and to finding sustainable solutions to create a better and healthier planet. L'Occitane International S.A. is a certified B Corporation.

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As at the date of this press release, the executive directors of L'Occitane International S.A. are Mr. Reinold Geiger (Chairman), Mr. André Hoffmann, Mr. Laurent Marteau (Chief Executive Officer), Mr. Karl Guénard (Company Secretary) and Mr. Séan Harrington (Chief Executive Officer of ELEMIS), the non-executive Director is Mr. Thomas Levilion, and the independent non-executive Directors are Mrs. Christèle Hiss Holliger, Mr. Charles Mark Broadley, Ms. Betty Liu and Mr. Jackson Chik Sum Ng, who jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than the information relating to the Offer, and the Offeror and parties acting in concert with it) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this press release (other than the opinions expressed by the directors of Offeror in their capacity as directors of Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.