

L'Occitane buys skincare brand Elemis for \$900m

Global beauty products maker and retailer L'Occitane International S.A., has agreed to buy beauty and skincare brand Elemis for approximately \$900 million. The Elemis acquisition fitness into the Hong Kong-listed firm's strategy of building a "leading portfolio of premium cosmetics brands".



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Founder-led since 1990, Elemis is a global distributor and innovator in the fields of beauty and skincare, considered in leader in skincare in the United Kingdom with strong growth in the US. The brand's products are made using natural ingredients, and then sold both directly to consumers through its websites and wholesale to various distribution channels, including digital, retail distribution, QVC, professional spa and maritime.

The acquisition is expected to further strengthen L'Occitane's omnichannel distribution and product categories, particularly in skincare, in which it has invested substantially in recent years. Elemis, meanwhile, will leverage on the Group's geographical presence to expand into new markets, led by the existing management team headed by co-founder and chief executive officer Sean Harrington, co-founder and president Noella Gabriel, and co-founder and chief marketing officer Oriele Frank.

"We are thrilled to announce this agreement with L'Occitane, which will strengthen the continued growth and momentum behind our timeless brand and remarkably transformative products," said Harrington, co-founder and chief executive officer of Elemis. "L'Occitane's philosophy resonates closely with our own, in creating quality products sourced from nature and developed through cutting-edge science and technology. Together with the Group's entrepreneurial leadership, I am confident about realising our mission to grow Elemis into one of the leading skincare brands in the world."

Reinold Geiger, chairman and chief executive officer of L'Occitane, said, "This is L'Occitane's largest acquisition since listing and a major step forward in building a group of premium beauty brands. Elemis presents a truly unique opportunity that fits us perfectly in terms of brand ethos, product quality, management capability, as well as growth and profitability trajectory. Elemis has enormous growth potential in untouched markets and channels, particularly in Asia Pacific where we have strong presence. We are confident Elemis will be immediately accretive to the Group's results, in line with our aim to deliver sustainable value to our shareholders."

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