



Rating  
**Buy**

Asia  
Hong Kong

Consumer  
Retail / Wholesale Trade

Company  
**L'Occitane  
International Alert**

Reuters 0973.HK Bloomberg 973 HK Exchange HSI Ticker 0973

Date  
5 March 2015

**Company Update**

Price at 4 Mar 2015 (HKD)	19.22
Price target - 12mth (HKD)	21.48
52-week range (HKD)	20.20 - 17.20
HANG SENG INDEX	24,465

## Launch of new line - the Reine Blanche Illuminating Program

### Launch of the Reine Blanche Illuminating Program

L'Occitane's new product line, "Reine Blanche", was officially launched this week in Asia excluding India. It will be launched later in China. It is a patented complex for boosting luminosity and epidermal renewal. These natural whitening products are based on an extract from reine des prés, which is a pure white flower known for its lightening properties. Currently, there are five products in the program, with a price range of HKD280-550.

In addition to a four-day promotional event that begins today in Hong Kong, L'Occitane advertised the new product through YouTube with a short video called "The Illuminating Journey" hosted by a Hong Kong singer, Ivana Wong.

### Deutsche Bank view

The new line is expected to expand its offering to the whitening market in Asia, which is one of the key sub-segments of the Asian cosmetic market. The price range is similar to that of Immortelle (excluding the Divine cream), based on our checks. Launching face-care products, which help elevate brand equity and have higher ASP and better stickiness to the brands, has been the company's strategy. This has been the key SSS growth driver for the company in the past few years and will remain so. Maintaining Buy; it is one of our top picks in our HK/China consumer universe.

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### Stock data

Market cap (HKDm)	28,387
Market cap (USDm)	3,661
Shares outstanding (m)	1,477.0
Major shareholders	-
Free float (%)	30
Avg daily value traded (USDm)	3.086

Source: Deutsche Bank

### Key data

FYE 3/31	2014A	2015E	2016E
Sales (EURm)	1,055	1,176	1,358
Net Profit (EURm)	89.3	122.6	143.5
DB EPS (EUR)	0.06	0.08	0.10
PER (x)	30.1	27.5	23.4
Yield (net) (%)	1.2	1.3	1.5

Source: Deutsche Bank

Deutsche Bank AG/Hong Kong

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