

## Case Study Questions

### **L'Occitane en Provence**

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In the early 2010, the media was speculating about the possibility of an initial public offering (IPO) by L'Occitane, a French cosmetics company. L'Occitane's brand was built around its use of natural herbal ingredients sourced principally from the fields of Provence in Southern France. Committed to providing products of the highest quality to its customer, L'Occitane had experienced rapid growth, particularly in international markets. Though largely produced in France, L'Occitane's fragrant, sweet-smelling soaps were now finding their ways into homes, hotels, and spas across the world and its sunny, Provencal-yellow storefronts were dotting the corridors of upscale malls and airports from Beijing to Buenos Aires.

1. Should L'Occitane do an Initial Public Offering (IPO)? What are the benefits and costs to the firm of doing so??
2. What is the value of L'Occitane en Provence's equity? Use DCF and multiples to assign a price to L'Occitane's shares.
3. In case of an IPO, which market would you recommend? Why? What considerations should determine the location choice?