

Interparfums
Letter to shareholders 2019

2019

letter to shareholders

Dear shareholders,

Exceeding our forecasts with more than 2 million units sold, the *Montblanc Explorer* line has proven to be our most successful launch ever. Driving growth in market share across the globe in 2019, this line has clearly established Montblanc as a strong men's fragrance' brand.

To a lesser degree and in line with targets, the *A Girl in Capri* line of Lanvin and the *Urban Hero* line of Jimmy Choo both got off to a particularly promising start.

The performances of all our portfolio's brands are largely on track and for that reason we recently confirmed our guidance for annual revenue of €480 million and an operating margin of 14% for FY 2019.

This good news is mitigated by a difficult economic environment including slower growth in the United States in a pre-election period, in Asia, and especially China, and in Europe against the backdrop of Brexit.

Despite these latter developments, we remain very confident in the outlook for 2020.

Indeed, we are looking forward to many opportunities in the year ahead which will include important launches for Coach and Jimmy Choo fragrances and a first women's initiative for the Kate Spade brand. With significant name recognition in the United States and Asia as a colorful, youthful, accessible and playful brand, we are convinced in its growth potential.

Given the quality of our brand portfolio and the strength of our balance sheet, we are confident in the outlook for 2020 which is expected to see further growth in sales.

Best regards to all,

Philippe Benacin
Chairman & Chief
Executive Officer

Philippe Santi
Executive Vice
President

Signature of the Kate Spade license agreement



Since its launch in 1993 with a collection of six essential handbags, Kate Spade New York has always stood for optimistic femininity.

Today, the brand is a global life and style house with handbags, ready-to-wear, jewelry, footwear, gifts, home décor and more, guided by the vision of creative Director Nicola Glass. The Kate Spade fashion design house has worldwide revenue of US\$1.4 billion.

In June 2019, Interparfums and Kate Spade entered into an exclusive global 10 1/2 year fragrance license agreement as from January 2020.

Focus

Accelerating our Digital Transformation

Reflecting the digital transformation of our sector, we have redefined and adopted ambitious goals in implementing our group's own digital strategy: harmonizing our influencer marketing campaigns, improving our digital media campaigns, bolstering our search engine optimization strategy, rationalizing the experience of our e-commerce pages, monitoring performance by adopting standardized indicators... To ensure the successful execution of this strategy, we formed a new team tasked with accelerating our own digital transformation.

CSR initiatives

Over the last several years, progress achieved by the company in the area of corporate social responsibility has been illustrated by regular new initiatives. After focusing efforts to develop its relations with stakeholders and reduce its environmental footprint, notably in terms of waste reduction and energy savings, for the years ahead the group's strategic plan for the environmental component, will focus on implementing environmentally responsible manufacturing processes and, for the employment component, a campaign to promote employee awareness about disabilities.

Interparfums was ranked 11th in the 2019 campaign of the Gaia Rating agency which assesses the Environmental Social and Governance (ESG) performances of the top 70 French SMEs and mid-tier firms in the category of companies "with revenue between €150 and €500 million".





Jimmy Choo

Bolstered by the good start of the men's line, *Jimmy Choo Urban Hero* in the 3rd quarter, flankers rolled out at the end of 2018 and early 2019 contributed to solid gains by the brand of 11% to achieve sales of nearly €80 million.

Jimmy Choo Urban Hero is a woody aromatic Eau de Parfum inspired by the urban environment. It celebrates the intensity and contrasts of modern masculinity, working the codes of street art.

Lanvin

The positive market response to *A Girl in Capri* launched in March limited the impact of lower sales by Lanvin fragrances in the period with sales of €40 million.

A Girl in Capri whisks you away on a sunny getaway.



Van Cleef & Arpels

Collection Extraordinaire Santal Blanc

For the first time, the iconic *Collection Extraordinaire* bottle is lacquered in immaculate white to reflect the refined olfactory structure.

Lifted by lively mandarin, sandalwood and fig milk express their velvety notes. A mist of musks cloaks powdery violet and delicately almondy tonka bean to create a cottony, enveloping trail...



Boucheron

Orange de Bahia and *Patchouli d'Angkor* of the Boucheron collection

A collection inspired by the memories of the Boucheron gem hunters.

Orange de Bahia: flamboyant and vibrant, the capital of samba has the Orange as its emblem.

Patchouli d'Angkor: sculptural temples intertwined with thousand-year-old trees mingle with mysterious patchouli and the many virtues of its essence.



LES PARFUMS MATIÈRES KARL LAGERFELD



Karl Lagerfeld

A collection of iconic notes from the universe of perfumery.

Fleur d'Orchidée is a Citrus Floral sun-drenched scent; the delicacy and velvety quality of this exotic composition recalls fleshy orchid petals.

Bois de Cèdre is a Woody Aromatic Fougere; a refined juice, elegant and ultra-masculine, epitomized by cedar wood, which dominates the coast.

Repetto

Dance with Repetto Florale is an airy and modern grace, capturing the spirit of the Maison Repetto.

On top, a colorful fruity freshness opens the fragrance with radiance thanks to the Blackcurrant and the Lemon.

In heart, a pink floral explosion unfurls. The Pink Peony merges with the Magnolia Petals to free a fresh floral aura. In the drydown, the association of modern Blonde Woods sublimated by a powdery and sensuous veil of White Musks creates the perfect accord.



S.T. Dupont

S.T. Dupont Collection, *Pure Bloom*

In tribute to this irresistible spirit of adventure, the French company created *Pure Bloom*, a luminous fragrance based on patchouli, which completes the luxurious S.T. Dupont collection.



Paul Smith

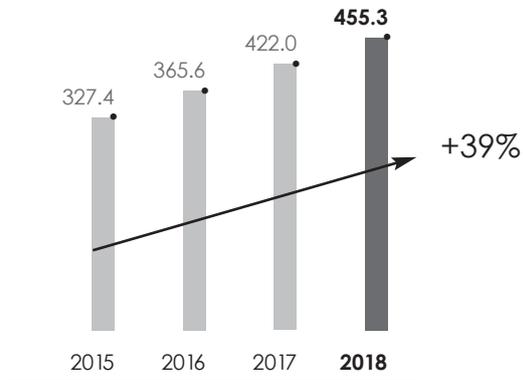
Paul Smith Rose, the latest limited edition – summer 2019, exemplifies the characteristic Paul Smith signature skill, an instinctive knack for redefining the classics, introducing an unmistakable note of edgy elegance.



Key figures 2018

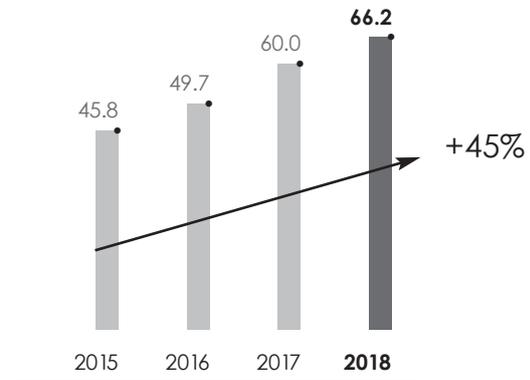
Consolidated sales

(€m)



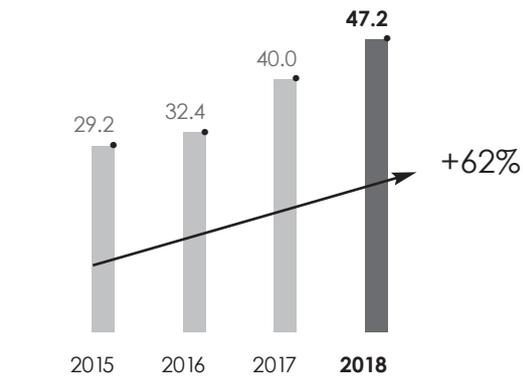
Consolidated operating profit

(€m)



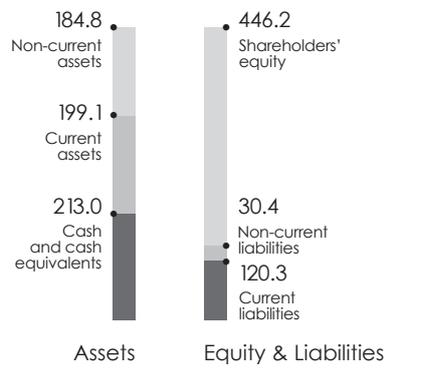
Net income

(€m)



Balance sheet highlights

(€m)



2019 first-half financial highlights

€238.4m

in sales

€39.0m

in operating profit

€27.2m

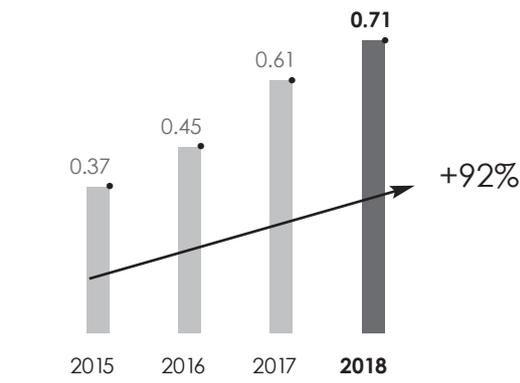
in net income

Stock Market

Dividends

On May 6, 2019, a dividend of €0.71 per share was paid or a total of €30.3 million, an increase of 17% in relation to last year.

The payout ratio, representing the percentage of net income distributed to shareholders in the form of dividends reached 65% of 2018 net income.



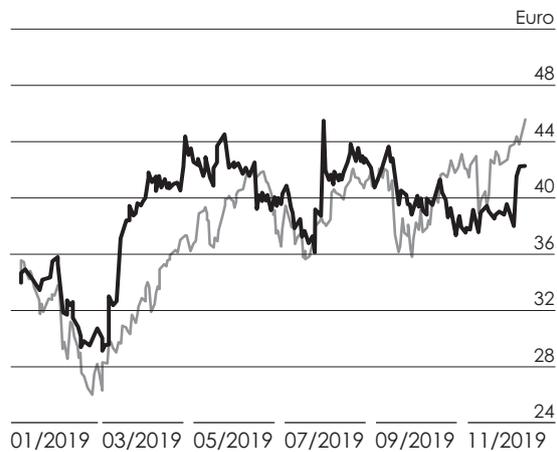
1 bonus share for every 10 shares held

In June 2019, the company proceeded with its 20th bonus share issue on the basis of one new share for every ten shares held.

2018-2019 investors calendar

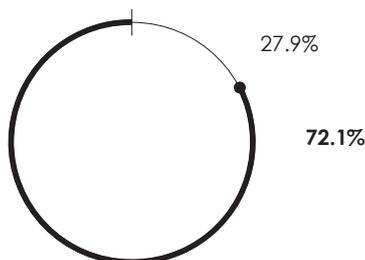
- January 28, 2020
2019 annual sales
- March 3, 2020
2019 annual results
- April 23, 2020
2020 first-quarter sales
- April 24, 2020
Annual General Meeting

Trading activity: Interparfums vs. the SBF 120



Stock price at 11/05/2019	€42.70
Changes	
Since 1/01/2019	+ 42%
Over 3 years	+ 107%
Over 5 years	+ 202%
Since the IPO	x38

Shareholder structure at September 30, 2019



Interparfums Inc. (founders Philippe Benacin and Jean Madar): 72.1%
 Public: 27.9%
 Foreign institutional shareholders : 13.0%
 French institutional shareholders : 7.2%
 Individual shareholders : 7.0%
 Treasury shares : 0.4%
 Employee shareholders : 0.3%

Interparfums has 10,530 individual shareholders and 370 institutional shareholders (with foreign investors representing less than one third).

Reasons for becoming an Interparfums shareholder

Our business and organization

1. A streamlined organization with a human scale (approximately 310 employees);
2. Excellent knowledge of prestige fragrance market;
3. Long-standing partnerships with our licensors, distributors and suppliers;
4. Extensive know-how covering the complete cycle from product design to launch, enhancing cost efficiencies and facilitating continuous quality control.

Our financial structure and relations with shareholders

1. Long-term license agreements (10, 15 and even 20 years);
2. A solid financial structure with substantial cash resources and limited debt;
3. A stable shareholder base, with the company's founding managers holding a significant stake;
4. Bonus share grants to shareholders every year for nearly 20 years;
5. A significant dividend (65% of net income in 2019) which has grown every year.

Investir Day – Paris – 1st edition

This new event organized by the “Les Echos – Le Parisien” group for everyone interested in the stock market provided us with an opportunity to meet with our shareholders and future investors and to share and exchange with financial market experts and a number of chief executives of other publicly traded French companies.



How to become an Interparfums shareholder

Bearer shares:

Your shares are not registered in Interparfums' share account. Your financial intermediary maintains your security account and is your only contact for share services. As such, only this intermediary can apply custody charges and has the ability to identify you.

Advantages

1. Simple and rapid execution of purchase or sell orders placed.
2. Possibility of having all securities of your portfolio managed by a single financial intermediary.

Interparfums is authorized to make use of provisions available by law to identify holders of securities conferring voting rights in shareholders' meetings.

Standard registered shares

(*nominatif pur*):

To register or convert your Interparfums shares as a standard registered shareholder, you must transfer the shares to CMC-CIC Market Solutions – Middle Office Corporates – Euroclear member No. 025 – 6 avenue de Provence – 75452 Paris Cedex 99 – Tel.: +33 (zero)1 53 48 80 10/Email: 34318@cmcic.fr.

You are registered directly with the Company as a shareholder and your securities are maintained in a custody-only securities account opened with CMC-CIC Market Solutions who will be your only contact for share services.

Advantages

1. No custody charges.
2. Personalized information: the company sends you the notice for the General Meeting, the admission card in addition to all information for transactions involving the share.
3. Double voting rights in shareholders' meetings after the securities are held three years.
4. A French tax reporting form (Imprimé Fiscal Unique or IFU) is sent to your home address. This document, which will be requested by French tax authorities specifies the amount of shares sold, the value and the capital gain on sales of your Interparfums shares.

Administered registered shares

(*nominatif administré*):

To record or convert your Interparfums shares into administered registered shares, you must submit a request to your financial intermediary. Your financial intermediary remains your account holder. As such, it provides information about your holdings to CMC-CIC Market Solutions so that you may be known to the company.

Advantages

1. Personalized information: the company sends you the notice for the General Meeting in addition to all information for transactions involving the share.
2. Facilitated access to the General Meeting: no prior formalities to render the shares temporarily nontransferable, and, on request, sending of the admission card.
3. Double voting rights in shareholders' meetings after the securities are held three years.

This shareholders letter and other company publications can be downloaded directly from our website: www.interparfums.fr/publications.

Investor Relations

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Boucheron
Coach
Jimmy Choo
Karl Lagerfeld
Kate Spade
Lanvin
Montblanc
Paul Smith
Repetto
Rochas
S.T. Dupont
Van Cleef & Arpels

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