



2019 results
Paris, March 3, 2020

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interparfums



2019 results

Paris, March 3, 2020

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2019 results

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2019 highlights

2019 highlights

- **New revenue growth**
 - Sales: €484.3m
 - +6.4% at current exchange rates and +3.6% at constant exchange rates
- **A remarkable performance by Montblanc fragrances**
 - Success of the *Montblanc Explorer* line(+€40m)
 - A good performance by the *Montblanc Legend* line
- **Further sales growth by Jimmy Choo (+4%) and Coach (+3%) fragrances in a year without major launches**
- **Further growth in earnings**
 - Operating profit: €73.1m (+10.4%)
 - Net income: €50.6m (+7.4%)
- **Signature of the Kate Spade license agreement**



2019 results

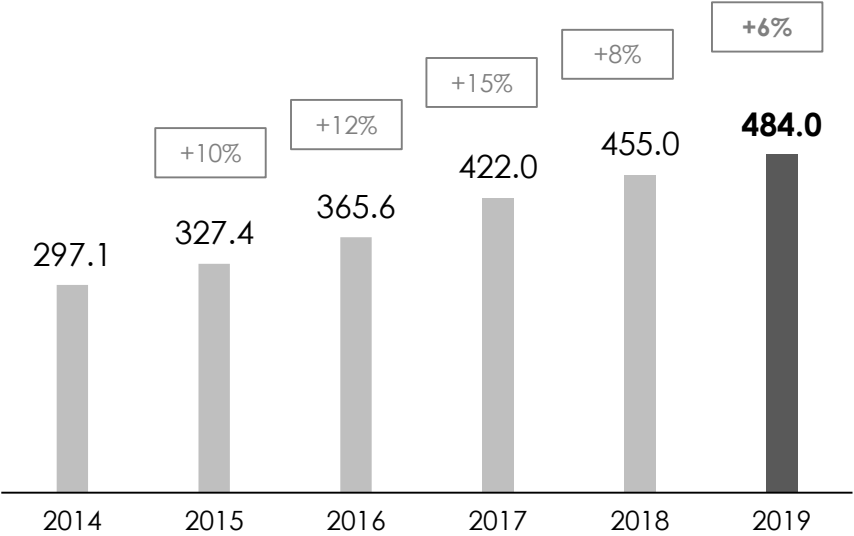
Paris, March 3, 2020

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2019 sales by brand

Revenue(€m)

Sales

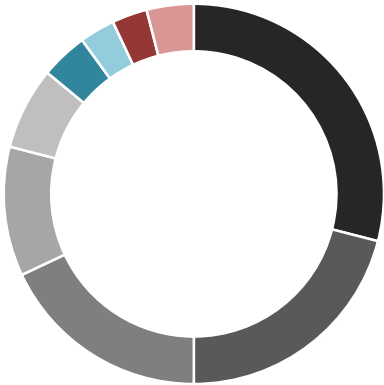


Total growth of **+60%** in 5 years

Growth outperforming the perfume market overall

Growth outperforming the competition

2019 sales mix by brand

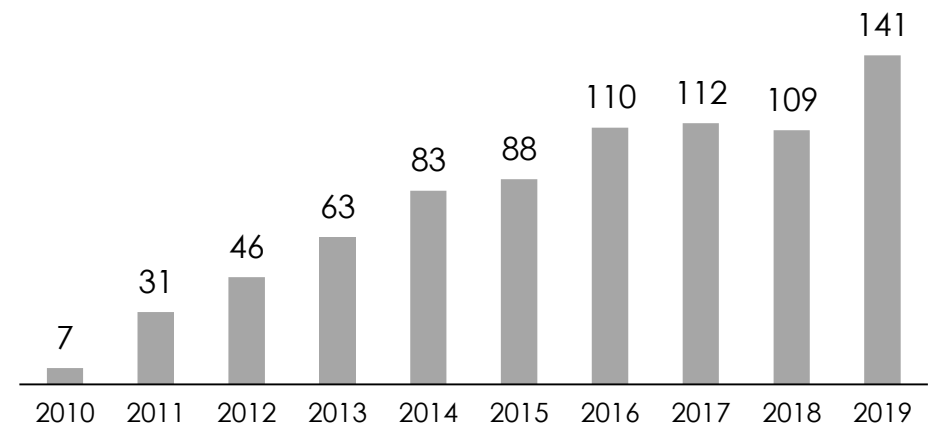


- Montblanc: 29%
- Jimmy Choo: 21%
- Coach: 18%
- Lanvin: 11%
- Rochas: 7%
- Boucheron: 4%
- Van Cleef & Arpels: 3%
- Karl Lagerfeld: 3%
- Other brands: 4%



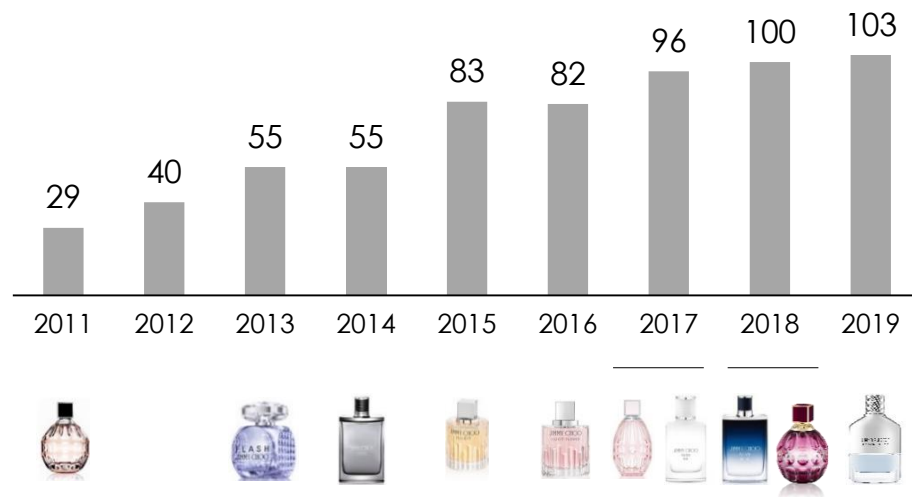
**MONT
BLANC**

Sales trends (€m)



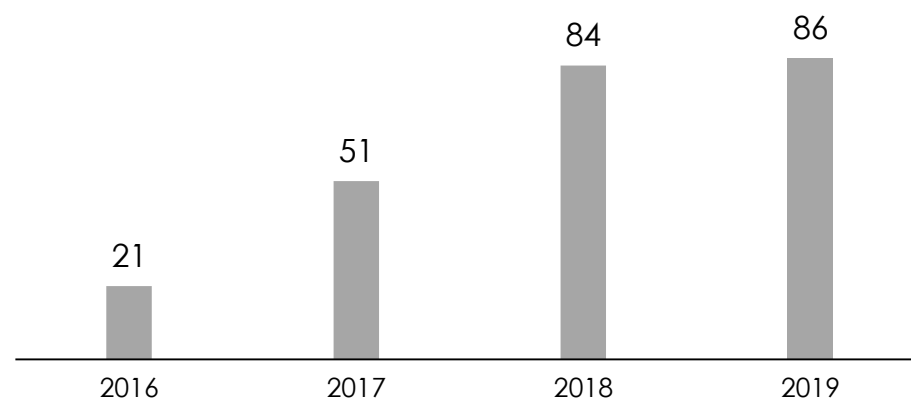
JIMMY CHOO

Sales trends (€m)



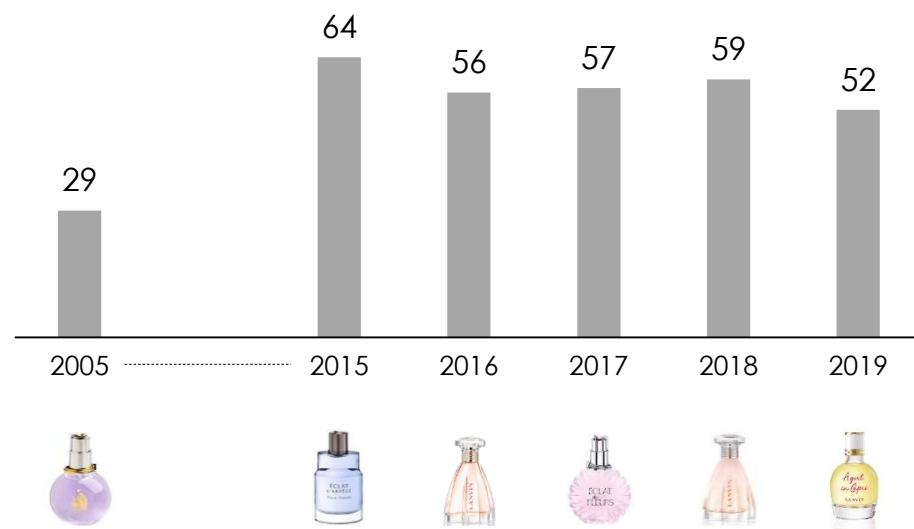


Sales trends (€m)



LANVIN PARFUMS

Sales trends (€m)

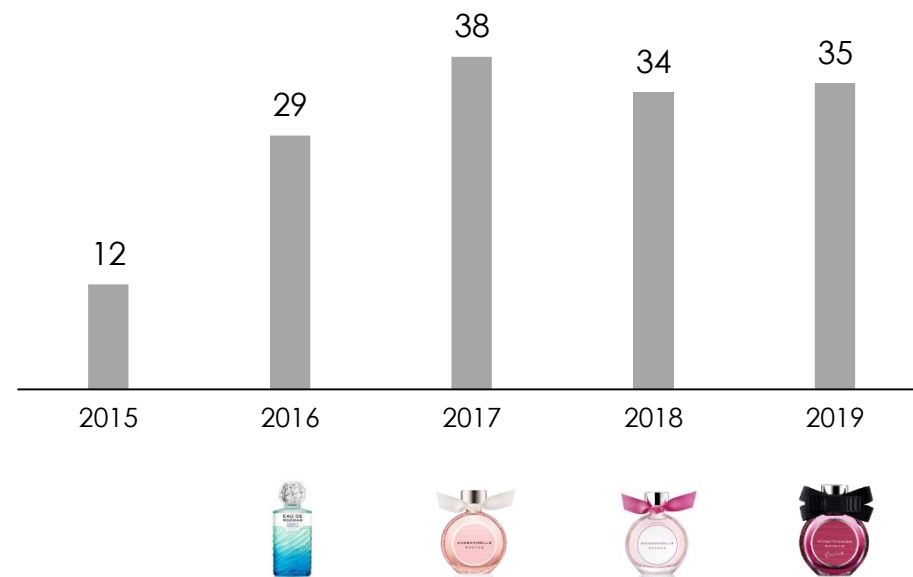




EAU ROC

ROCHAS
PARIS

Sales trends (€m)



2019 sales by brand (€m)

■ 2018 ■ 2019

(€m)	2018	2019	2019/2018
Montblanc	109	141	+29%
Jimmy Choo	100	103	+4%
Coach	84	86	+2%
Lanvin	59	52	-12%
Rochas	34	35	+1%
Boucheron	19	18	-6%
Van Cleef & Arpels	14	15	+13%
Karl Lagerfeld	13	14	+11%
Other	23	20	ns
Total sales	455	484	+6.4%



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2019 sales by region

2019 sales by region

- **Continuing strong growth in North America (+8%)**
 - United States +8.6% / Market +2.6%
- **South America remains resilient within a turbulent economic environment**
 - Sales declined in Argentina / Uruguay / Chile
 - Sales grew in Mexico / Paraguay
- **A good performance in the Middle East (+19%)**
 - Montblanc & Coach
- **Further growth in Western Europe**
 - +4% excluding the change in the distribution structure in Italy
- **A good performance in France (+5%) within an overall market that contracted (-0.7%)**
 - Success of the *Montblanc Explorer* line

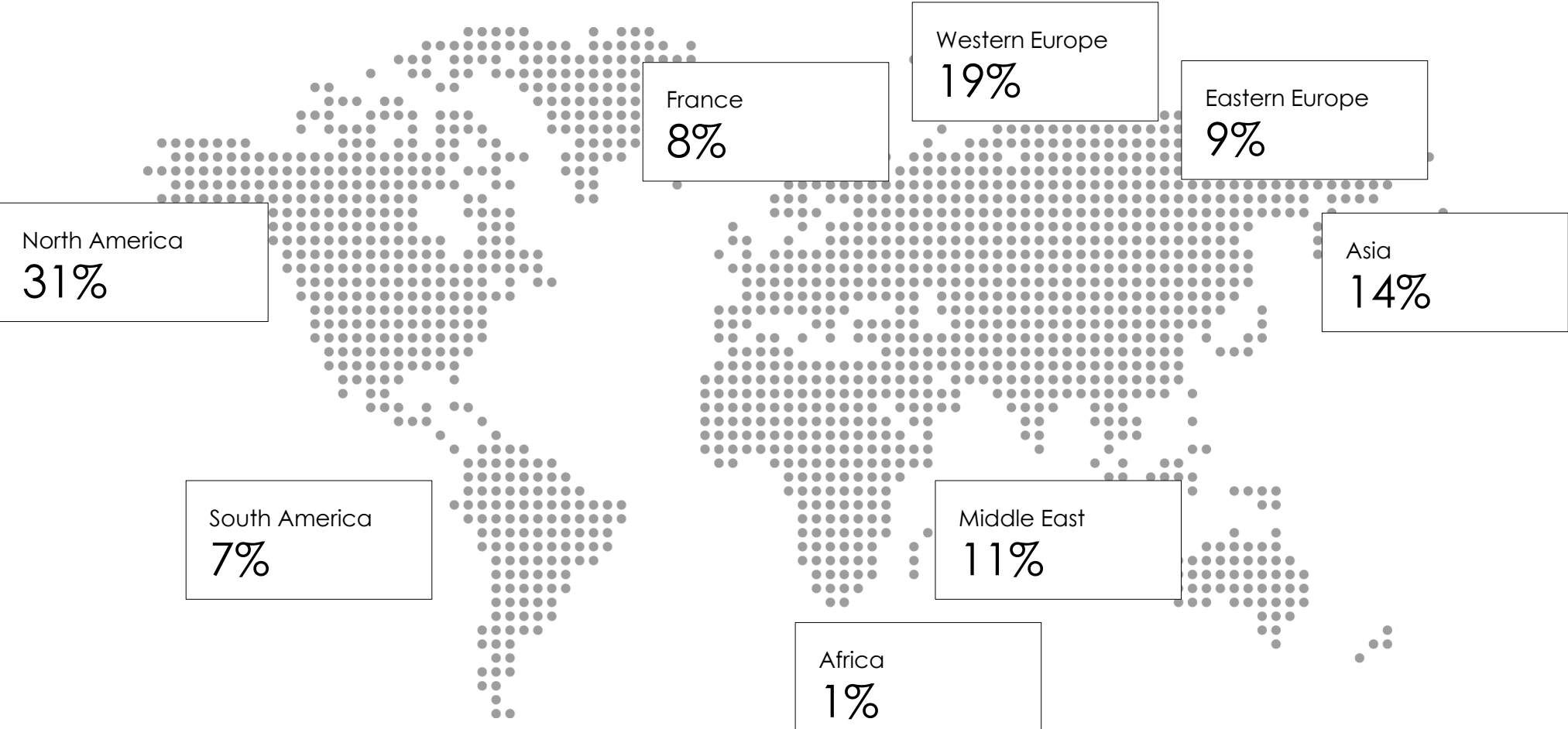
2019 sales by region (€m)

■ 2018 ■ 2019

(€m)	2018	2019	2019/2018
Africa	4	5	+33%
Asia-Pacific	65	68	+6%
Eastern Europe	40	43	+7%
France	35	37	+5%
Middle East	43	51	+19%
North America	140	152	+8%
South America	35	35	-1%
Western Europe	93	93	-
Total sales	455	484	+6.4%

Sales mix by region

2019





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2019 results

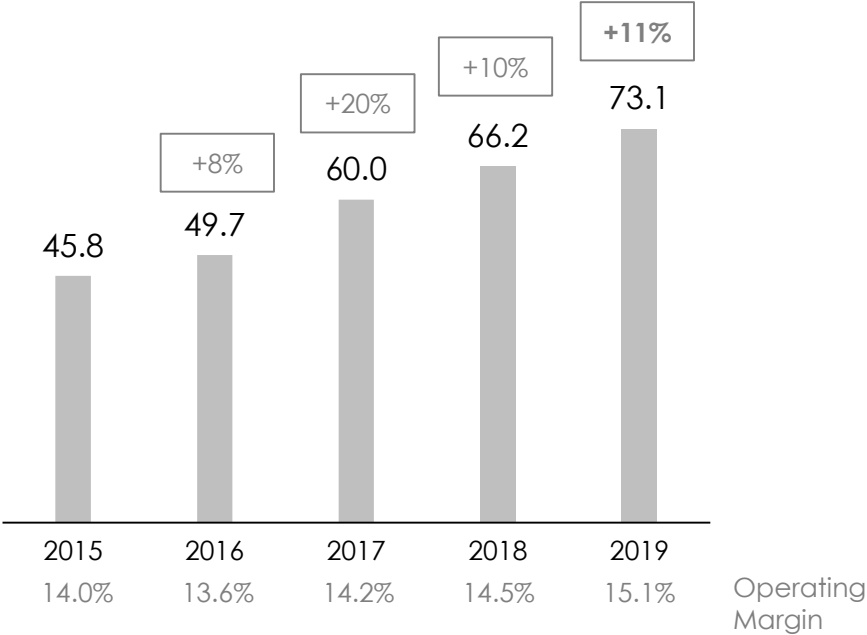
2019 results

(€m)	2016	2017	2018	2019
Sales	365.6	422.0	455.3	484.3
Gross margin	236.9	275.9	294.2	308.8
% of sales	64.8%	65.4%	64.6%	63.8%
Operating profit	49.7	60.0	66.2	73.1
% of sales	13.6%	14.2%	14.5%	15.1%
Net income	32.4	40.0	47.2	50.6
% of sales	8.9%	9.5%	10.4%	10.5%

(€m, at December 31)	2016	2017	2018	2019
Shareholders' equity	403.5	421.8	444.6	462.8
Cash and financial assets	230.6	221.1	213.0	205.7
Net financial debt	70.7	50.5	30.3	10.0

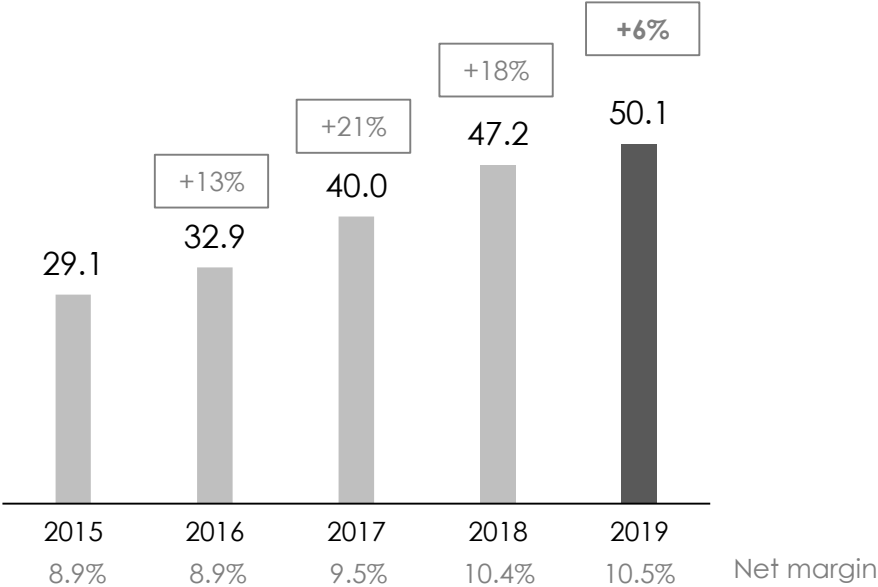
Results(€m)

Operating profit



Growth in operating profit
+160% in 4 years

Net income



Net profit up
+170% over 4 years

2019 currency effect

Sales by currency (2019/2018)



- Euro: 45% (46 %)
- US Dollar: 47% (46 %)
- Pound Sterling: 6% (6 %)
- Other: 2% (2 %)

2019 currency effect

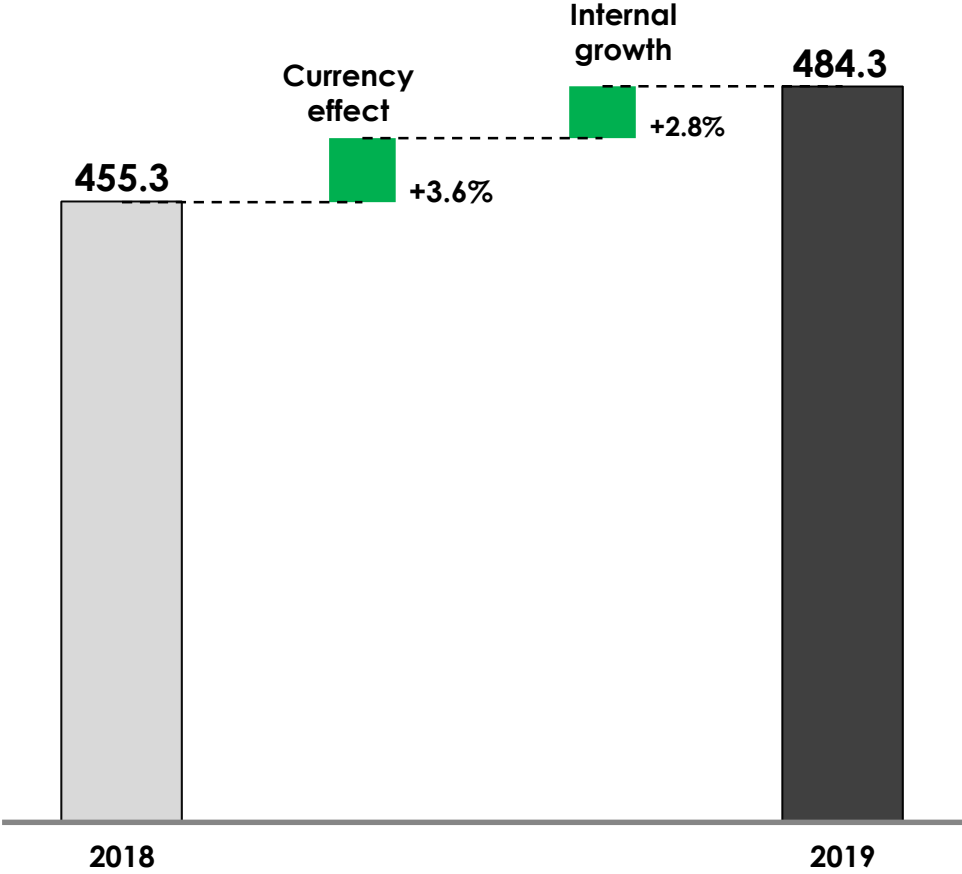
Impact on sales (€m)

Currency	Av. exch. rate 2018	Av. exch. rate 2019	Currency effect on sales
€/\$	1.186	1.122	+€12.3m
€/£	0.885	0.887	-€0.1m
€/¥	131.2	122.5	+€0.6m

- Total currency effect of €12.8m
- Annual sales of €471.5m at constant exchange rates
- 3.6% growth at constant exchange rates

2019 currency effect

Impact on sales (€m)



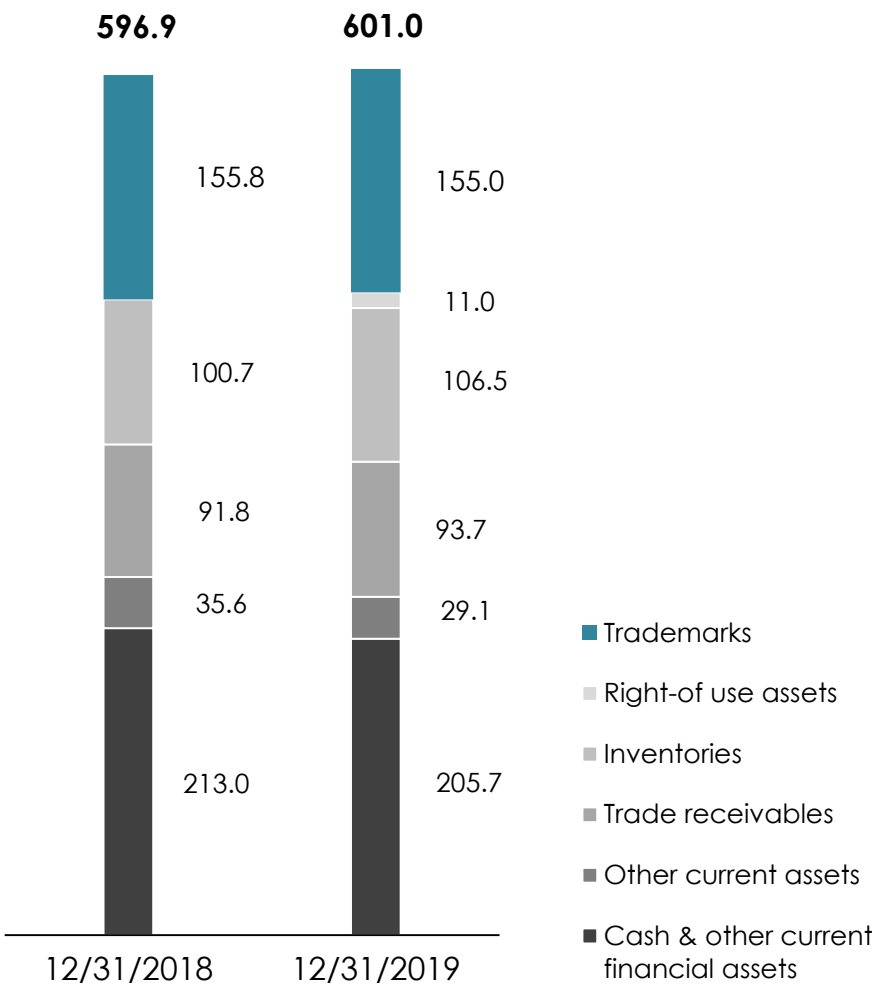
2019 income statement (1st part)

(€m)	2018	2019	2019/2018
Sales	455.3	484.3	+6%
Cost of sales	(161.1)	(175.4)	+9%
Gross margin	294.2	308.8	+5%
% of sales	64.6%	63.8%	
Logistics & transport	(12.4)	(12.4)	-
Marketing & advertising	(105.4)	(109.5)	+4%
% of sales	23.1%	22.6%	
Royalties	(33.3)	(36.2)	+9%
% of sales	7.3%	7.5%	
Staff costs (excluding production)	(40.0)	(40.4)	+1%
Service fees / subsidiaries	(8.2)	(6.7)	-19%
Allowances for depreciation and amortization, provisions	(6.3)	(6.3)	-
Tax and related expenses	(3.5)	(3.8)	+8%
Other	(18.9)	(20.3)	+7%
Current operating income	66.2	73.1	+10%
% of sales	14.5%	15.1%	

2019 income statement (2nd part)

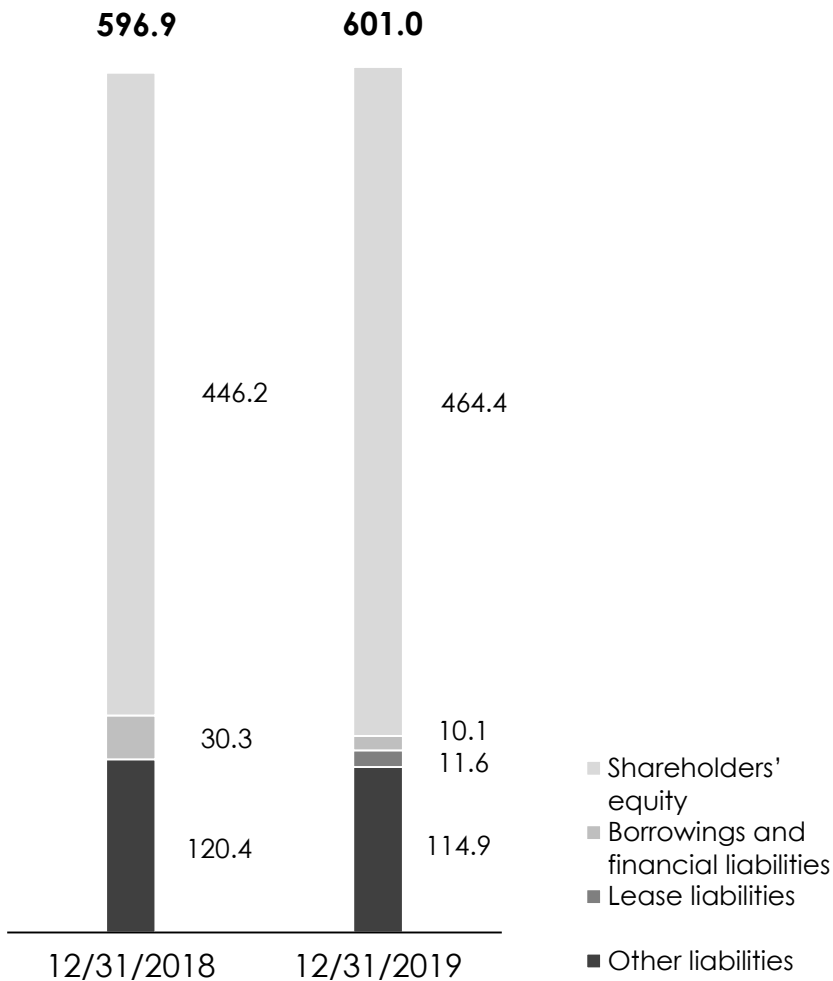
(€m)	2018	2019	2019/2018
Current operating income	66.2	73.1	+10%
<i>% of sales</i>	14.5%	15.1%	
Financial income (expenses)	1.5	0.9	-36%
Translation difference	(0.1)	(0.8)	ns
Income before tax	67.6	73.1	+8%
<i>% of sales</i>	14.8%	15.1%	
Corporate income tax	(19.9)	(22.1)	+11%
<i>Tax rate</i>	29.4%	30.2%	
Net income	47.7	51.1	+7%
<i>% of sales</i>	10.5%	10.6%	
Non-controlling interests	(0.5)	(0.4)	-9%
Net income	47.2	50.6	+7%
<i>% of sales</i>	10.4%	10.5%	

2019 balance sheet - Assets



- **Stability for brand assets**
- **Inventories**
 - Increase in line with growth
 - Remaining intentionally high despite sourcing delays
- **Trade receivables**
 - Effectively contained, covered by customer credit insurance
 - 70 days of sale on average

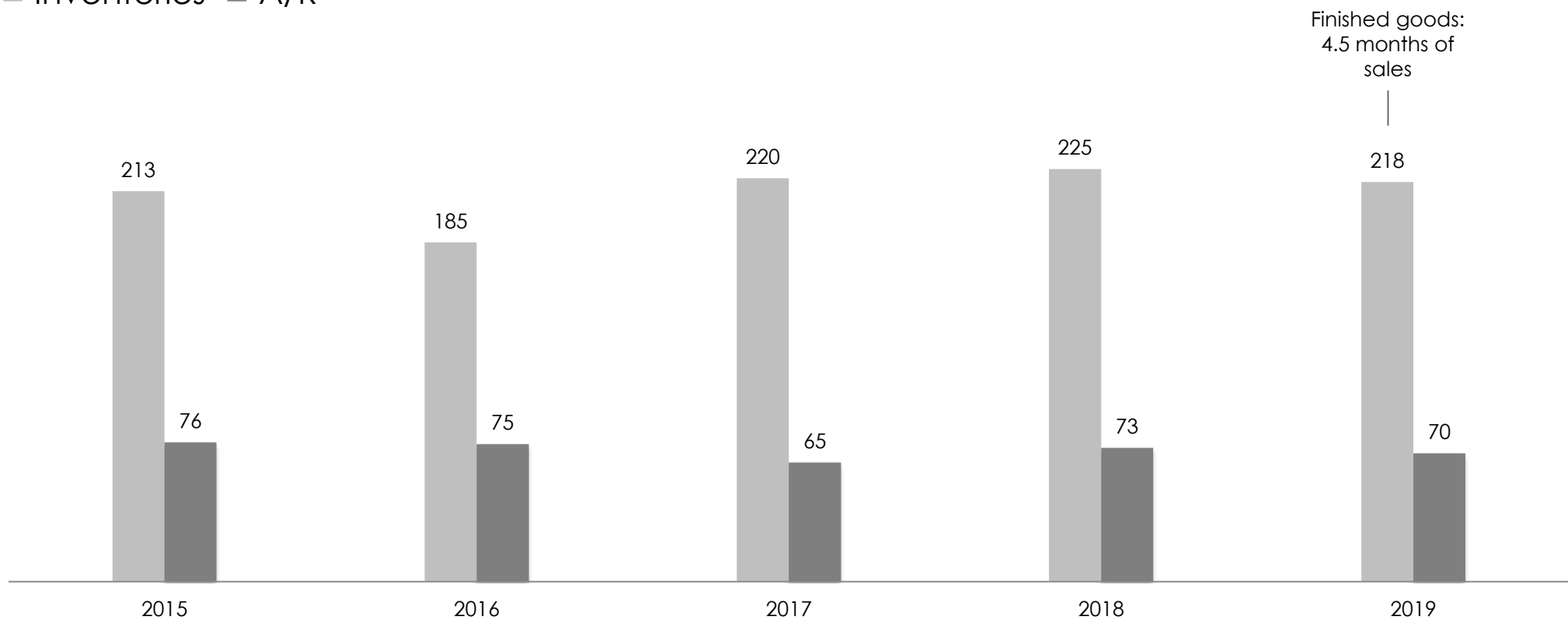
2019 balance sheet - Liabilities



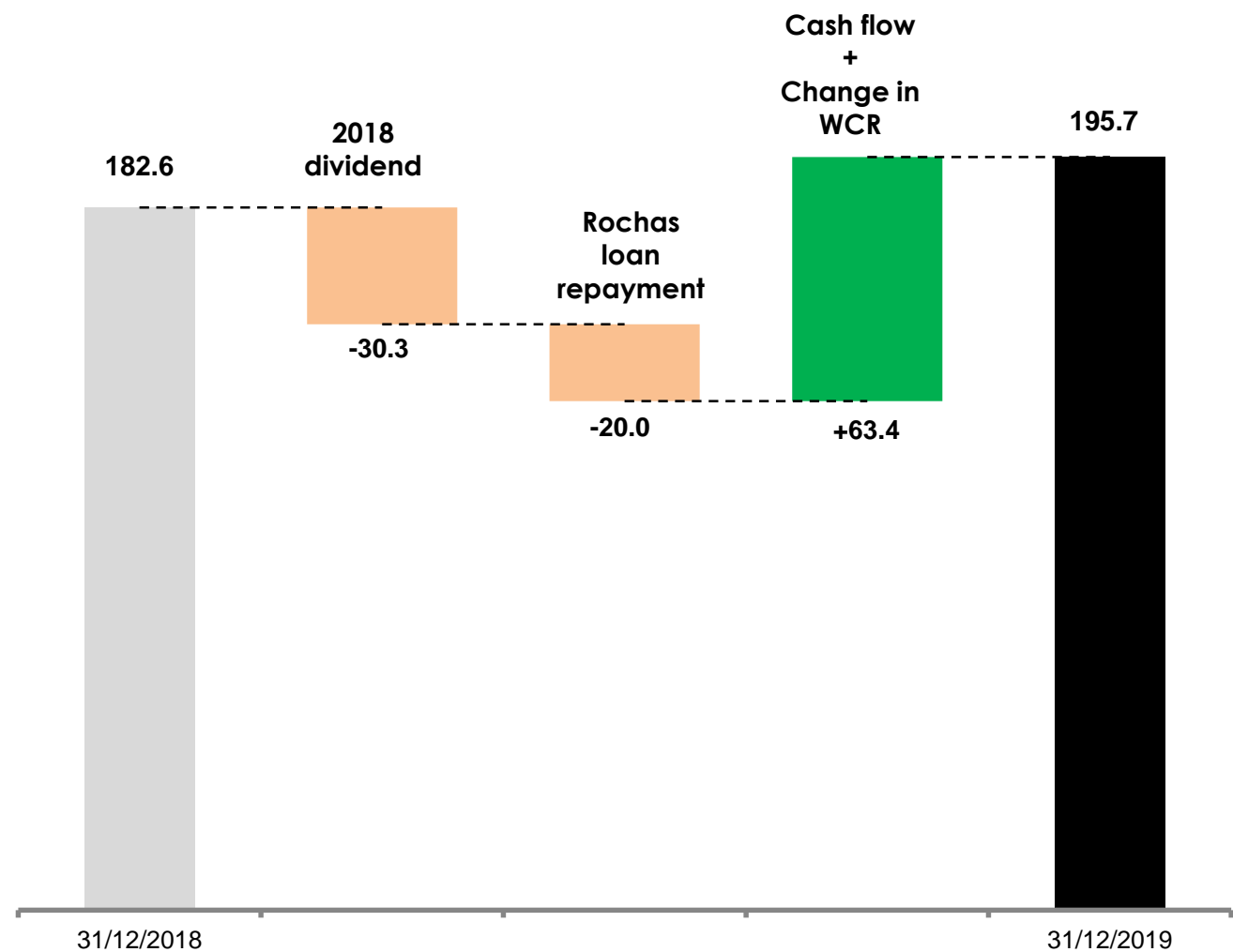
- Continuing repayment of the Rochas loan obtained in 2015**
 - €20m for the year
 - Repayment in full on June 30, 2020
- Dividend payment for FY 2018**
 - €30m in May 2019
- Net cash exceeding €195m at December 31, 2019**
 - Up €13m from December 31, 2018

Inventories & A/R (in days)

■ Inventories ■ A/R

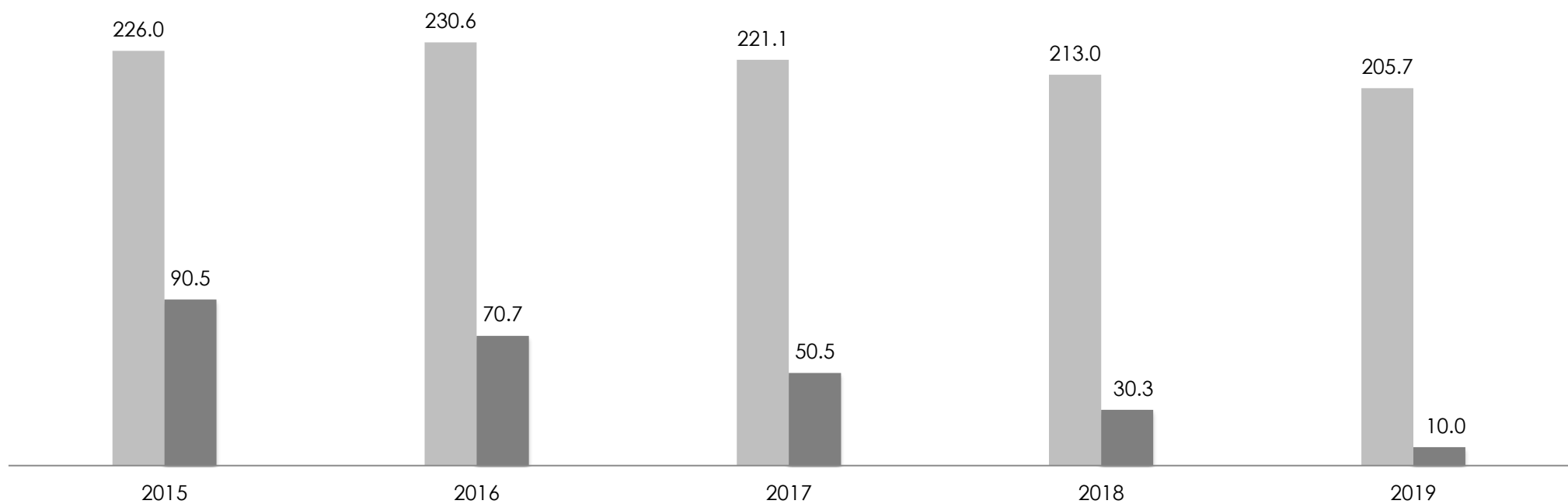


Trends for net cash(€m)



Cash & Borrowings (€m)

■ Cash ■ Borrowings



Dividend and bonus share issue

For FY 2019

- Dividend per share

€ 0.71

Proposed dividend:⁽¹⁾

10%

Over 2018

66%

Payout ratio

€33.6m

Total dividend
distribution

- Ex-rights date: May 5, 2020
- Payment date: May 7, 2020

(1) Submitted to the AGM of April 24, 2020

In 2020

- A new bonus share issue

1 for 10

shares held

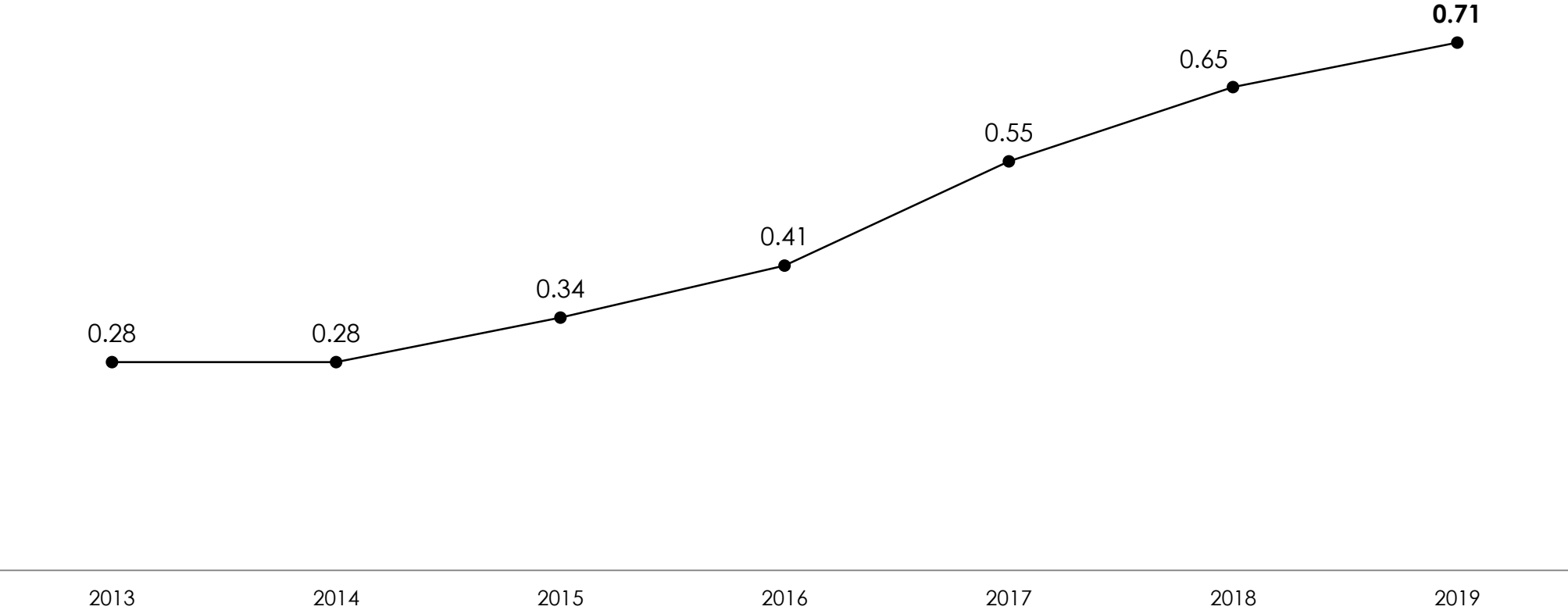
21st

consecutive year

- Programmed for June 2020

Dividend growth (in €)

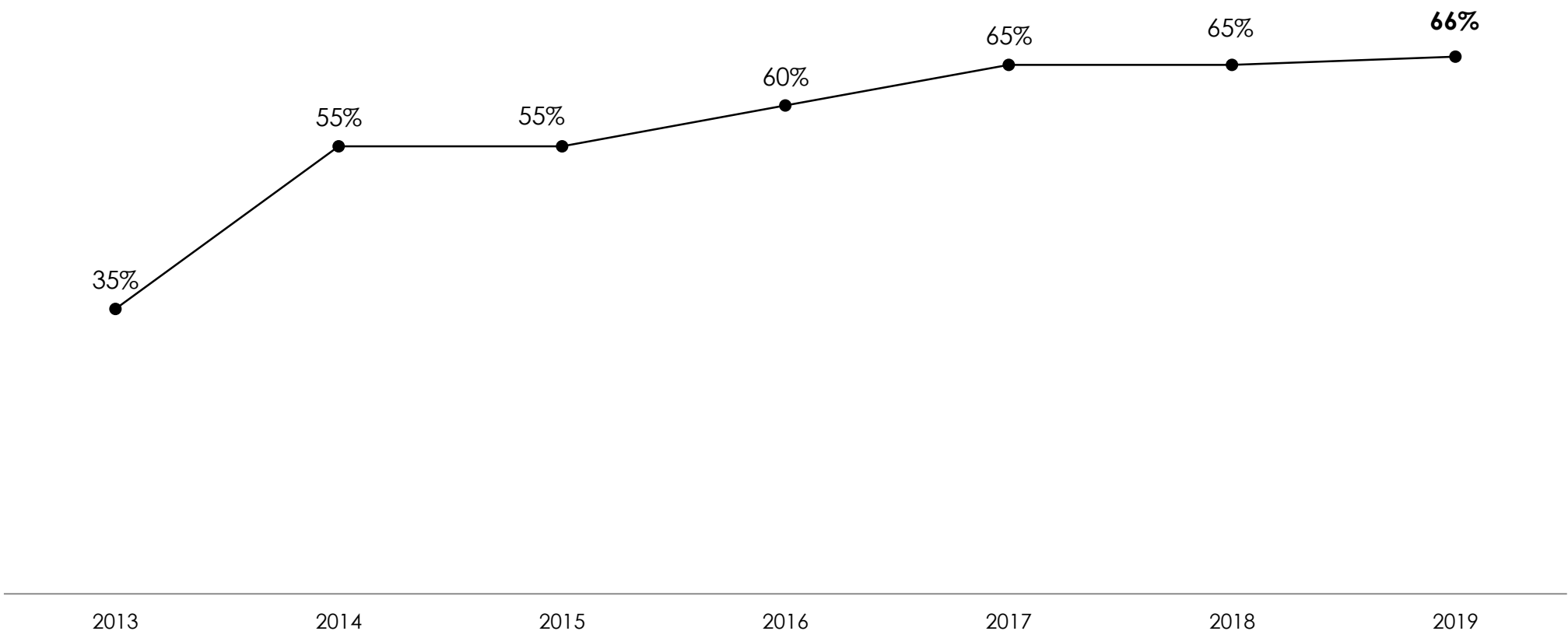
A dividend per share multiplied by 3 in 6 years



(1) Submitted to the AGM of April 24, 2020

Payout ratio

A payout ratio multiplied by 2 in 6 years



Share capital

• Number of shares at December 31, 2018	42,965,628
• Increase of the period	
– 2019 June bonus share issue	4,296,562
• Number of shares at December 31, 2019	47,262,190

Publication schedule

- **Q1 2020 sales**

April 23, 2020 (before the opening of the Paris stock market)

- **Annual General Meeting**

April 24, 2020 (2:00 p.m. - Pavillon Gabriel - Paris)

- **H1 2020 sales**

July 22, 2020 (before the opening of the Paris stock market)



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2020 budget



**MONT
BLANC**

€138m
2020 net sales(e):

largely
stable

28%
of total
Group revenue

- A period of business consolidation after the strong growth in 2019
- Launch of a new women's line (*Montblanc Signature*)
- Eau de parfum *Montblanc Legend*



JIMMY CHOO

€107m

2020 net sales(e):

+3%

21%

of total
Group revenue

- Further growth in 2020
- A collection of lipstick, nail polish and fragrances in H1
- Launch of a second women's line in the fall





€97m
2020 net sales(e):

+12%

19%
of total
Group revenue

- Strong growth after a period of consolidation in 2019
- Launch of a second franchise (*Coach Dreams*)
- A flanker for the *Coach Man* line



LANVIN

PARFUMS

€50m

2020 net sales(e):

-4%

10%

of total
Group revenue

- A reduction in sales
- No major launches in 2020
- A flanker based on *Eclat d'Arpège*



ROCHAS

PARIS

€36m

2020 net sales(e):

+4%

7%

of total
Group revenue

- An increase in sales
- A new women's line (*Byzance*)
- A new men's line (*L'Homme de Rochas*)



U DE HAS



BOUCHERON

PARIS

€19m

2020 net sales(e):

+4%

4%

of total
Group revenue

- An increase in sales
- Launch of a new women's line in H2



Van Cleef & Arpels

€16m

2020 net sales(e):

+4%

3%

of total
Group revenue

- **Growth in sales**
- **Strength of the *Collection Extraordinaire* line (+25% in 2019)**



LES PARFUMS MATIÈRES KARL LAGERFELD

KARL LAGERFELD

€15m

2020 net sales(e):

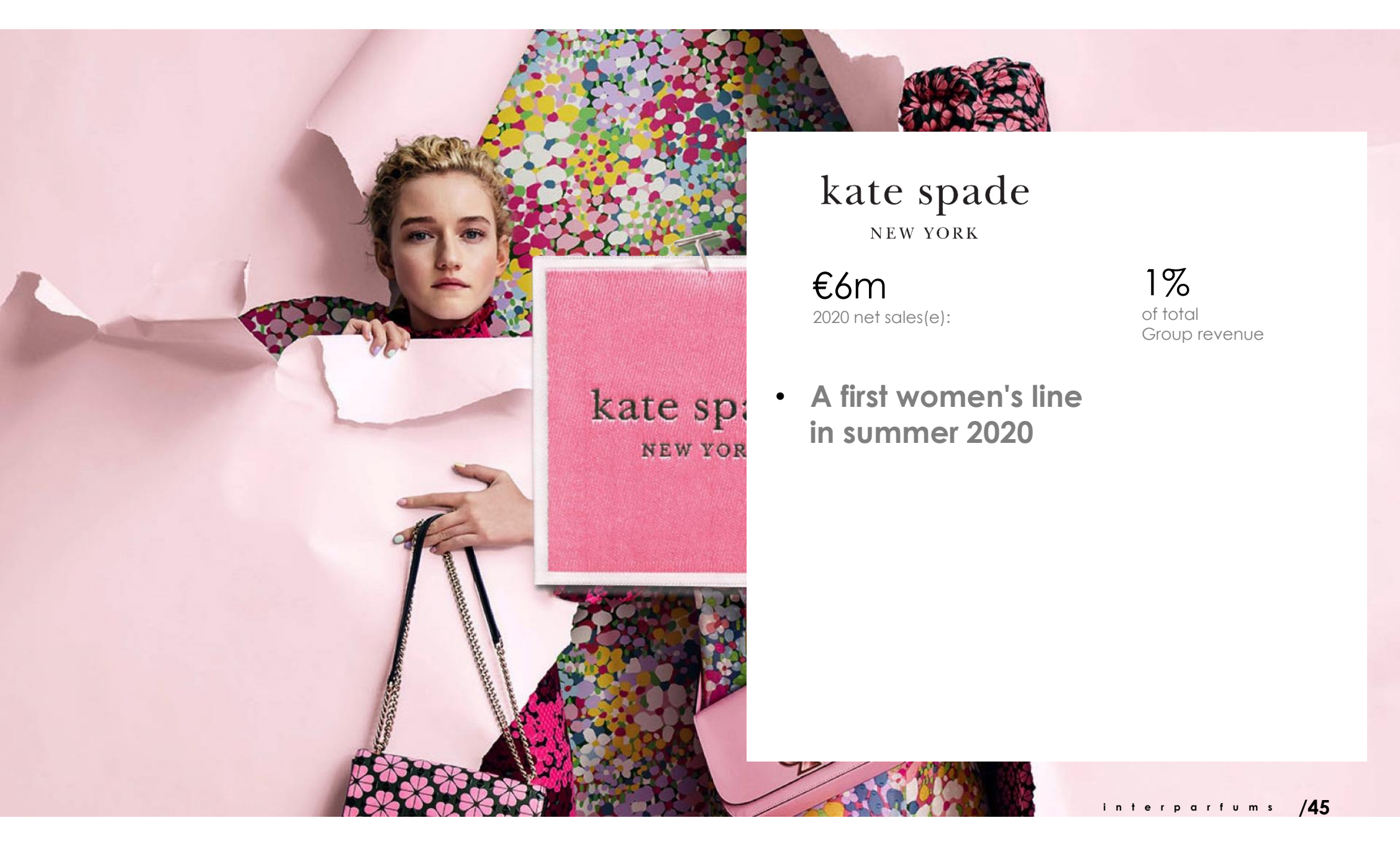
+8%

3%

of total
Group revenue

- Growth in sales
- A new duo in H1





kate spade

NEW YORK

€6m

2020 net sales(e):

1%

of total
Group revenue

- A first women's line
in summer 2020

2020 sales by brand (€m)

■ 2019 ■ 2020(e)

(€m)	2019	2020(e)	2020/2019
Montblanc	141	138	-2%
Jimmy Choo	103	107	+3%
Coach	86	97	+12%
Lanvin	52	50	-4%
Rochas	35	36	+4%
Boucheron	18	19	+4%
Van Cleef & Arpels	15	16	+4%
Karl Lagerfeld	14	15	+8%
Other	20	22	ns
Total sales	484	500	+3.3%

Breakdown by brand

2019



- Montblanc: 29%
- Jimmy Choo: 21%
- Coach: 18%
- Lanvin: 11%
- Rochas: 7%
- Boucheron: 4%
- Van Cleef & Arpels: 3%
- Karl Lagerfeld: 3%
- Other brands: 4%

2020(e)



- Montblanc: 28%
- Jimmy Choo: 21%
- Coach: 19%
- Lanvin: 10%
- Rochas: 7%
- Boucheron: 4%
- Van Cleef & Arpels: 3%
- Karl Lagerfeld: 3%
- Other brands: 5%



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Health crisis

Observation

- **Purchases**
 - sourcing concentrated in France and Europe
 - POS & selected parts in zamak from China
- **Inventories adjusted upwards**
 - normative situation: 2 months of components and 4.5 months of finished products
- **Distribution**
 - China + Hong Kong: 2% of 2019 sales
 - Asia travel retail 3% of 2019 sales
- **Marketing plans**
 - *Coach Dreams* launched on schedule in January 2020
 - media plans largely concentrated in fall 2020

Internal decisions

- **Recommendations of the French Ministry of Health and Labor communicated to employees**
 - list of practices for limiting transmission of the virus
 - a toll-free hotline of the Ministry of Health
 - a system of questions and answers on the Ministry of Health's website
- **Adapting working conditions**
 - limiting the number of meetings
 - limiting physical contact, handshakes, etc.
 - making hydro-alcoholic sanitary products available
- **Eliminating travel in exposed areas until further notice (regularly updated)**
- **Maintaining personnel at home for 14 days after returning from exposed areas (Singapore & France)**

Potential consequences

- **Impact on sales clearly negative though difficult to quantify at present**
 - in the Asia-Pacific region in the first place
 - and in other regions to a lesser degree
- **+ A base effect in relation to Q1 2019 resulting from the launches**
 - of the *Montblanc Explorer* line
 - of the *Jimmy Choo l'Eau* and *Jimmy Choo Floral* lines.

**A decline in Q1 2020 sales of approximately 10%
in relation to Q1 2019**

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

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