

# INTERPARFUMS



2024 outlook

November 22, 2022

# 2023 CONTEXT

## ACTIVITY

- **A strong perfume market in H1 2023, though less buoyant starting in the summer**
- **Despite this, Interparfums will deliver high growth rates in 2023**
  - Montblanc: +14%
  - Jimmy Choo: +16%
  - Coach: +17%
- **Total sales of around €800m, up 12%-13%**





# FRAGRANCE MARKET

(RETAIL SALES IN 4 COUNTRIES IN €M)

Country		2022 9 months	2023 9 months	Change
United States	Interparfums	170	207	+21%
	Market	3,720	4,187	+13%
France	Interparfums	36	39	+9%
	Market	1,280	1,356	+6%
United Kingdom	Interparfums	24	26	+9%
	Market	796	869	+9%
Spain	Interparfums	21	24	+18%
	Market	734	858	+17%
<b>Total</b>	<b>Interparfums</b>	<b>251</b>	<b>296</b>	<b>+18%</b>
	<b>Market</b>	<b>6,530</b>	<b>7,270</b>	<b>+11%</b>

# 2023 CONTEXT

## ACTIVITY

- **A supply chain that is getting back to normal**
- **Takeover of Lacoste fragrances**
  - Rationalization of the portfolio of fragrance lines and the distribution network
  - Preparing for the launch of the first men's fragrance line in autumn 2024



# Q4 CONTEXT

## ACTIVITY

- **Business slows down mechanically every year starting from mid-November**
- **A n/n-1 comparison rarely significant**
- **A very high comparison base in 2023**  
(Q4 2022: +60% vs. Q4 2021)
- **A 5% decline in sales expected in Q4 2023**  
(€800m baseline for 2023)



# 2023 CONTEXT

## NET INCOME

- A euro/dollar exchange rate remaining stable over the year (approx. 1.08)
- An increase in sales prices at the beginning of the year to limit (and only limit) the rise in cost prices
- Cost price increases effective in H2 2023 (and H1 2024)
- Marketing and advertising budgets were reinforced and highly concentrated in the last quarter (45% of the annual total).



# INTERPARFUMS



2023 highlights by brand



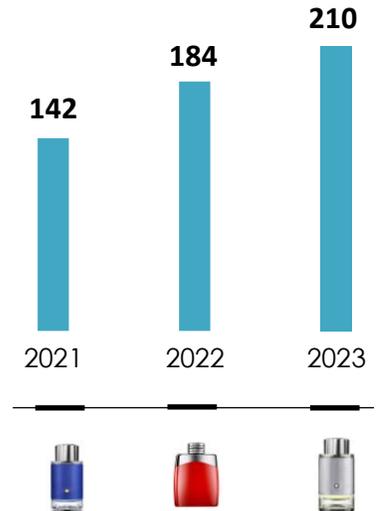
FRAGRANCES

# MONTBLANC

- More than €200m in revenue expected in 2023
- 2 pillars of the men's fragrance universe
  - *Montblanc Legend* (2011)
  - *Montblanc Explorer* (2019)
- *Montblanc Explorer* in the UK
- Women's lines are steadily gaining ground: 10% of revenue by 2023
- Growth potential with a 3<sup>rd</sup> franchise possible in 2025/2026



**MONTBLANC**  
**EXPLORER**  
 PLATINUM  
 THE NEW FRAGRANCE FOR MEN



FRAGRANCES

# JIMMY CHOO

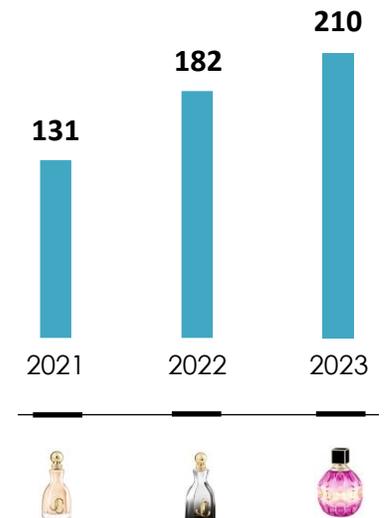
→ **More than €200m in revenue expected in 2023**

- Women's fragrances: 2/3
- Men's fragrances: 1/3

→ ***Jimmy Choo I Want Choo***

- An important line in the world fragrance market
- Notably in the US  
(+34% for the first nine months of 2023/ #15)
- A new interpretation planned for Q1 2024

→ **A brand with significant growth potential**



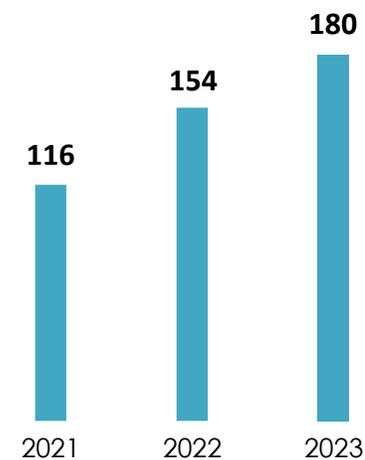
# COACH

Introducing COACH GREEN



## FRAGRANCES COACH

- **Very strong growth in sales**
  - €20m in 2016
  - €180m expected in 2023
  - Multiplied by 9 in 7 years
- **Positive performances by all lines (rare)**
- **With a significant position in the US (#20)**
- **The portfolio's top-selling brand in Asia**
  - €26m for the first nine months of 2023



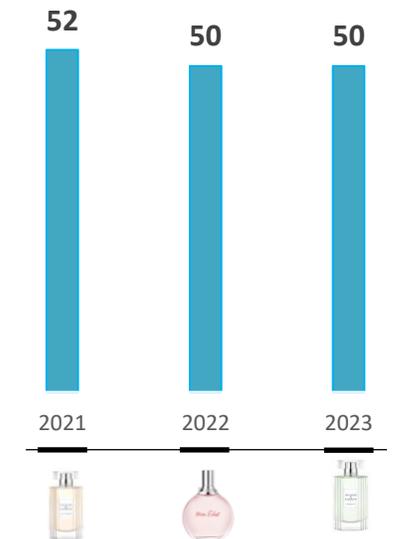
ÉCLAT  
D'ARPÈGE

LANVIN  
PARIS



FRAGRANCES  
**LANVIN**

- Largely recurring sales of around €50m
- A highly profitable business
  - Limited expenses
  - No royalty payments
- *Eclat d'Arpège*: 50% of the brand's fragrance sales
- A new project for 2025

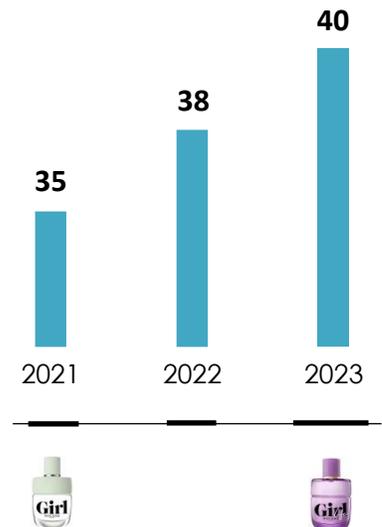


FRAGRANCES  
**ROCHAS**



- Solid positions in France and Spain
- *Eau de Rochas*: 45% of the brand's fragrance sales
- *Rochas Girl*: 10% of the brand's fragrance sales
- A larger project planned for 2025

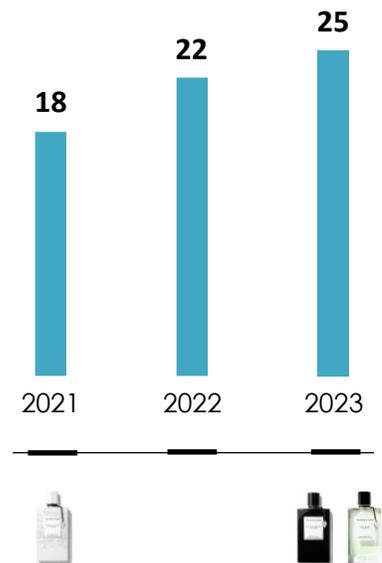
**EAU DE  
ROCHAS**



FRAGRANCES

# VAN CLEEF & ARPELS

- An increasingly selective distribution
- Steady growth of the *Collection Extraordinaire* with 1 or 2 launches per year
- A "historic collection" to be launched in 2025

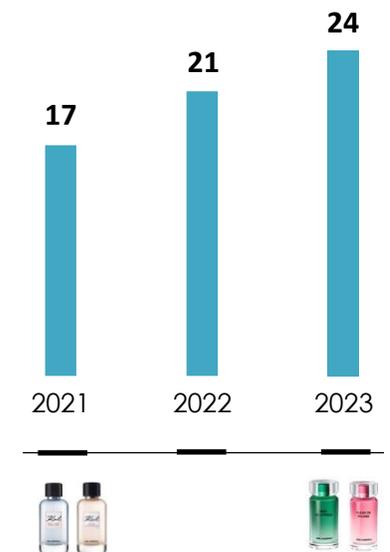




FRAGRANCES

# KARL LAGERFELD

- Significant sales volumes
- A strategic shift that is producing results
  - The *Fragrances Matières* in 2017
  - The *Cities* in 2020
- A new line in 2024



Chérie

kate spade

NEW YORK

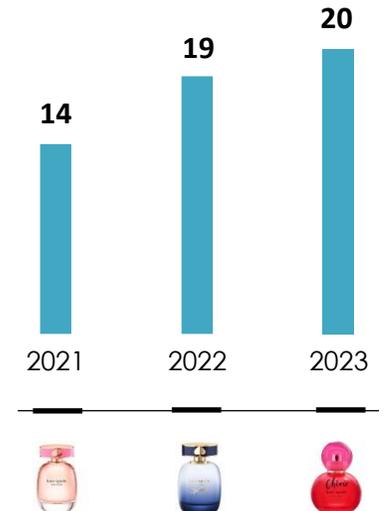
THE NEW FRAGRANCE



FRAGRANCES

# KATE SPADE

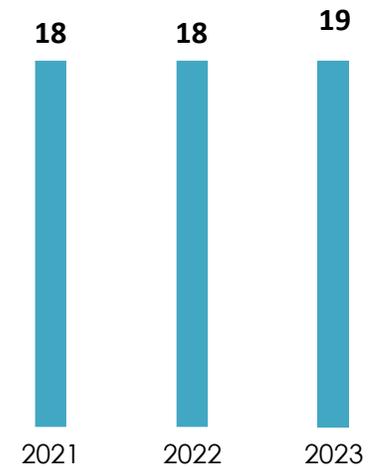
- Sales exceeding €20m after 3 years of operation
- Brand notoriety concentrated in the US



FRAGRANCES

# BOUCHERON

- Sales remaining steady for several years at around €18m-€20m
- A license agreement expiring at the end of 2025



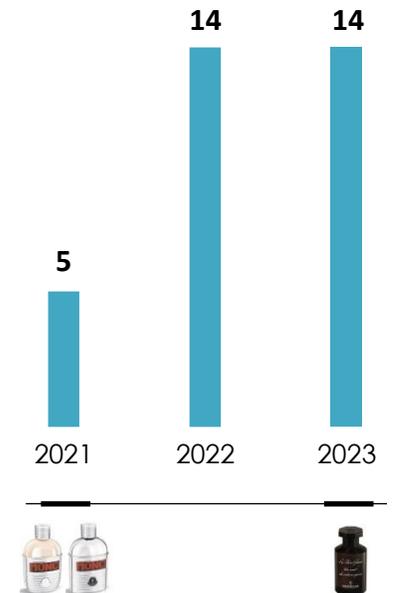
BOUCHERON

THE NEW FRAGRANCE FOR MEN

BOUCHERON  
SINGULIER

FRAGRANCES  
**MONCLER**

- **Launch of the first *Moncler* fragrance duo in 2021-2022**
  - A highly selective distribution
- **Gradual launch of the *Les Sommets* collection in 2023**
  - A positive market reception exceeding expectations
  - Distribution in 300 points of sale (600 by 2024)
- **New initiatives in the pipeline**
  - A second duo, *Moncler Sunrise*, at the end of 2023
  - A new men's fragrance in 2025
- **Growth potential remains intact**





# SALES

€M

	2022	2023 (e)	23/22
Montblanc	184.0	<b>210.0</b>	+14%
Jimmy Choo	181.6	<b>210.0</b>	+16%
Coach	153.8	<b>180.0</b>	+17%
Lanvin	50.3	<b>51.0</b>	+2%
Rochas	37.7	<b>40.0</b>	+6%
Van Cleef & Arpels	22.4	<b>25.0</b>	+11%
Karl Lagerfeld	21.1	<b>24.0</b>	+14%
Kate Spade	19.3	<b>20.0</b>	+3%
Boucheron	17.7	<b>19.0</b>	+7%
Moncler	13.9	<b>14.0</b>	-
Other	4.8	<b>5.0</b>	+4%
<b>Total sales</b>	706.6	<b>795.0</b>	+12.5%

# INTERPARFUMS



Factors affecting 2023 results



# 2019-2020 FINANCIAL TRENDS

	2019	2023	Change
Sales	€484m	€795m	+65%
Operating profit	€73m	€150m/€155m	+100%
Operating margin	15%	18/19%	+3/4 pts
Dividend per share	0.48	1.05*	x2

- Average annual sales growth above 13%
- Average annual growth in operating income of 20%

\* 2022 dividend

# BALANCE SHEET

- **A solid balance sheet**
- **Shareholders' equity €600m**
- **Positive net cash position**
  - Between €80m and €90m expected by the end of 2023 after payment of the 2<sup>nd</sup> Lacoste tranche (€48m incl. VAT)
  - A return of 3.5% in 2023
  - Average (fixed) rate of debt < 3%
- **High-quality accounts receivable**
  - 91 days of export sales at the end of September
  - 48 days of French sales at the end of September
  - 80% of the Group's accounts receivable covered by customer credit insurance
  - Payment defaults are rare and limited in scope



# CALENDAR

*2023 & 2024 PUBLICATIONS*

- **2023 sales**  
January 24, 2024
- **2023 annual results**  
February 28, 2024
- **2024 AGM**  
April 16, 2024



# INTERPARFUMS



ESG update

# ESG

## 2020-2021 ACTIONS (REMINDER)

### → **Creation of a CSR & Governance Executive Committee**

- Natacha Finateu (Legal Affairs)
- Véronique Duretz (Human Resources)
- Alice Caillet (Consolidation & Internal Control)
- Karine Marty (Shareholder Relations)
- Axel Marot (Supply Chain & Operations)
- Cyril Levy-Pey (Corporate Communications)
- Muriel Buiatti (Project Manager)
- Philippe Santi (Executive Vice President and CFO)

### → **A first initiative with *Rochas Girl* to produce an eco-friendly line**

- FSC packaging
- A bottle with 40% recycled glass (PCR)
- A fragrance consisting of 90.25% of natural ingredients
- A product produced in France



# ESG

## *CURRENT SITUATION AND 2022 ACTIONS*

- **A "mature" approach to employee, social and governance issues**
  - Specific areas for improvement in the area of employment
  - Reinforcing sponsorship initiatives
  - Target for gender balance and independent/non-independent members on the Board of Directors
  
- **Strengthening the environmental dimension**
  - Good manufacturing practices
  - An HQE certified warehouse
  - Made in France
  
- **Introduction of a CSR & Governance strategy with an action plan validated by the Board of Directors**
  - Global governance
  - Indicators
  - Targets



# ESG

## EXCERPTS FROM THE CSR REPORT

To support this approach, a CSR Executive Committee was set up at the beginning of 2021 at the initiative of General Management. Comprising the Operations & Supply Chain, Human Resources, Finance, Legal and Communications departments, it has formalised the Company's CSR strategy, with the ambition to:

Consolidate its status as a **responsible employer** with, in particular, the formalisation of a "Responsible Employer Charter" and reinforcement of the employee training plan;

**Reduce its ecological footprint and involve suppliers in the process**, thanks, in particular, to the introduction of optimised eco-design specifications including the reduction of packaging and the introduction of recycled and recyclable materials on each product developed.

**Measure its carbon footprint** according to the GHG protocol methodology (Scopes 1, 2 and 3) to initiate a low-carbon trajectory compatible with the Paris Agreements.

**Strengthen its sustainable development approach** by formalising a business ethics charter that can be enforced against operational stakeholders.



9 Executive  
Committee  
meetings  
in 2022



# ESG TARGETS

SDG	2025 EXPECTED PERFORMANCE	2022-2023 SITUATION
<b>Attracting, supporting and developing all talents</b>		
	Deploy the Responsible Employer Charter	Done in 2023
	Train 70% of employees per year	32% of the employees trained
	CSR training for employees	Deployment of the <i>Work for Good</i> platform
	Raising employee awareness about disabilities	Annual intervention of a committed association/personality
<b>Proposing environmentally and socially responsible packaging</b>		
	Work with suppliers with an Ecovadis score of over 70/100	Average score of the suppliers evaluated with Ecovadis : 66.7/100
 	Propose 85% recyclable packaging	82 % of our packaging is recyclable
<b>Initiating a low-carbon trajectory</b>		
	Reduce carbon emissions from scopes 1 and 2 by 3% per year <sup>1</sup> Achieving carbon neutrality for scopes <sup>2</sup> 1, 2 and 3 by 2030	Emissions cut by 12.6% between 2021 and 2022 30.8% reduction in carbon emissions purchases <sup>3</sup> between 2021 and 2022
	Engage in contribution projects (carbon sequestration)	Initiation of a first project
<b>Strengthen our relationships with our partners</b>		
	Distribute the eco-design charter to all industrial suppliers	100% in 2022
	Committing 100% of industrial suppliers to a low-carbon trajectory	New Objectif
<b>Ethical conduct and compliance</b>		
	Deploy the business ethics charter to all stakeholders	50% of partners <sup>3</sup> have received the Business Ethics Charter (industrial suppliers)
	Raising employee awareness	Action initiated end 2023

# CONTEXT

2023

→ **Increasing demands by stakeholders** (brands, customers, institutional investors & analysts, journalists, extra-financial rating agencies, employees, etc.).

## **Increasingly topical issues**

- 
- Climate change
  - Biodiversity erosion
  - A search for meaning

## **A stricter regulatory context - Publication of the CSRD**

→ **(Corporate Sustainability Reporting Directive)**

- Delegated act of July 31, 2023
- Transposition into French law expected on December 8, 2023
- Sustainability reporting in spring 2026 based on 2025 data



# INTERPARFUMS

A wide-angle photograph of a large, calm lake with gentle ripples on the surface. The water is a deep blue color. In the background, a range of mountains stretches across the horizon, with some peaks appearing hazy. The sky is a clear, light blue. The overall mood is serene and natural.

Environmental values

# THE ENVIRONMENT

*CARBON ASSESSMENT (PRODUCED IN 2023 BASED ON 2022 FIGURES)*

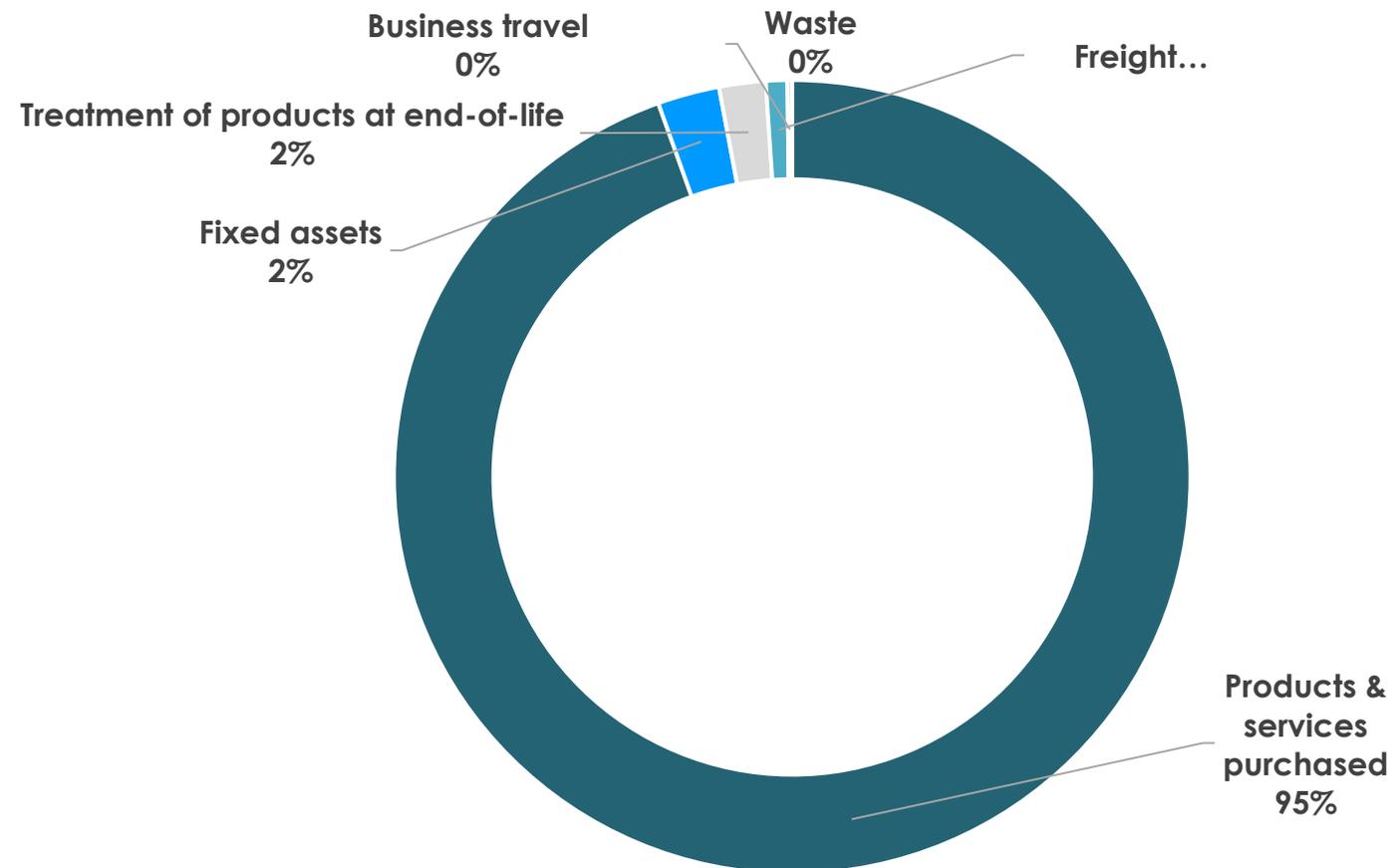
In tons CO <sub>2</sub> equivalent	2022	Weight
Scope 1 (gas and fuel energy consumption)	205	0.1%
Scope 2 (electricity consumption)	30	0.0%
Scope 3 (other indirect emissions)	152,702	99.9%
<b>Total</b>	<b>152,937</b>	<b>100.0%</b>

	2021	2022	2021/ 2022 change
Carbon footprint (scope 1, 2 and 3) (in tons of CO <sub>2</sub> equivalent)	174,940	152,937	- 12.6%

	2021	2022	2021/ 2022 change
Carbon intensity in kg of CO <sub>2</sub> per € thousands of sales	312	216	- 30.8%

# THE ENVIRONMENT

## CARBON ASSESSMENT - MAIN SCOPE 3 EMISSIONS



# THE ENVIRONMENT

## 2023 ACTIONS

→ Enhanced monitoring of partners' CSR performance using the *Ecovadis platform*

### RESULTS OF ECOVADIS EVALUATIONS



# THE ENVIRONMENT

## *CARBON ASSESSMENT - TARGETS*

### **Measure**

- Refining the assessment by using the actual emission factors
- Initiate processes to be shared with suppliers (depending on their levels of maturity)

### **Reduce**

- By leveraging the trajectory of suppliers
- By implementing the optimized eco-design charter

### **Contribute**

- With projects that have meaning and are linked to Interparfums' core business



# PRODUCTS

## 2023 ACTIONS



- **Sharing the optimized eco-design charter with teams and industrial partners**
- **45% of launches planned for 2024-2025 will feature PCR glass bottles**
- **75% of launches planned for 2024-2025 will feature FSC-certified cardboard packaging (25% in the process of being defined)**

# PRODUCTS

*NATURAL QUALITIES*



- **ISO 16128 standard:** This standard provides guidelines for defining “natural” ingredients and products
- **Use of plant-based alcohol**
- **Rochas *Girl Life*, launched in spring 2023, contains:**
  - *Absolu de Jasmin*, a traceable ingredient made from a green solvent of 100% plant
  - Upcycled Rose Essential, a combination of recycled rose water and essential oil
- **Rochas *Girl Life*, a vegan Eau de Parfum, made from 93% natural ingredients**

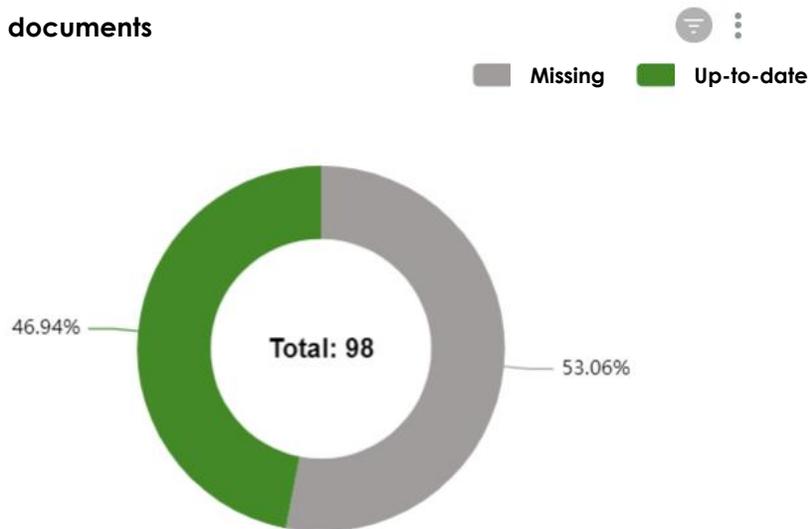
# SUPPLY CHAIN

## 2023 ACTIONS

→ **Implementation on October 11, 2023 of the Provigis platform to monitor deployment of the Business Ethics Charter**

- Industrial partners
- 47% have signed the ethics charter to date

Specific documents



# INTERPARFUMS

A wide-angle photograph of a large, calm lake with gentle ripples on the surface. The lake is surrounded by dark, forested mountains in the distance. The sky is a clear, pale blue. The overall color palette is dominated by blues and greens, creating a serene and natural atmosphere.

Employer values



# EMPLOYEE

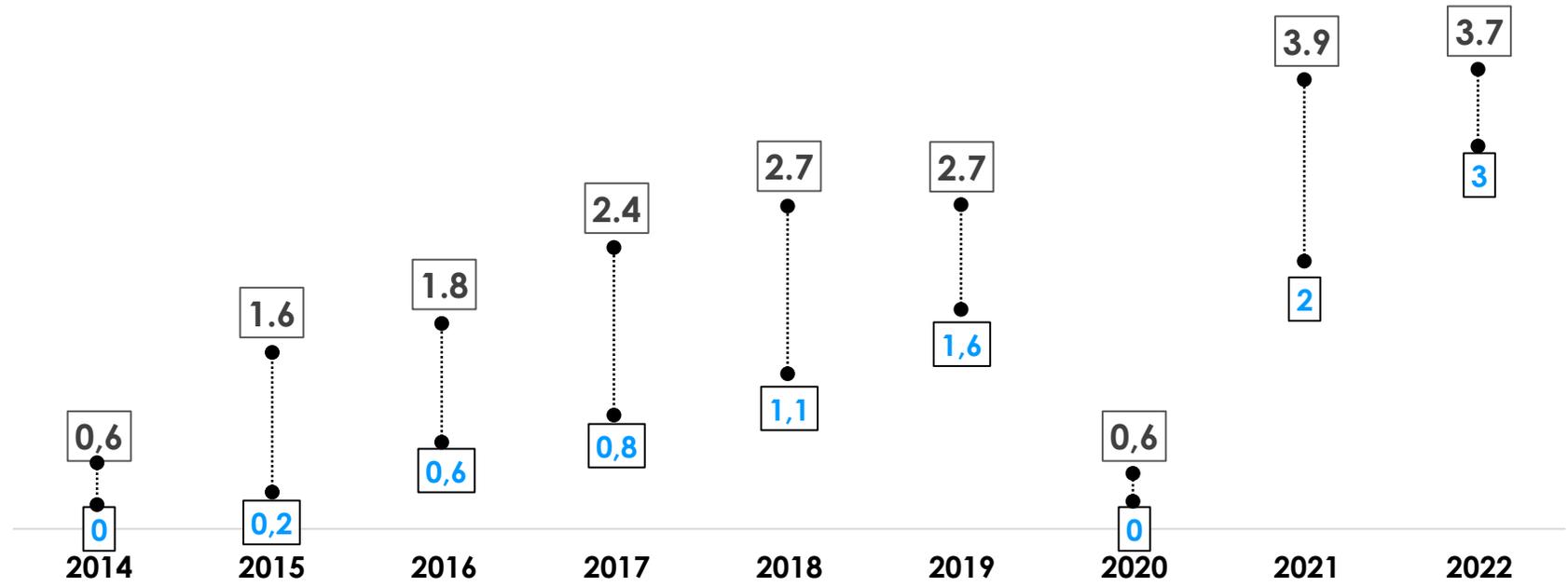
## *ACTIONS & ADVANCES in 2022*

- **Improving the employee health insurance plan**
- **Improving the group benefit plan**
- **Value sharing bonus**
  - Profit-sharing equivalent to approximately 2 months' salary
  - A total distribution of €3.7m based on a more favorable calculation method than the statutory method



# VALUE SHARING BONUS

DIFFERENCE BETWEEN ACTUAL AND **STATUTORY PROFIT-SHARING AMOUNT**



**STATUTORY AMOUNT €9.3m**  
**ACTUAL AMOUNT CIRCA €20.0m**  
**TOTAL DIFFERENCE : €10.7m**



# EMPLOYEE

## *ACTIONS & ADVANCES IN 2023*

- **Significant efforts in training**
  - Business line training programs
  - Regulatory training programs
  - Personal development training programs
  - CSR training programs
- **Awareness-raising initiatives promoting inclusion, particularly in favor of people with disabilities**
- **An employee engagement survey**
- **Interaction of a platform for exchanges between employees on CSR**

# INTERPARFUMS

A wide-angle landscape photograph of a calm lake with gentle ripples on the surface. In the background, a range of mountains stretches across the horizon under a clear, light blue sky. The overall color palette is dominated by various shades of blue and teal, creating a serene and natural atmosphere.

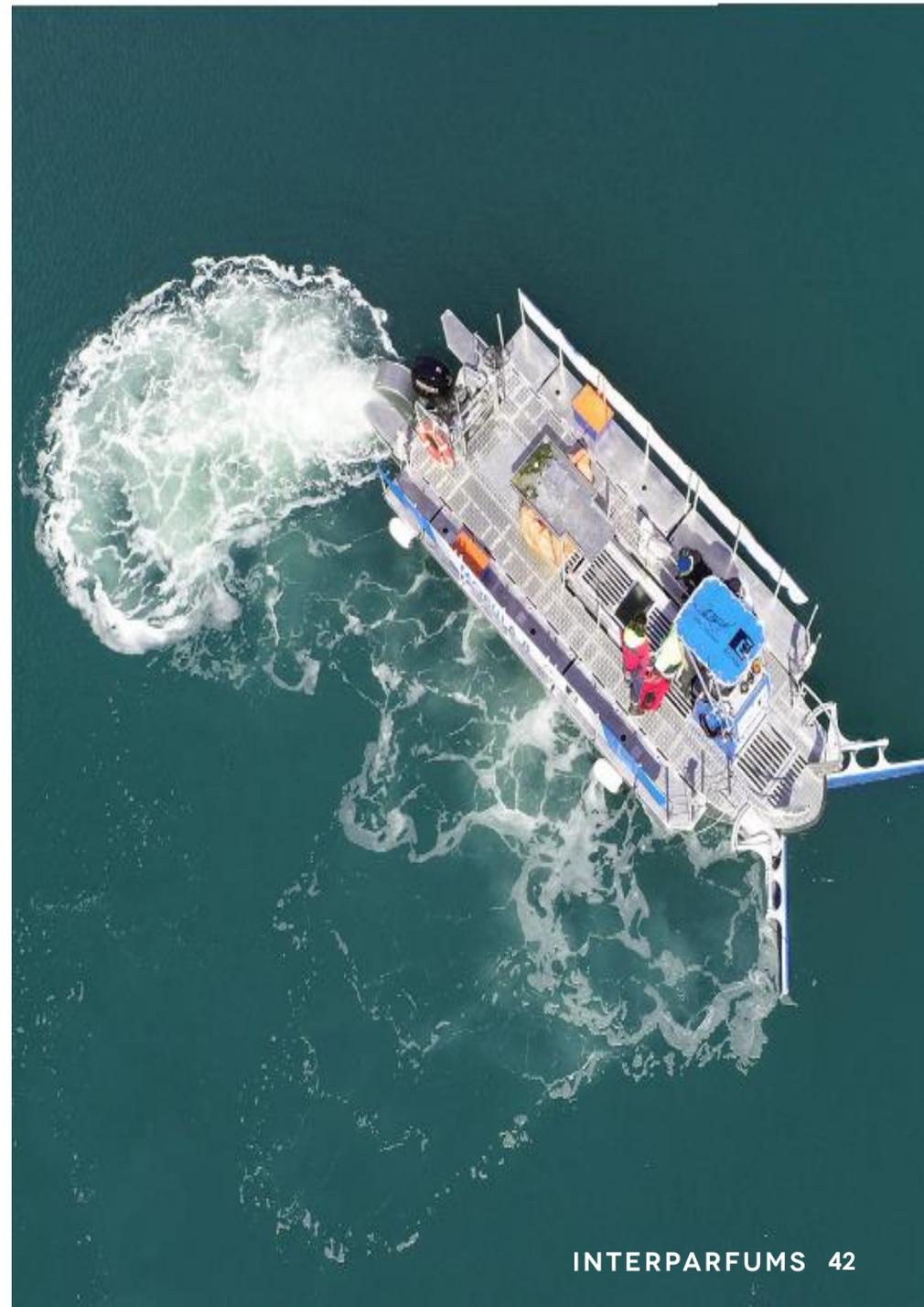
Social values

# SPONSORSHIP

## 2023 ACTIONS

### → 3 lines of action to increase Interparfums' contribution

- Initial line of action  
Solidarity and health sponsorship initiatives with the support of *EliseCare* and other NGOs
- Environmental line of action  
Partnership with *The SeaCleaners*, a non-profit organization committed to protecting the oceans and combating plastic pollution
- Cultural (literary) line of action  
Interparfums, new sponsor of the Prix du Cercle Montherlant under the auspices of the Académie des Beaux-Arts, awarded each year to a French-language work.



# INTERPARFUMS

A wide-angle landscape photograph of a calm lake surrounded by mountains. The sky is clear and light blue. The water in the foreground shows gentle ripples. The mountains in the background are layered, with some appearing more prominent than others. The entire image has a soft teal or cyan color overlay.

Governance

# CORPORATE GOVERNANCE

## 2023 ACTIONS

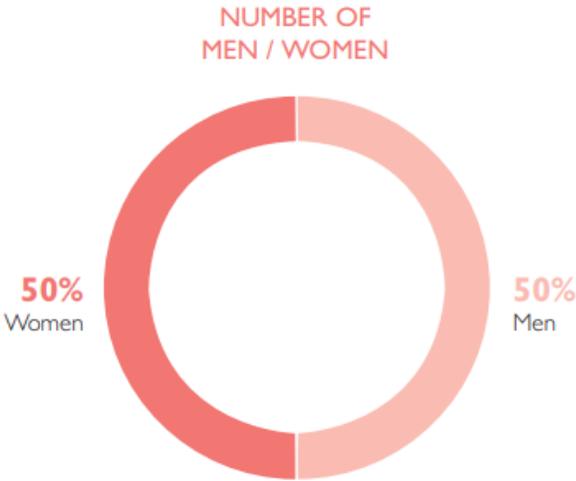
- **Individual Shareholders Consultative Committee**
  - Formed in 2022
  - 10 individual shareholders & 2 employee shareholders
  - 2 first meetings in 2023
- **Achieving Board parity in two areas**
  - Men / Women Directors
  - Independent / Non-Independent Directors



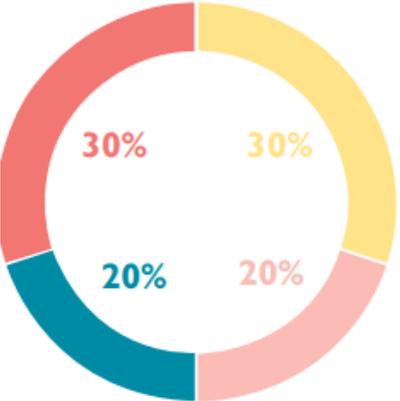
# CORPORATE GOVERNANCE

## 2023 ACTIONS

### COMPOSITION OF THE BOARD OF DIRECTORS

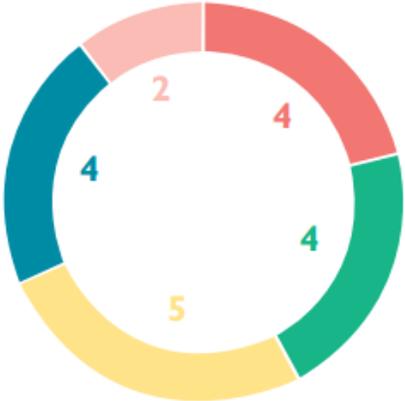


### YEARS IN OFFICE



- Less than 4
- 4 to 11
- 12 to 14
- over 14

### DIRECTORS' EXPERTISE<sup>(1)</sup>



- In-depth knowledge of the Grc
- Finance & accounting
- Perfume sector
- Distribution
- Media & digital

# CSR GOVERNANCE

## 2023 ACTIONS

### → An active CSR governance

- Regular CSR training for the Board of Directors
- CSR expertise added to the Board in 2024

### → Regular communications with employees

- Setting up the *Work for Good* platform
- Deployment of climate frescos
  - 25% of employees in France participated in this workshop
  - Objective: 80% participation by 2025



# INTERPARFUMS

A wide-angle landscape photograph of a calm lake or fjord. The water in the foreground is dark blue with gentle ripples. In the middle ground, a range of mountains stretches across the horizon, their peaks softened by a light haze. The sky is a clear, pale blue. The entire image has a monochromatic blue color cast.

Communications

# COMMUNICATIONS

## 2023 ACTIONS

- **Regular exchanges with extra-financial rating agencies**
  - A rating that does not adequately reflect the Group's efforts
  - Long lead times for updates
  - MSCI (Q1 2024)
  - Sustainalytics (end of 2023)
  - Moodys
  - CDP - Climate, Water and Forest (January 2024)
  - Gaïa (end of November 2023)
- **Publication of the first ESG performance report**
- **Presentation of ESG advances at a web conference to be held on Tuesday, December 5**





# INTERPARFUMS

Lacoste fragrances



LACOSTE 

LES ARDOINES  
VITRY-SUR-SEINE



HARLEM 125<sup>TH</sup> STREET  
NEW YORK CITY



LACOSTE 

MELREESE GOLF CLUB  
MIAMI



MINI GOLF DU PRADO  
MARSEILLE



# LACOSTE

*MEN'S FRAGRANCE LAUNCH IN 2024*

- **New fragrance identity** in line with the brand's image and current brand developments
- **A more exclusive positioning, a resolutely elegant iconic and emblematic design, a distinctive olfactory proposition (*Eau de Parfum*) and merchandising by emphasizing status and differentiation.**
- **While remaining faithful to Lacoste's spirit of spontaneity and fun**

# INTERPARFUMS



2024 launches



# LAUNCHES

## 2024

- **Jimmy Choo**
  - A new woman's fragrance in the *I Want Choo* franchise
- **Montblanc**
  - A new men's fragrance in the *Legend* franchise
  - A premium collection
- **Coach**
  - A new women's fragrance in the *Dreams* franchise
- **Lanvin**
  - A new women's fragrance in the *Modern Princess* franchise
- **Rochas**
  - A new women's line in the *Eau de Rochas* franchise
  - A new women's fragrance in the *Mademoiselle* franchise



# LAUNCHES

## 2024

- **Van Cleef & Arpels**
  - Two new juices within the *Collection Extraordinaire*
- **Karl Lagerfeld**
  - A new men's fragrance in the *Karl Lagerfeld* franchise
  - A new fragrance duo
- **Kate Spade**
  - A new women's fragrance *Kate Spade* franchise
- **Moncler**
  - Continued rollout of second *Moncler* duo
  - A new juice in the *Les Sommets* collection

# INTERPARFUMS



2024 outlook

# 2024 OUTLOOK

## ACTIVITY

- Interparfums' market share within a large global perfume market remains limited: US\$28bn
- A growth target of 10%-12%
- A Chinese market with significant potential that is starting to rebound
- Lacoste, a brand with major assets for successful fragrance development

\* Source: L'Oréal



# 2024 OUTLOOK

## RESULTS

- **Continuing impact on the H1 2024 gross margin of higher cost prices introduced in 2023**
  - Component price cuts under discussion
  - No general increase in sales prices
- **A marketing & advertising budget of nearly €200m (including Lacoste)**
- **Start of amortization of Lacoste upfront license fee**
  - €6m per year
- **An income tax rate expected to remain steady**
  - 25%



# INTERPARFUMS



Conclusion

# BUSINESS MODEL STRENGTHS

- **A business model focused on a medium-term development timeline**
  - Phases of acceleration for each brand
  - Phases of consolidation for each brand
- **Fine-tuned management of the growth/profitability mix by means of**
  - A cost structure largely variable in nature
  - Targeted marketing and advertising efforts
- **A highly flexible and responsive organization**
  - 300 employees
  - Paris, New York, Singapore



# INTERPARFUMS



2024 outlook

November 22, 2022