

interparfums

2017 first-half results
Paris, September 7, 2017

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Presentation of
2017 first-half results

H1 2017
highlights

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H1 2017 business highlights

- ✓ Sales of €209m (+29%)
- ✓ Continuing development of Montblanc fragrances
- ✓ Robust growth by Jimmy Choo (+40%) with two important launches
- ✓ A first initiative for the Rochas brand with the *Mademoiselle* line
- ✓ 4-year extension of the Paul Smith license to 12/31/2021

H1 2017 launches



January
Jimmy Choo L'Eau



February
Jimmy Choo Man Ice



March
Montblanc Lady Emblem L'eau



April
Collection Extraordinaire Bois Doré
Van Cleef & Arpels



March
The Boucheron Collection



January
Repetto Le ballet blanc
Eau de Toilette



2017 Spring/Summer Collection
Rochas fashion show



March
Mademoiselle Rochas
Eau de Parfum



May
Montblanc Emblem
Absolu



June
Collection Extraordinaire - Rêve de Cashmere
Van Cleef & Arpels

H1 2017 results

(€m)	H1 2016	H1 2017	17/16
Net sales	162.3	209.3	+29%
Gross margin	106.0	136.6	+29%
<i>% of sales</i>	<i>65.3%</i>	<i>65.3%</i>	
Operating profit	21.6	33.1	+53%
<i>% of sales</i>	<i>13.3%</i>	<i>15.8%</i>	
Net income	13.0	21.7	+68%
<i>% of sales</i>	<i>8.0%</i>	<i>10.4%</i>	

€ millions (audited accounts)	12/31/2016	06/30/2017	17/16
Shareholders' equity	403.6	404.9	-
Net cash & current financial assets	230.6	192.2	-17%
Borrowings & financial liabilities	70.7	60.6	-14%



Presentation of
2017 first-half results

H1 sales
by brand

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Montblanc

- ✓ H1 sales: €57.1m (+4%)
 - A level of sales in line with budget
 - An unfavorable comparison base reflecting the launch of the *Montblanc Legend Spirit* line in early 2016
 - 27% of total Group revenue
- ✓ Continuing growth by the *Montblanc Legend* fragrance line (+8%)
- ✓ The *Montblanc Lady Emblem* women's fragrance lines are gradually building momentum (€6m in 6 months)



Jimmy Choo

- ✓ H1 sales: €54.6m (+40%)
 - Strong revenue growth
 - 26% of total Group revenue
- ✓ Successful launches
 - *Jimmy Choo L'Eau*
 - *Jimmy Choo Man Ice*
- ✓ Lower sales from the *Illicit* and *Illicit Flower*



Lanvin

- ✓ H1 sales: €30.5m (+38%)
 - A return to normal following the downturn in the Russian and Chinese markets in 2016
 - 15% of total Group revenue
- ✓ Strong growth by the *Eclat d'Arpège* line (+30%)
- ✓ A solid performance for the *Modern Princess* line in international markets



Rochas Fragrances

- ✓ H1 sales: €18.6m (+35%)
 - 9% of total Group revenue
- ✓ Solid performance by the *Eau de Rochas* line
- ✓ The *Mademoiselle Rochas* line is launched in around 10 countries (more than €6m)
 - Off to a good start in France and Spain
 - Russia: #2 in May, #6 in June



Rochas Fashion & Accessories

- ✓ H1 royalties: €1.3m (+25%)
- ✓ Women's ready-to-wear license (Onward)
 - Growth in sales
 - Growing name recognition



Coach

- ✓ H1 sales: €15.7m
 - 7% of total Group revenue
 - ✓ Continuing rollout of the women's line *Coach* launched in fall 2016
 - ✓ Preparation for the launch of the men's line *Coach*, rolled out in fall 2017
- => confirmation of Coach fragrances' potential



Van Cleef & Arpels

- ✓ H1 sales: €9.5m (+2%)
- ✓ Strong continuing growth of the *Collection Extraordinaire* line (+40%)



Boucheron

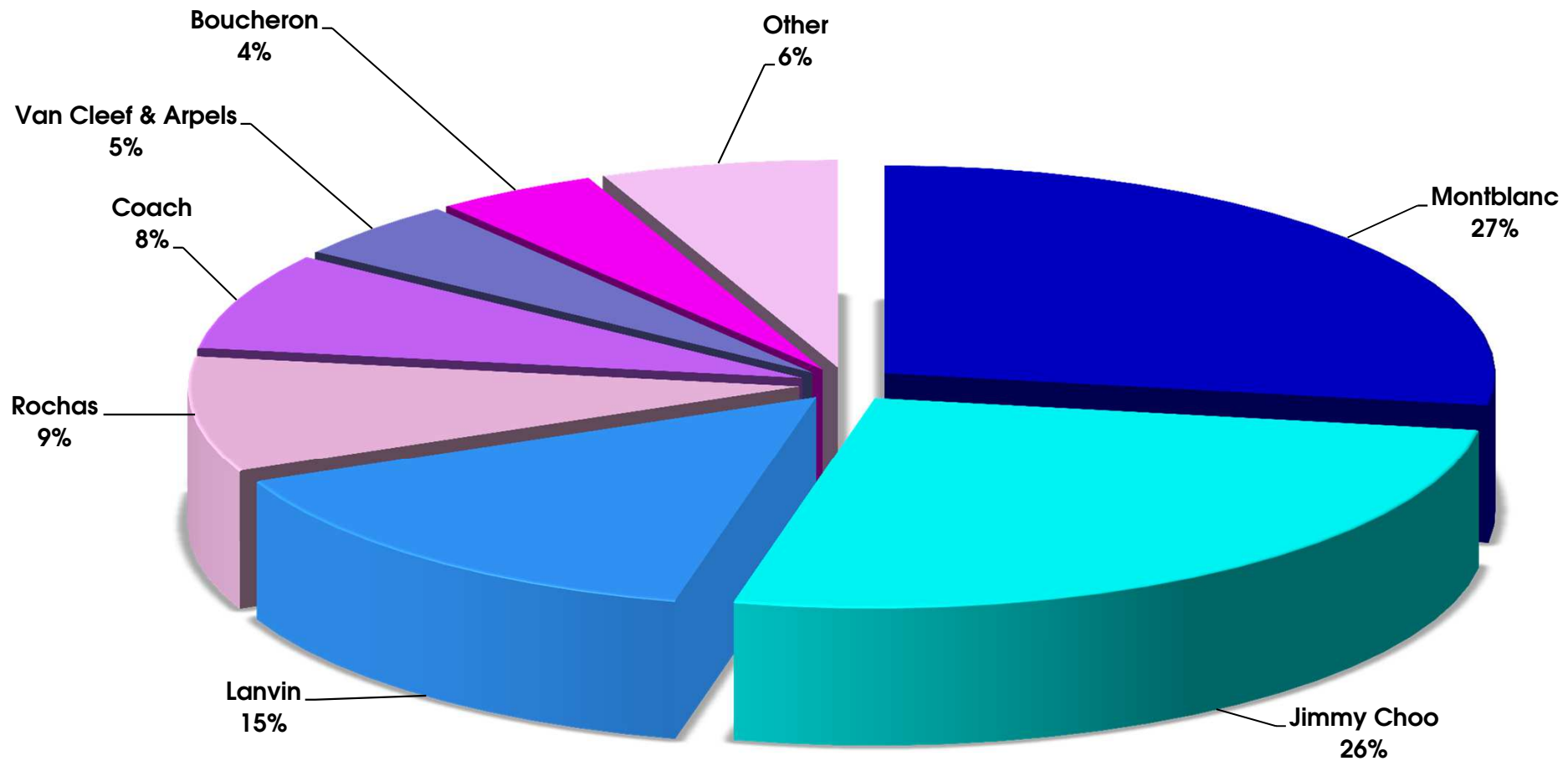
- ✓ H1 sales: €8.9m (+7%)
- ✓ A positive market response to La collection Boucheron launched in March



Highlights by brand

(€m)	H1 2016	H1 2017	2017/2016
Montblanc	55.1	57.1	+4%
Jimmy Choo	38.9	54.6	+40%
Lanvin	22.1	30.5	+38%
Rochas	13.7	18.6	+35%
Coach	-	15.7	na
Van Cleef & Arpels	9.3	9.5	+2%
Boucheron	8.3	8.9	+7%
Other	13.8	13.1	-5%
Fragrance sales	161.2	208.0	+29%
Rochas fashion royalties	1.1	1.3	+25%
Total net sales	162.3	209.3	+29%

Sales mix by brand





Presentation of
2017 first-half results

H1 sales
by region

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Highlights by region

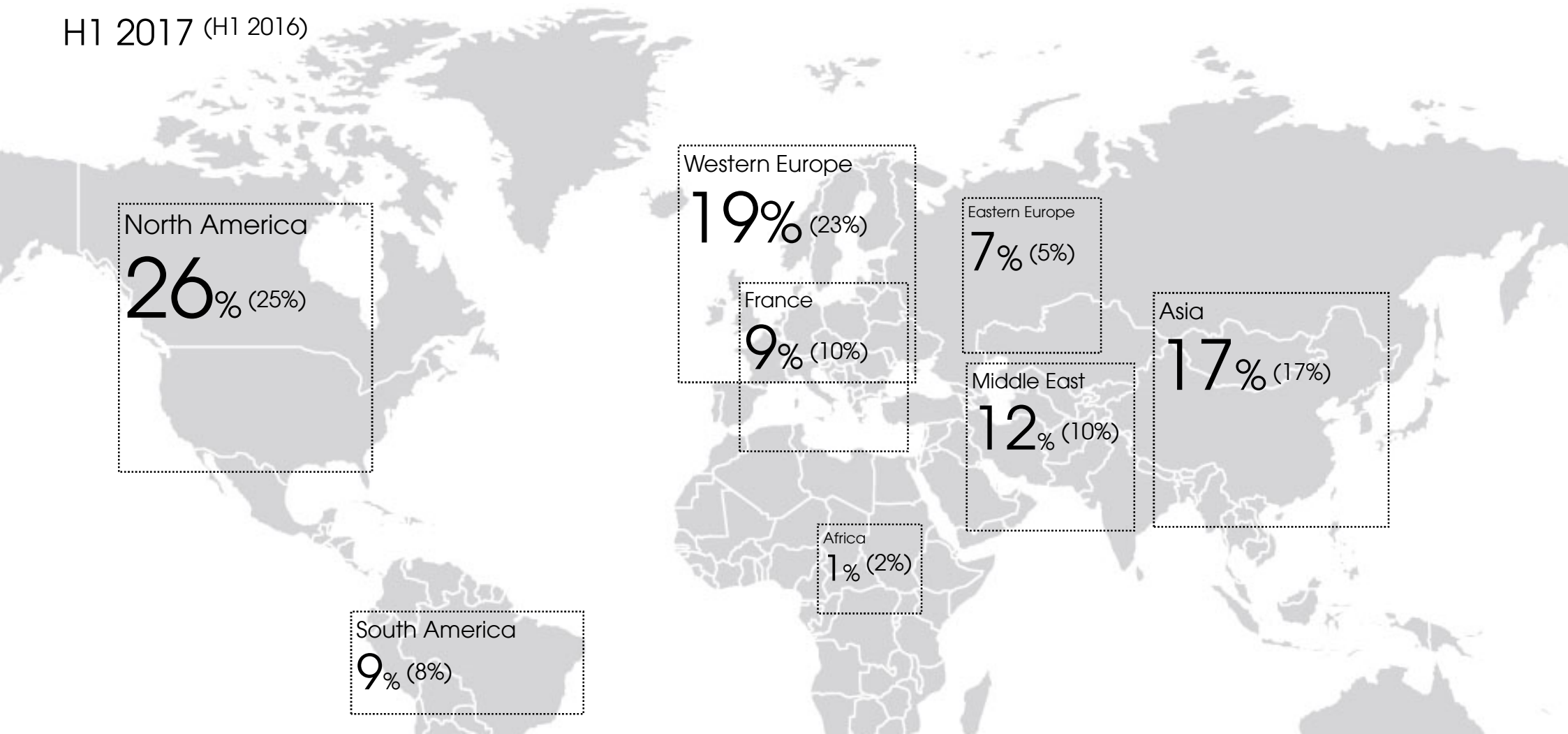
- ✓ Strong growth in North America (+33%) and Asia (+29%)
- ✓ Sales back up to better levels in South America, Eastern Europe and the Middle East, after a difficult 2016 first half
- ✓ More moderate growth in Western Europe and France in light of the base effect from the *Montblanc Legend Spirit* line's launch in 2016

Highlights by region

(€m)	H1 2016	81 2017	2017/2016
Africa	2.7	2.3	-14%
North America	41.1	54.7	+33%
South America	12.4	18.9	+52%
Asia	27.9	35.9	+29%
Eastern Europe	7.1	13.8	+95%
Western Europe	36.7	39.1	+6%
France	16.7	18.5	+10%
Middle East	16.6	24.6	+48%
Fragrance sales	161.2	207.9	+29%
Rochas fashion royalties	1.1	1.4	+25%
Total net sales	162.3	209.3	+29%

Sales mix by region

H1 2017 (H1 2016)





Presentation of
2017 first-half results

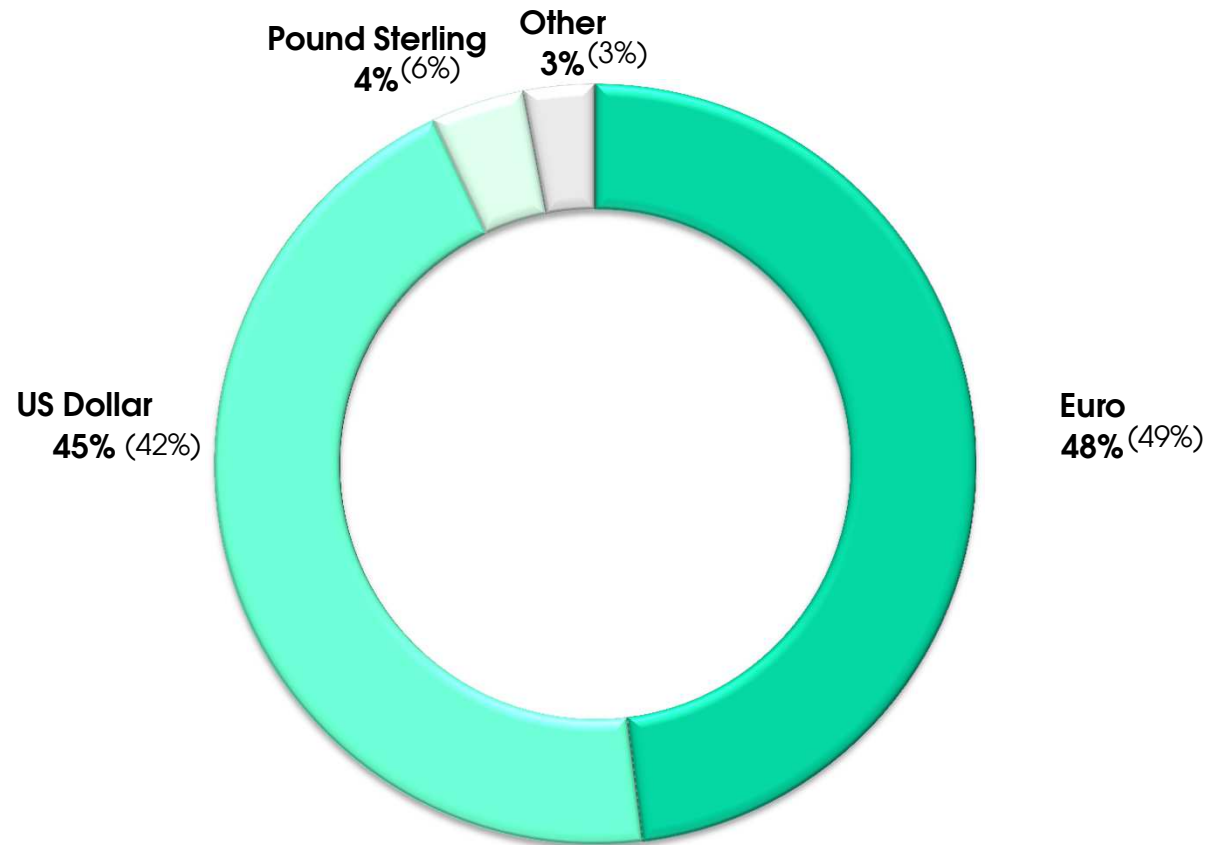
H1 2017 results

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Currency effect

Sales by currency (H1 2016)



Currency effect

Impact on H1 2017 sales

Currency	Av. exch. rates H1 2016	Av. exch. rates H1 2017	Currency effect
▪ € / \$	1.1170	1.0780	+€3.3m
▪ € / £	0.77	0.86	-€1.0m
▪ € / ¥	125.70	122.10	+0.1 M€

- ✓ Total positive currency effect of 2.4m
- ✓ Sales of 27.5% at constant exchange rates in relation to H1 2016

H1 2017 income statement

1st part

(€m)	H1 2016	H1 2017	17/16
Net sales	162.3	209.3	+29%
Cost of sales	(56.4)	(72.7)	+29%
Gross margin	105.9	136.6	+29%
<i>% of sales</i>	65.3%	65.3%	
Marketing & advertising	(33.9)	(48.1)	+42%
<i>% of sales</i>	20.9%	23.0%	
Royalties	(12.3)	(13.6)	+10%
<i>% of sales</i>	7.5%	6.5%	
Staff costs (excl. production)	(15.7)	(17.9)	+14%
Logistics & transport	(4.8)	(6.0)	+25%
Service fees /subsidiaries	(4.1)	(4.9)	+20%
Depr., amortiz. & provisions	(2.5)	(2.0)	-20%
Tax and related expenses	(1.6)	(1.8)	+17%
Other	(9.4)	(9.2)	-
Operating profit	21.6	33.1	+53%
<i>% of sales</i>	13.3%	15.8%	

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H1 2017 results

- ✓ A stable gross margin as % of sales
 - A positive currency effect achieved through hedges implemented in early 2017
 - Balmain inventory invoiced at March 31, 2017 at cost

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H1 2017 results

- ✓ Marketing and advertising spending significantly increased (+40%) to support launches at end of 2016 and early 2017
 - *Coach*
 - *Mademoiselle Rochas*
 - *Jimmy Choo L'Eau & Jimmy Choo Man Ice*
- ✓ ... plus the established lines...

The weight of marketing & advertising expenses rose accordingly from 21% to 23% of sales

H1 2017 income statement

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H1 2017 income statement

2nd part

(€m)	H1 2016	H1 2017	17/16
Operating profit	21.6	33.1	+53%
<i>% of sales</i>	<i>13.3%</i>	<i>15.8%</i>	
Net financial income	0.2	0.5	ns
Net currency gains (losses)	0.0	(1.0)	ns
Income before tax	21.8	32.6	+50%
<i>% of sales</i>	<i>13.4%</i>	<i>15.6%</i>	
Income tax	(8.9)	(10.6)	+18%
<i>Effective tax rate</i>	<i>41.2%</i>	<i>32.5%</i>	
Net income	12.8	22.0	+72%
<i>% of sales</i>	<i>7.9%</i>	<i>10.5%</i>	
Non-controlling interests	0.2	(0.3)	ns
Net income	13.0	21.7	+68%
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H1 2017 income statement

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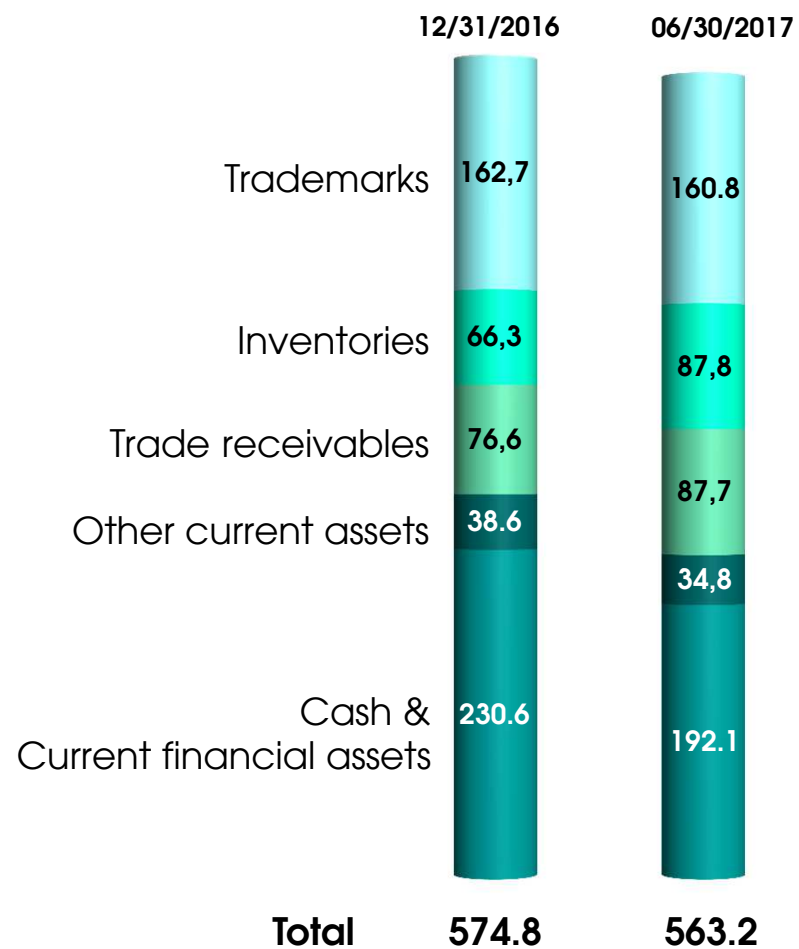
H1 2017 income statement

2nd part

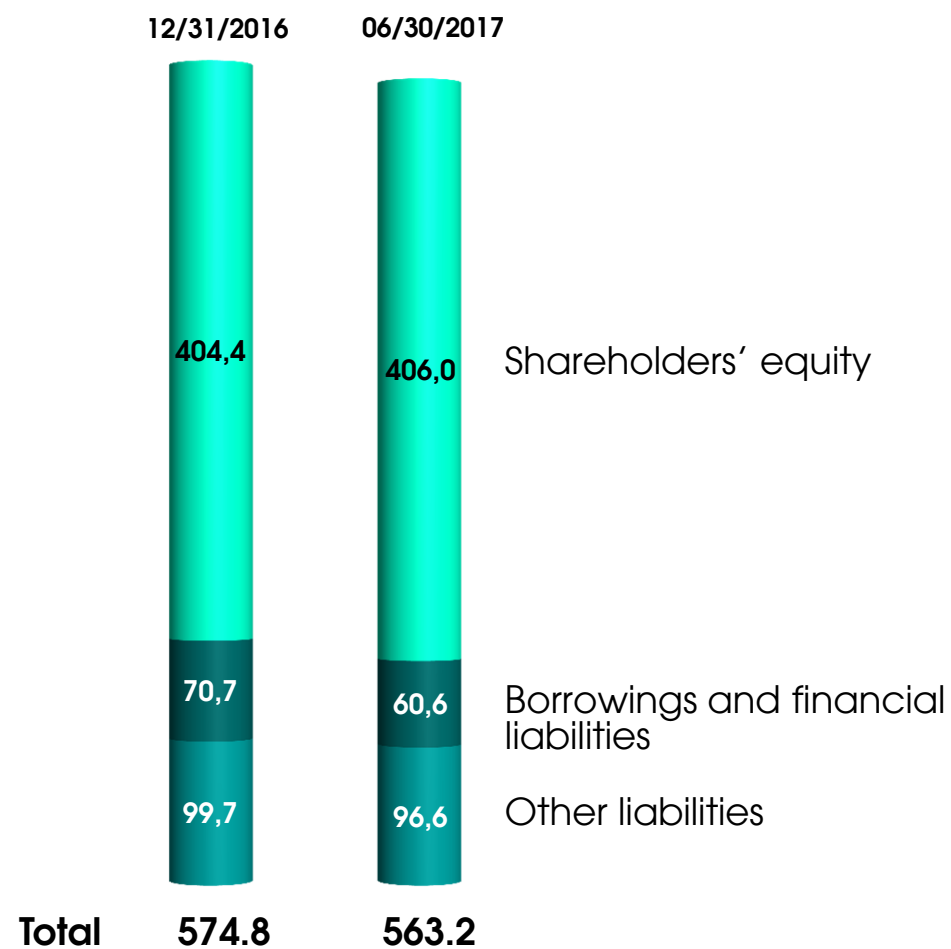
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H1 2017 results

Assets



Liabilities



(€m)

Balance sheet 06/30/2017 (12/31/2016)

- ✓ Non-current assets largely stable
 - Rochas Fragrance brands (€87m) and Rochas Fashion brands (€19m)
Lanvin fragrances (€36m)
 - No impairment charges

- ✓ Inventories: €88m
 - +30%
 - Components and finished products in preparation for H2 launches

- ✓ Trade receivables: €88m
 - Accounts receivable stable at 75 DSO

Balance sheet 06/30/2017 (12/31/2016)

- ✓ Net cash: €132m (-€28m)
 - Cash flow (+€36m)
 - Dividend (-€19m)
 - Rochas loan (-€10m)
 - Working capital requirements (-€35m)

H1 2017 results

Cash flow highlights

(€m)	H1 2016	H1 2017
▪ Cash flow	15.4	26.9
▪ Inventories	(14.6)	(26.5)
▪ Trade receivables	1.4	(10.8)
▪ Other receivables	-	5.9
▪ Trade payables	(3.0)	(0.1)
▪ Other payables	(0.9)	(3.1)
▪ Change in working capital requirements	(17.1)	(34.6)
▪ Total cash flow from operating activities	(1.7)	(7.7)

H1 2017 results

Cash flow highlights

(€m)	H1 2016	H1 2017
▪ Acquisition of intangible assets	(0.5)	(0.5)
▪ Acquisition of property, plant and equipment	(2.0)	(1.2)
▪ Acquisition of marketable securities	(27.9)	(18.7)
▪ Other	(0.3)	0.8
▪ Total cash flows from investing activities	(30.7)	(19.6)
▪ Issuance of borrowings	-	-
▪ Debt repayments	(10.0)	(10.0)
▪ Dividends	(16.1)	(19.4)
▪ Other	0.8	(0.8)
▪ Total cash flows from financing activities	(25.3)	(30.2)

H1 2017 results

Cash flow highlights

<u>(€m)</u>	<u>H1 2016</u>	<u>H1 2017</u>
▪ <u>Net change in cash</u>	<u>(57.6)</u>	<u>(57.5)</u>
▪ <u>Opening cash and cash equivalents</u>	<u>149.9</u>	<u>141.2</u>
▪ <u>Closing cash and cash equivalents</u>	<u>92.3</u>	<u>83.7</u>

H1 2017 results

Cash and cash equivalents

(€m)	12/31/2016	06/30/2017
▪ Certificate of deposits < 3 months	5.3	1.7
▪ Interest-bearing accounts	7.4	7.4
▪ UCITS	5.6	9.8
▪ Term deposit accounts	70.5	45.0
▪ Current interest-bearing accounts	12.0	1.9
▪ Bank balances	40.4	17.9
▪ <u>Cash and cash equivalents</u>	<u>141.2</u>	<u>83.7</u>
▪ Certificate of deposits > 3 months	4.0	-
▪ Capital redemption contracts	37.5	50.4
▪ Term deposit accounts > 3 months	47.9	58.1
▪ <u>Current financial assets</u>	<u>89.4</u>	<u>108.5</u>
▪ <u>Total cash</u>	<u>230.6</u>	<u>192.2</u>

H1 2017 results summary

- ✓ A stable gross margin
 - 65%
- ✓ Strong earnings growth
 - Operating profit: +53%
 - Net income: +68%
- ✓ A net cash position remaining high
 - €130m at June 30, 2017

Share capital

✓ Number of shares at December 31, 2016	35,508,784
✓ Increase of the period	
▪ Bonus share issue	3,550,878
✓ Number of shares at June 30, 2017	39,059,662

Agenda

- ✓ 2017 third-quarter sales
 - October 25, 2017 (before the opening of Euronext Paris)
- ✓ 2018 outlook
 - November 14, 2017 (before the opening of Euronext Paris)
- ✓ Actionaria trade fair
 - November 23 & 24, 2017 (Palais des Congrès Paris)
- ✓ 2017 sales
 - End of January, 2018 (before the opening of Euronext Paris)



Presentation of
2017 first-half results

H2 2017 launches

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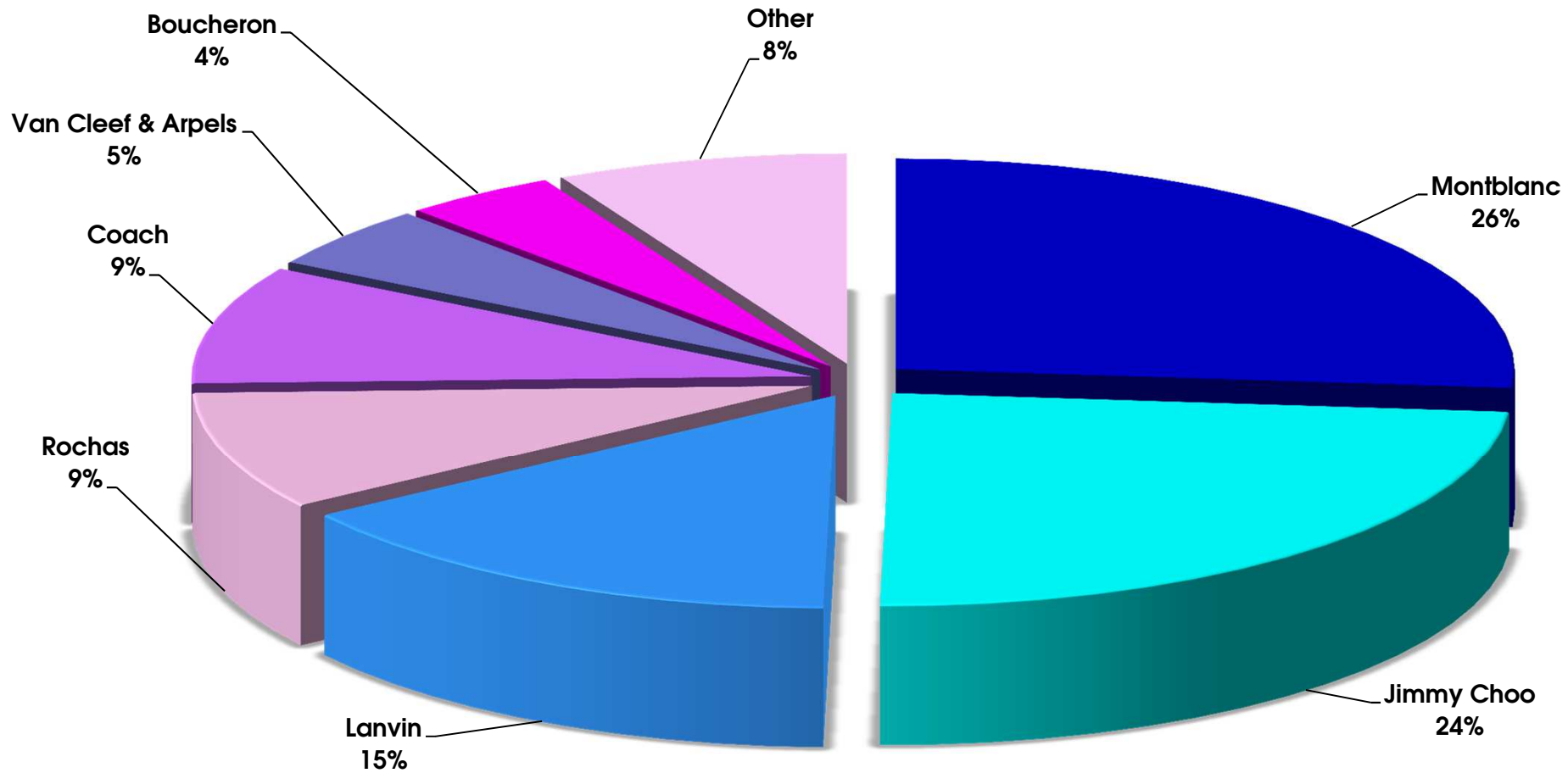
H2 2017 launches

- ✓ Rochas
 - Launch of *Mademoiselle* in new countries (South Korea, Argentina,...)
- ✓ Coach
 - First men's line, *Coach*
- ✓ Karl Lagerfeld
 - New fragrance duo, *Les Parfums Matières*
- ✓ Montblanc
 - *Montblanc Legend Night* line, 3rd pillar of the *Montblanc Legend* franchise in selected markets (in France sold exclusively by Sephora)

Revised 2017 budget

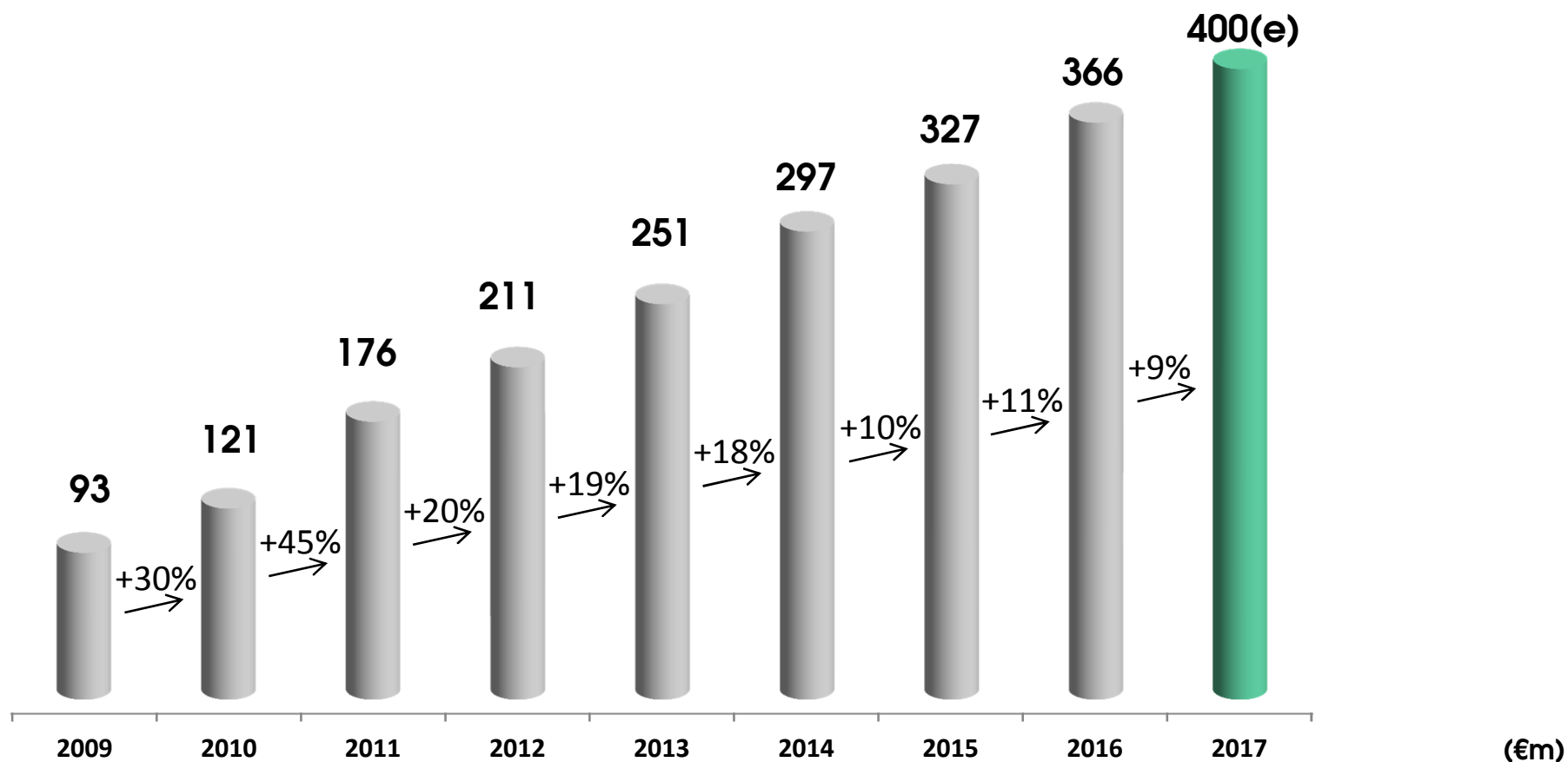
(€m)	Actual 2016	Budget 2017	Revised Budget 2017
Montblanc	110.0	104.0	105.0
Jimmy Choo	81.7	84.0	95.0
Lanvin	56.0	54.0	60.0
Rochas	29.2	32.0	36.0
Coach (6 months in 2016)	20.9	32.0	36.0
Van Cleef & Arpels	19.1	18.0	19.0
Boucheron	16.0	18.0	16.0
Other	30.6	35.5	30.5
Fragrance sales	363.5	377.5	397.5
Rochas fashion royalties	2.1	2.5	2.5
Total net sales	365.6	380.0	400.0

2017 sales mix by brand



2017 annual sales target

Guidance raised in July from €390m -> €400m





Presentation of
2017 first-half results

2017
annual results

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2017 earnings target

- ✓ Favorable currency trends in the second half
 - 2017 €/€ budget exchange rate: 1.15
 - 2017 average €/€ exchange rate: 1.08
 - Current €/€ exchange rate: 1.20
- ✓ Marketing and advertising spending level again reinforced
 - €60m in 2014 (20.0%)
 - €67m in 2015 (20.6%)
 - €80m in 2016 (22.0%)
 - €96m in 2017 (24.0%)

An operating margin between 13% and 13.5%



Presentation of
2017 first-half results

Launches
2018

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2018 launches

- ✓ Montblanc
 - Continued roll-out of the men's line *Montblanc Legend Night* the 3rd pillar of the *Montblanc Legend* franchise
- ✓ Jimmy Choo
 - Extension of the women's line, *Signature*
- ✓ Lanvin
 - Extension of the women's lines, *Eclat d'Arpège* and *Modern Princess*
- ✓ Coach
 - Extensions of the first *Coach* women's and men's lines

2018 launches

- ✓ Rochas
 - *Mademoiselle Rochas* (Eau de toilette)
- ✓ Van Cleef & Arpels
 - Focus on the *Collection Extraordinaire* franchise
- ✓ Boucheron
 - Annual launch focusing on La Collection
- ✓ Repetto
 - New women's line

interparfums

2017 first-half results
Paris, September 7, 2017