

Interparfums

Annual results

Paris, March 14, 2018



Contents



- ✓ 2017 business highlights
- ✓ 2017 sales by brand
- ✓ 2017 sales by region
- ✓ 2017 results
- ✓ 2018 business highlights
- ✓ 2019/2020 outlook



Presentation of
annual results

2017 business
highlights

Philippe Benacin

interparfums

2017 business highlights



- ✓ Sales of €422 million
 - +15.4% at current exchange rates
 - +16.3% at constant exchange rates
- ✓ Continuing development of Montblanc fragrances
- ✓ Very strong growth by Jimmy Choo (+17%) with two important launches
 - *Jimmy Choo L'Eau*
 - *Jimmy Choo Man Ice*
- ✓ Coach fragrances considerably outperformed initial expectations
 - Launch of the men's line, *Coach*
 - Steady performance by the women's line

2017 business highlights



- ✓ A first initiative for the Rochas brand with the *Mademoiselle* line
 - Revenue of approximately €10m
- ✓ Return to growth for Karl Lagerfeld fragrances driven by the fragrance duo, *Les Parfums Matières*
- ✓ 10-year extension of the Jimmy Choo license to December 31, 2031

2017 H1 launches



January
Jimmy Choo L'Eau



February
Jimmy Choo Man Ice



March
Montblanc Lady Emblem L'Eau



March
The Boucheron collection



March
Mademoiselle Rochas
Eau de Parfum



January
Repetto Le ballet blanc
Eau de Toilette



April
Collection Extraordinaire
Bois Doré

Van Cleef & Arpels;

2017 H2 launches



October
S.T Dupont *Be Exceptional*
Eau de Toilette



July
Montblanc Legend Night



September
Coach Man
Eau de Toilette

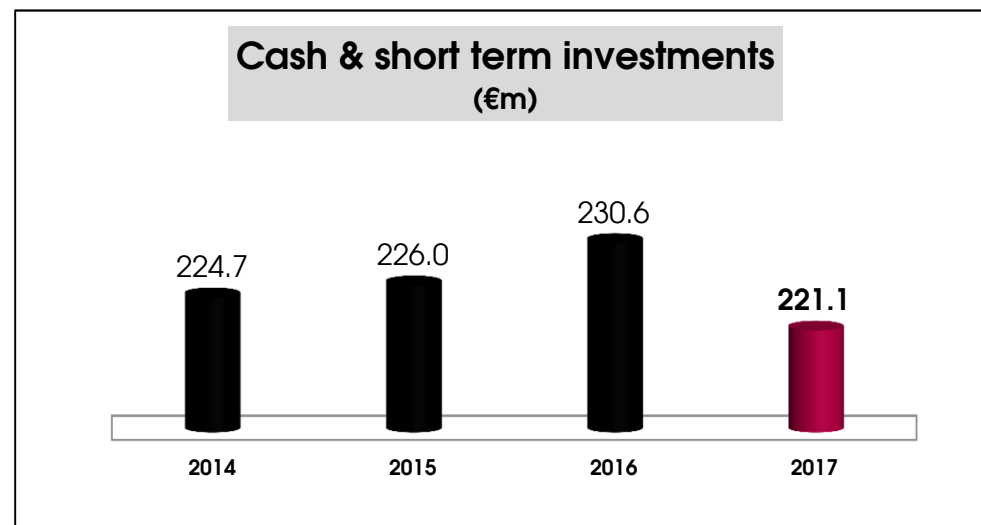
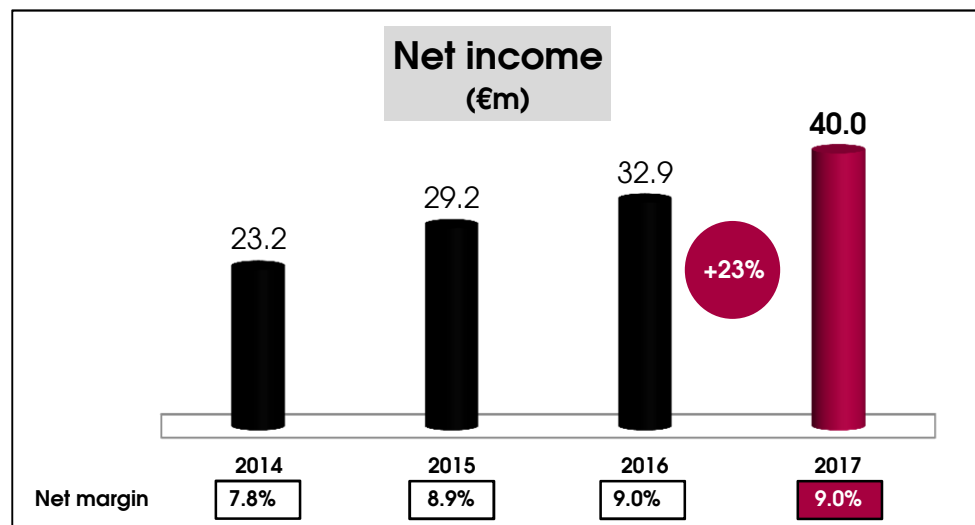
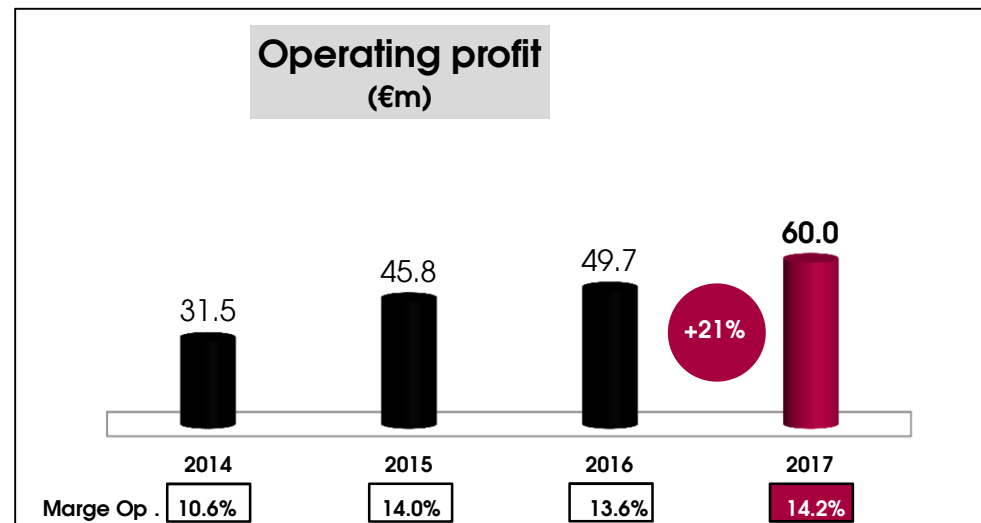
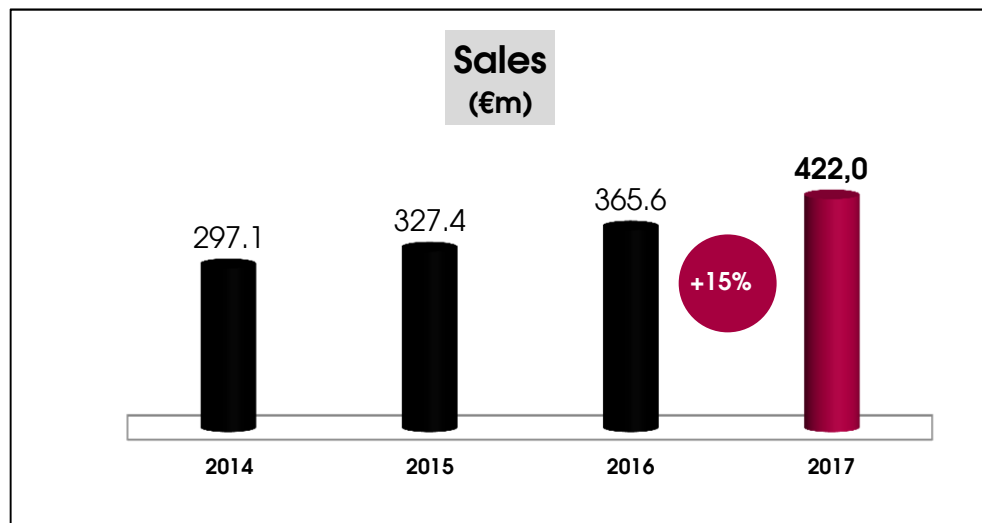


2018 Spring/Summer Collection
Rochas fashion show



August
Les Parfums Matières
Eau de Toilette / Eau de Parfum

2017 financial highlights





Presentation of
annual results

2017 sales
by brand

Philippe Benacin

interparfums

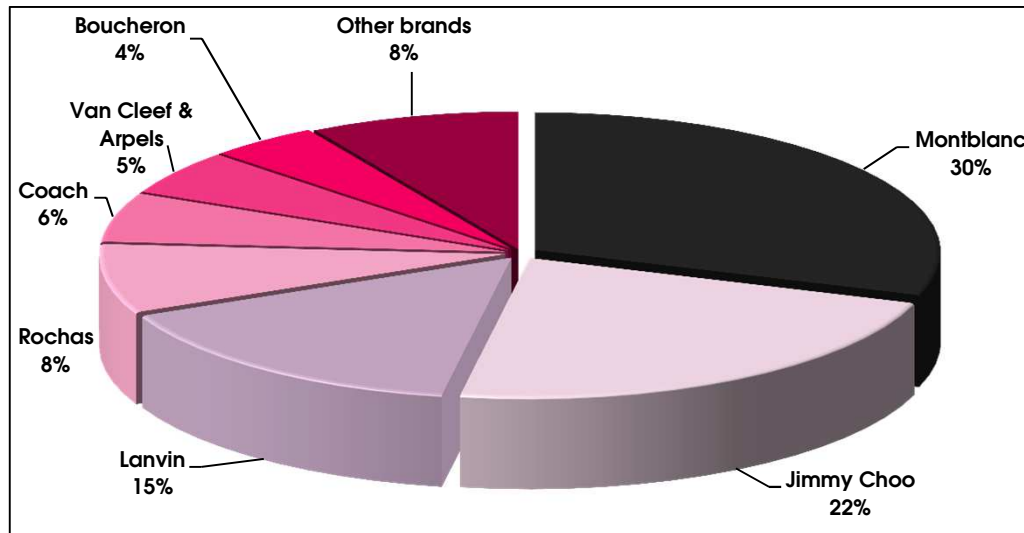
2017 sales by brand



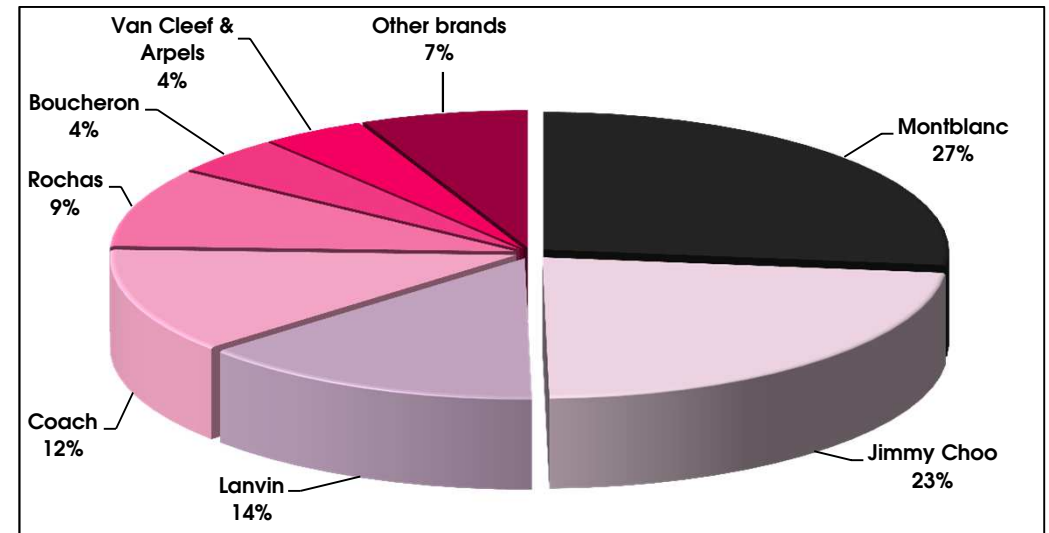
(€m)	2016	2017	2017/2016
Montblanc	110.0	112.2	+2%
Jimmy Choo	81.7	96.1	+17%
Lanvin	56.0	57.6	+3%
Coach (6 months in 2016)	20.9	50.9	ns
Rochas	29.2	38.5	+32%
Boucheron	16.0	18.4	+15%
Van Cleef & Arpels	19.1	17.2	-10%
Karl Lagerfeld	6.5	8.8	+36%
Other	24.1	19.8	ns
Fragrance sales	363.5	419.5	+15.4%
Rochas patent royalties	2.1	2.5	+19.5%
Total net sales	365.6	422.0	+15.4%

Sales by brand

2016



2017





Presentation of
annual results

2017 sales
by region

Philippe Benacin

interparfums

2017 sales by region



- ✓ Sales growth remaining strong in North America: +21%
 - Sales doubled in three years
 - 28% of total Group revenue
 - Launch in 2017 got off to an excellent start for the men's line *Coach*, strengthening the positions of the women's line launched in 2016
- ✓ More moderate growth in Western Europe : +9%
 - 21% of total Group revenue
 - A high base effect from the launch of the *Montblanc Legend Spirit* line in 2016
- ✓ Renewed growth in the Asia-Pacific region: +12%
 - 14% of total Group revenue
 - Good performances in South Korea, China and Australia

2017 sales by region



- ✓ Sales in France increased marginally +3% (excluding the sale of Balmain inventory)
 - Against the backdrop of a 2.5%⁽¹⁾ decline in the French fragrance and cosmetics market
 - Solid base for the *Mademoiselle Rochas* line

- ✓ Renewed growth in Eastern Europe: +14%
 - Improved market trends in Russia
 - A good base for the *Mademoiselle Rochas* line

(1) Source: NPD France

2017 sales by region



(€m)	2016	2017	2017/2016
Africa	4.1	4.4	+9%
Asia	53.6	59.7	+12%
Eastern Europe	34.5	39.2	+14%
France	35.1	37.5	+7%
Middle East	31.8	39.7	+25%
North America	98.0	118.5	+21%
South America	24.6	31.3	+27%
Western Europe	81.8	89.2	+9%
Fragrance sales	363.5	419.5	+15.4%
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2017 sales by region

2017 (2016)





Presentation of
annual results

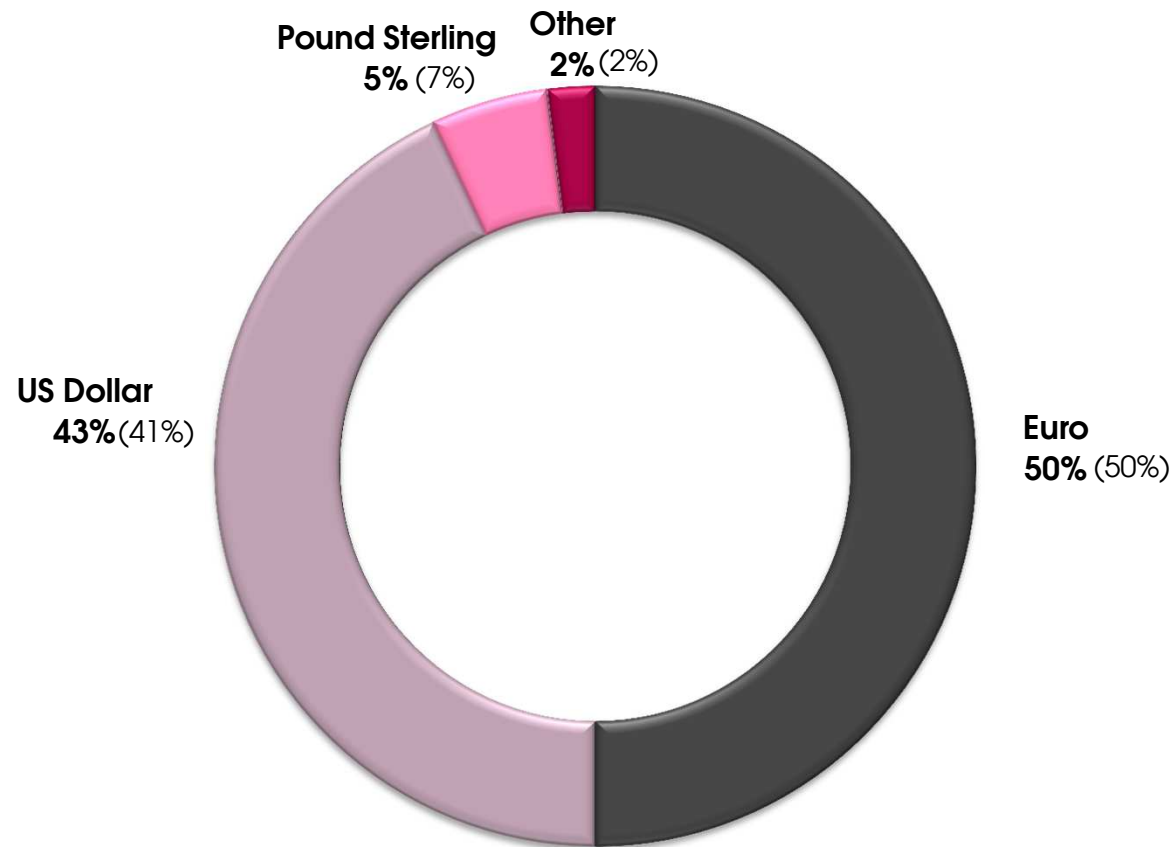
Results
2017

Philippe Santi

interparfums

Currency effect

Sales by currency (2017/2016)



Currency effect

Impact on 2017 sales

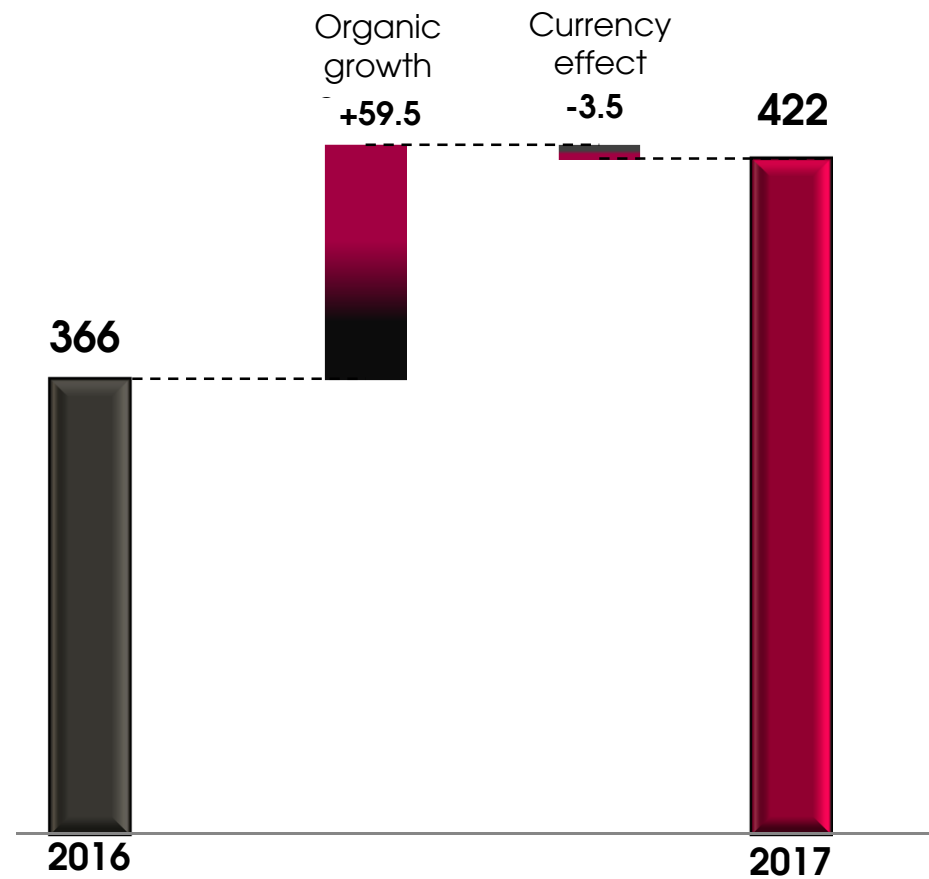


Currency	Av. exch. rates 2016	Av. exch. rates 2017	Currency effect
▪ € / \$	1.1090	1.1205	-€1.9m
▪ € / £	0.8210	0.8777	-€1.6m
▪ € / ¥	122.33	124.62	-0.1 M€

- ✓ Total negative currency effect of €3.6m
- ✓ Sales up 16.3% at constant exchange rates in relation to 2016

Currency effect

Impact on 2017 sales



In €m

2017 income statement highlights



1st part

(€m)	2016	2017	17/16
Net sales	365.6	422.0	+15%
Cost of sales	(128.7)	(146.1)	+14%
Gross margin	236.9	275.9	+16%
<i>% of sales</i>	64.8%	65.4%	
Logistics & transport	(10.9)	(11.9)	+9%
Marketing & advertising	(80.3)	(102.3)	+27%
<i>% of sales</i>	22.0%	24.2%	
Royalties	(27.0)	(27.6)	+2%
<i>% of sales</i>	7.4%	6.5%	
Staff costs (excl. production)	(32.3)	(36.9)	+14%
Service fees/subsidiaries	(8.9)	(10.4)	+16%
Depr., amortiz. & provisions	(5.1)	(4.9)	-6%
Tax and related expenses	(3.2)	(3.1)	-1%
Other	(18.6)	(19.0)	+2%
Current operating income	50.6	60.0	+19%
<i>% of sales</i>	13.9%	14.2%	

2017 income statement highlights



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2017 income statement highlights

2nd part



(€m)	2016	2017	17/16
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Net financial income (expense)	(0.6)	0.1	ns
Net currency gains (losses)	0.1	(1.7)	ns
Income tax	(17.5)	(17.8)	+2%
<i>Effective tax rate</i>	34.7%	30.5%	
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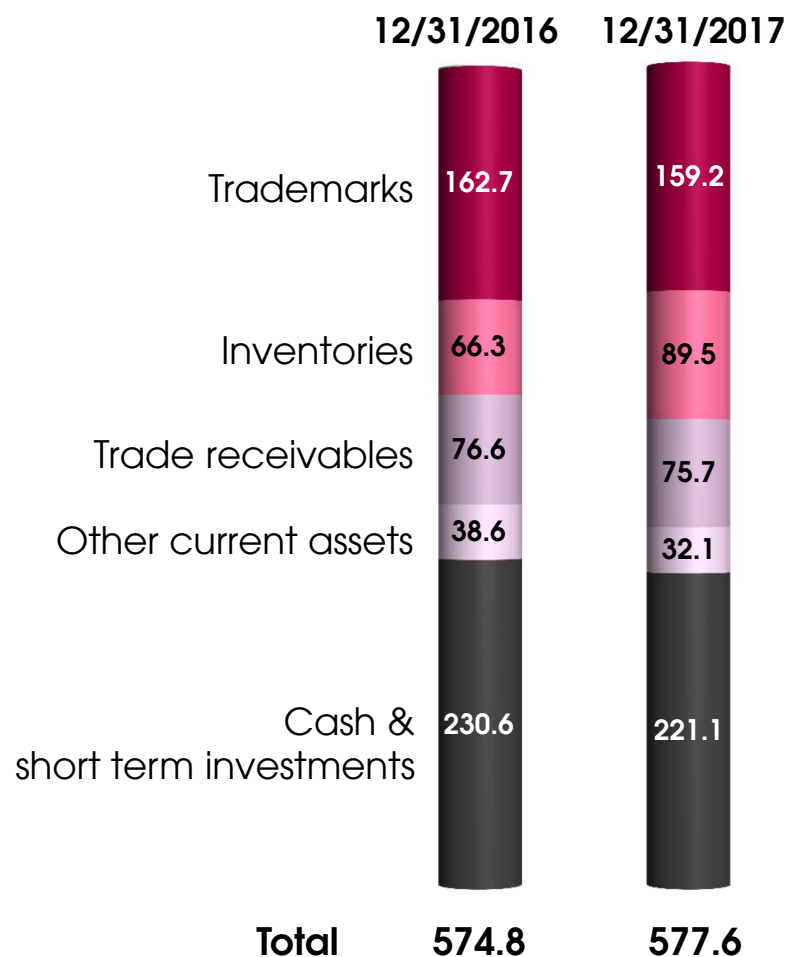
2017 income statement highlights



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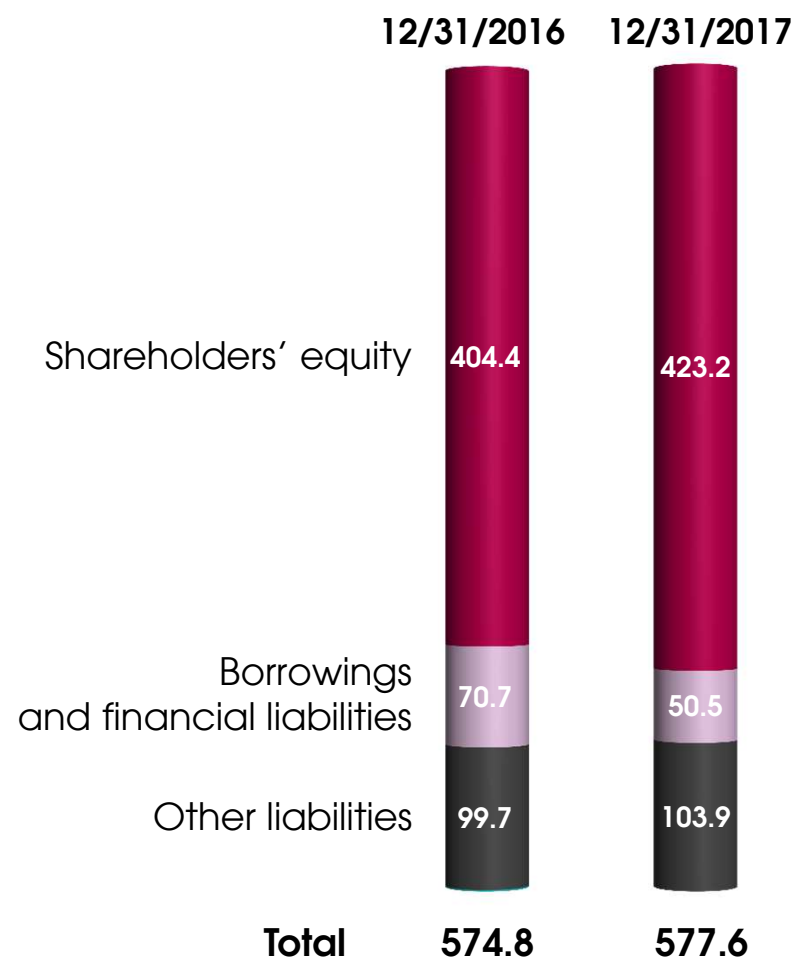
2017 balance sheet - Assets



- ✓ Stability for the brand's main assets
 - Rochas Fragrances (€87m)
 - Rochas Fashion (€19m)
 - Lanvin Fragrances (€36m)
- ✓ Inventory levels intentionally up
 - 64% finished goods
 - 36% components
- ✓ A reduction in the A/R DSO
 - 75 -> 65 DSO
- ✓ Cash largely stable

In €m

2017 balance sheet - Liabilities



- ✓ Equity up by 5%
 - 73% of total assets
- ✓ A reduction in financial liabilities
 - Rochas loan repayment in the amount of €20m

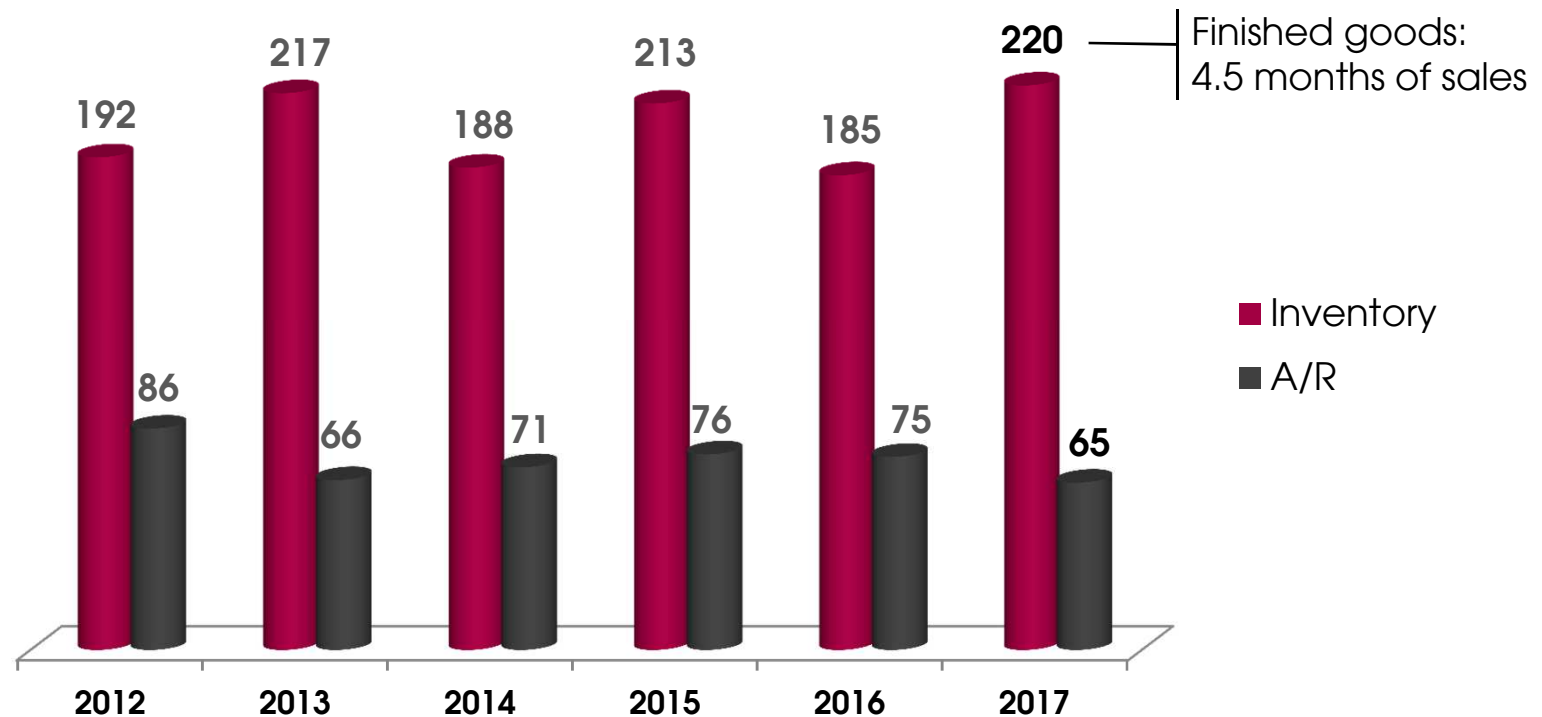
In €m

2017 cash flow highlights



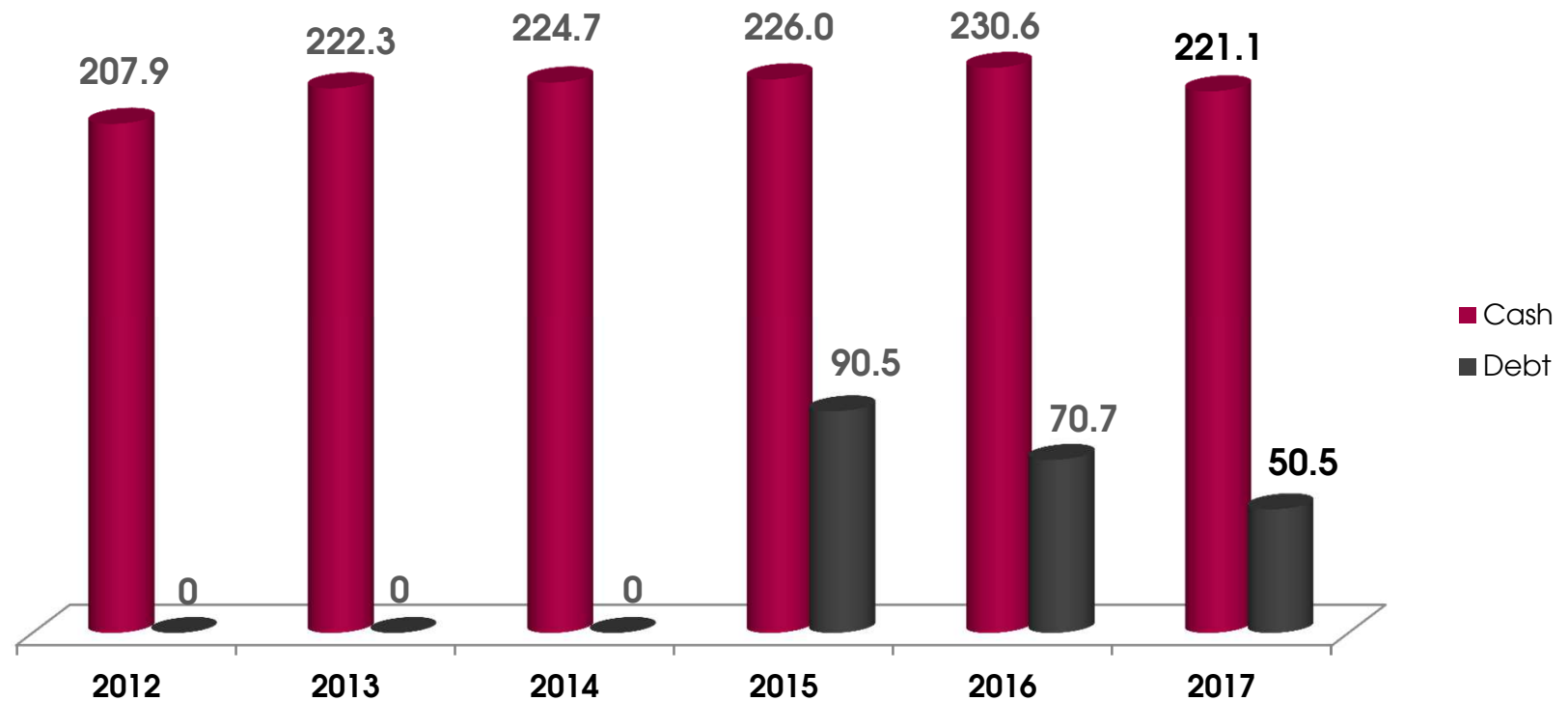
(€m)	2016	2017
Cash flow	42.6	43.3
Inventories	3.0	-23.1
Trade receivables	- 6.4	1.0
Other	6.2	10.3
Operating cash flow	45.4	31.5
Capital expenditures	- 4.6	- 2.1
Free cash flow	40.8	29.4
Debt repayments	- 20.0	- 20.0
Dividend	- 16.1	- 19.4
Other	0.3	0.0
Net change in cash	5.0	-10.0
Opening cash and cash equivalents	226.0	231.0
Net change in cash	5.0	-10.0
Closing cash and cash equivalents	231.0	221.0

Inventory & Trade Receivables over 6 years



DIO/ DSO

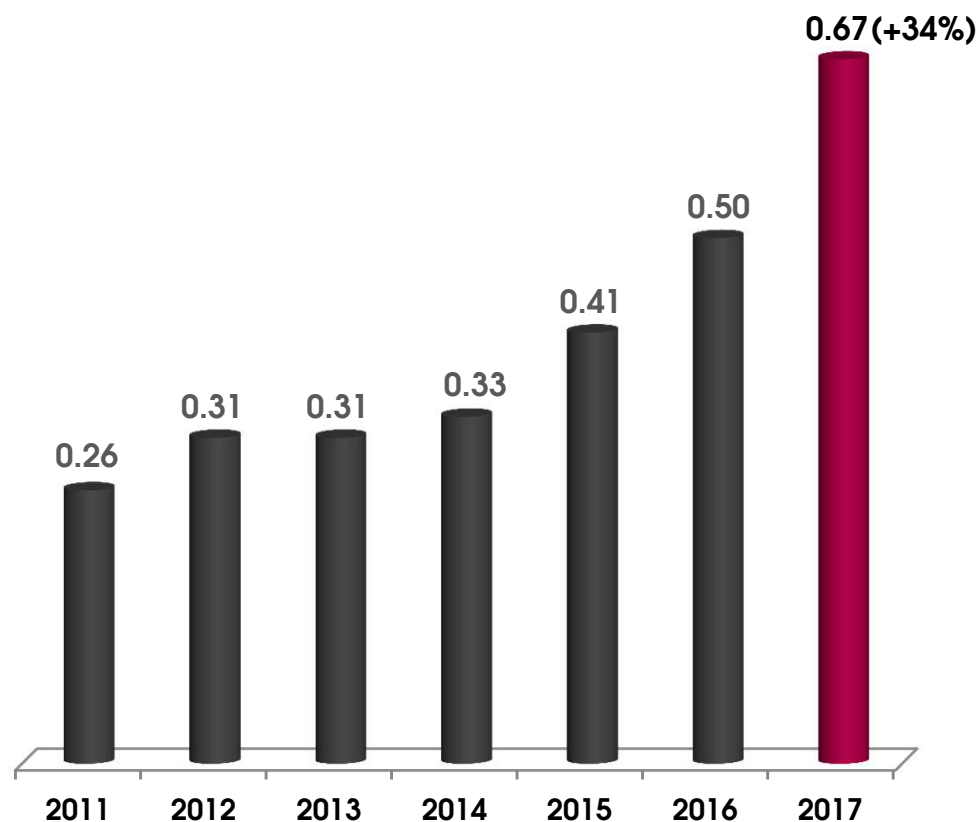
Cash & Borrowings over 6 years



DIO/ DSO

2018 dividend

for FY 2017

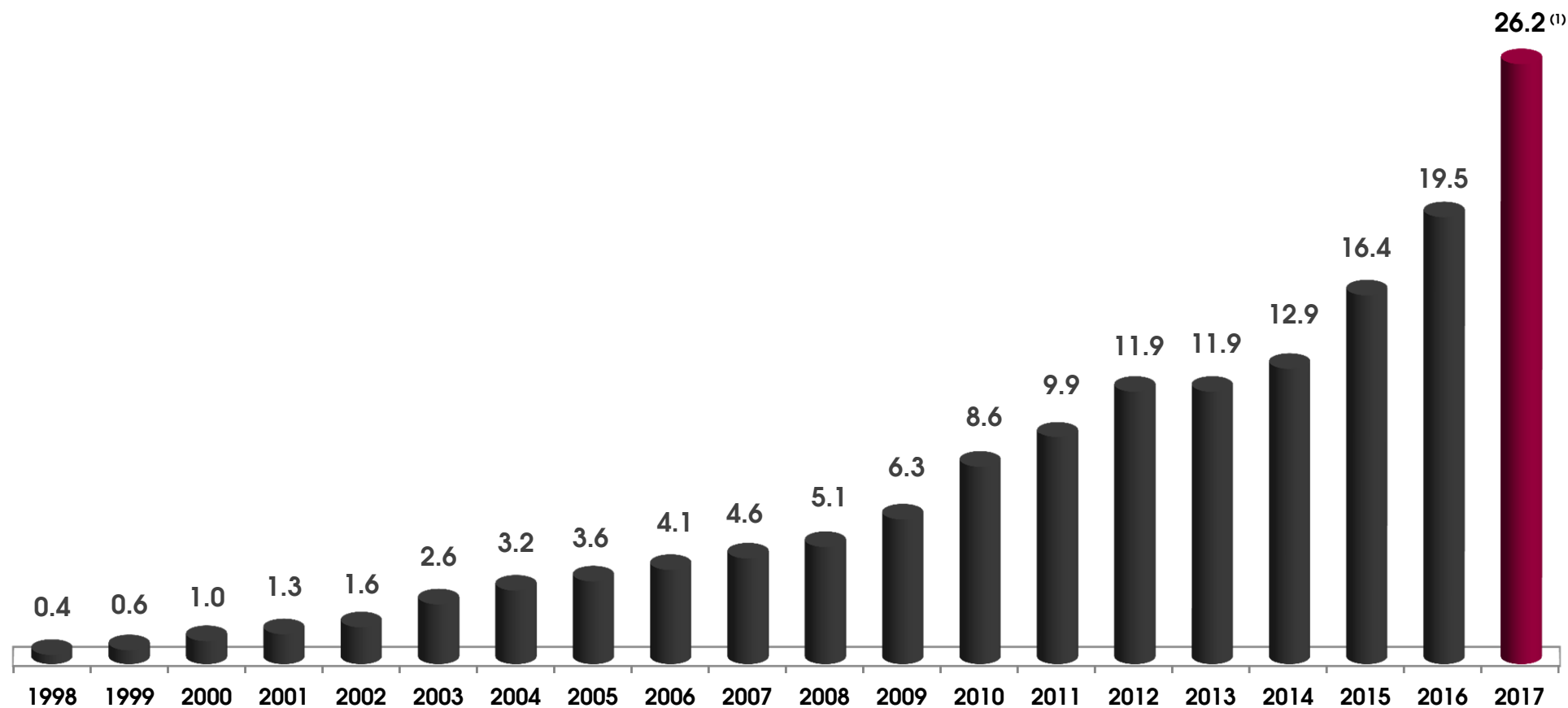


- ✓ Proposed dividend per share⁽¹⁾
€0.67 (+34 %)
- ✓ Payout ratio 65 %
60% in 2016
- ✓ Total dividend distribution⁽¹⁾
€26.2m
- ✓ Ex-rights date:
May 9, 2018 (midnight)
- ✓ Payment date:
May 11, 2018

(1) Submitted to the AGM of April 28, 2017

(in €)

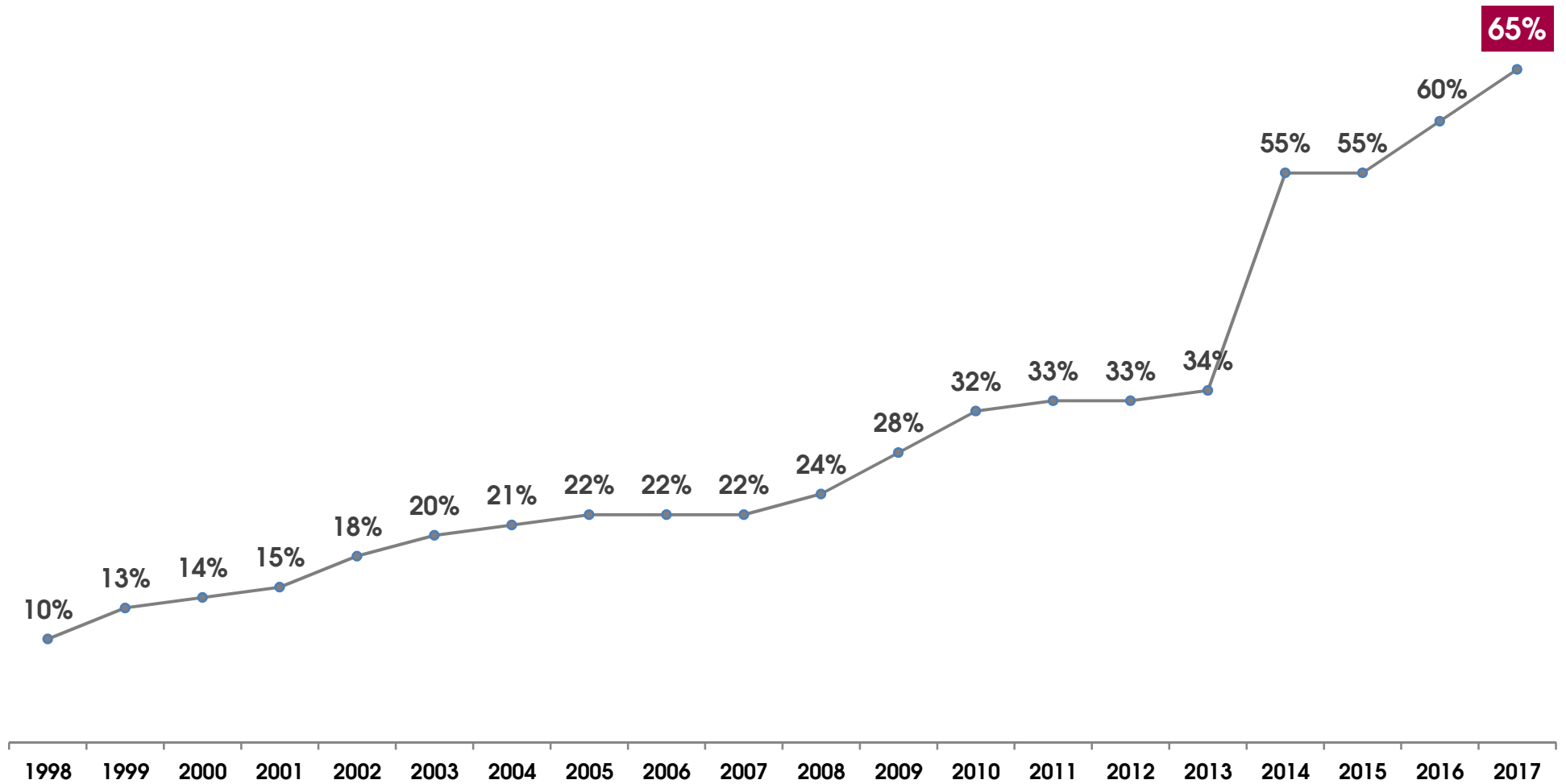
Total dividends



In €m

(1) Submitted to the AGM of April 27, 2018

Payout ratio



Bonus share issue

2018



- ✓ 1 new share for every 10 shares held
- ✓ For the 19th consecutive year
- ✓ Programmed for June 2018

Share capital



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

Internal control



- ✓ A campaign of tests conducted at the end of 2017 by an Interparfums team of 2 over a period of 8 weeks
- ✓ 123 controls were performed covering 47 risk areas (134 in 2016)
- ✓ A complete audit of accounting operations was carried out by the internal control application without any significant anomalies

Internal control



✓ Summary

- No major anomaly was identified
- 2 minor weaknesses were identified
- A remediation plan was implemented at the end of 2017

✓ 2017 developments

- The internal control matrices were rationalized in 2017, reflecting the automation of the main controls.
- The IT department performed a security audit of the system in 2017. No major anomaly was detected.

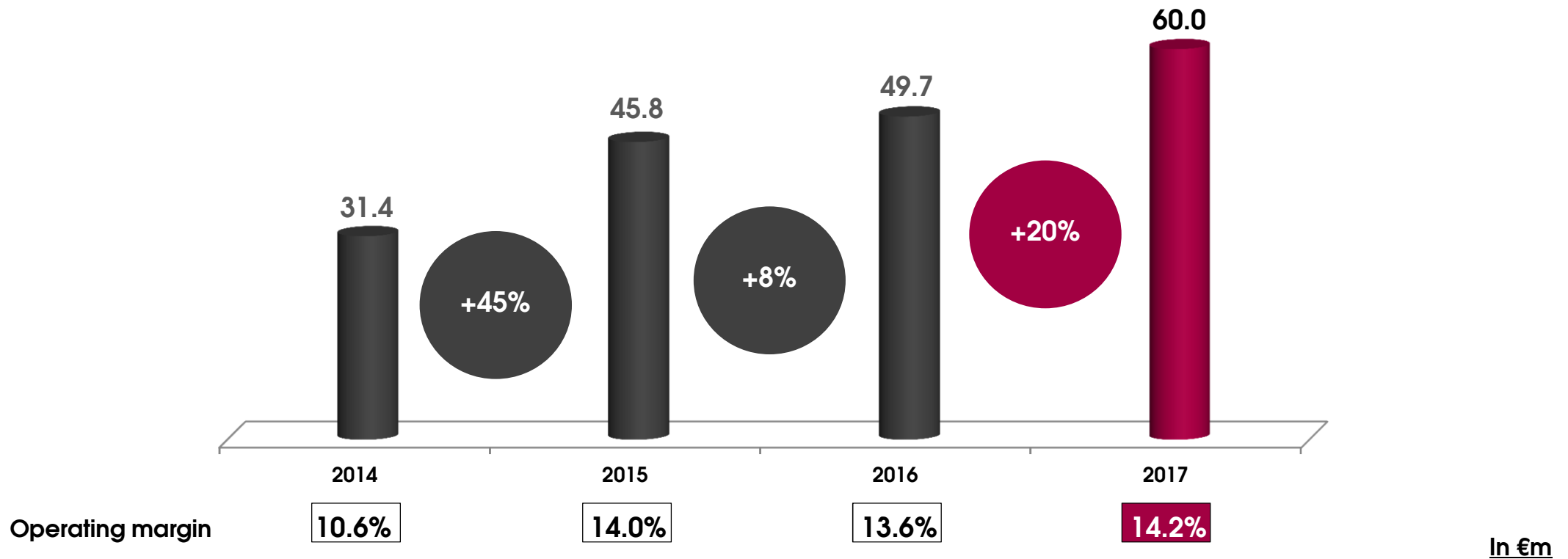
Agenda



- ✓ 2018 first quarter sales
 - April 27, 2018 (before the opening of Euronext Paris)
- ✓ 2018 AGM
 - 27 April, 2018 (2:00 p.m. CET – Pavillon d'Armenonville, Bois de Boulogne, Paris 16th)
- ✓ 2018 second-quarter sales
 - July 25, 2018 (before the opening of Euronext Paris)
- ✓ 2018 first-half results
 - September 11, 2018 (before the opening of Euronext Paris)

2017 results

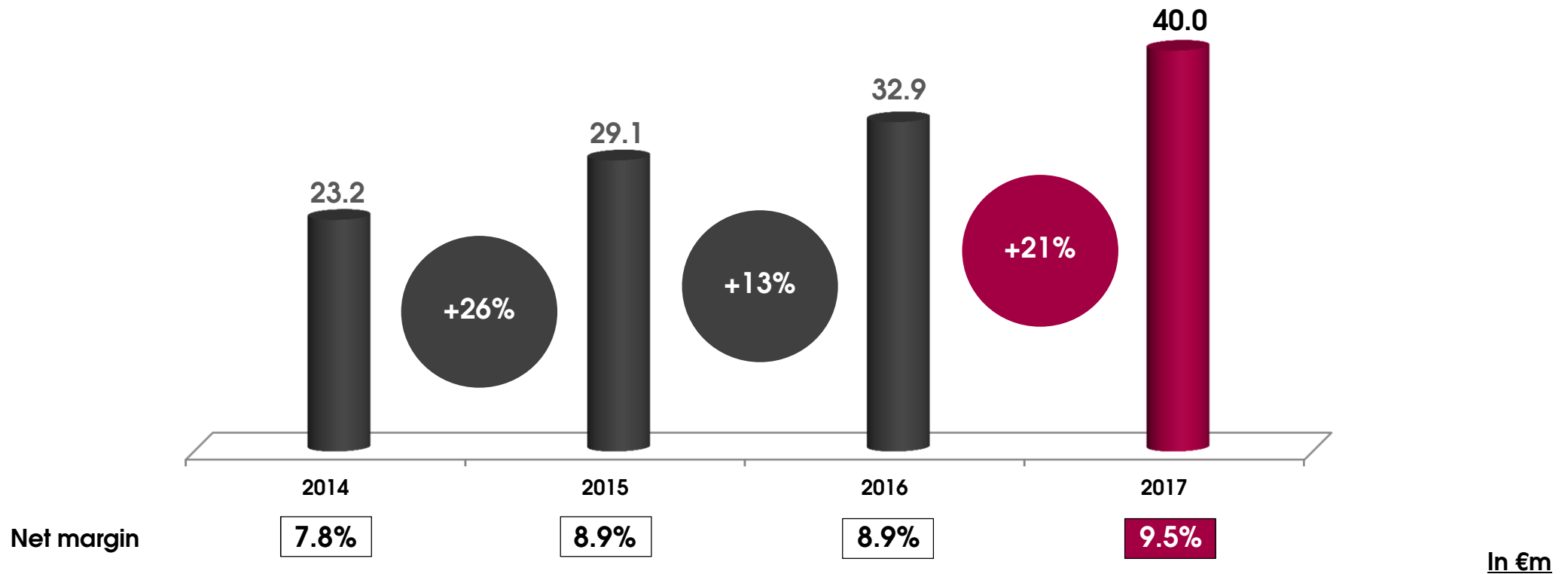
Operating profit up 90% over three years



In €m

2017 results

Net income up 70% over three years





Presentation of
annual results

2018 sales
by brand

Philippe Benacin

interparfums

Montblanc 2018



- ✓ Sales(e): €114m (+2%)
 - 27% of total Group revenue
- ✓ A year without major initiatives
- ✓ Continuing rollout of the men's line *Montblanc Legend Night*, particularly in the United States
- ✓ Preparations for the launch of the 3rd men's franchise in 2019



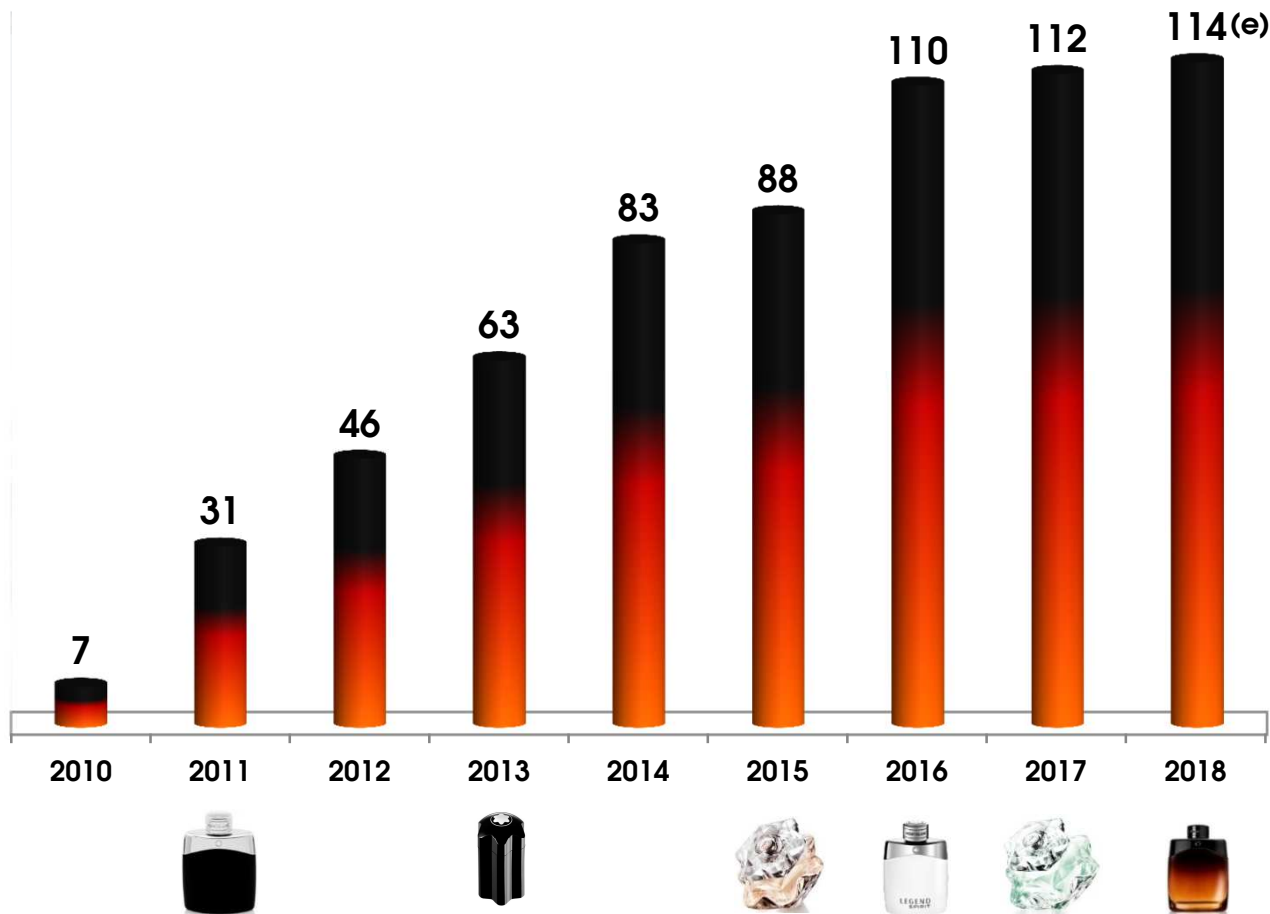
Montblanc Legend Night



Montblanc



Sales growth (€m)



Jimmy Choo 2018

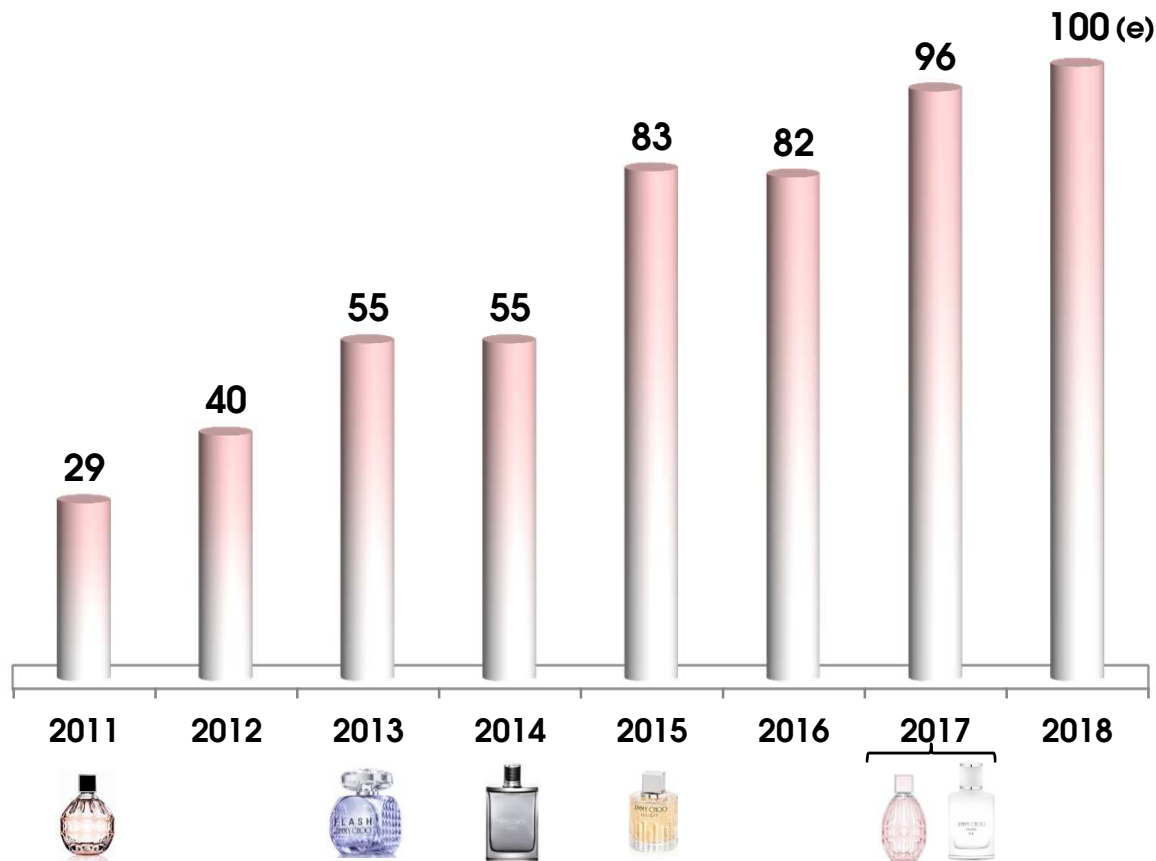


- ✓ Sales(e): €100m (+4%)
 - A period of business consolidation after strong growth in 2017
 - 24% of total Group revenue
- ✓ No major initiatives in the period - Complementary lines
 - *Jimmy Choo Blossom* (Limited edition)
 - *Jimmy Choo Man Blue*
 - *Jimmy Choo Fever*
- ✓ Preparations for the launch of the 4th women's franchise for 2020



Jimmy Choo

Sales growth (€m)



JIMMY CHOO



Lanvin (2018)



- ✓ Sales(e): €60m (+4%)
 - Continuing consolidation of the business
 - 14% of total Group revenue
- ✓ No major initiative - Complementary initiatives
 - *Modern Princess Eau Sensuelle*
 - *Eclat de nuit*
- ✓ Preparations for the launch of a new women's franchise for 2019

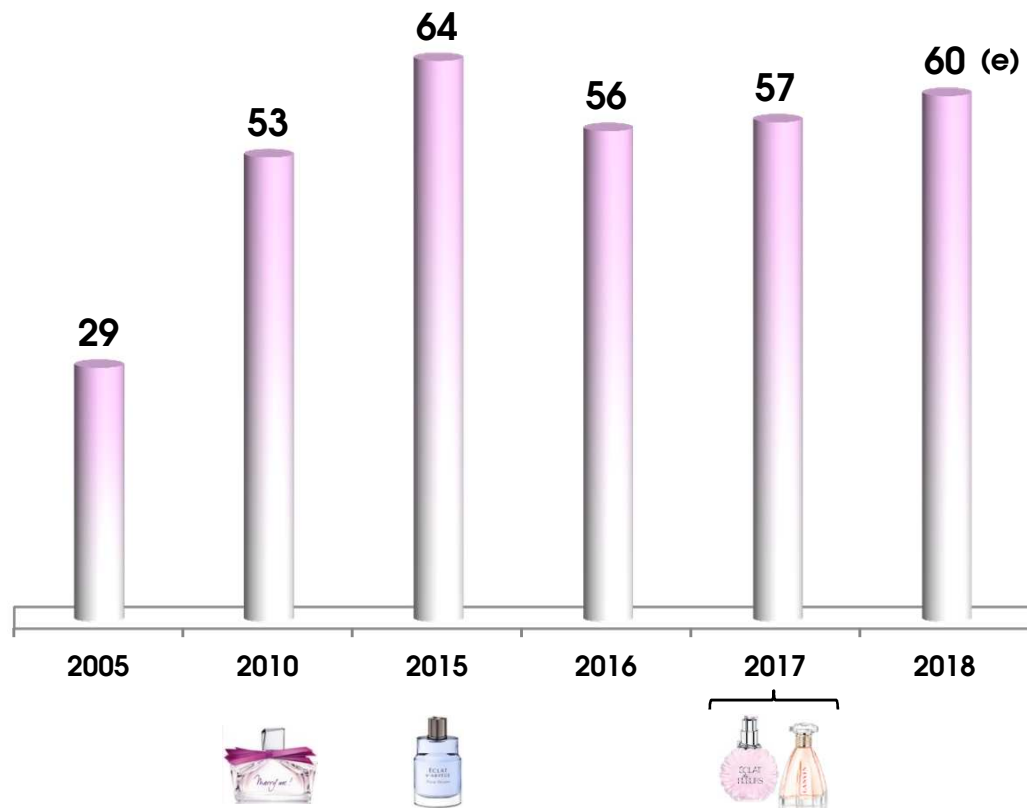


Lanvin - Modern Princess Eau Sensuelle



Lanvin

Sales growth (€m)



LANVIN
PARFUMS



Coach 2018



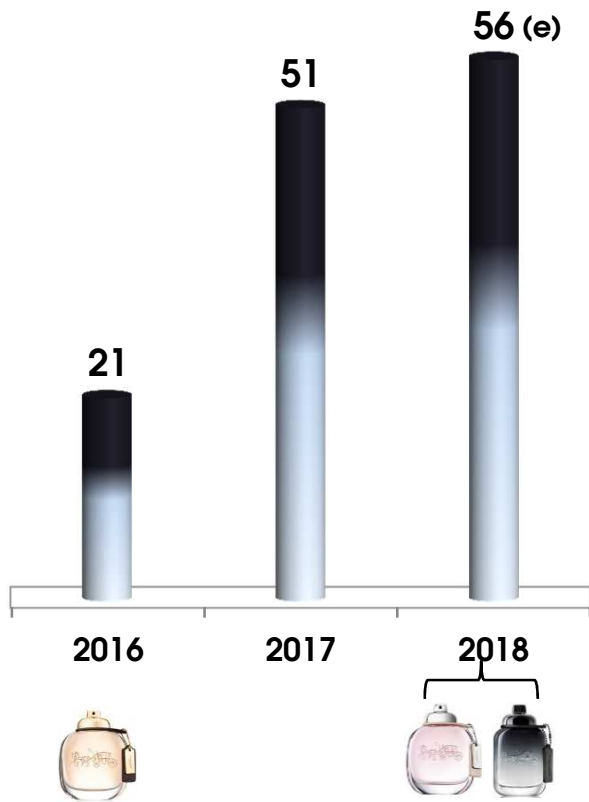
- ✓ Sales(e): €56m (+10%)
 - 13% of total Group revenue
- ✓ Continuing rollout of the women's and men's *Coach* lines launched in fall 2016 and 2017.
- ✓ Launch of 2 flanker fragrances
 - *Coach Floral* (women's – 2018 1st half)
 - *Coach Platinum* (men's – 2018 2st half)



Coach



Sales growth (€m)



Rochas fragrances 2018



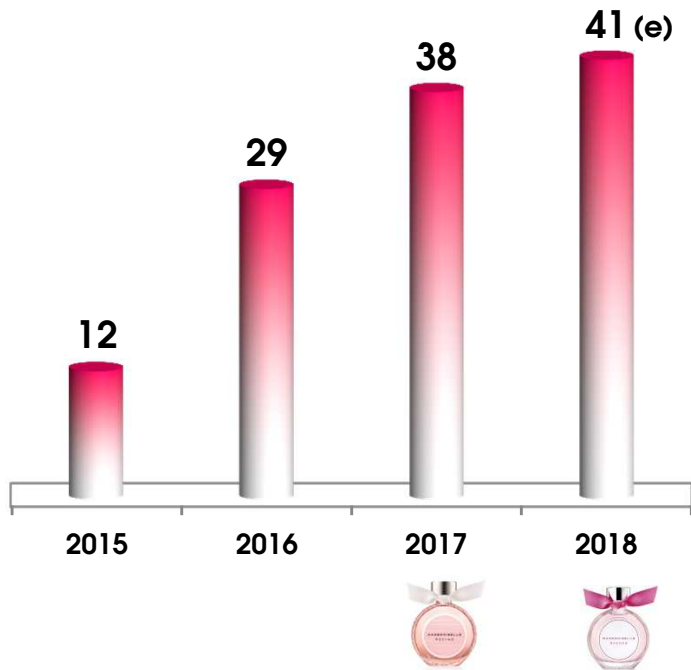
- ✓ Sales(e): €41m (+7%)
 - Continuing development
 - 10% of total Group revenue
- ✓ L'Eau de parfum *Mademoiselle Rochas* on a full-year basis
- ✓ Launch of the Eau de toilette
- ✓ A complementary initiative for men's fragrances
- ✓ Broadening distribution towards Asia and South America



Rochas fragrances

ROCHAS
PARIS

Sales growth (€m)



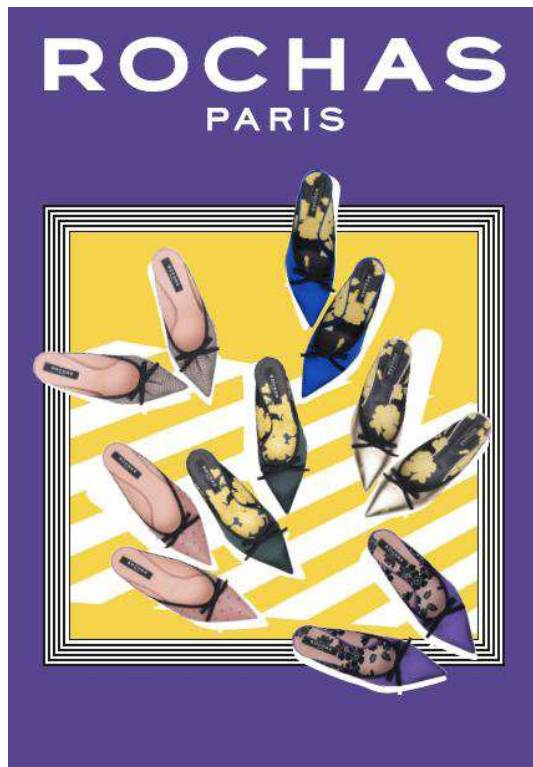
Rochas Fashion & Accessories 2018

- ✓ Royalties(e): €2.5m (stable)
- ✓ Menswear license



Rochas Fashion & Accessories 2018

Campaign



ROCHAS
PARIS
POP-UP
STORE
392 RUE
SAINT-
HONORE



Rochas Fashion & Accessories 2018



Rochas Paris
Pop Up Store
392 rue
Saint-Honoré

Rochas Fashion & Accessories 2018



Rochas Paris
Pop Up Store

392 rue
Saint-Honoré



Boucheron 2018



- ✓ Sales(e): €18m (-2%)
- ✓ Consolidation of the business around a new juice focusing on *La Collection*



Boucheron - *La Collection*



Van Cleef & Arpels 2018



- ✓ Sales(e): €11m (-36%)
- ✓ Efforts focused on the *First* and *Collection Extraordinaire* lines
- ✓ An intentionally more selective distribution



Van Cleef & Arpels – *Néroli Amara*



Karl Lagerfeld 2018



- ✓ Sales(e): €10m (+13%)
- ✓ Launch of the second duo of the *Les Parfums Matières* collection



Other 2018 launches



- ✓ Repetto
 - A new women's line *Dance with Repetto*

Repetto – *Dance with Repetto*



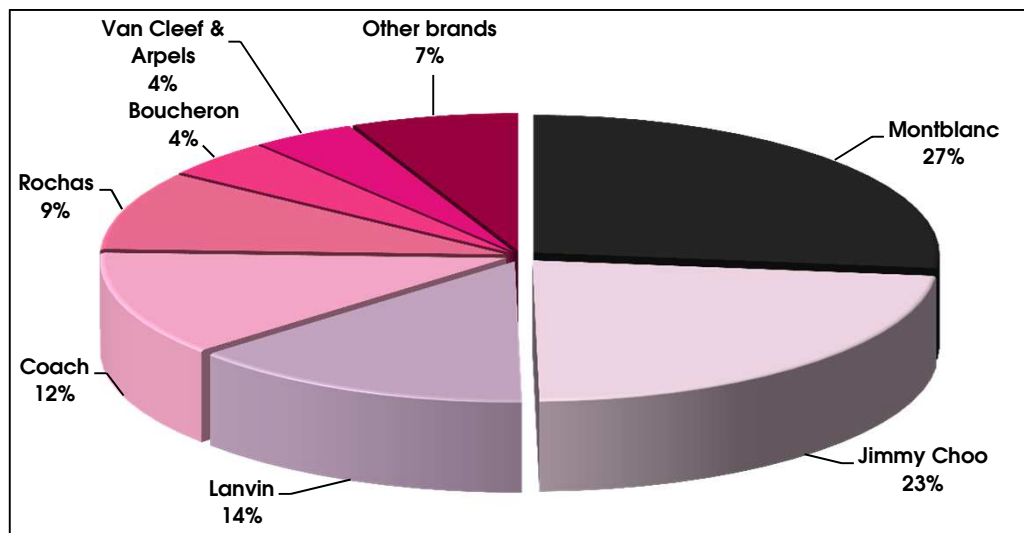
2018 sales by brand



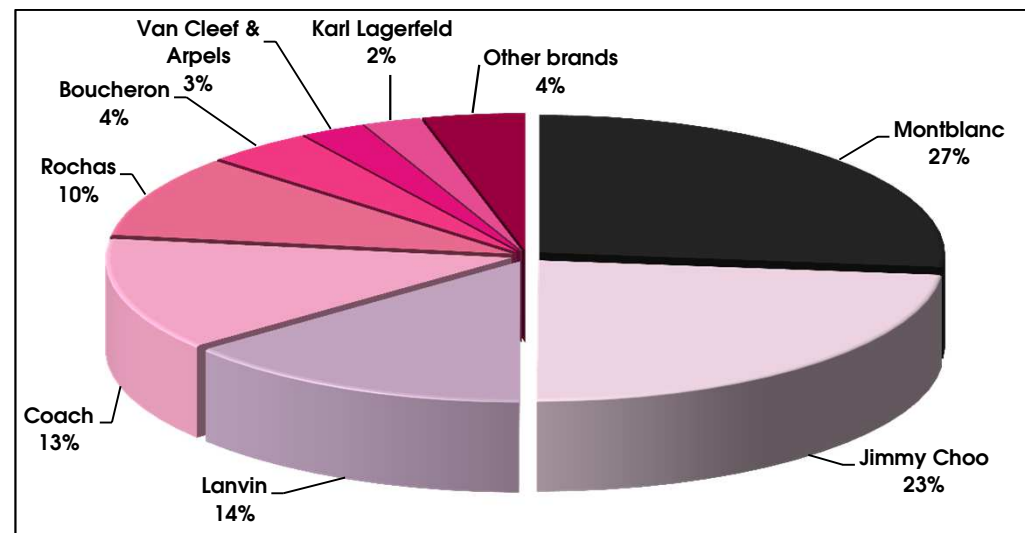
(€m)	2017	2018(e)	2018/2017
Montblanc	112.2	114.0	+2%
Jimmy Choo	96.1	100.0	+4%
Lanvin	57.6	60.0	+4%
Coach	50.9	56.0	+10%
Rochas	38.5	41.0	+7%
Boucheron	18.4	18.0	-2%
Van Cleef & Arpels	17.2	11.0	-36%
Karl Lagerfeld	8.8	10.0	+13%
Other brands	19.8	17.5	-12%
Fragrance sales	419.5	427.5	+2%
Rochas fashion royalties	2.5	2.5	-
Total net sales	422.0	430.0	+2%

Sales by brand

2017



2018(e)





Presentation of
annual results

2019/2020
outlook

Philippe Benacin

interparfums

2019/2020 outlook



- ✓ Several strategic initiatives for the portfolio's main brands, and in particular
 - Montblanc (men's fragrance line, 2019)
 - Jimmy Choo (women's fragrance line + make-up, 2020)
 - Lanvin (women's fragrance line, 2019)
 - Coach (women's fragrance line, 2019)
 - Rochas (women's fragrance line, 2019)

2019/2020 outlook



- ✓ Several strategic initiatives for the portfolio's main brands, and in particular
 - Montblanc (men's fragrance, 2019)
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 - Coach (women's fragrance line, 2019)
 - Rochas (women's fragrance line, 2019)

- ✓ ... leading to an acceleration in growth

Interparfums

Annual results

Paris, March 14, 2018

