

interparfums

Presentation of 2016 annual results
March 14, 2017

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Noémie Schmidt



LE NOUVEAU PARFUM

MADemoisELLE
ROCHAS

Operating highlights 2016

interparfums

2016 operating highlights

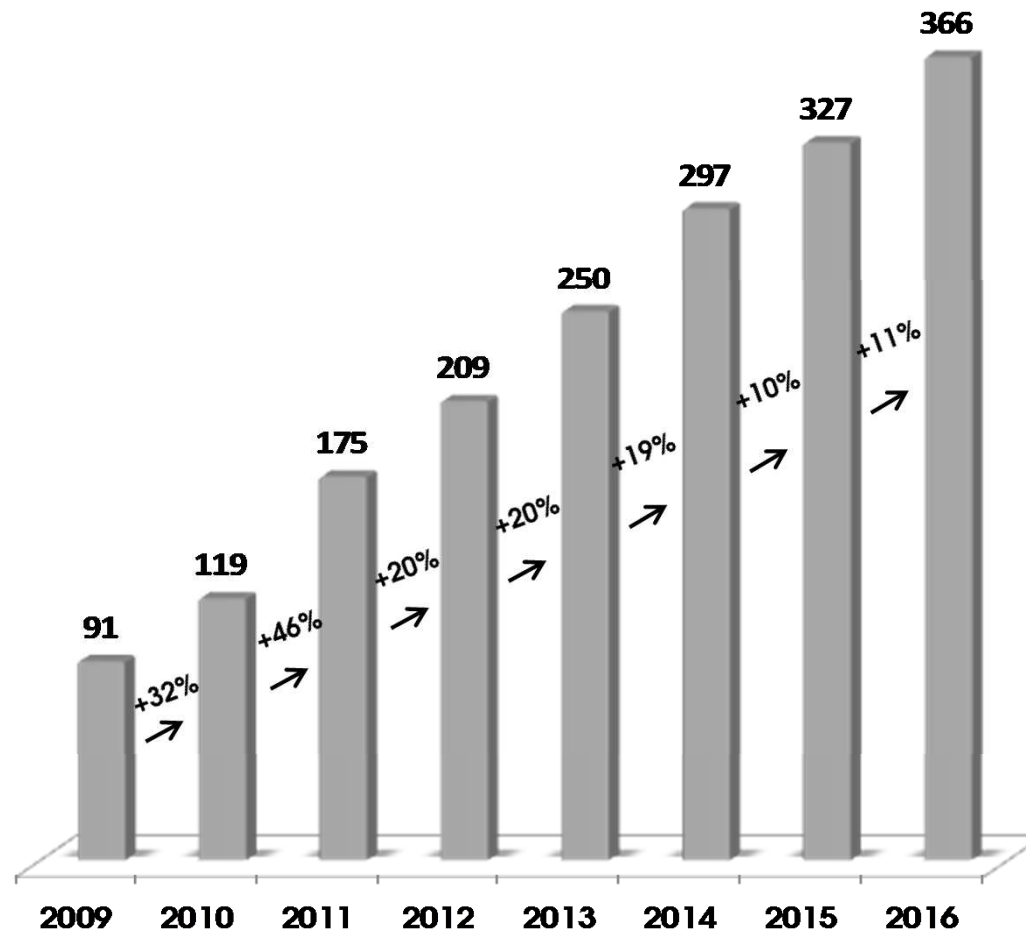
- ✓ Sales: €366 million
 - +11.7% at current exchange rates
 - +12.5% at constant exchange rates
- ✓ Solid double digit growth against a continuing backdrop of uncertain global economic and geopolitical conditions
- ✓ Very good performances by Montblanc and Jimmy Choo
- ✓ Successful integration of Rochas fragrances
 - €29 million in sales for the first full year of operations
- ✓ A very promising launch of the first Coach fragrance line
 - Notably in the US
 - Total sales of nearly €21 million for 6 months

2016 operating highlights

- ✓ Strong growth in the United States (+28%)
- ✓ Good performances in France (+13%), Western Europe (+13%) and Asia (+11%)
- ✓ Early termination of the Balmain license agreement
- ✓ Impairment of the Karl Lagerfeld upfront license fee

Continuing growth

Sales have grown by a multiple of 4 in 7 years

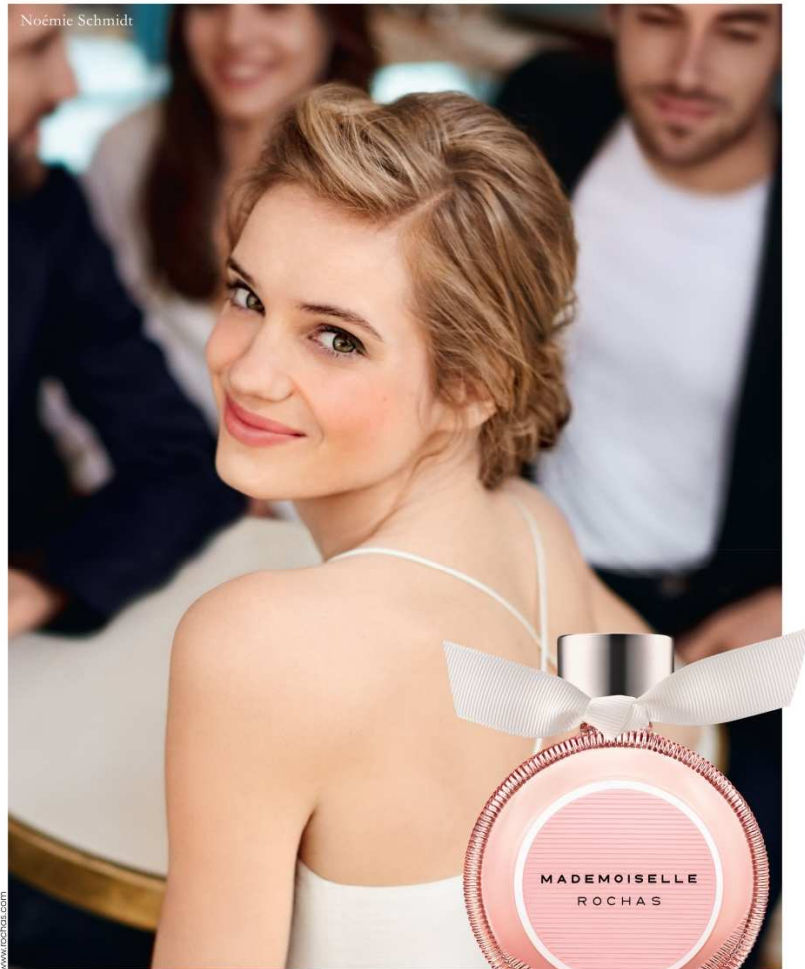


(Excl. Burberry until 2013 - €m)

2016 results

(€m)	2014	2015	2016
Net sales	297.0	327.4	365.6
Gross margin	173.6	208.1	236.5
<i>% of sales</i>	58.4%	63.5%	64.8%
Operating profit	31.4	45.8	49.6
<i>% of sales</i>	10.6%	14.0%	13.6%
Net income	23.2	29.1	32.4
<i>% of sales</i>	7.8%	8.9%	8.9%

(€m - at December 31)	2014	2015	2016
Shareholders' equity	367.7	387.0	403.5
Cash and financial assets	224.6	226.0	230.6
Borrowings and financial liabilities	-	90.5	70.7



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MADEMOISELLE
ROCHAS

2016 sales
by brand

interparfums

Montblanc 2016

- ✓ Sales: €110m (+25%)
 - 5th consecutive year of growth
 - 30% of total Group revenue
- ✓ Successful launch of the *Montblanc Legend Spirit* line
 - More than €20 million ex-factory
- ✓ Solid performance by the *Montblanc Legend* line
 - +3%
- ✓ The *Montblanc Lady Emblem* line is gradually gaining ground in the Middle East and South America
 - €5.4 million ex-factory in 2015 - €8.5 million ex-factory in 2016



Montblanc Legend Spirit



Jimmy Choo 2016

- ✓ Sales: €81.7m (-2%)
 - Largely stable after a 41% increase in 2015
 - 23% of total Group revenue
- ✓ An unfavorable comparison base reflecting launches of the prior year
 - *Jimmy Choo Blossom* at start of 2015
 - *Jimmy Choo illicit* at end of the 2015
- ✓ Sales spread across the *Jimmy Choo Signature*, *Jimmy Choo Man* and *Jimmy Choo Illicit* lines



Jimmy Choo - *Illicit Flower*



Lanvin 2016

- ✓ Sales: €56m (-13%)
 - A difficult year
 - 15% of total Group revenue
- ✓ An economic slowdown in the brand's two flagship markets (Russia and China)
- ✓ Stronger sales in H2
- ✓ Launch of the *Modern Princess* line in France, Russia and Japan



Lanvin – *Modern Princess*



Rochas fragrances 2016

- ✓ Sales: €29.2m
- ✓ A first full year of operation
- ✓ A business centered around 2 lines
 - *Eau de Rochas* (70% of sales)
 - *Rochas Man* (18% of sales)
- ✓ And in 2 countries
 - Spain (50% of sales)
 - France (25% of sales)



Rochas license 2016

✓ 5 main licenses

- Womenswear (contract extended for two years)
- Fashion / Japan
- Menswear / South America
- Eyewear
- Watches

✓ €20m in new sales revenues = Royalties of €2.1m

✓ A marginally positive P&L



Rochas – Paris showroom



Rochas 2016 in-house business

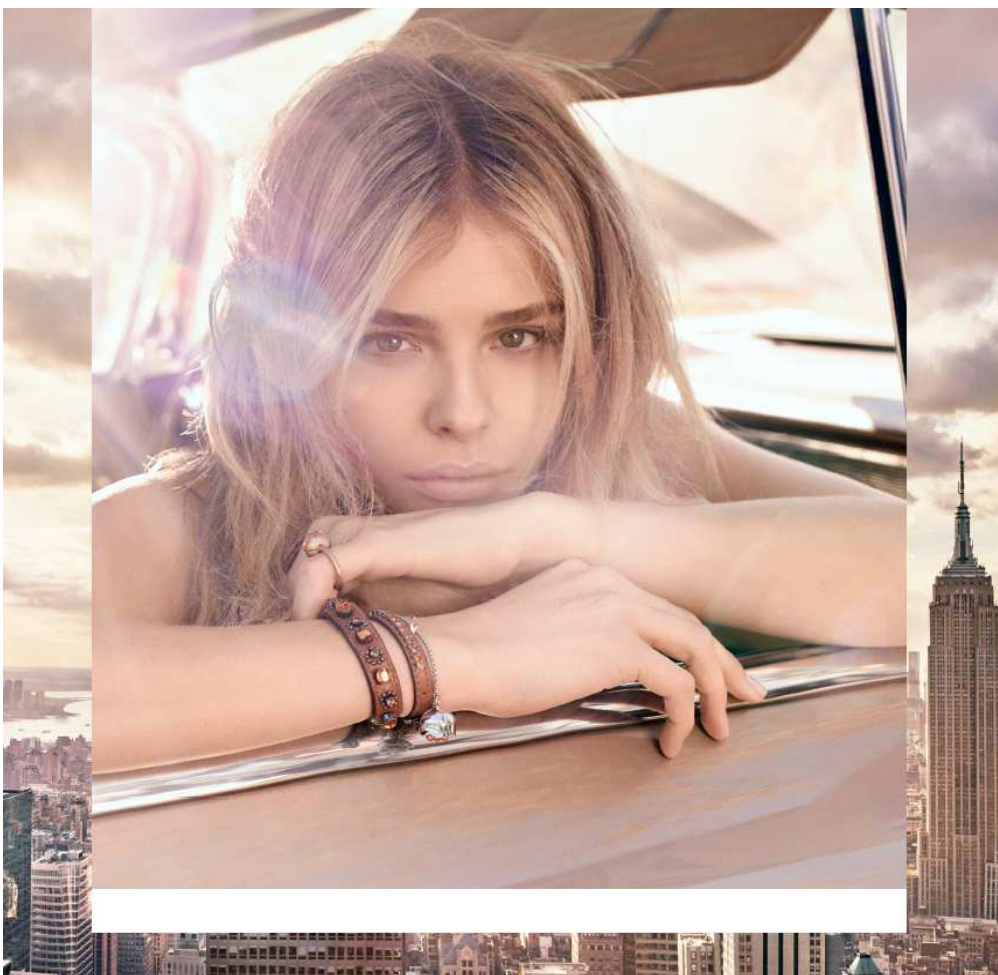
- ✓ Decision to open a "Menswear" segment
- ✓ Formation of a team of around 10 people
- ✓ An operating cost of €1.2m

Coach 2016

- ✓ Sales: €20.9m (6 months)
- ✓ Launch of the first women's line, *Coach*
- ✓ Stronger-than-expected sales
- ✓ Very promising initial results in several countries



Coach



CHLOË Grace MORETZ Introducing
The NEW FRAGRANCE for HER


COACH
NEW YORK



Results September-December

✓ Russia / L'Etoile

- September: #4
- October: #25
- November: #9

✓ Italy

- Top 10 at Limoni

✓ Singapore - Sephora Ion

- Record sales for this point-of-sale
- #1 in September, October & November

✓ Thailand

- Top 5 in 4 Sephora stores in November

Results September-December

- ✓ France (Excl. Nocibé with 450 doors out of a total of 570)
 - 3,095 units sold in the 1st week
 - 1st reference in volume
 - €150,000 in 1st week
 - 2nd reference in sales revenue
 - 2.5% market share in sales revenue

Van Cleef & Arpels 2016

- ✓ Sales: €19.1m (+9%)
- ✓ Launch of the women's line, *So First* and the men's line *In New York*
- ✓ Strong continuing growth of the *Collection Extraordinaire* line
 - €5.8 million ex-factory (+70%)



Boucheron 2016

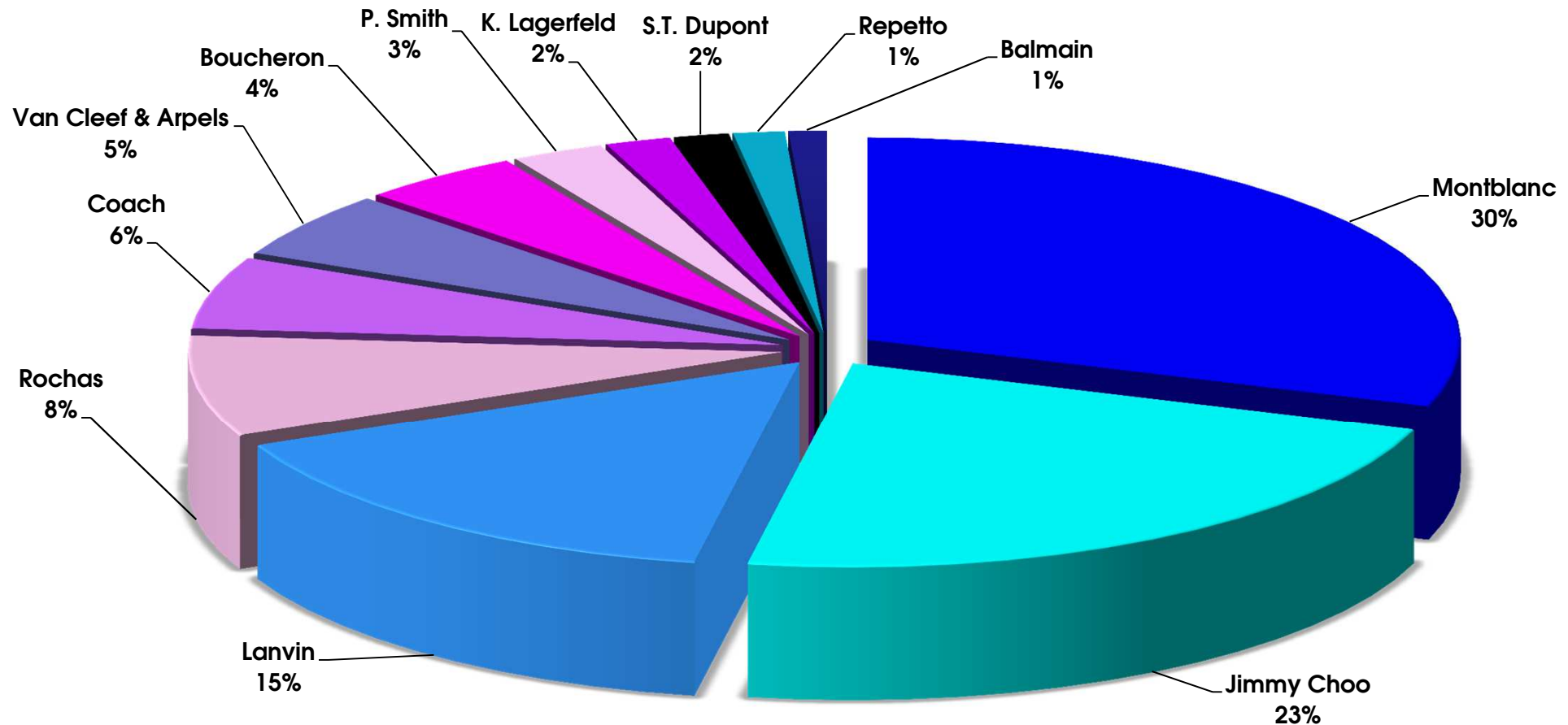
- ✓ Sales: €16m (-10%)
- ✓ A base effect from the launch of the *Quatre* line in 2015
- ✓ Steady performance from the *Quatre* line in 2016, particularly in France
- ✓ Stable sales for the brand's historic lines



2016 sales

(€m)	2015	2016	2016/2015
Montblanc	88.0	110.0	+25%
Jimmy Choo	83.3	81.7	-2%
Lanvin	64.1	56.0	-13%
Rochas (7 months in 2015)	12.1	29.2	ns
Coach (6 months in 2016)	-	20.9	na
Van Cleef & Arpels	17.5	19.1	+9%
Boucheron	17.8	16.0	-10%
Paul Smith	9.5	9.2	-3%
Karl Lagerfeld	10.3	6.5	-37%
S.T. Dupont	10.4	5.4	-48%
Repetto	8.0	5.0	-37%
Balmain	4.8	3.8	-21%
Other	0.6	0.7	ns
Fragrance sales	326.4	363.5	+11.4%
Rochas fashion royalties (7 months in 2015)	1.0	2.1	ns
Total sales	327.4	365.6	+11.7%

2016 sales mix by brand



Noémie Schmidt



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ROCHAS

2016 sales
by region

interparfums

2016 sales by region

- ✓ Robust growth in North America: +28%
 - 27% of sales (the largest market)
 - Successes from the *Montblanc Legend* and *Montblanc Legend Spirit* lines
 - Good performance for Jimmy Choo fragrances, especially for the *Jimmy Choo Man* line
 - *Coach* fragrances get off to an excellent start
- ✓ Western Europe: +13%
 - 23% of sales
 - Solid position of Rochas in Spain
- ✓ Asia: +11%
 - 15% of sales
 - Stronger sales in H2

2016 sales by region

- ✓ Good performance in France: +13%
 - Against the backdrop of a decline in the French fragrance and cosmetics market
 - Solid position of Rochas

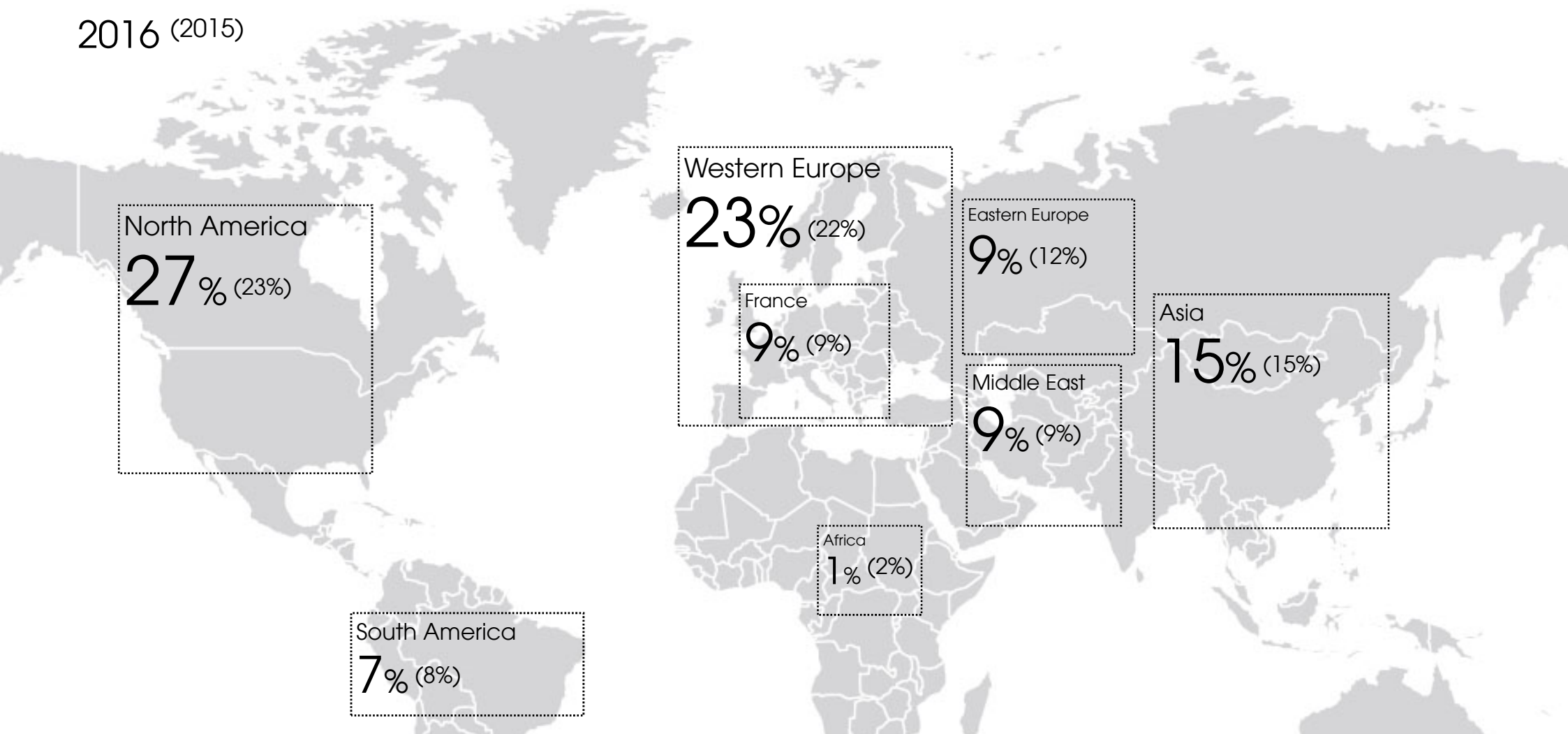
- ✓ Decline in Eastern Europe: -13%
 - After +5% in 2015 and +20% in 2014
 - A challenging year for Lanvin

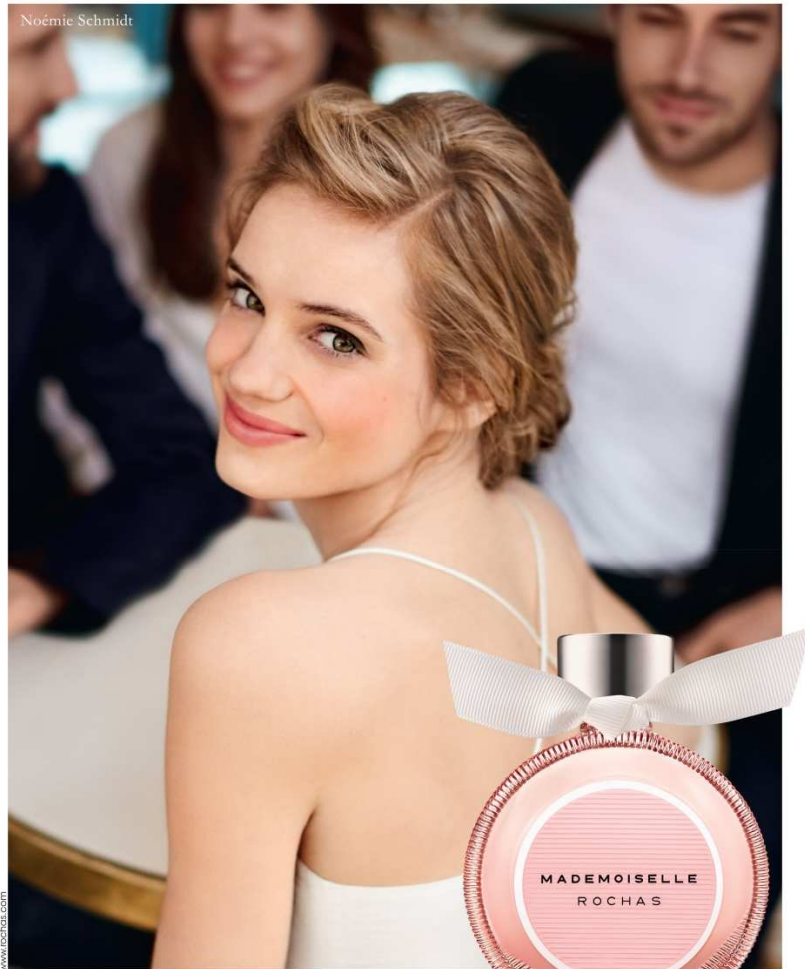
2016 sales by region

(€m)	2015	2016	2016/2015
Africa	5.0	4.6	-9%
North America	75.8	98.1	+29%
South America	24.1	24.5	+2%
Asia	48.2	53.3	+11%
Eastern Europe	38.9	33.7	-13%
Western Europe	73.9	83.8	+13%
France	29.5	33.2	+13%
Middle East	31.0	32.3	+5%
Fragrance sales	326.4	363.5	+11.4%
Rochas fashion royalties (7 months in 2015)	1.0	2.1	ns
Total sales	327.4	365.6	+11.7%

2016 sales by region

2016 (2015)





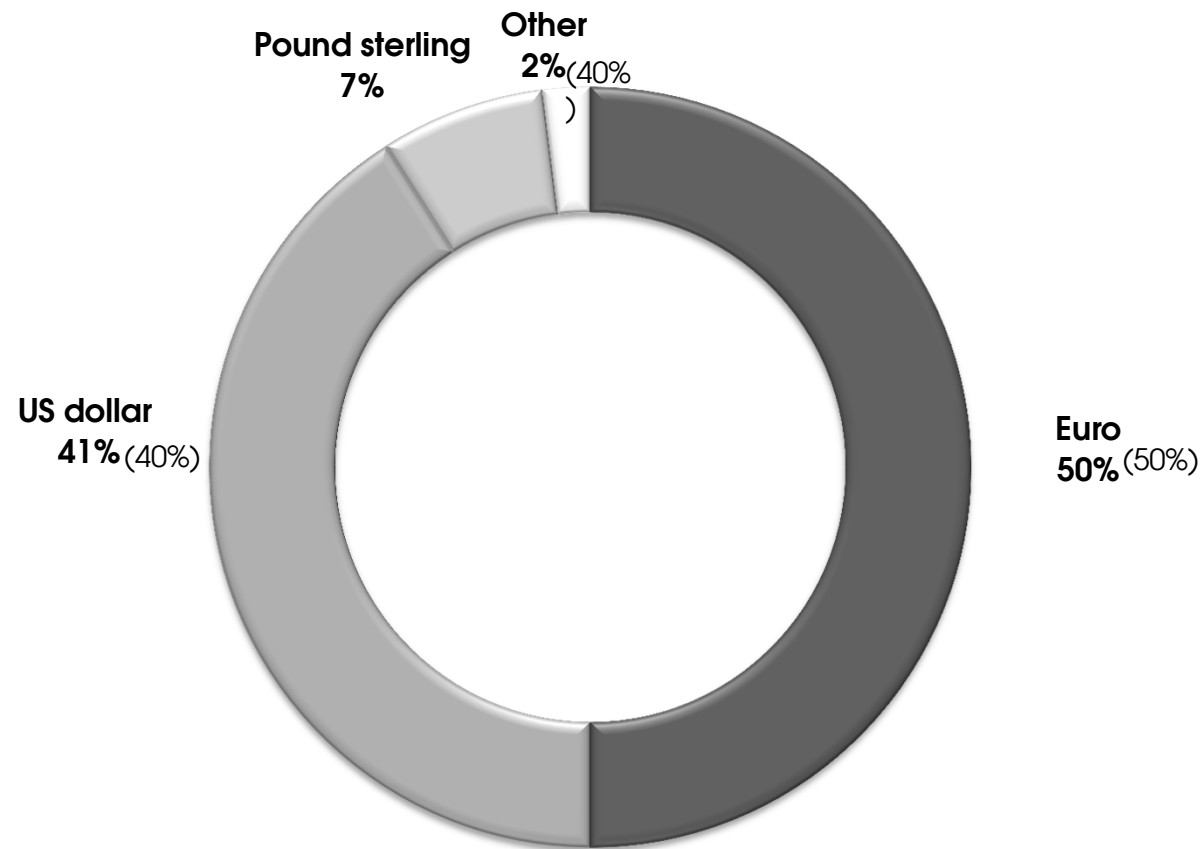
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ROCHAS

2016 results

interparfums

Currency effect

Sales by currency (2016/2015)



Currency effect

Impact on 2016 sales

Currency	Av. exch. rates 2015	Av. exch. rates 2016	Currency effect on sales
▪ € / \$	1.1102	1.1090	+€0.2m
▪ € / £	0.7230	0.8210	-€3.3m
▪ € / ¥	134.90	122.30	+€0.5m

- ✓ Total negative currency effect of €2.6m
- ✓ Sales of €368.3m up 12.5% at constant exchange rates in relation to 2015

2016 income statement highlights

1st part

(€m)	2015	2016	16/15
Net sales	327.4	365.6	+12%
Cost of sales	(119.3)	(128.7)	+8%
Gross margin	208.1	236.9	+14%
<i>% of sales</i>	<i>63.5%</i>	<i>64.8%</i>	
Logistics & transport	(10.0)	(10.9)	+9%
Marketing & advertising	(67.4)	(80.3)	+19%
<i>% of sales</i>	<i>20.6%</i>	<i>22.0%</i>	
Royalties	(24.6)	(27.0)	+10%
<i>% of sales</i>	<i>7.5%</i>	<i>7.4%</i>	
Staff costs (excl. production)	(26.1)	(32.3)	+24%
Service fees /subsidiaries	(11.1)	(8.9)	-20%
Depr., amortiz. & provisions	(5.0)	(5.2)	+4%
Other	(18.1)	(21.7)	+20%
Current operating income	45.8	50.6	+10%
<i>% of sales</i>	<i>14.0%</i>	<i>13.8%</i>	

2016 results

- ✓ Gross margin: €237m (+14%) (gross margin as a % of sales +1 point)
 - A significant volume effect (Rochas sales on full-year basis)
 - A marginal increase in the gross margin as a % of sales (Rochas gross margin % and improvement in the cost prices for certain lines)
 - A marginal price effect (selected price increases in a few markets)
 - A trend limited by the negative £ currency effect

2016 results

- ✓ Current operating income: €50.6m (+10%)
 - A high comparison base resulting from a very positive currency effect in the prior year
 - Increased marketing and advertising spending to support the flagship lines and launches for a total of €80m (22% of sales in 2016 vs. 20.6% in 2015)
 - A strengthened organization, namely in terms of the commercial and administrative teams of our US subsidiary

2016 income statement highlights

2nd part

(€m)	2015	2016	16/15
Current operating income	45.8	50.6	+10%
<i>% of sales</i>	<i>14.0%</i>	<i>13.8%</i>	
Other operating expenses	-	(6.3)	ns
Other operating income	-	5.4	ns
Operating profit	45.8	49.7	+8%
<i>% of sales</i>	<i>14.0%</i>	<i>13.6%</i>	
Net financial income (expense)	0.1	0.8	ns
Net currency gains (losses)	(0.8)	(0.1)	ns
Income tax	(15.9)	(17.5)	+10%
<i>Effective tax rate</i>	<i>35.3%</i>	<i>34.7%</i>	
Net income	29.2	32.9	+13%
<i>% of sales</i>	<i>8.9%</i>	<i>8.9%</i>	
Attributable to non-controlling interests	(0.1)	(0.5)	+5%
Net income	29.1	32.4	+11%
<i>% of sales</i>	<i>8.9%</i>	<i>8.9%</i>	

2016 results

✓ Other operating income

- Balmain license exit payment €5.4m

✓ Other operating expenses

- Net carrying value of the Balmain upfront license fee €1.2m
- Impairment of the Karl Lagerfeld upfront license fee €5.1m

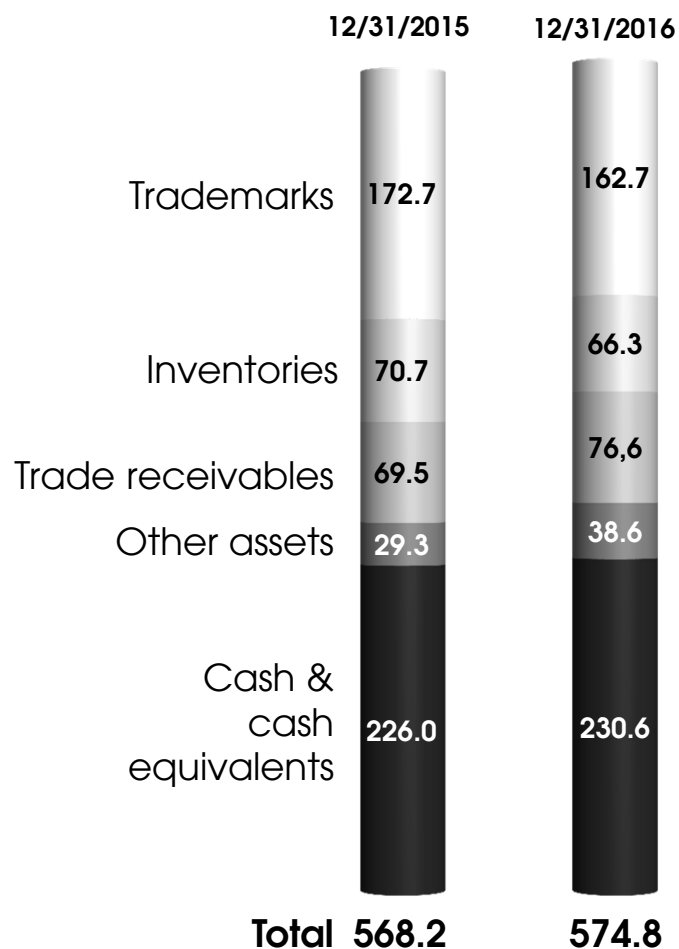
✓ Operating profit: €49.7m (+8%)

- Operating margin: 13.6%

2016 results

- ✓ Net income: €32.4m (+11%)
 - Net margin: 8.9%
 - Includes a provision for tax audit contingencies of €1.7m recognized at June 30, 2016
- ✓ Net income excluding the provision: €34.1m (+17%)
 - Net margin excluding the provision: 9.3%

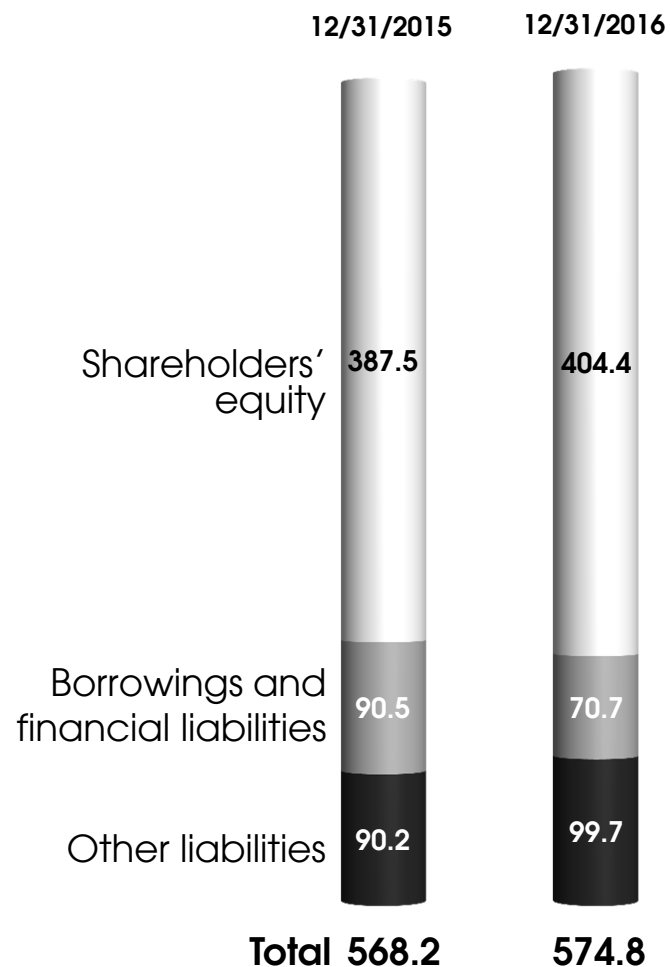
2016 balance sheet - Assets



- ✓ Stability for the brand's main assets
 - Rochas Fragrances (€87m)
 - Rochas Fashion (€19m)
 - Lanvin Fragrances (€36m)
- ✓ Lower inventories
 - 6 months of sales vs. 7 months in 2015
 - 39% components – 61% finished goods
- ✓ Accounts receivable steady in relation to sales
 - 75 DSO
- ✓ Stable cash balance
 - 2015 dividend (€16m)
 - Rochas loan repayment (€20m)

(€m)

2016 balance sheet - Liabilities



- ✓ Equity up by 4%
- ✓ €20 million reimbursement of the Rochas loan

(€m)

Cash

Cash flow statement

(€m)	2015	2016
Cash flow	43.0	42.6
Inventories	(10.2)	2.9
Trade receivables	12.4	(6.4)
Other receivables	(2.5)	(6.3)
Trade payables	8.9	7.8
Other payables	6.7	4.8
Change in working capital requirements	(9.5)	2.8
Total cash flows from operating activities	33.5	45.4

Cash

Cash flow statement

(€m)	2015	2016
Acquisition of intangible assets	(108.1)	(1.2)
Acquisition of property, plant and equipment	(2.5)	(3.1)
Acquisition of marketable securities (> 3 months)	80.3	(13.5)
Other	0.6	(0.3)
Total cash flows from investing activities	(29.7)	(18.1)
Issuance of borrowings	100.0	-
Debt repayments	(10.0)	(20.0)
Dividends	(12.8)	(16.1)
Other	0.9	0.1
Total cash flows from financing activities	78.1	(36.0)

Cash

Cash flow statement

(€m)	2015	2016
Net change in cash	81.8	(8.7)
Opening cash and cash equivalents	68.0	149.9
Closing cash and cash equivalents	149.8	141.2

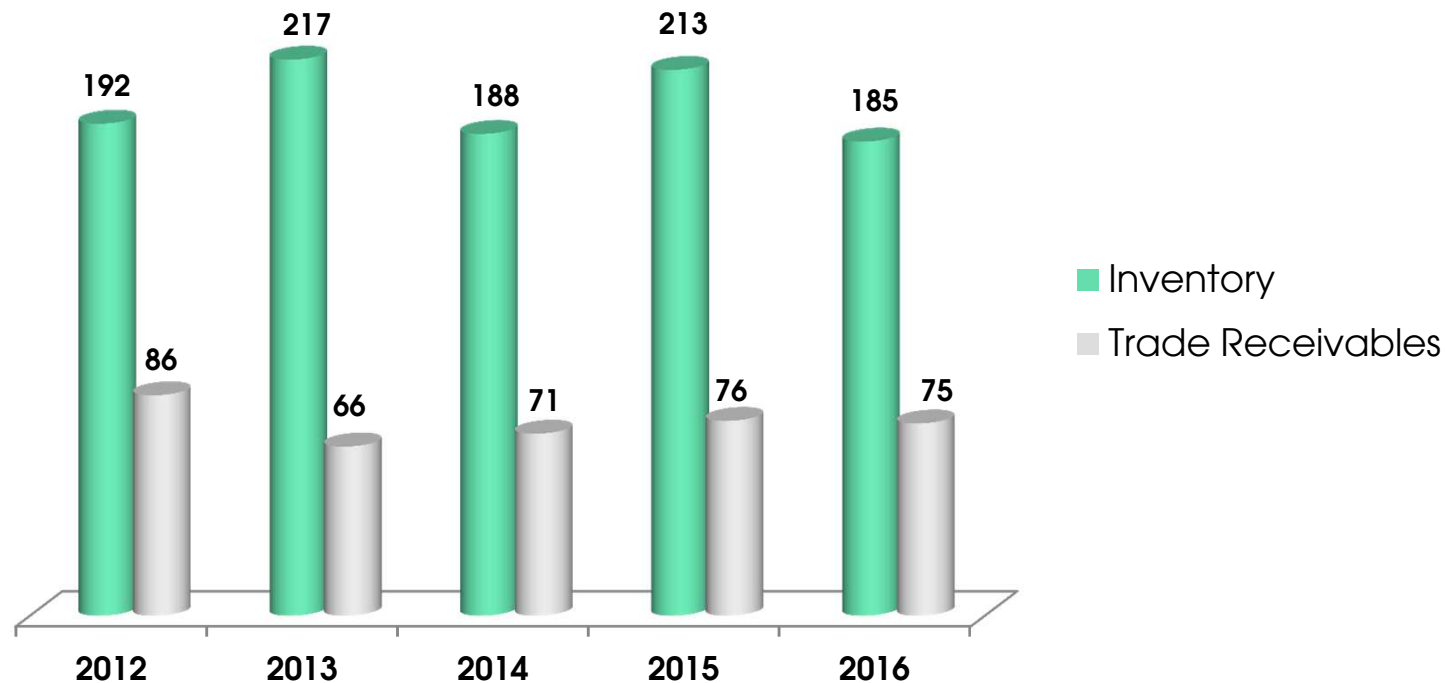
Cash and financial assets

(€m - at December 31)	2015	2016
Certificate of deposits > 3 months	1.0	4.0
Capital redemption contracts	36.9	37.5
Term deposit accounts	38.2	47.9
Current financial assets	76.1	89.4
Certificate of deposits < 3 months	1.9	5.3
Interest-bearing accounts	6.7	7.4
Term deposit accounts	65.2	70.5
Interest-bearing current accounts	43.1	12.0
UCITS	-	5.6
Bank balances	32.9	40.4
Cash and cash equivalents	149.8	141.2
Bank overdrafts & short-term loans	-	-
Total Cash and Financial Assets	225.9	230.6

Cash and financial assets

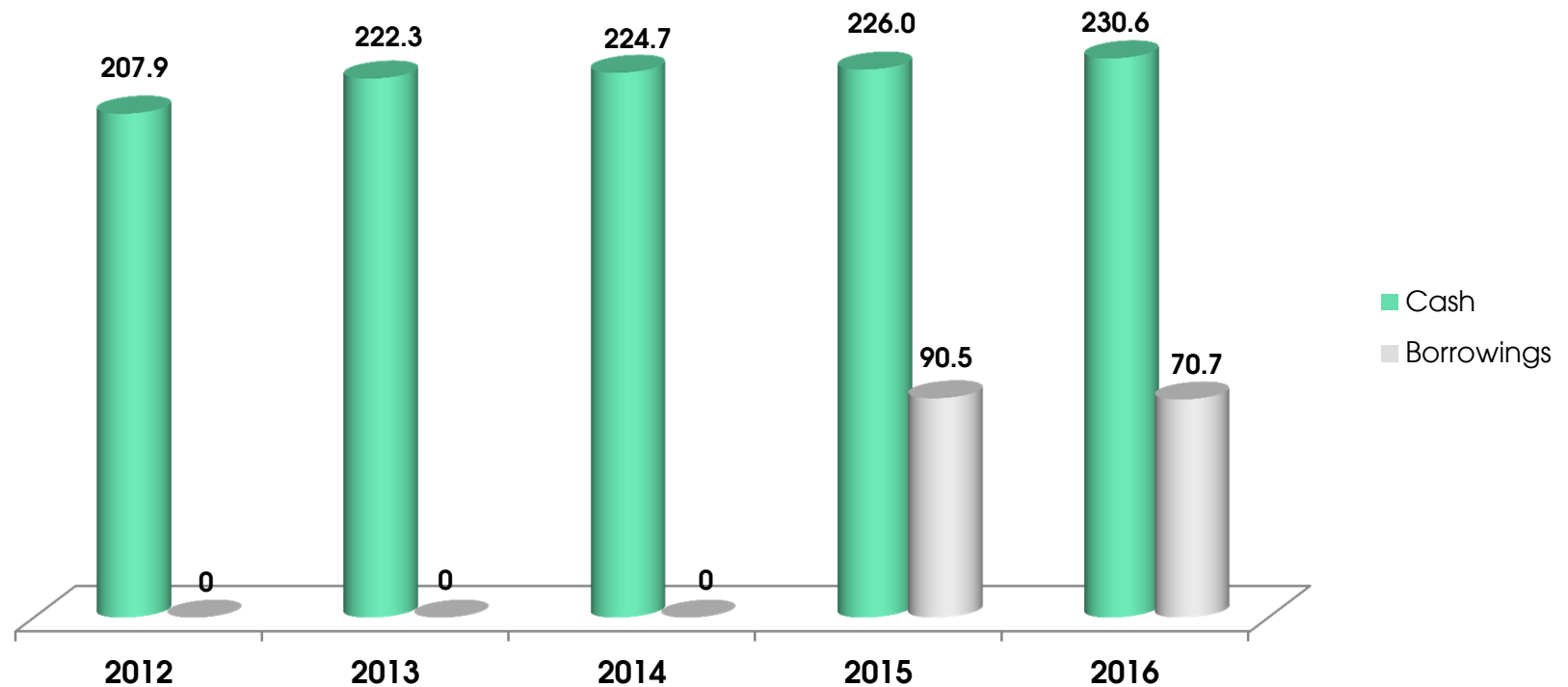
- ✓ Average interest rate: 0.94%
- ✓ Breakdown of investments by maturity
 - Cash 27%
 - 0-6 months 13%
 - 6-18 months 41%
 - +18 months 19%

Inventories & Trade Receivables over 5 years



DIO/ DSO

Cash & Borrowings over 5 years



DIO/ DSO

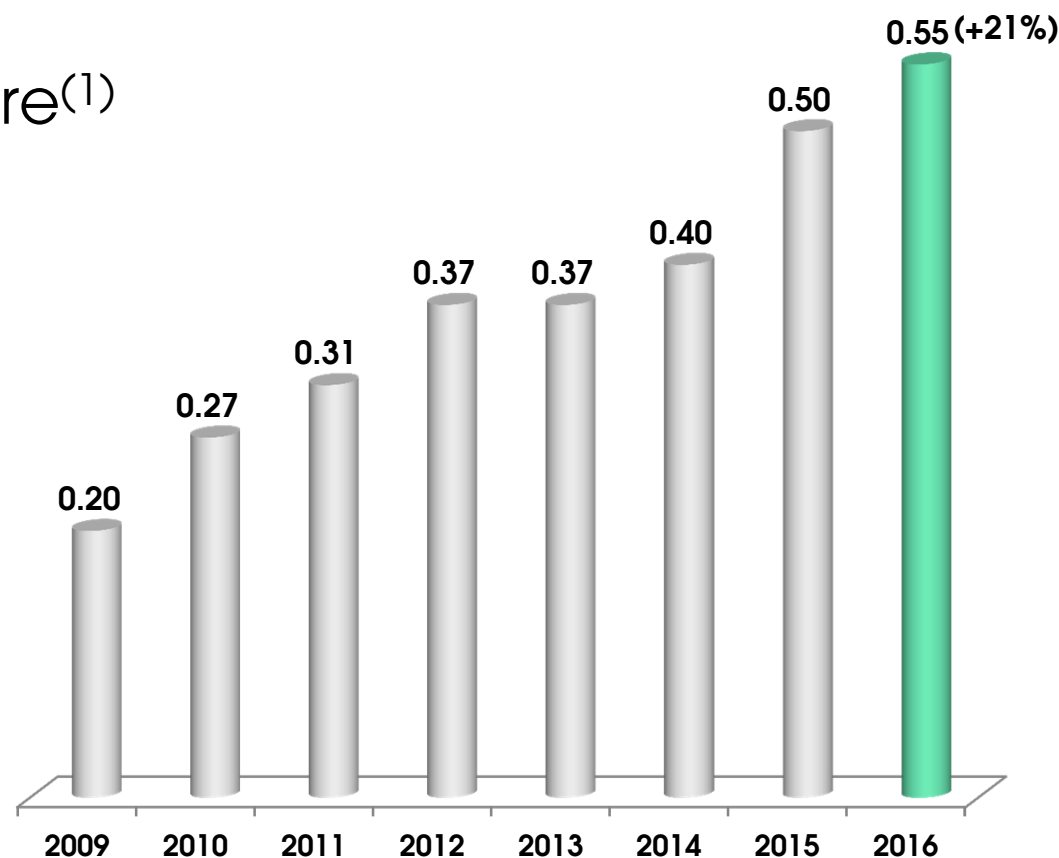
2016 financial highlights

- ✓ Growth in the gross margin
 - Mainly the Rochas effect
 - A limited currency effect
- ✓ Operating profit exceeding the latest guidance
 - Operating margin 13.6% vs. "above 13%"
- ✓ Marketing and advertising expenses at a high level
 - €60m in 2014 (20.0%)
 - €67m in 2015 (20.6%)
 - €80m in 2016 (22.0%)
- ✓ A balance sheet that is still very solid

2017 dividend

for FY 2016

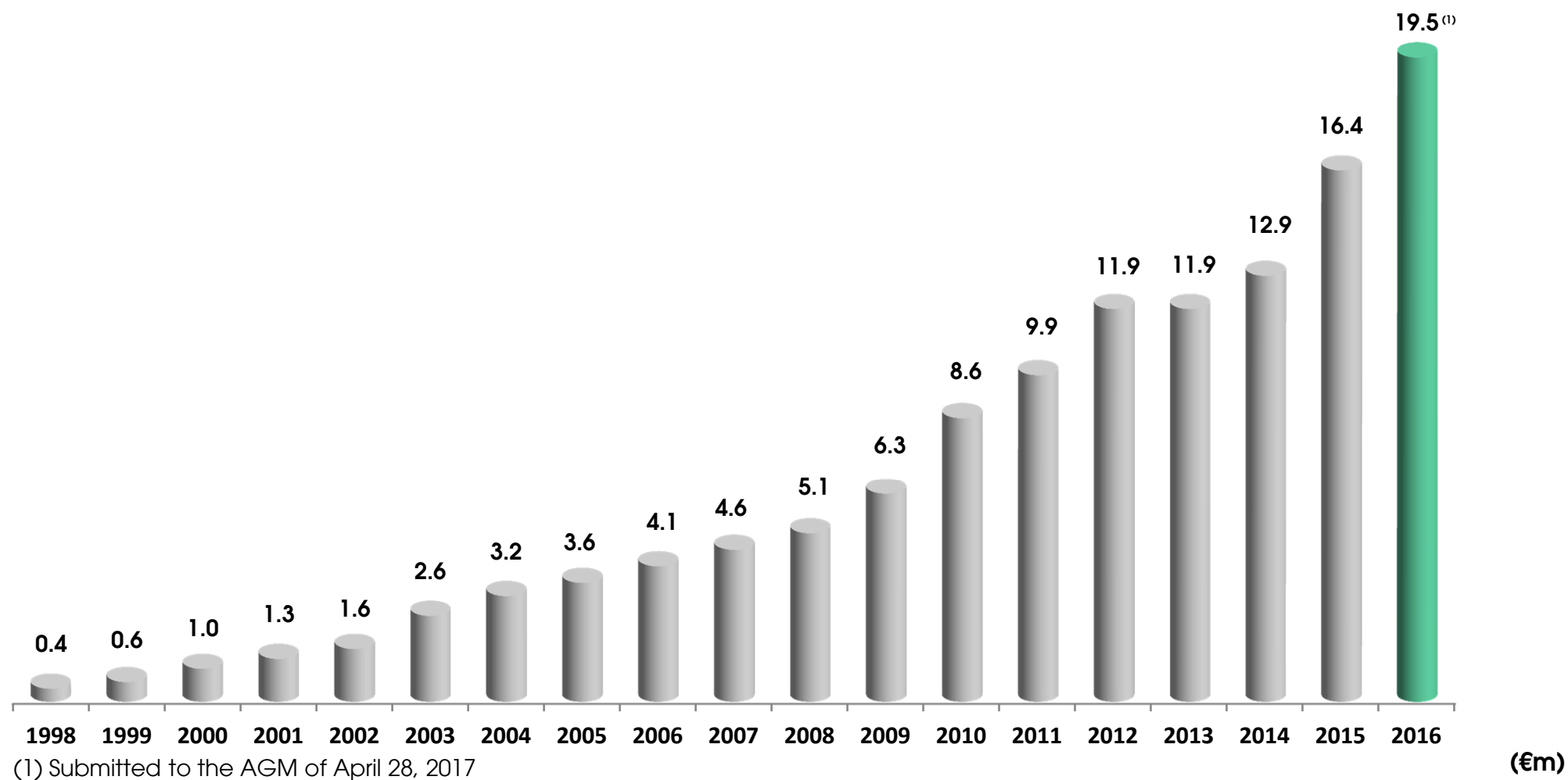
- ✓ Proposal for dividend per share⁽¹⁾
€0.55 (+21%)
- ✓ Payout ratio 60 %
55% in 2015
- ✓ Total dividend distribution⁽¹⁾
€19.5m
- ✓ Ex-rights date
May 05, 2017 (midnight)
- ✓ Payment date
May 9, 2017



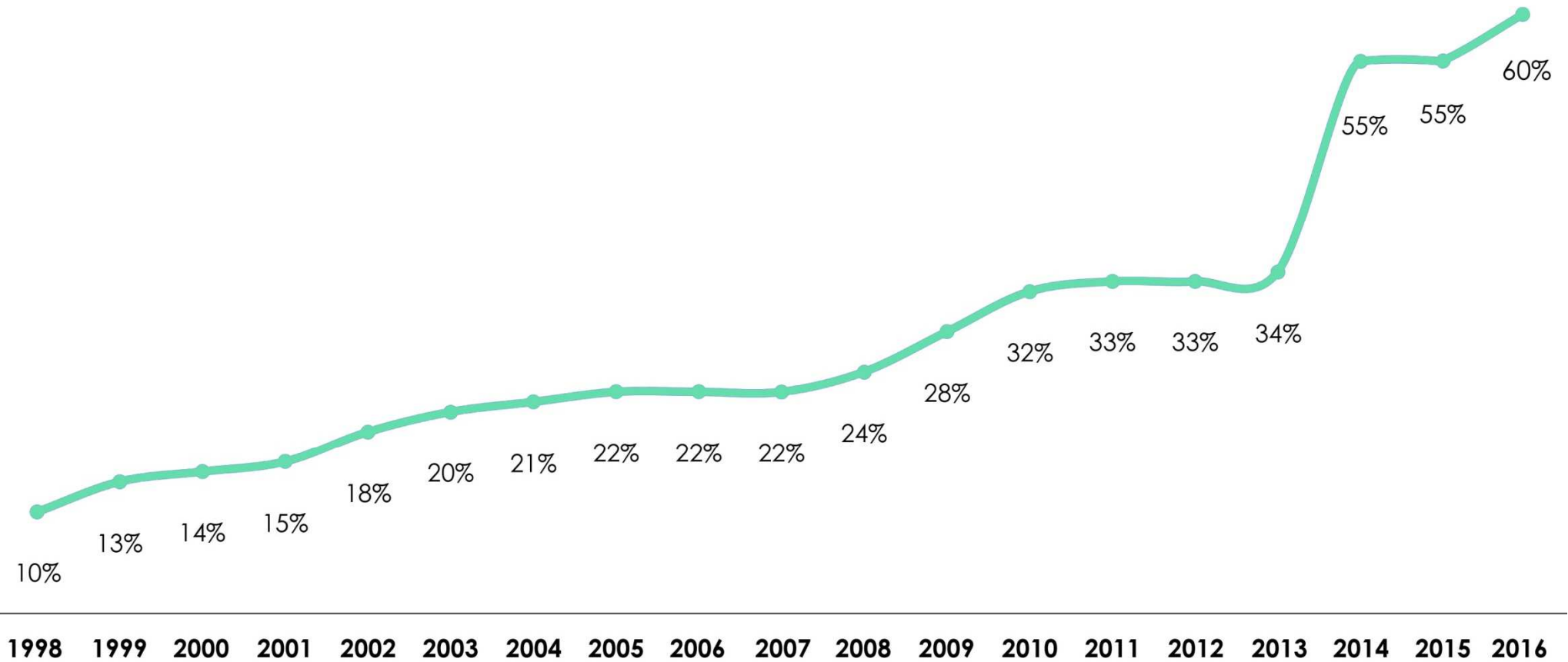
(1) Submitted to the AGM of April 28, 2017

(€)

Total dividends



Payout ratio: 1998-2016



2017 bonus share issue

- ✓ 1 new share for every 10 held
- ✓ For the 18th consecutive year
- ✓ Programmed for June 2017

Share capital

✓ Number of shares at December 31, 2015	32,171,732
✓ Increase in the period	
▪ Bonus share issue	3,219,038
▪ Exercise of stock options	118,014
✓ Number of shares at December 31, 2016	35,508,784

Internal control

- ✓ A campaign of tests conducted at the end of 2016 by an Interparfums team of 2 over 8 weeks
- ✓ 133 controls were performed covering 47 risk areas
- ✓ A complete audit of accounting operations carried out by the internal control application

Internal control

✓ 2016 developments

- All controls and the associated evidence were fully dematerialized, increasing the quality of in the formalization of control and facilitating the auditors' work
- In November 2016, Mazars' IT teams conducted a full audit of the information systems

✓ Summary

- No major anomaly was identified
- 2 minor weaknesses were identified
- A remediation plan was implemented at the end of 2016

Agenda

- ✓ 2017 first quarter sales
 - April 28, 2017 (before the opening of Euronext Paris)
- ✓ Combined General Meeting
 - April 28, 2017 (Paris)
- ✓ 2017 second-quarter sales:
 - July 27, 2017 (before the opening of Euronext Paris)
- ✓ 2017 first-half results
 - September 7, 2017 (before the opening of Euronext Paris)

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LE NOUVEAU PARFUM

MADemoisELLE
ROCHAS

Board of
Directors

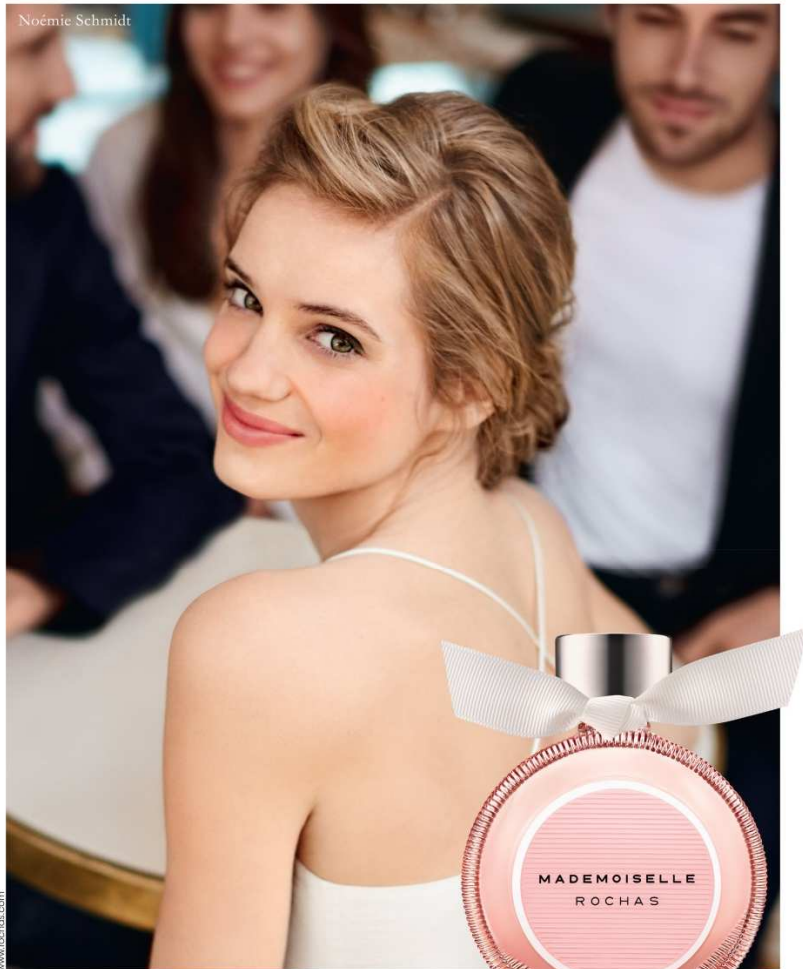
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Board of Directors

- ✓ Proposal to appoint Véronique Gabai-Pinsky ⁽¹⁾
 - President of the Vera Wang Group (ex Estee Lauder, Guerlain and L'Oréal)
 - The Board of Directors' membership increased from 9 to 10
 - The number of women directors increased from 3 to 4 (40%)
 - The number of independent directors increased from 4 to 5

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



LE NOUVEAU PARFUM
MADEMOISELLE
ROCHAS

2017
launches
& business
developments

interparfums

Montblanc 2017

- ✓ An unfavorable comparison base reflecting the launch of the *Montblanc Legend Spirit* line in early 2016
- ✓ Business consolidation for the *Montblanc Legend* and *Montblanc Legend Spirit* lines
- ✓ Launch of the *Montblanc Legend Night* line, 3rd pillar of the *Montblanc Legend* franchise in selected markets



Jimmy Choo 2017

- ✓ Two major initiatives for the franchise
 - Women's - *Jimmy Choo L'Eau*
 - Men's - *Jimmy Choo Man Ice*
- ✓ A good start for the year



Jimmy Choo L'Eau



Jimmy Choo Man Ice



Lanvin 2017

- ✓ The continuing rollout of the *Modern Princess* line in international markets
- ✓ Preparation of a 3rd interpretation of the *Eclat d'Arpège* line



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LE NOUVEAU PARFUM

MADemoiselle
ROCHAS

Focus on
*Mademoiselle
Rochas*

interparfums

OBJECTIVES

RESTORE THE BRAND'S **DESIRABILITY**

REESTABLISH **ROCHAS** AS **THE**
PARISIAN LUXURY HOUSE

MODERNIZE THE OUTDATED, CLASSIC
IMAGE OF THE CURRENT LINES

BROADEN THE CONSUMER TARGET



MADemoiselle
SPARKLING



HER JOIE DE VIVRE
RADIATES ALL AROUND HER
DRAWING PEOPLE
TOWARDS HER.

SHE EMBODIES A
MODERN LIFESTYLE,
A POSITIVE ENERGY



MADemoiselle
AUDACIOUS



SHE FEELS **FREE TO TURN**
CONVENTION ON ITS HEAD
AND MAKE UP HER OWN RULES.



MADEMOISELLE
CHIC



SHE IS IRRESISTIBLY
FEMININE AND ELEGANT.

HER ELEGANCE COMES FROM HER
NATURAL PARISIAN
SOPHISTICATION

A CONSIDERED, ECLECTIC ELEGANCE
BUT **NOT AT ALL FLASHY.**

MADemoiselle ROCHAS

Eau de Parfum

Elegance

Surprise

Chic and understated



Texture and freshness

Rounded fullness and femininity

ROCHAS
PARFUMS



MADemoiselle ROCHAS

Eau de Parfum

Unexpected



Amazing

SHE IS FULL OF
SURPRISE!

SHE FINDS HER
SIGNATURE ON HER
PERFUME



ROCHAS
PARFUMS

The Fragrance

Mademoiselle Rochas



REDCURRANT

IVY LEAF

TOFFEE APPLE



PROFUSION OF JASMINE

ROSE PETALS

VIOLET MIDDLE NOTES



SANDALWOOD

AMBERGRIS

WHIPPED-CREAM MUSK

ROCHAS
PARFUMS



NOÉMIE
SCHMIDT
&
ROCHAS

MADemoiselle ROCHAS

Advertising Campaign



ROCHAS
PARFUMS

Rochas fragrances 2017

- ✓ Launch of *Mademoiselle Rochas*, the first women's line developed by Interparfums for the brand in approximately 12 countries
 - Spain
 - France
 - Belgium, Switzerland and Portugal
 - Argentina, Paraguay, Brazil
 - Saudi Arabia Dubai, Kuwait
- ✓ A second launch phase in July



Rochas license 2017

(womenswear, watches, glasses,...)

- ✓ Approximately €25 million in new sales revenues (+25%)
= Royalties €2.5m
- ✓ A positive P&L



Rochas 2017 in-house business

(menswear)

- ✓ Presentation of the collections from January 18 to 22, 2017
- ✓ Rather positive press response
- ✓ Around ten points-of-sales (department stores or multi-brand) expected to include the brand in its catalog in an initial phase
- ✓ An operating cost of €1.7m



Coach 2017

- ✓ Continuing rollout of the first women's line, *Coach*
 - France
 - Germany
 - Spain
 - Asia
- ✓ Launch of the men's line, *Coach*, in the fall



Van Cleef & Arpels 2017

- ✓ A new juice for the *Collection Extraordinaire* line
- ✓ Distribution for the line expanded



Boucheron 2017

- ✓ Launch of a "collection" comprised of 6 juices
 - Iris
 - Neroli
 - Tuberose
 - Vanilla
 - Oud
 - Amber
- ✓ Distributed at 50 doors worldwide



Boucheron Collection



2017 sales

- Sales guidance raised in January:
€385m-€390m in light of :
- stronger-than-expected 2016 year-end sales
 - good momentum for the start of 2017
 - favorable €/ \$ exchange rate trends

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LE NOUVEAU PARFUM

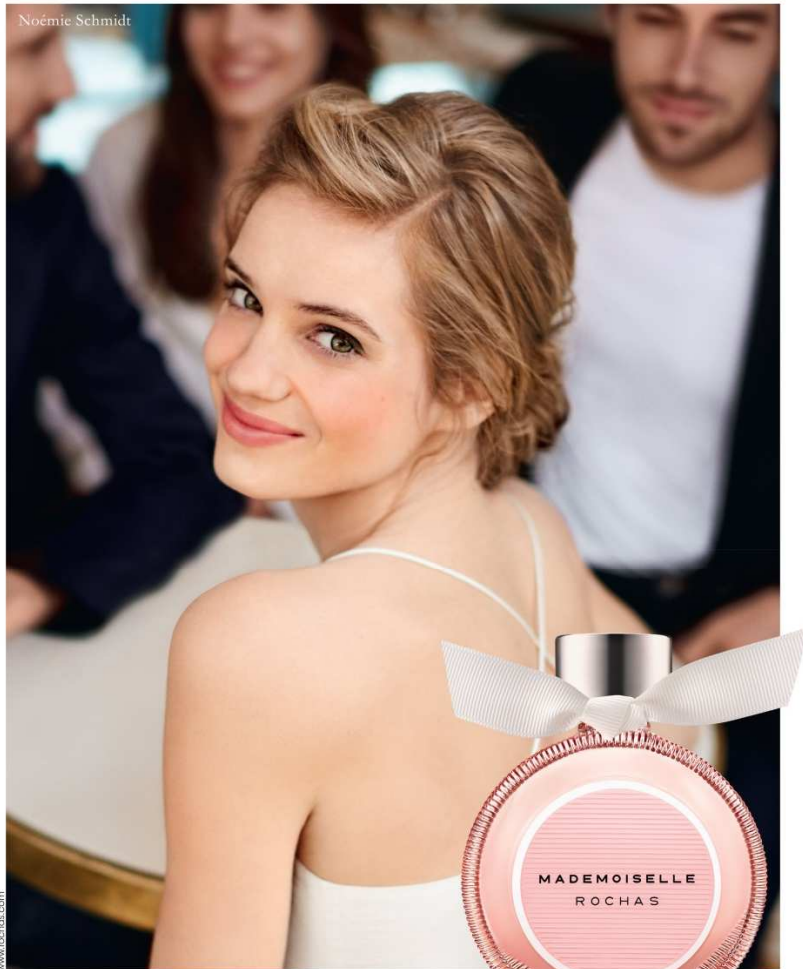
MADEMOISELLE
ROCHAS

Components of
2017 results

interparfums

Components of 2017 results

- ✓ Foreign exchange conditions expected to remain favorable
 - A €/€ exchange rate currently around 1.05-1.07 vs. a budgeted exchange rate of 1.15
 - ✓ Marketing and advertising spending level once again reinforced
 - €60m in 2014 (20.0%)
 - €67m in 2015 (20.6%)
 - €80m in 2016 (22.0%)
 - €92m in 2017 (24.0%)
- An operating margin of between 12.5% and 13.5%



LE NOUVEAU PARFUM
MADEMOISELLE
ROCHAS

2018 launches & outlook

interparfums

2018 launches

- ✓ Montblanc
 - Continued rollout of the men's line *Montblanc Legend Night* the 3rd pillar of the *Montblanc Legend* franchise
- ✓ Jimmy Choo
 - Extension of the women's line, *Illicit*
- ✓ Lanvin
 - Launch of a 3rd feminine interpretation of the *Eclat d'Arpège* line
- ✓ Coach
 - Extension of the first women's line
- ✓ Rochas
 - First men's line created by Interparfums for the brand

2018 launches

- ✓ Van Cleef & Arpels and Boucheron
 - New lines for the collections
- ✓ Repetto
 - New women's line

2018 outlook

- ✓ Continuing growth to move back above the €400 million threshold in revenue in 2018
- ✓ Seize all external growth opportunities to make intelligent use of cash resources (net cash of €160 million)

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Presentation of 2016 annual results
March 14, 2017