



2018 annual results
March 4, 2019

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2018 highlights

Annual highlights

- ✓ Sales of €455 million
 - +8% at current exchange rates
 - +11% at constant exchange rates
 - Largely outperforming initial guidance
- ✓ A remarkable performance by Coach fragrances
 - Sales of more than €80 million after 30 months of activity
- ✓ Solid performances by Montblanc, Jimmy Choo and Lanvin fragrances
- ✓ Extension of the Van Cleef & Arpels license agreement to December 31, 2024



Growth totaling 50% in 4 years
Average annual growth of 11%

Outperforming the global perfume market by a multiple of 3

2018 launches



H1 – Continuing rollout
Montblanc Legend Night



March
Boucheron Quatre en rose



March
Coach Floral



January
Repetto Dance with Repetto



April
Collection Vanilla & Leather



January
Lanvin Modern Princess Eau Sensuelle

2018 launches



April
Mademoiselle Rochas EDT



May
Paul Smith Hello You



May
Jimmy Choo Man Blue



2018-2019 Fall/Winter Collection
Rochas fashion show



May
Collection Boucheron
Santal de Kandy



April
Van Cleef & Arpels
Néroli Amara

2018 launches



July
Jimmy Choo Fever



September
S.T. Dupont Be Exceptional



July
Lanvin Eclat de Nuit



October
Rochas Moustache



August
Karl Lagerfeld Les Parfums Matières



September
Coach Platinum

2018 results

€m	2015	2016	2017	2018
Net sales	327.4	365.6	422.0	455.3
Gross margin	208.1	236.9	275.9	294.2
<i>% of sales</i>	63.5%	64.8%	65.4%	64.6%
Operating profit	45.8	49.7	60.0	66.2
<i>% of sales</i>	14.0%	13.6%	14.2%	14.5%
Net income	29.1	32.4	40.0	47.2
<i>% of sales</i>	8.9%	8.9%	9.5%	10.4%
€m - at December 31	2015	2016	2017	2018
Shareholders' equity	387.0	403.5	421.8	444.6
Cash and financial assets	226.0	230.6	221.1	213.0
Net debt	90.6	70.7	50.5	30.3



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2018 sales by brand

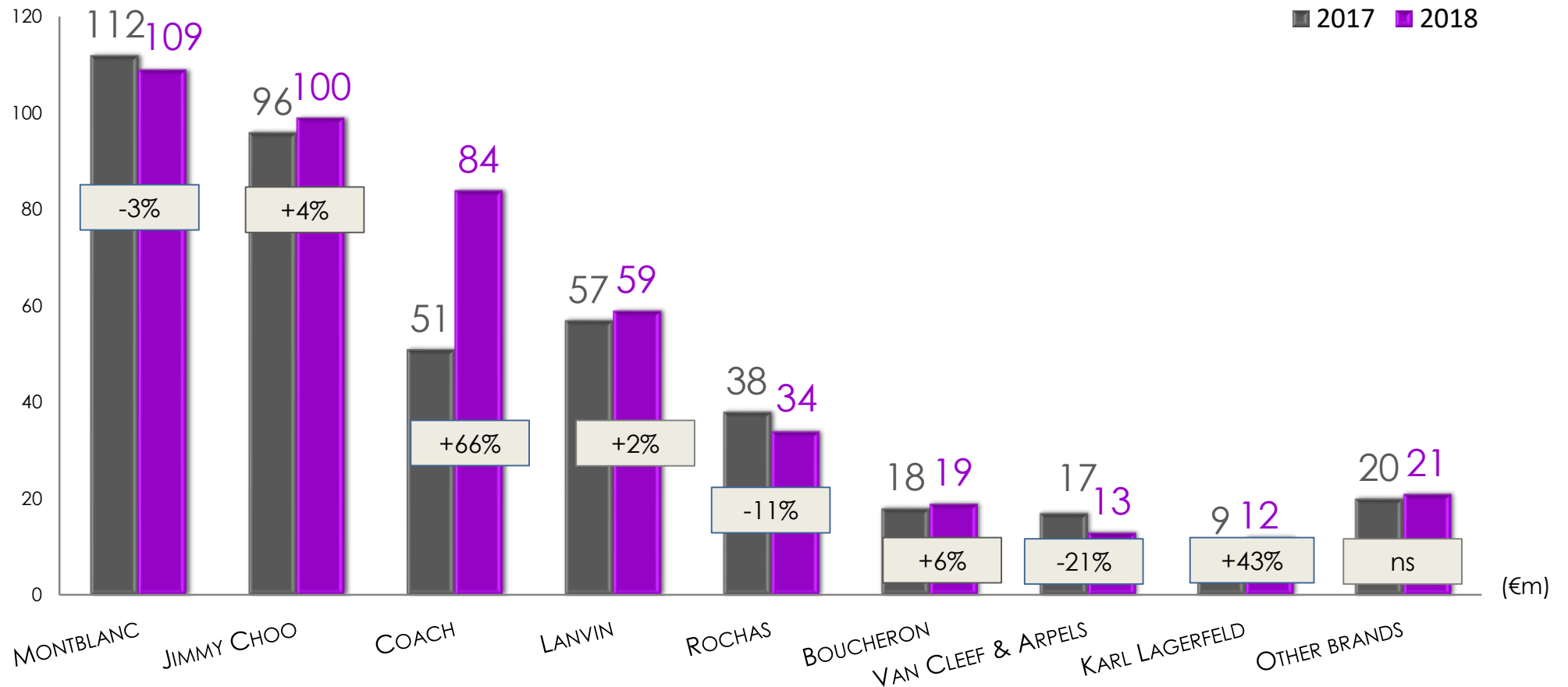
2018 sales by brand

- ✓ A remarkable performance by Coach fragrances
 - Sales of €84m (+66%)
 - With just one fragrance line, comprised of 5 juices and after only 2 ½ years of activity
 - Nearly 20% of total Group revenue
- ✓ Solid performances by Montblanc (-3%) and Lanvin (+2%) fragrances in a year without major launches
- ✓ New gains by Jimmy Choo (+4%) after a 17% growth in 2017
 - The launch of flanker lines *Jimmy Choo Man Blue* and *Jimmy Choo Fever* in 2018 offset.....
 - ... flanker lines *Jimmy Choo L'Eau* and *Jimmy Choo Man Ice* launched in 2017

2018 sales by brand

- ✓ Rochas fragrances continue to extend their market reach
 - The *Mademoiselle Rochas* Eau de toilette in 2018 after the Eau de parfum in 2017
 - In twenty countries
- ✓ New growth for Karl Lagerfeld fragrances driven by the *Les Parfums Matières* collection

2018 sales by brand

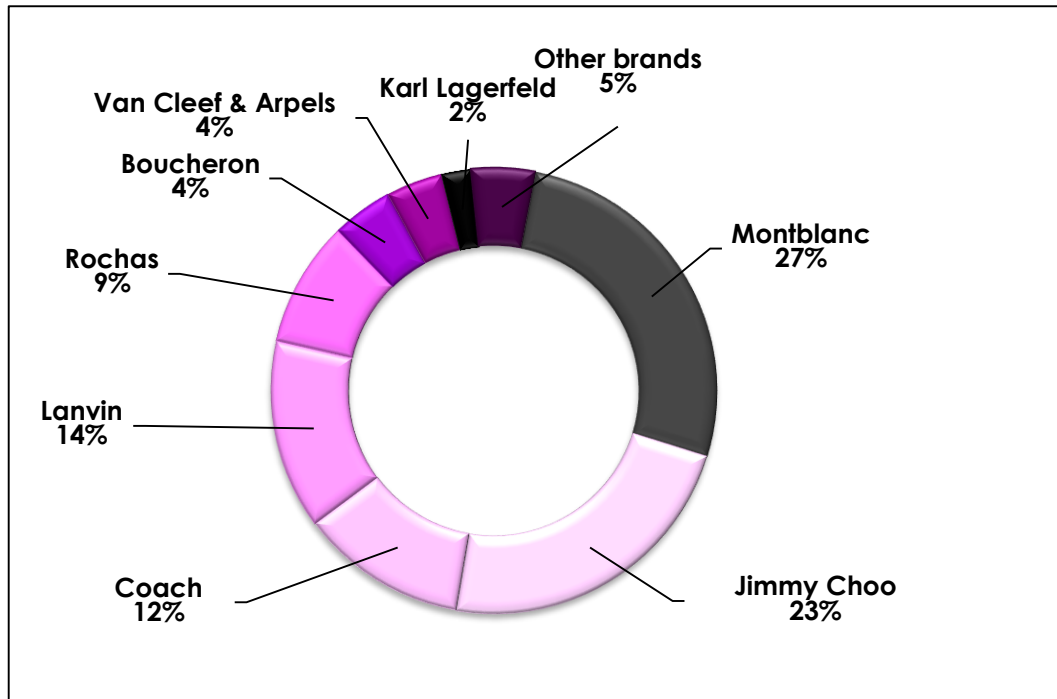


2017 sales: €422.0m

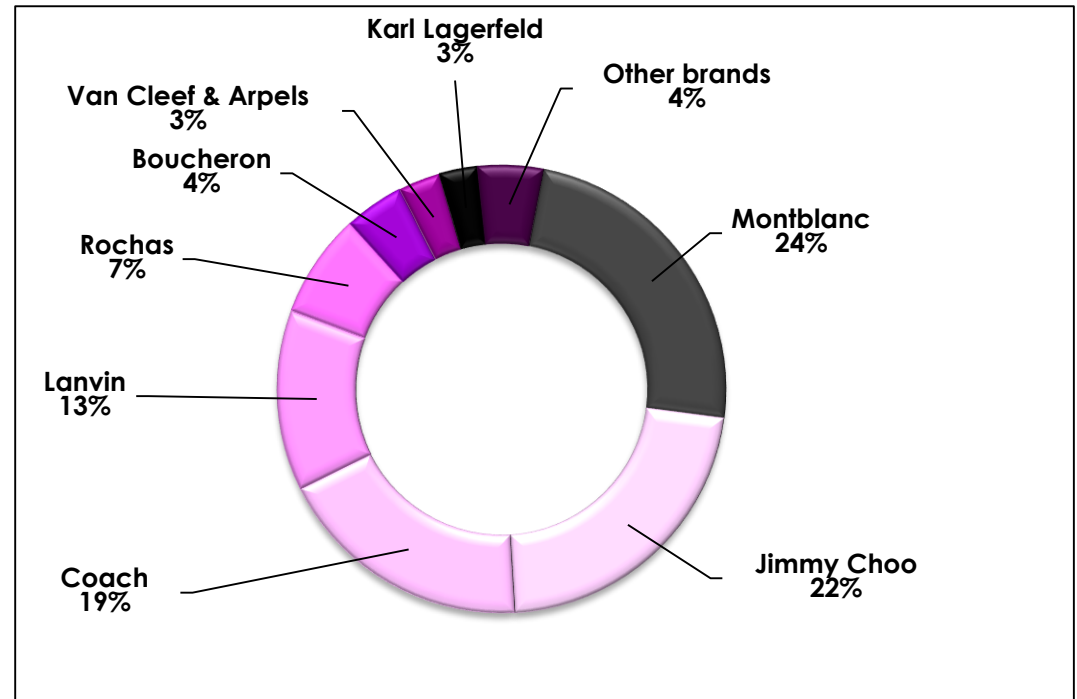
2018 sales: €455.3m (+8%)

2018 sales mix by brand

2017



2018





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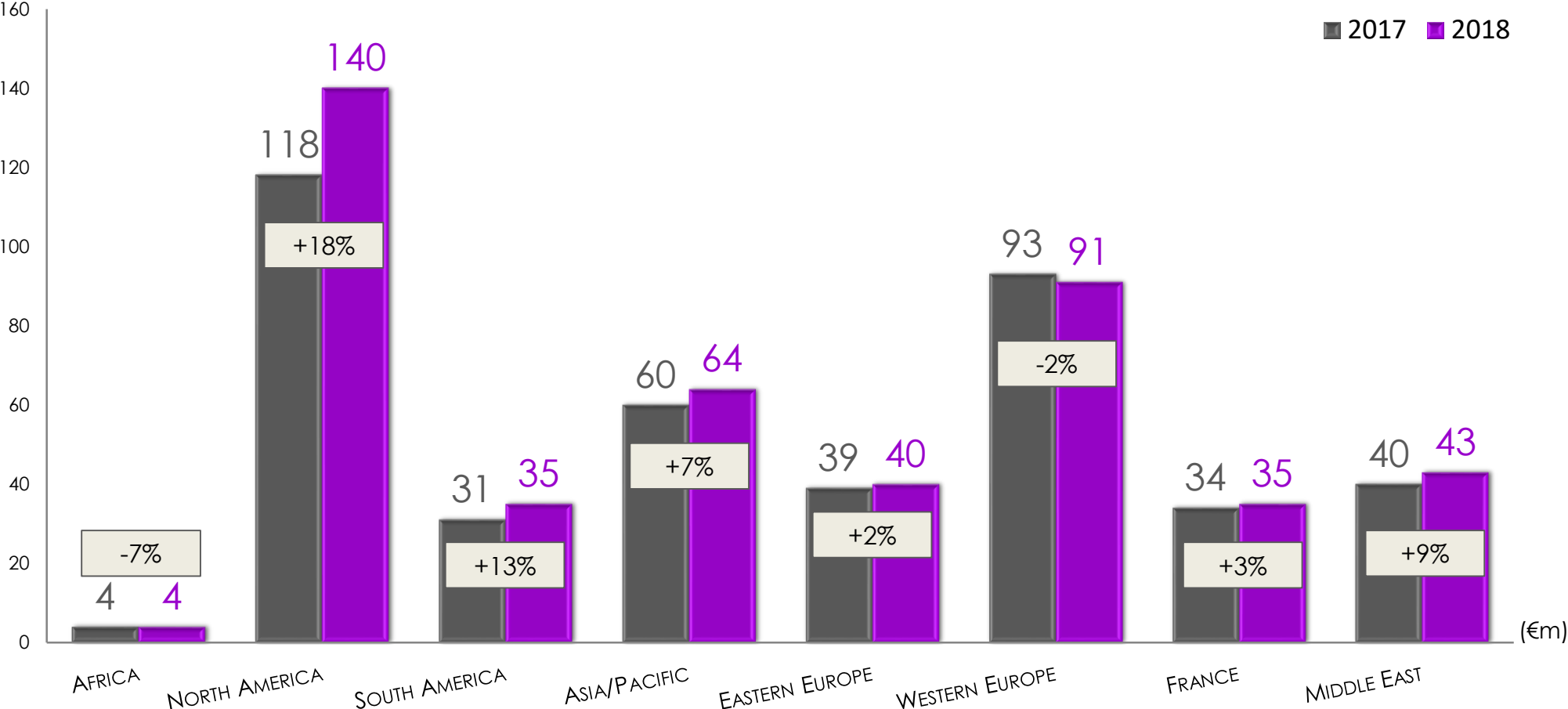
2018 sales by region

2018 sales by region

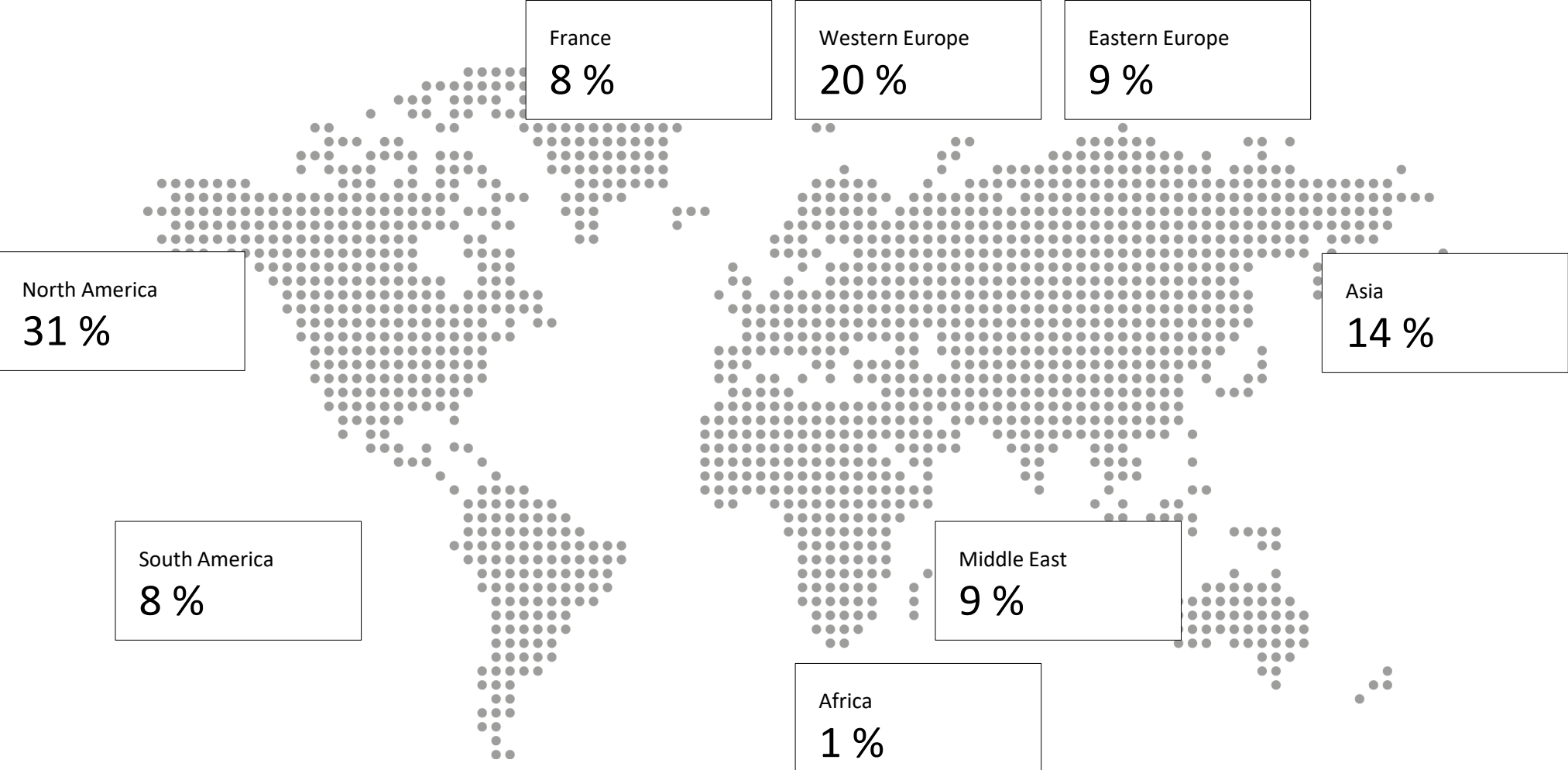
- ✓ Strong growth in North America
 - + 25% at constant exchange rates in the US
 - Sales multiplied by 2 in 4 years
 - 31% of total Group revenue
- ✓ Good performance in France (+3%) within an overall fragrance & cosmetics market contracting 2%(*)
- ✓ South America, the Middle East and Asia also benefited from the good performances of Coach fragrances
- ✓ Only Western Europe registered a marginal decline

(*) Source: NPD France

2018 sales by region



2018 sales by region





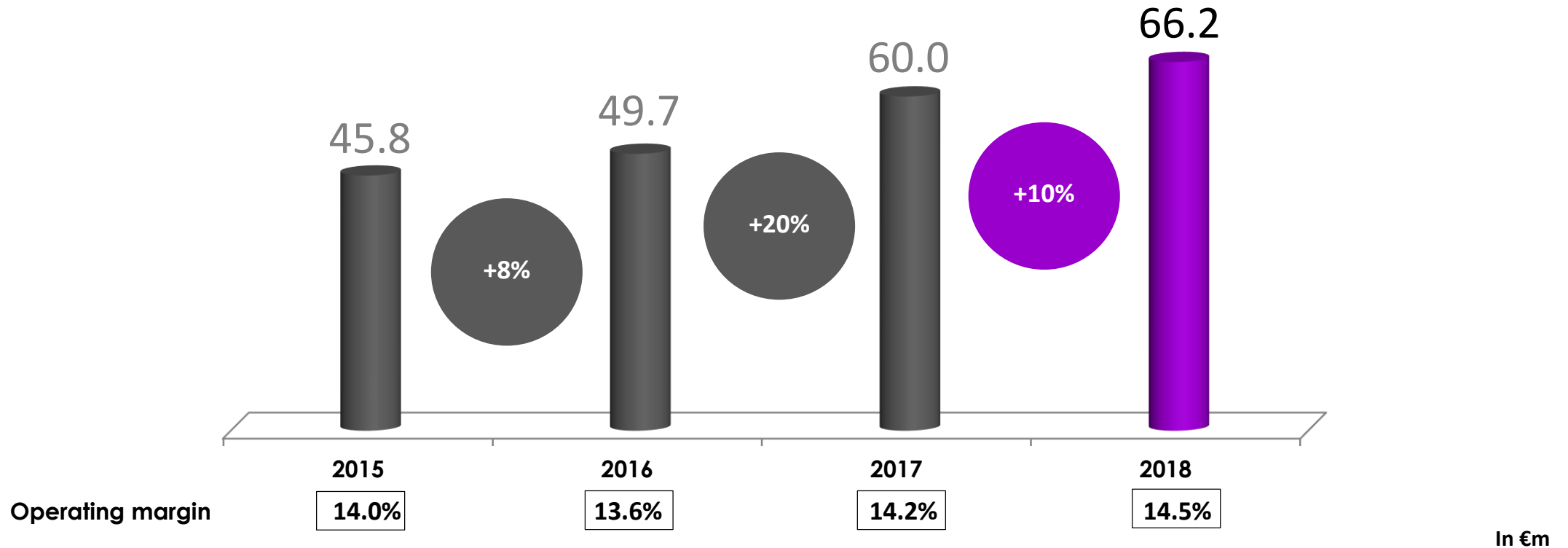
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2018 results

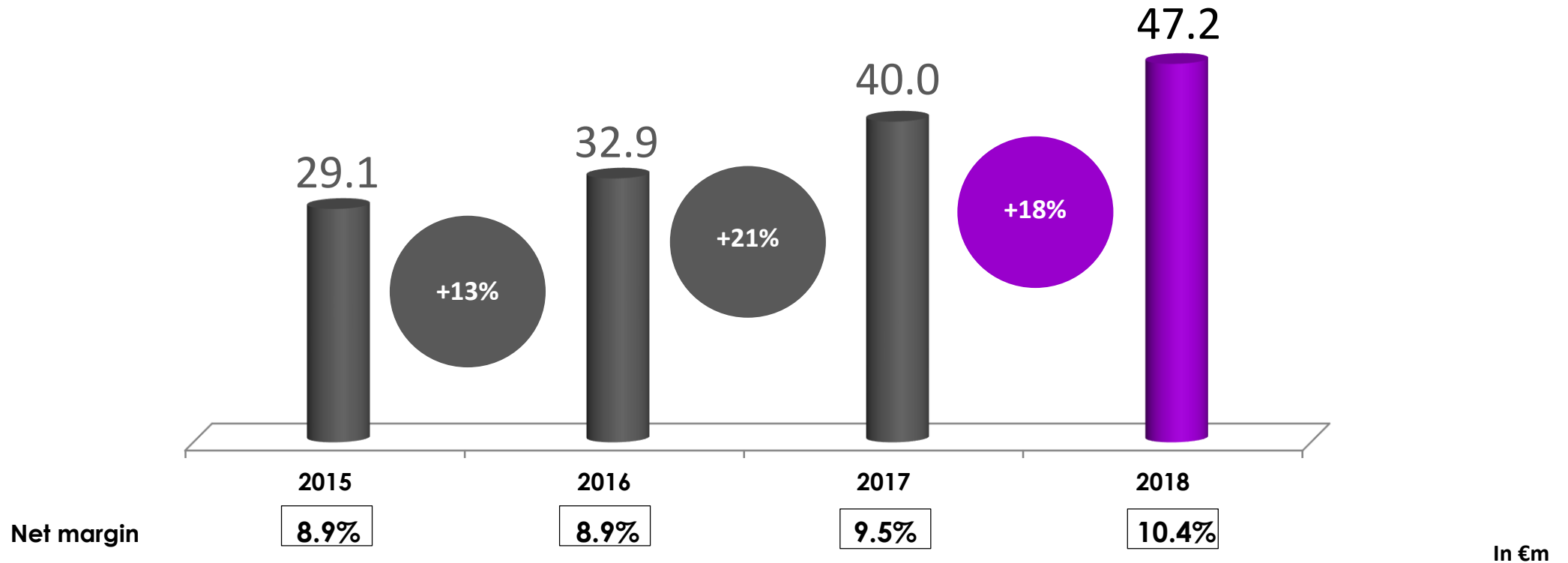
2018 results

Operating profit up 44% over 3 years



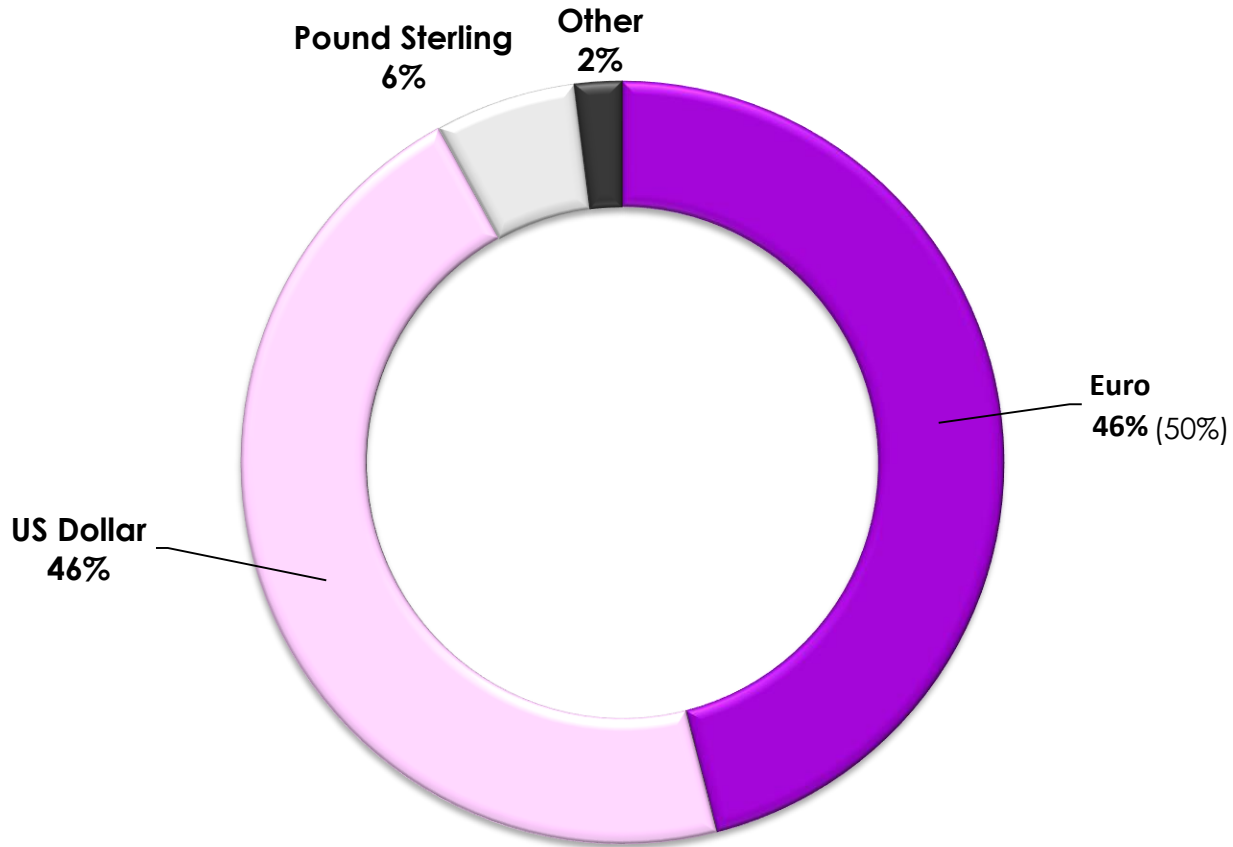
2018 results

Net income up 63% over 3 years



2018 currency effect

Sales by currency (2018/2017)



2018 currency effect

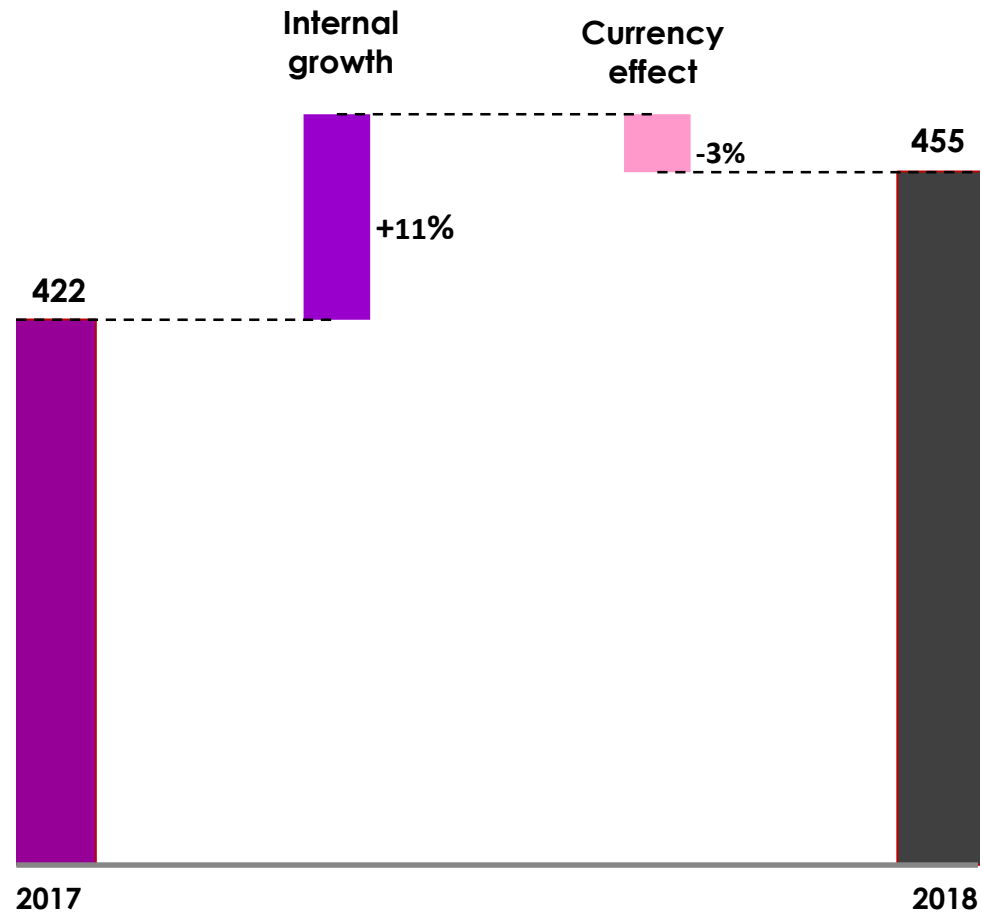
Impact on sales

Currency	Av. exch. rates 2017	Av. exch. rates 2018	Currency effect
▪ € / \$	1.1210	1.1860	-€12.2m
▪ € / £	0.8780	0.8850	-€0.2m
▪ € / ¥	124.60	131.15	-€0.3m

- ✓ Total negative currency effect of €12.9m
- ✓ Sales up 11% at constant exchange rates in relation to 2017

2018 currency effect

Impact on sales



In €m

2018 income statement highlights

1st part

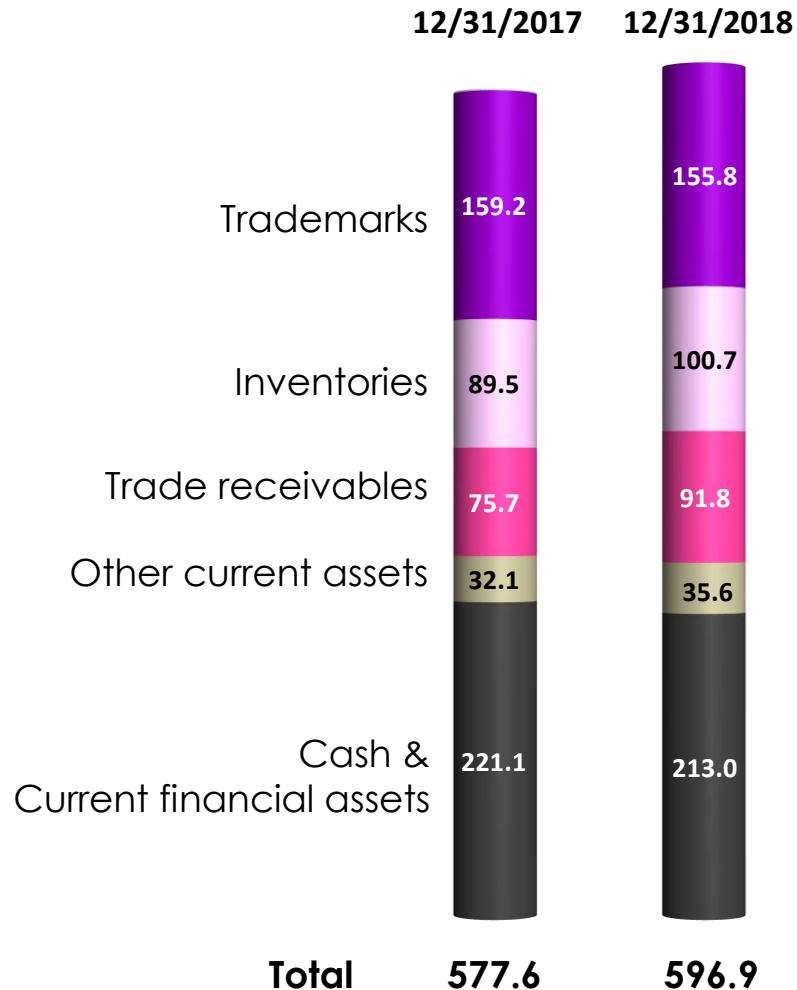
(€m)	2017	2018	18/17
Net sales	422.0	455.3	+8%
Cost of sales	(146.1)	(161.1)	+10%
Gross margin	275.9	294.2	+7%
<i>% of sales</i>	65.4%	64.6%	
Logistics & transport	(11.9)	(12.4)	+4%
Marketing & advertising	(102.3)	(105.4)	+3%
<i>% of sales</i>	24.2%	23.1%	
Royalties	(27.6)	(33.3)	+21%
<i>% of sales</i>	6.5%	7.3%	
Staff costs (excluding production)	(36.9)	(40.0)	+8%
Service fees /subsidiaries	(10.4)	(8.2)	-21%
Depr., amortiz. & provisions	(4.9)	(6.3)	+28%
Tax and related expenses	(3.1)	(3.5)	+13%
Other	(19.0)	(22.4)	+18%
Operating profit	60.0	66.2	+10%
<i>% of sales</i>	14.2%	14.5%	

2018 income statement highlights

2nd part

(€m)	2017	2018	18/17
Operating profit	60.0	66.2	+10%
<i>% of sales</i>	14.2%	14.5%	
Net financial income (expense)	0.1	1.5	ns
Net currency gains (losses)	(1.7)	(0.1)	ns
Income tax	(17.8)	(19.9)	+12%
<i>Effective tax rate</i>	30.5%	30.1%	
Net income	40.6	47.7	+17%
<i>% of sales</i>	9.2%	10.5%	
Attributable to non-controlling interests	(0.6)	(0.5)	ns
Net income	40.0	47.2	+18%
<i>% of sales</i>	9.5%	10.4%	

2018 balance sheet - Assets



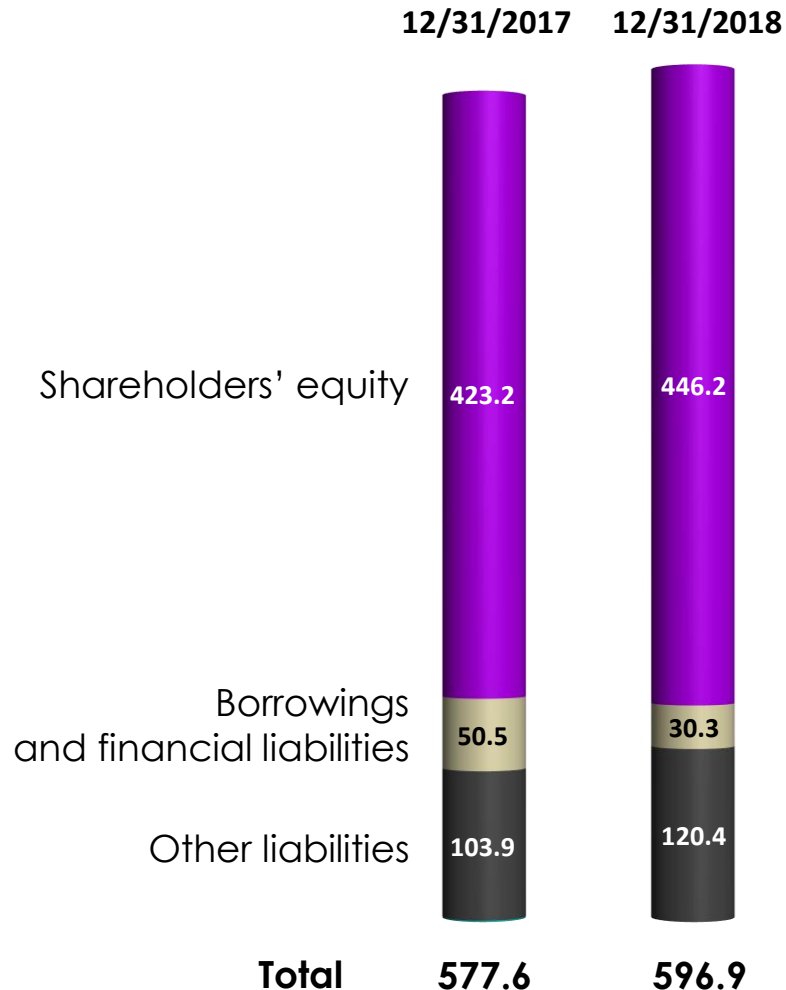
- ✓ Stability for the brand's main assets
 - Rochas Fragrances (€87m)
 - Rochas Fashion (€19m)
 - Lanvin Fragrances (€36m)

- ✓ Inventory levels up
 - Business growth
 - Longer sourcing periods
 - Launch of the *Montblanc Explorer* line

- ✓ An increase in A/R
 - Business growth
 - Some payment periods extended

In €m

2018 balance sheet - Liabilities



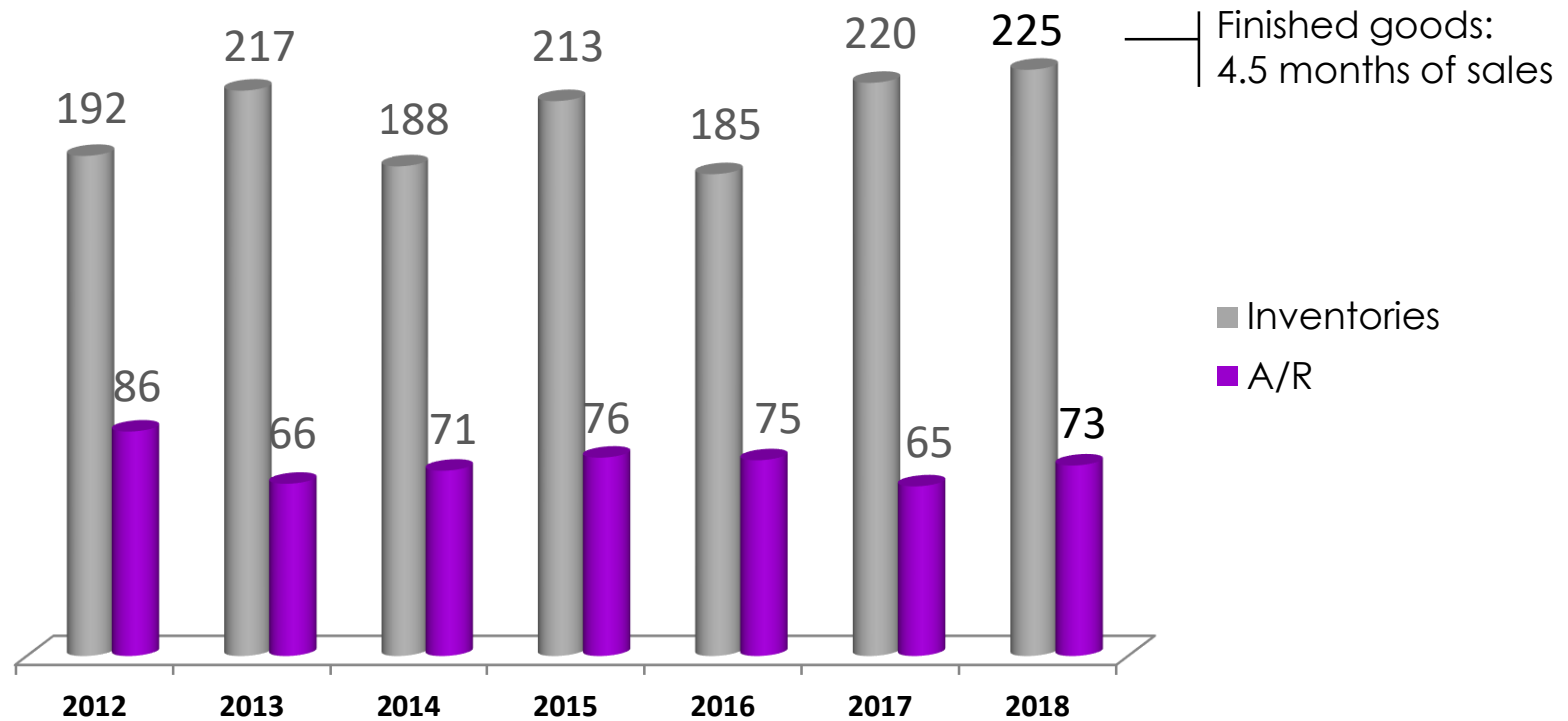
- ✓ Equity up by 5%
 - 75% of total assets
- ✓ A reduction in financial liabilities
 - Rochas loan repayment in the amount of €20m

In €m

2018 cash flow highlights

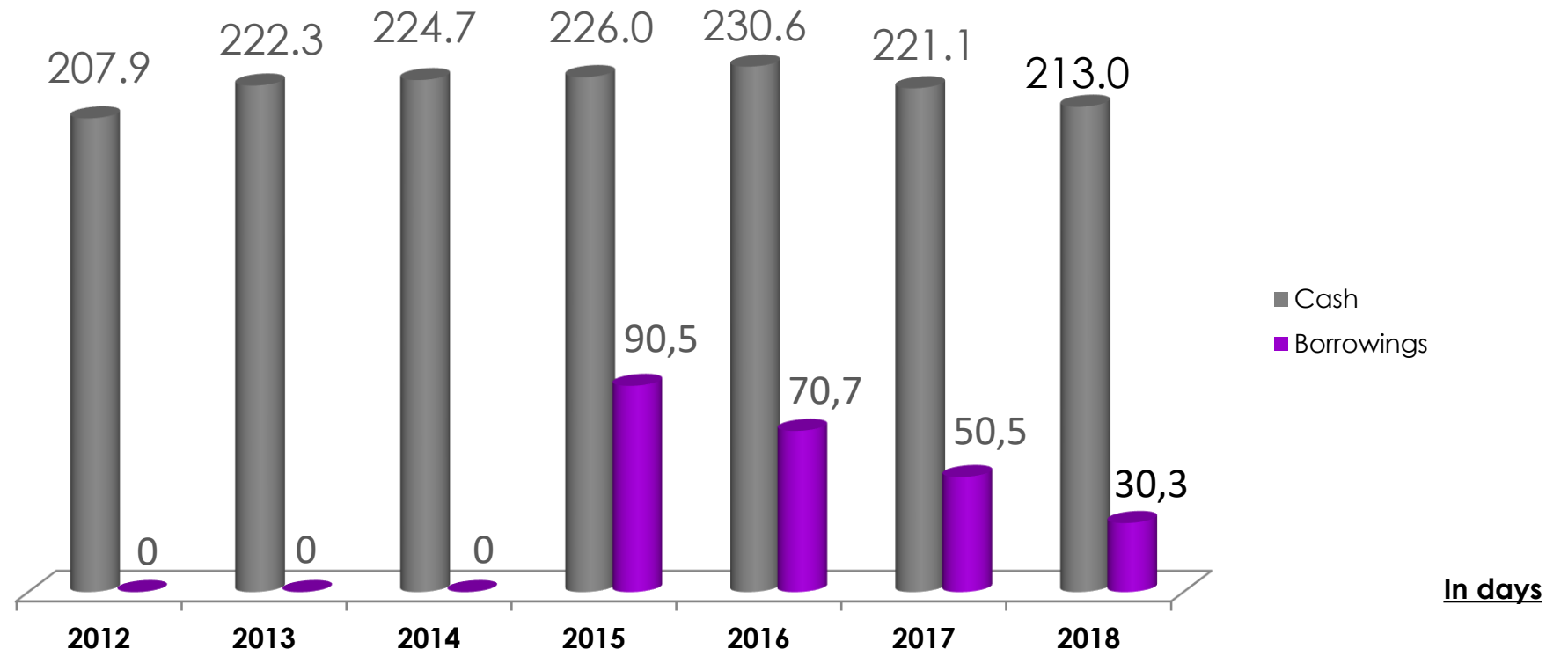
(€m)	2017	2018
Cash flow	43.3	55.3
Inventories	(23.1)	(11.4)
Trade receivables	1.0	(16.0)
Other	10.3	21.8
Cash flow from operating activities	31.5	49.7
Capital expenditures	(2.1)	(10.8)
Free cash flow	29.4	38.9
Debt repayments	(20.0)	(20.0)
Dividend	(19.4)	(26.1)
Other	0.0	0.8
Net change in cash	(10.0)	(8.0)
Opening cash and cash equivalents	231.0	221.0
Net change in cash	(10.0)	(8.0)
Closing cash and cash equivalents	221.0	213.0

Inventories & AR



In days

Cash & Borrowings



2019 dividend

for FY 2018

- ✓ Dividend per share
 - Proposed dividend: €0.71 ⁽¹⁾
 - A 17% increase over 2017
 - A stable payout ratio at 65%
 - A total distribution of €30 million

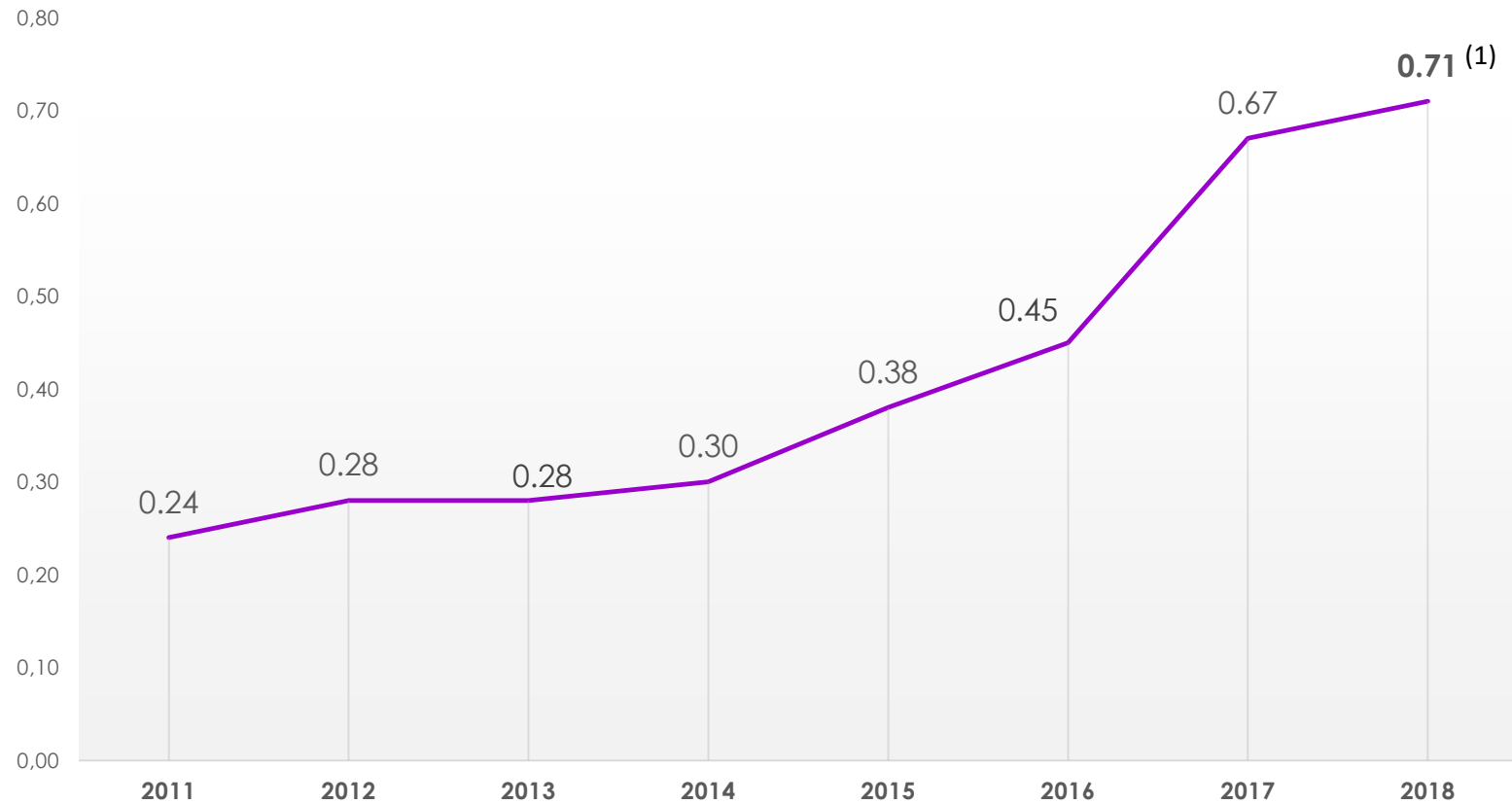
- ✓ Ex-rights date: May 2, 2019

- ✓ Payment date: May 6, 2019

(1) Submitted to the AGM of April 26, 2019

Growth in dividends

A dividend per share multiplied by 3 in 7 years

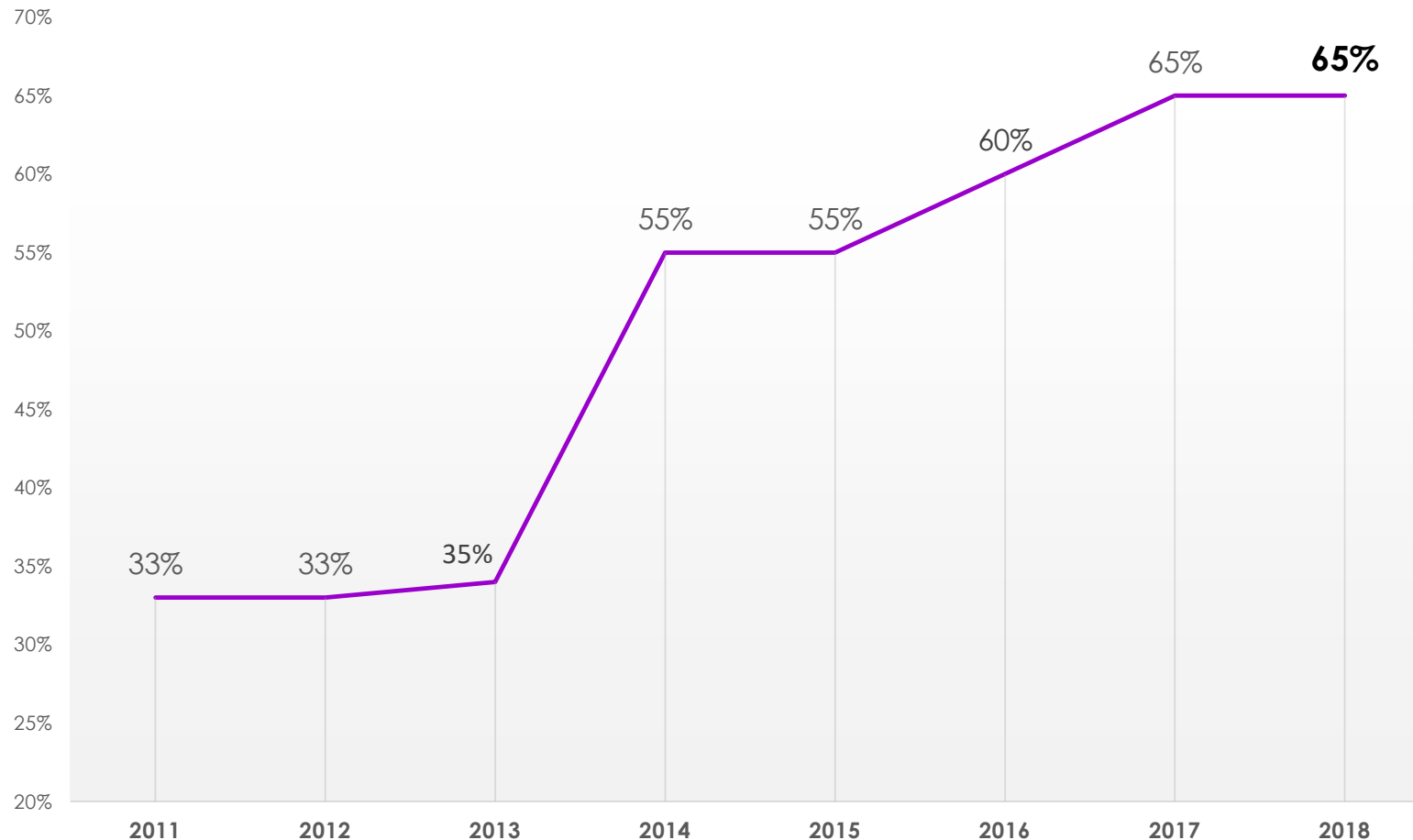


(1) Submitted to the AGM of April 26, 2019

(in €)

Payout ratio

A payout ratio multiplied by 2 in 7 years



Bonus share issue

2019

- ✓ 1 new share for every 10 held
- ✓ For the 20th consecutive year
- ✓ Programmed for June 2019

Share capital

✓ Number of shares at December 31, 2017	39,059,662
✓ Increase of the period	
▪ 2018 June bonus share issue	3,905,966
✓ Number of shares at December 31, 2018	42,965,628

Agenda

- ✓ 2019 first quarter sales
 - April 25, 2019 (before the opening of trading in Paris)
- ✓ 2019 AGM
 - April 26, 2019 (Pavillon Gabriel - Paris)
- ✓ 2019 second-quarter sales
 - July 24, 2019 (before the opening of trading in Paris)



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2019 sales by brand

Montblanc

- ✓ 2019 sales(e): €128m
 - Up significantly (+18%)
 - 28% of total Group revenue
- ✓ Worldwide launch early in the year of *Montblanc Explorer*, the brand's 3rd men's line
- ✓ What impact on the *Montblanc Legend* line?



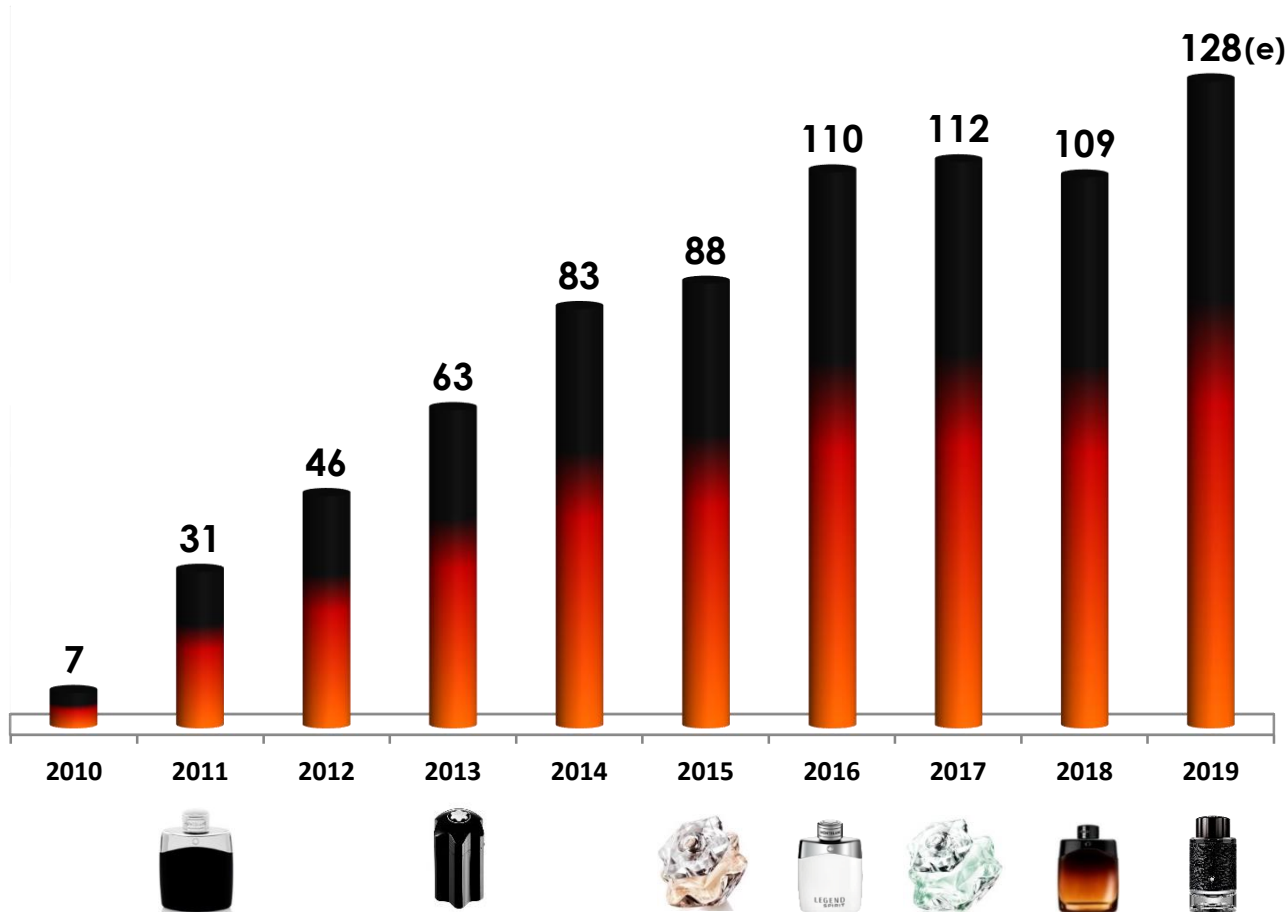
Montblanc



Montblanc



Sales growth (€m)



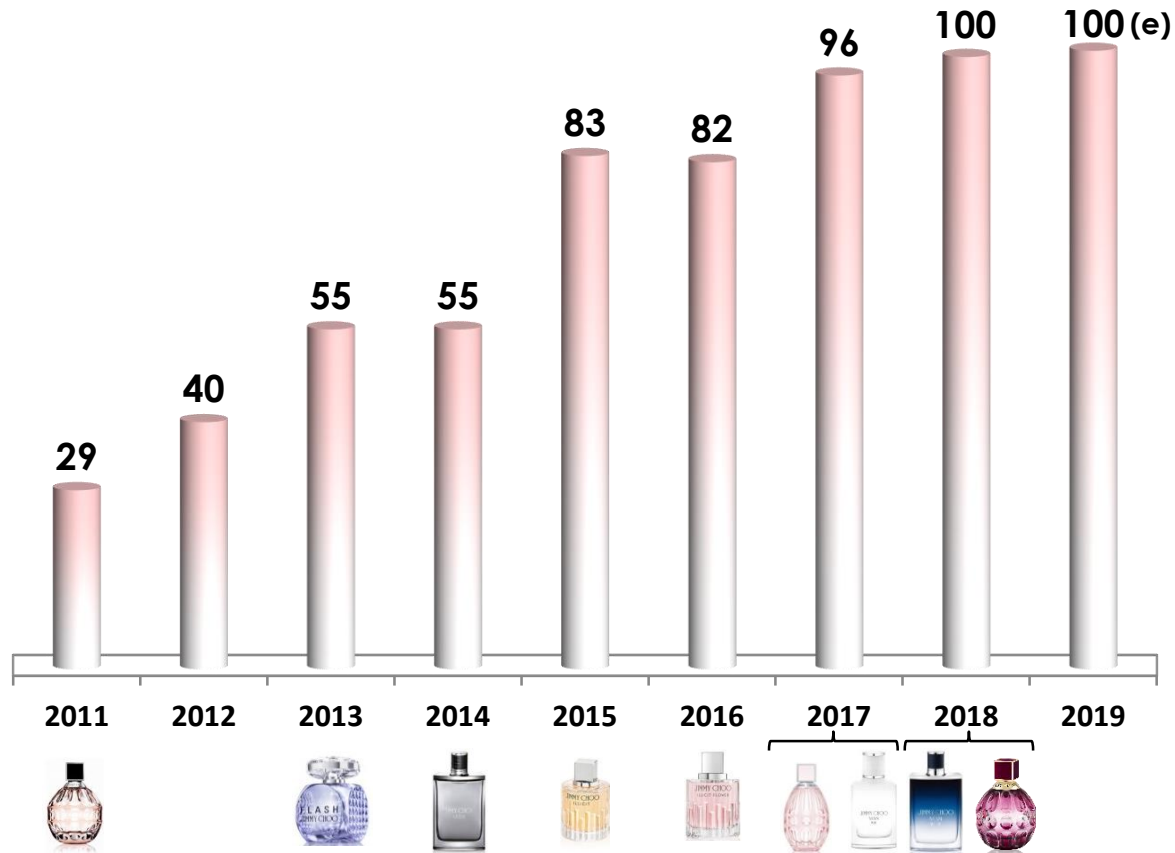
Jimmy Choo

- ✓ 2019 sales(e): €100m
 - Stable
 - 21% of total Group revenue
- ✓ Introduction at year-end of a 2nd urban art themed men's line
- ✓ Interpretations of Jimmy Choo lines *Blossom*, *Jimmy Choo Illicit* and *Jimmy Choo L'Eau*



Jimmy Choo

Sales growth (€m)



JIMMY CHOO



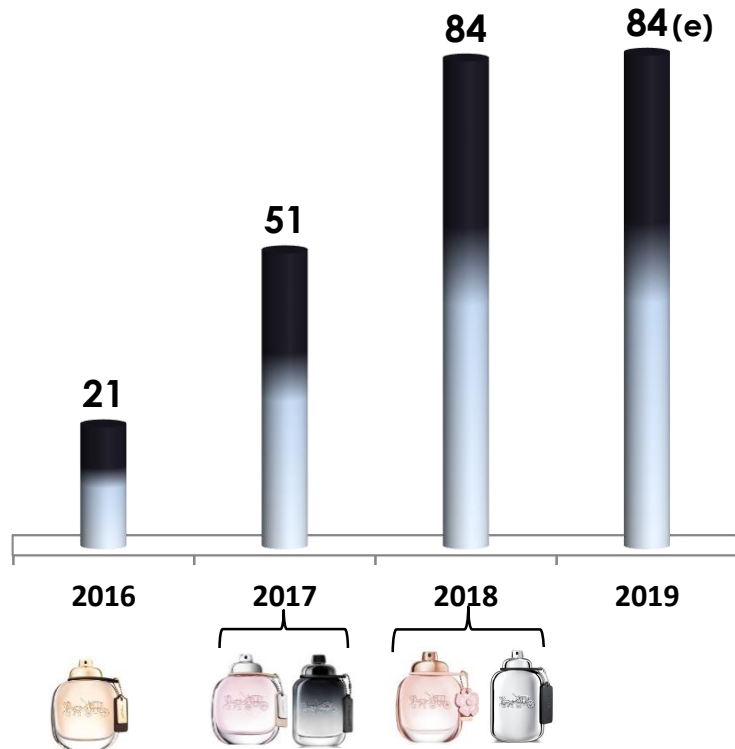
Coach

- ✓ 2019 sales(e): €84m
 - Stable sales
 - 18% of total Group revenue
- ✓ A year of consolidation following two years of strong growth
- ✓ A sixth juice for the *Coach* line, a second floral interpretation of the women's line



Coach

Sales growth(€m)



Lanvin

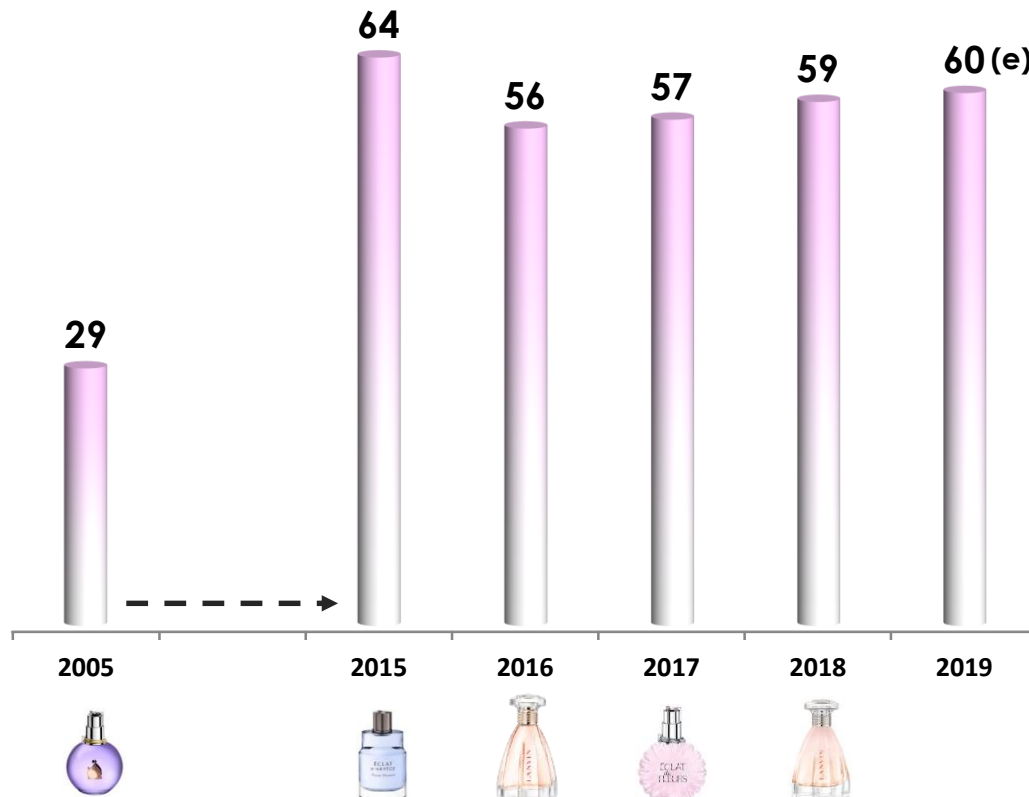
- ✓ 2019 sales(e): €60m
 - Very limited growth (+2%)
 - 13% of total Group revenue
- ✓ A new Mediterranean island themed women's fragrance initiative in the summer
- ✓ Strength of the women's lines *Eclat d'Arpège* and *Modern Princess*



Lanvin

LANVIN
PARFUMS

Sales growth(€m)



Rochas

- ✓ 2019 sales(e): €36m
 - Sales growth (+6%)
 - 8% of total Group revenue
- ✓ Several tactical initiatives at the start of the year
 - *Moustache* line
 - Third interpretation of the *Mademoiselle* line
- ✓ A new women's fragrance initiative at the end of the year(or in early 2020)



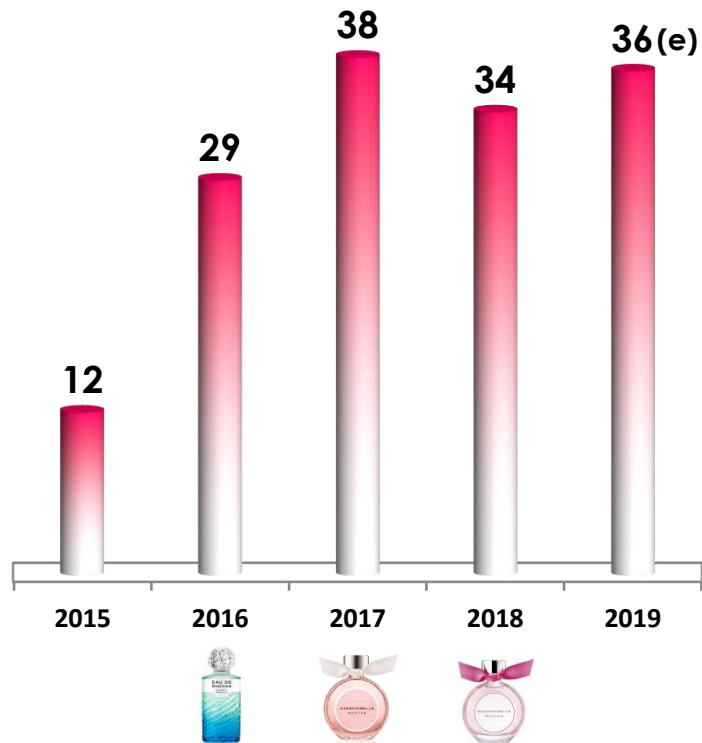
Rochas



Rochas

ROCHAS
PARIS

Sales growth(€m)



Boucheron

- ✓ 2019 sales(e): €19m
 - Largely stable sales
- ✓ Launch of 2 new juices for the collection of exclusive perfume lines
- ✓ New interpretations of the established lines



Boucheron



Van Cleef & Arpels

- ✓ 2019 sales(e): €13m
 - Sales also largely stable
- ✓ Launch of 2 new juices within the *Collection Extraordinaire* line



Van Cleef & Arpels



Karl Lagerfeld

- ✓ 2019 sales(e): €12m
 - Largely stable sales
- ✓ Launch of the third fragrance duo in the *Les Parfums Matières* collection



Karl Lagerfeld

LES PARFUMS MATIÈRES **KARL LAGERFELD**

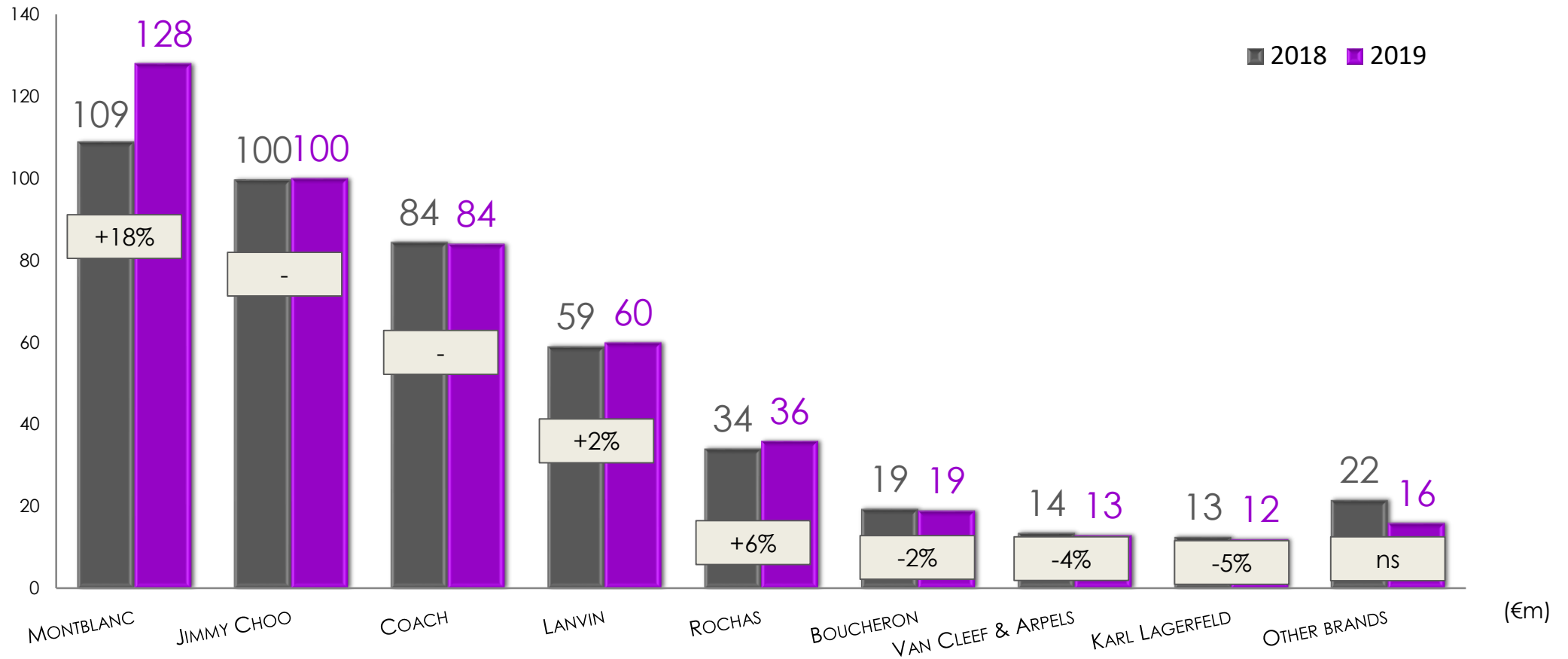


#KARLLAGERFELD

2019 sales by brand

(€m)	2018	2019(e)	2019/2018
Montblanc	108.8	128.0	+18%
Jimmy Choo	99.6	100.0	-
Coach	84.4	84.0	ns
Lanvin	59.0	60.0	+2%
Rochas	34.1	36.0	+6%
Boucheron	19.4	19.0	-2%
Van Cleef & Arpels	13.6	13.0	-4%
Karl Lagerfeld	12.6	12.0	-5%
Other brands	21.6	16.0	ns
Fragrance sales	453.1	468.0	+3%
Rochas fashion royalties	2.2	2.0	ns
Total sales	455.3	470.0	+3%

2019 sales by brand

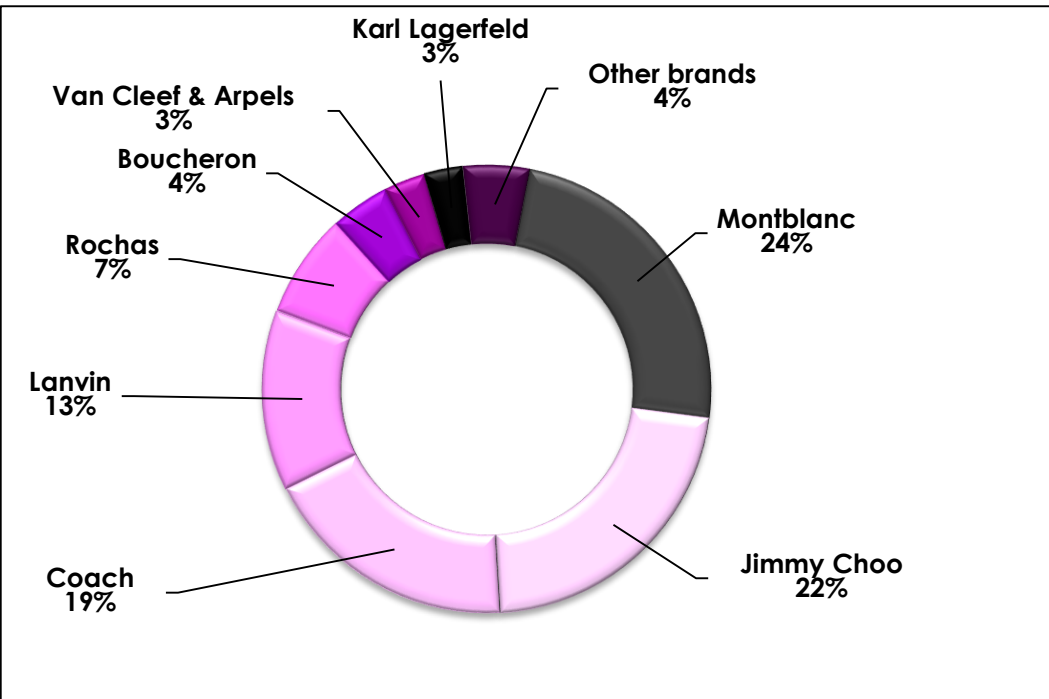


2018 sales: €455.3m

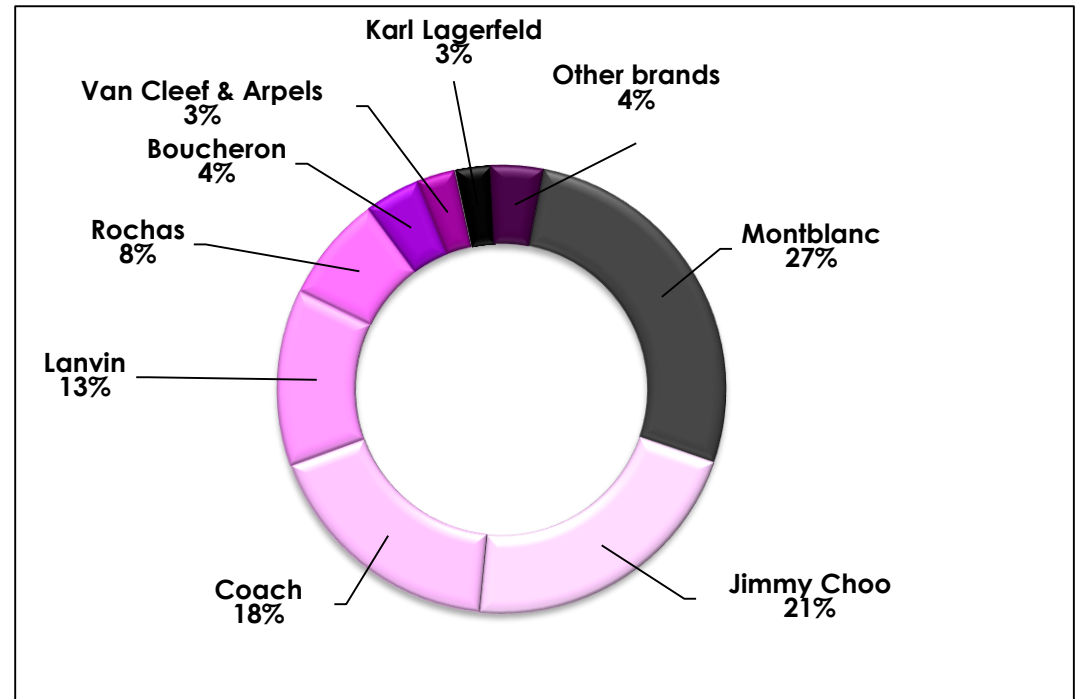
2019 sales(e) : €470.0m (+3%)

Breakdown by brand

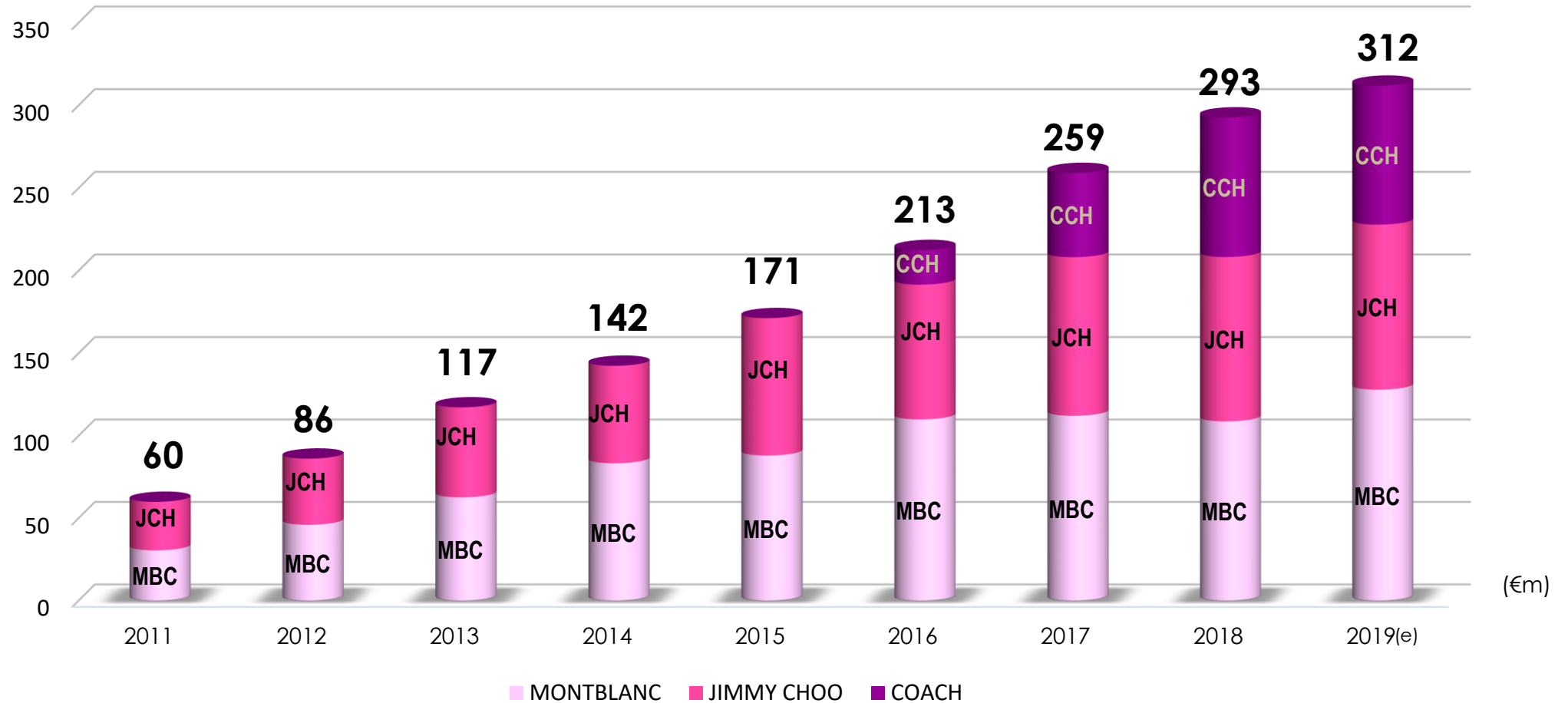
2018



2019(e)



Montblanc + Jimmy Choo + Coach





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Information on 2019 results

2019 income statement highlights

- ✓ A largely stable gross margin as a % of sales based on:
 - Foreign exchange rates slightly favorable (for the moment)
 - Increases in raw material prices
- ✓ A new increase in the marketing and advertising budget
 - Approximately €115m in 2019
- ✓ A stable tax rate of around 30%
- ➔ An operating margin approaching 14%



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Outlook

A number of projects in 2020 & 2021

- ✓ Montblanc
 - A new women's line
 - A flanker for the men's line *Montblanc Explorer*

- ✓ Jimmy Choo
 - A collection consisting of an assortment of fragrances, lipsticks and nail polishes
 - A new women's line

- ✓ Coach
 - A new women's line
 - A flanker for the men's line *Coach*

- ✓ Lanvin
 - A flanker based on the women's line, *Eclat d'Arpège*

- ✓ Rochas
 - A new women's line
 - A new men's line

- ➔ Continuing growth...



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