interparfums Annual results

March 2, 2022



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2021 annual highlights

(2021/2019 changes)

• Expected sales of €560m

- Growth of 53% over 2020
- Growth of 16% over 2019

Strong growth by certain brands

- Jimmy Choo: +27%
- Coach: +34%

Very strong growth by certain countries

- United States: +48%
- China: sales multiplied by 3

Successful launches

• End of the Paul Smith license (for the record)

2021 launches

Successful launches



I Want Choo



Montblanc Explorer Ultra Blue

2021 launches

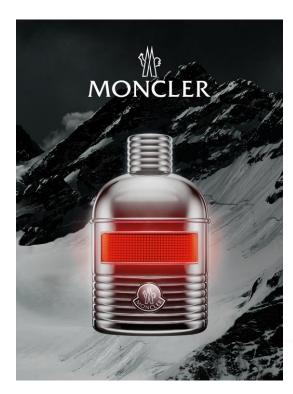
• A first eco-friendly initiative



Rochas Girl

2021 launches

• Pre-launch of the first-ever Moncler fragrance line (200 points of sale)









Moncler pour homme

Moncler pour femme

Supply Chain

Disruptions in the pace of deliveries since the summer

- Difficulties in sourcing components (glass, cardboard, plastic, aluminum, wood, etc.)
- Labor shortages (suppliers, packers)
- Container shortage

A trend amplified by

- demand from other sectors of activity
- the e-commerce boom

• A low finished goods inventory

- Less than 1 month of billings vs. the normal volume of 4 months
- Though benefiting from an agile internal organization managing on a just-in-time basis

Supply Chain

An impact on cost prices

- Rising costs of raw materials (glass, cardboard, wood, aluminum in particular)
- Rising energy costs
- Rising shipping costs

Higher sales prices

- Between 3% and 5%
- Implemented between January and April

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New headquarters

- Acquisition of the company's future headquarters office complex
 - 10 rue de Solférino Paris 7th





 Brand highlights

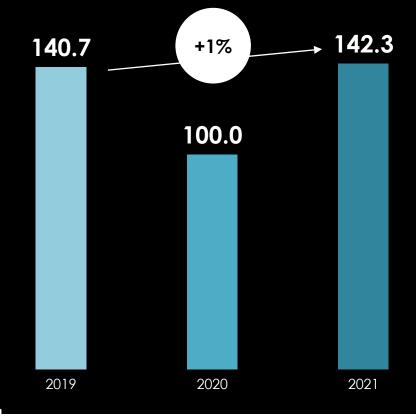


MONT BLANC



Sales

(€m)





A return to the business levels of 2019





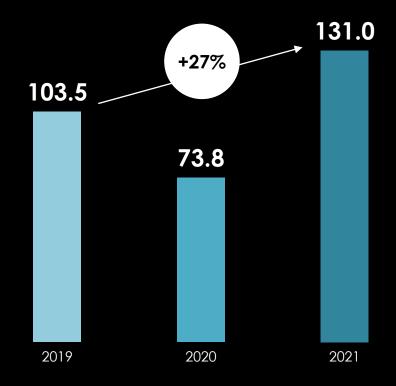
Success of the Montblanc Explorer Ultra Blue line

JIMMY CHOO



Sales

(€m)





Strong growth in relation to 2019





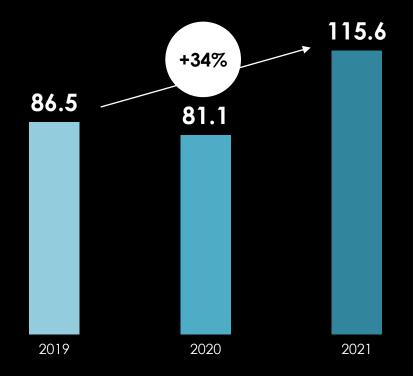
Success of the *I Want Choo* line, especially in the United States





Sales

(€m)





Strength of the women's and men's Coach lines



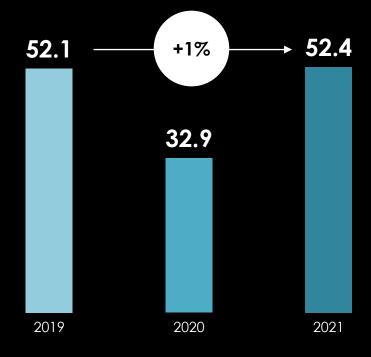


Launch of the Coach Dreams
Sunset line

• LANVIN PARFUMS



Sales (€m)





A return to more normal levels





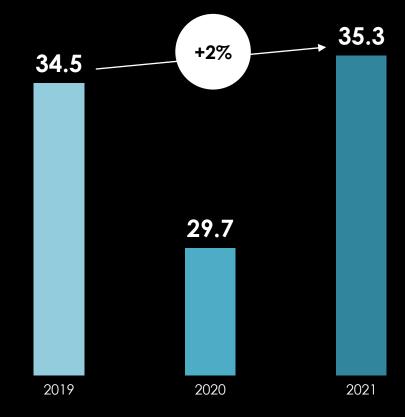
Rebound by the *Eclat d'Arpège* line, notably in Asia and Eastern Europe

• ROCHAS



Sales

(€m)





Back to more normal levels as well



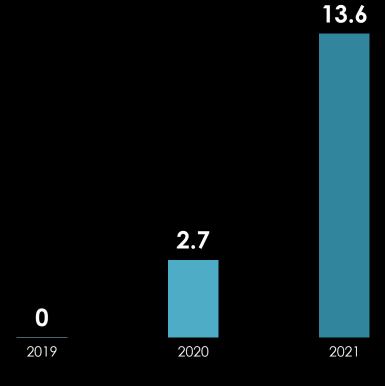


Launch of *Rochas Girl*, a low environmental impact line

kate spade NEW YORK









Kate Spade New York, the first initiative for the brand

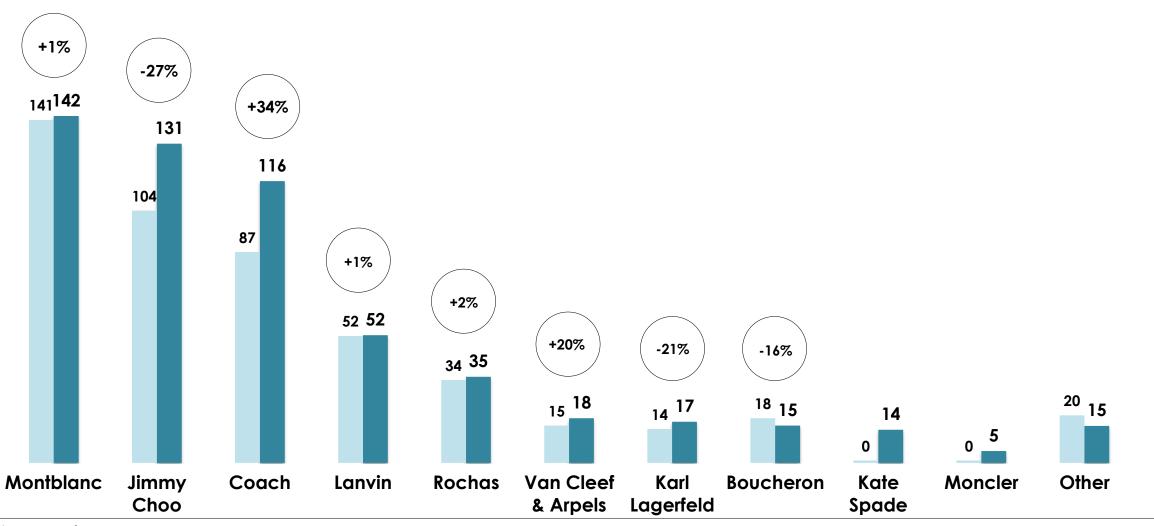




A positive reception in the US market

2021 sales by brand

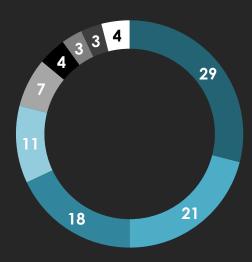
(2021 / 2019 - €m)



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Breakdown by brand

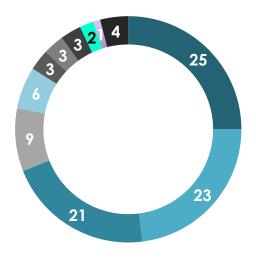
2019



- Montblanc: 29%
- Coach: 18%
- Rochas: 7%
- Karl Lagerfeld: 3%
- Other brands: 4%

- Jimmy Choo: 21%
- Lanvin: 11%
- Boucheron: 4%
- Van Cleef & Arpels: 3%

2021



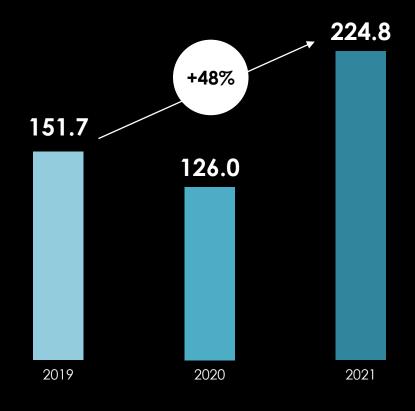
- Montblanc: 25%
- Coach: 21%
- Rochas: 6%
- Van Cleef & Arpels: 3%
- Kate Spade: 2%
- Other brands: 4%

- Jimmy Choo: 23%
- Lanvin: 9%
- Boucheron: 3%
- Karl Lagerfeld: 3%
- Moncler: 1%

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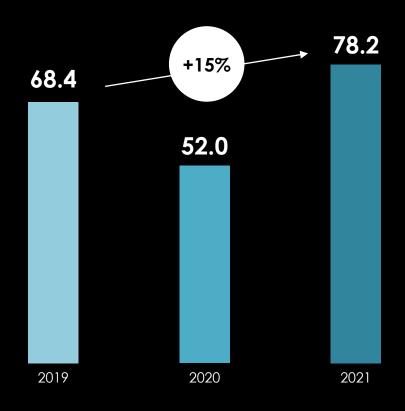
North America (€m)



An exceptional performance in the United States

- A fragrance and cosmetics market up 43%(!) compared to 2019
- 58% growth (!!) in sales over 2019 by our U.S. subsidiary
- A success, significantly exceeding expectations, by the Jimmy Choo line I Want Choo

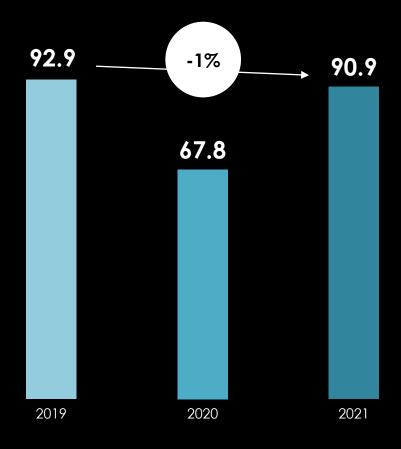
Asia (€m)



Double-digit growth in Asia

- A significant acceleration in China with a 3-fold increase in sales
- Success of the Coach fragrances and Van Cleef & Arpels' Extraordinary Collection

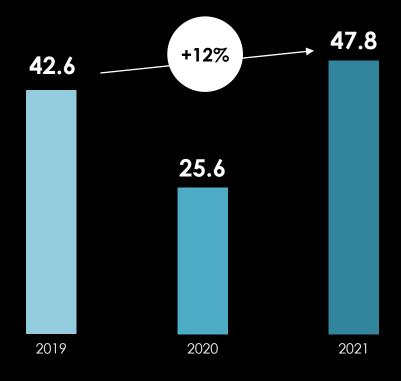
Western Europe (€m)



• A return to 2019 levels despite

- An unfavorable comparison base reflecting the 2019 launch of the Montblanc Explorer line
- Sales impacted by consecutive lockdowns and/or the closure of points of sale in H1

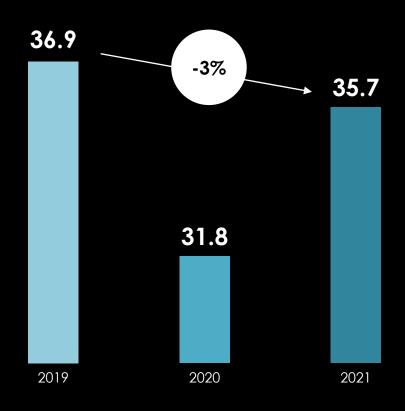
Eastern Europe (€m)



A rebound in activity

- Driven in particular by Lanvin fragrances
- And a significant presence in the L'Etoile store chain

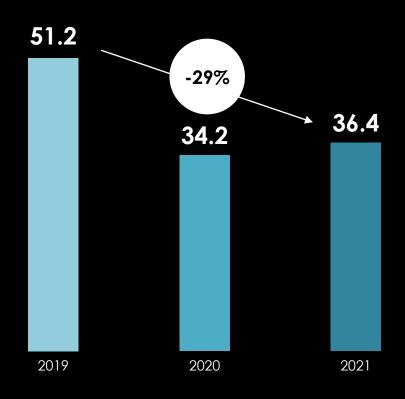
France (€m)



A marginal decrease in sales in relation to 2019

- An unfavorable comparison base reflecting the 2019 launch of the Montblanc Explorer line
- Certain points of sale were closed between March and May
- Online sales accounting for 16% of the total
- Strong growth in online sales by my-origines.com (+27%)

Middle East (€m)

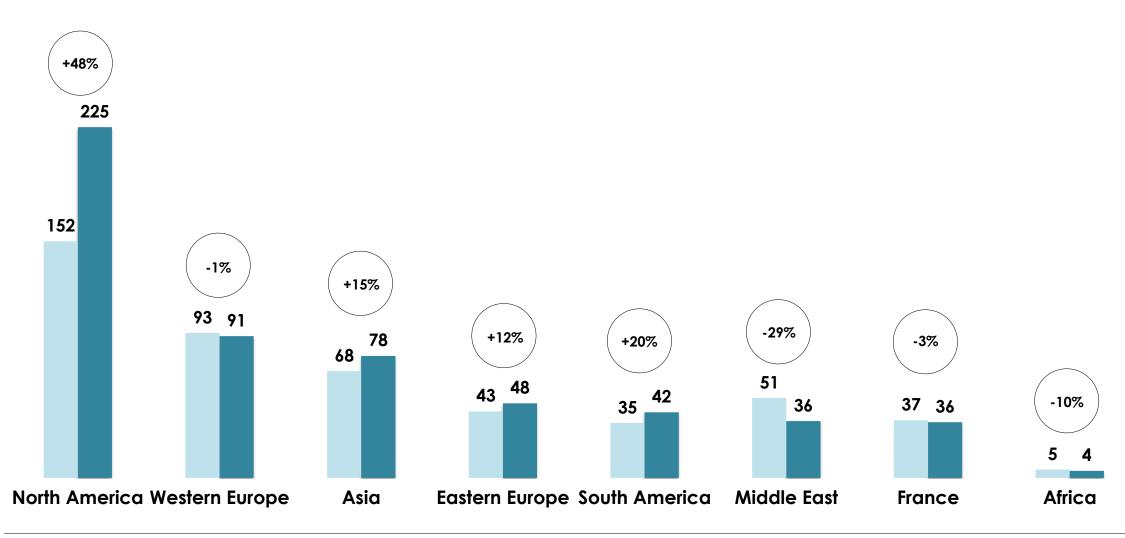


Activity that continues to be impacted by

- A decline in tourist traffic in the region
- The closure of points of sales in certain countries in H1
- A change of partner in the United Arab Emirates

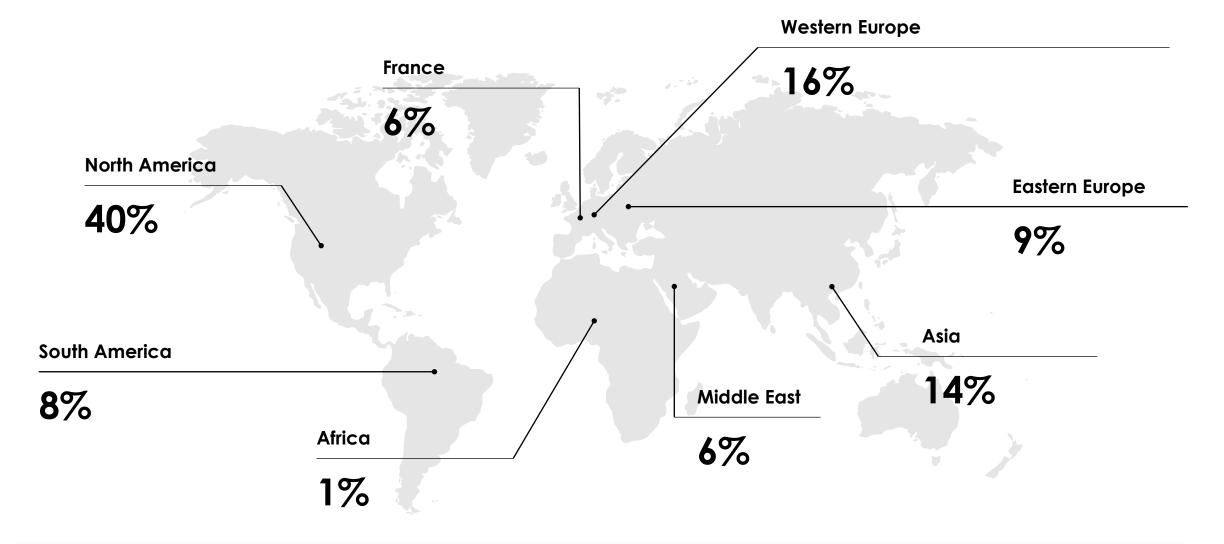
2021 sales by region

(2021 / 2019 - €m)



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2021 sales by region



2021 worldwide travel retail

Total revenue

- Total sales of €33 million in 2021 compared to €21 million in 2020 (+57%) but compared to €50 million in 2019 (-34%)
- Travel Retail that accounted for 12% of 2019 sales, remained flat at 7% of company sales in 2020 and 2021

Highlights by region

- Asia and Western Europe were the most affected regions (-56% and -52% vs. 2019)
- The Americas display better resilience(-14%)

Highlights by brand

- Van Cleef & Arpels delivered the best performance, doublings sales in 2021 vs. 2019 driven by its expansion into China and Korea
- Coach performed very well at -14% vs. 2019 reflecting its success in the Americas
- Montblanc and Jimmy Choo ended the year down by around -50% vs. 2019

Weight of Interparfums' online sales vs. market in 2021

		<u> 2019</u>		<u>2021</u>	
	IP	Market	IP	Market	
United States	10%	16%	12%	23%	
France	11%	9%	16%	15%	
United Kingdom	23%	20%	41%	37%	
Germany	15%	14%	30%	35%	
Italy	2%	3%	13%	10%	
South Korea	35%	18%	48%	27%	
China	54%	28%	64%	32%	

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2021 results

(€m)

	2017	2018	2019	2020	2021
Sales	422.0	455.3	484.3	367.4	560.8
Gross margin	275.9	294.2	308.8	227.1	365.6
% of sales	65.4%	64.6%	63.8%	61.8%	65.2%
Operating profit	60.0	66.2	73.1	46.9	98.9
% of sales	14.2%	14.5%	15.1%	12.8%	17.6%
Net income	40.0	47.2	50.6	30.7	71.1
% of sales	9.5%	10.4%	10.5%	8.4%	12.7%
	2017	2018	2019	2020	2021
Shareholders' equity	421.8	444.6	462.8	492.5	541.4
Cash and cash equivalents	221.1	213.0	205.7	228.2	257.7
Net financial debt	50.5	30.3	10.0	11.0	109.8

2021 results

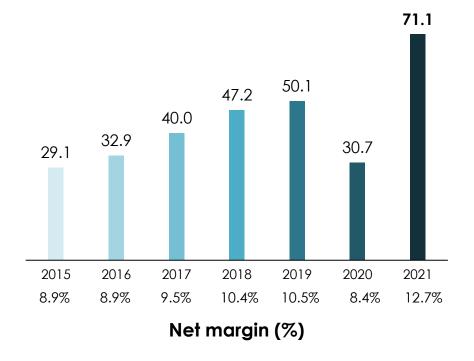
(€m)

Operating profit

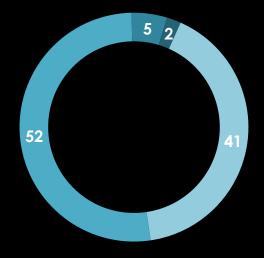


Operating margin (%)

Net income



2021 currency effect



■ Euro: 41%

■ US Dollar: 52%

■ Pound Sterling: 5%

Other: 2%

Currency	Av. exch. rate 2019	Av. exch. rate 2021	Sales impact
€/\$	1.122	1.184	-€16.1m
€/£	0.887	0.858	+€0.9m
€/¥	122.5	130.3	-€0.4m
Total currency effect			-€15.6m

Sales

€576m

Change

19%

at <u>constant</u> exchange rates

at <u>constant</u> exchange rates

(1st part - €m)

	2019	2020	2021	2021/2019
Sales	484.3	367.4	560.8	+16%
Cost of sales	(175.4)	(140.3)	(195.2)	+11%
Gross margin	308.8	227.1	365.6	+18%
% of sales	63.8%	61.8%	65.2%	
Logistics & transport	(12.4)	(8.1)	(14.2)	+14%
Marketing & advertising	(109.5)	(71.8)	(123.4)	+13%
% of sales	22.6%	19.5%	22.0%	
Royalties	(36.2)	(29.6)	(46.5)	+28%
% of sales	7.5%	8.1%	8.3%	
Staff costs (excluding production)	(40.4)	(34.1)	(41.7)	+3%
Service fees / subsidiaries	(6.7)	(4.3)	(7.9)	+18%
Allowances for depreciation and amortization, provisions	(6.3)	(14.0)	(10.6)	+68%
Tax and related expenses	(3.8)	(3.1)	(3.7)	-3%
Other	(20.3)	(15.2)	(16.7)	-18%
Current operating income	73.1	46.9	100.9	+38%
% of sales	15.1%	12.8%	17.6%	
terparfums			2021	Results • 41

(1st part)

- High gross margin in 2021
 65.2% (+1.4 pts)
 - Good controls over production costs
 - An increase in the gross margin of the US subsidiary
 52.2% in 2019 → 54.0% in 2021
 - An increased contribution from the US subsidiary's to total sales 25.8% in 2019 → 33.5% in 2021
 - A marginally negative currency effect

(1st part - €m)

	2019	2020	2021	2021/2019
Sales	484.3	367.4	560.8	+16%
Cost of sales	(175.4)	(140.3)	(195.2)	+11%
Gross margin	308.8	227.1	365.6	+18%
% of sales	63.8%	61.8%	65.2%	
Logistics & transport	(12.4)	(8.1)	(14.2)	+14%
Marketing & advertising	(109.5)	(71.8)	(123.4)	+13%
% of sales	22.6%	19.5%	22.0%	
Royalties	(36.2)	(29.6)	(46.5)	+28%
% of sales	7.5%	8.1%	8.3%	
Staff costs (excluding production)	(40.4)	(34.1)	(41.7)	+3%
Service fees / subsidiaries	(6.7)	(4.3)	(7.9)	+18%
Allowances for depreciation and amortization, provisions	(6.3)	(14.0)	(10.6)	ns
Tax and related expenses	(3.8)	(3.1)	(3.7)	-3%
Other	(20.3)	(15.2)	(16.7)	-18%
Current operating income	73.1	46.9	100.9	+38%
% of sales	15.1%	12.8%	18.0%	
nterparfums			2	021 Results • 43

(1st part)

- An exceptionally high current operating margin in 2021 18.0% (+2.9 pts)
 - A marginal decrease in marketing and advertising expenditures
 22.6% in 2019 → 22.0% in 2021
 - Staff costs effectively contained +3%
 - Decrease in certain fixed costs such as travel expenses

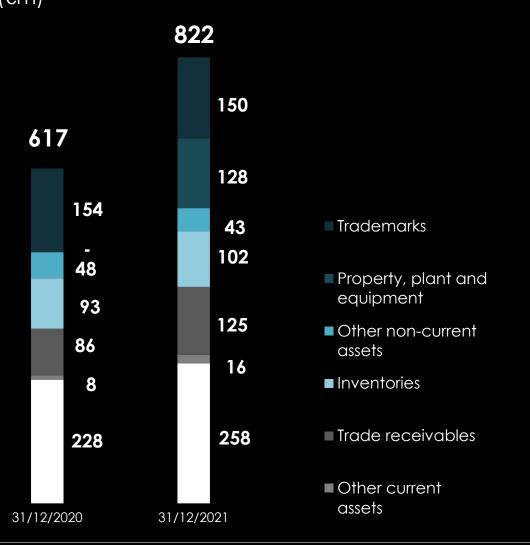
(2nd part - €m)

(2 part off)	2019	2020	2021	2021/2019
Current operating income	73.1	46.9	100.9	+38%
% of sales	15.1%	12.8%	18.0%	
Other operating expenses	-	-	(2.0)	
Operating profit	73.1	46.9	98.9	+35%
% of sales	15.1%	12.8%	17.6%	
Financial income (expense)	0.8	0.9	-	
Translation difference	(0.8)	(2.0)	2.4	
Corporate income tax	(22.1)	(15.2)	(29.7)	+34%
Effective tax rate	30.2%	33.3%	29.3%	
Share of profit from equity-accounted investments	-	0.5	0.1	
Net income	51.1	31.0	71.6	+40%
% of sales	10.6%	8.4%	12.8%	
Non-controlling interests	(0.5)	(0.3)	(0.6)	+20%
Net income	50.6	30.7	71.1	+41%
% of sales	10.5%	8.4%	12.7%	

2nd part

- A net margin following the same trend in 2021
 12.7% (+2.2 pts)
 - A provision for impairment of Rochas Fashion recognized in H1 2021
 - A decrease in financial income reflecting interest rate trends
 - Higher financial expenses linked to the financing of the future headquarters
 - Positive exchange rate differences thanks to effective hedging and a favorable trend in the €/\$ exchange rate in H2
 - A marginal decrease in the average corporate income tax rate 30.2% in 2019 → 29.3% in 2021

2021 balance sheet - Assets (€m)



Brands: €150m

- Brand assets remained largely stable
- Impairment charge for Rochas Fashion

Property, plant and equipment: €128m

Acquisition of the future headquarters complex

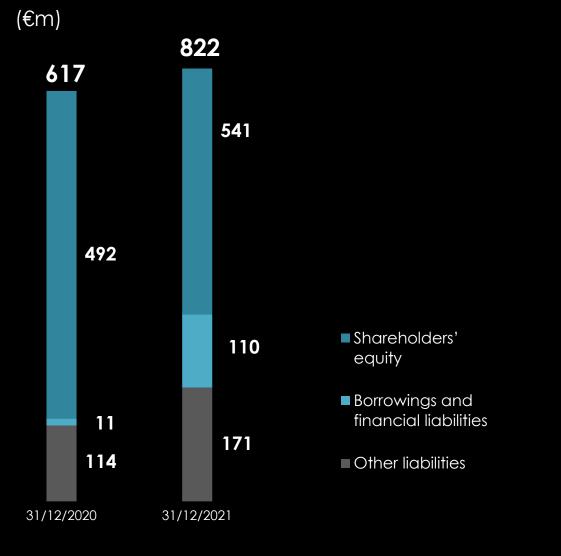
Inventories: €102m

- A significant increase in components
- But a decrease in the finished goods inventory!

Accounts receivable: €125m

- A significant (and coherent) increase in accounts receivable
- France: 49 days of sales
- Export: 88 days of sales

2021 balance sheet - Liabilities



Shareholders' equity: €541m

• 66% of total assets

Financial liabilities: €110m

Outstanding Solferino loan balance

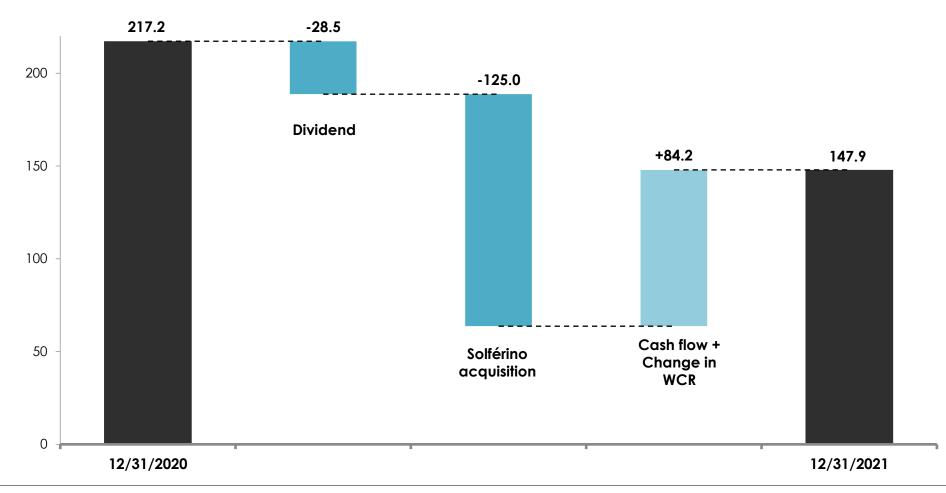
Cash net of borrowings

(€m)

	12/31/2020	12/31/2021
Capital redemption contracts	53.2	78.9
Term deposit accounts	49.6	40.3
Shares	-	21.6
Other	0.4	0.5
Current financial assets (+3 months)	103.2	141.3
Term deposit accounts	24.6	20.0
Bank accounts	91.6	86.1
Interest-bearing accounts	8.8	10.3
Cash and cash equivalents (-3 months)	125.0	116.4
Non-current borrowings & financial liabilities	-	(96.7)
Current borrowings & financial liabilities	(11.0)	(13.1)
Borrowings & financial liabilities	(11.0)	(109.8)
"Actual" cash net of borrowings	217.2	147.9

Net cash

(€m)



Dividend and bonus share issue

2021 dividend



€ 0.94 per share

75%

of 2021 earnings



Ex-rights date: May 16, 2022 (midnight)

Payment date: May 18, 2022

2022 bonus share issue



23rd annual bonus share issue



Procedures to be defined



Programmed for June

2021 financial highlights

 Better-than-expected results reflecting the benefits of a flexible operating model

Record profitability

 A financial structure which remains strong Operating margin: 17.6%

Cash & cash equivalents
€147.9m

Net margin **12.7%**

Shareholders' equity
€541.4m

Financial communications

calendar

Q1 2022 sales



April 27, 2022

H1 2022 results



Mid-September 2022

2022 Annual General Meeting



April 29, 2022

Internal control

- A test campaign conducted out between November 2021 and February 2022
- Covering 10 cycles, 39 risk areas and 113 controls
- Carried out internally by 2 financial controllers and 2 IT specialists
- Reinforcing security requirements for information systems
- No deficiencies



CSR & Governance

Recent actions

- Creation of a CSR & Governance Executive Committee
 - Natacha Finateu (General Counsel)
 - Véronique Duretz (Human Resources)
 - Solange Rolland (Consolidation & Internal Control)
 - Karine Marty (Shareholder Relations)
 - Axel Marot (Supply Chain & Operations)
 - Cyril Levy-Pey (Corporate Communications)
 - Philippe Santi
- Development of the CSR strategy focusing on responsible employment, corporate citizenship and governance practices with the guidance of a consulting firm

CSR & Governance

Recent actions

- A first initiative with Rochas Girl, the first lowenvironmental impact line
 - FSC certified packaging (sustainable forest management)
 - A bottle with 40% recycled glass
 - A recycled plastic cap
 - A fragrance consisting of 90.25% of natural raw materials
 - No colorants, no stabilizer, no UV filter
 - A 100% made in France product



The environment

Focus of 2022 & 2023 work

- Integrating an "optimized eco-design" dimension in the product development process
 - reduced quantities of glass, plastic, cardboard, component references...
 - Use of recycled glass, recycled plastic, FSC cardboard, natural materials, water-based inks...
- Recourse to suppliers with CSR certification by using the EcoVadis platform
- Completing the Scope 3 carbon assessment

Employer values

Focus of 2022 & 2023 work

- Formalizing social practices through a Responsible Employer Charter
- Communicating /Raising employee awareness about the CSR challenges
- Obtaining "employee well-being" certification for our future headquarters
- Continuing employee incentive programs linked to company results
 - Employee profit-sharing plan enhanced by subsidized or supplemental contributions
 - Savings plans and an Interparfums Employee Stock Ownership Scheme funded by company contributions
 - Performance share plan (restricted share units)

Social values

Focus of 2022 & 2023 work

- Formalizing our practices with stakeholders in an "Interpartums Ethics Charter"
- Maintaining partnership relationships with stakeholders (brands, customers, suppliers, etc.)
- Reinforcing sponsorship practices

Governance

Focus of 2022 & 2023 work

Continue CSR training / awareness-raising initiatives

- Directors
- Executive Committee
- Employees
- Changing the composition of the Board of Directors (April 2023)
 - Replacement of 3 directors
 - Objective: Gender balance (currently 40% women)
 - Objective: Balance between independents and non-independents (currently 40% independent)

Create a Shareholders Consultative Committee

- A group comprised of 12 individual shareholders
- 2 meetings per year

Governance

Focus of 2022 & 2023 work

Create a CSR Committee

- H1 2022
- Composition and number of meetings to be defined

Recap of our approach: A practitioner of "genuine CSR"

Middlenext Copyright

- Reinforcing our responsible employment, corporate citizenship and governance practices
- Developing "Interpartums" environmental practices
 - No greenwashing, but a pragmatic approach, adapted to our size
 - For the manufacture of components, the design of fragrances (juices), the manufacture of promotional tools (POS) and industrial packaging
 - Qualitative and quantitative objectives in the short term

CSR & Governance

Gaia rating November 2021



Rating	2018	2019	2020	Trend	Benchmark
GOVERNANCE	62	63	66	Z	69
EMPLOYER VALUES	77	87	85	\searrow	62
THE ENVIRONMENT	54	54	61	7	68
EXTERNAL STAKEHOLDERS	71	79	86	7	63
TOTAL	67	71	74	7	66



• 1st quarter



Montblanc Legend Red



Kate Spade Sparkle

• 1st quarter



Collection Extraordinaire Patchouli blanc



Coach Wild Rose

• 1st quarter



Rochas Girl rechargeable

• Q1/Q2



Moncler pour homme









2022 first-quarter highlights

Robust activity at the end of February 2022

- Despite continuing pressure on supply chains
- Accompanied by an increase in sales prices to offset the rise of certain production costs

US subsidiary

- Continuing strong demand for our products
- But a change in the order processing software of our local partner has disrupted the invoicing process

Ukraine - Russia conflict

- A Russian market (5% of activity in 2021) expected to be adversely impacted by sanctions imposed by the European Union and the United States
- An accounts receivable balance net of credit insurance of €3.5 million to date

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Annual results

March 2, 2022

