

March 2, 2022

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## 2021 annual highlights

(2021/2019 changes)

- Expected sales of $€ \mathbf{5 6 0 m}$
- 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 Iaunches

## - 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


## New headquarters

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

- Brand highlights



## Sales

(€m)


NTN
A return to the business levels of 2019

- JIMMY CHOO



## Sales <br> (€m)



NT
Strong growth in relation to 2019

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


## Sales <br> (€m)



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

$\square$
Launch of the Coach Dreams Sunset line


Sales
(€m)


ヘ̂in
A rełurn to more normal levels


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

## ROCHAS



## Sales <br> (€m)



NTN
Back to more normal levels as well
kate spade
NEW YORK

## Sales <br> (€m)



NTI
Kate Spade New York, the first initiative for the brand
13.6
2.7

0
2019

$\square$
A positive reception in the US market

## 2021 sales by brand

(2021 / 2019 - €m)


## Breakdown by brand

## 2019



- Montblanc: 29\%

■ Jimmy Choo: 21\%

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


## 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: $1 \%$



## 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 Hl


## Easłern Europe

(€m)

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


## France <br> (€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 Easł

(€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 Hl
- A change of partner in the United Arab Emirates


## 2021 sales by region

(2021 / 2019 - €m)


## 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

|  | 2019 |  | 2021 |  |
| :--- | ---: | ---: | ---: | ---: |
|  | IP | Market | 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 | $54 \%$ | $28 \%$ | $64 \%$ | $32 \%$ |

## - 2021 results


$\qquad$

$2 x^{2}+2$

## 2021 results

(€m)

|  | 2017 | 2018 | 2019 | 2020 | $\mathbf{2 0 2 1}$ |
| :--- | ---: | ---: | ---: | ---: | ---: |
| Sales | 422.0 | 455.3 | 484.3 | 367.4 | $\mathbf{5 6 0 . 8}$ |
| Gross margin | 275.9 | 294.2 | 308.8 | 227.1 | $\mathbf{3 6 5 . 6}$ |
| \% of sales | $65.4 \%$ | $64.6 \%$ | $63.8 \%$ | $61.8 \%$ | $\mathbf{6 5 . 2 \%}$ |
| Operating profit | 60.0 | 66.2 | 73.1 | 46.9 | $\mathbf{9 8 . 9}$ |
| \% of sales | $14.2 \%$ | $14.5 \%$ | $15.1 \%$ | $12.8 \%$ | $\mathbf{1 7 . 6 \%}$ |
| Net income | 40.0 | 47.2 | 50.6 | 30.7 | $\mathbf{7 1 . 1}$ |
| \% of sales | $9.5 \%$ | $10.4 \%$ | $10.5 \%$ | $8.4 \%$ | $\mathbf{1 2 . 7 \%}$ |


|  | 2017 | 2018 | 2019 | $\mathbf{2 0 2 0}$ | $\mathbf{2 0 2 1}$ |
| :--- | ---: | ---: | ---: | ---: | ---: |
| Shareholders' equity | 421.8 | 444.6 | 462.8 | 492.5 | $\mathbf{5 4 1 . 4}$ |
| Cash and cash equivalents | 221.1 | 213.0 | 205.7 | 228.2 | $\mathbf{2 5 7 . 7}$ |
| Net financial debt | 50.5 | 30.3 | 10.0 | 11.0 | $\mathbf{1 0 9 . 8}$ |

## 2021 results

(€m)

## Operating profit



Net income


## 2021 currency effect



■ Euro: $41 \%$

- Pound Sterling: 5\%

US Dollar: 52\%

- Other: 2\%

Av. exch. Av. exch.
rate
2019 rate 2021

## Currency

| $€ / \$$ | 1.122 | 1.184 | $-€ 16.1 \mathrm{~m}$ |
| :--- | :---: | :---: | :---: |
| $€ / £$ | 0.887 | 0.858 | $+€ 0.9 \mathrm{~m}$ |
| $€ / \neq$ | 122.5 | 130.3 | $-€ 0.4 \mathrm{~m}$ |
| Total currency effect |  |  | $-€ 15.6 \mathrm{~m}$ |

Sales
€ 576 m
at constant exchange rates

Change
$19 \%$
at constant exchange rates

## 2021 income statement highlights

(1 ${ }^{\text {st }}$ 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\% |  |
| interparfums |  |  |  | - 41 |

## 2021 income statement highlights

(1 ${ }^{\text {st }}$ 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 $2019 \rightarrow 54.0 \%$ in 2021
- An increased contribution from the US subsidiary's to total sales $25.8 \%$ in $2019 \rightarrow 33.5 \%$ in 2021
- A marginally negative currency effect


## 2021 income statement highlights

( ${ }^{\text {st }}$ part - €m)

| (1)part em) | 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\% |  |
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| 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\% |  |

## 2021 income statement highlights

(1 ${ }^{\text {st }}$ 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 $2019 \rightarrow 22.0 \%$ in 2021
- Staff costs effectively contained +3\%
- Decrease in certain fixed costs such as travel expenses


## 2021 income statement highlights

(2 $2^{\text {nd }}$ part - €m)

|  | 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\% |  |

## 2021 income statement highlights

$2^{\text {nd }}$ 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 H 2
- A marginal decrease in the average corporate income tax rate $30.2 \%$ in $2019 \rightarrow 29.3 \%$ in 2021


## 2021 balance sheet - Assets

 (€m)

## Brands: $€ 150 \mathrm{~m}$

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


## Property, plant and equipment: $€ 128 m$

- Acquisition of the future headquarters complex


## Inventories: $€ 102 \mathrm{~m}$

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


## Accounts receivable: $€ 125 m$

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


## 2021 balance sheet - Liabilifiles

(€m)


Shareholders' equity: $€ 541 \mathrm{~m}$

- $66 \%$ of total assets

Financial liabilities: $€ 110 \mathrm{~m}$

- Outstanding Solferino loan balance


## Cash net of borrowings

( $€ \mathrm{~m}$ )

|  | $12 / 31 / 2020$ | $\mathbf{1 2 / 3 1 / 2 0 2 1}$ |
| :--- | ---: | ---: |
| Capital redemption contracts | 53.2 | $\mathbf{7 8 . 9}$ |
| Term deposit accounts | 49.6 | $\mathbf{4 0 . 3}$ |
| Shares | - | $\mathbf{2 1 . 6}$ |
| Other | 0.4 | $\mathbf{0 . 5}$ |
| Current financial assets (+3 months) | 103.2 | $\mathbf{1 4 1 . 3}$ |
| Term deposit accounts | 24.6 | $\mathbf{2 0 . 0}$ |
| Bank accounts | 91.6 | $\mathbf{8 6 . 1}$ |
| Interest-bearing accounts | 125.0 | $\mathbf{1 0 . 3}$ |
| Cash and cash equivalents (-3 months) | - | $\mathbf{1 1 6 . 4}$ |
| Non-current borrowings \& financial liabilities | $\mathbf{1 1 1 . 0 )}$ | $\mathbf{( 9 6 . 7 )}$ |
| Current borrowings \& financial liabilifies | $\mathbf{( 1 1 . 0 )}$ | $\mathbf{( 1 3 . 1 )}$ |
| Borrowings \& financial liabilities | 217.2 | $\mathbf{1 4 7 . 9}$ |
| "Actual" cash net of borrowings |  |  |

## Net cash

( $€ \mathrm{~m}$ )


## Dividend and bonus share issue

2021
dividend
圂 畾

## $€ 0.94$

per share
75\％
of 2021 earnings

2022 bonus share issue $s$
$23^{\text {rd }}$ annual bonus share issue

## 茟

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
W. Operating margin: $17.6 \%$
(3.) Cash \& cash equivalents $€ 147.9 \mathrm{~m}$
$12.7 \%$
- Shareholders' equity € 541.4 m


## Financial communications <br> calendar

2022 Annual General Meeting
畄 April 29, 2022

H1 2022 results
畾 Mid-September 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

- 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
"Interparfums 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 "Interparfums" 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
Gaïa

| Rating | 2018 | 2019 | 2020 | Trend | Benchmark |
| :---: | :---: | :---: | :---: | :---: | :---: |
| GOVERNANCE | 62 | 63 | 66 | $\square$ | 69 |
| EMPLOYER VALUES | 77 | 87 | 85 | จ | 62 |
| THE ENVIRONMENT | 54 | 54 | 61 | $\square$ | 68 |
| EXTERNAL STAKEHOLDERS | 71 | 79 | 86 | $\square$ | 63 |
| TOTAL | 67 | 71 | 74 | $\square$ | 66 |



## 2022 launches

- $1^{\text {st }}$ quarter


Montblanc Legend Red


Kate Spade Sparkle

## 2022 launches

- $1^{\text {st }}$ quarter


Collection Extraordinaire Patchouli blanc


Coach Wild Rose

## 2022 launches

- $1^{\text {st }}$ quarter


Rochas Girl rechargeable

## 2022 launches

## - Q1/Q2



Moncler pour homme


Moncler pour femme

## 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


March 2, 2022

