



H1 2019 results

Paris, September 5, 2019

interparfums

# Agenda

- H1 2019 highlights
- H1 2019 sales
- H1 2019 results
- Kate Spade
- H1 2019 sales
- 2020 outlook



## H1 2019 results

Paris, September 5, 2019

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## H1 2019 highlights

# H1 2019 highlights

- **€112m in sales in Q2 2019**
  - +15% at constant exchange rates from Q2 2018
  - +12% at constant exchange rates from Q2 2018
- **€ 238m in sales in H1 2019**
  - +9% at current exchange rates from H1 2018
  - +5% at constant exchange rates from H1 2018
- **Launch of the *Montblanc Explorer* line**
  - more than €20m in billings in 6 months
  - limited impact on the *Montblanc Legend* line
  - a decline in sales by the *Montblanc Legend Night* and *Montblanc Emblem* lines
- **Solid growth by Jimmy Choo fragrances (+8%) and Coach (+11%)**
- **Signature of the Kate Spade license agreement**

# H1 2019 launches



February  
Montblanc Explorer



February  
Mademoiselle Rochas Couture



February  
Jimmy Choo Floral



March  
Van Cleef & Arpels  
Collection Extraordinaire Rêve d'Ylang



March  
Boucheron Fleurs

# H1 2019 launches



April  
Coach Floral Blush



April  
S.T. Dupont Perfect Tobacco



May  
Boucheron Quatre en Rouge



May  
Lanvin A Girl in Capri



May  
Karl Lagerfeld Les Parfums Matières



June  
S.T. Dupont Pure Bloom



## H1 2019 results

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## H1 2019 sales



**MONT  
BLANC**

€71.8m

H1 2019 sales

+26%

30%

of total  
Group revenue

- Strong growth linked to the launch at the beginning of the year of the *Montblanc Explorer* line
- A decline in sales by the *Montblanc Legend Night* and *Montblanc Emblem* lines



# JIMMY CHOO

€46.2m

H1 2019 sales

+8%

19%

of total  
Group revenue

- **Solid growth**
- **Launch of a second men's line in the fall**





€41.7m  
H1 2019 sales

+11%

17%  
of total  
Group revenue

- **Solid growth**
- **Activity reinforced by the launch of the *Coach Floral Blush* line**



# LANVIN PARFUMS

€28.1m  
H1 2019 sales

-5%

12%  
of total  
Group revenue

- Largely stable sales
- Launch of *A girl in Capri* line in Q2



# ROCHAS PARIS

€14.6m -10%  
H1 2019 sales

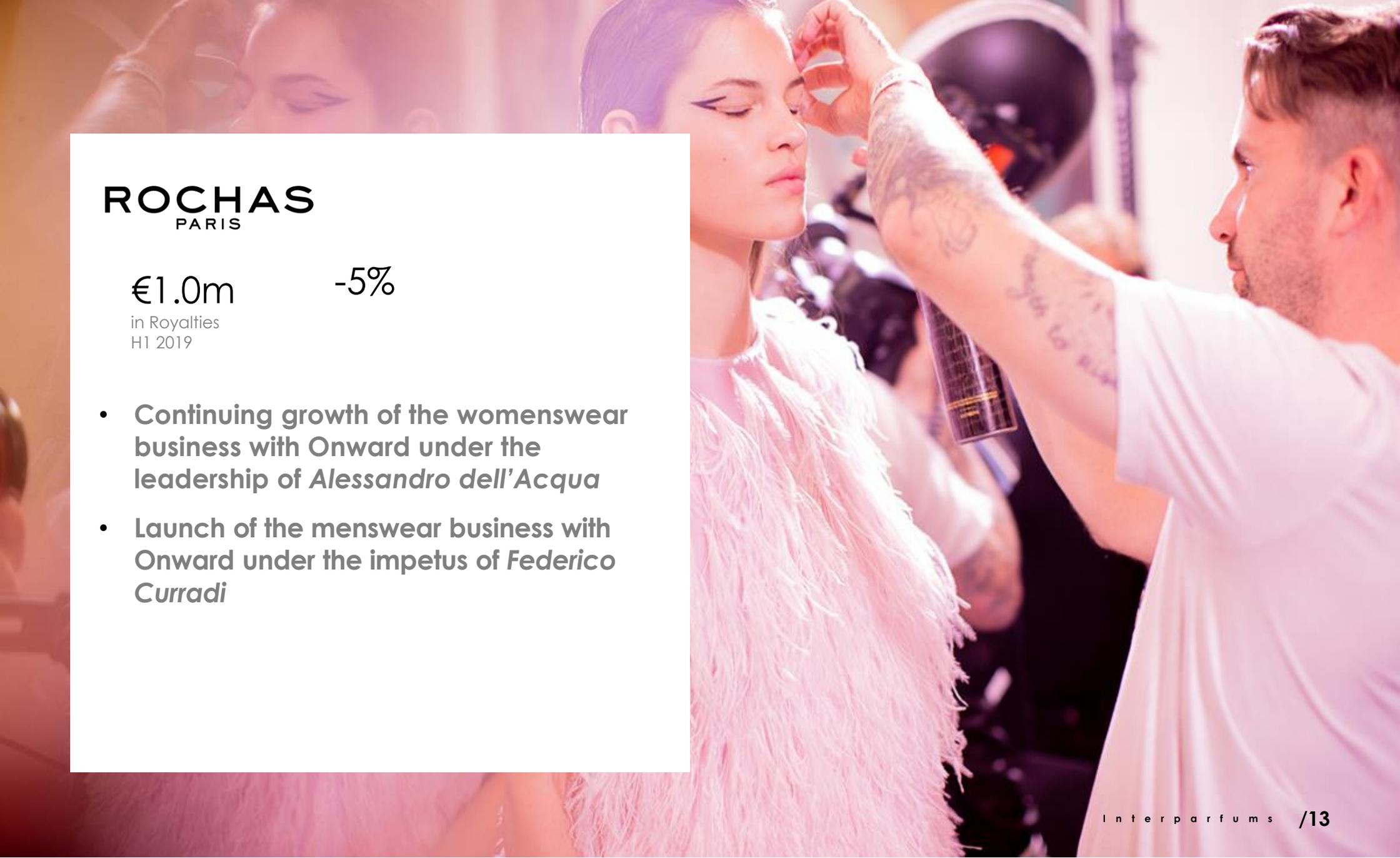
6%  
of total  
Group revenue

- Lower sales in the absence of a major launch
- A new women's fragrance initiative at the end of the year



# U DE H AS



A woman with dark hair and eye makeup is wearing a voluminous, pink feathered dress. A man with tattoos on his arms is styling her hair with a hairbrush. The background is softly blurred, showing other people and what appears to be a backstage area.

## ROCHAS PARIS

€1.0m      -5%

in Royalties  
H1 2019

- **Continuing growth of the womenswear business with Onward under the leadership of *Alessandro dell'Acqua***
- **Launch of the menswear business with Onward under the impetus of *Federico Curradi***

# BOUCHERON

PARIS

€10.1m -4%

H1 2019 sales

- Largely stable sales
- Launch of new juices for the Boucheron collection
- Steady performance by the *Quatre* line



# Van Cleef & Arpels

€9.5m    +22%

H1 2019 sales

- Strong growth in sales
- Strength of the *Collection Extraordinaire* line (+35%)



# KARL LAGERFELD

€7.2m    +36%

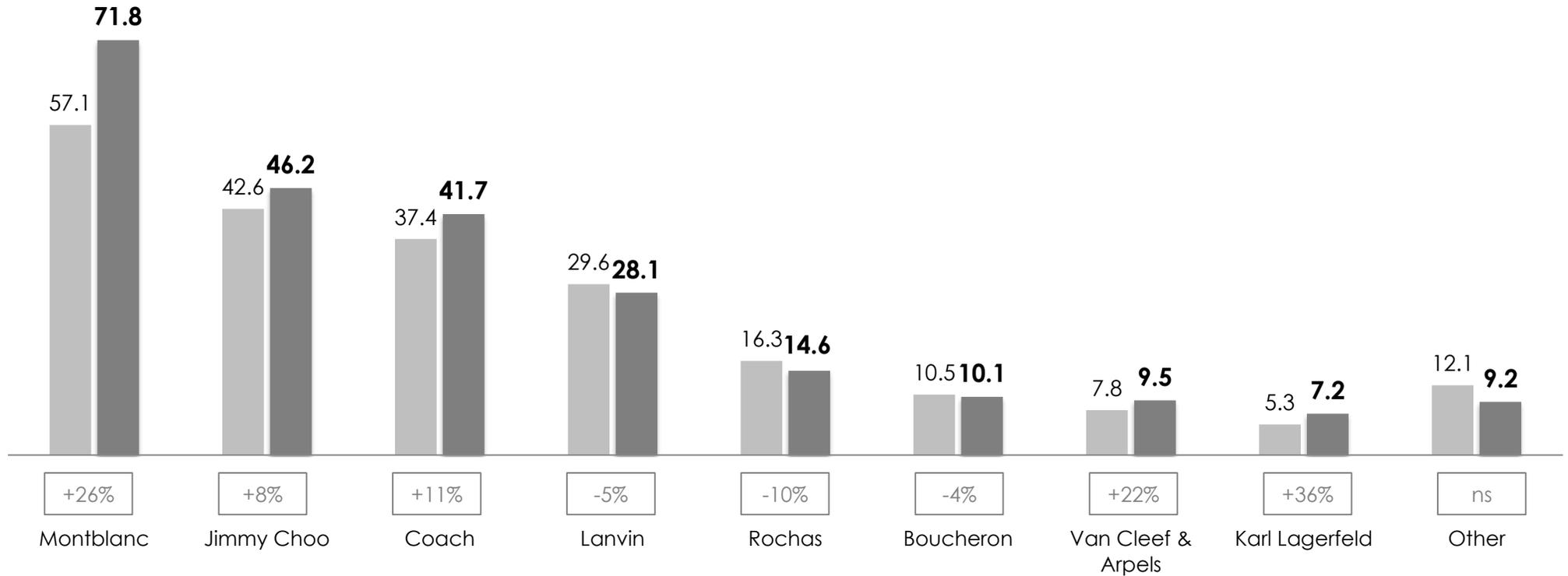
H1 2019 sales

- A new fragrance duo for the line *Les Parfums Matières*



# H1 2019 sales by brand (€m)

■ H1 2018 ■ H1 2019



H1 2018 sales

**€218.7m**

H1 2019 sales

**€238.4 m (+9%)**

# Breakdown by brand

## H1 2018



- Montblanc: 26%
- Jimmy Choo: 20%
- Coach: 17%
- Lanvin: 14%
- Rochas: 7%
- Boucheron: 5%
- Van Cleef & Arpels: 4%
- Karl Lagerfeld: 2%
- Other: 5%

## H1 2019



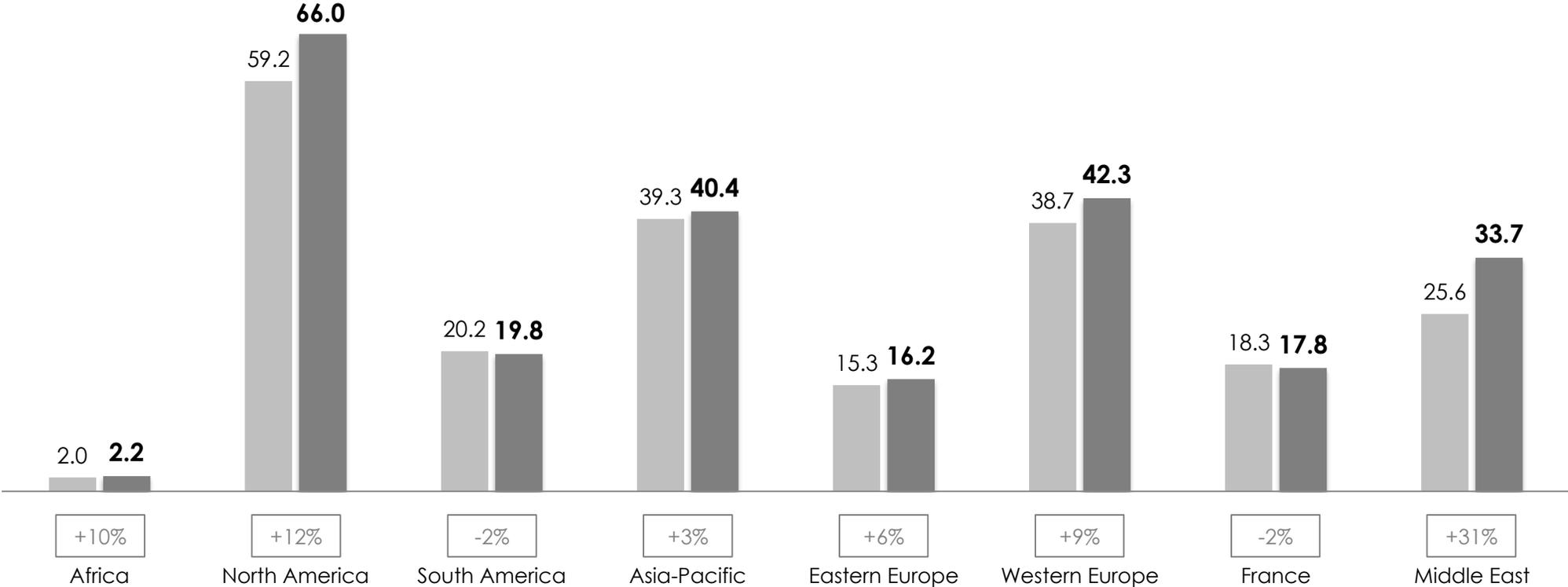
- Montblanc: 30%
- Jimmy Choo: 19%
- Coach: 18%
- Lanvin: 12%
- Rochas: 6%
- Boucheron: 4%
- Van Cleef & Arpels: 4%
- Karl Lagerfeld: 3%
- Other: 4%

# H1 2019 sales by region

- **Strong growth in the Middle East (+31%)**
  - good performances by the main brands
- **Good growth momentum continuing in the major regions**
  - North America (+11%)
  - Western Europe (+9%)
- **France and South America hold their ground (-2% each) within fragrance markets experiencing significant declines**

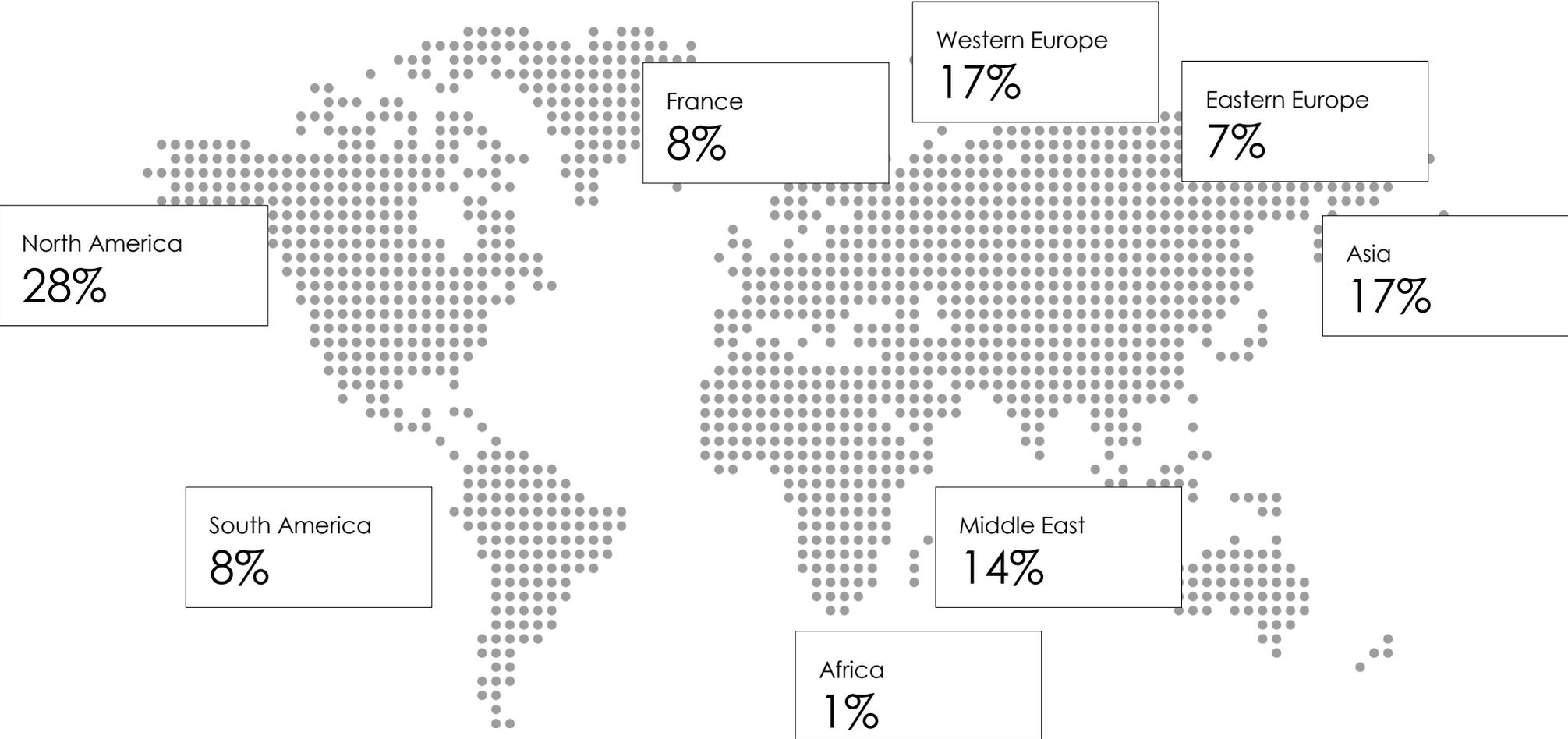
# H1 2019 sales by region (€m)

■ H1 2018 ■ H1 2019



# Sales mix by region

H1 2019





## H1 2019 results

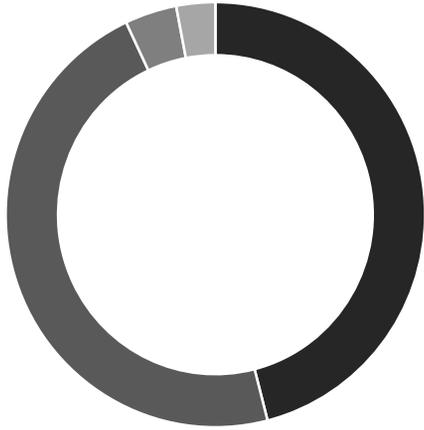
Paris, September 5, 2019

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## H1 2019 results

# Breakdown by currency

H1 2019 (H1 2018)



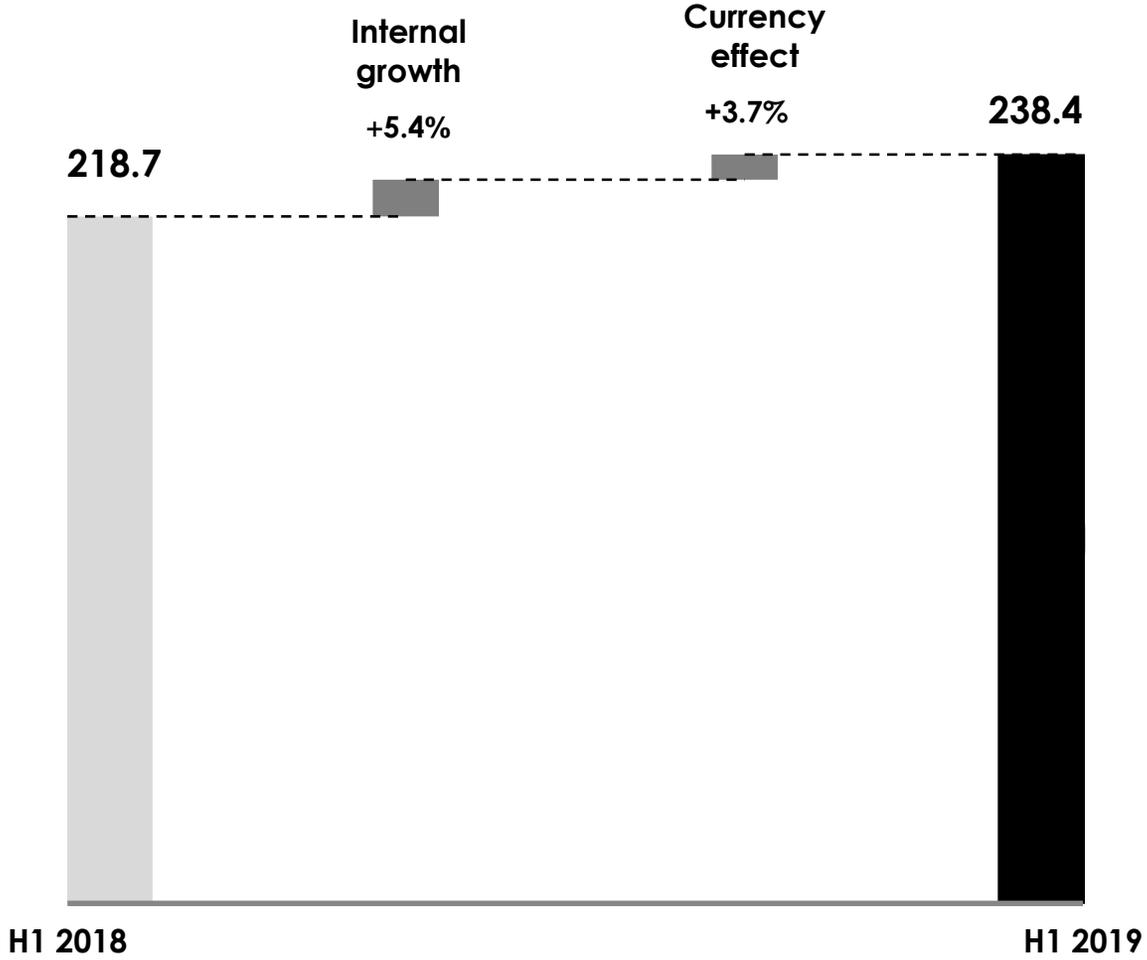
- Euro: 46% (47%)
- USD: 47% (46%)
- GDP: 4% (4%)
- Other: 3% (3%)

## Impact on H1 2019 sales(€m)

Currency	Av. exch. rate H1 2018	Av. exch. rate H1 2019	Currency effect
€/\$	1.21	1.13	+€7.7m
€/£	0.88	0.87	+€0.1m
€/¥	132.7	125.3	+€0.2m

- Total positive currency effect of €8m
- Annual sales of €230.4m at constant exchange rates

# Impact on H1 2019 sales (€m)



# H1 2019 income statement (1<sup>st</sup> part)

(€m)	H1 2018	H1 2019	2019/2018
Sales	218.7	<b>238.4</b>	+9%
Cost of sales	(79.6)	<b>(86.1)</b>	+8%
Gross margin	139.1	<b>152.3</b>	+9%
<i>% of sales</i>	63.6%	<b>63.9%</b>	
Logistics & transport	(5.9)	<b>(6.2)</b>	+5%
Marketing & advertising	(46.2)	<b>(51.3)</b>	+11%
<i>% of sales</i>	21.1%	<b>21.5%</b>	
Royalties	(15.4)	<b>(17.2)</b>	+12%
<i>% of sales</i>	7.0%	<b>7.2%</b>	
Staff costs (excluding production)	(19.0)	<b>(19.7)</b>	+4%
Allowances for depreciation and amortization, provisions	(2.8)	<b>(2.8)</b>	-
Service fees / subsidiaries	(3.7)	<b>(3.3)</b>	-10%
Taxes	(2.1)	<b>(2.3)</b>	+9%
Other	(9.0)	<b>(10.4)</b>	+15%
Operating profit	34.8	<b>39.0</b>	+12%
<i>% of sales</i>	15.9%	<b>16.4%</b>	

# H1 2019 income statement (2<sup>nd</sup> part)

(€m)	H1 2018	H1 2019	2019/2018
Operating profit	34.8	<b>39.0</b>	+12%
<i>% of sales</i>	15.9%	<b>16.4%</b>	
Financial income (expenses)	0.8	<b>0.6</b>	-25%
Translation difference	1.2	<b>(0.6)</b>	ns
Income before tax	36.7	<b>39.1</b>	+6%
<i>% of sales</i>	16.8%	<b>16.4%</b>	
Corporate income tax	(11.4)	<b>(11.7)</b>	+3%
<i>Tax rate</i>	31.0%	<b>30.0%</b>	
Net income before non-controlling interests	25.3	<b>27.4</b>	+8%
<i>% of sales</i>	11.6%	<b>11.5%</b>	
Non-controlling interests	(0.1)	<b>(0.1)</b>	ns
Net income	25.2	<b>27.2</b>	+8%
<i>% of sales</i>	11.5%	<b>11.4%</b>	

# H1 2019 income statement highlights

- **A change in the gross margin reflecting two opposing effects**

- a favorable currency effect
- higher cost prices for the *Montblanc Explorer* line

=> The gross margin increased 0.3 points to 63.9%

- **A change in operating profit reflecting:**

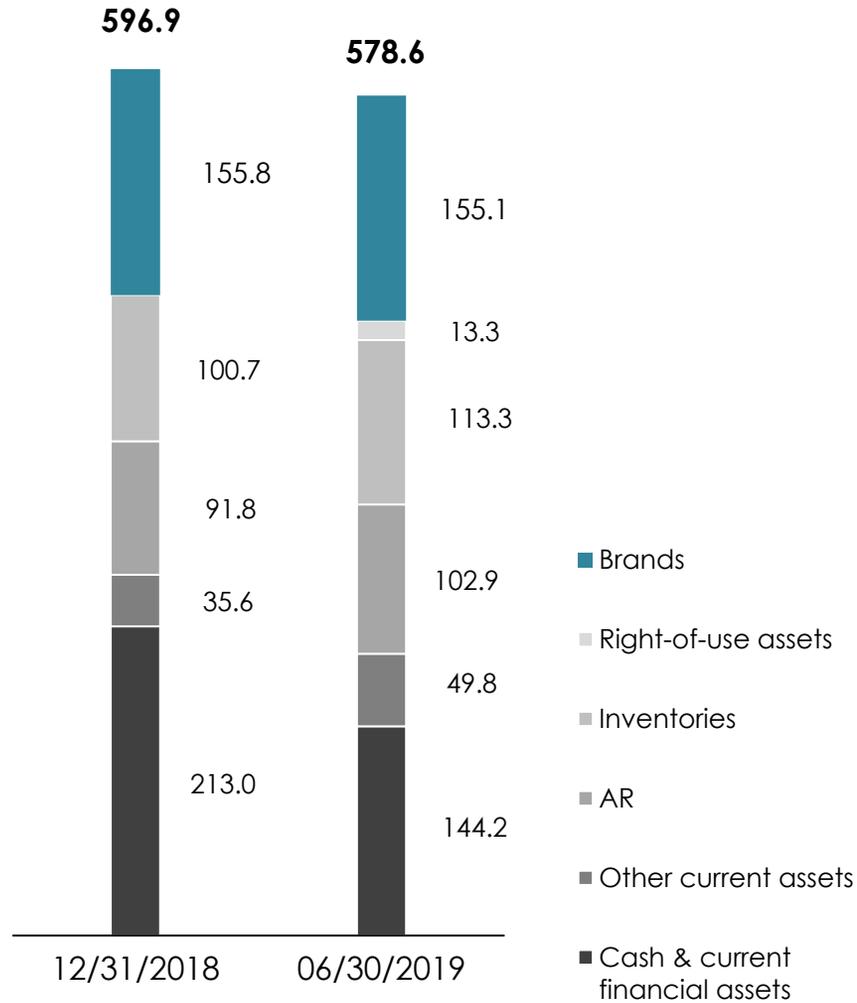
- a significant increase in marketing expenditures notably to support the launch of the *Montblanc Explorer* line
- a more limited increase in all fixed costs
- a favorable €/US\$ exchange rate trend

=> The operating margin increased 0.5 points to 16.4%

- **A change in net income reflecting:**

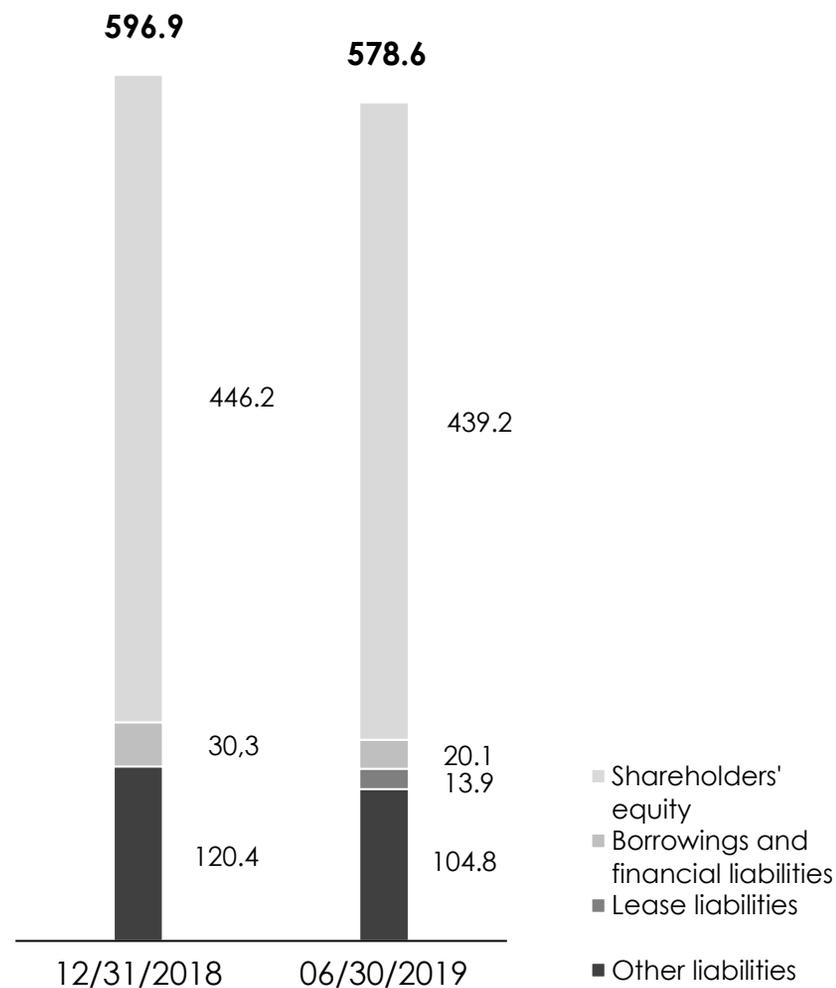
- lower returns on initial investments
- the cost of currency hedges

# Balance Sheet – Assets



- Inventories higher from growth in business**  
 +12.5%  
 +8% excluding H2 launches
- AR higher from growth in business**  
 +12%  
 +7% excluding selected payment time lags (South America and the Middle East notably) in early June (€4m)

## Balance Sheet – Equity & Liabilities



- **Continuing repayment of the Rochas loan obtained in 2015**
  - €10m in H1
- **FY 2018 dividend payment**
  - €30m in May 2019
- **Net cash at June 30, 2019 reached €137m**
  - lower in relation to December 31, 2018
  - stable in relation to June 30, 2018

# Cash flow highlights

(€m)	H1 2018	H1 2019
Cash flow	39.0	<b>36.7</b>
Inventories	(19.2)	<b>(17.6)</b>
Trade receivables	(19.6)	<b>(14.0)</b>
Other receivables	3.6	<b>(1.3)</b>
Trade payables	0.5	<b>(10.8)</b>
Other liabilities	(1.8)	<b>(1.8)</b>
Change in working capital requirements	(36.5)	<b>(45.4)</b>
Total cash flow from operating activities	2.5	<b>(8.8)</b>

# Cash flow highlights

(€m)	H1 2018	H1 2019
Acquisition of intangible fixed assets	(0.5)	<b>(0.6)</b>
Acquisition of property, plant & equipment	(1.5)	<b>(1.4)</b>
Acquisition of marketable securities (>3 months) Other	(8.0)	<b>(0.1)</b>
Other	(8.4)	<b>1.8</b>
<b>Total cash flows from investing activities</b>	<b>(18.4)</b>	<b>(0.4)</b>
Issuance of borrowings	-	-
Debt repayments	(10.0)	<b>(10.0)</b>
Dividends	(26.1)	<b>(30.3)</b>
Other	(0.6)	<b>(5.6)</b>
<b>Total cash flow from financing activities</b>	<b>(36.7)</b>	<b>(45.9)</b>

# Cash net of borrowings

(€m)	06/30/2018	12/31/2018	<b>06/30/2019</b>
Capital redemption contracts	-	-	-
Term deposit accounts	66.3	59.1	<b>58.5</b>
Other	0.2	0.2	<b>0.3</b>
<b>Current financial assets (-3 months)</b>	<b>66.5</b>	<b>59.3</b>	<b>58.8</b>
Term deposit accounts	35.0	53.3	<b>19.0</b>
Capital redemption contracts	51.3	51.8	<b>52.3</b>
Bank accounts	23.4	41.0	<b>25.1</b>
Interest-bearing accounts	0.5	7.6	<b>2.2</b>
<b>Cash and cash equivalents (+3 months)</b>	<b>110.2</b>	<b>153.7</b>	<b>98.6</b>
Non-current borrowings & financial liabilities	(20.1)	(10.1)	-
Current borrowings & financial liabilities	(20.3)	(20.2)	<b>(20.1)</b>
<b>Borrowings &amp; financial liabilities</b>	<b>(40.4)</b>	<b>(30.3)</b>	<b>(20.1)</b>
<b>"Actual" cash net of borrowings</b>	<b>136.4</b>	<b>182.6</b>	<b>137.4</b>

# Agenda

- *Investir Day 2019* shareholders meeting  
October 3, 2019 (1<sup>st</sup> edition - Carrousel du Louvre)
- *F2iC* shareholders event - Lyon  
October 16, 2019
- *F2iC* shareholders event - Paris  
October 24, 2019
- 2019 third-quarter sales  
October 29, 2019 (before the opening of trading in Paris)
- 2020 outlook  
November 19, 2019 (before the opening of trading in Paris)
- Actionaria investor fair  
November 21, 2019 (Palais des Congrès Paris)



## H1 2019 results

Paris, September 5, 2019

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**Kate Spade**

## Kate Spade transition

- **End of distribution by the preceding licensee on December 31, 2019**
  - sell off period of 3 months
- **Interparfums will start distribution on April 1, 2020**
  - no undertaking to take over inventories
  - the *Live Colorfully* and *Walk on Air* lines will continue to be manufactured and distributed
- **A women's line to be launched in September 2020, destined mainly for the US and Asian markets**



## H1 2019 results

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## H2 2019 sales

## H2 2019 sales

- **Major launches**
  - Jimmy Choo: *Urban Hero*, a second men's line after *Jimmy Choo Man*
  - Rochas: *Byzance*, a new women's line (end 2019 / early 2020)
- **Finalization of H1 2020 launches**
- **Confirmation of 2019 guidance**
  - sales: €480m
  - operating margin: approx. 14%

# JIMMY CHOO

## URBAN HERO

EMBODYING A MAN FULL OF CONFIDENCE, DETERMINED. THE MAN OF TODAY



# FRAGRANCE

A WOODY AROMATIC FRAGRANCE INSPIRED BY THE VIBRANT URBAN ENVIRONMENT

## HEART NOTES

ROSEWOOD  
VETIVER

## BASE NOTES

GREY AMBER  
LEATHER ACCORD

## TOP NOTES

LEMON CAVIAR  
BLACK PEPPER



A man with dark hair and a serious expression is sitting on a metal chair. He is wearing a dark blue suit jacket and matching trousers. His hands are clasped in his lap. The background is an urban setting with a building facade featuring a large, stylized geometric pattern.

# JIMMY CHOO URBAN HERO

LE NOUVEAU PARFUM

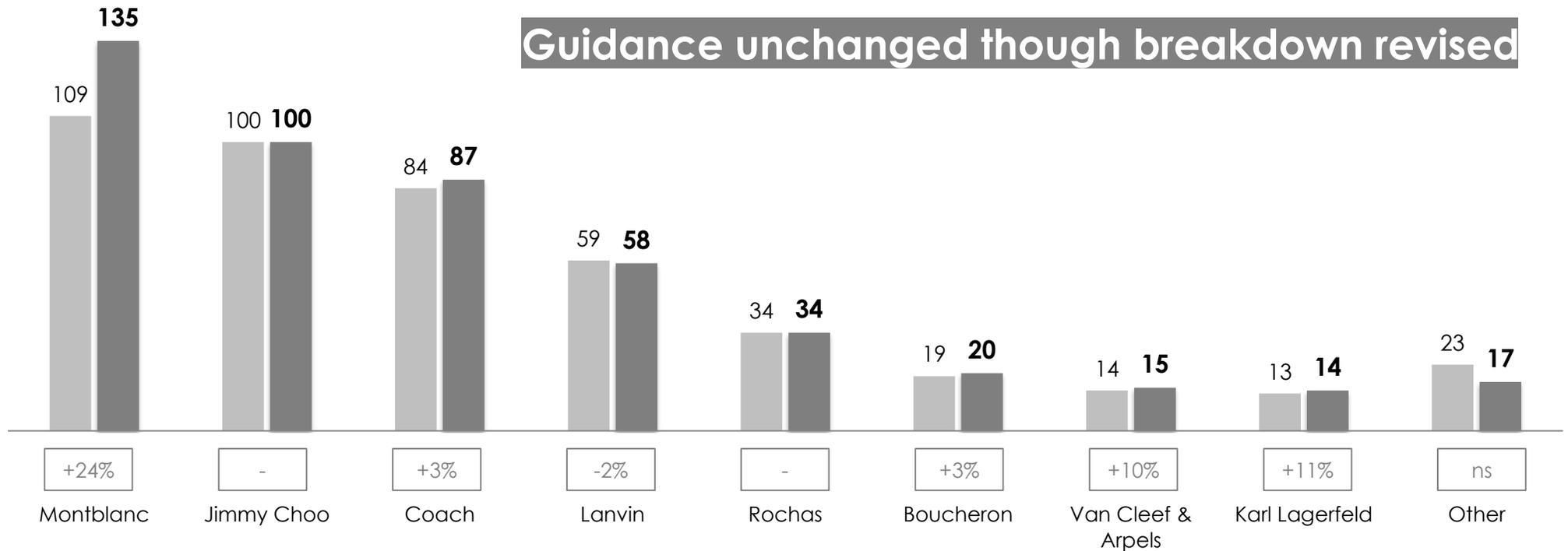
L'ATLAS, ARTISTE URBAIN



## 2019 sales by brand (€m)

■ 2018 ■ 2019(e)

Guidance unchanged though breakdown revised



2018 total net sales

**€455.3m**

2019 total net sales(e)

**€480.0m** (+5.4%)

# Breakdown by brand

2018



- Montblanc: 24%
- Jimmy Choo: 22%
- Coach: 19%
- Lanvin: 13%
- Rochas: 7%
- Boucheron: 4%
- Van Cleef & Arpels: 3%
- Karl Lagerfeld: 3%
- Other brands: 5%

2019(e)



- Montblanc: 28%
- Jimmy Choo: 21%
- Coach: 18%
- Lanvin: 12%
- Rochas: 7%
- Boucheron: 4%
- Van Cleef & Arpels: 3%
- Karl Lagerfeld: 3%
- Other bands : 4%



## H1 2019 results

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## **2020 outlook**

# 2020 outlook

- **H1 launches**

- Rochas: *Byzance* (women's line) & *L'Homme Rochas*
- Jimmy Choo: Collection (lipstick, nail polish and fragrance collection)
- Coach: a second women's line
- Montblanc: a new women's line
- Karl Lagerfeld: a new fragrance duo

- **H2 launches**

- Kate Spade: a first women's line
- Jimmy Choo: a new women's line
- Boucheron: a second women's line
- Montblanc: Eau de Parfum *Legend*

Boucheron  
Coach  
Jimmy Choo  
Karl Lagerfeld  
Kate Spade  
Lanvin  
Montblanc  
Paul Smith  
Repetto  
Rochas  
S.T. Dupont  
Van Cleef & Arpels

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