

**INTERPARFUMS**

**2022**

**H1 results**

September 9, 2022



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# H1 2022 results

(€m)

	<u>H1 2021</u>	<u>H1 2022</u>	<u>22/21</u>
Net sales	266.3	318.7	+20%
Gross margin	171.4	208.4	+22%
% of sales	64.4%	65.4%	
Marketing & advertising	36.8	59.1	+61%
% of sales	13.8%	18.6%	
Operating profit	65.6	71.8	+9%
% of sales	24.7%	22.5%	
Net income	45.7	54.2	+19%
% of sales	17.2%	17.0%	

- H1 2022 sales



# H1 2022 market context

Activity in the period impacted by:

- **An international economic and geopolitical environment severely affected** by the war in Ukraine and its effects in Eastern Europe
- **Supply chain disruptions triggered by:**
  - raw material shortages
  - longer lead times for sourcing
  - labor shortages at our industrial partners
- **Customer service quality impacted by partial shipments and longer lead times**
- **Significant logistics difficulties in the United States** resulting from a change in shipping software by our local partner

# H1 2022 market context

But also by:

- **A global perfume market that remained buoyant** despite the economic situation
- **Growing demand for the Group's top-selling brands**

# H1 2022 sales

A strong start for the year

- **Sales of €319m**
- **Strong growth in relation to H1 2021**
  - +19.7% at current exchange rates
  - +14.4% at constant exchange rates
- **Strong growth by the main brands**
  - Montblanc +25%
  - Jimmy Choo +17%
  - Coach +29%
  - Van Cleef & Arpels +30%
- **Strong growth in all regions except for Eastern Europe (as to be expected)**

# H1 2022 launches



*Montblanc Legend Red*



*Kate Spade Sparkle*

# H1 2022 launches



Collection Extraordinaire *Patchouli blanc*



Coach *Wild Rose*

The NEW FRAGRANCE for HER

  
**COACH**  
NEW YORK  
*wild rose*



# H1 2022 launches



*Moncler pour homme*



*Moncler pour femme*

# Q2 2022 launches



**Jimmy Choo Man Aqua**



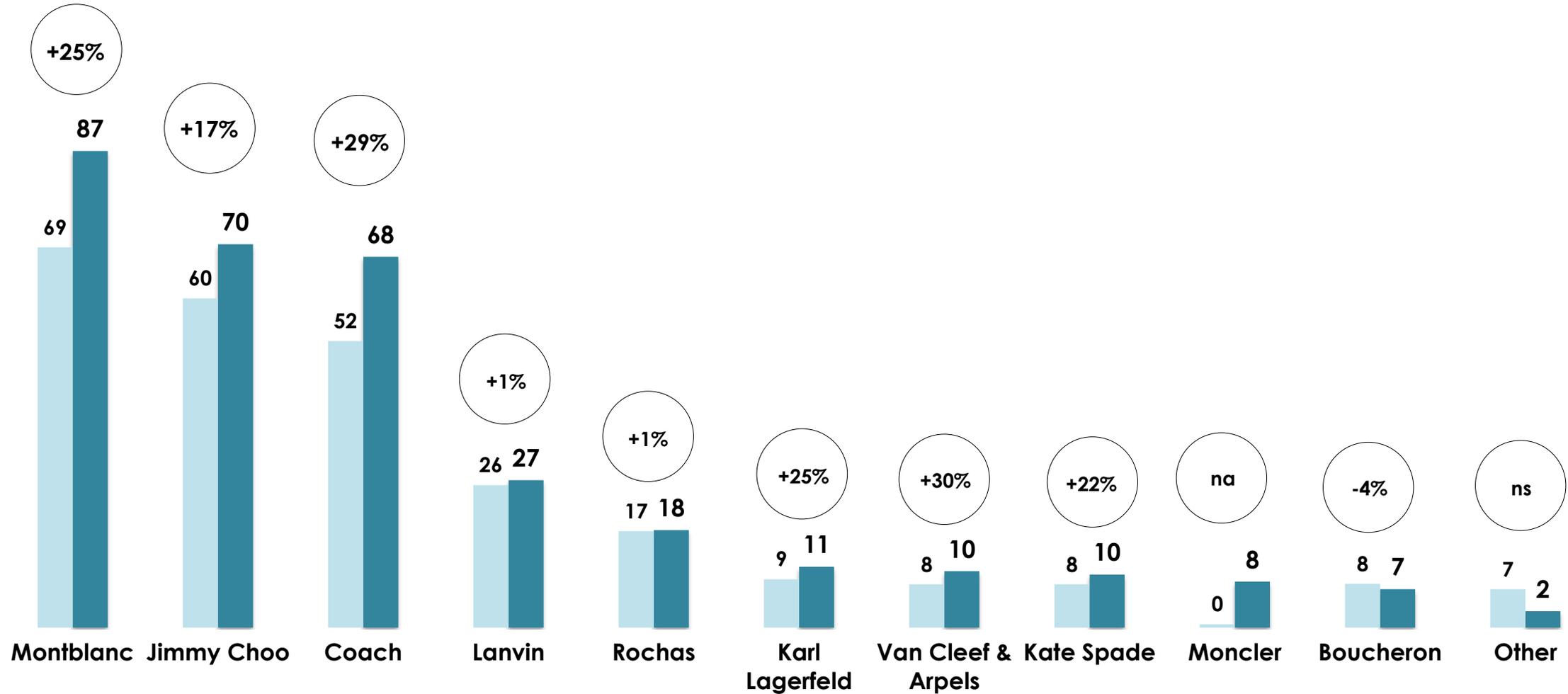
**Lanvin Mon Eclat**

- H1 2022 sales by brand



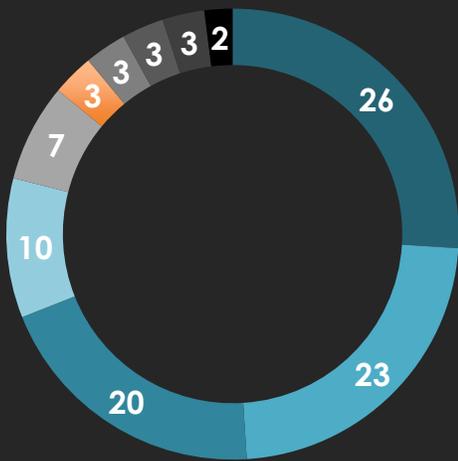
# Sales by brand

(€m – H1 2022/ H1 2021)



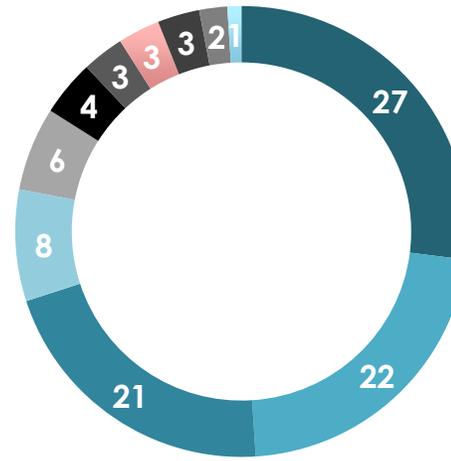
# Sales by brand

## H1 2021



- Montblanc: 26%
- Coach: 20%
- Rochas: 7%
- Boucheron: 3%
- Karl Lagerfeld: 3%
- Jimmy Choo: 23%
- Lanvin: 10%
- Kate Spade: 3%
- Van Cleef & Arpels: 3%
- Other brands: 2%

## H1 2022



- Montblanc: 27%
- Coach: 21%
- Rochas: 6%
- Van Cleef & Arpels: 3%
- Moncler: 3%
- Other brands: 1%
- Jimmy Choo: 22%
- Lanvin: 8%
- Karl Lagerfeld: 4%
- Kate Spade: 3%
- Boucheron: 2%

- H1 2022 sales by region



# H1 2022 sales by region

- **North America (+9%)**
  - A mixed performance given the shipping difficulties
  - But a perfumes and cosmetics market that remains buoyant
- **South America (+33%) and Middle East (+39%)**
  - Return to higher revenue levels, centered on the portfolio's flagship brands
- **Asia (+30%)**
  - Growth driven by Coach, Jimmy Choo and Lanvin fragrances
  - Strong growth over the period in China (+45%)

# H1 2022 sales by region

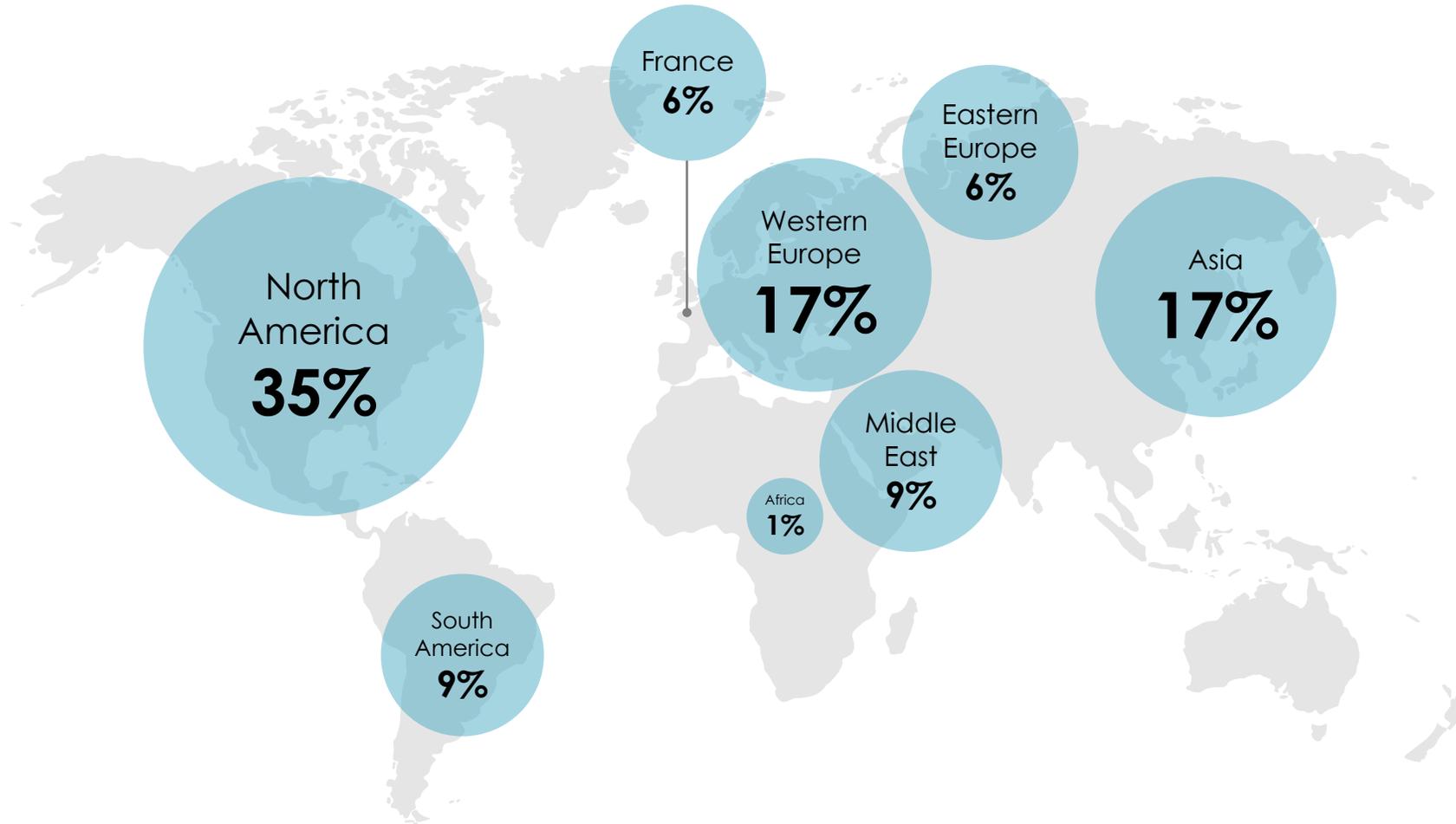
- **Eastern Europe (-17%)**
  - Activity inevitably impacted by the conflict between Russia and Ukraine
- **Western Europe (+45%)**
  - Sustained growth for Montblanc, Jimmy Choo and Rochas fragrances
- **France (+16%)**
  - Significant growth driven by the performances of Rochas and Boucheron fragrances

# Sales by region

(€m – H1 2022/ H1 2021)

	H1 2021	H1 2022	2022/2021
Africa	2.8	<b>2.1</b>	-22%
Asia	42.2	<b>54.9</b>	+30%
Eastern Europe	23.5	<b>19.4</b>	-17%
France	16.6	<b>19.3</b>	+16%
Middle East	20.7	<b>28.9</b>	+39%
North America	101.4	<b>110.7</b>	+9%
South America	21.2	<b>28.3</b>	+33%
Western Europe	37.9	<b>55.1</b>	+45%
<b>Total sales</b>	266.3	<b>318.7</b>	+20%

# H1 2022 regional sales mix

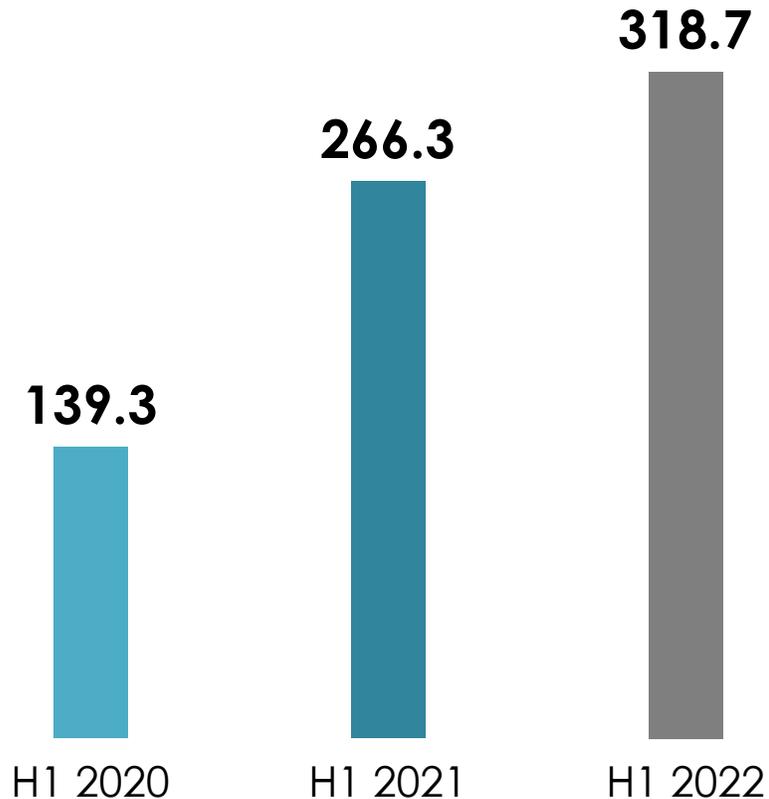


- H1 2022 results



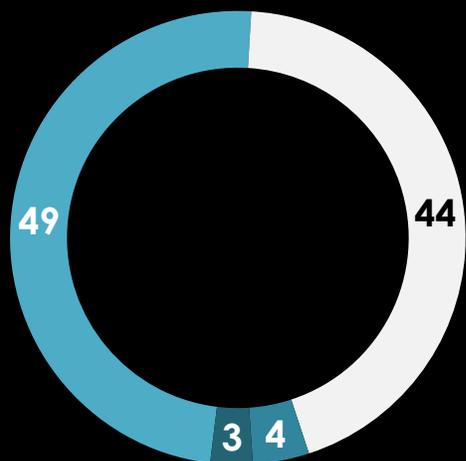
# H1 2022 results

Sales (€m)



- Another period of **strong sales growth**
  - +19.7%** at current exchange rates
  - +14.4%** at constant exchange rates
- Strong growth by the top-selling brands

# Currency effect in H1 2022



■ USD: 49%

■ EUR: 44%

■ GBP: 4%

■ Other: 3%

Currency	Av. exch. rate H1 2021	Av. exch. rate H1 2022	Currency effect
€/\$	1.206	1.101	+€13.7m
€/£	0.868	0.840	+€0.4m
€/¥	131.3	130.1	+€0.1m
<b>Total currency effect</b>			<b>+€14.2m</b>

Sales

**€304m**

at constant exchange rates

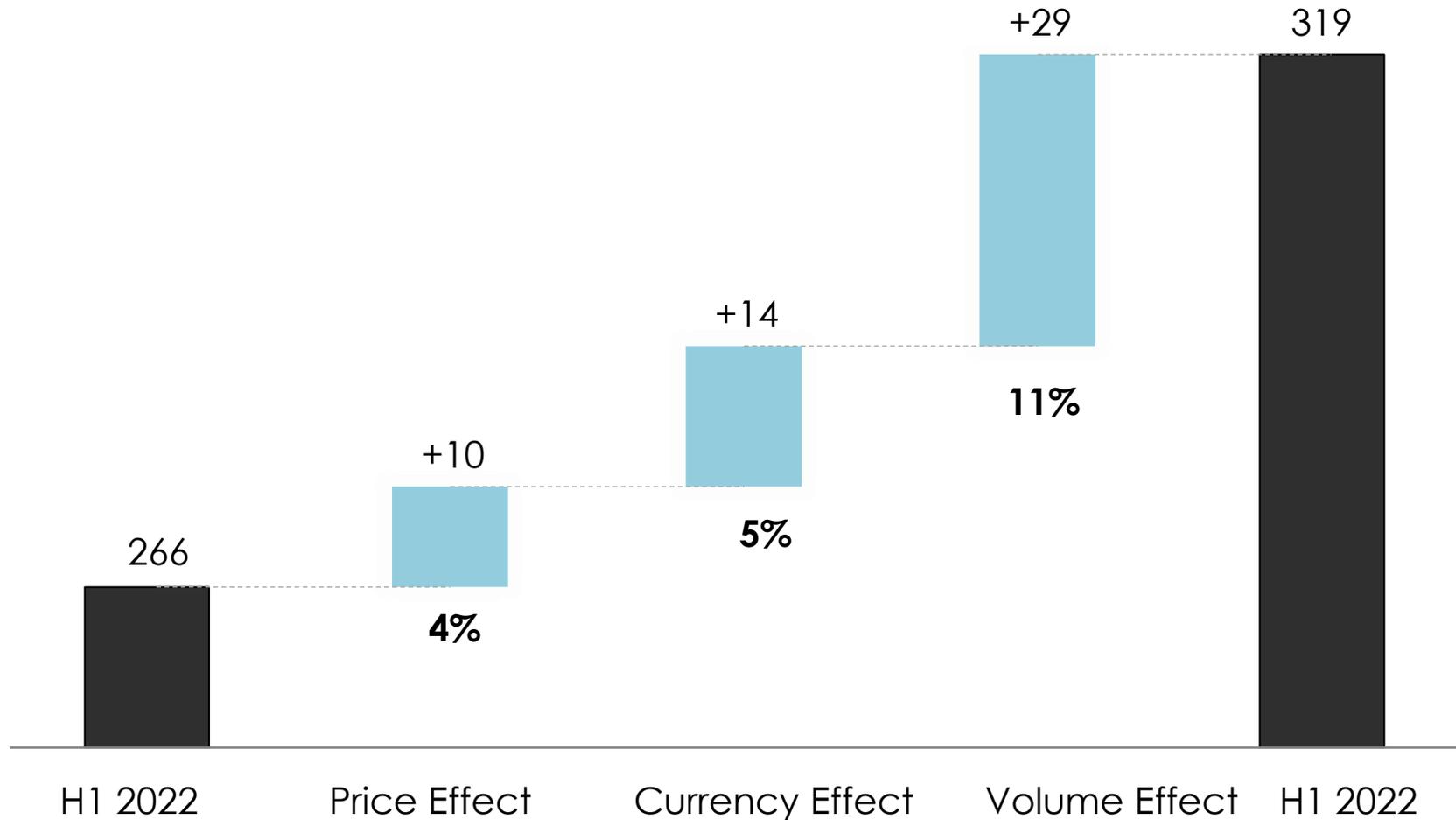
Change

**+ 14.4%**

at constant exchange rates

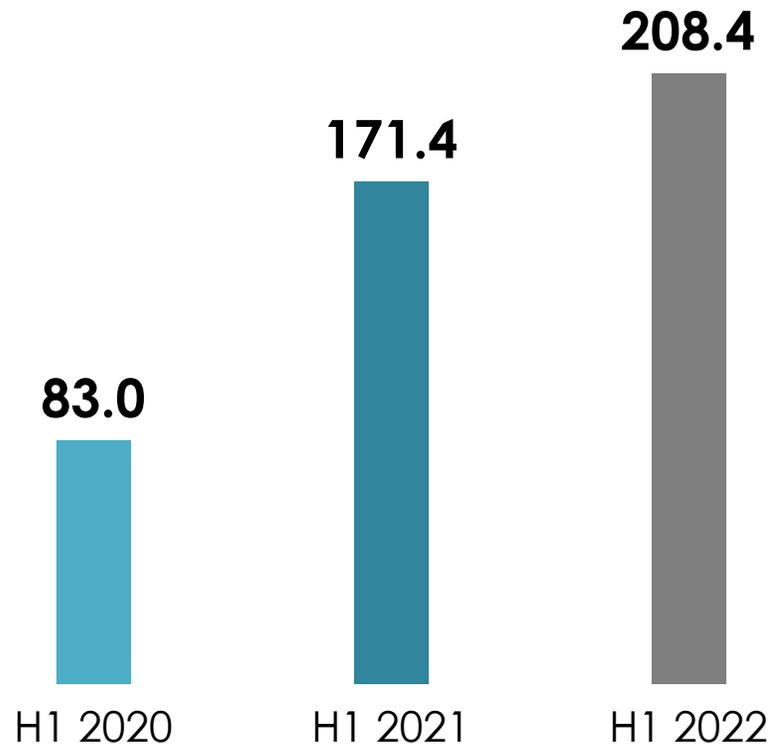
# Analysis of sales growth

(€m)



# H1 2022 results

Gross margin (€m)



- A significant uptick in the **gross margin**

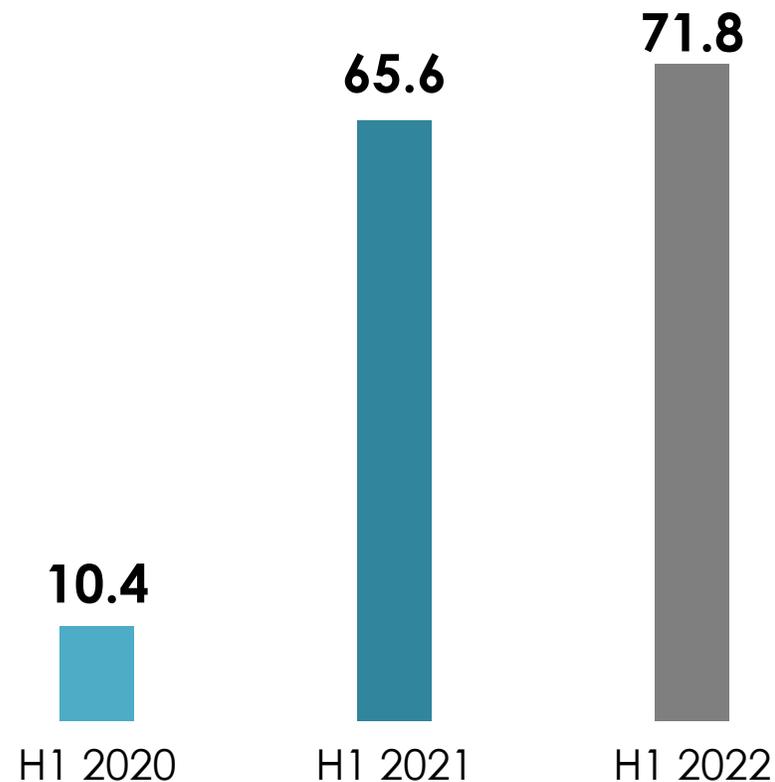
**+22%**

**64.4% → 65.4% of sales**

- (-) Increase in raw material prices, packaging and transport costs
- (+) Increase in sales prices
- (+) Favorable €/\$ exchange rate trends

# H1 2022 results

Operating profit (€m)



- Further increase in **operating profit**

**+9.5%**

- An operating margin which remains high

**22.5%**

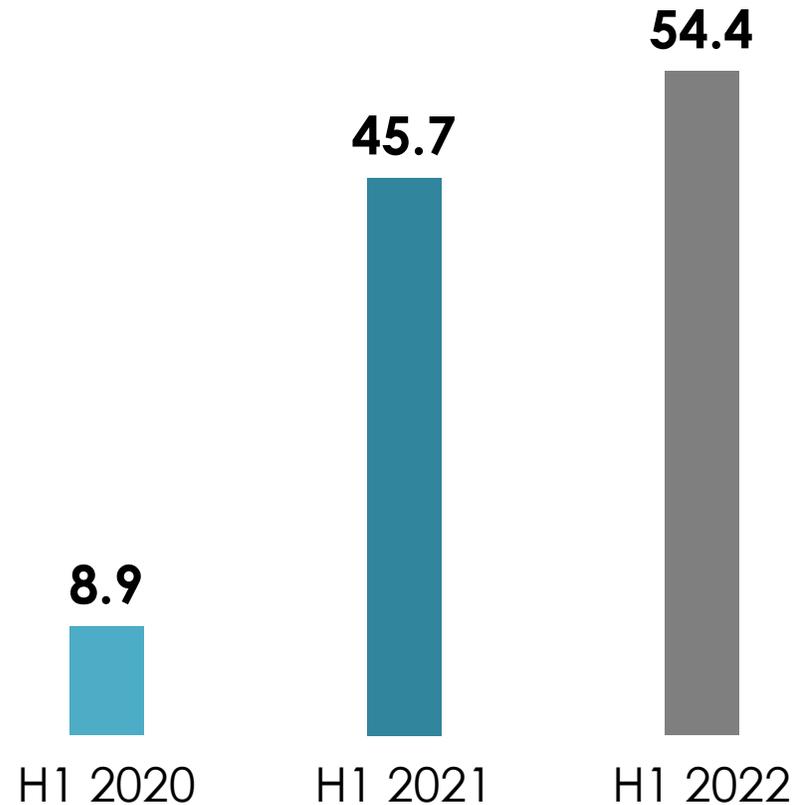
- Strong increase in media budgets

**+60%**

**13.8% → 18.6% of sales**

# H1 2022 results

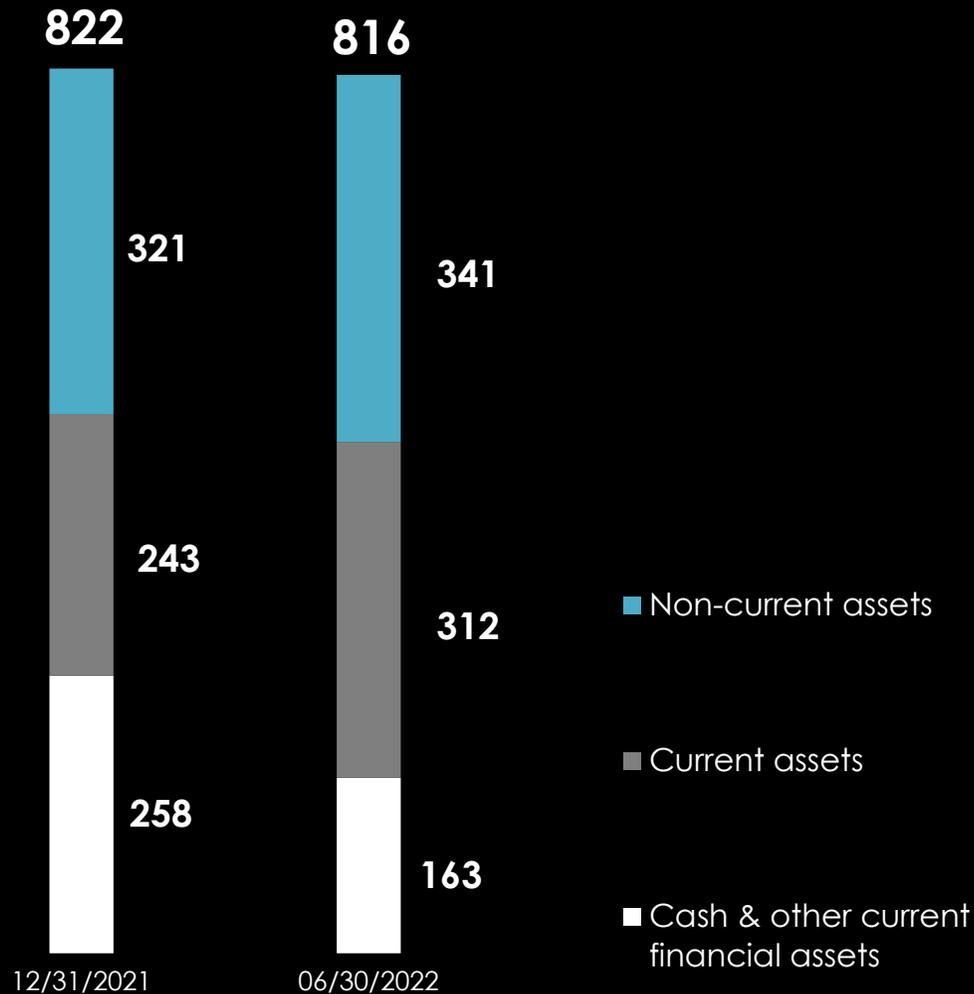
Net income (€m)



- Strong growth **in net income**  
**+19%**
- A net margin which remains high  
**17%**
- An average tax rate of 25% in H1 2022, versus nearly 31% in H1 2021

# June 30, 2022 Balance sheet Assets

(€m)



## Fixed assets (+7%)

- Rochas & Lanvin brands (€140m)
- Paris office building at 10 rue de Solférino an additional space (€137m)

## Inventories (+45%)

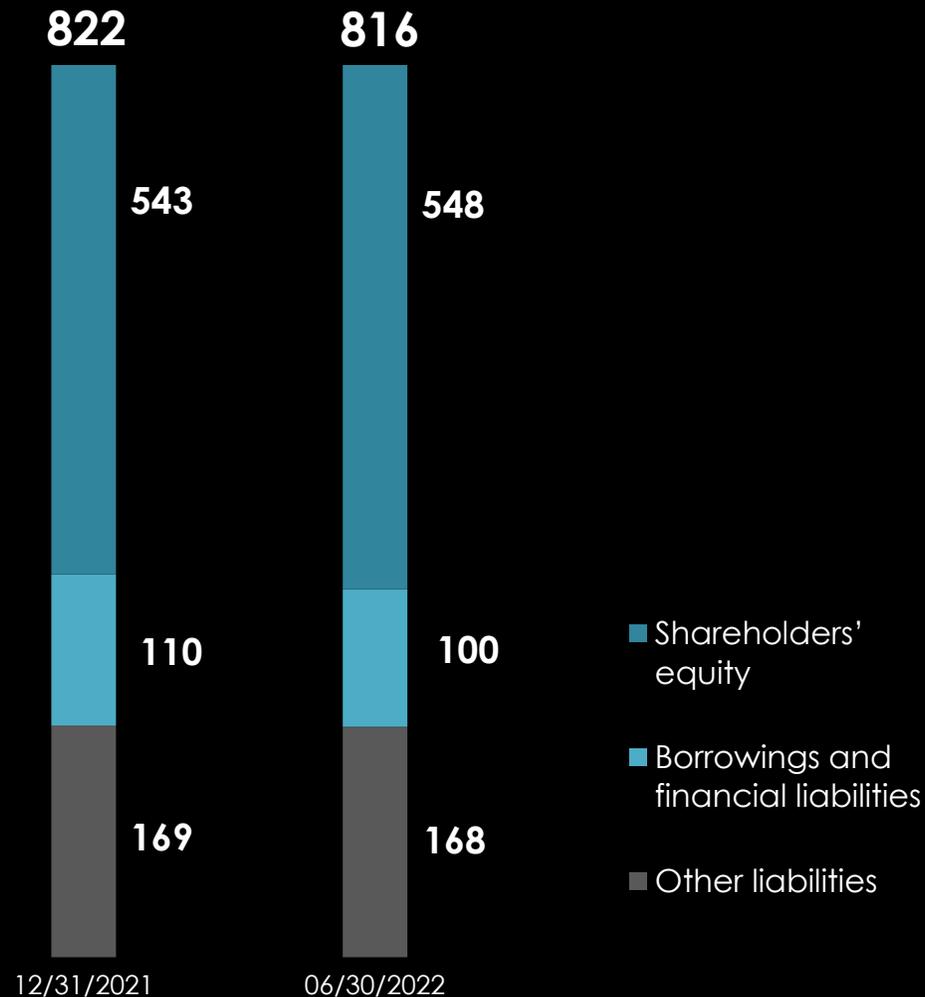
- Longer lead times for sourcing components and packaging of finished goods
- Components +50% - Finished goods +31%

## Accounts receivable (+20%)

- Trends in line with growth in sales
- A/R Payment delays under control

# June 30, 2022 Balance sheet

(€m)



## Liabilities

### Shareholders' equity (+1%)

- 67% of total assets

### Borrowings and financial liabilities (-9%)

- Solférino building loan repayment (-€6m)
- Interest rate swap (+€3.7m)

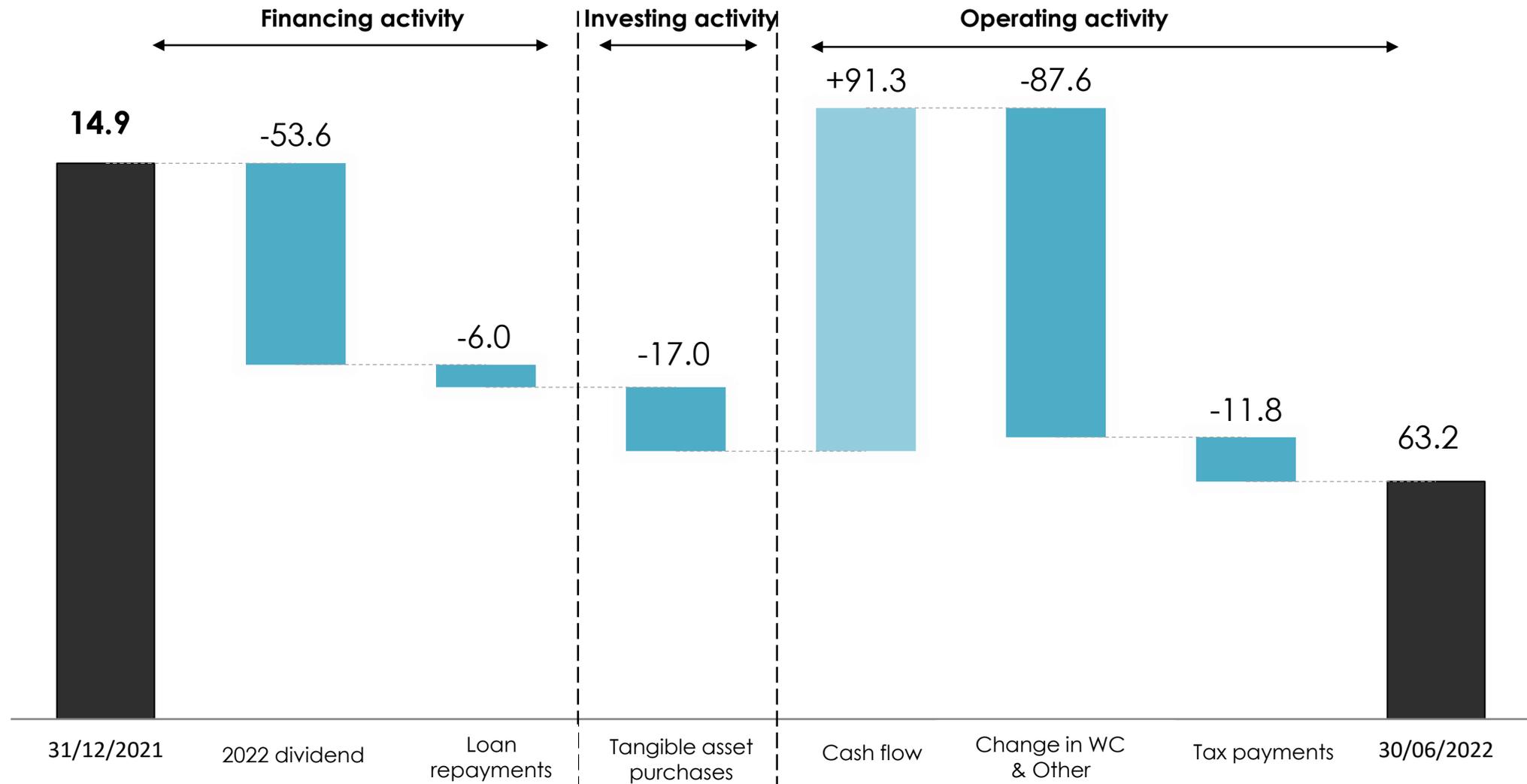
# Cash net of borrowings

(€m)

	06/30/2021	12/31/2021	<b>06/30/2022</b>
Capital redemption contracts	78.5	78.9	<b>79.3</b>
Term deposit accounts	45.7	40.3	<b>42.3</b>
Shares	-	21.6	<b>16.2</b>
Other	0.4	0.5	<b>0.5</b>
Current financial assets	124.6	141.3	<b>138.3</b>
Term deposit accounts	17.0	20.0	-
Bank balances	69.6	86.1	<b>23.8</b>
Interest-bearing accounts	9.9	10.3	<b>1.3</b>
Cash and cash equivalents	96.5	116.4	<b>25.1</b>
Non-current borrowings & financial liabilities	(104.3)	(96.7)	<b>(88.7)</b>
Current borrowings & financial liabilities	(26.2)	(13.1)	<b>(11.5)</b>
Borrowings & financial liabilities	(130.5)	(109.8)	<b>(100.2)</b>
"Actual" cash net of borrowings	90.5	147.9	<b>63.2</b>

# Change in cash

(€m)



- Other H1 operating highlights



# Other H1 operating highlights

- **Between January and June, the eco-responsible *Rochas Girl* line received several awards**
  - Best women's fragrance
  - Best eco-responsible initiative and environmental initiative
  - Prizes awarded by the public & and perfume industry professionals
- **In March, Interparfums set up its third employee stock ownership plan for all group employees, following those of 2016 and 2019. The Group also moved into its new Paris headquarters at 10 rue de Solférino**
- **In April, Interparfums shares were included in the CAC Mid 60 and SBF 120 indexes**
- **In June, Interparfums offered its 23<sup>rd</sup> bonus issue to its shareholders, awarding one free share for every ten shares held.**

- **Communications calendar**



# Financial communications

## Q3 2022 sales

 October 25, 2022

## FY 2022 sales

 End of January 2023

# calendar

## Outlook 2023

 November 22 or 23, 2022

- CSR & Governance



# CSR

- **Finalization of the carbon assessment (incl. scope 3) & materiality matrix**
- **Publication of corporate charters**
  - Responsible Employer Charters
  - Business Ethics Charter (not including an anti-corruption mechanism)
  - Optimized eco-design charter
- **Increased resources allocated to CSR**
  - Muriel Buiatti
  - Coordination / Investor presentations / Non-Financial reporting...
- **Non-Financial rating**
  - Analysis of the ratings of the main non-financial rating agencies
  - MSCI and Sustainalytics in an initial phase, followed by Moodys & CDP in a second phase

# Governance

- **Addition of Constance Benqué** (President of the Lagardère Group News division) **to the Board of Directors and the Audit Committee in April 2022**
- **A new change in the composition of the Board/Committee expected in April 2023. Target profiles:**
  - 1 woman / independent / CSR expertise
  - 1 man / independent / financial expertise
- **Formation of an Individual Shareholders Consultative Committee**
  - Announcement + call for applications / questionnaire in June 2022
  - 57 responses / 10 individual shareholders + 2 employee shareholders selected
  - Official launch mid-September 2022
  - 1st meeting mid November 2022 in conjunction with the publication of the 2023 outlook
  - 2 meetings per year

- H2 222 launches



# H2 2022 launches

- **Major launches**

- *Coach Open Road* (new men's line)
- *Jimmy Choo I Want Choo Forever* (flanker fragrance for the women's line *I Want Choo*)

- **Other launches**

- *Boucheron Singulier* (new men's line)
- *Rochas Byzance Gold* (flanker fragrance for the women's line *Byzance*)
- *Eau de Rochas L'Essentiel* (flanker fragrance for the *Eau de Rochas* women's line)
- *Moonlight Patchouli le Parfum* (Van Cleef & Arpels Extraordinary Collection )

- 2022 annual guidance



# 2022 guidance

- **Sales**

- A very large global perfumes market that remains dynamic
- High-quality brands, coherent fragrance lines and highly competent teams

➔ **Annual sales guidance of €630m-€640m confirmed**

- **Results**

- Very good H1 2022 results
- A proven business model combining growth and profitability
- Robust marketing and advertising expenses in H2 (as every year)

➔ **An operating margin target of around 16%**

**INTERPARFUMS**

**2022**

**H1 results**

September 9, 2022

