

## 2022: a year of record earnings

Operating profit: +33%

Net income: +40%

Dividend per share: €1.05

Income statement highlights <sup>(1)</sup> - €m	2021	2022	22/21
Sales	560.8	706.6	+26%
Gross margin	365.6	472.3	+29%
% of sales	65.2%	66.8%	
Operating profit	98.9	131.8	+33%
% of sales	17.6%	18.7%	
Net income	71.1	99.5	+40%
% of sales	12.7%	14.1%	

(1) Audit procedures have been completed and the audit report is in the process of being issued.

The increase in sales prices at the beginning of the year helped offset higher raw material and packaging costs while the stronger U.S. dollar boosted the gross margin, which now stands at nearly 67%, up 1.6 percentage points compared to 2021.

Reflecting its strategy of investing to support its brands, 22.5% of the company's sales or nearly €160m were allocated to marketing and advertising, an increase of 28.5% compared to 2021. By continuing to maintain tight control over fixed costs, operating profit rose 33% from 2021 and the operating margin climbed to 18.7%.

Benefiting from a lower average tax rate, net income followed the same trend by increasing 40% from the prior year to nearly €100m, with the net margin exceeding 14% for the period.

Balance sheet highlights <sup>(1)</sup> - €m	12/31/21	12/31/22	22/21
Fixed assets <sup>(2)</sup>	277.4	379.8	+37%
Inventories	102.1	153.5	+50%
Cash and cash equivalents	257.7	235.8	-8%
Shareholders' equity	541.4	592.5	+9%
Borrowings & financial liabilities	110.0	147.0	+34%

(2) Tangible and intangible assets

The signature of the fragrance license agreement with Lacoste last December resulted in the recognition of a €90m upfront license fee under intangible assets and a €50m loan arranged for this purpose under financial liabilities.

Despite the impact on working capital of a significant increase in inventories (+50%) linked to sourcing issues, the balance sheet structure remains extremely solid with nearly €90m in cash net of borrowings and financial liabilities and shareholders' equity of nearly €600m or 60% of total assets at December 31, 2022.

### Montblanc license agreement

With more than €180m in sales in 2022, up fivefold increase from 2011, Montblanc fragrances today occupy a key position worldwide in the universe of men's fragrances. Based on this success, Montblanc and Interparfums have extended their partnership for an additional five years, i.e. until December 31, 2030, without introducing any significant changes to the operating terms.

### Dividend and bonus share issue

On February 28, 2023, the Company's Board of Directors approved the financial statements for the year ended December 31, 2022 and decided to propose to the Combined General Meeting of April 21, 2023:

- a dividend of €1.05 per share<sup>(3)</sup>, representing a payout ratio of 66% of net income for the year, a 23% increase on the dividend paid in 2022;
- for the 24th consecutive year, a bonus share issue in June 2023 on the basis of one new share for every ten shares held.

### Board of Directors

The Company's Board of Directors will also propose to the Combined General Meeting of April 21, 2023:

- the renewal of the term of office of Marie-Ange Verdickt, Chair of the Audit and Compensation Committee, as an independent director for four years;
- the renewal of the term of office of Chantal Roos as a director for two years;
- the renewal of the terms of office of Philippe Benacin, Jean Madar, Frédéric Garcia Pelayo and Philippe Santi as directors, for four years;
- the appointment of Véronique Morali and Olivier Mauny as independent directors for terms of three years (in line with the practice of staggering terms of office).

The Board of Directors expresses its sincere thanks to Véronique Gabai-Pinsky, Patrick Choel and Maurice Alhadève, whose terms of office are expiring, for their significant contributions over these many years.

Subject to the General Meeting's ratification, the Company's Board of Directors will accordingly consist of 10 directors, including 5 women and 5 men, 5 independent members and 5 non-independent members. The goal of achieving parity with respect to both gender and independence, which began in April 2022 with the appointment of Constance Benqué, will thus be successfully met.

(3) Ex-rights date: May 11, 2023 (midnight) - Payment date: May 15, 2023

Paris, March 1, 2023

**Philippe Benacin**, Chairman and CEO, commented: "Against the backdrop of a turbulent economic and geopolitical environment, our sales and earnings continued to grow in 2022. In 2023, although many uncertainties still exist, this positive momentum should continue with sales expected to reach €750m, driven by the continuing appeal of our brands for consumers in a global perfume market that remains buoyant."

**Philippe Santi**, Executive Vice President and CFO, added: "With nearly €132m in operating profit and €100m in net income, Interparfums delivered its best financial performances ever in 2022. And while the persistent lack of visibility continues to call for prudence, we remain optimistic about the prospects for continuing growth combined with high profitability."

### Upcoming events

Publication of Q1 2023 sales April 20, 2023 (before the opening of the stock market)

2023 Annual General Meeting April 21, 2023

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This press release is available in French and English on the company's website [interparfums-finance.fr](http://interparfums-finance.fr)

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ISIN : FR0004024222-ITP  
Reuters : IPAR.PA  
Bloomberg : ITP  
Euronext Compartment A  
Eligible for Deferred Settlement Service (SRD)  
Eligible for PEA  
Index - SBF 120, CAC Mid 60

# Consolidated income statement

<b>(€ thousands)</b>	<b>2021</b>	<b>2022</b>
Except per share data which is in units		
<b>Sales</b>	<b>560,827</b>	<b>706,624</b>
Cost of sales	(195,187)	(234,344)
<b>Gross margin</b>	<b>365,640</b>	<b>472,280</b>
<i>% of sales</i>	<i>65.2%</i>	<i>66.8%</i>
Selling expenses	(243,187)	(305,835)
Administrative expenses	(21,576)	(28,133)
<b>Current operating income</b>	<b>100,877</b>	<b>138,312</b>
<i>% of sales</i>	<i>18.0%</i>	<i>19.6%</i>
Other operating expenses	(1,986)	(6,491)
<b>Operating profit</b>	<b>98,891</b>	<b>131,821</b>
<i>% of sales</i>	<i>17.6%</i>	<i>18.7%</i>
Financial income	560	1,997
Interest and similar expenses	(2,262)	(2,766)
<b>Net finance costs</b>	<b>(1,702)</b>	<b>(769)</b>
Other financial income	5,869	28,916
Other financial expense	(1,747)	(26,682)
<b>Net financial income / (expense)</b>	<b>2,420</b>	<b>1,465</b>
<b>Income before income tax</b>	<b>101,311</b>	<b>133,286</b>
<i>% of sales</i>	<i>18.1%</i>	<i>18.9%</i>
Income tax	(29,676)	(33,061)
<b>Effective tax rate</b>	<b>29.3%</b>	<b>24.8%</b>
Share of profit from equity-accounted companies	45	(47)
<b>Net income</b>	<b>71,680</b>	<b>100,178</b>
<i>% of sales</i>	<i>12.8%</i>	<i>14.2%</i>
(Net income) / loss attributable to non-controlling interests	(585)	(655)
<b>Net income attributable to owners of the parents</b>	<b>71,095</b>	<b>99,523</b>
<i>% of sales</i>	<i>12.7%</i>	<i>14.1%</i>
Net earnings per share <sup>(1)</sup>	1.24	1.66
Diluted earnings per share <sup>(1)</sup>	1.24	1.66

(1) Restated on a prorated basis for bonus share grants

# Consolidated balance sheet

<b>ASSETS</b> <b>(€ thousands)</b>	<b>2021</b>	<b>2022</b>
<b>Non-current assets</b>		
Net trademarks and other intangible assets	149,777	231,595
Net property, plant, equipment	127,669	148,169
Right-of use assets	15,243	12,314
Long-term investments	4,047	3,316
Other non-current financial assets	2,273	7,901
Equity-accounted investments	12,722	12,424
Deferred tax assets	9,228	12,345
<b>Total non-current assets</b>	<b>320,959</b>	<b>428,064</b>
<b>Current assets</b>		
Inventory and work-in-progress	102,136	153,466
Trade receivables and related accounts	125,430	138,902
Other receivables	14,280	29,563
Corporate income tax	1,730	2,222
Current financial assets	100,976	99,013
Cash and cash equivalents	156,708	136,747
<b>Total current assets</b>	<b>501,260</b>	<b>559,913</b>
<b>Total assets</b>	<b>822,219</b>	<b>987,977</b>
<b>SHAREHOLDERS' EQUITY &amp; LIABILITIES</b> <b>(€ thousands)</b>	<b>2021</b>	<b>2022</b>
<b>Shareholders' equity</b>		
Share capital	171,562	188,718
Additional paid-in capital	—	—
Retained earnings	298,752	304,218
Net income for the year	71,095	99,523
<b>Equity attributable to owners of the parent</b>	<b>541,409</b>	<b>592,459</b>
Non-controlling interests	1,920	2,183
<b>Total shareholders' equity</b>	<b>543,329</b>	<b>594,642</b>
<b>Non-current liabilities</b>		
Provisions for non-current commitments	8,771	7,422
Non-current borrowings	98,218	122,767
Non-current lease liabilities	12,562	10,233
Deferred tax liabilities	3,302	5,211
<b>Total non-current liabilities</b>	<b>122,853</b>	<b>145,633</b>
<b>Current liabilities</b>		
Trade payables and related accounts	92,148	113,235
Current borrowings	11,803	24,259
Current lease liabilities	3,067	2,699
Provisions for contingencies and expenses	5,114	—
Corporate Income tax	3,789	7,315
Other liabilities	40,116	100,194
<b>Total current liabilities</b>	<b>156,037</b>	<b>247,702</b>
<b>Total shareholders' equity and liabilities</b>	<b>822,219</b>	<b>987,977</b>

# Statement of cash flows

(€ thousands)	2021	2022
<b>Cash flows from operating activities</b>		
Net income	71,680	100,178
Depreciation, amortization and other	13,482	27,187
Share of profit from equity-accounted companies	255	298
Net finance costs	1,702	769
Tax charge of the period	29,676	33,398
<b>Cash flow from operations before tax and finance costs</b>	<b>116,795</b>	<b>161,830</b>
Interest expense payments	(1,992)	(2,694)
Tax payments	(28,571)	(30,346)
<b>Cash flow from operations after tax and finance costs</b>	<b>86,232</b>	<b>128,790</b>
Change in inventory and work in progress	(12,480)	(67,925)
Change in trade receivables and related accounts	(37,355)	(13,276)
Change in other receivables	(8,688)	(5,915)
Change in trade payables and related accounts	40,872	21,087
Change in other current liabilities	8,585	16,058
<b>Change in working capital requirements</b>	<b>(9,066)</b>	<b>(49,971)</b>
<b>Net cash flows provided by (used in) operating activities</b>	<b>77,166</b>	<b>78,819</b>
<b>Cash flows from investing activities</b>		
Net acquisitions of intangible assets	(1,253)	(51,439)
Net acquisitions of property, plant and equipment	(116,767)	(26,405)
Net acquisitions of right-of-use assets	(9,381)	5,105
Acquisition of equity interests	—	—
Net acquisitions of marketable securities	(45,457)	(2,363)
Changes in long-term investments	(713)	731
<b>Net cash flows provided by (used in) investing activities</b>	<b>(173,571)</b>	<b>(74,371)</b>
<b>Cash flows from financing activities</b>		
Issuance of borrowings and new financial debt	134,204	50,000
Debt repayments	(34,204)	(13,043)
Change in lease liabilities	6,638	(2,697)
Dividend payments to shareholders	(28,508)	(53,565)
Own shares	454	(5,104)
<b>Net cash flows provided by (used in) financing activities</b>	<b>78,584</b>	<b>(24,409)</b>
<b>Change in net cash</b>	<b>(17,821)</b>	<b>(19,961)</b>
Opening cash and cash equivalents	174,529	156,708
<b>Closing cash and cash equivalents</b>	<b>156,708</b>	<b>136,747</b>

The reconciliation of net debt breaks down as follows:

(€ thousands)	2021	2022
Cash and cash equivalents	156,708	136,747
Current financial assets	100,976	99,013
<b>Cash and current financial assets</b>	<b>257,684</b>	<b>235 760</b>
Current borrowings	(11,803)	(24,259)
Non-current borrowings	(98,218)	(122,767)
<b>Net debt</b>	<b>147,663</b>	<b>88 734</b>