

2019 results

Audited accounts ^(*) (€m)	2018	2019	19/18
Net sales	455.3	484.3	+6%
Operating profit	66.2	73.1	+10%
% of sales	14.5%	15.1%	
Net income	47.1	50.6	+7%
% of sales	10.4%	10.5%	
Total shareholders' equity	446.2	462.8	+4%
Cash net of borrowings	182.6	195.7	+7%

(*) Audit report in the process of being issued

Another year of strong earnings growth

By maintaining tight controls over all expenses, operating profit exceeded the most recent guidance to reach €73.1m, a 10.4% increase from the prior year. In response, the operating margin rose above 15%.

Even though interest rates have continued to decline and hedging costs remain high, net income grew to more than €50m or 7.4% compared to 2018, with the net margin reaching 10.5%.

A financial structure which remains solid

While €30m was paid in dividends⁽¹⁾ and €20m to reimburse the Rochas loan, effective ongoing cash flow management led to an increase in net cash for the year of more than €13m. As a result, net cash exceeded €195m at December 31, 2019.

Further growth in the dividend

The Board of Directors, after meeting on March 2, 2020, will ask the Annual General Meeting of April 24, 2020 to approve:

- a dividend of €0.71 per share⁽²⁾, a 10% increase in relation to 2018 taking into account the bonus issue of June 2019, or a payout ratio of 66%;
- for the 21st consecutive year, a bonus share issue in June 2020 granting one new share for every ten shares held.

(1) The dividend for fiscal 2018 was paid in May 2019

(2) Ex-rights date: May 5, 2020 (midnight) - Payment date: May 7, 2020

Operating profit
€73m (+10%)

Dividend per share
€0.71 (+10%)

Upcoming events

Publication of 2020 first-quarter sales
April 23, 2020
(before the opening of Euronext Paris)

2020 Annual General Meeting
(Pavillon Gabriel, Paris)
April 24, 2020 - 2pm

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Philippe Benacin, Chairman and CEO commented: *"In line with expectations, we met our targets in 2019 with organic growth in sales of €30m. In 2020, our development will be driven by a sustained program of launches for our main brands, and notably Coach and Jimmy Choo, to which will be added the first Kate Spade fragrance. Even if our activity in China is limited (2% of 2019 sales), the coronavirus epidemic may be expected to have a significant impact on the distribution of our products in all regions of Asia, Europe and the Middle East, whereas our production is mainly concentrated in France and Europe. Combined with the significant base effect from the launches of the Montblanc Explorer, Jimmy Choo L'Eau and Jimmy Choo Floral lines at the beginning of last year, sales in*

the first quarter of this year will be approximately 10% lower than in Q1 2019. However, given the strength of our long-term business model and the quality of our major brands, this situation in no way alters our strategy and launch plans."

Philippe Santi, Executive Vice President and CFO, added: *"Our financial performances in 2019 were excellent both for sales and earnings, with operating and net margins attaining record levels. In 2020, despite the many uncertainties with respect to the length and severity of this epidemic, our flexible business model and the considerable strength of our balance sheet will enable us to successfully weather this current period of turbulence."*

Paris, March 3, 2020

This press release and the presentation of 2019 annual results are available in French and English on the company's website www.interparfums-finance.fr

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