

HI 2022 results

Operating margin: 22.5%

Net margin: 17.0%

Income statement highlights

| (€m - Audited accounts) | HI 2021 | HI 2022 | 22/21 |
|-------------------------|---------|---------|-------|
| Sales | 266.3 | 318.7 | +20% |
| Gross margin | 171.4 | 208.4 | +22% |
| % of sales | 64.4% | 65.4% | |
| Operating profit | 65.6 | 71.8 | +9% |
| % of sales | 24.6% | 22.5% | |
| Net income | 45.5 | 54.2 | +19% |
| % of sales | 17.1% | 17.0% | |

Despite higher raw material, packaging and transport costs, the HI 2022 gross margin was up from one year earlier, reflecting an overall increase in sales prices at the beginning of the year and the favorable evolution in the euro/dollar exchange rate.

While marketing and advertising spending, focused both on flagship lines and launches of the period, rose 60% from last year to €59m in HI 2022, operating profit was up 9.5% from last year's first half to €72m, resulting in an operating margin of 22.5%.

Benefiting from the lower average tax rate, net income topped €54m, up 19.1% over HI 2021, as the net margin reached 17% for the period.

Balance sheet highlights

| (€m - Audited accounts) | 12/31/21 | 06/30/22 | 22/21 |
|------------------------------------|----------|----------|-------|
| Tangible & intangible assets | 277.4 | 295.7 | +7% |
| Cash | 257.7 | 163.4 | -37% |
| Shareholders' equity | 541.4 | 546.3 | +1% |
| Borrowings & financial liabilities | 109.8 | 100.2 | -9% |

While the €54m dividend distribution for fiscal 2022 and the €17m for the acquisition of additional office space had a one-off impact on cash flow, the cash impact from the significant increase in inventories in response to longer lead times for sourcing certain raw materials in particular and its effect on packaging operations amounted to €61m.

Despite this, with net cash of €63m and shareholders' equity of €546m, at June 30, 2022 the balance sheet remains extremely solid.

HI 2022 operating highlights

During the first half, the eco-responsible *Rochas Girl* line received several awards from both the public and perfume industry professionals as the best women's fragrance of the year, but also for its eco-friendly packaging and environmental positioning.

In March, exemplifying its corporate culture as a responsible employer, 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 headquarters building acquired in 2021, a 3,700 sqm high environmental performance office complex at rue de Solférino in Paris

In April, the company's long-standing commitment to quality financial communications was rewarded by the inclusion of Interparfums' shares in the CAC Mid 60 and SBF 120 indexes.

In June, for the 23rd consecutive year, Interparfums offered a bonus issue to its shareholders, awarding one free share for every ten shares held.

Outlook

In a global selective perfume market that remains dynamic, Interparfums will continue to execute a strategy of carefully managed growth combining marketing and advertising investments targeted by fragrance line and country, supported by a brand portfolio with considerable growth potential. And to accelerate this trend, based on external growth opportunities, the possibility of further strengthening the portfolio is not excluded.

Upcoming events

Publication of Q3 2022 sales
October 25, 2022
(before the opening of Paris - Euronext Stock Exchange)

Publication of 2023 forecasts
November 22, 2022
(before the opening of Paris - Euronext Stock Exchange)

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Philippe Benacin, Chairman and CEO commented: *"Although we already have strong positions in certain countries, the size of the global perfume market and its continued vitality suggest that our potential for further market share gains remains significant. And while the current geopolitical and health conditions naturally call for prudence, the quality of our brands, the coherence of our fragrance lines and the expertise of our teams represent powerful growth drivers that continue to our support sales guidance for the 2022 full-year of between €630m and €640m."*

Philippe Santi, Executive Vice President and CFO, added: *"Despite the unprecedented rise in raw material prices and production costs, our proven business model combining growth and profitability helped us achieve particularly good results in the 2022 first half. On that basis, we are able to confirm our operating margin target of approximately 16% for the full-year even though, as in previous years, marketing and advertising budgets will remain very high in the second half of the year."*

Paris, September 9, 2022

This press release is available in French and English on the company's website www.interparfums-finance.fr

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ITP
LISTED
EURONEXT

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

| (€ thousands) | H1 2021 | H2 2022 |
|---|----------------|----------------|
| Sales | 266,255 | 318,702 |
| Cost of sales | (94,837) | (110,310) |
| Gross margin | 171,418 | 208,392 |
| <i>% of sales</i> | 64.4% | 65.4% |
| Selling expenses | (93,105) | (124,163) |
| Administrative expenses | (10,694) | (12,443) |
| Current operating income | 67,619 | 71,786 |
| <i>% of sales</i> | 25.4% | 22.5% |
| Other operating expenses | (1,986) | — |
| Operating profit | 65,633 | 71,786 |
| <i>% of sales</i> | 24.7% | 22.5% |
| Financial income | 295 | 931 |
| Interest and similar expenses | (920) | (1,358) |
| Net finance costs | (625) | (427) |
| Other financial income | 2,199 | 14,531 |
| Other financial expense | (1,246) | (8,412) |
| Charges to/reversals of financial provisions | — | (5,425) |
| Net financial income/(expense) | 328 | 267 |
| Income before income tax | 65,961 | 72,053 |
| <i>% of sales</i> | 24.8% | 22.6% |
| Income tax | (20,316) | (18,013) |
| <i>Effective tax rate</i> | 30.8% | 25.0% |
| Share of profit from equity-accounted companies | 82 | 406 |
| Net income | 45,727 | 54,446 |
| <i>% of sales</i> | 17.2% | 17.1% |
| Net income (loss) attributable to non-controlling interests | 196 | 234 |
| Net income attributable to parent company shareholders | 45,531 | 54,212 |
| <i>% of sales</i> | 17.1% | 17.0% |

Consolidated balance sheet

| ASSETS (€ thousands) | 12/31/2021 | 06/30/2022 |
|---|-------------------|-------------------|
| Non-current assets | | |
| Net trademarks and other intangible assets | 149,777 | 148,959 |
| Net property, plant, equipment | 127,669 | 146,701 |
| Right-of-use assets | 15,243 | 13,350 |
| Long-term investments | 4,047 | 3,794 |
| Other non-current financial assets | 2,066 | 1,816 |
| Equity-accounted investments | 12,722 | 13,127 |
| Deferred tax assets | 9,228 | 12,903 |
| Total non-current assets | 320,752 | 340,650 |
| Current assets | | |
| Inventory and work-in-progress | 102,136 | 147,642 |
| Trade receivables and related accounts | 125,430 | 151,215 |
| Other receivables | 14,280 | 11,718 |
| Corporate income tax | 1,730 | 1,768 |
| Current financial assets | 141,280 | 138,290 |
| Cash and cash equivalents | 116,404 | 25,079 |
| Total current assets | 501,260 | 475,712 |
| Total assets | 822,012 | 816,362 |
| EQUITY & LIABILITIES | | |
| (€ thousands) | 12/31/2021 | 06/30/2022 |
| Shareholders' equity | | |
| Share capital | 171,562 | 188,718 |
| Additional paid-in capital | — | — |
| Reserves | 298,752 | 303,320 |
| Net income for the year | 71,095 | 54,212 |
| Equity attributable to parent company shareholders | 541,409 | 546,250 |
| Non-controlling interests | 1,920 | 1,763 |
| Total shareholders' equity | 543,329 | 548,013 |
| No-current liabilities | | |
| Provisions for non-current commitments | 8,771 | 6,566 |
| Non-current borrowings | 96,712 | 88,716 |
| Non-current lease liabilities | 12,562 | 11,372 |
| Deferred tax liabilities | 3,302 | 4,224 |
| Total no-current liabilities | 121,347 | 110,878 |
| Current liabilities | | |
| Trade payables and related accounts | 92,148 | 93,216 |
| Current borrowings | 13,102 | 11,476 |
| Current lease liabilities | 3,067 | 2,574 |
| Provisions for contingencies and expenses | 5,114 | — |
| Corporate income tax | 3,789 | 10,816 |
| Other liabilities | 40,116 | 39,389 |
| Total current liabilities | 157,336 | 157,471 |
| Total shareholders' equity and liabilities | 822,012 | 816,362 |

Statement of changes in consolidated shareholders' equity

| (€ thousands) | Number of shares | Share capital | Paid-in capital | Other comprehensive income | Retained earnings and income | Total equity | | |
|--|-------------------|----------------|-----------------|----------------------------|------------------------------|----------------|---------------------------|----------------|
| | | | | | | Group share | Non-controlling interests | Total |
| As of December 31, 2020⁽¹⁾ | 51,795,064 | 155,965 | — | (1,180) | 337,704 | 492,489 | 1,629 | 494,118 |
| Bonus share issues | 5,198,840 | 15,597 | — | — | (15,597) | — | — | — |
| 2021 net income | — | — | — | — | 71,095 | 71,095 | 585 | 71,680 |
| Change in actuarial gains and losses on provisions for pension obligations | — | — | — | 892 | — | 892 | — | 892 |
| Remeasurement of financial instruments | — | — | — | (1,156) | — | (1,156) | — | (1,156) |
| 2020 dividend paid in 2021 | — | — | — | — | (28,508) | (28,508) | (294) | (28,802) |
| Treasury stocks | 5,825 | — | — | — | 2,388 | 2,388 | — | 2,388 |
| Currency translation adjustments | — | — | — | — | 4,209 | 4,209 | — | 4,209 |
| As of December 31, 2021⁽¹⁾ | 56,999,729 | 171,562 | — | (1,444) | 371,291 | 541,409 | 1,920 | 543,329 |
| Bonus share issues | 5,718,724 | 17,156 | — | — | (17,156) | — | — | — |
| 2022 half-year earnings | — | — | — | — | 54,212 | 54,212 | 234 | 54,446 |
| Change in actuarial gains and losses on provisions for pension obligations | — | — | — | 1,920 | — | 1,920 | — | 1,920 |
| Remeasurement of financial instruments | — | — | — | (1,361) | — | (1,361) | — | (1,361) |
| 2021 dividend paid in 2022 | — | — | — | — | (53,565) | (53,565) | (391) | (53,956) |
| Treasury stocks | (109,905) | — | — | — | (2,849) | (2,849) | — | (2,849) |
| Currency translation adjustments | — | — | — | — | 6,484 | 6,484 | — | 6,484 |
| As of June 30, 2022⁽¹⁾ | 62,608,548 | 188,718 | — | (885) | 358,417 | 546,250 | 1,763 | 548,013 |

⁽¹⁾ Excluding treasury shares

Consolidated statement of cash flows

| (€ thousands) | 06/30/2021 | 12/31/2021 | 06/30/2022 |
|--|------------------|------------------|-----------------|
| Cash flows from operating activities | | | |
| Net income | 45,726 | 71,680 | 54,446 |
| Depreciation, amortization and other | 5,103 | 15,179 | 18,797 |
| Share of profit from equity-accounted companies | (82) | 255 | (405) |
| Net finance costs | 625 | 5 | 427 |
| Tax charge of the period | 20,316 | 29,676 | 18,014 |
| Operating cash flows | 71,688 | 116,795 | 91,279 |
| Interest expense payments | (706) | (1,992) | (1,309) |
| Tax payments | (7,794) | (28,571) | (11,746) |
| Cash flow after interest expense and tax | 63,188 | 86,232 | 78,224 |
| Change in inventory and work in progress | (6,499) | (12,480) | (61,085) |
| Change in trade receivables and related accounts | (35,149) | (37,355) | (26,209) |
| Change in other receivables | (35,577) | (8,688) | 1,841 |
| Change in trade payables and related accounts | 15,678 | 40,872 | 1,068 |
| Change in other current liabilities | (1,034) | 8,585 | (5,109) |
| Change in working capital requirements | (62,581) | (9,066) | (89,494) |
| Net cash flows provided by (used in) operating activities | 607 | 77,166 | (11,270) |
| Cash flows from investing activities | | | |
| Net acquisitions of intangible assets | (781) | (1,253) | (1,159) |
| Net acquisitions of property, plants and equipment | (99,026) | (116,767) | (21,613) |
| Net acquisitions of property, plants and equipment - right-of-use assets | (8,413) | (9,381) | 5,326 |
| Acquisition of equity interests | — | — | — |
| Net acquisitions of marketable securities (>3 months) | (21,045) | (36,198) | (2,000) |
| Changes in investments and other non-current assets | (1,137) | (713) | 503 |
| Net cash flows provided by (used in) investing activities | (130,402) | (164,312) | (18,943) |
| Cash flows from financing activities | | | |
| Issuance of borrowings and new financial debt | 134,204 | 134,204 | — |
| Debt repayments | (14,000) | (34,204) | (6,001) |
| Discharge of lease liabilities | 8,949 | 6,638 | (1,683) |
| Dividend payments to shareholders | (28,508) | (28,508) | (53,565) |
| Treasury shares | 663 | 454 | 137 |
| Net cash flows provided by (used in) financing activities | 101,308 | 78,584 | (61,112) |
| Change in net cash | (28,487) | (8,562) | (91,325) |
| Opening cash and cash equivalents | 124,966 | 124,966 | 116,404 |
| Closing cash and cash equivalents | 96,479 | 116,404 | 25,079 |

Reconciliation of net cash:

| (€ thousands) | 06/30/2021 | 12/31/2021 | 06/30/2022 |
|--|----------------|----------------|----------------|
| Cash and cash equivalents | 96,479 | 116,404 | 25,079 |
| Current financial assets | 124,621 | 141,280 | 138,290 |
| Cash and current financial assets | 221,100 | 257,684 | 163,369 |
| Borrowings and financial liabilities | (130,545) | (109,814) | (100,192) |
| Net cash | 90,555 | 147,870 | 63,177 |