

Very strong growth in 2023 first half earnings

Operating margin: 25.8%

Net margin: 19.6%

Income statement highlights⁽¹⁾

(€m)	HI 2022	HI 2023	23/22
Sales	318.7	396.1	+24%
Gross margin	208.4	254.2	+22%
% of sales	65.4%	64.2%	
Operating profit	71.8	102.2	+42%
% of sales	22.5%	25.8%	
Net income	54.2	77.6	+43%
% of sales	17.0%	19.6%	

Despite higher raw material and packaging costs that marginally impacted cost prices, the gross margin as a percentage of sales for HI 2023 remained high, close to the level of one year earlier.

Operating profit in HI 2023 registered strong growth, exceeding €100m, benefiting from tight control of marketing and advertising expenditures and the limited rise in fixed costs. As a result, the operating margin for the period reached an all-time high of 25.8%.

Combined with the improvement in net financial income, this led to growth in net profit of more than 40% from one year earlier to €77m resulting in a net margin of 19.6% for HI 2023.

Balance sheet highlights⁽¹⁾

(€m)	12/31/2022	06/30/23	23/22
Inventories	153.5	192.7	+25%
Cash and cash equivalents	235.8	168.4	-28%
Shareholders' equity	592.5	602.1	+2%
Borrowings & financial liabilities	147.0	134.9	-8%

The change in cash and cash equivalents in HI 2023 includes a €66m dividend payment for 2022, and a €47m increase in inventories in response to both growth in business and increasingly longer procurement and packaging lead times.

Despite this, with net cash of €33.5m and shareholders' equity of €602m at June 30, 2023, the balance sheet remains extremely solid.

Upcoming events

Publication of Q3 2023 sales
October 24, 2023

(before the opening of
the Paris stock market)

Publication of 2024 forecasts
November 22, 2023

(before the opening of
the Paris stock market)

Documentation

The 2023 half-year report
is available on the
www.interparfums-finance.fr
website

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⁽¹⁾ Financial statements for the first half established on September 11, 2023 - Audit report in the process of being issued

Philippe Benacin, Chairman and CEO commented: *"We achieved an excellent performance in the first half. And while the slowdown observed in certain markets this summer prompts us to remain cautious, we are maintaining an annual sales target for the 2023 full year of around €800m."*

Philippe Santi, Executive Vice President and CFO, added: *"The acceleration in sales volumes combined with the traditionally lower level of marketing and advertising expenditures in the first half contributed to record profitability in HI 2023. And while our media budgets, as in previous years, will be much higher in the second half, our operating margin should still reach 18% to 19% for the full year."*

Paris, September 12, 2023

This press release is available in French and English on the company's website www.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 financial statements

Consolidated income statement

(€ thousands)	H1 2022	H1 2023
Except per share data which is in units		
Sales	318,702	396,111
Cost of sales	(110,310)	(141,885)
Gross margin	208,392	254,226
<i>% of sales</i>	65.4%	64.2%
Selling expenses	(124,163)	(135,387)
Administrative expenses	(12,443)	(16,627)
Current operating income	71,786	102,212
<i>% of sales</i>	22.5%	25.8%
Other operating expenses	—	—
Operating profit	71,786	102,212
<i>% of sales</i>	22.5%	25.8%
Financial income	931	3,293
Interest and similar expenses	(1,358)	(3,439)
Net finance costs	(427)	(146)
Other financial income	14,531	6,794
Other financial expense	(13,837)	(5,059)
Net financial income / (expense)	267	1,589
Income before income tax	72,053	103,801
<i>% of sales</i>	22.6%	26.2%
Income tax	(18,013)	(25,951)
<i>Tax rate</i>	25.0%	25.0%
Share of profit from equity-accounted companies	406	44
Net income	54,446	77,894
<i>% of sales</i>	17.1%	19.7%
Share of net (income)/ loss attributable to non-controlling interests	(234)	(341)
Net income attributable to owners of the parent	54,212	77,553
<i>% of sales</i>	17.0%	19.6%
Net earnings per share ⁽¹⁾	0,94	1,23
Diluted earnings per share ⁽¹⁾	0,94	1,23

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

Consolidated balance sheet

ASSETS (€ thousands)	12/31/2022	06/30/2023
Non-current assets		
Net trademarks and other intangible assets	231,595	230,734
Net property, plant, equipment	148,169	148,640
Right-of use assets	12,314	13,230
Long-term investments	3,316	3,755
Other non-current financial assets	7,901	7,556
Equity-accounted investments	12,424	12,468
Deferred tax assets	12,345	17,611
Total non-current assets	428,064	433,994
Current assets		
Inventory and work-in-progress	153,466	192,721
Trade receivables and related accounts	138,902	147,007
Other receivables	29,563	18,353
Corporate income tax	2,222	38
Current financial assets	99,013	1,759
Cash and cash equivalents	136,747	166,647
Total current assets	559,913	526,525
Total assets	987,977	960,519
SHAREHOLDERS' EQUITY & LIABILITIES		
(€ thousands)	12/31/2022	06/30/2023
Shareholders' equity		
Share capital	188,718	207,590
Additional paid-in capital	—	—
Retained earnings	304,218	316,974
Net income for the year	99,523	77,553
Equity attributable to owners of the parent	592,459	602,117
Non-controlling interests	2,183	2,082
Total shareholders' equity	594,642	604,199
Non-current liabilities		
Non-current provisions for contingencies and expenses	7,422	7,758
Non-current borrowings	122,767	110,619
Non-current lease liabilities	10,233	11,256
Deferred tax liabilities	5,211	4,606
Total non-current liabilities	145,633	134,239
Current liabilities		
Trade payables and related accounts	113,235	97,460
Current borrowings	24,259	24,275
Current lease liabilities	2,699	2,607
Current provisions for contingencies and expenses	—	—
Corporate income tax	7,315	13,844
Other liabilities	100,194	83,895
Total current liabilities	247,702	222,081
Total shareholders' equity and liabilities	987,977	960,519

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		
						Attributable to owners of the parent	Non-controlling interests	Total
As of December 31, 2021 ⁽¹⁾	56,999,729	171,562	—	2,765	367,082	541,409	1,920	543,329
Bonus share issues	5,718,724	17,156	—	—	(17,156)	—	—	—
2022 net income	—	—	—	—	99,523	99,523	655	100,178
Change in actuarial gains and losses on provisions for pension obligations	—	—	—	1,615	—	1,615	—	1,615
Remeasurement of financial instruments at fair value	—	—	—	2,237	—	2,237	—	2,237
2021 dividend paid in 2022	—	—	—	—	(53,565)	(53,565)	(392)	(53,957)
Changes in Group structure of consolidated operations	—	—	—	—	—	—	—	—
Own shares	97,778	—	—	—	(2,739)	(2,739)	—	(2,739)
Currency translation adjustments	—	—	—	3,979	—	3,979	—	3,979
As of December 31, 2022 ⁽¹⁾	62,816,231	188,718	—	10,596	393,145	592,459	2,183	594,642
Bonus share issues	6,290,597	18,872	—	—	(18,872)	—	—	—
2023 half-year earnings	—	—	—	—	77,553	77,553	341	77,894
Change in actuarial gains and losses on provisions for pension obligations	—	—	—	104	—	104	—	104
Remeasurement of financial instruments at fair value	—	—	—	(762)	—	(762)	—	(762)
2022 dividend paid in 2023	—	—	—	—	(65,944)	(65,944)	(442)	(66,386)
Changes in Group structure of consolidated operations	—	—	—	—	—	—	—	—
Own shares	(6,171)	—	—	—	722	722	—	722
Currency translation adjustments	—	—	—	(2,015)	—	(2,015)	—	(2,015)
As of June 30, 2023 ⁽¹⁾	69,100,657	207,590	—	7,923	386,604	602,117	2,082	604,199

⁽¹⁾ Excluding own shares

Consolidated statement of cash flows

(€ thousands)	06/30/2022	12/31/2022	06/30/2023
Cash flows from operating activities			
Net income	54,446	100,178	77,894
Depreciation, amortization and other	18,797	27,187	27,228
Share of profit from equity-accounted companies	(405)	298	(44)
Net finance costs	427	769	146
Tax charge of the period	18,014	33,398	25,951
Cash flow from operations before tax and finance costs	91,279	161,830	131,175
Interest expense payments	(1,309)	(2,694)	(2,559)
Tax payments	(11,746)	(30,346)	(23,035)
Cash flow from operations after tax and finance costs	78,224	128,790	105,581
Change in inventory and work in progress	(61,085)	(67,925)	(60,297)
Change in trade receivables and related accounts	(26,209)	(13,276)	(8,117)
Change in other receivables	1,841	(5,915)	12,699
Change in trade payables and related accounts	1,068	21,087	(15,775)
Change in other current liabilities	(5,109)	16,058	(17,346)
Change in working capital requirements	(89,494)	(49,971)	(88,836)
Net cash flows provided by (used in) operating activities	(11,270)	78,819	16,745
Cash flows from investing activities			
Net acquisitions of intangible assets	(1,159)	(51,439)	(617)
Net acquisitions of property, plants and equipment	(21,613)	(26,405)	(3,928)
Net acquisitions of right-of-use assets	5,326	5,105	(2,287)
Acquisition of equity interests	—	—	—
Net acquisitions of marketable securities	43	(2,363)	98,143
Changes in long-term investments	503	731	(439)
Net cash flows provided by (used in) investing activities	(16,900)	(74,371)	90,872
Cash flows from financing activities			
Issuance of borrowings and new financial debt	—	50,000	—
Debt repayments	(6,001)	(13,043)	(12,249)
Net change in lease liabilities	(1,683)	(2,697)	931
Dividend payments to shareholders	(53,565)	(53,565)	(65,944)
Own shares	137	(5,104)	(455)
Net cash flows provided by (used in) financing activities	(61,112)	(24,409)	(77,717)
Change in net cash	(89,282)	(19,961)	29,900
Opening cash and cash equivalents	156,708	156,708	136,747
Closing cash and cash equivalents	67,426	136,747	166,647

The reconciliation of net debt breaks down as follows:

(€ thousands)	06/30/2022	12/31/2022	06/30/2023
Cash and cash equivalents	67,426	136,747	166,647
Current financial assets	95,943	99,013	1,759
Cash and current financial assets	163,369	235,760	168,406
Current borrowings	(11,476)	(24,259)	(24,275)
Non-current borrowings	(88,716)	(122,767)	(110,619)
Total borrowings	(100,192)	(147,026)	(134,894)
Net debt	63,177	88,734	33,512