

2018 sales: €455m (+8%) Strong end-of-year performance

Paris, January 29, 2019

With revenue of €455 million in 2018, up 8% at current exchange rates and 11% at constant exchange rates, Interparfums achieved very strong growth in a year without major launches, largely exceeding original expectations. This performance was driven notably by the excellent performance of Coach fragrances.

In the 4-year period from 2014 to 2018, with revenue increasing from less than €300 million to more than €450 million, the company registered total growth of 50%, or average annual growth of 11%, outperforming the global perfume market by a multiple of around 3.

2018 sales by brand

€m	Q4		FY		Change
	2017	2018	2017	2018	
Montblanc	23.4	24.8	112.2	108.8	-3%
Jimmy Choo	17.5	28.0	96.1	99.6	+4%
Coach	19.4	24.5	50.9	84.4	+66%
Lanvin	10.7	14.1	57.6	59.0	+2%
Rochas	11.9	10.9	38.5	34.1	-11%
Boucheron	4.4	4.4	18.4	19.4	+6%
Van Cleef & Arpels	3.6	3.4	17.2	13.6	-21%
Karl Lagerfeld	3.2	3.0	8.8	12.6	+43%
Other	3.5	4.4	19.8	21.6	ns
Total fragrance sales	97.6	117.5	419.5	453.1	+8%
Rochas fashion royalties	0.5	0.6	2.5	2.2	ns
Total sales	98.1	118.1	422.0	455.3	+8%

ns: not significant

- In a year of reduced activity in terms of launches and with an unfavorable foreign exchange effect, Montblanc fragrances registered a decline which was limited by the strength of the *Montblanc Legend* line launched in 2011;
- With €100 million in sales, Jimmy Choo fragrances grew nearly 4%, following the 17% increase the year before, driven by the excellent year-end performances of the *Jimmy Choo Fever* line, which rolled out during the summer, and the *Jimmy Choo Man* line launched in 2014;
- Coach fragrances had sales of more than €84 million in the year, up 66% from 2017, a remarkable performance, particularly in the United States, benefiting from the success of the *Coach* line, which now includes five juices launched over a three-year period;
- With strong momentum at year-end here as well, particularly for the *Eclat d'Arpège* line, Lanvin fragrances consolidated their position with €59 million in annual sales, up 2%;

- Despite a small decline in sales, Rochas fragrances continued to expand their market penetration in twenty countries around the world, with the launch of the *Mademoiselle Rochas Eau de toilette* adding to contributions from the Eau de parfum introduced in early 2017;
- Boucheron fragrances were up 6% on gains by the *Quatre* lines and increasing momentum by its collection of extraordinary fragrances introduced in 2017;
- Van Cleef & Arpels fragrances had nearly €14 million in sales within a more selective universe henceforth focused on the *First* and *Collection Extraordinaire* lines;
- Finally, Karl Lagerfeld fragrances return to growth, initiated in 2017 with the launch of the *Les Parfums Matières* collection, remains on track.

2018 sales by region

€m	Q4		FY		Change
	2017	2018	2017	2018	
Africa	1.3	1.3	4.4	4.0	-7%
Asia-Pacific	9.2	11.7	59.7	64.1	+7%
Eastern Europe	10.9	10.4	39.2	40.0	+2%
France	9.9	9.4	33.9	35.0	+3%
Middle East	6.0	9.0	39.7	43.2	+9%
North America	33.7	42.8	118.5	140.1	+18%
South America	3.7	6.8	31.3	35.2	+13%
Western Europe	22.9	26.1	92.8	91.5	-2%
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- Growth in North America remained strong, particularly in the United States (+25% at constant exchange rates), driven mainly by Coach fragrances and to a lesser extent, Jimmy Choo fragrances. Sales from this region, now representing 30% of Group revenue, have more than doubled in 4 years;
- Within an overall market for cosmetics and perfumes contracting 2%⁽¹⁾, France performed well with 3% growth in sales;
- South America (+12%), the Middle East (+9%) and Asia (+7%) also benefited from the good performances of Coach fragrances;
- In Western Europe, the marginal decline (-1.5%) reflects the high base effect from the *Mademoiselle Rochas* line's launch in 2017.

⁽¹⁾ Source: NPD France

Philippe Benacin, Chairman and CEO commented: "Whereas 2018 was largely focused on preparing for major launches in 2019 and 2020 as well as rolling out a number of flanker fragrances, we achieved an excellent performance for the year with growth of 11% at constant exchange rates. The 2019 first quarter will focus on Montblanc Explorer's line launch which is expected to set the stage for a new phase in the brand's development. We are therefore confident about the outlook for 2019, with a target for annual sales today set at €470 million."

Philippe Santi, Executive Vice President, added: "With sales at this level, the operating margin for the 2018 full year could exceed 14%; In 2019, bolstered by a proven strategy, we will continue to deploy our business model by giving preference to operating expenditures, particularly media budgets, and gradually reinvesting all excess operating profit. In this context, based on current exchange rate, we expect an operating margin approaching 14% in 2019."

Upcoming events

Publication of 2018 annual results
March 4, 2019
(before the opening of Euronext Paris)

2019 first-quarter sales
April 25, 2019
(before the opening of Euronext Paris)

2019 Annual General Meeting
April 26, 2019

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