

[For Immediate Release]



## L'Occitane International S.A.

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(Incorporated under the laws of Luxembourg with limited liability)

### L'Occitane Announces Unaudited Trading Update For the Year Ended 31 March 2018

**Net Sales up 4.6% at Constant Rates and 3.7% on Like-for-Like Basis**  
**China becomes Second Largest Market on Like-for-Like Basis**  
**US Growth Turns Positive from LimeLife and Pick-up in Retail**

(23 April 2018, Hong Kong) L'Occitane International S.A. ("L'Occitane" or the "Group"; SEHK stock code: 973), a global, natural ingredient-based cosmetics and well-being products company with origins and true stories from Provence, France and around the world, today announces the unaudited trading update for the year ended 31 March 2018 ("FY2018").

Net sales for FY2018 were €1,319.4 million, an improvement of 4.6% at constant rates and a slight decline of 0.3% from last year at reported rates, as a result of unfavourable exchange rates. On a like-for-like basis (i.e. excluding Le Couvent des Minimes<sup>1</sup>, a one-off deal concerning L'Occitane au Brésil last year<sup>1</sup> and LimeLife<sup>2</sup>), the Group's net sales rose 3.7% and fell 1.0% at constant rates and actual rates respectively.

China, Brazil, the US and Hong Kong were the fastest-growing markets during FY2018 in local currency terms. Sales in China grew 20.5%, while same store sales grew 15.1%, maintaining strong momentum both online and offline. Local currency sales in Brazil rose 11.3%, contributed by the L'Occitane en Provence and L'Occitane au Brésil brands. Meanwhile, the US turned positive with 8.8% sales growth in local currency terms, due mainly to LimeLife and a significant pick-up in retail during the last fiscal quarter. Local currency sales in Hong Kong grew 8.3%, thanks to strong travel retail sales in Asia and a local retail market rebound.

Net sales, net sales growth and Same Store Sales Growth by geographical areas:

€'000	FY2018	FY2017	% Growth	% Growth <sup>(1)</sup>	% SSS Growth <sup>(1)</sup>
Japan	<b>218,932</b>	238,795	(8.3)	0.1	0.3
Hong Kong	<b>124,584</b>	124,329	0.2	8.3	1.5
China	<b>159,118</b>	139,012	14.5	20.5	15.1
Taiwan	<b>39,433</b>	41,555	(5.1)	(3.3)	(2.7)
France	<b>102,177</b>	100,478	1.7	1.7	(2.9)
UK	<b>59,837</b>	64,816	(7.7)	(3.5)	0.2
US	<b>172,160</b>	171,198	0.6	8.8	(2.7)
Brazil	<b>60,208</b>	56,509	6.5	11.3	4.5
Russia	<b>50,493</b>	48,973	3.1	3.6	0.4
Other Countries	<b>332,425</b>	337,513	(1.5)	0.2	(0.2)
All Countries	<b>1,319,366</b>	1,323,177	(0.3)	4.6	1.7

<sup>(1)</sup>Excludes foreign currency translation effects

<sup>1</sup> During the financial year ended 31 March 2017, the Company disposed of Le Couvent des Minimes and there was a one-off deal concerning L'Occitane au Brésil in September 2016.

<sup>2</sup> LimeLife by Alcone ('LimeLife') became a subsidiary of the Group in January 2018 and its sales have been consolidated since.

China also became the Group's second-largest market on a like-for-like basis during FY2018.

The Group saw a further improvement in same store sales during the final quarter of FY2018, which rose 1.7% in FY2018 compared to 1.4% for the nine months ended 31 December 2017. The improvement was mainly driven by China, together with the stabilization of same store sales in Hong Kong, France, the UK, the US, Russia and other countries. The Group's emerging brands Melvita, Erborian and L'Occitane au Brésil (excluding the one-off deal) continued to register double-digit growth.

In FY2018, sell-out sales accounted for 74.9% of net sales and amounted to €987.8 million, an increase of 4.8% and a decrease of 0.5% at constant rates and actual rates respectively compared to last year. This growth was primarily due to the positive same store sales growth, as well as non-comparable Stores and other sales, including new stores and stores renovated last year and this year, marketplaces and the spa business. The year-on-year growth of the Group's web sell-out channels accelerated to 19.2% at constant exchange rates – equivalent to 13.7% of total sell-out sales.

Sell-in sales accounted for 25.1% of the Group's total sales and amounted to €331.6 million, an increase of 4.0% at constant exchange rates as compared to last year. This growth was primarily driven by the dynamic growth in travel retail, B2B, and the web-partner and distribution channels of the L'Occitane en Provence brand.

During FY2018, the Group selectively opened a net 41 stores<sup>3</sup> and renovated 153 stores.

Mr. Reinold Geiger, Chairman and Chief Executive Officer of L'Occitane, said, "We concluded FY2018 with a strong final quarter, particularly in Asia, where we are continuing to introduce more and more consumers to our world of all-natural products with proven ingredients and recipes."

"Looking forward, we will continue to boost our appeal through the use of innovative store fronts that highlight our true stories and origins, creative marketing initiatives, and new products including the Aqua Réotier range and a promising new hero product due to be launched later this year. We believe these initiatives will bridge the customer experience in a way that effectively support both our offline and online sales."

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### **About L'Occitane International S.A.**

L'Occitane International S.A. (the "Company") is the world's leading natural ingredient-based cosmetics and well-being products company with origins and true stories from Provence, France and around the world. A global leader in the premium beauty market, L'Occitane produces and retails best quality products, produced with cutting-edge technology under five brands, including L'Occitane en Provence, Melvita, Erborian, L'Occitane au Brésil and LimeLife by Alcone. Its products are rich in natural ingredients of traceable origins, while also respecting the environment.

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<sup>3</sup> Including 28 L'Occitane au Brésil stores that were reclassified as the Group's own retail stores.