FY2018 Annual Results Webcast

Company Participants

• Reinold Geiger, Chairman, Chief Executive Officer
• Thomas Levilion, Chief Financial Officer
• Janis Lai, Investor Relations Manager

Other Participants

• Jessica Hong, Haitong International Research
• Unidentified participant #1
• Mariana Kou, CLSA *(via webcast, questions voiced by operator)*
• Shu Wen, Saga Tree Capital *(via webcast, questions voiced by operator)*
• Emily Lee, Nomura *(via webcast, questions voiced by operator)*
• Unidentified participant #2

Presentation

Janis Lai

Good afternoon, everyone, and welcome to L'Occitane International's annual results presentation for the year ended 31 March 2018. This is Janis Lai, Investor Relations Manager here. With us here today is Mr Thomas Levilion, our Group CFO. Joining us via the teleconference today is Mr Reinold Geiger, Chairman and CEO. First of all, Thomas will walk us through the presentation to discuss the annual results, after which we will take some questions. For those joining online, you may submit a question by clicking the ask-a-question link at the bottom right-hand corner of the webcast page. With that, I would like to pass it over to Thomas to commence the presentation.

Thomas Levilion

So we start with some highlights. With good momentum in H2, our top line was growing by 4.6% at constant exchange rates, and slightly decreasing at actual rates. On a like-for like basis our growth reached 3.7%. As a reminder, like-for-like sales exclude Le Couvent des Minimes, which was disposed of last year, a one-off barter deal with obsolete products of L'Occitane au Brésil last year and the LimeLife sales in Q4.

The growth in FY2018 was driven by strong performances in China, in Travel Retail and Brazil, complemented by the growth in France, Russia and Japan, and the healthy developments of the emerging brands. China became the second largest market like for like. The retail environment remains challenging in America, Europe and Japan, but we are confident that our marketing actions, our new product launches and our intense in-store activities will contribute to sustaining our momentum into FY2019.

Our operating margin reached 10.7%. It was impacted by the unfavourable exchange rates, deleveraging due to the soft retail in America, Europe and Japan and our marketing investments, but benefited from significant efficiency gains and material contribution from pricing, product and channel mix.

The net profit margin also suffered from the consequences of the rise of the euro on the exchange rates results and also the effective tax rate, as well as the one-time effect of the tax reform in the USA.

As you are aware, we have invested in the acquisition of a majority stake in LimeLife, creating an exciting new opportunity and already result accretive. In this context of good momentum for the core brand, strong growth and opportunities with all other brands and continued cash generation, the Board is pleased to propose an increase of our payout ratio from 35% last year to 45%.

Our sell-in segment grew by 7% like for like, driven by Travel Retail, which grew by 12%, with strong developments in Asia, Web partners, B2B, and distributors, notably with strong developments in the Middle East and with the emerging brands, and the Web partners were growing by 35%.

Sell-out grew by 2.6% like for like thanks to the Web sell-out channels, as we call them, which include our own e-commerce and the marketplaces. The Web sell-out channels grew by 20% and amounted to 14% of sell-out, from 12% last year. With the improvement in Europe and North America in the second half and the continued strong performance in Asia, notably in China, retail grew by 1% overall.

Regarding the breakdown by country, the share of the US and UK decreased slightly as a consequence of the tough retail market, and despite the noticeable improvements in the second half and also were impacted by the weaker currencies. China and Brazil continued to increase their share in our total sales, and Russia benefited from the stronger rouble. The share of Hong Kong was up due to the positive development in Travel Retail and the stabilisation in retail in the second half, despite the depreciation of the Hong Kong dollar.

The share of Japan went down from 17.4% last year, primarily due to the weak Japanese yen and softer retail sales in the second half.

With the healthy growth in own e-commerce, with better performance in H2, the strong US in Q4 and continued momentum in China and Brazil, the comp store sales continued to improve to 1.8%, and this from minus 1.3% last year. As compared to the previous quarter, same-store sales growth improved significantly in Q4 in the US and several European countries and generally stabilised elsewhere after a strong Q3. However, Japan, Taiwan and the UK were softer.

The non-comparable stores and other sell-outs delivered the healthy 5% growth thanks to the stores opened in FY17 and FY18, as well as the performances in marketplace, which were up 50%. The 7% growth in chain was contributed by Travel Retail, distributors, B2B and Web partners, as explained before, and finally, as regards the exchange rates, the euro remains stronger on average than last year, and this resulted in an unfavourable impact of 4.7 points, as compared to a favourable 1.5 points last year.

Looking at our key countries, starting with France, so one-third of the growth in France was driven by L'Occitane, and two-thirds was driven by the emerging brands, Melvita and Erborian. L'Occitane resumed growth thanks to wholesale and good performance of the new and refurbished stores. Retail picked up in H2, helped by a recovery in tourist sales and the

good results of the Aqua Réotier products in March. We see the Aqua Réotier here on my left, your right.

In the UK, the decrease in sales is entirely due to lower sales to the TV channel QVC. Retail was impacted by low traffic and the closure of some underperforming stores, partially offset by new openings. Retail was however encouraging in February and March with a strong Mother's Day campaign, and on a full-year basis, the decrease in retail was offset by the growth in e-commerce, wholesale and B2B.

In the US, the decrease was almost entirely explained by the closure of underperforming stores. Retail was challenging in H1 due to declining traffic, but the trend clearly improved in Q3 and even more so in Q4, with the positive same-store sales growth of almost 3%. Amazon continued strongly and compensated for a reduction in Sephora orders.

In Brazil, in a challenging environment, the good 11% growth was driven by L'Occitane au Brésil, with the contribution of strong retail sales both from comparable and new stores, Web sales and franchises. The trend even improved in February and March with the strategic launch of the Pataua hair care.

In Russia, the tough market continued to impact our sell-in in Q4, but we saw strong recovery in retail and e-commerce in March with the Mother's Day campaign, focused on gifting and the benefits of outdoor advertising campaigns. On a full-year basis, retail was slightly up, while the growth was driven by e-commerce and B2B, principally.

In Japan, the growth was primarily driven by the outstanding performance of Melvita, which was growing by 39%. L'Occitane in Q4, the retail sales were primarily impacted by the closure of two underperforming stores and also a high base last year. This was offset by continued positive e-commerce developments and strong Amazon sales.

Hong Kong resumed growth in the back of very strong Asian Travel Retail, combined with mid-single-digit same store sales growth in H2. The retail growth accelerated in Q4, both from tourists and locals. The drivers were the momentum of the successful Divine Oil campaign in October, hand cream and the Chinese New Year.

China was slightly softer in Q4 from a very high base in Q3 here, but remained highly positive. On a full-year basis, China maintained its impressive performance, with 21% growth in local currency, and this was contributed by the retail market recovery and the very successful campaign with Lu Han, with a good balance between online and offline. On a full-year basis, the same-store growth in China was 15%, and T-mall was growing by 75% and represented 16% of total sell-out. B2B also delivered an excellent performance, thanks to orders from independent hotels and also from Shangri La.

In Taiwan, after a strong Q3 driven by department stores anniversary promotions, Q4 was more challenged. March was encouraging, with a good debut of Aqua Réotier and the implementation of the interface between the e-commerce and CRM, paving the way to an improved omni-channel experience. On the full-year basis, same-store sales growth remained slightly negative in Taiwan despite the strong Q3, but the top-line decrease was primarily explained by the closure of net four stores since March 2017.

And in the other countries, the growth was led by the very strong growth of the Geneva hub with B2B and distributor channels, but we also had good results from Australia, Malaysia and Mexico.

Our total store network, as you see, reached 3,285 points of sales, an increase of 8% over March 2017, and for our own store network, we now have 1,555 doors, which is an increase of 41 from last year.

The total store network grew by 41 stores, which was very selective, and compares with 51 stores last year. 28 stores, by the way, out of the 41 net openings were L'Occitane au Brésil kiosks that were reclassified as our own stores. And on top of this, we also opened a net 15 stores in Brazil, including 14 for L'Occitane au Brésil. Apart from Brazil, we opened ten stores in Japan, six stores in Australia, and a net six stores in Europe, including the two flagship stores in the Champs-Élysées and Regent Street.

In Japan, the openings were primarily for Melvita for seven out of the 10, and we have started to open Erborian stores, with three openings in Russia. The net openings in other countries than Brazil were offset by net closures, principally in the USA, minus 11, and also some in China and Taiwan.

Throughout the year, we continued to aggressively renovate our most important stores - 153 stores were renovated, as compared to 104 during the same period last year.

We're now moving to the same-store sales growth, so the overall same-store sales growth continued to improve at 1.8% like for like, and this is up 3.1 points from last year. Most key countries improved significantly in Q3 and generally stabilised in Q4, except for Japan, which was slightly negative in the second half. On the contrary, the US delivered a much healthier performance and was positive, close to 3%, as mentioned before, and China maintained a strong performance of 10% in Q4 after the outstanding 19% in Q3.

We're now moving to the profitability analysis, so the big picture here, the gross profit margin remained high at 83%, and the operating profit margin was down by two points to 10.7%, and this was due mainly to exchange rate effects, also deleveraging effects, distribution expenses, and higher investments, essentially in marketing but also in IT and research and development, and the drop was partly offset by lower level of general administration overheads.

So if we go into some more details, starting with the gross margin, so again, the gross margin stayed at 83.3%, and this despite the unfavourable foreign exchange effects and also some unfavourable brand mix, which reduced our margin by 0.7 points and 0.2 points, respectively. The Group also increased its use of MPPs [mini products and pouches] and boxes, notably due to the strong increase in sales of the Advent Calendar during the holiday season, and this reduced overall gross margin by 0.2 points. There was also a reclassification of IT expenses from G&A for 0.1 points.

So the gross margin remained stable, which means that we have significant positive effects also, so the - we have continuous improvements in our supply chain efficiency, which is reflected in lower production costs and freight charges and also in lower obsolescence rates. This contributed 0.6 and 0.3 points to our margin, respectively. And as seen year after year, the gross margin also improved by 0.3 points through price increase and product mix improvements.

Our distribution expenses increased by 1.5 points of sale to 48.5%. The higher cost percentage is attributable primarily to deleverage on rental and personnel costs, under tougher retail environment for 1.1 points. In addition, we have increased investments in pre-opening costs for the flagships, which accounted for 0.4 points, as well as investments in the Asian central warehouse for 0.1 points, and there was also a reclass of IT expenses to retail from G&A, and this was partly offset by positive channel mix effects for 0.4 points, which were driven by the strong development of Web and travel retail.

The marketing expenses also increased by 0.7 points to 13.6% of net sales. The increase was attributable to the further investments in advertising and marketing events in key countries, such as Lu Han and T-mall campaigns in China, the influencers operation in the US and L'Occitane au Brésil branding programs. Besides advertising investments, we had also a reclassification of IT costs from G&A and also an unfavourable FX effect - exchange rate effect - which accounted for 0.1 points each.

The increase was mitigated by higher leverage from the emerging brands, together with favourable brand and channel mix effects and for the total of 0.6 points.

General and administrative expenses reduced by 0.4 points, with this improvement being due mainly to reclassification of some IT expenses to the other categories of expenses, as we said before, and this contributed 0.4 points, but also leaner organisational structure and higher leverage, contributing for 0.3 points, and finally, a favourable brand mix effect for 0.1. And the improvement was partly offset by higher investment in sell-out IT systems for 0.3 points and unfavourable exchange rate effect for 0.1 points.

So to summarise the operating performance margin, a decrease of two points to 10.7% and the decrease is explained by unfavourable exchange rate effects for 1.1 points, lower leverage from softer retail sales, which was partly mitigated by positive leverage in marketing and G&A for 0.6 points, the strengthening of investments in celebrities, influencers and advertising in key countries for a total of 1.3 points, the one-off pre-opening costs for the new flagship for 0.4 points and investments in infrastructure, including IT and the central warehouse in Asia for a total 0.4 points. And this was partly offset by higher efficiency, as said before, in production, in freight costs, and also in administration for 0.9 points, the favourable channel mix for 0.6 points and beneficial price and product mix for 0.3 points.

The effective tax rate was primarily affected from 21.5% to 29% by the - so it was primarily affected by the one-time effect of the US tax reform, as we see for 4.1 points of tax rate, which resulted in the depreciation - so this reform resulted in the depreciation of local tax assets. The unfavourable exchange rate also resulted in the depreciation of deferred tax assets in various countries, so that excluding such one-time effects, we expect our effective tax rate to remain within the range of 22% to 25%.

Net cash used in capital expenditure was EUR93 million this year, as compared to EUR50 million last year, representing an increase of EUR43 million. The increase in our store CapEx is explained by the key money and construction for flagship stores in Paris and London. We also accelerated renovation and remodeling of our own-store network. Further investment in IT, particularly for own e-commerce websites, CRM and omni-channel for a total of EUR14 million, and the EUR16 million capital expenditures in factories and R&D was mainly due to the new factory in Brazil, together with costs on enhancing production lines in our two factories in France and further steps taken towards FDA compliance.

The chart above excludes the EUR110 million that we have spent on the acquisition of subsidiaries and financial investments in FY2018, including LimeLife, of course.

Inventory value increased by EUR18 million to EUR157 million, and the inventory turnover increased by 16 days, due to the one-time effect of the building of a product pipeline from the Asia central warehouse. That was seven days. The inclusion of LimeLife for six days, an increase in inventory in some subsidiaries for six days, and this was namely Brazil, Japan and China, in anticipation of higher sales, an increase in raw materials at the factories for three days and a reduction of inventory allowances for two days, and an increase in inventory turnover was partly offset by favourable FX impacts of eight days.

Balance sheet ratios, return on capital employed in FY18 decreased to 15.1%. The decrease is the result of the lower net operating profit after tax by 27%, combined with an increase of 19% in capital employed, which was obviously primarily explained by the acquisition of LimeLife.

The capital and reserves increased by EUR11 million, knowing that the increase was affected by a significant foreign exchange rate reserve for year-end conversion at relatively stronger euro compared to last year. Return on equity ratio was then affected and decreased to 10.3% in FY 2018. The Group remained in a high net cash position despite sharp increase in investing activity during the year, and liquidity and capital adequacy ratios are still favourable.

Strategic review now. In FY18, the Group remains focused on clear strategies to achieve long-term growth. Under our omni-channel strategy, we reoriented our physical store network to deliver even more memorable shopping experiences. This was shown with our flagships in Paris, London and Toronto, which were consistent with our brand identity and yet had unique elements. We also continued to make the on and offline journey more seamless and unified, such as through the new e-commerce website that has shown improved conversion rates.

We focused on hero products and bestsellers. The relaunch of Immortelle Divine Youth Oil and the brand-new Aqua Réotier range increased our face care profile, helping to trade up existing customers and recruit younger customers.

This product strategy was supported with innovative co-branding and marketing efforts. We leveraged the use of high-profile celebrities, namely Lu Han in China, and co-branding opportunities to drive traffic and brand heat. These campaigns were also communicated on the same digital and social media channels to appeal to broader audiences.

Meanwhile, our emerging brands had nice progress. Melvita, L'Occitane au Brésil and Erborian all continued double-digit growth. The acquisition of LimeLife also led our foray into colour cosmetics. It has now by the way expanded to Canada and the UK. Together, the non-core brands now account for 8% of our net sales.

We further optimised operations to increase efficiency. We began operations of the Asian central distribution hub, which allowed better product allocation and more agile distribution. Construction of the Brazilian factory is well underway, and we expect operations to begin in the coming financial year.

Many initiatives actually echo the same theme, which is to reinforce our brand roots and values. We believe this creates an emotional connection with customers to build a long-term relationship.

Looking forward, we'll continue to boost our appeal through innovative storefronts, creative marketing and new products. We will ride on the success of the Immortelle Divine Youth Oil and launch promising new hero products this September to grow our reputation in face care. It will be complemented by bestsellers and novelties, which are important to drive loyalty and traffic.

The focus on omni-channel experiences will continue, first of all, by taking the feedback and learning from the pilot Sunshine stores. We will continue to adapt and evolve the concept for future renovations. We are also making digital investments, using powerful platforms to extract customer insights, to increase engagement and profitability.

The Group will continue to foster our emerging brands for Melvita, introducing a new store layout for Melvita and opening a T-mall shop for Melvita as well, and of course, we will proceed with the international rollout of LimeLife.

Under the new corporate structure, the Group is operating in better alignment of interests between management and stakeholders to achieve the ambitious growth targets and protect profitability.

The Group is committed to execute our well-defined strategy with focus and discipline, to bring profitable growth and long-term value to our shareholders. Thank you very much.

Janis Lai

Thank you, Thomas, for the presentation. We will now take some questions. We'll first take questions from the live audience before moving to any questions from people joining us on the webcast. So we'll take the first question here from the live audience.

Questions And Answers

Jessica Hong, Haitong International Research

Thank you, Thomas. My question is about LimeLife. At the beginning of your presentation, if I didn't mishear that, you said it's the quickest [growing brand], and could you elaborate a little bit about LimeLife's revenue, profit margins? And also from the previous update, I recall that the US business was profitable but the investment in Canada could be a drag on the profitability. So you can break it down by countries? Thank you.

Thomas Levilion

Okay, so we won't be very specific with the details about Canada, but just for you to better understand, LimeLife is a huge opportunity. We're growing very fast in the US, and it was multiplied by four last year and hopefully for this year, so it's developing, and of course this model is very interesting. It's a model of direct sales. It's a fantastic and positive for us, and we want to expand it outside of the US.

It's largely a variable cost business, but still, you need to have also a minimal structure, a couple people in each and every country, being in charge of creating the beauty guides network and someone for the administration and so on. In the end, what I want to tell you is that we just started Canada, it started in April, we are now starting the UK. At this stage, we also have the cost of these small structures that are operating in each and every country that we have these costs.

Other than that, the most - the representative part of the business is the US, of course, and here we have a profitability that is in the mid-single - sorry, the mid-teens, which we are working at making it stronger and higher. We believe this is representative of the type of profitability that we should get in the future from LimeLife, and this will be even a minimum. So we see strong opportunities with LimeLife, but now everything needs to be put in place and achieved. The very first signs in Canada are quite interesting, because they are clearly above their targets and by the way, the US is also at this stage above its targets.

Janis Lai

Thank you. Do we have a next question from the live audience please? If there aren't any questions from here, maybe we can move…sorry, sure, go ahead.

Unidentified Participant #1

[Are you currently looking at M&A opportunities?]

Thomas Levilion

We are always looking at the market and the opportunities, and I think if there is a good opportunity, we'll take it, but there is no let's say - no need to absolutely do other acquisitions. So either it's an interesting opportunity, or we won't do it. But we are looking. The thing is that by now, many opportunities are not really interesting, because of their price and the multiples are very high right now in the market, so we looked at different things, and we did not - we did not go further, but we continue to look. We'll see.

But now, we know we also have a lot on our plates. If we want to succeed with our three emerging brands and LimeLife and the potential that they have, we have to be also careful that we are focused on our number one or number two and number three priorities.

Unidentified Participant #1

[What about in makeup?]

Thomas Levilion

I think obviously that there might be other opportunities in LimeLife - sorry, in makeup. I'm getting tired - in makeup. LimeLife is a makeup brand. It's also a face care brand, but it was - still is really interesting or very interesting with LimeLife is that it is doing that with this model of social sales, social selling, or direct selling, which is really the most impressive, interesting thing. So we could have opportunities in face care, we could have opportunities in makeup, and possibly even in other products.

Janis Lai

Sure. Thank you, Thomas. Perhaps, Reinold, since you are on the call, would you like to make any further comments? Reinold? Okay, if there aren't any further comments, we will move on to any online questions.

Operator

Mariana Kou from CLSA has two questions. Firstly, how should we look at same-store sales growth for the L'Occitane brand over the next few years? And the second is how should we think about the Group's operating margins in FY19 and FY20 as we continue to invest in the smaller brands? Thank you.

Thomas Levilion

Hello Mariana. I think that if we think of the sales of L'Occitane, we are pretty confident that L'Occitane can continue to grow and resume strong growth, notably when we have

implemented the full range of tools and ways of working that we want to have for retail and e-commerce, so this omni-channel capability that we are building.

For this year and as already we have seen some positive signs and resumed growth in the second half of the year. We believe that we can grow the L'Occitane brand by probably around in the mid-single digits, I would say, which is an improvement from what we have seen the past two or three years, but we believe we have more room to continue to grow the brand. We said at - when we met last year or when you met the management last year, that we had a business plan to grow our existing brands to EUR1.7 billion. We told you how much of that was L'Occitane and how much of that was the other brands.

We believe that this plan will probably be delayed by one year, but we believe that it is still realistic, and we still target this type of growth. Saying this, we have a new management in place, as you know. The new management will boost the digital, entrepreneurship, accountability and also we try that restoring the DNA of the brand, which is partly getting lost.

They are working. The management is working at strategies and actions. They know that there will be a lot around agile product development. We'll continue to have a longer-term approach with our products, key products, strategic products, like the new hero products, hair care, makeup and the baby line. We'll work on adaptations of the Sunshine concepts. We'll work on the digital acceleration, so we are working on the implementation of course of these strategies and actions.

Saying this, we have an ambition - we have a strong ambition for the future, which is to grow the group to even possibly EUR3 billion, and as you have seen, we are particularly excited with the LimeLife opportunity. We are still realistic, and we want to make it happen, so therefore we are preparing a more precise operational plan, which will be available in due course. In the meantime, as I told you before, we confirm that we are on our way to first restore profitability, with marginal improvement this year first in FY19 and also further improvements adding to our 15% plus.

From the positive signs that we have seen this year, we confirm that we believe that the previous plan remains valid, but possibly with a one-year time lag.

Janis Lai

Thank you, Thomas. Do we have our next online question?

Operator

Thank you, Janis. If you're joining online, you may submit a question by clicking the ask-a-question link at the bottom right-hand corner of the website page. There are two questions from Shu Wen of Saga Tree Capital. Firstly, can you provide some colour about why inventory turnover in Japan, Brazil and China increased in FY18?

The second is: has the Company completed the Asian central warehouse project, and should we expect it won't further increase the Company's overall inventory turnover in FY19? Thank you.

Thomas Levilion

Okay, thank you for the question. So clearly the inventory increase in the three countries you have mentioned, so Brazil, China and Japan, is explained by the fact that they plan to

sell more. So it's an anticipation of higher sales, so that's good news as far of course as it happens.

Then, yes, we have finalised most of the implementation of the Asian warehouse, so the cost is behind us and now we should see the gains, and one of the gains, by the way, is of course that we have shorter lead time, that we have less freight costs, because we are using better and more - better routes than before and there are also shorter routes for most of our deliveries, actually. One of the gains, interestingly, is the fact that what we call - the logistic guys call – 'double stacking', which is a way to make a better usage of the volume that is available in a container. This has already a very significant impact on our freight costs, positive of course.

Janis Lai

Thank you, Thomas.

Operator

Hi. We have another question from Emily Lee from Nomura. Firstly, do you have any new guidance on Melvita's breakeven schedule?

Thomas Levilion

Hi, Emily. Yes, we confirm that we should be breakeven with Melvita this year, FY2019.

Operator

And one more question. What's your quarter-to-date same-store sales? Can you give any colour on that?

Thomas Levilion

We are currently in the low single to mid-single digits same-store, and this is helped also by the strong performance of L'Occitane au Brésil. In general, the countries where things are going well are China and some other Asian countries. Hong Kong is doing well, double digits, so - and the US, which continued to follow the trend that they have had in the last - the last part of the previous financial year, so generally not too bad, although Europe remains a little bit behind, with the exception of Russia, I would say.

Operator

I don't have any other webcast questions.

Janis Lai

Sure. Thank you, Matt. Maybe we have some time to take any final questions from the live audience if there are any.

Unidentified Participant #2

Thank you. May I know the percentage about the e-commerce to your net sales, regarding the direct sales and intermediaries, and also the average ticket size?

Thomas Levilion

So average ticket size is the same across the countries and the channels, the distribution channels, around EUR35 basket, average ticket. And your first question was about the share of e-commerce in total sales. So it's 14% of our sell-out sales. We cannot compare really with sell-in and sell-out. So when I say - let's be very clear. When I say Web sales in sell-out, I'm talking about our own e-commerce, plus the marketplaces, such as T-mall - but not only T-mall, we also have some in Korea and we start to have some, another one in Europe, for instance. This represents 14% of our sell-out sales, total sell-out sales, okay? Of course, it's much more in some countries, like US or Germany, UK, France, and less in some other countries. But it's still growing fast, and it was 12%, the same ratio was 12% last year.

At the same time, it's interesting to have in mind that we have other types of web activities within our sell-in activities, such as sales to Amazon websites and the like. We call them web partners.

But this is even not included in our ratio, which is purely sell-outs. Otherwise, we are mixing everything, but this ratio, which at least it's pure, does not take into account all of our web activities. To be transparent, the web sell-out activities, own e-commerce and marketplace is much bigger than the web partners in sell-in, so within this ratio, we capture most of our internet business.

Janis Lai

Thank you, Thomas. Do we have a final question from the audience? I trust we have answered…

Thomas Levilion

Just by the way, one remark also is that contrary to some other brands, we do not count any of the sales done by our sell-in customers - I will say for the others - to their own customers through their own website, we don't count that.

Janis Lai

Thank you, Thomas. I trust we have answered everyone's questions, and with this, I would like to announce the end of the analyst presentation today. Thank you for your time, and have a good evening ahead. Thank you.

Thomas Levilion

Thank you very much.

-End-