

[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 Three Months Ended 30 June 2018

#### Net Sales up 12.3% at Constant Rates

**Local currency sales in U.S. grew 73.7% from LimeLife and recovery of core brand Hong Kong and China local currency sales grew 25.5% and 12.5% respectively**

(24 July 2018, Hong Kong) L'Occitane International S.A. ("L'Occitane" or the "Company", or together with its subsidiaries, 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 three months ended 30 June 2018.

Net sales for the three months ended 30 June 2018 were €296.8 million, an improvement of 12.3% at constant rates and 6.2% at actual rates compared to the same period last year. On a like-for-like basis (excluding LimeLife<sup>1</sup>), the Group's net sales grew a healthy 3.6%.

The U.S., Hong Kong and China were among the markets with the highest sales growth during the period in local currency terms. Sales in the U.S. grew 73.7%, with the majority of this growth being driven by LimeLife. The Group's core business in the U.S. also grew by a healthy 2.2%, despite having 17 fewer stores in the country as compared to last year – this good result was due to the Group's continuous efforts in the digital realm, as well as effective CRM programmes.

The Group's sales in Hong Kong benefited from a recovery of the local retail market and the dynamic travel retail market in the region, with local currency sales rising by 25.5% and same store sales increasing by 11.1%. The launch of the Aqua Réotier hydration range also successfully recruited new face care clientele in this market. The Group continued to see double-digit growth in China, despite a high base, with the Brazil and Russia markets also performing well, growing 9.3% and 8.9% respectively in local currency terms.

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

€'000	For the three months ended 30 June		% Growth	% Growth <sup>(1)</sup>	% SSS Growth <sup>(1)</sup>
	2018	2017			
Japan	<b>48,566</b>	53,189	(8.7)	(3.1)	(2.2)
Hong Kong	<b>27,671</b>	24,076	14.9	25.5	11.1
China	<b>33,328</b>	29,805	11.8	12.5	7.8
Taiwan	<b>7,123</b>	7,743	(8.0)	(1.6)	0.9
France	<b>22,963</b>	22,902	0.3	0.3	(4.7)
UK	<b>10,281</b>	11,396	(9.8)	(8.2)	(6.2)
USA	<b>53,634</b>	33,573	59.8	73.7	2.7
Brazil	<b>12,627</b>	14,068	(10.2)	9.3	6.5
Russia	<b>8,937</b>	9,657	(7.5)	8.9	2.5
Other Countries	<b>71,635</b>	73,126	(2.0)	0.3	(2.7)
All Countries	<b>296,765</b>	279,535	6.2	12.3	0.6

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

<sup>1</sup> LimeLife by Alcone ('LimeLife') became a subsidiary of the Group in January 2018 and its sales have been consolidated since.

During the first three months of FY2019, sell-out sales accounted for 74.4% of the net sales and amounted to €220.8 million, an increase of 13.5% at constant exchange rates as compared to the same period last year. This growth was primarily contributed by other sales, principally by LimeLife, marketplaces, and the café and spa businesses, which altogether grew 291.5% at constant exchange rates. As compared to last year, sales of the Group's web sell-out channels grew by 5.5% at constant exchange rates – equivalent to 12.4% of total sell-out sales. The growth of web sell-out sales was impacted by a high base and aggressive competition in some countries. The Group's same store sales for the three months ended 30 June 2018 increased by 0.6%, an improvement from -0.6% in the same period last year.

Sell-in sales accounted for 25.6% of the Group's total sales and amounted to €76.0 million, an increase of 8.7% at constant exchange rates as compared to last year. The increase was primarily driven by the dynamic growth in travel retail, B2B and web partner channels of the L'Occitane en Provence brand.

All emerging brands continued to grow as planned. During the period under review, the Group maintained its store network rationalisation strategy, with a net closure of 7 stores.

Mr. Reinold Geiger, Chairman and Chief Executive Officer of L'Occitane, said, "It is pleasing to see the meaningful contribution that LimeLife is making to our top-line revenue, although this should not mask the strong turnaround we also saw for our core business in the United States. We are also delighted with the strong start in a number of Asian markets, particularly China and Hong Kong."

"Looking forward, we will build on the positive reception for our new hydration range, Aqua Réotier – momentum that should also feed into the launch of a new hero product in the coming months. We believe that these new products, combined with other initiatives we are implementing to enhance the customer experience, will continue to support our financial performance throughout FY2019."

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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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