L'OCCITANE
EN PROVENCE

FY2019
INTERIM RESULTS

For the Six Months Ended 30 September 2018

Highlights

For the six months ended 30 September (million €)	2017	**2018**	Change
Net sales – reported rates	548.2	**595.4**	+8.6%
Growth at constant rates			+12.4%
Like-for-like growth*			+4.9%
Gross profit margin	*82.8%*	***82.4%***	*-0.4 pp*
Operating profit margin	*2.5%*	***1.0%***	*-1.5 pp*
Net profit margin	*2.0%*	***0.9%***	*-1.1 pp*
Earnings per share (€ per share)	0.008	**0.005**	-37.5%
Net cash	167.2	**164.4**	-1.7%

* On a like-for-like basis: at constant rates and excluding Le Couvent des Minimes and LimeLife

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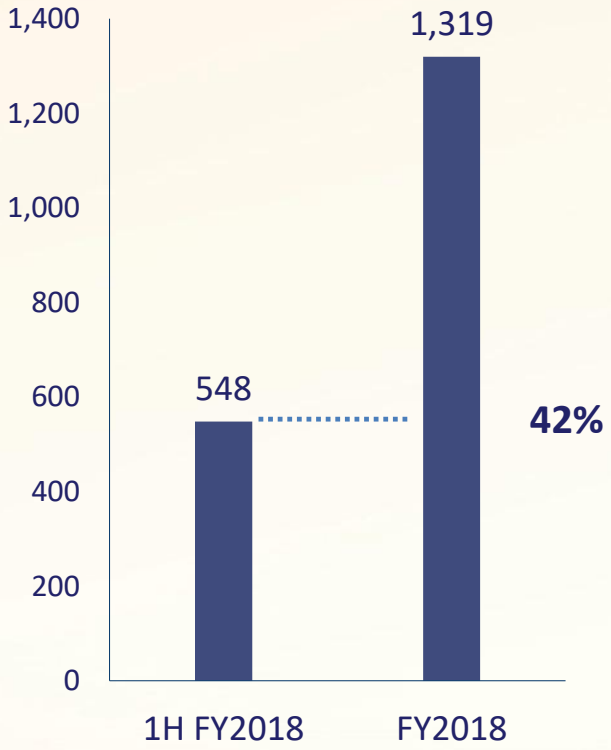
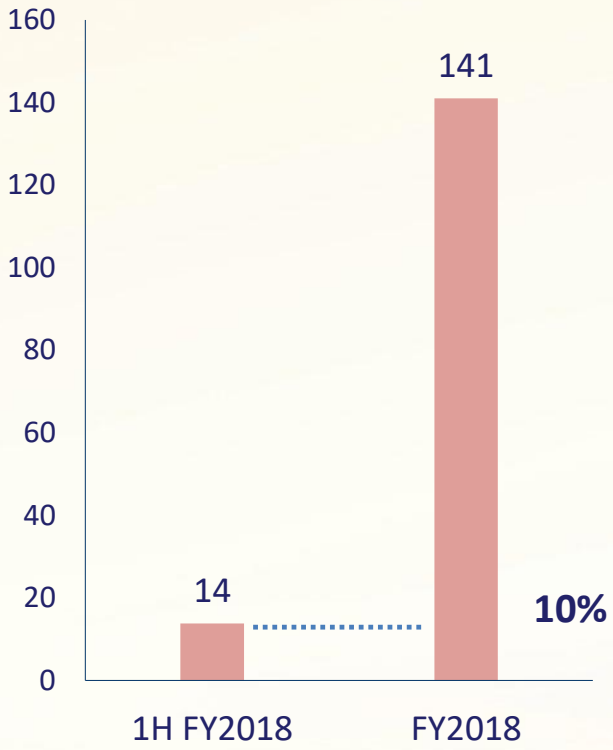
Seasonality: very low profit contribution from 1H

Net sales (million €)



Operating profit (million €)



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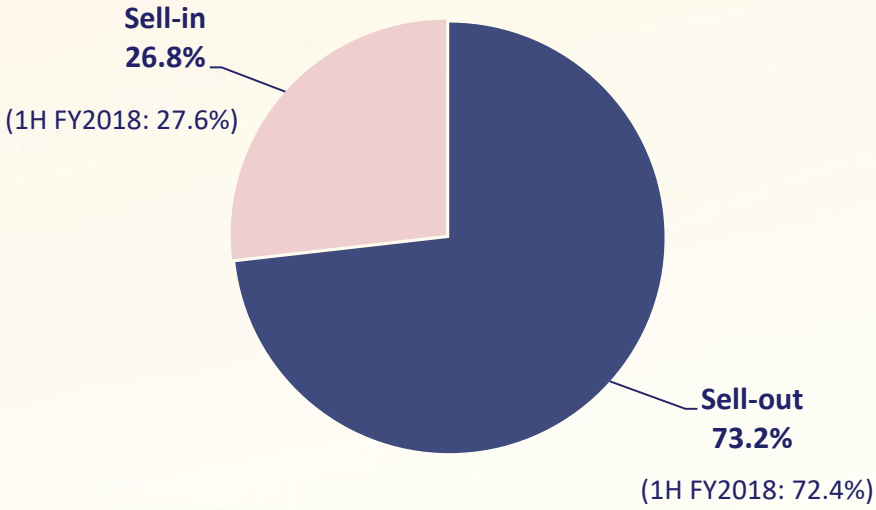
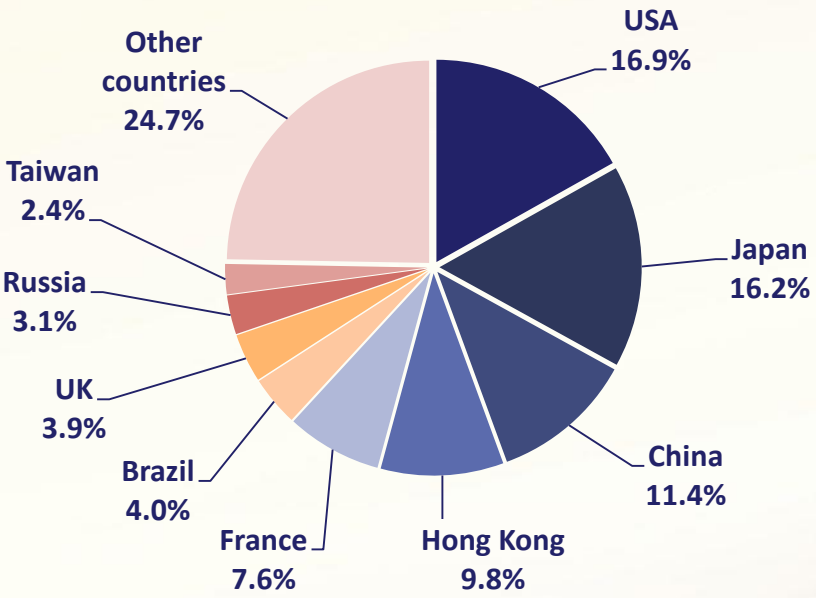
Net Sales Breakdown

Sales by segment



Exposure to growth markets



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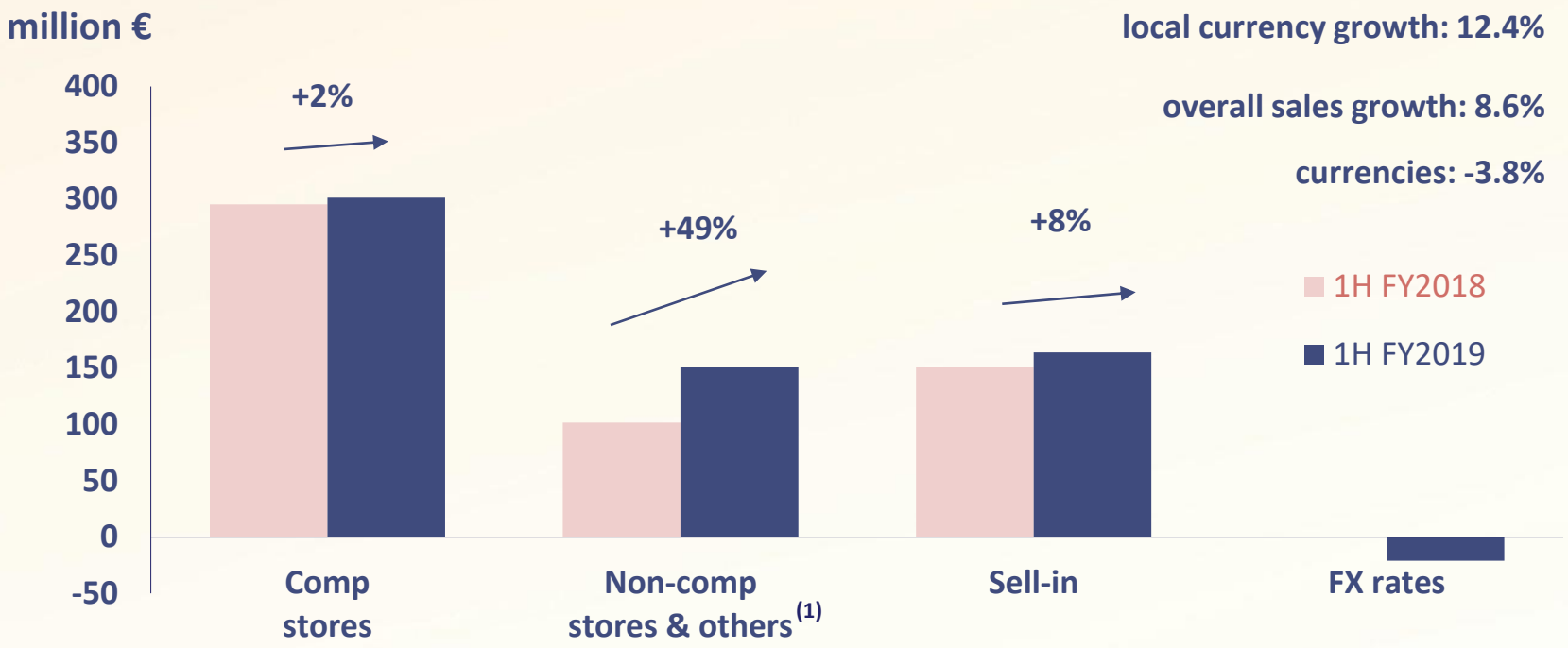
Net sales up 12.4% at constant exchange rates
(8.6% at reported rates)



Contribution to growth(2) :	9%	73%	19%

(1) Others include LimeLife, marketplaces, mail-orders and other service sales
(2) Excluding the impact of foreign currency translation effects

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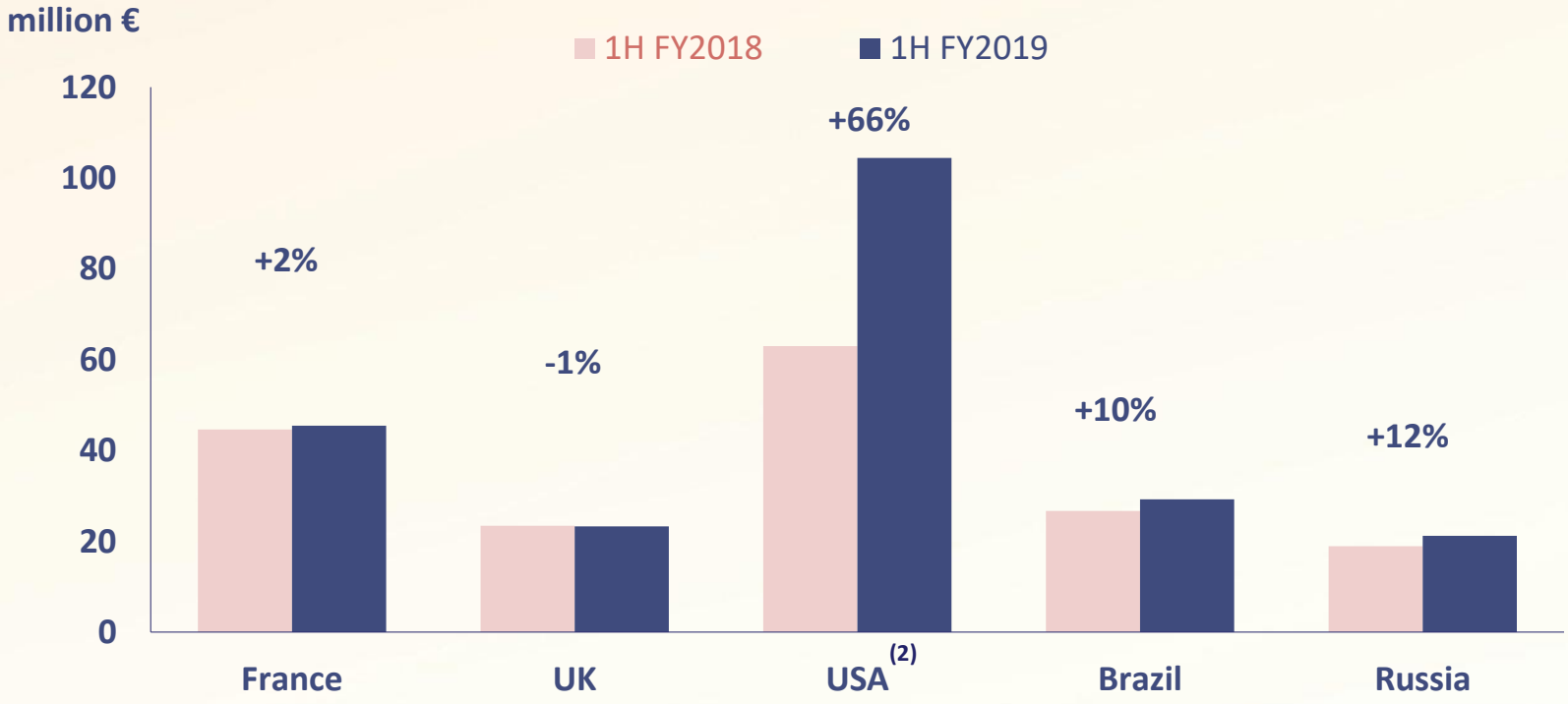
Sales growth by geography – Americas and Europe
(at constant rates)



Contribution to growth(1) :	France	UK	USA	Brazil	Russia
	1%	0%	61%	4%	3%

(1) Excluding foreign currency translation effects
(2) Excluding LimeLife, growth is 0.9% at constant rates

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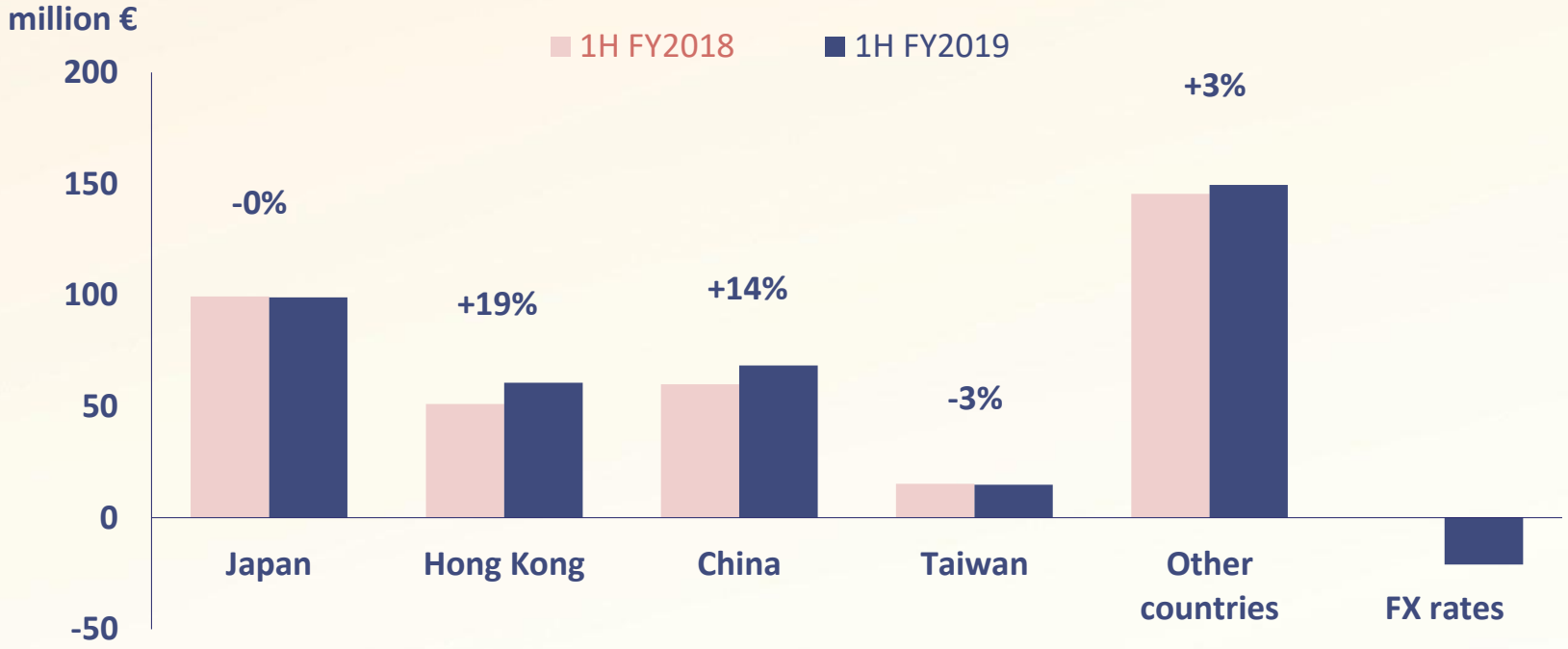
Sales growth by geography – Asia and Other Countries
(at constant rates)



Contribution to growth[1] :	-1%	14%	12%	-1%	6%

(1) Excluding foreign currency translation effects

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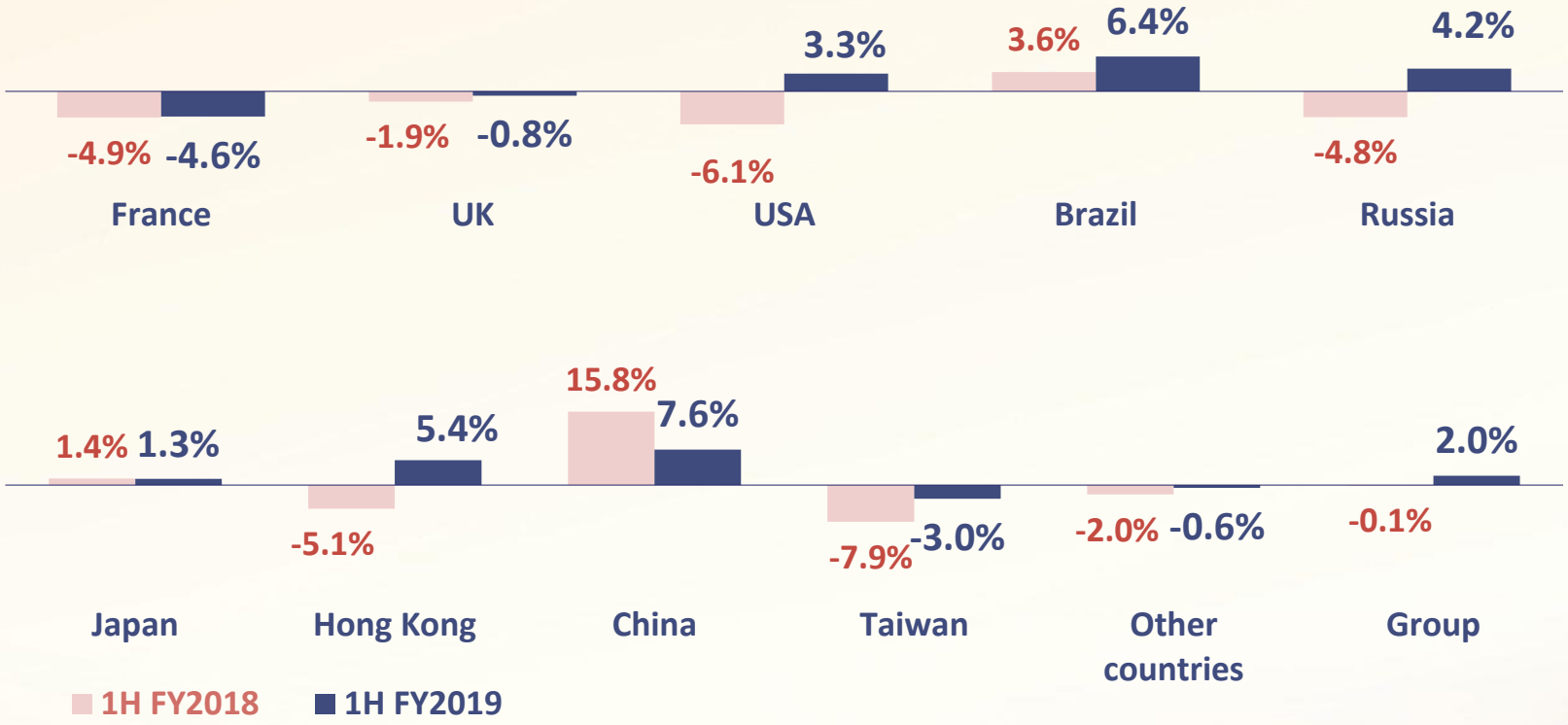
Same store sales growth profile [1]

1H FY2019 compared to 1H FY2018



(1) Including own E-commerce and excluding stores closed for renovation

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Profitability analysis

For the six months ended 30 September	% of net sales		
	2017	**2018**	Change
Gross profit margin	82.8	**82.4**	(0.4)
Distribution expenses	(54.2)	**(55.0)**	(0.8)
Marketing expenses	(14.2)	**(14.6)**	(0.4)
Research & development expenses	(1.4)	**(1.4)**	0.0
General & administrative expenses	(10.7)	**(10.5)**	0.2
Other losses & gain from J.V.	0.2	**0.1**	(0.1)
Operating profit margin	2.5	**1.0**	(1.5)

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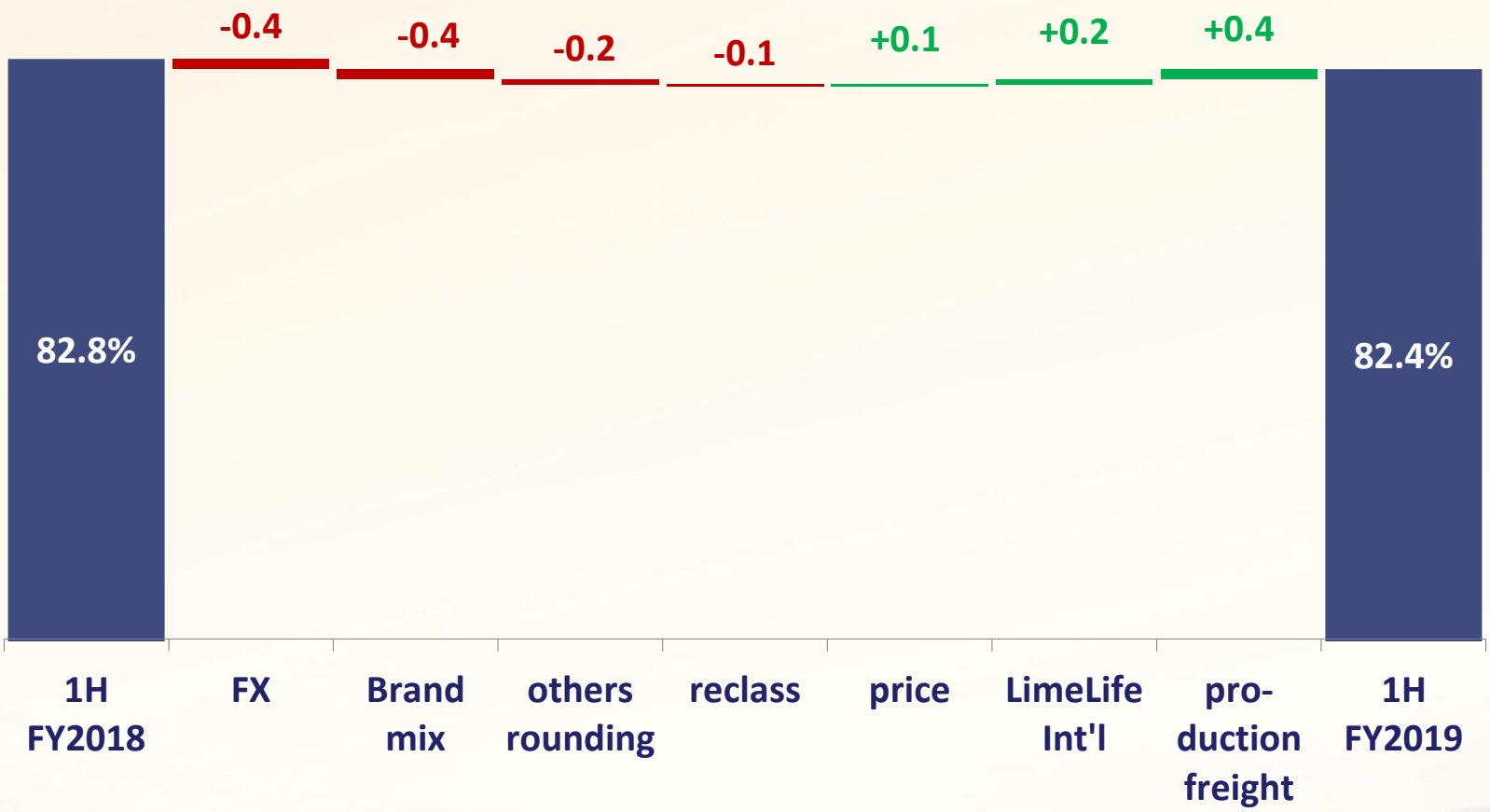
Gross margin (as % of net sales)



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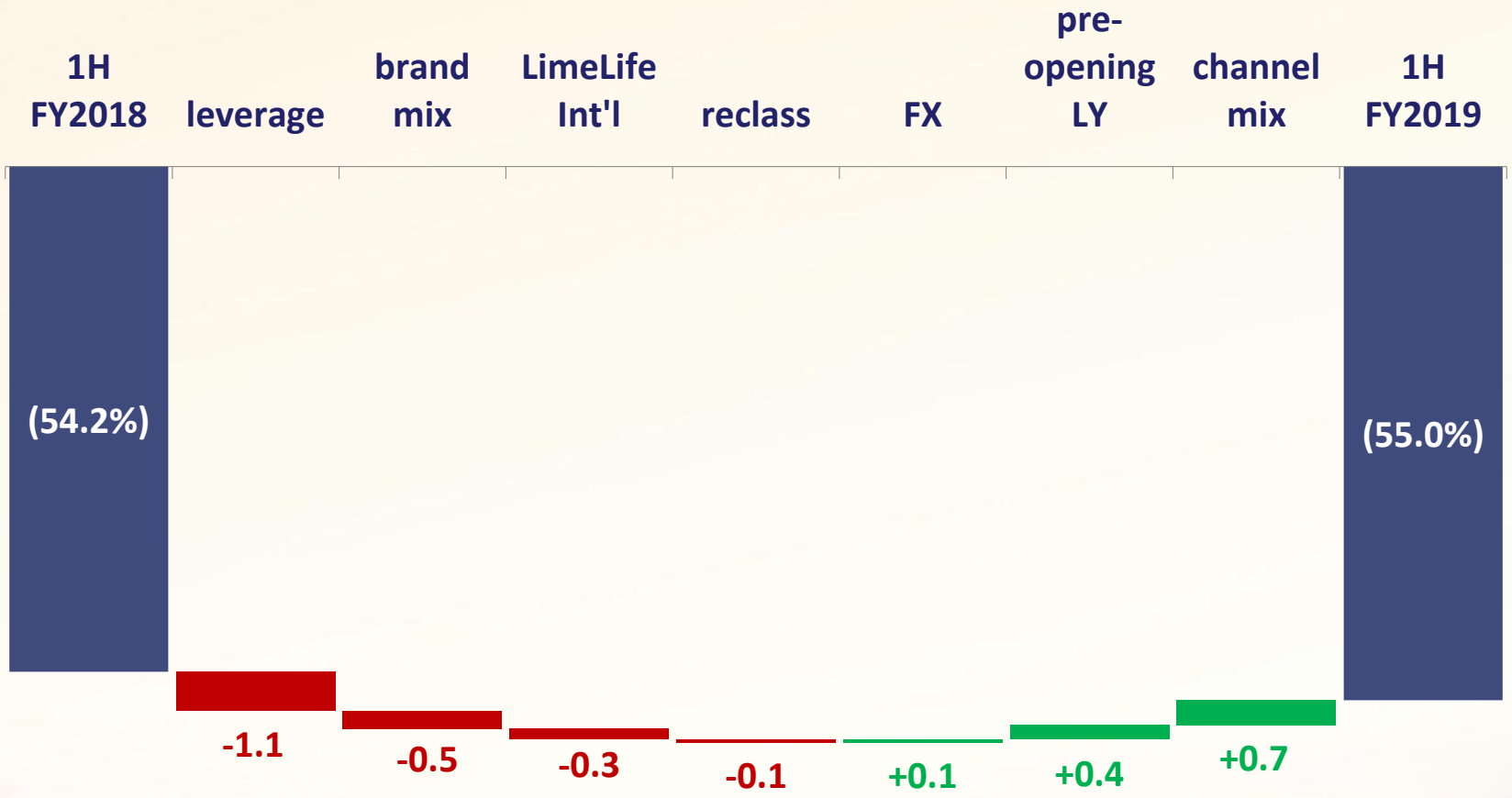
Distribution expenses (as % of net sales)



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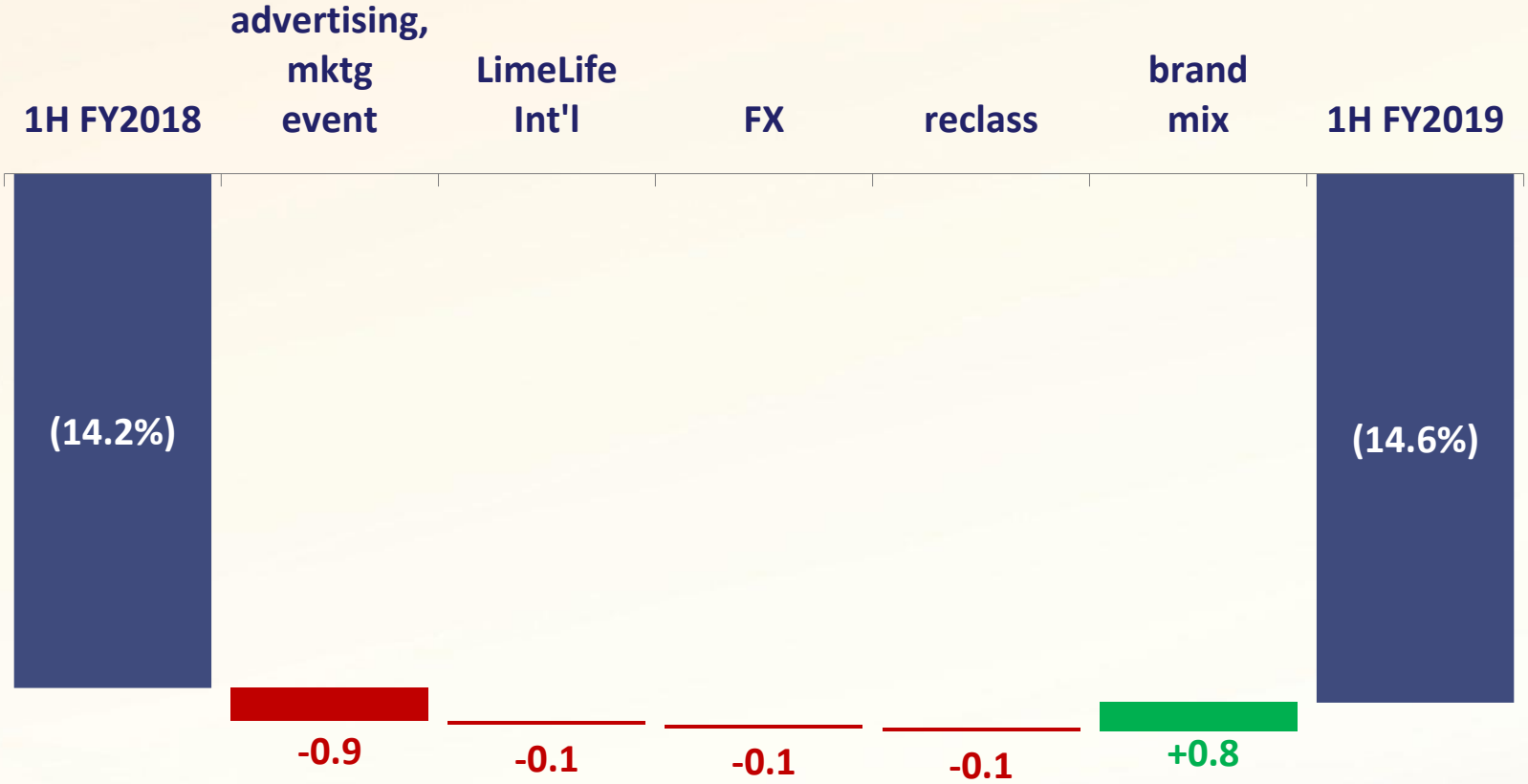
Marketing expenses (as % of net sales)



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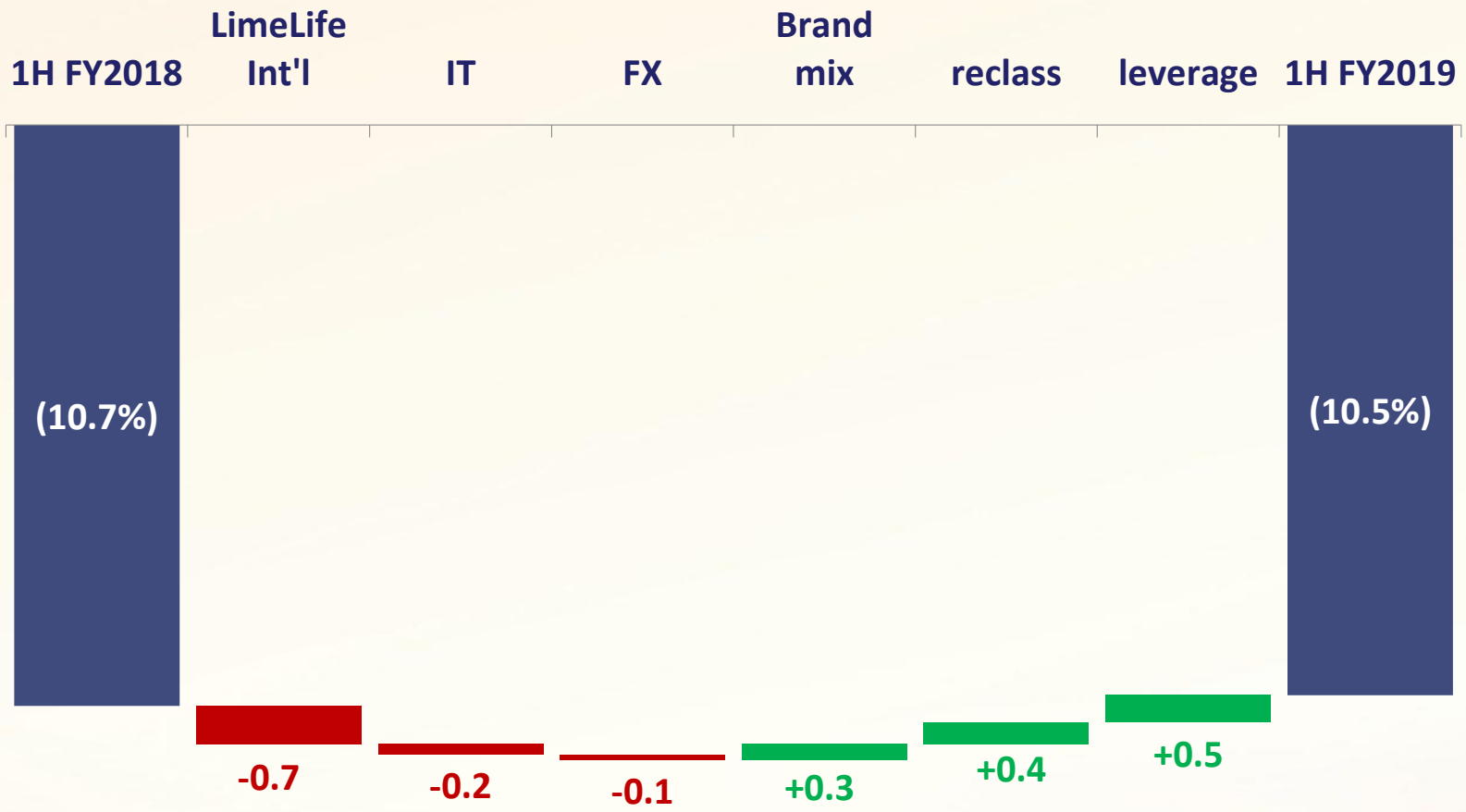
General & admin expenses (as % of net sales)



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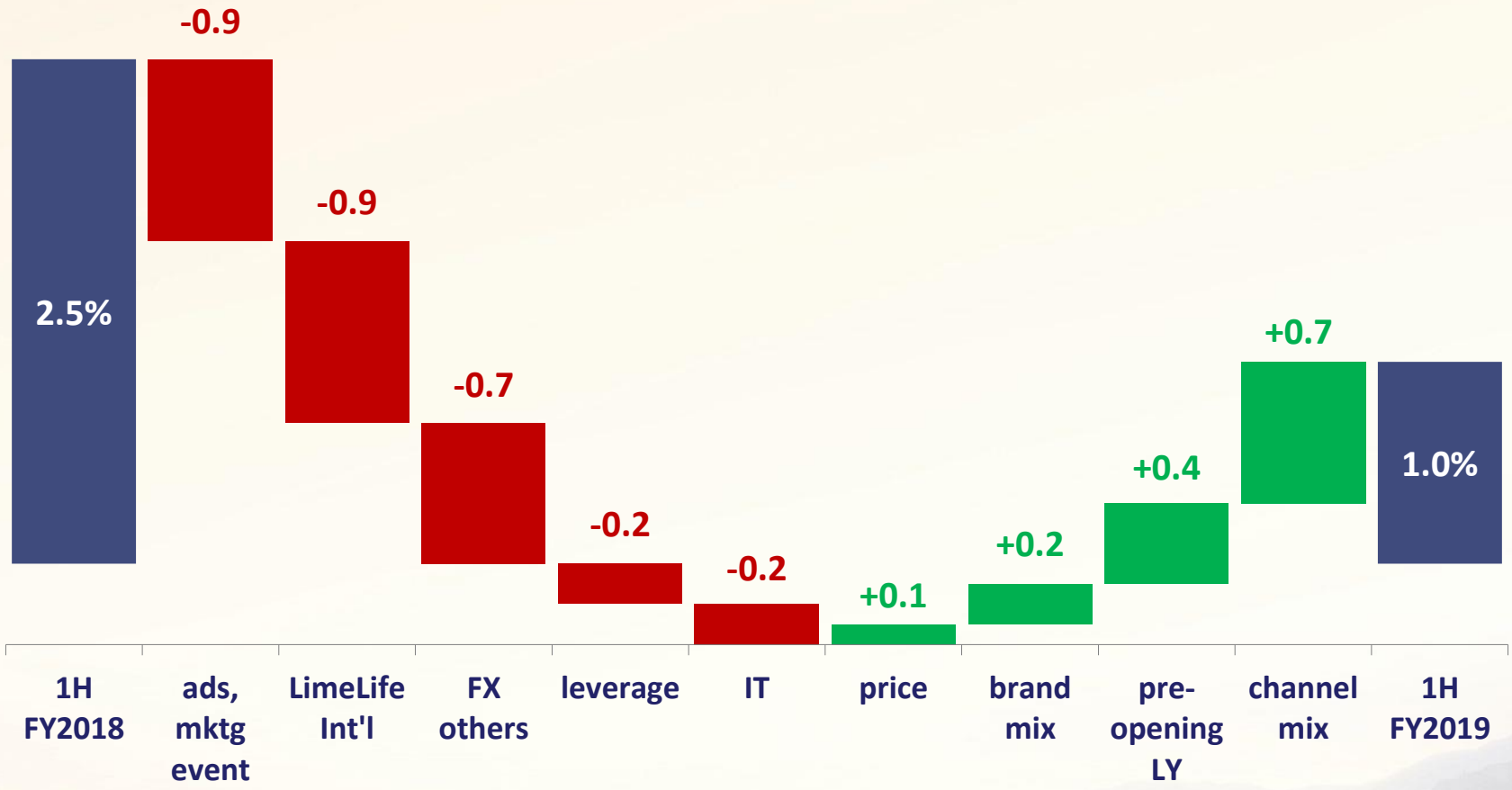
Operating profit margin (as % of net sales)



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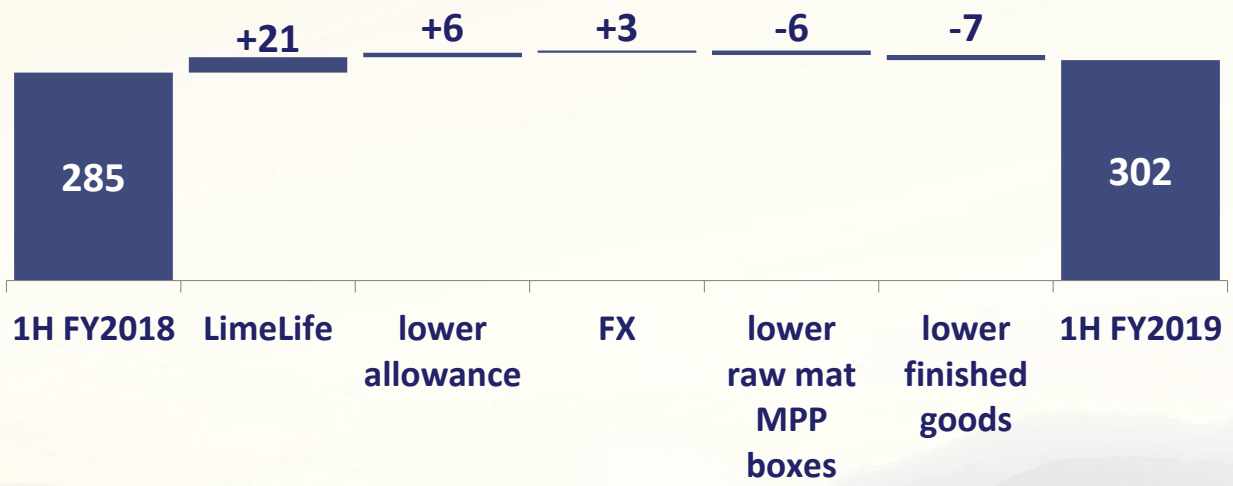
Working capital ratios

as at:	30 Sep 2017	**30 Sep 2018**	Change
Inventory turnover days (based on cost of sales)	285	**302**	17
Trade receivables turnover days (based on net sales)	34	**33**	-1
Trade payables turnover days (based on cost of sales)	200	**204**	4
Cash Cycle (days of net sales)	49	**51**	2

Inventory turnover days



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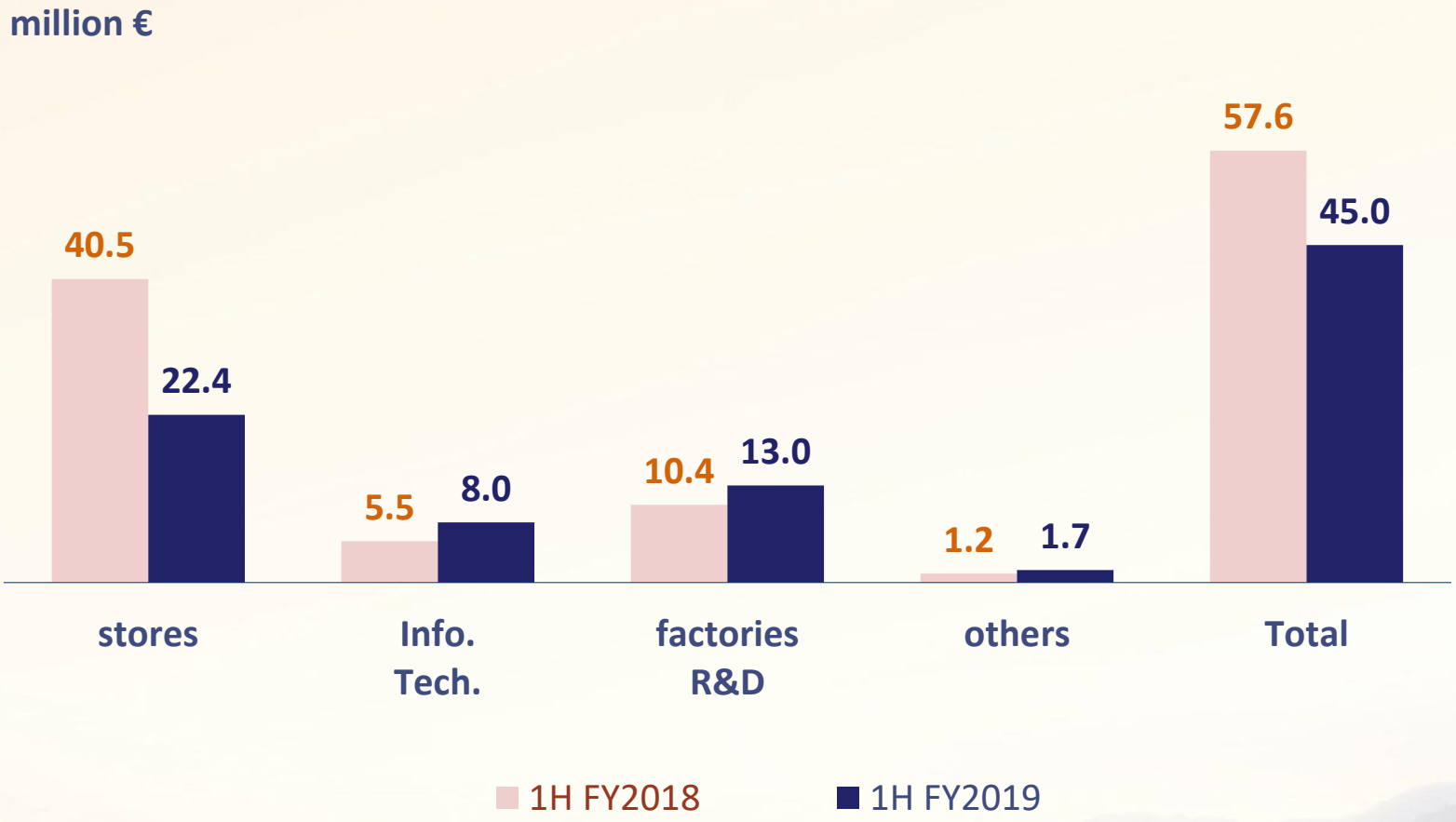
Capital expenditures
(excl. acquisitions of subsidiaries and financial investments)



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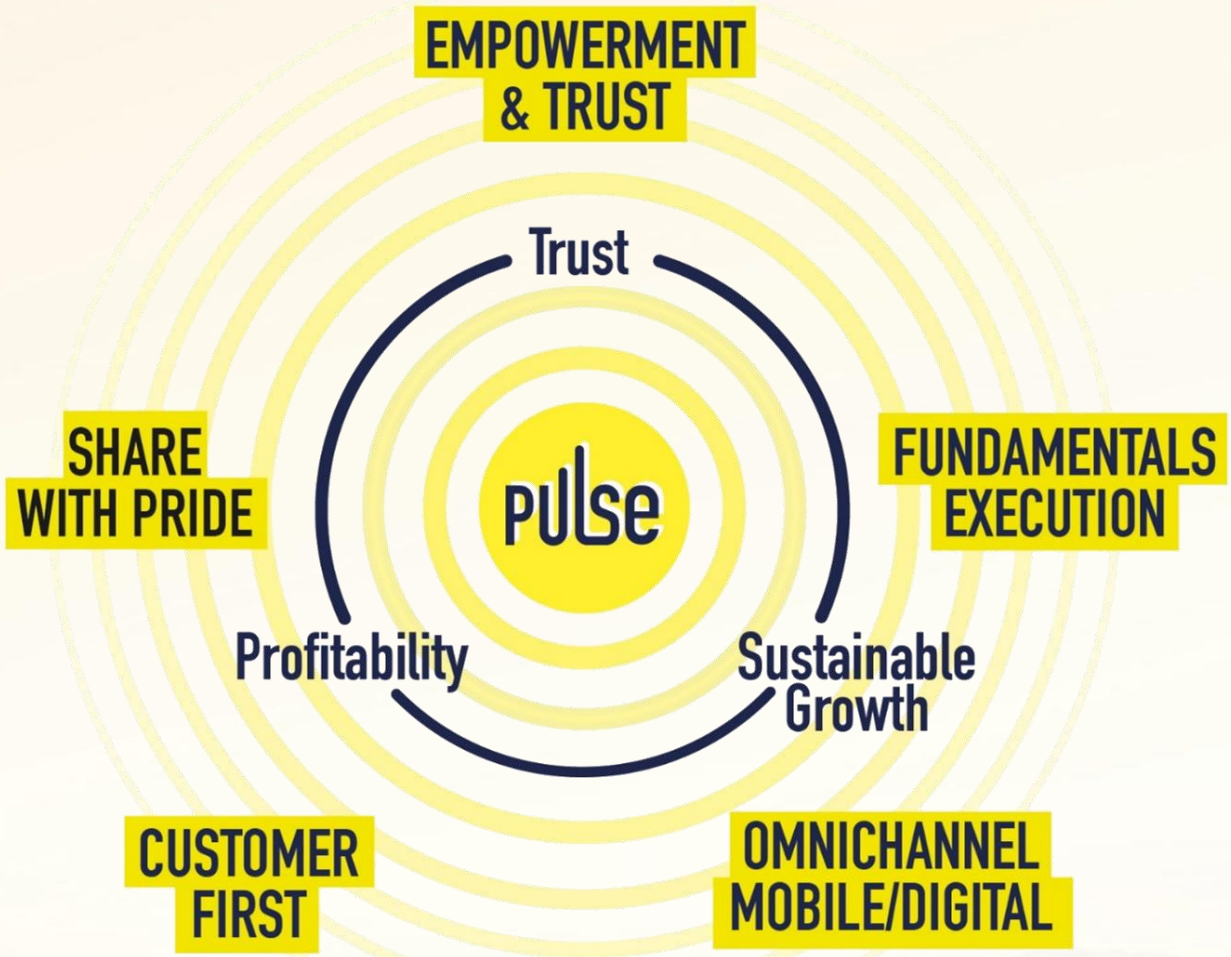
Strategic Review



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Strategic Review

Hero Face Care Product Launch

- *Immortelle Reset* serum became global bestseller
- Strengthened brand's association with face care, and boosted face care mix

Multi-brand Strategy

- Continued growth for all emerging brands
- Pressed on with LimeLife's international expansion

Content Marketing & Engagement

- Prominent brand exposure and relevance with use of aspirational celebrities
- Local PR campaigns to showcase brand's true stories drove awareness, traffic and user-generated content

Organisational Efficiency & Agility

- Rolled out new incentive plan to foster entrepreneurial culture
- Other operational improvements on track: European distribution centre and factory in Brazil

Omni-channel Experiences

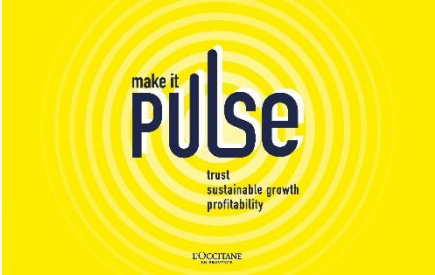
- Unveiled unique retail concepts in key cities
- Expanded presence on Chinese online platforms

Emphasis on Brand Commitments

- New CSR platform set ambitious goals for each of the Group's commitments

Outlook

"Pulse" Strategy



- Continue to execute the three-pronged "Pulse" strategy to build trust, achieve sustainable growth and enhance profitability

Communicate Brand Values

- Holiday season is key to full-year performance
- Holiday campaign will carry meaningful messages to further strengthen brand identity

Capitalise on Success of Hero Product

- Explore possible extensions to the hero product, *Immortelle Reset*
- Multi-functional team is set up to leverage on collective expertise, in devising 360°-plan and sustaining success

With a renewed sense of focus, the Group is confident to pursue its mission to be a leader in the affordable premium natural beauty space and deliver long-term value to its shareholders

Disclaimer

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THE END