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# L'OCCITANE

EN PROVENCE

## L'OCCITANE INTERNATIONAL S.A.

49, Boulevard Prince Henri L-1724 Luxembourg

R.C.S. Luxembourg: B80359

(Incorporated under the laws of Luxembourg with limited liability)

(Stock code: 973)

### UNAUDITED TRADING UPDATE FOR THE YEAR ENDED 31 MARCH 2019

L'Occitane International S.A. (the "Company") is pleased to present the unaudited 2018/2019 ("FY2019") trading update of the Company and its subsidiaries (the "Group") for the year ended 31 March 2019. This announcement is made pursuant to Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) and Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

#### Highlights

- Group's net sales grew by 8.7% at constant rates and 8.1% at reported rates
- On a like-for-like basis (excluding LimeLife, Le Couvent des Minimes and at constant currency rates), sales grew by 4.2%, compared with 3.7% last year
- Sales growth of the L'Occitane en Provence brand improved to 3.5% at constant rates, compared with 2.7% last year
- The US led the growth with 31.8% in local currency, driven by LimeLife
- Russia, China and Brazil posted double-digit growth in local currency at 12.2%, 12.1% and 11.1%, respectively
- Overall same store sales growth remained healthy at 1.8%

#### Performance by Business Segment

The following tables provide a breakdown of the net sales and year-on-year growth (including and excluding foreign currency translation effects as indicated) by business segment for the year ended 31 March 2019:

##### Sales and % of total sales

	FY2019		FY2018	
	€ '000	%	€ '000	%
Sell-out	1,075,590	75.4	987,789	74.9
Sell-in	351,285	24.6	331,578	25.1
<b>Total</b>	<b><u>1,426,874</u></b>	<b><u>100.0</u></b>	<b><u>1,319,366</u></b>	<b><u>100.0</u></b>

##### Year-on-year growth

	Growth € '000	Growth %	Contribution to Growth <sup>(2)</sup>	Overall Growth <sup>(2)</sup>
			%	%
<b>Sell-out</b>	<b>87,801</b>	<b>8.9</b>	<b>9.4</b>	<b>81.3</b>
Comparable Stores	5,871	0.9	1.8	10.7
Non-comparable Stores & others <sup>(1)</sup>	81,930	26.4	26.1	70.6
<b>Sell-in</b>	<b>19,707</b>	<b>5.9</b>	<b>6.5</b>	<b>18.7</b>
<b>Overall Growth</b>	<b><u>107,508</u></b>	<b><u>8.1</u></b>	<b><u>8.7</u></b>	<b><u>100.0</u></b>

(1) Others include marketplaces, mail-orders, other service and LimeLife sales

(2) Excludes the impact of foreign currency translation effects

## Performance by Brand

The following table presents the net sales and net sales growth by brand for the year ended 31 March 2019:

	Sales and % of total sales				Growth %	Growth <sup>(1)</sup> %
	FY2019		FY2018			
	€ '000	%	€ '000	%		
L'Occitane en Provence	1,247,153	87.4	1,210,610	91.8	3.0	3.5
LimeLife <sup>(2)</sup>	83,780	5.9	19,119	1.4	338.2	325.5
Others <sup>(3)</sup>	95,941	6.7	89,638	6.8	7.0	10.8
<b>Total</b>	<b><u>1,426,874</u></b>	<b><u>100.0</u></b>	<b><u>1,319,366</u></b>	<b><u>100.0</u></b>	<b><u>8.1</u></b>	<b><u>8.7</u></b>

(1) Excludes the impact of foreign currency translation effects.

(2) LimeLife sales were consolidated starting January 2018. When comparing the full years of FY2018 (April 2017-March 2018) and FY2019 (April 2018-March 2019), LimeLife USA recorded sales growth of 18.2% in local currency (unaudited).

(3) Others include the emerging brands Melvita, Erborian and L'Occitane au Brésil.

## Performance by Geographic Area

The following table presents the net sales and net sales growth by geographic area for the year ended 31 March 2019 and contribution to overall sales growth (including and excluding foreign currency translation effects as indicated):

	Sales and % of total sales						Growth <sup>(1)</sup> %	Contribution to Overall Growth <sup>(1)</sup> %
	FY2019		FY2018		Growth € '000	Growth %		
	€ '000	%	€ '000	%				
Japan	222,119	15.6	218,932	16.6	3,186	1.5	0.1	0.3
Hong Kong <sup>(2)</sup>	136,973	9.6	124,584	9.4	12,390	9.9	8.6	9.4
China	178,072	12.5	159,118	12.1	18,955	11.9	12.1	16.8
Taiwan	38,186	2.7	39,433	3.0	(1,247)	(3.2)	(2.7)	(0.9)
France	102,952	7.2	102,177	7.7	775	0.8	0.8	0.7
United Kingdom	60,659	4.3	59,837	4.5	823	1.4	1.5	0.8
United States <sup>(3)</sup>	232,404	16.3	172,160	13.0	60,245	35.0	31.8	47.8
Brazil	57,589	4.0	60,208	4.6	(2,619)	(4.4)	11.1	5.8
Russia	51,247	3.6	50,493	3.8	754	1.5	12.2	5.4
Other countries <sup>(4)</sup>	<u>346,673</u>	<u>24.3</u>	<u>332,425</u>	<u>25.2</u>	<u>14,248</u>	<u>4.3</u>	<u>4.9</u>	<u>14.1</u>
<b>All countries</b>	<b><u>1,426,874</u></b>	<b><u>100.0</u></b>	<b><u>1,319,366</u></b>	<b><u>100.0</u></b>	<b><u>107,508</u></b>	<b><u>8.1</u></b>	<b><u>8.7</u></b>	<b><u>100.0</u></b>

(1) Excludes the impact of foreign currency translation effects and reflects growth from all business segments, including growth from the own retail store sales.

(2) Includes sales in Macau and to distributors and travel retail customers in Asia.

(3) Growth in the US excluding LimeLife and the impact of foreign currency translation was -2.0%.

(4) Includes sales from Luxembourg.

The following table provides a breakdown, by geographic area, of the number of own retail stores, their contribution percentage to overall growth and same store sales growth for the year ended 31 March 2019 compared to the year ended 31 March 2018:

	Own Retail Stores				% contribution to Overall Growth <sup>(1) (2)</sup>			Same Store Sales Growth % <sup>(2)</sup>
	Net openings YTD		Net openings YTD		Non-comparable Stores	Comparable Stores	Total Stores	
	31 Mar 2019	31 Mar 2018	31 Mar 2019	31 Mar 2018				
Japan <sup>(3)</sup>	154	10	144	10	4.1	(0.4)	3.8	(0.3)
Hong Kong <sup>(4)</sup>	36	2	34	—	(0.5)	(0.6)	(1.1)	(2.6)
China <sup>(5)</sup>	190	(7)	197	(5)	(0.1)	6.2	6.1	6.9
Taiwan	53	1	52	(4)	(0.3)	(0.4)	(0.7)	(2.7)
France <sup>(6)</sup>	86	4	82	2	3.6	(0.7)	2.9	(2.1)
United Kingdom	74	—	74	—	(0.8)	(0.0)	(0.8)	(0.1)
United States	184	(12)	196	(11)	(2.6)	(0.0)	(2.6)	(0.0)
Brazil <sup>(7)</sup>	182	16	166	43	2.1	2.0	4.2	5.9
Russia <sup>(8)</sup>	107	4	103	(1)	1.6	1.5	3.1	5.4
Other countries <sup>(9)</sup>	506	(1)	507	7	2.4	3.1	5.6	2.2
<b>All countries <sup>(10)</sup></b>	<b>1,572</b>	<b>17</b>	<b>1,555</b>	<b>41</b>	<b>9.6</b>	<b>10.7</b>	<b>20.3</b>	<b>1.8</b>

(1) Represents percentage of overall net sales growth attributable to Non-comparable Stores, Comparable Stores and Total Stores for the geographic area and period indicated.

(2) Excludes foreign currency translation effects.

(3) Includes 33 and 36 Melvita stores as at 31 March 2018 and 31 March 2019 respectively.

(4) Includes 3 L'Occitane stores in Macau and 8 Melvita stores in Hong Kong as at 31 March 2018 and 3 L'Occitane stores in Macau and 9 Melvita stores in Hong Kong as at 31 March 2019.

(5) Includes 7 and 3 Melvita stores as at 31 March 2018 and 31 March 2019 respectively.

(6) Includes 3 Melvita and 1 Erborian stores as at 31 March 2018 and 6 Melvita and 2 Erborian stores as at 31 March 2019.

(7) Includes 78 and 86 L'Occitane au Brésil stores as at 31 March 2018 and 31 March 2019 respectively.

(8) Includes 5 and 9 Erborian stores as at 31 March 2018 and 31 March 2019 respectively.

(9) Include 4 Melvita and 1 Erborian stores as at 31 March 2018 and 6 Melvita and 2 Erborian stores as at 31 March 2019.

(10) Include 55 Melvita, 78 L'Occitane au Brésil and 7 Erborian stores as at 31 March 2018 and 60 Melvita, 86 L'Occitane au Brésil and 13 Erborian stores as at 31 March 2019.

The Group's net sales reached €1,426.9 million, representing growth of 8.7% at constant rates for the year ended 31 March 2019. Sales grew 8.1% at reported rates over last year. LimeLife by Alcone ("LimeLife") became a subsidiary of the Group in January 2018 and its sales are consolidated since. On a like-for-like sales basis (excluding LimeLife, Le Couvent des Minimes and at constant currency rates), the overall growth was 4.2%, compared with 3.7% last year.

In FY2019, Sell-out sales accounted for 75.4% of the net sales and amounted to €1,075.6 million, an increase of 9.4% at constant rates as compared to last year. This growth was primarily contributed by other sales, principally LimeLife and marketplaces. Overall same store sales growth remained healthy at 1.8% and contributed 10.7% to overall growth. As compared to last year, sales of the Group's Web Sell-out channels (including own E-commerce and marketplaces) grew by 11.2% at constant exchange rates, equivalent to 13.9% of the total Sell-out sales. Sell-in sales accounted for 24.6% of the Group's total sales and amounted to €351.3 million, an increase of 6.5% at constant exchange rates as compared to last year. The increase was primarily driven by the dynamic growth in web partner, travel retail and distributor channels of the L'Occitane en Provence brand. Erborian and L'Occitane au Brésil brands also expanded in the segment.

Sales growth of the L'Occitane en Provence brand in FY2019 was a healthy 3.5% at constant rates, compared with 2.7% in FY2018. Sales momentum strengthened since the launch of the Immortelle Reset serum in the third quarter of FY2019. Key contributing channels were retail, marketplaces, web partners and travel retail. LimeLife sales were consolidated in the final quarter of FY2018. When comparing the full years of FY2018 (April 2017-March 2018) and FY2019 (April 2018-March 2019), LimeLife USA recorded sales growth of 18.2% (unaudited) in local currency. Other emerging brands altogether posted 10.8% growth at constant rates. Erborian and L'Occitane au Brésil performed particularly well.

In terms of geographic areas, the US led the growth, followed by Russia, China and Brazil. For the year ended 31 March 2019, the US grew by 31.8% in local currency, mainly driven by LimeLife. Russia saw accelerated growth in the fourth quarter of FY2019, driven by good performances from promotional campaigns and further development in wholesale chains. In addition, Erborian continued its strong performance in Russia, propelling Russia to become the second largest market after France. China continued the strong momentum in the last quarter of FY2019, thanks to the successful campaigns during Chinese New Year and Women's Day gifting seasons. Brazil also ended the year with double-digit growth. Both L'Occitane en Provence and L'Occitane au Brésil brands posted healthy growth in all key channels. Meanwhile, other countries' sales growth accelerated to 4.9% for the year, from 4.5% in the first nine months of FY2019, thanks to accelerated same store sales growth at 2.2%, launch of LimeLife in certain countries and healthy development in web partners. Highest contributing markets to overall growth included Malaysia, Canada and Australia with impressive growth rates of 33.0%, 14.5% and 9.4% respectively.

The Group opened 17 net stores and renovated 129 stores during FY2019 (41\* net stores opened and 153 stores renovated last year).

\* Included 28 L'Occitane au Brésil stores that were reclassified as own retail stores

By Order of the Board  
**L'Occitane International S.A.**  
**Reinold Geiger**  
Chairman

Hong Kong, 29 April 2019

*As at the date of this announcement, the executive directors of the Company are Mr. Reinold Geiger (Chairman and Chief Executive Officer), Mr. André Hoffmann (Vice-Chairman), Mr. Silvain Desjonquères (Group Managing Director), Mr. Thomas Levilion (Group Deputy General Manager, Finance and Administration) and Mr. Karl Guénard (Company Secretary), the non-executive director of the Company is Mr. Martial Lopez and the independent non-executive directors of the Company are Mrs. Valérie Bernis, Mr. Charles Mark Broadley, Mr. Pierre Milet and Mr. Jackson Chik Sum Ng.*

#### **Disclaimer**

*The financial information and certain other information presented in a number of tables have been rounded to the nearest whole number or the nearest decimal. Therefore, the sum of the numbers in a column may not conform exactly to the total figure given for that column. In addition, certain percentages presented in the tables reflect calculations based upon the underlying information prior to rounding and, accordingly, may not conform exactly to the percentages that would be derived if the relevant calculations were based upon the rounded numbers.*