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L'OCCITANE

EN PROVENCE

L'OCCITANE INTERNATIONAL S.A.

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R.C.S. Luxembourg: B80359

(Incorporated under the laws of Luxembourg with limited liability)

(Stock code: 973)

UNAUDITED TRADING UPDATE FOR THE THREE MONTHS ENDED 30 JUNE 2019

L'Occitane International S.A. (the “**Company**”) is pleased to present the unaudited 2019/2020 (“**FY2020**”) trading update of the Company and its subsidiaries (the “**Group**”) for the three months ended 30 June 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 18.8% at reported rates and 16.2% at constant exchange rates
- Sales growth of L'Occitane en Provence brand was 4.1%, which further accelerated from 3.5% in FY2019
- The UK was the market with highest growth in local currency at 253.0%, driven by ELEMIS and growth recovery of the L'Occitane en Provence brand
- Other countries recorded good performance with 18.7% growth
- Brazil and Russia posted double-digit growth of 13.6% and 16.4%, respectively
- China remained strong with 8.3% growth, driven by digital channels

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 three months ended 30 June 2019:

Sales and % of total sales

	30 Jun 2019		30 Jun 2018	
	€'000	%	€'000	%
Sell-out	241,973	68.6	220,784	74.4
Sell-in	110,519	31.4	75,981	25.6
Total	352,492	100.0	296,765	100.0

Year-on-year growth

	Growth	Growth	Growth ⁽²⁾	Contribution to
	€'000	%	%	Overall Growth ⁽²⁾
Sell-out	21,189	9.6	7.0	32.0
Comparable Stores	6,833	4.2	2.0	6.6
Non-comparable Stores & others ⁽¹⁾	14,355	24.0	20.5	25.4
Sell-in	34,538	45.5	43.1	68.0
Overall Growth	55,726	18.8	16.2	100.0

(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 three months ended 30 June 2019:

	Sales and % of total sales				Growth %	Growth ⁽¹⁾ %
	30 Jun 2019		30 Jun 2018			
	€'000	%	€'000	%		
L'Occitane en Provence	267,397	75.9	251,501	84.7	6.3	4.1
ELEMIS ⁽²⁾	40,514	11.5	—	—	—	—
LimeLife	20,739	5.9	22,925	7.7	(9.5)	(14.8)
Others ⁽³⁾	23,842	6.8	22,339	7.5	6.7	5.4
Total	352,492	100.0	296,765	100.0	18.8	16.2

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

(2) ELEMIS was acquired on 1 March 2019 but its sales and profits have not been consolidated by the Group until April 2019. ELEMIS's sales in March 2019 were then reported together in this quarter.

(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 three months ended 30 June 2019 and contribution to overall sales growth (including and excluding foreign currency translation effects as indicated):

	Sales and % of total sales				Growth €'000	Growth %	Growth ⁽¹⁾ %	Contribution to Overall Growth ⁽¹⁾ %
	30 Jun 2019		30 Jun 2018					
	€'000	%	€'000	%				
Japan	54,228	15.4	48,566	16.4	5,662	11.7	6.0	6.0
Hong Kong ⁽²⁾	23,861	6.8	27,671	9.3	(3,811)	(13.8)	(18.8)	(10.8)
China	35,731	10.1	33,328	11.2	2,403	7.2	8.3	5.7
Taiwan	7,255	2.1	7,123	2.4	132	1.9	0.3	0.0
France	23,775	6.7	22,963	7.7	812	3.5	3.5	1.7
United Kingdom ⁽³⁾	35,888	10.2	10,281	3.5	25,608	249.1	253.0	54.0
United States	61,686	17.5	53,634	18.1	8,051	15.0	8.1	9.0
Brazil	13,933	4.0	12,627	4.3	1,306	10.3	13.6	3.6
Russia	10,608	3.0	8,937	3.0	1,670	18.7	16.4	3.0
Other countries ⁽⁴⁾	85,527	24.3	71,635	24.1	13,892	19.4	18.7	27.8
All countries	352,492	100.0	296,765	100.0	55,726	18.8	16.2	100.0

(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 UK excluding ELEMIS and the impact of foreign currency translation was 9.0%.

(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 three months ended 30 June 2019 compared to the three months ended 30 June 2018:

	Own Retail Stores				% contribution to Overall Growth ⁽¹⁾⁽²⁾			
	Net openings		Net openings		Non-comparable Stores	Comparable Stores	Total Stores	Same Store Sales Growth % ⁽²⁾
	30 Jun 2019	YTD 30 Jun 2019	30 Jun 2018	YTD 30 Jun 2018				
Japan ⁽³⁾	156	2	148	4	3.4	1.9	5.3	2.5
Hong Kong ⁽⁴⁾	36	—	35	1	(0.0)	(1.8)	(1.8)	(15.0)
China ⁽⁵⁾	190	—	196	(1)	(0.8)	(1.4)	(2.2)	(3.2)
Taiwan	53	—	51	(1)	0.3	(0.1)	0.2	(0.7)
France ⁽⁶⁾	86	—	81	(1)	0.6	1.5	2.1	7.4
United Kingdom	73	(1)	74	—	6.8	4.7	11.5	4.9
United States	180	(4)	189	(7)	5.6	(7.7)	(2.0)	(2.6)
Brazil ⁽⁷⁾	182	—	161	(5)	2.1	0.9	3.1	5.1
Russia ⁽⁸⁾	109	2	103	—	0.8	0.6	1.4	4.5
Other countries ⁽⁹⁾	510	4	510	3	1.7	5.4	7.1	7.0
All countries⁽¹⁰⁾	1,575	3	1,548	(7)	22.1	4.1	26.3	2.0

(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 34 and 37 Melvita stores as at 30 June 2018 and 30 June 2019 respectively.

(4) Includes 3 L'Occitane stores in Macau and 9 Melvita stores in Hong Kong as at 30 June 2018 and 30 June 2019.

(5) Includes 6 Melvita stores as at 30 June 2018.

(6) Includes 3 Melvita and 1 Erborian stores as at 30 June 2018 and 7 Melvita and 2 Erborian stores as at 30 June 2019.

(7) Includes 72 and 84 L'Occitane au Brésil stores as at 30 June 2018 and 30 June 2019 respectively.

(8) Includes 5 and 10 Erborian stores as at 30 June 2018 and 30 June 2019 respectively.

(9) Include 5 Melvita and 2 Erborian stores as at 30 June 2018 and 7 Melvita and 2 Erborian stores as at 30 June 2019.

(10) Include 57 Melvita, 72 L'Occitane au Brésil and 8 Erborian stores as at 30 June 2018 and 60 Melvita, 84 L'Occitane au Brésil and 14 Erborian stores as at 30 June 2019.

The Group's net sales at reported rates were €352.5 million, a growth of 18.8% over the same period last year. At constant exchange rates, sales growth was 16.2%. ELEMIS became a subsidiary of the Group in March 2019 and its sales are consolidated from April 2019.

During the first three months of FY2020, Sell-out sales accounted for 68.6% of the net sales and amounted to €242.0 million, posted a growth of 9.6% at reported rates as compared to same period last year. At constant exchange rates, the growth was 7.0%. This growth was primarily contributed by marketplaces and stores opened last year. As compared to last year, sales of the Group's Web Sell-out channels grew by 49.9% (including ELEMIS) at constant exchange rates, equivalent to 17.2% of the total Sell-out sales*. Same store sales growth was 2.0%.

Sell-in sales accounted for 31.4% of the Group's total sales and amounted to €110.5 million, posted an increase of 43.1% at constant exchange rates as compared to last year. The increase was primarily driven by ELEMIS.

During the quarter, L'Occitane en Provence saw growth recover in major markets in Europe and Japan, thanks to successful product launches and seasonal campaigns. The brand's growth accelerated to 4.1%, compared with 3.5% in FY2019. ELEMIS continued to expand as planned, with growth of 9.3% (unaudited) in the first three months of FY2020. The core markets of the UK and the US saw double-digit growth, which was offset by temporary weakness in the maritime channel due to near-term inventory control measures. Excluding the maritime channel, ELEMIS's growth was 23.8%. On the other hand, LimeLife's sales decreased by 14.8%, due to a high base last year when sales were boosted during the rebranding exercise from LimeLight to LimeLife.

In terms of geographical areas, the UK, Other countries, Russia and Brazil all posted encouraging growth, with growth at constant exchange rates of 253.0%, 18.7%, 16.4% and 13.6% respectively.

The Group's store network increased by 3 stores to 1,575 during the three months ended 30 June 2019.

* Excluding ELEMIS, sales of the Group's Web Sell-out channels grew by 23.5% at constant exchange rates, equivalent to 14.6% of the total Sell-out sales.

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

Hong Kong, 23 July 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.