

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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 QUARTERLY UPDATE FOR THE THREE MONTHS ENDED 30 JUNE 2020

L'Occitane International S.A. (the “**Company**”) is pleased to present the unaudited 2020/2021 (“**FY2021**”) quarterly update of the Company and its subsidiaries (the “**Group**”) for the three months ended 30 June 2020 (“**FY2021 Q1**”). 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

- Retail sales were heavily impacted by lockdowns and store closures as COVID-19 continued in Europe and the Americas in FY2021 Q1.
- The Group’s net sales in FY2021 Q1 decreased by 22.2% at constant exchange rates.
- However, online channels were dynamic, posting an outstanding growth of 95.8% and accounted for 52.6% of total net sales.
- Sales in Asia were also strong as the COVID-19 situation eased, in particular in China, Korea and Taiwan, which recorded growth rates of 24.9%, 27.4% and 11.5% respectively.
- Growth by brand at constant exchange rates: LimeLife, L'Occitane en Provence, ELEMIS, and other brands posted growth rates of +51.6%, -25.7%, -28.8% and -35.3% respectively.

Performance by Brand

The following table presents the net sales and net sales growth by brand for the periods indicated:

	FY2021 Q1		FY2020 Q1		Growth at reported rates		Growth at constant rates		Contribution to Overall Growth at constant rates
	€'000	%	€'000	%	%	%	%	%	
L'Occitane en Provence	198,130	72.3	267,397	75.9	(25.9)	(25.7)	(88.0)		
ELEMIS	28,893	10.5	40,514	11.5	(28.7)	(28.8)	(14.9)		
LimeLife	32,047	11.6	20,739	5.9	54.5	51.6	13.7		
Others ⁽¹⁾	15,104	5.5	23,842	6.7	(36.6)	(35.3)	(10.8)		
Total	274,174	100.0	352,492	100.0	(22.2)	(22.2)	(100.0)		

(1) Others include 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 periods indicated:

	FY2021		FY2020		Growth at reported rates		Growth at constant rates		Contribution to Overall Growth at constant rates
	Q1	%	Q1	%	%	%	%	%	
	€'000		€'000						
Japan	40,734	14.9	54,228	15.4	(24.9)	(27.6)	(19.1)		
Hong Kong ⁽¹⁾	9,320	3.4	23,861	6.8	(60.9)	(62.1)	(18.9)		
China	43,911	16.0	35,731	10.1	22.9	24.9	11.4		
Taiwan	8,602	3.1	7,255	2.1	18.6	11.5	1.1		
France	15,722	5.7	23,775	6.7	(33.9)	(33.9)	(10.3)		
United Kingdom	28,999	10.6	35,888	10.2	(19.2)	(19.0)	(8.7)		
United States	59,683	21.8	68,020	19.3	(12.3)	(14.2)	(12.4)		
Brazil	3,973	1.4	13,933	4.0	(71.5)	(61.6)	(11.0)		
Russia	6,119	2.2	10,608	3.0	(42.3)	(37.0)	(5.0)		
Other geographic areas ⁽²⁾	57,111	20.8	79,193	22.4	(27.9)	(26.7)	(27.0)		
Total	274,174	100.0	352,492	100.0	(22.2)	(22.2)	(100.0)		

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

(2) 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 in FY2021 Q1 compared to the same period last year:

	Own Retail Stores				% contribution to Overall Growth ⁽¹⁾⁽²⁾			Same Store Sales Growth % ⁽²⁾
	Net openings YTD		Net openings YTD		Non-comparable Stores	Comparable Stores	Total Stores	
	30 Jun 2020	30 Jun 2019	30 Jun 2020	30 Jun 2019				
Japan ⁽³⁾	160	(3)	156	2	(4.4)	(13.3)	(17.7)	(24.0)
Hong Kong ⁽⁴⁾	31	(4)	36	—	(1.5)	(2.4)	(3.9)	(37.3)
China	204	1	190	—	2.0	0.0	2.0	0.1
Taiwan	53	(2)	53	—	0.8	0.9	1.7	14.6
France ⁽⁵⁾	87	—	86	—	(0.1)	(5.5)	(5.6)	(34.7)
United Kingdom	71	(1)	73	(1)	(0.4)	1.2	0.9	7.8
United States	176	4	180	(4)	(4.0)	(11.2)	(15.2)	(30.8)
Brazil ⁽⁶⁾	159	(40)	182	—	(1.6)	(6.7)	(8.3)	(54.0)
Russia ⁽⁷⁾	111	(1)	109	2	(0.6)	(3.5)	(4.1)	(38.7)
Other geographic areas ⁽⁸⁾	504	(6)	510	4	(3.3)	(10.3)	(13.6)	(20.1)
Total⁽⁹⁾	1,556	(52)	1,575	3	(13.1)	(50.8)	(64.0)	(24.9)

(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 37 and 34 Melvita stores as at 30 June 2019 and 30 June 2020 respectively.

(4) Includes 3 L'Occitane stores in Macau and 9 Melvita stores in Hong Kong as at 30 June 2019 and 2 L'Occitane stores in Macau and 10 Melvita stores in Hong Kong as at 30 June 2020.

(5) Includes 7 Melvita and 2 Erborian stores as at 30 June 2019 and as at 30 June 2020.

(6) Includes 84 and 51 L'Occitane au Brésil stores as at 30 June 2019 and 30 June 2020 respectively.

(7) Includes 10 and 11 Erborian stores as at 30 June 2019 and 30 June 2020 respectively.

(8) Include 7 Melvita and 2 Erborian stores as at 30 June 2019 and 8 Melvita and 2 Erborian stores as at 30 June 2020.

(9) Include 60 Melvita, 84 L'Occitane au Brésil and 14 Erborian stores as at 30 June 2019 and 59 Melvita, 51 L'Occitane au Brésil and 15 Erborian stores as at 30 June 2020.

For FY2021 Q1, the Group's net sales were €274.2 million, representing a decrease of 22.2%, both at reported rates and at constant exchange rates. Worldwide restrictive measures to contain COVID-19 continued in FY2021 Q1, paralysing traffic and business activities. However, online channels continued to outperform in all markets. The Group's online channels (including own e-commerce, marketplace, digital direct selling and web partner channels) grew by 95.8% and accounted for 52.6% of total net sales in FY2021 Q1 (FY2020 Q1: 20.9%).

All brands of the Group, with the exception of LimeLife, were heavily impacted by travel bans and lockdowns, posting a sales decrease in FY2021 Q1 of around 25% to 35%. LimeLife, however, posted strong growth of 51.6% at constant exchange rates, thanks to its resilient online-only business model, as well as successful new products launches, a flash sale and initiatives to recruit beauty guides in FY2021 Q1. ELEMIS reported sales decrease of 28.8% at constant exchange rates. The main reason for the drop was that there were four months of sales reported in FY2020 Q1, compared to three months of sales reported in FY2021 Q1. Note that due to a cut-off issue immediately following the acquisition, sales of ELEMIS in March 2019 were reported together with the period of April to June 2019 in FY2020 Q1. If sales of March 2019 were excluded for proper comparison to FY2021 Q1, ELEMIS's sales decrease in FY2021 Q1 would be roughly 4%.

In terms of geographic areas, business in Japan, Europe and the Americas was impacted by store closures and lockdowns. In Asia, on the contrary, sales bounced back rapidly after the COVID-19 situation eased in FY2021 Q1. China, Korea and Taiwan posted encouraging growth rates of 24.9%, 27.4% and 11.5% respectively.

In FY2021 Q1, the Group permanently closed 52 stores, mainly as a result of closing down underperforming kiosks of L'Occitane au Brésil in Brazil.

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

Hong Kong, 21 July 2020

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.