

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 PERIOD ENDED 30 SEPTEMBER 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 September 2020 (“**FY2021 Q2**”) and six months ended 30 September 2020 (“**FY2021 H1**”). 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

- The Group’s sales momentum improved significantly in FY2021 Q2 with sales decline narrowing to -4.5% vs. -22.2% in FY2021 Q1.
- In terms of performance by brand, LimeLife and Erborian recorded strong sales growth of 17.6% and 29.3% respectively, and L'Occitane en Provence improved to -4.1%. Meanwhile, ELEMIS’s performance was on track in the context of COVID-19, with strong online growth and successful launches into China and Russia.
- China, Taiwan and Russia posted encouraging sales growth of 35.4%, 18.8% and 11.9% respectively in FY2021 Q2.
- Although retail stores began to reopen globally, online channels continued to be dynamic and grew by 64.6% in FY2021 Q2.

Performance by Brand

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

	FY2021 Q2		FY2020 Q2		Growth at reported rates	Growth at constant rates	Contribution to Overall Growth at constant rates
	€'000	%	€'000	%	%	%	%
L'Occitane en Provence	264,253	77.2	287,492	76.7	(8.1)	(4.1)	(69.9)
ELEMIS	35,805	10.5	43,693	11.7	(18.1)	(15.7)	(40.2)
LimeLife	22,271	6.5	19,962	5.3	11.6	17.6	20.6
Others ⁽¹⁾	20,135	5.8	23,518	6.3	(14.4)	(7.6)	(10.5)
Total	342,464	100.0	374,665	100.0	(8.6)	(4.5)	(100.0)

	FY2021 H1		FY2020 H1		Growth at reported rates	Growth at constant rates	Contribution to Overall Growth at constant rates
	€'000	%	€'000	%	%	%	%
L'Occitane en Provence	462,367	75.0	554,889	76.3	(16.7)	(14.6)	(84.8)
ELEMIS ⁽¹⁾	64,698	10.5	84,207	11.6	(23.2)	(22.0)	(19.4)
LimeLife	54,318	8.8	40,702	5.6	33.5	34.9	14.9
Others ⁽²⁾	35,255	5.7	47,359	6.5	(25.6)	(21.5)	(10.7)
Total	616,638	100.0	727,157	100.0	(15.2)	(13.1)	(100.0)

(1) ELEMIS' sales in FY2020 H1 included March 2019. Excluding this month, sales growth at constant rates would be -11.1% in FY2021 H1.

(2) 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 Q2		FY2020 Q2		Growth at reported rates		Growth at constant rates		Contribution to Overall Growth at constant rates
	€'000	%	€'000	%	%	%	%	%	
Japan	47,574	13.9	53,027	14.2	(10.3)	(6.9)	(21.6)		
Hong Kong ⁽¹⁾	23,025	6.7	34,437	9.2	(33.1)	(30.1)	(60.7)		
China	53,534	15.6	40,922	10.9	30.8	35.4	84.9		
Taiwan	9,334	2.7	7,812	2.1	19.5	18.8	8.6		
France	21,816	6.4	24,882	6.6	(12.3)	(12.3)	(18.0)		
United Kingdom	36,546	10.7	40,921	10.9	(10.7)	(10.1)	(24.3)		
United States	54,241	15.8	65,535	17.5	(17.2)	(12.6)	(48.6)		
Brazil	7,024	2.1	12,524	3.3	(43.9)	(19.8)	(14.6)		
Russia	10,986	3.2	11,763	3.1	(6.6)	11.9	8.2		
Other geographic areas ⁽²⁾	78,384	22.9	82,842	22.2	(5.4)	(2.9)	(13.9)		
Total	342,464	100.0	374,665	100.0	(8.6)	(4.5)	(100.0)		

	FY2021 H1		FY2020 H1		Growth at reported rates		Growth at constant rates		Contribution to Overall Growth at constant rates
	€'000	%	€'000	%	%	%	%	%	
Japan	88,308	14.3	107,255	14.7	(17.7)	(17.4)	(19.6)		
Hong Kong ⁽¹⁾	32,345	5.2	58,298	8.0	(44.5)	(43.2)	(26.4)		
China	97,445	15.8	76,653	10.5	27.1	30.5	24.6		
Taiwan	17,936	2.9	15,067	2.1	19.0	15.3	2.4		
France	37,538	6.1	48,657	6.7	(22.9)	(22.9)	(11.7)		
United Kingdom	65,545	10.6	76,810	10.6	(14.7)	(14.3)	(11.5)		
United States	113,924	18.5	133,555	18.4	(14.7)	(13.4)	(18.8)		
Brazil	10,997	1.8	26,457	3.6	(58.4)	(41.8)	(11.6)		
Russia	17,106	2.8	22,370	3.1	(23.5)	(11.3)	(2.7)		
Other geographic areas ⁽²⁾	135,494	22.0	162,035	22.3	(16.4)	(14.5)	(24.7)		
Total	616,638	100.0	727,157	100.0	(15.2)	(13.1)	(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 H1 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 Sep 2020	30 Sep 2019	30 Sep 2020	30 Sep 2019				
Japan ⁽³⁾	157	(6)	161	7	(5.4)	(12.6)	(17.9)	(14.3)
Hong Kong ⁽⁴⁾	36	1	36	—	(2.2)	(3.0)	(5.2)	(30.1)
China	204	1	194	4	3.9	5.3	9.2	11.3
Taiwan	54	(1)	52	(1)	1.5	1.7	3.2	17.1
France ⁽⁵⁾	87	—	87	1	(2.4)	(4.5)	(6.9)	(19.6)
United Kingdom	71	(1)	72	(2)	(0.4)	3.3	2.9	13.0
United States	174	2	178	(6)	(5.4)	(12.8)	(18.2)	(23.3)
Brazil ⁽⁶⁾	168	(31)	186	4	(2.5)	(5.9)	(8.4)	(31.8)
Russia ⁽⁷⁾	113	1	110	3	(0.4)	(2.1)	(2.5)	(14.0)
Other geographic areas ⁽⁸⁾	505	(5)	517	11	(3.5)	(8.4)	(11.9)	(10.0)
Total⁽⁹⁾	1,569	(39)	1,593	21	(16.8)	(38.9)	(55.7)	(10.4)

- (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 35 and 31 Melvita stores as at 30 September 2019 and 30 September 2020 respectively.
- (4) Includes 3 L'Occitane stores in Macau and 10 Melvita stores in Hong Kong as at 30 September 2019 and 2 L'Occitane stores in Macau, 11 Melvita stores and 3 ELEMIS stores in Hong Kong as at 30 September 2020.
- (5) Includes 7 Melvita and 2 Erborian stores as at 30 September 2019 and 30 September 2020.
- (6) Includes 84 and 60 L'Occitane au Brésil stores as at 30 September 2019 and 30 September 2020 respectively.
- (7) Includes 11 Erborian stores as at 30 September 2019 and 30 September 2020.
- (8) Include 9 Melvita and 2 Erborian stores as at 30 September 2019 and 8 Melvita, 2 Erborian stores and 2 ELEMIS stores as at 30 September 2020.
- (9) Include 61 Melvita, 84 L'Occitane au Brésil and 15 Erborian stores as at 30 September 2019 and 57 Melvita, 60 L'Occitane au Brésil, 15 Erborian and 5 ELEMIS stores as at 30 September 2020.

The Group's net sales were €616.6 million for FY2021 H1, representing a decrease of 13.1% at constant exchange rates, showing a significant improvement from -22.2% in FY2021 Q1. The Group's online channels (including own e-commerce, marketplace, digital direct selling and webpartners) continued to outperform and ended FY2021 H1 with impressive growth of 80.8% and accounted for 40.7% of total net sales (FY2020 H1: 19.5%). Retail sales rebounded moderately following the gradual reopening of stores in Europe and the Americas in FY2021 Q2. Sales momentum in Asia continued from a strong FY2021 Q1. China, Korea and Taiwan ended FY2021 H1 with encouraging growth of 30.5%, 37.4% and 15.3%, respectively.

All brands saw significant improvements in sales momentum in FY2021 Q2 as compared to FY2021 Q1. L'Occitane en Provence was particularly resilient — sales decline narrowed from -25.7% in FY2021 Q1 to -4.1% in FY2021 Q2. Although most brick and mortar stores reopened, its online channels continued to show dynamic growth across all geographic areas. In addition, the travel retail business showed some improvements particularly in Asia. Meanwhile, ELEMIS's sales decrease was 15.7% in FY2021 Q2, which is in line with expectations in the context of COVID-19, as its spas and maritime channels were heavily impacted. During the quarter, ELEMIS's online channels remained in high growth and the brand successfully launched into China and Russia. LimeLife performed well with 17.6% growth in FY2021 Q2, contributed by product launches and a brand new mobile app for beauty guides. Other brands posted a decrease of 7.6% in FY2021 Q2 (compared with -35.3% in FY2021 Q1), thanks to strong online channels and recovering retail sales as stores reopened. Erborian performed exceptionally well with 29.3% growth in FY2021 Q2.

The Group continues to adapt, to accelerate transformations and to seek ways to cut costs and streamline operations. The Group recently began a reorganisation process to be more efficient and flexible. This reorganisation process may lead to the loss of approximately 300 positions globally, from the Group's total workforce of 9,000. The reorganisation will mostly concern corporate positions.

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

Hong Kong, 27 October 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), Mr. Karl Guénard (Company Secretary) and Mr. Séan Harrington, 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.