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L'OCCITANE INTERNATIONAL S.A.

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 (Incorporated under the laws of Luxembourg with limited liability)

 (Stock code: 973)

UNAUDITED QUARTERLY UPDATE

FOR THE PERIOD ENDED 31 DECEMBER 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 31 December 2020 (“**FY2021 Q3**”) and nine months ended 31 December 2020 (“**FY2021 9M**”). 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 continued to improve significantly in FY2021 Q3 with overall growth of 4.3% at constant rates.
- All key brands posted growth at constant rates in FY2021 Q3 — L’Occitane en Provence grew by 3.0% and contributed most to overall growth; ELEMIS’s performance was outstanding, with 18.8% growth; and LimeLife also posted decent growth of 7.8%.
- In terms of geographic areas, China, Japan, the UK, Russia and Taiwan drove overall growth in FY2021 Q3, with encouraging sales growth at constant rates of 28.9%, 10.6%, 11.5%, 11.8% and 14.7% respectively.
- Online channels remained robust and grew 62.1% at constant rates in FY2021 Q3 amid tightened restrictive measures in some countries during the festive season.

Performance by Brand

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

	FY2021 Q3		FY2020 Q3		Growth at reported rates	Growth at constant rates	Contribution to Overall Growth at constant rates
	€'000	%	€'000	%	%	%	%
L'Occitane en Provence	470,446	82.1	478,822	82.7	(1.7)	3.0	56.7
ELEMIS	51,817	9.1	46,214	8.0	12.1	18.8	34.8
LimeLife	24,782	4.3	24,771	4.3	0.0	7.8	7.7
Others ⁽²⁾	25,734	4.5	29,076	5.0	(11.5)	0.7	0.8
Total	572,779	100.0	578,883	100.0	(1.1)	4.3	100.0

	FY2021 9M		FY2020 9M		Growth at reported rates	Growth at constant rates	Contribution to Overall Growth at constant rates
	€'000	%	€'000	%	%	%	%
L'Occitane en Provence	932,813	78.4	1,033,711	79.1	(9.8)	(6.4)	(94.7)
ELEMIS ⁽¹⁾	116,515	9.8	130,420	10.0	(10.7)	(7.5)	(14.0)
LimeLife	79,100	6.7	65,473	5.0	20.8	24.7	23.0
Others ⁽²⁾	60,988	5.1	76,436	5.9	(20.2)	(13.1)	(14.3)
Total	1,189,416	100.0	1,306,040	100.0	(8.9)	(5.4)	(100.0)

- (1) ELEMIS's sales in FY2020 9M included March 2019. Excluding this month, sales growth at constant rates would be +0.4% in FY2021 9M.
(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 Q3		FY2020 Q3		Growth at reported rates		Growth at constant rates		Contribution to Overall Growth at constant rates	
	€'000	%	€'000	%	%	%	%	%		
Japan	70,575	12.3	66,025	11.4	6.9	10.6	28.0			
Hong Kong ⁽¹⁾	46,420	8.1	48,598	8.4	(4.5)	1.5	3.0			
China	101,237	17.7	79,455	13.7	27.4	28.9	92.1			
Taiwan	18,665	3.3	16,499	2.9	13.1	14.7	9.7			
France	30,413	5.3	36,048	6.2	(15.6)	(15.6)	(22.6)			
United Kingdom	56,866	9.9	53,294	9.2	6.7	11.5	24.5			
United States	84,883	14.8	102,550	17.7	(17.2)	(10.7)	(44.0)			
Brazil	16,435	2.9	22,104	3.8	(25.6)	4.8	4.3			
Russia	18,123	3.2	20,841	3.6	(13.0)	11.8	9.8			
Other geographic areas ⁽²⁾	129,162	22.5	133,469	23.1	(3.2)	(0.9)	(4.8)			
Total	572,779	100.0	578,883	100.0	(1.1)	4.3	100.0			

	FY2021 9M		FY2020 9M		Growth at reported rates		Growth at constant rates		Contribution to Overall Growth at constant rates	
	€'000	%	€'000	%	%	%	%	%		
Japan	158,882	13.4	173,280	13.3	(8.3)	(6.7)	(16.6)			
Hong Kong ⁽¹⁾	78,765	6.6	106,896	8.2	(26.3)	(22.9)	(34.8)			
China	198,682	16.7	156,109	12.0	27.3	29.7	65.9			
Taiwan	36,601	3.1	31,565	2.4	16.0	15.0	6.7			
France	67,950	5.7	84,704	6.5	(19.8)	(19.8)	(23.8)			
United Kingdom	122,411	10.3	130,104	10.0	(5.9)	(3.7)	(6.9)			
United States	198,808	16.7	236,105	18.0	(15.8)	(12.3)	(41.1)			
Brazil	27,432	2.3	48,561	3.7	(43.5)	(20.6)	(14.2)			
Russia	35,229	3.0	43,211	3.3	(18.5)	(0.2)	(0.1)			
Other geographic areas ⁽²⁾	264,656	22.2	295,505	22.6	(10.4)	(8.4)	(35.1)			
Total	1,189,416	100.0	1,306,040	100.0	(8.9)	(5.4)	(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 9M compared to the same period last year:

	Own Retail Stores				% contribution to Overall Growth ⁽¹⁾⁽²⁾			
	Net openings YTD		Net openings YTD		Non- comparable Stores	Comparable Stores	Total Stores	Same Store Sales Growth % ⁽²⁾
	31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019				
Japan ⁽³⁾	158	(5)	163	9	(7.3)	(7.9)	(15.3)	(4.2)
Hong Kong ⁽⁴⁾	34	(1)	35	(1)	(4.2)	(5.3)	(9.5)	(22.8)
China	200	(3)	200	10	6.5	12.2	18.6	10.4
Taiwan	53	(2)	52	(1)	3.8	4.8	8.7	17.3
France ⁽⁵⁾	87	—	87	1	1.4	(15.9)	(14.5)	(24.2)
United Kingdom	73	1	72	(2)	(1.1)	6.3	5.2	8.9
United States	173	1	177	(7)	(12.1)	(23.6)	(35.8)	(16.2)
Brazil ⁽⁶⁾	176	(23)	196	14	(3.1)	(5.9)	(9.0)	(13.1)
Russia ⁽⁷⁾	114	2	111	4	(0.3)	(2.1)	(2.4)	(5.4)
Other geographic areas ⁽⁸⁾	496	(14)	518	12	(8.4)	(13.7)	(22.1)	(6.3)
Total⁽⁹⁾	1,564	(44)	1,611	39	(24.8)	(51.2)	(76.1)	(5.4)

- (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 36 and 32 Melvita stores as at 31 December 2019 and 31 December 2020 respectively.
- (4) Includes 3 L'Occitane stores in Macau and 10 Melvita stores in Hong Kong as at 31 December 2019 and 2 L'Occitane stores in Macau, 10 Melvita stores and 3 ELEMIS stores in Hong Kong as at 31 December 2020.
- (5) Includes 7 Melvita and 2 Erborian stores as at 31 December 2019 and 31 December 2020.
- (6) Includes 89 and 64 L'Occitane au Brésil stores as at 31 December 2019 and 31 December 2020 respectively.
- (7) Includes 11 Erborian stores as at 31 December 2019 and 31 December 2020.
- (8) Include 8 Melvita and 2 Erborian stores as at 31 December 2019 and 8 Melvita, 2 Erborian stores and 1 ELEMIS store as at 31 December 2020.
- (9) Include 61 Melvita, 89 L'Occitane au Brésil and 15 Erborian stores as at 31 December 2019 and 57 Melvita, 64 L'Occitane au Brésil, 15 Erborian and 4 ELEMIS stores as at 31 December 2020.

The Group's net sales were €1,189.4 million for FY2021 9M, representing a decrease of 5.4% at constant exchange rates, further improved from the six months ended 30 September 2020 (“**FY2021 H1**”). The Group's online channels (including own e-commerce, marketplace, digital direct selling and webpartners) continued to outperform and ended FY2021 9M with impressive growth of 71.8% and accounted for 38.1% of total net sales (FY2020 9M: 21.0%). Retail channels further improved from FY2021 Q2 despite operating under tough conditions. For instance, lockdown measures resumed in some European and American countries in FY2021 Q3, with roughly 10% of the Group's shops closed temporarily as at the end of December 2020. The Group also closed 44 underperforming stores during FY2021 9M.

All key brands of the Group posted growth in FY2021 Q3. L'Occitane en Provence returned to growth of 3.0% in FY2021 Q3, mainly driven by mid-double-digit growth in online channels. In terms of geography, Asia contributed most to overall growth with double-digit growth in China, Japan, Taiwan and Korea in FY2021 Q3. Travel retail sales in Asia also rebounded to growth in FY2021 Q3, thanks to the domestic travel boom and online promotional events in China, Japan and Korea. On the other hand, Europe and Americas were impacted by tighter restrictive measures, yet the impact on the Group's overall performance was offset by the good growth in Asia. ELEMIS posted encouraging growth of 18.8% at constant rates in FY2021 Q3, mainly contributed by the strong growth in the UK and further network rollout in China and Russia. Growth of LimeLife remained decent at 7.8% in FY2021 Q3 after a strong FY2021 H1. Growth in Other brands in FY2021 Q3 was mainly achieved by Erborian's double-digit growth.

The Group has proactively responded to and shown great resilience during the COVID-19 crisis, such as by rolling out new online initiatives, cutting costs, and accelerating a retail transformation already well underway to best serve customers across multiple channels globally. Over the past year, the Group focused on addressing loss areas and increasing the efficiency of its investments to drive sustainable growth and profitability.

Today, the Group's subsidiary in the US — L'Occitane, Inc. — took an important step forward to best position the business there for the future. Specifically, this entity commenced a voluntary case under Chapter 11 of the US Bankruptcy Code to further accelerate the restructuring of its US store portfolio, with the goal of creating a right-sized sustainable brick-and-mortar network for the long term. During the process, US operations will continue as usual. This process includes only the US entity of the L'Occitane en Provence brand; it does not include the Group or any other US subsidiary. In particular, ELEMIS and LimeLife are not impacted.

Separately, the Group is nearing the completion of its reorganisation plan at its headquarters. Despite the year-long pandemic and both major restructuring actions, the Group is confident that it will deliver better results than initially targeted at the start of FY2021.

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

Hong Kong, 26 January 2021

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. Thomas Levilion (Group Deputy General Manager, Finance and Administration), Mr. Karl Guénard (Company Secretary), Mr. Séan Harrington (Chief Executive Officer of ELEMIS) and Mr. Yves Blouin (Group Managing Director), 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.