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Groupe L'OCCITANE

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 30 SEPTEMBER 2021

L'Occitane International S.A. (the “Company”) is pleased to present the unaudited 2021/2022 (“FY2022”) quarterly update of the Company and its subsidiaries (the “Group”) for the three months ended 30 September 2021 (“FY2022 Q2”) and six months ended 30 September 2021 (“FY2022 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 achieved encouraging sales growth of 18.6% at constant rates in FY2022 H1, driven by L'Occitane en Provence (+21.7%), ELEMIS (+33.1%) and Others (+24.6%). Meanwhile, LimeLife was affected by a high base last year and recorded a sales decline of 28.7%.
- Compared to FY2020 (i.e. two years ago), the Group delivered accelerated growth in FY2022 Q2 with net sales up 7.0%, as compared to 3.1% in Q1 on a like-for-like basis.
- As stores reopened globally, same store sales improved and grew 11.9% in FY2022 H1. Online channels remained robust and accounted for 33.1% of the overall sales in FY2022 H1.
- In FY2022 Q2, the fastest-growing markets were Hong Kong (driven by the travel retail channel), Brazil, the UK, China and the US, with growth of 38.5%, 35.1%, 19.2%, 18.7% and 9.7% at constant rates respectively.

Performance by Brand

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

	FY2022 Q2		FY2021 Q2		Growth at reported rates	Growth at constant rates	Contribution to Overall Growth at constant rates
	€'000	%	€'000	%	%	%	%
L'Occitane en Provence	297,782	76.8	264,265	77.2	12.7	10.9	74.0
ELEMIS	52,604	13.6	35,805	10.5	46.9	42.6	39.2
LimeLife	16,940	4.4	22,271	6.5	(23.9)	(24.2)	(13.9)
Others ⁽¹⁾	20,555	5.2	20,123	5.8	2.1	1.2	0.7
Total	387,881	100.0	342,464	100.0	13.3	11.4	100.0

	FY2022 H1		FY2021 H1		Growth at reported rates	Growth at constant rates	Contribution to Overall Growth at constant rates
	€'000	%	€'000	%	%	%	%
L'Occitane en Provence	557,990	77.0	462,395	75.0	20.7	21.7	87.4
ELEMIS	86,805	12.0	64,698	10.5	34.2	33.1	18.6
LimeLife	37,259	5.1	54,318	8.8	(31.4)	(28.7)	(13.6)
Others ⁽¹⁾	43,007	5.9	35,227	5.7	22.1	24.6	7.6
Total	725,061	100.0	616,638	100.0	17.6	18.6	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:

	FY2022		FY2021		Growth at reported rates	Growth at constant rates	Contribution to Overall Growth at constant rates
	Q2		Q2				
	€'000	%	€'000	%			
Japan	42,971	11.1	47,574	13.9	(9.7)	(6.2)	(7.5)
Hong Kong ⁽¹⁾	32,053	8.3	23,025	6.7	39.2	38.5	22.8
China	67,472	17.3	53,534	15.6	26.0	18.7	25.6
Taiwan	8,751	2.3	9,334	2.7	(6.2)	(10.8)	(2.6)
France	21,695	5.6	21,816	6.4	(0.6)	(0.6)	(0.3)
United Kingdom	46,084	11.9	36,546	10.7	26.1	19.2	18.1
United States	58,897	15.2	54,241	15.8	8.6	9.7	13.5
Brazil	9,896	2.6	7,024	2.1	40.9	35.1	6.3
Russia	12,166	3.1	10,986	3.2	10.7	8.0	2.3
Other geographic areas ⁽²⁾	87,896	22.6	78,384	22.9	12.1	10.9	21.8
Total	387,881	100.0	342,464	100.0	13.3	11.4	100.0

	FY2022		FY2021		Growth at reported rates	Growth at constant rates	Contribution to Overall Growth at constant rates
	H1		H1				
	€'000	%	€'000	%			
Japan	88,962	12.3	88,308	14.3	0.7	8.2	6.3
Hong Kong ⁽¹⁾	51,401	7.1	32,345	5.2	58.9	64.2	18.1
China	124,115	17.1	97,445	15.8	27.4	23.2	19.7
Taiwan	16,700	2.3	17,936	2.9	(6.9)	(8.0)	(1.3)
France	40,746	5.6	37,538	6.1	8.5	8.5	2.8
United Kingdom	78,015	10.8	65,545	10.6	19.0	13.8	7.9
United States	114,106	15.7	113,924	18.5	0.2	5.3	5.3
Brazil	19,661	2.7	10,997	1.8	78.8	81.3	7.8
Russia	23,645	3.3	17,106	2.8	38.2	45.2	6.7
Other geographic areas ⁽²⁾	167,710	23.1	135,494	22.0	23.8	22.7	26.7
Total	725,061	100.0	616,638	100.0	17.6	18.6	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 FY2022 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 2021	30 Sep 2021	30 Sep 2020	30 Sep 2020				
Japan ⁽³⁾	153	(4)	157	(6)	0.6	5.8	6.4	8.8
Hong Kong ⁽⁴⁾	30	(3)	36	1	(0.3)	0.1	(0.2)	1.7
China	199	1	204	1	(2.6)	7.2	4.5	16.2
Taiwan	51	(2)	54	(1)	(0.7)	(0.7)	(1.4)	(6.3)
France ⁽⁵⁾	83	(2)	87	—	1.1	(0.9)	0.2	(5.7)
United Kingdom ⁽⁶⁾	72	2	71	(1)	0.5	(0.2)	0.3	(1.0)
United States	133	(14)	174	2	(0.4)	10.7	10.3	31.3
Brazil ⁽⁷⁾	179	3	168	(31)	1.7	4.5	6.1	59.2
Russia ⁽⁸⁾	110	(2)	113	1	0.3	2.8	3.1	29.4
Other geographic areas ⁽⁹⁾	491	(1)	505	(5)	0.1	4.3	4.4	6.9
Total⁽¹⁰⁾	1,501	(22)	1,569	(39)	0.3	33.5	33.8	11.9

- (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 31 and 28 Melvita stores as at 30 September 2020 and 30 September 2021 respectively.
- (4) Includes 2 L'Occitane stores in Macau and 11 Melvita and 3 ELEMIS stores in Hong Kong as at 30 September 2020, and 2 L'Occitane stores in Macau and 5 Melvita and 3 ELEMIS stores in Hong Kong as at 30 September 2021.
- (5) Includes 7 Melvita and 2 Erborian stores as at 30 September 2020 and 4 Melvita and 2 Erborian stores as at 30 September 2021.
- (6) Includes 1 ELEMIS store as at 30 September 2021.
- (7) Includes 60 and 70 L'Occitane au Brésil stores as at 30 September 2020 and 30 September 2021 respectively.
- (8) Includes 11 Erborian stores as at 30 September 2020 and 30 September 2021.
- (9) Include 8 Melvita, 2 ELEMIS and 2 Erborian stores as at 30 September 2020 and 6 Melvita, 7 ELEMIS and 2 Erborian stores as at 30 September 2021.
- (10) Include 57 Melvita, 60 L'Occitane au Brésil, 5 ELEMIS and 15 Erborian stores as at 30 September 2020 and 43 Melvita, 70 L'Occitane au Brésil, 11 ELEMIS and 15 Erborian stores as at 30 September 2021.

The Group is pleased to announce that its US subsidiary, L'Occitane, Inc., successfully concluded the Chapter 11 process at the end of August 2021. Starting from 1 September 2021, L'Occitane, Inc. resumed being a wholly-owned subsidiary of the Group and its sales and profit and loss were consolidated. Note that the sales and profit and loss of L'Occitane, Inc. from April 2021 to August 2021 were not consolidated but instead accounted for under the equity method. However, for the purpose of proper comparison, the related net sales of L'Occitane, Inc. from April 2021 to August 2021, totaling €28.6 million, remain included in the Group's overall sales in this announcement.

The Group's net sales amounted to €725.1 million in FY2022 H1, representing a growth of 18.6% at constant rates. Our core brand L'Occitane en Provence posted an encouraging growth of 21.7%, contributing 87.4% of the overall growth in FY2022 H1. ELEMIS accelerated its growth to 33.1% at constant rates in FY2022 H1, which was mainly driven by the gradual return of the cruise ship business in the US as well as the strong rebound of the spa business following the end of lockdown measures in the UK. Meanwhile, LimeLife showed a sales decline of 28.7%, as its sales and recruitment were boosted during the start of COVID-19 last year, leading to a high base effect. All key markets, with the exception of Taiwan, continued to show improvement and posted encouraging growth in FY2022 H1. Brazil, Hong Kong, Russia and China grew 81.3%, 64.2%, 45.2% and 23.2% at constant rates respectively. Sales in Taiwan were affected by the various lockdowns and restrictive measures this year and ended with a decrease of 8.0% in FY2022 H1, as compared to a strong FY2021 H1.

Overall sales growth in FY2022 Q2 was 13.3% at reported rates and 11.4% at constant rates. The good growth was contributed by our resilient core brand L'Occitane en Provence (a growth of 10.9% at constant rates) and by the accelerated growth of ELEMIS (a growth of 42.6% at constant rates). China continued to contribute most to the overall growth in FY2022 Q2, thanks to the dynamic online and offline sales. FY2022 Q2 saw a strong recovery in offline wholesale channels, especially travel retail in Asia. Online channels remained robust and posted a growth of 11.6% in FY2022 Q2 against an outstanding growth of 64.6% in FY2021 Q2. If LimeLife was excluded, online channels posted more than 20% growth in FY2022 Q2, thanks to the dynamic web partners channel which posted mid-double-digit growth in FY2022 Q2.

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

Hong Kong, 26 October 2021

As at the date of this announcement, the executive directors of the Company are Mr. Reinold Geiger (Chairman), Mr. André Hoffmann (Vice-Chairman and Chief Executive Officer), Mr. Yves Blouin (Group Managing Director), Mr. Thomas Levilion (Group Deputy General Manager, Finance and Administration), Mr. Karl Guénard (Company Secretary) and Mr. Séan Harrington (Chief Executive Officer of ELEMIS) 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.