

[For Immediate Release]



L'Occitane International S.A.

49, Boulevard Prince Henri L-1724 Luxembourg
R.C.S. Luxembourg: B80359
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L'Occitane Announces Unaudited Quarterly Update for the Three Months Ended 30 June 2022

Sales grew 15.8% and 5.1% on a like-for-like basis
Americas rose 55.5% benefiting from new brands and markets reopening
Sales of recently acquired brand Sol de Janeiro grew more than 60%

(26 July 2022, Hong Kong) L'Occitane International S.A. ("L'Occitane" or the "Group"; SEHK stock code: 973), an international group that manufactures and retails beauty and well-being products that are rich in natural and organic ingredients, today announces its unaudited quarterly update for the three months ended 30 June 2022 ("FY2023 Q1").

Despite the macroeconomic challenges, the Group saw a positive start to FY2023 with sales reaching €416.0 million in FY2023 Q1, growing 23.4% at reported rates and 15.8% at constant rates. On a like-for-like basis, i.e. excluding the recently acquired brands Sol de Janeiro and Grown Alchemist, the Russia market due to the Group's recent divestiture, and the deconsolidation of the US subsidiary, sales growth was 5.1%, despite comparing against a high base of 27.7% growth in FY2022 Q1.

Performance by brand:

€ million	Q1		% Growth	% Growth ⁽¹⁾
	FY2023	FY2022		
L'OCCITANE en Provence	290.5	260.2	11.6	5.9
ELEMIS	40.3	34.2	17.8	9.8
Sol de Janeiro	40.8	-	N/A	N/A
Others ⁽²⁾	44.5	42.8	4.0	(3.4)
Total	416.0	337.2	23.4	15.8

Performance by region:

€ million	Q1		% Growth	% Growth ⁽¹⁾	% SSS Growth ⁽¹⁾
	FY2023	FY2022			
APAC	171.9	161.8	6.2	1.2	(3.3)
Americas ⁽³⁾	130.4	73.7	77.0	55.5	12.6
EMEA	113.7	101.7	11.8	10.3	5.9
Total	416.0	337.2	23.4	15.8	2.3

Performance by channel:

€ million	Q1		% Growth	% Growth ⁽¹⁾
	FY2023	FY2022		
Retail	162.3	139.9	16.1	10.4
Online channels	122.7	117.2	4.7	(2.5)
Wholesale & others	131.0	80.1	63.4	52.2
Total	416.0	337.2	23.4	15.8

⁽¹⁾ Excludes foreign currency translation effects.

⁽²⁾ Others include LimeLife, Melvita, Erborian, L'OCCITANE au Brésil and Grown Alchemist.

⁽³⁾ Includes sales of the US subsidiary during the Chapter 11 proceedings in FY2022 Q1.

The solid performance was driven by L'OCCITANE en Provence, ELEMIS and the inclusion of the new brands, Sol de Janeiro and Grown Alchemist. The Group's core brand, **L'OCCITANE en Provence**, continued to grow despite comparing with a strong base of 36.1% growth at constant rates in FY2022 Q1. It grew 5.9% at constant rates in FY2023 Q1, mainly driven by the rebound of retail, travel retail, web partners and distribution businesses. **ELEMIS** grew 9.8% at constant rates in FY2023 Q1, with key contributions from the US and international rollouts. Sales in the US were particularly strong as the cruise ship business continued to recover and online channels remained dynamic.

Sol de Janeiro ended FY2023 Q1 with €40.8 million in sales, an increase of approximately 60% in local currency as compared to the same quarter last year, prior to the acquisition. The impressive growth was contributed by the successful global launches of the new *Beija Flor* range and premium perfume mists, together with further expansion outside the US. **Other brands** together posted a 3.4% decline at constant rates. Erborian continued to grow by double digits while L'OCCITANE au Brésil rebounded strongly and posted around 50% growth. Sales of LimeLife were affected by the decrease in beauty guides and ended the quarter with a double-digit decline. In order to drive regular recruitment of new beauty guides, the LimeLife management revamped its commission structure during the quarter.

In terms of geographic performance, the Group recorded sales growth in all regions, with the fastest-growing region being the Americas followed by EMEA, growing respectively by 55.5% and 10.3% at constant rates in FY2023 Q1. Despite various headwinds, APAC – which remains the Group's largest region – grew 1.2% at constant rates.

Most markets in **APAC** posted double-digit growth, led by Hong Kong, Australia and Malaysia. Hong Kong posted double-digit growth with dynamic growth from travel retail in the region as well as a successful business with local web partners. The growth in the region was mostly offset by the high-teens decrease in China, with both offline and online sales severely impacted by COVID-19 outbreaks in April and May 2022. In addition to store closures, the Group's warehouse in Shanghai was also closed, causing disruption to store replenishments nationwide. However, sales rebounded strongly to double-digit growth in June 2022 as soon as conditions eased.

The Group's sales in the **Americas** grew 55.5% at constant rates in FY2023 Q1. The strong result was mainly contributed by the inclusion of Sol de Janeiro and the continued reopening of markets. All markets in the region posted double-digit growth and all brands performed well. Meanwhile, sales in **EMEA** also rebounded in the quarter and grew 10.3% at constant rates, with strong contributions from travel retail and distribution sales in the region, as well as a rebound in retail sales in France and Germany.

Overall, all of the Group's key sales channels saw growth on a reported basis during the quarter. Within **wholesale**, travel retail was particularly strong as most markets saw a rebound in domestic and international travel. **Retail** saw an increase in footfall and tourist sales. At the same time, despite the strong bounce back in retail sales, the Group's **online channels** decreased only slightly by 2.5% at constant rates and remained at a high level of net sales at 29.5%. As of 30 June 2022, the total number of the Group's own retail stores was 1,375, representing a closure of a net 115 stores year to date. 110 of these net closings were in Russia as a result of the Group's divesture from this market in June 2022.

Mr. André Hoffmann, Vice-Chairman & Chief Executive Officer of L'Occitane, said, "After a positive start to FY2023, we stay optimistic about reaching our growth targets this year despite the prevailing headwinds. It is particularly pleasing to see the continued strong growth of the newer brands in our portfolio, which will play an important role in driving the Group's profitable growth."

Mr. Hoffmann concluded, "We are mindful of the increasingly volatile macroeconomic environment, including the impacts of inflation and the ongoing pandemic. However, I have full faith that our ongoing mitigation strategies and the proven resilience of our brands and teams will see us through these challenges."

About L'Occitane International S.A.

L'Occitane International S.A. is an international group that manufactures and retails beauty and well-being products that are rich in natural and organic ingredients. A global leader in the premium beauty market, the Group has more than 3,000 retail outlets, including approximately 1,400 owned stores, and is present in 90 countries. Through its eight brands – L'OCCITANE en Provence, Melvita, Erborian, L'OCCITANE au Brésil, LimeLife by Alcone, ELEMIS, Sol de Janeiro and Grown Alchemist – the Group offers new and extraordinary beauty experiences, using high quality products that respect nature, the environment and the people who surround it.

Media Contact

Think Alliance Group

Matthew Schultz / Henry Chow

Tel: (852) 3481 1161

Email: loccitane@think-alliance.com

Analyst Contact

L'Occitane International S.A.

Janis Lai

Investor Relations Director

Tel: (852) 2899 4106

Email: Janis.Lai@loccitane.com