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Groupe L'OCCITANE

L'OCCITANE INTERNATIONAL S.A.

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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 2022

L'Occitane International S.A. (the “**Company**”) is pleased to present the unaudited 2022/2023 (“**FY2023**”) quarterly update of the Company and its subsidiaries (the “**Group**”) for the three months ended 30 September 2022 (“**FY2023 Q2**”) and six months ended 30 September 2022 (“**FY2023 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 continued its positive momentum from the three months ended 30 June 2022 (“**FY2023 Q1**”) and accelerated sales growth in FY2023 Q2, achieving sales of €900.5 million in FY2023 H1, representing a growth of 24.2% at reported rates or 16.1% at constant rates.
- Like-for-like sales growth was 5.9% in FY2023 H1, an acceleration from 5.1% in FY2023 Q1 to 6.7% in FY2023 Q2.
- The solid performance in FY2023 H1 was driven by its key brands L'OCCITANE en Provence (+3.4%) and ELEMIS (+13.1%), as well as the inclusion of Sol de Janeiro (+65% in local currency). Despite the challenging market situation in China and divestiture of its Russia business, L'OCCITANE en Provence maintained growth at 1.3% in FY2023 Q2. Excluding Russia, the growth was 4.2% in FY2023 Q2.
- All regions showed growth in FY2023 H1, driven by the fastest-growing region Americas (+59.8%), followed by EMEA (+8.2%) and APAC (+1.9%).
- Wholesale continued to be the fastest-growing channel with a 50.9% increase, thanks to the acquisition of Sol de Janeiro. The retail channel saw an increase in footfall and tourist sales and grew 4.4%, while online channels returned to growth at 2.2% in FY2023 H1. Excluding Russia, the retail and online channels grew 7.1% and 3.3% respectively.

Performance by Brand

The following tables present the net sales and net sales growth by brand for the periods indicated:

	FY2023 Q2	FY2022 Q2	Growth at reported rates	Growth at constant rates
	€'million	€'million	%	%
L'OCCITANE en Provence	319.8	297.8	7.4	1.3
ELEMIS	64.8	52.6	23.2	15.1
Sol de Janeiro	53.9	—	n/a	n/a
Others ⁽¹⁾	46.0	37.5	22.6	14.3
Total	484.5	387.9	24.9	16.2
	FY2023 H1	FY2022 H1	Growth at reported rates	Growth at constant rates
	€'million	€'million	%	%
L'OCCITANE en Provence	610.3	558.0	9.4	3.4
ELEMIS	105.1	86.8	21.1	13.1
Sol de Janeiro	94.6	—	n/a	n/a
Others ⁽¹⁾	90.5	80.3	12.7	4.9
Total	900.5	725.1	24.2	16.1

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

Performance by Region

The following tables present the net sales, net sales growth and same store sales growth by region for the periods indicated:

	FY2023 Q2 €'million	FY2022 Q2 €'million	Growth at reported rates %	Growth at constant rates %
APAC	198.4	181.8	9.1	2.5
Americas ⁽¹⁾	150.6	78.6	91.5	63.7
EMEA	135.5	127.5	6.3	6.5
Total	484.5	387.9	24.9	16.2

	FY2023 H1 €'million	FY2022 H1 €'million	Growth at reported rates %	Growth at constant rates %	Same store sales growth %
APAC	370.3	343.6	7.8	1.9	-4.3
Americas ⁽¹⁾	281.0	152.3	84.5	59.8	11.2
EMEA	249.2	229.2	8.8	8.2	2.2
Total	900.5	725.1	24.2	16.1	0.7

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

Performance by Channel

The following tables present the net sales and net sales growth by channel for the periods indicated:

	FY2023 Q2 €'million	FY2022 Q2 €'million	Growth at reported rates %	Growth at constant rates %
Retail	159.3	152.9	4.2	-1.0
Online channels	142.0	122.6	15.8	6.8
Wholesale & others	183.2	112.4	62.9	50.0
Total	484.5	387.9	24.9	16.2

	FY2023 H1 €'million	FY2022 H1 €'million	Growth at reported rates %	Growth at constant rates %
Retail	321.7	292.7	9.9	4.4
Online channels	264.7	239.8	10.4	2.2
Wholesale & others	314.2	192.6	63.1	50.9
Total	900.5	725.1	24.2	16.1

The Group's net sales amounted to €900.5 million in FY2023 H1, representing 24.2% growth at reported rates or 16.1% growth at constant rates. Growth in FY2023 Q2 was 16.2% at constant rates, accelerating from a strong FY2023 Q1 (+15.8%), thanks to the dynamic new brands, rebound in travel retail and distribution and foreign currency exchange tailwinds. The situation in China also improved in FY2023 Q2. On a like-for-like basis, i.e. excluding the newly consolidated brands Sol de Janeiro and Grown Alchemist, Russia, the deconsolidation of the US subsidiary last year and at constant rates, sales growth was 5.9% in FY2023 H1, an acceleration from 5.1% in FY2023 Q1 to 6.7% in FY2023 Q2.

All key brands posted growth in FY2023 H1, with major contribution to overall growth from Sol de Janeiro, ELEMIS and L'OCCITANE en Provence. **L'OCCITANE en Provence** grew 9.4% at reported rates and 3.4% at constant rates in FY2023 H1. Travel retail rebounded stronger and earlier than planned. Brick-and-mortar channels were dynamic while online channels normalised. Despite the challenging market situation in China and divestiture of its Russia business, L'OCCITANE en Provence maintained growth at 1.3% in FY2023 Q2. Excluding Russia, the growth was 4.2%. **ELEMIS** also performed well in FY2023 H1 with 21.1% growth at reported rates and 13.1% at constant rates, mainly contributed by the strong growth in the US and further international rollouts. The cruise line business continued to rebound while online and offline channels remained dynamic. **Sol de Janeiro** ended FY2023 H1 with €94.6 million sales, with more than 65% growth in local currency as compared to the same period last year. All channels posted encouraging growth, in particular chain wholesale, distribution and marketplace, thanks to the well-received summer fragrances and the *Bejia Flor* range, as well as the successful international rollouts to APAC and EMEA regions. **Other brands** together posted a growth of 12.7% at reported rates or 4.9% at constant rates. Grown Alchemist, Erborian and L'OCCITANE au Brésil remained dynamic while LimeLife and Melvita were sluggish.

In terms of regional performance, **APAC** grew 7.8% at reported rates and 1.9% at constant rates in FY2023 H1, with slightly better performance in FY2023 Q2. Most markets posted double-digit growth, led by Hong Kong, Australia and Malaysia. Hong Kong posted double-digit growth with dynamic growth in travel retail and distribution in the region as well as a successful cross-border online business. The growth in the region was partly offset by the mid-teens decline at constant rates in China, yet the decline in FY2023 Q2 narrowed from that of FY2023 Q1. China is our largest market in APAC, accounting for 13.0% of overall sales in FY2023 H1. **Americas** grew 84.5% at reported rates or 59.8% at constant rates in FY2023 H1, with accelerated growth in Sol de Janeiro and ELEMIS. L'OCCITANE en Provence also posted decent growth. The US is now the Group's largest market, operating 6 brands and accounting for 25.7% of the Group's sales in FY2023 H1. **EMEA** saw a rebound in FY2023 H1 and grew 8.2% at constant rates, with strong contribution from travel retail and distribution sales in the region. Excluding Russia, the growth was 15.9% at constant rates in the region.

All three key channels saw growth in FY2023 H1. **Wholesale & others** grew 50.9% at constant rates, with dynamic growth in wholesale chains, international distribution and travel retail. **Retail** also saw an increase in footfall and tourist sales and grew 4.4% at constant rates despite trading with 121 fewer stores. The total number of own retail stores was 1,380 as at 30 September 2022, representing 121 net closings year to date, of which 110 closings were in Russia. The Group's **online channels** returned to growth in FY2023 Q2, leading to a 2.2% growth at constant rates in FY2023 H1. Online channels mix remained stable at 29.4% to the Group's sales.

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

Hong Kong, 25 October 2022

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. Karl Guénard (Company Secretary) and Mr. Séan Harrington (Chief Executive Officer of ELEMIS), the non-executive director of the Company is Mr. Thomas Levilion and the independent non-executive directors of the Company are Mrs. Valérie Bernis, Mr. Charles Mark Broadley, Ms. Betty Liu 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.