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)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022

HIGHLIGHTS

- The Group delivered a second consecutive year of record interim net profit in FY2023 H1, reaching €63.9 million, equivalent to 7.1% of reported net sales and 5.4% growth as compared to the same period last year.
- Reported net sales grew 29.3% to €900.5 million, mainly contributed by the initial inclusion of recently acquired brands, Sol de Janeiro and Grown Alchemist, and the decent growth of the Group's key brands.
- Gross profit margin remained high at 80.2%, an increase of 0.5 points as compared to the same period last year, due mainly to the one-off deconsolidation impact of L'Occitane, Inc. last year and foreign currency exchange tailwinds.
- Operating profit reached €87.0 million, an increase of 10.3% as compared to the same period last year.
- On a management basis, excluding the exceptional impacts of the Group's divestiture in Russia this year and the deconsolidation of the US subsidiary last year, the operating profit margin in FY2023 H1 reached 11.3%, an increase of 1.0 point as compared to 10.3% in FY2022 H1.

KEY INTERIM FINANCIAL INFORMATION

The board (the "**Board**") of directors (the "**Directors**") of L'Occitane International S.A. (the "**Company**") is pleased to announce the consolidated interim results of the Company and its subsidiaries (the "**Group**") for the six months ended 30 September 2022 ("**FY2023 H1**") together with comparative figures for the six months ended 30 September 2021 ("**FY2022 H1**"). The following financial information, including the comparative figures, has been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board.

INTERIM CONSOLIDATED STATEMENT OF INCOME

For the six months ended 30 September	Notes	2022 € '000	2021 € '000	% Change
Net Sales	2	**900,505**	**696,435**	**29.3**
Cost of sales		(178,229)	(141,551)	25.9
Gross profit		**722,276**	**554,884**	**30.2**
% of net sales		*80.2%*	*79.7%*	–
Distribution expenses		(353,072)	(288,358)	22.4
Marketing expenses		(160,620)	(111,472)	44.1
Research and development expenses		(10,169)	(8,439)	20.5
General and administrative expenses		(96,341)	(71,588)	34.6
Other operating expenses	3	(14,437)	(113)	n/m*
Other operating income	4	3,467	13,333	(74.0)
Share of profit/(losses) from associates and joint ventures accounted for using the equity method	5	(4,073)	(9,377)	(56.6)
Operating profit	6	**87,031**	**78,870**	**10.3**
Finance costs, net	7	(14,464)	(6,683)	116.4
Foreign currency gains/(losses)		(896)	(708)	26.6
Profit before income tax		**71,671**	**71,479**	**0.3**
Income tax expense	8	(7,781)	(10,867)	(28.4)
Profit for the period		**63,890**	**60,612**	**5.4**
Attributable to:				
Equity owners of the Company		61,832	59,888	3.2
Non-controlling interests		2,058	724	184.3
Total		**63,890**	**60,612**	**5.4**
Effective tax rate		10.9%	15.2%	
Earnings per share for profit attributable to equity owners of the Company during the period *(expressed in Euros per share)*				
Basic		0.042	0.041	3.0
Diluted		0.042	0.041	3.4
Number of shares used in earnings per share calculation				
Basic	9	1,471,333,800	1,468,437,771	0.2
Diluted	9	1,473,647,433	1,475,276,213	(0.1)

* not meaningful ("**n/m**")

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September	2022 *€ '000*	2021 *€ '000*
Profit for the period	**63,890**	**60,612**
Items that will not be reclassified to profit or loss		
Changes in the fair value of equity investments at fair value through other comprehensive income	(4,215)	(856)
Items that may subsequently be reclassified to profit or loss		
Cash flow hedges fair value gains/(losses), net of tax	–	56
Reclassification of currency translation differences relating to the sale of L'Occitane Russia	10,805	–
Currency translation differences*	124,367	6,505
Total items that may subsequently be reclassified to profit and loss	**130,957**	**5,705**
Other comprehensive income for the period, net of tax	**130,957**	**5,705**
Total comprehensive income for the period	**194,847**	**66,317**
Attributable to:		
Equity owners of the Company	183,261	65,243
Non-controlling interests	11,586	1,074
Total comprehensive income for the period	**194,847**	**66,317**

* The currency translation differences were mainly generated by the US Dollar and notably for goodwill, trademarks and right-of-use assets.

INTERIM CONSOLIDATED BALANCE SHEET

As at	Notes	30 September 2022 € '000	31 March 2022 € '000
ASSETS			
Property, plant and equipment, net		126,567	128,724
Right-of-use assets		246,504	264,934
Goodwill		1,032,334	990,489
Intangible assets, net		545,393	487,355
Deferred income tax assets		123,051	94,005
Investments accounted for using the equity method		84,037	67,239
Other non-current receivables		101,541	67,778
Non-current assets		**2,259,427**	**2,100,524**
Inventories, net	11	309,504	263,162
Trade receivables, net	12	256,731	199,623
Other current assets		92,765	82,935
Derivatives financial instruments		1,408	1,931
Cash and cash equivalents		150,610	360,899
Current assets		**811,018**	**908,550**
TOTAL ASSETS		**3,070,445**	**3,009,074**
EQUITY AND LIABILITIES			
Share capital		44,309	44,309
Additional paid-in capital		342,851	342,851
Other reserves		(156,650)	(215,013)
Retained earnings		1,066,768	1,097,881
Capital and reserves attributable to the equity owners		**1,297,278**	**1,270,028**
Non-controlling interests		55,675	44,578
Total equity		**1,352,953**	**1,314,606**
Borrowings		449,787	381,319
Lease liabilities		163,670	180,510
Deferred income tax liabilities		107,986	96,196
Other financial liabilities		239,252	171,865
Other non-current liabilities		23,199	22,952
Non-current liabilities		**983,894**	**852,842**
Trade payables	13	216,010	209,903
Social and tax liabilities		79,229	104,807
Current income tax liabilities		35,553	39,477
Borrowings		175,050	289,611
Lease liabilities		88,082	93,722
Other current liabilities		132,867	100,759
Derivatives financial instruments		3,519	1,208
Provisions		3,288	2,139
Current liabilities		**733,598**	**841,626**
TOTAL EQUITY AND LIABILITIES		**3,070,445**	**3,009,074**
NET CURRENT ASSETS/(LIABILITIES)		**77,420**	**66,924**
TOTAL ASSETS LESS CURRENT LIABILITIES		**2,336,847**	**2,167,448**

NOTES TO THE KEY INTERIM FINANCIAL STATEMENTS

1. Basis of preparation

This interim condensed consolidated financial information (the "**interim condensed consolidated financial information**") for the six months ended 30 September 2022 ("**period ended 30 September 2022**") has been prepared in accordance with IAS 34 Interim Financial Reporting as issued by the International Accounting Standards Board. The interim condensed consolidated financial information should be read in conjunction with the annual consolidated financial statements for the year ended 31 March 2022, which were prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board and as adopted by the European Union.

The accounting policies and methods used to prepare this interim condensed consolidated financial information are consistent with those used to prepare the consolidated annual financial statements for the year ended 31 March 2022, except as described below:

- Taxes on income for an interim period are calculated using the estimated tax rate for the full year.

Interpretations and amendments to IFRSs effective for reporting periods beginning on or after 1 April 2022 have no material impact on the interim condensed consolidated financial information.

Other new and amended standards

Several other amendments became effective for annual reporting periods beginning on or after 1 January 2022, but do not have a material impact on the interim condensed consolidated financial information:

- Onerous contracts — the amendment to IAS 37 clarifies that the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling contracts. Before recognising a separate provision for an onerous contract, the entity recognises any impairment loss that has occurred on assets used in fulfilling the contract.

- Business combination — the amendment to IFRS 3 confirms that contingent assets should not be recognised at the acquisition date.

- Property, Plant and Equipment — The amendment to IAS 16 Property, Plant and Equipment (PP&E) prohibits an entity from deducting from the cost of an item of PP&E any proceeds received from selling items produced while the entity is preparing the asset for its intended use. It also clarifies that an entity is 'testing whether the asset is functioning properly' when it assesses the technical and physical performance of the asset. The financial performance of the asset is not relevant to this assessment. Entities must disclose separately the amounts of proceeds and costs relating to items produced that are not an output of the entity's ordinary activities.

2. Net sales and segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chairman, the Chief Executive Officer (CEO) and the Managing Director, who make strategic decisions.

As the Group now operates 8 brands, the chief operating decision-maker primarily reviews the Group's internal reporting in order to assess performance and allocate resources from a brand perspective. Four operating segments were identified:

- L'OCCITANE en Provence — the sale of fragrances, skincare, haircare and body and bath ranges from the L'OCCITANE en Provence brand.

- ELEMIS — the sale of skincare products by ELEMIS, a brand for distribution and innovation in the beauty and skincare sectors. Sales are mainly driven by the Sell-in channel through wholesale, e-commerce, department stores, QVC, professional spas and maritime sales.

- Sol de Janeiro — the sale of premium body care, haircare and fragrance products. Sales are mainly driven by the Sell-in channel through chain wholesale and distribution, as well as Sell-out channel such as e-commerce and marketplace.

- Other brands — the sale of LimeLife, Erborian, L'OCCITANE au Brésil, Melvita and Grown Alchemist skincare, makeup, floral water, beauty oils and other products. Other than LimeLife which has a unique digital direct distribution model, all other brands mostly have the same economic characteristics, primarily in terms of type of product, of customer, distribution channel (Sell-in and Sell-out), and financial performance, and they do not individually and cumulatively exceed the quantitative criteria defined in IFRS 8.

For the fiscal year ended 31 March 2022, LimeLife was presented as a separate operating segment. Considering the increase in the contribution of Elemis and Sol de Janeiro, the relative contribution of LimeLife is less relevant and management decided to group LimeLife with other brands in the operating segment 'Other brands'.

Management uses a measure of revenue and operating profit/(loss) to assess the performance of the operating segments. The chief operating decision-maker also evaluates the sales performance of the business from a distribution channel perspective, namely:

- Retail — sales from brick-and-mortar retail stores directly operated by the Group;
- Online channels — sales from own e-commerce websites, digital direct, marketplace and web-partners; and
- Wholesale and others — sales to wholesalers, distributors, B2B, cruises, TV and travel retail operators and others.

2.1. Performance by operating segment

The measure of profit or loss for each operating segment is its operating profit. Operating segment information is as follows:

for the six months ended 30 September 2022 *In thousands of euros*	**L'OCCITANE en Provence**	**ELEMIS**	**Sol de Janerio**	**Other brands**	**Total**
Net sales	**610,322**	**105,118**	**94,605**	**90,460**	**900,505**
In % of total	*67.8%*	*11.7%*	*10.5%*	*10.0%*	*100.0%*
Gross profit	**513,643**	**78,036**	**64,556**	**66,041**	**722,276**
% of net sales	*84.2%*	*74.2%*	*68.2%*	*73.0%*	*80.2%*
Distribution expenses	(274,183)	(27,282)	(7,512)	(44,095)	(353,072)
Marketing expenses	(95,262)	(26,720)	(19,745)	(18,893)	(160,620)
Research & development expenses	(7,230)	(969)	(279)	(1,691)	(10,169)
General and administrative expenses	(66,181)	(11,704)	(10,105)	(8,351)	(96,341)
Share of profit/(losses) from joint operations	(4,073)	–	–	–	(4,073)
Other operating income	3,095	19	–	353	3,467
Other operating expenses	(14,437)	–	–	–	(14,437)
Operating profit/(loss)	**55,372**	**11,380**	**26,915**	**(6,636)**	**87,031**
% of net sales	*9.1%*	*10.8%*	*28.4%*	*(7.3%)*	*9.7%*
Management profit/(loss)	**69,803**	**11,381**	**26,916**	**(6,633)**	**101,467**
*% of management sales**	*11.4%*	*10.8%*	*28.5%*	*(7.3%)*	*11.3%*

for the six months ended 30 September 2021 *In thousands of euros*	**L'OCCITANE en Provence**	**ELEMIS**	**Other brands**	**Total**
Net Sales	**529,807**	**86,805**	**79,823**	**696,435**
In %	*76.1%*	*12.5%*	*11.5%*	*100.0%*
Gross profit	**431,420**	**64,058**	**59,406**	**554,884**
% of net sales	*81.4%*	*73.8%*	*74.4%*	*79.7%*
Distribution expenses	(227,234)	(19,060)	(42,064)	(288,358)
Marketing expenses	(79,444)	(19,869)	(12,159)	(111,472)
Research & development expenses	(6,586)	(759)	(1,094)	(8,439)
General and administrative expenses	(55,141)	(9,376)	(7,071)	(71,588)
Share of profit/(losses) from joint operations	(9,377)	–	–	(9,377)
Other operating income	13,333	–	–	13,333
Other operating expenses	(113)	–	–	(113)
Operating profit/(loss)	**66,858**	**14,994**	**(2,982)**	**78,870**
% of net sales	*12.6%*	*17.3%*	*(3.7%)*	*11.3%*
Management profit/(loss)	**62,616**	**14,994**	**(3,192)**	**74,418**
*% of management sales***	*11.2%*	*17.3%*	*(4.0%)*	*10.3%*

* *same as reported net sales*

** *including €28.7 million sales of US subsidiary during the Chapter 11 proceedings.*

2.2. Performance by geographic area

Net sales allocated based on the geographic area of the invoicing subsidiary are as follows:

	Period ended 30 September			
	2022		2021	
In thousands of euros	**Total**	***In %***	**Total**	***In %***
Asia Pacific	370,280	41.1%	343,550	49.4%
including China	*117,380*	*13.0%*	*124,115*	*17.8%*
Americas	280,990	31.2%	110,371	15.7%
including the United States [(1)]	*231,753*	*25.7%*	*72,147*	*10.4%*
EMEA	249,235	27.7%	242,513	34.8%
Net sales	**900,505**	**100.0%**	**696,435**	**100.0%**

(1) excludes sales during Chapter 11 proceedings i.e. from 1 April to 31 August 2021.

3. Other operating expenses

For the six months ended 30 September	**2022**	**2021**
	€ '000	*€ '000*
Restructuring expenses	–	(113)
Capital loss from the sale of L'Occitane Russia before reclassification of currency translation differences	(3,632)	–
Reclassification to income statement of the charge previously recognized in other comprehensive income (currency translation differences)	(10,805)	–
Other operating expenses	**(14,437)**	**(113)**

The loss of exclusive control of L'Occitane Russia, leading to the deconsolidation of the subsidiary, resulted in a capital loss of €14.4 million mainly due to currency translation differences.

4. Other operating incomes

For the six months ended 30 September	**2022**	**2021**
	€ '000	*€ '000*
Reconsolidation of L'Occitane, Inc.	–	12,783
Capital gain arising from the change in the % of interests in associates and joint ventures	1,700	–
Profit on sale of assets	372	28
Government grants	552	522
Other items	843	–
Other operating income	**3,467**	**13,333**

The impact of the reconsolidation of L'Occitane, Inc. as at 31 August 2021 resulted in a net gain of €12,783,000, which corresponds to the difference between the fair value of L'Occitane, Inc. and the carrying amount of the investment in this associate (including the current account of €19,948,000 granted by the Group to L'Occitane, Inc. that was considered as a part of the net investment in L'Occitane, Inc.).

5. Share of profit/(losses) from associates and joint ventures accounted for using the equity method

Period ended 30 September	**2022**	**2021**
	€ '000	*€ '000*
L'Occitane, Inc. (April to August 2021)	–	(8,920)
Good Glamm Group	(4,759)	(790)
CAPSUM	406	(436)
L'Occitane Middle East	280	769
Total	**(4,073)**	**(9,377)**

6. Depreciation, amortisation and impairment

Period ended 30 September	**2022** *€ '000*	**2021** *€ '000*
Depreciation, amortisation and impairment	76,816	80,528

7. Finance costs, net

Period ended 30 September	**2022** *€ '000*	**2021** *€ '000*
Interest on cash and cash equivalents	1,064	1,022
Finance income	**1,064**	**1,022**
Interest expense	(4,088)	(2,779)
Interest and finance expenses paid/payable for lease liabilities	(3,555)	(3,953)
Change in the fair value of the receivable from the sales of L'Occitane Russia	(7,885)	–
Other	–	(973)
Finance costs	**(15,528)**	**(7,705)**
Finance costs, net	**(14,464)**	**(6,683)**

8. Taxation

Reconciliation between the reported income tax result and the theoretical amount that would arise using a standard tax rate is as follows:

Period ended 30 September	**2022** *€ '000*	**2021** *€ '000*
Profit before income tax excluding profit/(loss) from joint ventures	74,044	80,856
Income tax calculated at corporate tax rate *(Luxembourg tax rate of 24.94% as at 30 September 2022 and 2021)*	(18,467)	(20,165)
Effect of different tax rates in foreign countries	19,132	13,368
Effect of unrecognised tax assets	(6,038)	(2,128)
Expenses not deductible	(3,496)	(1,976)
Effect of unremitted tax earnings	1,088	34
Income tax (expense)	**(7,781)**	**(10,867)**

9. Earnings per share

The calculation of basic and diluted earnings per share is based on the profit attributable to equity owners of the Company of €61.8 million for the six months ended 30 September 2022, as compared to €59.9 million for the six months ended 30 September 2021, and the weighted average number of shares in issue of 1,471,333,800 (basic) and 1,473,647,433 (diluted) for the period ended 30 September 2022 and 1,468,437,771 (basic) and 1,475,276,213 (diluted) for the period ended 30 September 2021.

10. Dividends

In line with its policy to declare and pay only a final dividend each year, the Board has recommended that no distribution would be made from the profits of the six months ended 30 September 2022.

11. Inventories, net

Inventories, net consist of the following items:

	30 September 2022 *€ '000*	31 March 2022 *€ '000*	30 September 2021 *€ '000*
Raw materials and supplies	44,423	37,480	23,604
Finished goods and work in progress	282,071	249,304	236,039
Inventories, gross	326,494	286,784	259,643
Less: allowance	(16,990)	(23,622)	(20,425)
Inventories, net	**309,504**	**263,162**	**239,218**

12. Trade receivables, net

Ageing analysis of trade receivables from due date at the respective balance sheet dates is as follows:

	30 September 2022 *€ '000*	31 March 2022 *€ '000*	30 September 2021 *€ '000*
Current and past due within 3 months	249,967	191,999	183,043
Past due from 3 to 6 months	3,660	7,872	3,780
Past due from 6 to 12 months	4,867	2,337	1,030
Past due over 12 months	3,434	2,731	2,212
Allowance for doubtful accounts	(5,197)	(5,316)	(4,906)
Trade receivables, net	**256,731**	**199,623**	**185,159**

The Group considers that there is no recoverability risk on the net receivables after allowance for doubtful accounts.

13. Trade payables

Ageing analysis of trade payables from due date at the respective balance sheet dates is as follows:

	30 September 2022 *€ '000*	31 March 2022 *€ '000*	30 September 2021 *€ '000*
Current and past due within 3 months	212,613	204,349	175,883
Past due from 3 to 6 months	397	1,272	2,492
Past due from 6 to 12 months	797	1,093	7,761
Past due over 12 months	2,203	3,189	5,597
Trade payables	**216,010**	**209,903**	**191,733**

MANAGEMENT DISCUSSION & ANALYSIS

Summary:

For the six months ended 30 September	Management (1) 2022 *€ million or %*	Reported 2022 *€ million or %*	Management (2) 2021 *€ million or %*	Reported (3) 2021 *€ million or %*
Net sales	900.5	900.5	725.1	696.4
Operating profit	101.5	87.0	74.4*	78.9*
Profit for the period	86.2	63.9	n/a	60.6
Gross profit margin (% to net sales)	80.2%	80.2%	81.0%	79.7%
Operating profit margin (% to net sales)	11.3%	9.7%	10.3%	11.3%
Net profit margin (% to net sales)	9.6%	7.1%	7.7%	8.7%

(1) Management 2022 — reported results excluding the impacts of the Group's divestiture of its business in Russia, namely the other operating loss of €14.4 million, arising from a capital loss at the time of divestiture in June 2022, and the finance cost of €7.9 million, relating to the change in fair value on the receivables of the divestiture mainly due to the exchange rate fluctuation between the time of divestiture and the end of the current period and the application of a higher liquidity discount. The management considers these two costs to be accounting adjustments and should be excluded when comparing to the management results of the same period last year.

(2) Management 2021 — assuming L'Occitane, Inc. remained fully consolidated in the Group and its results for the six months ended 30 September 2021 were consolidated into the Group's results. The management believes that this management version provides a better view of the financial performance during the period and is thus a more appropriate comparison base.

(3) Reported 2021 — sales and operating expenses of L'Occitane, Inc. in April to August 2021 were not consolidated but instead treated as an associate under the equity method, due to the Chapter 11 proceedings. The proceedings were completed at the end of August 2021 and thus the sales and operating expenses and other items of the statement of income of L'Occitane, Inc. in September 2021 were consolidated for the period from 1 September to 30 September 2021.

* The €4.5 million difference in operating profits between reported version and management version was due to deconsolidation and reconsolidation of L'Occitane, Inc.

Definitions:

Same Store Sales Growth represents a comparison between Comparable Store Sales for two financial periods. Unless otherwise indicated, discussion of Same Store Sales Growth excludes foreign currency translation effects.

Overall Growth means the total worldwide net sales growth for the financial period(s) presented excluding foreign currency translation effects.

SEASONALITY OF OPERATIONS

The Group is subject to seasonal variances in sales, which are typically higher in the third financial quarter (between 1 October and 31 December) in anticipation of and during the Christmas holiday season. In FY2022 H1, the level of sales represented 39.1% of the annual level of sales in the year ended 31 March 2022 ("**FY2022**") and the level of operating profit represented 25.4% of the annual operating profit in FY2022. Yet these ratios are not representative of the annual results for the year ending 31 March 2023 ("**FY2023**").

Seasonality also has an impact on the production schedule and the use of working capital. We generally use a significant part of our working capital between April and November in order to increase the production in anticipation of increased sales and new product launches during the Christmas holiday season.

REVENUE ANALYSIS

The Group's reported net sales amounted to €900.5 million in FY2023 H1, representing 29.3% growth at reported rates or 20.8% growth at constant rates, as compared to the reported net sales of €696.4 million in FY2022 H1. In order to provide a proper comparison, the revenue analysis from here on excludes the deconsolidation impact of the US subsidiary during the Chapter 11 proceedings in FY2022 H1. Excluding such impact, the net sales in FY2022 H1 amounted to €725.1 million. Therefore, the Group's net sales growth in FY2023 H1 at reported rates and constant rates were 24.2% and 16.1% respectively.

Sales growth in the three months ended 30 September 2022 ("**FY2023 Q2**") was 16.2% at constant rates, accelerating from the strong growth in the three months ended 30 June 2022 ("**FY2023 Q1**") of 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 acquired on 23 December 2021 and Grown Alchemist acquired on 1 April 2022, Russia due to the Group's divestiture on 3 June 2022, the re-consolidation of the US subsidiary on 31 August 2021 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.

The Group's total number of retail locations decreased from 3,068 as at 31 March 2022 to 2,896 as at 30 September 2022, a decrease of 172 locations or 5.6%. The number of own retail stores decreased from 1,490 as at 31 March 2022 to 1,380 as at 30 September 2022, representing a net decrease of 110 or 7.4%. The decrease was mainly related to the Russia divestment.

Performance by Brand

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

	FY2023 H1 *€ 'million*	FY2022 H1 [(2)] *€ 'million*	Growth at reported rates *%*	Growth at constant rates *%*
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.

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

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, representing impressive growth of more than 65% 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 *Beija Flor* range, as well as the successful international rollouts to the 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.

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 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.

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 out of the Group's 8 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. Sales in France were dynamic and grew more than 25% in FY2023 H1, with major contribution from L'OCCITANE en Provence and Erborian. Both retail and wholesale performed well.

Performance by Channel

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

	FY2023 H1 *€ 'million*	FY2022 H1 [1] *€ '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**

[1] Includes sales of the US subsidiary during the Chapter 11 proceedings in FY2022.

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. At the same time, the Group's online sales grew by 2.2% at constant rates in FY2023 H1. The moderation in the online sales growth was due to the weaker digital direct sales at LimeLife and the retail channel rebound as the COVID-19 situation in most markets eased. However, the mix of online channels remained significant at 29.4% of the Group's sales.

PROFITABILITY ANALYSIS

All the analyses in this section are based on the reported figures for FY2023 H1 as compared to the reported figures for FY2022 H1.

Cost of sales and gross profit

Cost of sales increased by 25.9% or €36.7 million to €178.2 million in FY2023 H1 as compared to the same period last year. The gross profit margin increased by 0.5 points to 80.2% for FY2023 H1, due mainly to the following factors:

- Deconsolidation last year of the US subsidiary from April 2021 to August 2021 for 1.3 points;
- Lower obsolescence and accelerated depreciation last year of a production equipment for 0.9 points;
- Favourable foreign currency exchange ("**FX**") impact for 0.5 points; and
- Price increase for 0.3 points.

The improvement in gross profit margin was partly offset by the following factors:

- Unfavourable brand mix for 1.5 points coming from the new brands;
- Unfavourable channel mix for 0.7 points due to a higher proportion of sell-in and B-to-B sales; and
- Higher freight and duties for 0.3 points.

Distribution expenses

Distribution expenses increased by 22.4% or €64.7 million to €353.1 million for FY2023 H1 as compared to the same period last year. As a percentage of net sales, the distribution expenses improved by 2.2 points to 39.2% of net sales for FY2023 H1. This improvement was attributable to a combination of the following:

- Brand mix for 4.3 points, of which 3.4 points came from the new brands which have a lower level of distribution costs;
- Higher sales leverage for 0.8 points;
- Lower depreciation costs for 0.7 points after closing some unprofitable stores and less renovations last year; and
- Favourable FX impact for 0.4 points.

The improvement was partly offset by:

- Deconsolidation of the US subsidiary last year for 1.6 points;
- Increase in third-party logistics supplier fees, other sell-in partner fees and others for 0.8 points;
- Higher personnel costs for 0.7 points, strategically improving retail staff compensations;
- Lower government subsidies received on personnel and rent costs for 0.6 points; and
- Higher freight on sales for 0.3 points due to inflation.

Marketing expenses

Marketing expenses increased by 44.1% or €49.1 million, to €160.6 million for FY2023 H1 as compared to the same period last year. The marketing expenses as a percentage of net sales increased by 1.8 points to 17.8% of net sales for FY2023 H1. The increase was attributable to the following:

- Higher investment in both traditional and digital media for 1.0 point of which 0.6 points for the core L'OCCITANE en Provence brand in key strategic markets with high growth potential, such as the US, Japan, France and Korea and 0.4 points for other brands, including ELEMIS, on brand awareness in new markets;

- Brand mix for 0.6 points, of which 0.4 points came from new brands which have a higher level of marketing costs; and

- Deconsolidation last year of the US subsidiary, FX, channel mix, phasing and reclassification for 0.4 points.

The increase was partly offset by:

- Higher sales leverage for 0.2 points.

Research & development expenses

Research and development ("**R&D**") expenses increased by 20.5%, or €1.7 million, to €10.2 million for FY2023 H1 compared to the same period last year. The R&D expenses as a percentage of net sales reduced slightly by 0.1 points to 1.1% for FY2023 H1, due mainly to higher sales leverage and FX.

General and administrative expenses

General and administrative expenses increased by 34.6%, or €24.8 million, to €96.3 million for FY2023 H1 compared to the same period last year. As a percentage of net sales, general and administrative expenses increased by 0.4 points to 10.7% for FY2023 H1. The increase was attributable to the following:

- Higher investment in staff, recruitment fees and others for 1.1 points;

- Deconsolidation last year of the US subsidiary from April 2021 to August 2021 for 0.4 points;

- COVID-19 subsidies received last year for 0.3 points; and

- Divestiture of the Group's business in Russia for 0.2 points.

The deterioration was partly offset by:

- Higher sales leverage for 0.6 points;

- Lower bonus and incentives for 0.6 points;

- Favourable brand mix for 0.2 points; and

- One-off items for 0.2 points.

Other operating income/expenses and share of net losses from joint ventures

Other operating income amounted to €3.5 million in FY2023 H1 as compared to €13.3 million in FY2022 H1. Other operating income as a percentage of net sales decreased by 1.5 points to 0.4% of net sales for FY2023 H1. The income last year was mainly related to the reconsolidation of L'Occitane, Inc.

Other operating expenses amounted to €14.4 million in FY2023 H1 as compared to €0.1 million in FY2022 H1. Other operating expenses as a percentage of net sales increased by 1.6 points to 1.6% of net sales for FY2023 H1. The expense this year related to the capital loss from currency translation on the divestiture of Russia.

Share of net losses from joint ventures amounted to €4.1 million in FY2023 H1 as compared to €9.4 million in FY2022 H1. As a percentage of net sales, the ratios for FY2023 H1 and FY2022 H1 were 0.5% and 1.3% respectively. The loss this year was mainly related to share of the loss of Good Glamm Group while the loss last year was mainly related to the deconsolidation of L'Occitane, Inc.

Operating profit

Operating profit increased by 10.3%, or €8.2 million, to €87.0 million for FY2023 H1 and the operating profit margin decreased by 1.6 points to 9.7% of net sales.

The decrease in operating profit margin is explained by a combination of:

- Increase in supply chain costs due to inflation, recruitment fees, phasing and others for 2.1 points;
- Increase in marketing and organisational investments to sustain the development of the brands for 1.7 points;
- Divestiture of the Group's business in Russia for 1.6 points;
- Deconsolidation last year of the US subsidiary for 1.0 point;
- COVID-19 subsidies received from governments last year for 0.9 points; and
- Channel mix as sell-in and B-to-B channels rebounded for 0.6 points.

This decrease was partly offset by:

- Brand mix for 2.4 points mainly driven by the new brands;
- Leverage of fixed costs on higher sales for 1.5 points;
- One-off items, lower incentives and price increase for 1.2 points; and
- Favourable FX impact for 1.2 points.

On a management basis, the operating profit margin this year is 11.3% (excluding the divestiture of the Group's business in Russia which has a negative impact of 1.6%) as compared to the operating profit margin of 10.3% last year (excluding the gain of 1.0 point from deconsolidation and reconsolidation of the US subsidiary). The operating profit margin in fact improved by 1.0 point in FY2023 H1.

Finance costs, net

Net finance costs were €14.5 million for FY2023 H1, €7.8 million higher than the same period last year. The increase in finance costs was due mainly to the finance cost of €7.9 million relating to the change in the fair value of the receivable from the sale of the Group's Russian operations.

Foreign currency gains/losses

Net foreign currency losses amounted to €0.9 million for FY2023 H1, as compared to net currency losses of €0.7 million for FY2022 H1. The net foreign currency losses comprised €2.0 million realised gains and €2.9 million unrealised losses.

The net foreign currency losses of €0.9 million were mainly related to IFRS 16 impact.

Income tax expense

Income tax expense amounted to €7.8 million in FY2023 H1, representing an effective tax rate of 10.9%, as compared to an income tax expense of €10.9 million or an effective tax rate of 15.2%, in FY2022 H1. If excluding the share of profit or loss in associates, the effective tax rates of FY2023 H1 and FY2022 H1 are 10.5% and 13.4% respectively. The decreases in income tax expense and in effective tax rate were mainly explained by the higher proportion of taxable income achieved in territories with lower tax rates.

Profit for the period

Net profit for FY2023 H1 increased by €3.3 million or 5.4% to €63.9 million, as compared to the same period last year. Both basic and diluted earnings per share are €0.042 and increased by 3.0% and 3.4% respectively as compared to the earnings per share for the same period last year.

On a management basis, the net profit margin in FY2023 H1 reached 9.6%, an increase of 1.9 points as compared to 7.7% in FY2022 H1.

BALANCE SHEET REVIEW

Liquidity and capital resources

As at 30 September 2022, the Group had cash and cash equivalents of €150.6 million, as compared to €181.7 million as at 30 September 2021 and €360.9 million as at 31 March 2022.

The total borrowings, including term loans, bank borrowing, revolving facilities and other borrowings, amounted to €624.8 million as at 30 September 2022, as compared to €331.5 million as at 30 September 2021 and €670.9 million as at 31 March 2022. The Group had a net reduction of borrowings by €46.1 million for the six months ended 30 September 2022.

Net debt including lease liability and dividend payable as at 30 September 2022 amounted to €823.1 million, increased by €267.2 million or 48.1% as compared to €556.0 million as at 30 September 2021. The increase was mainly related to the financing for the acquisition of Sol de Janeiro.

As at 30 September 2022, the aggregate amount of undrawn borrowing facilities was €343.2 million, as compared to €360.9 million as at 30 September 2021 and €268.2 as at 31 March 2022.

Investing activities

Net cash used in investing activities was €50.9 million for FY2023 H1, as compared to €10.2 million for the same period last year, representing an increase of €40.7 million. The increase was explained by the financial investment of €29.7 million, mainly related to further investments in Chalhoub, Grown Alchemist and Obratori and the €11.7 million cash derecognized from the deconsolidation of L'Occitane Russia.

Capital expenditures amounted to €21.2 million for FY2023 H1, as compared to €15.0 million for the same period last year. The capital expenditures represented investing in the following:

- leasehold improvements in progress and other tangible assets relating to stores for €7.5 million;
- investment in production line, warehouses and offices for €7.2 million;
- IT equipment, software and projects for €6.2 million; and
- other projects and items for €0.3 million.

Financing activities

Financing activities resulted in a net outflow of €175.9 million in FY2023 H1, compared to a net outflow of €241.6 million during the same period last year. The net outflow this year was mainly resulted from a payment for acquisition of non-controlling interests in a non-wholly owned subsidiary for €76.6 million, the principal components of lease payments for €55.5 million and a net repayment of borrowings for €46.0 million.

Inventories

The following table sets out a summary of the average inventory days for the periods indicated:

For the six months ended 30 September	2022	2021
Average inventory turnover days [(1)]	293	282

(1) Average inventory turnover days equals average inventory divided by cost of sales and multiplied by 182.5. Average inventory equals the average of net inventory at the beginning and end of a given period.

Inventory net value was €309.5 million as at 30 September 2022, an increase of €70.3 million or 29.4% as compared to €239.2 million as at 30 September 2021. The increase in inventory net value was mainly from the initial inclusion of Sol de Janeiro and Grown Alchemist and the expectation of sales in the festive seasons in the third quarter.

The increase in inventory turnover days by 11 days was attributable to the following:

- unfavourable FX impacts for +10 days;
- raw materials and work in progress for +7 days; and
- low inventory allowance for +6 days.

which was partly offset by:

- finished goods and mini products and pouches ("**MPPs**") for -12 days.

Trade receivables

The following table sets out a summary of the turnover of trade receivables for the periods indicated:

For the six months ended 30 September	2022	2021
Turnover days of trade receivables [(1)]	46	40

(1) Turnover days of trade receivables equals average trade receivables divided by net sales and multiplied by 182.5. Average trade receivables equals the average of net trade receivables at the beginning and end of a given period.

The increase in turnover days of trade receivables by 6 days for FY2023 H1 was mainly attributable to increase in sell-in sales, in particular, from the initial inclusion of Sol de Janeiro for net 3 days, foreign exchange impact for another 2 days and decrease in provision for 1 day.

Trade payables

The following table sets out a summary of the turnover of trade payables for the periods indicated:

For the six months ended 30 September	2022	2021
Turnover days of trade payables [(1)]	218	228

(1) Turnover days of trade payables equals average trade payables divided by cost of sales and multiplied by 182.5. Average trade payables equals the average of trade payables at the beginning and end of a given period.

The decrease in turnover days of trade payables by 10 days for FY2023 H1 was explained by the lower turnover days in accruals, trade payables and other liabilities for 14 days and partly offset by FX impact for 4 days.

BALANCE SHEET RATIOS

The Group's profitability ratios for FY2023 H1 varied slightly as compared to the same period last year. Return on capital employed for FY2023 H1 decreased slightly to 3.5% as compared to 3.6% for the same period last year. The decrease was a net result of an increase in net profit and higher capital employed. Gearing ratio increased slightly by 0.5 points, a net effect of increase in both total debts and total assets.

For the six months ended	30 September 2022 *€ '000*	30 September 2021 *€ '000*
Profitability		
EBITDA [(1)]	162,953	158,690
Net operating profit after tax (NOPAT) [(2)]	76,784	66,278
Capital employed [(3)]	2,176,100	1,846,775
Return on capital employed (ROCE) [(4)]	3.5%	3.6%
Return on equity (ROE) [(5)]	4.8%	4.9%
Liquidity		
Current ratio (times) [(6)]	1.1	0.9
Quick ratio (times) [(7)]	0.7	0.6
Capital adequacy		
Gearing ratio [(8)]	28.5%	28.0%
Debt to equity ratio [(9)]	60.8%	43.1%

(1) Earnings before interest, taxes, depreciation and amortisation

(2) (Operating profit + foreign currency net gains or losses) x (1 – effective tax rate)

(3) Non-current assets – (deferred tax liabilities + other financial liabilities + other non-current liabilities) + working capital. Note that working capital excludes financial liabilities such as dividends and acquisition payment.

(4) NOPAT/capital employed

(5) Net profit attributable to equity owners of the Company/shareholders' equity at period end excluding minority interest

(6) Current assets/current liabilities

(7) (Current assets – inventories)/current liabilities

(8) Total debt/total assets

(9) Net debt/(total assets – total liabilities)

FOREIGN EXCHANGE RISK MANAGEMENT

The Group enters into forward foreign exchange contracts to hedge anticipated transactions, as well as receivables and payables not denominated in our presentation currency, the Euro, for periods consistent with our identified exposures. As at 30 September 2022, the Group had foreign exchange derivatives net liabilities of €2.1 million in the form of foreign exchange forward contracts and interest rate derivatives (in accordance with fair market valuation requirements under IFRS). The notional principal amounts of the outstanding sales and purchase forward exchange derivatives were €236.8 million and €65.0 million respectively.

DIVIDENDS

At the Board meeting held on 27 June 2022, the Board recommended a distribution of a gross final dividend of €0.06585 per share for an aggregated sum of €96.8 million or 40.0% of the FY2022 net profit attributable to the equity owners of the Company. The amount of the final dividend was based on 1,470,135,821 shares in issue as at 27 June 2022 excluding 6,829,070 treasury shares. The shareholders of the Company approved the final dividend at the annual general meeting held on 28 September 2022. The dividend was paid on 21 October 2022.

In line with its policy to declare and pay only a final dividend each year, the Board has recommended that no distribution would be made from the profits of FY2023 H1.

POST BALANCE SHEET EVENTS

There is no post balance sheet event.

STRATEGIC REVIEW

Despite the challenging macroeconomic landscape, the Group maintained its dynamic growth momentum in the first half of FY2023, with net sales growing 16.1% to exceed €900 million. The results were broad-based — with growth coming from all key brands, all three geographic regions and all three key channels.

Importantly, the Group's profitability remained strong even as inflation, surging energy prices and expanded pandemic lockdowns in China pressured the global retail industry. The Group delivered a second consecutive year of record interim net profit, reaching €63.9 million. Excluding the accounting adjustments related to the Group's divestiture in Russia and the deconsolidation of the US entity last year, the operating profit margin expanded by 1.0 point to 11.3%.

With a keen focus on further strengthening its long-term growth and profitability, the Group continued to advance its transformation into a multi-brand, generationally appealing and geographically-balanced organisation. As it heads into the key holiday season, the Group will press the advantages of its efficient operational structure, talented and entrepreneurial workforce and global sustainability efforts to further strengthen its resilience in the face of increasing headwinds.

Core brand demonstrates commercial vitality and global agility

Through an energetic commitment to formulating trust, the Group's core brand, L'OCCITANE en Provence continued to leverage its ageless credentials and ability to surprise and recruit, remaining one of the top brands in the premium body care categories.

It also demonstrated impressive agility, another strength of the core brand. With growth momentum in China, one of its key growth drivers in recent years, temporarily stalled by an escalating number of local lockdowns and store closures, the core brand deftly adjusted its marketing investments in terms of timing and intensity to protect its profitability, and shifted its focus to tap into new growth opportunities appearing in its more well-established and traditional markets.

While growth in Asia was relatively muted, the Group's wide geographic presence shielded it from region-specific disturbances. It capitalised on the stronger and earlier-than-expected rebound in domestic and international travel in other markets, especially in Europe. In the first half of FY2023, this resulted in France, L'OCCITANE en Provence's place of origin and spiritual home, outpacing the Group's longstanding revenue leaders in Asia to become its second largest contributor to overall growth. The core brand also delivered better-than-expected growth in North America with an energetic revival of brick-and-mortar channels unlocking further value from a recent restructuring and elimination of underperforming stores.

Combined, the core brand's ability to quickly re-direct and target resources drove top-line growth of 3.4%, offsetting a mid-teens decline in China, and reached a strong operating profit margin of 11.4% excluding exceptional items.

Effective omni-channel strategy sees simultaneous growth of offline and online channels

Thanks to the Group's unique distribution, it continued to see a strong return in foot traffic globally with customers keen to rediscover the sensory pleasure of its products and natural and organic ingredients in person. With most global markets now fully reopened, the Group saw a pronounced recovery in footfall and tourists, with retail sales growing 4.4% at constant rates during the period, despite trading with 121 fewer stores compared with the same period of last year. If excluding Russia, from which the Group fully divested in June 2022, retail sales grew by around 7%.

Importantly, the Group's effective omni-channel strategy ensured that the recovery of the Group's retail channels did not overly cannibalise its online sales. Having already installed convenient online and offline touchpoints for all of its brands and regions prior to the pandemic, it has captured the shift in the shopping preference of many customers towards online sales. This was further supported by the inclusion of digitally-centric or digitally-native brands, such as ELEMIS and Sol de Janeiro, into the Group's brand portfolio. In the first half of FY2023, online sales grew by 2.2% with its online sales mix remaining stable at 29.4%.

Heading into the second half of this year, the Group's omni-channels will remain pivotal for supporting sales growth and engaging with customers. The Group will stay focused on refining the customer journey across all touchpoints, underpinned by efforts to upgrade its CRM capabilities and motivate employees, in order to maximise the customer lifetime value.

Multi-brand model unleashes potential of new brands

Under its multi-brand strategy, the Group has offered a home to creative entrepreneurial beauty businesses, accelerating its path towards building a leading portfolio of premium beauty brands. The Group's sales have further diversified away from the core L'OCCITANE en Provence brand, as its two other key brands, ELEMIS and Sol de Janeiro, have grown to each account for more than 10% of the Group's sales.

The Group's unique approach of enabling the new brands' founders to operate their brands autonomously while retaining a stake has proved to be highly successful. The new brands have flourished with the Group's support with penetrating existing markets and pursuing new market opportunities.

At the same time, synergies are being created. By leveraging its multi-brand proposition, the Group is set to strengthen its global travel retail presence. At the Tax Free World Association World Exhibition & Conference in Cannes in October 2022, the Group showcased its full travel retail offer to important global travel retail partners for the first time. The Group's brands ELEMIS, Grown Alchemist, Erborian and Sol de Janeiro were featured alongside L'OCCITANE en Provence and Melvita.

ELEMIS continues to grow from strength-to-strength

Sales at ELEMIS grew robustly by 13.1% at constant rates, powered by strong growth in the US and further international rollouts. ELEMIS's cruise line business continued to rebound while online and offline channels remained dynamic, including in overseas markets with the UK returning to growth in the second quarter of the year. It now has 21 owned stores across nine countries as part of its digital-first global expansion strategy.

Despite the current unique situation in China, it remains one of the most promising growth markets for ELEMIS. With the exclusivity period with its retail partner having ended, ELEMIS has started direct e-commerce with a campaign in late July and early August 2022 on its Tmall flagship store. Already within this peak period, ELEMIS's hero *Pro-Collagen Marine Cream* ranked second within Tmall's face cream category.

ELEMIS also maintained its lean and agile structure in the face of increasing headwinds. Despite continuing to invest in its growth phase, it continued to be a key contributor to the Group's operating margins.

Sol de Janeiro takes the Brazilian philosophy of love and joy abroad

Sol de Janeiro continued to break sales records, delivering an impressive 65% sales growth in local currency compared to the same period of last year. While continuing to build a strong brand following, Sol de Janeiro managed its business impeccably and achieved the highest operating margin amongst the Group's brands at 28.4%.

Well-received summer ranges and the *Beija Flor* range drove solid growth in all channels, especially chain wholesale, distribution and marketplace.

The range also propelled the brand's popularity further, driving its ranking to the number one spot in the US and Canada in Sephora.

Introduction of new company mission with focus on the triple bottom-line

As a group with a presence in every region, it has the potential to have a real positive impact in a united and structured way. The Group unveiled its new company mission: *With empowerment we positively impact people and regenerate nature.* The mission represents the next phase in the Group's transformation into a multi-brand group and acts as a guiding light to steer the actions of the entire organisation. In line with this mission, the Group has set a clear, collective focus on the triple bottom-line — its people, the planet, and profitability.

The triple bottom-line was a theme emphasised at a recently concluded leadership conference for all of its managers by region and brands, at which the management pledged to expand its efforts to find more sustainable ways of working. Meanwhile, the Group continued to make progress in sustainability, anchored by its three priorities of contributing to a carbon net-zero, nature-positive and fair and inclusive world. It is also on track to achieve its ambitious objective of being B Corp certified by 2023.

OUTLOOK

Looking ahead, the Group is cautiously optimistic about the second half of FY2023. The macroeconomic context remains uncertain, with the current headwinds set to remain or even intensify. Persistent inflation, in particular, is leading to cost ramifications in all parts of its business.

However, the Group has a proven track record of resilience in the face of various macroeconomic challenges. It remains highly focused on executing a strong holiday season and remains fully committed to harnessing the inherent strengths of its brands and delivering sustainable growth and profitability.

AUDIT COMMITTEE

As required under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, (the "**Listing Rules**"), the Company has an audit committee (the "**Audit Committee**") comprising of three independent non-executive Directors. The Audit Committee has reviewed the accounting principles and practices adopted by the Group and has also discussed auditing, internal controls and financial reporting matters including the review of the consolidated results of the Group for the six months ended 30 September 2022.

CORPORATE GOVERNANCE

The Board reviews its corporate governance practices regularly in order to meet the rising expectations of shareholders, to comply with increasingly stringent regulatory requirements and to fulfil its commitment to excellence in corporate governance. The Board is committed to maintaining a high standard of corporate governance practices and business ethics in the firm belief that they are essential for maintaining shareholders' returns.

The Company has complied with all of the applicable code provisions of the Corporate Governance Code (the "**CG Code**") set out in Appendix 14 to the Listing Rules throughout the six months ended 30 September 2022 save as disclosed below:

Code provision C.6.3 of the CG Code provides that the company secretary should report to the Chairman and Chief Executive Officer.

Mr. Karl Guénard ("**Mr. Guénard**"), company secretary of the Company, is based in Luxembourg. Mr. Guénard had previously reported to Mr. Thomas Levilion ("**Mr. Levilion**"), the former Chief Financial Officer of the Group and executive Director. After the re-designation of Mr. Levilion from an executive Director to a non-executive Director with effect from 1 July 2022, Mr. Guénard now reports to Mr. Reinold Geiger, the Chairman of the Group and the Company complied with the code provision C.6.3 of the CG Code.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by the Directors of Listed Issuers (the "**Model Code**") set out in Appendix 10 to the Listing Rules as the code of conduct for dealing in the securities of the Company by the Directors. Having made specific enquiry of all Directors, they have confirmed that they have complied with the Model Code during the six months ended 30 September 2022.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 September 2022.

GENERAL INFORMATION

The interim condensed consolidated financial statements of the Group for the six months ended 30 September 2022 have been reviewed by the Audit Committee.

PUBLICATION OF INTERIM REPORT

The interim results announcement of the Company is published on the websites of the The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**") (www.hkexnews.hk) and the Company (group.loccitane.com). The interim report will be dispatched to the shareholders of the Company and will be available on the websites of the Hong Kong Stock Exchange (www.hkexnews.hk) and the Company (group.loccitane.com) in due course.

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

Hong Kong, 28 November 2022

As at the date of this announcement, the executive Directors 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 is Mr. Thomas Levilion and the independent non-executive Directors 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.