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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 31 DECEMBER 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 31 December 2022 (“**FY2023 Q3**”) and nine months ended 31 December 2022 (“**FY2023 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 reached €1.6 billion in FY2023 9M, representing a growth of 16.5% at reported rates or 10.6% at constant rates. Like-for-like sales growth was 2.3%.
- The overall growth in FY2023 9M was driven by Sol de Janeiro, which recorded stellar growth of 96% in local currency, followed by ELEMIS (+5.3%) and Others (+5.5%). L'OCCITANE en Provence was almost steady at -0.9% in FY2023 9M, mainly due to the continued challenging market conditions in China and the divestiture of Russia. Excluding the China and Russia markets, L'OCCITANE en Provence grew by 5.9%.
- The Americas was the best performing region with growth of 53.7% at constant rates in FY2023 9M.
- Wholesale continued to be the fastest-growing channel with a 43.7% increase, with strong contribution from Sol de Janeiro. The retail channel saw a slight sales decline of 1.7%, mainly affected by the store closures in China as a result of COVID-19 outbreaks, the divestiture of Russia, and trading with fewer retail stores worldwide. Excluding the China and Russia markets, the retail channel grew 6.9%. Online channels saw decent growth of 2.3% at constant rates in FY2023 9M.

Performance by Brand

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

	FY2023 Q3 €'million	FY2022 Q3 €'million	Growth at reported rates %	Growth at constant rates %
L'OCCITANE en Provence	506.3	524.9	-3.5	-5.5
ELEMIS	76.5	76.4	0.2	-3.4
Sol de Janeiro	64.2	—	n/a	n/a
Others ⁽¹⁾	54.8	48.7	12.4	6.6
Total	701.8	650.0	8.0	4.5
	FY2023 9M €'million	FY2022 9M €'million	Growth at reported rates %	Growth at constant rates %
L'OCCITANE en Provence	1,116.6	1,082.9	3.1	-0.9
ELEMIS	181.6	163.2	11.3	5.3
Sol de Janeiro	158.8	—	n/a	n/a
Others ⁽¹⁾	145.3	129.0	12.6	5.5
Total	1,602.3	1,375.1	16.5	10.6

(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 Q3 €'million	FY2022 Q3 €'million	Growth at reported rates %	Growth at constant rates %
APAC	316.1	324.8	-2.7	-3.2
Americas	211.2	128.8	63.9	46.5
EMEA	174.6	196.4	-11.1	-10.2
Total	701.8	650.0	8.0	4.5

	FY2023 9M €'million	FY2022 9M €'million	Growth at reported rates %	Growth at constant rates %	Same store sales growth %
APAC	686.4	668.3	2.7	-0.6	-6.5
Americas ⁽¹⁾	492.2	281.1	75.1	53.7	7.8
EMEA	423.8	425.6	-0.4	-0.3	-0.5
Total	1,602.3	1,375.1	16.5	10.6	-1.7

(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 Q3 €'million	FY2022 Q3 €'million	Growth at reported rates %	Growth at constant rates %
Retail	269.4	288.9	-6.8	-8.0
Online channels	236.0	222.4	6.1	2.5
Wholesale & others	196.4	138.7	41.6	33.8
Total	701.8	650.0	8.0	4.5

	FY2023 9M €'million	FY2022 9M €'million	Growth at reported rates %	Growth at constant rates %
Retail	591.1	581.7	1.6	-1.7
Online channels	500.7	462.2	8.3	2.3
Wholesale & others	510.6	331.2	54.1	43.7
Total	1,602.3	1,375.1	16.5	10.6

The Group's net sales amounted to €1,602.3 million in FY2023 9M, representing 16.5% growth at reported rates or 10.6% growth at constant rates. Growth in FY2023 Q3 was 8.0% at reported rates or 4.5% at constant rates. On a like-for-like basis, i.e. excluding Russia due to the Group's divestiture in June 2022, the newly consolidated brands Sol de Janeiro and Grown Alchemist, the deconsolidation of the US subsidiary last year and at constant rates, sales growth was 2.3% in FY2023 9M.

L'OCCITANE en Provence recorded a sales decline of 0.9% and 5.5% in FY2023 9M and FY2023 Q3 respectively, due partly to the divestiture of Russia, and partly to the persistent macroeconomic challenges in key markets, such as China and Japan. Cautious consumer sentiment in some markets such as the UK and France, coupled with the Group's continuous efforts to offer fewer promotions also affected the brand's holiday sales performance. Excluding the China and Russia markets, the brand posted sales growth at constant rates of 5.9% and 1.3% in FY2023 9M and in FY2023 Q3, respectively. **ELEMIS** posted 11.3% growth at reported rates or 5.3% growth at constant rates in FY2023 9M, a slowdown from the double-digit growth in the first half of FY2023. FY2023 Q3 saw a decrease in sales, mainly due to a strategic decision to reduce sales to certain web partners in the UK to prioritize an omni-channel model that is adapted to post-pandemic consumer trends and enhances brand equity. The US performed strongly with 22.9% growth in FY2023 9M, mainly driven by its strong e-commerce, cruise ship and wholesale businesses. **Sol de Janeiro** accelerated its strong sales momentum in FY2023 Q3 with a record quarter of sales of €64.2 million, ending FY2023 9M with €158.8 million sales. The acceleration in growth to 170% in FY2023 Q3 and 96% in FY2023 9M was contributed by its successful holiday campaigns, anchored by its hero *Bum Bum Cream* and highly popular fragrance mists. **Other brands** together posted a growth of 12.6% at reported rates or 5.5% at constant rates for FY2023 9M, in line with the sales momentum in the first half of FY2023. Erborian and L'OCCITANE au Brésil performed particularly well with 28.3% and 38.1% growth respectively at constant rates in FY2023 9M.

In terms of regional performance, the **Americas** led the growth with 75.1% at reported rates or 53.7% at constant rates in FY2023 9M. The growth was mainly driven by the accelerated growth of Sol de Janeiro and the solid performance of ELEMIS in the US. L'OCCITANE en Provence was flat while LimeLife remained sluggish in the Americas. **APAC** posted a growth of 2.7% at reported rates or a decline of 0.6% at constant rates in FY2023 9M. Most countries recorded growth except China and Japan, which were both affected by the COVID-19 situations. China saw a low-teens percent decline at constant rates in FY2023 Q3. Excluding China, APAC grew by 7.0% at constant rates in FY2023 9M. **EMEA** saw a slight sales decline of 0.3% at constant rates in FY2023 9M, mainly due to the divestiture of Russia in June 2022. Excluding Russia, EMEA posted a growth of 9.2% at constant rates, with key contribution from distribution and travel retail sales in the region.

In terms of channel performance, **Wholesale & others** led the growth with 43.7% at constant rates in FY2023 9M, with dynamic growth in wholesale chains, international distribution and travel retail. **Online channels** posted a decent growth of 8.3% at reported rates or 2.3% at constant rates in FY2023 9M and accounted for 31.2% of the Group's sales. **Retail** sales saw a slight decrease of 1.7%, mainly affected by the store closures in China due to COVID-19 outbreaks, the divestiture of Russia, and the closure of own stores (1,386 as at 31 December 2022 as compared to 1,515 as at 31 December 2021). Excluding the China and Russia markets, retail sales grew by 6.9% at constant rates in FY2023 9M.

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

Hong Kong, 31 January 2023

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. Christèle Hiss Holliger, 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.