

[For Immediate Release]



## L'Occitane International S.A.

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(Incorporated under the laws of Luxembourg with limited liability)

### L'Occitane Announces Unaudited Quarterly Update for the Period Ended 31 December 2022

**Sales in FY2023 9M grew 10.6%, despite headwinds in key markets**  
**Sol de Janeiro growth accelerated to a stellar 96%**  
**Americas was the best-performing region with 53.7% growth**

(31 January 2023, 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 period ended 31 December 2022.

In the nine months ended 31 December 2022 ("FY2023 9M"), the Group's net sales amounted to €1,602.3 million, representing 16.5% growth at reported rates and 10.6% growth 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 impact from the deconsolidation of the US subsidiary last year and at constant rates, sales growth was 2.3%.

As a result of challenging macroeconomic conditions in certain key markets, overall sales growth in the three months ended 31 December 2022 ("FY2023 Q3") was 8.0% at reported rates and 4.5% at constant rates.

#### Performance by brand:

€ million	Q3		% Growth	% Growth <sup>(1)</sup>
	FY2023	FY2022		
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 <sup>(2)</sup>	54.8	48.7	12.4	6.6
Total	701.8	650.0	8.0	4.5

€ million	9M		% Growth	% Growth <sup>(1)</sup>
	FY2023	FY2022		
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 <sup>(2)</sup>	145.3	129.0	12.6	5.5
Total	1,602.3	1,375.1	16.5	10.6

<sup>(1)</sup> Excludes foreign currency translation effects.

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

## Performance by region:

€ million	Q3		% Growth	% Growth <sup>(1)</sup>
	FY2023	FY2022		
APAC	<b>316.1</b>	324.8	-2.7	-3.2
Americas <sup>(3)</sup>	<b>211.2</b>	128.8	63.9	46.5
EMEA	<b>174.6</b>	196.4	-11.1	-10.2
Total	<b>701.8</b>	650.0	8.0	4.5

€ million	9M		% Growth	% Growth <sup>(1)</sup>	% SSS Growth <sup>(1)</sup>
	FY2023	FY2022			
APAC	<b>686.4</b>	668.3	2.7	-0.6	-6.5
Americas <sup>(3)</sup>	<b>492.2</b>	281.1	75.1	53.7	7.8
EMEA	<b>423.8</b>	425.6	-0.4	-0.3	-0.5
Total	<b>1,602.3</b>	1,375.1	16.5	10.6	-1.7

<sup>(3)</sup> Includes sales of the US subsidiary during the Chapter 11 proceedings in FY2022.

## Performance by channel:

€ million	Q3		% Growth	% Growth <sup>(1)</sup>
	FY2023	FY2022		
Retail	<b>269.4</b>	288.9	-6.8	-8.0
Online channels	<b>236.0</b>	222.4	6.1	2.5
Wholesale & others	<b>196.4</b>	138.7	41.6	33.8
Total	<b>701.8</b>	650.0	8.0	4.5

€ million	9M		% Growth	% Growth <sup>(1)</sup>
	FY2023	FY2022		
Retail	<b>591.1</b>	581.7	1.6	-1.7
Online channels	<b>500.7</b>	462.2	8.3	2.3
Wholesale & others	<b>510.6</b>	331.2	54.1	43.7
Total	<b>1,602.3</b>	1,375.1	16.5	10.6

The Group's core brand **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 persistent macroeconomic challenges in certain 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 of 5.9% and 1.3% at constant rates 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 decrease in sales to certain web partners in the UK to prioritise 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 and ending FY2023 9M with sales of €158.8 million. Successful holiday campaigns, anchored by its hero product *Bum Bum Cream* and highly popular fragrance mists, contributed to the acceleration of growth to 170% in FY2023 Q3 and 96% in FY2023 9M. **Other brands** together posted growth of 12.6% at reported rates or 5.5% at constant rates for FY2023 9M, in line with the sales momentum recorded 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 Group's growth with 75.1% at reported rates or 53.7% at constant rates in FY2023 9M. This was mainly driven by the accelerated growth

of Sol de Janeiro and ELEMIS' solid performance in the US. **APAC** posted growth of 2.7% at reported rates and 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 situation. Sales in 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. Meanwhile, **EMEA** saw a slight sales decline of 0.3% at constant rates in FY2023 9M. This was mainly due to the divestiture of Russia in June 2022. Excluding Russia, EMEA posted growth of 9.2% at constant rates, with key contributions from distribution and travel retail sales in the region.

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

Mr. André Hoffmann, Vice-Chairman & Chief Executive Officer of L'Occitane, said, "Like many brand operators with a strong retail footprint, we are feeling the effect of China's exit from COVID-19 restrictions and more cautious sentiment in other markets around the world. However, thanks to our proven track record of resilience and our efforts to increase our brand and geographic diversity, we have managed to weather this well, maintaining decent growth overall."

Mr. Hoffmann concluded, "The strongest of the current headwinds are likely to prove short-term. As we head into FY2024, we see ample growth opportunity from launching some of our newer brands into new markets and channels. We remain optimistic about our long-term strategy as a multi-brand and geographically-balanced group."

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#### **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, 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.

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