



## 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)

### L'Occitane Announces FY2023 Annual Results

**Sales exceed €2 billion milestone with double-digit growth against challenging macroeconomic backdrop**

**Management operating profit margin remains healthy at 15.8%**

1. The Group's sales exceeded the €2 billion milestone to reach €2,134.7 million in FY2023. This represented 19.8% growth at reported rates. The strong growth in FY2023 was driven by the outstanding performance of Sol de Janeiro and the solid growth of ELEMIS.
2. On a management basis, i.e. excluding the exceptional impacts of impairments on two underperforming brands, the divestiture in Russia and share of losses of associates, the operating profit was €336.8 million, representing an operating profit margin of 15.8%.
3. Reported operating profit was €239.1 million, representing a decrease of 23.0% compared to last year. The decrease was mainly due to the impairments.
4. The Board proposes a final dividend of €0.03129 per share, maintaining a dividend payout ratio of 40%.

### FINANCIAL HIGHLIGHTS

(million €, unless otherwise stated)	<b>FY2023 reported</b>	FY2022 reported	Change
<b>Net sales</b>	<b>2,134.7</b>	1,781.4	+19.8%
<b>Gross profit</b>	<b>1,718.1</b>	1,463.4	+17.4%
<i>Gross profit margin</i>	<i>80.5%</i>	<i>82.2%</i>	<i>-1.7 pp</i>
<b>Operating profit</b>	<b>239.1</b>	310.7	-23.0%
<i>Operating profit margin</i>	<i>11.2%</i>	<i>17.4%</i>	<i>-6.2 pp</i>
<b>Management operating profit*</b>	<b>336.8</b>	308.2	+9.3%
<i>Management operating profit margin</i>	<i>15.8%</i>	<i>17.0%</i>	<i>-1.2 pp</i>
<b>Profit for the year</b>	<b>118.2</b>	241.9	-51.1%
<i>Net profit margin</i>	<i>5.5%</i>	<i>13.6%</i>	<i>-8.1 pp</i>
<b>Basic EPS (€)</b>	<b>0.078</b>	0.165	-52.5%
<b>Dividend per share (€)</b>	<b>0.03129</b>	0.06585	-52.5%
<b>Return on capital employed (%)</b>	<b>8.4%</b>	12.8%	-4.4 pp
<b>Return on equity (%)</b>	<b>10.1%</b>	19.1%	-9.0 pp
<b>Gearing ratio (%)</b>	<b>28.2%</b>	34.0%	-5.8 pp
<b>Net debt</b>	<b>(647.3)</b>	(660.8)	-2.0%

\*Excluding accounting adjustments related to the Group's divestiture in Russia and other exceptional items, including impairments for the Melvita and LimeLife brands.

(26 June 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 annual results for the year ended 31 March 2023 ("FY2023").

In FY2023, the Group delivered strong double-digit growth against a uniquely challenging macroeconomic backdrop, including surging global inflation, widespread recession fears and a sharp COVID-19 related consumer pullback in China, one of its largest markets. Net sales grew 19.8% at reported rates to €2,134.7 million, exceeding the €2 billion mark for the first time. Excluding the impact of the deconsolidation of the US subsidiary last year, sales grew 17.9% at reported rates and 13.4% at constant rates.

The solid sales growth was contributed by the Group's newer brands, ELEMIS and Sol de Janeiro, as well as the resilience of the core L'OCCITANE en Provence brand, particularly its improved momentum in the final quarter thanks to the dynamic travel retail channel and early positive signs in China. On a like-for-like basis, i.e. excluding Russia due to the Group's divestiture, 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 3.7% in FY2023.

The Group's resilience within the global premium beauty sector was reflected in its healthy operating profit margin of 15.8% on a management basis, i.e. excluding accounting adjustments related to one-off impairments on the underperforming brands, Melvita and LimeLife, the divestiture of the Russian business and the share of losses of associates. Mostly as a result of the impairments on the two underperforming brands, the Group's reported operating profit and net profit declined by 23.0% and 51.1% to €239.1 million and €118.2 million respectively.

As markets around the world reopened, the Group's retail channel in key markets recovered as customers sought to rediscover the sensory pleasure of its products and natural and organic ingredients in person. At the same time, its effective omni-channel strategy led to a more balanced channel mix, with dynamic growth in travel retail and the development of newer brands contributing to a marked sales growth of 50.9% in Wholesale and other channels. The addition of digitally-centric brands ELEMIS and Sol de Janeiro to the Group's portfolio also supported the 4.8% growth in the online channel despite the recovery in the retail channel.

The ageless credentials of the Group's core brand, L'OCCITANE en Provence, along with its continuous ability to surprise and recruit and its wide geographic footprint insulated its top-line performance against regional disturbances. Excluding the China and Russia markets, L'OCCITANE en Provence grew by 6.8% in FY2023. Its ability to stay agile in allocating resources amid market uncertainties allowed it to deliver a sound operating profit margin of 14.6% in FY2023.

ELEMIS grew 8.9% at constant rates in FY2023. In the second half of the year, ELEMIS took a strategic decision to reduce sales to certain promotion-driven web partners in the UK in order to protect brand equity. Although sales in the UK declined as a result, ELEMIS continued to show strong momentum and customer engagement, as evidenced by its ranking as the no. 1 skincare brand in earned media value in its largest markets, the UK and the US. ELEMIS' lean and agile structure enabled it to secure a solid operating profit margin of 20.2%.

Powered by an authentic Brazilian philosophy of self-love and joy, Sol de Janeiro experienced incredible success in FY2023. In less than two years since the acquisition, it

has grown to become the Group's second-largest brand with sales growth of 135.2% and an impressive operating profit margin of 24.6%.

In FY2023, the Group also formalised its sustainability priorities with the unveiling of its new corporate mission, *With empowerment we positively impact people and regenerate nature*, which acts as a guiding light to steer the actions of the entire organisation with a collective focus on the triple-bottom-line — people, the planet, and profitability. The Group's overall sustainability performance was recognised with the EcoVadis Gold medal, placing it in the top 5% of assessed companies. After celebrating ELEMIS' B Corp certification in January 2023, the Group is well on track to become B Corp certified in 2023.

Mr. André Hoffmann, Vice-Chairman and Chief Executive Officer of L'Occitane, said, "We are cautiously optimistic as we head into FY2024. While the macroeconomic environment remains uncertain, we expect to achieve double-digit sales growth and healthy profitability, supported by significantly higher marketing investments for the core brand in key markets and channels, as well as for our new brands as they enter new markets, including the upcoming launch of Sol de Janeiro and Grown Alchemist in APAC."

"We are convinced that these investments will not only allow us to capitalise on the clear opportunities this year with the gradual return of international travel and a rebound in China, but also to propel our development as a multi-billion Euro, multi-brand group in the years to come."

- End -

#### **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 over 1,300 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.

#### **Media Contact**

##### **Think Alliance Group**

Matthew Schultz / Henry Chow

Tel: (852) 3481 1161

Email: [loccitane@think-alliance.com](mailto: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](mailto:Janis.LAI@loccitane.com)