



L'Occitane International S.A.

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(Incorporated under the laws of Luxembourg with limited liability)

L'Occitane Announces FY2024 Interim Results

Net sales grew 24.9% to exceed €1 billion
Operating profit declined 11.8% amid higher marketing investments
Management operating profit margin reached 8.4%

1. Net sales grew 24.9% at constant rates to exceed €1 billion, mainly contributed by the stellar growth of Sol de Janeiro and the decent growth of L'OCCITANE en Provence, particularly in China.
2. Gross profit margin remained high at 78.3%, despite declining compared to the same period last year, due mainly to the higher sales contribution from brands that have a higher wholesale mix, such as Sol de Janeiro and ELEMIS.
3. Operating profit reached €76.8 million, a decrease of 11.8%, mainly a result of the Group's significantly higher marketing investments allocated for key brands in strategic markets and channels.
4. On a management basis, the operating profit margin in FY2024 H1 was 8.4%, a decrease of 3.1 points as compared to the management operating profit margin of FY2023 H1.*

FINANCIAL HIGHLIGHTS

(million €, unless otherwise stated)	FY2024 H1 reported	FY2023 H1 reported	Change
Net sales	1,072.0	900.5	+19.0%
Gross profit	839.9	722.3	+16.3%
<i>Gross profit margin</i>	78.3%	80.2%	-1.9 pp
Operating profit	76.8	87.0	-11.8%
<i>Operating profit margin</i>	7.2%	9.7%	-2.5 pp
Management operating profit*	89.7	104.1	-13.9%
<i>Management operating profit margin</i>	8.4%	11.5%	-3.1 pp
Profit for the period	39.6	63.9	-38.0%
<i>Net profit margin</i>	3.7%	7.1%	-3.4 pp
Basic EPS (€)	0.023	0.042	-45.0%
Return on capital employed (%)	3.4%	3.5%	-0.1 pp
Return on equity (%)	3.8%	4.8%	-1.0 pp
Gearing ratio (%)	27.0%	28.5%	-1.5 pp

* FY2024 H1 excludes share of losses/profits in joint ventures and associates. FY2023 H1 excludes exceptional items, namely impacts from the Group's divestiture from Russia and share of losses/profits in joint ventures and associates. The net sales include a reclassification of sales for the Sol de Janeiro brand.

(28 November 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 interim results for the six months ended 30 September 2023 ("FY2024 H1").

The Group saw solid sales momentum in FY2024 H1, with net sales amounting to €1,072.0 million, representing 19.0% growth at reported rates as compared to the reported net sales of €900.5 million in FY2023 H1. Sol de Janeiro's sales in FY2023 H1 were modified due to a reclassification of sales in the marketplace channel, hence the Group's comparable net sales in FY2023 H1 amounted to €904.5 million. As such, the Group recorded sales growth of 18.5% at reported rates or 24.9% at constant rates, as compared to the net sales of €904.5 million in FY2023 H1.

The Group delivered an operating profit margin of 8.4% on a management basis, mostly a result of significantly higher marketing investments for all of its brands in key markets and channels that will allow the Group to fully capture growth opportunities and protect its market share in an increasingly competitive environment.

The Group is investing proactively to secure its status as a multi-billion-euro group in the years to come. In FY2024, the Group significantly increased investments in its key priorities in line with its triple bottom-line or 3P model (for People, the Planet and Profit), mostly in marketing for core brands, but also in improving its CRM capabilities, data security and upgrading factories to become more water and energy efficient, to name a few.

L'OCCITANE en Provence received the largest portion of the marketing budget to invest in key markets, notably in China but also in other strategic markets and channels such as the US, Japan, South Korea and travel retail. This is already having a pronounced effect, with core brand sales in China growing by 22% at constant rates in the FY2024 H1 despite muted consumer confidence in the overall economy.

The additional investment in China focused on the key face care, body care and hair care categories, including highly impactful marketing campaigns for its bestselling *Almond* range, the launch of the *White Lavender* range and the relaunch of its iconic *Immortelle Divine Cream* that drove brand awareness and increased average ticket value to compensate for reduced offline traffic.

Sol de Janeiro maintained its impressive momentum with sales growing by 188.8% at constant rates in FY2024 H1, with triple-digit growth across all geographies and a strong contribution to the Group's profit, delivering an operating profit margin of 28.9%. The brand's performance was boosted by a major summer campaign in its home market of the US, where Sol de Janeiro maintained the No. 1 skincare brand ranking in Sephora North America and the overall No. 1 brand ranking at Kohl's. The brand also demonstrated its year-round appeal with its limited edition Fall fragrance mist, *After Hours*. It is now the Group's second-largest brand, making up 25.2% of its net sales.

ELEMIS grew a solid 7.6% at constant rates in FY2024 H1 as it continued to implement its premiumization strategy, under which it reduced investments with certain web partners in the UK to drive traffic to its own website, where it delivered double-digit growth while continuing to reduce discounting depth and frequency. ELEMIS's e-commerce channel in the US also continued to grow well, in line with the same strategy. In China, ELEMIS saw sales growth of over 200% as it accelerated marketing investments on social media channels, highlighting its global bestsellers such as the *Pro-Collagen Cleansing Balm*. KOL livestreaming via Douyin also had a powerful impact on the brand's sales growth.

The Group has a clear focus on the triple bottom-line. In August 2023, the Group became a certified B Corporation™, highlighting its ongoing commitment and further solidifying its status as a pioneer in premium sustainable beauty and wellness. During its two-year journey to certification, the Group used the B Corp™ framework to rigorously evaluate its impact on all stakeholders across five pillars – its governance, workers, environment, community and customers.

Mr. André Hoffmann, Vice-Chairman and Chief Executive Officer of L'Occitane, said, "We are cautiously optimistic about our prospects in the second half of FY2024 as we head into the holiday and gifting seasons. Despite its near-term impact on our margins, our expanded marketing investments are already bearing fruit in boosting brand awareness and engagement, and remain vital in supporting our ability to outperform the overall premium beauty market in China and other key markets."

"Through our portfolio of strong and unique premium beauty brands and our commitment to investing for the long-term, we are well-positioned to continue driving sustainable growth and profitability for our shareholders and stakeholders."

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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 1,300 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.

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