



L'Occitane International S.A.

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(Incorporated under the laws of Luxembourg with limited liability)

L'Occitane International S.A. Announces FY2024 Annual Results

Net sales grew 24.1% to exceed €2.5 billion

**Operating profit declined 2.5% amid increased market investments,
with management operating profit margin of 12.1%**

1. Net sales grew 24.1% at constant rates to €2,541.9 million, driven by the strong performance of Sol de Janeiro and the steady performance of L'OCCITANE en Provence.
2. Gross profit margin declined slightly to 79.3%, due to a higher wholesale mix.
3. Operating profit declined by 2.5% to €233.1 million, due to increased marketing investments in key markets and channels. On a management basis, the operating profit margin in FY2024 was 12.1%, a decrease of 3.7 points as compared to a management operating margin of 15.8% in FY2023.

FINANCIAL HIGHLIGHTS

(million €, unless otherwise stated)	FY2024 reported	FY2023 reported	Change
Net sales	2,541.9	2,134.7	+19.1%
Gross profit	2,016.3	1,718.1	+17.4%
<i>Gross profit margin</i>	<i>79.3%</i>	<i>80.5%</i>	<i>-1.2 pp</i>
Operating profit	233.1	239.1	-2.5%
<i>Operating profit margin</i>	<i>9.2%</i>	<i>11.2%</i>	<i>-2.0 pp</i>
Management operating profit*	308.4	336.8	-8.4%
<i>Management operating profit margin</i>	<i>12.1%</i>	<i>15.8%</i>	<i>-3.7 pp</i>
Profit for the year	101.8	118.2	-13.9%
<i>Net profit margin</i>	<i>4.0%</i>	<i>5.5%</i>	<i>-1.5 pp</i>
Basic EPS (€)	0.064	0.078	-18.6%
Return on capital employed (%)	7.5%	8.4%	-0.9 pp
Return on equity (%)	11.0%	10.1%	+0.9 pp
Gearing ratio (%)	28.1%	28.2%	-0.1 pp

* FY2024 excludes share of profit/loss in associates and impairments for the LimeLife brand. FY2023 excludes accounting adjustments related to the Company's divestiture from Russia and other exceptional items, namely share of losses in associates and impairments for the Melvita and LimeLife brands.

(24 June 2024, Hong Kong) L'Occitane International S.A. (the "Company", Stock Code: 0973.HK), an international multi-brand group that manufactures and retails premium beauty and wellness products, today announces its annual results for the year ended 31 March 2024 ("FY2024").

In FY2024, the Company sustained its solid sales momentum, with net sales amounting to €2,541.9 million, exceeding the €2.5 billion milestone. This represented sales growth of 19.1% at reported rates and 24.1% at constant rates, driven by the strong performance of Sol de Janeiro and the steady performance of L'OCCITANE en Provence, particularly in China where it outperformed in a difficult market.

The Company's operating profit margin was 12.1% on a management basis following a conscious decision to increase marketing investments in key markets and channels to sustain its brands' sales growth, capture new premiumisation trends and solidify its position as a competitive multi-brand, generationally appealing and geographically balanced group, delivering against the triple bottom line – people, planet and profit.

The Company's omni-channel strategy continued to deliver a more balanced channel mix and refine the customer journey on- and offline. Expanded contributions from Sol de Janeiro, which has a higher wholesale mix, saw the wholesale and others channel become the Company's largest channel. It contributed nearly 40% of total net sales and grew by 45.7% at constant rates in FY2024. Meanwhile, Online channels posted 25.2% growth at constant rates, mainly driven by Sol de Janeiro and ELEMIS, as well as L'OCCITANE en Provence's newly launched marketplace channel on Douyin in China. Retail sales globally grew 3% at constant rates, mostly contributed by the relative improvement of the retail environment in China compared to FY2023.

By brand, L'OCCITANE en Provence underperformed relative to the Company's other brands in terms of global growth and profitability, despite receiving the largest portion of the marketing budget to capture growth opportunities and maintain market shares in an increasingly competitive environment. Despite having an unfavourable impact on the operating profit margin of the brand, these significant marketing investments drove steady growth of 2.7% at constant rates, mainly driven by double-digit sales growth in China.

Sol de Janeiro continued to perform strongly, growing 167% at constant rates in FY2024 and delivering triple-digit growth across all geographies. The brand's performance was driven by the ongoing success of the *Brazilian Bum Bum Cream*, blockbuster launches in the fragrance mist category and the release of limited collections that established the brand's year-round appeal. Sol de Janeiro also focused on expanding its distribution channels and entering new product categories to develop a full body regimen geared towards high-replenishment, high-frequency subcategories to maintain its growth track record. It is now the Company's second-largest brand and the largest contributor to its profitability, with an operating margin of 23.6%.

ELEMIS continued to focus on its premiumisation strategy while also accelerating marketing expenditures to drive expansion in all channels and build a foundation for sustainable growth. Sales for the brand in FY2024 were flat following marked sales declines in the UK and US in FY2024 Q4, a result that was in line with management's expectations as part of the premiumisation strategy. Despite the slower overall sales momentum, successful holiday campaigns, stepped-up marketing investments and new product launches placed ELEMIS among the top 5 face care brands in the UK and the top 15 face care brands in the US, with No. 1 and No. 2 earned media value rankings respectively in these two markets. Further, ELEMIS saw double-digit growth in sales as it accelerated marketing investments on social media channels, alongside KOL livestreaming via Douyin.

In FY2024, the Company became a certified B Corporation™, a unique marker of leadership for a company of its size and scale. This milestone builds on its commitments to empowering communities, preserving biodiversity and mitigating climate change. The Company also set itself the ambition to pay each team member worldwide a living wage by FY2026. Furthermore, the Group continued to work on reducing its carbon footprint and plastic pollution, promoting a circular economy for plastics, and strengthening its collaboration with suppliers to ensure responsible social and environmental impact management throughout its value chain. Regarding biodiversity, the Group is progressing well towards the traceability of plant-based raw materials. Currently, 81% of plants in L'OCCITANE en Provence and Melvita's raw materials are traceable to the plant's country of origin with the target to reach 90% by FY2026.

To position the Company for future growth and geographical expansion, it has concluded an evolution in its leadership. As of 1 April 2024, Mr. Laurent Marteau, former Managing Director, succeeded Mr. André J. Hoffmann as the Company's CEO. Mr. Hoffmann will remain an Executive Director and member of the Board. Further, effective 30 June 2023, Mr. Samuel Antunes has been promoted to Chief Financial Officer (CFO). He has significant corporate finance experience and has been with the Company since 2010.

Mr. Laurent Marteau, Executive Director and Chief Executive Officer of L'Occitane International S.A., said, "I would like to sincerely thank Mr. Hoffmann for his valuable contribution during his tenure as CEO, steering the company towards its strategic objectives, including geographical expansion and the successful acquisition of new brands. I look forward to continuing to work with him, the Board and every one of our team members to accelerate and deliver on the Company's transformation and growth."

"Looking ahead, we remain cautiously optimistic about our performance in FY2025. However, the Company's additional investments in marketing, IT and supply infrastructure and people and planet investments will continue to weigh on our profit margins in the months and years ahead. These investments remain necessary for each of our brands to grow as competition in the global skincare and cosmetics industry intensifies."

Note to the editor:

On 29 April 2024, the Board of L'Occitane International S.A. received a proposal from L'Occitane Groupe S.A. ("Offeror"), the controlling shareholder of L'Occitane International S.A. and ultimately controlled by its Chairman Reinold Geiger, expressing its intention to acquire all issued and outstanding in L'Occitane International S.A. that Offeror does not already own, with the intention to delist the entity from the Hong Kong Stock Exchange and fully privatise the group.

Please refer to the press release [here](#) for more details.

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About L'Occitane International S.A.

L'Occitane International S.A. is an international multi-brand group that manufactures and retails premium beauty and wellness products. The Company operates in 90 countries worldwide and has more than 3,000 retail outlets, including over 1,300 of its own stores. Within its portfolio of premium beauty brands that champion organic and natural ingredients are: L'OCCITANE en Provence, Melvita, Erborian, L'OCCITANE au Brésil, LimeLife, ELEMIS, Sol de Janeiro and Dr. Vranjes Firenze. With its nature-positive vision and entrepreneurial ethos, it is committed to investing in communities, biodiversity, reducing waste and to finding sustainable solutions to create a better and healthier planet. L'Occitane International S.A. is a certified B Corporation.

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