

A scenic landscape of a field at sunset with mountains in the background. The sun is low on the horizon, creating a warm, golden glow. The field is filled with tall grasses and small flowers. The mountains in the background are silhouetted against the bright sky.

L'OCCITANE  
EN PROVENCE  
L'OCCITANE INTERNATIONAL S.A.

FY2017

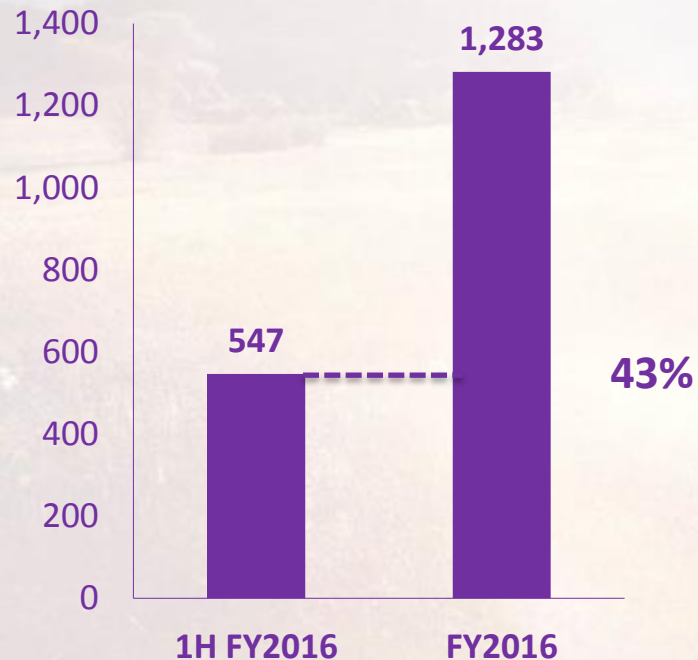
**Interim Results Announcement  
For The Six Months Ended 30 September 2016**

# Highlights

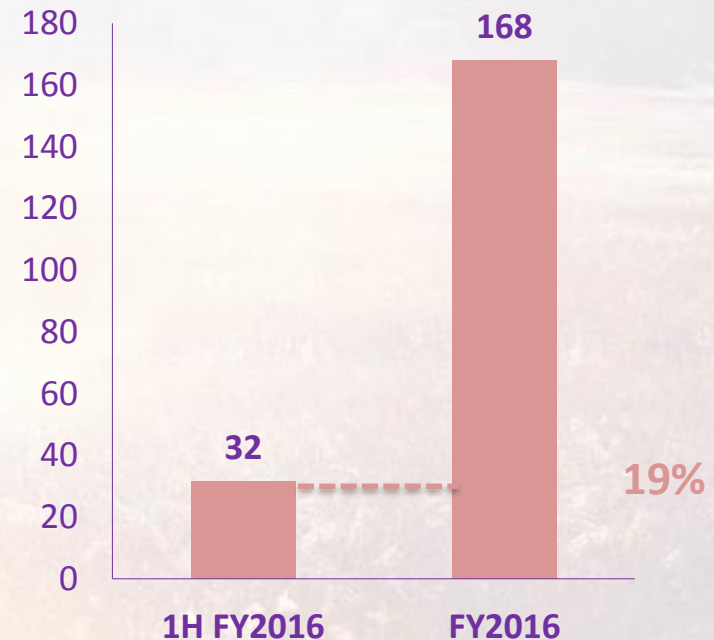
For the six months ended 30 September (million €)	2015	2016	Change
<b>Net sales</b>	546.7	<b>551.7</b>	+0.9%
<b>Gross profit</b>	445.9	<b>453.4</b>	+1.7%
<i>Gross profit margin</i>	81.6%	82.2%	+0.6 pp
<b>Operating profit</b>	31.7	<b>19.4</b>	-38.8%
<i>Operating profit margin</i>	5.8%	3.5%	-2.3 pp
<b>Profit for the period</b>	20.1	<b>26.4</b>	+31.7%
<i>Net profit margin</i>	3.7%	4.8%	+1.1 pp
<b>Earnings per share (€ per share)</b>	0.013	<b>0.018</b>	+38.5%
<b>Net cash</b>	195.5	<b>257.3</b>	+31.6%

# Seasonality: lower contribution from first half

Net Sales (million €)



Operating profit (million €)

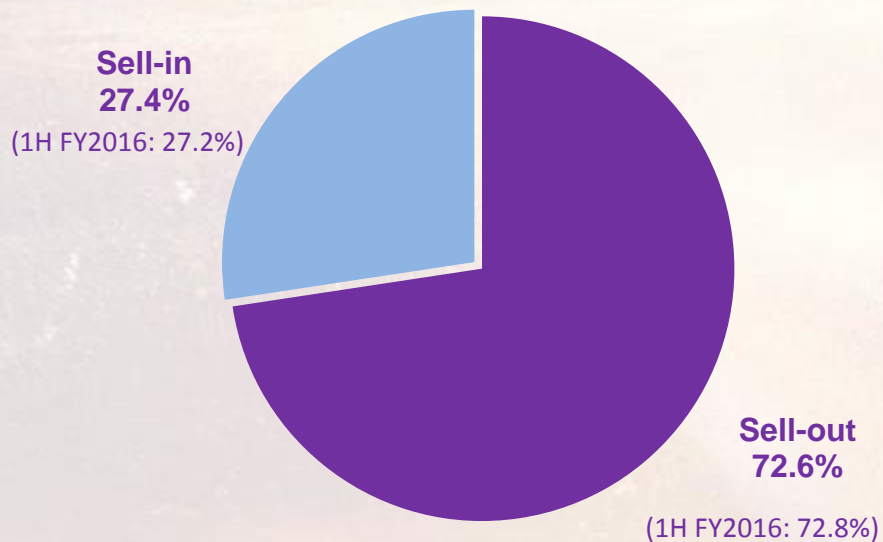


For the first half of last financial year (FY2016):

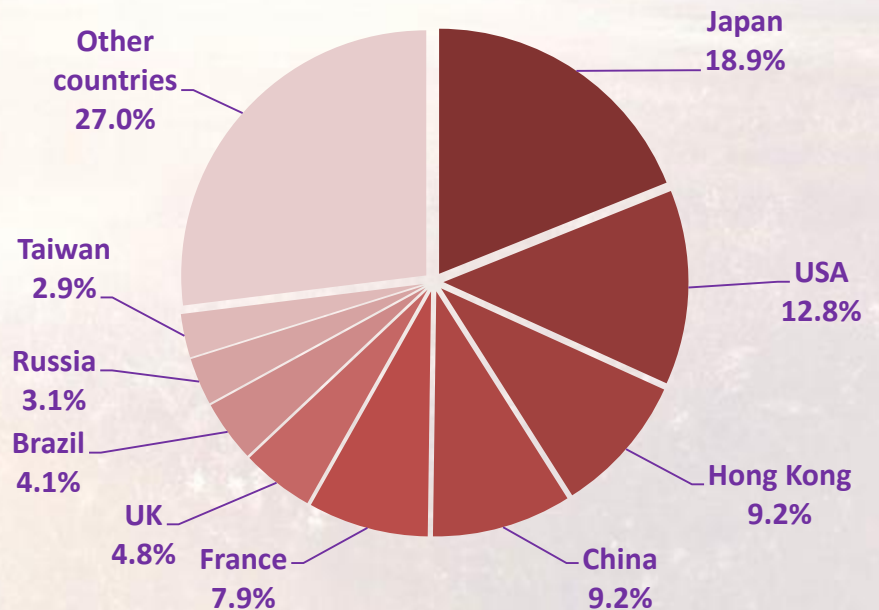
- Net sales accounted for 43% of the full year sales
- Operating profit accounted for 19% of the full year operating profit

# Net sales breakdown

## Sales by segment



## Exposure to growth markets





# Net sales up 1.3%

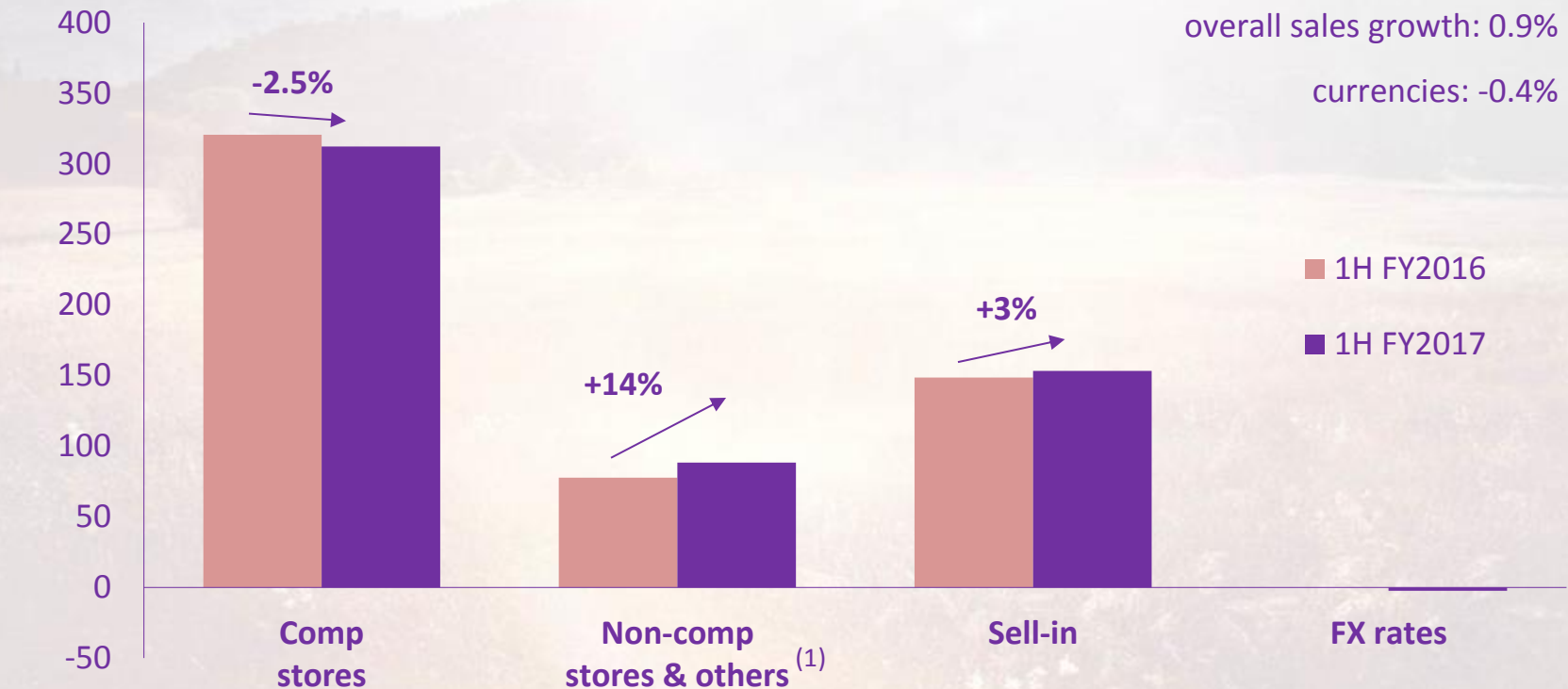
(local currency growth)

million €

local currency growth: 1.3%

overall sales growth: 0.9%

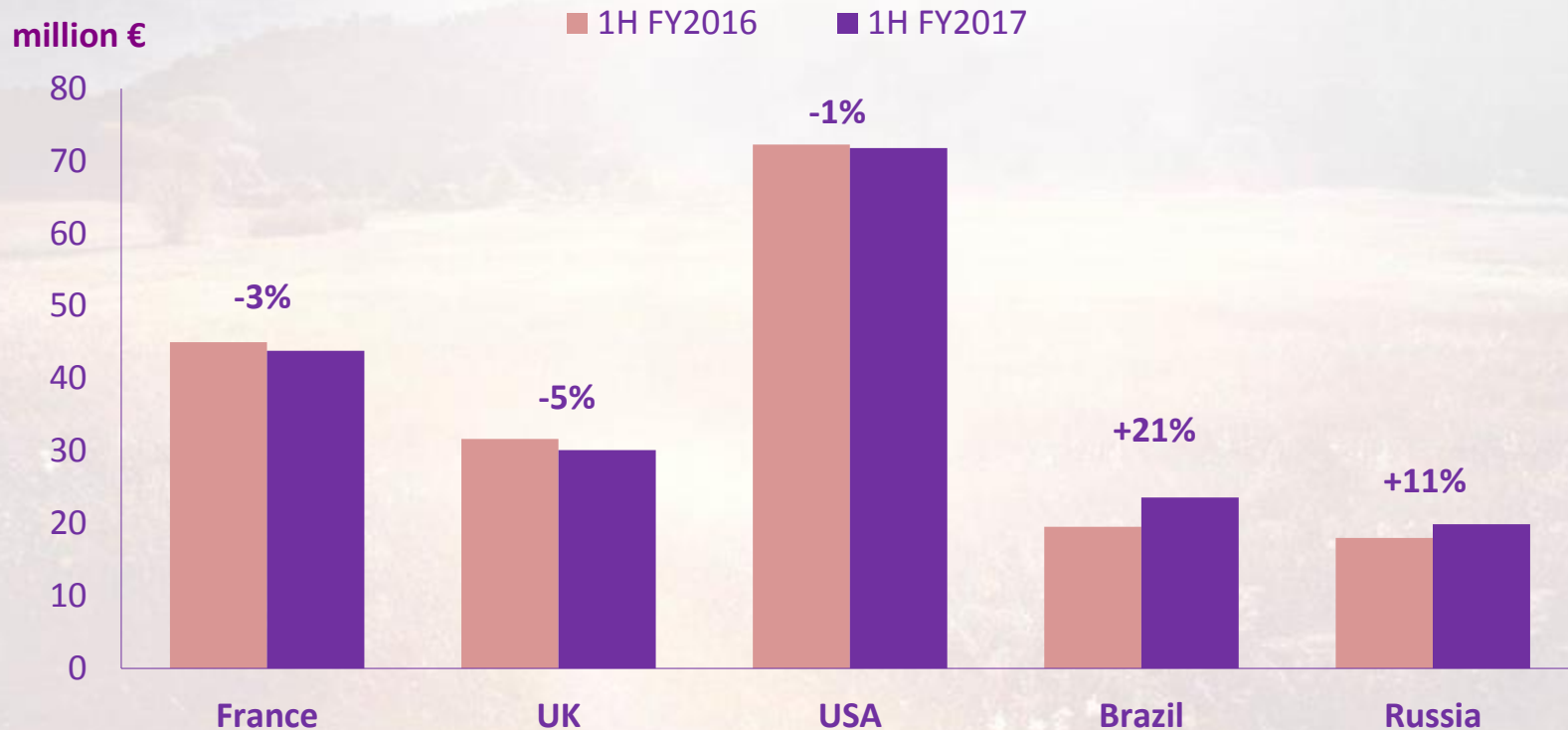
currencies: -0.4%



<sup>(1)</sup> Others include marketplaces, mail-orders and other service sales

# Sales growth by geography – Americas and Europe

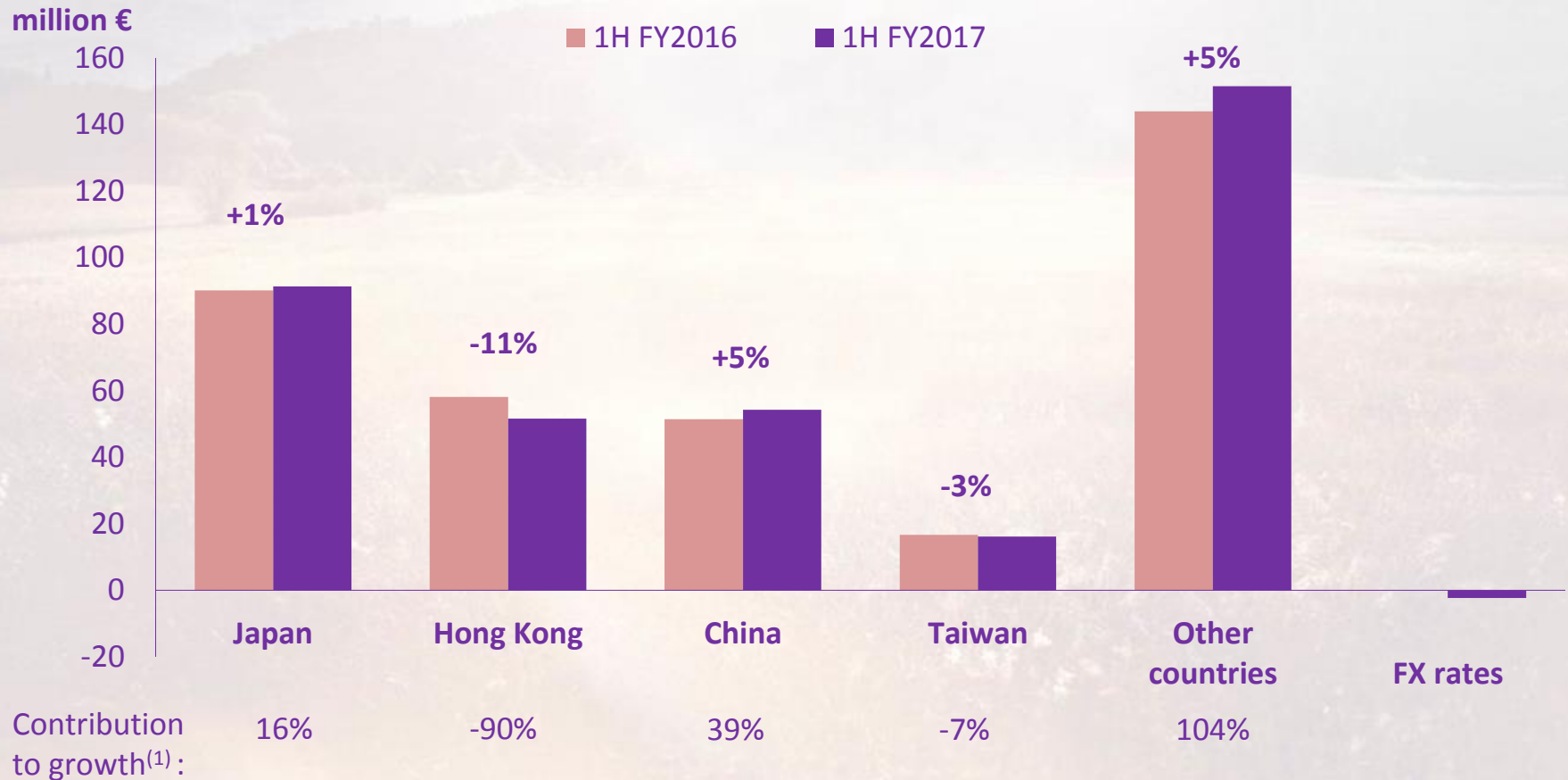
(local currency growth)



Geography	Contribution to growth <sup>(1)</sup>
France	-16%
UK	-21%
USA	-7%
Brazil	55%
Russia	26%

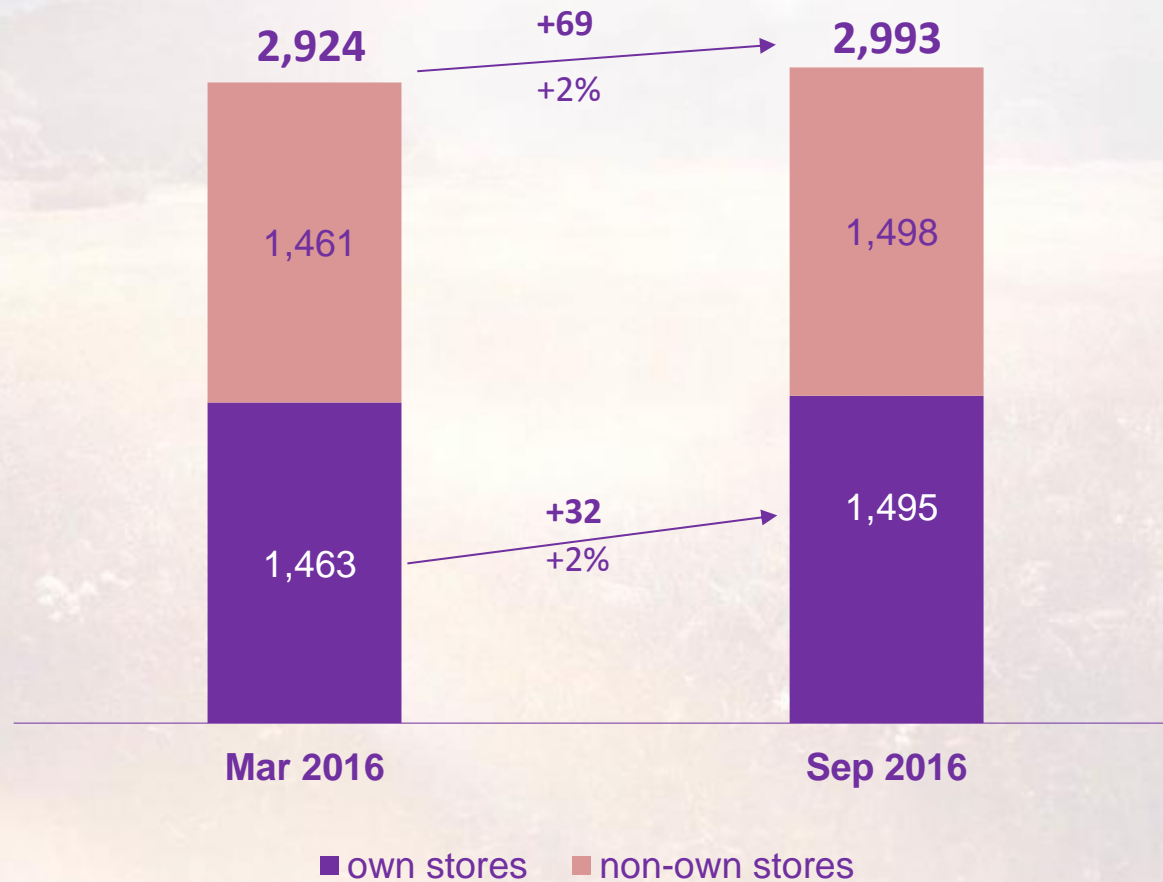
<sup>(1)</sup> Excluding foreign currency translation effects

# Sales growth by geography – Asia and Other countries (local currency growth)



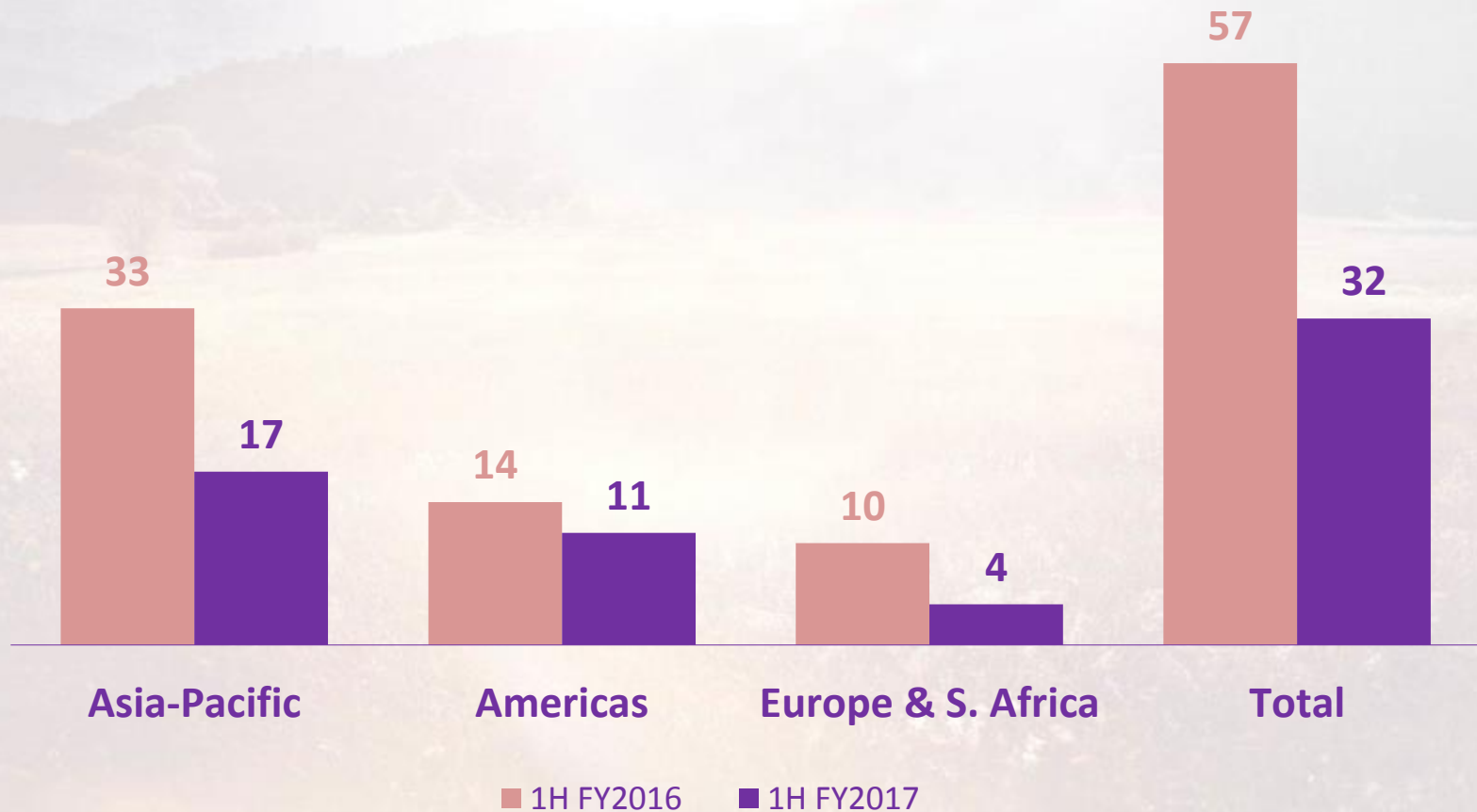
<sup>(1)</sup> Excluding foreign currency translation effects

# Store network: selective expansion on track

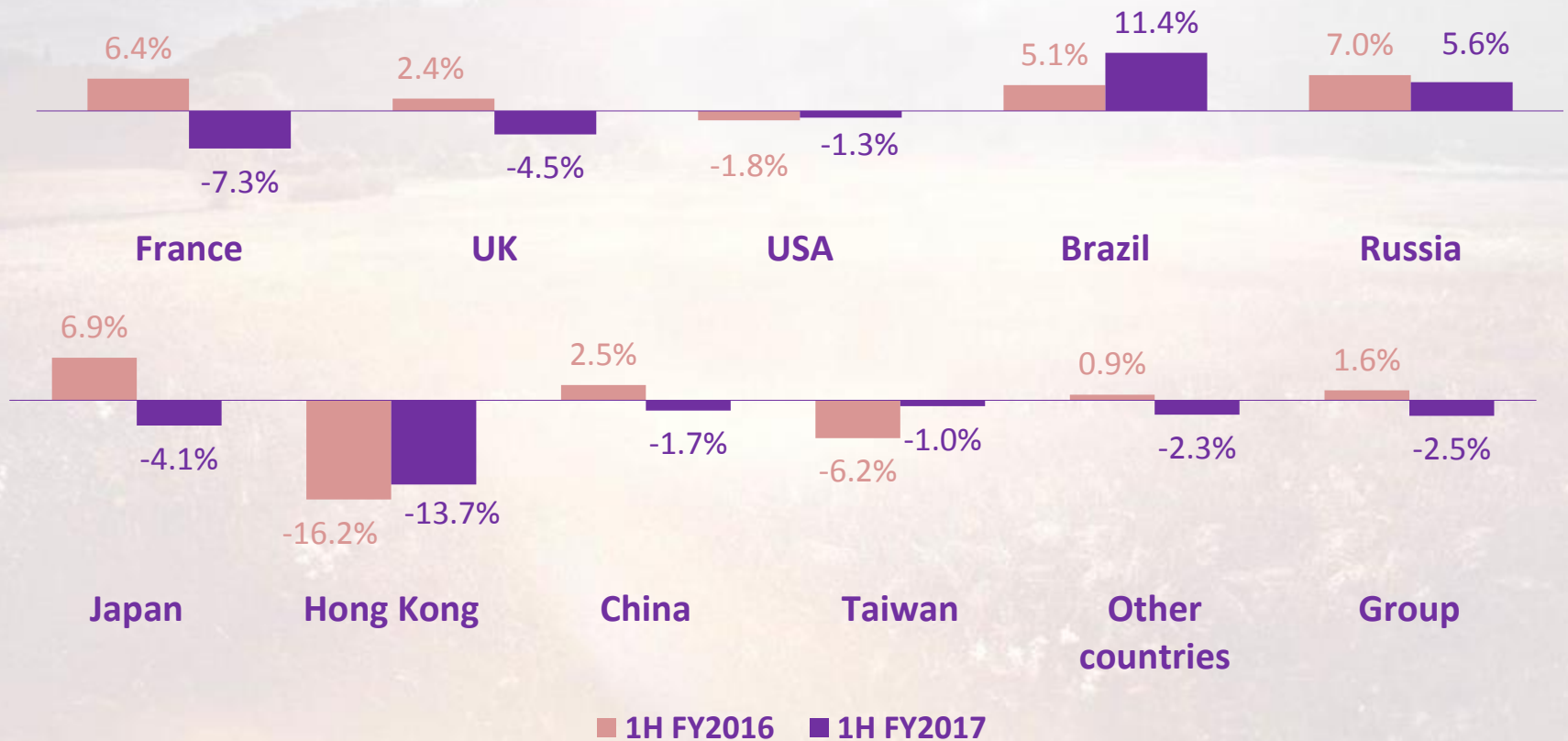




# Net store openings by region:



# Same store sales growth profile\*

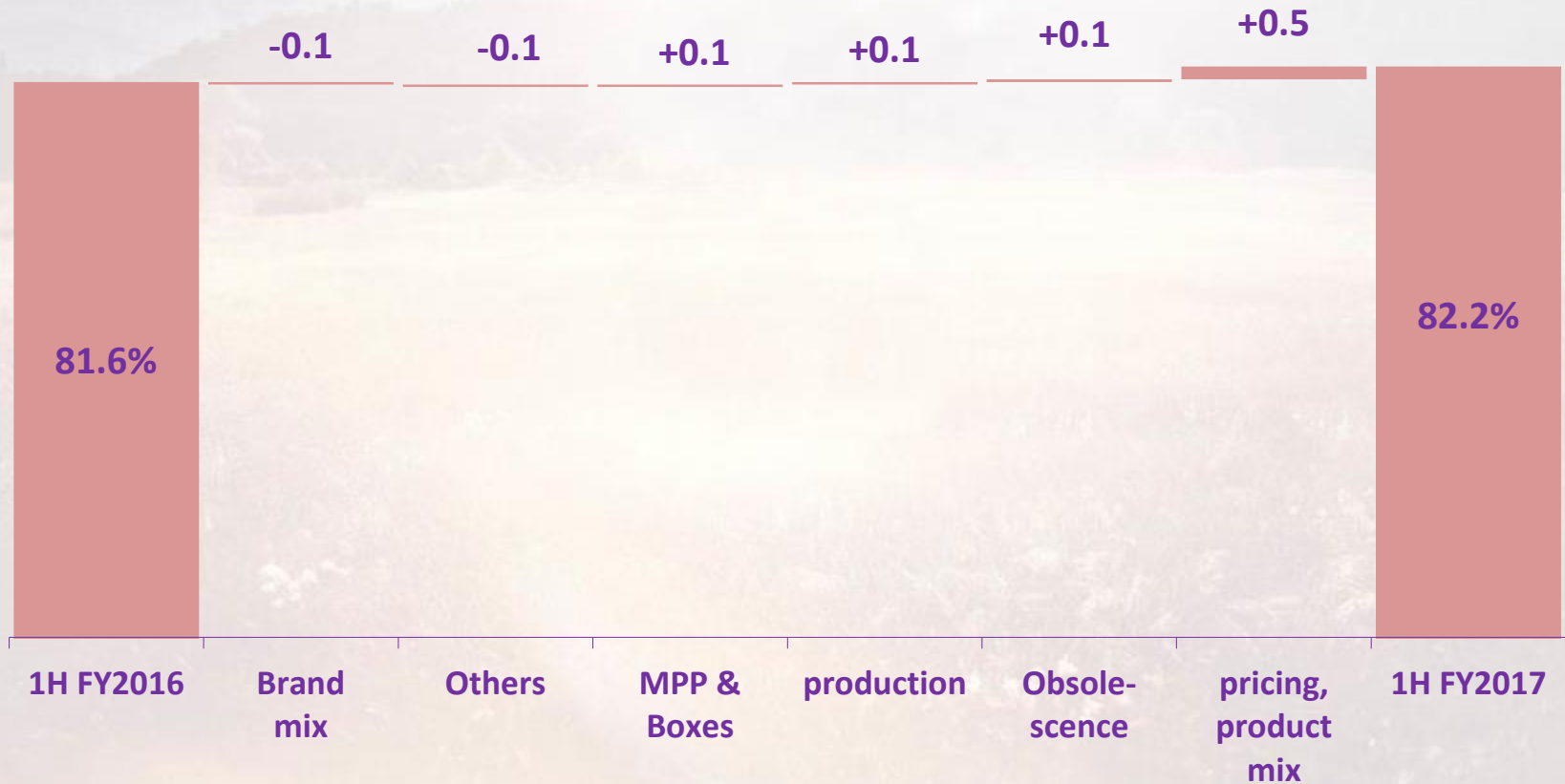


\* Including own E-commerce and excluding stores closed for renovation

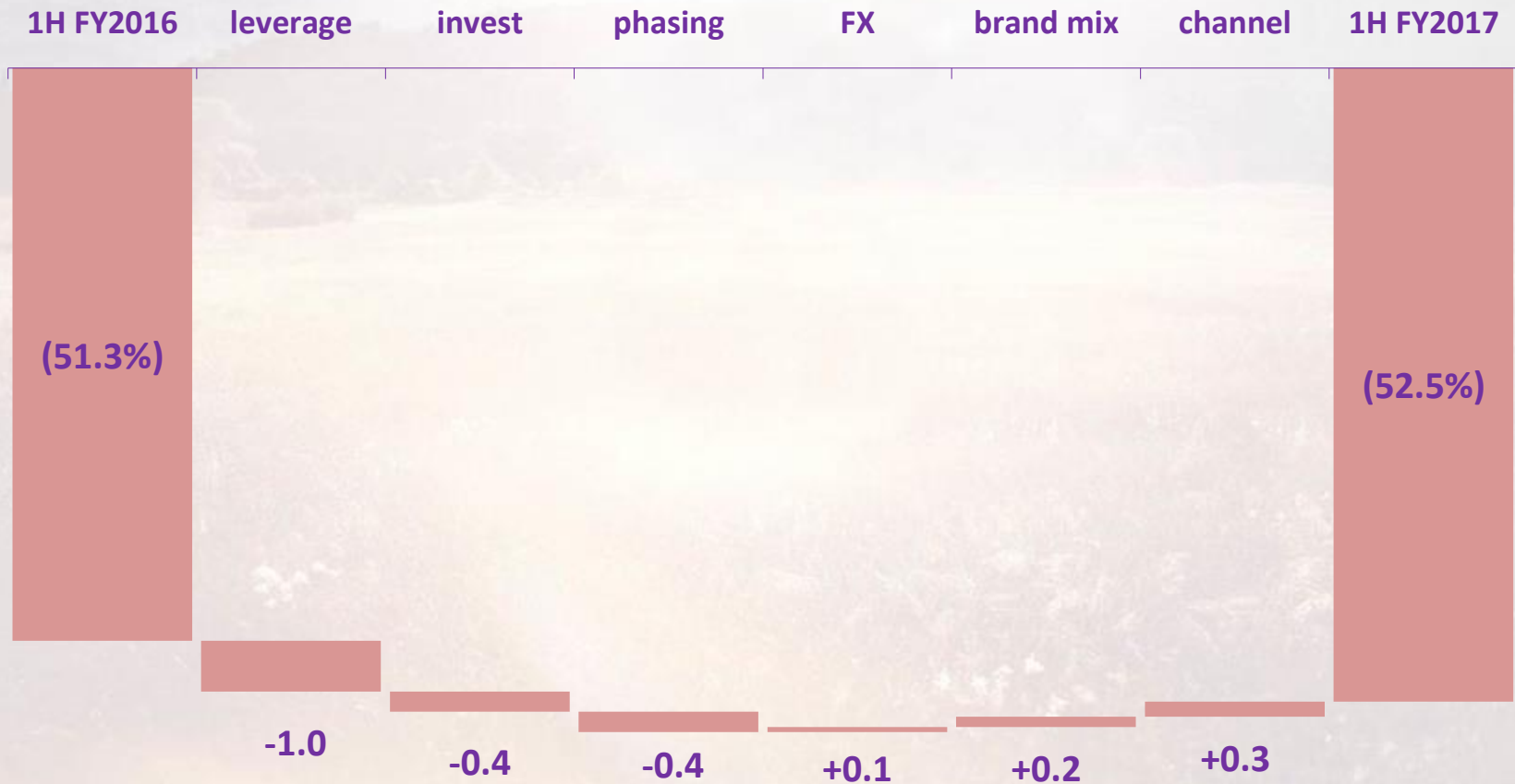
# Profitability analysis

For the six months ended 30 September	% of net sales		
	2015	2016	Change
<b>Gross profit margin</b>	81.6	<b>82.2</b>	0.6
Distribution expenses	(51.3)	<b>(52.5)</b>	(1.2)
Marketing expenses	(13.1)	<b>(14.0)</b>	(0.9)
Research & development expenses	(1.1)	<b>(1.4)</b>	(0.3)
General & administrative expenses	(10.3)	<b>(11.0)</b>	(0.7)
Other losses	0.1	<b>0.1</b>	0.0
<b>Operating profit margin</b>	5.8	<b>3.5</b>	(2.3)

# Gross margin (as % of net sales)

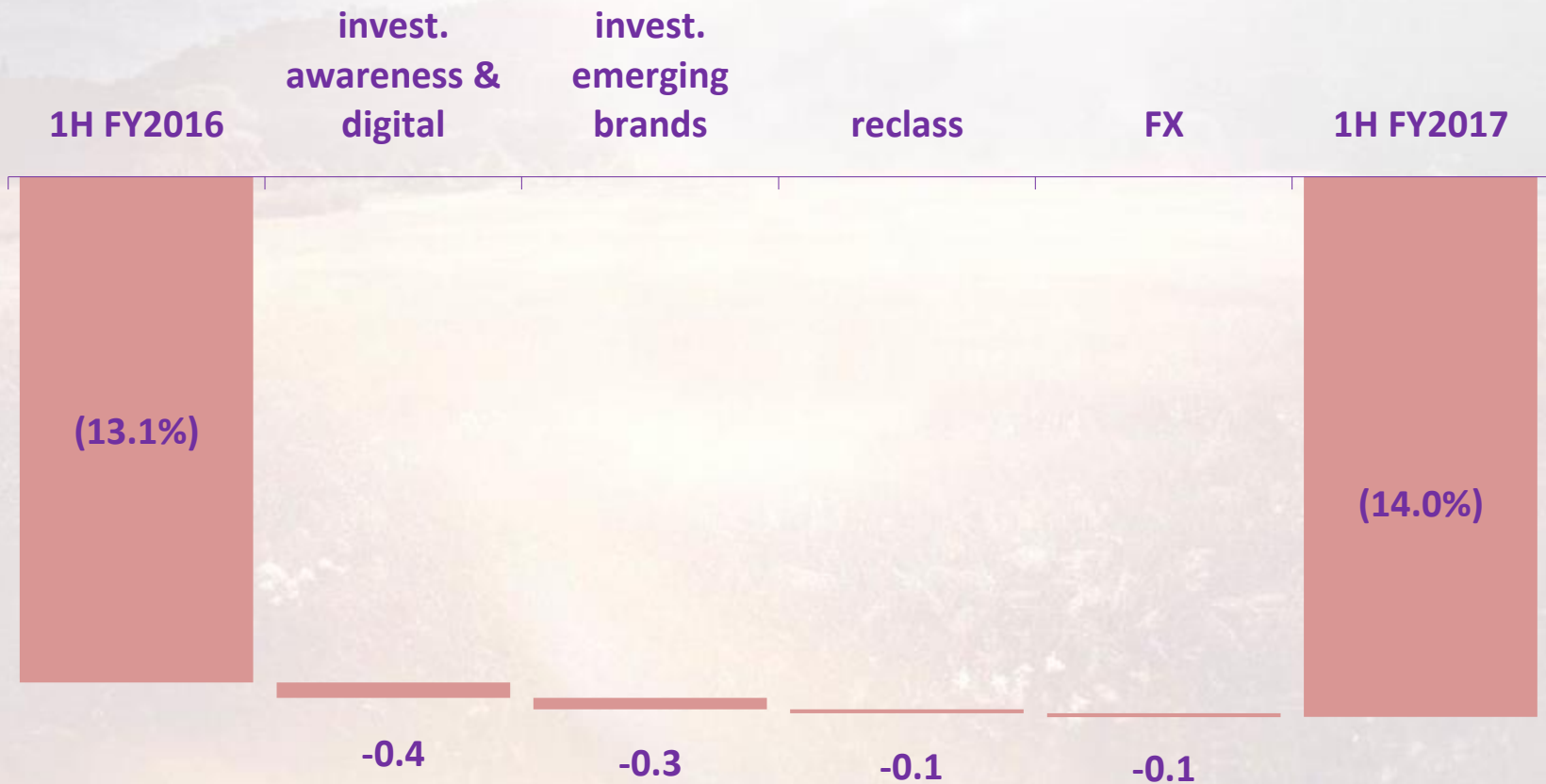


# Distribution expenses (as % of net sales)

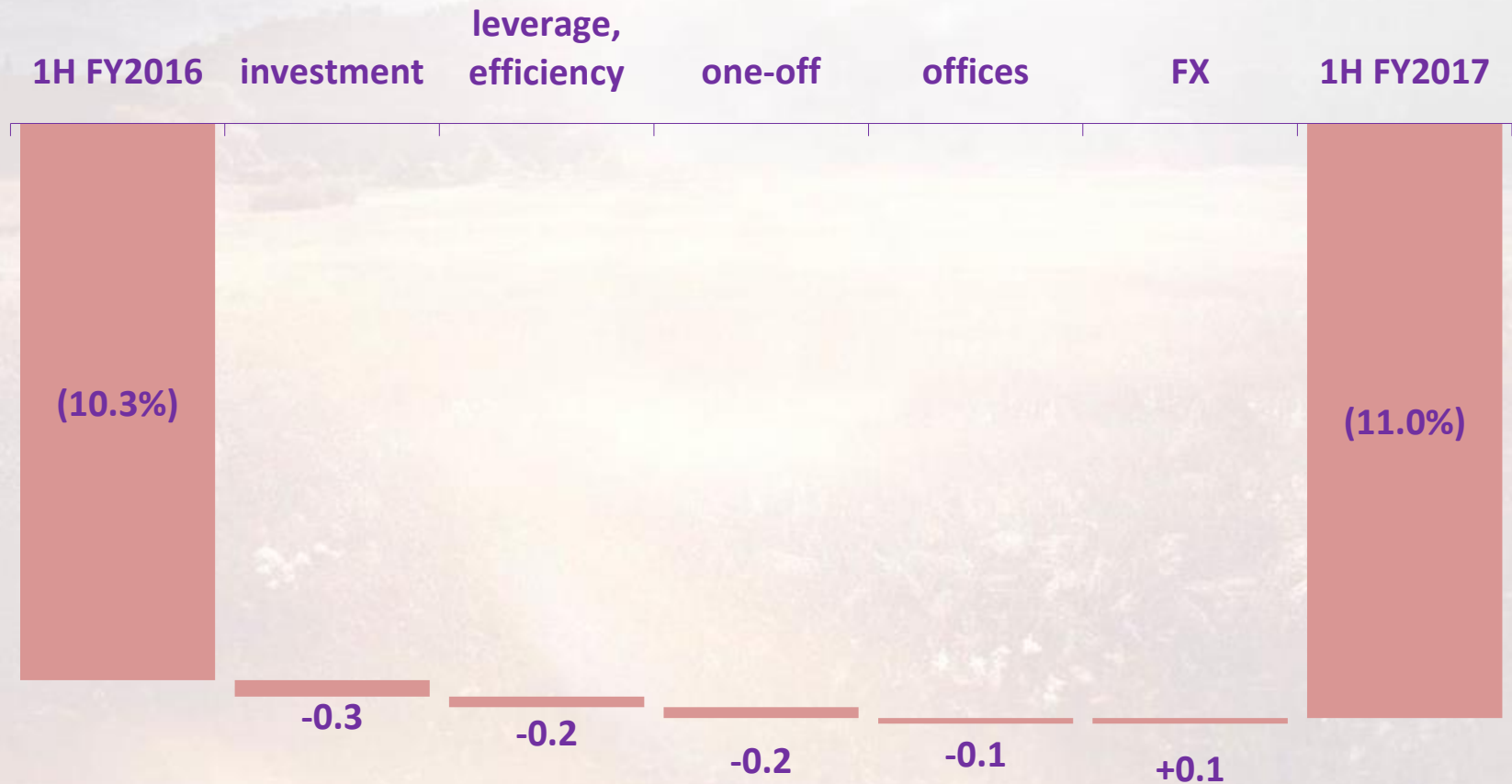




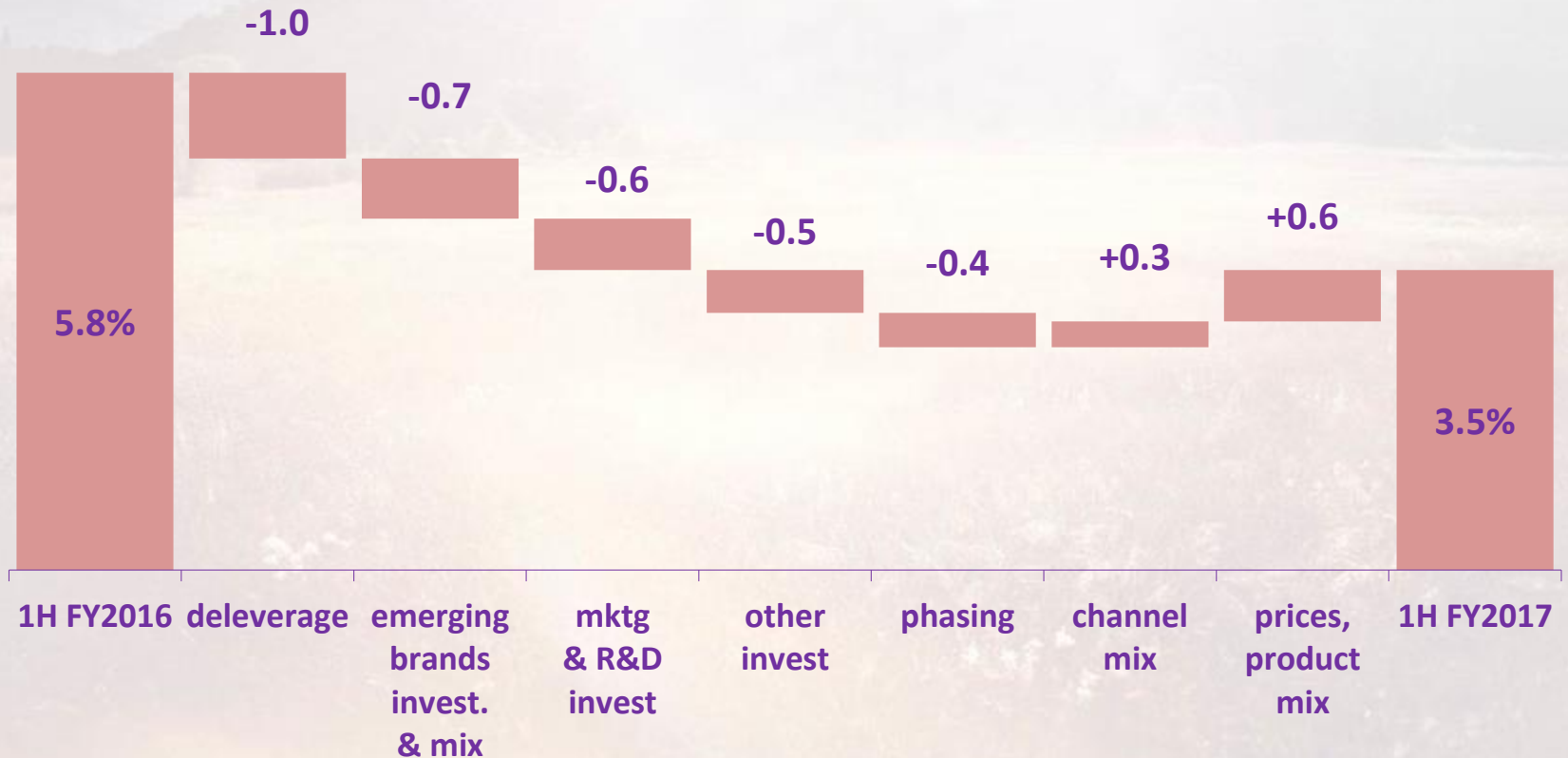
# Marketing expenses (as % of net sales)



# General & admin expenses (as % of net sales)



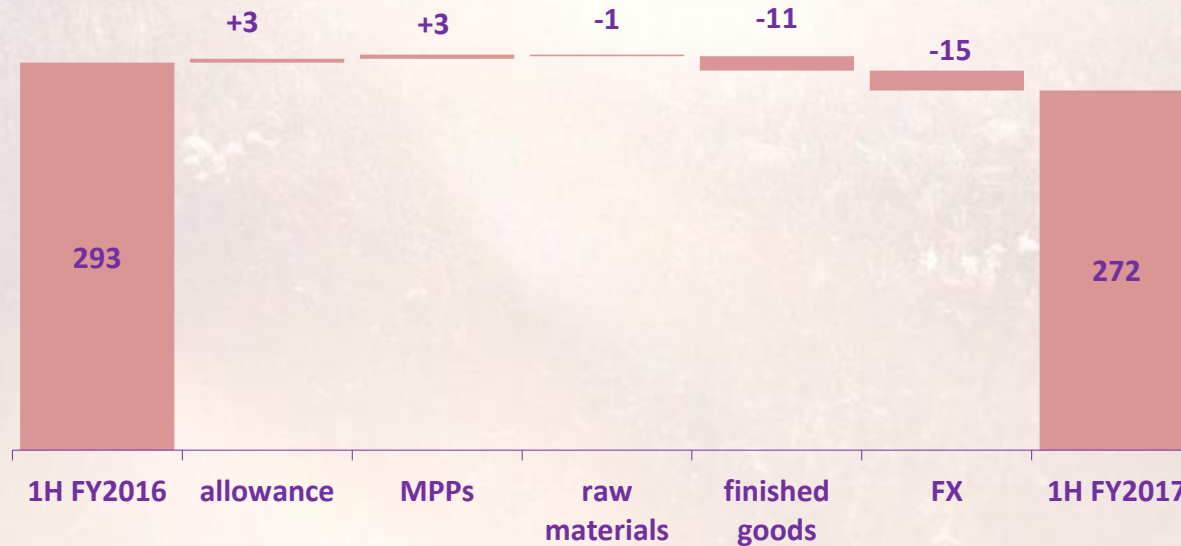
# Operating profit margin (as % of net sales)



# Working capital ratios

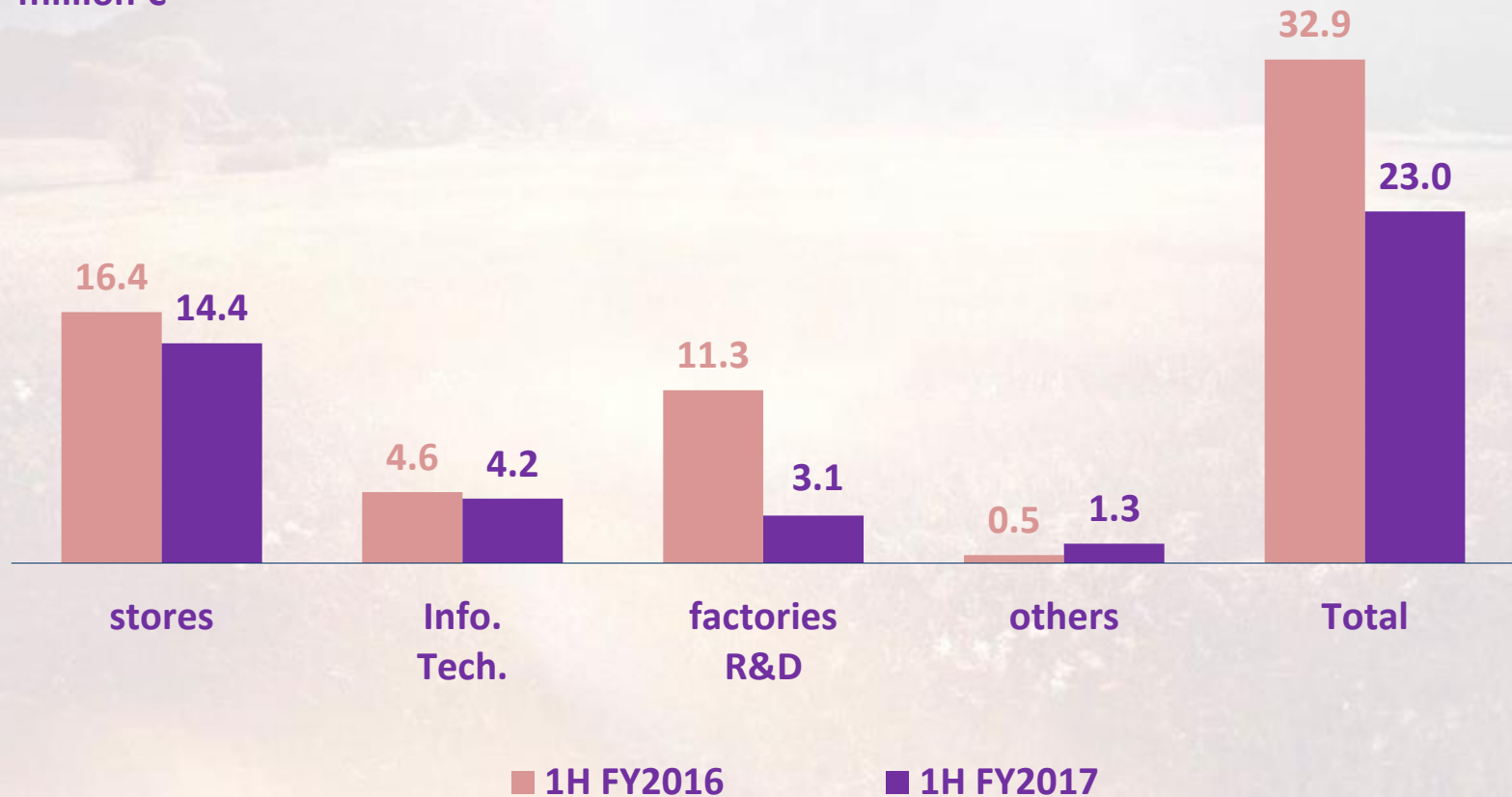
as at:	30 Sep 2015	30 Sep 2016	Change
Inventory turnover days (based on cost of sales)	293	272	-21
Trade receivables turnover days (based on net sales)	34	33	-1
Trade payables turnover days (based on cost of sales)	164	165	1
Cash Cycle (days of net sales)	57	52	-5

## Inventory turnover days



# Capital expenditures (excl. acquisitions of subsidiaries and financial investments)

million €





# Balance sheet ratios

For the six months ended 30 September	2015	2016
<b>Profitability</b>		
Return on Capital Employed (ROCE) <sup>(1)</sup>	3.6%	4.5%
Return on equity (ROE) <sup>(2)</sup>	2.6%	3.1%
<b>Liquidity</b>		
Current ratio (times) <sup>(3)</sup>	2.5	3.1
Quick ratio (times) <sup>(4)</sup>	1.9	2.4
<b>Capital adequacy</b>		
Gearing ratio <sup>(5)</sup>	9.3%	7.5%
Debt to equity ratio <sup>(6)</sup>	net cash	net cash

(1) #Net Operating Profit After Tax / Capital Employed

(2) Net profit attributable to equity owners / shareholders' equity excluding minority interest

(3) Current assets / current liabilities

(4) Current assets - stocks / current liabilities

(5) Total debt / total assets

(6) Net debt / (total assets - total liabilities) \* 100%

# NOPAT = (Operating Profit + foreign currency net gains or losses) x (1 - effective tax rate)

Capital Employed = Non-current assets - (deferred tax liabilities + other financial liabilities + other non-current liabilities) + working capital

# Strategic review

- Favoring quality locations & markets
- Online presence driving in-store & e-commerce traffic

## Omni-Channel Strategy



- Growth across core brand & emerging brands

## Multi-brand Focus



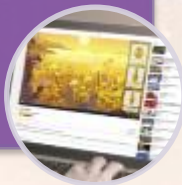
- Encouraging initial response to 'Devine Harmony' & 'Terre de Lumière'

## Face Care and Fragrance



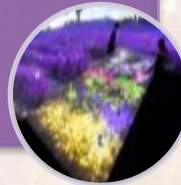
- Rich history with universal appeal
- Global retail model
- Quality, natural and sensorial products

## Reinforce Key Strengths



- Own E-commerce business is equivalent to 10.1% of retail
- Investments in CRM and online analytics

## E-Commerce & Digital Investment



- "Operations roadmap" and reorganisation is set to bring greater efficiency

## Operational Excellence



# Outlook

## **No. 1 natural brand in “affordable premium”**

Re-enchante our customers through broaden product ranges and emotional customer experiences; our entrepreneurship and team spirit will support us to reach the objective

## **Omni-Channel and Digital Investment**

Integrate our online business and our physical stores; reinforce emotional shopping experience; leverage digital marketing & analytics to drive traffic & sales

## **Grow recognition in face care and fragrance**

Capitalize on initial success of ‘Divine Harmony’ and ‘Terre de Lumière’

We believe that our efforts to drive quality growth and improve efficiencies with focused investments will secure our position as a growing player in the premium natural cosmetics space, which in turn will create lasting value for our shareholders.

# Disclaimer

This document is for information purposes only without any binding effect; in case of any inaccuracies, incompleteness or inconsistency with other documents, only the Company's latest issued annual or interim report for detailed financials shall prevail and shall be deemed to be the only official document.

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.

A landscape photograph with a purple color cast. In the foreground, there is a field of tall grass. In the middle ground, there are several trees and a line of bushes. In the background, there are mountains under a clear sky.

*The End*