

L'OCCITANE

EN PROVENCE
L'OCCITANE INTERNATIONAL S.A.



FY2017

**Annual Results Announcement
For The Year Ended 31 March 2017**

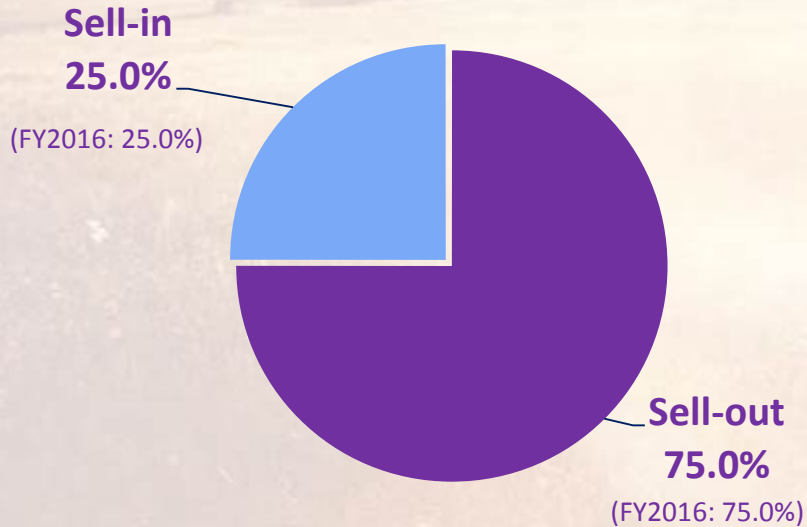
Highlights

For the year ended 31 March (million €)	2016	2017	Change
Net sales	1,282.7	1,323.2	+3.2%
Gross profit	1,061.5	1,102.4	+3.9%
Gross profit margin	82.8%	83.3%	+0.6 pp
Operating profit	168.0	168.3	+0.2%
Operating profit margin	13.1%	12.7%	-0.4 pp
Profit for the period	113.6	132.4	+16.6%
Net profit margin	8.9%	10.0%	+1.1 pp
Earnings per share (€ per share)	0.075	0.090	+20.0%
Dividend per share (€ per share)*	0.0291	0.0316	+8.6%
Dividend payout ratio*	38.7%	35.0%	-3.7 pp
Net cash	335.9	379.7	+13.0%

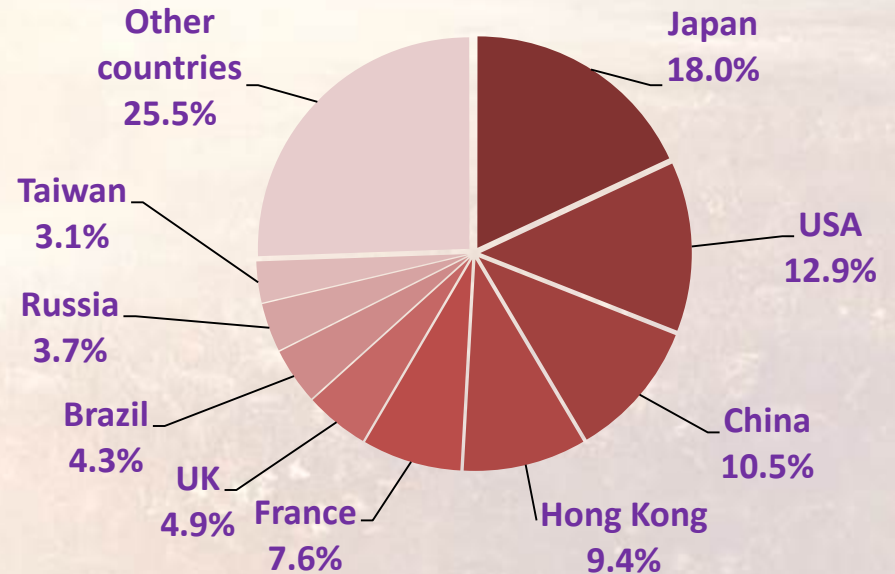
*The figure illustrates dividends declared for the period indicated, not actual dividends paid during the period indicated. Final dividend of €0.0316 per share proposed for the year ended 31 March 2017 is subject to the approval of the shareholders of the Company at the forthcoming Annual General Meeting.

Net Sales Breakdown

Sales by segment

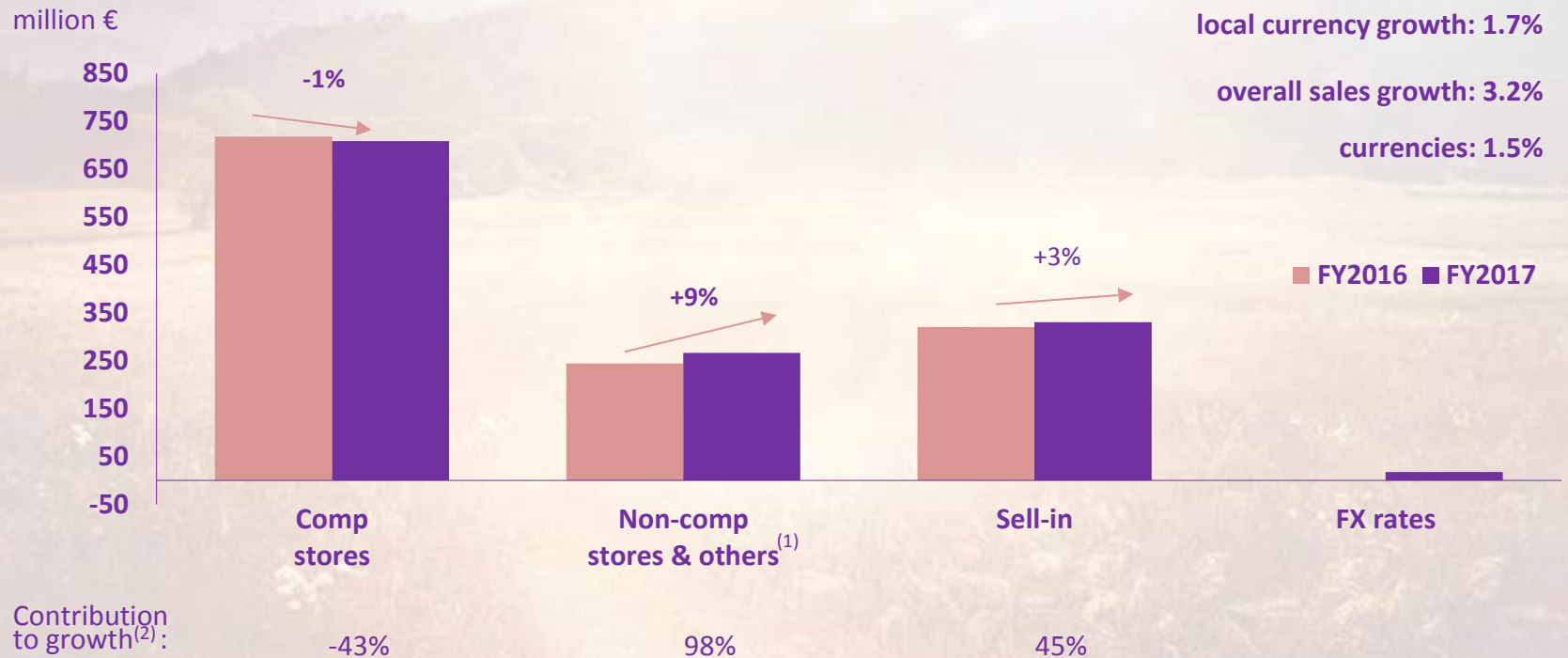


Exposure to growth markets



Net sales up 1.7%

(at constant exchange rates)

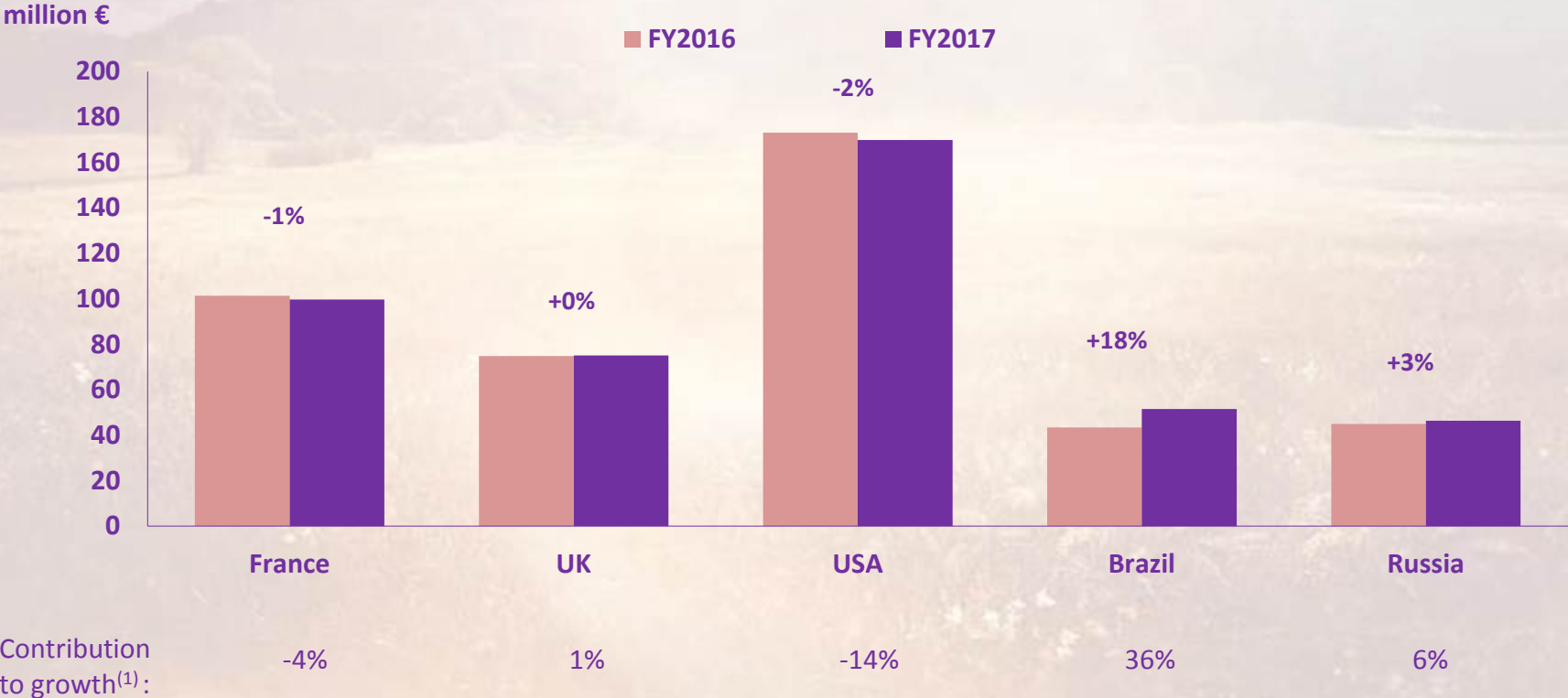


(1) Others include marketplaces, mail-orders and other service sales

(2) Excludes the impact of foreign currency translation effects

Sales growth by geography – Americas and Europe

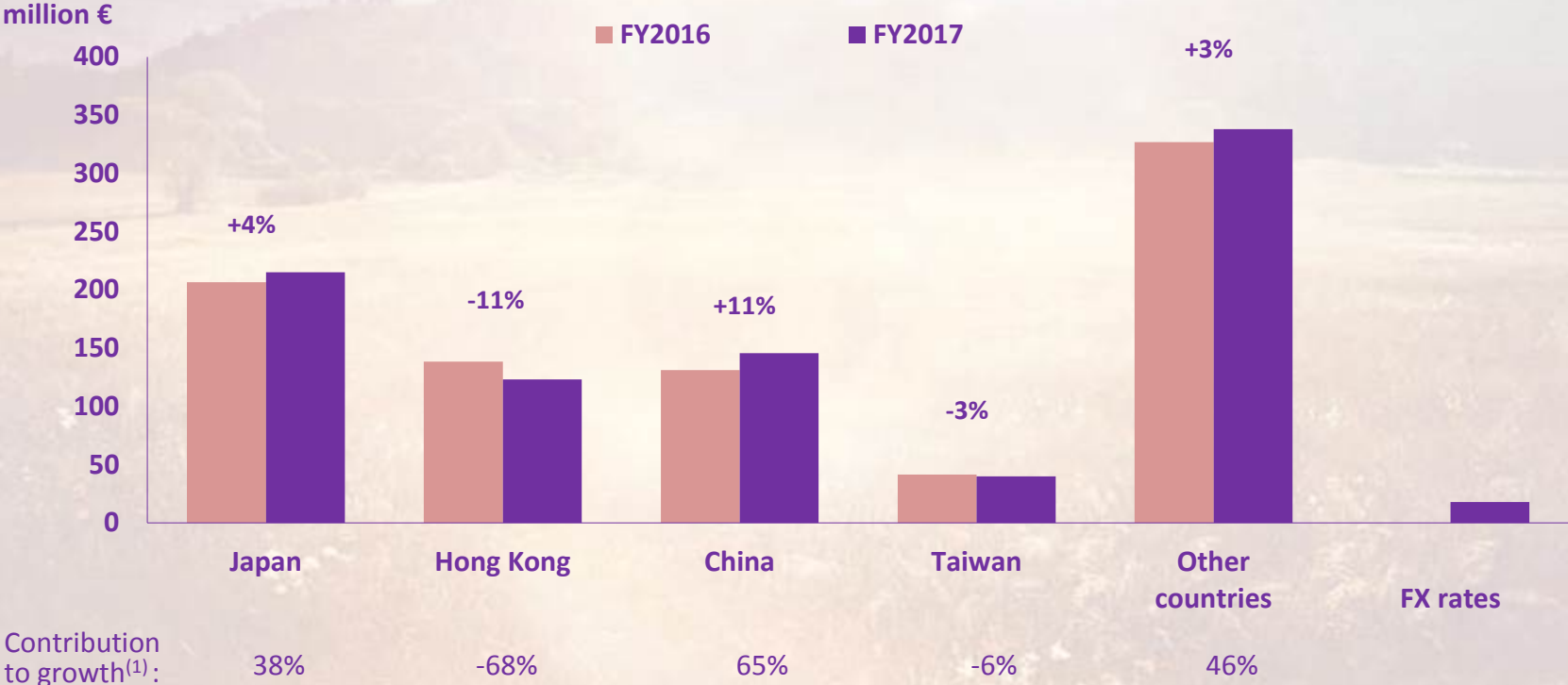
(Local currency growth)



(1) Excluding foreign currency translation effects

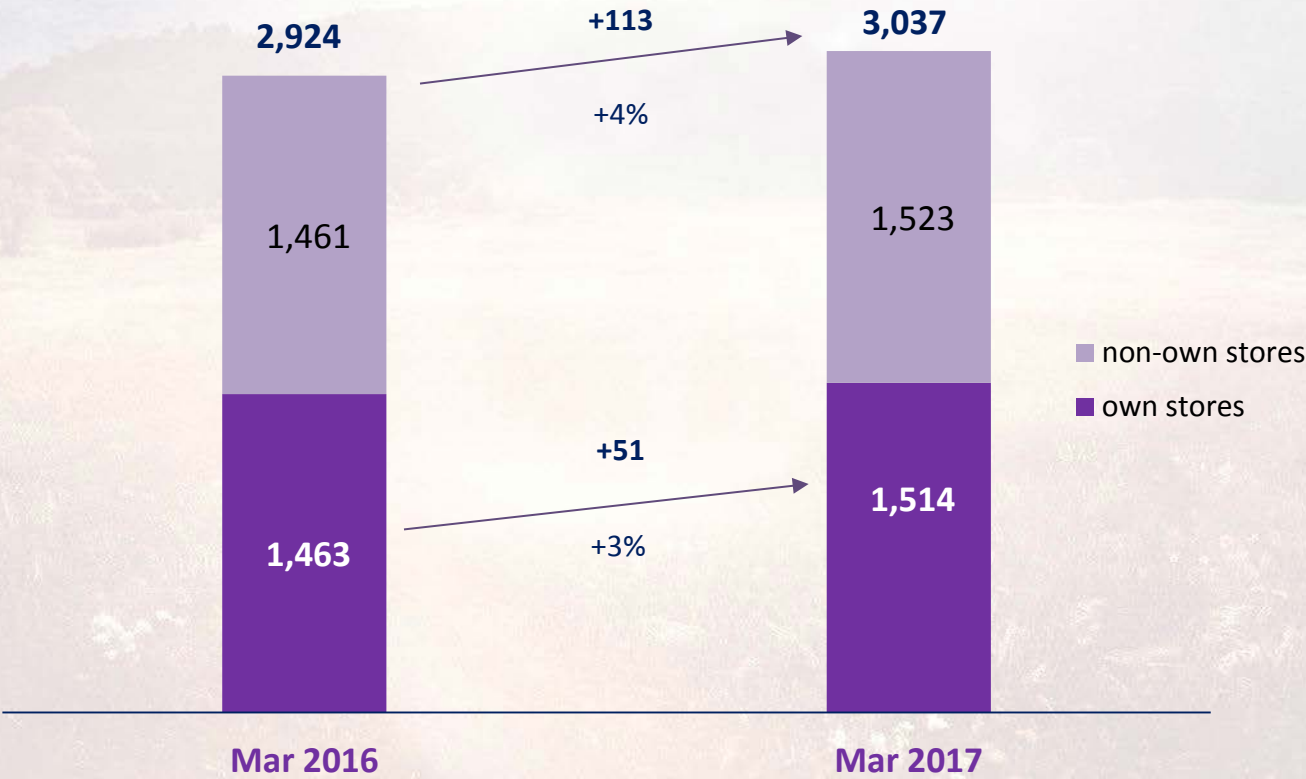
Sales growth by geography – Asia and Other Countries

(Local currency growth)



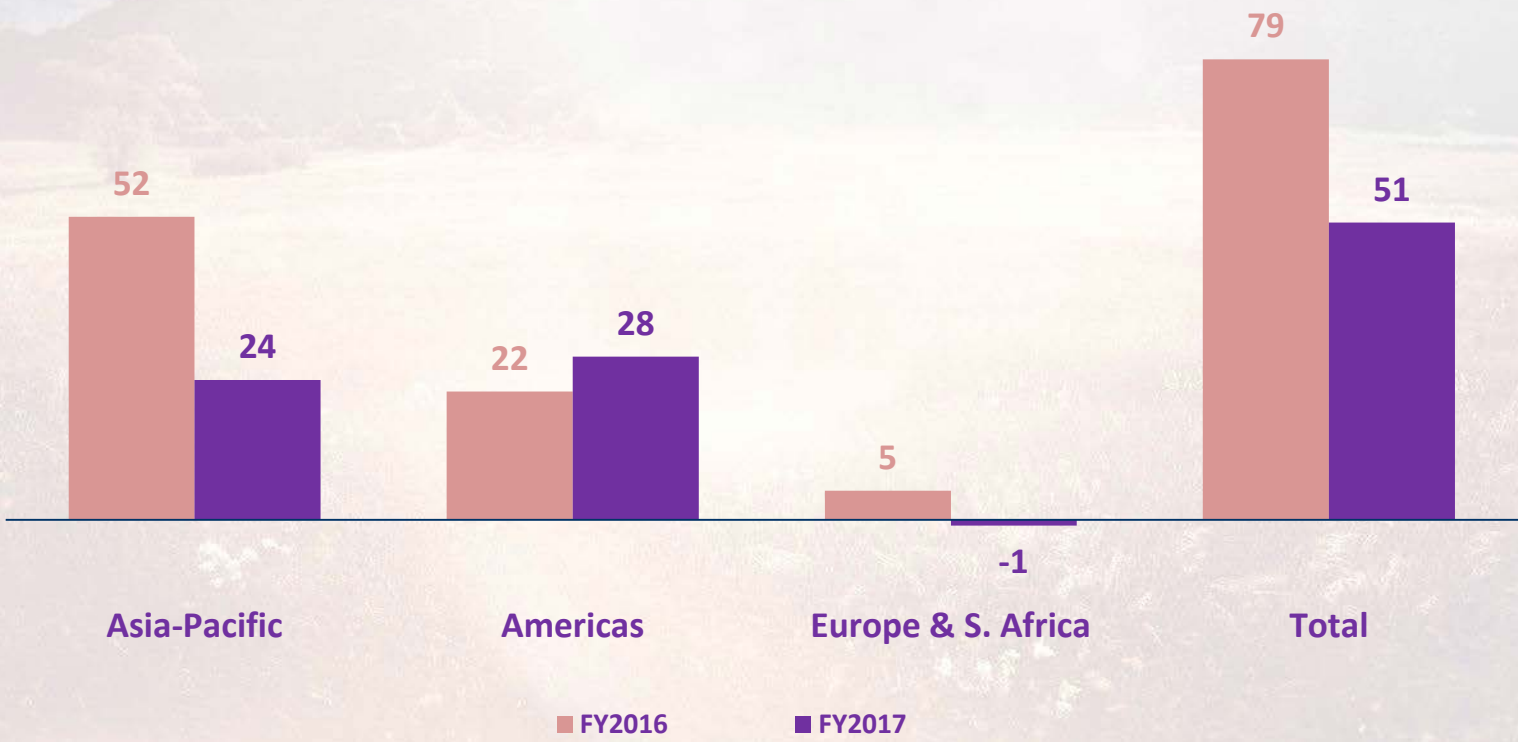
(1) Excluding foreign currency translation effects

Store network: selective expansion on track



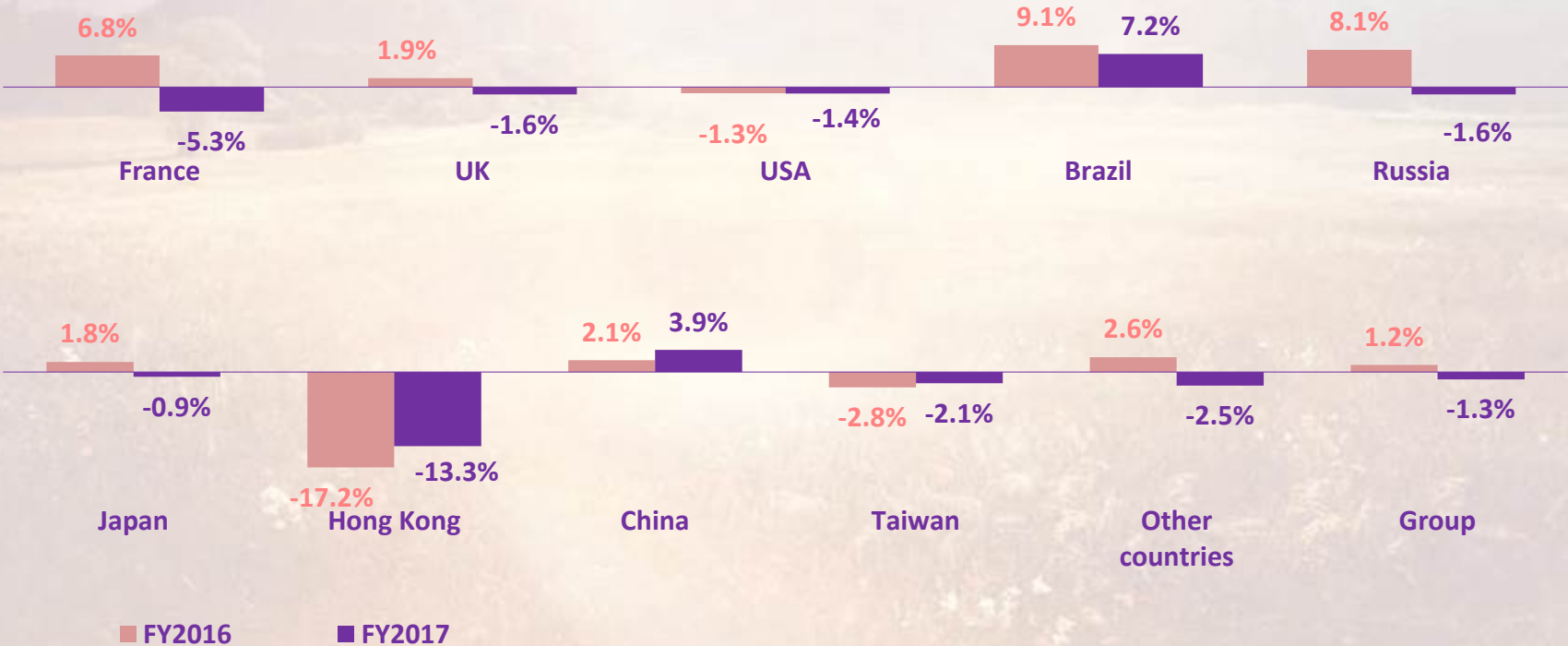
Net store openings by region:

51 net own-stores opened



Same store sales growth profile*

FY2017 compared to FY2016



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

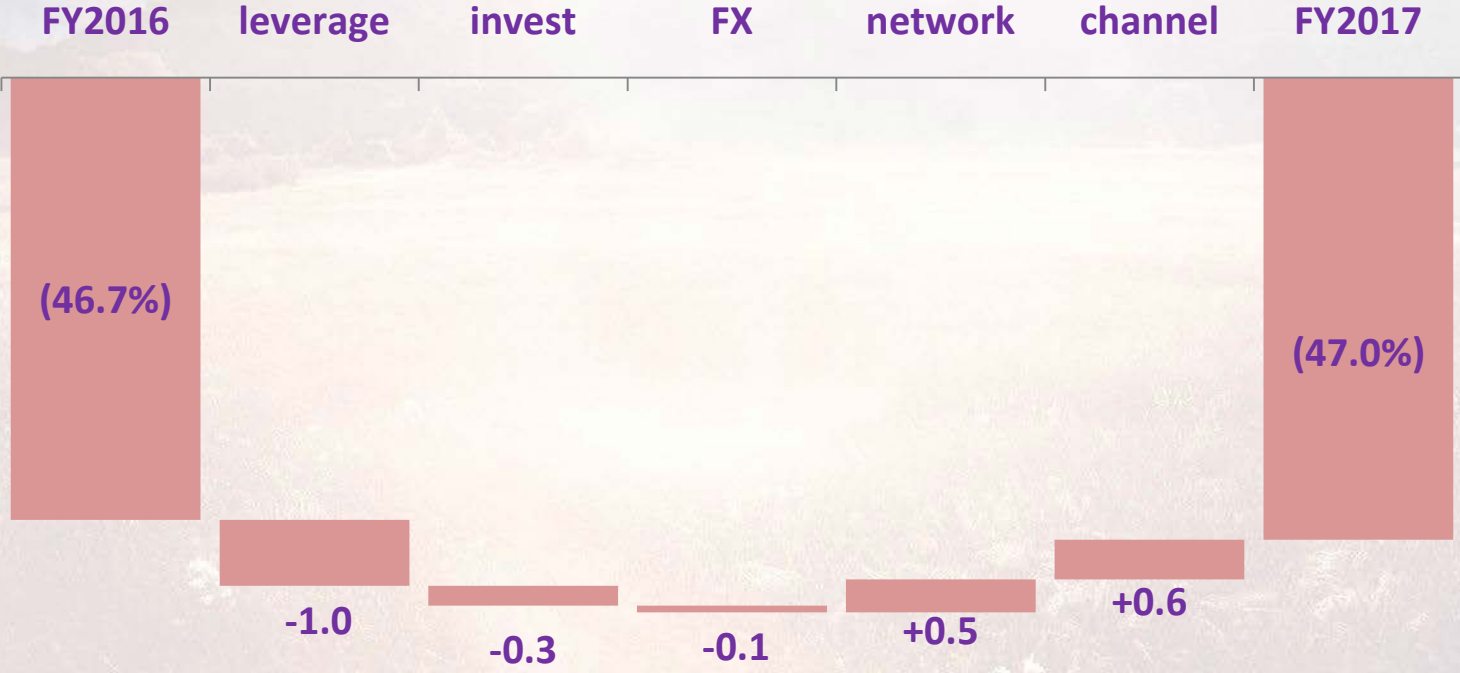
Profitability analysis

For the year ended 31 March	% of net sales		
	2016	2017	Change
Gross profit margin	82.8	83.3	0.6
Distribution expenses	(46.7)	(47.0)	(0.3)
Marketing expenses	(12.5)	(12.9)	(0.4)
Research & development expenses	(1.1)	(1.2)	(0.1)
General & administrative expenses	(9.2)	(9.7)	(0.5)
Other losses	(0.1)	0.2	0.3
Operating profit margin	13.1	12.7	(0.4)

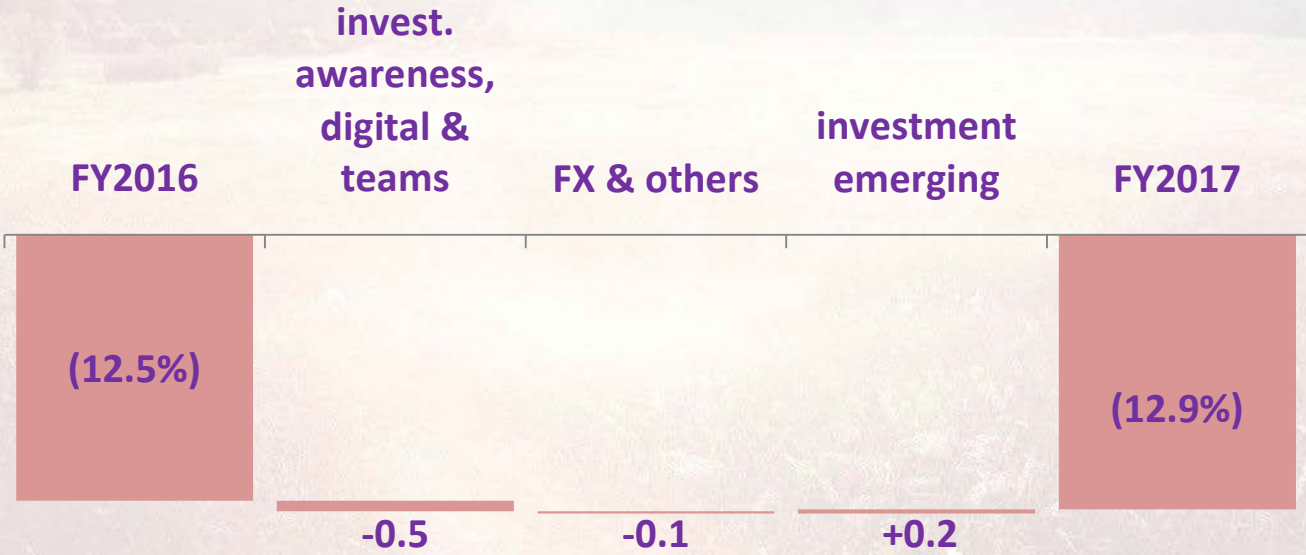
Gross margin (as % of net sales)



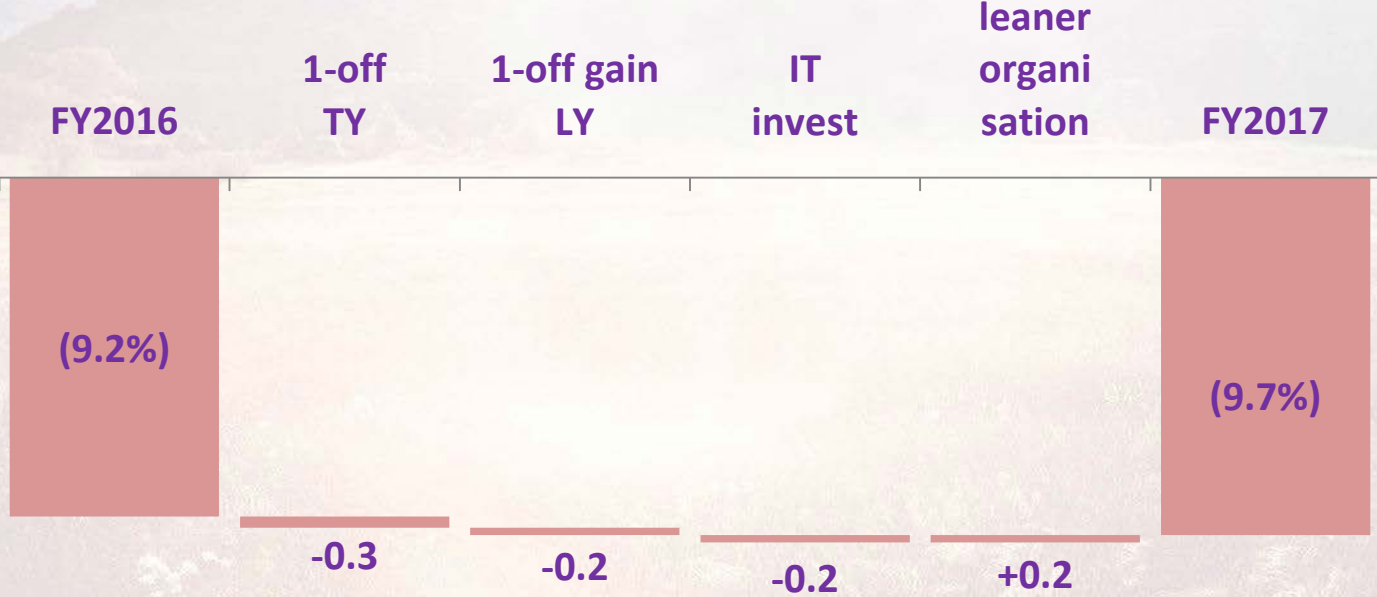
Distribution expenses (as % of net sales)



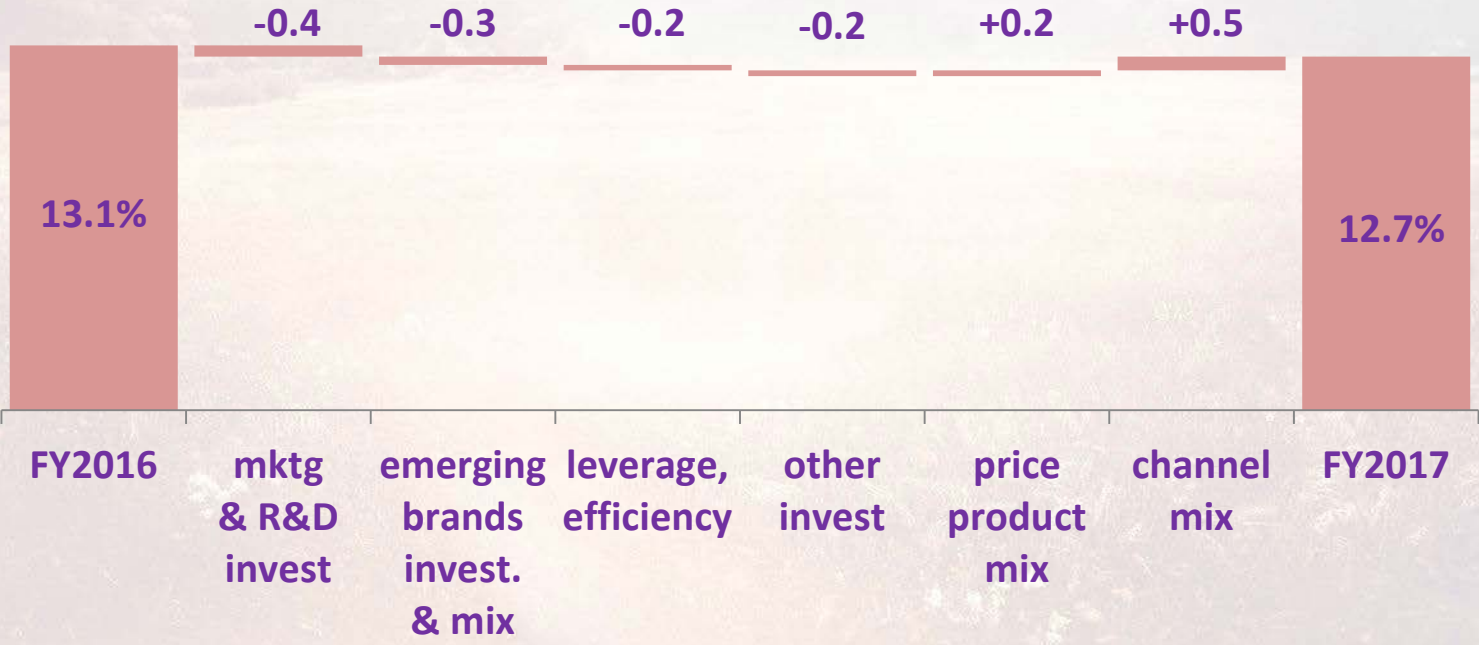
Marketing expenses (as % of net sales)



G&A expenses (as % of net sales)

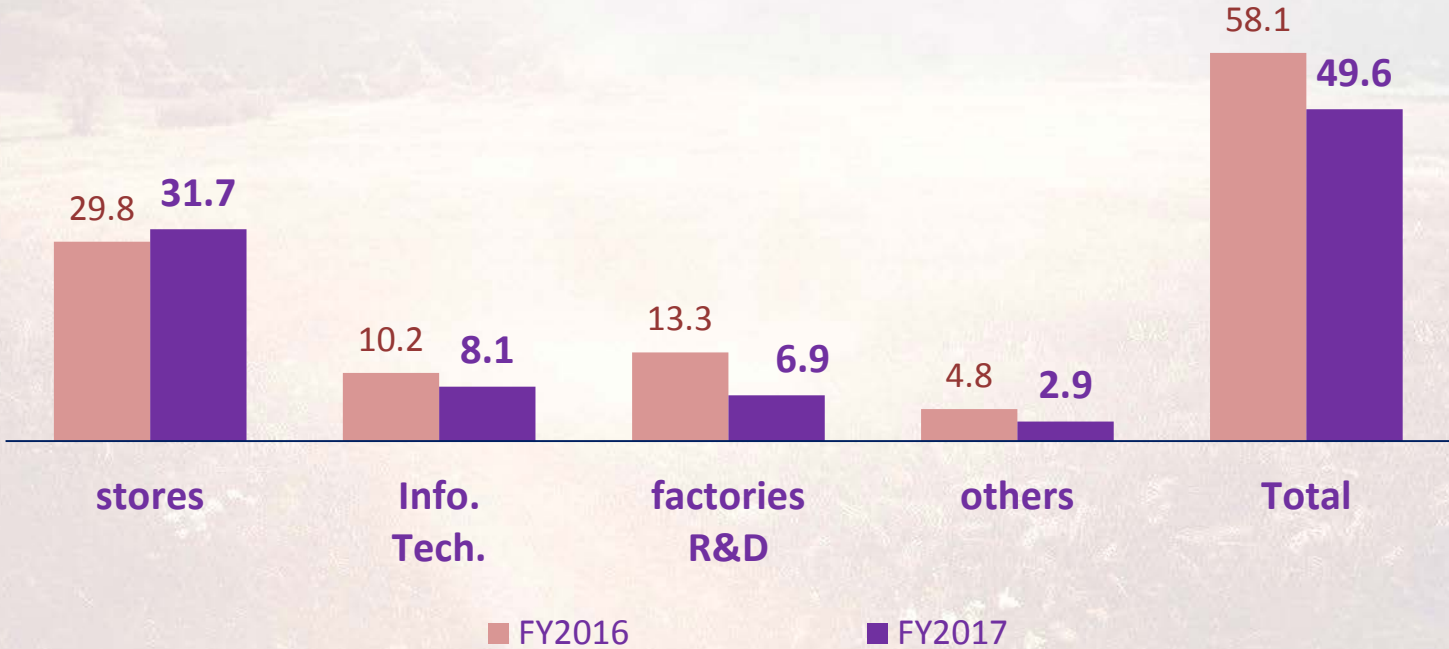


Operating profit margin (as % of net sales)



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

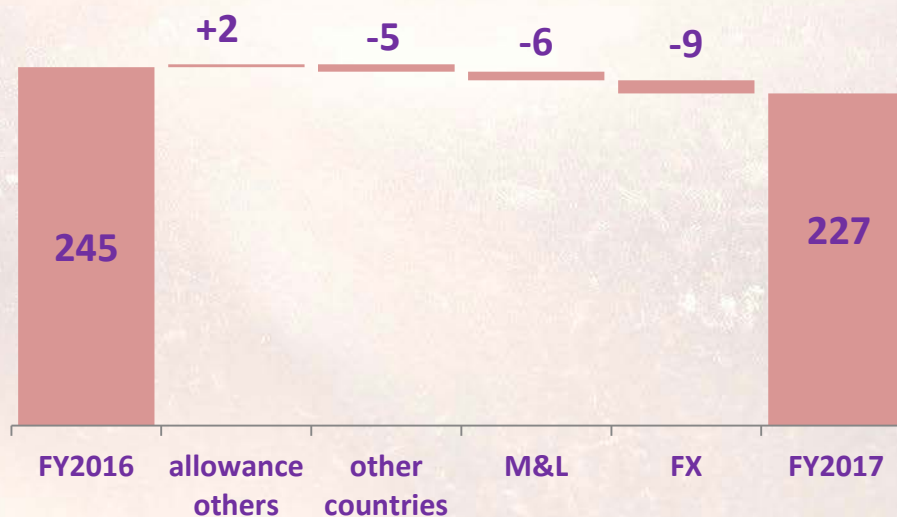
million €



Working capital ratios

as at:	31 Mar 2016	31 Mar 2017	Change
Inventory turnover days (based on cost of sales)	245	227	-18
Trade receivables turnover days (based on net sales)	29	28	-1
Trade payables turnover days (based on cost of sales)	151	161	10
Cash Cycle (days of net sales)	45	39	-6

Inventory turnover days



Balance sheet ratios

For the year ended 31 March	2016	2017
Profitability		
Return on Capital Employed (ROCE) ⁽¹⁾	22.2%	24.6%
Return on equity (ROE) ⁽²⁾	13.0%	14.3%
Liquidity		
Current ratio (times) ⁽³⁾	3.50	3.57
Quick ratio (times) ⁽⁴⁾	2.83	2.91
Capital adequacy		
Gearing ratio ⁽⁵⁾	7.5%	5.9%
Debt to equity ratio ⁽⁶⁾	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



Omni-Channel Strategy

- Improve seamlessness of physical/online shopping experience
- Introducing 'Sunshine concept'



Multi-brand Focus

- Growth across core brand & emerging brands
- Investment in LimeLight by Alcone



Face Care and Fragrance

- Encouraging response to 'Devine Harmony' & 'Terre de Lumière'
- Emphasis on hero products



Reinforce Key Strengths

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



E-Commerce & Digital Investment

- Own E-comm sales equal to 11% of retail
- Successful ambassador and TV campaigns

Our 'operations roadmap' and reorganisation is leading us towards operation excellence and long term growth

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Outlook

To become No. 1 natural brand in “affordable premium”

- Re-enchanted our customers through broadened product ranges and emotional customer experiences
- Our entrepreneurship and team spirit will support us to reach the objective

Grow recognition in face care, fragrance and colour cosmetics

- Capitalize on initial success of ‘Divine Harmony’ and ‘Terre de Lumière’, as well as investment in LimeLight by Alcone

Omni-Channel and Digital Investment

- Integrate our online business and our physical stores
- Reinforce emotional shopping experience
- Leverage digital marketing, analytics and learning to drive traffic and sales

These selected initiatives, combined with the Group’s ongoing efficiency improvement measures under its new corporate organisation, will continue to support its ability to deliver sustainable growth and value to its 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 showing a wide field in the foreground, a line of trees in the middle ground, and mountains in the background under a clear blue sky. The text "The End" is overlaid in the center.

The End