

2023 results

Current operating margin: 20%

Net margin: 15%

Dividend per share: +20%

Income statement highlights ⁽¹⁾ - €m	2022	2023	23/22
Net sales	706.6	798.5	+13%
Gross margin % of sales	472.3 66.8%	525.0 65.8%	+11%
Current operating income % of sales	138.3 19.6%	160.4 20.1%	+16%
Operating profit % of sales	131.8 18.7%	165.6 20.7%	+26%
Net income % of sales	99.5 14.1%	118.7 14.9%	+19%

Sales price increases introduced at the start of the year limited the impact of higher raw material and packaging costs as well as the slightly unfavorable euro-dollar exchange rate trend. As a result, the decline in the gross margin as a percentage of sales in 2023 was contained and limited compared with 2022.

Strong growth in unit sales and the continuing strength of marketing and advertising investments with a budget of €177m or 22% of sales, in conjunction with maintaining fixed costs under control, contributed to a sharp rise in current operating income to more than €160m for the year, up 16% on 2022, and a current operating margin for the full year reaching 20%. After taking into account annual impairment tests of assets, operating profit rose 26% year-on-year while the operating margin reached an unusually high level of 20.7%.

Despite a one-off increase in the average tax rate, net income for the year followed the same trend with growth of 19% compared with 2022, to reach nearly €119m, with a net margin of close to 15%.

Balance sheet highlights ⁽¹⁾ - €m	12/31/22	12/31/23	23/22
Inventories	153.5	202.4	+32%
Cash & current financial assets	235.8	177.7	-25%
Shareholders' equity	592.5	641.0	+8%
Borrowings & financial liabilities	147.0	123.0	-16%

While sourcing issues continued to weigh on working capital in 2023, the easing of supply chain pressures in recent months should help bring down current inventory levels in 2024.

Following payment of the second €40m installment in connection with the Lacoste upfront license fee, cash net of borrowings and financial liabilities stood at nearly €55m, and shareholders' equity at €644m, representing 66% of total assets at December 31, 2023.

Dividend and bonus share issue

On February 27, 2024, the Company's Board of Directors approved the financial statements for the year ended December 31, 2023 and decided to propose to the Combined General Meeting of April 16, 2024:

- A dividend of €1.15 per share⁽²⁾ representing a 20%⁽³⁾ increase from the prior year or a payout ratio unchanged at 67% of net income;
- For the 25th consecutive year, a bonus share issue in June 2023 on the basis of one new share for every ten shares held.

Board of Directors

The Board of Directors decided, following the recommendation of the Corporate Governance, Nominations and Compensation Committee, to propose to the Combined General Meeting of April 16, 2024 the appointment of Caroline Renoux as an independent director for a term of 4 years. Founder and Chief Executive of companies focusing on CSR issues, Caroline Renoux will bring her expertise and extensive experience in promoting sustainable development to the newly-created CSR Committee.

Annual highlights

- In June, Interparfums carried out its 24th bonus share issue;
- In November, Interparfums' ESG performance improved by 8 points over the previous year, with a score of 84/100 by Ethifinance ESG Ratings;
- Also in November Interparfums conducted its first employee engagement survey;
- In December, Interparfums joined the *Science Based Targets initiative (SBTi)* to validate its approach for reducing greenhouse gas emissions;
- Finally, in January 2024, Interparfums' rating by Sustainability, a leading ESG rating firm, was raised to 24.8, an increase of nearly 10 points in just one year, and is now on a par with the leading companies in the Beauty sector.

Paris, February 28, 2024

(1) Audit procedures have been completed and the audit report is in the process of being issued.

(2) Ex-rights date: April 26, 2024 (midnight) - Payment date: April 30, 2024

(3) Taking into account the bonus issue of June 2023

Upcoming events

2024 Annual General Meeting
April 16, 2024
(Pavillon d'Armenonville – Paris)

Publication of Q1 2024 sales
April 25, 2024
(before the opening of Paris
– Euronext Stock Exchange)

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Philippe Benacin, Chairman and CEO commented: “2023 marked another year of excellent sales and earnings, driven not only by the continuing strength of the global fragrance market but also the success of a tried and tested strategy, the continuing appeal of our brands and fragrance lines and the dedication of our teams. Based on the good level of sales in January and February, particularly for the Lacoste fragrances, we are on track to meet our full-year sales targets for 2024.”

Philippe Santi, Executive Vice President, added: “We will pursue our long-term strategy for development in the year ahead by devoting the necessary resources to support the growth of each of our brands, including notably substantial investments for the renewed launch of the Lacoste brand. Despite these efforts, we will nevertheless be expecting profitability in 2024 to remain at a high level.”

Consolidated financial statements

Consolidated income statement

€ thousands	2022	2023
except per share data which is in units		
Sales	706,624	798,481
Cost of sales	(234,344)	(273,462)
Gross margin	472,280	525,019
<i>% of sales</i>	<i>66.8%</i>	<i>65.8%</i>
Selling expenses	(305,835)	(330,518)
Administrative expenses	(28,133)	(34,054)
Current operating income	138,312	160,447
<i>% of sales</i>	<i>19.6%</i>	<i>20.1%</i>
Other operating expenses	(6,491)	—
Other operating income	—	5,113
Operating profit	131,821	165,560
<i>% of sales</i>	<i>18.7%</i>	<i>20.7%</i>
Financial income	1,997	7,437
Interest and similar expenses	(2,766)	(7,389)
Net finance income/(costs)	(769)	48
Other financial income	28,916	11,274
Other financial expense	(26,682)	(13,567)
Net financial income/(expense)	1,465	(2,245)
Income before income tax	133,286	163,315
<i>% of sales</i>	<i>18.9%</i>	<i>20.5%</i>
Income tax	(33,061)	(43,935)
Effective tax rate	24.8%	26.9%
Share of profit/(loss) from equity-accounted companies	(47)	293
Net income	100,178	119,673
<i>% of sales</i>	<i>14.2%</i>	<i>15.0%</i>
Share of net (income)/loss attributable to non-controlling interests	(655)	(931)
Net income attributable to owners of the parent	99,523	118,742
<i>% of sales</i>	<i>14.1%</i>	<i>14.9%</i>
Net earnings per share ⁽¹⁾	1.58	1.80
Diluted earnings per share ⁽¹⁾	1.58	1.80

(1) Restated on a prorated basis for bonus share grants.

Consolidated balance sheet

ASSETS		
€ thousands	2022	2023
Non-current assets		
Net trademarks and other intangible assets	231,595	235,215
Net property, plant, equipment	148,169	148,599
Right-of use assets	12,314	14,370
Long-term investments	3,316	2,509
Other non-current financial assets	7,901	4,726
Equity-accounted investments	12,424	12,467
Deferred tax assets	12,345	19,403
Total non-current assets	428,064	437,289
Current assets		
Inventory and work-in-progress	153,466	202,387
Trade receivables and related accounts	138,902	139,452
Other receivables	29,563	11,018
Corporate income tax	2,222	326
Current financial assets	99,013	39,987
Cash and cash equivalents	136,747	137,734
Total current assets	559,913	530,904
Total assets	987,977	968,193

SHAREHOLDERS' EQUITY & LIABILITIES		
€ thousands	2022	2023
Shareholders' equity		
Share capital	188,718	207,590
Additional paid-in capital	—	—
Retained earnings	304,218	314,670
Net income for the year	99,523	118,742
Equity attributable to owners of the parent	592,459	641,002
Non-controlling interests	2,183	2,672
Total shareholders' equity	594,642	643,674
Non-current liabilities		
Non-current provisions for contingencies and expenses	7,422	8,781
Non-current borrowings	122,767	98,689
Non-current lease liabilities	10,233	12,100
Deferred tax liabilities	5,211	7,956
Total non-current liabilities	145,633	127,526
Current liabilities		
Trade payables and related accounts	113,235	110,659
Current borrowings	24,260	24,306
Current lease liabilities	2,699	3,014
Current provisions for contingencies and expenses	—	—
Corporate income tax	7,315	9,070
Other liabilities	100,194	49,944
Total current liabilities	247,702	196,993
Total shareholders' equity and liabilities	987,977	968,193

Statement of cash flows

€ thousands	2022	2023
Cash flows from operating activities		
Net income	100,178	119,673
Depreciation, amortization and other	27,187	22,409
Share of profit/(loss) from equity-accounted companies	298	(293)
Net finance costs/(income)	769	(48)
Tax charge of the period	33,398	43,935
Cash flow from operations before tax and finance costs	161,830	185,676
Interest expense payments	(2,694)	(3,777)
Tax payments	(30,346)	(39,201)
Cash flow from operations after tax and finance costs	128,790	142,698
Change in inventory and work in progress	(67,925)	(63,251)
Change in trade receivables and related accounts	(13,276)	(146)
Change in other receivables	(5,915)	21,566
Change in trade payables and related accounts	21,087	(2,576)
Change in other current liabilities	16,058	(13,783)
Change in working capital requirements	(49,971)	(58,190)
Net cash flows provided by (used in) operating activities	78,819	84,508
Cash flows from investing activities		
Net acquisitions of intangible assets	(51,439)	(41,562)
Net acquisitions of property, plant and equipment	(26,405)	(7,540)
Net acquisitions of right-of-use assets	5,105	(4,899)
Acquisition of equity interests	—	—
Net acquisitions of marketable securities	(2,363)	87,218
Changes in long-term investments	731	807
Net cash flows provided by (used in) investing activities	(74,371)	34,024
Cash flows from financing activities		
Issuance of borrowings and new financial debt	50,000	113
Debt repayments	(13,043)	(24,500)
Loan to stakeholders	—	(27,550)
Change in lease liabilities	(2,697)	2,182
Dividend payments to shareholders	(53,565)	(65,944)
Own shares	(5,104)	(1,845)
Net cash flows provided by (used in) financing activities	(24,409)	(117,544)
Change in net cash	(19,961)	987
Opening cash and cash equivalents	156,708	136,747
Closing cash and cash equivalents	136,747	137,734

The reconciliation of net debt breaks down as follows:

€ thousands	2022	2023
Cash and cash equivalents	136,747	137,734
Current financial assets	99,013	39,987
Cash and current financial assets	235,760	177,721
Current borrowings	(24,259)	(24,306)
Non-current borrowings	(122,767)	(98,689)
Total gross debt	(147,027)	(122,995)
Net debt	88,734	54,726