

Another year of strong earnings growth in 2018

Paris, March 4, 2019

Audited accounts ^(*) (€m)	2017	2018	18/17
Net sales	422.0	455.3	+8%
Gross margin % of sales	275.9 65.4%	294.2 64.6%	+7%
Operating profit % of sales	60.0 14.2%	66.2 14.5%	+10%
Net income % of sales	40.0 9.5%	47.1 10.4%	+18%
Total shareholders' equity	423.2	446.2	+5%
Cash net of borrowings	170.6	182.6	+7%

(*) Audit report in the process of being issued

Another year of strong earnings growth

The year's gross margin kept pace with sales by increasing 7%, marginally reduced by the negative trend for the Euro/US Dollar exchange rate.

As expected at the beginning of the year, the company maintained its level of investments with a marketing and advertising budget of €105 million or 23% of sales. These efforts did not weigh on operating profit which rose 10% year-over-year to €66.2 million, resulting in an operating margin of 14.5%.

The Euro/US Dollar exchange rate's return to below \$1.20 in the second half led to a significant improvement in currency gains for the year. When combined with the lower tax rate in the United States, net income rose even faster to €47.1 million, up 18% for the year, with a net margin above 10%.

A financial structure which remains very solid

Despite a higher dividend, as well as increased inventory levels reflecting business growth and the launch of the *Montblanc Explorer* line in early 2019, net cash still rose €12 million to reach nearly €183 million at December 31, 2018.

Another significant increase in the dividend

The Board of Directors' meeting to be held on March 1, 2019 will ask the Annual General Meeting of April 26, 2019 to approve:

- a dividend per share of €0.71⁽¹⁾ for 2018 representing a 17%⁽²⁾ increase from 2017 following a 34% increase one year earlier, or a stable payout ratio of 65%;
- for the 20th consecutive year, a bonus share issue in June 2019 granting one new share for every ten shares held.

Operating profit
€66m (+10%)

Net income
€47m (+18%)

Dividend per share
€0.71 (+17%)

1-for-10
bonus share issue

Upcoming events

Publication of 2019 first-quarter sales
April 25, 2019
(before the opening of Euronext Paris)

2019 Annual General Meeting
(2:00 p.m. - Pavillon Gabriel - Paris)
April 26, 2019

Investor relations and analysts contact

Philippe Santi
Executive Vice President
psanti@interparfums.fr

Press contact

Cyril Levy-Pey
Communication Director
clevypey@interparfums.fr

Shareholder information

+33 1 53 77 00 99

(1) Ex-rights date: May 2, 2019 (midnight) - Payment date: May 6, 2019

(2) In light of the bonus share issue of June 2018

Philippe Benacin, Chairman and CEO commented: "With €455 million in revenue, up 8%, driven by the strength of our flagship brands, and with Coach leading the way, our growth momentum remains robust in 2018. Our good performance at the start of the year supports our outlook for 2019, and provides a basis for raising our annual revenue guidance to €480 million."

Philippe Santi, Executive Vice President and CFO, added: "True to our strategy, we are continuing to invest and are planning a corresponding increase in our marketing and advertising budgets to drive our brand building process over the long term. In this context, we expect an operating margin of approximately 14% for 2019."

This press release and the presentation of 2018 annual results are available in French and English on the company's website www.interparfums.fr

Interparfums

4 rond-point des Champs Elysées
75008 Paris - France
Tel. +33 1 53 77 00 00



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