Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

L'OCCITANE INTERNATIONAL S.A.

49, Boulevard Prince Henri L-1724 Luxembourg
R.C.S. Luxembourg: B80359
(Incorporated under the laws of Luxembourg with limited liability)
(Stock code: 973)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2022

HIGHLIGHTS

- Despite continued turbulence in the macroeconomic environment in FY2022, the Group posted outstanding results with a record net profit of €241.9 million, or 57.5% growth as compared to FY2021.
- The reported net sales were €1.8 billion, representing an increase of 15.8%.
- The reported operating profit grew by 43.3% to a record €310.7 million, while the operating profit margin further expanded by 3.3 points from 14.1% in FY2021 to 17.4%, the highest level since the Group's listing.
- The record results were contributed by the very strong operational performance of the core brand, L'Occitane en Provence, as well as the development of the Group's other brands, notably ELEMIS.
- Due to the exceptional results, the Board proposes an increase in dividend payout ratio from 35% to 40%, i.e. a final dividend of €0.06585 per share and up 78.6%.

ANNUAL RESULTS

The board (the "**Board**") of directors (the "**Directors**") of L'Occitane International S.A. (the "**Company**" or "**L'Occitane**") is pleased to announce the audited consolidated annual results of the Company and its subsidiaries (the "**Group**") for the year ended 31 March 2022 ("**FY2022**") together with comparative figures for the year ended 31 March 2021 ("**FY2021**"). The following financial information, including the comparative figures, has been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board and as adopted by the European Union.

CONSOLIDATED STATEMENTS OF INCOME

For the year ended 31 March	Notes	2022 € '000	Restated* 2021 € '000	% Change
Net Sales	2	**1,781,358**	**1,537,845**	**15.8**
Cost of sales		(317,943)	(260,711)	22.0
Gross profit		**1,463,415**	**1,277,134**	**14.6**
% of net sales		*82.2%*	*83.0%*	
Distribution expenses		(698,367)	(666,154)	4.8
Marketing expenses		(280,831)	(213,772)	31.4
Research and development expenses		(18,907)	(17,385)	8.8
General and administrative expenses		(173,001)	(147,837)	17.0
Share of (losses) from associates and joint ventures accounted for using the equity method	3	(13,640)	(7,535)	81.0
Other operating incomes	4	39,124	7,365	431.2
Other operating (losses)	5	(7,079)	(14,980)	-52.7
Operating profit	6	**310,714**	**216,836**	**43.3**
Finance costs, net	7	(14,522)	(18,339)	-20.8
Foreign currency gains/(losses)		(308)	(2,961)	-89.6
Profit before income tax		**295,884**	**195,536**	**51.3**
Income tax expense	8	(53,975)	(41,899)	28.8
Profit for the year		**241,909**	**153,637**	**57.5**
Attributable to:				
Equity owners of the Company		242,034	151,180	60.1
Non-controlling interests		(125)	2,457	-105.1
Total		**241,909**	**153,637**	**57.5**
Effective tax rate		18.2%	21.4%	
Earnings per share for profit attributable to equity owners of the Company during the year *(expressed in Euros per share)*				
Basic		0.165	0.103	60.2
Diluted		0.164	0.103	59.2
Number of shares used in earnings per share calculation				
Basic	9	1,470,135,821	1,466,677,921	0.2
Diluted	9	1,473,153,053	1,470,779,165	0.2

* The accounting treatment of Good Glamm Group was corrected from financial investment at fair value through other comprehensive income to associates accounted for under the equity method in FY2022. According to IAS 8, the correction was applied retrospectively. Thus, the share of profit from associates accounted for using the equity method in FY2021 was restated to include the loss incurred by Good Glamm Group amounting to €3,399,000.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at	Notes	31 March 2022 € '000	Restated* 31 March 2021 € '000
ASSETS			
Property, plant and equipment, net		128,724	130,347
Right-of-use assets		264,934	301,271
Intangible assets, net		487,355	315,949
Goodwill		990,489	754,843
Deferred income tax assets		94,005	65,854
Investments accounted for using the equity method		67,239	62,175
Other non-current receivables		67,778	50,816
Non-current assets		**2,100,524**	**1,681,255**
Inventories, net	11	263,162	198,860
Trade receivables, net	12	199,623	135,338
Other current assets		82,935	52,798
Derivatives financial instruments		1,931	72
Cash and cash equivalents		360,899	421,216
Current assets		**908,550**	**808,284**
TOTAL ASSETS		**3,009,074**	**2,489,539**
EQUITY AND LIABILITIES			
Share capital		44,309	44,309
Additional paid-in capital		342,851	342,851
Other reserves		(215,013)	(107,642)
Retained earnings		1,097,881	913,320
Capital and reserves attributable to the equity owners		**1,270,028**	**1,192,838**
Non-controlling interests		44,578	78,699
Total equity		**1,314,606**	**1,271,537**
Borrowings		381,319	19,622
Lease liabilities		180,510	216,189
Deferred income tax liabilities		96,196	52,786
Other financial liabilities		171,865	18,671
Other non-current liabilities		22,952	23,256
Non-current liabilities		**852,842**	**330,524**
Trade payables	13	209,903	161,658
Salaries, wages, related social items and other tax liabilities		104,807	93,539
Current income tax liabilities		39,477	28,504
Borrowings		289,611	502,492
Lease liabilities		93,722	78,538
Other current liabilities		100,759	20,357
Derivatives financial instruments		1,208	713
Provisions		2,139	1,677
Current liabilities		**841,626**	**887,478**
TOTAL EQUITY AND LIABILITIES		**3,009,074**	**2,489,539**
NET CURRENT ASSETS/(LIABILITIES)		**66,924**	**(79,194)**
TOTAL ASSETS LESS CURRENT LIABILITIES		**2,167,448**	**1,602,061**

* Investments in associates, other non-current assets and retained earnings for the year ended 31 March 2021 were restated to reflect the new accounting treatment of Good Glamm Group. The retained earnings were decreased by €7,341,000.

NOTES

1. Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board and as adopted by the European Union. They are similar, for operations conducted by the Group, to IFRS as adopted by the European Union. IFRS are available on the European Commission's website.

The consolidated financial statements have been prepared under the historical cost basis, as modified by the revaluation of certain financial assets and financial liabilities (including derivative financial instruments) at fair value.

The preparation of financial statements in compliance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. Although these estimates are based on management's best knowledge of current events and actions, actual results ultimately may differ from these estimates.

The Group has applied the following new and amended standards that are effective for the first time for the Group for the financial period beginning 1 April 2021:

Amendment to IFRS 16 — Leases — COVID-19-Related Rent Concessions

The Group has chosen to early adopt the amendment to IFRS 16 — Leases, which was adopted by the IASB (International Accounting Standards Board) on 28 May 2020 and by the European Union on 12 October 2020.

This amendment aims to simplify certain provisions of IFRS 16, enabling lessees to recognise concessions granted due to the health crisis on rent initially due up to the end of 2021 as negative variable lease payments (i.e., directly in the income statement), without having to assess whether the concessions were granted pursuant to contractual or legal clauses governing the performance of the lease in question.

Other new and amended standards

Several other new standards became mandatory after 1 January 2021, but do not have a material impact on the consolidated financial statements of the Group:

- Interest Rate Benchmark Reform — amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16. The amendments address issues arising during the reform of benchmark interest rates including the replacement of one benchmark rate with an alternative one.

- Employee benefits — amendment to IAS 19. The amendment address the allocation of personal benefits to periods of service providing details of allocation to be taken into account for the determination of the service delivery charge. The impacts are not material for the Group.

2. Net Sales and Segment Information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chairman, Chief Executive Officer (CEO) and the Managing Director, who make strategic decisions.

The Group acquired a majority stake in Sol de Janeiro in FY2022 and thus modified slightly the structure of its internal organisation. The Chairman, the CEO and the Group Managing Director primarily review the Group's internal reporting in order to assess performance and allocate resources from a brand perspective. Five operating segments have been identified:

- L'Occitane en Provence — the sale of fragrances, skincare, haircare and body and bath ranges from the L'Occitane en Provence brand.

- ELEMIS — the sale of skincare products by ELEMIS, a brand for distribution and innovation in the beauty and skincare sectors. Sales are mainly driven by the Sell-in channel through wholesale, e-commerce, department stores, QVC, professional spas and maritime sales.

- LimeLife — the sale of makeup products by LimeLife, a US-based natural skincare and personalised make-up brand. Sales are driven by the Sell-out channel through beauty guides and online presence.

- Sol de Janeiro — the sale of fragrances, skincare, haircare and bodycare from the Sol de Jainero brand. Sales are mainly driven by consumers through its website (Sell-out) and through various premium retailers, market places and department stores (Sell-in).

- Other brands — the sale of Erborian, L'Occitane au Brésil and Melvita skincare, makeup, floral water, beauty oils and other products. These brands mostly have the same economic characteristics, primarily in terms of type of product, customer, distribution channel (Sell-in and Sell-out), and financial performance, and they do not individually and cumulatively exceed the quantitative criteria defined in IFRS 8.

Management uses a measure of revenue and operating profit/(loss) to assess the performance of the operating segments). Other information, including assets and liabilities per segment, are not regularly provided to the chief operating decision-maker.

2.1. Sales and segment information

FY2022

€ '000	**L'Occitane en Provence**	**ELEMIS**	**LimeLife**	**Sol de Janeiro**	**Other brands**	**Total**
Net Sales	1,360,991	226,317	70,733	26,081	97,236	1,781,358
In % of total	*76.4%*	*12.7%*	*4.0%*	*1.5%*	*5.5%*	*100.0%*
Gross profit	1,154,563	167,507	51,325	18,176	71,844	1,463,415
% of net sales	*84.8%*	*74.0%*	*72.6%*	*69.7%*	*73.9%*	*82.2%*
Distribution expenses	(563,867)	(46,575)	(48,265)	(2,224)	(37,436)	(698,367)
Marketing expenses	(194,463)	(48,764)	(3,654)	(8,101)	(25,849)	(280,831)
Research & development expenses	(14,570)	(1,595)	(577)	(92)	(2,073)	(18,907)
General and administrative expenses	(131,060)	(18,853)	(8,155)	(7,324)*	(7,609)	(173,001)
Share of (losses) from joint operations	(13,640)	–	–	–	–	(13,640)
Other operating income	38,990	4	–	–	130	39,124
Other operating expenses	(6,779)	(206)	–	–	(94)	(7,079)
Operating profit/(losses)	**269,174**	**51,518**	**(9,326)**	**435**	**(1,087)**	**310,714**
% of net sales	*19.8%*	*22.8%*	*-13.2%*	*1.7%*	*-1.1%*	*17.4%*

* includes €2.9 million one-off acquisition costs

FY2021

€ '000	**L'Occitane en Provence**	**ELEMIS**	**LimeLife**	**Other brands**	**Total**
Net Sales	1,194,227	158,910	102,155	82,553	1,537,845
In %	*77.7%*	*10.3%*	*6.6%*	*5.4%*	*100.0%*
Gross profit	1,021,218	116,970	78,462	60,484	1,277,134
% of net sales	*85.5%*	*73.6%*	*76.8%*	*73.3%*	*83.0%*
Distribution expenses	(537,492)	(28,116)	(63,974)	(36,572)	(666,154)
Marketing expenses	(159,237)	(30,115)	(3,639)	(20,781)	(213,772)
Research & development expenses	(13,545)	(1,464)	–	(2,376)	(17,385)
General and administrative expenses	(118,128)	(14,707)	(9,032)	(5,970)	(147,837)
Share of (losses) from joint operations	(4,136)	–	–	–	(4,136)
Other operating income	7,365				7,365
Other operating expenses	(11,656)	(1,761)	1	(1,564)	(14,980)
Operating profit/(losses)	**184,389**	**40,807**	**1,818**	**(6,779)**	**220,235**
% of net sales	*15.4%*	*25.7%*	*1.8%*	*-8.2%*	*14.3%*

2.2. Performance by geographic area

From a geographical perspective, the management assesses the performance of different geographic areas. Net sales are allocated based on the geographic area of the invoicing subsidiary.

	FY2022		FY2021	
In thousands of euros	**Total**	***In % of total***	**Total**	***In % of total***
China	327,994	18.4%	263,642	17.1%
United States [(1)]	251,725	14.1%	242,101	15.7%
Japan	206,034	11.6%	215,273	14.0%
United Kingdom	197,461	11.1%	154,445	10.0%
Hong Kong [(2)]	118,884	6.7%	94,589	6.2%
France	96,011	5.4%	86,688	5.6%
Luxembourg [(3)]	73,471	4.1%	43,633	2.8%
Russia	62,586	3.5%	50,966	3.3%
Taiwan	51,530	2.9%	47,464	3.1%
Brazil	48,261	2.7%	34,452	2.2%
Other countries	347,401	19.5%	304,591	19.8%
Reported net sales	**1,781,358**	**100.0%**	**1,537,845**	**100.0%**

(1) Excludes sales during Chapter 11 proceedings from February to August 2021.

(2) Includes sales in Macau and to distributors and travel retail customers in Asia.

(3) Sales invoiced by the Company to distributors and travel retail customers in Europe, Middle-East and Americas.

3. Share of losses from associates and joint ventures accounted for using the equity method

	FY2022	**Restated FY2021**
	€ '000	*€ '000*
L'Occitane, Inc. deconsolidation	(8,920)	(4,036)
Good Glamm Group	(5,019)	(3,399)
L'Occitane Middle East	678	(100)
CAPSUM	(380)	–
Total	(13,640)	(7,535)

4. Other operating incomes

	FY2022	**Restated FY2021**
	€ '000	*€ '000*
Derecognition of the assets and liabilities of L'Occitane, Inc. at their carrying amounts	12,873	5,756
Capital gain arising from the change in the percentage of interests in associates and joint ventures (Good Glamm Group)	25,062	–
Government grants	1,044	1,115
Excess of the fair value of acquired net assets over the cost of an acquisition	145	494
	39,124	7,365

5. Other operating losses

	FY2022 € '000	Restated FY2021 € '000
Restructuring expenses	(1,448)	(13,246)
Loss on sale of assets	(590)	(1,719)
Dilution loss arising from the change in the percentage of interests in associates and joint ventures	(4,945)	–
Other items	(96)	(15)
	(7,079)	(14,980)

6. Operating profit

Operating profit is arrived at after charging the following:

	FY2022 € '000	FY2021 € '000
Employee benefit expenses *	423,705	371,992
Rent and occupancy **	109,546	89,229
Raw materials and consumables used	230,066	208,968
Change in inventories of finished goods and work in progress	(23,505)	(18,495)
Advertising costs	228,104	167,182
Auditor's remuneration	1,751	1,798
Professional fees	172,951	160,115
Depreciation, amortisation and impairment ***	177,863	190,701
Transportation expenses	99,673	76,060
Other expenses	68,895	58,309
Total cost of sales, distribution expenses, marketing expenses, research and development expenses and general and administrative expenses	1,489,049	1,305,859

* included €21.0 million grants and subsidies from local governments due to COVID-19 crisis in FY2021

** included rent concessions due to COVID-19 crisis in FY2021

*** included amortisation of right-of-use assets under IFRS 16

7. Finance costs, net

	FY2022 € '000	FY2021 € '000
Interest on cash and cash equivalents	1,908	2,847
Finance income	1,908	2,847
Interest expense on borrowings	(5,845)	(7,707)
Interest and finance expenses paid/payable for lease liabilities	(8,857)	(11,533)
Unwinding of discount on other financial assets	(1,728)	(1,946)
Finance costs	**(16,430)**	**(21,186)**
Finance costs, net	**(14,522)**	**(18,339)**

8. Income tax expense

The components of income tax expense are as follows:

	FY2022 *€ '000*	FY2021 *€ '000*
Current income tax	(60,160)	(44,227)
Deferred income tax	6,185	2,328
Total income tax expense	**(53,975)**	**(41,899)**

Reconciliation between the reported income tax expense and the theoretical amount that would arise using a standard tax rate is as follows:

Profit before income tax and share of profit from joint ventures accounted for using the equity method	289,410	203,071
Income tax calculated at corporate tax rate *(Luxembourg tax rate of 24.94% as at 31 March 2022 and 31 March 2021)*	(72,179)	(50,646)
Effect of different tax rates in foreign countries	24,491	19,228
Changes in tax rates	(268)	(79)
Effect of unrecognised tax assets	(3,919)	(2,819)
Expenses not deductible for taxation purposes	(945)	(5,072)
Provision for tax risks	(142)	–
Effect of unremitted tax earnings	(916)	(2,509)
Minimum tax payments	(97)	(2)
Income tax expense	**(53,975)**	**(41,899)**

9. Earnings per share

The calculation of basic and diluted earnings per share is based on the profit attributable to equity owners of the Company of €242.0 million for FY2022 (€151.2 million for restated FY2021) and the weighted average number of shares in issue of 1,470,135,821 (basic) and 1,473,153,053 (diluted) for the year ended 31 March 2022 and 1,466,677,921 (basic) and 1,470,779,165 (diluted) for the year ended 31 March 2021.

10. Dividends

At the Board meeting held on 27 June 2022, the Board recommended a distribution of gross final dividend of €0.06585 per share for a total amount of €96.8 million or 40.0% of the net profit attributable to the equity owners of the Company.

The amount of the proposed final dividend is based on 1,470,135,821 shares in issue excluding 6,829,070 treasury shares as at 27 June 2022.

11. Inventories, net

Inventories, net consist of the following items:

As at 31 March	2022	2021
	€ '000	*€ '000*
Raw materials and supplies	37,480	25,037
Finished goods and work in progress	249,304	189,815
Inventories, gross	286,784	214,852
Less: allowance	(23,622)	(15,992)
Inventories, net	**263,162**	**198,860**

12. Trade receivables, net

Ageing analysis of trade receivables from due date at the respective balance sheet date is as follows:

As at 31 March	2022	2021
	€ '000	*€ '000*
Current and past due within 3 months	190,650	132,102
Past due from 3 to 6 months	6,529	1,472
Past due from 6 to 12 months	1,612	1,032
Past due over 12 months	832	733
Trade receivables, net	**199,623**	**135,338**

The Group's sales to end customers are retail sales and no credit terms are granted to the end customers. For customers in the Sell-in distribution channel, sales are made with credit terms generally from 60 to 90 days.

13. Trade payables

Ageing analysis of trade payables from due date at the respective balance sheet date is as follows:

As at 31 March	2022	2021
	€ '000	*€ '000*
Current and past due within 3 months	204,348	156,259
Past due from 3 to 6 months	1,272	1,639
Past due from 6 to 12 months	1,093	2,555
Past due over 12 months	3,189	1,205
Trade payables	**209,903**	**161,658**

MANAGEMENT DISCUSSION & ANALYSIS

Summary:

	Reported [1] FY2022 *€ million or %*	Management [2] FY2022 *€ million or %*	Management Restated [3] FY2021 *€ million or %*
Net sales	1,781.4	1,810.0	1,550.9
Operating profit	310.7	307.8	228.5
Profit for the year	241.9	n/a	n/a
Gross profit margin	82.2%	82.8%	83.1%
Operating profit margin	17.4%	17.0%	14.7%
Net profit margin	13.6%	n/a	n/a
Net cash inflow from operations [3]	326.0	n/a	n/a

(1) Reported FY2022 — sales and operating expenses of L'Occitane, Inc. in April to August 2021 were not consolidated but instead treated as associate under the equity method, due to the Chapter 11 proceedings.

(2) Management FY2022 — assuming L'Occitane, Inc. remained part of the Group and its results in April to August 2021 were consolidated into the Group's results, and the net effects of deconsolidation and reconsolidation were then removed. One-off items — impairment for 86 Champs café and change in valuation and share of loss of Good Glamm Group were also excluded for proper comparison. The management believes that this management version provides a truer view of the operational performance in FY2022 and is thus more comparable to the management operating profit in FY2021.

(3) Management Restated FY2021 — assuming L'Occitane, Inc. remained part of the Group and its results in February and March 2021 were consolidated into the Group's results, and the net effects of deconsolidation and reconsolidation were then removed. Restructuring expenses and share of loss of Good Glamm Group were also excluded. The management believes that this management version provides a truer view of the operational performance in FY2021.

Definitions:

Comparable Stores means existing retail stores which have been opened before the start of the previous financial year, including Company owned e-commerce websites.

Non-comparable Stores & others means all stores that are not Comparable Stores, i.e. stores opened, closed and renovated during the previous or the current financial period under discussion, together with other sales from marketplaces, mail-orders, services and LimeLife.

Comparable Store Sales means net sales from Comparable Stores during the financial period under discussion. Unless otherwise indicated, discussion of Comparable Store Sales excludes foreign currency translation effects.

Non-comparable Store Sales means net sales from Non-comparable Store Sales during the financial period under discussion. Non-comparable Store Sales also include sales from a limited number of promotional campaigns usually held at temporary common areas of shopping malls. Unless otherwise indicated, discussion of Non-comparable Store Sales excludes foreign currency translation effects.

Same Store Sales Growth represents a comparison between Comparable Store Sales for two financial periods. Unless otherwise indicated, discussion of Same Store Sales Growth excludes foreign currency translation effects.

Overall Growth means the total worldwide net sales growth for the financial period(s) presented excluding foreign currency translation effects.

REVENUE ANALYSIS

The Group's reported net sales were €1,781.4 million in FY2022, representing an increase of 15.8% at reported rates as compared to FY2021.

Note that during the period from February 2021 to August 2021, L'Occitane, Inc., a subsidiary of the Group in the US, was under Chapter 11 proceedings of the US Bankruptcy Code. In accordance with IFRS, its results during that period were deconsolidated. However, for proper comparison, its sales during the Chapter 11 proceedings from February 2021 to March 2021 totaling €13.0 million in FY2021, and from April 2021 to August 2021, totaling €28.6 million in FY2022, remain included in the Group's revenue analysis in this announcement.

Excluding the accounting effect of the deconsolidation of L'Occitane, Inc., the Group's net sales were €1,810.0 million in FY2022, representing a growth of 16.7% at reported rates, 14.6% at constant rates or 13.0% on a like-for-like basis (excluding Sol de Janeiro's sales from January to March 2022).

In FY2022, the business environment continued to improve as countries in Europe and the Americas began to lift the COVID-19 related restrictive measures. Retail channels saw a strong rebound in footfall while online channels remained dynamic. Travel retail, spas and cruise ship businesses also benefited from the comeback of local and international travelers. However, towards the end of FY2022, the macroeconomic conditions turned challenging, with a resurgence in COVID-19 outbreaks in many key markets and the geo-political situation in Ukraine and Russia.

China, US, UK and Hong Kong were the key contributors to the Overall Growth in FY2022, with growth rates of 16.8%, 13.5%, 21.4% and 24.0% respectively. Other geographic areas together posted a growth of 16.1%.

The Company's total number of retail locations decreased from 3,088 as at 31 March 2021 to 3,068 as at 31 March 2022, a decrease of 20 or 0.6%. The number of own retail stores decreased from 1,523 as at 31 March 2021 to 1,490 as at 31 March 2022, representing a net decrease of 33 or 2.2%. The Company further closed underperforming stores during FY2022, including 21 shops in the US. At the end of March 2022, the breakdown of the 1,523 own stores by brand and change over last year were as follows: L'Occitane en Provence (1,354; -35), L'Occitane au Brésil (65; +1), Melvita (39; -11), Erborian (14; -1) and ELEMIS (18; +13). The number of non-own stores increased by 13 or 0.8%.

Performance by Brand

The following table presents the net sales and net sales growth by brand for the periods indicated, including sales of L'Occitane, Inc. in February and March 2021 in FY2021 and in April to August 2021 in FY2022:

	FY2022		**FY2021**		**Growth at reported rates**	**Growth at constant rates**
	€ '000	*%*	*€ '000*	*%*	*%*	*%*
L'Occitane en Provence	1,389,174	76.8	1,207,549	77.9	15.0	13.2
ELEMIS	226,317	12.5	158,910	10.2	42.4	37.4
LimeLife	70,733	3.9	102,155	6.6	(30.8)	(31.3)
Sol de Janeiro	26,081	1.4	–	–	n/a	n/a
Others [(1)]	97,679	5.4	82,269	5.3	18.7	19.0
Total [(2)]	**1,809,984**	**100.0**	**1,550,883**	**100.0**	**16.7**	**14.6**

(1) Others include the brands Melvita, Erborian, and L'Occitane au Brésil.

(2) Excluding Sol de Janeiro which was consolidated since 1 January 2022, the like-for-like sales growth in FY2022 was 13.0%.

L'OCCITANE en Provence accounted for 76.8% of the Group's total sales. Sales momentum of the brand rebounded strongly in Europe and the Americas following the removal of restrictive measures related to COVID-19. Retail business contributed most to overall growth as stores reopened and footfall normalised. Yet online channels continued to grow in FY2022 despite comparing with an exceptional FY2021. Travel retail saw significant improvement, particularly in Asia. China, Hong Kong, the US and other geographic areas were the key contributors to the brand's overall growth in FY2022.

ELEMIS accounted for 12.5% of the Group's total sales in FY2022, an increase of 2.3 points as compared to FY2021. ELEMIS posted an exceptional growth of 37.4% at constant rates. The spa wholesale and cruise ship businesses rebounded strongly as travel restrictions loosened. Online channels continued to grow, thanks to the successful omni-channel business model and strengthened collaborations with digital partners. The US contributed most to the brand's overall growth in FY2022, followed by the UK and China. ELEMIS has 18 own retail stores in our key strategic markets.

The Group began to consolidate Sol de Janeiro in January 2022 and it contributed €26.1 million, or 11.0% to overall growth in FY2022. In local currency, Sol de Janeiro delivered 46.7% growth in the fourth quarter of FY2022.

LimeLife posted a sales decline of 31.3% at constant rates in FY2022, after a successful FY2021. In addition to the high base last year, the brand faced difficulties in recruiting and retaining beauty guides as the US economy returned to normal and employment conditions improved.

The other brands together finished FY2022 with 19.0% growth at constant rates, with key contributions from the continuous success of Erborian and the strong rebound of L'OCCITANE au Brésil. Both retail and wholesale channels benefited from the removal of restrictive measures.

Performance by Geographic Area

The following table presents the net sales and net sales growth by geographic area for the periods indicated:

	FY2022		**FY2021**		**Growth at reported rates**	**Growth at constant rates**	**Contribution to Overall Growth at constant rates**
	€ '000	*%*	*€ '000*	*%*	*%*	*%*	*%*
Japan	206,034	11.4	215,273	13.9	(4.3)	0.4	0.4
Hong Kong [(1)]	118,884	6.6	94,589	6.1	25.7	24.0	10.0
China	327,994	18.1	263,642	17.0	24.4	16.8	19.4
Taiwan	51,530	2.8	47,464	3.1	8.6	2 .8	0.6
France	96,011	5.3	86,688	5.6	10.8	10.8	4.1
United Kingdom	197,461	10.9	154,444	10.0	27.9	21.4	14.6
United States [(3)]	296,816	16.4	258,552	16.6	14.8	13.5	15.3
Brazil	48,261	2.7	34,453	2.2	40.1	37.0	5.6
Russia	62,586	3.5	50,966	3.3	22.8	24.8	5.6
Other geographic areas [(2)]	404,407	22.3	344,812	22.2	17.3	16.1	24.4
Total	**1,809,984**	**100.0**	**1,550,883**	**100.0**	**16.7**	**14.6**	**100.0**

(1) Includes sales in Macau and to distributors and travel retail customers in Asia.

(2) Includes sales from Luxembourg.

(3) Includes sales during the Chapter 11 proceedings from April 2021 to August 2021, totaling €28.6 million in FY2022 and from February 2021 to March 2021, totaling €13.0 million in FY2021, for proper comparison.

The following table provides a breakdown, by geographic area, of the number of own retail stores, their contribution percentage to Overall Growth and Same Store Sales Growth for FY2022 compared to the same period last year:

	Own Retail Stores				% contribution to Overall Growth [1] [2]			
	31 March 2022	Net openings YTD 31 March 2022	31 March 2021	Net openings YTD 31 March 2021	Non-comparable Stores	Comparable Stores	Total Stores	Same Store Sales Growth
Japan [3]	154	(3)	157	(6)	0.0	0.5	0.6	0.7
Hong Kong [4]	29	(4)	33	(2)	(0.4)	(0.1)	(0.5)	(1.2)
China	208	10	198	(5)	(1.9)	3.5	1.5	6.1
Taiwan	51	(2)	53	(2)	(0.6)	0.6	0.0	4.0
France [5]	84	(1)	85	(2)	1.5	(0.2)	1.2	(1.3)
United Kingdom [6]	71	1	70	(2)	1.3	2.4	3.7	8.7
United States	126	(21)	147	(25)	(1.3)	11.1	9.8	25.0
Brazil [7]	172	(4)	176	(23)	1.5	2.6	4.1	23.6
Russia [8]	110	(2)	112	–	0.3	2.4	2.7	17.1
Other geographic areas [9]	485	(7)	492	(18)	1.5	6.4	7.9	8.0
Total [10]	**1,490**	**(33)**	**1,523**	**(85)**	**1.9**	**29.2**	**31.1**	**8.3**

(1) Represents percentage of overall net sales growth attributable to Non-comparable Stores, Comparable Stores and Total Stores for the geographic area and period indicated.

(2) Excludes foreign currency translation effects.

(3) Includes 31 Melvita stores as at 31 March 2021 and 26 Melvita and 2 ELEMIS stores as at 31 March 2022.

(4) Includes 2 L'Occitane stores in Macau and 8 Melvita and 3 ELEMIS stores in Hong Kong as at 31 March 2021, and 2 L'Occitane stores in Macau and 4 Melvita and 3 ELEMIS stores in Hong Kong as at 31 March 2022.

(5) Includes 5 Melvita and 2 Erborian stores as at 31 March 2021 and 4 Melvita and 2 Erborian stores as at 31 March 2022.

(6) Includes 1 ELEMIS store as at 31 March 2022.

(7) Includes 64 and 65 L'Occitane au Brésil stores as at 31 March 2021 and 31 March 2022 respectively.

(8) Includes 11 Erborian stores as at 31 March 2021 and 11 Erborian and 1 ELEMIS stores as at 31 March 2022.

(9) Include 6 Melvita, 2 ELEMIS and 2 Erborian stores as at 31 March 2021 and 5 Melvita, 9 ELEMIS and 1 Erborian stores as at 31 March 2022.

(10) Include 50 Melvita, 64 L'Occitane au Brésil, 5 ELEMIS and 15 Erborian stores as at 31 March 2021 and 39 Melvita, 65 L'Occitane au Brésil, 18 ELEMIS and 14 Erborian stores as at 31 March 2022.

Japan

Japan's net sales for FY2022 were €206.0 million, a decrease of 4.3% as compared to FY2021. At constant exchange rates, the growth was 0.4%. Retail traffic rebounded strongly in the first quarter of FY2022, but turned sluggish afterwards when restrictive measures and states of emergency orders were implemented. L'Occitane en Provence posted a low single-digit growth in FY2022, mainly contributed by an increase in retail sales. Melvita saw a low single-digit decline, due partly to low traffic and partly to trading with fewer stores. A net of 3 stores were closed during FY2022, comprising a closure of 5 Melvita stores and an opening of 2 ELEMIS stores.

Hong Kong

Hong Kong's net sales for FY2022 were €118.9 million, an increase of 25.7% as compared to FY2021. At constant exchange rates, the growth was 24.0%. The strong growth was mainly contributed by travel retail sales to clients in the Greater China region as well as the development of web partners business in Hong Kong. Travel retail sales in FY2022 posted a mid-teens growth as compared to FY2020 (i.e. pre-COVID-19 two years ago). Meanwhile, in Hong Kong's domestic retail market, footfall in shopping malls improved significantly as COVID-19 cases remained low in the first three quarters of FY2022. However, the resurgence of COVID-19 in the fourth quarter of FY2022 prompted new rounds of restrictive measures, which caused traffic to vanish almost entirely. Retail sales in Hong Kong ended FY2022 with a low single-digit decline.

China

China's net sales for FY2022 were €328.0 million, an increase of 24.4% as compared to FY2021. At constant exchange rates, the growth was 16.8%, contributing most to the Group's Overall Growth. Online channels were particularly dynamic and ended the year with double-digit growth. L'Occitane en Provence recorded growth in all channels with strong contribution from web partners and marketplace. In addition to rolling out with an exclusive wholesale chain partner as planned, ELEMIS opened two own stores in prestigious malls in Shanghai and Nanjing during the year. Overall sales momentum remained strong throughout the year until lockdowns and restrictive measures were taken by the government in major cities in March 2022, which impacted retail footfall and hampered product deliveries.

Taiwan

Taiwan's net sales for FY2022 were €51.5 million, an increase of 8.6% at reported rates. At constant exchange rates, the growth was 2.8%. Despite facing sporadic semi-lockdowns, sales momentum continued from a strong FY2021 which grew 15.5% at constant exchange rates. Retail traffic was sluggish, yet the decrease in sales was compensated by the dynamic growth in web partners and own e-commerce.

France

France's net sales for FY2022 were €96.0 million, an increase of 10.8% as compared to FY2021. Sales rebounded from a low base in FY2021 which was impacted by COVID-19 measures. L'Occitane en Provence posted high single-digit growth in FY2022, mainly benefited from the reopening of retail shops. Erborian accelerated its growth to mid-double-digit, with major contribution from wholesale channels.

United Kingdom

The United Kingdom's net sales for FY2022 were €197.5 million, an increase of 27.9% as compared to FY2021. At constant exchange rates, the growth was 21.4%. ELEMIS saw accelerated growth upon the removal of restrictive measures in FY2022, with strong recovery in spa wholesale and continued development in web partnerships. Retail sales of L'Occitane en Provence rebounded sharply during the year, while online channels normalised.

United States

The United States' net sales for FY2022 were €296.8 million, an increase of 14.8% as compared to FY2021. At constant exchange rates, the increase was 13.5%. In accordance with IFRS requirements, the sales during the Chapter 11 proceedings from April to August 2021 were not consolidated, reducing the reported net sales for FY2022 to €254.8 million. Both L'Occitane en Provence and ELEMIS benefited from the removal of restrictive measures. Retail sales of L'Occitane en Provence rebounded strongly, while online channels normalised. ELEMIS posted encouraging growth in all channels, with major contribution from wholesale and cruise ship businesses. LimeLife, on the other hand, was impacted negatively by the reopening of the economy. It became more difficult to recruit and retain beauty guides as the job market resumed to normal. Lastly, Sol de Janeiro joined the Group in January 2022 and contributed €26.1 million to the country's sales.

Brazil

Brazil's net sales for FY2022 were €48.3 million, an increase of 40.1% as compared to FY2021. At constant exchange rates, the increase was 37.0%. Both L'Occitane en Provence and L'Occitane au Brésil rebounded strongly in retail channels, which were hampered by the restrictive measures in FY2021. Compared to FY2020 (i.e. pre-COVID-19 two years ago), net sales grew 15.3% in local currency.

Russia

Russia's net sales for FY2022 were €62.6 million, an increase of 22.8% as compared to FY2021. At constant exchange rates, it achieved growth of 24.8%, with contribution from all brands. Both L'Occitane en Provence and Erborian posted double-digit growth, due mainly to reopening of retail shops. ELEMIS posted mid double-digit growth, with rapid expansion in online and wholesale channels. Since the Ukraine-Russia conflict broke out in the fourth quarter of FY2022, the Group suspended investments and expansion plans, and subsequently suspended operations of its own retail stores and own e-commerce.

Other geographic areas

Other geographic areas' net sales for FY2022 were €404.4 million, an increase of 16.1% at constant exchange rates. Countries with strong positive contribution were Korea, Mexico, Spain and Canada. Travel retail and distribution sales in Europe and the Americas also rebounded strongly.

PROFITABILITY ANALYSIS

COST OF SALES AND GROSS PROFIT

The reported cost of sales increased by 22.0%, or €57.2 million, to €317.9 million in FY2022. The gross profit margin decreased 0.8 points to 82.2% as compared to FY2021. The decrease is attributable to the following factors:

- deconsolidation of US subsidiary during the Chapter 11 proceedings for 0.6 points;
- unfavourable channel mix from higher sell-in proportion and unfavourable brand mix from ELEMIS and Sol de Janeiro, which have more sell-in businesses, for a total of 0.5 points; and
- higher freight and duties for 0.4 points, partly due to inventory rebuild and partly due to higher shipping costs.

The decrease in gross profit margin was partly offset by:

- improvement in production efficiency from higher volumes which led to lower average fixed costs absorption for 0.6 points; and
- price increase for 0.1 points.

DISTRIBUTION EXPENSES

The reported distribution expenses increased by 4.8%, or €32.2 million, to €698.4 million in FY2022. As a percentage to net sales, distribution expenses decreased by 4.1 points to 39.2%. This improvement is attributable to a combination of:

- higher leverage from retail and other brick-and-mortar channels for 5.3 points;
- favourable brand and channel mix, mainly from the lower share of LimeLife in overall sales, as LimeLife has a high ratio of distribution expenses for 0.9 points;
- more efficient retail network as a result of the network rationalisation for 0.6 points; and
- positive effect from US deconsolidation for 0.4 points.

This improvement was partly offset by:

- one-off COVID subsidies from governments and rent concessions last year for 2.1 points;
- one-off impairment on 86 Champs café for 0.9 points; and
- increase in warehousing offset by various other gains for 0.1 points.

MARKETING EXPENSES

The reported marketing expenses increased by 31.4%, or €67.1 million, to €280.8 million in FY2022. As a percentage of net sales, marketing expenses increased by 1.9 points to 15.8%. The increase is attributable to:

- strategic investments in the Osmanthus fragrance line and hair care category in China through live streaming, social media, celebrity campaigns and video production for 0.9 points;
- re-investment in L'Occitane en Provence (other than China) and acceleration plan of Erborian for 0.5 points;
- brand mix for 0.5 points, mainly driven by ELEMIS which has a higher marketing ratio;
- ELEMIS's re-investment after drastic cuts during COVID-19 last year and investments in new markets in Asia for 0.4 points;
- FX, staff, COVID-19 subsidies last year and others for 0.2 points; and
- initial inclusion of Sol de Janeiro for 0.2 points.

This increase was partly offset by higher sales leverage for 0.8 points.

RESEARCH & DEVELOPMENT EXPENSES

The reported research and development ("**R&D**") expenses increased by 8.8%, or €1.5 million, to €18.9 million in FY2022. As a percentage to net sales, R&D expenses remained the same at 1.1%.

GENERAL AND ADMINISTRATIVE EXPENSES

The reported general and administrative expenses increased by 17.0%, or €25.2 million, to €173.0 million in FY2022. As a percentage of net sales, general and administrative expenses increased by 0.1 points to 9.7%. The increase is attributable to:

- one-off COVID-19 grants and furloughs from governments last year for 0.4 points;
- increase in long-term incentive and bonus provisions for 0.3 points corresponding to the strong financial achievements this year as compared to bonus cuts under the uncertain COVID-19 environment last year;
- one-off items, mostly Sol de Janeiro's acquisition costs, for 0.2 points;
- IT investment, FX and others for 0.2 points; and
- various restructuring projects for 0.2 points.

The deterioration was mostly offset by higher sales leverage for 1.2 points.

SHARE OF (LOSSES) FROM ASSOCIATES AND JOINT VENTURES ACCOUNTED FOR USING THE EQUITY METHOD

Details of the €13.6 million net losses from associates and joint ventures accounted for using the equity method in FY2022 are shown below:

- loss of €8.9 million incurred by L'Occitane, Inc. during the deconsolidation between April and August 2021
- loss of €5.0 million by Good Glamm Group (previously known as MyGlamm)
- loss of €0.4 million by CAPSUM and partly offset by gain of €0.7 million by L'Occitane Middle East

OTHER OPERATING INCOMES

Details of the €39.1 million other operating incomes in FY2022 are shown below:

- capital gain of €25.1 million from an increase in valuation of the investment in Good Glamm Group which is now accounted as an associate using the equity method
- gain from the reconsolidation of L'Occitane, Inc. for €12.9 million
- government grants on R&D for €1.0 million
- others for €0.1 million

OTHER OPERATING LOSSES

Details of the €7.1 million other operating losses in FY2022 are shown below:

- share of €4.9 million calculated losses arising from dilution of shareholding percentage in Good Glamm Group
- restructuring costs of €1.5 million, mainly relating to Chapter 11 proceedings
- loss on sale of assets for €0.6 million
- other items for €0.1 million

OPERATING PROFIT

Reported operating profit increased by 43.3%, or €93.9 million, to €310.7 million. The reported operating profit margin improved by 3.3 points of net sales to 17.4%. The outstanding result is explained by the factors below:

- leverage of fixed costs and channel distribution costs primarily from retail on higher sales for 7.4 points;
- increase in valuation of the investment in Good Glamm Group for 1.1 points; and
- restructuring costs last year and effects of Chapter 11 proceedings for 0.6 points.

The improvement was partly offset by the following:

- COVID-19 subsidies received from government last year for 2.5 points;
- increase in L'Occitane en Provence's marketing investment in China and other key countries and ELEMIS's investments for 1.7 points;
- one-off impairment for 86 Champs café for 0.9 points;
- higher incentive as a result of outstanding profits for 0.3 points; and
- higher warehousing and related costs, rounding and other factors for 0.4 points.

The following table presents the Group's management operating profit and the reconciliation to reported operating profit for FY2022 and FY2021.

	FY2022		**FY2021**	
	€ M	*% to sales*	*€ M*	*% to sales*
Reported Net sales	**1,781.4**		**1,537.8**	
Net Sales	**1,810.0**		**1,550.9**	
Cost of sales	(311.6)	-17.2%	(261.6)	-16.9%
Gross profit	**1,498.4**	**82.8%**	**1,289.3**	**83.1%**
Distribution expenses	(702.9)	-38.8%	(675.7)	-43.6%
Marketing expenses	(286.1)	-15.8%	(216.2)	-13.9%
Research & development expenses	(18.9)	-1.0%	(17.4)	-1.1%
General and administrative expenses	(182.9)	-10.1%	(151.0)	-9.7%
Share of profit/(losses) from joint venture accounted for using the equity method	0.3	0.0%	(0.1)	0.0%
Other operating income/(loss)	(0.0)	0.0%	(0.4)	0.0%
Management operating profit [(1)]	**307.8**	**17.0%**	**228.5**	**14.7%**
Chapter 11: net effects of deconsolidation/reconsolidation	3.3		8.6	
Restructuring expenses	–		(16.9)	
Good Glamm Group's valuation and share of profit/(losses)	15.1		(3.4)	
Impairment of 86 Champs café	(15.5)		–	
Reported operating profit	**310.7**	**17.4%**	**216.8**	**14.1%**

(1) Management operating profit FY2022 — assuming L'Occitane, Inc. remained part of the Group and its results in April to August 2021 were consolidated into the Group's results, and the net effects of deconsolidation and reconsolidation were then removed. One-off items — impairment for 86 Champs café and Good Glamm Group's change in valuation are also excluded for proper comparison. The management believes that this management version provides a truer view of the operational performance in FY2022 and is thus more comparable to the management operating profit in FY2021.

Management operating profit FY2021 — assuming L'Occitane, Inc. remained part of the Group and its results in February and March 2021 were consolidated into the Group's results, and the net effects of deconsolidation and reconsolidation were then removed. Restructuring expenses were also excluded. The management believes that this management version provides a truer view of the operational performance in FY2021.

FINANCE COSTS, NET

Net finance costs were €14.5 million in FY2022, which consisted of interest incomes on cash and cash equivalents of €1.9 million and the following expense items:

- IFRS 16 lease liabilities related interests and finance expenses of €8.9 million;
- Interest expenses related to bank borrowings, revolving facilities and external financing of €3.6 million; and
- unwinding discount on certain financial liabilities and amortisation of related fees with a total of €3.9 million.

As compared to FY2021, net finance costs decreased by €3.8 million, which was explained by lower net interest expenses, lower IFRS 16 related interest expenses and partly offset by higher other finance expenses.

FOREIGN CURRENCY GAINS/LOSSES

Net foreign currency losses amounted to €0.3 million in FY2022 (FY2021: net losses of €3.0 million) and were comprised of €0.1 million realised gains, €0.1 million unrealised losses and €0.3 million losses related to IFRS 16.

INCOME TAX EXPENSE

The effective tax rate decreased from 21.4% in FY2021 to 18.2% in FY2022, a decrease of 3.2 points. The decrease is due primarily to the following favourable factors:

- favourable country mix effect for 2.4 points;
- beneficial impact on deferred tax assets as a result of higher inventory for 1.6 points; and
- favourable changes in tax rates, essentially in France for 0.3 points.

And partly offset by unfavourable one-off effects for a net 1.1 points.

PROFIT FOR THE YEAR

For the aforementioned reasons, net profit for FY2022 was a record €241.9 million, an increase of 57.5% or €88.3 million as compared to restated €153.6 million for FY2021. Basic and diluted earnings per share in FY2022 were €0.165 and €0.164 respectively (FY2021: basic €0.103 and diluted €0.103), an increase of 59.7% and 59.8% respectively. The numbers of basic and diluted shares used in the calculations of earnings per share in FY2022 were 1,470,135,821 and 1,473,153,053 respectively (FY2021: basic 1,466,677,921 and diluted 1,470,779,165).

BALANCE SHEET AND CASH-FLOW REVIEW

LIQUIDITY AND CAPITAL RESOURCES

As at 31 March 2022, the Group had cash and cash equivalents of €360.9 million as compared to €421.2 million as at 31 March 2021. The decrease was mainly explained by net cash outflow for investment in Sol de Janeiro. As at 31 March 2022, total borrowings, including term loans, revolving facilities, bank borrowings, finance lease liabilities, and current accounts with minority shareholders and related parties, amounted to €670.9 million. As at 31 March 2022, the aggregate amount of undrawn borrowing facilities was €268.2 million.

SUMMARISED CASH-FLOW STATEMENT

For the year ended 31 March	2022 *€ '000*	2021 *€ '000*
Profit before tax, adjusted for non-cash items	475,361	421,201
Changes in working capital	(98,814)	36,316
Income tax paid	(50,523)	(28,006)
Net cash inflow from operating activities	326,024	429,511
Net cash outflow for capital expenditures	(37,998)	(27,838)
Free cash flow [(1)]	**288,026**	**401,673**
Net cash (outflow) from investment in new ventures and financial assets	(327,801)	(50,585)
Net cash (outflow) from financing activities	(17,340)	(97,177)
Effect of exchange rate changes	(3,202)	963
Net increase/(decrease) in cash, cash equivalents and bank balances	**(60,317)**	**254,874**

(1) Free cash flow generated for FY2022 was €288.0 million, as compared to €401.7 million in FY2021. If excluding the IFRS 16 non-cash items, free cash flow generated for FY2022 and FY2021 would be €174.1 and €278.1 respectively. The decrease was due to higher working capital required for accelerated sales growth, higher tax paid as a result of record profits and normalised capital expenditures in FY2022.

CAPITAL EXPENDITURES

Net cash used in capital expenditures was €38.0 million in FY2022, as compared to €27.8 million in FY2021, representing an increase of €10.2 million. The increase was mainly in retail stores related capital expenditures. The capital expenditures for FY2022 were primarily related to:

- leasehold improvements and other tangible assets, related to new and revamped stores of L'Occitane en Provence and wholesale clients of ELEMIS for €16.2 million;
- investments in various IT equipment and software for €13.6 million; and
- replacement of machinery and equipment of the factory, office and warehousing facilities for a total of €8.2 million.

INVESTMENT IN SUBSIDIARIES, ASSOCIATES AND FINANCIAL ASSETS

Net cash outflow from investment in subsidiaries, associates and financial assets was €327.8 million in FY2022, as compared to €50.6 million in last year. The outflow this year was mainly for the acquisition of the new brand Sol de Janeiro and an investment in Carbios, a French biochemical company specialising in plastic recycling.

FINANCING ACTIVITIES

Financing activities in FY2022 ended with a net cash outflow of €17.3 million (FY2021: outflow of €97.2 million). Net cash outflow during the year mainly reflected the following:

- principal components of lease payments of €108.5 million under IFRS 16;
- payment of dividend for €54.1 million; and
- net payment relating to acquisition of treasury shares and settlement of share options for €4.5 million.

This was partly offset by the following cash inflow:

- net bank borrowing for €148.8 million; and
- transactions with non-controlling interests for €1.0 million.

INVENTORIES

The following table sets out a summary of average inventory days for the periods indicated:

	FY2022	FY2021
Average inventory turnover days [1]	265	282

[1] Average inventory turnover days equals to average inventory divided by cost of sales and multiplied by 365. Average inventory equals to the average of net inventory at the beginning and end of a given period.

Inventory net value was €263.2 million as at 31 March 2022, an increase of 32.3%, or €64.3 million as compared to 31 March 2021. The increase in inventory net value was due mainly to the strong growth of L'Occitane en Provence, first inclusion of Sol de Janeiro and rapid expansion of ELEMIS.

Average inventory turnover, however, decreased by 17 days in FY2022, as a result of strong growth in sales and thus increase in cost of sales as compared to last year. The decrease in inventory turnover days by 17 days was attributable to the following:

- decrease in finished goods and mini products and pouches of comparable brands for -24 days;
- reduction in raw materials and work in progress for -4 days; and
- increase in inventory provision for -3 days.

which was partly offset by:

- initial inclusion of Sol de Janeiro for +7 days (with cost of sales for 3 months only); and
- unfavourable FX impact for +7 days.

TRADE RECEIVABLES

The following table sets out a summary of turnover days of trade receivables for the periods indicated:

	FY2022	FY2021
Turnover days of trade receivables [1]	34	32

[1] Turnover days of trade receivables equals to average trade receivables divided by net sales and multiplied by 365. Average trade receivables equals to the average of net trade receivables at the beginning and end of a given period.

Turnover days of trade receivables increased by 2 days to 34 days for FY2022 as compared to FY2021. The increase was a net result of higher sell-in sales from ELEMIS, first inclusion of Sol de Janeiro, unfavourable FX impact and partly offset by lower turnover days from sell-out channels.

TRADE PAYABLES

The following table sets out a summary of average trade payables days for the periods indicated:

	FY2022	FY2021
Turnover days of trade payables [1]	213	215

[1] Turnover days of trade payables equals to the average trade payables divided by cost of sales and multiplied by 365. Average trade payables equals to the average of trade payables at the beginning and end of a given period.

The decrease in turnover days of trade payables by -2 days in FY2022 was a net impact of lower turnover days in accruals and trade payable for -7 days and partly offset by FX impacts for +5 days.

BALANCE SHEET RATIOS

Return on capital employed in FY2022 was 12.8%, an increase of 2.7 points as compared to FY2021, as a result of an increase in net operating profit after tax by 51.0% accompanied by an increase of 18.5% in capital employed. The increase in capital employed was mainly due to the goodwill from acquisition of Sol de Janeiro.

The capital and reserves attributable to the equity owners increased by €77.2 million in FY2022, being a net result of comprehensive income for the year, dividend distribution and increase in other reserves. Return on equity ratio in FY2022 further improved by 6.4 points to 19.1%, compared to 12.7% in FY2021.

The Group's gearing ratio increased slightly from 32.8% in FY2021 to 34.0% in FY2022. If the impacts of IFRS 16 were excluded, gearing ratio in FY2022 would be 27.2%.

	Reported FY2022	Restated FY2021
Profitability		
EBITDA [1]	488,269	404,576
Net operating profit after tax (NOPAT) [2]	253,782	168,046
Capital employed [3]	1,975,448	1,667,162
Return on capital employed (ROCE) [4]	12.8%	10.1%
Return on equity (ROE) [5]	19.1%	12.7%
Liquidity		
Current ratio (times) [6]	1.1	0.9
Quick ratio (times) [7]	0.8	0.7
Capital adequacy		
Gearing ratio [8]	34.0%	32.8%
Debt to equity ratio [9]	50.3%	31.1%

[1] Earnings before interest, taxes, depreciation, amortisation and impairment

[2] (Operating profit + foreign currency net gains or losses) x (1 – effective tax rate)

[3] Non-current assets – (deferred tax liabilities + other financial liabilities + other non-current liabilities) + working capital

[4] NOPAT/capital employed

[5] Net profit attributable to equity owners of the Company/shareholders' equity at year end excluding minority interest

[6] Current assets/current liabilities

[7] (Current assets – inventories)/current liabilities

[8] Total debt/total assets

[9] Net debt/(total assets – total liabilities)

FOREIGN EXCHANGE RISK MANAGEMENT

The Company enters into forward exchange contracts and currency options to hedge anticipated transactions, as well as receivables and payables not denominated in its presentation currency, the Euro, for periods consistent with its identified exposures. As at 31 March 2022, the Company had foreign exchange derivatives net assets of €0.7 million in the form of forward exchange contracts (in accordance with fair market valuation requirements under IFRS). The notional principal amounts of outstanding forward exchange derivatives as at 31 March 2022 were primarily sale of Chinese yuan for an equivalent amount of €52.0 million, US dollar for €29.8 million, Hong Kong dollar for €23.9 million, Japanese yen for €13.9 million, Great British pound for €9.2 million, Russian ruble for €8.6 million, Mexican peso for €4.6 million and Thai baht for €2.7 million.

DIVIDENDS

At the Board meeting held on 28 June 2021, the Board recommended a gross dividend distribution of €0.03687 per share for a total amount of €54.1 million or 35.0% of the net profit attributable to the equity owners of the Company. The amount of the final dividend was based on 1,467,388,221 shares in issue as at 28 June 2021 excluding 9,576,670 treasury shares. The shareholders of the Company (the "**Shareholders**") approved this dividend at a meeting held on 29 September 2021. The dividend was duly paid on 22 October 2021.

Due to the outstanding results in all financial aspects in FY2022, the Board is pleased to propose an increase in payout ratio from 35% to 40%, and recommends a final dividend of €0.06585 per share (the "**Final Dividend**"), approximately 178.6% of the dividend paid in FY2021. The total amount of the Final Dividend is €96.8 million.

The Final Dividend is based on 1,470,135,821 shares in issue as at 27 June 2022 excluding 6,829,070 treasury shares.

EVENTS SUBSEQUENT TO THE END OF FINANCIAL YEAR

On 1 April 2022, L'Occitane International S.A. acquired from its majority shareholder, L'Occitane Groupe S.A., 49.24% of equity interests (representing 76.18% of the voting rights) in 14 Groupe S.A. which holds 65% equity interest and voting rights of Grown Alchemist, for a sum of €5,032,000. Grown Alchemist is an Australian brand with cross-category success across skincare, bodycare, haircare and nutricosmetics supplements.

On 19 May 2022, the Group decided to exit from its subsidiary L'Occitane Russia. This subsidiary accounted for 3.5% of the consolidated net sales as of 31 March 2022 and 2.1% of the total assets of the Group as at 31 March 2022. On 3 June 2022, a share purchase agreement was signed between the Group and the four key directors of the subsidiary. Each of the four key directors will hold between 23% and 31% of the total shares formerly held by the Group.

The payment of the shares will be made through four installments between June 2025 and June 2028. The payment of the shares is secured by a pledge agreement signed on 3 June 2022.

There is a call option exercisable for the Group on 1 April 2025, 2026, 2027, 2028 and 2029. The exercise price is based on the fair value.

Based on these agreements, the Group will lose the exclusive control of the Russian entity and will not have any significant influence.

As of 31 March 2022, the test related to the valuation of the assets linked to the Russian subsidiary is consequently performed with regards to the present value of the receivable linked to the sale. This value depends on the capacity of the new entity to generate cash flows. Based on management's judgement, there are no indicators leading to the conclusion that the Group will not be in a position to recover this receivable. On that basis, management concluded that there is no impairment to be recorded in the accounts on the assets of L'Occitane Russia that amount to €33 million as of 31 March 2022. A reasonable change in the main assumptions used by Management will not trigger any material impairment of the assets tested.

At the date of the loss of exclusive control on 3 June 2022, the present value of the receivable of shares (corresponding to the deferred payments to be received from the acquirer of the shares) will approximately amount to €48 million. The present value of the receivable will be calculated with a discount rate of 12.5% that takes into account the risk of the new entity to generate sufficient cash flows in the future.

This amount approximately corresponds to the net assets of L'Occitane Russia at that date (including the currency translation differences previously recorded in other comprehensive income in respect of L'Occitane Russia and the impact of elimination of the intercompany margin). Therefore no significant capital gain or loss is expected.

STRATEGIC REVIEW

In FY2022, the Group delivered a set of outstanding results, with solid sales growth of 16.7% and record profit margins. Sales momentum stood up well throughout the year, even as conditions turned challenging in FY2022 Q4 which saw a return of lockdowns in China — its largest market — and a marked increase in global geopolitical headwinds. Indeed, when compared to pre-pandemic levels two years ago, full-year sales grew 12.4% on a like-for-like basis, a comparable that improved sequentially each quarter. The operating profit reached a record €241.9 million with the operating profit margin expanding to 17.4%, the highest level since the Group's listing.

This excellent outcome truly demonstrates the resilience of the Group's brands and teams, as well as its ability to withstand and overcome market turbulences. The Group's commitment to building trust, sustainable growth and profitability continued to fortify L'OCCITANE en Provence's position in the global premium beauty market. Targeted and disciplined investments within all of its brands began to pay dividends with ELEMIS being a key contributor to the Group's improved operating profitability on the back of a highly successful digital-first global expansion strategy.

At the same time, the Group continued to strengthen the foundation it has laid for delivering sustainable growth and profitability. The addition of Sol de Janeiro to its brand portfolio provided a new source of profitable growth, and along with its most recent acquisition, Grown Alchemist, the Group advanced its transformation into a multi-brand and geographically-balanced group.

Targeted investments propel core brand's growth and world-class profitability

L'OCCITANE en Provence's results improved across the board throughout FY2022, growing 13.2% at constant rates and contributing 70% to the Group's overall growth, with balanced contribution from Asia, Europe and North America. All product categories also saw sales growth, another indication of the core brand's broad-based improvement, with double-digit growth in hand care — its largest category — and fragrances, led by the successful launch of the Osmanthus line.

Highly targeted marketing investments played a big role in this success, with close to half of the Group's annual media and marketing budget being geared towards major campaigns and special projects considered most strategic for the Group. One of the highlights was China, where the Group skillfully implemented well-thought-out campaigns that leveraged celebrities on TMall and JD.com to drive social media buzz and recruit new customers. As a result, L'OCCITANE en Provence outperformed the market during key shopping festivals and remains one of the top-ranked brands in the premium body care and hand care categories in China.

Although L'OCCITANE en Provence increased the level of marketing investments as a percentage of net sales, it proved to be highly efficient. Not only did the core brand see accelerated growth, it also expanded profitability. The better operating sales leverage, together with the gains from restructuring efforts such as closing underperforming stores during the Chapter 11 proceedings in the US, as well as a favourable channel mix effect with a higher proportion of online and offline sell-in sales, resulted in the core brand's world-class operating margin of 19.8%.

Omni-channel strategy drove simultaneous online and offline growth

The Group has long invested in an omni-channel presence to reach customers across all touchpoints online and offline, a strategy that has proved particularly prescient at the start of the pandemic when traffic shifted dramatically towards online channels. More than two years on, the Group's rich omni-channel proposition has encouraged a permanent shift in the shopping behaviour of its customers, a contributing factor behind the expansion of profitability in FY2022.

As a result, despite offline sales in many markets exceeding pre-pandemic levels, the Group's online sales continued to grow in FY2022, accounting for 33.1% of its total overall sales. In addition, the Group expects its online mix to remain at the current high level even as offline traffic further normalises, as its digitally-centric or digitally-native brands, including ELEMIS, LimeLife and Sol de Janeiro grow. Through a well-coordinated and harmonised promotion strategy between all channels, continued online developments will contribute positively and further support the Group's omni-channel strategy.

With some of the Group's major markets continuing to face sporadic lockdowns and restrictions, its omni-channel strategy remains pivotal for engaging with customers remotely while still keeping a human approach to beauty.

Evolving into a geographically-balanced and multi-brand group

In recent years, the Group has accelerated its M&A activity in line with its strategy of building a leading portfolio of premium beauty brands while accelerating its path to become a global, multi-brand group that is more geographically-balanced and appealing to Millennial and Generation Z consumers.

In FY2022, the Group added two new brands to its portfolio — Sol de Janeiro and Grown Alchemist. Founded in the US and inspired by an authentic Brazilian philosophy of self-love and joy, Sol de Janeiro is a fast-growing, award-winning lifestyle skincare brand. In the span of six years since the brand's creation, Sol de Janeiro has gained an impressive following, and its best-selling *Bum Bum Cream* consistently tops rankings in North America. In the final quarter of FY2022, Sol de Janeiro maintained its growth trajectory and recorded close to 47% sales growth as compared to the same period last year. Towards the end of FY2022, the Group acquired majority control in the Australian cosmeceutical, clean skincare brand, Grown Alchemist. Founded in 2008, the brand has rapidly developed a global following with its focus on futuristic anti-aging technology and unique botanical skincare formulas for optimal skin health. With both brands having strong traction in their respective home markets and limited international presence, the Group sees immense growth potential in the years to come.

Led by a digital-first global expansion strategy, sales growth at ELEMIS accelerated robustly in FY2022, driven by the rebound of its spa and wholesale businesses, strong online sales in both the US and the UK, and the return of its maritime and in-flight businesses. ELEMIS is also gearing up for the next phase of development in China, as the exclusivity period with its retail partner comes to an end. Following drastic cost cuts during the pandemic, ELEMIS maintained its lean and agile structure while sensibly resuming marketing investments along with new market roll-outs. Despite these investments during the brand's growth phase, ELEMIS continued to deliver a stellar operating profit margin of 22.8% in FY2022, once again contributing to the Group's expanding operating margins.

The Group's other brands achieved robust growth of 19% in FY2022. Erborian delivered outstanding growth of 43%, while L'OCCITANE au Brésil rebounded strongly and posted 60% growth. LimeLife, however, suffered from a high base, being the Group's fastest-growing brand in FY2021, following the removal of lockdowns and a recovery in the employment market in the US.

Organization well-poised for future growth with completion of management transition

With the Group well-positioned for a sustainable future, it concluded a planned management transition. In September 2021, Mr. André Hoffmann succeeded Mr. Reinold Geiger as the Group's Chief Executive Officer. Mr. Geiger remains the Group's Chairman and Executive Director. Under the new organizational structure, Mr. Hoffmann will continue driving the Group's strategic planning to leverage the strengths of its core business as well as identify new opportunities.

Further, effective from 30 June 2022, Mr. Thomas Levilion will retire from his position as Chief Financial Officer of the Group. The Group would like to sincerely thank Mr. Levilion for his valuable contribution during his tenure and looks forward to his continued guidance as he remains on the Board as a non-executive director. The Group also extends a warm welcome to Mr. Christian-Matthias Klever who will succeed Mr. Levilion. Mr. Klever brings a wealth of experience from the luxury sector and will be a strong addition to the management team.

Long-term sustainability efforts gain recognition

The Group continued to make progress in its sustainability strategy, anchored by its three priorities of contributing to a carbon net-zero, nature-positive and fair and inclusive world. In September 2021, it announced the guiding principles of its biodiversity strategy and vision for a 'nature-positive' world, while also setting an ambitious objective of being B Corp certified by 2023.

The Group's more localised sustainability initiatives are also attracting recognition and awards. In South Korea, an eco-pop-up at the Hyundai Seoul won the MUSE Design Award (Sustainable Living/Green category) and the iF Design Award for its environmentally-conscious design, beating out 6,000 entrants and 11,000 entrants respectively from all around the world.

At the Group level, sustainability progress has been added as one of the metrics used to evaluate and incentivise its employees globally, ensuring an alignment of interests and a balance of purpose and profit. It also established a sustainability committee at the Board level to move forward on its sustainability journey in a unified and more structured way.

OUTLOOK

Looking ahead to FY2023, the global economy is facing many uncertainties. In the first quarter of FY2023, the lockdown of major cities in China has adversely impacted the Group's offline channels in the country, as well as sections of its online business due to warehouse closures.

Other regions are showing a nice rebound as countries reopen, thanks to the strong foundation the Group has laid to deliver sustainable growth and profitability in the mid-to-long term. Having passed the €1 billion sales mark in FY2013, the Group expects to pass the €2 billion sales mark in FY2023 while retaining healthy profitability, despite the current headwinds in the China market and the Group's exit from the Russian market.

With its leadership transition completed and management focused on delivering sustainable and profitable growth, the Group will continue to harness and invest in the inherent strength of its expanding number of brands and accelerate its ongoing transformation to deliver long-term value growth for Shareholders.

AUDIT COMMITTEE

As required under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"), the Company has an Audit Committee comprising of three independent non-executive Directors. The Audit Committee together with external auditor has reviewed the accounting principles and practices adopted by the Group and has also discussed auditing, internal controls and financial reporting matters including the review of the consolidated results and the consolidated financial statements of the Group for FY2022. This annual results announcement is based on the Group's audited consolidated financial statements for the year ended 31 March 2022.

CORPORATE GOVERNANCE

The Board reviews its corporate governance practices regularly in order to meet the rising expectations of Shareholders, to comply with increasingly stringent regulatory requirements and to fulfil its commitment to excellence in corporate governance. The Board is committed to maintaining a high standard of corporate governance practices and business ethics in the firm belief that they are essential for maintaining Shareholders' return.

The Company has complied with all of the applicable code provisions of the Corporate Governance Code (the "**CG Code**") set out in Appendix 14 to the Listing Rules throughout FY2022 save as disclosed below:

Code provision C.2.1 (previous code provision A.2.1) of the CG Code provides that the roles of chairman and chief executive should be separate and should not be performed by the same individual. The role of the Chief Executive Officer (the "**CEO**") of the Group had been assumed by Mr. Reinold Geiger ("**Mr. Geiger**"), the Chairman of the Board. On 16 September 2021, Mr. Geiger stepped down from the position of CEO to focus on his other commitments while Mr. André Joseph Hoffmann ("**Mr. Hoffmann**"), the vice-Chairman of the Group, was appointed as the CEO of the Group. Mr. Geiger continues to be the Chairman of the Board and an executive Director. After the appointment of Mr. Hoffmann as the new CEO of the Group, the Company complied with the code provision C.2.1 of the CG Code.

Code provision C.6.3 (previous code provision F.1.3) of the CG Code provides that the company secretary should report to the Chairman and CEO.

Mr. Karl Guénard ("**Mr. Guénard**"), company secretary of the Company, is based in Luxembourg and reports to Mr. Thomas Levilion ("**Mr. Levilion**"), an Executive Director and the Group's Deputy General Manager whose primary responsibility is to oversee the Group's finance functions worldwide. The Company believes this is appropriate because both Mr. Guénard and Mr. Levilion work closely together on a day-to-day basis including dealing with matters relating to corporate governance and other Board-related matters.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by the Directors of Listed Issuers (the "**Model Code**") set out in Appendix 10 to the Listing Rules as the code of conduct for dealing in the securities of the Company by the Directors. Having made specific enquiry of all Directors, they have confirmed that they have complied with the Model Code during FY2022.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During FY2022, the Company repurchased a total of 4,420,250 shares on The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**") with an aggregate amount of HK$124,163,225.99, which were subsequently transferred to treasury. In addition, a total of 7,878,150 shares held in treasury were transferred out of treasury during FY2022 pursuant to the employees' free share and share option plans of the Company. The Company held 6,829,070 shares in treasury on 31 March 2022. Save as disclosed above, neither the Company nor its subsidiaries has purchased, redeemed or sold any of the Company's listed securities during FY2022.

Details of shares repurchased during FY2022 are set out as follows:

Month of repurchases	**Number of shares purchased**	**Price paid per share**		**Aggregate consideration paid**
		Highest *(HK$)*	**Lowest** *(HK$)*	*(HK$)*
September 2021	2,646,000	27.00	24.80	67,966,605.39
December 2021	1,774,250	32.25	29.20	56,196,620.60

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Friday, 23 September 2022 to Wednesday, 28 September 2022, both days inclusive, during which period no share transfers can be registered. The record date to determine which Shareholders will be eligible to attend and vote at the forthcoming annual general meeting of the Company (the "**AGM**") will be Wednesday, 28 September 2022. All transfers accompanied by the relevant share certificate(s) must be lodged with the Company's Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Thursday, 22 September 2022.

Subject to the Shareholders approving the recommended Final Dividend, at the AGM, the Final Dividend will be payable on Friday, 21 October 2022 to Shareholders whose names appear on the register of members on Tuesday, 11 October 2022. To determine eligibility for the Final Dividend, the register of members of the Company will be closed from Thursday, 6 October 2022 to Tuesday, 11 October 2022, both days inclusive, during which period no shares can be registered. In order to be entitled to receive the Final Dividend, all transfers accompanied by the relevant share certificate(s) must be lodged with the Company's Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Wednesday, 5 October 2022.

PUBLICATION OF FINAL RESULTS AND FY2022 ANNUAL REPORT

The final results announcement of the Company is published on the websites of the Hong Kong Stock Exchange (www.hkexnews.hk) and the Company (group.loccitane.com). The annual report will be dispatched to the Shareholders and will be available on the websites of the Hong Kong Stock Exchange (www.hkexnews.hk) and the Company (group.loccitane.com) in due course.

ANNUAL GENERAL MEETING

The AGM will be held on 28 September 2022. A notice convening the AGM will be published on the websites of the Hong Kong Stock Exchange (www.hkexnews.hk) and the Company (group.loccitane.com) and will be dispatched to the Shareholders in due course.

BOARD OF DIRECTORS

As at the date of this announcement, the Directors are:

Executive Directors
Reinold Geiger *(Chairman)*
André Hoffmann *(Vice Chairman and Chief Executive Officer)*
Thomas Levilion *(Group Deputy General Manager, Finance and Administration)*
Karl Guénard *(Company Secretary)*
Séan Harrington *(Chief Executive Officer of ELEMIS)*

Independent Non-executive Directors
Valérie Bernis
Charles Mark Broadley
Betty Liu
Jackson Chik Sum Ng

By Order of the Board
L'Occitane International S.A.
Reinold Geiger
Chairman

Luxembourg, 27 June 2022

Disclaimer

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.