interparfums

2016 outlook
November 17, 2015
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✓ 2015 highlights by brand
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✓ 2016 highlights by brand
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Year 2015

Philippe Benacin

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2015 operating highlights

- Acquisition of the Rochas brand
- Signature of a license agreement with the Coach brand
- Extension of the partnership with Montblanc for 5 additional years to December 31, 2025.

- Growth in sales and earnings
  - Expected sales of €315 million (+6%)
  - Expected operating margin of between 11% and 12%
Highlights by brand
2015

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Rochas fragrances

✓ Integration of the business
  ▪ Commencement of production
  ▪ *Eau de Rochas* reformulation
  ▪ Packaging / Fareva, Poissy

✓ Decisions on products
  ▪ New visual for *Eau de Rochas*
  ▪ Work on the *Femme, Madame* and *Tocade* lines

✓ Decisions on distribution
  ▪ Creation of Parfums Rochas Spain
  ▪ Joint venture Interparfums 51% - Farlabo 49%

✓ Sales of €10m
New visual for *Eau de Rochas*
Reworking of *Femme, Madame & Tocade* lines
Harmonization of in-store fragrance displays
Rochas fashion

✓ Integration of the team (7 people)

✓ Concentration on the following segments:
  - Fashion and leather goods
  - Watches
  - Eyewear

✓ 1 Rond Point des Champs-Elysées
  - Area 750 m² - 2nd floor, above the Elie Saab showroom
  - Studio Rochas + Production Department
  - Rochas 90 Year Anniversary Evening Gala
  - Complete renovation in progress

✓ Income statement highlights
  - At breakeven
Montblanc

✓ Sales: €88m (+3%)
✓ Declines by historic lines
✓ Consolidation of the Montblanc Legend line
✓ Ramping up the Montblanc Emblem line
✓ Launch of the women's line, Montblanc Lady Emblem
Jimmy Choo

✅ Sales: €77m (+30%)

✅ Excellent performance by the Jimmy Choo Man line, particularly in the US

✅ Launch of the Jimmy Choo Blossom line

✅ Launch of the Jimmy Choo Illicit line

✅ Steady performance by the Signature line
Jimmy Choo

Jimmy Choo Illicit
Lanvin

- Sales: €63m (-7%)
- Steady performance by the *Eclat d’Arpège* line launched in 2003
  (-3% at September 30, 2015)
- Launch of the *Eclat d’Arpège Homme* line
- Launch of the *Eclat de Fleurs* line
- Sales erosion by the *Jeanne Lanvin, Marry Me !* and *Rumeur* lines
- Good performances in Eastern Europe despite a difficult market
Lanvin
Eclat d’Arpège Homme
Lanvin

Eclat de Fleurs
Boucheron

✓ Sales: €17m (+22%)
✓ Good market response to the women's line, Quatre, particularly in France
✓ Drop in sales by the Boucheron Place Vendôme line
✓ Declines by the brand's historic lines
Boucheron

Quatre
Van Cleef & Arpels

- Sales: €16m (-10%)
- Decline by the Rêve line launched in 2014
- Steady performance by the First line
- Good performance by the Collection Extraordinaire line (+64% at September 30, 2015)
Van Cleef & Arpels
Collection Extraordinaire
Karl Lagerfeld

- Sales: €12m (-34%)
- A particularly unfavorable base effect from the first duo launched in spring 2014
- Activity concentrated in northern Europe and Russia
- Launch of the Private Klub line
Karl Lagerfeld
Private Klub
## 2015 sales

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015(e)</th>
<th>2015/2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Montblanc</td>
<td>83.4</td>
<td>86.0</td>
<td>+3%</td>
</tr>
<tr>
<td>Jimmy Choo</td>
<td>59.1</td>
<td>77.0</td>
<td>+30%</td>
</tr>
<tr>
<td>Lanvin</td>
<td>68.0</td>
<td>63.0</td>
<td>-7%</td>
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<td>Boucheron</td>
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<td>12.0</td>
<td>-34%</td>
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<td>S.T. Dupont</td>
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<td>11.0</td>
<td>-14%</td>
</tr>
<tr>
<td>Rochas</td>
<td>-</td>
<td>10.0</td>
<td>na</td>
</tr>
<tr>
<td>Paul Smith</td>
<td>9.0</td>
<td>9.0</td>
<td>-</td>
</tr>
<tr>
<td>Repetto</td>
<td>9.3</td>
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<td>-14%</td>
</tr>
<tr>
<td>Balmain</td>
<td>5.1</td>
<td>5.0</td>
<td>-3%</td>
</tr>
<tr>
<td>Other</td>
<td>0.4</td>
<td>0.2</td>
<td>ns</td>
</tr>
<tr>
<td><strong>Fragrance sales</strong></td>
<td><strong>297.1</strong></td>
<td><strong>314.2</strong></td>
<td><strong>+6%</strong></td>
</tr>
<tr>
<td>Rochas fashion royalties</td>
<td>-</td>
<td>0.8</td>
<td>na</td>
</tr>
<tr>
<td><strong>Total net sales</strong></td>
<td><strong>297.1</strong></td>
<td><strong>315.0</strong></td>
<td><strong>+6%</strong></td>
</tr>
</tbody>
</table>
2015 sales mix by brand

- Montblanc: 27%
- Jimmy Choo: 24%
- Lanvin: 20%
- Boucheron: 5%
- Van Cleef & Arpels: 5%
- Karl Lagerfeld: 4%
- Rochas: 3%
- S.T. Dupont: 3%
- Paul Smith: 3%
- Repetto: 2%
- Balmain: 2%
- Boucheron: 5%
- Lanvin: 20%
- Jimmy Choo: 24%

*interparfums*
2015 results

Philippe Santi
2015 results

Income statement highlights

- A significant currency effect from the US dollar's appreciation
  - €/$ exchange rate: 1.32 in 2014 -> 1.12 in 2015 – €25m impact

- Gross margin slightly up at constant exchange rates

- Marketing and advertising expenses at a high level
  - 20% of sales in 2014 -> 21% of sales in 2015

- An improved operating margin (11% to 12%)
2015 results
Balance sheet highlights at December 31, 2015

✓ A balance sheet significantly impacted by the Rochas acquisition…
  ▪ At the level of assets: Fragrance (€87m) and Fashion brands (€19m)
  ▪ At the level of liabilities: Bank loan (€90m)

✓ Inventory levels at closing (€60m-€65m) close to opening levels

✓ Trade receivables settlement periods stable in France and slightly longer for exports (Russia)
2015 results
Balance sheet highlights at December 31, 2015

✓ Cash (excluding the Rochas loan) of approximately €205m-€210m

At December 31, 2015
- 2014 dividend (€13m)
- Rochas inventories (€3m)
- Registration rights (€4m)
Launches 2016

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2016 launches

✓ Montblanc
  ▪ Montblanc Legend (men's line extension)

✓ Van Cleef & Arpels
  ▪ New men's line

✓ Jimmy Choo
  ▪ Jimmy Choo Illicit (women’s line extension)

✓ Lanvin
  ▪ New women's line

✓ Van Cleef & Arpels
  ▪ New women's line

✓ Coach
  ▪ New women's line
Highlights by brand 2016

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Montblanc

- Sales: €92m (+7%)
- Declines by historic lines
- Launch of the Montblanc Legend Spirit line
- Ramping up of the Montblanc Lady Emblem line
Jimmy Choo

✓ Sales: €77m (stable)
✓ Stabilization of the Jimmy Choo Man line
✓ Limited recurring revenue from the Jimmy Choo Blossom line
✓ A high base effect for the Jimmy Choo Illicit line
Lanvin

✓ Sales: €63m (stable)
✓ Resilient performance by the *Eclat d’Arpège* line
✓ A high base effect from the launch of the *Eclat d’Arpège Homme* and *Eclat de Fleurs* lines in 2015
Rochas fragrances

✓ Sales on full-year basis
✓ Preparation of a new women's line
  ▪ Launch in 2017 in 50 countries
  ▪ “Luxury” positioning
✓ Sales: €25m
Rochas fashion

✓ Comprehensive review
  - Business model for development
  - Internal organization

✓ 1 Rond Point des Champs-Elysées
  - Move planned for May 2017

✓ Income statement highlights
  - A marginal deficit
Van Cleef & Arpels

- Sales: €17m (+6%)
- Two initiatives in 2016
- A new juice for the Collection Extraordinaire line
Boucheron

✓ Sales: €17m (stable)
✓ Launch of the men’s line Quatre
Coach brand

✓ 2014/2015 net sales: US$4.190bn (-13%)
✓ 2014/2015 net income US$530m (-39%)
✓ 3,000 points of sale worldwide
  ▪ 1,000 direct points of sales including 300 stores and 200 outlets in the United States
  ▪ 1,000 multi-brand points of sale in the US (type Macy’s)
  ▪ 1,000 points of sale in Travel Retail
✓ Market leader
  ▪ United States
  ▪ Japan (2nd imported brand after LV)
  ▪ China
  ▪ South America
Coach brand

✓ Change in strategy initiated in 2013
  ▪ New designer => new design
  ▪ New environment for points of sales => renovation of the store network
  ▪ Closure of non-qualitative points of sale
  ▪ Reduction in promotional operations
  ▪ Reduction in flash sales in outlets

✓ Renewed growth in sales
  ▪ Strong sales growth in renovated stores
  ▪ 2015/2016 net sales: US$4.5bn (+7%)
  ▪ Largely stable earnings
Coach

✓ Launch of a first women's line
  ▪ 2 juices (Eau de parfum + Eau de toilette)
  ▪ Launch in September 2016
  ▪ Target markets: United States, Asia

✓ Preparation of a first men's line
  ▪ 1 juice (Eau de toilette)
  ▪ Launch in September 2017
  ▪ Target markets: United States, Asia

✓ Sales: €11m
Karl Lagerfeld

- Sales: €10m (-17%)
- Activity remaining concentrated in northern Europe and Russia
## 2016 budgets by brand

<table>
<thead>
<tr>
<th>Brand</th>
<th>2015(e)</th>
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<th>2016/2015</th>
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<tbody>
<tr>
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<td>92.0</td>
<td>+7%</td>
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<tr>
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<td>77.0</td>
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<td>17.0</td>
<td>%</td>
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<tr>
<td>Coach</td>
<td>-</td>
<td>11.0</td>
<td>na</td>
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<tr>
<td>Karl Lagerfeld</td>
<td>12.0</td>
<td>10.0</td>
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<tr>
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<td>8.0</td>
<td>8.0</td>
<td>-%</td>
</tr>
<tr>
<td>Paul Smith</td>
<td>9.0</td>
<td>7.0</td>
<td>-22%</td>
</tr>
<tr>
<td>S.T. Dupont</td>
<td>11.0</td>
<td>6.0</td>
<td>-45%</td>
</tr>
<tr>
<td>Balmain</td>
<td>5.0</td>
<td>5.0</td>
<td>-%</td>
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<td>-</td>
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<td>338.2</td>
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<td>0.8</td>
<td>1.8</td>
<td></td>
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<tr>
<td><strong>Total net sales</strong></td>
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<td>340.0</td>
<td>+8%</td>
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- Boucheron: 5%
- Karl Lagerfeld: 3%
- Coach: 3%
- Repetto: 2%
- Paul Smith: 2%
- S.T. Dupont: 2%
- Balmain: 2%
- Balmain: 2%
- Jimmy Choo: 23%
- Montblanc: 27%

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2016 summary

✓ Further gains by Montblanc fragrances
✓ Consolidation of Jimmy Choo fragrance sales
✓ Ramped up distribution for Rochas fragrances and the preparation of a new line for 2017
✓ Launch of the first women's line for Coach ...

... and seize all external growth opportunities
2016 results

✓ Foreign exchange conditions expected to remain favorable
  ▪ Budget exchange rate €/$ 1.15

✓ Marketing and advertising expenses strengthened
  ▪ 20% of sales in 2014
  ▪ 21% of sales in 2015
  ▪ 22% to 23% of sales in 2016

✓ A new increase in the operating margin
Agenda

✓ Actionaria trade fair
  ▪ November 20 & 21, 2015 (Palais des Congrès Paris)

✓ 2015 sales
  ▪ January 26, 2016 (before the opening of Euronext Paris)

✓ 2015 results
  ▪ March 14, 2016 (before the opening of Euronext Paris)
Strategic overview

Philippe Benacin

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Our strategy: Develop a portfolio of luxury brands universe in the fragrance

✓ Focus on brands with strong attributes...
  - Notoriety
    - past, present or future, like Rochas or Coach
  - Desirability
    - existing or emerging, like Jimmy Choo
  - Visibility
    - sustained, like Balmain

✓ ... and strong name recognition
  - worldwide like Montblanc or Lanvin
    - to leverage the strength of our network of partners and subsidiaries
  - or local like Repetto or Van Cleef & Arpels
    - to strengthen our positions vis-à-vis the distribution
Our strengths: “Multiple knowledge sets”

acquired over many years

✓ “Brand selection know-how”
  ▪ Timing
  ▪ Selectivity

✓ “Marketing know-how”
  ▪ Transposing the brand universe (story, products, image…) to the fragrance universe

✓ “Execution know-how”
  ▪ Quality of products and innovation
  ▪ A large spectrum of products (fragrances, perfume sets, promotional tools,…)

✓ “Operational spending know-how”
  ▪ Calibrating and targeting expenditures brand by brand, country by country

✓ “Management know-how”
  ▪ A flexible management model
  ▪ A highly effective and reactive internal organization