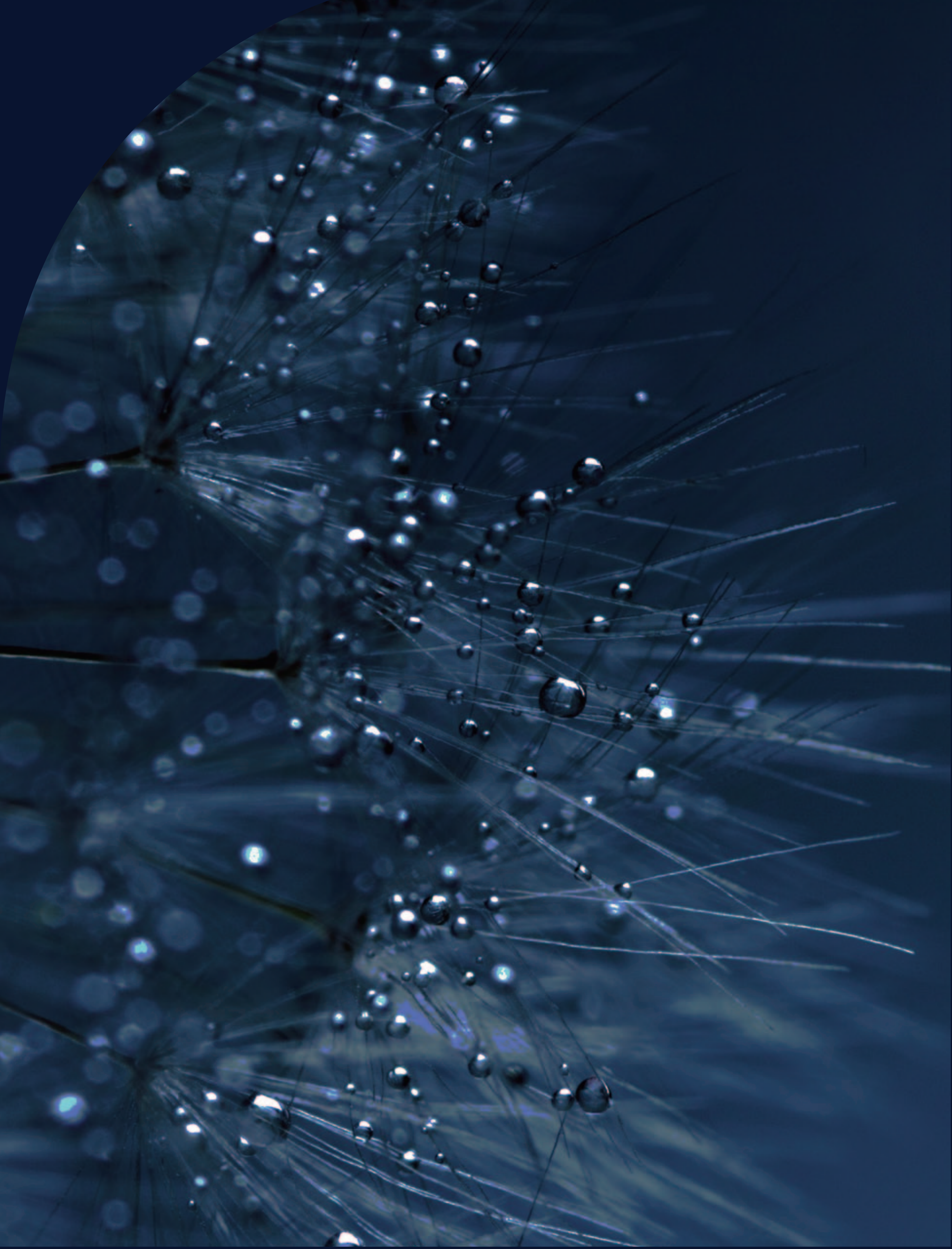


FY2023
Interim Report

Groupe L'OCCITANE

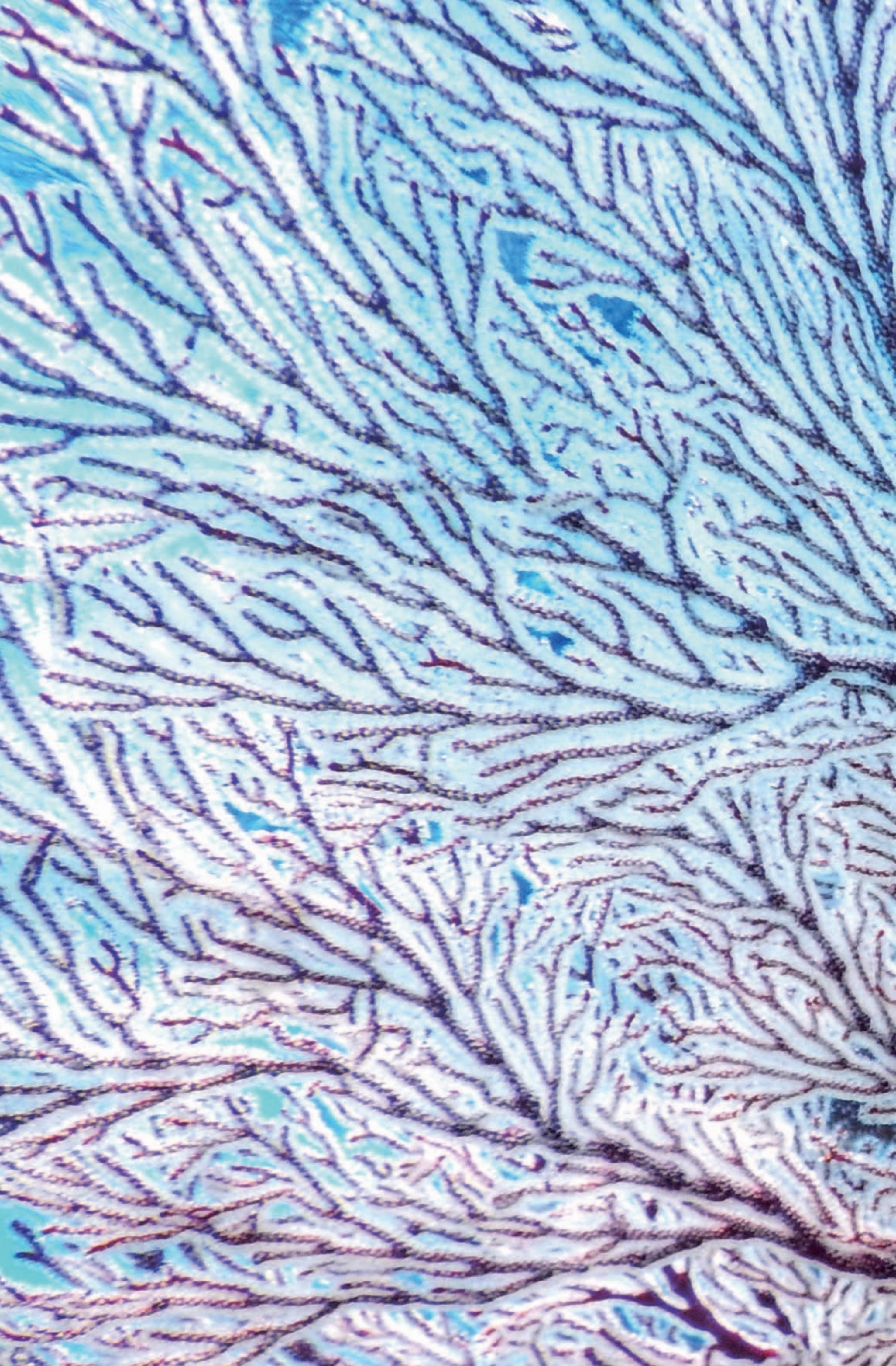
L'OCCITANE INTERNATIONAL S.A.

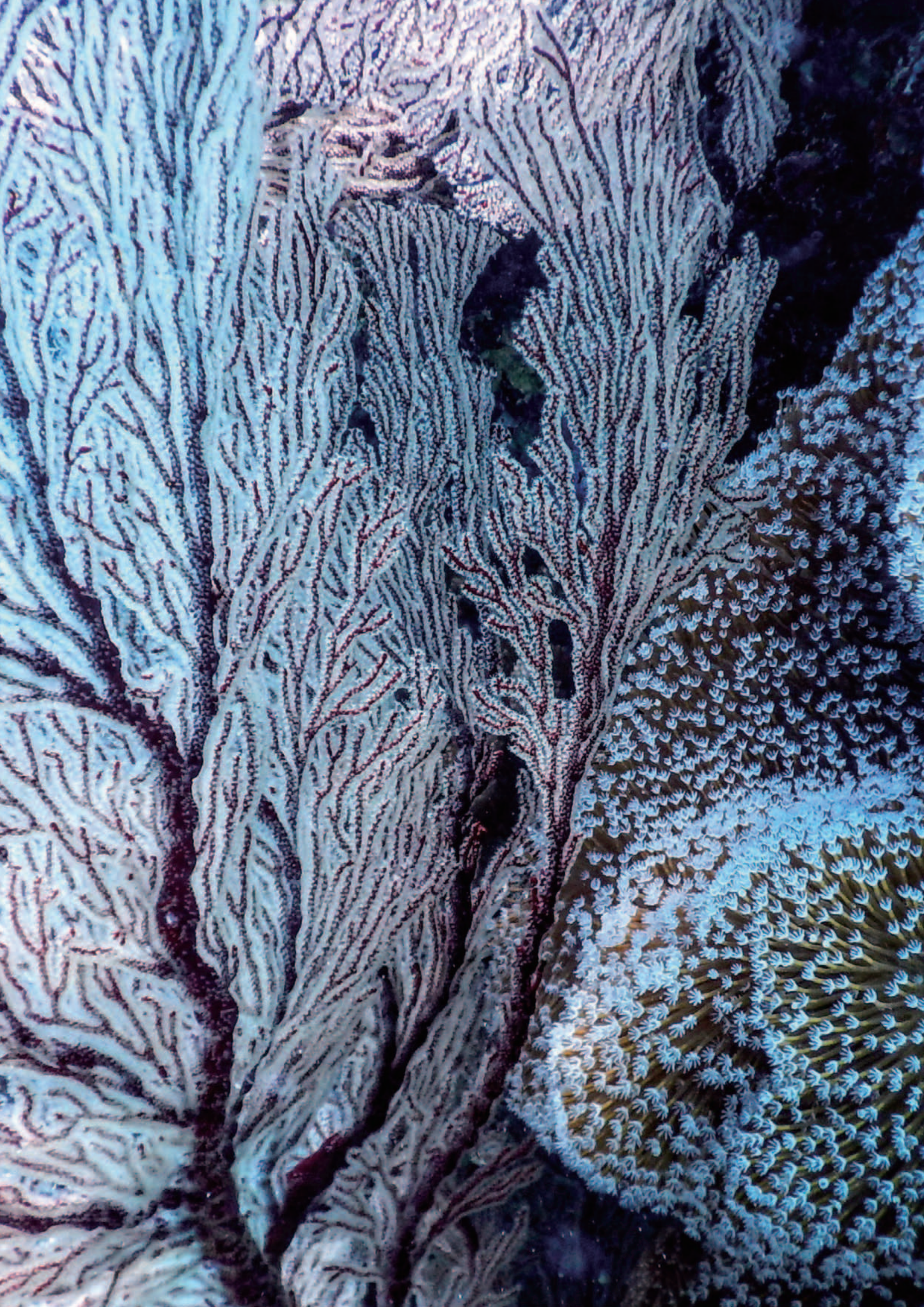
(Incorporated under the laws of Luxembourg with limited liability)

Stock code : 973

Groupe
L'OCCITANE

L'OCCITANE EN PROVENCE | Melvita | erborian KOREAN SKIN THERAPY PARIS · SEOUL | L'OCCITANE AU BRÉSIL | LimeLife by Alcone | ELEMIS | SOL de Janeiro | GROWN ALCHEMIST BIOLOGICAL BEAUTY





Contents

Corporate Information

Executive Directors

Reinold Geiger
(Chairman)
André Hoffmann
(Vice-Chairman and Chief Executive Officer)
Karl Guénard
(Company Secretary)
Séan Harrington
(Chief Executive Officer of ELEMIS)

Non-Executive Director

Thomas Levilion

Independent Non-Executive Directors

Valérie Bernis
Charles Mark Broadley
Betty Liu
Jackson Chik Sum Ng

Company Secretary

Karl Guénard

Authorised Representatives

André Hoffmann
Jackson Chik Sum Ng

Company Legal Name

L'Occitane International S.A.

Date of Incorporation

22 December 2000

Date of Listing in Hong Kong

7 May 2010

Registered Office

49, Boulevard Prince Henri
L-1724 Luxembourg

Headquarter Offices

49, Boulevard Prince Henri
L-1724 Luxembourg

Chemin du Pré-Fleuri 5
CP 165
1228 Plan-les-Ouates
Geneva
Switzerland

Principal Place of Business in Hong Kong

20/F K11 ATELIER King's Road
728 King's Road
Quarry Bay, Hong Kong

Stock Code

973

Company Website

group.loccitane.com

Audit Committee

Charles Mark Broadley *(Chairman)*
Valérie Bernis
Jackson Chik Sum Ng

Remuneration Committee

Jackson Chik Sum Ng *(Chairman)*
Charles Mark Broadley
André Hoffmann

Nomination Committee

Jackson Chik Sum Ng *(Chairman)*
Valérie Bernis
André Hoffmann

Sustainability Committee

Charles Mark Broadley *(Chairman)*
Valérie Bernis
Thomas Levilion

Principal Bankers

HSBC France
Groupe Crédit Agricole
Crédit Agricole CIB
Le Crédit Lyonnais (LCL)
Caisse Régionale du Crédit Agricole Mutuel Provence Côte d'Azur
BNP Paribas
Groupe BPCE
Natixis
BRED
CEPAC
Palatine
Groupe Société Générale
Société Générale
Crédit du Nord
CIC

Auditor

PricewaterhouseCoopers, Société coopérative
Certified Public Accountants
Recognized Public Interest Entity Auditor

Principal Share Registrar and Transfer Office

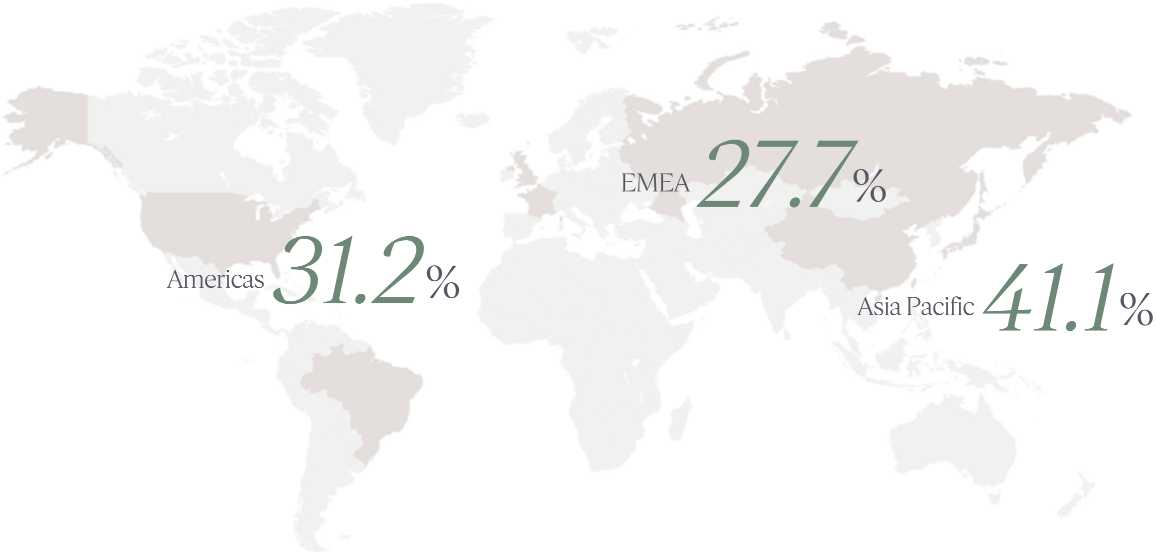
49, Boulevard Prince Henri
L-1724 Luxembourg

Hong Kong Share Registrar

Computershare Hong Kong Investor Services Limited
Shops 1712–1716
17th Floor, Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

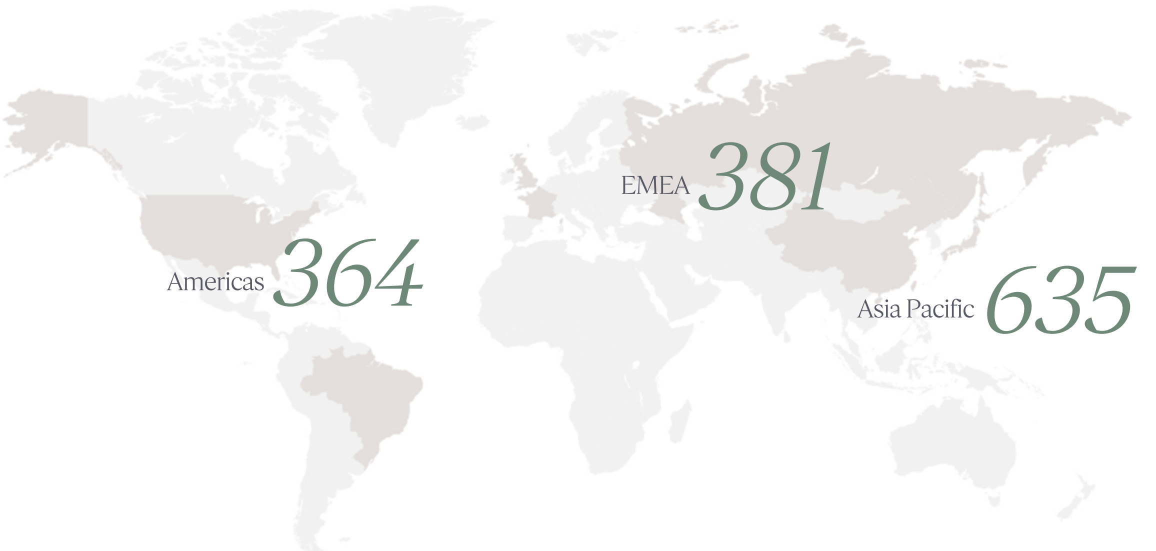
Financial Highlights

OUR ACTIVITY WORLDWIDE



** Net sales (%) by region*

OUR OWN RETAIL STORES WORLDWIDE



KEY FINANCIAL HIGHLIGHTS

	FY2023 H1	*FY2022 H1*
Reported net sales *(€ million)*	**900.5**	696.4
Operating profit *(€ million)*	**87.0**	78.9
Profit for the period *(€ million)*	**63.9**	60.6
Gross profit margin	**80.2%**	79.7%
Operating profit margin	**9.7%**	11.3%
Net profit margin	**7.1%**	8.7%
Net operating profit after tax *(€ million)* (NOPAT) (1)	**76.8**	66.3
Capital employed *(€ million)* (2)	**2,176.1**	1,846.8
Return on capital employed (ROCE) (3)	**3.5%**	3.6%
Return on equity (ROE) (4)	**4.8%**	4.9%
Current ratio (times) (5)	**1.1**	0.9
Gearing ratio (6)	**28.5%**	28.0%
Average inventory turnover days (7)	**293**	282
Turnover days of trade receivables (8)	**46**	40
Turnover days of trade payables (9)	**218**	228
Total number of own stores (10)	**1,380**	1,501
Profit attributable to equity owners *(€ million)*	**61.8**	59.9
Basic earnings per share *(€)*	**0.042**	0.041

Notes:

(1) (Operating profit + foreign currency net gains or losses) x (1 - effective tax rate)
(2) Non-current assets - (deferred tax liabilities + other financial liabilities + other non-current liabilities) + working capital
Note that the calculation of working capital included current financial liabilities such as dividends and acquisition payments. These are now excluded to show only working capital relating to operations.
(3) NOPAT/capital employed
(4) Net profit attributable to equity owners of the Company/shareholders' equity excluding minority interest
(5) Current assets/current liabilities
(6) Total debt/total assets
(7) Average inventory turnover days equals average inventory divided by cost of sales and multiplied by 182.5. Average inventory equals the average of net inventory at the beginning and end of a given period.
(8) Turnover days of trade receivable equals average trade receivables divided by net sales and multiplied by 182.5. Average trade receivables equals the average of net trade receivables at the beginning and end of a given period.
(9) Turnover days of trade payables equals average trade payables divided by cost of sales and multiplied by 182.5. Average trade payables equals the average of trade payables at the beginning and end of a given period.
(10) L'Occitane, ELEMIS, Melvita, L'Occitane au Brésil and Erborian branded boutiques and department store corners directly managed and operated by the Company.

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.

Chairman's Statement

Message from

Reinold Geiger

Chairman

28 November 2022

I am proud to report another set of strong results in the first half of FY2023, with solid top-line growth of 29% and a second consecutive year of record interim net profit. Importantly, excluding exceptional items, we expanded our operating profit margin by one percentage point to 11.3%. This was a remarkable achievement in the face of increasingly strong macroeconomic headwinds, further demonstrating the resilience of our multi-brand business model.

Encouragingly, our strong interim performance was broad-based with growth coming from our three major brands — L'OCCITANE en Provence, ELEMIS and Sol de Janeiro — and from all regions and across all channels.

This success was underpinned by the previous steps we have taken to establish ourselves as a group of eight distinctive premium beauty brands that operate autonomously and entrepreneurially. Each brand is flourishing, leveraging the Group's support with penetrating existing markets, pursuing new growth opportunities, operational infrastructure and other local back-office functions. Sometimes, there is truly strength in numbers as we leveraged our strengthened commercial power as a group of multiple brands to negotiate for better locations and visibility for all our brands.

Our core brand, L'OCCITANE en Provence, demonstrated agility and achieved decent growth despite the complex landscape. While growth in Asia was relatively muted, the brand's wide geographic presence shielded its performance from region-specific disturbances. We quickly redirected and targeted resources to capitalise on the stronger and earlier-than-expected rebound in domestic and international travel in other markets, especially in Europe. On the product side, we continued to solidify L'OCCITANE en Provence's status as a top brand in iconic categories and made important strides in other fast-growing categories, such as hair care and fragrances, with a number of promising product launches in the pipeline.

In the first half of FY2023, ELEMIS invested in a purposeful manner to reach its target of gaining the #1 earned media value, or EMV ranking, in the US and UK to create an outsized voice in these markets while seeding accelerated growth in the second half of FY2023. Already, in the US, it has leapt from a ranking of #32 to #2 in less than six months. In the UK, it jumped from #3 to #1 within the same timeframe. Moreover, successful marketing campaigns drove record-breaking sales with close to a 200% increase in the sales of hero products in the US following the "Fab 3 campaign", focused on the hero products *Pro-Collagen Marine Cream*, *Pro-Collagen Cleansing Balm* and the *Dynamic Resurfacing Facial Pads*.

Sol de Janeiro continued to be a star performer, delivering impressive 65% sales growth in local currency during the interim period. This was fuelled by both innovation and strong performances in core product categories, with the brand continuing to hold the #1 brand ranking in Sephora US and Canada year-to-date.

Each of these brands, alongside our other brands — Melvita, Erborian, L'OCCITANE au Brésil, LimeLife and Grown Alchemist — share a common thread in their respect for nature. And it is gratifying to see each of our brands continue to demonstrate a strong sense of purpose in a world that is changing faster than ever before: socially, economically and environmentally. In order to link our brands together and to steer our action as a Group in an atmosphere of inclusivity, we have taken the next step in our ambitious transformation into a geographically balanced, multi-brand group by unveiling a new corporate mission: *With empowerment we positively impact people and regenerate nature.*

Put in practice, this corporate mission can be summarised by a focus on the triple bottom-line: People, the Planet and Profitability. This includes inspiring and unlocking new opportunities for our people and stakeholders, bringing about change and creating social value for all of our consumers and communities. It means having a positive impact on the planet through the responsible sourcing, design, manufacture and usage of our products. It is about regenerating nature and joining forces with our partners to bring real impact within the global cosmetics and agricultural industry.

Growing profit remains necessary to ensure that the business can continue to grow and drive change but is not an end in itself. Instead, it is a means in our sustainability journey, and by creating social, environmental and economic value at the same time, we are building a virtuous cycle.

To protect our new corporate mission over time and truly incorporate it into decision-making, the Board and shareholders have approved amending our Articles of Association to include ESG considerations. We have also created a Sustainability Committee at the Board level, and each member of the leadership team has signed a letter committing to be a steward of the mission.

As we head into the second half of FY2023, we are committed to delivering sustainable growth and profitability for our shareholders by harnessing the inherent strength of our brands and by executing a strong holiday season. I thank you for your support.

Strong Global Presence

Buchanan Street, Glasgow
Scotland, United Kingdom | 5

Morumbi Shopping,
São Paulo, Brazil | 6

Nuremberg,
Germany | 7

1 **Costa Mesa,** California, United States

2 **Atré Ueno,** Tokyo, Japan

3 **Dalma Mall,** Abu Dhabi, UAE

4 **Wuxi Yaohan,** China

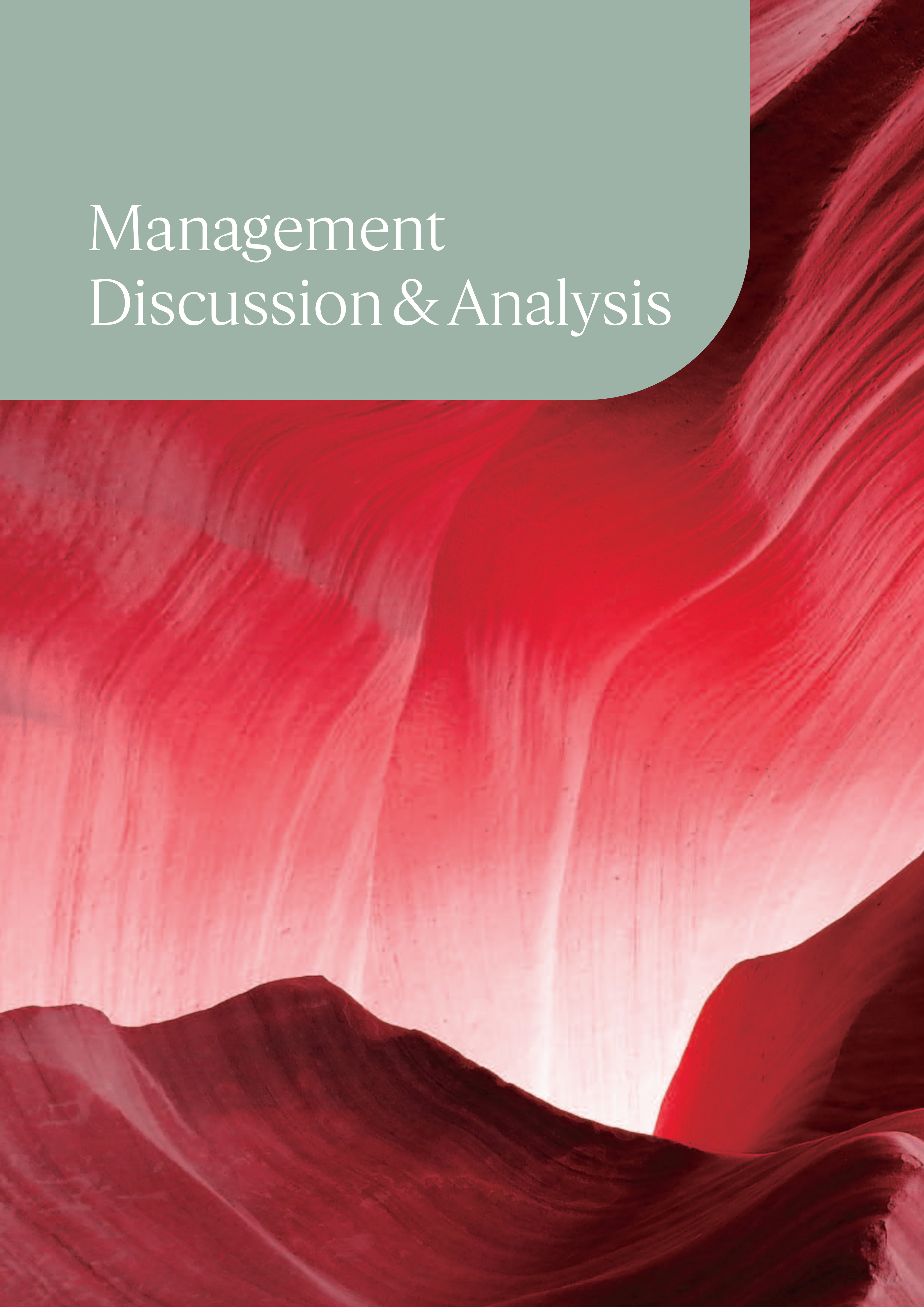
8 **Opéra,** Paris, France (Erborian)

9 **Shanghi IFC,** China (ELEMIS)

10 **Pátio Higienópolis,** São Paulo, Brazil (L'Occitane au Brésil)

11 **Carlton,** Melbourne, Australia (Grown Alchemist)

Management Discussion & Analysis



Management Discussion & Analysis

Summary:

For the six months ended 30 September	Management [(1)] 2022 € million or %	Reported 2022 € million or %	Management [(2)] 2021 € million or %	Reported [(3)] 2021 € million or %
Net sales	900.5	900.5	725.1	696.4
Operating profit	101.5	87.0	74.4*	78.9*
Profit for the period	86.2	63.9	n/a	60.6
Gross profit margin (% to net sales)	80.2%	80.2%	81.0%	79.7%
Operating profit margin (% to net sales)	11.3%	9.7%	10.3%	11.3%
Net profit margin (% to net sales)	9.6%	7.1%	7.7%	8.7%

(1) Management 2022 — reported results excluding the impacts of the Group's divestiture of its business in Russia, namely the other operating loss of €14.4 million, arising from a capital loss at the time of divestiture in June 2022, and the finance cost of €7.9 million, relating to the change in fair value on the receivables of the divestiture mainly due to the exchange rate fluctuation between the time of divestiture and the end of the current period and the application of a higher liquidity discount. The management considers these two costs to be accounting adjustments and should be excluded when comparing to the management results of the same period last year.

(2) Management 2021 — assuming L'Occitane, Inc. remained fully consolidated in the Group and its results for the six months ended 30 September 2021 were consolidated into the Group's results. The management believes that this management version provides a better view of the financial performance during the period and is thus a more appropriate comparison base.

(3) Reported 2021 — sales and operating expenses of L'Occitane, Inc. in April to August 2021 were not consolidated but instead treated as an associate under the equity method, due to the Chapter 11 proceedings. The proceedings were completed at the end of August 2021 and thus the sales and operating expenses and other items of the statement of income of L'Occitane, Inc. in September 2021 were consolidated for the period from 1 September to 30 September 2021.

** The €4.5 million difference in operating profits between reported version and management version was due to deconsolidation and reconsolidation of L'Occitane, Inc.*

Definitions:

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.

SEASONALITY OF OPERATIONS

The Group is subject to seasonal variances in sales, which are typically higher in the third financial quarter (between 1 October and 31 December) in anticipation of and during the Christmas holiday season. In FY2022 H1, the level of sales represented 39.1% of the annual level of sales in the year ended 31 March 2022 ("**FY2022**") and the level of operating profit represented 25.4% of the annual operating profit in FY2022. Yet these ratios are not representative of the annual results for the year ending 31 March 2023 ("**FY2023**").

Seasonality also has an impact on the production schedule and the use of working capital. We generally use a significant part of our working capital between April and November in order to increase the production in anticipation of increased sales and new product launches during the Christmas holiday season.

REVENUE ANALYSIS

The Group's reported net sales amounted to €900.5 million in FY2023 H1, representing 29.3% growth at reported rates or 20.8% growth at constant rates, as compared to the reported net sales of €696.4 million in FY2022 H1. In order to provide a proper comparison, the revenue analysis from here on excludes the deconsolidation impact of the US subsidiary during the Chapter 11 proceedings in FY2022 H1. Excluding such impact, the net sales in FY2022 H1 amounted to €725.1 million. Therefore, the Group's net sales growth in FY2023 H1 at reported rates and constant rates were 24.2% and 16.1% respectively.

Sales growth in the three months ended 30 September 2022 ("**FY2023 Q2**") was 16.2% at constant rates, accelerating from the strong growth in the three months ended 30 June 2022 ("**FY2023 Q1**") of 15.8%, thanks to the dynamic new brands, rebound in travel retail and distribution and foreign currency exchange tailwinds. The situation in China also improved in FY2023 Q2. On a like-for-like basis, i.e. excluding the newly consolidated brands Sol de Janeiro acquired on 23 December 2021 and Grown Alchemist acquired on 1 April 2022, Russia due to the Group's divestiture on 3 June 2022, the re-consolidation of the US subsidiary on 31 August 2021 and at constant rates, sales growth was 5.9% in FY2023 H1, an acceleration from 5.1% in FY2023 Q1 to 6.7% in FY2023 Q2.

The Group's total number of retail locations decreased from 3,068 as at 31 March 2022 to 2,896 as at 30 September 2022, a decrease of 172 locations or 5.6%. The number of own retail stores decreased from 1,490 as at 31 March 2022 to 1,380 as at 30 September 2022, representing a net decrease of 110 or 7.4%. The decrease was mainly related to the Russia divestment.

Management Discussion & Analysis

Performance by Brand

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

	FY2023 H1 *€ 'million*	FY2022 H1 [(2)] *€ 'million*	Growth at reported rates *%*	Growth at constant rates *%*
L'OCCITANE en Provence	610.3	558.0	9.4	3.4
ELEMIS	105.1	86.8	21.1	13.1
Sol de Janeiro	94.6	–	n/a	n/a
Others [(1)]	90.5	80.3	12.7	4.9
Total	**900.5**	**725.1**	**24.2**	**16.1**

(1) *Others include LimeLife, Melvita, Erborian, L'OCCITANE au Brésil and Grown Alchemist.*
(2) *Includes sales of the US subsidiary during the Chapter 11 proceedings in FY2022.*

All key brands posted growth in FY2023 H1, with major contribution to overall growth from Sol de Janeiro, ELEMIS and L'OCCITANE en Provence. L'OCCITANE en Provence grew 9.4% at reported rates and 3.4% at constant rates in FY2023 H1. Travel retail rebounded stronger and earlier than planned. Brick-and-mortar channels were dynamic while online channels normalised. Despite the challenging market situation in China and divestiture of its Russia business, L'OCCITANE en Provence maintained growth at 1.3% in FY2023 Q2. Excluding Russia, the growth was 4.2%. ELEMIS also performed well in FY2023 H1 with 21.1% growth at reported rates and 13.1% at constant rates, mainly contributed by the strong growth in the US and further international rollouts. The cruise line business continued to rebound while online and offline channels remained dynamic. Sol de Janeiro ended FY2023 H1 with €94.6 million sales, representing impressive growth of more than 65% in local currency as compared to the same period last year. All channels posted encouraging growth, in particular chain wholesale, distribution and marketplace, thanks to the well-received summer fragrances and the *Beija Flor* range, as well as the successful international rollouts to the APAC and EMEA regions. Other brands together posted a growth of 12.7% at reported rates or 4.9% at constant rates. Grown Alchemist, Erborian and L'OCCITANE au Brésil remained dynamic while LimeLife and Melvita were sluggish.

Performance by Region

The following table presents the net sales, net sales growth and same store sales growth by region for the periods indicated:

	FY2023 H1 *€ 'million*	FY2022 H1 *€ 'million*	Growth at reported rates *%*	Growth at constant rates *%*	Same store sales growth *%*
APAC	370.3	343.6	7.8	1.9	(4.3)
Americas [1]	281.0	152.3	84.5	59.8	11.2
EMEA	249.2	229.2	8.8	8.2	2.2
Total	**900.5**	**725.1**	**24.2**	**16.1**	**0.7**

[1] *Includes sales of the US subsidiary during the Chapter 11 proceedings in FY2022.*

In terms of regional performance, APAC grew 7.8% at reported rates and 1.9% at constant rates in FY2023 H1, with slightly better performance in FY2023 Q2. Most markets posted double-digit growth, led by Hong Kong, Australia and Malaysia. Hong Kong posted double-digit growth with dynamic growth in travel retail and distribution in the region as well as a successful cross-border online business. The growth in the region was partly offset by the mid-teens decline at constant rates in China, yet the decline in FY2023 Q2 narrowed from that of FY2023 Q1. China is our largest market in APAC, accounting for 13.0% of overall sales in FY2023 H1. Americas grew 84.5% at reported rates or 59.8% at constant rates in FY2023 H1, with accelerated growth in Sol de Janeiro and ELEMIS. L'OCCITANE en Provence also posted decent growth. The US is now the Group's largest market, operating 6 out of the Group's 8 brands and accounting for 25.7% of the Group's sales in FY2023 H1. EMEA saw a rebound in FY2023 H1 and grew 8.2% at constant rates, with strong contribution from travel retail and distribution sales in the region. Excluding Russia, the growth was 15.9% at constant rates in the region. Sales in France were dynamic and grew more than 25% in FY2023 H1, with major contribution from L'OCCITANE en Provence and Erborian. Both retail and wholesale performed well.

Management Discussion & Analysis

Performance by Channel

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

	FY2023 H1 *€ 'million*	FY2022 H1 [(1)] *€ 'million*	Growth at reported rates *%*	Growth at constant rates *%*
Retail	321.7	292.7	9.9	4.4
Online channels	264.7	239.8	10.4	2.2
Wholesale & others	314.2	192.6	63.1	50.9
Total	**900.5**	**725.1**	**24.2**	**16.1**

(1) *Includes sales of the US subsidiary during the Chapter 11 proceedings in FY2022.*

All three key channels saw growth in FY2023 H1. Wholesale & others grew 50.9% at constant rates, with dynamic growth in wholesale chains, international distribution and travel retail. Retail also saw an increase in footfall and tourist sales and grew 4.4% at constant rates despite trading with 121 fewer stores. The total number of own retail stores was 1,380 as at 30 September 2022, representing 121 net closings year to date, of which 110 closings were in Russia. At the same time, the Group's online sales grew by 2.2% at constant rates in FY2023 H1. The moderation in the online sales growth was due to the weaker digital direct sales at LimeLife and the retail channel rebound as the COVID-19 situation in most markets eased. However, the mix of online channels remained significant at 29.4% of the Group's sales.

PROFITABILITY ANALYSIS

All the analyses in this section are based on the reported figures for FY2023 H1 as compared to the reported figures for FY2022 H1.

Cost of sales and gross profit

Cost of sales increased by 25.9% or €36.7 million to €178.2 million in FY2023 H1 as compared to the same period last year. The gross profit margin increased by 0.5 points to 80.2% for FY2023 H1, due mainly to the following factors:

- Deconsolidation last year of the US subsidiary from April 2021 to August 2021 for 1.3 points;
- Lower obsolescence and accelerated depreciation last year of a production equipment for 0.9 points;
- Favourable foreign currency exchange ("**FX**") impact for 0.5 points; and
- Price increase for 0.3 points.

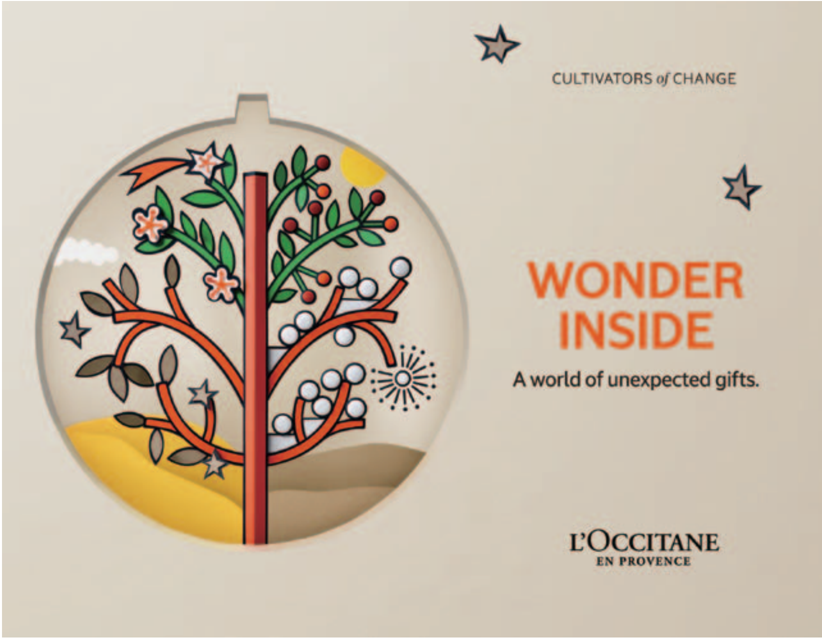
The improvement in gross profit margin was partly offset by the following factors:

- Unfavourable brand mix for 1.5 points coming from the new brands;
- Unfavourable channel mix for 0.7 points due to a higher proportion of sell-in and B-to-B sales; and
- Higher freight and duties for 0.3 points.

Distribution expenses

Distribution expenses increased by 22.4% or €64.7 million to €353.1 million for FY2023 H1 as compared to the same period last year. As a percentage of net sales, the distribution expenses improved by 2.2 points to 39.2% of net sales for FY2023 H1. This improvement was attributable to a combination of the following:

- Brand mix for 4.3 points, of which 3.4 points came from the new brands which have a lower level of distribution costs;
- Higher sales leverage for 0.8 points;
- Lower depreciation costs for 0.7 points after closing some unprofitable stores and less renovations last year; and
- Favourable FX impact for 0.4 points.



The improvement was partly offset by:

- Deconsolidation of the US subsidiary last year for 1.6 points;
- Increase in third-party logistics supplier fees, other sell-in partner fees and others for 0.8 points;
- Higher personnel costs for 0.7 points, strategically improving retail staff compensations;
- Lower government subsidies received on personnel and rent costs for 0.6 points; and
- Higher freight on sales for 0.3 points due to inflation.

Management Discussion & Analysis

Marketing expenses

Marketing expenses increased by 44.1% or €49.1 million, to €160.6 million for FY2023 H1 as compared to the same period last year. The marketing expenses as a percentage of net sales increased by 1.8 points to 17.8% of net sales for FY2023 H1. The increase was attributable to the following:

- Higher investment in both traditional and digital media for 1.0 point of which 0.6 points for the core L'OCCITANE en Provence brand in key strategic markets with high growth potential, such as the US, Japan, France and Korea and 0.4 points for other brands, including ELEMIS, on brand awareness in new markets;
- Brand mix for 0.6 points, of which 0.4 points came from new brands which have a higher level of marketing costs; and
- Deconsolidation last year of the US subsidiary, FX, channel mix, phasing and reclassification for 0.4 points.

The increase was partly offset by:

- Higher sales leverage for 0.2 points.

Research & development expenses

Research and development ("**R&D**") expenses increased by 20.5%, or €1.7 million, to €10.2 million for FY2023 H1 compared to the same period last year. The R&D expenses as a percentage of net sales reduced slightly by 0.1 points to 1.1% for FY2023 H1, due mainly to higher sales leverage and FX.

General and administrative expenses

General and administrative expenses increased by 34.6%, or €24.8 million, to €96.3 million for FY2023 H1 compared to the same period last year. As a percentage of net sales, general and administrative expenses increased by 0.4 points to 10.7% for FY2023 H1. The increase was attributable to the following:

- Higher investment in staff, recruitment fees and others for 1.1 points;
- Deconsolidation last year of the US subsidiary from April 2021 to August 2021 for 0.4 points;
- COVID-19 subsidies received last year for 0.3 points; and
- Divestiture of the Group's business in Russia for 0.2 points.

Management Discussion & Analysis

The increase was partly offset by:

- Higher sales leverage for 0.6 points;
- Lower bonus and incentives for 0.6 points;
- Favourable brand mix for 0.2 points; and
- One-off items for 0.2 points.

Other operating income/expenses and share of net losses from joint ventures

Other operating income amounted to €3.5 million in FY2023 H1 as compared to €13.3 million in FY2022 H1. Other operating income as a percentage of net sales decreased by 1.5 points to 0.4% of net sales for FY2023 H1. The income last year was mainly related to the reconsolidation of L'Occitane, Inc.

Other operating expenses amounted to €14.4 million in FY2023 H1 as compared to €0.1 million in FY2022 H1. Other operating expenses as a percentage of net sales increased by 1.6 points to 1.6% of net sales for FY2023 H1. The expense this year related to the capital loss from currency translation on the divestiture of Russia.

Share of net losses from joint ventures amounted to €4.1 million in FY2023 H1 as compared to €9.4 million in FY2022 H1. As a percentage of net sales, the ratios for FY2023 H1 and FY2022 H1 were 0.5% and 1.3% respectively. The loss this year was mainly related to share of the loss of Good Glamm Group while the loss last year was mainly related to the deconsolidation of L'Occitane, Inc.

Operating profit

Operating profit increased by 10.3%, or €8.2 million, to €87.0 million for FY2023 H1 and the operating profit margin decreased by 1.6 points to 9.7% of net sales.

The decrease in operating profit margin is explained by a combination of:

- Increase in supply chain costs due to inflation, recruitment fees, phasing and others for 2.1 points;
- Increase in marketing and organisational investments to sustain the development of the brands for 1.7 points;
- Divestiture of the Group's business in Russia for 1.6 points;
- Deconsolidation last year of the US subsidiary for 1.0 point;
- COVID-19 subsidies received from governments last year for 0.9 points; and
- Channel mix as sell-in and B-to-B channels rebounded for 0.6 points.

This decrease was partly offset by:

- Brand mix for 2.4 points mainly driven by the new brands;
- Leverage of fixed costs on higher sales for 1.5 points;
- One-off items, lower incentives and price increase for 1.2 points; and
- Favourable FX impact for 1.2 points.

On a management basis, the operating profit margin this year is 11.3% (excluding the divestiture of the Group's business in Russia which has a negative impact of 1.6%) as compared to the operating profit margin of 10.3% last year (excluding the gain of 1.0 point from deconsolidation and reconsolidation of the US subsidiary). The operating profit margin in fact improved by 1.0 point in FY2023 H1.

Management Discussion & Analysis

Finance costs, net

Net finance costs were €14.5 million for FY2023 H1, €7.8 million higher than the same period last year. The increase in finance costs was due mainly to the finance cost of €7.9 million relating to the change in the fair value of the receivable from the sale of the Group's Russian operations.

Foreign currency gains/losses

Net foreign currency losses amounted to €0.9 million for FY2023 H1, as compared to net currency losses of €0.7 million for FY2022 H1. The net foreign currency losses comprised €2.0 million realised gains and €2.9 million unrealised losses.

The net foreign currency losses of €0.9 million were mainly related to IFRS 16 impact.

Income tax expense

Income tax expense amounted to €7.8 million in FY2023 H1, representing an effective tax rate of 10.9%, as compared to an income tax expense of €10.9 million or an effective tax rate of 15.2%, in FY2022 H1. If excluding the share of profit or loss in associates, the effective tax rates of FY2023 H1 and FY2022 H1 are 10.5% and 13.4% respectively. The decreases in income tax expense and in effective tax rate were mainly explained by the higher proportion of taxable income achieved in territories with lower tax rates.

Profit for the period

Net profit for FY2023 H1 increased by €3.3 million or 5.4% to €63.9 million, as compared to the same period last year. Both basic and diluted earnings per share are €0.042 and increased by 3.0% and 3.4% respectively as compared to the earnings per share for the same period last year.

On a management basis, the net profit margin in FY2023 H1 reached 9.6%, an increase of 1.9 points as compared to 7.7% in FY2022 H1.

BALANCE SHEET REVIEW

Liquidity and capital resources

As at 30 September 2022, the Group had cash and cash equivalents of €150.6 million, as compared to €181.7 million as at 30 September 2021 and €360.9 million as at 31 March 2022.

The total borrowings, including term loans, bank borrowing, revolving facilities and other borrowings, amounted to €624.8 million as at 30 September 2022, as compared to €331.5 million as at 30 September 2021 and €670.9 million as at 31 March 2022. The Group had a net reduction of borrowings by €46.1 million for the six months ended 30 September 2022.

Net debt including lease liability and dividend payable as at 30 September 2022 amounted to €823.1 million, increased by €267.2 million or 48.1% as compared to €556.0 million as at 30 September 2021. The increase was mainly related to the financing for the acquisition of Sol de Janeiro.

As at 30 September 2022, the aggregate amount of undrawn borrowing facilities was €343.2 million, as compared to €360.9 million as at 30 September 2021 and €268.2 as at 31 March 2022.

Management Discussion & Analysis

Investing activities

Net cash used in investing activities was €50.9 million for FY2023 H1, as compared to €10.2 million for the same period last year, representing an increase of €40.7 million. The increase was explained by the financial investment of €29.7 million, mainly related to further investments in Chalhoub, Grown Alchemist and Obratori and the €11.7 million cash derecognized from the deconsolidation of L'Occitane Russia.

Capital expenditures amounted to €21.2 million for FY2023 H1, as compared to €15.0 million for the same period last year. The capital expenditures represented investing in the following:

- leasehold improvements in progress and other tangible assets relating to stores for €7.5 million;
- investment in production line, warehouses and offices for €7.2 million;
- IT equipment, software and projects for €6.2 million; and
- other projects and items for €0.3 million.

Financing activities

Financing activities resulted in a net outflow of €175.9 million in FY2023 H1, compared to a net outflow of €241.6 million during the same period last year. The net outflow this year was mainly resulted from a payment for acquisition of non-controlling interests in a non-wholly owned subsidiary for €76.6 million, the principal components of lease payments for €55.5 million and a net repayment of borrowings for €46.0 million.

Inventories

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

For the six months ended 30 September	2022	2021
Average inventory turnover days [1]	293	282

[1] Average inventory turnover days equals average inventory divided by cost of sales and multiplied by 182.5. Average inventory equals the average of net inventory at the beginning and end of a given period.

Inventory net value was €309.5 million as at 30 September 2022, an increase of €70.3 million or 29.4% as compared to €239.2 million as at 30 September 2021. The increase in inventory net value was mainly from the initial inclusion of Sol de Janeiro and Grown Alchemist and the expectation of sales in the festive seasons in the third quarter.

The increase in inventory turnover days by 11 days was attributable to the following:

- unfavourable FX impacts for +10 days;
- raw materials and work in progress for +7 days; and
- low inventory allowance for +6 days.

which was partly offset by:

- finished goods and mini products and pouches ("**MPPs**") for -12 days.

Trade receivables

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

For the six months ended 30 September	2022	2021
Turnover days of trade receivables [1]	46	40

[1] Turnover days of trade receivables equals average trade receivables divided by net sales and multiplied by 182.5. Average trade receivables equals the average of net trade receivables at the beginning and end of a given period.

The increase in turnover days of trade receivables by 6 days for FY2023 H1 was mainly attributable to increase in sell-in sales, in particular, from the initial inclusion of Sol de Janeiro for net 3 days, foreign exchange impact for another 2 days and decrease in provision for 1 day.

Trade payables

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

For the six months ended 30 September	2022	2021
Turnover days of trade payables [1]	218	228

[1] Turnover days of trade payables equals average trade payables divided by cost of sales and multiplied by 182.5. Average trade payables equals the average of trade payables at the beginning and end of a given period.

The decrease in turnover days of trade payables by 10 days for FY2023 H1 was explained by the lower turnover days in accruals, trade payables and other liabilities for 14 days and partly offset by FX impact for 4 days.

Management Discussion & Analysis

BALANCE SHEET RATIOS

The Group's profitability ratios for FY2023 H1 varied slightly as compared to the same period last year. Return on capital employed for FY2023 H1 decreased slightly to 3.5% as compared to 3.6% for the same period last year. The decrease was a net result of an increase in net profit and higher capital employed. Gearing ratio increased slightly by 0.5 points, a net effect of increase in both total debts and total assets.

For the six months ended	30 September 2022 *€ '000*	30 September 2021 *€ '000*
Profitability		
EBITDA (1)	162,953	158,690
Net operating profit after tax (NOPAT) (2)	76,784	66,278
Capital employed (3)	2,176,100	1,846,775
Return on capital employed (ROCE) (4)	3.5%	3.6%
Return on equity (ROE) (5)	4.8%	4.9%
Liquidity		
Current ratio (times) (6)	1.1	0.9
Quick ratio (times) (7)	0.7	0.6
Capital adequacy		
Gearing ratio (8)	28.5%	28.0%
Debt to equity ratio (9)	60.8%	43.1%

(1) *Earnings before interest, taxes, depreciation and amortisation*
(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. Note that working capital excludes financial liabilities such as dividends and acquisition payment.*
(4) *NOPAT/capital employed*
(5) *Net profit attributable to equity owners of the Company/shareholders' equity at period 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 Group enters into forward foreign exchange contracts to hedge anticipated transactions, as well as receivables and payables not denominated in our presentation currency, the Euro, for periods consistent with our identified exposures. As at 30 September 2022, the Group had foreign exchange derivatives net liabilities of €2.1 million in the form of foreign exchange forward contracts and interest rate derivatives (in accordance with fair market valuation requirements under IFRS). The notional principal amounts of the outstanding sales and purchase forward exchange derivatives were €236.8 million and €65.0 million respectively.

DIVIDENDS

At the Board meeting held on 27 June 2022, the Board recommended a distribution of a gross final dividend of €0.06585 per share for an aggregated sum of €96.8 million or 40.0% of the FY2022 net profit attributable to the equity owners of the Company. The amount of the final dividend was based on 1,470,135,821 shares in issue as at 27 June 2022 excluding 6,829,070 treasury shares. The shareholders of the Company approved the final dividend at the annual general meeting held on 28 September 2022. The dividend was paid on 21 October 2022.

In line with its policy to declare and pay only a final dividend each year, the Board has recommended that no distribution would be made from the profits of FY2023 H1.

POST BALANCE SHEET EVENTS

There is no post balance sheet event.

Management Discussion & Analysis

STRATEGIC REVIEW

Despite the challenging macroeconomic landscape, the Group maintained its dynamic growth momentum in the first half of FY2023, with net sales growing 16.1% to exceed €900 million. The results were broad-based — with growth coming from all key brands, all three geographic regions and all three key channels.

Importantly, the Group's profitability remained strong even as inflation, surging energy prices and expanded pandemic lockdowns in China pressured the global retail industry. The Group delivered a second consecutive year of record interim net profit, reaching €63.9 million. Excluding the accounting adjustments related to the Group's divestiture in Russia and the deconsolidation of the US entity last year, the operating profit margin expanded by 1.0 point to 11.3%.

With a keen focus on further strengthening its long-term growth and profitability, the Group continued to advance its transformation into a multi-brand, generationally appealing and geographically-balanced organisation. As it heads into the key holiday season, the Group will press the advantages of its efficient operational structure, talented and entrepreneurial workforce and global sustainability efforts to further strengthen its resilience in the face of increasing headwinds.

Core brand demonstrates commercial vitality and global agility

Through an energetic commitment to formulating trust, the Group's core brand, L'OCCITANE en Provence continued to leverage its ageless credentials and ability to surprise and recruit, remaining one of the top brands in the premium body care categories.

It also demonstrated impressive agility, another strength of the core brand. With growth momentum in China, one of its key growth drivers in recent years, temporarily stalled by an escalating number of local lockdowns and store closures, the core brand deftly adjusted its marketing investments in terms of timing and intensity to protect its profitability, and shifted its focus to tap into new growth opportunities appearing in its more well-established and traditional markets.

While growth in Asia was relatively muted, the Group's wide geographic presence shielded it from region-specific disturbances. It capitalised on the stronger and earlier-than-expected rebound in domestic and international travel in other markets, especially in Europe. In the first half of FY2023, this resulted in France, L'OCCITANE en Provence's place of origin and spiritual home, outpacing the Group's longstanding revenue leaders in Asia to become its second largest contributor to overall growth. The core brand also delivered better-than-expected growth in North America with an energetic revival of brick-and-mortar channels unlocking further value from a recent restructuring and elimination of underperforming stores.

Combined, the core brand's ability to quickly re-direct and target resources drove top-line growth of 3.4%, offsetting a mid-teens decline in China, and reached a strong operating profit margin of 11.4% excluding exceptional items.

Effective omni-channel strategy sees simultaneous growth of offline and online channels

Thanks to the Group's unique distribution, it continued to see a strong return in foot traffic globally with customers keen to rediscover the sensory pleasure of its products and natural and organic ingredients in person. With most global markets now fully reopened, the Group saw a pronounced recovery in footfall and tourists, with retail sales growing 4.4% at constant rates during the period, despite trading with 121 fewer stores compared with the same period of last year. If excluding Russia, from which the Group fully divested in June 2022, retail sales grew by around 7%.

Importantly, the Group's effective omni-channel strategy ensured that the recovery of the Group's retail channels did not overly cannibalise its online sales. Having already installed convenient online and offline touchpoints for all of its brands and regions prior to the pandemic, it has captured the shift in the shopping preference of many customers towards online sales. This was further supported by the inclusion of digitally-centric or digitally-native brands, such as ELEMIS and Sol de Janeiro, into the Group's brand portfolio. In the first half of FY2023, online sales grew by 2.2% with its online sales mix remaining stable at 29.4%.

Heading into the second half of this year, the Group's omni-channels will remain pivotal for supporting sales growth and engaging with customers. The Group will stay focused on refining the customer journey across all touchpoints, underpinned by efforts to upgrade its CRM capabilities and motivate employees, in order to maximise the customer lifetime value.

Multi-brand model unleashes potential of new brands

Under its multi-brand strategy, the Group has offered a home to creative entrepreneurial beauty businesses, accelerating its path towards building a leading portfolio of premium beauty brands. The Group's sales have further diversified away from the core L'OCCITANE en Provence brand, as its two other key brands, ELEMIS and Sol de Janeiro, have grown to each account for more than 10% of the Group's sales.

The Group's unique approach of enabling the new brands' founders to operate their brands autonomously while retaining a stake has proved to be highly successful. The new brands have flourished with the Group's support with penetrating existing markets and pursuing new market opportunities.

Management Discussion & Analysis

At the same time, synergies are being created. By leveraging its multi-brand proposition, the Group is set to strengthen its global travel retail presence. At the Tax Free World Association World Exhibition & Conference in Cannes in October 2022, the Group showcased its full travel retail offer to important global travel retail partners for the first time. The Group's brands ELEMIS, Grown Alchemist, Erborian and Sol de Janeiro were featured alongside L'OCCITANE en Provence and Melvita.

ELEMIS continues to grow from strength-to-strength

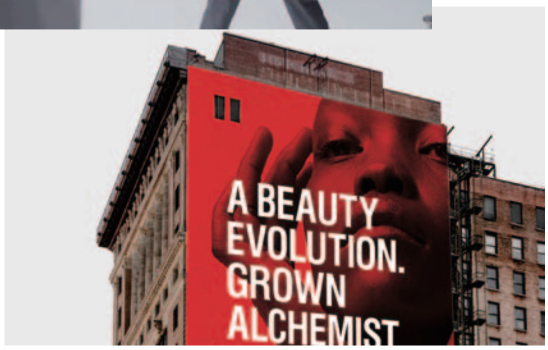
Sales at ELEMIS grew robustly by 13.1% at constant rates, powered by strong growth in the US and further international rollouts. ELEMIS's cruise line business continued to rebound while online and offline channels remained dynamic, including in overseas markets with the UK returning to growth in the second quarter of the year. It now has 21 owned stores across nine countries as part of its digital-first global expansion strategy.

Despite the current unique situation in China, it remains one of the most promising growth markets for ELEMIS. With the exclusivity period with its retail partner having ended, ELEMIS has started direct e-commerce with a campaign in late July and early August 2022 on its Tmall flagship store. Already within this peak period, ELEMIS's hero *Pro-Collagen Marine Cream* ranked second within Tmall's face cream category.

ELEMIS also maintained its lean and agile structure in the face of increasing headwinds. Despite continuing to invest in its growth phase, it continued to be a key contributor to the Group's operating margins.

Sol de Janeiro takes the Brazilian philosophy of love and joy abroad

Sol de Janeiro continued to break sales records, delivering an impressive 65% sales growth in local currency compared to the same period of last year. While continuing to build a strong brand following, Sol de Janeiro managed its business impeccably and achieved the highest operating margin amongst the Group's brands at 28.4%.



Well-received summer ranges and the *Beija Flor* range drove solid growth in all channels, especially chain wholesale, distribution and marketplace.

The range also propelled the brand's popularity further, driving its ranking to the number one spot in the US and Canada in Sephora.

Introduction of new company mission with focus on the triple bottom-line

As a group with a presence in every region, it has the potential to have a real positive impact in a united and structured way. The Group unveiled its new company mission: *With empowerment we positively impact people and regenerate nature.* The mission represents the next phase in the Group's transformation into a multi-brand group and acts as a guiding light to steer the actions of the entire organisation. In line with this mission, the Group has set a clear, collective focus on the triple bottom-line — its people, the planet, and profitability.

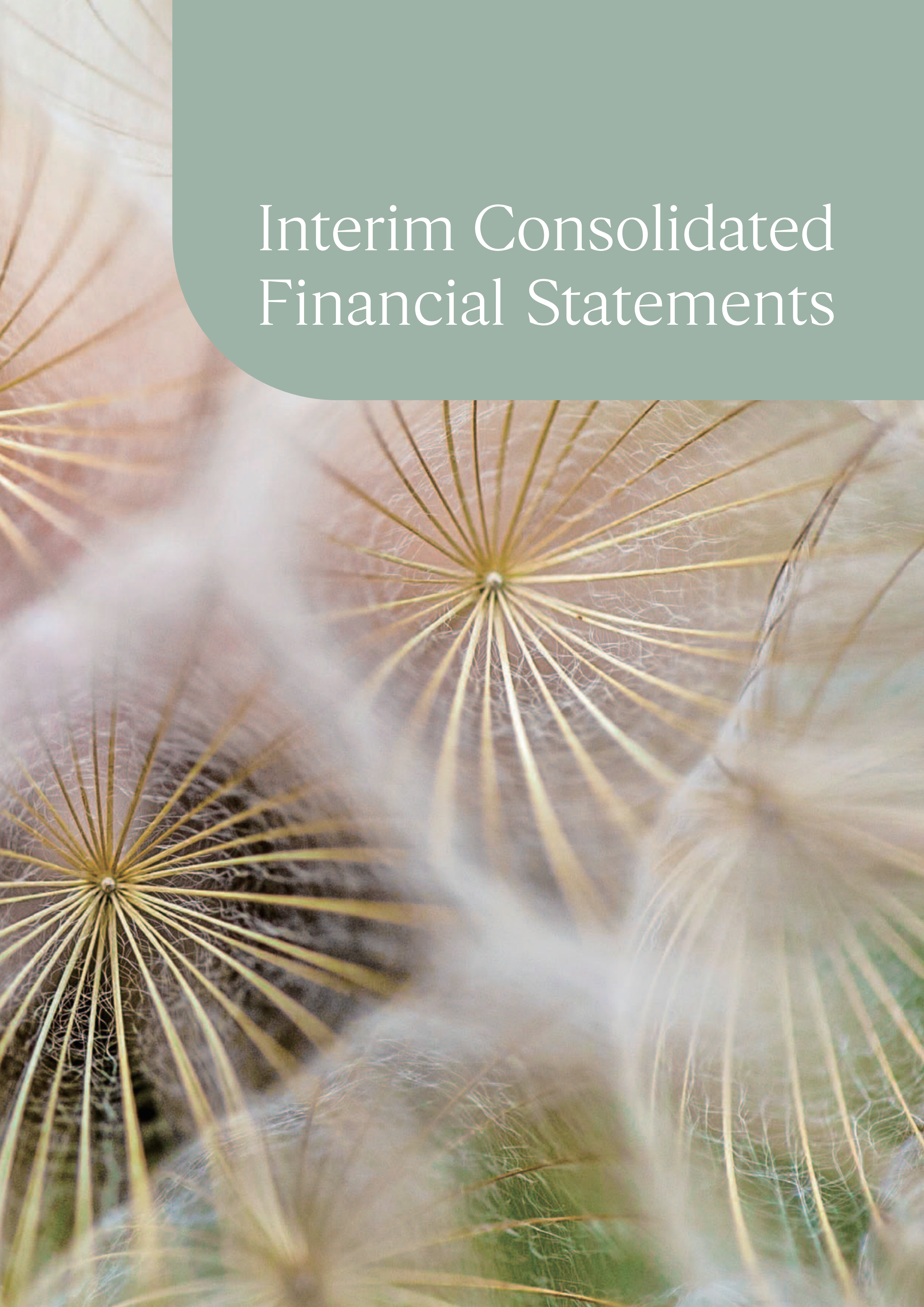
The triple bottom-line was a theme emphasised at a recently concluded leadership conference for all of its managers by region and brands, at which the management pledged to expand its efforts to find more sustainable ways of working. Meanwhile, the Group continued to make progress in sustainability, anchored by its three priorities of contributing to a carbon net-zero, nature-positive and fair and inclusive world. It is also on track to achieve its ambitious objective of being B Corp certified by 2023.

OUTLOOK

Looking ahead, the Group is cautiously optimistic about the second half of FY2023. The macroeconomic context remains uncertain, with the current headwinds set to remain or even intensify. Persistent inflation, in particular, is leading to cost ramifications in all parts of its business.

However, the Group has a proven track record of resilience in the face of various macroeconomic challenges. It remains highly focused on executing a strong holiday season and remains fully committed to harnessing the inherent strengths of its brands and delivering sustainable growth and profitability.

Interim Consolidated Financial Statements



Independent Review Report

Report on Review of Interim Condensed Consolidated Financial Information

To the Shareholders of
L'Occitane International S.A.

We have reviewed the accompanying interim condensed consolidated financial information of L'Occitane International S.A. and its subsidiaries (the "Group"), which comprise the interim consolidated balance sheet as at 30 September 2022, the interim consolidated statement of income, the interim consolidated statement of comprehensive income, the interim consolidated statement of changes in equity and the interim consolidated statement of cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory information (the "interim condensed consolidated financial information").

BOARD OF DIRECTORS' RESPONSIBILITY FOR THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

The Board of Directors is responsible for the preparation and presentation of these interim condensed consolidated financial information in accordance with IAS 34, "Interim Financial Reporting" as issued by the International Accounting Standards Board, and for such internal control as the Board of Directors determines is necessary to enable the preparation of interim condensed consolidated financial information that are free from material misstatement, whether due to fraud or error.

RESPONSIBILITY OF THE "RÉVISEUR D'ENTREPRISES AGRÉÉ"

Our responsibility is to express a conclusion on these interim condensed consolidated financial information based on our review. We conducted our review in accordance with International Standard on Review Engagements ISRE 2410 as adopted for Luxembourg by the "Institut des Réviseurs d'Entreprises". This standard requires us to comply with relevant ethical requirements and conclude whether anything has come to our attention that causes us to believe that the interim condensed consolidated financial information, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework.

A review of interim condensed consolidated financial information in accordance with ISRE 2410 is a limited assurance engagement. The "Réviseur d'entreprises agréé" performs procedures, primarily consisting of making inquiries of management and others within the Company, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these interim condensed consolidated financial information.

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CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information are not prepared, in all material respects, in accordance with IAS 34, “Interim Financial Reporting” as issued by the International Accounting Standards Board.

PricewaterhouseCoopers, Société coopérative
Represented by

Luxembourg, 28 November 2022

Magalie Cormier

Interim Consolidated Statement of Income

In thousands of euros, except per share data	*Notes*	Period ended 30 September **2022**	**2021**
Net sales	(5)	**900,505**	**696,435**
Cost of sales	(23)	(178,229)	(141,551)
Gross profit		**722,276**	**554,884**
% of net sales		80.2%	79.7%
Distribution expenses	(23)	(353,072)	(288,358)
Marketing expenses	(23)	(160,620)	(111,472)
Research and development expenses	(23)	(10,169)	(8,439)
General and administrative expenses	(23)	(96,341)	(71,588)
Other operating income	(24)	3,467	13,333
Other operating expenses	(24)	(14,437)	(113)
Share of profit/(loss) from associates and joint ventures accounted for using the equity method	(12)	(4,073)	(9,377)
Operating profit		**87,031**	**78,870**
Finance income	(25)	1,064	1,022
Finance costs	(25)	(15,528)	(7,705)
Foreign currency gains/(losses)	(26)	(896)	(708)
Profit before income tax		**71,671**	**71,479**
Income tax expense	(27)	(7,781)	(10,867)
Profit for the period		**63,890**	**60,612**
Attributable to:			
Equity owners of the Company		61,832	59,888
Non-controlling interests		2,058	724
Total		**63,890**	**60,612**
Earnings per share for profit attributable to equity owners of the Company during the period *(expressed in euros per share)*	(28)		
Basic		0.042	0.041
Diluted		0.042	0.041
Number of shares used in earnings per share calculation	(28)		
Basic		1,471,333,800	1,468,437,771
Diluted		1,473,647,433	1,475,276,213

The accompanying notes are an integral part of this interim condensed consolidated financial information.

Interim Consolidated Statement of Comprehensive Income

In thousands of euros	*Notes*	**Period ended 30 September** **2022**	**2021**
Profit for the period		**63,890**	**60,612**
Items that will not be reclassified to profit or loss			
Changes in the fair value of equity investments at fair value through other comprehensive income	(4.3)	(4,215)	(856)
Items that may subsequently be reclassified to profit or loss			
Cash flow hedges fair value gains / (losses), net of tax		–	56
Reclassification of currency translation differences relating to the sale of L'Occitane Russia		10,805	–
Currency translation differences [(1)]		124,367	6,505
Total items that may subsequently be reclassified to profit and loss		**130,957**	**5,705**
Other comprehensive income / (loss) for the period, net of tax		**130,957**	**5,705**
Total comprehensive income for the period income / (loss) for the period		**194,847**	**66,317**
Attributable to:			
— Equity owners of the Company		183,261	65,243
— Non-controlling interests		11,586	1,074
Total comprehensive income for the period income / (loss) for the period		**194,847**	**66,317**

(1) *The currency translation differences were mainly generated by the US Dollar and notably for goodwill, trademarks and right-of-use assets.*

The accompanying notes are an integral part of this interim condensed consolidated financial information.

Interim Consolidated Balance Sheet

ASSETS *In thousands of euros*	*Notes*	**30 September 2022**	**31 March 2022**
Property, plant and equipment	(8)	126,567	128,724
Right-of-use assets	(9.1)	246,504	264,934
Goodwill	(10)	1,032,334	990,489
Intangible assets	(11)	545,393	487,355
Deferred income tax assets		123,051	94,005
Investments accounted for using the equity method	(12)	84,037	67,239
Other non-current assets	(13)	101,541	67,778
Non-current assets		**2,259,427**	**2,100,524**
Inventories	(14)	309,504	263,162
Trade receivables	(15)	256,731	199,623
Other current assets	(16)	92,765	82,935
Derivative financial instruments	(17)	1,408	1,931
Cash and cash equivalents		150,610	360,899
Current assets		**811,018**	**908,550**
TOTAL ASSETS		**3,070,445**	**3,009,074**

EQUITY AND LIABILITIES *In thousands of euros*	*Notes*	**30 September 2022**	**31 March 2022**
Share capital	(18)	44,309	44,309
Additional paid-in capital	(18)	342,851	342,851
Other reserves		(156,650)	(215,013)
Retained earnings		1,066,768	1,097,881
Capital and reserves attributable to the equity owners of the Company		**1,297,278**	**1,270,028**
Non-controlling interests		55,675	44,578
Total equity		**1,352,953**	**1,314,606**
Borrowings	(19)	449,787	381,319
Lease liabilities	(9.2)	163,670	180,510
Other financial liabilities	(7)	239,252	171,865
Other non-current liabilities	(20)	23,199	22,952
Deferred income tax liabilities		107,986	96,196
Non-current liabilities		**983,894**	**852,842**
Trade payables	(21)	216,010	209,903
Social and tax liabilities		79,229	104,807
Current income tax liabilities		35,553	39,477
Borrowings	(19)	175,050	289,611
Lease liabilities	(9.2)	88,082	93,722
Derivative financial instruments	(17)	3,519	1,208
Provisions	(22)	3,288	2,139
Other current liabilities	(20)	132,867	100,759
Current liabilities		**733,598**	**841,626**
TOTAL EQUITY AND LIABILITIES		**3,070,445**	**3,009,074**

The accompanying notes are an integral part of this interim condensed consolidated financial information.

Interim Consolidated Statement of Changes in Equity

		Attributable to equity owners of the Company											
					Other reserves								
In thousands of euros (except "Number of Shares")	*Notes*	**Number of shares**	**Share capital**	**Additional paid-in capital**	**Share Based Payments**	**Other items**	**Cumul. Currency Transl. Diff.**	**Treasury shares**	**Actuarial gain/(loss)**	**Excess of consideration paid in transaction with non-controlling interests**	**Profit for the period**	**Non-controlling interests**	**TOTAL EQUITY**
Balance at 31 March 2021 Restated*		**1,476,964,891**	**44,309**	**342,851**	**30,959**	**7,595**	**(54,971)**	**(16,381)**	**279**	**(72,728)**	**910,922**	**78,699**	**1,271,537**
Profit for the 6-month period		–	–	–	–	–	–	–	–	–	59,888	724	60,612
Other comprehensive income													
Currency translation differences		–	–	–	–	–	6,155	–	–	–	–	350	6,505
Change in FV of assets recorded at fair value through OCI		–	–	–	–	(856)	–	–	–	–	–	–	(856)
Cash flow hedges fair value (losses), net of tax		–	–	–	–	56	–	–	–	–	–	–	56
Total comprehensive income		**–**	**–**	**–**	**–**	***(800)***	***6,155***	**–**	**–**	**–**	***59,888***	***1,074***	***66,317***
Transactions with owners													
Dividends provided for or paid		–	–	–	–	–	–	–	–	–	(54,189)	–	(54,189)
Acquisition of 2,646,000 treasury shares		–	–	–	–	–	–	–	–	(7,491)	–	–	(7,491)
Exercise of 4,405,850 stocks options		–	–	–	(7,123)	7,526	–	–	–	7,123	–	–	7,526
Contribution from the parent		–	–	–	3,246	–	–	–	–	–	–	–	3,246
Purchase of treasury shares		–	–	–	–	–	–	–	–	–	–	–	–
Employee share option: value of employee services		–	–	–	2,453	–	–	–	–	–	–	97	2,550
Total distribution by and distribution to the owners of the Company		**–**	**–**	**–**	***(1,424)***	***7,526***	**–**	**–**	**–**	***(368)***	***(54,189)***	***97***	***(48,358)***
Reconsolidation of L'Occitane Inc. Non controlling interests		–	–	–	–	–	–	–	–	–	–	1,307	1,307
Non-controlling interests recorded as liabilities		–	–	–	–	–	–	–	–	–	303	(303)	–
Total transaction with owners		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	***303***	***1,004***	***1,307***
Balance at 30 September 2021		**1,476,964,891**	**44,309**	**342,851**	**29,535**	**14,321**	**(48,816)**	**(16,381)**	**279**	**(73,096)**	**916,924**	**80,874**	**1,290,803**
Balance at 31 March 2022		**1,476,964,891**	**44,309**	**342,851**	**24,245**	**15,117**	**(8,948)**	**(15,476)**	**2,113**	**(232,068)**	**1,097,881**	**44,582**	**1,314,606**
Profit for the 6-month period		–	–	–	–	–	–	–	–	–	61,832	2,058	63,890
Other comprehensive income													
Currency translation differences		–	–	–	–	–	114,839	–	–	–	–	9,528	124,367
Reclassification of currency translation differences relating to the sale of L'Occitane Russia		–	–	–	–	–	10,805	–	–	–	–	–	10,805
Change in FV of assets recorded at fair value through OCI		–	–	–	–	(4,215)	–	–	–	–	–	–	(4,215)
Total comprehensive income		**–**	**–**	**–**	**–**	***(4,215)***	***125,644***	**–**	**–**	**–**	***61,832***	***11,586***	***194,847***
Transactions with owners													
Dividends provided for or paid		–	–	–	–	–	–	–	–	–	(96,843)	–	(96,843)
Contribution from the parent		–	–	–	1,484	–	–	–	–	–	–	–	1,484
Exercise of 1,197,979 stock options		–	–	–	(2,196)	2,742	–	2,196	–	–	–	–	2,742
Total distribution by and distribution to the owners of the Company		**–**	**–**	**–**	***(712)***	***2,742***	**–**	***2,196***	**–**	**–**	***(96,843)***	**–**	***(92,617)***
Change in the valuation of the exercise price of the put options granted to non-controlling interests	(7)	–	–	–	–	–	–	–	–	(21,856)	–	–	(21,856)
New put options granted to non-controlling interests of Grown Alchemist	(7)	–	–	–	–	–	–	–	–	(45,532)	–	–	(45,532)
Acquisition of Grown Alchemist	(6.1)	–	–	–	–	–	–	–	–	–	–	3,505	3,505
Other movements		–	–	–	–	–	–	–	–	–	3,998	(3,998)	–
Total transaction with owners		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	***(67,388)***	***3,998***	***(493)***	***(63,883)***
Balance at 30 September 2022		**1,476,964,891**	**44,309**	**342,851**	**23,533**	**13,644**	**116,697**	**(13,280)**	**2,113**	**(299,456)**	**1,066,868**	**55,675**	**1,352,953**

The accompanying notes are an integral part of this interim condensed consolidated financial information.

Interim Consolidated Statement of Cash Flows

In thousands of euros	*Notes*	Period ended 30 September **2022**	**2021**
Cash flows relating to operating activities			
Profit for the period		63,890	60,612
Adjustments to reconcile profit for the period to net cash from operating activities			
Depreciation, amortisation and impairment	(23.3)	76,816	80,528
Taxes expenses	(27.1)	7,781	10,867
Unwinding of discount on lease liabilities	(25)	3,555	3,953
Interest income/expenses	(25)	3,027	2,730
Share-based payment	(18.3)	1,484	5,796
Share of (profit)/loss from associates and joint ventures accounted for using the equity method	(12)	4,073	9,377
Change in the fair value of derivatives	(26)	2,835	1,557
Change in the fair value of financial assets	(4.3)	7,885	–
Other losses/(gains) on sale of assets — net		(372)	(28)
Net movements in provisions	(22)	1,465	348
Reconsolidation of L'Occitane Inc.	(6.1)	–	(12,873)
Capital loss from the sale of L'Occitane Russia before reclassification of currency translation differences	(6.1)	3,632	–
Reclassification to income statement of the charge previously recognized in other comprehensive income (currency translation differences) differences	(6.1)	10,805	–
Capital gain arising from the change in the % of interests in associates and joint ventures	(12)	(1,700)	–
Non cash items		***121,286***	***102,255***
Interests paid		(3,027)	(1,761)
Income tax paid		(45,649)	(30,237)
Changes in working capital			
Inventories		(34,625)	(22,687)
Trade receivables		(54,648)	(45,059)
Trade payables		4,689	(22,417)
Salaries, wages, related payroll items and other tax liabilities		(25,492)	(20,125)
Other assets and liabilities, net		(1,656)	(6,278)
Changes in working capital		***(111,732)***	***(116,566)***
Net cash inflow/(outflow) from operating activities		**24,768**	**14,303**

Interim Consolidated Statement of Cash Flows

In thousands of euros	*Notes*	Period ended 30 September **2022**	**2021**
Cash flows relating to investing activities			
Acquisition of subsidiaries, net of cash acquired	(6)	(3,549)	–
Investments in associates	(6.1)	(13,456)	(1,978)
Acquisition of property, plant and equipment	(8)	(19,302)	(12,322)
Acquisition of intangible assets	(11)	(4,252)	(3,831)
Proceeds from sale of intangible assets and property, plant and equipment		2,323	414
Reconsolidation of L'Occitane Inc., net of cash acquired	(6.1)	–	20,874
Sale of L'Occitane Russia	(6.1)	(11,654)	–
Change in deposits and key money paid to lessors		(533)	667
Change in non-current receivables and liabilities		3,297	818
Other financial investments		(3,768)	(14,890)
Net cash (outflow) from investing activities		**(50,894)**	**(10,248)**
Cash flows relating to financing activities			
Proceeds from borrowings	(19)	306,314	138,307
Repayments of borrowings	(19)	(352,409)	(329,132)
Principal components of lease payments		(55,504)	(50,768)
Acquisition of treasury shares		–	(7,491)
Sales of treasury shares		2,196	7,526
Payment for acquisition of non-controlling interests in a non-wholly owned subsidiary	(6.2.5)	(76,579)	–
Net cash inflow/(outflow) from financing activities		**(175,982)**	**(241,558)**
Exchange gains/(losses) on cash, cash equivalents and bank overdrafts		(8,181)	(2,052)
Net (decrease)/increase in cash, cash equivalents and bank overdrafts		**(210,289)**	**(239,555)**
Cash and cash equivalents at the beginning of the period		**360,899**	**421,216**
Cash and cash equivalents		*360,899*	*421,216*
Cash and cash equivalents at end of the period		**150,610**	**181,661**
Cash and cash equivalents		*150,610*	*181,661*

The accompanying notes are an integral part of this interim condensed consolidated financial information.

Notes to the Interim Condensed Consolidated Financial Information

Notes to the Interim Condensed Consolidated Financial Information

1. THE GROUP

L'Occitane International S.A. (the "Company") and its consolidated subsidiaries (hereinafter referred to as the "Group") design, manufacture and market, under the trademarks "L'OCCITANE en Provence" and "Melvita", a wide range of cosmetic products, perfumes, soaps and home fragrance products based on natural or organic ingredients.

The Group also designs and markets other ranges of home fragrance products, cosmetic products, perfumes, soaps and natural products under the trademarks "LimeLife", "ELEMIS", "Sol de Janeiro", "Erborian", "L'OCCITANE au Brésil" and "Grown Alchemist".

L'Occitane International S.A. is a *société anonyme* organised and existing under the laws of Luxembourg and registered in the Luxembourg Trade and Commercial Register, Grand Duchy of Luxembourg under number B-80359. The Company's address is as follows: 49, boulevard Prince Henri, L-1724 Luxembourg.

The Group is listed on the Main Board of the Stock Exchange of Hong Kong.

This interim condensed consolidated financial information was approved for issue by the Board of Directors on 28 November 2022.

This interim condensed consolidated financial information has been reviewed, not audited.

2. BASIS OF PREPARATION

2.1 Basis of preparation

This interim condensed consolidated financial information (the "interim condensed consolidated financial information") for the six month period ended 30 September 2022 ("period ended 30 September 2022") has been prepared in accordance with IAS 34 Interim Financial Reporting as issued by the International Accounting Standards Board. The interim condensed consolidated financial information should be read in conjunction with the annual consolidated financial statements for the year ended 31 March 2022, which were prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board and as adopted by the European Union.

2.2 Accounting policies

The accounting policies and methods used to prepare this interim condensed consolidated financial information are consistent with those used to prepare the annual consolidated financial statements for the year ended 31 March 2022, except as described below:

- Taxes on income for an interim period are calculated using the estimated tax rate for the full year.

2.2.1 New and amended standards

Interpretations and amendments to IFRSs effective for reporting periods beginning on or after 1 April 2022 have no material impact on the interim condensed consolidated financial information.

Other new and amended standards

Several other amendments became effective for annual reporting periods beginning on or after 1 January 2022, but do not have a material impact on the interim condensed consolidated financial information:

- Onerous contracts — the amendment to IAS 37 clarifies that the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling contracts. Before recognising a separate provision for an onerous contract, the entity recognises any impairment loss that has occurred on assets used in fulfilling the contract.

Notes to the Interim Condensed Consolidated Financial Information

2. BASIS OF PREPARATION *(CONTINUED)*

2.2 Accounting policies *(continued)*

2.2.1 New and amended standards (continued)

Other new and amended standards *(continued)*

- Business combination — the amendment to IFRS 3 confirms that contingent assets should not be recognised at the acquisition date.

- Property, Plant and Equipment — The amendment to IAS 16 Property, Plant and Equipment (PP&E) prohibits an entity from deducting from the cost of an item of PP&E any proceeds received from selling items produced while the entity is preparing the asset for its intended use. It also clarifies that an entity is 'testing whether the asset is functioning properly' when it assesses the technical and physical performance of the asset. The financial performance of the asset is not relevant to this assessment. Entities must disclose separately the amounts of proceeds and costs relating to items produced that are not an output of the entity's ordinary activities.

2.2.2.Impact of standards issued but not yet applied by the entity

There are no other standards that are not yet effective and that would be expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

2.3 Estimates and judgements

2.3.1 Preparation of interim condensed consolidated financial information

The preparation of interim condensed consolidated financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the carrying amounts of assets and liabilities, income and expenses. Although these estimates are based on management's knowledge of current events and actions, actual results may ultimately differ from these estimates.

In preparing this interim condensed consolidated financial information, the significant judgements and estimates made by management when applying the Group's accounting policies and the key sources of uncertainty were the same as those applicable to the annual consolidated financial statements for the year ended 31 March 2022 except for the estimated fair value of the receivable from the sale of L'Occitane Russia that is a new significant estimate for the period (note 4.3 and 6.1).

2.4 Seasonality of operations

The Group is subject to significant seasonal variation in its sales, which are substantially higher in its financial third quarter (between 1 October and 31 December) in anticipation of and during the Christmas holiday season. For the period ended 30 September 2021, the sales generated during the period represented 39.1% of the Group's annual sales for the year ended 31 March 2022 and operating profit represented 25.4% of annual operating profit. These ratios are not representative of sales and operating profit expected for the year ended 31 March 2023.

Seasonality also has an impact on the production schedule and the use of working capital. The Group generally uses a significant part of its working capital between April to November in order to increase production in anticipation of increased sales during the Christmas holiday season.

3. SIGNIFICANT EVENTS OF THE PERIOD ENDED 30 SEPTEMBER 2022

Comparison with comparative period ended 30 September 2021

The presentation of the interim condensed consolidated financial information is impacted by the sale of L'Occitane Russia on 3 June 2022, the acquisition of Grown Alchemist on 1 April 2022, the acquisition of Sol de Janeiro on 23 December 2021 and reconsolidation of L'Occitane Inc. on 31 August 2021.

Sale of L'Occitane Russia

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 (note 4.3 and 6.1).

This sale resulted in a capital loss of €14.4 million of which €10.8 million of reclassification to income statement of the charge previously recognised in other comprehensive income (currency translation differences).

Acquisition of Grown Alchemist

On 1 April 2022, L'Occitane International S.A. acquired from LOG Investment (a subsidiary of the parent company L'Occitane Group 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 an amount of €5.0 million. Grown Alchemist is an Australian brand with cross-category success across skincare, body care, haircare and nutricosmetics (supplements) with natural ingredients (note 6.1).

4. FINANCIAL RISK MANAGEMENT

4.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

The interim condensed consolidated financial information does not include all financial risk management information and disclosures required in the annual consolidated financial statements and should therefore be read in conjunction with the annual consolidated financial statements for the year ended 31 March 2022.

(a) Market risk

Foreign exchange risk

The Group conducts its distribution activities worldwide. Sales made by the subsidiaries are denominated in their local currency. The production sites are located in France and a major part of the production and purchasing costs is therefore denominated in EUR for L'OCCITANE en Provence. For ELEMIS, LimeLife and Sol de Janeiro the cost of goods sold are respectively purchased to third parties in GBP and USD and the production and purchasing are denominated in GBP and USD. For Grown Alchemist the costs of goods sold are purchased in AUD. The Group is thus exposed to foreign exchange risk on its commercial transactions, whether known or forecasted.

The Group invoices its subsidiaries in their local currencies, whenever possible, in order to centralise foreign exchange risk at the Group level. The Group's foreign exchange risk is split between trading operations related to commercial transactions with subsidiaries and financing operations related to intercompany financing.

Notes to the Interim Condensed Consolidated Financial Information

4. FINANCIAL RISK MANAGEMENT *(CONTINUED)*

4.1 Financial risk factors *(continued)*

(a) ***Market risk*** *(continued)*

Foreign exchange risk *(continued)*

Commercial transactions

The Group treasury's risk management policy is to hedge systematically the transaction risk (amounts invoiced) at a minimum of 80%.

The economic risk (amounts forecasted) is hedged depending on market conditions and anticipations from management. All decisions to hedge economic risk are formally approved by the Group CFO.

The Group uses forward contracts to hedge the main part of its foreign risk exposure and currency options on a maximum of 40% of its exposure on its main currencies (USD, GBP, JPY and CNY). All decisions to use foreign exchange derivatives-based products are formally approved by the Group CFO.

The Group only designates the spot component of foreign currency forwards in hedge relationships. The spot component is determined with reference to relevant spot market exchange rates. The differential between the contracted forward rate and the spot market exchange rate is defined as the forward points. It is discounted, where material.

The intrinsic value of foreign currency options is determined with reference to the relevant spot market exchange rate. The differential between the contracted strike rate and the discounted spot market exchange rate is defined as the time value. It is discounted, where material.

Financing operations

The Group's risk management policy is to maximise natural hedging using multicurrency bank facilities whenever possible.

For those currencies not covered by multicurrency bank facilities, the Group's risk management policy is to finance subsidiaries in their local currencies, whenever possible, and to hedge the corresponding exposure for a maximum hedging cost of 7%.

Cash flow and fair value interest rate risk

The Group's cash is currently invested in short-term treasury deposits to take advantage of any increase in euro interest rates.

The Group's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. The analysis of the borrowings by category of rate is provided in note 19.

The Group manages its cash flow interest rate risk by using floating-to-fixed interest rate swaps. Such interest rate swaps have the economic effect of converting borrowings from floating rates to fixed rates. Under the interest rate swaps, the Group agrees with other parties to exchange, at specified intervals, the differences between fixed contract rates and floating-rate interest amounts calculated by reference to the agreed notional amounts.

In accordance with debt covenants described in note 19.2, the margin of certain bank borrowings can change.

4. FINANCIAL RISK MANAGEMENT *(CONTINUED)*

4.1 Financial risk factors *(continued)*

(a) ***Market risk** (continued)*

Price risk

The Group is not significantly exposed to commodity price risk.

The Group is exposed to price risk arising from investments in financial assets such as equity, fixed income, property or multi-asset funds. Investments are made in accordance with the limits and rules set by the Financial Investments Policy.

The amounts recognised in the interim consolidated statement of comprehensive income in relation to the investments held by the Group are disclosed in note 4.3.

(b) ***Credit risk***

Credit risk is managed on a Group basis, except where it relates to accounts receivable balances. Each local entity is responsible for monitoring and analysing the credit risk of its customers. Standard payment and delivery terms and conditions are offered. Credit risk arises from cash and cash equivalents, contractual cash flows of debt investments, carried at amortised cost, at fair value through other comprehensive income (FVOCI) and at fair value through profit or loss (FVPL), derivative financial instruments and deposits with bank and financial institutions, as well as credit exposures to wholesale, retail customers and to the former four key directors of L'Occitane Russia (notes 4.3 and 6).

The Group has no significant concentrations of credit risk for customers:

- For customers in the Sell-in and B-to-B activities, sales are made with credit terms generally between 60 and 90 days. The Group maintains adequate allowances for potential credit losses and monitors the solvency of its counterparts. As at 30 September 2022 and 2021, the Group did not have any significant concentrations of business conducted with a particular customer that could, if suddenly eliminated, severely impact its operations;

- For customers in the Sell-out activities, the Group's sales to end customers are made in cash or via major credit cards and no credit terms are generally granted. When the Sell-out sales are generated in department stores, a credit term is granted to the department store until the cash is transferred to the Group. This credit term is generally from 30 to 90 days;

- All significant cash deposits are made with major financial institutions with an investment grade rating and are invested in fixed-term deposits with negotiated terms and conditions and interest rates, or in mutual funds. The Group has temporary exposure to non-investment grade institutions on payments made by customers in certain countries, until the related amounts to investment grade institutions. Cash and cash equivalents and derivative financial instruments are concentrated with a few independently rated parties with a minimum rating of "BBB-" (investment Grade) except in countries rated below BBB-.

Notes to the Interim Condensed Consolidated Financial Information

4. FINANCIAL RISK MANAGEMENT *(CONTINUED)*

4.1 Financial risk factors *(continued)*

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of its underlying businesses, the Group aims to maintain flexibility in funding by keeping committed credit lines available. Management monitors rolling forecasts of the Group's liquidity reserve (comprising undrawn borrowing facilities and cash and cash equivalents) based on expected cash flows. The liquidity reserves as at 30 September 2022 were as follows:

In thousands of euros	**30 September 2022**	**31 March 2022**
Cash and cash equivalents and bank overdrafts	150,610	360,899
Undrawn borrowing facilities	342,673	268,177
Liquidity reserves	**493,283**	**629,076**

Surplus cash held by the Group is invested in call accounts, certificates of deposit, money market funds and securities or any other financial assets authorised by the Financial Investments Policy.

The repayment of certain bank borrowings depends on a financial covenant (note 19.2).

The Group also prepared a cash projection for the period from October 2022 to March 2023 and showed no liquidity risks.

(d) Other risks

For the receivable from the sale of L'Occitane Russia, the Group is simultaneously exposed to price risk (with the equity value of the Russian entity), foreign exchange risk and liquidity risk (with the illiquidity discount) as disclosed in note 4.3.

4.2 Capital risk management

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern, such that it can continue to provide returns for equity owners and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to equity owners, return capital to equity owners, issue new shares or sell assets to reduce debt.

4.3 Fair value measurement hierarchy

IFRS 13 for financial instruments requires the disclosure of fair value measurements by level according to the following fair value measurement hierarchy:

- Quoted prices in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices) (level 2);
- Inputs for the asset or liability that are not based on observable market data (i.e., unobservable inputs) (level 3).

4. FINANCIAL RISK MANAGEMENT *(CONTINUED)*

4.3 Fair value measurement hierarchy *(continued)*

The following table presents the Group's assets and liabilities that are measured at fair value:

	30 September 2022				31 March 2022			
In thousands of euros	**Level 1 (a)**	**Level 2 (b)**	**Level 3 (c)**	**Total**	**Level 1 (a)**	**Level 2 (b)**	**Level 3 (c)**	**Total**
Assets								
Derivative financial instruments *(Note 17)*	–	1,408	–	1,408	–	1,931	–	1,931
Financial assets at fair value through profit and loss *(Note 13)*	–	–	36,661	36,661	–	–	–	–
Financial assets at fair value through other comprehensive income (FVOCI) *(Note 13)*	5,584	2,205	25,082	32,871	9,079	2,306	21,732	33,117
Total financial assets	**5,584**	**3,613**	**61,743**	**70,940**	**9,079**	**4,237**	**21,732**	**35,048**
Liabilities								
Derivative financial instruments *(Note 17)*	–	3,519	–	3,519	–	1,208	–	1,208
Other financial liabilities *(Note 7)*	–	–	239,252	239,252	–	–	171,865	171,865
Total financial liabilities	**–**	**3,519**	**239,252**	**242,771**	**–**	**1,208**	**171,865**	**173,073**

(a) The fair value of financial instruments traded in active markets (such as equity securities) is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

(b) The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by external counterparties using methods and assumptions that are based on market conditions existing at each balance sheet date. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward foreign exchange contracts is determined using quoted forward exchange rates at the balance sheet date. If all significant inputs required to measure the fair value of an instrument are observable, the instrument is included in level 2.

(c) If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

As at 31 March 2022, some data used to measure the fair value of some investments classified in "level 2" were not directly based on observable and identifiable market data. Therefore, the Group modified the classification of "financial assets at fair value through other comprehensive income" from reclassifying the corresponding investments from "level 2" to "level 3" as at 31 March 2022 for an amount of €21.7 million. There is no impact on the fair value of those investments.

Notes to the Interim Condensed Consolidated Financial Information

4. FINANCIAL RISK MANAGEMENT *(CONTINUED)*

4.3 Fair value measurement hierarchy *(continued)*

Fair value measurements using financial instruments traded in active markets (level 1)

On 10 May 2021, the Group acquired shares in Carbios S.A. which is specialised in recycling plastic and packaging products for a net amount of €10,000,000 and including a total depreciation of €4,416,000 (less than 3% of the total shares) of which €3,495,000 has been recognised over the period ended 30 September 2022.

Fair value measurements using inputs other than quoted prices included within level 1 that are observable for the asset or liability (level 2)

The following table presents the change in level 2 instruments for the period ended 30 September 2022:

In thousands of euros	**Financial assets as at 31 March 2022**	**Transfer from level 2 to level 3**	**New financial assets**	**Gain/(loss) recognised through OCI**	**Gain/(loss) recognised through profit and loss**	**Exchange difference**	**Financial assets as at 30 September 2022**
Derivative financial instruments *(Note 17)*	1,931	–	–	–	(523)	–	1,408
Financial assets at fair value through other comprehensive income (FVOCI)							
Other investments	2,306	(1,025)	750	–	–	174	2,205
Sub-total financial assets at FVOCI	**2,306**	**(1,025)**	**750**	**–**	**–**	**174**	**2,205**
Total financial assets (level 2)	**4,237**	**(1,025)**	**750**	**–**	**(523)**	**174**	**3,613**

In thousands of euros	**Financial liabilities as at 31 March 2022**	**Transfer from level 2 to level 3**	**New financial liabilities**	**(Gain)/loss recognised through OCI**	**(Gain)/loss recognised through profit and loss**	**Exchange difference**	**Financial liabilities as at 30 September 2022**
Derivative financial instruments *(Note 17)*	1,208	–	–	–	2,311	–	3,519
Total financial liabilities (level 2)	**1,208**	**–**	**–**	**–**	**2,311**	**–**	**3,519**

4. FINANCIAL RISK MANAGEMENT *(CONTINUED)*

4.3 Fair value measurement hierarchy *(continued)*

Fair value measurements using significant unobservable inputs (level 3)

The following table presents the change in level 3 instruments for the period ended 30 September 2022:

In thousands of euros	Financial assets as at 31 March 2022	Transfer from level 2 to level 3	New financial assets	Disposals	Gain/(loss) recognised through OCI	Gain/(loss) recognised through profit and loss	Unwinding of discount	Exchange difference	Financial assets as at 30 September 2022
Financial assets at fair value through profit and loss (FVPL)									
Fair value of the receivable from the sale of L'Occitane Russia *(Note 13)*	–	–	44,546	–	–	(7,885)	–	–	36,661
Financial assets at fair value through other comprehensive income (FVOCI)									
SCPI FI Commerce (real estate investment fund)	9,520	–	–	–	–	–	–	–	9,520
Truffle investment	10,413	–	2,800	–	(720)	–	–	(12)	12,481
Other investments	1,799	1,025	270	(38)	–	–	–	25	3,081
Sub-total financial assets at FVOCI	**21,732**	**1,025**	**3,070**	**(38)**	**(720)**	**–**	**–**	**13**	**25,082**
Total financial assets (level 3)	**21,732**	**1,025**	**47,616**	**(38)**	**(720)**	**(7,885)**	**–**	**13**	**61,743**

In thousands of euros	Financial liabilities as at 31 March 2022	Transfer from level 2 to level 3	New financial liabilities	Disposals	(Gain)/loss recognised through OCI	(Gain)/loss recognised through profit and loss	Unwinding of discount	Exchange difference	Financial liabilities as at 30 September 2022
Other financial liabilities *(Note 7)*	171,865	–	45,532	–	–	–	2,082	19,773	239,252

Assets at fair value through other comprehensive income

Among the financial assets at fair value through other comprehensive income, other investments correspond to 15 investments with individual investments of which 12 are lower than €200,000 and for all the investments the percentage of voting shares is lower than 20%.

Notes to the Interim Condensed Consolidated Financial Information

4. FINANCIAL RISK MANAGEMENT *(CONTINUED)*

4.3 Fair value measurement hierarchy *(continued)*

Fair value measurements using significant unobservable inputs (level 3) (continued)

Other financial liabilities

The other financial liabilities correspond to the put options granted by the Group to non-controlling interests:

- Put option on Sol de Janeiro non-controlling interests for €172.2 million,
- Put option on 14 Groupe S.A non-controlling interests for €28.1 million,
- Put option on Grown Alchemist Holdings Pty Ltd. non-controlling interests for €17.5 million,
- Put option on Elemis non-controlling interests for €15.5 million,
- Put option on symbiose Cosmetics France non-controlling interest for €4.1 million,
- Put option on L'Occitane GmbH non-controlling interests for €1.9 million.

Fair value of other financial instruments (unrecognised)

The Group also has a number of financial instruments (bank borrowings) that are not measured at fair value in the balance sheet. For most of these instruments, the fair values are not materially different to their carrying amounts, since the interest receivable/payable is either close to current market rates or the instruments are short term in nature.

Other consideration for assessing the fair value of the receivable from the sale of L'Occitane Russia

Main characteristics

As described in the Note 6.1, the main characteristics of the transaction are as follows:

- The payment of the shares will be made through four instalments 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 3 June 2025, 2026, 2027, 2028 and 2029. The exercise price is based on the fair value of the Russian entity business to be determined by an independent expert.

Classification of the receivable from the sale of L'Occitane Russia

Under IFRS 9, the receivable from the sale of L'Occitane Russia does not meet the SPPI criteria and is considered as a non-recourse loan. Therefore, the receivable cannot be measured at amortised cost and is valued at fair value through profit and loss.

Assessment of the fair value

For assessing the fair value of the receivable, the following scenarios need to be considered:

- Investors can pay the contractual instalments: the Group will receive the cash flows;
- Investors cannot pay the contractual instalments: the Group will receive the collateral, i.e. the shares of the Russian entity.

The main factors impacting the value of the receivable are the equity value of the Russian entity in RUB and the FX rate and their volatilities.

Given the optional nature of the payoff, diffusion models of the risk factors are needed and a Monte-Carlo model is used to determine the fair value.

4. FINANCIAL RISK MANAGEMENT *(CONTINUED)*

4.3 Fair value measurement hierarchy *(continued)*

Other consideration for assessing the fair value of the receivable from the sale of L'Occitane Russia (continued)

Assessment of the fair value *(continued)*

The fair value of the receivable was assessed based on the following key assumptions:

Key assumptions	As at 3 June 2022	As at 30 September 2022
Assumptions used for the estimation of the equity value in RUB (enterprise value estimated based on the discounted future cash flows — net debt)		
Business plan time frame in years	4	4
Net sales annual growth rate over the plan	2.5%	2.5%
Average % of EBITDA over the 4 years plan	31.8%	31.8%
Long-term growth rate	4.5%	4.5%
Post-tax discount rate	28.0%	29.9%
Equity value (in thousands of RUB)	5,050,000	4,940,000
Assumptions used for the estimate of the fair value of the receivable through the diffusion model of Monte Carlo		
Market inputs		
EUR and RUB risk-free interest rates	EUR rates and forward points between 1 and 6 years	EUR rates and forward points between 1 and 6 years
RUB/EUR exchange implied volatility	Between 13% (2 years) and 48% (1 week)	Between 13% (2 years) and 48% (1 week)
Exchange spot rate (EUR/RUB)	67.41	59.01
Other inputs		
Subsidiary/foreign exchange spot correlation	0%	0%
Volatility based on historical volatility of market indices (MOEX) (1)	35%	35%
Fair value of the receivable before liquidity discount (in thousands of euros)	52,407	56,402
Liquidity discount (2)	15%	35%
Fair value of the receivable (in thousands of euros)	44,546	36,661

(1) *Given the lack of a directly observable market for the volatility of the subsidiary, its volatility is estimated from the historical volatility of the MOEX benchmark index over a 3-year period (given the first option is long dated with an expiry date in 2025).*

(2) *The liquidity discount has been increased to consider higher uncertainties arising from the war that lasts and the continuance of sanctions.*

Based on this model, the fair value of the receivable from the sale of L'Occitane Russia amounts to €44.5 million as of 3 June 2022 and to €36.7 million as at 30 September 2022. The change in the fair value of the receivable from the sale of L'Occitane Russia is recorded within the financial result as a "Finance cost" for a loss of €7.9 million (Note 25).

Notes to the Interim Condensed Consolidated Financial Information

4. FINANCIAL RISK MANAGEMENT *(CONTINUED)*

4.3 Fair value measurement hierarchy *(continued)*

Other consideration for assessing the fair value of the receivable from the sale of L'Occitane Russia (continued)

Sensitivity analysis

The relationships of key inputs to value are as follows:

- Increasing the CAGR to 5% over the business plan time frame would increase the fair value of the receivable (before liquidity discount) by €7.6 million as at 3 June 2022 and by €5.7 million as at 30 September 2022;
- Decreasing the CAGR to 0% over the business plan time frame would decrease the fair value of the receivable (before liquidity discount) by €11.3 million as at 3 June 2022 and by €9.7 million as at 30 September 2022;
- Increasing the discount rate by 5% would decrease the fair value of the receivable (before liquidity discount) by €3.3 million as at 3 June 2022 and by €3.0 million as at 30 September 2022;
- Decreasing the discount rate by 5% would increase the fair value of the receivable (before liquidity discount) by €4.0 million as at 3 June 2022 and by €3.0 million as at 30 September 2022;
- Increasing the EBITDA rate by 5% would increase the fair value of the receivable (before liquidity discount) by €5.0 million as at 3 June 2022 and by €3.8 million as at 30 September 2022;
- Decreasing the EBITDA rate by 5% would decrease the fair value of the receivable (before liquidity discount) by €6.7 million as at 3 June 2022 and by €5.8 million as at 30 September 2022;
- Decreasing the volatility rate to 25% would increase the fair value of the receivable (before liquidity discount) by €3.6 million as at 3 June 2022 and by €3.7 million as at 30 September 2022;
- Increasing the volatility rate to 45% would decrease the fair value of the receivable (before liquidity discount) by €4.1 million as at 3 June 2022 and by €4.2 million as at 30 September 2022;
- Increasing the RUB/EUR foreign exchange volatility by 5% would decrease the fair value of the receivable (before liquidity discount) by €1.3 million as at 3 June 2022 and by €1.2 million as at 30 September 2022.

5. 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 the performance of the operating segments, has been identified as the Chairman, the Chief Executive Officer (CEO) and the Managing Director, who make strategy decisions.

The Chairman, the CEO and the Managing Director primarily review the Group's internal reporting in order to assess performance and allocate resources from a brand perspective. Four operating segments were 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.
- **Sol de Janeiro** — the sale of fragrances, skincare, haircare and body care from Sol de Janeiro 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, Grown Alchemist, LimeLife 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, of 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.

For the fiscal year ended 31 March 2022, LimeLife was presented as a separate operating segment. Considering the increase in the contribution of Elemis and Sol de Janeiro, the relative contribution of LimeLife is less relevant and management decided to group LimeLife with other brands in the operating segment 'Other brands'.

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.

Notes to the Interim Condensed Consolidated Financial Information

5. SEGMENT INFORMATION *(CONTINUED)*

5.1 Operating segments

The measure of profit or loss for each operating segment is its operating profit. Operating segment information is as follows:

30 September 2022

In thousands of euros	**L'OCCITANE en Provence**	**ELEMIS**	**Sol de Janeiro**	**Other brands**	**Total**
Net sales	**610,322**	**105,118**	**94,605**	**90,460**	**900,505**
In % of total	*67.8%*	*11.7%*	*10.5%*	*10.0%*	*100.0%*
Gross profit	**513,643**	**78,036**	**64,556**	**66,041**	**722,276**
% of net sales	*84.2%*	*74.2%*	*68.2%*	*73.0%*	*80.2%*
Distribution expenses	(274,183)	(27,282)	(7,512)	(44,095)	(353,072)
Marketing expenses	(95,262)	(26,720)	(19,745)	(18,893)	(160,620)
Research & development expenses	(7,230)	(969)	(279)	(1,691)	(10,169)
General and administrative expenses	(66,181)	(11,704)	(10,105)	(8,351)	(96,341)
Share of profit/(loss) from associates and joint ventures accounted for using the equity method	(4,073)	–	–	–	(4,073)
Other operating income	3,095	19	–	353	3,467
Other operating expenses	(14,437)	–	–	–	(14,437)
Operating profit/(loss)	**55,372**	**11,380**	**26,915**	**(6,636)**	**87,031**
% of net sales	*9.1%*	*10.8%*	*28.4%*	*(7.3%)*	*9.7%*

30 September 2021

In thousands of euros	**L'OCCITANE en Provence**	**ELEMIS**	**Other brands**	**Total**
Net sales	**529,807**	**86,805**	**79,823**	**696,435**
In % of total	*76.1%*	*12.5%*	*11.5%*	*100.0%*
Gross profit	**431,420**	**64,058**	**59,406**	**554,884**
% of net sales	*81.4%*	*73.8%*	*74.4%*	*79.7%*
Distribution expenses	(227,234)	(19,060)	(42,064)	(288,358)
Marketing expenses	(79,444)	(19,869)	(12,159)	(111,472)
Research & development expenses	(6,586)	(759)	(1,094)	(8,439)
General and administrative expenses	(55,141)	(9,376)	(7,071)	(71,588)
Share of profit/(loss) from associates and joint ventures accounted for using the equity method	(9,377)	–	–	(9,377)
Other operating income	13,333	–	–	13,333
Other operating expenses	(113)	–	–	(113)
Operating profit/(loss)	**66,858**	**14,994**	**(2,982)**	**78,870**
% of net sales	*12.6%*	*17.3%*	*(3.7%)*	*11.3%*

There are no significant inter-segment transfers or transactions.

5. SEGMENT INFORMATION *(CONTINUED)*

5.2 Geographic areas

For the fiscal year ended 31 March 2022, management presented the sales of the 10 main countries mainly contributing to total net sales. For this interim condensed consolidated financial information, management decided to group countries by regions: America, Asia and EMEA (Europe, Middle East and Africa) with a separate information for countries contributing to more than 10% on an individual basis (US, China).

Net sales allocated based on the geographic areas of the invoicing subsidiary are as follows:

	Period ended 30 September			
		2022		**2021**
In thousands of euros	**Total**	***In %***	**Total**	***In %***
Asia	370,280	41.1%	343,550	49.4%
Including China	*117,380*	*13.0%*	*124,115*	*17.8%*
America	280,990	31.2%	110,371	15.7%
Including the United States	*231,753*	*25.6%*	*72,147*	*10.3%*
EMEA	249,235	27.7%	242,514	34.8%
Net sales	**900,505**	**100%**	**696,435**	**100%**

6. INFORMATION RELATING TO CHANGES IN THE GROUP STRUCTURE

6.1 For the period ended 30 September 2022

6.1.1 Exit from Russia

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 instalments between June 2025 and June 2028 (Note 4.3). 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 to be determined by an independent expert.

Based on these agreements, the Group lost the exclusive control of the Russian entity and has no significant influence. The exit from the Group was completed on 31 May 2022 (the three days between 31 May 2022 and the date of agreements were assessed by management as not significant).

Notes to the Interim Condensed Consolidated Financial Information

6. INFORMATION RELATING TO CHANGES IN THE GROUP STRUCTURE *(CONTINUED)*

6.1 For the period ended 30 September 2022 *(continued)*

6.1.1 Exit from Russia (continued)

Derecognition of the assets and liabilities of L'Occitane Russia

The following assets (including goodwill) and liabilities of L'Occitane Russia were derecognised:

Assets

In millions of euros	**31 May 2022**
Property, plant and equipment	2.1
Right-of-use assets	15.9
Goodwill	28.5
Intangible assets	0.6
Deferred income tax assets	2.8
Other non-current assets	1.2
Non-current assets	**51.0**
Inventories	10.2
Trade receivables	8.1
Other current assets	2.7
Cash and cash equivalents	11.7
Current assets	**32.7**
Total assets	**83.8**
Lease liabilities	9.8
Other non-current liabilities	0.2
Non-current liabilities	**10.0**
Trade payables	15.3
Salaries and tax liabilities	3.3
Lease liabilities	6.5
Other current liabilities	1.0
Provisions	0.0
Other current liabilities	**26.1**
Total liabilities	**36.1**
Net assets	**47.6**

The impact of the two months of activity from April and May in the interim condensed consolidated financial information is €10.4m in the net sales and €1.2m in the net result.

6. INFORMATION RELATING TO CHANGES IN THE GROUP STRUCTURE *(CONTINUED)*

6.1 For the period ended 30 September 2022 *(continued)*

6.1.1 Exit from Russia (continued)

Loss resulting from the sale of L'Occitane Russia

The capital loss on disposal amounts to €14.4 million and is composed of (in millions of euros):

Fair value of the receivable after illiquidity discount	44.6
(-) Net assets of the Russian entity on 3 June 2022	47.6
(-) Net amount of loss on trade receivables and reversal of consolidation entries	(0.6)
Capital loss from the sale of L'Occitane Russia before reclassification of currency translation differences	**(3.6)**
(-) Reclassification to income statement of the charge previously recognised in other comprehensive income (currency translation differences)	(10.8)
Capital loss from the sale of L'Occitane Russia	**(14.4)**

The capital loss is recorded within the "other operating expenses" in the income statement (Refer to Note 4.3 for details on the fair value of the receivable).

6.1.2 Acquisition of Grown Alchemist

On 1 April 2022, L'Occitane International S.A. acquired from LOG Investment (a subsidiary of the parent company L'Occitane Group S.A.), 49.24% of equity interests (representing 76.18% of the voting rights) in 14 Groupe S.A. 14 Groupe S.A holds 65% equity interest and voting rights of Grown Alchemist, for an amount of €5,033,000. L'Occitane International S.A holds 32.01% of equity interests of Grown Alchemist.

As, the transaction is a business combination under common control, the Group applied IFRS 3 by analogy and used the acquisition method of accounting.

Grown Alchemist is an Australian brand with cross-category success across skincare, body care, haircare and nutricosmetics supplements.

Consideration for the acquisition in thousands of euros

The breakdown of the consideration was as follows:

Cash paid	5,033
Ordinary shares issued	–
Contingent consideration	–
Percentage of interests	32.01%
Net identifiable assets acquired by the Group	1,645
Provisional goodwill	**3,388**

Notes to the Interim Condensed Consolidated Financial Information

6. INFORMATION RELATING TO CHANGES IN THE GROUP STRUCTURE *(CONTINUED)*

6.1 For the period ended 30 September 2022 *(continued)*

6.1.2 Acquisition of Grown Alchemist (continued)

Assets acquired and liabilities assumed in millions of euros

ASSETS *In millions of euros*	**Carrying amount — 1 April 2022**	**Fair value adjustment**	**Fair value**
Property, plant and equipment, net	1.0	–	1.0
Intangible assets, net	0.2	–	0.2
Other non-current receivable	0.1	–	0.1
Non-current assets	**1.3**	**–**	**1.3**
Inventories	5.6	–	5.6
Trade receivable	1.9	–	1.9
Other current assets	0.4	–	0.4
Cash and cash equivalents	1.5	–	1.5
Current assets	**9.3**	**–**	**9.3**
Total assets	**10.6**	**–**	**10.6**
LIABILITIES *In thousands of euros*			
Borrowings	2.7	–	2.7
Non-current liabilities	**2.7**	**–**	**2.7**
Trade payables	1.5	–	1.5
Social and tax liabilities	0.4	–	0.4
Other current liabilities	0.9	–	0.9
Current liabilities	**2.8**	**–**	**2.8**
Total liabilities	**5.5**	**–**	**5.5**
Net identifiable assets acquired	**5.1**	**–**	**5.1**
Deduct: non-controlling interests	(3.5)	–	(3.5)
Add: goodwill	–	–	3.4
Net assets acquired	**1.6**	**–**	**5.0**

The Group recognises non-controlling interests in an acquired entity at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

The puts options granted by the Group to non-controlling interests are evaluated at their value (Note 7).

6. INFORMATION RELATING TO CHANGES IN THE GROUP STRUCTURE *(CONTINUED)*

6.1 For the period ended 30 September 2022 *(continued)*

6.1.2 Acquisition of Grown Alchemist (continued)

Assets acquired and liabilities assumed in millions of euros ***(continued)***

The goodwill is attributable to a strategic fit for the Group in terms of brand recognition and identify, product quality, management capability, as well as growth, profitability, and cash generation prospects. The acquisition is in line with the Group's strategy to building a leading portfolio of premium beauty brands.

Contribution to net sales and profit

The acquired business contributed to the Group's net sales for €7.4 million and to a loss for €1 million in the interim condensed consolidation financial information.

6.1.3 Investment in L'Occitane Middle East

On 1 June 2022, the Group invested an additional amount of €13.5 million in L'Occitane Middle East to develop the activity in Saudi Arabia. The percentage of interests remained stable at 51%.

6.2 For the year ended 31 March 2022

6.2.1 Acquisition of Sol de Janeiro

On 23 December 2021, the Group acquired 82.86% of Sol de Janeiro for a total consideration of €330.9m (see also Note 7 for put options granted to the minority shareholders).

Consideration for the acquisition in thousands of euros

The breakdown of the consideration was as follows:

Cash paid	330,877
Ordinary shares issued	–
Contingent consideration	–
Percentage of interests	82.86%
Net identifiable assets acquired by the Group	154,799
Goodwill	**202,618**

Notes to the Interim Condensed Consolidated Financial Information

6. INFORMATION RELATING TO CHANGES IN THE GROUP STRUCTURE *(CONTINUED)*

6.2 For the year ended 31 March 2022 *(continued)*

6.2.1 Acquisition of Sol de Janeiro (continued)

Assets acquired and liabilities assumed

ASSETS *In millions of euros*	**Carrying amount — 31 December 2021**	**Fair value adjustment**	**Fair value**
Property, plant and equipment, net	0.9	–	0.9
Intangible assets, net	1.1	156.7	157.8
Deferred income tax assets	2.7	–	2.7
Other non-current receivable	0.3	–	0.3
Non-current assets	**5.0**	**156.7**	**161.7**
Inventories	20.2	–	20.2
Trade receivable	5.9	–	5.9
Other current assets	6.3	–	6.3
Cash and cash equivalents	8.7	–	8.7
Current assets	**41.1**	**–**	**41.1**
Total assets	**46.0**	**156.7**	**202.7**
LIABILITIES *In millions of euros*			
Deferred income tax liabilities	–	35.3	35.3
Non-current liabilities	**–**	**35.3**	**35.3**
Trade payables	9.3	–	9.3
Social and tax liabilities	0.4	–	0.4
Other current liabilities	3.0	–	3.0
Current liabilities	**12.7**	**–**	**12.7**
Total liabilities	**12.7**	**35.3**	**47.9**
Net identifiable assets acquired	**33.3**	**121.4**	**154.8**
Deduct: non-controlling interests	(5.7)	(20.8)	(26.5)
Add: goodwill	–	–	202.6
Net assets acquired	**27.6**	**100.6**	**330.9**

The Group recognises non-controlling interests in an acquired entity at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

6. INFORMATION RELATING TO CHANGES IN THE GROUP STRUCTURE *(CONTINUED)*

6.2 For the year ended 31 March 2022 *(continued)*

6.2.1 Acquisition of Sol de Janeiro (continued)

Assets acquired and liabilities assumed ***(continued)***

The goodwill is attributable to a strategic fit for the Group in terms of brand recognition and identify, product quality, management capability, as well as growth, profitability, and cash generation prospects. The acquisition is in line with the Group's strategy to building a leading portfolio of premium beauty brands.

Purchase price allocation and fair value adjustments

When recognised the above assets and liabilities, a purchase price allocation was performed where identifiable assets and liabilities of Sol de Janeiro were measured at fair value as at 31 December 2021.

The fair value adjustments were as follows:

- The fair value of the trademark was estimated based on the royalty method with a net royalty rate of 7.7% and a post-tax discount rate of 10.3%, including a tax amortisation benefit effect;
- Deferred tax liabilities were recognised on the fair value adjustment of the trademark.

As of 31 March 2022, the above fair values had been determined on a provisional basis. The net identifiable assets acquired were based on the net book value of assets and liabilities as at 31 December 2021. As of 30 September 2022, the above fair values are final.

Contribution to net sales and profit

The acquired business contributed to the Group's net sales and profit for the period from 31 December 2021 to 31 March 2022 were respectively €26.1 million and €2.0 million.

If the acquisition had occurred on 1 April 2021, consolidated unaudited pro-forma revenue and profit for the year ended 31 March 2022 would have been €90.5 million and €15.5 million respectively.

Acquisition — related costs

The acquisition-related costs amounted to €2.9 million and were recognised as administrative expenses. The acquisition costs comprise the insurance costs amounted to €0.5 million and corresponds to the liabilities guarantee clause covered by the insurer and paid by the Company.

6.2.2 L'Occitane Inc. Chapter 11 proceedings

Context

On 14 January 2021, the Board of Directors approved the decision to file Chapter 11 proceeding with respect to L'Occitane Inc. The case was filed on 26 January 2021 before the bankruptcy court of New Jersey (the "court"). The aim of proceedings was to facilitate the negotiation of lease arrangements with lessors. The goal was to reach a consensual plan under which general unsecured creditors (mainly lessors) would agree to accept payment of less than the full amount of the liabilities. There was no plan to liquidate the subsidiary.

The Group owned 100% of L'Occitane Inc. However, based on the legal restrictions applicable to Chapter 11 proceedings, the operational activities of L'Occitane Inc. were managed through motions that must be validated by the Court. Motions granted by the Court to L'Occitane Inc. to operate the business could have been overturned by the same Court. The Group no longer controlled the relevant activities. Consequently, the exclusive control of L'Occitane Inc. was lost as soon as bankruptcy proceedings were filed. L'Occitane Inc. has been deconsolidated at the date of filing of the proceedings with the Court (26 January 2021). Subsequently to the derecognition of the assets and liabilities of L'Occitane Inc. the Group's investment in L'Occitane Inc. was recorded using the equity method.

Notes to the Interim Condensed Consolidated Financial Information

6. INFORMATION RELATING TO CHANGES IN THE GROUP STRUCTURE *(CONTINUED)*

6.2 For the year ended 31 March 2022 *(continued)*

6.2.2 L'Occitane Inc. Chapter 11 proceedings (continued)

Context *(continued)*

As of 31 August 2021, the proceedings for Chapter 11 was closed by the Court and this date was considered as the effective date for the reconsolidation of L'Occitane Inc. since the Court does not have any control on L'Occitane Inc. Therefore, at this date, the Group L'Occitane gained back the exclusive control of the subsidiary, which has been consolidated in the consolidated financial statements of the Group.

In the consolidated financial statements, the impact of the operations of L'Occitane Inc. was presented as follows:

- As an investment accounted for using the equity method from 1 April 2021 to 31 August 2021, the net loss in the consolidated financial statements of income amounts to €8.9m and was presented within "Share of profit/(loss) from associates and joint ventures accounted for using the equity method";
- As a subsidiary consolidated through full integration method for the month from September 2021, the net sales and the net profit from September 2021 to March 2022 amounted to €89.7 million and €2.5 million.

Fair value of the Group's investment in L'Occitane Inc.

As at 31 August 2021, the Group remeasured the fair value of L'Occitane Inc. for an amount of €0 million which includes a creditor current account with the Group for €19.9 million considered as part of the net debt.

The key underlying hypothesis for the estimation of the nil fair value of L'Occitane Inc. were as follows:

- The enterprise value was estimated in a range of $40.0 million–$44.9 million based on the discounted cash flow (DCF) method (weight of 50%) and the public companies multiples method (weight of 50%);
- For the DCF method, the annual growth rate (CAGR) and the EBIT margin were estimated at 2% and 2.5%. The WACC used was 9.5%. The terminal value took into account a long-term growth of 2% which is in line with the inflation forecast data for the United States.
- For the public companies multiples method, the revenue multiple applicable was estimated in a range of 0.23x–0.27x and the EBIT multiple applicable is estimated in a range of 10.6x–11.6x.
- Net debt decreased from the enterprise value for an amount of $42.3 million, taking into account the intercompany loan, cash, the normalisation of the net working capital and the cash-outs related to the finalization of Chapter 11 proceedings (accounts payable to landlords, rejected part of accounts payable to landlords and professional fees).

6. INFORMATION RELATING TO CHANGES IN THE GROUP STRUCTURE *(CONTINUED)*

6.2 For the year ended 31 March 2022 *(continued)*

6.2.2 L'Occitane Inc. Chapter 11 proceedings (continued)

Reconsolidation of the assets acquired and liabilities assumed of L'Occitane Inc.

The fair value of the investment in L'Occitane Inc. amounting to €0 million was considered as the acquisition price.

As at 31 August 2021, the following assets and liabilities of L'Occitane Inc. were recognised as a result of the reconsolidation as follows:

ASSETS *In millions of euros*	**Carrying amount**	**Fair value adjustment**	**Fair value**
Property, plant and equipment, net	12.3	–	12.3
Intangible assets, net	0.3	–	0.3
Right-of-use assets	55.3	–	55.3
Deferred income tax assets	14.1	–	14.1
Other non-current receivable	0.6	–	0.6
Non-current assets	**82.5**	**–**	**82.5**
Inventories	16.1	–	16.1
Trade receivable	5.9	–	5.9
Current income taxes	0.9	–	0.9
Other current assets	3.8	–	3.8
Cash and cash equivalents	20.9	–	20.9
Current assets	**47.5**	**–**	**47.5**
Total assets	**130.1**	**–**	**130.1**
LIABILITIES *In millions of euros*			
Borrowings	–	–	–
Lease liabilities	45.0	–	45.0
Other non-current liabilities	0.3	–	0.3
Non-current liabilities	**45.3**	**–**	**45.3**
Trade payables	50.3	–	50.3
Social and tax liabilities	3.4	–	3.4
Borrowings	19.9	–	19.9
Lease liabilities	12.6	–	12.6
Other current liabilities	3.7	–	3.7
Provisions	0.1	–	0.1
Current liabilities	**90.1**	**–**	**90.1**
Total liabilities	**135.4**	**–**	**135.4**
Net acquired	**(5.3)**	**–**	**(5.3)**
Minority shareholders	1.3	–	1.3
Fair value of L'Occitane	–	–	–
Goodwill	**6.6**	**–**	**6.6**

Notes to the Interim Condensed Consolidated Financial Information

6. INFORMATION RELATING TO CHANGES IN THE GROUP STRUCTURE *(CONTINUED)*

6.2 For the year ended 31 March 2022 *(continued)*

6.2.2 L'Occitane Inc. Chapter 11 proceedings (continued)

Purchase price allocation and fair value adjustments

When recognised the above assets and liabilities, a purchase price allocation was performed where identifiable assets and liabilities of L'Occitane Inc. were measured at fair value as at 31 August 2021.

The fair value adjustments were determined on a provisional basis as follows:

- L'Occitane Inc. does not own any trademarks;
- Customer relationships (Sell-In distribution channel): given that there were no long-term exclusive distribution agreements, the fair value was deemed to be insignificant;
- Right-of-use assets were measured at an amount equal to the recognised liability. Due to the renegotiation of the lease terms with the landlords during the Chapter 11 proceedings, the new terms reflected the market terms and no fair value adjustment was necessary;
- The deferred taxes assets were recognised based on the tax planning taking into account the Group's transfer pricing policy;
- The lease liability was measured according to IFRS 16 and recognised as if lease contracts were new leases as at 31 August 2021.

As of 30 September 2022, the above fair values are final.

The goodwill resulting from this business combination was attributable to future synergies, mainly thanks to the acquisition of a reorganised stores network with renegotiated leases arrangements.

There was no deductible goodwill for tax purposes.

6.2.3 Investment in Carbios

On 10 May 2021, the Group acquired shares in Carbios S.A. which is specialised in recycling plastic and packaging products for an initial amount of €10 million and representing less than 3% of the total shares.

6.2.4 Investment in L'Occitane Middle East

On 1 October 2021, the Group invested an additional amount of €4.9 million in L'Occitane Middle East to develop the activity in Dubai. The percentage of interests remained stable at 51%.

6.2.5 Acquisition of minority interest of Elemis

On 28 March 2022, the Group repurchased 926 Elemis shares (corresponding to 7.72% of the total issued share capital of LOI Elemis Sarl) for a purchase price of €76.6 million from Chasselas Equity S.A. These shares were sold to Chasselas Equity S.A on 6 March 2019. After this acquisition, the percentage of interests increased from 90.9% to 98.62%.

The Group recognised a decrease in non-controlling interests and a decrease in equity attributable to owners of the Group. The effect of this acquisition was summarised as follows:

In thousands of euros	**31 March 2022**
Carrying amount of non-controlling interests acquired	68,878
Consideration paid to non-controlling interests	76,579
Excess of consideration paid recognised in the transactions with non-controlling interests reserve within equity (attributable to owners of the Group)	**(7,701)**

6. INFORMATION RELATING TO CHANGES IN THE GROUP STRUCTURE *(CONTINUED)*

6.2 For the year ended 31 March 2022 *(continued)*

6.2.6 New minority interest on Symbiose France

On 16 December 2021, the general manager of Symbiose France acquired 2.21% (corresponding to 31 shares) of Symbiose France for a purchase price of €1 million. The percentage of interests decreased from 100% to 97.79%.

The Group recognised an increase in non-controlling interests and an increase in equity attributable to owners of the Group. The effect of this acquisition was summarised as follows:

In thousands of euros	**31 March 2022**
Carrying amount of non-controlling interests sold	147
Consideration received from non-controlling interests	1,000
Excess of consideration received recognised in the transactions with non-controlling interests reserve within equity (attributable to owners of the Group)	**853**

A put option was granted to the minority shareholder and general manager of Symbiose France and amounted to €4.1 million. The put option can be exercised in 2025.

7. OTHER FINANCIAL LIABILITIES

Changes in the other financial liabilities

The other financial liabilities correspond mainly to put option arrangements. The following put options have been granted by the Group to non-controlling interests:

			Excess of consideration in transactions with non-controlling interests				
				Change in the valuation of the exercise price of the put options granted to non-controlling interests			
In thousands of euros	% of minority shareholders with put options	31 March 2022	New put options	Changes in estimates in the valuation of the exercise price	Unwinding of discount	Exchange differences	30 September 2022
Put Option on Sol de Janeiro non-controlling interests	17.30%	150,463	–	–	753	20,987	172,203
Put Option on 14 Groupe SA non-controlling interests	50.76%	–	27,900	–	1,123	(923)	28,100
Put Option on Grown Alchemist non-controlling interests	35.00%	–	17,632	–	143	(291)	17,484
Put Option on Elemis non-controlling interests	1.40%	15,435	–	–	56	–	15,491
Put Option on Symbiose France non-controlling interests	2.20%	4,071	–	–	–	–	4,071
Put Option on L'Occitane GmbH non-controlling interests	30%	1,896	–	–	7	–	1,903
Total other financial liabilities		**171,865**	**45,532**	**–**	**2,082**	**19,773**	**239,252**

The Group records all changes related to (i) change in estimates, (ii) exchange differences and (iii) unwinding of discount in equity in 'excess of consideration in transactions with non-controlling interests'.

Notes to the Interim Condensed Consolidated Financial Information

7. OTHER FINANCIAL LIABILITIES *(CONTINUED)*

Inputs used by management to determine the present value of the put options

The following table summarises the quantitative information about the significant unobservable inputs used in the measurement of the present value of the redemption amount of the main put options granted to non-controlling interests:

in thousands of euros	Present value of the redemption amount 30 September 2022	31 March 2022	Unobservable inputs	Range of inputs 30 September 2022	31 March 2022	Relationship of unobservable inputs to value
Put Option on Sol de Janeiro non-controlling interests	172,203	150,463	Annual EBIT growth rate	17%–27%	17%–27%	Increasing the annual EBIT growth rate by 100 basis points would increase the fair value by €1,507,000. Decreasing the annual EBIT growth rate by 100 basis points would decrease the fair value by €1,507,000.
Put Option on Elemis non-controlling interests	15,491	15,435	Annual EBITDA growth rate	Same unobservable inputs as the ones used in the Elemis business plan and disclosed in note 4.1 of our annual report.		Increasing the annual EBITDA growth rate by 100 basis points would increase the fair value by €155,000. Decreasing the annual EBITDA growth rate by 100 basis points would decrease the fair value by €155,000.
Put Option on Symbiose Cosmetics non-controlling interests	4,071	4,071	Annual EBITDA growth rate	17%–27%	17%–27%	Increasing the annual EBITDA growth rate by 100 basis points would increase the fair value by €17,000. Decreasing the annual EBITDA growth rate by 100 basis points would decrease the fair value by €17,000.
Put Option on L'Occitane GmbH non-controlling interests	1,903	1,896	Annual EBITDA growth rate	3%–5%	3%–5%	Increasing the annual EBITDA growth rate by 100 basis points would increase the fair value by €19,000. Decreasing the annual EBITDA growth rate by 100 basis points would decrease the fair value by €19,000.

7. OTHER FINANCIAL LIABILITIES *(CONTINUED)*

Inputs used by management to determine the present value of the put options *(continued)*

in thousands of euros	Present value of the redemption amount 30 September 2022	31 March 2022	Unobservable inputs	Range of inputs 30 September 2022	31 March 2022	Relationship of unobservable inputs to value
Put option arrangement in 14 Groupe S.A. non-controlling interests	28,100	–	Discount rate	0.75%	–	Increasing the discount rate by 100 basis points and decreasing the annual EBITDA growth rate by 100 basis points would decrease the fair value by €1,500,000.
			Annual EBITDA growth rate	27%–60%	–	Decreasing the discount rate by 100 basis points and increasing the annual EBITDA growth rate by 100 basis points would increase the fair value by €1,700,000.
Put option arrangement in Grown Alchemist Holdings Pty Ltd non-controlling interests	17,484	–	Discount rate	0.75%	–	Increasing the discount rate by 100 basis points and decreasing the annual EBITDA growth rate by 100 basis points would decrease the fair value by €817,000.
			Annual EBITDA growth rate	27%–60%	–	Decreasing the discount rate by 100 basis points and increasing the annual EBITDA growth rate by 100 basis points would increase the fair value by €863,000.

Other consideration for the put options

Assumptions	**Approach used to determine values**
Discount rate	Reflect current market assessments of the time value and the risk specific to the liabilities.
Time periods	Management assumed exercise of the put option as from the beginning of the exercisable period.
Annual EBITDA growth factor	Estimated based on plan for the company without the effects of IFRS 16
Annual EBIT growth factor	Estimated based on the plan for the company without the effects of IFRS 16

Notes to the Interim Condensed Consolidated Financial Information

7. OTHER FINANCIAL LIABILITIES *(CONTINUED)*

Other consideration for the put options *(continued)*

Assumptions	Approach used to determine values
Put option arrangement in Sol de Janeiro	The put option granted to the Sol de Janeiro non-controlling interests can be exercised at different periods with an exercise price based on the multiple of the EBIT (between 20x and 17x). Under certain circumstances of departure of the minority shareholder, the multiple is decreased with a minimum of X17. This contingent consideration arrangement in which the payment is decreased if employment terminates for specific reasons corresponds to a remuneration for post-combination services recorded as a social liability and recognised as a remuneration expense over the vesting period of 3 years.
Put option arrangement in Grown Alchemist Holdings Pty Ltd	The put option granted to the Grown Alchemist non-controlling interests can be exercised at different periods with an exercise price based on a X10 multiple of the EBITDA.
Put option arrangement in 14 Groupe S.A.	The put option granted to the 14 Groupe S.A non-controlling interests can be exercised in FY27 with an exercise price based on a multiple of the EBITDA. The multiple of EBITDA increase in line with the increase of the EBITDA (from X10 to X17).

8. PROPERTY, PLANT AND EQUIPMENT

Changes in property, plant and equipment can be analysed as follows:

In thousands of euros

Net book value as at 31 March 2022	**128,724**
Additions	19,302
Disposals	(1,024)
Acquisition of subsidiaries *(Note 6)*	1,015
Sale of L'Occitane Russia *(Note 6.1)*	(2,078)
Depreciation *(Note 23.3)*	(22,498)
Reversal of impairment loss *(Note 23.3)*	8
Other movements	373
Exchange differences	2,745
Net book value as at 30 September 2022	**126,567**

The additions of the period ended 30 September 2022 mainly relate to 48 store openings and refurbishments for €6,629,000 and to acquisition for IT equipment for €2,259,000.

The disposals of the period ended 30 September 2022 mainly relate to 52 store closings.

Excluding non-cash items, total cash additions amount to €19,302,000.

9. LEASES

9.1 Right-of-use assets

Changes in right-of-use assets can be analysed as follows:

In thousands of euros	Stores	Offices	Other	Total
Net book value as at 31 March 2022	**199,975**	**46,201**	**18,758**	**264,934**
Additions	32,182	4,638	2,649	39,469
Disposals	(5,570)	(1,329)	(87)	(6,986)
Depreciation *(Note 23.3)*	(38,654)	(7,061)	(2,834)	(48,549)
Impairment loss net of reversals of right-of-use assets *(Note 23.3)*	1,171	–	–	1,171
Reclassification	181	(22)	279	438
Sale of L'Occitane Russia *(Note 6.1)*	(12,812)	(2,398)	(665)	(15,875)
Exchange differences	8,722	3,025	155	11,902
Net book value as at 30 September 2022	**185,195**	**43,054**	**18,255**	**246,504**

During the period ended 30 September 2022, the additions mainly related to the new stores, the renegotiation of lease agreements and renewal options.

9.2 Lease liabilities

Maturities of lease liabilities can be analysed as follows:

In thousands of euros	30 September 2022	31 March 2022
Within 1 year	88,082	93,722
Between 1 and 2 years	62,662	65,812
Between 2 and 5 years	79,675	88,800
Over 5 years	21,333	25,898
Total	**251,752**	**274,232**
Total current portion	**88,082**	**93,722**
Total non-current portion	**163,670**	**180,510**

Notes to the Interim Condensed Consolidated Financial Information

10. GOODWILL

10.1 Changes in goodwill

Change in goodwill can be analysed as follows:

In thousands of euros	31 March 2022	Additions	Sale of L'Occitane Russia	Exchange differences	30 September 2022
Elemis	537,656	–	–	16,172	553,828
Sol de Janeiro	208,878	–	–	28,983	237,861
LimeLife	119,754	–	–	16,593	136,347
L'Occitane en Provence	86,886	–	(28,491)	5,200	63,595
Melvita	35,931	–	–	–	35,931
Grown Alchemist	–	3,388	–	–	3,388
Erborian	2,384	–	–	–	2,384
Total cost	**991,489**	**3,388**	**(28,491)**	**66,948**	**1,033,334**
Accumulated impairment loss	(1,000)	–	–	–	(1,000)
Total cost	**990,489**	**3,388**	**(28,491)**	**66,948**	**1,032,334**

Initial goodwills for L'OCCITANE en Provence are related to past acquisitions of exclusive distributors in specific countries.

10.2 Goodwill impairment testing

Goodwill and trademarks are allocated to group of the cash-generating units (CGU) by operating segment defined as one or several brands under the responsibility of a dedicated management team.

CGUs to which goodwill and trademarks have been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the CGU is less than the carrying amount of the unit, an impairment loss is recognised.

For ELEMIS, L'OCCITANE en Provence, Erborian and Sol de Janeiro, as there were no indicators for impairment of any of the CGUs, management has not updated any of the impairment calculations of the financial year ended 31 March 2022. Management notably considered the actual performance over the half-year period ended 30 September 2022 and prior year estimated value in use that significantly exceeded the carrying amount of goodwill.

For Grown Alchemist, there are no indicators for impairment identified as at 30 September 2022.

10. GOODWILL *(CONTINUED)*

10.2 Goodwill impairment testing *(continued)*

Melvita impairment testing

For Melvita, considering the prior year limited headroom between the recoverable value and the carrying amount of all the assets used by the Group to operate the trademark, the increase in the discount rate and the financial performance of this brand, management recalculated the recoverable amount of the CGU. The recoverable amount of the CGU was determined based on value-in-use calculations, consistent with the methods used as at 31 March 2022. For details see note 4.1 of our FY2022 Annual Report.

The following table sets out the key assumptions for the CGU Melvita where the impairment calculation was updated as at 30 September 2022. The 5-year plan drawn up previously has been adjusted due to reduced business activity in the period.

In millions of Euros	**30 September 2022**	**31 March 2022**
Business plan time frame	5 years	5 years
Net sales annual growth rate over the plan	15.4%	21.0%
Average % of EBITDA over the 5 years plan	12.4%	10.7%
Long term growth rate	1.5%	1.4%
Post-tax discount rate *(%)*	9.6%	8.2%
Carrying amounts of assets:		
Goodwill	36	36
Trademark	14	14
Other items	5	9
Recoverable value	67	80
Headroom available	12	21

The recoverable amount of the Melvita CGU exceeds the carrying amount of the CGU assets. No impairment was therefore required for this CGU.

Sensitivity analysis

The recoverable amount of the Melvita CGU would equal its carrying amount if the key assumptions were to change individually as follows:

	30 September 2022	**31 March 2022**
CAGR on net sales	15.0%	19.7%
% of EBITDA for each of the financial year decreased by	1.4 points	2.2 points
Post-tax discount rate *(%)*	11.2%	10.4%
Long term growth rate	–0.8%	–1.4%

Notes to the Interim Condensed Consolidated Financial Information

10. GOODWILL *(CONTINUED)*

10.2 Goodwill impairment testing *(continued)*

LimeLife impairment testing

For LimeLife, considering the financial performance of this brand and the increase in the discount rate, management recalculated the recoverable amount of the CGU. The recoverable amount of the CGU was determined based on value-in-use calculations, consistent with the methods used as at 31 March 2022. For details see note 4.1 of our FY2022 Annual Report.

The following table sets out the key assumptions for the CGU LimeLife where the impairment calculation was updated as at 30 September 2022. The 5-year plan drawn up previously has been adjusted to due to reduced business activity in the period.

In millions of Euros	**30 September 2022**	**31 March 2022**
Business plan time frame	5 years	5 years
Net sales annual growth rate over the plan	34.6%	32.7%
Average % of EBITDA over the 5 years plan	7.6%	6.8%
Long term growth rate	2.1%	2.0%
Post-tax discount rate *(%)*	9.6%	8.5%
Carrying amounts of assets:		
Goodwill	169	169
Trademark	–	–
Other items	23	21
Recoverable value	275	255
Headroom available	83	64

The recoverable amount of the LimeLife CGU exceeds the carrying amount of the CGU assets. No impairment was therefore required for this CGU.

Sensitivity analysis

The recoverable amount of the LimeLife CGU would equal its carrying amount if the key assumptions were to change individually as follows:

	30 September 2022	**31 March 2022**
CAGR on net sales	33.9%	30.5%
% of EBITDA for each of the financial year decreased by	2.4 points	2.1 points
Post-tax discount rate *(%)*	12.2%	10.4%
Long term growth rate	–1.5%	–0.5%

11. INTANGIBLE ASSETS

Intangible assets include:

- Acquired trademarks with indefinite useful lives;
- Internally used software, including enterprise resource planning (ERP) systems, point-of-sales systems, etc.

Changes in intangible assets can be analysed as follows:

In thousands of euros

Net book value as at 31 March 2022	**487,355**
Additions	4,252
Sale of L'Occitane Russia *(Note 6.1)*	(560)
Disposals	(298)
Acquisition of subsidiaries	244
Amortisation *(Note 23.3)*	(6,948)
Other movements	(208)
Exchange differences	61,556
Net book value as at 30 September 2022	**545,393**

Additions mainly concerned software for an amount of €2,894,000.

12. JOINT VENTURES AND ASSOCIATES

The amounts disclosed for interests in associates and joint ventures are as follows:

In thousands of euros **Name of entity**	**Place of business**	**% of ownership interest**	**Nature of relationship**	**Measurement method**	**Share of profit (loss) 30 September 2022**	**Carrying amount 30 September 2022**
L'Occitane Middle East	Middle East	51%	Joint Venture	Equity method	280	33,248
Good Glamm Group	India	15.53%	Associate	Equity method	(4,759)	23,711
CAPSUM	Europe/USA	26%	Associate	Equity method	406	27,078
Total Investments in associates and joint ventures					**(4,073)**	**84,037**

The carrying amount of equity-accounted investments has changed as follows:

	L'Occitane Middle East	**Capsum**	**Good Glamm Group**	**Total**
31 March 2022	**15,890**	**26,672**	**24,677**	**67,239**
Increase in capital	13,456	–	–	13,456
Interests in associates and joint ventures *(note 24)*	–	–	1,700	1,700
Profit/(loss) for the period	280	406	(4,759)	(4,073)
Currency translation effects	3,622	–	1,430	5,052
Other	–	–	663	663
30 September 2022	**33,248**	**27,078**	**23,711**	**84,037**

Notes to the Interim Condensed Consolidated Financial Information

13. OTHER NON-CURRENT ASSETS

Other non-current assets can be analysed as follows:

In thousands of euros	**30 September 2022**	**31 March 2022**
Deposits	24,792	24,800
Financial assets at fair value through other comprehensive income (FVOCI) *(Note 4.3)*	32,871	33,117
Tax receivables	5,919	7,315
Financial assets	96	–
Fair value of the receivable from the sale of L'Occitane Russia *(Note 4.3)*	36,661	–
Other	1,202	2,546
Other non-current assets	**101,541**	**67,778**

14. INVENTORIES

Inventories can be analysed as follows:

In thousands of euros	**30 September 2022**	**31 March 2022**
Raw materials and supplies	44,423	37,480
Finished goods and work in progress	282,071	249,304
Inventories, gross	**326,494**	**286,784**
(Deduct) allowance	(16,990)	(23,622)
Inventories	**309,504**	**263,162**

15. TRADE RECEIVABLES

The trade receivables ageing analysis report is as follows:

In thousands of euros	**30 September 2022**	**31 March 2022**
Current and past due within 3 months	249,967	191,999
Past due 3 to 6 months	3,660	7,872
Past due 6 to 12 months	4,867	2,337
Past due over 12 months	3,434	2,731
Allowance for doubtful accounts	(5,197)	(5,316)
Trade receivables	**256,731**	**199,623**

The carrying amounts of the Group's trade receivables approximate their fair value. At the balance sheet date, there is no concentration of credit risk with respect to trade receivables, as the Group has a large number of customers, dispersed internationally. The maximum exposure to credit risk at each balance sheet date is the fair value of receivables set out above. The Group does not hold any collateral as security.

16. OTHER CURRENT ASSETS

The following table presents details of other current assets:

In thousands of euros	30 September 2022	31 March 2022
Value added tax receivable and other taxes and payroll items receivable	27,235	23,095
Prepaid expenses	28,843	21,515
Income tax receivable (a)	15,928	10,844
Advance payments to suppliers	4,686	12,168
Loan to L'Occitane Middle East joint venture	8,200	7,112
Other current assets	7,873	8,201
Total other current assets	**92,765**	**82,935**

(a) The income tax receivable relates to down payments of income tax that are higher than the final income tax expense expected to be paid for the period.

17. DERIVATIVE FINANCIAL INSTRUMENTS

(a) Analysis of derivative financial instruments

Derivative financial instruments can be analysed as follows:

In thousands of euros	30 September 2022		31 March 2022	
	Assets	**Liabilities**	**Assets**	**Liabilities**
Foreign exchange derivatives at fair value through profit and loss	**1,408**	**3,519**	**1,931**	**1,208**
Sub-total derivative financial instruments at fair value through profit and loss	**1,408**	**3,519**	**1,931**	**1,208**
Current portion of derivative financial instruments	**1,408**	**3,519**	**1,931**	**1,208**

The change in the fair value of derivatives at fair value through profit and loss is recognised in the statement of income within "Finance income"/"Finance costs" for interest derivatives and within "Foreign currency gains/(losses)" for currency derivatives.

Notes to the Interim Condensed Consolidated Financial Information

17. DERIVATIVE FINANCIAL INSTRUMENTS *(CONTINUED)*

(b) Notional amounts of derivative financial instruments

The notional principal amounts of the outstanding forward foreign exchange derivatives are as follows (in thousands of euros):

In thousands of euros	**30 September 2022**	**31 March 2022**
Sale of currencies		
CNY	111,590	51,971
USD	57,031	29,810
HKD	24,580	23,931
JPY	19,433	13,947
GBP	9,162	9,161
MXN	6,423	4,597
AUD	3,140	1,494
THB	2,802	2,653
ZAR	547	204
CZK	501	312
NOK	378	578
CAD	373	–
PLN	362	256
HUF	305	200
SEK	140	92
RUB	–	8,586
SGD	–	799
Purchase of currencies		
GBP	19,819	–
CNY	15,281	6,056
HKD	13,068	–
JPY	11,503	–
AUD	5,306	–
MXN	–	308
HUF	–	57

18. CAPITAL AND RESERVES

L'Occitane International S.A. is a société anonyme incorporated in the Grand Duchy of Luxembourg. The Company's authorised capital is €1,500,000,000 of which €44,309,000 was issued as at 30 September 2022. At the same date, 72.28% of the Company's share capital was held by L'Occitane Groupe S.A. ("LOG" or the "parent company"). As at 31 March 2022, LOG owned 72.28% of the Company's share capital.

All of the Company's issued shares are fully paid up and bear the same rights and obligations.

18.1 Share capital and additional paid-in capital

Changes in the number of shares, share capital and additional paid-in capital are as follows (in thousands of euros, except for the number of shares):

	Number of shares	Share capital	Additional paid-in capital
At 31 March 2022	**1,476,964,891**	**44,309**	**342,851**
At 30 September 2022	**1,476,964,891**	**44,309**	**342,851**

18.2 Treasury shares

As at 31 March 2022, the Company holds 6,829,070 shares in treasury and the aggregate price of the purchased shares is deducted from equity as "Treasury shares reserve" for an amount of €15,476,000.

As at 30 September 2022, the Company held 5,631,091 shares in treasury and the aggregate price of the purchased shares is deducted from equity as "Treasury shares reserve" for an amount of €13,280,000.

18.3 Share-based payments

The Company grants three types of share-based payment: (i) share-based payments related to LOI equity instruments, (ii) share-based payments related to LOG equity instruments.

(i) ***Main characteristics and details of the plans with LOI equity instruments***

The stock option plans (vested but not yet exercised) can be summarised as follows:

	30 September 2022		31 March 2022	
	Average exercise price in HKD per stock option	Number of options	Average exercise price in HKD per stock option	Number of options
At the beginning of the period	14.63	6,696,600	15.94	12,512,350
Exercised during the period	14.53	(1,197,979)	15.69	(5,544,450)
Cancelled/lapsed during the period	14.50	(220,200)	15.12	(271,300)
At the end of the period	**14.66**	**5,278,421**	**14.63**	**6,696,600**

The cancelled stock options relate to employees who left the Company before the end of the vesting period.

Notes to the Interim Condensed Consolidated Financial Information

18. CAPITAL AND RESERVES *(CONTINUED)*

18.3 Share-based payments *(continued)*

(i) ***Main characteristics and details of the plans with LOI equity instruments** (continued)*

Stock options outstanding (vested but not yet exercised) at the end of the period have the following expiry date and exercise price:

Grant date	Vesting date	Exercise price	Number of share options 30 September 2022	31 March 2022
21 March 2016	21 March 2020	HKD14.36	520,500	520,500
02 February 2017	02 February 2021	HKD15.16	1,417,600	1,473,350
29 March 2018	29 March 2022	HKD14.50	3,340,321	4,702,750
Total			**5,278,421**	**6,696,600**

The free share plans can be summarised as follows:

	30 September 2022 Average exercise price in HKD per free share	Number of free shares	31 March 2022 Average exercise price in HKD per free share	Number of free shares
As at 1 April	–	–	14.50	3,360,300
Vested during the year	–	–	14.50	(2,333,700)
Forfeited during the year	–	–	14.50	(1,026,600)
At the end of the period	**–**	**–**	**–**	**–**

The free share plans were vested on 31 March 2022.

(ii) ***Main characteristics and details of the plans with LOG equity instruments***

LOG, the parent company of L'Occitane International S.A., granted rights to its own equity instruments to L'Occitane International S.A. and to its subsidiaries' employees.

18. CAPITAL AND RESERVES *(CONTINUED)*

18.3 Share-based payments *(continued)*

(iii) Total share-based compensation expense

During the periods ended 30 September 2022 and 30 September 2021, the share-based compensation expense recognised within employee benefits was as follows:

	Period ended 30 September	
In thousands of euros	**2022**	**2021**
LOG equity instruments	1,484	3,246
LOI equity instruments	–	2,316
LimeLife equity instruments	–	234
Social charges	193	711
Total	**1,677**	**6,507**

As at 30 September 2021, an amount of €234,000 had been recorded as share-based payments for the minority shareholders of LimeLife. The plan was vested in March 2022 and no amount was recorded during the period ended 30 September 2022.

LOI shares plans were vested in March 2022 and no amount was recorded during the period ended 30 September 2022.

18.4 Distributable reserves

As at 30 September 2022, the distributable reserves of L'Occitane International S.A. amounted to €737,331,765.

18.5 Dividend per share

On 28 September 2022, the Annual General Meeting approved the distribution of €96.8 million dividend, namely €0.06585 per share (excluding 6,829,070 treasury shares), which was paid on 22 October 2022.

18.6 Currency translation differences

Over the period ended 30 September 2022, currency translation differences are mainly composed of currency translation differences from subsidiaries with a functional currency in USD, GBP and BRL, mainly on goodwill and some non-current assets.

Notes to the Interim Condensed Consolidated Financial Information

19. BORROWINGS

Borrowings include the following items:

In thousands of euros	**30 September 2022**	**31 March 2022**
FY2022 Term loan	300,833	300,354
FY2021 Revolving facility	134,369	64,604
FY2020 NEU CP facility	164,000	282,800
FY2019 Long-term loan	14,596	15,602
FY2012 bank borrowing	3,571	3,571
Other bank borrowings	7,466	3,996
Bank overdraft	–	3
Total	**624,837**	**670,930**
(Deduct) current portion:		
FY2022 Term loan	(833)	(354)
FY2021 Revolving facility	(9)	275
FY2020 NEU CP facility	(164,000)	(282,800)
FY2019 Long-term loan	(2,027)	(2,018)
FY2012 bank borrowing	(714)	(714)
Other bank borrowings	(7,466)	(3,997)
Bank overdraft	–	(3)
Total current portion	**(175,050)**	**(289,611)**
Total non-current portion	**449,787**	**381,319**

19. BORROWINGS *(CONTINUED)*

19.1 Maturity of non-current borrowings

For the period ended 30 September 2022 and for the year ended 31 March 2022, maturity of non-current borrowings, excluding the current portion, can be broken down as follows:

In thousands of euros	**Between 1 and 2 years**	**Between 2 and 5 years**	**Over 5 years**	**Total**
FY2022 Term loan	–	300,000	–	300,000
FY2021 Revolving Facility	–	134,360	–	134,360
FY2019 Long-Term loan	2,044	6,254	4,271	12,569
FY2012 bank borrowing	714	2,143	–	2,857
Maturity at 30 September 2022	**2,758**	**442,757**	**4,271**	**449,786**
FY2022 Term loan	–	300,000	–	300,000
FY2021 Revolving Facility	–	64,879	–	64,879
FY2019 Long-term loan	2,035	6,223	5,326	13,584
FY2012 bank borrowing	714	2,142	–	2,856
Maturity at 31 March 2022	**2,749**	**373,244**	**5,326**	**381,319**

19.2 Credit facility agreements

FY2023 Bilateral Cash Pooling Facility

On 30 September 2022, L'Occitane International (Suisse) S.A. signed an unsecured bilateral cash pooling facility in US Dollars (USD) for an amount up to USD40 million with a one-year maturity and an option for an automatic extension on an annual basis. No amount was drawn as at 30 September 2022.

The FY2023 Bilateral Cash Pooling Facility includes a repricing option.

The interest rates depend on the below-described leverage ratio calculated annually after the consolidated financial statements of the Group are issued. The interest rate is repriced in line with the change in the ratio, as follows:

Leverage ratio	**Repricing**
Ratio higher than 2.5	MFFR + Margin
Ratio between 2.0 and 2.5	MFFR + Margin – 0.25
Ratio between 1.5 and 2.0	MFFR + Margin – 0.45
Ratio between 1.0 and 1.5	MFFR + Margin – 0.55
Ratio between 0.5 and 1.0	MFFR + Margin – 0.65
Ratio lower than 0.5	MFFR + Margin – 0.75

As at 30 September 2022, the interest rate was based on Mid Fed Fund Rate (MFFR) + Margin – 0.65.

The margin is always increased by 15 bps till 31 December 2022 and by 35 bps from January 2023, if the FY2023 Bilateral Cash Pooling Facility is drawn in USD.

Notes to the Interim Condensed Consolidated Financial Information

19. BORROWINGS *(CONTINUED)*

19.2 Credit facility agreements *(continued)*

The FY2023 Bilateral Cash Pooling Facility is subject to a financial covenant: if the Company fails to maintain its leverage ratio below a given level, this will trigger a default event and the early repayment of the loan. The leverage ratio, which is based on the Group's annual consolidated financial statements, is calculated by dividing consolidated net debt by EBITDA. For the measurement of this ratio, the following definitions are used:

Consolidated net debt	Current and non-current borrowings (including finance leases and other commitments but excluding lease commitments within the scope of IFRS 16, long-term employee benefits, raw materials commitments and grants to a foundation) — cash and cash equivalents
EBITDA	Operating profit before depreciation, amortisation and impairment and before net movements in provisions (excluding the impact of IFRS 16)

The leverage ratio must be lower than 2.5 (and can be temporarily extended to 3.0 twice in the event of a business combination). The covenant is calculated on an annual basis.

FY2022 Term loan

On 21 December 2021, the Company signed a Term Loan Agreement for an amount of €300 million with a three-year maturity. An amount of €300 million equivalent was drawn as at 30 September 2022.

The FY2022 Term Loan Agreement includes a repricing option.

The interest rates depend on the above-described leverage ratio calculated annually after the consolidated financial statements of the Group are issued. The interest rate is repriced in line with the change in the ratio, as follows:

Leverage ratio	**Repricing**
Ratio higher than 2.5	Euribor + Margin
Ratio between 2.0 and 2.5	Euribor + Margin – 0.25
Ratio between 1.5 and 2.0	Euribor + Margin – 0.45
Ratio between 1.0 and 1.5	Euribor + Margin – 0.55
Ratio between 0.5 and 1.0	Euribor + Margin – 0.65
Ratio lower than 0.5	Euribor + Margin – 0.75

As at 30 September 2022, the interest rate was based on Euribor + Margin – 0.65.

The FY2022 Term Loan Agreement is subject to a financial covenant: if the Company fails to maintain its leverage ratio below a given level, this will trigger a default event and the early repayment of the loan. The leverage ratio, which is based on the Group's annual consolidated financial statements, is calculated by dividing consolidated net debt by EBITDA. For the measurement of this ratio, the following definitions are used:

Consolidated net debt	Current and non-current borrowings (including finance leases and other commitments but excluding lease commitments within the scope of IFRS 16, long-term employee benefits, raw materials commitments and grants to a foundation) — cash and cash equivalents
EBITDA	Operating profit before depreciation, amortisation and impairment and before net movements in provisions (excluding the impact of IFRS 16)

19. BORROWINGS *(CONTINUED)*

19.2 Credit facility agreements *(continued)*

FY2022 Term loan (continued)

The leverage ratio must be lower than 2.5. The covenant was respected as at 31 March 2022.

The directly attributable transaction costs related to the issuance of this FY2022 Term Loan Agreement amounted to €1.6 million. As this financing is a term loan, the fees were capitalised as a deferred charge and amortised over the term of the loan.

FY2021 Revolving Facility

On 31 March 2021, the Company signed an unsecured multi-currency revolving facility agreement for an amount of €600 million with a five-year maturity and an option to extend for two additional years. An amount of €134.4 million had been drawn as at 30 September 2022.

The FY2021 Revolving Credit Facility includes a repricing option.

The interest rates depend on the below-described leverage ratio calculated annually after the consolidated financial statements of the Group are issued. The interest rate is repriced in line with the change in the ratio, as follows:

Leverage ratio	Repricing
Ratio higher than 2.5	Euribor/Libor + Margin
Ratio between 2.0 and 2.5	Euribor/Libor + Margin – 0.25
Ratio between 1.5 and 2.0	Euribor/Libor + Margin – 0.45
Ratio between 1.0 and 1.5	Euribor/Libor + Margin – 0.55
Ratio between 0.5 and 1.0	Euribor/Libor + Margin – 0.65
Ratio lower than 0.5	Euribor/Libor + Margin – 0.75

As at 30 September 2022, the interest rate was based on Euribor/Libor + Margin – 0.65

The margin is increased by 15 bps if the Revolving Credit Facility is drawn in USD.

A bonus of 1 bp can be obtained for each of 4 CSR (corporate social responsibility) KPIs:

- Traceability of plants used in the products;
- Use of renewable electricity;
- Direct Suppliers CSR rating;
- B-Corp certification (applicable in FY23).

The FY2021 Revolving Credit Facility is subject to a financial covenant: if the Company fails to maintain its leverage ratio below a given level, this will trigger a default event and the early repayment of the loan. The leverage ratio, which is based on the Group's annual consolidated financial statements, is calculated by dividing consolidated net debt by EBITDA. For the measurement of this ratio, the following definitions are used:

Consolidated net debt	Current and non-current borrowings (including finance leases and other commitments but excluding lease commitments within the scope of IFRS 16, long-term employee benefits, raw materials commitments and grants to a foundation) — cash and cash equivalents
EBITDA	Operating profit before depreciation, amortisation and impairment and before net movements in provisions (excluding the impact of IFRS 16)

Notes to the Interim Condensed Consolidated Financial Information

19. BORROWINGS *(CONTINUED)*

19.2 Credit facility agreements *(continued)*

FY2021 Revolving Facility (continued)

The leverage ratio must be lower than 2.5 (and can be temporarily extended to 3.0 twice in the event of a business combination). The covenant is calculated on an annual basis. As at 31 March 2022, the ratio was respected.

The directly attributable transaction costs related to the issuance of this FY2021 Revolving Credit Facility Agreement amounted to €2.5 million. As this financing is a term loan, the fees were capitalised as a deferred charge and amortised over the term of the loan.

FY2020 NEU CP facility

On 17 October 2019, the Group signed a programme to issue of short-term marketable debt instrument ("NEU CP") on a commercial paper market in the eurozone governed by the Banque de France. The total amount available is equal to €300 million.

Multiple short-term marketable debt instruments were drawn during the first semester of year ended 31 March 2023 for a total amount of €164 million and €282.8 million were reimbursed during the semester.

As at 30 September 2022, the balance amounts to €164 million for a weighted average rate of 0.54% for initial maturities comprising between 14 and 83 days.

FY2019 Long-Term Loan

On 4 September 2018, the Group signed a long-term loan agreement for an amount of €22.5 million with an 11-year maturity and that can be drawn by M&L Distribution France. As at 31 October 2018, the bank borrowing was fully drawn. As at 30 September 2022, the outstanding amount is €14.6 million.

The interest rate of the Long-Term Loan is 0.97% (fixed rate).

The FY2019 Long-Term Loan is secured by a pledge on business assets related to the 86 Champs-Elysées flagship Store in Paris.

FY2012 bank borrowing

On 20 June 2011, the Group signed a bank borrowing agreement for an amount of €10.0 million with a 15-year maturity. The borrowing can only be drawn by Laboratoires M&L (formerly known as L'Occitane S.A.).

As at 30 September 2022, the outstanding amount is €3.6 million.

The interest rate of the bank borrowing is based on Euribor 3M + margin.

The FY2012 bank borrowing is secured by a pledge on the land and building acquired by Laboratoires M&L to build the new logistics platform in Manosque, France.

20. OTHER CURRENT AND NON-CURRENT LIABILITIES

Other current and non-current liabilities include the following:

In thousands of euros	**30 September 2022**	**31 March 2022**
Retirement indemnities	12,270	12,135
Provisions for dismantling and restoring	8,576	8,390
Long-term employment benefits	1,147	1,068
Other	1,206	1,359
Total non-current liabilities	**23,199**	**22,952**
Dividends payable to equity owners of the Company *(Note 18.5)*	96,843	-
Deferred revenue (a)	32,344	19,844
Provisions for dismantling and restoring	-	2,019
Acquisition of non-controlling interests of Elemis	-	76,579
Grants to a foundation	1,466	172
Right to returned goods	2,215	2,145
Total current liabilities	**132,867**	**100,759**

(a) Deferred revenue related to (i) sales for which the transfer of control and related risks has not occurred at the period-end; and (ii) the fair value of the consideration received allocated to the award credits granted for any loyalty programmes.

Dividends payable to equity owners of the Company were paid on 22 October 2022.

The liability relating to the acquisition of non-controlling interests of Elemis was paid on 1 April 2022.

21. TRADE PAYABLES

The credit terms granted by the suppliers to the production subsidiaries and to the distribution subsidiaries were generally between 80 and 110 days and between 30 and 60 days, respectively.

The ageing analysis of trade payables by due date at the respective balance sheet date is as follows:

In thousands of euros	**30 September 2022**	**31 March 2022**
Current and past due within 3 months	212,613	204,349
Past due from 3 to 6 months	397	1,272
Past due from 6 to 12 months	797	1,093
Past due over 12 months	2,203	3,189
Trade payables	**216,010**	**209,903**

Notes to the Interim Condensed Consolidated Financial Information

22. PROVISIONS

Provisions can be analysed as follows:

		Charged/(credited) to the statement of income					
In thousands of euros	31 March 2022	Additional provisions	Unused amounts reversed	Used amounts reversed	Reclassification	Exchange differences	30 September 2022
Social litigations (a)	755	1,152	–	(92)	–	(4)	1,811
Commercial claims (b)	1,148	–	–	-	–	88	1,236
Tax risks	236	50	–	(49)	–	4	241
Total	**2,139**	**1,202**	**-**	**(141)**	**-**	**88**	**3,288**

(a) Employee-related disputes relate mainly to disputes with employees with respect to employee benefits or potential claims from social security authorities.

(b) Commercial claims relate mainly to claims from distributors.

In management's opinion, after taking appropriate legal advice, these legal claims will not give rise to any significant loss beyond the amounts provisioned at each balance sheet date.

No reimbursement is expected in connection with these provisions and accordingly no corresponding asset was recognised.

23. EXPENSES BY NATURE

23.1 Breakdown of expenses by nature

Expenses by nature include the following amounts:

	Period ended 30 September	
In thousands of euros	2022	2021
Employee benefits expenses (a)	235,579	184,410
Rent and occupancy (b)	50,967	43,205
Raw materials and consumables used	153,587	112,357
Change in inventories of finished goods and work in progress	(38,679)	(28,921)
Advertising costs (c)	128,061	88,516
Professional fees (d)	86,378	72,420
Depreciation, amortisation and impairment (23.3)	76,816	80,528
Transport expenses	54,762	42,666
Other expenses (e)	50,960	26,227
Total cost of sales, distribution expenses, marketing expenses, research and development expenses, general and administrative expenses *	**798,431**	**621,408**

(a) Employee benefits include wages, salaries, bonuses, share-based compensation, social security, post-employment benefits and temporary staff expenses.

(b) The rent and occupancy amount as at 30 September 2022 mainly includes variable lease payments based on sales for €27.3 million rent and occupancy costs relating to short-term leases for €0.8 million.

(c) Advertising costs also include all promotional goods gifted to customers with no obligation to purchase products.

(d) Professional fees include mainly payments made to warehouse management companies, marketing agencies, lawyers and beauty guides commissions for LimeLife.

(e) Other expenses notably include travel out-of-pocket expenses, IT services, telephone and postage.

23. EXPENSES BY NATURE *(CONTINUED)*

23.2 Workforce

The Group's workforce is expressed as the number of employees at the end of the period.

	2022	2021
Workforce (full-time equivalent)	**8,563**	**8,872**

23.3 Breakdown of depreciation, amortisation and impairment

Depreciation, amortisation and impairment include the following:

	Period ended 30 September	
In thousands of euros	**2022**	**2021**
Depreciation of property, plant and equipment *(Note 8)*	22,498	24,971
Impairment on property, plant and equipment *(Note 8)*	(8)	(9)
Depreciation of right-of-use assets *(Note 9)*	48,549	48,327
Impairment loss net of reversals of right-of-use assets *(Note 9)*	(1,171)	(718)
Amortisation of intangible assets *(Note 11)*	6,948	7,957
Depreciation, amortisation and impairment	**76,816**	**80,528**

24. OTHER OPERATING INCOME/EXPENSES

Other income/expenses are detailed as follows:

30 September *In thousands of euros*	**2022**	**2021**
Reconsolidation of L'Occitane Inc.	–	12,783
Capital gain arising from the change in the % of interests in associates and joint ventures *(Note 12)*	1,700	–
Profit on sale of assets	372	28
Government grants (a)	552	522
Other items	843	-
Other operating income	**3,467**	**13,333**
Restructuring expenses	–	(113)
Capital loss from the sale of L'Occitane Russia before reclassification of currency translation differences *(Note 6.1)*	(3,632)	–
Reclassification to income statement of the charge previously recognized in other comprehensive income (currency translation differences) *(Note 6.1)*	(10,805)	–
Other operating expenses	**(14,437)**	**(113)**

(a) Government grants correspond to grants on research and development costs and on employee profit-sharing schemes.

Notes to the Interim Condensed Consolidated Financial Information

25. FINANCE INCOME AND FINANCE COSTS

Finance income and finance costs break down as follows:

In thousands of euros	Period ended 30 September 2022	2021
Interest on cash and cash equivalents	**1,064**	**1,022**
Finance income	**1,064**	**1,022**
Interest expense	(4,088)	(2,779)
Interest and finance expenses paid/payable for lease liabilities	(3,555)	(3,953)
Change in the fair value of the receivable from the sale of L'Occitane Russia *(Note 4.3)*	(7,885)	–
Other	–	(973)
Finance costs	**(15,528)**	**(7,705)**
Finance costs, net	**(14,464)**	**(6,683)**

Interest expense relate to bank borrowings, current accounts with non-controlling interests and related parties (excluding financing from parent) and bank overdrafts.

26. FOREIGN CURRENCY GAINS/(LOSSES)

Foreign currency gains/(losses) break down as follows:

In thousands of euros	Period ended September 2022	2021
Foreign exchange differences	1,939	849
Fair value gains/(losses) on derivatives	(2,835)	(1,557)
Foreign currency gains/(losses)	**(896)**	**(708)**

Foreign currency gains/(losses) mainly correspond to:

- Net unrealised foreign exchange loss: €2.9 million (net losses amounting to €1.7 million for the period ended 30 September 2021);
- Net realised foreign exchange gain: €2.0 million (net gains amounting to €1.0 million for the period ended 30 September 2021).

27. INCOME TAX

27.1 Income tax expense

Taxes on income in interim periods are calculated using the estimated tax rate for the full year.

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

In thousands of euros	**Period ended 30 September** **2022**	**2021**
Profit before income tax excluding profit/(loss) from joint ventures	74,044	80,856
Income tax calculated at corporate tax rate *(Luxembourg tax rate of 24.94% as at 30 September 2022 and 2021)*	(18,467)	(20,165)
Effect of different tax rates in foreign countries	19,132	13,368
Effect of unrecognised tax assets	(8,199)	(2,128)
Expenses not deductible	(1,335)	(1,976)
Effect of unremitted tax earnings	1,088	34
Income tax (expense)/credit	**(7,781)**	**(10,867)**

27.2 Deferred income tax assets and liabilities

The increase in deferred income tax assets mainly corresponds to the losses generated in a tax jurisdiction over the period ended 30 September 2022.

28. EARNINGS PER SHARE

28.1 Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity owners of the Company by the weighted average number of ordinary shares outstanding during the period, excluding ordinary shares purchased by the Group and held as treasury shares (note 18.2).

	Period ended 30 September **2022**	**2021**
Profit for the period attributable to equity owners of the Company *(in thousands of euros)*	**61,832**	**59,888**
Weighted average number of ordinary shares outstanding (a)	1,471,333,800	1,468,437,771
Basic earnings per share *(in € per share)*	**0.042**	**0.041**

(a) Treasury shares are deducted from total shares in issue for the purposes of calculating earnings per share.

Notes to the Interim Condensed Consolidated Financial Information

28. EARNINGS PER SHARE *(CONTINUED)*

28.2 Diluted earnings per share

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding with the assumption that all convertible securities have been converted to ordinary shares.

	Period ended 30 September	
	2022	**2021**
Profit for the period attributable to equity owners of the Company *(in thousands of euros)*	**61,832**	**59,888**
Weighted average number of ordinary shares outstanding (a)	1,471,333,800	1,468,437,771
Adjustment for share options	–	3,637,136
Adjustment for free shares	2,313,633	3,201,306
Weighted average number of ordinary shares for diluted earnings per share	1,473,647,433	1,475,276,213
Diluted earnings per share *(in € per share)*	**0.042**	**0.041**

(a) Treasury shares are deducted from total shares in issue for the purposes of calculating earnings per share.

29. CONTINGENCIES

29.1 Legal proceedings

The Group is subject to legal proceedings, claims and litigation arising in the ordinary course of business. The Group's management does not expect that the ultimate costs required to resolve these other matters will have a material adverse effect on its interim consolidated balance sheet, interim consolidated statement of income or interim consolidated statement of cash flows.

29.2 Other contingent liabilities

The Group has contingent liabilities in respect of bank, other guarantees and other matters arising in the ordinary course of business. The Group's management does not anticipate that any material liabilities will arise from these contingent liabilities. All guarantees given by the Group are described in note 30.

30. COMMITMENTS

30.1 Capital and other expenditure commitments

Capital and other expenditure contracted at the balance sheet date but not yet incurred is as follows:

In thousands of euros	**30 September 2022**	**31 March 2022**
Property, plant and equipment	6,356	4,746
Intangible assets	–	20
Raw materials	2,594	6,717
Total	**8,950**	**11,483**

The amounts as at 30 September 2022 and 31 March 2022 were mainly related to the plants in France.

30.2 Other commitments

In thousands of euros	**30 September 2022**	**31 March 2022**
Pledge over property (land and buildings)	14,594	19,171
Total	**14,594**	**19,171**

The Group, through its incubator L'Occitane Innovation Lab, has committed to invest up to €20,000,000 in an investment fund named Truffle Capital (maturity of 5 years with renewal option of 2 years).

During FY2022, the Group committed to invest in Livelihoods Carbon fund Sicav for a total amount of €5.0 million. Livelihoods was founded in 2008 under the leadership of Danone to restore degraded ecosystems, redevelop local economies and combat climate change. In return, it is expected to receive carbon offsets under the form of dividend in-kind until 2030.

Notes to the Interim Condensed Consolidated Financial Information

31. TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties are described below.

31.1 Key management compensation

Key management is composed of the directors (executive and non-executive Board members of the Company) and senior management.

Compensation paid to key management can be analysed as follows:

	Period ended 30 September	
In thousands of euros	**2022**	**2021**
Executive directors	1,782	2,355
Non-executive directors	110	77
Senior management	3,398	2,942
Total key management compensation	**5,290**	**5,374**

During the periods ended 30 September 2022 and 30 September 2021, no stock options were granted to the directors.

As at 30 September 2022, the number of executive directors was 4 as compared to 6 as at 30 September 2021.

31.2 Other transactions with related parties

Sales of goods and services
30 September

In thousands of euros	**2022**	**2021**
Sales of goods and services		
— Sales of L'Occitane products to L'Occitane Middle East	6,352	5,481
— Sales of L'Occitane products to L'Occitane Inc.	–	13,334
— Sales of Erborian products to L'Occitane Middle East	722	95
— Management fees to parent (a)	116	116
— Sales of services to LOG Investments	170	170
— Interests	100	–
Total Sales of products	**7,461**	**19,196**

	2022	**2021**
Receivable to related parties in connection with the above sales of products		
— Receivables from LOG Investments	612	116
— Receivables from L'Occitane Middle East	6,264	3,716
Total Sales of products	**6,877**	**3,832**

(a) *Management fees invoiced by the Company to the parent company amounted to €116,000 (€116,000 for the financial period ended 30 September 2021).*

31. TRANSACTIONS WITH RELATED PARTIES *(CONTINUED)*

31.2 Other transactions with related parties *(continued)*

Purchases of goods and services

30 September *In thousands of euros*	**2022**	**2021**
Purchases		
— Goods from Capsum	(1,160)	(1,770)
— Goods and services from Pierre Hermé (a)	–	(865)
Total purchases	**(1,160)**	**(2,635)**

	2022	**2021**
Payables to related parties in connection with the above services		
— Goods from Capsum	208	288
— Services from Parents	109	–
— Goods and services from Pierre Hermé (a)	–	282
Total payables	**317**	**570**

(a) Before December 2021, the Company used to run two flagship stores (in Paris and London) with Pierre Hermé SAS, which was an associate of L'Occitane Group S.A. The Group sub-leased a part of the flagship in Paris and recharged certain operating expenses to Pierre Hermé SAS.

32. POST-BALANCE SHEET EVENTS

There is no post balance sheet event.

Disclaimer: some information presented in tables has been rounded to the nearest whole number or the nearest decimal. Consequently, the sum of the numbers presented in a given column may not correspond exactly to the total figure given for that column. In addition, some percentages presented in the tables reflect calculations based upon the underlying information prior to rounding and, accordingly, may not correspond exactly to the percentages that would be presented if the relevant calculations had been based upon the rounded numbers.

Other Information

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SHARES AND UNDERLYING SHARES

As at 30 September 2022, the following directors (the "**Directors**") or chief executive of the Company had or were deemed to have interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "**SFO**")) (i) which were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**") pursuant to Divisions 7 & 8 of Part XV of the SFO (including interests or short positions which they have taken or deemed to have under such provision of the SFO), (ii) which were required, pursuant to section 352 of the SFO, to be entered into the register referred to therein, or (iii) which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") contained in Appendix 10 to the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (the "**Listing Rules**"):

(a) Interests in the shares of the Company

Name of Director	Capacity and Nature of Interest	Number of Shares/ Underlying Shares Held or Controlled	Approximate % of Shareholding *(Note 2)*
Reinold Geiger *(Note 1)*	Interest in controlled corporation, beneficial interest and deemed interest	1,074,367,232 (long position)	72.74%
André Hoffmann	Beneficial interest	2,495,250 (long position)	0.17%
Thomas Levilion	Beneficial interest	413,000 (long position)	0.03%
Karl Guénard	Beneficial interest	263,900 (long position)	0.02%
Jackson Chik Sum Ng	Beneficial interest	30,000 (long position)	0.00%

Notes:

*(1) Mr. Reinold Geiger is the ultimate beneficial owner of the entire issued share capital of CIME S.C.A. which in turn has 100% interest in Société d'Investissements CIME S.A. ("**CIME**"), which in turn has beneficial interest and deemed interest in approximately 74.64% of the entire issued share capital of LOG (being beneficial owner of 9,908,153 shares, having deemed interest in 795,924 treasury shares being held by LOG and directly in 253 shares). Mr. Reinold Geiger is therefore deemed under the SFO to be interested in all the shares registered in the name of LOG, which holds 1,067,587,391 shares and controls 5,631,091 treasury shares held by the Company. Mr. Geiger is also the beneficial owner of 1,148,750 shares.*

*(2) Based on guidance received from the Securities and Futures Commission (the "**SFC**"), the disclosure of interest calculations shown in the table above have been calculated on the basis of the Company's total issued share capital including 5,631,091 shares that are held in treasury and do not have voting rights whilst they are held in treasury.*

(b) Interests in the shares of the associated corporations

Long Position in the shares of LOG

Name of Director	Capacity and Nature of Interest	Number of Shares/ Underlying Shares Held or Controlled	Approximate % of Shareholding (Note 2)
Reinold Geiger	Beneficial interest and deemed interest	10,704,330 (Note 1)	74.64%
André Hoffmann	Beneficial interest and deemed interest	2,578,286	17.98%
Karl Guénard	Beneficial interest	6,220	0.04%
Séan Harrington	Beneficial interest	4,200	0.03%
Valérie Bernis	Beneficial interest	400	0.00%
Charles Mark Broadley	Beneficial interest	400	0.00%
Jackson Chik Sum Ng	Beneficial interest	400	0.00%

Notes:

(1) Comprised of 253 shares held by Mr. Reinold Geiger, 9,908,153 shares held by CIME and 795,924 treasury shares held by LOG. Mr. Geiger is the ultimate beneficial owner of the entire issued share capital of CIME; Mr. Geiger is therefore deemed under the SFO to be interested in all the shares in LOG held by CIME. As ultimate controlling shareholder of LOG, Mr. Geiger is also deemed to be interested in the treasury shares being held by LOG.

(2) The approximate percentage shareholdings in the share capital of LOG are calculated on the basis of the total number of 14,341,954 shares issued, inclusive of 795,924 treasury shares held by LOG.

Long Position in the shares of LOI ELEMIS S.A.R.L.

Name of Director	Capacity and Nature of Interest	Number of Shares/ Underlying Shares Held or Controlled	Approximate % of Shareholding
Séan Harrington	Interest in Controlled Corporation	132	1.10%

Long Position in the shares of 14 Groupe S.A.

Class A shares (with voting rights)

Name of Director	Capacity and Nature of Interest	Number of Shares/ Underlying Shares Held or Controlled	Approximate % of Shareholding
André Hoffmann	Interest in Controlled Corporation	95,000	4.90%
Séan Harrington	Interest in Controlled Corporation	95,000	4.90%

Class B shares (without voting rights)

Name of Director	Capacity and Nature of Interest	Number of Shares/ Underlying Shares Held or Controlled	Approximate % of Shareholding
André Hoffmann	Interest in Controlled Corporation	530,500	50%
Séan Harrington	Interest in Controlled Corporation	530,500	50%

Save as disclosed herein, as at 30 September 2022, none of the Directors and chief executive of the Company, or any of their spouses, or children under 18 years of age, had any interests or short positions in the shares, underlying shares and debentures of the Company or its associated corporations recorded in the register required to be kept by the Company under section 352 of the SFO or required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

Other Information

INTERESTS IN THE SHARES AND UNDERLYING SHARES OF SUBSTANTIAL SHAREHOLDERS

As at 30 September 2022, the register of substantial Shareholders maintained under section 336 of the SFO showed that the Company had been notified of the following substantial Shareholders' interests or short positions, other than a Director or chief executive of the Company, in the shares or underlying shares of the Company:

Name of Shareholder	Capacity and Nature of Interest	Number of Shares/ Underlying Shares Held or Controlled	Approximate % of Shareholding *(Note 3)*
Cime Management S.à.r.l.	Interest in controlled corporation and deemed interest	1,073,218,482 (long position) *(Note 1)*	72.66%
Cime S.C.A.	Interest in controlled corporation and deemed interest	1,073,218,482 (long position) *(Note 1)*	72.66%
Société d'Investissements CIME S.A.	Interest in controlled corporation and deemed interest	1,073,218,482 (long position) *(Note 1)*	72.66%
LOG	Interest in controlled corporation and deemed interest	1,073,218,482 (long position) *(Note 1)*	72.66%
ACATIS Investment Kapitalverwaltungsgesellschaft mbH	Executor or administrator	103,115,250 (long position) *(Note 2)*	6.98%

Notes:

(1) Each of Cime Management S.à.r.l. (indirectly) and Cime S.C.A. (directly) has 100% interest in shareholding of CIME and CIME has an interest in approximately 74.63% of the total issued share capital of LOG (being beneficial owner of 9,908,153 shares and having deemed interest in 795,924 treasury shares being directly or indirectly held by LOG). Cime S.C.A. is the controlling corporation of CIME and CIME is the controlling corporation of LOG and Cime S.C.A. and CIME are therefore deemed under the SFO to be interested in all the 1,067,587,391 shares held by LOG. As suggested by SFC, being the controlling corporations of the Company, Cime Management S.à.r.l., Cime S.C.A., CIME and LOG have deemed interest in the 5,631,091 treasury shares being held by the Company.

(2) The shares were first acquired by Universal-Investment-Gesellschaft mbH and then subsequently transferred to the new investment management company Acatis KVG.

(3) Based on guidance from the SFC, the disclosure of interest calculations of the controlling shareholders shown in the table above have been calculated on the basis of the Company's total issued share capital including 5,631,091 shares that are held in treasury and do not have voting rights whilst they are held in treasury.

Save as disclosed herein, as at 30 September 2022, the Company had not been notified of any substantial Shareholder (other than a Director or chief executive of the Company) who had an interest or short position in the shares or underlying shares of the Company that were recorded in the register required to be kept by the Company under section 336 of the SFO.

SHARE OPTION PLANS

On 30 September 2010, a meeting of the Shareholders authorised the adoption of a share option plan (the "**Share Option Plan 2010**"), which expired and was terminated on 29 September 2013 and was replaced by another share option plan (the "**Share Option Plan 2013**") which was adopted on 25 September 2013. This Share Option Plan 2013 expired on 24 September 2016 and was replaced by another share option plan (the "**Share Option Plan 2016**") which was adopted on 28 September 2016. This Share Option Plan 2016 expired on 27 September 2019 and was replaced by another share option plan (the "**Share Option Plan 2020**") which was adopted on 30 September 2020.

The purpose of the Share Option Plan 2020 is to provide employees of the Group, all its Directors (including non-executive Directors) and Shareholders (together, the "**Eligible Persons**") with an opportunity to have a proprietary interest in the Company through being granted share options (the "**Options**") under the Share Option Plan 2020 rules, which will motivate the Eligible Persons to optimise their performance, effectiveness and efficiency for the benefit of the Group and attract and retain or otherwise maintain ongoing business relationships with those Eligible Persons whose contributions are or will be beneficial to the long-term growth of the Group. The maximum number of shares in respect of which Options may be granted under the Share Option Plan 2020 shall not exceed 21,925,987 shares, being 1.5% of the Company's issued share capital (excluding shares held in treasury) as at 30 September 2020. Particulars and movements of share options granted under the Share Option Plan 2010, the Share Option Plan 2013, the Share Option Plan 2016 and the Share Option Plan 2020 during the six months ended 30 September 2022 were as follows. No Options were granted under the Share Option Plan 2020 during this period.

Name/Category of Participant	Number of Options					Date of grant	Exercise period (Note 1)	Exercise price per share (HK$)	Price immediately preceding the date of grant (Note 2) (HK$)
	As of 01/04/2022	Granted during the period	Cancelled or forfeited during the period	Exercised during the period	As of 30/09/2022				
Directors									
Thomas Levilion	413,000	–	–	–	413,000	29-Mar-18	29/03/2022–29/03/2026	14.50	14.50
Karl Guénard	97,600	–	–	–	97,600	23-Mar-16	23/03/2020–22/03/2024	14.36	14.00
	83,700	–	–	–	83,700	10-Feb-17	10/02/2021–10/02/2025	15.16	15.03
	82,600	–	–	–	82,600	29-Mar-18	29/03/2022–29/03/2026	14.50	14.50
Sub-total (Note 3)	676,900	–	–	–	676,900				
Others									
Employees	422,900	–	–	–	422,900	23-Mar-16	23/03/2020–22/03/2024	14.36	14.00
	1,389,650	–	–	(55,750)	1,333,900	10-Feb-17	10/02/2021–10/02/2025	15.16	15.03
	4,207,150	–	(220,200)	(1,142,229)	2,844,721	29-Mar-18	29/03/2022–29/03/2026	14.50	14.50
Sub-total (Note 3)	6,019,700	–	(220,200)	(1,197,979)	4,601,521				
Total	6,696,600	–	(220,200)	(1,197,979)	5,278,421				

Notes:

(1) *As a general rule, the vesting period of the Options is set at four years and the exercise period is set at four years after the date of vesting. The Share Option Plan 2010 was terminated on 29 September 2013, the Share Option Plan 2013 was terminated on 24 September 2016 and the Share Option Plan 2016 was terminated on 27 September 2019. The Board was however entitled to grant Options to Eligible Persons under the Share Option Plan 2020 subject to such conditions as the Board may think fit, including in respect to the vesting and exercise of such Options.*

(2) *Being the higher of the closing price of the shares quoted on the Hong Kong Stock Exchange on the trading day immediately prior to the date of grant of the Options; and the average closing price for the five business days immediately preceding the date of grant.*

(3) *The weighted average fair value of Options granted under the Share Option Plan 2010 on 4 April 2011, 26 October 2012, 28 November 2012, under the Share Option Plan 2013 on 4 December 2013, 24 February 2015 and 23 March 2016 and under the Share Option Plan 2016 on 10 February 2017 and 29 March 2018 were approximately €0.44, €0.45, €0.47, €0.31, €0.40, €0.31, €0.36 and €0.36 respectively. The following significant assumptions were used to derive the fair value, using the Black-Scholes option pricing model:*

Other Information

Date of grant	*Expected volatility (%)*	*Expected life*	*Risk-free interest rate (%)*	*Expected dividend yield (%)*
4 April 2011	25%	5 years	1.92%	20% of budgeted profit attributable to the equity holders
26 October 2012	25%	5 years	0.50%	30% of budgeted profit attributable to the equity holders
28 November 2012	25%	5 years	0.50%	30% of budgeted profit attributable to the equity holders
4 December 2013	25%	5 years	1.00%	35% of budgeted profit attributable to the equity holders
24 February 2015	25%	5 years	1.00%	35% of budgeted profit attributable to the equity holders
23 March 2016	25%	5 years	1.00%	35% of budgeted profit attributable to the equity holders
10 February 2017	22%	5 years	1.92%	35% of budgeted profit attributable to the equity holders
29 March 2018	22%	5 years	2.50%	35% of budgeted profit attributable to the equity holders

In total, share-based compensation expense of €1,677,000 was included in the interim consolidated statements of comprehensive income for the six months ended 30 September 2022 (six months ended 30 September 2021: €2,316,000). These expenses included the amortisation of the fair value of the share-based awards in the form of Options granted to the Directors and employees under the Share Option Plan 2013 and the Share Option Plan 2016.

The fair value at grant date is independently determined using the Black Scholes Model, which includes several assumptions: the exercise price, the term of the Options, the share price at grant date, expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the Options.

FREE SHARE PLAN

On 30 September 2010, a meeting of the Shareholders authorised the adoption of a free share plan (the "**Free Share Plan 2010**"), which expired and was terminated on 29 September 2013 and replaced by another free share plan (the "**Free Share Plan 2013**") which was adopted on 25 September 2013. This Free Share Plan 2013 expired on 24 September 2016 and was replaced by another free share plan (the "**Free Share Plan 2016**") which was adopted on 28 September 2016. The Free Share Plan 2016 was replaced by another free share plan (the "**Free Share Plan 2018**") which was adopted on 26 September 2018. In view of the balance of free shares available under the Free Share Plan 2018, the Shareholders approved the adoption of a new free share plan (the "**Free Share Plan 2021**") at the annual general meeting of the Company on 29 September 2021. Upon the approval of the Free Share Plan 2021, no further free shares would be granted under the Free Share Plan 2018. The purpose of the Free Share Plan 2021 is to provide employees of the Group (the "**Employees**") with an opportunity to have a proprietary interest in the Company through being granted free shares under the rules of the Free Share Plan 2021 (the "**Free Shares**"), which will motivate the relevant Employees to optimise their performance, effectiveness and efficiency for the benefit of the Group and attract and retain or otherwise maintain ongoing business relationships with those Employees whose contributions are or will be beneficial to the long-term growth of the Group. The maximum number of Free Shares that may be granted under the Free Share Plan 2021 shall not exceed 7,343,852 shares, being 0.5% of the Company's issued share capital (excluding shares held in treasury) as at 29 September 2021.

On 4 December 2013, the Company granted 887,500 Free Shares pursuant to the Free Share Plan 2013 to certain eligible Employees (as defined in the rules of the Free Share Plan 2013). The Free Shares were vested on 4 December 2017.

On 24 February 2015, the Company granted 840,900 Free Shares pursuant to the Free Share Plan 2013 to certain eligible Employees (as defined in the rules of the Free Share Plan 2013). The Free Shares were vested on 24 February 2019.

On 23 March 2016, the Company granted 921,400 Free Shares pursuant to the Free Share Plan 2013 to certain eligible Employees (as defined in the rules of the Free Share Plan 2013). The Free Shares were vested on 24 March 2020.

On 29 March 2018, the Company granted 5,559,500 Free Shares pursuant to the Free Share Plan 2016 to certain eligible Employees (as defined in the rules of the Free Share Plan 2016). The Free Shares were vested on 29 March 2022.

None of the Free Shares had been granted under the Free Share Plan 2018 and the Free Share Plan 2021 as at 30 September 2022.

TREASURY SHARES

On 4 October 2013, the Hong Kong Stock Exchange granted a conditional waiver (the "**Waiver**") to the Company in respect of Rule 10.06(5) of the Listing Rules to allow it, following any repurchase of shares, to elect to hold its own shares in treasury instead of automatically cancelling such shares. As a consequence of the Waiver, the Hong Kong Stock Exchange has agreed certain consequential modifications to other Listing Rules applicable to the Company.

Shares held in treasury may subsequently be sold for cash, transferred pursuant to an employees' share scheme or cancelled.

Full details of the Waiver and the conditions attached thereto are set out in the announcement issued by the Company on 4 November 2013 and can be found on the Company's website at group.loccitane.com and on the Hong Kong Stock Exchange's website at www.hkexnews.hk.

The Company confirmed that during the six months ended 30 September 2022, the Company was in compliance with the conditions of the Waiver.

During the six months ended 30 September 2022, 1,197,979 shares of the Company were transferred out of treasury pursuant to exercises of Options granted under the Company's share option plans. The Company holds as at 30 September 2022, 5,631,091 ordinary shares as treasury shares, and the total number of ordinary shares in issue (excluding shares held as treasury shares) is 1,471,333,800.

HUMAN RESOURCES

As at 30 September 2022, the Group had 8,563 employees (30 September 2021: 8,872 employees).

The Group ensures that all levels of employees are paid competitively and are rewarded in accordance with the Group's salary, incentive and bonus schemes. Options and Free Shares may also be offered to eligible employees. Training schemes are available where appropriate.

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 (the "**Audit Committee**") comprising of three independent non-executive Directors. The Audit Committee 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 of the Group for the six months ended 30 September 2022.

Other Information

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' returns.

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 the six months ended 30 September 2022 save as disclosed below:

Code provision C.6.3 of the CG Code provides that the company secretary should report to the Chairman and Chief Executive Officer.

Mr. Karl Guénard ("**Mr. Guénard**"), company secretary of the Company, is based in Luxembourg. Mr. Guénard had previously reported to Mr. Thomas Levilion ("**Mr. Levilion**"), the former Chief Financial Officer of the Group and executive Director. After the re-designation of Mr. Levilion from an executive Director to a non-executive Director with effect from 1 July 2022, Mr. Guénard now reports to Mr. Reinold Geiger, the Chairman of the Group and the Company complied with the code provision C.6.3 of the CG Code.

CHANGES IN DIRECTORS' INFORMATION

Prior to 30 September 2022, the following changes have occurred in Directors' information:

— Mr. Yves Blouin resigned as an executive Director and the Group Managing Director with effect from 25 May 2022.

— Mr. Levilion was re-designated from an executive Director to a non-executive Director with effect from 1 July 2022.

Save as disclosed above, no other change has occurred in Directors' information during the six months ended 30 September 2022 which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

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 the six months ended 30 September 2022.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 September 2022.

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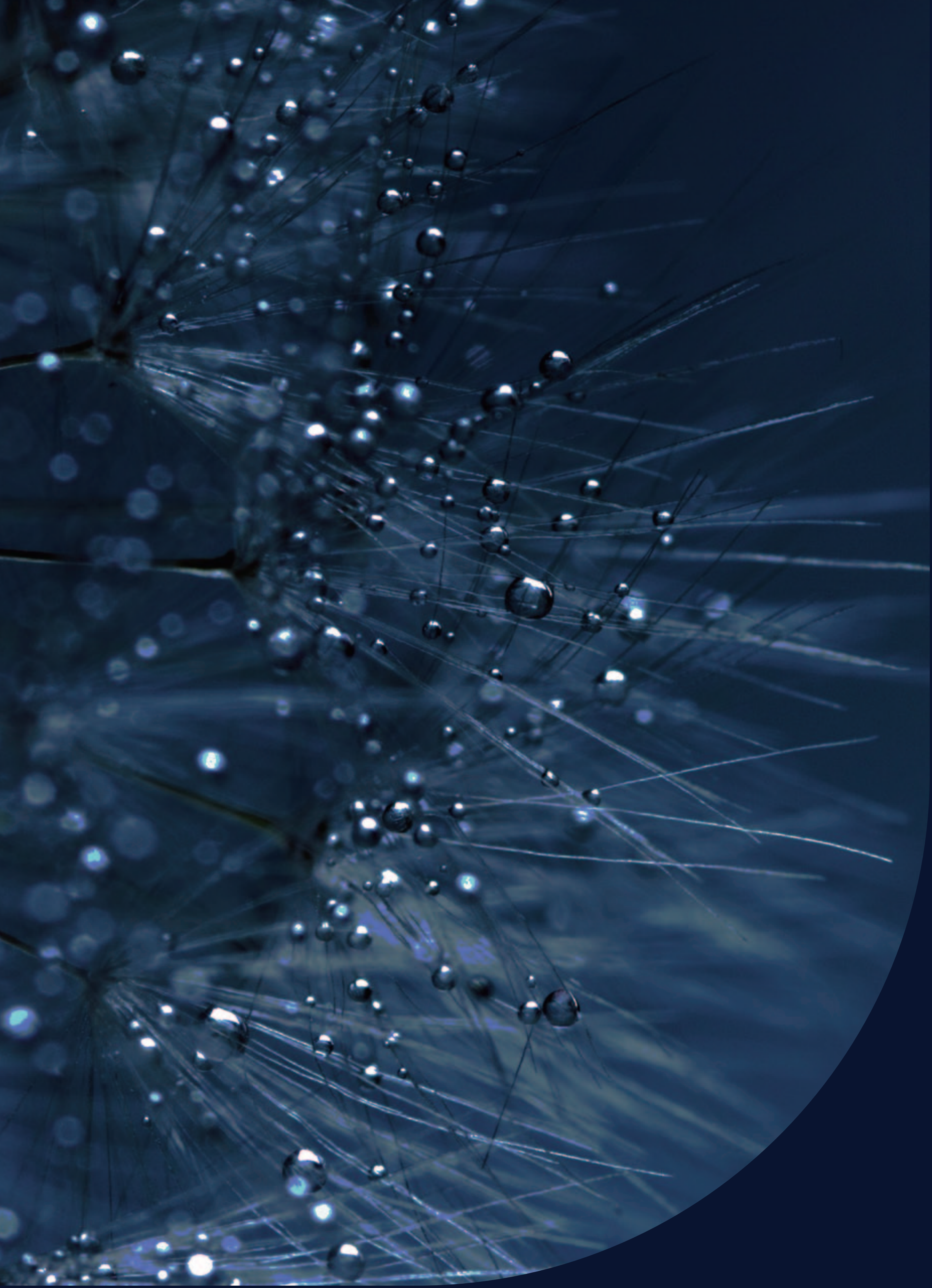

Groupe L'OCCITANE