FY2024
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

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Corporate Information

Executive Directors

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

Non-Executive Director

Thomas Levilion

Independent Non-Executive Directors

Charles Mark Broadley
Christèle Hiss Holliger
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)*
Thomas Levilion
Jackson Chik Sum Ng

Remuneration Committee

Christèle Hiss Holliger *(Chairman)*
André Hoffmann
Betty Liu

Nomination Committee

Jackson Chik Sum Ng *(Chairman)*
Christèle Hiss Holliger
Betty Liu

Sustainability Committee

Charles Mark Broadley *(Chairman)*
Thomas Levilion
Christèle Hiss Holliger
Betty Liu

Principal Bankers

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

Auditor

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

Principal Share Registrar and Transfer Office

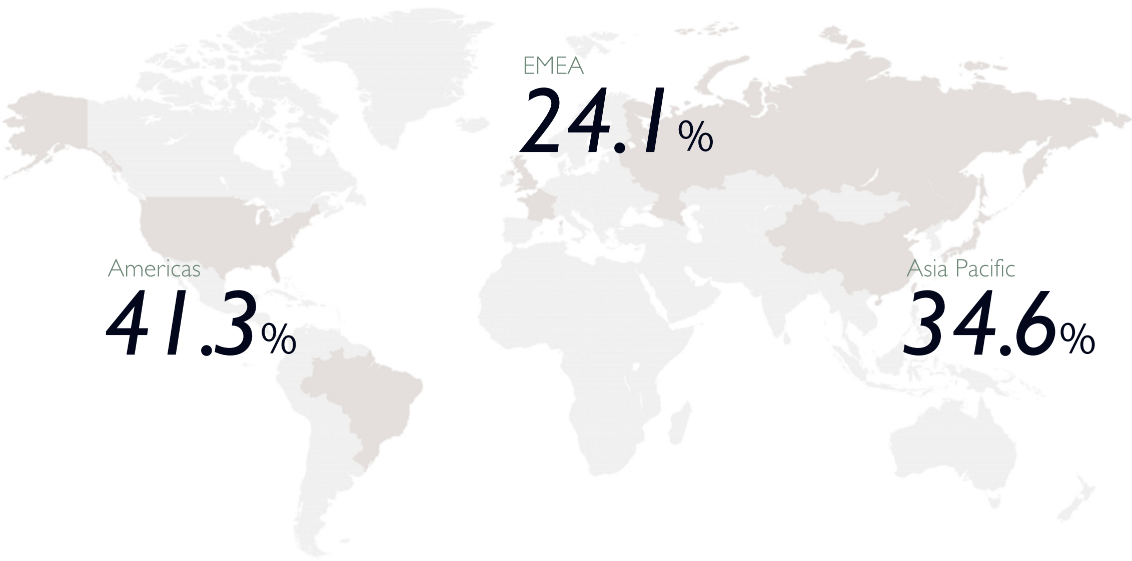
49, Boulevard Prince Henri
L-1724 Luxembourg

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

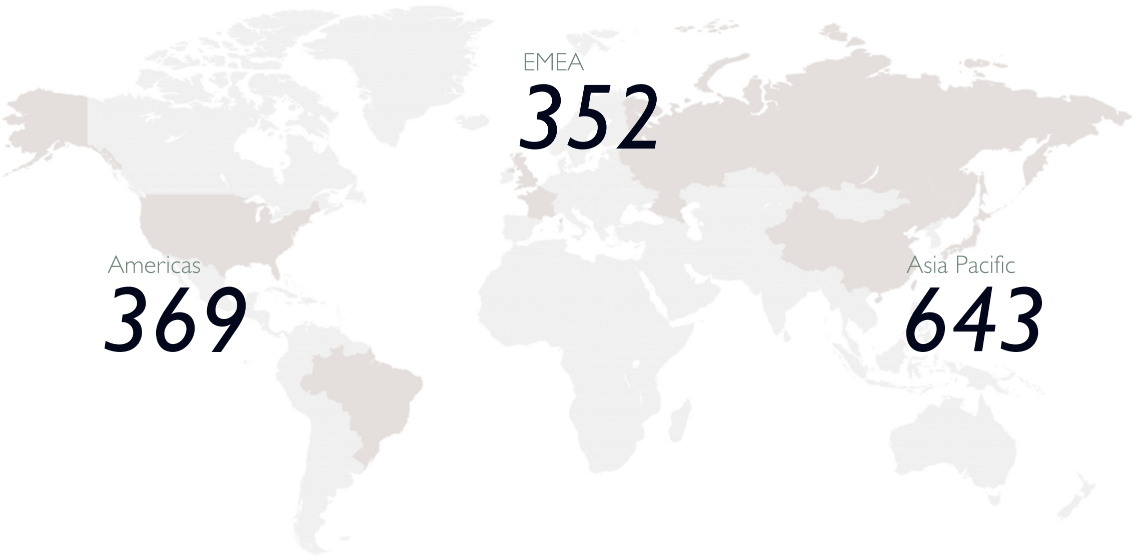
Financial Highlights

OUR ACTIVITY WORLDWIDE



** Net sales (%) by region*

OUR STORES WORLDWIDE



** 3,292 retail locations and*
1,364 stores operated directly by the Group

KEY FINANCIAL HIGHLIGHTS

	FY2024 H1	FY2023 H1
Reported net sales *(€ million)*	**1,072.0**	900.5
Operating profit *(€ million)*	**76.8**	87.0
Profit for the period *(€ million)*	**39.6**	63.9
Gross profit margin	**78.3%**	80.2%
Operating profit margin	**7.2%**	9.7%
Net profit margin	**3.7%**	7.1%
Net operating profit after tax *(€ million)* (NOPAT) (1)	**58.2**	76.8
Capital employed *(€ million)* (2)	**1,687.4**	2,176.1
Return on capital employed (ROCE) (3)	**3.4%**	3.5%
Return on equity (ROE) (4)	**3.8%**	4.8%
Current ratio (times) (5)	**1.2**	1.1
Gearing ratio (6)	**27.0%**	28.5%
Average inventory turnover days (7)	**278**	293
Turnover days of trade receivables (8)	**47**	46
Turnover days of trade payables (9)	**68**	80
Total number of own stores (10)	**1,364**	1,380
Profit attributable to equity owners *(€ million)*	**34.0**	61.8
Basic earnings per share *(€)*	**0.023**	0.042

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 working capital excludes financial liabilities such as dividends.
(3) NOPAT/capital employed
(4) Net profit attributable to equity owners of the Company/shareholders' equity at the end of the period excluding non-controlling 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 expenses (including cost of sales and operating expenses but excluding amortisation, depreciation and employee benefits) and multiplied by 182.5. Average trade payables equals the average of trade payables at the beginning and end of a given period. FY2023 H1 was updated to reflect the current calculation method.
(10) L'OCCITANE en Provence, 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 2023

The macroeconomic landscape in the first half of FY2024 continued to be clouded by uncertainties, with muted consumer confidence and persistent inflation in major economies. Under this backdrop, we stayed entrepreneurial and agile, proactively investing in all of our brands to strengthen our position as a geographically-balanced multi-brand group. Net sales grew 25% at constant rates to exceed €1 billion, mainly driven by our two largest brands, L'OCCITANE en Provence and Sol de Janeiro. We are proud of this achievement, as we outperformed top premium beauty brands considerably in key markets.

As a result of the increased marketing investments, our operating profit margin was impacted, amounting to 8.4% on a management basis. While we expect the elevated level of investment to be dilutive on our margins in the near-term, we are convinced these investments are necessary to capture growth opportunities and take the development of our brands to the next level. In the first half of FY2024, we focused our efforts on continuing to engage and connect with customers, refining our omni-channel strategy to enhance brand image and building credibility in key product categories via eye-catching campaigns.

The bulk of our marketing investments was allocated to boosting the visibility and relevance of our core brand, L'OCCITANE en Provence, mostly in China but also in strategic markets and channels such as the US, Japan, South Korea, and the travel retail channel. In China, marketing efforts were focused on the face care, body care and hair care categories, through the usage of celebrity and KOL content, livestreams, cooperative marketing with social platforms such as Little Red Book and highly visible outdoor advertising exposures. Despite a challenging economic context, the core brand outperformed the premium beauty market in China and grew 22% at constant rates.

Notably, our best-selling *Almond* body care range saw strong double-digit sales growth in the January to September 2023 period, with the *Almond Shower Oil* becoming the No. 1 searched shower product on Chinese social media platforms, while the relaunch of the *Immortelle Divine Cream* delivered strong triple-digit sales growth in the July to September 2023 quarter, as well as a three-place improvement in sales ranking in the face cream category. Clearly, our marketing investments are bearing some early fruits in China. We have not yet seen a turnaround in the other markets, but we expect it to happen in the coming twelve months.

The performance of our newer brands remained encouraging in the first half. Our brand mix is now much more diversified thanks to our recent M&A activity, with our second- and third-largest brands, Sol de Janeiro and ELEMIS, now accounting for more than a third of our net sales.

The performance of Sol de Janeiro continued to exceed our expectations, growing by 189%, driven by both its core products and new launches. For instance, the debut of its Fall fragrance mist, *After Hours*, created strong buzz, incremental sales and customer acquisition, reaffirming our belief that Sol de Janeiro is not just a summer brand but has year-round appeal. Its unmatched popularity and strong execution not only allowed it to grow in sales, but it also expanded operating profit margin to 29% of net sales.

Meanwhile, ELEMIS continued to push forward with its premiumization strategy, such as through consciously reducing investments with certain web partners to drive traffic to our own website. Sell-out growth in the US, UK and cruise ship business — which is a better indication of brand strength — remained at strong double-digit levels in the first half of FY2024. Importantly, ELEMIS gained further traction in China, growing by over 200%, as we accelerated investments around the best-selling *Pro-Collagen Cleansing Balm* on Douyin and other social media channels.

Of course, delivering a healthy profit only represents one "P" of our 3P model to balance Profit, People and Planet. A few months ago, we celebrated becoming B Corp™ certified. We are extremely proud of reaching this milestone, as B Corp is a globally recognized standard that measures and verifies a company's entire social and environmental performance while ensuring transparency and accountability. We are thrilled to be a part of the B Corp community and look forward to driving positive change in and beyond our value chain.

As we head into the second half of FY2024, we are focused on delivering a strong holiday season, with our continued investment in targeted campaigns and strategic product categories underpinning our performance during this crucial period. Through our portfolio of strong and unique premium beauty brands, together with our commitment to invest for the long-term, we are well-positioned to deliver sustainable growth and profitability for our shareholders and stakeholders. I thank you for your support.

Strong Global Presence

1

2

1 **Houston,**
Texas, United States

2 **Atré Ueno,**
Tokyo, Japan

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

4 **Wuxi Yaohan,**
China

5 **Buchanan Street, Glasgow**
Scotland, United Kingdom

6 **Morumbi Shopping,**
São Paulo, Brazil

7 **Nuremberg,**
Germany

8 **Opéra,**
Paris, France
(Erborian)

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

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

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

5

8

9

3


L'OCCITANE
EN PROVENCE
CULTIVATORS of CHANGE
VICTORIA'S SECRET

4


L'OCCITANE
EN PROVENCE

6


L'OCCITANE

7


L'OCCITANE
EN PROVENCE

10


L'OCCITANE
AU BRÉSIL

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Management Discussion & Analysis

Management Discussion & Analysis

Summary:

For the six months ended 30 September	Management[(1)] 2023 *€ million or %*	Reported 2023 *€ million or %*	Management[(2)] 2022 *€ million or %*	Reported 2022 *€ million or %*
Net sales	1,072.0	1,072.0	904.5	900.5
Operating profit	89.7	76.8	104.1	87.0
Profit for the period	n/a	39.6	n/a	63.9
Gross profit margin (% to net sales)	78.3%	78.3%	80.3%	80.2%
Operating profit margin (% to net sales)	8.4%	7.2%	11.5%	9.7%
Net profit margin (% to net sales)	n/a	3.7%	n/a	7.1%

(1) *Management 2023 — reported results excluding losses/profits in joint ventures and associates (Good Glamm Group and CAPSUM) for proper comparison. The management believes these costs should be excluded when comparing to the management results of the same period last year.*

(2) *Management 2022 — reported results excluding exceptional items, including 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. Other one-off items, namely losses/profits in joint ventures and associates (Good Glamm Group and CAPSUM) were also excluded for proper comparison. The net sales included a reclassification of sales for the Sol de Janeiro brand in the marketplace channel to properly record the sell-out sales value. The management believes that this management version provides a truer view of the operational performance in 2022.*

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 significant seasonal variation in its sales, which are substantially higher in its third financial quarter (between 1 October and 31 December) in anticipation of and during the Christmas holiday season. Sales generated during the period ended 30 September 2022 represented 42.2% of the Group's annual sales for the year ended 31 March 2023 ("**FY2023**") and operating profit in that period represented 36.4% of the Group's annual operating profit for FY2023. These ratios are not representative of the sales and operating profit expected for the year ended 31 March 2024 ("**FY2024**").

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 and November in order to increase the production in anticipation of increased sales during the Christmas holiday season.

REVENUE ANALYSIS

The Group's reported net sales amounted to €1,072.0 million in FY2024 H1, representing 19.0% growth at reported rates as compared to the reported net sales of €900.5 million in FY2023 H1. Sol de Janeiro's sales in FY2023 H1 were modified due to a reclassification of sales in the marketplace channel, hence the Group's comparable net sales in FY2023 H1 amounted to €904.5 million. The revenue analysis from here on uses the modified figure as the basis of comparison. As such, the Group recorded sales growth of 18.5% at reported rates or 24.9% at constant rates, as compared to the net sales of €904.5 million in FY2023 H1. Sales growth in the three months ended 30 September 2023 ("**FY2024 Q2**") was 17.1% at reported rates or 25.3% at constant rates. The growth was mainly driven by the stellar performance of Sol de Janeiro and the steady growth of L'OCCITANE en Provence with the recovering trend in China, despite the difficult market context.

The Group's total number of retail locations increased from 2,774 as at 31 March 2023 to 3,292 as at 30 September 2023, an increase of 518 locations or 18.7%. The number of own retail stores increased from 1,362 as at 31 March 2023 to 1,364 as at 30 September 2023, an increase of 2 or 0.1%. At the end of September 2023, the breakdown of the 1,364 own stores by brand and change compared to the end of March 2023 were as follows: L'OCCITANE en Provence (1,234; -2), Melvita (34; -1), Erborian (2; nil), L'OCCITANE au Brésil (68; +3) and ELEMIS (26; +2).

Management Discussion & Analysis

Performance by Brand

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

	FY2024 H1	FY2023 H1	Growth at reported rates	Growth at constant rates
	€ 'million	€ 'million	%	%
L'OCCITANE en Provence	595.6	610.3	(2.4)	3.5
ELEMIS	109.2	105.1	3.8	7.6
Sol de Janeiro[(1)]	270.0	98.6	173.9	188.8
Others[(2)]	97.2	90.5	7.5	10.7
Total	**1,072.0**	**904.5**	**18.5**	**24.9**

[(1)] *Sol de Janeiro's quarterly sales in FY2023 were modified as follows: Q1 €42.6 million (+€1.8 million) and Q2 €56.0 million (+€2.1 million) due to a reclassification of sales in the marketplace channel to properly record the sell-out sales value.*

[(2)] *Others include LimeLife, Melvita, Erborian, L'OCCITANE au Brésil and Grown Alchemist.*

The Group maintained solid sales momentum in FY2024 H1. L'OCCITANE en Provence performed steadily with 3.5% growth at constant rates in FY2024 H1, contributed mainly by the double-digit sales growth in China. The solid growth in China was attributed to the additional marketing investments focusing on the key product categories of face care, body care and hair care. The brand's agile product strategy featuring high-value body care bestsellers aimed to increase the average ticket helped compensate for the reduced traffic in offline channels. The recently launched marketplace channel in China, Douyin, also drew new online traffic. Excluding Russia, from which the Group divested in June 2022, the brand posted sales growth of 4.8% at constant rates in FY2024 H1.

ELEMIS grew at 7.6% at constant rates in FY2024 H1. In FY2024 Q2, ELEMIS's overall sales in the UK and the US declined, in line with the management's expectations as the brand continued to execute the premiumization strategy. This resulted in the brand's 2.4% sales decline at constant rates in FY2024 Q2. In the UK, ELEMIS's planned reduction in investment in certain web partners strategically drove traffic to its e-commerce channel where it delivered double-digit growth. Meanwhile, the US was impacted by an expected shortfall in the maritime business due to a timing shift of order shipments into the second half of FY2024. Excluding the maritime channel, the US domestic business grew by 18.3% at constant rates in FY2024 Q2. The e-commerce channel of both markets continued to grow well with an ongoing focus on reducing discounting depth and frequency, in line with the outlined strategy. ELEMIS in China progressed nicely with sales growth exceeding 200% in FY2024 H1, thanks to accelerated marketing investments on social media channels to highlight one of its global bestsellers, the *Pro-Collagen Cleansing Balm*.

Sol de Janeiro continued its impressive sales momentum with 188.8% growth at constant rates to reach €270.0 million sales in FY2024 H1, exceeding its annual sales in FY2023. The brand saw triple-digit growth across all geographies, driven by a highly successful summer campaign and its equally sought after core products and new launches.

Other brands together showed healthy growth of 10.7% at constant rates for FY2024 H1. Erborian and L'OCCITANE au Brésil performed particularly well with 44.3% and 35.7% growth respectively at constant rates in FY2024 H1. Melvita narrowed its sales decline to a single-digit percentage in FY2024 H1, while LimeLife continued to be sluggish, declining by over 20%.

Management Discussion & Analysis

Performance by Region

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

	FY2024 H1	FY2023 H1	Growth at reported rates	Growth at constant rates	Same store sales growth[(1)]
	€ 'million	*€ 'million*	*%*	*%*	*%*
APAC	371.4	371.1	0.1	9.2	4.4
Americas	442.4	284.1	55.7	63.6	15.8
EMEA	258.3	249.2	3.6	4.1	4.1
Total	**1,072.0**	**904.5**	**18.5**	**24.9**	**7.8**

(1) *Excluding Russia, from which the Group divested in FY2023.*

The Group's regional sales mix remained quite balanced. The Americas was the largest region, accounting for 41.3% of the Group's sales. APAC was the second largest region at 34.6% of net sales while EMEA accounted for the remaining 24.1%. In terms of single markets, the US was the largest market and accounted for 36.4% of the Group's net sales, mainly due to the rapid growth of Sol de Janeiro. The second largest market was China at 12.6%, followed by the UK at 7.6%.

The Americas continued to lead the growth with 63.6% at constant rates in FY2024 H1, mainly driven by Sol de Janeiro in the US. APAC grew 9.2% at constant rates in FY2024 H1. This was mostly contributed by the strong 28.0% growth at constant rates in China, thanks to both the contribution from L'OCCITANE en Provence and the continued development of ELEMIS. EMEA grew 4.1% at constant rates in FY2024 H1, mainly due to Sol de Janeiro's strong growth and the encouraging results of Erborian. Excluding Russia, EMEA grew by 8.7% at constant rates.

Performance by Channel

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

	FY2024 H1	FY2023 H1	Growth at reported rates	Growth at constant rates
	€ 'million	*€ 'million*	*%*	*%*
Retail	313.2	321.7	(2.6)	3.7
Online channels	321.1	268.6	19.5	26.9
Wholesale & others	437.7	314.2	39.3	44.9
Total	**1,072.0**	**904.5**	**18.5**	**24.9**

Wholesale & others led the growth with 44.9% at constant rates in FY2024 H1, with dynamic growth in wholesale chains and international distribution. This channel accounted for 40.8% of the Group's net sales, a marked increase from 34.7% in the same period last year, mainly due to the addition of newer brands in the Group's portfolio such as ELEMIS and Sol de Janeiro, which has a higher wholesale sales mix compared to L'OCCITANE en Provence.

Online channels posted a growth of 26.9% at constant rates in FY2024 H1, mainly driven by the strong performance of Sol de Janeiro and ELEMIS, as well as L'OCCITANE en Provence's recently launched marketplace channel in China. Retail sales maintained a steady growth of 3.7% at constant rates, thanks to the improved conditions in China. Excluding Russia, the retail growth was 5.5% at constant rates.

PROFITABILITY ANALYSIS

All the analyses in this section are based on the reported figures for FY2024 H1 as compared to the reported figures for FY2023 H1.

Cost of sales and gross profit

Cost of sales increased by 30.2%, or €53.9 million, to €232.1 million in FY2024 H1 as compared to the same period last year. The gross profit margin decreased by 1.9 points to 78.3% for FY2024 H1, due mainly to the following factors:

- Unfavourable brand mix for 2.0 points, mostly due to the increase in share of the Sol de Janeiro brand as it has a higher wholesale mix;
- Unfavourable foreign currency exchange ("**FX**") impact for 0.5 points;
- Higher obsolescence due to increase of slow movers for 0.3 points;
- Increase in the use of mini products and boxes for 0.3 points; and
- Unfavourable channel mix and industrial cost increase for 0.2 points.

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

- Improved commercial conditions with the Group's sell-in customers for 0.8 points;
- Price increase for 0.3 points; and
- Reclassification of sales commissions to distribution expenses for 0.3 points.

Management Discussion & Analysis

Distribution expenses

Distribution expenses increased by 10.9%, or €38.6 million, to €391.7 million for FY2024 H1 as compared to the same period last year. As a percentage of net sales, the distribution expenses improved by 2.7 points to 36.5% of net sales for FY2024 H1. This improvement was attributable to a combination of the following:

- Favorable brand mix for 5.6 points, mainly from the increase in share of the Sol de Janeiro and Erborian brands which have a lower level of distribution costs;
- Higher sales leverage, channel mix and FX for 0.7 points; and
- Efficiencies thanks to network rationalization and fewer renovations, as well as decrease in freight costs for 0.5 points.

The improvement was partly offset by:

- Higher investment in organization and staff, IT and others for 1.5 points;
- Cost increase linked to a rise of commission rate to sell-in partners for 1.2 points, mostly due to the sales growth in marketplace channels and additional livestreaming activities in China;
- Increase of travel and entertainment ("**T&E**"), positive one-off impacts last year including COVID-19 subsidies received from governments and an impairment on store lease contracts performed in March 2022, and other one-off items for 0.8 points; and
- Reclassification of sales commissions from gross profit and others for 0.6 points.

Marketing expenses

Marketing expenses increased by 47.8%, or €76.9 million, to €237.5 million for FY2024 H1 as compared to the same period last year. The marketing expenses as a percentage of net sales increased by 4.4 points to 22.2% of net sales for FY2024 H1. The increase was attributable to the following:

- Higher strategic marketing investments in both traditional and social media for 4.0 points, of which:
    - 3.6 points were for the L'OCCITANE en Provence brand, of which 2.2 points were allocated to China focusing on key product categories and for the launch of Douyin, and 1.4 points were allocated to other key strategic markets and channels such as the US, Japan, Korea and travel retail; and
    - 0.4 points were for the other brands, of which 0.2 points were allocated to ELEMIS in China focusing on its global bestsellers.
- Higher investment in staff, salary increase and fees for 0.7 points; and
- Brand mix for 0.7 points.

The increase was partly offset by:

- Higher sales leverage for 0.8 points; and
- FX and channel impact for 0.2 points.

Management Discussion & Analysis

Research & development expenses

Research and development ("**R&D**") expenses increased by 11.5%, or €1.2 million, to €11.3 million for FY2024 H1 compared to the same period last year. The R&D expenses as a percentage of net sales was almost flat and remained at 1.1% for FY2024 H1, due mainly to higher sales leverage.

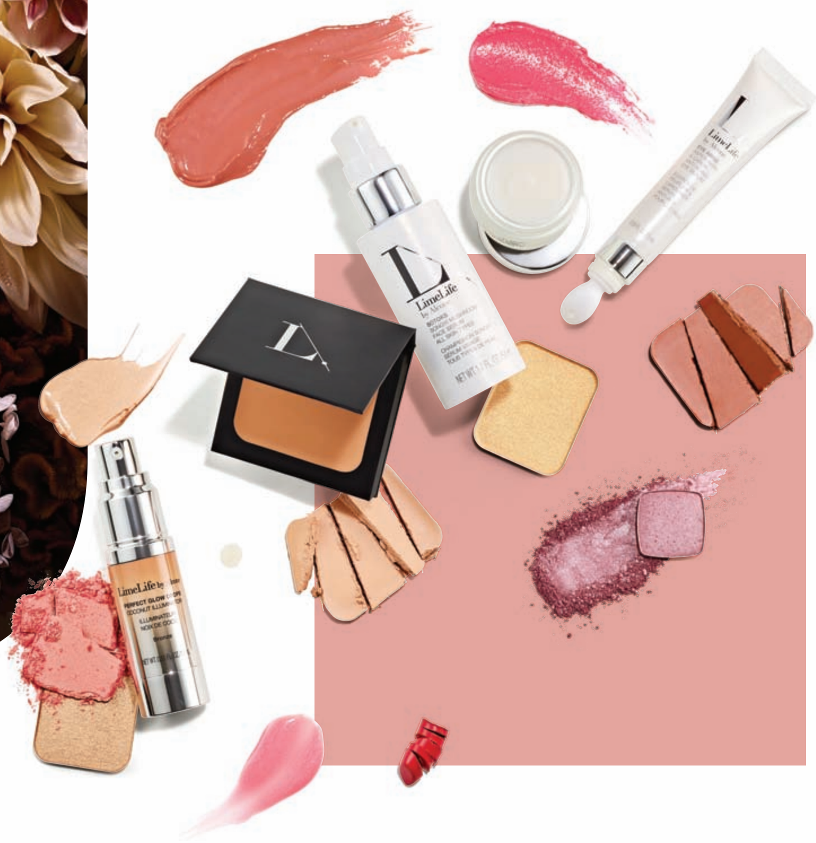
General and administrative expenses

General and administrative expenses increased by 18.4%, or €17.7 million, to €114.1 million for FY2024 H1 compared to the same period last year. As a percentage of net sales, general and administrative expenses decreased by 0.1 points to 10.6% for FY2024 H1. The decrease was attributable to the following:

- Higher sales leverage for 2.1 points; and
- Favourable brand mix and phasing for 0.3 points.

The improvement was almost completely offset by:

- Higher bonus and incentives for 0.7 points;
- Higher operating costs such as salary and T&E increase, as well as recruitment fees and others for 0.7 points;
- Higher investment in organization and staff, IT and others for 0.7 points; and
- FX for 0.2 points.



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

Other operating income amounted to €2.2 million in FY2024 H1 as compared to €3.5 million in FY2023 H1. Other operating income as a percentage of net sales decreased by 0.2 points to 0.2% of net sales for FY2024 H1. The income last year was mainly related to the capital gain arising from the change in the percentage interests in Good Glamm Group.

Other operating expenses amounted to €2.3 million in FY2024 H1 as compared to €14.4 million in FY2023 H1. Other operating expenses as a percentage of net sales decreased by 1.4 points to 0.2% of net sales for FY2024 H1. The expense last year was due to the capital loss from currency translation on the divestiture of Russia.

Share of net losses from associates and joint ventures amounted to €8.5 million in FY2024 H1 as compared to €4.1 million in FY2023 H1. As a percentage of net sales, the ratios for FY2024 H1 and FY2023 H1 were 0.8% and 0.5% respectively. The deterioration was driven by a higher share of loss for Good Glamm Group, partially offset by an increase in the profit this year from the Group's joint venture in the Middle East representing 0.2 points as a ratio of sales for FY2024 H1.

Management Discussion & Analysis

Operating profit

Operating profit decreased by 11.8%, or €10.3 million, to €76.8 million for FY2024 H1 and the operating profit margin decreased by 2.5 points to 7.2% of net sales compared to the same period last year.

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

- Increase in marketing and organizational investments to sustain the development of the brands for 7.0 points;
- Cost increase and inflation, mostly due to increase in commission rate and supply chain costs for 1.6 points;
- One-off items, phasing and other for 1.2 points;
- Unfavourable FX impact for 0.8 points;
- Non-management one-off items, mainly from Good Glamm Group's capital gain last year and this year's loss on CAPSUM's disposal for 0.4 points; and
- Increase in the share of losses from associates and joint ventures, mainly from Good Glamm Group which was partly offset by L'Occitane Middle East for 0.3 points.

This decrease was partly offset by:

- Leverage of fixed costs on higher sales for 3.3 points;
- Brand mix for 3.1 points mainly driven by the new brands;
- Divestiture of the Group's business in Russia last year for 1.6 points;
- Channel mix for 0.5 points as sell-in channels rebounded; and
- Efficiencies on the retail network, freight and price increase offset by salary increase and higher incentives for 0.3 points.

On a management basis, the operating profit margin this year was 8.4% (excluding Good Glamm Group and CAPSUM's share of losses and loss on disposal of CAPSUM for 1.2 points) as compared to the operating profit margin of 11.5% last year (excluding the divestiture of the Group's business in Russia, Good Glamm Group and CAPSUM's share of losses and the capital gain on Good Glamm Group for 1.9 points).

Finance costs, net

Net finance costs were €23.7 million for FY2024 H1, €9.3 million higher than that for the same period last year. The increase in finance costs was due mainly to the finance cost of €7.9 million relating to the interest expenses on borrowings.

Foreign currency gains/losses

Net foreign currency losses amounted to €2.3 million for FY2024 H1, as compared to net currency losses of €0.9 million for FY2023 H1. The net foreign currency losses comprised €2.9 million realised losses and €1.3 million unrealised gains.

The net foreign currency losses of €0.7 million were mainly related to IFRS 16 impact.

Income tax expense

Income tax expense amounted to €11.1 million in FY2024 H1, representing an effective tax rate of 21.9%, as compared to an income tax expense of €7.8 million or an effective tax rate of 10.9% in FY2023 H1. If excluding the profit or loss in associates and joint ventures, the effective tax rates of FY2024 H1 and FY2023 H1 were 18.8% and 10.5% respectively. The increases in income tax expense and in effective tax rate were mainly explained by the higher proportion of taxable income achieved in territories with higher tax rates.

Profit for the period

Net profit for FY2024 H1 decreased by €24.3 million or 38.0% to €39.6 million, as compared to the same period last year. Both basic and diluted earnings per share were €0.023 and both decreased by 45.0% as compared to the earnings per share for the same period last year.

Management Discussion & Analysis

BALANCE SHEET REVIEW

Liquidity and capital resources

As at 30 September 2023, the Group had cash and cash equivalents of €104.0 million, as compared to €150.6 million as at 30 September 2022 and €147.3 million as at 31 March 2023.

The total borrowings, including term loans, bank borrowing, revolving facilities and other borrowings, amounted to €525.2 million as at 30 September 2023, as compared to €624.8 million as at 30 September 2022 and €518.9 million as at 31 March 2023. The Group had a net increase of borrowings by €6.3 million for the six months ended 30 September 2023 as compared to 31 March 2023.

Net debt including lease liability and dividend payable as at 30 September 2023 amounted to €735.2 million, decreased by €87.9 million or 10.7% as compared to €823.1 million as at 30 September 2022.

As at 30 September 2023, the aggregate amount of undrawn borrowing facilities was €465.3 million, as compared to €343.2 million as at 30 September 2022 and €461.5 million as at 31 March 2023.

Investing activities

Net cash used in investing activities was €21.0 million for FY2024 H1, as compared to €50.9 million for the same period last year, representing a decrease of €29.9 million. The decrease was explained by the sale of CAPSUM participation, which was accounted for using the equity method, for a total consideration of €25 million.

Capital expenditures amounted to €28.7 million for FY2024 H1, as compared to €21.2 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 point of sales for €11.3 million;
- Investment in production line, warehouses and offices for €9.4 million;
- IT equipment, software and projects for €7.9 million; and
- Other projects and items for €0.1 million.

Financing activities

Financing activities resulted in a net outflow of €61.3 million in FY2024 H1, compared to a net outflow of €176.0 million during the same period last year. The net outflow this year was mainly resulted from the principal components of lease payments for €49.4 million, a payment for acquisition of non-controlling interests in a non-wholly owned subsidiary for €11.1 million and a net repayment of borrowings for €1.5 million.

Management Discussion & Analysis

Inventories

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

For the six months ended 30 September	2023	2022
Average inventory turnover days[1]	278	293

(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 €391.0 million as at 30 September 2023, an increase of €81.5 million or 26.3% as compared to €309.5 million as at 30 September 2022. The increase in inventory net value was mainly from the strong growth of Sol de Janeiro and the expectation of sales in the festive seasons in the third quarter.

The decrease in inventory turnover days by 15 days was attributable to the following:

- Finished goods and mini products and pouches ("**MPPs**") for -12 days; and
- Favourable FX impacts for -10 days.

This was partially offset by:

- Raw materials and work in progress for +7 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	2023	2022
Turnover days of trade receivables[1]	47	46

(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 1 day for FY2024 H1 was mainly attributable to increase in sell-in sales, in particular, with the strong growth of Sol de Janeiro selling mainly to sell-in clients having longer payment terms.

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	2023	2022
Turnover days of trade payables[1]	68	80

(1) *Turnover days of trade payables equals average trade payables divided by expenses (including cost of sales and excluding amorti sation, depreciation and employee benefits expenses) and multiplied by 182.5. Average trade payables equals the average of trade payables at the beginning and end of a given period. FY2023 H1 was updated to reflect the current calculation method.*

The decrease in turnover days of trade payables by 12 days for FY2024 H1 was explained by the lower turnover days in accruals, trade payables and other liabilities for 2 days and FX impact for 10 days.

BALANCE SHEET RATIOS

The Group's profitability ratios for FY2024 H1 varied slightly as compared to the same period last year. The capital employed varied as compared to FY2023 H1 by €488.7 million mainly due to the significant increase of the valuation of the put option granted to Sol de Janeiro non-controlling interests, linked to the stellar growth of the brand.

For the six months ended	30 September 2023	30 September 2022
	€ '000	*€ '000*
Profitability		
EBITDA[(1)]	151,191	162,953
Net operating profit after tax (NOPAT)[(2)]	58,168	76,784
Capital employed[(3)]	1,687,361	2,176,100
Return on capital employed (ROCE)[(4)]	3.4%	3.5%
Return on equity (ROE)[(5)]	3.8%	4.8%
Liquidity		
Current ratio (times)[(6)]	1.2	1.1
Quick ratio (times)[(7)]	0.7	0.7
Capital adequacy		
Gearing ratio[(8)]	27.0%	28.5%
Debt to equity ratio[(9)]	77.2%	60.8%

(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.*

(4) *NOPAT/capital employed*

(5) *Net profit attributable to equity owners of the Company/shareholders' equity at period end excluding non-controlling interest*

(6) *Current assets/current liabilities*

(7) *(Current assets – inventories)/current liabilities*

(8) *Total debt/total assets*

(9) *Net debt/(total assets – total liabilities)*

Management Discussion & Analysis

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 2023, the Group had foreign exchange derivatives net liabilities of €1.2 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 €211.0 million and €126.8 million respectively.

DIVIDENDS

At the Board meeting held on 26 June 2023, the Board recommended a distribution of a gross final dividend of €0.03129 per share for an aggregated sum of €46.0 million or 40.0% of the FY2023 net profit attributable to the equity owners of the Company. The amount of the final dividend was based on 1,471,665,650 shares in issue as at 26 June 2023 excluding 5,299,241 treasury shares. The shareholders of the Company approved the final dividend at the annual general meeting held on 27 September 2023. The dividend was paid on 20 October 2023.

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 FY2024 H1.

POST BALANCE SHEET EVENTS

On 6 June 2023, the Group signed a lease contract for a warehouse located in the United States. On the commencement date, estimated on 1 December 2023, the best estimate of right-of-use assets and lease liabilities is €37 million. The duration of the agreement is 10 years.

The Israeli-Palestinian conflict commenced on 7 October 2023 and is not considered to have material impact on the business in the Middle East. Management will continue to follow the evolution of the conflict to properly assess its potential effect on the consolidated financial information.

STRATEGIC REVIEW

The Group saw solid sales momentum in the first half of FY2024, with net sales growing 24.9% at constant rates to exceed €1 billion. The growth was driven by the continued outperformance of Sol de Janeiro, which delivered triple-digit growth in each of its geographies, and the steady performance of its core band, L'OCCITANE en Provence, which grew solidly in China despite a difficult market context.

The Group's operating profit margin was 8.4% on a management basis, mostly a result of significantly higher marketing investments for all of its brands in key markets and channels that will allow the Group to fully capture new growth opportunities and protect its market share in an increasingly competitive environment.

The Group continues to strengthen its position as a competitive multi-brand, generationally appealing and geographically balanced organization. It is expanding Sol de Janeiro into new product categories that are equally sought after as its core products, proactively implementing a premiumization plan for ELEMIS to enhance its long-term growth and profitability and adjusting its channel strategy across its business to enhance the image of its brands.

Strong marketing push and agile product strategy to drive core brand awareness and relevance in key markets

The Group is investing proactively to secure its status as a multi-billion-euro group in the years to come. In FY2024, the Group significantly increased investments for its key priorities in line with its 3P model — for People, the Planet and Profit — mostly in marketing for core brands, but also in improving its CRM capabilities, data security and upgrading factories to become more water and energy efficient, to name a few.

L'OCCITANE en Provence received the largest portion of the marketing budget to invest in key markets, notably in China but also in other strategic markets and channels such as the US, Japan, South Korea and travel retail. This is already having a pronounced effect, with core brand sales in China growing by 22% at constant rates in the first half of FY2024 despite muted consumer confidence in the overall economy.

The additional investment in China focused on the key face care, body care and hair care categories, including highly impactful marketing campaigns for its bestsellers that drove brand awareness and increased average ticket value to compensate for reduced offline traffic.

One of the major marketing initiatives held in China in the first half of FY2024 was to drive awareness and build relevance around the bestselling *Almond* range, featuring lifestyle content marketing and occasion-based KOL content, cooperative marketing with social platform Little Red Book and crossovers with premium yoga studios. The campaign delivered strong double-digit sales growth for the product range in the January-September 2023 period and established *Almond Shower Oil* as the No. 1 searched shower product on social media platforms.

Another campaign was for the launch of the *White Lavender* range, utilizing omni-channel engagement to tell a unique Provence vacation story, including celebrity and KOL content to drive social media buzz, immersive experiences at physical PR events and pop-up cafés, and 3 livestreaming sessions during Tmall's Super Brand Day. This achieved a 65% recruitment rate, more than 430 million online impressions and a more than 100% improvement in Tmall's and Little Red Book's search index.

In line with the brand's continued focus on face care, it relaunched its iconic *Immortelle Divine Cream*, featuring mass KOL engagement to generate product-focused content to drive awareness and build word of mouth, including inviting one of China's top livestreamers to Corsica to trace and discover the uniqueness of the product, cooperative marketing with Little Red Book, and highly-visible outdoor advertising exposures. This delivered strong triple-digit sales growth for *Immortelle Divine Cream* in the July-September 2023 quarter, a three-place improvement in sales ranking in the cream category in the same quarter and a triple-digit percentage increase in social buzz.

Management Discussion & Analysis

Stellar performance of Sol de Janeiro powered by core product success and new launches

Sol de Janeiro maintained its impressive momentum with sales growing by 188.8% at constant rates in the first half of FY2024, with triple-digit growth across all geographies and a strong contribution to the Group's profit, delivering an operating profit margin of 28.9%. It is now the second largest brand, making up 25.2% of the Group's net sales.

The brand's performance was boosted by a major summer campaign in its home market of the US, where Sol de Janeiro maintained the No. 1 skincare brand ranking in Sephora North America and the overall No. 1 brand ranking at Kohl's. The brand also demonstrated its year-round appeal with its limited edition Fall fragrance mist, *After Hours*, experiencing strong sales through with a sales level on par with its highly successful summer mists collection which had three SKUs.

Following on from the ongoing success of its *Brazilian Bum Bum Cream* hero product and blockbuster launches in the fragrance mist category, Sol de Janeiro is set to launch a new moisturizing body butter in December 2023 that will further fill a gap in its product portfolio and address one of the top consumer needs in the body care category.

ELEMIS pushes forward with premiumization strategy

ELEMIS grew a solid 7.6% at constant rates in the first half of FY2024. Although sales growth slowed down in FY2024 Q2, it was in line with the management's expectations as it continued to implement its premiumization strategy. Under this strategy, the brand reduced investments with certain web partners in the UK to drive traffic to its own website, where it delivered double-digit growth amid an ongoing focus on reducing discounting depth and frequency. ELEMIS's e-commerce channel in the US also continued to grow well, in line with the same strategy. Its performance in the US was impacted by its cruise ship business due to a slight delay of order shipments from FY2024 Q2 into the second half of FY2024. Excluding this channel, the US domestic business grew a healthy 18% in the quarter.

In China, ELEMIS saw sales growth of over 200% as it accelerated marketing investments on social media channels, highlighting its global bestsellers such as the *Pro-Collagen Cleansing Balm* . KOL livestreaming via Douyin also had a powerful impact on the brand's sales growth.

Despite the weaker growth in FY2024 Q2, ELEMIS remains on track to reach its annual targets, with sell-out growth in the US of over 40% in the first half of FY2024, alongside double-digit sell-out growth in its UK and cruise ship businesses, pointing to the continued strength of the brand.

Refinement of omni-channel strategy to enhance brand image

Similar to ELEMIS, the Group took steps to refine the omni-channel strategy of its core brand and re-focus on its own sell-out channels to enhance brand image, ceasing the distribution of L'OCCITANE en Provence in pharmacy channels in France.

In recent years, the Group's channel mix has become more diversified, having been balanced by the rapid growth of Sol de Janeiro and ELEMIS which have a higher wholesale sales mix. These newer brands, along with expansion and growth in travel retail channels led by Sol de Janeiro and Grown Alchemist, saw wholesale and other channel sales grow by 44.9% at constant rates in the first half of FY2024. It is currently the Group's largest channel, accounting for 40.8% of net sales.

Online channels posted a solid 26.9% growth at constant rates, mainly driven by Sol de Janeiro and ELEMIS, as well as the Group's newly launched marketplace channel on Douyin in China, where engagement with top livestreamers boosted sales growth and new traffic for the core brand and ELEMIS. Retail sales globally grew a steady 3.7% at constant rates, mostly contributed by the improved situation in China compared to the same period last year.

A certified B Corporation™

The Group has a clear focus on delivering against the triple bottom-line – People, the Planet and Profit. In August 2023, the Group became a certified B Corporation™, highlighting its ongoing commitment and further solidifying its status as a pioneer in premium sustainable beauty and wellness.

As a globally recognized standard, what sets B Corp apart is that it measures and verifies a company's entire social and environmental performance and ensures transparency and accountability. During its two-year journey to certification, the Group used the B Corp framework to rigorously evaluate its impact on all stakeholders across five pillars – its governance, workers, environment, community and customers.

In line with its mission to positively impact people and regenerate nature through empowerment, the B Corp certification will help the Group to keep pushing for better as it pursues its long-term ambition to create a nature-positive world. As part of the B Corp community, the Group will also be able to leverage its position as a global company to drive positive change in and beyond its value chain.

OUTLOOK

Looking ahead, the Group remains cautiously optimistic about its prospects in the second half of FY2024 as it heads into the holiday and gifting seasons. Although the Group's additional marketing investments will weigh on its profit margins this fiscal year, it is also necessary for building upon the existing strengths of all of its brands and fully capturing the opportunities in key strategic markets and channels. Targeted campaigns focused on global bestsellers are already bearing fruit in boosting brand awareness and engagement, and are vital in supporting the core brand's ability to outperform the overall premium beauty market in China.

Although the macroeconomic environment remains uncertain, the Group's portfolio of strong and unique premium beauty brands and its commitment to invest for the long-term will drive sustainable growth and profitability for its shareholders and stakeholders.

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 2023, 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 "Review of interim financial information performed by the independent auditor of the entity") 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, 30 November 2023

Magalie Cormier

Interim Consolidated Statement of Income

In thousands of euros, except per share data	*Notes*	Period ended 30 September 2023	2022
Net sales	(5)	**1,072,024**	**900,505**
Cost of sales	(23)	(232,109)	(178,229)
Gross profit		**839,915**	**722,276**
% of net sales		78.3%	80.2%
Distribution expenses	(23)	(391,722)	(353,072)
Marketing expenses	(23)	(237,475)	(160,620)
Research and development expenses	(23)	(11,334)	(10,169)
General and administrative expenses	(23)	(114,069)	(96,341)
Other operating income	(24)	2,232	3,467
Other operating expenses	(24)	(2,321)	(14,437)
Share of profit/(loss) from associates and joint ventures accounted for using the equity method	(12)	(8,464)	(4,073)
Operating profit		**76,762**	**87,031**
Finance income	(25)	2,651	1,064
Finance costs	(25)	(26,388)	(15,528)
Foreign currency gains/(losses)	(26)	(2,282)	(896)
Profit before income tax		**50,743**	**71,671**
Income tax expense	(27)	(11,113)	(7,781)
Profit for the period		**39,630**	**63,890**
Attributable to:			
Equity owners of the Company		34,033	61,832
Non-controlling interests		5,597	2,058
Total		**39,630**	**63,890**
Earnings per share for profit attributable to equity owners of the Company during the period *(expressed in euros per share)*	(28)		
Basic		0.023	0.042
Diluted		0.023	0.042
Number of shares used in earnings per share calculation	(28)		
Basic		1,472,169,550	1,471,333,800
Diluted		1,474,324,900	1,473,647,433

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 2023	2022
Profit for the period		**39,630**	**63,890**
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)	(4,988)	(4,215)
Items that may subsequently be reclassified to profit or loss			
Reclassification of currency translation differences relating to the sale of L'Occitane Russia	(6.2)	–	10,805
Currency translation differences [(1)]		35,467	124,367
Total items that may subsequently be reclassified to profit or loss		**30,479**	**130,957**
Other comprehensive income/(loss) for the period, net of tax		**30,479**	**130,957**
Total comprehensive income/(loss) for the period		**70,109**	**194,847**
Attributable to:			
— Equity owners of the Company		63,550	183,261
— Non-controlling interests		6,559	11,586
Total comprehensive income/(loss) for the period		**70,109**	**194,847**

(1) *For the period ended 30 September 2023 and 2022, currency translation differences were mainly generated by USD and notably concerned 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 2023**	**31 March 2023**
Property, plant and equipment	(8)	129,728	125,234
Right-of-use assets	(9.1)	260,046	271,656
Goodwill	(10)	910,593	893,542
Intangible assets	(11)	499,972	490,188
Deferred income tax assets		107,335	84,966
Investments accounted for using the equity method	(12)	40,126	66,124
Other non-current assets	(13)	70,622	76,636
Non-current assets		**2,018,422**	**2,008,346**
Inventories	(14)	390,951	317,197
Trade receivables	(15)	297,827	256,553
Other current assets	(16)	125,038	84,740
Derivative financial instruments	(17)	609	2,337
Cash and cash equivalents		104,040	147,255
Current assets		**918,465**	**808,082**
TOTAL ASSETS		**2,936,887**	**2,816,428**

Interim Consolidated Balance Sheet

EQUITY AND LIABILITIES *In thousands of euros*	*Notes*	**30 September 2023**	**31 March 2023**
Share capital	(18)	44,309	44,309
Additional paid-in capital	(18)	342,851	342,851
Other reserves		(596,222)	(368,342)
Retained earnings		1,108,115	1,120,146
Capital and reserves attributable to the equity owners of the Company		**899,053**	**1,138,964**
Non-controlling interests		53,094	48,037
Total equity		**952,147**	**1,187,001**
Borrowings	(19)	312,969	324,819
Lease liabilities	(9.2)	182,790	193,309
Other financial liabilities	(7)	589,257	338,650
Other non-current liabilities	(20)	29,314	22,343
Deferred income tax liabilities		99,814	99,488
Non-current liabilities		**1,214,144**	**978,609**
Trade payables	(21)	265,408	210,103
Payroll and tax liabilities		110,580	98,461
Current income tax liabilities		17,088	25,424
Borrowings	(19)	212,195	194,040
Lease liabilities	(9.2)	85,213	82,393
Derivative financial instruments	(17)	1,846	248
Provisions	(22)	3,273	3,683
Other current liabilities	(20)	74,993	36,466
Current liabilities		**770,596**	**650,818**
TOTAL EQUITY AND LIABILITIES		**2,936,887**	**2,816,428**

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 consideration paid in transactions with non-controlling interests**	**Profit for the period**	**Non-controlling interests**	**TOTAL EQUITY**
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
Changes in the fair value of equity investments at fair value through other comprehensive income	(4.3)	–	–	–	–	(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 estimates 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	(6.2)	–	–	–	–	–	–	–	–	–	–	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**	**116,696**	**(13,280)**	**2,113**	**(299,456)**	**1,066,868**	**55,675**	**1,352,953**
Balance at 31 March 2023		**1,476,964,891**	**44,309**	**342,851**	**23,833**	**15,423**	**(164)**	**(12,104)**	**3,523**	**(398,853)**	**1,120,146**	**48,037**	**1,187,001**
Profit for the 6-month period		–	–	–	–	–	–	–	–	–	34,033	5,597	39,630
Other comprehensive income													
Currency translation differences		–	–	–	–	–	34,505	–	–	–	–	962	35,467
Changes in the fair value of equity investments at fair value through other comprehensive income	(4.3)	–	–	–	–	(4,988)	–	–	–	–	–	–	(4,988)
Total comprehensive income		**–**	**–**	**–**	**–**	***(4,988)***	***34,505***	**–**	**–**	**–**	***34,033***	***6,559***	***70,109***
Transactions with owners													
Dividends provided for or paid		–	–	–	–	–	–	–	–	–	(46,064)	(268)	(46,332)
Contribution from the parent		–	–	–	1,326	–	–	–	–	–	–	–	1,326
Exercise of 560,300 stock options		–	–	–	(1,282)	974	–	1,282	–	–	–	–	974
Employee share option: value of employee services		–	–	–	1,034	–	–	–	–	–	–	–	1,034
Total distribution by and distribution to the owners of the Company		**–**	**–**	**–**	***1,078***	***974***	**–**	***1,282***	**–**	**–**	***(46,064)***	***(268)***	***(42,998)***
Change in estimates in the valuation of the exercise price of the put options granted to non-controlling interests	(7)	–	–	–	–	–	–	–	–	(262,694)	–	–	(262,694)
Acquisition of non-controlling interests	(6.1)	–	–	–	–	–	–	–	–	1,963	–	(1,234)	729
Total transactions with owners		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	***(260,731)***	**–**	***(1,234)***	***(261,965)***
Balance at 30 September 2023		**1,476,964,891**	**44,309**	**342,851**	**24,911**	**11,409**	**34,341**	**(10,822)**	**3,523**	**(659,584)**	**1,108,115**	**53,094**	**952,147**

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 **2023**	**2022**
Cash flows relating to operating activities			
Profit for the period		39,630	63,890
Adjustments to reconcile profit for the period to net cash from operating activities			
Depreciation, amortisation and impairment	(23.3)	76,711	76,816
Tax expenses	(27.1)	11,113	7,781
Unwinding of discount on lease liabilities	(25)	4,197	3,555
Interest income/expenses	(25)	10,895	3,027
Share-based payments	(18.3)	2,360	1,484
Share of (profit)/loss from associates and joint ventures accounted for using the equity method	(12)	8,464	4,073
Change in the fair value of derivatives	(26)	3,325	2,835
Change in the fair value of financial assets	(4.3)	8,645	7,885
Other losses/(gains) on sale of assets — net		792	(372)
Net movements in provisions	(22)	623	1,465
Capital loss from the sale of L'Occitane Russia before reclassification of currency translation differences	(24)	–	3,632
Reclassification to income statement of the charge previously recognized in other comprehensive income (currency translation differences)	(24)	–	10,805
Capital gain arising from the change in the % of interests in associates and joint ventures	(24)	–	(1,700)
Non cash items		***127,125***	***121,286***
Interest paid		(10,894)	(3,027)
Income tax paid		(41,530)	(45,649)
Changes in working capital			
Inventories		(71,163)	(34,625)
Trade receivables		(38,477)	(54,648)
Trade payables		43,819	4,689
Salaries, wages, related payroll items and other tax liabilities		11,415	(25,492)
Other assets and liabilities, net		(35,064)	(1,656)
Changes in working capital		***(89,470)***	***(111,732)***
Net cash inflow/(outflow) from operating activities		**24,861**	**24,768**

Interim Consolidated Statement of Cash Flows

In thousands of euros	*Notes*	Period ended 30 September 2023	2022
Cash flows relating to investing activities			
Acquisition of subsidiaries, net of cash acquired	(6)	–	(3,549)
Investments in associates	(6.1)	15,573	(13,456)
Acquisition of property, plant and equipment	(8)	(24,542)	(19,302)
Acquisition of intangible assets	(11)	(4,454)	(4,252)
Proceeds from sale of intangible assets and property, plant and equipment		306	2,323
Sale of L'Occitane Russia	(6)	–	(11,654)
Change in deposits and key money paid to lessors		(2,043)	(533)
Change in non-current receivables and liabilities		(1,848)	3,297
Other financial investments		(3,949)	(3,768)
Net cash inflow/(outflow) from investing activities		**(20,957)**	**(50,894)**
Cash flows relating to financing activities			
Proceeds from borrowings	(19)	199,324	306,314
Repayments of borrowings	(19)	(200,845)	(352,409)
Principal components of lease payments		(49,430)	(55,504)
Dividends paid to non-controlling interests		(268)	–
Sales of treasury shares		974	2,196
Payment for acquisition of non-controlling interests in a non-wholly owned subsidiary		(11,100)	(76,579)
Net cash inflow/(outflow) from financing activities		**(61,345)**	**(175,982)**
Exchange gains/(losses) on cash, cash equivalents and bank overdrafts		6,658	(8,181)
Net (decrease)/increase in cash, cash equivalents and bank overdrafts		**(50,783)**	**(210,289)**
Cash and cash equivalents at the beginning of the period		**147,255**	**360,899**
Cash and cash equivalents		*147,255*	*360,899*
Cash and cash equivalents at end of the period		**96,472**	**150,610**
Cash and cash equivalents		*104,040*	*150,610*
Bank overdrafts		*(7,568)*	–

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 2023. It was subject to a limited review by the Statutory Auditors and not a full audit.

2. BASIS OF PREPARATION

2.1 Basis of preparation

This interim condensed consolidated financial information for the six-month period ended 30 September 2023 ("period ended 30 September 2023") 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 2023, 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 2023, 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 2023 which have no material impact on the interim condensed consolidated financial information are listed below:

- Disclosure of Accounting Policies — this amendment to IAS 1 requires entities to disclose their "material accounting policy information" rather than their significant accounting policies. The amendments define what material accounting policy information is and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed and that if it is disclosed, it should not obscure material accounting policy information.

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)

- Definition of Accounting Estimates — this amendment to IAS 8 clarifies how companies should distinguish between changes in accounting policies and changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, whereas changes in accounting policies are generally applied retrospectively to past transactions and other past events, as well as the current period.

- Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction — this amendment to IAS 12 requires companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases recognized by lessees and decommissioning obligations and will require the recognition of additional deferred tax assets and liabilities. In its consolidated financial statements as at 31 March 2024, the Group will disclose separately the deferred tax assets on lease liabilities and the deferred tax liabilities on right-of-use assets.

Interpretations and amendments to IFRSs effective for reporting periods beginning on or after 1 April 2023 with a material impact on the interim condensed consolidated financial information are listed below:

- International Tax Reform — Pillar Two Model Rules — these amendment to IAS 12 provides temporary relief from accounting for deferred taxes arising from the implementation of the Pillar Two model rules. In December 2021, the Organisation for Economic Co-operation and Development (OECD) released the Pillar Two model rules to reform international corporate taxation with the aim of ensuring that multinational enterprises with global revenue exceeding €750 million pay a minimum effective corporate tax rate of 15%. For the Group, the Pillar Two model rules should be applicable as from FY25. The Group is currently working to measure the impact of this reform and to coordinate the processes necessary to ensure compliance with its obligations. In the consolidated financial statements as at 31 March 2024, the Group will disclose qualitative and quantitative information on the Pillar Two impacts.

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

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

- Classification of Liabilities as Current or Non-Current, and Non-Current Liabilities with Covenants — this amendment to IAS 1 clarifies that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. The Group does not expect this amendment to have a material impact on the consolidated financial statements as at 31 March 2024.

2. BASIS OF PREPARATION *(CONTINUED)*

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 2023.

2.4. Seasonality of operations

The Group is subject to significant seasonal variation in its sales, which are substantially higher in its third financial quarter (between 1 October and 31 December) in anticipation of and during the Christmas holiday season. Sales generated during the period ended 30 September 2022 represented 42.2% of the Group's annual sales for the year ended 31 March 2023 and operating profit in that period represented 36.4% of annual operating profit. These ratios are not representative of sales and operating profit expected for the year ended 31 March 2024.

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 2023

Comparison with the period ended 30 September 2022

The presentation of the interim condensed consolidated financial information is impacted by the sale of L'Occitane Russia on 3 June 2022.

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

The Group management has revised the valuation at the fair value of the receivable from the sale of L'Occitane Russia to be nil. A loss of €8,645 thousand is recorded as a financial item within "Finance costs" (see Note 25).

Changes in Group structure

All changes are described in the Note 6.1.

Notes to the Interim Condensed Consolidated Financial Information

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 exchange 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 2023.

(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 portion of production and purchasing costs is therefore denominated in EUR for L'OCCITANE en Provence and Melvita. For ELEMIS, LimeLife and Sol de Janeiro, transactions relating to the cost of sales are respectively carried out with third parties in GBP and USD, and production and purchasing are in GBP and USD. For Grown Alchemist, transactions relating to the cost of sales are carried out in AUD. The Group is thus exposed to foreign exchange risk on its commercial transactions (both known and forecasted).

The Group invoices its subsidiaries in their local currencies whenever possible, in order to centralise foreign exchange risk at 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.

Commercial transactions

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

Economic risk (amounts forecasted) is hedged depending on market conditions and management expectations. All decisions to hedge economic risk are formally approved by the Group Chief Financial Officer.

The Group uses forward contracts to hedge the majority of its foreign exchange risk exposure and currency options hedging up to 40% of its exposure on its main currencies (USD, GBP, JPY, HKD, AUD and CNY). All decisions to use foreign exchange derivatives-based products are formally approved by the Group Chief Financial Officer. The Group does not use hedge accounting.

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

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.

4. FINANCIAL RISK MANAGEMENT *(CONTINUED)*

4.1. Financial risk factors *(continued)*

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

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 floating rates expose the Group to cash flow interest rate risk. The analysis of borrowings by type of interest 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 the debt covenants described in Note 19.2, the margin on certain bank borrowings can change.

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 securities, 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 trade receivables 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 banks and financial institutions, as well as credit exposures to wholesale and retail customers and to the former four key directors of L'Occitane Russia (notes 4.3).

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

- For customers in the "Wholesale & other" channel, 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 counterparties. As at 30 September 2023 and 2022, 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 "Retail" and "Online" channels, 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 Retail and Online 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.

Notes to the Interim Condensed Consolidated Financial Information

4. FINANCIAL RISK MANAGEMENT *(CONTINUED)*

4.1. Financial risk factors *(continued)*

(b) ***Credit risk (continued)***

- 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 are transferred 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-.

(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 reserves (comprising undrawn borrowing facilities and cash and cash equivalents) based on expected cash flows. The liquidity reserves as at 30 September 2023 were as follows:

In thousands of euros	**30 September 2023**	**31 March 2023**
Cash and cash equivalents and bank overdrafts	96,472	147,255
Undrawn borrowing facilities	465,302	461,523
Liquidity reserves	**561,774**	**608,778**

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 is subject to a financial covenant (see Note 19.2).

The Group has prepared a cash projection for the period from October 2023 to March 2024 which shows no liquidity risks.

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. FINANCIAL RISK MANAGEMENT *(CONTINUED)*

4.3. Fair value measurement hierarchy

For financial instruments, IFRS 13 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).

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

	30 September 2023				31 March 2023			
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)*	–	609	–	609	–	2,337	–	2,337
Financial assets at fair value through profit or loss *(Note 4.3)*	–	–	–	–	–	–	8,645	8,645
Financial assets at fair value through other comprehensive income (FVOCI) *(Note 13)*	8,643	2,662	25,536	36,841	9,416	2,847	25,617	37,880
Total financial assets	**8,643**	**3,271**	**25,536**	**37,450**	**9,416**	**5,184**	**34,262**	**48,862**
Liabilities								
Derivative financial instruments *(Note 17)*	–	1,846	–	1,846	–	248	–	248
Other financial liabilities *(Note 7)*	–	–	589,257	589,257	–	–	338,650	338,650
Total financial liabilities	**–**	**1,846**	**589,257**	**591,103**	**–**	**248**	**338,650**	**338,898**

(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.*

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 specialized in recycling plastic and packaging products for a net amount of €10,000 thousand (less than 3% of the total shares). On 13 July 2023, L'Occitane International S.A. invested an additional amount of €3,284 thousand in this company (Note 6.1).

As at 30 September 2023, the total amount invested corresponded to €13,284 thousand including losses of €4,641 thousand recorded in other comprehensive income, of which €4,057 thousand was recognised during the period.

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 2023:

In thousands of euros	**Financial assets as at 31 March 2023**	**Transfer from level 2 to level 3**	**New financial assets**	**Disposals**	**Gain/(loss) recognised through OCI**	**Gain/(loss) recognised through profit or loss**	**Exchange difference**	**Financial assets as at 30 September 2023**
Derivative financial instruments *(Note 17)*	2,337	–	–	–	–	(1,728)	–	609
Other investments at fair value through other comprehensive Income (FVOCI)	2,847	(700)	475	–	–	–	40	2,662
Sub-total financial assets at FVOCI	**2,847**	**(700)**	**475**	**–**	**–**	**–**	**40**	**2,662**
Total financial Assets (level 2)	**5,184**	**(700)**	**475**	**–**	**–**	**(1,728)**	**40**	**3,271**

In thousands of euros	**Financial liabilities as at 31 March 2023**	**Transfer from level 2 to level 3**	**New financial liabilities**	**Disposals**	**(Gain)/loss recognised through OCI**	**(Gain)/loss recognised through profit or loss**	**Exchange difference**	**Financial liabilities as at 30 September 2023**
Derivative financial instruments *(Note 17)*	248	–	–	–	–	1,598	–	1,846
Total financial Liabilities (level 2)	**248**	**–**	**–**	**–**	**–**	**1,598**	**–**	**1,846**

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 2023:

In thousands of euros	Financial assets as at 31 March 2023	Transfer from level 2 to level 3	New financial assets	Disposals	Gain/(loss) recognised through OCI	Gain/(loss) recognised through profit or loss	Unwinding of discount	Exchange difference	Financial assets as at 30 September 2023
Financial assets at fair value through profit or loss (FVPL)									
Fair value of the receivable from the sale of L'Occitane Russia *(Note 13)*	8,645	–	–	–	–	(8,645)	–	–	–
Sub-total financial assets at FVPL	**8,645**	**–**	**–**	**–**	**–**	**(8,645)**	**–**	**–**	**–**
Financial assets at fair value through other comprehensive income (FVOCI)									
SCPI FI Commerce (real estate investment fund)	9,079	–	–	–	(789)	–	–	–	8,290
Truffle investment	13,757	–	–	–	(142)	–	–	–	13,615
Other investments	2,781	700	300	(150)	–	–	–	–	3,631
Sub-total financial assets at FVOCI	**25,617**	**700**	**300**	**(150)**	**(931)**	**–**	**–**	**–**	**25,536**
Total financial assets (level 3)	**34,262**	**700**	**300**	**(150)**	**(931)**	**(8,645)**	**–**	**–**	**25,536**

In thousands of euros	Financial liabilities as at 31 March 2023	New financial liabilities	Exercise of put options	Gain/(loss) recognised through OCI	Gain/(loss) recognised through profit or loss	Unwinding of discount	Changes in estimates in the valuation of the exercise price	Exchange difference	Financial liabilities as at 30 September 2023
Other financial liabilities *(Note 7)*	338,650	–	(12,087)	–	–	1,608	247,035	14,051	589,257
Total financial liabilities (level 3)	**338,650**	**–**	**(12,087)**	**–**	**–**	**1,608**	**247,035**	**14,051**	**589,257**

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)

Assets at fair value through other comprehensive income

Among the financial assets at fair value through other comprehensive income, other investments correspond to an investment of €1,707 thousand in the fund Karista and 13 investments individually representing less than €200,000; for all the investments the percentage of voting shares is lower than 20%.

Other financial liabilities

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 €547,752 thousand.
- Put option on 14 Groupe S.A. non-controlling interests for €22,400 thousand.
- Put option on Elemis non-controlling interests for €12,770 thousand.
- Put option on Symbiose France non-controlling interests for €4,373 thousand.
- Put option on L'Occitane GmbH non-controlling interests for €1,962 thousand.

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 considerations for measuring the fair value of the receivable from the sale of L'Occitane Russia (Note 6.2.1)

Main characteristics

The main characteristics of the transaction are as follows:

- Payment for the shares will be made through four instalments between June 2025 and June 2028.
- Payment for 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's 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 measured at fair value through profit or loss.

Measurement of the fair value

The fair value of the receivable was €44,546 thousand as at 3 June 2022, €36,661 thousand as at 30 September 2022 and €8,645 thousand as at 31 March 2023.

As at 30 September 2023, the Group's management assessed the fair value of the receivable to be nil due to the following:

- High risk of credit default (probability of default estimated at 100% based on market data).
- Lack of liquidity due to lack of transactions in relation to Russian entities.

5. SEGMENT INFORMATION

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

The Chairman and the CEO primarily review the Group's internal reporting to assess performance and allocate resources from a brand perspective. Four operating segments have been identified:

- **L'OCCITANE en Provence** — the sale of fragrances, skincare, haircare and body and bath ranges from the L'OCCITANE en Provence brand.
- **Sol de Janeiro** — the sale of fragrances, skincare, haircare and bodycare from the Sol de Janeiro brand. Sales are mainly driven by consumers through its website ("Retail" and "Online" channels) and through various premium retailers, marketplaces and department stores ("Wholesale & other" channel).
- **ELEMIS** — the sale of skincare products by ELEMIS, a brand for distribution and innovation in the beauty and skincare sectors. Sales are mainly driven through wholesale, e-commerce, department stores, QVC, professional spas and maritime sales ("Wholesale & other" channel).
- **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, customer, distribution channel ("Retail", "Online" and "Wholesale & other" channels), and financial performance, and they do not individually or cumulatively exceed the quantitative criteria defined in IFRS 8.

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

Notes to the Interim Condensed Consolidated Financial Information

5. SEGMENT INFORMATION *(CONTINUED)*

5.1 Operating segments

The main performance indicator for each operating segment is its operating profit/(loss). Operating segment information is as follows:

30 September 2023

In thousands of euros	L'OCCITANE en Provence	Sol de Janeiro	ELEMIS	Other brands	Total
Net sales	**595,638**	**269,988**	**109,156**	**97,242**	**1,072,024**
In % of total	*55.6%*	*25.2%*	*10.2%*	*9.1%*	*100.0%*
Gross profit	**496,114**	**189,408**	**82,837**	**71,556**	**839,915**
% of net sales	*83.3%*	*70.2%*	*75.9%*	*73.6%*	*78.3%*
Distribution expenses	(276,385)	(41,249)	(32,559)	(41,529)	(391,722)
Marketing expenses	(129,026)	(50,699)	(30,351)	(27,399)	(237,475)
Research & development expenses	(7,741)	(1,184)	(1,190)	(1,219)	(11,334)
General and administrative expenses	(73,453)	(18,345)	(11,685)	(10,586)	(114,069)
Share of profit/(loss) from associates and joint ventures accounted for using the equity method	(8,464)	–	–	–	(8,464)
Other operating income	2,022	–	–	210	2,232
Other operating expenses	(2,321)	–	–	–	(2,321)
Operating profit/(loss)	**746**	**77,931**	**7,052**	**(8,967)**	**76,762**
% of net sales	*0.1%*	*28.9%*	*6.5%*	*(9.2)%*	*7.2%*

30 September 2022

In thousands of euros	L'OCCITANE en Provence	Sol de Janeiro	ELEMIS	Other brands	Total
Net sales	**610,322**	**94,605**	**105,118**	**90,460**	**900,505**
In % of total	*67.8%*	*10.5%*	*11.7%*	*10.0%*	*100.0%*
Gross profit	**513,643**	**64,556**	**78,036**	**66,041**	**722,276**
% of net sales	*84.2%*	*68.2%*	*74.2%*	*73.0%*	*80.2%*
Distribution expenses	(274,183)	(7,512)	(27,282)	(44,095)	(353,072)
Marketing expenses	(95,262)	(19,745)	(26,720)	(18,893)	(160,620)
Research & development expenses	(7,230)	(279)	(969)	(1,691)	(10,169)
General and administrative expenses	(66,181)	(10,105)	(11,704)	(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**	**26,915**	**11,380**	**(6,636)**	**87,031**
% of net sales	*9.1%*	*28.4%*	*10.8%*	*(7.3%)*	*9.7%*

There are no significant inter-segment transfers or transactions.

5. SEGMENT INFORMATION *(CONTINUED)*

5.2. Geographic areas

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

	Period ended 30 September			
	2023		2022	
In thousands of euros	**Total**	***In %***	**Total**	***In %***
Asia Pacific	371,361	34.6%	370,280	41.1%
Including China	*134,862*	*12.6%*	*117,380*	*13.0%*
Americas	442,381	41.3%	280,990	31.2%
Including the United States	*389,920*	*36.4%*	*231,753*	*25.6%*
EMEA	258,282	24.1%	249,235	27.7%
Net sales	**1,072,024**	**100%**	**900,505**	**100%**

6. INFORMATION RELATING TO CHANGES IN GROUP STRUCTURE

6.1 For the period ended 30 September 2023

6.1.1 Acquisition of a non-controlling interest in Group Fourteen Holdings Pty Ltd

On May 4, 2023, the put option was exercised and the Board of Directors approved the acquisition of the shares held by the non-controlling shareholders for an amount of €10,036 thousand (Note 7). L'Occitane International S.A. purchased 35% of Group Fourteen Holdings Pty Ltd (the holding company of the Grown Alchemist activity). The Company's percentage interest in the entity after this transaction is 67%.

6.1.2 Acquisition of a non-controlling interest in ELEMIS

In 31 May 2023, the Group purchased 0.1% of LOI Elemis SARL for a total consideration of €1,065 thousand. After this acquisition, its percentage interest in the entity is 98.7%.

6.1.3 Investment in Good Glamm Group

On 31 May 2023, L'Occitane International S.A. took part in a fund raising round carried out by Good Glamm Group (accounted for using the equity method), contributing €9,427 thousand and increasing its percentage interest from 15.53% to 15.80% (see Note 12).

6.1.4 Sale of Duolab

On 1 April 2023, L'Occitane International S.A. sold Duolab International SARL to DLI Beauty holding SARL for €359 thousand. The resulting capital gain of €1,320 thousand is recorded in 'Other operating income'. (see Note 24).

6.1.5 Investment in Carbios

On 13 July 2023, L'Occitane International S.A. invested an additional €3,284 thousand in Carbios S.A. (accounted for fair value through other comprehensive income). The shares acquired represent less than 3% of the total share capital (see Note 4.3).

6.1.6 Disposal of Capsum

On 2 August 2023, L'Occitane International S.A. sold Capsum shares to Chanel SARL for a price of €25,000 thousand. This transaction resulted in a net loss of €1,993 thousand recorded under "Other operating expenses" in the interim consolidated financial statements (see Note 12 and 24).

Notes to the Interim Condensed Consolidated Financial Information

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

6.2 For the year ended 31 March 2023

6.2.1 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 consolidated net sales for the year to 31 March 2022 and 2.1% of the Group's total assets as at that date. 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 hold between 23% and 31% of the total shares formerly held by the Group.

Payment for the shares will be made through four instalments between June 2025 and June 2028 (see Note 4.3) and 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 no longer had exclusive control of the Russian entity and did not have 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 material).

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 thousands of euros	**31 May 2022**
Property, plant and equipment	2,078
Right-of-use assets	15,875
Goodwill	28,491
Intangible assets	560
Deferred income tax assets	2,792
Other non-current assets	1,229
Non-current assets	**51,025**
Inventories	10,235
Trade receivables	8,146
Other current assets	2,703
Cash and cash equivalents	11,654
Current assets	**32,738**
Total assets	**83,763**
Lease liabilities	9,814
Other non-current liabilities	173
Non-current liabilities	**9,988**
Trade payables	15,337
Payroll and tax liabilities	3,324
Lease liabilities	6,490
Other current liabilities	986
Provisions	0
Other current liabilities	**26,137**
Total liabilities	**36,125**
Net assets	**47,638**

The impact on the consolidated financial statements of the two months of activity in April and May was €10,409 thousand in net sales and €1,230 thousand in profit.

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

6.2 For the year ended 31 March 2023 *(continued)*

6.2.1 Exit from Russia (continued)

Loss resulting from the sale of L'Occitane Russia

The capital loss on disposal estimated as at 3 June 2022 amounted to €14,437 thousand and was composed of (in thousands of euros):

Fair value of the receivable after illiquidity discount	44,546
(-) Net assets of the Russian entity as at 3 June 2022	47,638
(-) Net amount of loss on trade receivables and reversal of consolidation entries	540
Capital loss from the sale of L'Occitane Russia before reclassification of currency translation differences ***(Note 24)***	**(3,632)**
(-) Reclassification to statement of income of the charge previously recognised in other comprehensive income (currency translation differences) *(Note 24)*	(10,805)
Capital loss from the sale of L'Occitane Russia	**(14,437)**

The capital loss was recorded within "Other operating expenses" in the statement of income (see Note 4.3 for details on the fair value of the receivable).

6.2.2 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 the equity interests (representing 76.18% of the voting rights) in 14 Groupe S.A.. 14 Groupe S.A. holds 65% of the equity interests and voting rights of Grown Alchemist for an amount of €5,033 thousand. L'Occitane International S.A. holds 32.01% of the equity interests of Grown Alchemist.

As the transaction was 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, bodycare, 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 interest	32.01%
Net identifiable assets acquired by the Group	1,645
Goodwill	**3,388**

Notes to the Interim Condensed Consolidated Financial Information

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

6.2 For the year ended 31 March 2023 *(continued)*

6.2.2 Acquisition of Grown Alchemist (continued)

Assets acquired and liabilities assumed in thousands of euros

ASSETS *In thousands of euros*	**Carrying amount — 1 April 2022**	**Fair value adjustment**	**Fair value**
Property, plant and equipment, net	1,015	–	1,015
Intangible assets, net	243	–	243
Other non-current receivables	69	–	69
Non-current assets	**1,327**	**–**	**1,327**
Inventories	5,593	–	5,593
Trade receivables	1,854	–	1,854
Other current assets	374	–	374
Cash and cash equivalents	1,484	–	1,484
Current assets	**9,305**	**–**	**9,305**
Total assets	**10,632**	**–**	**10,632**
LIABILITIES *In thousands of euros*			
Borrowings	2,697	–	2,697
Non-current liabilities	**2,697**	**–**	**2,697**
Trade payables	1,526	–	1,526
Payroll and tax liabilities	411	–	411
Other current liabilities	858	–	858
Current liabilities	**2,795**	**–**	**2,795**
Total liabilities	**5,492**	**–**	**5,492**
Net identifiable assets acquired	5,140	–	5,140
Deduct: non-controlling interests	(3,495)	–	(3,495)
Add: goodwill	–	–	3,388
Net assets acquired	**1,645**	**–**	**5,033**

The Group recognised the non-controlling interests in the acquired entity based on the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

The put options granted by the Group to non-controlling interests were measured according to the accounting policy described in Note 7.

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

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

6.2 For the year ended 31 March 2023 *(continued)*

6.2.2 Acquisition of Grown Alchemist (continued)

Contribution to net sales and profit

The acquired business contributed €15,000 thousand to the Group's net sales and a loss of €4,200 thousand in the consolidated financial statements.

6.2.3 Investment in L'Occitane Middle East

On 1 June 2022, the Group invested an additional amount of €13,456 thousand in cash in L'Occitane Middle East to develop its activity in Saudi Arabia. The percentage interest remained stable at 51%.

7. OTHER FINANCIAL LIABILITIES

Changes in other financial liabilities

Other financial liabilities correspond mainly to put option arrangements.

The Group records all changes related to (i) changes in estimates, (ii) exchange differences and (iii) unwinding of discounts in equity within "Excess of consideration paid in transactions with non-controlling interests".

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 non-controlling shareholders with put options**	**31 March 2023**	**New put options**	**Exercise of put option**	**Changes in estimates in the valuation of the exercise price**	**Unwinding of discount**	**Exchange differences**	**30 September 2023**
Put on Sol de Janeiro non-controlling interests [(a)]	17.30%	285,138	-	-	247,035	1,426	14,153	547,752
Put on 14 Groupe S.A. non-controlling interests	48.68%	23,400	-	(1,000)	-	102	(102)	22,400
Put on Grown Alchemist non-controlling interests [(b)]	0.00%	10,036	-	(10,036)	-	-	-	-
Put on ELEMIS non-controlling interests	1.28%	13,771	-	(1,051)	-	50	-	12,770
Put on Symbiose France non-controlling interests	2.20%	4,357	-	-	-	16	-	4,373
Put on L'Occitane GmbH non-controlling interests	30.00%	1,948	-	-	-	14	-	1,962
Total other financial liabilities *(note 4.3)*		**338,650**	**–**	**(12,087)**	**247,035**	**1,608**	**14,051**	**589,257**

(a) The Group management revised the amount of the put options for Sol de Janeiro non-controlling interests based on the new busine ss plan proposed by the local management and approved by the Group management.

(b) On 1 April 2022, a put option was granted to the non-controlling shareholders of Grown Alchemist Holdings Pty Ltd for an amount of €17,600 thousand. On 4 May 2023, the Board of Directors approved the acquisition of the shares held by the non-controlling shareholders for an amount of €10,036 thousand. As at 31 March 2023, the fair value of the put option corresponded to the purchase price of the shares.

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 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 2023	31 March 2023	Unobservable inputs	Range of inputs 30 September 2023	31 March 2023	Relationship of unobservable inputs to present value of redemption amount
Put on Sol de Janeiro non-controlling interests	547,752	285,138	Compound annual growth rate for net sales ("CAGR")	32%	19%	Increasing the annual EBIT growth rate by 100 basis points would increase the present value by €5,478 thousand. Decreasing the annual EBIT growth rate by 100 basis the points would decrease the present value by €5,478 thousand.
			Annual EBIT growth rate	21% – 36%	15% – 19%	
			Average % EBIT over the plan	19%	20%	
Put on ELEMIS non-controlling interests	12,770	13,771	Compound annual growth rate for net sales ("CAGR")	Same observable inputs as the ones used in the ELEMIS business and disclosed in Note 4.1 of our annual report.		Increasing the annual EBIT growth rate by 100 basis points would increase the present value by €128 thousand. Decreasing the annual EBIT growth rate by 100 basis the points would decrease the present value by €128 thousand.
			Annual EBIT growth rate			
			EBIT FY25			
Put on Symbiose France non-controlling interests	4,373	4,357	Compound annual growth rate for net sales ("CAGR")	9%	9%	Increasing the annual EBIT growth rate by 100 basis points would increase the present value by €19 thousand. Decreasing the annual EBIT growth rate by 100 basis the points would decrease the present value by €19 thousand.
			Annual EBIT growth rate	6% – 26%	6% – 26%	
			Average % EBIT over the plan	20%	20%	

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 2023	31 March 2023	Unobservable inputs	Range of inputs 30 September 2023	31 March 2023	Relationship of unobservable inputs to present value of redemption amount
Put on L'Occitane GmbH non-controlling interests	1,962	1,948	Compound annual growth rate for net sales ("CAGR")	2%	2%	Increasing the annual EBIT growth rate by 100 basis points would increase the present value by €20 thousand. Decreasing the annual EBIT growth rate by 100 basis the points would decrease the present value by €20 thousand.
			Annual EBIT growth rate	1% – 5%	1% – 5%	
			Average % EBIT over the plan	26%	26%	
Put on 14 Groupe S.A. non-controlling interests	22,400	23,400	Compound annual growth rate for net sales ("CAGR")	15%	15%	Increasing the annual EBITDA growth rate by 100 basis points would increase the present value by €1,100 thousand. Decreasing the annual EBITDA growth rate by 100 basis the points would decrease the present value by €1,100 thousand.
			Annual EBIT growth rate	27% – 33%	27% – 33%	
			Average % EBITDA over the plan	20%	20%	

Notes to the Interim Condensed Consolidated Financial Information

7. OTHER FINANCIAL LIABILITIES *(CONTINUED)*

Other considerations regarding the put options

Assumptions	Approach used to determine values
Discount rates	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: • Put on Sol de Janeiro: exercise windows between 2025 and 2027 • Put on ELEMIS: from 1 April 2024 • Put on Symbiose France: exercise windows between 2024 and 2037 • Put on L'Occitane GmbH: from 1 March 2027 • Put on 14 Group S.A.: exercise windows between 2025 and 2027
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.
Put option arrangement for Sol de Janeiro	The put option granted to the Sol de Janeiro non-controlling interests can be exercised at different periods at an exercise price based on an EBIT multiple (between 20x and 17x). Under certain circumstances of departure of the non-controlling shareholder, the multiple is decreased to a minimum of 17x. 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 payroll liability and recognised as a remuneration expense over the three-year vesting period.
Put option arrangement for 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 an EBITDA multiple. This multiple increases in line with the increase in EBITDA (from 10x to 17x).

8. PROPERTY, PLANT AND EQUIPMENT

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

In thousands of euros

Carrying amount as at 31 March 2023	**125,234**
Additions	24,216
Disposals	(703)
Depreciation *(Note 23.3)*	(20,334)
Reversal of impairment loss *(Note 23.3)*	372
Other movements	490
Exchange differences	453
Carrying amount as at 30 September 2023	**129,728**

Additions for the period ended 30 September 2023 mainly relate to 21 store openings and refurbishments for €8,528 thousand and acquisitions of IT equipment for €3,575 thousand.

Disposals for the period ended 30 September 2023 mainly relate to 12 store closures.

Excluding non-cash items, total cash additions amounted to €24,542 thousand.

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**
Carrying amount as at 31 March 2023	**196,579**	**47,696**	**27,381**	**271,656**
Additions	38,932	3,631	906	43,469
Disposals	(3,827)	(1,284)	12	(5,099)
Depreciation *(Note 23.3)*	(42,263)	(5,950)	(3,610)	(51,823)
Impairment loss net of reversals *(note 23.3)*	1,619	–	–	1,619
Exchange differences	459	354	(589)	224
Carrying amount as at 30 September 2023	**191,499**	**44,447**	**24,100**	**260,046**

During the period ended 30 September 2023, additions mainly related to new stores (€10,143 thousand) and other effects such as the extension or renewal of contracts and new offices (€28,789 thousand).

During the financial year ended 31 March 2022, the Group reassessed the lease term of the store on the Champs-Elysées, Paris, France as representing a shorter period until the next exit option in July 2023. This resulted in a decrease in the net carrying amount of the related right-of-use asset and lease liability. On 19 December 2022, an agreement was reached under which the Group waived its right to exercise the exit option in July 2023 and is eligible for a rent-free period of 8 months, representing an amount of €3,100 thousand, from 1 April 2023. The contract and the lease term have then been extended until July 2026, which resulted in a €10,762 thousand increase in the net carrying amount of right-of-use assets and lease liabilities.

The key money for the flagship store on the Champs-Elysées is pledged for an amount of €12,571 thousand as security for the 2019 Long-Term Loan.

Notes to the Interim Condensed Consolidated Financial Information

9. LEASES *(CONTINUED)*

9.2 Lease liabilities

Maturities of lease liabilities can be analysed as follows:

In thousands of euros	30 September 2023	31 March 2023
Within 1 year	85,213	82,393
Between 1 and 2 years	66,502	66,993
Between 2 and 5 years	86,117	92,925
Over 5 years	30,171	33,391
Total	**268,003**	**275,702**
Total current portion	**85,213**	**82,393**
Total non-current portion	**182,790**	**193,309**

10. GOODWILL

10.1 Changes in goodwill

Changes in goodwill can be analysed as follows:

In thousands of euros	31 March 2023	Additions	Impairment loss	Exchange differences	30 September 2023
ELEMIS	530,393	–	–	10,663	541,056
Sol de Janeiro	213,211	–	–	5,657	218,868
LimeLife	122,238	–	–	3,237	125,475
L'OCCITANE en Provence [(a)]	60,232	–	–	(1,170)	59,062
Melvita	35,931	–	–	–	35,931
Grown Alchemist	3,388	–	–	–	3,388
Erborian	2,384	–	–	–	2,384
Total cost	**967,777**	**–**	**–**	**18,387**	**986,164**
Accumulated impairment loss [(b)]	(74,235)	–	–	(1,336)	(75,571)
Total cost	**893,542**	**–**	**–**	**17,051**	**910,593**

(a) *Goodwill related to L'OCCITANE en Provence results from past acquisitions of exclusive distributors.*

(b) *The amounts recorded under "Accumulated impairment loss" relates mainly to the goodwill of Melvita for €22,848 thousand and LimeLife for €51,723 thousand.*

10. GOODWILL *(CONTINUED)*

10.2 Goodwill impairment testing

Goodwill and trademarks are allocated to groups of 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 its carrying amount, an impairment loss is recognised.

For ELEMIS, L'OCCITANE en Provence, Erborian, Sol de Janeiro and Grown Alchemist, as there were no indicators of impairment of any of the CGUs, management has not updated any of the impairment calculations carried out for the financial year ended 31 March 2023. Management notably considered the actual performance over the half-year period ended 30 September 2023 and the fact that the prior year estimated value in use significantly exceeded the carrying amount of goodwill.

Melvita impairment testing

In FY23, the Group recorded an impairment of €22,848 thousand to consider the slower than expected development of Melvita.

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 and the financial performance of this brand over the 6-month period ended 30 September 2023, 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 2023. For details see note 4.1 of the FY2023 consolidated financial statements.

The following table sets out the key assumptions for the Melvita CGU where the impairment calculation was updated as at 30 September 2023. The 5-year plan drawn up previously has been adjusted due to reduced business activity in the period.

In thousands of euros	**30 September 2023**	**31 March 2023**
Business plan time frame	5 years	5 years
Annual growth rate in net sales over the plan	18.4%	20.8%
Average % EBITDA over the 5-year plan	(2.5)%	(2.6)%
Long term growth rate	2.1%	1.9%
Post-tax discount rate	9.4%	9.5%
Carrying amounts of assets:		
Goodwill, net	13,083	35,931
Trademark	14,093	14,093
Others	3,499	2,193
Total assets tested	30,675	52,217
Recoverable amount	31,456	29,369
Headroom available/(impairment loss)	781	(22,848)

Notes to the Interim Condensed Consolidated Financial Information

10. GOODWILL *(CONTINUED)*

10.2 Goodwill impairment testing *(continued)*

Melvita impairment testing (continued)

Sensitivity analysis

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

	30 September 2023	**31 March 2023**
100 basis-point decrease in CAGR	€1,863 thousand	€1,400 thousand
50 basis-point decrease in the %EBITDA for each year	€3,763 thousand	€3,838 thousand
50 basis-point increase in WACC	€4,118 thousand	€2,888 thousand
50 basis-point decrease in long-term growth rate	€5,607 thousand	€2,276 thousand

LimeLife impairment testing

In FY23, the Group recorded an impairment of € 52,516 thousand to take into account the slower than expected development of LimeLife.

For LimeLife, 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 and the financial performance of this brand over the 6-month period ended 30 September 2023, 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 2023. For details see note 4.1 of the FY2023 consolidated financial statements.

The following table sets out the key assumptions for the LimeLife CGU where the impairment calculation was updated as at 30 September 2023. The 5-year plan drawn up previously has been adjusted due to reduced business activity in the period.

In thousands of euros	**30 September 2023**	**31 March 2023**
Business plan time frame	5 years	5 years
Annual growth rate in net sales over the plan	16.0%	14.7%
Average % EBITDA over the 5-year plan	4.7%	5.8%
Long term growth rate	2.5%	1.9%
Post-tax discount rate	9.1%	8.7%
Carrying amounts of assets:		
Goodwill, net	73,540	122,035
Others	10,413	21,771
Total assets tested	83,953	143,806
Recoverable amount	83,900	91,289
Headroom available/(impairment loss)	(53)	(52,516)

10. GOODWILL *(CONTINUED)*

10.2 Goodwill impairment testing *(continued)*

***LimeLife impairment testing* (continued)**

Sensitivity analysis

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

	30 September 2023	**31 March 2023**
100 basis-point decrease in CAGR	€631 thousand	€3,336 thousand
50 basis-point decrease in the % EBITDA for each year	€3,878 thousand	€3,989 thousand
50 basis-point increase in WACC	€6,791 thousand	€6,228 thousand
50 basis-point decrease in long-term growth rate	€5,799 thousand	€4,849 thousand

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

Carrying amount as at 31 March 2023	**490,188**
Additions	4,454
Disposals	(66)
Amortisation (*Note 23.3)*	(6,545)
Other movements	4
Exchange differences	11,937
Carrying amount as at 30 September 2023	**499,972**

Additions mainly concerned software for an amount of €1,095 thousand.

Notes to the Interim Condensed Consolidated Financial Information

12. ASSOCIATES AND JOINT VENTURES

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

In thousands of euros Name of entity	Place of business	% ownership interest	Nature of relationship	Measurement method	Share of profit/(loss) 30 September 2023	Carrying amount 30 September 2023
L'Occitane Middle East	Middle East	51.0%	Joint Venture	Equity method	2,472	25,903
Good Glamm Group	India	15.8%	Associate	Equity method	(11,404)	14,223
CAPSUM	Europe/USA	26.0%	Associate	Equity method	468	–
Total Investments in associates and joint ventures					**(8,464)**	**40,126**

Changes in the carrying amount of equity-accounted investments are as follows:

	L'Occitane Middle East	Capsum	Good Glamm Group	Total
31 March 2023	**22,760**	**26,525**	**16,839**	**66,124**
Increase in capital *(note 6.1)*	–	–	9,427	9,427
Profit/(loss) for the period	2,472	468	(11,404)	(8,464)
Currency translation effects	671	–	200	871
Disposal *(Note 6.1)*	–	(26,993)	–	(26,993)
Other	–	–	(839)	(839)
30 September 2023	**25,903**	**–**	**14,223**	**40,126**

The loss for the period of Good Glamm Group includes €6,150 thousand related to the final share of loss as at 31 March 2023 based on the final financial statements of the associate.

13. OTHER NON-CURRENT ASSETS

Other non-current assets can be analysed as follows:

In thousands of euros	30 September 2023	31 March 2023
Deposits	24,797	23,227
Financial assets at fair value through other comprehensive income (FVOCI) *(Note 4.3)*	36,841	37,880
Tax receivables	6,040	5,575
Fair value of the receivable from the sale of L'Occitane Russia *(Note 4.3)*	–	8,645
Investment in the Mirova Sicav fund and Livelihoods Carbon Sicav fund *(Note 30.2)*	1,428	139
Other	1,516	1,170
Other non-current assets	**70,622**	**76,636**

14. INVENTORIES

Inventories can be analysed as follows:

In thousands of euros	30 September 2023	31 March 2023
Raw materials and supplies	64,884	55,104
Finished goods and work in progress	354,695	285,379
Inventories, gross	**419,579**	**340,483**
Less: allowance	(28,628)	(23,286)
Inventories	**390,951**	**317,197**

15. TRADE RECEIVABLES

The trade receivables ageing analysis is as follows:

In thousands of euros	30 September 2023	31 March 2023
Current and past due within 3 months	278,520	236,155
Past due 3 to 6 months	13,726	15,333
Past due 6 to 12 months	5,408	3,464
Past due over 12 months	5,039	6,104
Less: allowance for doubtful accounts	(4,866)	(4,503)
Trade receivables	**297,827**	**256,553**

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, which are 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 for trade receivables.

Notes to the Interim Condensed Consolidated Financial Information

16. OTHER CURRENT ASSETS

The following table presents details of other current assets:

In thousands of euros	30 September 2023	31 March 2023
Value added tax receivable and other taxes and payroll items receivable	37,710	31,318
Prepaid expenses	44,871	19,504
Income tax receivable [(a)]	8,893	11,528
Advance payments to suppliers	8,710	6,813
Loan to L'Occitane Middle East joint venture [(b)]	11,056	7,277
Other	13,798	8,300
Total other current assets	**125,038**	**84,740**

(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.

(b) The Group has granted four loans to L'Occitane Middle East. Three loans are denominated in US dollars and are repayable in full on 4 January 2024, 25 April 2024 and 16 September 2024. The average interest rates during the year were 3.3%, 3.5% and 4.2% respectively. One loan is denominated in Euro and is repayable in full on 9 May 2024. The average interest rate during the year was 5.8%. No collateral has been received as security for these loans.

17. DERIVATIVE FINANCIAL INSTRUMENTS

(a) Analysis of derivative financial instruments

Derivative financial instruments can be analysed as follows:

In thousands of euros	30 September 2023		31 March 2023	
	Assets	**Liabilities**	**Assets**	**Liabilities**
Foreign exchange derivatives at fair value through profit or loss	609	1,846	2,337	249
Sub-total derivative financial instruments at fair value through profit or loss	**609**	**1,846**	**2,337**	**249**
Current portion of derivative financial instruments	**609**	**1,846**	**2,337**	**249**

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

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	**30 September 2023**	**31 March 2023**
Sale of currencies		
CNY	99,312	63,077
HKD	28,054	26,427
JPY	17,091	11,052
USD	15,449	17,995
GBP	7,965	3,473
AUD	7,412	13,128
MXN	7,154	6,817
CHF	6,368	201
KRW	4,889	4,906
BRL	3,015	–
CAD	2,986	407
THB	2,707	2,631
ZAR	2,613	–
HUF	2,429	367
PLN	2,031	586
SGD	796	–
CZK	759	483
NOK	–	166
SEK	–	50
RUB	–	–
Purchase of currencies		
USD	56,636	22,151
GBP	43,269	41,970
CNY	14,215	16,437
HKD	9,643	656
CZK	1,000	809
NZD	996	–
MXN	690	–
SEK	312	939
NOK	84	1,241
JPY	–	15,223
AUD	–	2,010
CAD	–	1,527
CHF	–	1,505
HUF	–	–

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 2023. At 30 September 2023 and 31 March 2023, 72.28% of the Company's share capital was held by L'Occitane Groupe S.A. ("LOG" or the "parent company").

All of the Company's issued shares are fully paid up and carry 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
As at 31 March 2023	**1,476,964,891**	**44,309**	**342,851**
As at 30 September 2023	**1,476,964,891**	**44,309**	**342,851**

18.2 Treasury shares

As at 31 March 2023, the Company held 5,355,641 shares in treasury and the aggregate price of the purchased shares was deducted from equity within the "Treasury shares" reserve for an amount of €12,104 thousand.

As at 30 September 2023, the Company held 4,795,341 shares in treasury and the aggregate price of the purchased shares was deducted from equity within the "Treasury shares" reserve for an amount of €10,822 thousand.

18.3 Share-based payments

The Company grants two types of share-based payments:

- Share-based payments related to LOI equity instruments;
- Share-based payments related to LOG equity instruments.

Fair value of options granted

The fair value at grant date is independently determined using an adjusted Black-Scholes model, which includes a Monte Carlo simulation model that takes into account the exercise price, the term of the option, the share price at the grant date, the expected dividend yield, the risk-free interest rate over the term of the option, and the correlations and volatilities of the peer group companies.

18. CAPITAL AND RESERVES *(CONTINUED)*

18.3 Share-based payments *(continued)*

Main characteristics and description of the plans settled in LOI equity instruments

The stock options plans can be summarised as follows:

	30 September 2023		31 March 2023	
	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	18.35	12,951,171	14.63	6,696,600
Granted during the period	–	–	20.67	8,186,000
Exercised during the period	14.62	(560,300)	14.56	(1,473,429)
Cancelled/lapsed during the period	20.62	(553,171)	17.70	(458,000)
At the end of the period	**18.42**	**11,837,700**	**18.35**	**12,951,171**

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

Stock options outstanding at the end of the period have the following vesting dates and exercise prices:

			Number of stock options	
Grant date	**Expiry date**	**Exercise price**	**30 September 2023**	**31 March 2023**
23 March 2016	23 March 2020	HKD 14.36	465,500	520,500
10 February 2017	10 February 2021	HKD 15.16	1,236,200	1,347,800
29 March 2018	29 March 2022	HKD 14.50	2,736,300	3,134,671
27 October 2022	27 October 2025	HKD 20.67	7,399,700	7,948,200
Total			**11,837,700**	**12,951,171**

Notes to the Interim Condensed Consolidated Financial Information

18. CAPITAL AND RESERVES *(CONTINUED)*

18.3 Share-based payments *(continued)*

***Main characteristics and description of the plans settled in LOI equity instruments** (continued)*

The free shares plans can be summarised as follows:

	30 September 2023		31 March 2023	
	Average exercise price in HKD per free share	Number of free shares	Average exercise price in HKD per free share	Number of free shares
At the beginning of the period	–	–	–	–
Granted during the period	21.10	1,706,704	–	–
At the end of the period	**21.10**	**1,706,704**	**–**	**–**

Free shares outstanding at the end of the year have the following expiry dates and exercise prices:

Grant date	Vesting date	30 September 2023	31 March 2023
30 June 2023	30 June 2027	1,706,704	–
Total		**1,706,704**	**–**

Main characteristics and description of the plans settled in 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.

The free share plans are summarised below:

	30 September 2023		31 March 2023	
	Average exercise price in EUR per free share	Number of free shares	Average exercise price in EUR per free share	Number of free shares
At the beginning of the period	86.70	262,000	88.11	314,900
Granted during the period	–	–	–	–
Exercised during the period	–	–	–	–
Cancelled/lapsed during the period	85.76	(13,100)	95.09	(52,900)
At the end of the period	**86.75**	**248,900**	**86.70**	**262,000**

18. CAPITAL AND RESERVES *(CONTINUED)*

18.3 Share-based payments *(continued)*

***Main characteristics and description of the plans settled in LOG equity instruments** (continued)*

Free shares outstanding at the end of the period have the following expiry dates and exercise prices:

		Number of free shares	
Grant date	**Vesting date**	**30 September 2023**	**31 March 2023**
01 October 2019	30 September 2023	16,800	16,800
30 September 2020	30 September 2023	213,800	223,900
29 June 2021	29 June 2025	17,500	20,500
30 June 2021	30 June 2025	800	800
Total		**248,900**	**262,000**

Total share-based payment expense

In the periods ended 30 September 2023 and 30 September 2022, the share-based payment expense recognised within employee benefits was as follows:

	Period ended 30 September	
In thousands of euros	**2023**	**2022**
LOG equity instruments	1,326	1,484
LOI equity instruments	1,034	–
Social charges	330	193
Total	**2,690**	**1,677**

18.4 Distributable reserves

As at 30 September 2023, the distributable reserves of L'Occitane International S.A. amounted to €735,208,676.

18.5 Dividend per share

On 27 September 2023, the Annual General Meeting approved the distribution of a €46,000 thousand dividend, or €0.03129 per share (excluding 4,795,341 treasury shares), which was paid on 20 October 2023.

18.6 Currency translation differences

As at 30 September 2023, currency translation differences were mainly composed of currency translation differences relating to subsidiaries with a functional currency mainly in USD and arising mainly on goodwill, trademarks, other intangible assets and right-of-use of assets.

Notes to the Interim Condensed Consolidated Financial Information

19. BORROWINGS

Borrowings include the following items:

In thousands of euros	**30 September 2023**	**31 March 2023**
FY 2022 Term loan	300,079	300,031
FY 2021 Revolving facility	–	11,132
FY 2020 NEU CP facility	194,000	187,000
FY 2019 Long-term loan	12,571	13,587
FY 2012 bank borrowing	2,861	2,860
Other bank borrowings	8,085	4,245
Bank overdraft	7,568	4
Total	**525,164**	**518,859**
FY 2022 Term loan	(79)	(32)
FY 2021 Revolving facility	–	(5)
FY 2020 NEU CP facility	(194,000)	(187,000)
FY 2019 Long-term loan	(2,046)	(2,037)
FY 2012 bank borrowing	(717)	(717)
Other bank borrowings	(7,785)	(4,245)
Bank overdrafts	(7,568)	(4)
Total current portion	**(212,195)**	**(194,040)**
Total non-current portion	**312,969**	**324,819**

19. BORROWINGS *(CONTINUED)*

19.1 Maturity of non-current borrowings

For the period ended 30 September 2023 and the year ended 31 March 2023, maturities 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**
FY 2022 Term loan	300,000	–	–	300,000
FY 2019 Long-term loan	2,064	6,315	2,146	10,525
FY 2012 bank borrowing	715	1,429	–	2,144
Other bank borrowing	300	–	–	300
Maturity at 30 September 2023	**303,079**	**7,744**	**2,146**	**312,969**
FY 2022 Term loan	300,000	–	–	300,000
FY 2021 Revolving facility	–	11,127	–	11,127
FY 2019 Long-term loan	2,054	6,284	3,211	11,549
FY 2012 bank borrowing	714	1,429	–	2,143
Maturity at 31 March 2023	**302,768**	**18,840**	**3,211**	**324,819**

19.2 Credit facility agreements

FY 2023 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 USD 40,000 thousand with a one-year maturity and an option for an automatic extension on an annual basis. No amounts had been drawn under this facility as at 30 September 2023.

The FY 2023 Bilateral Cash Pooling Facility is periodically contractually repriced.

The interest rates depend on the leverage ratios set out below, calculated annually after the Group's consolidated financial statements 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 2023, the interest rate was based on the Mid Fed Fund Rate (MFFR) + Margin – 0.65.

The margin was increased by 15 bps until 31 December 2022 and will be increased 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 FY 2023 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. The following definitions are used for the measurement of this ratio:

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 on two occasions in the event of a business combination). The covenant is calculated on an annual basis. The covenant was respected as at 31 March 2023.

FY 2022 Term loan

On 21 December 2021, the Company signed a Term Loan Agreement for an amount of €300,000 thousand with a three-year maturity. An amount of €300,000 thousand (euro equivalent) had been drawn as at 30 September 2023.

The FY 2022 Term Loan Agreement is periodically contractually repriced.

The interest rates depend on the leverage ratios set out below, calculated annually after the Group's consolidated financial statements 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 2023, the interest rate was based on Euribor + Margin – 0.65.

The FY 2022 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. The following definitions are used for the measurement of this ratio:

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. The covenant was respected as at 31 March 2023.

19. BORROWINGS *(CONTINUED)*

19.2 Credit facility agreements *(continued)*

***FY 2022 Term loan** (continued)*

The directly attributable transaction costs related to the issuance of this FY 2022 Term Loan Agreement amounted to €1,600 thousand. As this financing is a term loan, the fees were capitalised as a deferred charge and are being amortised over the term of the loan.

FY 2021 Revolving facility

On 31 March 2021, the Company signed an unsecured multi-currency revolving facility agreement for an amount of €600,000 thousand with a five-year maturity and an option to extend for two additional years. The first extension for one additional year till 31 March 2027 was activated on 28 February 2022. The second extension for one additional year till 31 March 2028 was activated on February 2023. During the period, the amount of repayments is €22,683 thousand and proceeds is €11,551 thousand.

The FY 2021 Revolving facility is periodically contractually repriced.

The interest rates depend on the leverage ratios set out below, calculated annually after the Group's consolidated financial statements 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 2023, the interest rate was based on Euribor + Margin – 0.65.

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

A bonus of 1 bp can be obtained based on 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.

As at 31 March 2023, the Group achieved three out of four of the applicable KPIs. The impact was a decrease in the margin of 0.03 bps.

Notes to the Interim Condensed Consolidated Financial Information

19. BORROWINGS *(CONTINUED)*

19.2 Credit facility agreements *(continued)*

FY 2021 Revolving facility (continued)

The FY 2021 Revolving 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. The following definitions are used for the measurement of this ratio:

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 on two occasions in the event of a business combination). The covenant is calculated on an annual basis. As at 31 March 2023, the ratio was respected.

The directly attributable transaction costs related to the issuance of this FY 2021 Revolving Credit Facility Agreement amounted to €3,514 thousand. As there is no evidence that some or all the facility will likely be drawn down, the fees were capitalized as a deferred charge and amortized over the term of the facility.

FY 2020 NEU CP facility

On 17 October 2019, the Group signed a program to issue 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 €300,000 thousand. During the period, the amount of repayments is €175,000 thousand and proceeds is €182,000 thousand.

Multiple short-term marketable debt instruments were issued during the year ended 31 March 2023.

As at 30 September 2023, the balance amounted to €194,000 thousand with a weighted average rate of 4.08% and initial maturities ranging between 3 and 151 days.

FY 2019 Long-term loan

On 4 September 2018, the Group signed a long-term loan agreement for an amount of €22,500 thousand with an 11-year maturity that can be drawn by M&L Distribution France. As at 31 October 2018, this bank loan had been fully drawn. As at 30 September 2023, the outstanding amount was €12,571 thousand. The interest rate on the Long-term loan is 0.97% (fixed rate).

The FY 2019 Long-term loan is secured by a pledge over business assets related to the 86 Champs-Elysées flagship store in Paris.

FY 2012 bank borrowing

On 20 June 2011, the Group signed a bank borrowing agreement for an amount of €10,000 thousand 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 2023, the outstanding amount was €2,861 thousand.

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

The FY 2012 bank borrowing is secured by a pledge over 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 2023	31 March 2023
Retirement indemnities	11,593	10,963
Provisions for dismantling and restoring	8,793	8,708
Long-term employment benefits	1,180	1,144
Other	7,748	1,528
Total other non-current liabilities	**29,314**	**22,343**
Dividends payable to equity owners of the Company *(Note 18.5)* [(a)]	46,087	–
Deferred revenue [(b)]	24,551	31,920
Provisions for dismantling and restoring	2,610	2,475
Grants to a foundation	159	74
Right to return goods	1,586	1,996
Total other current liabilities	**74,993**	**36,466**

(a) The dividends payable to equity owners of the Company were paid on 20 October 2023.

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

21. TRADE PAYABLES

The credit terms granted by suppliers are generally between 30 and 60 days.

The ageing analysis of trade payables by due date at 30 September and 31 March 2023 is as follows:

In thousands of euros	30 September 2023	31 March 2023
Current and past due within 3 months	261,795	208,063
Past due from 3 to 6 months	1,762	812
Past due from 6 to 12 months	1,051	32
Past due over 12 months	800	1,196
Trade payables	**265,408**	**210,103**

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 2023	Additional provisions	Unused amounts reversed	Used amounts reversed	Reclassification	Exchange differences	30 September 2023
Employee-related disputes [(a)]	1,904	521	(235)	(114)	–	21	2,097
Commercial claims [(b)]	1,532	89	(694)	(28)	–	16	915
Tax risks	247	2	–	–	–	12	261
Total	**3,683**	**612**	**(929)**	**(142)**	**–**	**49**	**3,273**

(a) *Employee-related disputes mainly concern 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.

The unused provisions reversed mainly result from certain risks reaching the end of the applicable limitation period.

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	**2023**	**2022**
Employee benefits expenses [(a)]	271,948	235,579
Rent and occupancy [(b)]	53,073	50,967
Raw materials and consumables used	239,882	153,587
Change in inventories of finished goods and work in progress	(76,952)	(38,679)
Advertising costs [(c)]	197,557	128,061
Professional fees [(d)]	116,199	86,378
Depreciation, amortisation and impairment *(Note 23.3)*	76,711	76,816
Transport expenses	51,804	54,762
Other expenses [(e)]	56,487	50,960
Total cost of sales, distribution expenses, marketing expenses, research and development expenses, general and administrative expenses	**986,709**	**798,431**

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

(b) *The rent and occupancy amount as at 30 September 2023 mainly includes variable lease payments based on sales for €27,530 thousa nd and rent and occupancy costs relating to short-term leases for €4,960 thousand.*

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

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

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

23. EXPENSES BY NATURE *(CONTINUED)*

23.2 Workforce

	Period ended 30 September 2023	2022
Workforce (full-time equivalent)	**9,179**	**8,563**

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

23.3 Breakdown of depreciation, amortisation and impairment

Depreciation, amortisation and impairment include the following:

In thousands of euros	Period ended 30 September 2023	2022
Depreciation of property, plant and equipment *(Note 8)*	20,334	22,498
Impairment of property, plant and equipment *(Note 8)*	(372)	(8)
Depreciation of right-of-use assets *(Note 9)*	51,823	48,549
Impairment of right-of-use assets, net of reversals *(Note 9)*	(1,619)	(1,171)
Amortisation of intangible assets *(Note 11)*	6,545	6,948
Depreciation, amortisation and impairment	**76,711**	**76,816**

24. OTHER OPERATING INCOME/EXPENSES

Other operating income and expenses break down as follows:

In thousands of euros	Period ended 30 September 2023	2022
Net gain on disposal of Duolab *(Note 6.1)*	1,320	–
Government grants	675	552
Profit on sale of assets	210	372
Other items	27	843
Capital gain arising from the change in the % interest in associates and joint ventures *(Note 12)*	–	1,700
Other operating income	**2,232**	**3,467**
Net loss on disposal of CAPSUM *(Note 6.1)*	(1,993)	–
Loss on sale of assets	(328)	–
Capital loss from the sale of L'Occitane Russia before reclassification of currency translation differences *(Note 4.3)*	–	(3,632)
Reclassification to income statement of the charge previously recognized in other comprehensive income (currency translation differences) *(Note 4.3)*	–	(10,805)
Other operating expenses	**(2,321)**	**(14,437)**

Notes to the Interim Condensed Consolidated Financial Information

25. FINANCE INCOME AND FINANCE COSTS

Finance income and finance costs break down as follows:

	Period ended 30 September	
In thousands of euros	**2023**	**2022**
Interest on cash and cash equivalents	2,651	1,064
Finance income	**2,651**	**1,064**
Interest expense	(13,546)	(4,088)
Interest and finance expenses paid/payable for lease liabilities	(4,197)	(3,555)
Change in the fair value of the receivable from the sale of L'Occitane Russia *(Note 4.3)*	(8,645)	(7,885)
Finance costs	**(26,388)**	**(15,528)**
Finance costs, net	**(23,737)**	**(14,464)**

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

26. FOREIGN CURRENCY GAINS/(LOSSES)

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

	Period ended September	
In thousands of euros	**2023**	**2022**
Foreign exchange differences	1,043	1,939
Fair value gains/(losses) on derivatives	(3,325)	(2,835)
Foreign currency gains/(losses)	**(2,282)**	**(896)**

Foreign exchange differences mainly correspond to:

	Period ended September	
In thousands of euros	**2023**	**2022**
Net unrealised foreign exchange (loss)	–	(2,900)
Net unrealised foreign exchange gain	1,268	–
Net realised foreign exchange (loss)	(2,890)	–
Net realised foreign exchange gain	–	2,000

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.

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

	Period ended 30 September	
In thousands of euros	**2023**	**2022**
Profit before income tax excluding profit/(loss) from associates and joint ventures	59,207	74,044
Income tax calculated at corporate tax rate *(Luxembourg tax rate of 24.94% as at 30 September 2023 and 2022)*	(14,766)	(18,467)
Effect of different tax rates in foreign countries	9,714	19,132
Effect of unrecognised tax assets	(6,472)	(8,199)
Expenses not deductible	(1,552)	(1,335)
Effect of unremitted tax earnings	1,963	1,088
Income tax (expense)/credit	**(11,113)**	**(7,781)**

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 in the period ended 30 September 2023.

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 (see Note 18.2).

	Period ended 30 September	
	2023	**2022**
Profit for the period attributable to equity owners of the Company ***(in thousands of euros)***	**34,033**	**61,832**
Weighted average number of ordinary shares outstanding [(a)]	1,472,169,550	1,471,333,800
Basic earnings per share ***(in € per share)***	**0.023**	**0.042**

(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 based on the assumption that all convertible securities have been converted into ordinary shares.

	Period ended 30 September	
	2023	**2022**
Profit for the period attributable to equity owners of the Company *(in thousands of euros)*	**34,033**	**61,832**
Weighted average number of ordinary shares outstanding [(a)]	1,472,169,550	1,471,333,800
Adjustment for stock options	1,536,971	2,313,633
Adjustment for free shares	618,379	–
Weighted average number of ordinary shares for diluted earnings per share	1,474,324,900	1,473,647,433
Diluted earnings per share *(in € per share)*	**0.023**	**0.042**

(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 settle these 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 and 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 2023**	**31 March 2023**
Property, plant and equipment	4,946	4,348
Intangible assets	12	269
Raw materials	3,564	5,117
Total	**8,522**	**9,734**

The amounts as at 30 September 2023 and 31 March 2023 mainly relate to the plants in France.

30.2 Other commitments

In thousands of euros	**30 September 2023**	**31 March 2023**
Pledge over property (land and buildings)	12,569	16,441
Total	**12,569**	**16,441**

The Group has also committed to invest up to €20,000 thousand in an investment fund named Truffle Capital (maturity of 5 years with a 2-year renewal option) and up to €3,000 thousand in an investment fund named Karista (maturity of 5 years). The Group has already invested a cumulative amount of €18,400 thousand in Truffle Capital and €1,716 thousand in Karista.

In FY22, the Group committed to invest in the Livelihoods Carbon Sicav fund for a total amount of €5,000 thousand. 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 in the form of dividends in-kind until 2030. As at 30 September 2023, capital calls amounting to €228 thousand were recorded in “Other non-current assets” in the balance sheet (see Note 13).

In FY23, the Group committed to invest in the Mirova Sicav fund for a total amount of €40,000 thousand. Mirova was founded in 2012 under the leadership of Natixis Investment Managers to preserve and restore natural capital including sustainable agriculture and sustainable forestry. In return, it is expected to receive carbon offsets in the form of dividends in-kind until 2030. As at 30 September 2023, capital calls amounting to €1,200 thousand were recorded in “Other non-current assets” in the balance sheet (see Note 13).

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	**2023**	**2022**
Executive directors	1,889	1,782
Non-executive directors	109	110
Senior management	6,974	3,398
Total key management compensation	**8,972**	**5,290**

During the period ended 30 September 2022, no stock options were granted to the directors.

During the period ended 30 September 2023, free shares were granted to 3 directors.

As at 30 September 2022, the number of executive directors was 4.

As at 30 September 2023, the number of executive directors was 5.

31. TRANSACTIONS WITH RELATED PARTIES *(CONTINUED)*

31.2 Other transactions with related parties

Sales of goods and services

In thousands of euros	Period ended 30 September 2023	2022
Sales of goods and services		
— Sales of L'Occitane products to L'Occitane Middle East	11,885	6,352
— Sales of L'Occitane products to Les Minimes	25	–
— Sales of Erborian products to L'Occitane Middle East	2,780	722
— Sales of Elemis products to L'Occitane Middle East	602	–
— Management fees to parent [(a)]	191	116
— Sales of services to LOG Investments	211	170
— Interests	207	100
Total Sales of products	**15,901**	**7,461**

	2023	2022
Receivables due from related parties in connection with the above sales of products		
— Receivables from LOG Investments	239	612
— Receivables from L'Occitane Middle East	18,425	6,264
— Receivables from Le Cloître des Minimes	21	–
— Receivables from Les Minimes	31	–
— Receivables from parent	266	–
Total receivables	**18,982**	**6,877**

(a) Management fees invoiced by the Company to the parent company amounted to €191 thousand (€116 thousand for the period ended 30 September 2022).

Purchases of goods and services

In thousands of euros	Period ended 30 September 2023	2022
Purchases		
— Goods from Capsum	–	(1,160)
— Services from Le Cloître des Minimes	(70)	–
Total purchases	**(70)**	**(1,160)**
Payables to related parties in connection with the above services		
— Goods from Capsum	–	208
— Services from Le Cloître des Minimes	2	–
— Services from parent	–	109
Total payables	**2**	**317**

Notes to the Interim Condensed Consolidated Financial Information

32. POST-BALANCE SHEET EVENTS

On 6 June 2023, the Group signed a lease contract for a warehouse located in the United States. On the commencement date, estimated on December 1, 2023, the best estimate of right-of-use assets and lease liabilities is €37,000 thousand. The duration of the agreement is 10 years.

The Israeli-Palestinian conflict commenced on 7 October 2023 and is not considered to have material impact on the business in the Middle East. Management will continue to follow the evolution of the conflict to properly assess its potential effect on the consolidated financial information.

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 on 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 on the rounded numbers.

Other Information

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

As at 30 September 2023, 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	1,073,531,482 (long position)	72.68%
André Hoffmann	Beneficial interest	2,495,250 (long position)	0.17%
Laurent Marteau	Beneficial interest	1,013,731 (long position)	0.07%
Thomas Levilion	Beneficial interest	413,000 (long position)	0.03%
Karl Guénard	Beneficial interest	324,900 (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 73.58% of the entire issued share capital of LOG (being beneficial owner of 9,877,596 shares, having deemed interest in 197,031 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 4,795,341 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 4,795,341 shares that are held in treasury and do not have voting rights whilst they are held in treasury.*

Other Information

(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	10,074,880 (Note 1)	73.58%
André Hoffmann	Beneficial interest and deemed interest	2,578,286	18.83%
Karl Guénard	Beneficial interest	5,800	0.04%
Séan Harrington	Beneficial interest	4,200	0.03%
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, 9,877,596 shares held by CIME and 197,031 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 13,691,954 shares issued, inclusive of 197,031 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 2023, 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.

INTERESTS IN THE SHARES AND UNDERLYING SHARES OF SUBSTANTIAL SHAREHOLDERS

As at 30 September 2023, 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	1,072,382,732 (long position) (Note 1)	72.61%
Cime S.C.A.	Interest in controlled corporation and deemed interest	1,072,382,732 (long position) (Note 1)	72.61%
Société d'Investissements CIME S.A.	Interest in controlled corporation and deemed interest	1,072,382,732 (long position) (Note 1)	72.61%
LOG	Interest in controlled corporation and deemed interest	1,072,382,732 (long position) (Note 1)	72.61%
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 73.58% of the total issued share capital of LOG (being beneficial owner of 9,877,596 shares and having deemed interest in 197,031 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 4,795,341 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 4,795,341 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 2023, 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.

Other Information

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 and expired on 29 September 2023.

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 2023 were as follows. No Options were granted under the Share Option Plan 2020 during this period. For options exercised during the six months ended 30 September 2023:

— Granted pursuant to the Share Option Plan 2013, the weighted average closing price per share immediately before the exercise date was HK$24.06 (for options granted on 23 March 2016);

— Granted pursuant to the Share Option Plan 2016, the weighted average closing price per share immediately before the exercise date was HK$27.05 (for options granted on 10 February 2017) and HK$26.41 (for options granted on 29 March 2018).

		Number of Options								
Name/Category of Participant	**As of 01/04/2023**	**Granted during the period**	**Cancelled or forfeited during the period**	**Exercised during the period**	**As of 30/09/2023**	**Date of grant**	**Exercise period** *(Note 1)*	**Exercise price per share (HK$)**	**Price immediately preceding the date of grant** *(Note 2)* **(HK$)**	**Weighted average closing price of shares immediately before the date of exercise during the period (HK$)**
Directors										
Thomas Levilion	413,000	–	–	–	413,000	29-Mar-18	29/03/2022–29/03/2026	14.50	14.50	N/A
Karl Guénard	97,600	–	–	–	97,600	23-Mar-16	23/03/2020–22/03/2024	14.36	14.00	N/A
	83,700	–	–	–	83,700	10-Feb-17	10/02/2021–10/02/2025	15.16	15.03	N/A
	82,600	–	–	–	82,600	29-Mar-18	29/03/2022–29/03/2026	14.50	14.50	N/A
	61,000	–	–	–	61,000	27-Oct-22	27/10/2025–26/10/2029	20.67	20.15	N/A
Laurent Marteau	205,200	–	–	–	205,200	27-Oct-22	27/10/2025–26/10/2029	20.67	20.15	N/A
Sub-total *(Note 3)*	943,100	–	–	–	943,100					
Others										
Employees	422,900	–	–	(55,000)	367,900	23-Mar-16	23/03/2020–22/03/2024	14.36	14.00	24.06
	1,264,100	–	–	(111,600)	1,152,500	10-Feb-17	10/02/2021–10/02/2025	15.16	15.03	27.05
	2,639,071	–	(4,671)	(393,700)	2,240,700	29-Mar-18	29/03/2022–29/03/2026	14.50	14.50	26.41
	7,682,000	–	(548,500)	–	7,133,500	27-Oct-22	27/10/2025–26/10/2029	20.67	20.15	N/A
Sub-total *(Note 3)*	12,008,071	–	(553,171)	(560,300)	10,894,600					
Total	12,951,171	–	(553,171)	(560,300)	11,837,700					

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, the Share Option Plan 2016 was terminated on 27 September 2019 and the Share Option Plan 2020 was terminated on 29 September 2023.

(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, under the Share Option Plan 2016 on 10 February 2017 and 29 March 2018, and under the Share Option Plan 2020 on 27 October 2022 were approximately €0.44, €0.45, €0.47, €0.31, €0.40, €0.31, €0.36, €0.36 and €0.83 respectively. The following significant assumptions were used to derive the fair value, using the Black-Scholes option pricing model:

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
27 October 2022	38.7%	4 years	1.57%	40% of budgeted profit attributable to the equity holders

In total, share-based compensation expense of €2,690,000 was included in the interim consolidated statements of comprehensive income for the six months ended 30 September 2023 (six months ended 30 September 2022: €1,677,000). 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 2020 on 27 October 2022.

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.

Other Information

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.

No Free Shares had been granted under the Free Share Plan 2018.

On 30 June 2023, the Company granted 1,706,704 Free Shares pursuant to the Free Share Plan 2021 to certain eligible Employees (as defined in the rules of the Free Share Plan 2021). 808,531 Free Shares will vest on 30 June 2027 and 898,173 Free Shares will vest on 30 June 2026.

KEY TERMS OF THE PLANS

Information on the expired Share Option Plan 2020 and the Free Share Plan 2021

		Share Option Plan 2020	Free Share Plan 2021
1.	Number of awards remaining on 1 April 2023	13,739,987	7,343,852
2.	Number of awards granted during the reporting period	0	1,706,704
3.	Number of awards remaining on 30 September 2023	0	5,637,148
4.	Number of shares that may be issued under the plan: number of granted awards less awards cancelled/exercised (“**Outstanding Share Options**”)	7,399,700	1,706,704
5.	Percentage of Outstanding Share Options that may be issued in respect of Options and awards granted by the Company divided by the Company’s issued shares (excluding Treasury shares) as at 30 September 2023	0.50%	N/A

Information on the expired Share Option Plan 2013 and the expired Share Option Plan 2016

		Share Option Plan 2013	Share Option Plan 2016
1.	Number of awards remaining on 1 April 2023	0	0
2.	Number of awards granted during the reporting period	0	0
3.	Number of awards remaining on 30 September 2023	0	0
4.	Number of shares that may be issued under the plan: number of granted awards less awards cancelled/exercised (“**Outstanding Share Options**”)	465,500	3,972,500
5.	Percentage of Outstanding Share Options that may be issued in respect of Options and awards granted by the Company divided by the Company’s issued shares (excluding Treasury shares) as at 30 September 2023	0.03%	0.27%

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 2023, the Company was in compliance with the conditions of the Waiver.

During the six months ended 30 September 2023, 560,300 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 2023, 4,795,341 ordinary shares as treasury shares, and the total number of ordinary shares in issue (excluding shares held as treasury shares) is 1,472,169,550.

Other Information

HUMAN RESOURCES

As at 30 September 2023, the Group had 9,179 employees (30 September 2022: 8,563 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 non-executive Directors, two of whom are 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 2023.

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 set out in Appendix 14 to the Listing Rules throughout the six months ended 30 September 2023.

CHANGES IN DIRECTORS' INFORMATION

Prior to 30 September 2023, the following change has occurred in Directors' information:

— Mr. Laurent Marteau was appointed as an executive director with effect from 27 September 2023.

Save as disclosed above, no other change has occurred in Directors' information during the six months ended 30 September 2023 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 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 2023.

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

During the six months ended 30 September 2023, the Company transferred out of treasury a total of 560,300 shares held in treasury pursuant to the employees' free share and share option plans of the Company. The Company held 4,795,341 shares in treasury on 30 September 2023. Save as disclosed above, 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 2023.

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