

Puig Revenues Reach €1,935 Million as Profit Grows by 47% in 2017

- A net income of €228 million made 2017 a record year for revenues and profit
- The company is launching Puig Futures, a platform devised to capture innovative projects that will strengthen its leadership position in the expanding fragrance sector

Barcelona, April 12, 2018

Puig reported €1,935 million in net revenues for 2017, which represents an increase of 8.1% in reported net revenues and a 8.6% rise on a like-for-like and constant currency basis.

Profit before tax represented 16% of net revenues. Net income rose to €228 million, or 12% of revenues.

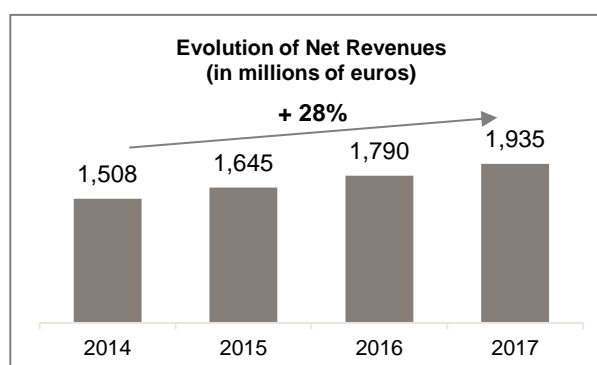
Evolution of Net Revenues and Profit (2016-2017)

In millions of euros

	2016	2017	Y17/Y16	(1)
Net Revenues	1,790	1,935	8.1%	8.6%
Profit Before Tax (PBT)	215	310	44%	
Corporate Tax	-56	-77		
<i>Taxes/PBT</i>	-26%	-25%		
Net Income	155	228	47%	

(1) Growth on a like-for-like and constant currency basis.

Revenues grew by 28% over the past three years, an increase above the industry average and in line with the company's plan for the period. The profitability of the company has reached record levels.



Geographical Breakdown

In 2017, 15% of revenues were generated in Spain (where the company grew by 7%) and 85% in other countries throughout the rest of the world. Emerging markets outside of North America and the European Union accounted for 44% of the company's business.

In millions of euros

	2016	2017	Y17/Y16
Revenues generated in Spain	271	290	7%
Revenues generated in developed markets (North America + European Union excl. Spain)	734	793	8%
Revenues generated in emerging markets (Rest of world)	785	852	9%
TOTAL	1,790	1,935	8%

Puig had 4,472 employees in 2017, 39% of whom worked in Spain.

All Puig fragrances are manufactured in the company's production centers in France and Spain.

Puig currently sells its products in more than 150 countries and has affiliates in 26 of them.

Business Development

Scandal, the first Jean Paul Gaultier perfume for women launched since Puig assumed control of the fragrances, was a major driver of growth during 2017.

Good Girl by Carolina Herrera ranked among the world's best-selling perfumes for the second year in a row. The introduction of Good Girl into the US market was very positive in terms of brand penetration. The launch of the newest men's fragrance by Paco Rabanne, Pure XS, and the performance of Prada in its principal target markets also helped achieve excellent overall fragrance sales.



Scandal (Jean Paul Gaultier), Good Girl (Carolina Herrera), Pure XS (Paco Rabanne), and L'Homme and La Femme Intense (Prada).



Interior views of Carolina Herrera and Paco Rabanne points of sale in Spain, and a Prada boutique in the UK (Selfridges).

Year-on-year growth was strong in the company's main markets (Spain, US, France and the UK), especially in the US, where the launches of Good Girl and Prada spurred double-digit increase in sales. Sales in emerging markets also continued the double-digit growth recorded in previous years.

Puig continues to drive growth in the niche perfume segment through the development of Penhaligon's, L'Artisan Parfumeur and Eric Buterbaugh (EB Florals), all of which operate their own boutiques and registered double-digit growth in 2017.



Penhaligon's boutique in London, the L'Artisan Parfumeur boutique in Paris, and an Eric Buterbaugh (EB Florals) fragrance.

Puig believes that travel retail and the Asian market will be the main drivers of sales in selective fragrances over the next ten years; they are expected to grow at twice the rate of the sector as a whole. The company has accordingly intensified its focus on its global travel retail channels.

Puig is consolidating its position in the Southeast Asian market through a partnership signed with Luxasia in 2017 and in Oceania by means of an agreement with Trimex Pty Ltd., a subsidiary of Groupe Clarins in Australia and New Zealand.

In the fashion sector, following the presentation of the 2018 Fall collection at New York's Museum of Modern Art (MoMA), company founder and designer Carolina Herrera assumed the new role of Global Brand Ambassador for her eponymous brand. She has recently designated American designer Wes

Gordon its new Creative Director. **Carolina Herrera** continues to be a favorite with international models such as Karlie Kloss, Taylor Hill and Hailey Baldwin, and actresses such as Nicole Kidman.

Meanwhile, after three years of creative collaboration, designer Guillaume Henry and **Nina Ricci** have mutually agreed to part ways following the presentation of the label's 2018–2019 Fall / Winter collection. The Nina Ricci team will be responsible for future collections until a new Creative Director is brought on board.

The artistic director of **Paco Rabanne**, Julien Dossena, is strengthening brand loyalty worldwide with his radical and innovative interpretations of the label's unique DNA.

Jean Paul Gaultier continues to focus on haute couture and producing astounding new collections.



From left to right: Karlie Kloss (Carolina Herrera), Barbara Lennie (Nina Ricci), Paz Vega (Paco Rabanne) and Marion Cotillard (Jean Paul Gaultier).

The Fragrance Foundation of America designated Marc Puig its 2017 Hall of Fame Honoree, the most prestigious international award in the sector, in recognition of the company's creative achievements in the fragrance industry.

Social Action and Sustainability

Puig continues to support social action through Invisible Beauty, a program run in close collaboration with Ashoka that provides young entrepreneurs with the mentorship, training, and grants they need to promote and develop socially oriented projects. The third edition of this program now underway is nurturing a new round of projects and raising the social consciousness of Puig employees.

At the international level, the company provides support for high-impact social projects, which in 2017 included the work of David Cuartielles, the co-creator of the open technology Arduino (Spain); Matthieu Dardaillon's Ticket for Change (France); and Mariana Costa's Laboratoria (Peru).

On another front, Puig continues to uphold its firm commitment to sustainability in five key spheres of corporate activity (Product Stewardship, Sustainable Sourcing, Responsible Logistics, Responsible Manufacturing, and Employees and Facilities) through 13 action programs for which it has established a series of ambitious goals for 2020.

In line with its latest three-year plan, Puig has met its zero-waste-to-landfill and 100% renewable electricity source targets. The company also reduced the greenhouse gas emissions generated by its factories by 20% with the objective of making these facilities carbon neutral by the end of 2020, and reduced its overall corporate carbon footprint by 12% in spite of ongoing growth.

Future Plans

In March 2018, Christian Louboutin and Puig signed a long-term agreement focused on mutual growth in the international market for luxury beauty products. This partnership will harness the entrepreneurial, innovative and creative spirit of both companies to develop the cosmetics and fragrance business.

Puig has increased its stake in Eric Buterbaugh's fragrance business (EB Florals) and now holds a majority share.

Revenue on a like-for-like basis is expected to rise in 2018 by approximately 5%, although the negative impact of unfavorable exchange rates and the implementation of a new revenue recognition standard (IFRS 15) at the beginning of this year are expected to offset this growth in terms of reported figures.

A new vision for 2025 and 2020 strategic plan

As one of the most innovative companies in the fragrance category, Puig has experienced steady growth within the industry and increased its market share over the past few years. Like many others, this sector is undergoing profound tectonic shifts. The expectations and habits of digital consumers, social media, the evolution of distribution systems, sector consolidation, and the emergence of new niche players are transforming the sector landscape and making it necessary to view the market from a fresh perspective.

Puig seeks to position itself as a company with a talent for creating unique experiences that set consumers dreaming, a company poised to shake up the industry with alternative business models and a portfolio of brands that redefine the sector and allow the company grow at an above average pace. The company's goal going forward is to generate 3 billion euros in annual revenue by 2025.

Puig Futures

Puig is now in the process of launching **Puig Futures**, a platform conceived to enhance consumer experience, adapt brands to the new scenario and provide purchasing pathways more suitable for its sector. We are working with cutting-edge innovations in the areas of digital innovation communications, product offer, and technology and exploring new business models, drawing inspiration from the best ideas being applied in sectors similar to our own.

We are aware that great ideas are most likely being developed by external players as well as by members of our own in-house teams. The thrust of **Puig Futures** is therefore focused on positioning Puig as the best collaborator in the industry, ready and willing to work with new start-ups as well as existing clients and suppliers. Our ambition is to support innovative projects with great potential with the capital, experience, and commercial opportunities required to reinvent the fragrance category together.

This collaboration framework places Puig, a family company devoted mainly to the perfume business, in a privileged position to offer a global, revolutionary vision within its market and to work closely with highly innovative partners.

Puig Futures will be active in three areas: the development of new, disruptive business models, partnerships with innovative companies, and minority investment in third-party enterprises.

Puig Futures may be contacted by sending an email to futures@puig.com or using the direct link provided in **the Puig Futures** section of the official Puig website (www.puig.com/en/puig-futures).

About Puig

Puig is a third-generation family-owned fashion and fragrance business based in Barcelona. Puig creates distinctive brands and fragrance experiences that make people dream. The company's ambition is to define the future of the fragrance category and capture a disproportionate share of innovation and growth.

The company's strong performance has resulted in substantial growth and revenues of €1,935 million in 2017. Puig success stories include a combination of owned brands such as Carolina Herrera, Nina Ricci, Paco Rabanne, Jean Paul Gaultier, Penhaligon's and L'Artisan Parfumeur; licenses such as Prada, Valentino, Christian Louboutin and Comme des Garçons; and Lifestyle fragrances. Puig products are sold in more than 150 countries.

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