Interparfums reports 80% rise in earnings, ups guidance for 2021

By Robin Driver  -  3 March 2021

International fragrance maker Inter Parfums, Inc. (Interparfums) announced Q4 net income of $14.7 million on Monday, representing an 80% increase from $8.2 million in the same period in the previous year. Income per diluted share was $0.47, up from $0.26. In light of this progress, the company also raised its financial outlook for 2021.
As previously reported, Interparfums’ net sales totaled $184.0 million in the fourth quarter ended December 31, 2020, increasing 3.5% from $177.8 million in the prior-year period.

The company’s European-based operations saw a year-over-year revenue increase of 8.1%, from $129.1 million to $139.6 million, while its U.S.-based operations posted a decline of 8.8% in sales totaling $44.4 million.

Anna Sui brand fragrances, in particular, achieved strong sales growth of 62.3%, thanks in part to preliminary sales of Anna Sui “Sky,” one of the few new launches actually carried out in 2020 by Interparfums, which postponed a number of scheduled releases due to Covid-19.

The Montblanc, Jimmy Choo and Coach brands also made solid progress, posting revenue increases of 9.8%, 13.4% and 18.0%, respectively.

“As we’ve reported in January, we ended the year with a surprisingly strong fourth quarter, in fact our best ever fourth quarter ever in terms of sales,” commented Interparfums chairman and CEO Jean Madar in a release.

Full-year net sales at Interparfums were $539.0 million in 2020, declining 24.5% from $713.5 million in 2019. On a constant currency basis, the decrease was 25.6%.

The falling revenues reflected the negative impact of the Covid-19 pandemic, which caused declines across Interparfums’ global operations. The largest declines were posted by two of the company’s smallest markets, with the Middle East seeing a 35.5% decrease in revenues, while Eastern Europe posted a 40.0% drop.

The group’s largest markets – North America and Western Europe – posted slightly less severe declines of 17.8% and 20.7%, respectively.

Annual net income was $38.2 million, down 36.6% from $60.2 million in the previous year, while earnings per share came to $1.21, decreasing from $1.90.

Looking back over the new initiatives undertaken by Interparfums over the course of the year, Madar highlighted the company’s new license with Italian luxury brand Moncler. The first fragrance launch for the label is scheduled for the first quarter of 2022.

The CEO also pointed out the company’s acquisition of 25% of Divabox SAS, the owner of the Orgines-parfums beauty e-commerce platform, a move which is intended to help accelerate Interparfums’ digital development.

Looking to the future, the company’s newly raised financial guidance for 2021 predicts annual net sales of between $650 million and $660 million range. Diluted net income per share is expected to be in the range of $1.40 to $1.45.

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