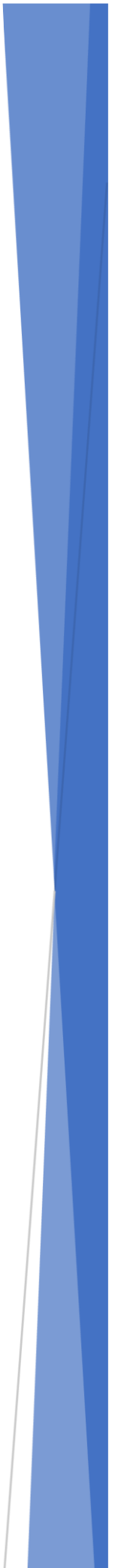


France Perfume Market

New Start since 2023

Neo Asien GmbH



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1. Overview

Perfume in France is more than just a product. It is a symbol of French elegance and sophistication. The art of selecting, wearing, and gifting perfume is deeply embedded in French culture, and Paris is at the heart of this tradition. The France approach to perfume—emphasizing craftsmanship, luxury, and artistry—has influenced perfumery worldwide. Many of the world's most renowned perfumers have trained in Paris, and the city's perfume industry continues to set standards for quality and creativity.

The French perfume market is one of the largest and most sophisticated globally, with a market size of approximately €3.5 billion in 2023. In 2023, the total sales volume was estimated at around 100 million units. Over the past five years, the French perfume market has seen a compound annual growth rate (CAGR) of around 2-3%. This growth is driven by the country's deep-rooted fragrance culture, the strong presence of luxury brands, and increasing consumer demand for niche and personalized fragrances. In 2023 the market experienced a growth rate of approximately 2.5% in 2023, reflecting a recovery from the impact of the COVID-19 pandemic.

The year 2023 began under challenging economic conditions for the perfume industry in France. The Retail activity was impacted by the economic situation: inflation, purchasing power issues, geopolitical conflicts, and energy costs. Specifically, rising raw material prices, supply chain delays, the Ukrainian crisis, purchasing power challenges, energy costs, and continued high inflation in 2023 hindered the desired growth.

The market is segmented into premium and mass-market perfumes. The premium segment dominates, accounting for around 65-70% of the total market revenue.

Distribution channels includes online channels and offline retail channels. Perfume is one of the few products that the consumer can not reply on the online shipping on e-commerce platform, especially for the hundreds of thousands salon perfume brands. The consumers will always smell the perfumes first and then make the purchase decisions.

Online channels of perfumes are increasingly significant, accounting for around 15-20% of sales, reflecting the shift in consumer purchasing behavior. Physical offline perfumeries such as department stores, boutiques, and specialized perfume shops still play a crucial role, contributing to 70-75% of sales.

Drivers of the perfume market in France are diversified and fast-changing.

- **Luxury Brands:** France is home to some of the world's most prestigious perfume brands like Chanel, Dior, Hermès, Guerlain, Rose et Marius, which continue to drive sales.
- **Consumer Trends:** There is a growing trend towards niche and personalized fragrances, such as Jean Paul Gaultier, Ted Lapidus, reflecting a shift in consumer preferences.
- **Tourism:** The influx of tourists also boosts the sales of perfumes, particularly in major cities like Paris, Marseille and Nisse.

When we try to draw a forecast (2024-2028) of perfume market in France, we would like to consider a annual CAGR of 2-3% from 2024-2028. The French perfume market is expected to continue its upward trajectory, with a forecasted CAGR of 2-3% during 2024 - 2028. By 2028, the market size is projected to reach approximately €4 billion.

Taking the France luxury perfume retail group the Bogart Group as example, its sales in 2023 increased 0.41% (291.2 millions of euros in 2022 and 292.4 millions of euros in 2023). The Bogart Group has two business sections, Fragrances&Cosmetics and Beauty Retail. The Beauty Retail contributes 90% of the group income.

The "Beauty Retail" activity is conducted through our proprietary distribution network in 7 countries, including a network of 47 selective perfumeries under the April brand in France, a network of 87 selective perfumeries under the HC Parfümerie and Gottmann brands in Germany, a network of 43 selective perfumeries under the April brand in Israel, network of 71 selective perfumeries under the April brand and 104 drugstores under the Di brand in Belgium, 17 selective perfumeries under the April brand in Luxembourg, 5 selective perfumeries under the April brand in Dubai, 69 selective perfumeries in Slovakia.

The "Fragrances / Cosmetics" revenue corresponds to the sales of our own brands across all channels. Such channels include Bogart own channels and also the external channels for these brands. The revenue generated by its own brands in our network was €29.6 million in 2023 compared to €27.9 million in 2022.

2. Challenges

The Z generation certainly puts new requirement on the perfume industry. The new emerging Trends focus on the sustainability and personalization.

Sustainability is a growing demand for eco-friendly and sustainable perfumes, with consumers increasingly preferring brands that emphasize ethical sourcing and production. The perfume brands have to take more actions to fulfill the expectation from their consumers. Responding to the climate change, the perfumes brands need reduce its greenhouse gas emissions through actions such as installing photovoltaic panels in its logistics platforms and installing energy-efficient LED lighting throughout its store network. Less use of the packing materials and replace of the packing material of recycled material are welcome by the Z generation.

Personalization and Advances in technology may lead to more personalized fragrance options, allowing consumers to create bespoke scents.

The perfume market in France faces challenges such as economic uncertainties and increasing competition from international brands and smaller niche players. The perfumes brands and the groups who own these brands put massive effort in 2023 to reverse the downward trend. However, the overall situation is becoming better. Once again taking the Bogart Group as example, its 2023 Financial Report show a net profit attributable to the Group of €3,780,092 compared to a net loss of (€10,432,848) in 2022.

3. Regions of France perfume brands

Most of France famous perfumes brands are founded in either Paris or southern France.

3.1. Paris

Paris is often considered the world capital of perfume, with a rich tradition that dates back centuries. The city's deep connection with fragrance is intertwined with its history, culture, and the luxury industry.

Backing to the Renaissance, perfume became a symbol of luxury and sophistication among the French aristocracy. Parisian perfumers began to gain prominence, crafting bespoke scents for royalty and the nobility. Under the reign of Louis XIV, often referred to as the "Perfume King," the use of fragrances became even more widespread. Versailles, the king's palace, Louis XIV's court at Versailles was known for its extravagant use of perfumes. The king had a new fragrance created for him each day, and his court became a hub for perfumers. The use of perfume was not just for the body but also to scent clothing, gloves, furniture, and even rooms, masking unpleasant odors at a time when bathing was infrequent.

The 18th century saw the rise of Paris as the center of the perfume industry. The city became home to some of the world's first perfume shops and was known for producing high-quality, luxurious scents. During this period, perfumers began to experiment with new techniques and ingredients, leading to more complex and sophisticated fragrances.

The 19th century marked the true "Golden Age" of French perfumery. This period saw the establishment of some of the most iconic French perfume houses, many of which were based in Paris. The advent of synthetic fragrances allowed perfumers to create more stable and long-lasting scents, expanding the possibilities for new creations. The era was also characterized by the birth of "haute parfumerie" or high-end perfumery, with Parisian perfumers crafting complex and luxurious scents that were as much about artistry as about olfactory pleasure.

Throughout the 20th century, Paris continued to be the leading global center for perfume design and innovation. Major fashion houses like Dior, Yves Saint Laurent, and Givenchy entered the perfume market, further cementing Paris's reputation as the capital of luxury fragrances. Parisian perfume houses became synonymous with elegance, quality, and exclusivity. Many

perfumes launched in Paris set global trends, and the city became a symbol of refined taste in perfumery.

Paris is also home to prestigious institutions like the Osmothèque, a perfume archive and conservatory that preserves historical perfumes and educates future generations of perfumers. Additionally, the Musée du Parfum (Fragonard) in Paris offers insights into the history and art of perfumery.

In recent decades, there has been a rise in niche and artisan perfumery in Paris, with small, independent perfume houses focusing on unique, often handcrafted scents. These brands emphasize creativity, rare ingredients, and personal expression, catering to a more discerning clientele.

3.2. Southern France

“Southern France” is more a culture concept, rather than a geographic concept. Under most circumstance, “Southern France” is equally to the Provence-Alpes-Côte d'Azur (Known as Southern Region).

In Southern France, Aix-en-Provence and Grasse are the two cities gathering most of the perfume brands. Aix-en-Provence is the former capital of Provence and a charming city where lots of millionaires live. Grasse is the center of the France perfume industry and “the world’s perfume capital”. Grasse produces over two-third of France’s natural aromas. Major brands such as Dior and Chanel have their own plantations for the essential oils production of roses and jasmine in Grasse. Beside the production of perfumes, many of the worldwide famous perfumers took their studies in Grasse or grown up in Grasse.

While Paris was the epicenter of perfume consumption and design, the Grasse in the southern of France became the heart of perfume production. Grasse was, and still is, famous for growing flowers like jasmine, roses, and lavender, which are essential ingredients in many perfumes. The connection between Paris (as the design and commercial hub) and Grasse (as the production center) has been a defining feature of the French perfume industry.

4. Representative France Perfume Brands

4.1. Chanel

Founded: 1910, Paris.

Story: Chanel, established by Coco Chanel, revolutionized the fashion and fragrance industries. The brand's most iconic fragrance, Chanel No. 5, launched in 1921, remains a symbol of luxury and elegance. Chanel revolutionized the perfume industry with the launch of Chanel No. 5 in 1921, a fragrance that remains one of the best-selling perfumes of all time.

Popular Fragrances: Chanel No. 5, Bleu de Chanel.

Sales Volume: Chanel is one of the top-selling luxury perfume brands globally, with estimated revenues from fragrances alone reaching over \$1 billion annually.

4.2. Dior

Founded: 1947, Paris.

Story: Christian Dior launched his brand with the iconic Miss Dior fragrance, named after his sister. The brand represents the epitome of French luxury and continues to dominate the fragrance market.

Popular Fragrances: J'adore, Sauvage, Miss Dior.

Sales Volume: Dior's fragrance line contributes significantly to its multi-billion-dollar global sales, with Sauvage being one of the top-selling men's fragrances worldwide.

4.3. Guerlain

Founded: 1828, Paris.

Story: Guerlain is one of the oldest perfume houses in the world. Its fragrances often draw inspiration from exotic locations and romantic tales, with Shalimar being a timeless classic.

Popular Fragrances: Shalimar, La Petite Robe Noire.

Sales Volume: Guerlain has maintained a strong market presence, contributing to the luxury segment with significant annual sales, though exact figures are closely guarded.

4.4. Lancôme

Founded: 1935, Paris.

Story: Founded by Armand Petitjean, Lancôme is known for combining French elegance with innovation. The brand is renowned for its beauty products and luxurious fragrances.

Popular Fragrances: La Vie Est Belle, Trésor.

Sales Volume: Lancôme's fragrances, especially La Vie Est Belle, have been major revenue drivers, with the fragrance line contributing significantly to its \$4.7 billion in annual sales.

4.5. Yves Saint Laurent (YSL)

Founded: 1961, Paris.

Story: YSL, founded by Yves Saint Laurent, is synonymous with modernity and innovation in both fashion and fragrance. The brand's perfumes often reflect contemporary sensibilities while retaining a French essence.

Popular Fragrances: Black Opium, L'Homme.

Sales Volume: YSL perfumes have a strong market presence, with Black Opium consistently ranking among the top-selling women's fragrances globally.

4.6. Hermès

Founded: 1837, Paris.

Story: Originally a luxury goods manufacturer, Hermès ventured into fragrances in the mid-20th century, bringing the same craftsmanship and attention to detail. The brand's fragrances often evoke natural and earthy themes.

Popular Fragrances: Terre d'Hermès, Eau des Merveilles.

Sales Volume: Hermès fragrances are a significant part of the brand's overall revenue, which exceeded €11 billion in 2022.

4.7. Givenchy

Founded: 1952, Paris.

Story: Givenchy, founded by Hubert de Givenchy, merges French elegance with a touch of American glamour. The brand's perfumes are known for their sophisticated and modern appeal.

Popular Fragrances: L'Interdit, Gentleman.

Sales Volume: Givenchy perfumes contribute to the LVMH group's luxury portfolio, with steady sales across global markets.

4.8. Maison Margiela

Founded: 1988, Paris.

Story: Margiela is known for its avant-garde fashion and innovative fragrance line, Replica, which evokes specific memories and atmospheres. The brand stands out in the niche fragrance market.

Popular Fragrances: By the Fireplace, Jazz Club.

Sales Volume: While niche, the Replica line has seen growing popularity, contributing to a strong presence in luxury retail.

4.9. Rose et Marius

Founded: 2012, Aix en Provence

Story: Rose et Marius is Provence's first luxury perfume brand. A Maison de Haute Parfumerie for body and home, it selects the finest natural raw materials to enchant the senses. A unique, recognizable style that echoes the cement tile patterns on which Magali, the brand's founder, played as a child in the Provencal home of her grandmother, Rose. The collections, handcrafted in Provence, have been awarded the Métiers d'Art label. The perfumes are distributed in the most exceptional places: 5-star hotels, 3-star Michelin restaurants, as well as at the Palais de

l'Elysée with the best-selling vin rosé perfume. It is above all a love story with Provence that decided Magali to create the first Haute Parfumerie brand from Provence in 2012.

Popular Fragrances: Rose Wine under the Arbour

Sales Volume: As one of the few prestigious perfume brands in Provence, although the sale amount of Rose et Marius is not publicly available, it is believed that Rose et Marius is the Nr.1 luxury perfume brand in the region of southern France.

4.10. Nina Ricci

Founded: 1932, Paris.

Story: Merging fashion with romantic and youthful themes, Nina Ricci's fragrances like L'Air du Temps are iconic symbols of love and freedom.

Popular Fragrances: L'Air du Temps, Nina.

Sales Volume: Nina Ricci fragrances remain popular globally, with L'Air du Temps being a long-standing favorite.

4.11. Jean Paul Gaultier

Founded: 1982, Paris.

Story: Known for its bold and unconventional approach, Jean Paul Gaultier's fragrances are as distinctive as the designer's fashion. Le Mâle, launched in 1995, became a best-seller with its unique packaging.

Popular Fragrances: Le Mâle, Scandal.

Sales Volume: Le Mâle has consistently ranked as one of the top-selling men's fragrances, contributing to the brand's global success.

4.12. Jacques Bogart

Founded: 1975, Paris

Story: "I create only for men" is the brand's motto, the slogan that made it popular. Since its creation in 1975, it has never ceased to assert its roots in a 100% masculine and virile universe.

A timeless signature of the elegant man, Jacques Bogart fragrances leave a powerful olfactory imprint and an originality that transcends fashion.

Popular Fragrances: Jacques Boart Silver Scent

Sales Volume: In 2023 Carven parfums reached the revenue of 17.2 million EUR.

4.13. Maison Carven

Founded: 1945, Paris

Story: Founded in May 1945, the Carven couture house embodied the spirit of freedom of the time as well as its founder and designer Marie Louise Carven's vision and belief in a fresh and no-frills Parisian elegance. In 1946, Madame Carven launched her first fragrance, "Ma Griffe". The bottle and its green and white striped packaging set the graphic codes and vision of a luxury brand that defined itself as young, mischievous and accessible. Green became the emblematic colour of the house, and scents have since been an essential component of Carven's creative universe.

Popular Fragrances: Carven ma griffe

Sales Volume: In 2023 Carven parfums reached the revenue of 5.3 million EUR.

4.14. Ted Lapidus

Founded: 1951, Paris

Story: Mr Ted LAPIDUS, the Brand's founder, was one of the first French designers to take his vision of fashion from the streets, drawing inspiration from the "uniform" style or the "unisex" spirit. He created his own fashion house in 1951. During 1960s Its totally innovative fashion combines perfectly-cut clothing with inventive and fanciful detail. He was one of the most successful designers. Ted Lapidus fragrances were successfully launched in partnership with l'Oréal in 1970.

Popular Fragrances: Fantasma

Sales Volume: In 2023 Carven parfums reached the revenue of 4.6 million EUR.

5. Conclusion

These French perfume brands have not only shaped the global fragrance market but also represent a significant portion of luxury product sales. Despite economic challenges, French perfumes continue to dominate due to their heritage, quality, and the emotional connection they create with consumers. The market shows steady growth, with consumers increasingly favoring refillable and eco-conscious options, reflecting broader industry trends.

The French perfume market remains robust, driven by strong consumer demand, the dominance of luxury brands, and a growing interest in niche products. With a steady growth rate and promising future trends, the market is expected to remain a key player in the global fragrance industry. Paris is the incontrovertible capital of France perfume industry. The southern France, such as Grasse and Aix-en-Provence, also plays the important role of France perfume industry.

This report highlights the resilience and adaptability of the French perfume market, making it a critical sector to watch in the coming years.

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