

Inter Parfums, Inc.

Recommendation **HOLD** ★ ★ ★ ★ ★

Price
USD 68.08 (as of Aug 02, 2019 4:00 PM ET)

12-Mo. Target Price
USD 75.00

Report Currency
USD

Investment Style
Small-Cap Growth

Equity Analyst Arun Sundaram

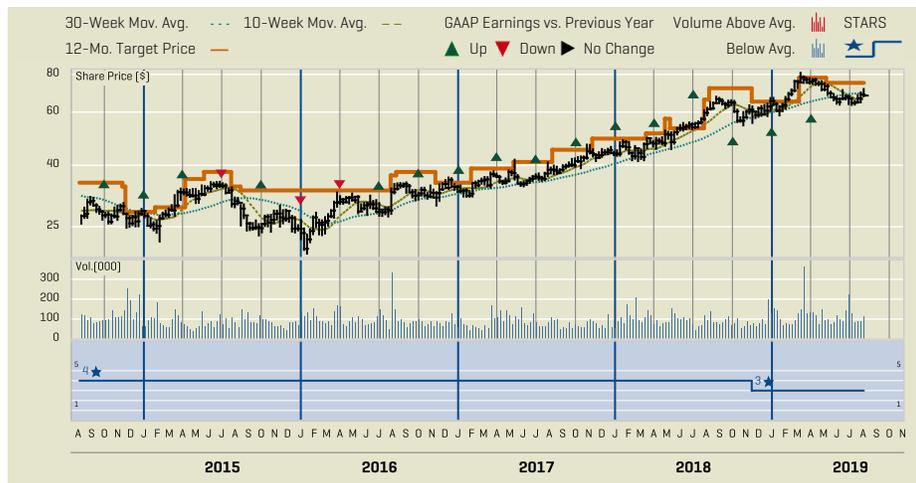
GICS Sector Consumer Staples
Sub-Industry Personal Products

Summary This company makes U.S. and international brand name and licensed fragrances, cosmetics and personal care products.

Key Stock Statistics (Source: CFRA, S&P Global Market Intelligence (SPGMI), Company Reports)

52-Wk Range	USD 80.99 - 54.22	Oper. EPS 2019E	USD 1.88	Market Capitalization(B)	USD 2.141	Beta	0.93
Trailing 12-Month EPS	USD 1.80	Oper. EPS 2020E	USD 2.15	Yield (%)	1.62	3-Yr Proj. EPS CAGR(%)	17
Trailing 12-Month P/E	38.37	P/E on Oper. EPS 2019E	36.76	Dividend Rate/Share	USD 1.10	SPGMI's Quality Ranking	B+
\$10K Invested 5 Yrs Ago	\$28,577	Common Shares Outstg.(M)	31.5	Institutional Ownership (%)	57		

Price Performance



Source: CFRA, S&P Global Market Intelligence

Past performance is not an indication of future performance and should not be relied upon as such.

Analysis prepared by Equity Analyst Arun Sundaram on Jul 24, 2019 04:08 PM, when the stock traded at USD 66.60.

Highlights

- ▶ We estimate net sales rising about 5.5% to \$712M in FY 19, with greater growth towards the second half of 2019 when IPAR launches its new fragrances in brands such as Lanvin, Anna Sui, Jimmy Choo, Abercrombie & Fitch and Graff. We note that GUESS fragrances began in the second quarter of 2018, which should aid sales growth given a full year of sales in 2019. We expect foreign currency translation to hurt sales growth in 2019.
- ▶ We estimate operating margin to expand 130 bps in FY 19 to 15.3%, up from 14.0% posted in FY 18. Expanded margins will likely come from increased selling, general and administrative (SG&A) leverage, as sales volume growth is expected to accelerate in FY 19. Margins will likely also benefit from the stronger U.S. dollar, since most costs incurred in the European segment are denominated in euros.
- ▶ IPAR notes that a stronger U.S. dollar has a negative impact to sales, but typically a positive impact to gross profit margin. This is because more than 45% of net sales in the European-based operations are denominated in U.S. dollars, whereas almost all costs incurred are in euros.

Investment Rationale/Risk

- ▶ Our Hold recommendation reflects strong expected fundamentals in FY 19 with the launch of new products, which should aid sales growth and margin expansion, but concerns that current valuations are stretched since the shares are trading well above historic and peer averages. Therefore, we think the shares are trading near fair value and it is best to be on the sidelines as we await more identifiable catalysts.
- ▶ Risks to our recommendation and target price include worse-than-expected performance of licensed brand products, inability to renew licensing agreements, negative foreign currency fluctuations, weaker-than-expected consumer spending, and the impact of excess inventory on margins.
- ▶ Our 12-month target price of \$75 is 34.9x our 2020 EPS estimate and a premium to the five-year average multiple of 31.6x, justified by greater growth expectations from the addition of new licensing agreements and geographic expansion.

Analyst's Risk Assessment

LOW	MEDIUM	HIGH
-----	--------	------

Our risk assessment reflects that, although cosmetics sales are generally stable, sales of fragrances can fluctuate due to retail shopping trends and the popularity of competing fragrances.

Revenue/Earnings Data

Revenue (Million USD)	1Q	2Q	3Q	4Q	Year
2019	178	--	--	--	--
2018	172	149	177	177	676
2017	143	129	170	150	591
2016	112	117	158	135	521
2015	109	102	139	118	469
2014	122	118	134	125	499

Earnings Per Share (USD)

	1Q	2Q	3Q	4Q	Year
2020	E 0.61	E 0.39	E 0.71	E 0.44	E 2.15
2019	0.60	E 0.36	E 0.64	E 0.28	E 1.88
2018	0.51	0.35	0.60	0.26	1.71
2017	0.43	0.22	0.55	0.14	1.33
2016	0.24	0.19	0.52	0.13	1.07
2015	0.32	0.14	0.46	0.06	0.98

Fiscal year ended Dec 31. Next earnings report expected: Early Aug. EPS Estimates based on CFRA's Operating Earnings; historical GAAP earnings are as reported in Company reports.

Dividend Data

Amount (USD)	Date Decl.	Ex-Div. Date	Stk. of Record	Payment Date
0.275	May 06	Jun 27	Jun 28	Jul 15 '19
0.275	Mar 04	Mar 28	Mar 29	Apr 15 '19
0.275	Nov 05	Dec 28	Dec 31	Jan 15 '19
0.21	Aug 07	Sep 27	Sep 28	Oct 15 '18

Dividends have been paid since 2002. Source: Company reports.

Past performance is not an indication of future performance and should not be relied upon as such.

Forecasts are not reliable indicator of future performance.

Inter Parfums, Inc.**Business Summary** July 24, 2019

CORPORATE OVERVIEW. Inter Parfums, Inc. engages in manufacturing, marketing and distributing a range of fragrances and fragrance-related products.

The company operates through two segments, European Operations and United States Operations. European Operations are conducted through the company's 73% owned subsidiary, Interparfums SA. This segment produces and distributes its prestige fragrance products primarily under license agreements with brand owners. It has built a portfolio of prestige brands, including Lanvin, Jimmy Choo, Karl Lagerfeld, Van Cleef & Arpels, Montblanc, Paul Smith, Boucheron, S.T. Dupont, Balmain and Repetto, whose products are distributed in approximately 100 countries worldwide. In addition, the company owns the Lanvin and Nickel brand names for its class of trade.

United States Operations markets specialty retail and mass market fragrance and fragrance-related products. These fragrance products are sold under trademarks owned by the company or pursuant to license or other agreements with the owners of brands, which include the Gap, Banana Republic, Anna Sui, Brooks Brothers, bebe, Betsey Johnson, Nine West, Lane Bryant and Jordache.

CORPORATE STRATEGY. The company's business strategy includes focusing on prestige beauty brands; growing portfolio brands through new product development and marketing; adding new brands to its portfolio, through new licenses or acquisitions; expanding its existing portfolio into new categories; building a global distribution footprint; and building specialty retail business.

Under license agreements, the company obtains the right to use the brand name, create new fragrances and packaging, determine positioning and distribution, and market and sell the licensed products (prestige products), in exchange for the payment of royalties.

The company's mass market products include fragrances and fragrance-related products. It produces various alternative designer fragrances and personal care products that sell at a discount from their brand name counterparts. Its mass market fragrance brands include various proprietary brand names, as well as a license for the Jordache brand. It also markets its Aziza line of low-priced eye shadow kits, mascara, and pencils, focusing on the young teen market, and a line of health and beauty aids under its Intimate and Johnson Parker brands, including shampoo, conditioner, hand lotion, and baby oil. The majority of these products are distributed to the same mass market retailers and discount chains.

The company distributes its prestige products through various duty-free operators, such as airports and airlines, and various vacation destinations. Mass merchandisers are the target customers for its mass market products. In addition, its mass market products are sold to wholesale distributors, specialty store chains, and to multiple locations of accessory, jewelry and clothing outlets. These products are sold through a dedicated in-house sales team and reach approximately 10,000 retail outlets throughout the United States and internationally.

The company's major competitors include Abercrombie & Fitch; American Eagle; and Victoria's Secret. It also competes with L'Oreal; Revlon, Inc.; and Procter & Gamble.

The company was founded in 1985. Formerly known as Jean Philippe Fragrances, Inc., it changed its name to Inter Parfums, Inc. in 1999.

IMPACT OF KEY DEVELOPMENTS. On June 7th, 2019, IPAR announced that it had entered into an 11-year exclusive worldwide fragrance license agreement with Kate Spade New York. Under the agreement, IPAR will create, produce and distribute new perfumes and fragrance-related products. IPAR will distribute these fragrances globally to department and specialty stores and duty-free shops, as well as in Kate Spade New York retail stores beginning in fall 2020. Kate Spade is an international brand and we think this agreement could lead to accelerated sales growth abroad, especially in Asia.

FINANCIAL TRENDS. The company experienced a three-year compound annual growth rate for sales of 13.0% between 2015 to 2018, reflecting benefits from new products, line extensions and new licensing agreements. On benefits from increased sales leverage, net income grew at a three-year compound annual growth rate of almost 21% from 2015 through 2018.

In Q2 2019, IPAR posted 11.3% net sales growth, with 8.7% growth in the European segment and 20.4% growth in the U.S. segment. A majority of the overall growth was driven by IPAR's largest brand, Montblanc, which grew 28.3% within the European segment.

Corporate Information**Investor Contact****Office**

551 Fifth Avenue, Suite 1500, 14th Floor & 15th Floor,
New York, New York 10176

Telephone

212-983-2640

Fax

212-983-4197

Website

www.interparfumsinc.com

Officers**Chairman, CEO & Co-Founder**

J. Madar

Executive VP, CFO & Director

R. Greenberg

Vice Chairman, President & Co - Founder

P. Benacin

Board Members

F. Heilbronn

P. Choel

G. W. Harrison

P. Santi

J. Madar

R. Bensoussan-Torres

M. Dyens

R. Greenberg

P. Benacin

V. Gabai-Pinsky

Domicile

Delaware

Auditor

Mazars

Founded

1985

Employees

313

Stockholders

37

Inter Parfums, Inc.

Quantitative Evaluations						
Fair Value Rank	2	1	2	3	4	5
		LOWEST				HIGHEST
		Based on CFRA's proprietary quantitative model, stocks are ranked from most overvalued [1] to most undervalued [5].				
Fair Value Calculation	USD 53.18	Analysis of the stock's current worth, based on CFRA's proprietary quantitative model suggests that IPAR is overvalued by USD 14.90 or 21.9%.				
Volatility		LOW	AVERAGE	HIGH		
Technical Evaluation	NEUTRAL	Since July, 2019, the technical indicators for IPAR have been NEUTRAL.				
Insider Activity		UNFAVORABLE	NEUTRAL	FAVORABLE		

Expanded Ratio Analysis				
	2018	2017	2016	2015
Price/Sales	3.06	2.30	1.96	1.58
Price/EBITDA	19.54	15.02	13.20	10.54
Price/Pretax Income	23.29	17.16	14.99	12.25
P/E Ratio	38.35	32.67	30.61	24.31
Avg. Diluted Shares Outsg.(M)	31.52	31.31	31.18	31.10

Figures based on fiscal year-end price

Key Growth Rates and Averages				
Past Growth Rate [%]		1 Year	3 Years	5 Years
Sales		14.26	12.97	3.69
Net Income		29.33	20.90	6.53
Ratio Analysis [Annual Avg.]				
Net Margin [%]		NM	NM	NM
% LT Debt to Capitalization		3.63	NA	NA
Return on Equity [%]		12.06	NA	NA

Company Financials Fiscal year ending Dec. 31

Per Share Data [USD]	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Tangible Book Value	7.75	7.45	5.99	5.29	9.15	9.43	8.75	4.72	3.94	4.01
Free Cash Flow	1.62	1.21	1.57	-2.38	1.05	1.30	1.03	-1.25	0.31	2.60
Earnings	1.71	1.33	1.07	0.98	0.95	1.27	4.26	1.05	0.87	0.74
Earnings [Normalized]	1.40	1.16	1.05	0.94	0.89	1.25	0.09	1.04	0.81	0.74
Dividends	0.91	0.72	0.62	0.52	0.48	0.48	0.32	0.32	0.26	0.13
Payout Ratio [%]	49	51	54	52	50	36	7	29	26	18
Prices: High	67.50	46.80	36.40	35.22	37.74	38.94	NA	24.80	19.84	13.48
Prices: Low	41.30	31.45	20.37	22.33	24.81	19.55	NA	13.75	11.37	3.50
P/E Ratio: High	44.1	36.0	38.6	41.3	67.2	22.1	NA	22.7	23.8	18.7
P/E Ratio: Low	31.8	27.2	20.5	22.9	6.7	5.5	NA	12.9	15.8	4.2

Income Statement Analysis [Million USD]										
Revenue	676	591	521	469	499	564	654	615	460	409
Operating Income	94.7	80.7	67.7	61.2	53.4	78.8	81.4	67.8	56.4	46.5
Depreciation + Amortization	11.0	9.8	9.7	9.1	10.2	11.1	15.6	13.1	9.2	11.0
Interest Expense	2.58	1.99	2.34	2.83	1.48	1.38	1.65	2.20	2.12	2.65
Pretax Income	95.9	78.1	67.1	60.5	56.7	80.6	274.8	67.4	53.8	46.3
Effective Tax Rate	27.3	29.2	35.5	35.6	34.2	36.8	35.6	36.3	33.7	34.9
Net Income	53.8	41.6	33.3	30.4	29.4	39.2	131.1	32.3	26.6	22.4
Net Income [Normalized]	44.0	36.5	32.6	29.3	27.5	38.6	2.8	32.0	24.6	22.2

Balance Sheet and Other Financial Data [Million USD]										
Cash	261	278	256	260	280	307	307	36	87	100
Current Assets	569	549	472	469	487	525	623	391	310	303
Total Assets	799	778	682	688	605	664	760	516	438	419
Current Liabilities	187	167	142	131	104	126	256	186	126	105
Long Term Debt	22.9	36.2	53.1	76.4	NA	NA	NA	NA	5.0	17.9
Total Capital	632	631	558	575	499	541	528	341	321	322
Capital Expenditures	3.96	3.02	4.78	4.16	3.30	5.01	9.47	9.95	6.08	5.53
Cash from Operations	63.0	35.9	54.6	50.1	36.6	49.2	60.6	-23.7	37.8	84.6
Current Ratio	3.05	3.29	3.32	3.58	4.70	4.17	2.43	2.11	2.45	2.88
% Long Term Debt of Capitalization	3.63	5.74	9.51	13.29	NA	NA	NA	NA	1.57	5.55
% Net Income of Revenue	7.96	7.03	6.40	6.50	5.90	6.96	20.05	5.25	5.78	5.46
% Return on Assets	7.51	6.91	6.18	5.92	5.26	6.91	7.97	8.88	8.23	6.88
% Return on Equity	12.06	10.48	9.01	7.99	7.22	9.85	42.92	13.76	12.15	11.11

Source: S&P Global Market Intelligence. Data may be preliminary or restated; before results of discontinued operations/special items. Per share data adjusted for stock dividends; EPS diluted. E-Estimated. NA-Not Available. NM-Not Meaningful. NR-Not Ranked. UR-Under Review.

Inter Parfums, Inc.

Sub-Industry Outlook

Our fundamental outlook for the personal products sub-industry is neutral. We think there are low growth opportunities in developed markets, including the U.S. and U.K. However, we think there are ample opportunities for growth in emerging markets, particularly China, despite signs of a global economic slowdown. Nonetheless, a trade agreement between the U.S. and China would be an additional catalyst for this sub-industry.

China is a very significant market for participants in this sub-industry. We expect growth to remain high even through an economic downturn or prolonged impacts of tariffs. When it comes to affordable prestige beauty products, we note that consumers typically exhibit a high degree of loyalty, which will likely be a defining factor for growth when the next recession hits.

Chinese millennials have shown to be much bigger spenders than U.S. millennials. We think this is due to socioeconomic differences among different generations in the U.S. vs. China. In China, the millennials who often spend more are around the ages of 25, whereas this age jumps to over 30 in the United States. Chinese millennials often are more educated than their parents and have much higher discretionary income. This is not usually the case for millennials in the U.S., who have not necessarily gotten better jobs than their parents and been overwhelmed with high debt such as student loans.

Consumer attitudes have also shown to differ between millennials in developed countries versus emerging countries. Research indicates that consumers in developed countries are more worried about the future, whereas consumers in emerging countries feel as if their future will be better than today. These factors have led us to believe that demand will remain strong for personal products in emerging markets even if

the global economy weakens.

In the U.S., we estimate flat to modest growth over the next year, given that we're in the late stage of the economic cycle and are beginning to see competition intensifying from non-traditional players. Through the rise of social media, the barriers to entry have significantly lowered for startup beauty companies to be successful. We're also seeing a shift in consumer habits to move away from blue-chip beauty companies to niche, indie brands that offer more personalized products.

Most companies in this sub-industry operate and market around the world. Therefore, fluctuations in the value of the U.S. dollar can affect reported results. In general, a weaker dollar boosts the translation of foreign results for U.S.-based companies, while a stronger dollar decreases them. Depending on where products are manufactured and sold, there may be a foreign currency transaction effect on profits. The impact of currency fluctuation can vary, depending, in part, on the extent that a company has hedged against it. Also, profitability can be affected by various commodity costs, including oil and natural gas.

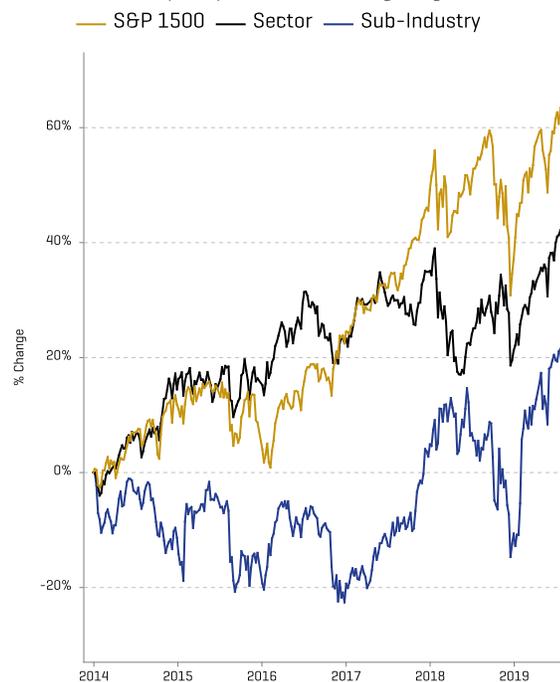
Year-to-date through June 28, 2019, the S&P Personal Products Index was up 36.0% compared to an increase of 14.1% in the broader Consumer Staples sector and a 17.2% increase in the overall S&P Composite 1500 Index.

/Arun Sundaram

Industry Performance

GICS Sector: Consumer Staples Sub-Industry: Personal Products

Based on S&P 1500 Indexes
Five-Year market price performance through Aug 03, 2019



NOTE: All Sector & Sub-Industry information is based on the Global Industry Classification Standard (GICS).

Past performance is not an indication of future performance and should not be relied upon as such.

Source: S&P Global Market Intelligence

Sub-Industry: Personal Products Peer Group*: Personal Products

Peer Group	Stock Symbol	Exchange	Currency	Recent Stock Price	Stk. Mkt. Cap. [M]	30-Day Price Chg. [%]	1-Year Price Chg. [%]	P/E Ratio	Fair Value Calc.	Yield [%]	Return on Equity [%]	LTD to Cap [%]
Inter Parfums, Inc.	IPAR	NasdaqGS	USD	68.08	2,141	5.2	11.3	38	53.18	1.6	12.1	3.6
Avon Products, Inc.	AVP	NYSE	USD	4.340	1,924	11.3	152.3	NM	NA	Nil	6.7	132.9
CV Sciences, Inc.	CVSI	OTCPK	USD	4.050	406	0.4	42.6	NM	NA	Nil	43.0	NA
Edgewell Personal Care Company	EPC	NYSE	USD	30.39	1,645	8.4	-44.0	21	29.29	Nil	5.9	36.3
Jamieson Wellness Inc.	JWEL	TSX	CAD	20.70	793	0.7	-18.3	30	10.91	1.7	11.6	37.2
Medifast, Inc.	MED	NYSE	USD	103.19	1,220	-15.2	-41.0	17	152.24	2.9	51.3	NA
Neptune Wellness Solutions Inc.	NEPT	TSX	CAD	6.980	645	19.5	91.8	NM	NA	Nil	-29.8	NA
Nu Skin Enterprises, Inc.	NUS	NYSE	USD	39.13	2,171	-17.0	-48.5	17	42.16	3.8	16.4	29.8
Revlon, Inc.	REV	NYSE	USD	18.16	938	-3.0	16.4	NM	NA	Nil	32.2	134.5
USANA Health Sciences, Inc.	USNA	NYSE	USD	68.35	1,595	10.6	-48.0	15	103.60	Nil	33.5	NA
e.l.f. Beauty, Inc.	ELF	NYSE	USD	16.02	798	12.1	10.7	NM	NA	Nil	7.3	36.2

*For Peer Groups with more than 10 companies or stocks, selection of issues is based on market capitalization.

NA-Not Available NM-Not Meaningful.

Note: Peers are selected based on Global Industry Classification Standards and market capitalization. The peer group list includes companies with similar characteristics, but may not include all the companies within the same industry and/or that engage in the same line of business.

Inter Parfums, Inc.**Analyst Research Notes and other Company News****July 24, 2019**

03:45 pm ET... CFRA Keeps Hold Opinion on Shares of Inter Parfums, Inc. [68.71***]: We keep our 12-month target price at \$75, 34.9x our 2020 EPS estimate and a premium to the five-year mean of 31.6x. We keep our 2019 EPS estimate at \$1.88 and 2020's at \$2.15. Consistent with prior quarters, IPAR released preliminary results for Q2 2019. Net sales increased 11.3% [+8.7% European segment, +20.4% U.S. segment]. Growth in the European segment was led by 28.3% growth in Montblanc, which is IPAR's largest brand. Sales of Jimmy Choo (the second largest brand) fell nearly 20% after posting almost 26% growth last quarter from new product launches. Lastly, sales of Coach (the third largest brand) jumped almost 44% after falling 22% in the first quarter of 2019. Within the U.S. segment, most of the 20.4% growth this quarter was driven by the introduction of GUESS scents from last year. IPAR confirmed its 2019 sales guidance of \$712M and 2019 EPS guidance of \$1.88. IPAR has not yet officially announced when it will report its full Q2 2019 results. /Arun Sundaram

May 07, 2019

02:09 pm ET... CFRA Maintains Hold Rating on Shares of Inter Parfums, Inc. [71.83***]: We lower our 12-month target by \$3 to \$75, 34.9x our '20 EPS estimate and a premium to the five-year mean of 31.3x. We lower our EPS estimates by \$0.08 to \$1.88 for '19 and by \$0.06 to \$2.15 for '20. IPAR posts Q1 adj-EPS of \$0.60 vs. \$0.51 [+17.6%], \$0.03 above consensus. Sales were up 3.8% [+54.8% U.S. and -3.8% International]. The addition of GUESS scents in Q2 '18 was the driver for U.S. growth. Internationally, IPAR posted weak results in Asia as well as within the Coach brand [third largest fragrance brand], but expects sales to turnaround with upcoming product launches. Overall, margins were up due to an increase in operating leverage and a stronger U.S. dollar [about 45% of sales in the European operations are in U.S. dollars, but the costs incurred are in Euros]. We are optimistic that growth and margin expansion can continue with upcoming product launches, but keep a Hold rating as current valuations seem stretched with the shares trading well above historic/peer averages. /Arun Sundaram

March 05, 2019

10:38 am ET... CFRA Keeps Hold Opinion on Shares of Inter Parfums, Inc. [76.01***]: We lift our 12-month target price by \$13, to \$78, reflecting a 39.8x multiple applied to NTM EPS of \$1.96. The applied multiple is above IPAR's long-term average, but below peak levels. We raise our '19 EPS estimate by \$0.14 to \$1.96, and start '20's at \$2.21. Q4 EPS of \$0.26 vs. \$0.14 beat consensus by \$0.02. Excluding the impact of currency, net sales rose almost 13% in Q4, but the relatively weak Euro in Q4 [vs. the USD] helped European gross margins. IPAR sees near-term growth potential from brand extensions, some of which, recently launched, are performing better than IPAR expected; however, we also think valuation remains a bit stretched and is likely factoring in the benefits of such extensions. Shares yield 1.4%. /Stewart Glickman, CFA

November 15, 2018

12:24 pm ET... CFRA CUTS VIEW ON SHARES OF INTER PARFUMS INC. TO HOLD FROM BUY [60.5***]: We cut our 12-month target price by \$7, to \$65, reflecting a 39.6X multiple of NTM EPS of \$1.64. Our applied multiple is above IPAR's historical forward average and near the peak of the recent range. We keep our '18 EPS estimate at \$1.62, and trim '19's by \$0.02 to \$1.82. Q3 EPS of \$0.60 vs. \$0.55 beat the consensus view by \$0.01. Based on data from CFRA's Forensic Research team, we estimate that inventory levels relative to three-month forward sales have been elevated for three straight quarters, which poses a risk, in our view, to future earnings, while its days sales outstanding are also above peers. The decision to boost the dividend by 31%, to an annualized \$1.10 per share, boosts the yield to 1.8%, but we note the payout ratio [on '19 EPS] of 60% is above that of most peers in IPAR's space, and may suggest some deceleration in dividend growth going forward. /Stewart Glickman, CFA

August 08, 2018

11:58 am ET... CFRA KEEPS BUY OPINION ON SHARES OF INTER PARFUMS, INC. [62.85***]: We lift our 12-month target \$6 to \$72, a P/E of 42X, near the upper end of IPAR's three-year 21X-43X range, our forward 12-month EPS estimate of \$1.71. We raise our 2018 and 2019 EPS estimates \$0.03 and \$0.11 to \$1.62 and \$1.84. We see valuation benefiting as new product launches and

recent licensing agreements support strong sales growth as IPAR uses its strong balance sheet to seek acquisitions. IPAR reports Q2 adjusted EPS of \$0.35 vs. \$0.22, \$0.08 above our estimate. Forex neutral net sales growth of 12.3%, in line with our estimate, is benefiting from new products launches. We expect sales trends to improve sequentially in 2018 after the launch of GUESS brands during Q2. European sales growth remains strong on strength from core Coach brand fragrances, although Montblanc comparisons were difficult. Margins expanded more than we expected on strong sales from higher priced prestige brands despite increased promotional spending to support new products and increased brand awareness. /Joseph Agnese

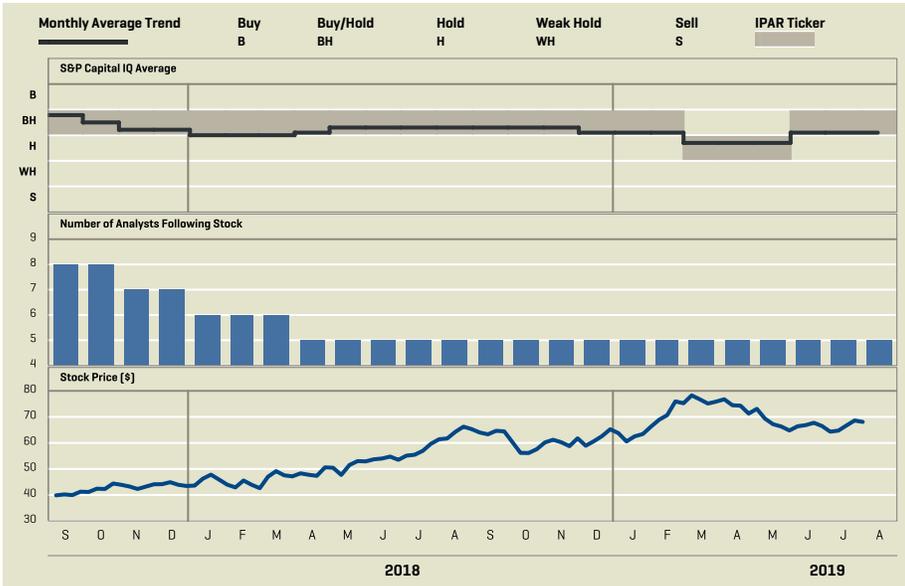
July 27, 2018

01:21 pm ET... CFRA KEEPS BUY OPINION ON SHARES OF INTER PARFUMS [59.9***]: We raise our 12-month target price by \$13 to \$66, applying a P/E of 38X, in the upper end of the company's three-year 20.5X-43.0X trading range, to our forward 12-month EPS estimate of \$1.73. We keep our 2018 and 2019 EPS estimates of \$1.59 and \$1.73, respectively. We see valuation benefiting as new product launches and recent licensing agreements support strong sales growth as the company uses its strong balance sheet to seek acquisitions. The company reports Q2 forex neutral net sales growth of 12.3%, significantly above our estimate, on benefits from new products launches. We expect trends to improve sequentially in 2018 following the launch of GUESS brands in Q2. European sales growth remains strong on strength from core Coach brand fragrances, although comparisons were more difficult for Montblanc during the quarter. The company expects to report Q2 EPS on or about Tuesday, August 7th. We estimate Q2 EPS of \$0.27 vs. \$0.22. /Joseph Agnese

Note: Research notes reflect CFRA's published opinions and analysis on the stock at the time the note was published. The note reflects the views of the equity analyst as of the date and time indicated in the note, and may not reflect CFRA's current view on the company.

Inter Parfums, Inc.

Analysts' Recommendations



Wall Street Consensus Opinion

BUY/HOLD

Wall Street Consensus vs. Performance

For fiscal year 2019, analysts estimate that IPAR will earn USD \$1.89. For the 1st quarter of fiscal year 2019, IPAR announced earnings per share of USD \$0.60, representing 31.8% of the total revenue estimate. For fiscal year 2020, analysts estimate that IPAR's earnings per share will grow by 15% to USD \$2.17.

	No. of Recommendations	% of Total	1 Mo. Prior	3 Mos. Prior
Buy	1	20	1	0
Buy/Hold	1	20	1	1
Hold	3	60	3	4
Weak Hold	0	0	0	0
Sell	0	0	0	0
No Opinion	0	0	0	0
Total	5	100	5	5

Wall Street Consensus Estimates



Fiscal Years	Avg Est.	High Est.	Low Est.	# of Est.	Est. P/E
2020	2.17	2.30	2.12	4	31.3
2019	1.89	1.90	1.88	5	36.0
2020 vs. 2019	▲15%	▲21%	▲13%	▼-20%	▼-13%
Q2'20	0.41	0.42	0.41	2	NM
Q2'19	0.38	0.42	0.35	5	NM
Q2'20 vs. Q2'19	▲8%	0%	▲17%	▼-60%	NA

Forecasts are not reliable indicator of future performance.

Note: A company's earnings outlook plays a major part in any investment decision. S&P Global Market Intelligence organizes the earnings estimates of over 2,300 Wall Street analysts, and provides their consensus of earnings over the next two years, as well as how those earnings estimates have changed over time. Note that the information provided in relation to consensus estimates is not intended to predict actual results and should not be taken as a reliable indicator of future performance.

Note: For all tables, graphs and charts in this report that do not cite any reference or source, the source is S&P Global Market Intelligence.

Inter Parfums, Inc.**Glossary****STARS**

Since January 1, 1987, CFRA Equity and Fund Research Services, and its predecessor S&P Capital IQ Equity Research has ranked a universe of U.S. common stocks, ADRs (American Depositary Receipts), and ADSs (American Depositary Shares) based on a given equity's potential for future performance. Similarly, we have ranked Asian and European equities since June 30, 2002. Under proprietary STARS (Stock Appreciation Ranking System), equity analysts rank equities according to their individual forecast of an equity's future total return potential versus the expected total return of a relevant benchmark (e.g., a regional index [S&P Asia 50 Index, S&P Europe 350® Index or S&P 500® Index]), based on a 12-month time horizon. STARS was designed to meet the needs of investors looking to put their investment decisions in perspective. Data used to assist in determining the STARS ranking may be the result of the analyst's own models as well as internal proprietary models resulting from dynamic data inputs.

S&P Global Market Intelligence's Quality Ranking

(also known as **S&P Capital IQ Earnings & Dividend Rankings**) - Growth and stability of earnings and dividends are deemed key elements in establishing S&P Global Market Intelligence's earnings and dividend rankings for common stocks, which are designed to encapsulate the nature of this record in a single symbol. It should be noted, however, that the process also takes into consideration certain adjustments and modifications deemed desirable in establishing such rankings. The final score for each stock is measured against a scoring matrix determined by analysis of the scores of a large and representative sample of stocks. The range of scores in the array of this sample has been aligned with the following ladder of rankings:

A+	Highest	B	Below Average
A	High	B-	Lower
A-	Above Average	C	Lowest
B+	Average	D	In Reorganization
NR	Not Ranked		

EPS Estimates

CFRA's earnings per share (EPS) estimates reflect analyst projections of future EPS from continuing operations, and generally exclude various items that are viewed as special, non-recurring, or extraordinary. Also, EPS estimates reflect either forecasts of equity analysts; or, the consensus (average) EPS estimate, which are independently compiled by S&P Global Market Intelligence, a data provider to CFRA. Among the items typically excluded from EPS estimates are asset sale gains; impairment, restructuring or merger-related charges; legal and insurance settlements; in process research and development expenses; gains or losses on the extinguishment of debt; the cumulative effect of accounting changes; and earnings related to operations that have been classified by the company as discontinued. The inclusion of some items, such as stock option expense and recurring types of other charges, may vary, and depend on such factors as industry practice, analyst judgment, and the extent to which some types of data is disclosed by companies.

12-Month Target Price

The equity analyst's projection of the market price a given security will command 12 months hence, based on a combination of intrinsic, relative, and private market valuation metrics, including Fair Value.

CFRA Equity Research

CFRA Equity Research is produced and distributed by Accounting Research & Analytics, LLC d/b/a CFRA ("CFRA US"; together with its affiliates and subsidiaries, "CFRA"). Certain research is produced and distributed by CFRA MY Sdn Bhd [Company No. 683377-A] (formerly known as Standard & Poor's Malaysia Sdn Bhd) ("CFRA Malaysia"). Certain research is distributed by CFRA UK Limited ("CFRA UK"). CFRA UK and CFRA Malaysia are wholly-owned subsidiaries of CFRA US.

Abbreviations Used in Equity Research Reports

CAGR - Compound Annual Growth Rate
 CAPEX - Capital Expenditures
 CY - Calendar Year
 DCF - Discounted Cash Flow
 DDM - Dividend Discount Model
 EBIT - Earnings Before Interest and Taxes
 EBITDA - Earnings Before Interest, Taxes, Depreciation & Amortization
 EPS - Earnings Per Share
 EV - Enterprise Value
 FCF - Free Cash Flow
 FFO - Funds From Operations

FY - Fiscal Year
 P/E - Price/Earnings
 P/NAV - Price to Net Asset Value PEG Ratio - P/E-to-Growth Ratio PV - Present Value
 R&D - Research & Development ROCE - Return on Capital Employed ROE - Return on Equity
 ROI - Return on Investment
 ROIC - Return on Invested Capital
 ROA - Return on Assets
 SG&A - Selling, General & Administrative Expenses
 SOTP - Sum-of-The-Parts
 WACC - Weighted Average Cost of Capital

Dividends on American Depositary Receipts (ADRs) and American Depositary Shares (ADSs) are net of taxes (paid in the country of origin).

Qualitative Risk Assessment

Reflects an equity analyst's view of a given company's operational risk, or the risk of a firm's ability to continue as an ongoing concern. The Qualitative Risk Assessment is a relative ranking to the U.S. STARS universe, and should be reflective of risk factors related to a company's operations, as opposed to risk and volatility measures associated with share prices. For an ETF this reflects on a capitalization-weighted basis, the average qualitative risk assessment assigned to holdings of the fund.

STARS Ranking system and definition:**★★★★★ 5-STARs (Strong Buy):**

Total return is expected to outperform the total return of a relevant benchmark, by a notable margin over the coming 12 months, with shares rising in price on an absolute basis.

★★★★★ 4-STARs (Buy):

Total return is expected to outperform the total return of a relevant benchmark over the coming 12 months, with shares rising in price on an absolute basis.

★★★★★ 3-STARs (Hold):

Total return is expected to closely approximate the total return of a relevant benchmark over the coming 12 months, with shares generally rising in price on an absolute basis.

★★★★★ 2-STARs (Sell):

Total return is expected to underperform the total return of a relevant benchmark over the coming 12 months, and the share price is not anticipated to show a gain.

★★★★★ 1-STAR (Strong Sell):

Total return is expected to underperform the total return of a relevant benchmark by a notable margin over the coming 12 months, with shares falling in price on an absolute basis.

Relevant benchmarks:

In North America, the relevant benchmark is the S&P 500 Index, in Europe and in Asia, the relevant benchmarks are the S&P Europe 350 Index and the S&P Asia 50 Index, respectively.

Inter Parfums, Inc.**Disclosures**

S&P GLOBAL™ is used under license. The owner of this trademark is S&P Global Inc. or its affiliate, which are not affiliated with CFRA Research or the author of this content.

Stocks are ranked in accordance with the following ranking methodologies:

STARS Stock Reports:

Qualitative STARS recommendations are determined and assigned by equity analysts. For reports containing STARS recommendations refer to the Glossary section of the report for detailed methodology and the definition of STARS rankings.

Quantitative Stock Reports:

Quantitative recommendations are determined by ranking a universe of common stocks based on 5 measures or model categories: Valuation, Quality, Growth, Street Sentiment, and Price Momentum. In the U.S., a sixth sub-category for Financial Health will also be displayed. Percentile scores are used to compare each company to all other companies in the same universe for each model category. The five (six) model category scores are then weighted and rolled up into a single percentile ranking for that company. For reports containing quantitative recommendations refer to the Glossary section of the report for detailed methodology and the definition of Quantitative rankings.

STARS Stock Reports and Quantitative Stock Reports:

The methodologies used in STARS Stock Reports and Quantitative Stock Reports (collectively, the "Research Reports") reflect different criteria, assumptions and analytical methods and may have differing recommendations. The methodologies and data used to generate the different types of Research Reports are believed by the author and distributor reasonable and appropriate. Generally, CFRA does not generate reports with different ranking methodologies for the same issuer. However, in the event that different methodologies or data are used on the analysis of an issuer, the methodologies may lead to different views or recommendations on the issuer, which may at times result in contradicting assessments of an issuer. CFRA reserves the right to alter, replace or vary models, methodologies or assumptions from time to time and without notice to clients.

STARS Stock Reports:

Global STARS Distribution as of March 31, 2019

Ranking	North America	Europe	Asia	Global
Buy	35.5%	32.4%	39.4%	35.4%
Hold	54.8%	54.4%	41.7%	53.2%
Sell	9.7%	13.2%	18.9%	11.3%
Total	100.0%	100.0%	100.0%	100.0%

Analyst Certification:

STARS Stock Reports are prepared by the equity research analysts of CFRA and its affiliates and subsidiaries. Quantitative Stock Reports are prepared by CFRA. All of the views expressed in STARS Stock Reports accurately reflect the research analyst's personal views regarding any and all of the subject securities or issuers; all of the views expressed in the Quantitative Stock Reports accurately reflect the output of CFRA's algorithms and programs. Analysts generally update STARS Stock Reports at least four times each year. Quantitative Stock Reports are generally updated weekly. No part of analyst, CFRA, CFRA affiliate, or CFRA subsidiary compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed in any Stock Report.

About CFRA Equity Research's Distributors:

This Research Report is published and originally distributed by Accounting Research & Analytics, LLC d/b/a CFRA ("CFRA US"), with the following exceptions: In the UK/EU/EEA, it is published and originally distributed by CFRA UK Limited ("CFRA UK"), which is regulated by the Financial Conduct Authority [No. 775151], and in Malaysia by CFRA MY Sdn Bhd [Company No. 683377-A] [formerly known as Standard & Poor's Malaysia Sdn Bhd] ("CFRA Malaysia"), which is regulated by Securities Commission Malaysia, [No. CMSL/A0181/2007] under license from CFRA US. These parties and their subsidiaries maintain no responsibility for reports redistributed by third parties such as brokers or financial advisors.

General Disclosure**Notice to all jurisdictions:**

Where Research Reports are made available in a language other than English and in the case of inconsistencies between the English and translated versions of a Research Report, **the English version will control and supersede any ambiguities associated with any part or section of a Research Report that has been issued in a foreign language.** Neither CFRA nor its affiliates guarantee the accuracy of the translation.

Neither CFRA nor its affiliates guarantee the accuracy of the translation. The content of this report and the opinions expressed herein are those of CFRA based upon publicly-available information that CFRA believes to be reliable and the opinions are subject to change without notice. This analysis has not been submitted to, nor received approval from, the United States Securities and Exchange Commission or any other regulatory body. While CFRA exercised due care in compiling this analysis, CFRA AND ALL RELATED ENTITIES SPECIFICALLY DISCLAIM ALL WARRANTIES, EXPRESS OR IMPLIED, to the full extent permitted by law, regarding the accuracy, completeness, or usefulness of this information and assumes no liability with respect to the consequences of relying on this information for investment or other purposes.

No content (including ratings, credit-related analyses and data, valuations, model, software or other application or output therefrom) or any part thereof (Content) may be modified, reverse engineered, reproduced or distributed in any form by any means, or stored in a database or retrieval system, without the prior written permission of CFRA. The Content shall not be used for any unlawful or unauthorized purposes. CFRA and any third-party providers, as well as their directors, officers, shareholders, employees or agents do not guarantee the accuracy, completeness, timeliness or availability of the Content.

Past performance is not necessarily indicative of future results.

This document may contain forward-looking statements or forecasts; such forecasts are not a reliable indicator of future performance.

This report is not intended to, and does not, constitute an offer or solicitation to buy and sell securities or engage in any investment activity. This report is for informational purposes only. Recommendations in this report are not made with respect to any particular investor or type of investor. Securities, financial instruments or strategies mentioned herein may not be suitable for all investors and this material is not intended for any specific investor and does not take into account an investor's particular investment objectives, financial situations or needs. Before acting on any recommendation in this material, you should consider whether it is suitable for your particular circumstances and, if necessary, seek professional advice.

CFRA may license certain intellectual property or provide services to, or otherwise have a business relationship with, certain issuers of securities that are the subject of CFRA research reports, including exchange-traded investments whose investment objective is to substantially replicate the returns of a proprietary index of CFRA. In cases where CFRA is paid fees that are tied to the amount of assets invested in a fund or the volume of trading activity in a fund, investment in the fund may result in CFRA receiving compensation in addition to the subscription fees or other compensation for services rendered by CFRA, however, no part of CFRA's compensation for services is tied to any recommendation or rating. Additional information on a subject company may be available upon request.

CFRA's financial data provider is S&P Global Market Intelligence. THIS DOCUMENT CONTAINS COPYRIGHTED AND TRADE SECRET MATERIAL DISTRIBUTED UNDER LICENSE FROM S&P GLOBAL MARKET INTELLIGENCE. FOR RECIPIENT'S INTERNAL USE ONLY.

The Global Industry Classification Standard (GICS®) was developed by and/or is the exclusive property of MSCI, Inc. and S&P Global Market Intelligence. GICS is a service mark of MSCI and S&P Global Market Intelligence and has been licensed for use by CFRA.

Other Disclaimers and Notices

Certain information in this report is provided by S&P Global, Inc. and/or its affiliates and subsidiaries (collectively "S&P Global"). Such information is subject to the following disclaimers and notices: "Copyright © 2019, S&P Global Market Intelligence [and its affiliates as applicable]. All rights reserved. Nothing contained herein is investment advice and a reference to a particular investment or security, a credit rating or any observation concerning a security or investment provided by S&P Global is not a recommendation to buy, sell or hold such investment or security or make any other investment decisions. This may contain information obtained from third parties, including ratings from credit ratings agencies. Reproduction and distribution of S&P Global's information and third party content in any form is prohibited except with the prior written permission of S&P Global or the related third party, as applicable. Neither S&P Global nor its third party providers guarantee the accuracy, completeness, timeliness or availability of any information, including ratings, and are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, or for the results obtained from the use of such information or content. S&P GLOBAL AND ITS THIRD PARTY CONTENT PROVIDERS GIVE NO EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE AND ALL S&P INFORMATION IS PROVIDED ON AN AS-IS BASIS. S&P GLOBAL AND ITS THIRD PARTY CONTENT PROVIDERS SHALL NOT BE LIABLE FOR ANY DIRECT, INDIRECT, INCIDENTAL, EXEMPLARY, COMPENSATORY, PUNITIVE, SPECIAL OR CONSEQUENTIAL DAMAGES, COSTS, EXPENSES, LEGAL FEES, OR LOSSES (INCLUDING LOST INCOME OR PROFITS AND OPPORTUNITY COSTS OR LOSSES CAUSED BY NEGLIGENCE) IN CONNECTION WITH ANY USE OF THEIR INFORMATION OR CONTENT, INCLUDING RATINGS. Credit ratings are statements of opinions and are not statements of fact or recommendations to purchase, hold or sell securities. They do not address the suitability of securities or the suitability of securities for investment purposes, and should not be relied on as investment advice."

Certain information in this report may be provided by Securities Evaluations, Inc. ("SE"), a wholly owned subsidiary of Intercontinental Exchange. SE is a registered investment adviser with the United States Securities and Exchange Commission (SEC). SE's advisory services include evaluated pricing and model valuation of fixed income securities, derivative valuations and Odd-Lot Pricing that consists of bid- and ask-side evaluated prices for U.S. Municipal and U.S. Corporate Securities (together called valuation services). Such information is subject to the following disclaimers and notices: "No content (including credit-related analyses and data, valuations, model, software or other application or output therefrom) or any part thereof (Content) may be modified, reverse engineered, reproduced or distributed in any form by any means, or stored in a database or retrieval system, without the prior written permission of SE. The Content shall not be used for any unlawful or unauthorized purposes. SE and any third-party providers, as well as their directors, officers, shareholders, employees or agents (collectively SE Parties) do not guarantee the accuracy, completeness, timeliness or availability of the Content. SE Parties are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, for the results obtained from the use of the Content, or for the security or maintenance of any data input by the user. The Content is provided on an "as is" basis. SE PARTIES DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE CONTENT'S FUNCTIONING WILL BE UNINTERRUPTED OR THAT THE CONTENT WILL OPERATE WITH ANY SOFTWARE OR HARDWARE CONFIGURATION.

Inter Parfums, Inc.

In no event shall SE Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs or losses caused by negligence) in connection with any use of the Content even if advised of the possibility of such damages. Credit-related and other analyses and statements in the Content are statements of opinion as of the date they are expressed and not statements of fact or recommendations to purchase, hold, or sell any securities or to make any investment decisions. SE assumes no obligation to update the Content following publication in any form or format. The Content should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions. SE's opinions and analyses do not address the suitability of any security. SE does not act as a fiduciary or an investment advisor. While SE has obtained information from sources it believes to be reliable, SE does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives. Valuations services are opinions and not statements of fact or recommendations to purchase, hold or sell any security or instrument, or to make any investment decisions. The information provided as part of valuations services should not be intended as an offer, promotion or solicitation for the purchase or sale of any security or other financial instrument nor should it be considered investment advice. Valuations services do not address the suitability of any security or instrument, and securities, financial instruments or strategies mentioned by SE may not be suitable for all investors. SE does not provide legal, accounting or tax advice, and clients and potential clients of valuation services should consult with an attorney and/or a tax or accounting professional regarding any specific legal, tax or accounting provision(s) applicable to their particular situations and in the countries and jurisdictions where they do business. SE has redistribution relationships that reflect evaluated pricing, derivative valuation and/or equity pricing services of other unaffiliated firms with which SE has contracted to distribute to its client base. Pricing and data provided by these third-party firms are the responsibilities of those firms, and not SE, and are produced under those firms' methodologies, policies and procedures. Valuations services provided by SE and products containing valuations services may not be available in all countries or jurisdictions. Copyright © 2019 by Intercontinental Exchange Inc. All rights reserved."

Any portions of the fund information contained in this report supplied by Lipper, A Thomson Reuters Company, are subject to the following: "Copyright © 2019 Thomson Reuters. All rights reserved. Lipper shall not be liable for any errors or delays in the content, or for any actions taken in reliance thereon."

For residents of the European Union/European Economic Area:

Research reports are originally distributed by CFRA UK Limited [company number 08456139 registered in England & Wales with its registered office address at 1PD Box 698, Titchfield House, 69-85 Tabernacle Street, London, EC2A 4RR, United Kingdom]. CFRA UK Limited is regulated by the UK Financial Conduct Authority [No. 775151].

For residents of Malaysia:

Research reports are originally produced and distributed by CFRA MY Sdn Bhd [Company No. 683377-A] [formerly known as Standard & Poor's Malaysia Sdn. Bhd] ["CFRA Malaysia"], a wholly-owned subsidiary of CFRA US. CFRA Malaysia is regulated by Securities Commission Malaysia [License No. CMSL/A0181/2007].

For residents of all other countries:

Research reports are originally distributed Accounting Research & Analytics, LLC d/b/a CFRA.

Copyright © 2019 CFRA. All rights reserved. CFRA and STARS are registered trademarks of CFRA.