

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

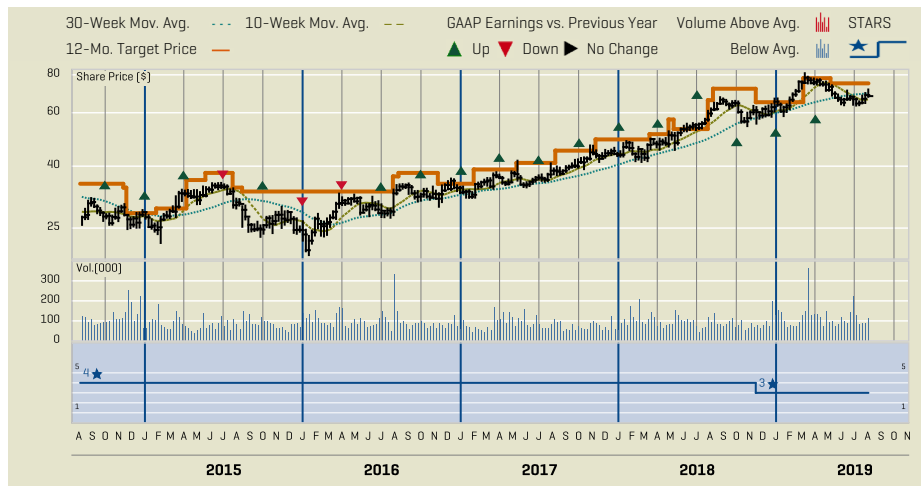
GICS Sector Consumer Staples
Sub-Industry Personal Products

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
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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.

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

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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					Expanded Ratio Analysis							
Fair Value Rank	2	1	2	3	4	5	2018	2017	2016	2015		
		LOWEST				HIGHEST	Price/Sales	3.06	2.30	1.96	1.58	
		Based on CFRA's proprietary quantitative model, stocks are ranked from most overvalued [1] to most undervalued [5].						Price/EBITDA	19.54	15.02	13.20	10.54
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%.						Price/Pretax Income	23.29	17.16	14.99	12.25
							P/E Ratio	38.35	32.67	30.61	24.31	
Volatility		LOW	AVERAGE				Avg. Diluted Shares Outsg.(M)	31.52	31.31	31.18	31.10	
Technical Evaluation	NEUTRAL	Since July, 2019, the technical indicators for IPAR have been NEUTRAL.						Figures based on fiscal year-end price				
Insider Activity		UNFAVORABLE	NEUTRAL				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.

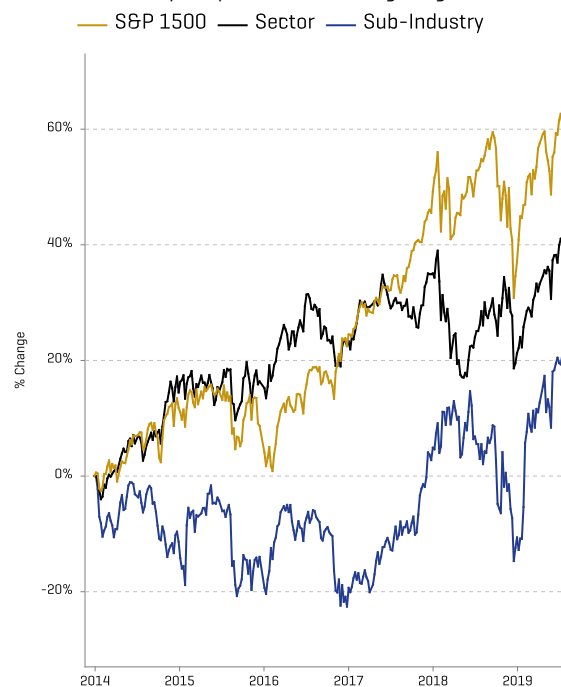
Year-to-date through June 28, 2019, the S&P Personal Products Index was up 36.0% compared to an increase of 14.1% in the broader Consumer Staples sector and a 17.2% increase in the overall S&P Composite 1500 Index.

/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

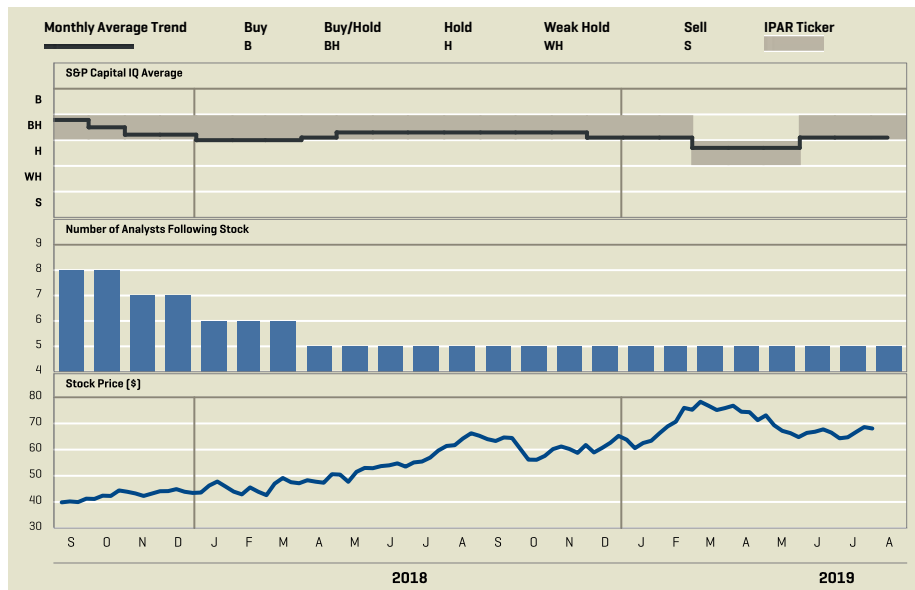
July 27, 2018

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

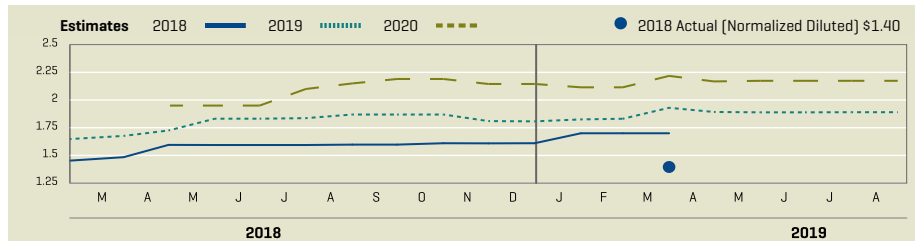
BUY/HOLD

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

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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.

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STARS Stock Reports:

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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.

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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%

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