Inter Parfums (IPAR)

Updated May 12th, 2025 by Derek English

Key Metrics

Current Price:	$124	**5 Year Annual Expected Total Return:**	12.5%	**Market Cap:**	$3.82 B
Fair Value Price:	$161	**5 Year Growth Estimate:**	5.0%	**Ex-Dividend Date:**	06/13/25
% Fair Value:	77%	**5 Year Valuation Multiple Estimate:**	5.3%	**Dividend Payment Date:**	06/30/25
Dividend Yield:	2.6%	**5 Year Price Target**	$205	**Years Of Dividend Growth:**	4
Dividend Risk Score:	D	**Sector:**	Consumer Discretionary	**Rating:**	Hold

Overview & Current Events

Inter Parfums (IPAR) is a company that manufactures and distributes fragrance products. The company was founded in 1982, and until 1999, the business was named "Jean Philippe Fragrances." Inter Parfums designs, manufactures, markets, and distributes fragrances and beauty products under various brand names. The company's brand portfolio includes some of the most well-known names in the fragrance industry, including Abercrombie & Fitch, Anna Sui, Coach, Dunhill, Jimmy Choo, Karl Lagerfeld, Montblanc, Oscar de la Renta, Paul Smith, Repetto, and Van Cleef & Arpels, among others. Inter Parfums has a global presence and distributes its products in over 100 countries worldwide. The company operates through a network of subsidiaries and licensees, and it has production facilities in France, the United States, and Spain. In addition to fragrances, Inter Parfums also offers other beauty products, such as body lotions, shower gels, and other skincare items under some of its brand names.

On May 5th, 2025, Inter Parfums reported Q1 results for the period ending March 31st, 2025. The company posted a 5% increase in net sales to $339 million, with organic growth (excluding FX and discontinued licenses) of 7%. Growth was led by strong performance from Jimmy Choo, Coach, and Lacoste in the European division, and Donna Karan/DKNY, MCM, and Roberto Cavalli in the U.S. division. Gross margin rose to 63.7%, and operating income improved 10% to $75 million, with operating margin expanding to 22.2%. Net income grew 4% year-over-year to $42 million, with diluted earnings-per-share increasing 4% to $1.32. North America and Western Europe delivered sales gains of 14% and 1%, respectively, while Eastern Europe rebounded strongly, rising 46% from last year's depressed levels. Sales in Asia/Pacific and Central/South America declined due to tough comparisons, while the discontinuation of the Dunhill license impacted the Middle East and Africa region.

Growth on a Per-Share Basis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
EPS	$0.98	$1.10	$1.33	$1.71	$1.90	$1.21	$2.75	$3.78	$4.75	$5.12	***$5.35***	***$6.83***
DPS	$0.52	$0.62	$0.72	$0.91	$1.16	$0.33	$1.00	$2.00	$2.50	$3.00	***$3.20***	***$4.08***
Shares[1]	31.0	31.0	31.0	31.0	32.0	32.0	32.0	31.9	31.9	31.9	***31.0***	***31.0***

Over the past decade, Inter Parfums has grown earnings-per-share at 20.2% annually since 2015 and by 34.6% annually over the past five years. Based on management's 2025 guidance, we expect Inter Parfums to deliver $5.35 of earnings per share. In addition, we forecast that earnings-per-share will grow at about 5% per year over the next five years, guiding our 2030 earnings-per-share estimate of $6.83.

Over the past 10 years, dividends have grown by 21.5% annually, and over the past five years, dividend payments have increased by 57.5% annually, due mainly to payments doubling from 2021 to 2022. Management have also announced a 7% increase in 2025 to $3.20 per share. Over the next five years, we expect dividend growth to slow to about 5% per year, growing slightly slower than earnings-per-share. With the jump in payments from 2021 to 2022, the company is expected to pay around 60% of its 2025 earnings as dividends, a considerable increase from the 36% payout ratio in 2021. Therefore, we expect dividends to grow slower because the business now pays out a large chunk of its earnings to investors.

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[1] Share count is in millions.

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Valuation Analysis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Now	2030
Avg. P/E	23.1	31.8	29.5	27.6	28.6	31.8	36.7	41.5	27.6	25.7	***23.2***	***30.0***
Avg. Yld.	2.1%	2.3%	2.0%	1.6%	1.7%	2.1%	2.9%	3.1%	2.9%	2.9%	***2.6%***	***2.0%***

Over the past decade, the stock has averaged a P/E ratio of 30.4, and over the past five years, the average P/E is 32.7. Over the intermediate term, we expect the stock to average a P/E of 30, which means that shares are undervalued at the current multiple. We have set a fair value price of $161, and we estimate a five-year price target of $205. Today, the stock offers a 2.6% dividend yield, which could be interesting for investors prioritizing income. Investors will likely find the stock attractive for its high dividend growth and strong brand presence as a leader in the fragrance market.

Safety, Quality, Competitive Advantage, & Recession Resiliency

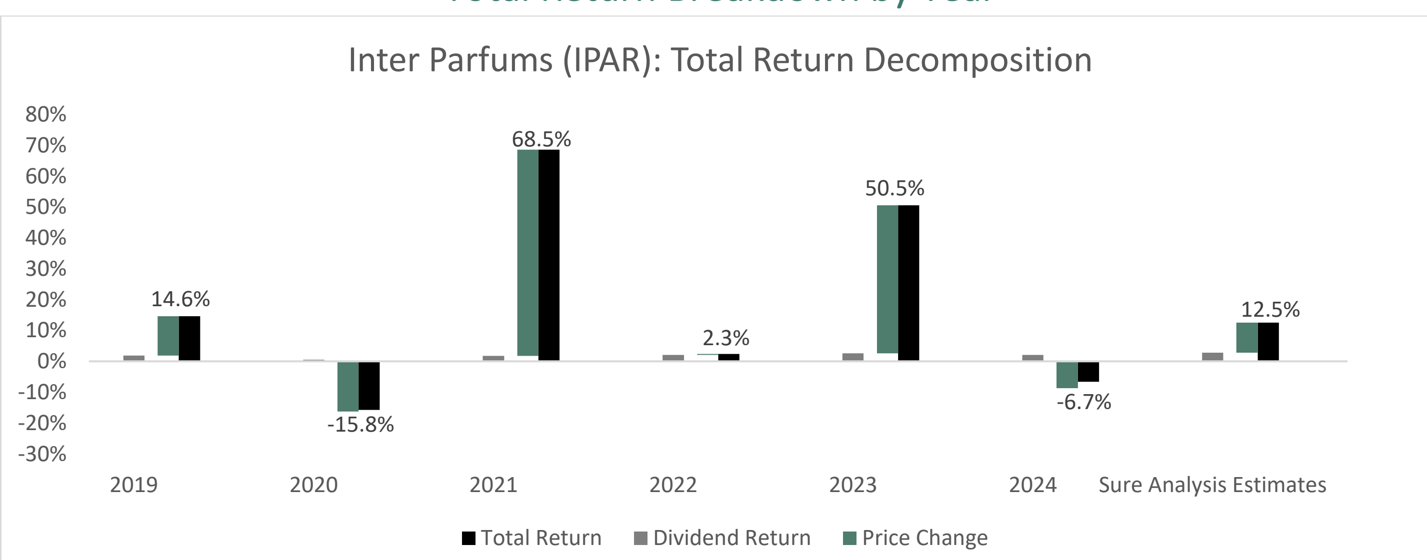
Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Payout	53%	56%	54%	53%	61%	27%	36%	53%	53%	59%	***60%***	***60%***

In the future, we expect Inter parfums to continue to have a ~58% payout ratio. Although we project that the dividend will continue to grow, it's important to note that in 2020, the business cut its dividend because earnings fell. With the stock sporting a payout ratio of nearly 60%, investors run the risk that the dividend may be cut in the future if earnings fall. Fortunately, Inter Parfums has a solid balance sheet, with current assets exceeding total liabilities. The business also has $125 million in cash and cash equivalents, which is more than the company will pay out in dividends for the fiscal year 2024. In addition to a strong balance sheet, the business has a competitive advantage with exclusive licensing to sell products worldwide under top brands.

Final Thoughts & Recommendation

Inter Parfums is a business that has exclusive licensing to sell perfume under top fashion brands worldwide. We rate the stock as a hold at today's price due to its dividend streak; however, its total return prospects are 12.5% annually over the next five years. This is due to earnings-per-share growth estimates of 5%, the 2.6% dividend yield, and a 5.3% valuation tailwind. Investors might be interested in IPAR for its exclusive licensing, market-leading position in the fragrance industry, and total return potential.

Total Return Breakdown by Year



Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.

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Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	469	521	591	676	714	539	880	1087	1318	1452
Gross Profit	289	326	376	428	446	331	557	694	839	927
Gross Margin	61.8%	62.7%	63.6%	63.3%	62.5%	61.4%	63.3%	63.8%	63.7%	63.8%
SG&A Exp.	228	259	296	333	341	261	406	492	588	649
D&A Exp.	9	15	12	11	9	9	13	23	17	28
Operating Profit	61	68	81	95	105	70	150	202	251	279
Operating Margin	13.1%	13.0%	13.7%	14.0%	14.7%	13.0%	17.1%	18.6%	19.0%	19.2%
Net Profit	30	33	42	54	60	38	87	121	153	164
Net Margin	6.5%	6.4%	7.0%	8.0%	8.4%	7.1%	9.9%	11.1%	11.6%	11.3%
Free Cash Flow	(74)	49	32	51	65	53	(23)	(17)	52	165
Income Tax	22	24	23	26	29	19	41	43	62	65

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	688	682	778	798	829	890	1,145	1309	1369	1411
Cash & Equivalents	177	162	208	193	133	170	160	105	88	125
Accounts Receivable	95	105	121	133	133	124	159	198	247	275
Inventories	98	97	137	162	168	159	199	290	372	372
Goodwill & Int. Ass.	201	184	200	204	202	214	214	291	296	282
Total Liabilities	211	199	207	212	220	188	407	520	477	469
Accounts Payable	51	50	53	58	54	36	82	88	97	91
Long-Term Debt	99	75	61	46	23	25	149	180	162	166
Shareholder's Equity	366	370	433	448	468	536	572	617	699	745
D/E Ratio	0.27	0.20	0.14	0.10	0.05	0.05	0.26	0.29	0.23	0.22

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	4.7%	4.9%	5.7%	6.8%	7.4%	4.4%	8.6%	9.9%	11.4%	11.8%
Return on Equity	8.1%	9.1%	10.4%	12.2%	13.2%	7.6%	15.8%	20.4%	18.2%	17.9%
ROIC	5.7%	5.9%	7.0%	8.5%	9.5%	5.6%	10.8%	13.0%	15.1%	15.2%
Shares Out.	31	31	31	31	32	32	32	32	32	32
Revenue/Share	15.07	16.71	18.89	21.43	22.52	17.03	27.63	33.97	41.00	45.21
FCF/Share	(2.38)	1.57	1.02	1.60	2.05	1.67	(0.73)	(0.55)	1.63	5.15

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.