RICHEMONT

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RICHEMONT DEMONSTRATES SUSTAINED RESILIENCE FOR THE SIX-MONTH PERIOD ENDED 30 SEPTEMBER 2024

Group highlights

- Sales at € 10.1 billion and operating profit from continuing operations at € 2.2 billion in a challenging macroeconomic and geopolitical context, supported by ongoing investment into distribution and manufacturing assets
- Strategic developments
  - Completion of the acquisition of distinctive Italian jewellery Maison Vhernier
  - Signature of an agreement by which Mytheresa will acquire YNAP in exchange for a 33% equity stake in Mytheresa, subject to customary closing conditions
- Strengthened governance with the appointment of new Group CEO; new leadership in place at Cartier and Van Cleef & Arpels

Financial highlights

- Resilient H1 top-line performance, delivering stable sales at constant exchange rates, supported by the Group's balanced geographical mix and mid-single digit growth at Jewellery Maisons; down 1% at actual exchange rates
- Solid growth in sales across all regions, except for Asia Pacific; double-digit growth in the Americas, reinforcing the US' position as the largest individual market for the Group
- Continued growth in direct-to-client sales, now accounting for 76% of Group sales
- Operating profit from continuing operations down by 17%, or by 12% at constant exchange rates, resulting in a 21.9% operating margin
  - Continued growth at *Jewellery Maisons,* with sales up 2% at actual exchange rates (+4% at constant exchange rates), delivering a 32.9% operating margin
  - A decline in sales at *Specialist Watchmakers,* by 17% at actual exchange rates (-16% at constant exchange rates) with a 9.7% operating margin
  - Sales up 4% in the '*Other*' business area, at both actual and constant exchange rates; € 52 million operating loss, with *F&A Maisons* posting a -2% operating margin
- € 1.7 billion profit for the period from continuing operations; € 1.3 billion loss from discontinued operations mainly due to the non-cash write-down of YNAP
- Solid net cash position of € 6.1 billion, with € 1.2 billion cash flow generated from operating activities

Key financial data (unaudited)

Six months ended 30 September	2024	2023	change
Sales	**€ 10 077 m**	€ 10 221 m	-1%
Gross profit	**€ 6 771 m**	€ 6 973 m	-3%
Gross margin	**67.2%**	68.2%	-100 bps
Operating profit	**€ 2 206 m**	€ 2 655 m	-17%
Operating margin	**21.9%**	26.0%	-410 bps
Profit for the period from continuing operations	**€ 1 729 m**	€ 2 160 m	-20%
Loss for the period from discontinued operations	**€ (1 272) m**	€ (655) m	
Profit for the period	**€ 457 m**	€ 1 505 m	
Earnings per 'A' share/10 'B' shares, diluted basis	**€ 0.779**	€ 2.601	
Cash flow generated from operating activities	**€ 1 249 m**	€ 1 666 m	€ (417) m
Net cash position	**€ 6 108 m**	€ 5 785 m	

Chairman's commentary

Overview of results

In the first six months of the financial year, Richemont demonstrated sustained resilience, against a challenging macroeconomic and geopolitical backdrop, supported by ongoing investment in our distribution and manufacturing capacities. Benefitting from the Group's balanced geographic mix and continued strength at our Jewellery Maisons, sales from continuing operations were stable at constant exchange rates (-1% at actual exchange rates) at € 10.1 billion. Operating profit from continuing operations came in at € 2.2 billion, down 12% at constant exchange rates (-17% at actual exchange rates), largely reflecting the impact of the decline in sales at our Specialist Watchmakers, a slight gross margin erosion and ongoing investments for our Maisons' long-term growth.

The Group recorded very solid sales progress in most regions, led by the Americas and Japan in value, which grew 10% and 32% respectively at actual exchange rates. Both Europe and Middle East & Africa also posted robust growth. The Group's balanced regional mix, building on several growth engines, contributed to offsetting the 19% decrease in Asia Pacific sales, led by China. Direct to client sales rose further, now representing 76% of Group sales.

With 2% sales growth overall (+4% at constant exchange rates), our Jewellery Maisons, Buccellati, Cartier and Van Cleef & Arpels, continued to show strength and gain share. Limited price increases over recent months were not sufficient to fully offset raw material cost increases, notably that of gold. Our Jewellery Maisons nonetheless delivered a € 2.3 billion operating result and a corresponding 32.9% operating margin.

As already alluded to at our last Annual General Meeting of shareholders in September, the global watch market is experiencing a slowdown, particularly in China, which is affecting all watchmaking brands globally, with the high-end segments showing greater resilience. This highlights the need for discipline and caution regarding overproduction and underscores the importance of adapting to changing market conditions, which will ultimately contribute to maintaining higher product desirability. Looking back at the first half of our fiscal year, our Specialist Watchmakers Maisons were affected in different ways, influenced by their regional exposure and product mix. Largely reflecting their significant exposure to the Asia Pacific region, our Specialist Watchmakers recorded a 17% year-on-year sales decline (-16% at constant exchange rates) to € 1.7 billion. As a consequence of lower sales on fixed operating costs and a strong Swiss franc, operating result amounted to € 160 million, corresponding to a 9.7% operating margin.

Sales at our 'Other' business area increased by 4% at both actual and constant exchange rates. Sales at our Fashion & Accessories Maisons were 2% higher than the prior-year period, driven by Alaïa's and Peter Millar's continued outperformance. Overall, the 'Other' business area recorded a € 52 million operating loss, € 23 million of which for the F&A Maisons.

At Group level, operating profit from continuing operations was also significantly impacted by negative foreign exchange movements, but still delivered a 21.9% operating margin. Profit for the period from continuing operations decreased to € 1.7 billion. The € 1.3 billion loss from discontinued operations reflected the combined result of YOOX NET-A-PORTER ('YNAP') for the six-month period and the € 1.2 billion non-cash write-down on the revaluation of YNAP's net assets, classified as 'held for sale', to its fair value, following the agreement signed with Mytheresa in October. Importantly, amidst ongoing macro uncertainty, our net cash position remained solid at € 6.1 billion on 30 September 2024. This excludes YNAP's net cash position of € 0.1 billion, presented as assets and liabilities of disposal group held for sale.

Strengthening of our operations and portfolio of Jewellery Maisons

On 12 September 2024, we completed the acquisition of 100% of Vhernier S.p.A, the distinctive Italian jewellery Maison, in a private transaction, following fulfilment of customary conditions and clearing of applicable regulatory approvals. Maison Vhernier brings a distinguished and distinctive design that perfectly complements our existing collection of renowned Jewellery Maisons. We very much look forward to leveraging the Group's infrastructure and know-how to realise the Maison's full potential in the international jewellery market.

On 1 June 2024, Nicolas Bos, formerly Chief Executive Officer of Van Cleef & Arpels, assumed the role of Chief Executive Officer of Richemont and joined the Senior Executive Committee, with direct oversight of all the Maisons, functions and regions. Nicolas has had a fantastic track record in the course of his 32-year career within the Group, culminating in his having transformed Van Cleef & Arpels into the exquisite jewellery powerhouse it is today. I know that Nicolas, supported by a strong leadership across the Group will successfully steer Richemont through the next phase of its evolution.

As a case in point, on 1 September 2024, two strong leaders were appointed at the helm of our flagship Jewellery Maisons, reporting to Nicolas. I am very pleased that Louis Ferla became President and CEO of Cartier, succeeding Cyrille Vigneron who decided to retire after eight successful years in the role. Throughout his 23-year career at Richemont, principally at Cartier and since 2017 as CEO of Vacheron Constantin, Louis has earned the respect of both colleagues and the industry at large. I have every confidence that Cartier will continue to thrive under his leadership. I would also like to once again express my gratitude to Cyrille for his invaluable contributions over the years. Likewise, I am delighted that Catherine Rénier succeeded Nicolas as CEO of Van Cleef & Arpels, following her successful 25-year career within the Group, which spanned Cartier, Van Cleef & Arpels and Jaeger-LeCoultre where she had been CEO since 2018. I am confident that Catherine brings the perfect mix of experience and leadership skills to the role, which will prove invaluable to ensure Van Cleef & Arpels' continued success.

YOOX-NET-A-PORTER ('YNAP')

On 7 October, Richemont announced that it had entered into binding agreements for the acquisition of 100% of the share capital of YNAP by Mytheresa, a leading luxury multi-brand digital group. Closing of the transaction is expected in the first half of 2025 subject to customary conditions, including regular approvals. At transaction closing, Richemont will sell YNAP to Mytheresa with a cash position of € 555 million and no financial debt, subject to customary adjustments, in exchange for shares to be issued by Mytheresa representing 33% of its fully diluted share capital. Richemont will provide a € 100 million revolving credit facility to finance YNAP's corporate needs.

We are pleased to have found such a good home for YNAP. Mytheresa is ideally placed to harness its own strengths in combination with YNAP's assets and reputation as a trusted partner to many leading global luxury brands and as a pioneer in high-end customer services, to further delight customers and brand partners across the world.

Annual General Meeting and Board changes

At the Annual General Meeting ('AGM') on 11 September 2024, two new directors were elected to the Board: Gary Saage as Non-executive Director, and Nicolas Bos as Executive Director. I firmly believe that Gary is ideally suited for the position of Chairman of the all-important Audit Committee, which he has assumed following Dillie Malherbe's decision to step down from the role.

Also at this year's AGM, shareholders re-elected Wendy Luhabe as the 'A' shareholders' representative and all Board members who stood for re-election for a further one-year term.

Publication and shareholder approval of our Non-Financial Report

In relation to sustainability, which guides how we operate as a responsible business, on 13 June, Richemont published its Non-Financial Report alongside its Annual Report and Accounts, for the year ending 31 March 2024. Our Non-Financial Report 2024 covers amongst other topics, the Richemont sustainability management approach as well as reporting on material environmental, social and governance ('ESG') topics prepared in accordance with the Global Reporting Initiative ('GRI') Standards, and independently assured. Our Non-Financial Report was put to the vote for the first time at this year's AGM where it was approved.

We are devoting considerable energy to meeting increasingly stringent EU and Swiss regulatory requirements. In the context of various requirements from different regulatory bodies, we have decided that we will meet the highest hurdles set by these authorities. Ultimately, we plan to abide by what is the right thing to do. This requires our constant attention and transversal collaboration, both within the Group and externally.

Concluding remarks

In the first half of this fiscal year, we continued to deliver sustained resilience in a world where uncertainty has become the norm. We saw solid sales growth across most of our regions offsetting continued weakness in Chinese demand, which, as I had predicted, will take longer to recover and is particularly affecting our Specialist Watchmakers.

The first half of our fiscal year was also marked by a series of notable achievements. We welcomed Vhernier to our family of leading Jewellery Maisons, shareholders adopted our first Non-Financial Report, and we found a great home for YNAP in Mytheresa where their combined strengths will contribute to delighting even more customers and brand partners. Importantly, we also further strengthened the Group's leadership and governance with the appointments of Nicolas as CEO, Bram Schot as Deputy Chairman of the Board, and those of Catherine and Louis, two highly experienced leaders with strong track records at the helm of Van Cleef & Arpels and Cartier respectively.

What we are seeing in the world today is not unprecedented. It illustrates just how important it is to have strong leadership with a long-term vision, to continue to invest in our Maisons' excellence in crafting and marketing distinctive and timeless creations, to manage our offer with discipline, and to have an agile structure and a solid balance sheet. Looking ahead, whilst I remain cautious in this uncertain context, I am therefore confident in our ability to navigate the current as well as future cycles and to deliver sustained value over the long term for all stakeholders.

I would like to take this opportunity to thank all our talented teams across the world for their passion and commitment. I never cease to be impressed by the diversity of talent that we have at Richemont and the resulting creativity and craftsmanship, which are key ingredients to making our Maisons so unique and attractive to our valued customers.

Johann Rupert
Chairman

Compagnie Financière Richemont SA

Financial review

Any long form references to Hong Kong, Macau and Taiwan within this Company Announcement are Hong Kong SAR, China; Macau SAR, China; and Taiwan, China, respectively.

Unless otherwise stated, all comments below relate to the results of the continuing operations.

Sales

Sales from continuing operations for the six months ended 30 September 2024 were 1% below the prior-year period at actual exchange rates. Excluding the effects of foreign exchange rate movements, sales were stable compared to prior-year period.

All regions delivered solid growth, except for Asia Pacific. In Europe and the Americas, sales increased by 4% and 10% at actual exchange rates, respectively, driven in both cases by robust local demand and by increased tourist spending in Europe. Asia Pacific sales contracted by 19%, as growth in some countries, including Korea and Malaysia, was more than offset by a double-digit decline in sales for China, Hong Kong and Macau combined. This decline reflects reduced consumer spending and strong comparatives, as well as the impact of higher sales to Chinese tourists outside of the region, particularly in Japan. The strongest regional sales growth rate was once again posted by Japan, where sales were up by 32% compared to the prior-year period, resulting from domestic clientele growth as well as increased tourist spending, the latter partly fuelled by a weak Japanese Yen. Sales in the Middle East & Africa also grew, by 11% compared to the prior-year period.

Retail sales, which grew in all regions with the exception of Asia Pacific, were in line with the prior period (up by 2% at constant exchange rates), accounting for 70% of total Group sales. Online retail sales, which exclude sales made by YNAP, make up 6% of total sales and were 7% higher than the prior period, primarily reflecting solid performance in the Other business area. Direct-to-client sales now represent more than three quarters of Group sales (76%). Sales in the wholesale channel declined by 7%, as higher sales in the Americas, Japan and Middle East & Africa were unable to offset the reduction in Asia Pacific.

Sales at the Jewellery Maisons, the Group's largest business area in terms of sales, were up by 2%, or by 4% at constant exchange rates, with solid growth in almost all regions. Specialist Watchmakers sales declined by 17% (-16% at constant exchange rates), as lower sales in Asia Pacific, the largest region for the business area, weighed heavily on the performance. Sales at the 'Other' business area grew by 4% at both actual and constant exchange rates including Watchfinder and, since February 2024, Gianvito Rossi. 'Discontinued operations', comprising YNAP, recorded a 15% contraction in sales.

Further details on sales by region, distribution channel and business area are given in the review of operations.

Gross profit

Gross profit for the period amounted to € 6 771 million, or 67.2% of sales. In absolute terms, gross profit decreased by 3%.

Increased cost of raw materials, particularly gold, higher production costs and unfavourable exchange rates were not entirely offset by the positive impact of prior- and current-year price increases, channel and product mix, leading to an overall decline of 100 basis points in gross margin compared to the prior-year period.

Operating profit

Operating profit for the six months ended 30 September 2024 decreased by 17% compared to the prior-year period to € 2 206 million, or 21.9% of sales.

Net operating expenses increased by 6% compared to the prior-year period. Selling and distribution expenses also increased by 6%, amounting to 26.4% of sales in the current period compared to 24.6% a year ago, reflecting network expansion in an inflationary context. Fulfilment costs, previously presented separately in the income statement, are now classified as Selling & Distribution expenses. Prior year comparatives have been re-presented accordingly. Communication expenses grew by 4%, representing 9.0% of sales, slightly above the 8.6% in the prior-year period, and include the impact of events such as Watches & Wonders which took place in Geneva in April 2024. Administrative and other expenses increased by 7%, partially reflecting the valuation adjustment on acquisitions and higher salary costs across the Group.

Profit for the period

Profit for the period from continuing operations, at € 1 729 million, was 20% lower than the prior-year period.

The € 431 million reduction includes a € 121 million increase in net finance costs to € 173 million (compared to € 52 million in the prior-year period). Net finance costs included foreign exchange losses of € 422 million on monetary items, mitigated by gains of € 135 million on the Group's hedging programme. Fair value adjustments on the Group's investments in money market funds and segregated mandates resulted in a gain of € 132 million. Net interest expense amounted to € 18 million, a € 17 million unfavourable variance over the prior-year period.

The loss for the period from discontinued operations amounted to € 1 272 million. This incorporates a € 1 226 million write-down in the value of the net assets held for sale related to YNAP, reflecting the expected outcome of the sale to Mytheresa, announced on 7 October 2024. This charge depends on several variables, mainly the listed share price of Mytheresa and the US dollar/euro foreign exchange rate at the reporting date, as well as the net assets carrying value, net cash position and debt-like items of YNAP on completion and is therefore subject to change before completion of the transaction.

Earnings per share (1 'A' share/10 'B' shares) amounted to € 0.779 on a diluted basis. Excluding YNAP, diluted earnings per share (1 'A' share/10 'B' shares) from continuing operations were € 2.943 .

To comply with the South African practice of providing headline earnings per share ('HEPS') data, the relevant figure for headline earnings for the period ended 30 September 2024 was € 1 677 million (2023: € 2 042 million). Basic HEPS for the period were € 2.862 (2023: € 3.577); diluted HEPS for the period were € 2.851 (2023: € 3.52). Further details regarding earnings per share and HEPS, including an itemised reconciliation, may be found in note 10.3 of the Group's condensed consolidated interim financial statements.

Cash flow

Cash flow generated from operating activities, including YNAP, decreased to € 1 249 million compared to € 1 666 million in the prior-year period. The reduction of 25% is largely the result of a lower operating profit, coupled with a marginal increase in working capital needs.

Net investments in property, plant and equipment of € 332 million represented an increase of 8% compared to the prior-year period. Capital expenditure was focussed on improvements to the Group's retail network, as well as additions to manufacturing facilities in Europe for the Jewellery Maisons. In addition, the Group acquired two investment properties during the period, for a total cash outflow of € 187 million.

Net cash outflows on the acquisition of subsidiaries of € 132 million related to the acquisition of Vhernier, the Italian Jewellery Maison, which was completed in September 2024, as well as investments in jewellery manufacturing facilities in France. The disposal of an equity-accounted real estate investment led to a cash inflow of € 51 million.

The 2024 ordinary dividend of CHF 2.75 per share (1 'A' share/10 'B' shares) was paid to shareholders, net of withholding tax, in September. The overall dividend cash outflow in the period amounted to € 1 710 million.

The Group acquired 0.7 million 'A' shares during the six-month period to hedge executive share grants. The cost of these purchases was offset by proceeds from the exercise of stock options by executives and other activities related to the hedging programme, leading to a net inflow of € 5 million.

Balance sheet

At 30 September 2024, the assets and liabilities of YNAP are classified as 'Assets of disposal groups held for sale' and 'Liabilities of disposal groups held for sale', respectively. The remainder of the balance sheet reflected only the assets and liabilities of the continuing operations.

Inventories of € 8 971 million, excluding YNAP, were € 991 million higher than at 31 March 2024, leading to a 19.9 months inventory rotation (September 2023 : 17.5 months).

The Group's gross cash position at 30 September 2024 reached € 12 107 million while the Group's net cash position stood at € 6 108 million, a decrease of € 1 342 million compared to the position at 31 March 2024, largely explained by the dividend payment, acquisition of investment properties and business combinations during the period. The Group's net cash position is comprised of cash and cash equivalents, investments in externally managed bond funds and money market funds as well as external borrowings, principally the € 5.9 billion Euro-denominated corporate bonds.

Shareholders' equity represented 47% of total equity and liabilities in line with 31 March 2024.

YNAP's performance

YNAP's performance is shown under 'Results from discontinued operations' which saw sales decline by 15% at both actual and constant exchange rates.

Sale of a controlling interest in YNAP

On 7 October 2024, the Group announced that it had reached an agreement with MyTheresa, subject to customary conditions, including regulatory approvals, to sell 100% of the share capital of YNAP, in exchange for shares to be issued by MyTheresa representing 33% of the fully diluted share capital at closing. The financial impact of this transaction, represented by a write-down of the carrying value of YNAP's net assets of € 1 226 million, recorded within Discontinued operations, is already reflected in the financial statements for the six-months ended 30 September 2024.

Acquisition of Vhernier

On 12 September 2024, Richemont completed the acquisition of 100% of the share capital of Vhernier S.p.A. ('Vhernier') for a total net cash consideration of € 94 million. The results of Vhernier are consolidated within the Jewellery Maisons business unit with effect from 30 September 2024 and resulted in the recognition of € 28 million in provisional goodwill and € 81 million of intangible assets.

Review of operations

Sales by region

in €m	Six months to 30 September 2024	Six months to 30 September 2023	Change at Constant exchange rates*	Change at Actual exchange rates	Six months to 30 September 2024 % of sales
Europe	**2 351**	2 253	+5%	+4%	23%
Asia Pacific	**3 449**	4 262	-18%	-19%	34%
Americas	**2 340**	2 118	+11%	+10%	23%
Japan	**1 086**	824	+42%	+32%	11%
Middle East & Africa	**851**	764	+11%	+11%	9%
	10 077	10 221	+0%	-1%	100%

* Movements at constant exchange rates are calculated by translating underlying sales in local currencies into euros in both the current period and the comparative period at the average exchange rates applicable for the financial year ended 31 March 2024.

The following comments on Group sales refer to year-on-year movements at constant exchange rates. Contributions to Group sales relate to sales at actual exchange rates. Unless otherwise stated, all comments below relate to sales of continuing operations.

Europe

For the six-months to 30 September 2024, sales in Europe grew by 5% compared to the prior-year period, driven by higher local demand and increased tourist spending, notably from North America. Growth in the region primarily reflected higher sales at the Jewellery Maisons and in the retail channel.

Overall, the region contributed 23% to Group sales, slightly up on the 22% contribution in the prior-year period.

Asia Pacific

In the Asia Pacific region, sales declined by 18% year-on-year. Growth in some markets, including Korea, was more than offset by a 27% decline in China, Hong Kong and Macau combined, on a demanding comparative of +34% in the prior-year period. The fall in sales materialised across all channels and all business areas, albeit to varying degrees.

Asia’s contribution to Group sales decreased to 34%, down from 42% in the prior-year period.

Americas

Sales in the Americas were up by 11% compared with the prior-year period, benefitting from solid domestic demand across all distribution channels. Growth was led by the Jewellery Maisons and the Other business area, with sales at the Specialist Watchmakers flat versus the prior-year period.

The contribution of the Americas region to Group sales was 23%, an increase from 21% in the prior-year period. It is worth noting that the US has further consolidated its position as the largest market of the Group.

Japan

Japan reported the highest growth rate for the period, with sales increasing by 42% compared to the prior-year period. The region grew strongly, benefitting both from double-digit growth in domestic demand and tourist spending, the latter partly fuelled by a weak Japanese Yen.

Japan represented 11% of overall sales, up from 8% in the prior-year period.

Middle East & Africa

Sales in the Middle East & Africa region were 11% higher than the prior-year period, with growth across all business areas, except for the Specialist Watchmakers. The rise in sales was largely led by an increase in domestic demand.

The region represented 9% of Group sales, slightly higher than in the prior-year period.

Sales by distribution channel

in €m	Six months to 30 September 2024	Six months to 30 September 2023	Change at constant exchange rates*	Change at actual exchange rates	Six months to 30 September 2024 % of sales
Retail	**7 020**	7 013	+2%	+0%	70%
Online retail	**603**	566	+7%	+7%	6%
Wholesale and royalty income	**2 454**	2 642	-6%	-7%	24%
	10 077	10 221	+0%	-1%	100%

* Movements at constant exchange rates are calculated by translating underlying sales in local currencies into euros in both the current period and the comparative period at the average exchange rates applicable for the financial year ended 31 March 2024.

The following comments on Group sales refer to year-on-year movements at constant exchange rates. Contributions to Group sales relate to sales at actual exchange rates. Unless otherwise stated, all comments below relate to sales of continuing operations.

Retail

The retail channel incorporates sales from the Group's directly operated stores.

Sales in this channel grew by 2% compared to the prior-year period, reflecting double-digit increase in sales in the Americas, Japan and Middle-East & Africa, and primarily at the Jewellery Maisons.

Retail continued to be the largest contributor to Group sales with 1 400 directly operated boutiques (including 8 Vhernier boutiques consolidated from 30 September), generating 70% of Group sales, up from 69% in the prior-year period.

Online retail

Online retail sales, which do not include sales made by YNAP, grew by 7% compared to the prior-year period, fuelled by solid growth in Jewellery Maisons and the Other business area, including Watchfinder.

The contribution of online retail to Group sales amounted to 6%, slightly higher than the prior-year period.

Wholesale and royalty income

This distribution channel includes sales to mono-brand franchise partners, to third-party multi-brand retail partners, sales to agents as well as royalty income.

Wholesale sales were down by 6%, declining across all business areas with the exception of the Other business area. Growth in wholesale sales in Japan, the Americas and Middle East & Africa did not offset declines elsewhere, most notably in Asia Pacific.

The share of total Group sales from the wholesale channel stood at 24% compared to 26% a year ago.

Sales and operating result by business area

Jewellery Maisons

in €m	Six months to 30 September 2024	Six months to 30 September 2023	Change
Sales	**7 092**	6 953	+2%
Operating result	**2 333**	2 468	-5%
Operating margin	**32.9%**	35.5%	-260 bps

Sales at the Group's three Jewellery Maisons – Buccellati, Cartier and Van Cleef & Arpels – increased to € 7.1 billion in the first half of the year, up 2% year on year. At constant exchange rates, sales were up 4% against a demanding +16% comparative in the prior-year period. All regions experienced very solid growth, except Asia Pacific, driven by direct-to-client sales. The Americas and Japan were the main contributors to growth in value.

Jewellery and watch sales benefitted from the continued outperformance of iconic collections bolstered by creativity and celebrating craftsmanship, including *Opera Tulle* and *Macri* at Buccellati, *Trinity*, *Clash*, *Panthère* and *Santos* at Cartier, and *Alhambra, Perlée* and *Flora* at Van Cleef & Arpels. High Jewellery sales were positive on a demanding comparative base in the prior-year period, supported by the successful launch of the *Nature Sauvage* line at Cartier and by the *Heritage* and *Signature* collections at Van Cleef & Arpels.

The Jewellery Maisons continued to selectively develop their respective networks through the relocation of boutiques (Osaka) for Buccellati, renovation (Miami) and extensions (South Coast Plaza, California) for Cartier, and new boutique openings (Wang Fu Central, China) for Van Cleef & Arpels. At the same time, the Jewellery Maisons invested in additional manufacturing capacity with the opening of a site in Valenza for Cartier and the acquisition of various ateliers for Van Cleef & Arpels.

The operating result was down 5%, or 1% at constant exchange rates. Higher raw material costs, particularly gold, were only partly mitigated by the positive impact of limited price increases. In addition, Jewellery Maisons continued to invest in distribution to support existing and future demand, while maintaining communication expenses at the same level in value as the prior-year period. Operating margin stood at 32.9%.

Specialist Watchmakers

in €m	Six months to 30 September 2024	Six months to 30 September 2023	Change
Sales	**1 657**	1 987	-17%
Operating result	**160**	391	-59%
Operating margin	**9.7%**	19.7%	-1000 bps

Sales at the Specialist Watchmakers, which comprise A. Lange & Söhne, Baume & Mercier, IWC Schaffhausen, Jaeger-LeCoultre, Panerai, Piaget, Roger Dubuis and Vacheron Constantin, were down 17% versus the prior-year period. At constant exchange rates, sales were down 16%, largely reflecting the 28% decline in Asia Pacific, which accounted for over 50% of the sales of the division in the prior-year period. This drop was largely led by China, Hong Kong and Macau combined. By contrast, sales were broadly stable in the Americas and up double-digit in Japan in the period.

While the Maisons showed various degrees of resilience depending on regional exposure and product mix, all of them continued to strive for innovation, building on heritage and craftsmanship. This notably included the Eternal Calendar by IWC (*Portugieser* collection), the world's most complicated watch at Vacheron Constantin, The Berkley Grand Complication (*Les Cabinotiers)*, and the thinnest tourbillon with Piaget's *Altiplano Ultimate Concept*.

The retail and wholesale channels posted broadly similar performances. As a result, the share of direct-to-client sales was largely stable year-on-year at 59% of total business area sales, consolidating the significant progress made in the recent years. Network expansion was concentrated on key locations, notably the opening of IWC flagships on Madison Avenue in New York and on the Champs-Elysées in Paris, and of a Vacheron Constantin boutique in Munich.

The operating result was € 160 million, a 59% decrease compared to the prior-year period, largely reflecting the impact of the decline in sales on fixed operating costs. Other factors affecting profitability included a stronger Swiss franc, and the timing of the Watches & Wonders event - in April this year, versus March in 2023. Operating margin reached 9.7% of sales.

Other

in €m	Six months to 30 September 2024	Six months to 30 September 2023	Change
Sales	**1 328**	1 281	+4%
Operating result	**(52)**	(6)	-767%
Operating margin	**(3.9)%**	(0.5)%	-340 bps

'Other' includes the Fashion & Accessories Maisons, Watchfinder and the Group's watch component manufacturing and real estate activities, amongst others.

Sales reached € 1.3 billion, an increase of 4% at both actual and constant exchange rates. This growth was underpinned by a double-digit progression at Watchfinder and a 2% growth at the Group's Fashion & Accessories Maisons, which includes the contribution of Gianvito Rossi since 1 February 2024. All regions posted growth except Asia Pacific.

Continued strong momentum at Alaïa (in particular *La Ballerine*, *Le Teckel* bag) and Peter Millar (notably in *Crown Crafted* and through enhanced DTC experiences) broadly offset lower performances at other Maisons. Of note, Alaïa's Winter/ Spring 25 show was widely acclaimed, and Fall 24 collections by Chloé designer Chemena Kamali showed promising results.

Notable new store openings included Peter Millar in Tampa (Florida), Gianvito Rossi in Nanjing (China) and Villa Serapian in Ginza (Tokyo).

The business area posted a € 52 million operating loss, with the Fashion & Accessories Maisons accounting for € (23) million, reflecting varied performances and ongoing strategic investment to boost desirability and visibility of the Maisons.

Corporate costs

in €m	Six months to 30 September 2024	Six months to 30 September 2023	Change
Corporate costs	**(205)**	(188)	+9%
Central support services	**(157)**	(148)	+6%
Other unallocated expenses, net	**(48)**	(40)	+20%

Corporate costs represent the costs of central management, marketing support and other central functions (collectively central support services), as well as other expenses and income that are not allocated to specific segments. Most corporate costs are incurred in Switzerland and overall increased by 9% compared to the prior-year period, representing 2% of sales.

The Group's consolidated financial statements of comprehensive income, cash flows and financial position as well as an overview of quarterly trading results are presented in the Appendix. Richemont's unaudited consolidated financial statements for the half year are available on the Group's website at www.richemont.com/investors/results-reports-presentations/

Nicolas Bos
Group Chief Executive Officer

Burkhart Grund
Chief Finance Officer

Appendix

(April-June) €m		Q1-25	Q1-24	Movement at: Constant exchange rates	Actual exchange rates
By region	Europe	**1 171**	1 131	+5%	+4%
	Asia Pacific	**1 809**	2 239	-18%	-19%
	Americas	**1 215**	1 096	+10%	+11%
	Japan	**603**	424	+59%	+42%
	Middle East & Africa	**470**	432	+8%	+9%
By distribution channel	Retail	**3 631**	3 618	+2%	+0%
	Online retail	**315**	298	+6%	+6%
	Wholesale and royalty income	**1 322**	1 406	-5%	-6%
By business area	Jewellery Maisons	**3 656**	3 599	+4%	+2%
	Specialist Watchmakers	**911**	1 061	-13%	-14%
	Other	**701**	662	+6%	+6%
Total		**5 268**	**5 322**	**+1%**	**-1%**

(July-September) €m		Q2-25	Q2-24	Constant exchange rates	Movement at: Actual exchange rates
By region	Europe	**1 180**	1 122	+6%	+5%
	Asia Pacific	**1 640**	2 023	-18%	-19%
	Americas	**1 125**	1 022	+12%	+10%
	Japan	**483**	400	+25%	+21%
	Middle East & Africa	**381**	332	+16%	+15%
By distribution channel	Retail	**3 389**	3 395	+1%	-0%
	Online retail	**288**	268	+8%	+7%
	Wholesale and royalty income	**1 132**	1 236	-7%	-8%
By business area	Jewellery Maisons	**3 436**	3 354	+4%	+2%
	Specialist Watchmakers	**746**	926	-19%	-19%
	Other	**627**	619	+2%	+1%
Total		**4 809**	**4 899**	**-1%**	**-2%**

(April-September) €m		H1-25	H1-24	Constant exchange rates	Movement at: Actual exchange rates
By region	Europe	**2 351**	2 253	+5%	+4%
	Asia Pacific	**3 449**	4 262	-18%	-19%
	Americas	**2 340**	2 118	+11%	+10%
	Japan	**1 086**	824	+42%	+32%
	Middle East & Africa	**851**	764	+11%	+11%
By distribution channel	Retail	**7 020**	7 013	+2%	+0%
	Online retail	**603**	566	+7%	+7%
	Wholesale and royalty income	**2 454**	2 642	-6%	-7%
By business area	Jewellery Maisons	**7 092**	6 953	+4%	+2%
	Specialist Watchmakers	**1 657**	1 987	-16%	-17%
	Other	**1 328**	1 281	+4%	+4%
Total		**10 077**	**10 221**	**+0%**	**-1%**

Condensed consolidated income statement

	Six months to 30 September 2024 €m	Six months to 30 September 2023 represented* €m
Revenue	**10 077**	10 221
Cost of sales	**(3 306)**	(3 248)
Gross profit	**6 771**	6 973
Selling and distribution expenses	**(2 657)**	(2 511)
Communication expenses	**(909)**	(877)
Administrative expenses	**(958)**	(909)
Other operating expenses	**(41)**	(21)
Operating profit	**2 206**	2 655
Finance costs	**(672)**	(395)
Finance income	**499**	343
Share of post-tax results of equity-accounted investments	**58**	26
Profit before taxation	**2 091**	2 629
Taxation	**(362)**	(469)
Profit for the period from continuing operations	**1 729**	2 160
Loss for the period from discontinued operations	**(1 272)**	(655)
Profit for the period	**457**	1 505
Profit/(loss) attributable to:		
Owners of the parent company	**458**	1 509
– continuing operations	**1 731**	2 161
– discontinued operations	**(1 273)**	(652)
Non-controlling interests	**(1)**	(4)
	457	1 505
Earnings per 'A' share/10 'B' shares attributable to owners of the parent company during the period (expressed in € per share)		
From profit/(loss) for the period		
Basic	**0.782**	2.643
Diluted	**0.779**	2.601
From continuing operations		
Basic	**2.954**	3.785
Diluted	**2.943**	3.725

Condensed consolidated statement of cash flow

	Six months to 30 September 2024 €m	Six months to 30 September 2023 €m
Cash flows from operating activities		
Operating profit from continuing operations	**2 206**	2 655
Operating loss from discontinued operations	**(1 267)**	(603)
Adjustment for non-cash items	**2 045**	1 273
Changes in working capital	**(1 167)**	(1 091)
Cash flow generated from operations	**1 817**	2 234
Interest received	**207**	191
Interest paid	**(228)**	(193)
Dividends from equity-accounted investments	**4**	1
Income from other investments	**5**	–
Taxation paid	**(556)**	(567)
Net cash generated from operating activities	**1 249**	1 666
Cash flows from investing activities		
Acquisition of subsidiary undertakings and other businesses, net of cash acquired	**(132)**	(29)
Proceeds of capital distributions from equity-accounted investments	**51**	–
Acquisition of property, plant and equipment	**(335)**	(309)
Proceeds from disposal of property, plant and equipment	**3**	1
Acquisition of intangible assets	**(54)**	(69)
Payments capitalised as right of use assets	**–**	(11)
Acquisition of investment property	**(187)**	–
Investment in money market and externally managed funds	**(8 960)**	(10 066)
Proceeds from disposal of money market and externally managed funds	**8 819**	9 822
Acquisition of other non-current assets and investments	**(19)**	(46)
Proceeds from disposal of other non-current assets and investments	**17**	6
Net cash used in investing activities	**(797)**	(701)
Cash flows from financing activities		
Proceeds from borrowings	**2**	7
Repayment of borrowings	**(5)**	–
Dividends paid to owners of the parent entity	**(1 710)**	(2 072)
Acquisition of treasury shares	**(104)**	(54)
Proceeds from sale of treasury shares	**109**	137
Acquisition of non-controlling interests in a subsidiary	**(69)**	–
Lease payments – principal	**(404)**	(372)
Net cash used in financing activities	**(2 181)**	(2 354)
Net change in cash and cash equivalents	**(1 729)**	(1 389)
Cash and cash equivalents at the beginning of the period	**4 906**	4 636
Exchange (losses)/gains on cash and cash equivalents	**52**	(13)
Cash and cash equivalents at the end of the period	**3 229**	3 234

Condensed consolidated balance sheet

	30 September 2024 €m	31 March 2024 €m
Assets		
Non-current assets		
Property, plant and equipment	**3 678**	3 637
Goodwill	**843**	759
Other intangible assets	**744**	680
Right of use assets	**3 961**	3 932
Investment property	**223**	32
Equity-accounted investments	**648**	656
Deferred income tax assets	**907**	888
Financial assets held at fair value through profit or loss	**5**	5
Financial assets held at fair value through other comprehensive income	**279**	284
Other non-current assets	**596**	576
	11 884	11 449
Current assets		
Inventories	**8 971**	7 980
Trade receivables and other current assets	**1 928**	1 910
Derivative financial instruments	**80**	67
Financial assets held at fair value through profit or loss	**8 997**	8 784
Assets of disposal group held for sale	**317**	1 781
Cash at bank and on hand	**10 173**	10 710
	30 466	31 232
Total assets	**42 350**	42 681
Equity and liabilities		
Equity attributable to owners of the parent company		
Share capital	**352**	352
Share premium	**1 162**	1 162
Treasury shares	**(354)**	(461)
Other reserves	**5 229**	4 689
Retained earnings	**13 528**	14 779
	19 917	20 521
Non-controlling interests	**67**	114
Total equity	**19 984**	20 635
Liabilities		
Non-current liabilities		
Borrowings	**5 987**	5 972
Lease liabilities	**3 597**	3 615
Deferred income tax liabilities	**305**	265
Employee benefits obligations	**62**	62
Provisions	**89**	84
Other long-term financial liabilities	**249**	256
	10 289	10 254
Current liabilities		
Trade payables and other current liabilities	**2 633**	2 964
Current income tax liabilities	**744**	923
Borrowings	**12**	7
Lease liabilities	**728**	673
Derivative financial instruments	**44**	107
Provisions	**156**	197
Liabilities of disposal group held for sale	**697**	856
Bank overdrafts	**7 063**	6 065
	12 077	11 792
Total liabilities	**22 366**	22 046
Total equity and liabilities	**42 350**	42 681

Presentation

The results will be presented via a live audio webcast on 8 November 2024, starting at 09:30 (CET). The direct link is available from 07:00 (CET) at www.richemont.com. The presentation may be viewed using a mobile device or from a browser.

- Live telephone connection:
  - pre-registration required here
- An archive of the audio webcast will be available at 15:00 (CET) the same day from:
  - http://www.richemont.com/investors/results-reports-presentations/
- A transcript of the audio webcast will be available on 9 November from:
  - http://www.richemont.com/investors/results-reports-presentations/

Statutory information

The Richemont 2024 Interim Report will be available for download from the Group's website from 15 November 2024 at www.richemont.com/investors/results-reports-presentations/

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Richemont 'A' shares issued by Compagnie Financière Richemont SA are listed and traded on the SIX Swiss Exchange, Richemont's primary listing (Reuters 'CFR.S' / Bloomberg 'CFR:SW' / ISIN CH0210483332). They are included in the Swiss Market Index ('SMI') of leading stocks and the MSCI Switzerland IMI ESG Leaders Index. The 'A' shares are also traded on the Johannesburg Stock Exchange, Richemont's secondary listing ('CFRJ.J' / Bloomberg 'CFR:SJ' / ISIN CH0210483332).

The closing price of the Richemont 'A' share on 30 September 2024 was CHF 133.80 and the market capitalisation of the Group's 'A' shares on that date was CHF 71 928 million. Over the preceding six-month period, the highest closing price of the 'A' share was CHF 150.10 (7 June) and the lowest closing price was CHF 114.10 (23 September).

About Richemont

At Richemont, we craft the future. Our unique portfolio includes prestigious Maisons distinguished by their craftsmanship and creativity. Richemont's ambition is to nurture its Maisons and businesses and enable them to grow and prosper in a responsible, sustainable manner over the long term.

Richemont operates in three business areas: **Jewellery Maisons** with Buccellati, Cartier, Van Cleef & Arpels and Vhernier; **Specialist Watchmakers** with A. Lange & Söhne, Baume & Mercier, IWC Schaffhausen, Jaeger-LeCoultre, Panerai, Piaget, Roger Dubuis and Vacheron Constantin; and **Other**, primarily Fashion & Accessories Maisons with Alaïa, Chloé, Delvaux, dunhill, Gianvito Rossi, Montblanc, Peter Millar including G/FORE, Purdey, Serapian as well as Watchfinder & Co. In addition, Richemont operates NET-A-PORTER, MR PORTER, THE OUTNET, YOOX and the OFS division. Find out more at https://www.richemont.com/.

Disclaimer

This document contains forward-looking statements as that term is defined in the United States Private Securities Litigation Reform Act of 1995. Such forward-looking statements are not guarantees of future performance. Richemont's forward-looking statements are based on management's current expectations and assumptions regarding the Company's business and performance, the economy and other future conditions and forecasts of future events, circumstances and results. Our retail stores are heavily dependent on the ability and desire of consumers to travel and shop and a decline in consumers traffic could have a negative effect on our comparable store sales and/or average sales per square foot and store profitability resulting in impairment charges, which could have a material adverse effect on our business, results of operations and financial condition. Reduced travel resulting from economic conditions, retail store closure orders of civil authorities, travel restrictions, travel concerns and other circumstances, including disease epidemics and other health-related concerns, could have a material adverse effect on us, particularly if such events impact our customers' desire to travel to our retail stores. International conflicts or wars, including resulting sanctions and restrictions on importation and exportation of finished products and/or raw materials, whether self-imposed or imposed by international countries, non-state entities or others, may also impact these forward-looking statements. As with any projection or forecast, forward-looking statements are inherently susceptible to uncertainty and changes in circumstances. Actual results may differ materially from the forward-looking statements as a result of a number of risks and uncertainties, many of which are outside the Group's control. Richemont does not undertake to update, nor does it have any obligation to provide updates of, or to revise, any forward-looking statements.