# Financial and operating highlights

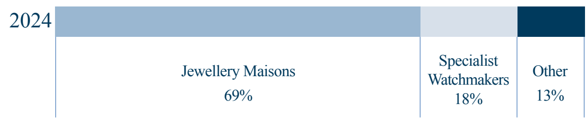
## Group sales (€m)


## Operating profit (€m)


## Earnings per share, diluted basis (€)


## Dividend per share*


## Sales by business area (% of Group)




## Jewellery Maisons (€m)


## Specialist Watchmakers (€m)


## Other Businesses (€m)


* CHF 1.00 special dividend.

- Sales up by 3% at actual exchange rates and 8% at constant exchange rates, driven by Jewellery Maisons and retail, each representing 69% of Group sales.
- Operating profit decrease by 5% (+13% at constant exchange rates) to € 4.8 billion, generating a 23.3% operating margin (26.2% of sales at constant exchange rates).
- Solid profit for the year from continuing operations of € 3.8 billion; € 1.5 billion loss from discontinued operations mainly due to write-down of YOOX NET-A-PORTER (‘YNAP’) assets.
- Strong net cash position of € 7.4 billion, with solid increase in cash flow generated from operating activities to € 4.7 billion.

# Chairman's review

Johann Rupert, Chairman

## Overview of results

Richemont delivered a solid underlying performance for the financial year ended 31 March 2024 whilst successfully facing unfavourable foreign exchange movements, demanding comparatives, and ongoing macroeconomic and geopolitical uncertainty. Group sales increased by 3% at actual exchange rates (+8% at constant exchange rates) to € 20.6 billion, driven by the Jewellery Maisons, while operating profit came in at € 4.8 billion, a 13% improvement at constant exchange rates.

At actual exchange rates, sales grew across all regions and almost all channels excluding the online retail channel. Growth was led by Asia Pacific in absolute terms and by Japan in percentage terms. The Americas came in slightly ahead of Europe in absolute terms, with the US becoming the Group's largest individual market. At +5%, the Group's directly operated stores generated the strongest channel performance (+11% at constant exchange rates), further demonstrating the success of a direct-to-client strategy. With increases across all business areas and regions, retail sales contributed 69% of Group sales.

At actual exchange rates, our *Jewellery Maisons* – Buccellati, Cartier and Van Cleef & Arpels – delivered a solid 33.1% operating margin, with combined sales exceeding the € 14 billion mark. The 6% sales increase (+12% at constant exchange rates) was underpinned by growth across price points and regions and included a sharp double-digit progression at Buccellati. To accompany the three Maisons' dynamic development, we have stepped up investments in manufacturing, distribution and communication.

Our *Specialist Watchmakers* delivered a resilient 15.2% operating margin given a strong Swiss franc, on sales 3% lower year-on-year (+2% at constant exchange rates) to €3.8 billion. A. Lange & Söhne and Vacheron Constantin registered robust performances. Overall, sales in the retail channel also performed strongly and combined with online retail sales accounted for 60% of the *Specialist Watchmakers*' sales.

The '*Other*' business area recorded a € 43 million loss, with our *Fashion & Accessories Maisons* reaching breakeven, driven by a heightened focus on creativity and higher sales at most Maisons, including double-digit growth at Alaïa. Of note are the ongoing solid development at Peter Millar and Delvaux as well as the acclaimed first collections of new creative directors at Chloé and dunhill, and the success of higher priced creations at Montblanc.

At Group level, operating profit came in at € 4.8 billion, impacted by significant adverse foreign exchange movements. At constant exchange rates, operating profit rose by 13% to 26.2% of sales. At € 4.7 billion, our cash flow from operating activities was robust, further strengthening our balance sheet position.

Profit for the year from continuing operations, which incorporated net one-time unallocated charges of € 58 million, was solid at € 3.8 billion. The overall profit for the year amounted to € 2.3 billion after a € 1.5 billion loss for the year from discontinued operations, primarily due to a € 1.3 billion write-down of the net assets held for sale to fair value.

The Group's net cash position was further strengthened by a € 0.9 billion increase over the prior year to € 7.4 billion, partly due to the net € 880 million cash inflow, net of acquisition costs, from the exercise of shareholder warrants. It excludes YNAP's net bank position of € 0.3 billion presented as assets and liabilities of disposal group held for sale.

## Strengthening our portfolio of Maisons and operations

On 31 January 2024, we completed the acquisition of 70% of Gianvito Rossi, a distinguished Italian high-end shoe Maison, further enhancing our portfolio of Fashion & Accessories Maisons. Gianvito Rossi embodies exceptional 'Made in Italy' craftsmanship, elegance and timelessness, all qualities that the Group is renowned for.

Additionally, on 7 May 2024, we announced the agreement to acquire 100% of Vhernier, the highly distinctive Italian jewellery Maison, whose unique aesthetic perfectly complements our existing collection of renowned jewellery Maisons.

We very much look forward to realising Gianvito Rossi's and Vhernier's full potential over time, benefitting from the Group's infrastructure and backing as well as from the thriving luxury footwear and branded jewellery markets. We always strive to create goodwill rather than buy goodwill and, in this vein, I am pleased to report the four-and-a-half-fold increase in sales at Buccellati since acquisition in 2019.

Our Senior Executive Committee was further strengthened with the appointments of Karlheinz Baumann, Group Director of Operations, Boet Brinkgreve in the newly created role of CEO of Laboratoire de Haute Parfumerie et Beauté and Swen Grundmann, Group Company Secretary & Director of Corporate Affairs. These appointments reflect the growing importance of regulatory and reputational matters as well as the Group's ambition to achieve sustainable growth facilitated by effective operations whilst enabling the Maisons involved in fragrance to reach their full potential in this dynamic market.

I am delighted that the Board of Directors has appointed Nicolas Bos, currently Chief Executive of Van Cleef & Arpels, to the re-established role of Chief Executive Officer of Richemont, effective 1 June, at which time he will join the Senior Executive Committee. With his strong track record, Nicolas will bring a rare combination of creativity, deep industry expertise and entrepreneurship to his new role. Jérôme Lambert will continue in the Group as Chief Operating Officer ('COO') reporting to him and remain on the Board.

Building on Richemont's expanded scale combined with its shift to a more retail-driven and jewellery-centric model, Nicolas will steer the Group through the next phase of its evolution. In his new role, he will directly and indirectly oversee all the Maisons, functions and regions, notably the Jewellery Maisons, Finance and Human Resources.

## YOOX-NET-A-PORTER ('YNAP') and Luxury New Retail ('LNR')

Last December, we informed the market that the agreements for the sale of a majority stake in YNAP to Farfetch and Symphony Global were terminated.

Having separated from Farfetch free of any financial commitments, our Maisons and YNAP continue to operate on their own platforms and technology. While we are working on finding a new controlling shareholder for YNAP that can best harness its potential, we are considering alternatives to pursue the realisation of our LNR vision. The work being carried out on the re-platforming planning and solution design are of meaningful value to reach that objective.

Discussions are ongoing with potential buyers. We expect to be in a position to disclose more before the end of the year.

## South African depository receipt programme and Equity-based Shareholder Loyalty Scheme

In April 2023, following receipts of required regulatory authorisations and approval from holders of depository receipts, our South African depository receipt programme was terminated in order to improve tradability of the 'A' shares and reduce administrative complexity. The secondary listing of the 'A' shares and 'A' warrants on the JSE became effective on 19 April 2023.

I am truly delighted that our bet on human ingenuity has proven us right and did indeed result in a successful exercise of the warrants with close to 99% of the 1'044'000'000 'A' warrants issued validly exercised and a further exercise of 11'462'330 unexercised 'A' warrants by Richemont Employee Benefits Limited. Further to this transaction, the Group's share capital now consists of 537'582'089 registered 'A' shares having a par value of CHF 1.00 each, and 537'582'089 registered 'B' shares having a par value of CHF 0.10 each.

## Dividend

Based upon the strong underlying performance of the year, significant cash flow generation and a solid net cash position of € 7.4 billion at the end of March 2024, the Board proposes to pay an ordinary dividend of 2.75 Swiss francs per 1 'A' share (and CHF 0.275 per 'B' shares), a 10% increase in the ordinary dividend over the prior year, subject to shareholder approval at the Annual General Meeting ('AGM') on 11 September 2024.

## Annual General Meeting and Board changes

At the 2023 AGM in September, two new Non-executive Directors, Fiona Druckenmiller and Bram Schot, were elected to the Board. Fiona brings her combined financial and jewellery expertise, as well as insights into the American clientele and sustainability causes and Bram his premium automotive industry expertise, business acumen and understanding of risk management, supply chain and sustainability issues. Guillaume Pictet and Jean-Blaise Eckert, two long-serving and valued directors, stepped down on 31 March 2024.

As a result, on 31 March 2024, the Board comprised 16 members with female representation now at 38%.

Shareholders also elected Wendy Luhabe to the Board as 'A' shareholder representative, with 94% supportive votes and 95% of the 'A' shareholders casting their votes. All directors were elected by a large majority of Class 'A' votes in addition to the Class 'B' votes.

Effective 11 September 2024, Bram Schot will be appointed as Non-executive Deputy Chairman of the Board, following Josua (Dillie) Malherbe's decision to step down. I wish to thank Bram for accepting to take on this important role, and Dillie for his immense contribution during his eleven-year tenure and for accepting to remain on the Audit and the Strategic and Security Committees.

At the 2024 AGM, shareholders will be asked to elect two new directors to the Board: Gary Saage as a Non-executive Director and Nicolas Bos as Executive Director to the Board. If elected, Gary will chair the Audit Committee. A certified public accountant, Gary departed Richemont as Group Chief Financial Officer in 2017 after a successful 29-year career across the Group. He stepped down from the Richemont Board as a Non-executive Director in September 2021 and as honorary Chair of Richemont North America and related companies in August 2023. His in-depth understanding of the Group, rigour and strong track record of financial discipline will be key in overseeing this important Board committee, which has been so diligently and effectively led by Josua Malherbe. Nicolas joined Richemont in 1992, initially working with the Fondation Cartier pour l'art contemporain in Paris. In 2000, he joined Van Cleef & Arpels as High Jewellery Creative and Marketing Director. In 2009, while remaining Creative Director, he became Vice President and in 2010 was appointed President of Van Cleef & Arpels, Americas. Nicolas was appointed global President and CEO of Van Cleef & Arpels in January 2013. Since September 2019, he has also been overseeing Buccellati.

## ESG, consolidating our approach

Over the year, Richemont has further consolidated its approach to ESG, completing the development of a Group-wide ESG Management System in order to execute the Group's ESG priorities in a consistent and harmonised manner across Maisons, regions and functions. Richemont's Non-Financial Report was developed in accordance with the Global Reporting Initiative's ('GRI') standards, with selected GRI indicators independently assured by PricewaterhouseCoopers, and in compliance with Art. 964a-c of the Swiss Code of Obligations. In addition, the Group founded its Richemont Sustainability Online Academy to raise its level of internal expertise.

In 2023, Richemont was awarded an A-score for climate change by the Carbon Disclosure Project, attesting to the Group's continuous endeavours to reduce the environmental impact from its operations and supply chains. In addition, the Group is focused on providing an inclusive work environment across its Maisons and regions. I am pleased to say that this year, Richemont obtained global gender EQUAL-SALARY certification from the EQUAL-SALARY Foundation.

## Concluding remarks

We experienced a softening of sales in the fourth quarter in Asia Pacific against challenging comparatives, which was more than offset by higher growth in all the other regions. As we predicted, a sustainable rebound in Chinese demand would take some time. We are encouraged by our increasingly balanced client mix across nationalities, with the emergence of several growth engines for the Group. Our deliberate focus on local clients across geographies, supported by increased direct client interaction, is contributing to improved resilience.

This year, we further strengthened our Senior Executive Committee and our Board, and improved the capabilities and desirability of our Maisons, along with their approach to sustainability. Maintaining financial discipline despite the inflationary environment has allowed us to make the necessary investments for the Group's future profitable growth, in a discerning, responsible and sustainable manner.

I would like to thank all the teams across Richemont for their contribution to another year of solid financial performance in a volatile environment and ask them to remain alert and responsive amidst the ongoing global uncertainty. I continue to have every confidence that the strong combination of our strategy, unique assets and healthy balance sheet will enable us to achieve our long-term ambitions.

**Johann Rupert**
**Chairman**

**Compagnie Financière Richemont SA**