Consolidated financial statements
Directors' Report

The Board of Directors of Compagnie Financière Richemont SA ('Richemont' or 'the Company') is pleased to submit its report on the activities of the Company, its subsidiaries and equity-accounted investments (together, 'the Group') for the year ended 31 March 2024. The consolidated financial statements on the following pages set out the financial position of the Group at 31 March 2024 and the results and cash flows of its operations for the year then ended. The financial statements of the Company are presented on pages 84 to 141.

Further information on the Group's activities during the year under review is given in the financial review on pages 35 to 41.

Consolidated financial statements

Company financial statements

Consolidated balance sheet
at 31 March

	Notes	2024 €m	2023 €m
Assets			
Non-current assets			
Property, plant and equipment	*6*	**3 637**	3 343
Goodwill	*7*	**759**	610
Other intangible assets	*8*	**680**	497
Right of use assets	*9*	**3 932**	3 565
Investment property		**32**	34
Equity-accounted investments	*10*	**656**	599
Deferred income tax assets	*11*	**888**	752
Financial assets held at fair value through profit or loss	*34*	**5**	289
Financial assets held at fair value through other comprehensive income	*34*	**284**	301
Other non-current assets	*12*	**576**	529
		11 449	10 519
Current assets			
Inventories	*13*	**7 980**	7 096
Trade receivables and other current assets	*14*	**1 910**	1 708
Derivative financial instruments	*15*	**67**	103
Financial assets held at fair value through profit or loss	*34*	**8 784**	7 401
Assets of disposal group held for sale	*16*	**1 781**	3 124
Cash at bank and on hand	*17*	**10 710**	10 936
		31 232	30 368
Total assets		**42 681**	40 887
Equity and liabilities			
Equity attributable to owners of the parent company			
Share capital	*29*	**352**	334
Share premium	*29*	**1 162**	–
Treasury shares	*29*	**(461)**	(305)
Other reserves	*29*	**4 689**	4 305
Retained earnings	*29*	**14 779**	14 625
		20 521	18 959
Non-controlling interests	*39*	**114**	60
Total equity		**20 635**	19 019
Liabilities			
Non-current liabilities			
Borrowings	*18*	**5 972**	5 954
Lease liabilities	*9*	**3 615**	3 239
Deferred income tax liabilities	*11*	**265**	129
Employee benefit obligations	*19*	**62**	65
Provisions	*20*	**84**	90
Other long-term financial liabilities	*21*	**256**	83
		10 254	9 560
Current liabilities			
Trade payables and other current liabilities	*22*	**2 964**	2 960
Current income tax liabilities		**923**	861
Borrowings	*18*	**7**	1
Lease liabilities	*9*	**673**	644
Derivative financial instruments	*15*	**107**	7
Provisions	*20*	**197**	201
Liabilities of disposal group held for sale	*16*	**856**	1 801
Bank overdraft	*17*	**6 065**	5 833
		11 792	12 308
Total liabilities		**22 046**	21 868
Total equity and liabilities		**42 681**	40 887

Consolidated income statement
for the year ended 31 March

	Notes	2024 €m	2023 €m
Revenue	23	**20 616**	19 953
Cost of sales		**(6 580)**	(6 237)
Gross profit		**14 036**	13 716
Selling and distribution expenses		**(5 000)**	(4 683)
Communication expenses		**(2 006)**	(1 940)
Fulfilment expenses		**(244)**	(257)
Administrative expenses		**(1 889)**	(1 702)
Other operating expenses	24	**(103)**	(103)
Operating profit		**4 794**	5 031
Finance costs	27	**(787)**	(597)
Finance income	27	**609**	283
Share of post-tax results of equity-accounted investments	10	**39**	41
Profit before taxation		**4 655**	4 758
Taxation	11	**(837)**	(847)
Profit for the year from continuing operations		**3 818**	3 911
Loss for the year from discontinued operations	16	**(1 463)**	(3 610)
Profit for the year		**2 355**	301
Profit attributable to:			
Owners of the parent company		**2 362**	313
– continuing operations		**3 817**	3 909
– discontinued operations		**(1 455)**	(3 596)
Non-controlling interests		**(7)**	(12)
		2 355	301
Earnings per ‘A’ share/10 ‘B’ shares attributable to owners of the parent company during the year (expressed in € per share)			
From profit for the year			
Basic	28	**4.098**	0.550
Diluted	28	**4.077**	0.543
From continuing operations			
Basic	28	**6.622**	6.870
Diluted	28	**6.588**	6.778

Consolidated statement of comprehensive income
for the year ended 31 March

	Notes	2024 €m	2023 €m
Profit for the year		**2 355**	301
Other comprehensive income:			
Items that will never be reclassified to profit or loss			
Defined benefit plan actuarial gains	*19*	**(8)**	9
Tax on defined benefit plan actuarial gains		**–**	(1)
Fair value changes on financial assets held at fair value through other comprehensive income		**(23)**	13
		(31)	21
Items that are or may be reclassified subsequently to profit or loss			
Currency translation adjustments			
– movement in the year		**335**	363
– reclassification to profit or loss		**–**	–
Cash flow hedging – reclassification to profit or loss		**5**	5
Tax on cash flow hedging reclassified to profit or loss		**(1)**	(1)
Share of other comprehensive income of equity-accounted investments	*10*	**6**	(21)
		345	346
Other comprehensive income, net of tax		**314**	367
Total comprehensive income		**2 669**	668
Total comprehensive income attributable to:			
Owners of the parent company		**2 678**	682
– continuing operations		**4 115**	4 309
– discontinued operations		**(1 437)**	(3 627)
Non-controlling interests		**(9)**	(14)
		2 669	668

Consolidated statement of changes in equity
for the year ended 31 March

	Notes	Equity attributable to owners of the parent company							
		Share capital €m	Share premium €m	Treasury shares €m	Other reserves €m	Retained earnings €m	Total €m	Non-controlling interests €m	Total equity €m
Balance at 1 April 2022		334	–	(478)	3 876	16 082	19 814	49	19 863
Comprehensive income									
Profit for the period		–	–	–	–	313	313	(12)	301
Other comprehensive loss		–	–	–	369	–	369	(2)	367
		–	–	–	369	313	682	(14)	668
Transactions with owners of the parent company recognised directly in equity									
Net changes in treasury shares	*29*	–	–	173	–	25	198	–	198
Employee share-based compensation	*31*	–	–	–	96	–	96	–	96
Tax on share-based compensation	*11*	–	–	–	20	–	20	–	20
Reclassification to retained earnings	*29*	–	–	–	(56)	56	–	–	–
Changes in non-controlling interests		–	–	–	–	–	–	25	25
Dividends paid	*30*	–	–	–	–	(1 851)	(1 851)	–	(1 851)
		–	–	173	60	(1 770)	(1 537)	25	(1 512)
Balance at 31 March 2023		334	–	(305)	4 305	14 625	18 959	60	19 019
Balance at 1 April 2023		**334**	**–**	**(305)**	**4 305**	**14 625**	**18 959**	**60**	**19 019**
Comprehensive income									
Profit for the period		**–**	**–**	**–**	**–**	**2 362**	**2 362**	**(7)**	**2 355**
Other comprehensive income		**–**	**–**	**–**	**341**	**(25)**	**316**	**(2)**	**314**
		–	**–**	**–**	**341**	**2 337**	**2 678**	**(9)**	**2 669**
Transactions with owners of the parent company recognised directly in equity									
Issue of share capital	*29*	**18**	**1 162**	**–**	**–**	**–**	**1 180**	**–**	**1 180**
Net changes in treasury shares	*29*	**–**	**–**	**(156)**	**–**	**(16)**	**(172)**	**–**	**(172)**
Employee share-based compensation	*31*	**–**	**–**	**–**	**109**	**–**	**109**	**–**	**109**
Tax on share-based compensation	*11*	**–**	**–**	**–**	**(4)**	**–**	**(4)**	**–**	**(4)**
Reclassification to retained earnings	*29*	**–**	**–**	**–**	**(62)**	**62**	**–**	**–**	**–**
Changes in non-controlling interests	*37*	**–**	**–**	**–**	**–**	**–**	**–**	**64**	**64**
Initial recognition of put options over non-controlling interests		**–**	**–**	**–**	**–**	**(157)**	**(157)**	**–**	**(157)**
Dividends paid	*30*	**–**	**–**	**–**	**–**	**(2 072)**	**(2 072)**	**(1)**	**(2 073)**
		18	**1 162**	**(156)**	**43**	**(2 183)**	**(1 116)**	**63**	**(1 053)**
Balance at 31 March 2024		**352**	**1 162**	**(461)**	**4 689**	**14 779**	**20 521**	**114**	**20 635**

Consolidated statement of cash flows
for the year ended 31 March

	Notes	2024 €m	2023 €m
Cash flows from operating activities			
Operating profit from continuing operations		**4 794**	5 031
Operating loss from discontinued operations	*16*	**(1 435)**	(3 639)
Adjustment for non-cash items	*32*	**2 859**	5 092
Changes in working capital	*32*	**(651)**	(1 167)
Cash flow generated from operations		**5 567**	5 317
Interest received		**413**	210
Interest paid		**(451)**	(304)
Dividends from equity-accounted investments	*10*	**1**	2
Taxation paid		**(834)**	(734)
Net cash generated from operating activities		**4 696**	4 491
Cash flows from investing activities			
Acquisition of subsidiary undertakings and other businesses, net of cash acquired	*37*	**(306)**	(49)
Proceeds from disposal of subsidiary undertakings, net of cash		**–**	1
Acquisition of equity-accounted investments	*10*	**(11)**	–
Contribution to equity-accounted investments	*10*	**–**	(330)
Acquisition of property, plant and equipment		**(873)**	(857)
Proceeds from disposal of property, plant and equipment		**8**	19
Payments capitalised as right of use assets		**(11)**	(3)
Acquisition of intangible assets		**(137)**	(124)
Investment in money market and externally managed funds		**(18 718)**	(15 239)
Proceeds from disposal of money market and externally managed funds		**17 537**	14 553
Acquisition of other non-current assets and investments		**(68)**	(57)
Proceeds from disposal of other non-current assets and investments		**23**	13
Net cash used in investing activities		**(2 556)**	(2 073)
Cash flows from financing activities			
Issue of share capital		**891**	–
Costs of issue of share capital		**(11)**	–
Proceeds from borrowings	*33*	**12**	4
Repayment of borrowings	*33*	**(6)**	(6)
Dividends paid to owners of the parent entity		**(2 072)**	(1 851)
Dividends paid to non-controlling interests in a subsidiary		**(1)**	–
Acquisition of treasury shares		**(54)**	–
Proceeds from sale of treasury shares		**181**	198
Contribution from non-controlling interests in a subsidiary		**–**	25
Lease payments – principal		**(762)**	(688)
Net cash used in financing activities		**(1 822)**	(2 318)
Net change in cash and cash equivalents		**318**	100
Cash and cash equivalents at the beginning of the year		**4 636**	4 568
Exchange gains/(losses) on cash and cash equivalents		**(48)**	(32)
Cash and cash equivalents at the end of the year	*17*	**4 906**	4 636

Notes to the consolidated financial statements
at 31 March 2024

1. General information

Compagnie Financière Richemont SA ('the Company'), its subsidiaries and equity-accounted investments (together 'Richemont' or 'the Group') is one of the world's leading luxury goods groups. The Group's interests encompass several of the most prestigious names in the luxury industry including Cartier, Van Cleef & Arpels, Buccellati, A. Lange & Söhne, Baume & Mercier, IWC Schaffhausen, Jaeger-LeCoultre, Panerai, Piaget, Roger Dubuis, Vacheron Constantin, Alaïa, Chloé, Delvaux, dunhill, Gianvito Rossi, Montblanc, Peter Millar, Purdey, Serapian, AZ Factory, Watchfinder and YOOX NET-A-PORTER ('YNAP').

The Company is incorporated in Switzerland and registered in Bellevue, Geneva, Switzerland. Shares of the Company are listed and traded on the SIX Swiss Exchange and are included in the Swiss Market Index ('SMI') of leading stocks. The Company's 'A' shares are also listed on the Johannesburg Stock Exchange as a secondary listing. Corporate bonds issued by a subsidiary of the Company are listed on the Luxembourg Stock Exchange.

These consolidated financial statements have been approved by the Board of Directors of the Company ('the Board') for issue on 16 May 2024 and are subject to approval at the shareholders' general meeting due to be held on 11 September 2024.

2. Summary of material accounting policies

2.1. Basis of preparation

These consolidated financial statements of the Company have been prepared in accordance with IFRS Accounting Standards and IFRS Interpretations Committee interpretations (together 'IFRS').

These consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss or other comprehensive income.

Except as described in note 2.2 below, the policies set out in notes 2.3 to 2.8 have been consistently applied to the periods presented.

2.2. Adoption of new accounting standards

Other than the accounting standards mentioned below, no other amendments to IFRSs effective for the financial year ending 31 March 2024 have a material impact on the Group.

Amendment to IAS 12, *International Tax Reform – Pillar Two Model Rules*

The Group has adopted the amendment to IAS 12, which introduces a temporary exception from accounting for deferred taxes arising from the Pillar Two Model rules. As a result, the Group does not recognise deferred tax assets and liabilities related to Pillar Two income taxes. Further details can be found in note 11.

2.3. Basis of consolidation

The consolidated financial statements include the accounts of the Company and its subsidiary undertakings together with the Group's share of the results and net assets of equity-accounted investments.

(a) Subsidiary undertaking

Subsidiary undertakings are defined as those undertakings that are controlled by the Group and are consolidated from the date control commences until the date control ceases. Control of an undertaking exists when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its powers over the entity. The accounts of subsidiary undertakings are drawn up at 31 March of each year. Uniform accounting policies have been adopted.

(b) Associates and joint ventures

Associated undertakings are defined as those undertakings, not classified as subsidiary undertakings, where the Group is able to exercise a significant influence. Significant influence is presumed to exist where the Group holds between 20% and 50% of the voting rights of another entity. Joint ventures are those arrangements where the Group has joint control and rights to the net assets of the arrangement.

2.4. Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The functional currency of the Company is Swiss francs. The consolidated financial statements are presented in millions of euros (the 'presentation currency'). Management believes that this currency is more useful to the users of the consolidated financial statements.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates on the transaction date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

(c) Group companies

The assets and liabilities of foreign operations that have a functional currency different from the presentation currency are translated to euro at the closing exchange rates at the reporting date.

The income, expenses and cash flows of foreign operations are translated to euro at the average exchange rates prevailing during the period. The average rates approximate actual rates at the transaction dates.

All resulting foreign exchange differences are recognised in other comprehensive income.

When a foreign operation is sold, such exchange differences are recognised in profit or loss as part of the gain or loss on disposal.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and are translated at the closing rate.

2.5. Impairment of non-financial assets

All non-financial assets are tested for impairment whenever events or changes in circumstance indicate that the carrying amount may not be fully recoverable, with the exception of intangible assets that have an indefinite useful life which are not subject to amortisation and so are tested annually for impairment. The Group has identified goodwill as the only category of intangible asset with an indefinite life.

2.5. Impairment of non-financial assets continued
Assets which do not generate cash flows independently of other assets are allocated to a cash-generating unit ('CGU') for impairment testing. The CGUs are made up of assets grouped at the lowest levels for which there are separately identifiable cash flows, subject to an operating segment ceiling. An impairment loss is recognised, if necessary, for the amount by which a CGU's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of a CGU's fair value, less costs of disposal, and its value-in-use.

2.6. Discontinued operations
On 23 August 2022, the Group announced that it had reached an agreement with Farfetch Limited ('Farfetch') and Symphony Global ('Alabbar') to sell its controlling shareholding in YNAP. In accordance with IFRS 5, the assets and liabilities of YNAP were reclassified as held for sale and its results for the year were presented as discontinued operations.

In December 2023, the Group announced that the transaction could not be completed. Following the termination of the agreement with Farfetch and Alabbar, the Group launched a strategic review to identify a new buyer for YNAP. As a result, the Group has concluded that the conditions in IFRS 5 continue to be met, and so the assets and liabilities of YNAP remain classified as held for sale, with its results for the year presented as discontinued operations.

Further details can be found in note 16.

2.7. Hyperinflationary economies
With effect from 1 June 2022, Türkiye is considered to be hyperinflationary. There is no significant impact on the consolidated financial statements of the Group as a result.

2.8. Other accounting policies
Details of the other accounting policies adopted by the Group can be found in the note to the consolidated financial statements to which they relate.

2.9. Climate-related risks
At the date of this report, the impact on the financial statements resulting from climate-related risks is not significant. During the year under review, Richemont continued to build and strengthen its ESG Management System. An ESG Risk and Opportunities (ESG ROA) assessment was conducted in 2024 with the aim to identify, prioritise and contextualise ESG-related risks and opportunities, including on climate, emissions and energy. Prioritised risks and opportunities undergo a detailed analysis to contextualise their impact, underlying drivers, current mitigation efforts and potential action plans. This stage leverages both internal and external data sources to enrich understanding and ensure the accuracy and relevance of the assessments. For climate-related risks, the process foresees a scenario analysis, which evaluates potential impacts based on predefined global warming scenarios.

The costs associated with specific initiatives undertaken during the year are included with Cost of sales and the various expense line items within Operating Profit, as appropriate. Cash flow forecasts used for impairment testing take into account any known impacts rising from climate-related risks. The Group will continue to closely monitor developments in this area, and the financial impact thereof.

2.10. New standards and interpretations not yet adopted
Certain new accounting standards and amendments issued by the IASB and interpretations issued by the IFRS Interpretations Committee at 31 March 2024 are not yet effective and have not been applied in preparing these consolidated financial statements. Other than as disclosed below, none are expected to have a significant impact on the Group's consolidated financial statements.

IFRS 18 *Presentation and disclosure in financial statements* is applicable for reporting periods beginning on or after 1 January 2027 and introduces new requirements for presentation and disclosure in the financial statements. The impact on the Group's consolidated financial statements has yet to be assessed.

3. Risk assessment

The Company has a risk management process which considers both strategic and operational risks. All identified risks are modelled according to their probability of occurrence and potential impact and subsequently prioritised by Group management. A consolidated risk report, which includes risk mitigation plans prepared by the Group executive directly responsible for addressing the risk, is reviewed annually by the Audit Committee and the Board of Directors.

For any risks identified which relate to accounting and financial reporting, and to reduce the risk to the financial statements arising from material misstatement, whether due to fraud or error, the Group's internal control system framework defines relevant control measures which are implemented across the Group and appropriately monitored.

4. Critical accounting estimates and assumptions

The Group is required to make estimates and assumptions that affect the reported amount of certain asset, liability, income and expense items and certain disclosures regarding contingencies, and to make judgments in the process of applying its accounting policies. Estimates and assumptions applied by management are continuously evaluated and are based on information available, historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances at the dates of preparation of the consolidated financial statements. Principal matters involving significant estimates, assumptions or judgments relate in particular to:

(a) Inventories
The Group records a provision against its inventories for damaged and slower-moving items. This provision is based on estimates made by management taking into consideration various factors including historical experience, estimated future demand, discontinuations and product development.

The provision is assessed at each reporting date by the respective Maison or subsidiary company and is adjusted accordingly. Details of the movements in the provision are provided in note 13.

4. Critical accounting estimates and assumptions continued

(b) Taxation
The Group is subject to income taxes in a number of jurisdictions due to its wide geographical presence. There are a number of transactions and calculations on which the ultimate tax determination is uncertain. Management exercises judgment, within a strict and objective process framework, in determining the adequate current income tax provision including amounts in relation to uncertain tax positions. The amounts accrued are based on management's interpretation of the specific tax law and on adherence to internationally accepted rules and practice. New information may become available that causes the Group to change its assessment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Details of the Group's tax liabilities are given in note 11.

(c) Recoverable amount of CGUs for goodwill impairment testing
Goodwill is tested annually for impairment. The recoverable amounts of CGUs are determined based either on the value-in-use of the CGU, or on its fair value less costs of disposal. In both cases, these calculations require the use of estimates for sales growth, EBITDA margins, other future cash flows, discount rates and terminal growth rates.

Details of the goodwill impairment testing done in the year are given in note 7.

(d) Measurement of assets and liabilities of disposal group held for sale
In accordance with IFRS 5, the Group has classified the assets and liabilities of YNAP as held for sale on its balance sheet at 31 March 2024, as a strategic review is underway to identify a new buyer for the disposal group. Measurement of the net assets of the disposal group is based on the estimated fair value of YNAP at the reporting date, taking into account current levels of net working capital.

Further details are provided in note 16.

5. Segment information

(a) Information on reportable segments
Management has determined the operating segments based on the reports regularly reviewed by the chief operating decision maker ('CODM') in making strategic decisions. Each operating segment is managed separately by a dedicated Chief Executive Officer and management team allowing management to maintain and develop the specific identity of each Maison or distributor. These operating segments have been aggregated into reportable segments as follows:

- **Jewellery Maisons** – businesses whose heritage is in the design, manufacture and distribution of jewellery products; these comprise Buccellati, Cartier and Van Cleef & Arpels.
- **Specialist Watchmakers** – businesses whose primary activity includes the design, manufacture and distribution of precision timepieces. The Group's Specialist Watchmakers comprise A. Lange & Söhne, Baume & Mercier, IWC Schaffhausen, Jaeger-LeCoultre, Panerai, Piaget, Roger Dubuis and Vacheron Constantin.

In order to determine which operating segments share similar economic characteristics and thus meet the criteria for aggregation, management has focused on the distribution network, product mix and gross margin structure of the Maisons.

Other operating segments include Alaïa, AZ Factory, Chloé, Delvaux, dunhill, Montblanc, Peter Millar, Purdey, Serapian, Watchfinder, investment property companies and other manufacturing entities. Gianvito Rossi is included for the first time following its recent acquisition (note 37). None of these segments meet the quantitative thresholds for determining reportable segments.

The entire product range of a particular Maison, which may include jewellery, watches, writing instruments and leather goods, is reflected in the sales and operating result for that segment.

The non-separable costs of operating multi-brand regional functions are allocated to individual operating segments using allocation keys most relevant to the nature of the expense being allocated. Unallocated corporate costs represent the costs of the Group's corporate operations which are not attributed to the segments.

Performance measurement is based on segment contribution before corporate costs, unallocated valuation adjustments on acquisitions, interest and tax, as management believes that such information is most relevant in evaluating the results of segments relative to other entities that operate within similar markets.

Revenue by business area is as follows:

	2024 €m	2023 €m
Jewellery Maisons	**14 242**	13 427
Specialist Watchmakers	**3 767**	3 875
Other	**2 607**	2 651
	20 616	19 953

Notes to the consolidated financial statements

5. Segment information continued

(a) Information on reportable segments continued

The operating result by business area is as follows:

	2024 €m	2023 €m
Operating result		
Jewellery Maisons	**4 713**	4 684
Specialist Watchmakers	**572**	738
Other	**(43)**	59
	5 242	5 481
Impact of valuation adjustments on acquisitions	**(31)**	(23)
Corporate costs	**(417)**	(427)
Operating profit	**4 794**	5 031
Finance costs	**(787)**	(597)
Finance income	**609**	283
Share of post-tax results of equity-accounted investments	**39**	41
Profit before taxation	**4 655**	4 758
Taxation	**(837)**	(847)
Profit for the year from continuing operations	**3 818**	3 911

In the year to 31 March 2024, impairment charges of € 8 million were included within the Jewellery Maisons and € 5 million within the Specialist Watchmakers. A further impairment charge of € 54 million is included within unallocated corporate costs (2023: € 55 million within unallocated corporate costs).

	2024 €m	2023 €m
Depreciation and amortisation costs included within the segment operating results		
Jewellery Maisons	**738**	662
Specialist Watchmakers	**281**	265
Other	**225**	222
Unallocated	**188**	194
	1 432	1 343

The segment assets which are reviewed by the CODM comprise inventories and trade debtors.

	2024 €m	2023 €m
Segment assets		
Jewellery Maisons	**5 427**	4 736
Specialist Watchmakers	**2 166**	2 004
Other	**1 316**	1 208
	8 909	7 948
Total segment assets	**8 909**	7 948
Non-current assets	**11 449**	10 519
Current financial assets at fair value through profit or loss	**8 784**	7 401
Other receivables	**981**	856
Derivative financial instruments	**67**	103
Cash at bank and on hand	**10 710**	10 936
Assets of disposal groups held for sale	**1 781**	3 124
Total assets	**42 681**	40 887

5. Segment information continued

(a) Information on reportable segments continued

The CODM also reviews additions to property, plant and equipment, other intangible assets, and investment property as follows:

	2024 €m	2023 €m
Additions to non-current assets:		
Property, plant and equipment, other intangible assets and investment property		
Jewellery Maisons	**585**	589
Specialist Watchmakers	**168**	150
Other	**115**	108
Unallocated	**68**	131
	936	978

(b) Information about geographical areas

Each operating segment operates on a worldwide basis. External sales presented in the four main geographical areas where the Group's operating segments operate are as follows:

	2024 €m	2023 €m
Europe	**4 442**	4 371
France	**1 017**	1 001
United Kingdom	**751**	801
Italy	**584**	560
Switzerland	**641**	595
Other Europe	**1 449**	1 414
Middle East & Africa	**1 673**	1 562
United Arab Emirates	**1 113**	933
Other Middle East & Africa	**560**	629
Asia	**9 971**	9 553
China	**5 385**	5 033
– of which mainland China	***3 741***	*3 926*
– of which Hong Kong SAR, China and Macau SAR, China	***1 644***	*1 107*
Japan	**1 751**	1 616
South Korea	**1 070**	1 077
Other Asia	**1 765**	1 827
Americas	**4 530**	4 467
United States	**3 886**	3 850
Other Americas	**644**	617
	20 616	19 953

Sales are allocated based on the location of the wholesale customer, the boutique or the shipping address for online transactions.

5. Segment information continued

(b) Information about geographical areas continued

The total non-current assets, other than financial instruments and deferred tax assets, located in Switzerland, the Company's domicile, and the rest of the world are as follows:

	2024 €m	2023 €m
Switzerland	**2 097**	2 051
France	**1 640**	1 307
United States	**1 609**	1 537
Italy	**1 480**	967
United Kingdom	**488**	491
Rest of the world	**2 793**	2 674
	10 107	9 027

Segment assets are allocated based on where the assets are located. In the case of equity-accounted investments, the allocation of the asset is determined by the location of the shareholding.

(c) Information about products

External sales by product are as follows:

	2024 €m	2023 €m
Jewellery	**10 704**	10 036
Watches	**7 001**	6 983
Leather goods and accessories	**1 025**	963
Clothing	**789**	842
Writing instruments	**435**	456
Other	**662**	673
	20 616	19 953

(d) Major customers

Sales to no single customer represented more than 10% of total revenue.

6. Property, plant and equipment

Accounting policy

All property, plant and equipment is shown at cost less accumulated depreciation and impairment. Depreciation on property, plant and equipment is calculated using the straight-line method over the asset's estimated useful life, up to the following limits:

- Buildings — 40 years
- Plant and machinery — 20 years
- Fixtures, fittings, tools and equipment — 15 years

Residual values and useful lives are reviewed annually and adjusted if appropriate. Neither assets under construction nor land are depreciated.

6. Property, plant and equipment continued

	Land and buildings €m	Plant and machinery €m	Fixtures, fittings, tools and equipment €m	Assets under construction €m	Total €m
1 April 2022					
Cost	1 796	1 128	3 643	438	7 005
Depreciation	(733)	(804)	(2 346)	–	(3 883)
Net book value at 1 April 2022	1 063	324	1 297	438	3 122
Exchange adjustments	23	7	(20)	5	15
Acquisition through business combinations	3	1	–	–	4
Additions	37	79	556	249	921
Disposals	(1)	(2)	(5)	(2)	(10)
Depreciation charge	(64)	(64)	(419)	–	(547)
Impairment charge	–	–	–	(1)	(1)
Reclassified to assets of disposal group held for sale	(16)	(78)	(18)	(46)	(158)
Transfers and reclassifications	56	8	213	(280)	(3)
31 March 2023					
Cost	1 863	1 092	4 064	363	7 382
Depreciation	(762)	(817)	(2 460)	–	(4 039)
Net book value at 31 March 2023	1 101	275	1 604	363	3 343

	Land and buildings €m	Plant and machinery €m	Fixtures, fittings, tools and equipment €m	Assets under construction €m	Total €m
1 April 2023					
Cost	**1 863**	**1 092**	**4 064**	**363**	**7 382**
Depreciation	**(762)**	**(817)**	**(2 460)**	**–**	**(4 039)**
Net book value at 1 April 2023	**1 101**	**275**	**1 604**	**363**	**3 343**
Exchange adjustments	**15**	**4**	**(20)**	**–**	**(1)**
Acquisition through business combinations (note 37)	**3**	**4**	**10**	**–**	**17**
Additions	**50**	**77**	**402**	**338**	**867**
Disposals	**–**	**–**	**(6)**	**(1)**	**(7)**
Depreciation charge	**(64)**	**(62)**	**(453)**	**–**	**(579)**
Impairment charge	**–**	**–**	**(3)**	**–**	**(3)**
Transfers and reclassifications	**7**	**8**	**122**	**(137)**	**–**
31 March 2024					
Cost	**1 940**	**1 165**	**4 298**	**563**	**7 966**
Depreciation	**(828)**	**(859)**	**(2 642)**	**–**	**(4 329)**
Net book value at 31 March 2024	**1 112**	**306**	**1 656**	**563**	**3 637**

Land and buildings comprise mainly manufacturing facilities, retail boutiques, offices and distribution centres.

In the year to 31 March 2024, impairment charges of € 3 million are included within Other expenses (2023: € 1 million within administrative costs).

Committed capital expenditure not reflected in these financial statements amounted to € 332 million at 31 March 2024 (2023: € 190 million).

Notes to the consolidated financial statements

7. Goodwill

Accounting policy

Goodwill is allocated to the CGUs for the purpose of impairment testing that are expected to benefit from the business combination in which the goodwill arose, subject to an operating segment ceiling. It is tested annually for impairment and carried at cost less accumulated impairment losses.

	€m
Carrying value at 1 April 2022	3 538
Exchange adjustments	3
Impairment charge	(55)
Reclassification to assets of disposal group held for sale	(2 876)
Carrying value at 31 March 2023	**610**
Exchange adjustments	**9**
Goodwill arising on business combinations (note 37)	**159**
Impairment charge	**(19)**
Carrying value at 31 March 2024	**759**

The carrying value at 31 March 2024 includes cumulative impairment charges of € 80 million (2023: € 61 million).

Impairment testing for goodwill

The Group considers its Maisons and individual business units to be the appropriate CGUs for goodwill allocation. The balance at 31 March is allocated as follows:

	2024 €m	2023 €m
Jewellery Maisons	**257**	240
Specialist Watchmakers	**132**	130
Other Maisons	**370**	240
	759	610

Of the total balance, Watchfinder, Cartier, Buccellati and Gianvito Rossi CGUs each have an allocation of goodwill which is considered significant when compared to the total goodwill balance.

The Cartier CGU includes goodwill of € 148 million (2023: € 131 million). The discounted cash flow model on which the value-in-use calculation is based includes five years of cash flows and assumes sales and EBITDA growth of 1% (2023: 1%) and a terminal growth rate of 2.00% (2023: 2.00%), with operating margins remaining stable over the period. The growth rate is based on conservative assumptions given the significant level of headroom in prior years. The discount rate used is 9.18% (2023: 8.70%).

The Buccellati CGU includes goodwill of € 107 million (2023: € 107 million). The discounted cash flow model on which the value-in-use calculation is based includes ten years of cash flows, reflecting the long-term nature of the investment, and assumes sales growth of 7.05% CAGR (2023: 10.8% CAGR) and a terminal growth rate of 2.00% (2023: 2.00%), with operating margins increasing over the period to a level consistent with the Group's other Jewellery Maisons. The discount rate used is 11.07% (2023: 10.47%).

The Gianvito Rossi CGU, newly acquired during the year ended 31 March 2024, includes goodwill of € 131 million. The discounted cash flow model on which the value-in-use calculation is based includes ten years of cash flows, reflecting the long-term nature of the investment, and assumes sales growth of 12.68% CAGR and a terminal growth rate of 2.00%, with operating margins increasing over the period to a level consistent with the Group's expectations. The discount rate used is 11.07%.

7. Goodwill continued

A reasonably possible change in key assumptions at 31 March 2024 used for the Cartier, Buccellati and Gianvito Rossi CGUs would not cause the carrying amount to exceed the recoverable amount. With respect to the Delvaux CGU, the estimated recoverable value exceeded the carrying value by € 61 million (2023: € 299 million) . The following reasonably possible changes to key assumptions would lead to the recoverable value equalling the carrying amount:

	Key assumption 2024	Change	Key assumption 2023
Delvaux CGU			
Terminal growth	**2.00%**	-2.80 ppt	2.00%
Discount rate	**10.3%**	+1.24 ppt	9.5%
Revenue growth (CAGR)	**15.5%**	-2.68 ppt	17.2%
Long-term EBITDA margin (after lease payments)	**12.5%**	-12.40%	21.6%

Goodwill allocated to the Watchfinder CGU amounts to € 91 million (2023: € 107 million). The discounted cash flow model on which the fair value less cost of disposal calculation is based includes ten years of cash flows, based on the long-term nature of the investment, and assumes sales growth of between 5% and 20% per annum, or 11.80% CAGR (2023: 17.35% CAGR), based on management forecasts and a terminal growth rate of 2.00% (2023: 2.00%) based on expected long-term inflation rates, with operating margins expected to improve over the period to a level consistent with management's long-term expectations. The discount rate used is 12.98% (2023: 12.86%). It is classified as Level 3 in the IFRS fair value hierarchy. As a result of this test, the carrying amount of the CGU was found to exceed the recoverable amount and an impairment charge of € 19 million (2023: € 55 million) was recognised in relation to goodwill allocated to the Watchfinder CGU. This impairment arises as a result of the continuing global reduction in resale values of pre-owned watches, together with the impact of an increase in the discount rate. It is included within Other expenses (note 24).

No other CGU has an allocation of goodwill which is significant in comparison with the total carrying amount. For the majority of the Group's CGUs, representing a total goodwill allocation of € 108 million, the recoverable value is calculated using value-in-use. For each CGU, the discounted cash flow model used for impairment testing considers five years of cash flows and a long-term growth rate based on the long-term inflation rate. Sales growth projections are based on Maison management forecasts and growth rates which are fixed at the low end of the Group's past experience. EBITDA margins are assumed to remain stable compared to the margin achieved by the CGU in the current year unless there are Maison-specific reasons to assume otherwise. For certain Maisons that are at the beginning of significant expansion or realignment, the calculation of the recoverable value, which may be based on fair value less cost of disposal where appropriate, includes ten years of cash flows, with sales growth projections including input from independent external analyses on the luxury industry, supplemented by CGU-specific adjustments when deemed necessary.

At 31 March 2024, no further goodwill impairments were identified. Additional non-current asset impairments totalling € 37 million have been identified arising from one CGU included within 'Specialist Watchmakers' for segmental reporting (note 5) (2023: none). Impairment charges are included in 'Other operating expenses'.

8. Other intangible assets

Accounting policy

Other intangible assets are shown at cost less accumulated amortisation and impairment. Amortisation of other intangible assets is calculated using the straight-line method over the asset's estimated useful life, or contractual life if applicable, up to the following limits:

- Software and related licences 15 years
- Development costs 10 years
- Intellectual property-related 50 years
- Distribution rights 5 years
- Leasehold rights 20 years

The Group does not have any indefinite life intangible assets.

Costs that are directly associated with developing, implementing or improving identifiable software products having an expected benefit beyond one year are recognised as other intangible assets. Costs associated with maintaining software are expensed as incurred.

Leasehold rights represent premiums paid to parties other than the lessor, prior to implementation of IFRS 16, and are amortised over their expected useful lives or, if shorter, the lease period.

Costs incurred on development projects, including internally generated costs, are recognised as other intangible assets when it is probable that the project will be a success, considering its commercial and technological feasibility, and costs can be measured reliably. These assets are amortised from the commencement of commercial production of the product. Other development expenditures and research expenditures are expensed as incurred.

	Intellectual property related €m	Leasehold and distribution rights €m	Computer software and related licences €m	Development costs €m	Total €m
1 April 2022					
Cost	2 643	241	778	194	3 856
Amortisation	(713)	(183)	(539)	(79)	(1 514)
Net book value at 1 April 2022	1 930	58	239	115	2 342
Exchange adjustments	(24)	–	1	3	(20)
Acquisition through business combinations	–	1	–	–	1
Additions:					
– internally developed	–	–	12	47	59
– other	1	1	22	–	24
Disposals	–	–	–	(2)	(2)
Amortisation charge	(83)	(16)	(51)	(36)	(186)
Reclassification to assets of disposal group held for sale	(1 520)	–	(204)	–	(1 724)
Transfers and reclassifications	–	1	2	–	3
31 March 2023					
Cost	476	201	94	230	1 001
Amortisation	(172)	(156)	(73)	(103)	(504)
Net book value at 31 March 2023	304	45	21	127	497

8. Other intangible assets continued

	Intellectual property related €m	Leasehold and distribution rights €m	Computer software and related licences €m	Development costs €m	Total €m
1 April 2023					
Cost	**476**	**201**	**94**	**230**	**1 001**
Amortisation	**(172)**	**(156)**	**(73)**	**(103)**	**(504)**
Net book value at 1 April 2023	**304**	**45**	**21**	**127**	**497**
Exchange adjustments	**2**	**–**	**–**	**2**	**4**
Acquisition through business combinations (note 37)	**238**	**–**	**1**	**–**	**239**
Additions:					
– internally developed	**–**	**–**	**–**	**57**	**57**
– other	**1**	**1**	**10**	**–**	**12**
Disposals	**–**	**–**	**–**	**(2)**	**(2)**
Amortisation charge	**(26)**	**(14)**	**(10)**	**(43)**	**(93)**
Impairments	**(34)**	**–**	**–**	**–**	**(34)**
Transfers and reclassifications	**–**	**–**	**–**	**–**	**–**
31 March 2024					
Cost	**633**	**195**	**86**	**263**	**1 177**
Amortisation	**(148)**	**(163)**	**(64)**	**(122)**	**(497)**
Net book value at 31 March 2024	**485**	**32**	**22**	**141**	**680**

Amortisation of € 45 million (2023: € 35 million) is included in cost of sales; € 14 million (2023: € 16 million) is included in selling and distribution expenses; € 7 million (2023: € 8 million) is included in administration expenses; and € 27 million (2023: € 127 million) is included in other expenses.

In the year to 31 March 2024, impairment charges of € 34 million are included within other expenses (2023: none).

9. Leases

Accounting policy
The Group leases various boutiques, offices, warehouses and manufacturing facilities under non-cancellable lease arrangements.

A right of use asset and corresponding lease liability is recognised with respect to all lease agreements in which the Group is the lessee, except for short-term leases (where the lease term is twelve months or less), leases with variable rentals not based on an observable index and leases of low-value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The lease liability is initially measured at the present value of lease payments that are not paid at the commencement date, discounted by the incremental borrowing rate, which is based on the rate at which the Group would be able to borrow funds in the same jurisdiction over the same term as the lease agreement. The lease liability is subsequently measured using the effective interest rate method.

The right of use asset is based on the initial measurement of the lease liability, adjusted for any payments made at or before the commencement date and for initial direct costs, including key money. It is subsequently measured at cost less accumulated depreciation and impairment charges. Depreciation is charged on a straight-line basis over the lease term.

The lease term used to determine the lease liability and the useful life of the right of use asset is based on the lease agreement, excluding renewal options unless these options are contractual, the specific terms of the additional rental period are included in the initial lease agreement and the Group has a reasonable expectation of exercising the option. Termination options are ignored unless the Group already has the intention to exercise the option at the commencement date.

The Group has a number of commitments under non-cancellable lease contracts relating to boutiques, offices and manufacturing facilities. Leases are negotiated on an individual basis and may contain escalation clauses, renewal rights and termination options, depending on standard practices in the local market and on the Group's desire to maintain flexibility in its asset base.

Right of use assets at 31 March are as follows:

	Land and buildings €m	Other assets €m	Total €m
1 April 2022			
Gross value	5 257	68	5 325
Depreciation	(1 820)	(37)	(1 857)
Net book value at 1 April 2022	3 437	31	3 468
Exchange adjustments	(21)	(1)	(22)
Acquisition through business combinations	1	–	1
Additions	840	8	848
Depreciation charge	(729)	(10)	(739)
Impairment charge	–	–	–
Remeasurement	180	3	183
Reclassification to assets of disposal group held for sale	(174)	(13)	(187)
Transfers	13	–	13
31 March 2023			
Gross value	5 855	36	5 891
Depreciation	(2 308)	(18)	(2 326)
Net book value at 31 March 2023	3 547	18	3 565

9. Leases continued

	Land and buildings €m	Other assets €m	Total €m
1 April 2023			
Gross value	**5 855**	**36**	**5 891**
Depreciation	**(2 308)**	**(18)**	**(2 326)**
Net book value at 1 April 2023	**3 547**	**18**	**3 565**
Exchange adjustments	**(13)**	**–**	**(13)**
Acquisition through business combinations (note 37)	**30**	**–**	**30**
Additions	**685**	**14**	**699**
Depreciation charge	**(749)**	**(9)**	**(758)**
Impairment charge	**(11)**	**–**	**(11)**
Remeasurement	**418**	**2**	**420**
31 March 2024			
Gross value	**6 747**	**49**	**6 796**
Depreciation	**(2 840)**	**(24)**	**(2 864)**
Net book value at 31 March 2024	**3 907**	**25**	**3 932**

'Other assets' includes plant & machinery, fixtures, fittings, tools and equipment.

Impairment charges of € 2 million and € 9 million are included in selling and distribution expenses and other expenses, respectively (2023: none).

Total lease liabilities are as follows:

	31 March 2024 €m	31 March 2023 €m
Non-current lease liabilities	**(3 615)**	(3 239)
Current lease liabilities	**(673)**	(644)
	(4 288)	(3 883)

The maturity of the Group's lease liabilities is as follows:

31 March	2024 Carrying value €m	2024 Contractual cash flows €m	2023 Carrying value €m	2023 Contractual cash flows €m
Less than one year	**(673)**	**(768)**	(644)	(722)
Between 1-2 years	**(678)**	**(764)**	(618)	(687)
Between 2-3 years	**(579)**	**(647)**	(512)	(575)
Between 3-4 years	**(508)**	**(563)**	(449)	(497)
Between 4-5 years	**(366)**	**(409)**	(335)	(373)
More than 5 years	**(1 484)**	**(1 689)**	(1 325)	(1 516)
	(4 288)	**(4 840)**	(3 883)	(4 370)

Notes to the consolidated financial statements

9. Leases continued

Included within operating profit are the following expenses, which are not reflected in the lease liabilities:

	2024 €m	2023 €m
Short-term leases	**89**	80
Low-value asset leases	**15**	12
Variable rental payments	**709**	697
Other	**7**	1
	820	790

Interest charges recognised during the period amounted to € 96 million (2023: € 77 million) (note 27).

Certain boutique leases contain a variable element, based most commonly on percentage of sales, which links rental payments to boutique revenue. Cash outflows arising from variable rental contracts for the period amounted to € 701 million (2023: € 653 million), which represented 42% of the total rental payments made (2023: 44%). Variable rentals are not reflected in the lease liabilities above. In addition, some lease agreements contain extension clauses, which would allow the Group to extend the lease for a specific additional period. Cash flows under such clauses are generally included in the lease liabilities above if the lease terms of the extended period are specified in the original lease agreement.

The total cash outflow for leases for the period amounted to € 1 649 million (2023: € 1 499 million).

At 31 March 2024, the Group had commitments totalling € 406 million for lease agreements which had not yet commenced (2023: € 288 million).

10. Equity-accounted investments

Accounting policy
Associated undertakings and joint ventures ('equity-accounted investments') are accounted for using the equity method.

Unrealised gains on transactions between the Group and its equity-accounted investments are eliminated to the extent of the Group's interest in the equity-accounted investments. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the investment, the Group does not recognise further losses unless it has incurred legal or constructive obligations or made payments on behalf of the equity-accounted investment.

Goodwill arising on the acquisition of equity-accounted investments is included in the carrying value of the equity-accounted investment, which is tested for impairment whenever events or changes in circumstances indicate that the carrying amount of the investment may not be fully recoverable.

	€m
At 1 April 2022	252
Exchange adjustments	(1)
Increase in equity-accounted investments	330
Disposal of equity-accounted investments	–
Dividend received	(2)
Share of post-tax results	41
Share of other comprehensive income	(21)
At 31 March 2023	**599**
Exchange adjustments	**2**
Acquisition of equity-accounted investments	**11**
Disposal of equity-accounted investments	**–**
Dividends received	**(1)**
Share of post-tax results	**39**
Share of other comprehensive income	**6**
At 31 March 2024	**656**

During the prior year the Group contributed € 330 million to its associate, Kering Eyewear, with no change in its percentage ownership which remains at 30%.

10. Equity-accounted investments continued

The value of equity-accounted investments at 31 March 2024 includes goodwill of € 33 million (2023: € 33 million).

The Group's principal equity-accounted investments at 31 March 2024 were as follows:

		2024 interest held (%)	2023 interest held (%)	Country of incorporation	Country of operation
Associates					
Rouages SA	Watch component manufacturer	**35**	35	Switzerland	Switzerland
Schwab-Feller AG	Watch component manufacturer	**20**	20	Switzerland	Switzerland
Monnin SA	Watch component manufacturer	**35**	35	Switzerland	Switzerland
Kering Eyewear SpA	Eyewear manufacturer/distributor	**30**	30	Italy	Worldwide
Farfetch China Holdings Limited	Online distributors	**12.5**	12.5	United Kingdom	China
Crispino Srl	Leather goods manufacturer	**30**	–	Italy	Italy
Incabloc SA	Watch component manufacturer	**33**	–	Switzerland	Switzerland
Aura Blockchain Consortium	Non-profit organisation	**–**	–	Switzerland	Worldwide
Watches & Wonders Foundation	Watchmaking foundation	**–**	–	Switzerland	Worldwide
Watches & Jewellery Initiative 2023	Industry-wide association	**–**	–	Switzerland	Worldwide
Joint ventures					
DPS Beaune SAS	Jewellery manufacturer	**33**	33	France	France
New Bond Street JV Jersey Unit Trust	Investment property entity	**48**	48	United Kingdom	United Kingdom
MDA SAS	Leather goods manufacturer	**50**	50	France	France

Despite a shareholding of 12.5%, Farfetch China is considered to be an associate because the Group has significant influence in the entity, as evidenced by its ability to appoint one out of five members of the Board of Directors, which has responsibility for matters such as overall business strategy, relationships with key stakeholders and approving the annual financial budget.

(a) Kering Eyewear SpA

The summarised financial information and reconciliation to the amounts recognised in the Group statement of financial position and profit or loss in respect of the Group's share of results of its principal associated undertaking, Kering Eyewear, is as follows:

	2024 €m	2023 €m
Revenue	**1 502**	1 115
Operating profit for the period	**276**	203
Group's share of net profit (loss)	**51**	34
Adjustments to align accounting policies	**–**	–
Amount recognised in profit	**51**	34
Group's share of other comprehensive income	**6**	(21)
Amount recognised in total comprehensive income	**57**	13

	2024 €m	2023 €m
Group's share of net assets	**542**	484
Goodwill	**32**	32
Carrying amount of equity-accounted investments	**574**	516

The results of Kering Eyewear are consolidated into the financial statements of its listed parent company, Kering S.A. The financial year end of Kering Eyewear is 31 December, which is the latest publicly available results at the date of preparation of these financial statements. The information above reflects the results and financial position of Kering Eyewear at that date, which are prepared in accordance with IFRS (as adopted in the EU). These amounts are adjusted for fair value adjustments at acquisition and differences in accounting policy, where relevant. No dividends were received from Kering Eyewear during the period.

Notes to the consolidated financial statements

10. Equity-accounted investments continued

(b) Other equity-accounted investments

No other equity-accounted investment is considered individually significant to the Group. The summarised financial information is provided on an aggregate basis, and reflects the amounts presented in the financial statements of the equity-accounted investments, adjusted for differences in accounting policies, where relevant:

	Associates		Joint ventures		Total	
	2024 €m	2023 €m	2024 €m	2023 €m	2024 €m	2023 €m
Profit/(loss) for the year	**(47)**	(109)	**(5)**	1	**(52)**	(108)
Other comprehensive income	**–**	–	**–**	–	**–**	–
Total comprehensive income	**(47)**	(109)	**(5)**	1	**(52)**	(108)
Group's share of net profit/(loss) at individual % owned	**(9)**	(9)	**(3)**	–	**(12)**	(9)
Losses not recognised	**–**	16	**–**	–	**–**	16
Amount recognised in profit	**(9)**	7	**(3)**	–	**(12)**	7
Carrying amount at 31 March	**34**	33	**48**	50	**82**	83

During the period, all losses from associated undertakings were recognised (2023: € 16 million not recognised), resulting in a cumulative total of € 14 million (2023: € 21 million) unrecognised losses.

11. Taxation

Accounting policy

Current tax is the expected tax payable or receivable on the taxable profits/(losses) of Group companies, calculated using local tax rates enacted or substantively enacted at the reporting date, and includes adjustments in respect of previous years, where applicable.

Deferred tax is provided using the liability method in accordance with IAS 12 and is determined using the tax rates and laws enacted or substantively enacted when the deferred tax is realised or settled.

Deferred tax is provided on temporary differences arising on investments in subsidiaries and equity-accounted investments, except where the Group controls the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Current and deferred tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income, in which case the related tax effect is also recognised directly in equity or in other comprehensive income.

In determining the amount of current and deferred tax the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience.

11. Taxation continued

11.1. Deferred income tax

	Losses carried forward €m	Inventories €m	Employee benefits €m	Non-current assets €m	Other €m	Total €m
At 1 April 2022	216	559	74	126	258	1 233
Exchange adjustments	–	(9)	2	(6)	(2)	(15)
Charge/(credit) to income statement	(32)	49	12	24	41	94
Charge/(credit) to equity or other comprehensive income	–	–	19	–	–	19
Transfer to assets of disposal group held for sale	(174)	(25)	(1)	(23)	(88)	(311)
Other movements	9	1	(1)	–	–	9
Gross deferred tax asset at 31 March 2023	19	575	105	121	209	1 029
At 1 April 2022	–	(123)	–	(555)	(126)	(804)
Exchange adjustments	–	(3)	–	7	(1)	3
Charge/(credit) to income statement	–	(4)	–	(36)	(8)	(48)
Transfer to liabilities of disposal group held for sale	–	9	3	419	4	435
Other movements	–	(5)	(3)	8	8	8
Gross deferred tax liability at 31 March 2023	–	(126)	–	(157)	(123)	(406)
Net deferred tax asset/(liability) at 31 March 2023	19	449	105	(36)	86	623

Recognised in the balance sheet as:	
Deferred income tax assets	752
Deferred income tax liabilities	(129)
	623

	Losses carried forward €m	Inventories €m	Employee benefits €m	Non-current assets €m	Other €m	Total €m
At 1 April 2023	**19**	**575**	**105**	**121**	**209**	**1 029**
Exchange adjustments	**–**	**(10)**	**–**	**(8)**	**(3)**	**(21)**
Charge/(credit) to income statement	**(8)**	**82**	**(4)**	**36**	**8**	**114**
Charge/(credit) to equity or other comprehensive income	**–**	**–**	**(4)**	**–**	**–**	**(4)**
Acquisition through business combinations	**2**	**5**	**–**	**8**	**–**	**15**
Other movements	**(1)**	**–**	**(1)**	**–**	**12**	**10**
Gross deferred tax asset at 31 March 2024	**12**	**652**	**96**	**157**	**226**	**1 143**
At 1 April 2023	**–**	**(126)**	**–**	**(157)**	**(123)**	**(406)**
Exchange adjustments	**–**	**(2)**	**–**	**8**	**–**	**6**
Charge/(credit) to income statement	**–**	**(2)**	**–**	**(17)**	**(10)**	**(29)**
Acquisition through business combinations	**–**	**–**	**–**	**(80)**	**–**	**(80)**
Other movements	**–**	**–**	**–**	**(2)**	**(9)**	**(11)**
Gross deferred tax liability at 31 March 2024	**–**	**(130)**	**–**	**(248)**	**(142)**	**(520)**
Net deferred tax asset/(liability) at 31 March 2024	**12**	**522**	**96**	**(91)**	**84**	**623**

Recognised in the balance sheet as:	
Deferred income tax assets	**888**
Deferred income tax liabilities	**(265)**
	623

€ 475 million of net deferred tax assets and € 374 million of deferred tax liabilities are expected to be recovered after more than twelve months (2023: € 452 million and € 278 million, respectively).

Notes to the consolidated financial statements

11. Taxation continued

11.1. Deferred income tax continued

Unrecognised deferred tax assets and liabilities

Deferred tax assets are recognised for losses carried forward when it is considered likely that the losses will be utilised against future taxable profits, based on estimated future profitability in the relevant tax jurisdiction. The Group has not recognised a deferred tax asset in respect of tax losses of € 10 137 million (2023: € 8 536 million). The majority of these losses relate to transactions in previous years, often with no impact on the Group's consolidated profit or loss as reported under IFRS. A significant portion of these losses relate to entities in which the majority of income is taxable at 0%. € 1 668 million of the unrecognised tax losses can be carried forward in the applicable jurisdiction of the reporting entity with no expiry dates (2023: € 1 772 million). The remainder of the unrecognised tax losses have maximum expiration dates of between five and seventeen years.

Additionally, the Group has not recognised deferred tax liabilities in relation to unremitted earnings from its subsidiaries which are not expected to be distributed in the foreseeable future amounting to € 257 million (2023: € 255 million).

11.2. Taxation charge

Taxation charge for the year:

	2024 €m	2023 €m
Current tax	**922**	836
Deferred tax (credit)/charge	**(85)**	11
	837	847

The average effective tax rate is calculated in respect of profit before taxation but excluding the share of post-tax results of equity-accounted investments. The rates for the years ended 31 March 2024 and 2023 were 18.1% and 17.9%, respectively.

The taxation charge on the Group's profit before tax differs from the amount that arises using the local statutory tax rates applicable to profits of the consolidated companies as follows:

	2024 €m	2023 €m
Profit before taxation	**4 655**	4 758
Share of post-tax results of equity-accounted investments	**(39)**	(41)
Adjusted profit before taxation	**4 616**	4 717
Tax on adjusted profit calculated at statutory tax rate	**646**	660
Difference in tax rates	**4**	67
Change in tax rate on opening deferred tax balances	**–**	–
Non-taxable income	**(9)**	(2)
Non-deductible expenses net of other permanent differences	**18**	15
Utilisation and recognition of prior year tax losses	**1**	8
Non-recognition of current year tax losses	**72**	33
Withholding and other income taxes	**110**	49
Prior year adjustments	**(5)**	17
Taxation charge	**837**	847

The statutory tax rate applied of 14% (2023: 14%) reflects the average rate applicable to the main Swiss-based operating companies.

Legislation to introduce certain measures connected to the OECD Pillar Two Model rules has been enacted, or substantively enacted, in certain jurisdictions in which the Group operates, including in Switzerland, the jurisdiction in which the Group's parent company is incorporated. This legislation will be effective for the Group's financial year beginning 1 April 2024. The Group is in scope of this legislation, as currently adopted, and has therefore performed, in accordance with the requirements under IAS 12, an assessment of the potential exposure to Pillar Two income taxes for the year ending 31 March 2025. This assessment is based on the latest financial performance of Group entities as per the financial year ending on 31 March 2024.

Based on legislation enacted to date in relation to Pillar Two, including the introduction of a corporate tax regime in Dubai and of a top-up tax regime for profits earned in Switzerland, the impact on the Group is not expected to be material. The final impact on the effective tax rate for the year ended 31 March 2025 will, however, depend on factors such as profit for the period in the jurisdictions, foreign currency exchange rates and changes to legislations not yet substantively enacted.

12. Other non-current assets

Accounting policy
Included within other non-current assets is the Group's collection of heritage pieces, held primarily for presentation purposes to promote the Maisons and their history and not intended for sale. These assets are held at cost less any impairment in value. The residual values of such pieces are generally equal to or in excess of cost.

	2024 €m	2023 €m
Maisons' collections	**387**	357
Lease deposits	**140**	135
Loans and receivables	**25**	15
Other assets	**24**	22
	576	529

At 31 March 2024, non-current loans and receivables included a receivable due from an equity-accounted investment of € 13 million (2023: € 1 million).

The carrying values of lease deposits, loans and receivables approximate their fair values. There are no overdue or impaired amounts included in deposits, loans and receivables.

13. Inventories

Accounting policy
Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Cost is determined using either a weighted average or specific identification basis depending on the nature of the inventory. The cost of finished goods and work in progress comprises raw materials, direct labour, related production overheads and, where applicable, duties and taxes.

	2024 €m	2023 €m
Raw materials and work in progress	**3 159**	2 806
Finished goods	**5 682**	5 134
	8 841	7 940
Provision for inventories	**(861)**	(844)
	7 980	7 096

The cost of inventories recognised as an expense and included in cost of sales amounted to € 6 029 million (2023: € 5 720 million).

The Group reversed € 121 million (2023: € 122 million) of previous inventory write-downs during the year as the goods were sold at an amount in excess of the written-down value. The amount reversed has been credited to cost of sales.

The Group recognised € 275 million (2023: € 270 million) of write-down of inventories within cost of sales.

Of the total balance, € 877 million is expected to be recovered in more than twelve months (2023: € 901 million).

14. Trade receivables and other current assets

Accounting policy

The carrying value of trade receivables represents the original invoice amount, being the fair value at initial recognition, less provision for expected credit losses. Other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for expected credit losses. The Group applies the simplified approach to measuring expected credit losses ('ECL') for trade receivables, based on lifetime ECL, as permitted by IFRS 9. A provision for ECL is established when there is evidence, based on historic experience and incorporating forward-looking information where relevant, including knowledge of the Group's customer base, that the counterparty is credit impaired or that the Group will not be able to collect all amounts due, according to the original terms of the receivables. Impairment losses are recognised in profit or loss for the period. Other receivables include credit card receivables.

	2024 €m	2023 €m
Trade receivables	**946**	864
Less: provision for impairment	**(17)**	(12)
Trade receivables – net	**929**	852
Other receivables	**503**	382
Current financial assets	**1 432**	1 234
Sales return asset	**32**	32
Current income tax asset	**50**	75
Prepayments	**171**	167
Other non-financial receivables	**225**	200
	1 910	1 708

Trade and other receivables are valued based on expected cash flows which are not discounted as they are expected to occur within the next twelve months. Due to their short maturity, the fair values of trade and other receivables approximate to their book values.

There is no concentration of credit risk with respect to trade receivables as the Group has a large number of internationally dispersed customers. The maximum exposure to credit risk is equal to the carrying value.

The movement in the provision for impairment of trade and other receivables was as follows:

	2024 €m	2023 €m
Balance at 1 April of prior year	**(12)**	(15)
Acquisition through business combinations	**(1)**	–
Provision charged to profit or loss	**(12)**	(12)
Utilisation of provision	**1**	2
Reversal of unutilised provision	**7**	12
Reclassified to assets of disposal group held for sale (note 16)	**–**	1
Exchange differences	**–**	–
Balance at 31 March	**(17)**	(12)

At 31 March 2024, trade and other receivables of € 29 million (2023: € 8 million) were impaired.

Receivables past due but not impaired:

	2024 €m	2023 €m
Up to three months past due	**85**	78
Three to six months past due	**15**	12
Over six months past due	**30**	32
	130	122

15. Derivative financial instruments

The Group uses currency forwards, being commitments to purchase or sell foreign currencies. All derivative financial instruments are held at fair value through profit and loss.

The nominal amounts of certain types of financial instruments provide a basis for comparison with instruments recognised on the reporting date but do not necessarily indicate the amounts of future cash flows involved or the current fair value of the instruments, and therefore do not indicate the Group's exposure to credit or price risks. The derivative instruments become favourable (assets) or unfavourable (liabilities) as a result of fluctuations in market interest rates or foreign exchange rates relative to their terms.

The fair value of publicly traded derivatives, securities and investments is based on quoted market prices at the reporting date. In assessing the fair value of non-traded derivatives and other financial instruments, the Group uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date.

The nominal amounts and fair values of derivative instruments held are as follows:

	Nominal amount		Fair value assets		Fair value liabilities	
	2024 €m	2023 €m	2024 €m	2023 €m	2024 €m	2023 €m
Currency forwards	**6 126**	4 174	**67**	103	**(107)**	(7)

The contractual maturity of the nominal value of derivative instruments held is as follows:

	Less than 6 months		Between 6 and 12 months		After 12 months	
	2024 €m	2023 €m	2024 €m	2023 €m	2024 €m	2023 €m
Currency forwards	**3 264**	2 037	**2 862**	2 137	**–**	–

Nominal amount

Nominal amount represents the sum of all contract volumes outstanding at the year end.

Foreign currency amounts have been translated to euros using the exchange rates prevailing at the reporting date.

16. Assets and disposal group held for sale and discontinued operations

On 23 August 2022, the Group announced that it had reached an agreement with Farfetch Limited ('Farfetch') and Symphony Global ('Alabbar') to sell its controlling shareholding in YNAP. In accordance with IFRS 5, the assets and liabilities of YNAP were reclassified as held for sale and its results for the year were presented as discontinued operations.

In December 2023, the Group announced that the transaction could not be completed. Following the termination of the agreement with Farfetch and Alabbar, the Group launched a strategic review to identify a new buyer for YNAP. As a result, the Group has concluded that the conditions in IFRS 5 continue to be met, and so the assets and liabilities of YNAP remain classified as held for sale, with its results for the year presented as discontinued operations.

	2024 €m	2023 €m
Revenue	**2 170**	2 529
Expenses	**(2 342)**	(2 724)
Loss on write-down of net assets to recoverable amount	**(1 263)**	(3 444)
Operating loss	**(1 435)**	(3 639)
Finance costs	**(27)**	(33)
Finance income	**7**	4
Loss before taxation	**(1 455)**	(3 668)
Taxation on ordinary activities of the disposal group	**(8)**	58
Loss for the period from discontinued operations	**(1 463)**	(3 610)

The net assets of the disposal group held for sale have been written down to fair value less cost to sell in accordance with IFRS 5, taking into account the carrying value of net working capital at the reporting date, resulting in a charge of € 1 263 million (2023: € 3 444 million). The fair value is classified as Level 3 in the IFRS fair value hierarchy.

16. Assets and disposal group held for sale and discontinued operations continued

The cumulative income (expense) recognised in Other Comprehensive Income in relation to the disposal group is as follows:

	2024 €m	2023 €m
Currency translation adjustments	**(16)**	33
Cumulative income (expense) recognised in Other Comprehensive Income	**(16)**	33

Cash flows from/(used in) discontinued operations are as follows:

	2024 €m	2023 €m
Net cash used in operating activities	**(152)**	(227)
Net cash used in investing activities	**(76)**	(79)
Net cash used in financing activities	**957**	(21)
	729	(327)

The major classes of assets and liabilities of the disposal group are as follows:

	2024 €m	2023 €m
Property, plant and equipment	**171**	162
Other intangible assets	**10**	1 179
Right of use assets	**210**	205
Deferred tax assets	**21**	54
Other non-current assets	**3**	2
Inventories	**959**	1 082
Trade and other receivables	**143**	170
Cash and cash equivalents	**264**	270
	1 781	3 124
Provisions	**(68)**	(66)
Deferred tax liabilities	**(148)**	(179)
Current tax liabilities	**(1)**	(7)
Lease liabilities	**(151)**	(194)
Trade and other payables	**(485)**	(616)
Other non-current liabilities	**–**	(2)
Bank overdrafts	**(3)**	(737)
	(856)	(1 801)

17. Cash and cash equivalents

	2024 €m	2023 €m
Cash at bank and on hand	**10 710**	10 936
Bank overdrafts	**(6 065)**	(5 833)
Cash at bank and on hand within assets of disposal groups held for sale (note 16)	**264**	270
Bank overdrafts within liabilities of disposal groups held for sale (note 16)	**(3)**	(737)
	4 906	4 636

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

The effective interest rate on cash at bank was 3.6% (2023: 1.7%). The effective interest rate on bank overdrafts was 4.4% (2023: 1.1%).

18. Borrowings

Accounting policy

Borrowings, including corporate bonds, are recognised initially at fair value, net of transaction costs incurred and are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

	2024 €m	2023 €m
Non-current:		
Corporate bonds	**5 945**	5 937
Secured bank borrowings	**13**	17
Unsecured bank borrowings	**14**	–
	5 972	5 954
Current:		
Secured bank borrowings	**1**	–
Unsecured bank borrowings	**6**	1
	7	1
Total borrowings	**5 979**	5 955

The Group's borrowings are denominated in the following currencies:

	2024 €m	2023 €m
Euro	**5 955**	5 940
Danish krone	**14**	15
Other	**10**	–
	5 979	5 955

The Group's borrowings are subject to interest rates as follows:

	2024 €m	2023 €m
Fixed rate borrowings	**5 971**	5 955
Floating rate borrowings	**8**	–
	5 979	5 955

The fair values of borrowings other than the corporate bonds are not significantly different to the carrying value.

The following corporate bonds, which are listed on the Luxembourg Stock Exchange, have been issued by a subsidiary of the Group based in Luxembourg, Richemont International Holding SA.

	2024 €m	2023 €m
1.00% € 1 500 million bond maturing in 2026 issued at 98.784%	**1 494**	1 491
1.50% € 1 250 million bond maturing in 2030 issued at 98.701%	**1 239**	1 236
2.00% € 1 000 million bond maturing in 2038 issued at 97.805%	**981**	980
2.00% € 250 million bond maturing in 2038 issued at 98.557%	**247**	246
0.75% € 500 million bond maturing in 2028 issued at 99.884%	**498**	498
1.125% € 850 million bond maturing in 2032 issued at 99.732%	**847**	847
1.625% € 650 million bond maturing in 2040 issued at 98.387%	**639**	639
	5 945	5 937

19. Employee benefit obligations

Accounting policy

A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive post-employment, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the balance sheet in respect of defined benefit plans is the present value of the defined benefit obligations at the reporting date less the fair values of plan assets. The defined benefit obligations are calculated on a regular, cyclical basis by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using the yields available at reporting dates on high-quality corporate or government bonds (in countries with no deep corporate bond market) that are denominated in the currency in which the benefits will be paid, and that have terms to maturity consistent with the terms of the related pension liability.

Past service costs are recognised immediately in profit or loss. Remeasurements, comprising actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (excluding interest) are charged or credited to other comprehensive income in the period in which they arise.

For defined contribution plans, the Group pays contributions to publicly or privately administered pension plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as an employee benefit expense when employees have rendered services entitling them to the contributions. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Switzerland

The Group's largest retirement plan – the RISA Foundation – is in Switzerland, covering over 90% of the Group's defined benefit retirement obligations and assets. The Group expects to contribute € 104 million in the year ended 31 March 2025 (year ended March 2024: € 104 million).

Each employee has a personal retirement account which receives contributions in line with the Foundation rules, based on a percentage of salary. The Foundation Board determines the level of interest to apply to retirement accounts each year. At retirement, employees can receive their retirement account as a lump sum or as a lifetime pension. The weighted average duration of the expected benefit payments is 13 years.

Assets are held separately from the Group. Although the Foundation Board has built up an asset buffer as a contingency against asset values falling, any surplus is not deemed recoverable by the Group as all Foundation assets will ultimately all be used to provide benefits to members. Similarly, unless the assets are insufficient to cover minimum statutory benefits, the Group does not expect to make any deficit contributions.

The Foundation invests in a diversified portfolio of assets which targets a long-term return sufficient to provide increases to employee retirement accounts over time, whilst being exposed to a low level of risk in order to do so.

Other plans

The Group sponsors several other retirement plans, a mixture of defined benefit and defined contribution plans, in some countries where the Group operates. The Group also operates a worldwide Long Service Award scheme, which is accounted for as a defined benefit plan and included within this category. The Group expects to contribute € 9 million in the year ended 31 March 2025 (year ended March 2024: € 17 million) to the defined benefit plans.

The net liabilities reflected in non-current liabilities in the statement of financial position in respect of post-employment defined benefit plans are as follows:

	Switzerland		Rest of the world		Total	
	2024 €m	2023 €m	2024 €m	2023 €m	2024 €m	2023 €m
Present value of funded obligations	**(2 223)**	(1 919)	**(191)**	(177)	**(2 414)**	(2 096)
Fair value of plan assets	**2 508**	2 205	**204**	186	**2 712**	2 391
Net funded obligations	**285**	286	**13**	9	**298**	295
Present value of unfunded obligations	**–**	–	**(75)**	(74)	**(75)**	(74)
Amount not recognised due to asset limit	**(285)**	(286)	**–**	–	**(285)**	(286)
Net liabilities	**–**	–	**(62)**	(65)	**(62)**	(65)

19. Employee benefit obligations continued

	Switzerland		Rest of the world		Total	
	2024 €m	2023 €m	2024 €m	2023 €m	2024 €m	2023 €m
Expense charged in:						
Cost of sales	**53**	44	**5**	4	**58**	48
Net operating expenses	**35**	56	**13**	15	**48**	71
	88	100	**18**	19	**106**	119

Total costs are included in employee benefits expense (note 26).

The movement in the fair value of plan assets was as follows:

	Switzerland		Rest of the world		Total	
	2024 €m	2023 €m	2024 €m	2023 €m	2024 €m	2023 €m
Balance at 1 April of prior year	**2 205**	2 180	**186**	220	**2 391**	2 400
Exchange differences	**40**	69	**–**	(1)	**40**	68
Interest on plan assets	**49**	27	**6**	4	**55**	31
Actual return on plan assets less interest on plan assets	**115**	(152)	**6**	(15)	**121**	(167)
Assets distributed on settlements	**–**	–	**–**	(23)	**–**	(23)
Contributions paid by employer	**104**	92	**17**	14	**121**	106
Contributions paid by plan participants	**78**	69	**–**	–	**78**	69
Benefits paid	**(81)**	(78)	**(11)**	(13)	**(92)**	(91)
Administrative expenses	**(2)**	(2)	**–**	–	**(2)**	(2)
Balance at 31 March	**2 508**	2 205	**204**	186	**2 712**	2 391

The movement in the present value of the employee benefit obligation was as follows:

	Switzerland		Rest of the world		Total	
	2024 €m	2023 €m	2024 €m	2023 €m	2024 €m	2023 €m
Balance at 1 April of prior year	**(1 919)**	(1 972)	**(251)**	(279)	**(2 170)**	(2 251)
Exchange differences	**(34)**	(62)	**(1)**	1	**(35)**	(61)
Current service cost (employer part)	**(88)**	(101)	**(17)**	(19)	**(105)**	(120)
Contributions by plan participants	**(78)**	(69)	**–**	–	**(78)**	(69)
Interest on benefit obligations	**(41)**	(24)	**(6)**	(4)	**(47)**	(28)
Actuarial (losses)/gains	**(144)**	231	**3**	14	**(141)**	245
Past service cost	**–**	–	**(1)**	1	**(1)**	1
Liabilities extinguished on settlements	**–**	–	**–**	22	**–**	22
Liabilities acquired in a business combination (note 37)	**–**	–	**(4)**	–	**(4)**	–
Benefits paid	**81**	78	**11**	13	**92**	91
Balance at 31 March	**(2 223)**	(1 919)	**(266)**	(251)	**(2 489)**	(2 170)

Notes to the consolidated financial statements

19. Employee benefit obligations continued

Changes in the amount not recognised due to the asset limit are as follows:

	Switzerland		Rest of the world		Total	
	2024 €m	2023 €m	2024 €m	2023 €m	2024 €m	2023 €m
Balance at 1 April of prior year	**(286)**	(208)	**–**	(2)	**(286)**	(210)
Change in surplus/(deficit)	**12**	(68)	**–**	1	**12**	(67)
Interest on asset limit	**(6)**	(3)	**–**	1	**(6)**	(2)
Exchange differences	**(5)**	(7)	**–**	–	**(5)**	(7)
Balance at 31 March	**(285)**	(286)	**–**	–	**(285)**	(286)

The major categories of plan assets at the reporting date are as follows:

	Switzerland		Rest of the world		Total	
	2024 €m	2023 €m	2024 €m	2023 €m	2024 €m	2023 €m
Equities	**922**	719	**31**	30	**953**	749
Government bonds	**373**	718	**40**	37	**413**	755
Corporate bonds	**422**	37	**103**	94	**525**	131
Property	**521**	466	**1**	1	**522**	467
Cash	**44**	68	**3**	2	**47**	70
Insurance policies and other assets	**226**	197	**26**	22	**252**	219
Fair value of plan assets	**2 508**	2 205	**204**	186	**2 712**	2 391

The plan assets are held primarily within instruments with quoted market prices in active markets with the exception of the property and insurance policy holdings.

The RISA Foundation owns a property valued at € 39 million (2023: € 39 million) which the Group currently leases from the RISA Foundation. With the exception of this holding, the plans do not invest directly in property occupied by the Group or in financial securities issued by the Group.

The principal actuarial assumptions used for accounting purposes reflect market conditions in each of the countries in which the Group operates.

	Switzerland		Rest of the world	
	2024	2023	2024	2023
Discount rate	**1.6%**	2.1%	**3.5%**	3.7%
Interest credit rate	**1.5%**	1.5%	**–**	1.2%
Future pension increases	**–**	–	**2.0%**	2.2%
Swiss technical rate	**2.0%**	2.0%	**–**	–
Life expectancy of 60-year-old	**27.9**	27.8	**various**	various

Assumptions are the weighted average of rates adopted by plans in the rest of the world.

For the RISA Foundation, changes in the assumptions are likely to impact the values of the obligations.

- Discount rate – A decrease of 0.5% per annum would increase obligations by € 155 million (2023: € 131 million), although this is also likely to have an impact on the Foundation's assets.
- Interest credit rate – A 0.5% per annum decrease in the interest credit rate leads to a € 86 million (2023: € 74 million) decrease in obligations.
- Future technical rate for conversion of lump sum to pension – A decrease of 0.5% would decrease obligations by € 55 million (2023: € 48 million).
- Life expectancy – A one-year increase would increase obligations by € 27 million (2023: € 22 million).

19. Employee benefit obligations continued

The above sensitivities are calculated assuming other assumptions are held constant. In practice, any increase in obligations from the above assumptions is likely to be partially offset by a reduction in the assumption for future interest credit. The calculation is performed on the same basis as in the prior year.

For the Group's other arrangements, a fall in the average discount rate of 0.5% per annum would increase the obligations by approximately € 8 million (2023: € 10 million).

20. Provisions

	Warranties and sales-related €m	Employee benefits €m	Other €m	Total €m
At 1 April 2023	**185**	**76**	**30**	**291**
Charged/(credited) to profit or loss:				
– additional provisions	**288**	**31**	**11**	**330**
– unused amounts reversed	**(20)**	**(6)**	**(3)**	**(29)**
Net charge	**268**	**25**	**8**	**301**
Utilised during the year	**(260)**	**(29)**	**(22)**	**(311)**
Transfers between categories	**–**	**6**	**(3)**	**3**
Exchange adjustments	**(1)**	**(1)**	**(1)**	**(3)**
At 31 March 2024	**192**	**77**	**12**	**281**

	2024 €m	2023 €m
Total provisions at 31 March:		
– non-current	**84**	90
– current	**197**	201
	281	291

Warranties and sales-related provisions

Group companies establish provisions for potential sales returns and warranties provided on certain products. Based on past experience, a provision of € 192 million (2023: € 185 million) has been recognised for expected sales returns and warranty claims. It is expected that € 145 million (2023: € 152 million) of this provision will be used within the following twelve months and that the remaining € 47 million (2023: € 33 million), which relates solely to potential warranty claims, will be utilised over the remainder of the expected warranty period of the products.

Employee benefits provisions

These include obligations arising under the Group's long-term incentive plans and the social security costs on the Group's share option plan. An amount of € 45 million (2023: € 30 million) is expected to be utilised in the coming twelve months. The remainder will be utilised in the next two to eight years.

Other provisions

Other provisions include provisions for certain legal claims brought against the Group during the ordinary course of business and provisions for the Group's obligations arising from committed restructuring activities. Restructuring provisions include employee termination payments and are recognised when a detailed, formal plan has been established and communicated to those parties directly affected by the plan. Provisions for legal claims represent management's best estimate of the likely outcome of the claim at the balance sheet date. It is not expected that the outcomes of legal claims will give rise to any material losses beyond the amounts provided at 31 March 2024. The Group's restructuring provision is expected to be utilised in the coming year.

Notes to the consolidated financial statements

21. Other long-term financial liabilities

	2024 €m	2023 €m
Other lease liabilities	**33**	42
Other long-term financial liabilities	**223**	41
	256	83

The increase in other long-term financial liabilities includes the initial recognition of the put option liability arising from the acquisition of Gianvito Rossi during the year (note 37).

22. Trade and other current liabilities

	2024 €m	2023 €m
Trade payables	**762**	736
Other payables	**1 123**	1 106
Accruals	**815**	851
Current financial liabilities	**2 700**	2 693
Other current non-financial liabilities	**264**	267
	2 964	2 960

Trade and other current liabilities are valued based on expected cash flows which are not discounted as they are expected to occur within the next twelve months.

23. Revenue

Accounting policy

The Group sells jewellery, watches, leather goods, clothing, writing instruments and other luxury goods on a worldwide basis through its retail, online retail and wholesale distribution channels and provides after-sales service for its products.

Revenue is recognised when the customer obtains control of the goods. For retail sales, which take place in the Group's network of internal boutiques, control generally passes when the customer takes physical possession of goods, at which time the Group has a right to receive payment for the asset and it is implicit that the customer has accepted it. In the case of online retail sales made directly to the end customer, sales are recorded when the goods are delivered to the customer, as the Group remains in control of, and is subject to the related risks of, the delivery process. Wholesale sales are made to distributors, wholesalers or external franchisees. For these sales, revenue is recognised when the wholesaler takes delivery of the shipment, in most cases after customs formalities have been cleared in the destination country. At this point, the customer is able to control the future use of the product, in terms of where and how it will be sold, and assumes the risk of obsolescence and loss. Revenue relating to after-sales services is recognised when the service has been completed.

The Group also receives royalty income arising from the use of its intellectual property by third parties, which is recognised over time. Sales-based royalties are recognised in line with sales made by the third-party licensee, with all other royalties recognised on a straight-line basis over the term of the licence agreement.

Revenue is measured net of value-added tax, duties, other sales taxes, rebates and trade discounts. Goods sold to wholesale customers are often sold with volume discounts based on total sales over a twelve-month period or other similar criteria. Revenue from such contracts is recorded net of the estimated discount, based on the accumulated experience of the Group, using the expected value method, and recognised up to an amount beyond which a significant reversal is not expected to occur. The Group does not have any contracts where the period between recognition of revenue and payment by the customer exceeds one year. As a consequence, the Group does not adjust the transaction price for the time value of money.

Where there is a practice of agreement to customer returns, or where we are obliged by local legal requirements, accumulated experience is used to estimate and provide for such returns at the time of sale.

The Group provides a standard warranty against manufacturing defects, and recognises its obligation for repairs under this warranty as a provision.

23. Revenue continued

	2024 €m	2023 €m
Revenue from contracts with customers	**20 545**	19 888
Royalty income	**71**	65
	20 616	19 953

Analysis of revenue by geographical area and by reporting segment is as follows:

Year to 31 March 2024	Asia €m	Europe €m	Americas €m	Japan €m	Middle East & Africa €m	Total €m
Jewellery Maisons	**5 733**	**2 828**	**3 048**	**1 349**	**1 284**	**14 242**
Specialist Watchmakers	**1 968**	**759**	**518**	**256**	**266**	**3 767**
Other	**519**	**855**	**964**	**146**	**123**	**2 607**
	8 220	**4 442**	**4 530**	**1 751**	**1 673**	**20 616**

Year to 31 March 2023	Asia €m	Europe €m	Americas €m	Japan €m	Middle East & Africa €m	Total €m
Jewellery Maisons	5 358	2 715	2 951	1 215	1 188	13 427
Specialist Watchmakers	2 041	774	568	240	252	3 875
Other	538	882	948	161	122	2 651
	7 937	4 371	4 467	1 616	1 562	19 953

24. Other operating (expense)/income

	2024 €m	2023 €m
Royalty expenses	**(6)**	(5)
Investment property rental income	**1**	1
Investment property costs	**(4)**	(4)
Amortisation of intangible assets acquired on business combinations	**(36)**	(29)
Other expense	**(58)**	(66)
	(103)	(103)

25. Operating profit

Operating profit includes the following items of expense/(income):

	2024 €m	2023 €m
Depreciation of property, plant and equipment (note 6)	**579**	535
Impairment of property, plant and equipment (note 6)	**3**	1
Amortisation of other intangible assets (note 8)	**93**	87
Impairment of other intangible assets (note 8)	**34**	–
Impairment of goodwill (note 7)	**19**	55
Depreciation of right of use assets (note 9)	**758**	721
Impairment of right of use assets (note 9)	**11**	–
Variable lease payments (note 9)	**709**	697
Sub-lease rental income (non-investment property)	**(5)**	(4)
Research and development costs	**90**	91
(Profit)/loss on disposal of property, plant and equipment	**3**	(9)
Loss on disposal of other intangible assets	**2**	3
Restructuring charges	**–**	(2)

26. Employee benefits expense

Accounting policies

Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

Incentive plans

The Group recognises a liability and an expense for incentive plans when contractually obliged or where there is a past practice that has created a constructive obligation.

	2024 €m	2023 €m
Wages and salaries, including termination benefits of € 30 million (2023: € 23 million)	**3 145**	2 851
Social security costs	**500**	458
Share-based compensation expense (note 31)	**108**	94
Long-term employee benefits	**14**	17
Pension costs – defined contribution plans	**74**	67
Pension costs – defined benefit plans (note 19)	**106**	119
	3 947	3 606

27. Finance costs and income

	2024 €m	2023 €m
Finance costs:		
Interest expense:		
– bank borrowings	**(242)**	(116)
– corporate bonds	**(95)**	(95)
– other financial expenses	**(11)**	(15)
– lease liabilities	**(96)**	(77)
Net foreign exchange losses on monetary items	**(226)**	(240)
Net loss in fair value of financial instruments at fair value through profit or loss	**(117)**	(54)
Finance costs	**(787)**	(597)
Finance income:		
Interest income:		
– from financial assets at amortised cost (including bank and other deposits)	**369**	183
– from financial assets held at fair value through profit or loss	**51**	35
– other financial income	**2**	1
Mark-to-market adjustment in respect of hedging activities	**187**	64
Finance income	**609**	283
Net finance costs	**(178)**	(314)

The finance costs include a charge of € 269 million related to the Farfetch convertible note. The carrying value of this note was reduced to € nil following the announcement of the de-listing and liquidation of Farfetch Ltd, as a result of which the Group does not expect to recover any amount from this investment.

28. Earnings per share

28.1. Basic

Basic earnings per 'A' share/10 'B' shares is calculated by dividing the profit attributable to owners of the parent company by the weighted average number of shares in issue during the year, excluding shares purchased by the Group and held in treasury. Holders of 'A' and 'B' shares enjoy the same dividend rights, but due to the differing par values of the two classes of shares, 'B' shareholders receive one-tenth of the dividend per share paid to the 'A' shareholders.

	2024	2023
Profit from continuing operations attributable to owners of the parent company (€ millions)	**3 817**	3 909
Profit from discontinued operations attributable to owners of the parent company (€ millions)	**(1 455)**	(3 596)
Total attributable to owners of the parent company (€ millions)	**2 362**	313
Weighted average number of shares in issue (millions)	**576.4**	569.0
Basic earnings per 'A' share/10 'B' shares from continuing operations	**6.622**	6.870
Basic earnings per 'A' share/10 'B' shares from discontinued operations	**(2.524)**	(6.320)
Total basic earnings per 'A' share/10 'B' shares	**4.098**	0.550

28.2. Diluted

Diluted earnings per 'A' share/10 'B' shares is calculated adjusting the weighted average number of shares outstanding, which assumes conversion of all dilutive potential shares. The Group has two categories of dilutive potential shares: Share Options and Restricted Share Units. These instruments allow the holder to potentially acquire a share of the Company at a price lower than market value.

The calculation is performed for all potential shares to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to the outstanding instruments. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the instrument.

For the year ended 31 March 2024, all instruments are dilutive and so none are excluded from the calculation below (2023: all instruments were dilutive). For the calculation of the loss per share from discontinued operations, none of the Group's potential shares are considered dilutive.

	2024	2023
Profit from continuing operations attributable to owners of the parent company (€ millions)	**3 817**	3 909
Profit from discontinued operations attributable to owners of the parent company (€ millions)	**(1 455)**	(3 596)
Total profit attributable to owners of the parent company (€ millions)	**2 362**	313
Weighted average number of shares in issue (millions)	**576.4**	569.0
Adjustment for dilutive potential shares (millions) : shareholder warrants	**0.0**	4.8
Adjustment for dilutive potential shares (millions) : share options	**0.8**	0.9
Adjustment for dilutive potential shares (millions) : restricted shares	**2.2**	2.0
Weighted average number of shares for diluted earnings per share (millions)	**579.4**	576.7
Diluted earnings per 'A' share/10 'B' shares from continuing operations	**6.588**	6.778
Diluted earnings per 'A' share/10 'B' shares from discontinued operations	**(2.524)**	(6.320)
Total diluted earnings per 'A' share/10 'B' shares	**4.077**	0.543

Notes to the consolidated financial statements

28. Earnings per share continued

28.3. Headline earnings per 'A' share/10 'B' shares

The presentation of headline earnings per 'A' share/10 'B' shares as an alternative measure to earnings per share is required under the JSE listing requirements.

	2024 €m	2023 €m
Profit attributable to owners of the parent company	**2 362**	313
Loss on disposal of non-current assets	**4**	(6)
Impairment of non-current assets	**59**	56
Write-down of assets held for sale	**1 263**	3 444
Headline earnings	**3 688**	3 807

	2024 millions	2023 millions
Weighted average number of shares:		
– Basic	**576.4**	569.0
– Diluted	**579.4**	576.7
	€ per share	€ per share
Headline earnings per 'A' share/10 'B' shares:		
– Basic	**6.398**	6.691
– Diluted	**6.365**	6.601

29. Equity

29.1. Share capital

Accounting policy

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are recognised as a deduction from equity, net of any tax effects.

	2024 €m	2023 €m
Authorised, issued and fully paid:		
537 582 089 (2023: 522 000 000) 'A' registered shares with a par value of CHF 1.00 each	**320**	304
537 582 089 (2023: 522 000 000) 'B' registered shares with a par value of CHF 0.10 each	**32**	30
	352	334

Holders of 'A' and 'B' shares enjoy the same dividend rights, but due to the differing par values of the two classes of shares, 'B' shareholders receive one-tenth of the dividend per share paid to the 'A' shareholders.

Issue of share capital

In November 2020, shareholders were granted tradeable warrants, which could be used to acquire new shares at a potentially beneficial price, three years after issue. Each 'A' shareholder received two 'A' warrants and each 'B' shareholder received two 'B' warrants. Outstanding warrants were exercisable in November 2023, with 67 'A' warrants required to acquire one 'A' share (67 'B' warrants to acquire one 'B' share). The exercise price of the warrants was set at CHF 1 per warrant (being CHF 67 per newly issued share). Prior to exercise, the 'A' warrants were listed on the SIX Swiss Exchange.

As a result of the exercise of these warrants, the Group issued 15 582 089 new 'A' shares with a par value of CHF 1.00 each and 15 582 089 new 'B' shares with a par value of CHF 0.10 each for total consideration of € 1 180 million, net of transaction costs of € 12 million, resulting in a share premium of € 1 162 million. Of the newly issued shares, 4 317 776 were acquired by a Group company and added to the Treasury Shares balance (note 29.2). As a result, the total cash inflow amounted to € 880 million.

29. Equity continued

29.2. Treasury shares

Accounting policy
The cost of treasury shares held at each reporting date is deducted from shareholders' equity. Gains or losses arising on the disposal of treasury shares are recognised within retained earnings directly in shareholders' equity. Treasury shares denominated in CHF are translated to EUR on consolidation using the historic exchange rate.

In order to hedge partially its potential obligations arising under the share option plan, the Group has purchased Richemont 'A' shares. Changes in the holding of this treasury stock of shares are shown as movements in shareholders' equity as follows:

	Shares millions	€m
Balance at 1 April 2022	6.7	478
Sold	(2.8)	(173)
Balance at 31 March 2023	**3.9**	**305**
Purchased	**4.7**	**354**
Sold	**(2.6)**	**(198)**
Balance at 31 March 2024	**6.0**	**461**

The Company has given a pledge over 986 349 Richemont 'A' shares as security for vested warrants granted under the Group's share option plan (2023: 2 100 279 Richemont 'A' shares).

During the year under review the Group purchased 0.4 million treasury shares on the market and acquired 4.3 million treasury shares as a result of the exercise of warrants (see 29.1 above), for a total cash outflow of € 54 million (2023: no shares acquired).

In the same period the Group delivered 2.0 million treasury shares for proceeds of € 181 million, in settlement of options exercised in the period and traded options exercised in previous periods (2023: 2.4 million shares for proceeds of € 198 million) and 0.6 million shares in settlement of Restricted Share Units ('RSUs') and Performance Share Units ('PSUs') (2023: 0.4 million). The cost of the 2.6 million shares (2023: 2.8 million) delivered during the year was € 198 million (2023: € 173 million). The loss incurred on shares sold during the year amounted to € 16 million (2023: gain of € 25 million) which was recognised directly in retained earnings.

The market value of the 6.0 million shares (2023: 3.9 million) held by the Group at the year end, based on the closing price at 31 March 2024 of CHF 137.50 (2023: CHF 145.90), amounted to € 831 million (2023: € 587 million).

29. Equity continued

29.3. Other reserves

Accounting policy
Other reserves include the cumulative translation adjustment reserve, the hedge reserve and the share-based payments reserve. The cumulative expense charged to the share-based payments reserve for RSUs and PSUs is reclassified to retained earnings upon vesting. For share options, the cumulative expense is reclassified to retained earnings when the options are exercised.

	Hedge reserve €m	Share-based payments reserve €m	Cumulative translation adjustment reserve €m	Total €m
Balance at 1 April 2022	(30)	178	3 728	3 876
Other comprehensive income				
– Hedge reserve recycled to profit and loss, net of tax	4	–	–	4
– Currency translation adjustments	–	–	365	365
Equity-based compensation expense	–	96	–	96
Tax on equity-based compensation expense	–	20	–	20
Reclassification to retained earnings	–	(56)	–	(56)
Balance at 31 March 2023	(26)	238	4 093	4 305
Other comprehensive income				
– Hedge reserve recycled to profit and loss, net of tax	**4**	**–**	**–**	**4**
– Currency translation adjustments	**–**	**–**	**337**	**337**
Equity-based compensation expense	**–**	**109**	**–**	**109**
Tax on equity-based compensation expense	**–**	**(4)**	**–**	**(4)**
Reclassification to retained earnings	**–**	**(62)**	**–**	**(62)**
Balance at 31 March 2024	**(22)**	**281**	**4 430**	**4 689**

29.4. Retained earnings

	2024 €m	2023 €m
Balance at 1 April of prior year	**14 625**	16 082
Profit for the year	**2 362**	313
Other comprehensive income:		
– defined benefit plan actuarial gains/(losses)	**(8)**	9
– tax on defined benefit plan actuarial gains/(losses)	**–**	(1)
– fair value changes on assets held at FVTOCI	**(23)**	13
– share of other comprehensive income of associates, net of tax	**6**	(21)
Dividends paid (note 30)	**(2 072)**	(1 851)
Initial recognition of put options over non-controlling interests	**(157)**	–
Reclassification from share-based payments reserve	**62**	56
Gain/(loss) on sale of treasury shares	**(16)**	25
Balance at 31 March	**14 779**	14 625

30. Dividends

Accounting policy
Dividend distributions to Richemont shareholders are recognised as a liability in the Group's consolidated financial statements in the period in which the dividends are approved by the shareholders of the Company.

In September 2023 a dividend of CHF 2.50 per 'A' share and CHF 0.25 per 'B' share was paid (September 2022: CHF 2.25 and CHF 0.225, respectively), as well as an exceptional dividend of CHF 1.00 per 'A' share and CHF 0.10 per 'B' share (September 2022: CHF 1.00 per 'A' share and CHF 0.10 per 'B' share).

31. Share-based payments

Accounting policy

The Group operates equity-settled share-based compensation plans based on options and Restricted Share Units ('RSUs') granted in respect of Richemont 'A' shares. The fair value of the employee services received in exchange for the grant of options or restricted shares is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the option or share granted. At each reporting date, the Group revises its estimate of the number of options or shares that are expected to vest. It recognises the impact of the revision of original estimates, if any, in profit or loss over the remaining vesting period with a corresponding adjustment to equity.

Restricted Stock Units

The Group has a share-based compensation plan under which executives are awarded RSUs. Awards under this plan vest over periods of three to five years from the date of grant. The executive must remain in the Group's employment until vesting. On vesting, the executive will receive an 'A' share in the Company. Awards granted to senior executives are also subject to performance conditions which may reduce the number of shares vesting (Performance Stock Units, or 'PSUs'). Executives are not entitled to dividends during the vesting period.

A reconciliation of the movement in the number of restricted and performance share awards granted to executives is as follows:

	Number of shares
Balance at 1 April 2022	3 023 216
Granted	1 023 428
Distributed	(437 180)
Lapsed	(171 756)
Balance at 31 March 2023	**3 437 708**
Granted	**771 506**
Distributed	**(641 333)**
Lapsed	**(208 042)**
Balance at 31 March 2024	**3 359 839**

The per unit fair values of RSU and PSU granted in June 2023 were CHF 134.54. The significant inputs to the model were the share price of CHF 141.90 at the grant date and dividend yield of 1.8%.

Equity-settled share option plan

Previously, the Group also had a long-term share-based compensation plan whereby executives were awarded options to acquire Richemont 'A' shares at the market price on the date of grant. Awards under the share option plan vest over periods of three to five years and have expiry dates, the date after which unexercised options lapse, of nine years from the date of grant. The executive must remain in the Group's employment until vesting. No awards have been made under this plan since the year ended 31 March 2021.

A reconciliation of the movement in the number of share option awards granted to executives is as follows:

	Weighted average exercise price in CHF per share	Number of options
Balance at 1 April 2022	83.77	5 035 971
Exercised	85.10	(1 615 008)
Lapsed	83.07	(84 201)
Balance at 31 March 2023	**83.14**	**3 336 762**
Exercised	**85.14**	**(1 020 862)**
Expired	**82.86**	**(95)**
Lapsed	**78.78**	**(61 710)**
Balance at 31 March 2024	**82.36**	**2 254 095**

Of the total options outstanding at 31 March 2024, options in respect of 1 746 402 shares (2023: 1 690 224 shares) had vested and were exercisable.

The weighted average share price at the date of exercise for options exercised during the year was CHF 135.73 (2023: CHF 121.62).

Notes to the consolidated financial statements

31. Share-based payments continued

Equity-settled share option plan continued

The following information applies to options outstanding at the end of each year:

	Exercise price	Number of options	Weighted average remaining contractual life
31 March 2024	**CHF 83.30**	**89 966**	**0.2 years**
	CHF 56.55	**189 021**	**1.2 years**
	CHF 80.20	**327 103**	**2.2 years**
	CHF 92.00	**858 026**	**3.2 years**
	CHF 82.86	**339 005**	**4.3 years**
	CHF 75.84	**450 974**	**5.7 years**
31 March 2023	CHF 94.00	30 283	0.2 years
	CHF 83.30	227 501	1.2 years
	CHF 56.55	247 337	2.2 years
	CHF 80.20	460 756	3.2 years
	CHF 92.00	1 342 937	4.2 years
	CHF 82.86	453 374	5.3 years
	CHF 75.84	574 574	6.7 years

No share options were granted during the years ended 31 March 2024 and 31 March 2023.

Share-based compensation expense

The amount recognised in profit or loss before social security and taxes for equity-settled share-based compensation transactions was € 110 million (2023: € 96 million), of which € 2 million (2023: € 2 million) is included within Results from discontinued operations (note 16).

The fair value of PSU awarded to members of the Senior Executive Committee ('SEC') is fixed on the date of approval of SEC remuneration by the shareholders of the Company. The award date value in June 2022 of CHF 104.61 per PSU was revalued following the annual general meeting ('AGM') in September 2023 at CHF 112.04 per PSU. The estimated fair value of PSU awarded to members of the SEC in the year ended 31 March 2024 is based on the valuation at the award date of June 2023. Changes in the fair value of these PSU between the award date and 31 March 2024 are not significant to the Group. The final fair value will be fixed in September 2024 following approval by shareholders.

32. Cash flow from operating activities

	2024 €m	2023 €m
Depreciation of property, plant and equipment	**579**	547
Depreciation of right of use assets	**758**	739
Depreciation of investment property	**2**	1
Amortisation of other intangible assets	**93**	186
Impairment of property, plant and equipment	**3**	1
Impairment of right of use assets	**11**	–
Impairment of goodwill	**19**	55
Impairment of other intangible assets	**34**	–
Loss/(profit) on disposal of property, plant and equipment	**3**	(9)
Loss on disposal of intangible assets	**5**	3
Profit on disposal of investment properties	**–**	(1)
Profit on lease remeasurement	**(19)**	(6)
Fixed rent concessions linked to Covid-19	**–**	(9)
Increase in non-current provisions	**14**	34
(Decrease)/increase in retirement benefit obligations	**(15)**	13
Loss on write-down of net assets transferred to held for sale	**1 263**	3 444
Other non-cash items	**109**	94
Adjustments for non-cash items	**2 859**	5 092

Increase in inventories	**(754)**	(986)
Increase in trade receivables	**(70)**	(151)
Increase in other current assets	**(125)**	(42)
(Decrease)/increase in current liabilities	**(34)**	257
Decrease/(increase) in assets and liabilities of disposal groups held for sale	**8**	(77)
Decrease in non-current liabilities	**(2)**	(39)
Increase/(decrease) in derivative financial instruments	**326**	(129)
Changes in working capital	**(651)**	(1 167)

33. Liabilities arising from financing activities

	Corporate bonds €m	Fixed and floating rate borrowings €m	Lease liabilities €m	Total €m
At 1 April 2022	5 929	20	3 748	9 697
Acquisition through business combinations	–	–	1	1
Additions to lease liabilities	–	–	846	846
Amortised interest costs	8	–	82	90
Remeasurement of lease liabilities	–	–	168	168
Reclassification to held for sale	–	–	(200)	(200)
Exchange adjustments	–	–	(18)	(18)
Non-cash movements	8	–	879	887
Proceeds from borrowings	–	4	–	4
Repayment of borrowings	–	(6)	–	(6)
Interest element of lease payments	–	–	(79)	(79)
Capital element of lease payments	–	–	(665)	(665)
Net cash received/(paid)	–	(2)	(744)	(746)
At 31 March 2023	5 937	18	3 883	9 838
Total liabilities arising from financing activities at 31 March:				
– current	–	1	644	645
– non-current	5 937	17	3 239	9 193
At 31 March 2023	5 937	18	3 883	9 838

	Corporate bonds €m	Fixed and floating rate borrowings €m	Lease liabilities €m	Total €m
At 1 April 2023	**5 937**	**18**	**3 883**	**9 838**
Acquisition through business combinations (note 37)	**–**	**10**	**29**	**39**
Additions to lease liabilities	**–**	**–**	**686**	**686**
Amortised interest costs	**8**	**–**	**99**	**107**
Remeasurement of lease liabilities	**–**	**–**	**404**	**404**
Exchange adjustments	**–**	**–**	**(11)**	**(11)**
Non-cash movements	**8**	**10**	**1 207**	**1 225**
Proceeds from borrowings	**–**	**12**	**–**	**12**
Repayment of borrowings	**–**	**(6)**	**–**	**(6)**
Lease incentives received after commencement date	**–**	**–**	**10**	**10**
Interest element of lease payments	**–**	**–**	**(94)**	**(94)**
Capital element of lease payments	**–**	**–**	**(718)**	**(718)**
Net cash received/(paid)	**–**	**6**	**(802)**	**(796)**
At 31 March 2024	**5 945**	**34**	**4 288**	**10 267**
Total liabilities arising from financing activities at 31 March:				
– current	**–**	**7**	**673**	**680**
– non-current	**5 945**	**27**	**3 615**	**9 587**
At 31 March 2024	**5 945**	**34**	**4 288**	**10 267**

34. Financial instruments: fair values and risk management

Accounting policy

The classification of financial assets depends on the underlying business model of the investment and the characteristics of its contractual cash flows. The Group classifies its financial assets as follows:

(a) Financial assets held at fair value through other comprehensive income

A financial asset is classified in this category if it is a strategic investment, meaning that it is long-term in nature and has not been undertaken with the objective of maximising short-term profits or dividends. The Group has designated certain investments in listed entities at fair value through comprehensive income. Investments are initially recognised at cost, which represents fair value. Fair value adjustments are included in other comprehensive income in the period in which they arise.

(b) Financial assets at amortised cost

This category includes non-derivative financial assets held in order to collect contractual cash flows. These primarily include trade and other receivables. Assets are initially recorded at fair value, including directly attributable transaction costs, and subsequently measured at amortised cost.

(c) Financial assets at fair value through profit or loss

All financial assets not included in one of the above-mentioned categories are classified as fair value through profit or loss. This includes investments in derivative assets, as well as investments in externally managed bond funds and money market funds. Investments are initially recognised at cost excluding transaction costs, which represents fair value. Fair value adjustments are included in profit or loss in the period in which they arise. Interest income is excluded from the calculation of the fair value gain or loss.

All financial assets are assessed for impairment at each balance sheet date.

The Group's financial liabilities are classified at amortised cost, with the exception of derivative liabilities which are classified at fair value through profit or loss.

Notes to the consolidated financial statements

34. Financial instruments: fair values and risk management continued

34.1. Fair value estimation

The following table shows the carrying amounts and fair values of financial assets and liabilities, including their level in the fair value hierarchy defined by IFRS.

	Carrying amount					Fair value			
31 March 2024	Fair value through profit or loss €m	Fair value through OCI (equity) €m	Assets at amortised cost €m	Liabilities at amortised cost €m	Total €m	Level 1 €m	Level 2 €m	Level 3 €m	Total €m
Financial assets measured at fair value									
Derivative financial instruments	–	–	–	–	–			–	–
Listed investments	–	**284**	–	–	**284**	**284**			**284**
Unlisted investments	**5**	–	–	–	**5**		–	**5**	**5**
Non-current assets measured at fair value	**5**	**284**	–	–	**289**				
Investments in externally managed funds	**7 074**	–	–	–	**7 074**	**7 074**			**7 074**
Investments in money market funds	**1 710**	–	–	–	**1 710**		**1 710**		**1 710**
Derivative financial instruments	**67**	–	–	–	**67**		**67**		**67**
Current assets measured at fair value	**8 851**	–	–	–	**8 851**				
	8 856	**284**	–	–	**9 140**				
Financial assets not measured at fair value									
Non-current loans and receivables (note 12)	–	–	**25**	–	**25**				
Non-current lease deposits (note 12)	–	–	**140**	–	**140**				
Trade and other receivables (note 14)	–	–	**1 432**	–	**1 432**				
Cash at bank and on hand	–	–	**10 710**	–	**10 710**				
	–	–	**12 307**	–	**12 307**				
Financial liabilities measured at fair value									
Derivative financial instruments	**(107)**	–	–	–	**(107)**		**(107)**		**(107)**
Financial liabilities not measured at fair value									
Borrowings (note 18)	–	–	–	**(5 979)**	**(5 979)**	**(5 390)**			**(5 390)**
Lease liabilities (note 9)	–	–	–	**(4 288)**	**(4 288)**				
Other non-current financial liabilities	–	–	–	**(256)**	**(256)**				
Trade and other payables (note 22)	–	–	–	**(2 700)**	**(2 700)**				
Bank overdrafts	–	–	–	**(6 065)**	**(6 065)**				
	(107)	–	–	**(19 288)**	**(19 288)**				

34. Financial instruments: fair values and risk management continued

34.1. Fair value estimation continued

The investment in convertible notes issued by Farfetch Limited, included in unlisted investments held at fair value through profit or loss in the prior year, has been written down to € nil in the year ended 31 March 2024 (2023: € 269 million), following the announcement of the de-listing and liquidation of Farfetch Ltd, as a result of which the Group does not expect to recover any amount from this investment. Listed investments held at fair value through Other Comprehensive Income relate to the Group's investment in Avolta.

	Carrying amount					Fair value			
31 March 2023	Fair value through profit or loss €m	Fair value through OCI (equity) €m	Assets at amortised cost €m	Liabilities at amortised cost €m	Total €m	Level 1 €m	Level 2 €m	Level 3 €m	Total €m
Financial assets measured at fair value									
Derivative financial instruments	15	–	–	–	15			15	15
Listed investments	–	301	–	–	301	301			301
Unlisted investments	274	–	–	–	274		269	5	274
Non-current assets measured at fair value	289	301	–	–	590				
Investments in externally managed funds	6 262	–	–	–	6 262	6 262			6 262
Investments in money market funds	1 139	–	–	–	1 139		1 139		1 139
Derivative financial instruments	103	–	–	–	103		103		103
Current assets measured at fair value	7 504	–	–	–	7 504				
	7 793	301	–	–	8 094				
Financial assets not measured at fair value									
Non-current loans and receivables (note 12)	–	–	15	–	15				
Non-current lease deposits (note 12)	–	–	135	–	135				
Trade and other receivables (note 14)	–	–	1 234	–	1 234				
Cash at bank and on hand	–	–	10 936	–	10 936				
	–	–	12 320	–	12 320				
Financial liabilities measured at fair value									
Derivative financial instruments	(7)	–	–	–	(7)		(7)		(7)
Financial liabilities not measured at fair value									
Borrowings (note 18)	–	–	–	(5 955)	(5 955)	(5 178)			(5 178)
Lease liabilities (note 9)	–	–	–	(3 883)	(3 883)				
Other non-current financial liabilities	–	–	–	(83)	(83)				
Trade and other payables (note 22)	–	–	–	(2 693)	(2 693)				
Bank overdrafts	–	–	–	(5 833)	(5 833)				
	(7)	–	–	(18 447)	(18 447)				

The Group does not disclose the fair value for financial instruments where the carrying value is a reasonable approximation of the fair value.

Valuation techniques

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. The quoted market price for financial assets held by the Group is the current bid price. These instruments are included in Level 1 and comprise investments in externally managed funds made up of listed bonds and investments in listed equities. The fair value of the Group's corporate bonds is also based on the quoted market price.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques, maximising the use of observable market data, where available, and relying as little as possible on entity-specific estimates. If all significant inputs are observable the instrument is included as Level 2; if one or more of the significant inputs is not based on observable market data then the instrument is included as Level 3.

Specific valuation techniques used for Level 2 financial instruments include:

- currency forwards are measured based on observable spot exchange rates, the term interest rates of the respective currencies and the currency basis spread between the respective currencies.

The nominal value of the investments in money market funds approximates the fair value, as the maximum average life is 120 days and the maximum weighted average maturity is 60 days. These instruments are included in Level 2.

34. Financial instruments: fair values and risk management continued

34.1. Fair value estimation continued

Level 3 financial instruments consist of various small investments in unlisted equities. The Group also held an option to convert its investment in Farfetch China into listed shares of Farfetch Limited, which was also classified as a Level 3 financial instrument. During the year ended 31 March 2024, the valuation of this option was written down to € nil following the de-listing of Farfetch shares and the liquidation of that entity, as a result of which the option has no further value for the Group.

Movements in Level 3 financial instruments during the period are set out below:

	€m
At 1 April 2023	20
Exchange adjustments	–
Unrealised losses recognised in net finance costs	(15)
At 31 March 2024	**5**

Management performs valuations of investments as necessary for financial reporting purposes, including for Level 3 items. The Group's reporting specialists regularly present the valuation process employed and results to the Group chief finance officer and these are also presented to the Group Audit Committee in advance of publication.

34.2. Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, price risk, cash flow and fair value interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

Financial risk management is carried out by a central treasury department ('Group Treasury') under policies approved by the Board. Group Treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Board has approved formal written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, use of derivative and non-derivative financial instruments, and investing excess liquidity and related counterparty exposure (note 34.2(b)).

(a)(i) Market risk: foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Swiss franc and euro against US dollar, HK dollar, Chinese yuan, Japanese yen, UAE dirham, Singapore dollar and Australian dollar. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

Foreign exchange risk arises when recognised assets and liabilities are denominated in a currency that is not the entity's functional currency. This arises principally from the retranslation impact of euro and USD-denominated investments in money market and managed bond funds held in an entity with a Swiss franc functional currency. Changes in foreign exchange rates also impact the repricing of derivative contracts.

The Group's financial risk management policy is to hedge up to 70% of forecast net cash flow exposure arising in currencies including US dollars, HK dollars, Chinese yuan, Japanese yen, UAE dirham, Singapore dollar and Australian dollar for the subsequent twelve months. Group Treasury undertakes the management of the net position in each foreign currency by using external currency derivatives.

The Group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. Currency exposure arising from these net assets of the Group's foreign operations is not systematically hedged.

The sensitivity analysis presented in the following tables shows the pre-tax increase/(decrease) in profit or loss that would result from the noted percentage change in listed exchange rates, all other factors remaining constant. There is no impact in other comprehensive income. The analysis is performed on the same basis as for 2023.

	Change in rate		Profit/(loss)	
	2024 %	2023 %	2024 €m	2023 €m
USD strengthening vs CHF	**7%**	8%	**275**	274
JPY strengthening vs CHF	**8%**	10%	**(65)**	(45)
HKD strengthening vs CHF	**6%**	8%	**(89)**	(65)
SGD strengthening vs CHF	**5%**	6%	**(61)**	(45)
CHF strengthening vs EUR	**7%**	10%	**(251)**	(440)
AED strengthening vs CHF	**8%**	8%	**(55)**	(33)
CNY strengthening vs EUR	**6%**	7%	**(108)**	(66)
CNY strengthening vs CHF	**7%**	8%	**(2)**	8

	Change in rate		Profit/(loss)	
	2024 %	2023 %	2024 €m	2023 €m
USD weakening vs CHF	**7%**	8%	**(275)**	(274)
JPY weakening vs CHF	**8%**	10%	**65**	45
HKD weakening vs CHF	**6%**	8%	**89**	65
SGD weakening vs CHF	**5%**	6%	**61**	45
CHF weakening vs EUR	**7%**	10%	**251**	440
AED weakening vs CHF	**8%**	8%	**55**	33
CNY weakening vs EUR	**6%**	7%	**108**	66
CNY weakening vs CHF	**7%**	8%	**2**	(8)

34. Financial instruments: fair values and risk management continued

34.2. Financial risk factors continued

(a)(ii) Market risk: price risk

The Group is exposed to commodity price risk, marketable securities' price risk and other price risk.

- Commodity price risk

The Group is exposed to price risk related to anticipated purchases of certain commodities, namely precious metals and stones for use in its manufacturing processes. There is no financial risk as the commodities are for use as raw materials by the Group's businesses. A change in those prices may alter the gross margin of specific businesses.

- Marketable securities' price risk

The Group is exposed to marketable securities' price risk in respect of investments in AAA rated money market and externally managed funds with a weighted average rating of AA+ and its investments in listed entities. These are classified in the consolidated statement of financial position as financial assets held at fair value through profit or loss, or at fair value through other comprehensive income in the case of the Group's investment in Avolta.

The price risk associated with the investments in AAA rated money market funds and AA+ rated externally managed funds held by the Group at 31 March 2024 and 2023 is considered to be minimal, due to the high credit quality of the underlying investments. A 1% increase/(decrease) in the share price of Avolta Ltd would increase/(decrease) other comprehensive income for the year by € 3 million, respectively (2023: € 3 million).

(a)(iii) Market risk: interest rate risk

- Fair value interest rate risk

The Group is exposed to fair value interest rate risk linked to its fixed rate loan commitment (details of the Group's borrowings are presented in note 18). The risk is considered to be the difference between current levels of interest rates and the committed rates.

The Group records its fixed rate borrowings at amortised cost using the effective interest method. Therefore a change in interest rates at 31 March 2024 would not affect the profit for the year.

- Cash flow interest rate risk

The Group is also exposed to future cash flow fluctuation risk due to changes in variable market interest rates. The cash flow risk associated with net cash is such that an (decrease)/increase of 100 basis points in interest rates at the reporting date would have impacted profit for the year by (minus)/plus € 1 million (2023: plus/(minus) € 17 million), all other variables remaining constant. The analysis is performed on the same basis as for 2023.

(b) Credit risk

The Group has no significant concentrations of credit risk. It has established credit check policies that ensure the high credit worthiness of its customers. A short-term credit rating of minimum A1/P1 is applied to cash deposits with financial counterparties. A minimum money market fund rating of AAA is applied to money market funds. A weighted average portfolio rating of AA+ is applied to externally managed funds.

At 31 March 2024, the Group had € 8 784 million invested in money market and externally managed funds denominated in various currencies, including EUR, CHF and USD (2023: € 7 401 million) and € 10 710 million held as cash at bank (2023: € 10 936 million).

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate level of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, Group Treasury aims to maintain flexibility in funding by keeping committed credit lines available.

Local liquidity is ensured by maintaining local bank credit facilities and by funding the excess liquidity requirements using the Group overlay cash pool.

34. Financial instruments: fair values and risk management continued

34.2. Financial risk factors continued

The following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements. Derivative assets are excluded. Contractual maturities of lease liabilities are presented in note 9.

31 March 2024	Carrying amount €m	Total €m	Contractual cash flows: 6 months or less €m	Between 6-12 months €m	Between 1-3 years €m	More than 3 years €m
Non-derivative financial liabilities						
Borrowings	**5 979**	**6 813**	**24**	**66**	**1 655**	**5 068**
Other non-current financial liabilities	**256**	**293**	**–**	**–**	**53**	**240**
Trade and other payables	**2 700**	**2 699**	**2 699**	**–**	**–**	**–**
Bank overdrafts	**6 065**	**6 065**	**6 065**	**–**	**–**	**–**
	15 000	**15 870**	**8 788**	**66**	**1 708**	**5 308**
Derivative financial liabilities						
Currency forwards	**107**	**4 193**	**2 302**	**1 891**	**–**	**–**
	107	**4 193**	**2 302**	**1 891**	**–**	**–**

31 March 2023	Carrying amount €m	Total €m	Contractual cash flows: 6 months or less €m	Between 6-12 months €m	Between 1-3 years €m	More than 3 years €m
Non-derivative financial liabilities						
Borrowings	5 955	6 853	24	59	1 658	5 112
Other non-current financial liabilities	83	86	–	–	26	60
Trade and other payables	2 693	2 693	2 693	–	–	–
Bank overdrafts	5 833	5 833	5 833	–	–	–
	14 564	15 465	8 550	59	1 684	5 172
Derivative financial liabilities						
Currency forwards	7	1 251	677	574	–	–
	7	1 251	677	574	–	–

34.3. Accounting for derivative financial instruments and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value.

In previous periods, the Group was party to a EUR-denominated interest rate swap contract which was used to hedge the Group’s corporate bond issue. Cash flow hedge accounting was applied to the transaction, and as a result the loss realised on this interest rate swap was deferred in equity. This loss is recycled to the income statement over the life of the related bond.

The Group does not apply hedge accounting to any of its other hedging activities.

The fair values of various derivative instruments are disclosed in note 15.

34. Financial instruments: fair values and risk management continued

34.4. Offsetting financial assets and financial liabilities

The following financial assets and liabilities are subject to offsetting, as a current legally enforceable right to set-off the recognised amounts exists and the Group intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

	Gross amount of recognised asset/ (liability) subject to set-off €m	Gross amount of set-off €m	Net amount presented €m	Related amounts not set-off €m	Total €m
At 31 March 2024					
Trade receivables	**138**	**(27)**	**111**	**–**	**111**
Cash at bank and on hand	**10 710**	**–**	**10 710**	**(6 058)**	**4 652**
Derivative assets	**67**	**–**	**67**	**(44)**	**23**
	10 915	**(27)**	**10 888**	**(6 102)**	**4 786**
Trade payables	**(188)**	**27**	**(161)**	**–**	**(161)**
Bank overdrafts	**(6 065)**	**–**	**(6 065)**	**6 058**	**(7)**
Derivative liabilities	**(107)**	**–**	**(107)**	**44**	**(63)**
	(6 360)	**27**	**(6 333)**	**6 102**	**(231)**

	Gross amount of recognised asset/ (liability) subject to set-off €m	Gross amount of set-off €m	Net amount presented €m	Related amounts not set-off €m	Total €m
At 31 March 2023					
Trade receivables	170	(21)	149	–	149
Cash at bank and on hand	10 936	–	10 936	(5 788)	5 148
Derivative assets	103	–	103	(7)	96
	11 209	(21)	11 188	(5 795)	5 393
Trade payables	(207)	21	(186)	–	(186)
Bank overdrafts	(5 833)	–	(5 833)	5 788	(45)
Derivative liabilities	(7)	–	(7)	7	–
	(6 047)	21	(6 026)	5 795	(231)

The Group is subject to a number of master netting arrangements specific to cash pooling and derivative contract arrangements. These arrangements allow for net settlement of the relevant financial assets and financial liabilities when both parties elect to settle on a net basis. In certain circumstances, such as a default event as defined in the relevant agreement, all outstanding transactions under the agreement are terminated, the termination value is assessed and only a single net amount is payable in settlement of all transactions. These agreements do not meet the criteria for offsetting in the statement of financial position. The right to set-off is legally enforceable only following certain specified events. In addition, the Group and the counterparties do not intend to settle on a net basis.

34.5. Capital risk management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business, maintaining a balance between business returns and a secure capital position. The Board monitors the return of capital to shareholders, which the Group defines as total equity excluding non-controlling interests, and the level of dividends to shareholders, as well as the net cash position of the Group. Net cash is defined as Cash and cash equivalents (note 17), Borrowings (note 18) and current financial assets held at fair value through profit or loss (note 34). At 31 March 2024, the net cash position of the Group was € 7 450 million (2023: € 6 549 million).

There were no changes in the Group's approach during the year.

The Group is not subject to any externally imposed capital requirements.

Notes to the consolidated financial statements

35. Financial commitments and contingent liabilities

At 31 March 2024, the Group had contingent liabilities in respect of bank and other guarantees and other matters arising in the ordinary course of business from which no material losses are anticipated. Details of the Group's commitments in respect of financial derivatives are given in note 15 and in respect of property, plant and equipment in note 6. The Group has commitments of € 37 million with respect to its short-term leases (2023: € 24 million).

36. Related-party transactions

The Group has a number of transactions and relationships with related parties, as defined by IAS 24, *Related Party Disclosures*.

Besides the Group's ultimate controlling party (note 38), Compagnie Financière Rupert, the Board of Directors and the SEC ('key management'), the Group has identified the following other related parties:

- Richemont's equity-accounted investments (see note 10);
- Richemont foundations (employee and others); and
- various entities under the common control of the Rupert family's interests or which are controlled or jointly controlled by a member of key management.

The following transactions were carried out with related parties giving rise to (expense/payables) and income/receivables:

(a) Transactions and balances between the Group and its equity-accounted investments

	2024 €m	2023 €m
Goods and services bought from and other transactions with its equity-accounted investments:		
Rouages SA – purchase of watch components	**(9)**	(11)
Schwab-Feller AG – purchase of watch components	**(4)**	(3)
Kering Eyewear SpA – purchase of finished goods	**(18)**	(15)
DPS Beaune SAS – purchase of finished goods	**(25)**	(19)
Monnin SA – purchase of watch components	**(1)**	(2)
MDA SAS – purchase of finished goods	**(14)**	(12)
Watches & Wonders Foundation – purchase of services	**(16)**	(22)
Watches & Jewellery Initiative 2030 – donation	**(1)**	(1)
Goods and services sold to and other transactions with equity-accounted investments:		
Kering Eyewear SpA – royalties and sales of finished goods	**32**	30
Payables outstanding at 31 March:		
Kering Eyewear SpA – trading	**(3)**	(4)
Rouages SA – trading	**–**	(1)
MDA SAS – trading	**(1)**	(2)
Watches & Wonders Foundation – trading	**(1)**	(12)
Receivables outstanding at 31 March:		
Kering Eyewear SpA – trading	**7**	7
MDA SAS – trading	**2**	3
Watches & Wonders Foundation – prepayments	**22**	5
Loan receivables outstanding at 31 March:		
New Bond Street JV Jersey Unit Trust	**3**	1
Monnin SA	**7**	–
Watches & Wonders Foundation	**1**	–
Aura Blockchain Consortium	**2**	–

36. Related-party transactions continued

(b) Transactions and balances between the Group and entities under common control

	2024 €m	2023 €m
Services bought from and other transactions with entities under common control:		
Entities under common control of the Rupert family's interests	**(8)**	(9)
Services provided to and other transactions with entities under common control:		
Other entities under common control of the Rupert family's interests	**–**	–
Receivables outstanding at 31 March:		
Entities under common control of the Rupert family's interests	**–**	–
Payables outstanding at 31 March:		
Entities under common control of the Rupert family's interests	**(1)**	(1)

The Group has paid € 0.8 million (2023: € 0.7 million) during the year ended 31 March 2024 for the lease of a property owned by its post-employment benefit foundation in Switzerland, a related party.

(c) Individuals

Maître Jean-Blaise Eckert, a non-executive director, is a partner of the Swiss legal firm Lenz & Staehelin. During the year under review, Lenz & Staehelin received fees totalling € 0.9 million (2023: € 0.9 million) from Group companies for advice on legal and taxation matters.

Sales of finished goods to related parties amounted to less than € 1 million (2023: less than € 1 million).

(d) Key management compensation

Key management comprises the Board of Directors of Compagnie Financière Richemont SA and the Senior Executive Committee.

	2024 €m	2023 €m
Salaries and short-term employee benefits	**14**	11
Short-term incentives	**7**	5
Long-term benefits	**1**	1
Post-employment benefits	**1**	–
Share-based compensation expense	**5**	7
Employer social security	**2**	3
	30	27

At 31 March 2024, current liabilities amounting to € 11 million were recorded in relation to amounts due to members of key management (2023: € 8 million).

36. Related-party transactions continued

(d) Key management compensation continued

Share option plan
The Group operates a long-term share-based compensation plan whereby executives are awarded options to acquire Richemont 'A' shares at the market price on the date of grant. No awards under the share option plan have been made to persons serving as non-executive directors. At 31 March 2024, 234 171 share options were held by members of key management (2023: 308 188 share options). These options will expire on or before November 2029.

Performance Share Unit plan
The Group operates a RSU plan. Awards under this plan also vest over periods of three to six years from the date of grant. On vesting, the executive will receive a share in the Company. Awards granted to senior executives are also subject to performance conditions which may reduce the number of shares vesting (Performance Share Units, or 'PSUs'). Executives are not entitled to dividends during the vesting period. At 31 March 2024, 276 870 PSUs were held by members of key management (2023: 231 132 PSUs). A total of 43 697 PSUs were awarded to members of key management during the year ended 31 March 2024 (2023: 71 482 PSUs).

Share ownership
At 31 March 2024 Compagnie Financière Rupert, a Swiss partnership limited by shares, holds 6 418 850 Richemont 'A' shares and 537 582 089 Richemont 'B' registered shares, representing 10% of the equity of the Company and controlling 51% of the Company's voting rights. Mr Johann Rupert, Chairman of Richemont, is the sole General Managing Partner of Compagnie Financière Rupert. Mr Anton Rupert, non-executive director of the Company, is a partner of Compagnie Financière Rupert.

Parties associated with Mr Johann Rupert and Compagnie Financière Rupert held a further 2 921 335 'A' shares at 31 March 2024, representing 0.3% of the Company's voting rights.

Mr Josua Malherbe, a non-executive director, does not hold any 'A' shares. Members of Mr Malherbe's family have acquired and currently hold 14 488 'A' share equivalents and are beneficiaries of trusts holding 207 103 'A' shares at 31 March 2024.

Other directors and members of the SEC own a total of 34 336 Richemont 'A' shares at 31 March 2024 (2023: 17 572 'A' shares).

Following the decision of the AGM on 11 September 2023 to pay dividends of CHF 2.50 per 'A' registered share and CHF 0.25 per 'B' registered share, as well as an exceptional dividend of CHF 1.00 per 'A' registered share and CHF 0.10 per 'B' registered share, dividends of CHF 214 664 629 were paid to shareholders who were members of the Board or the SEC, or parties closely linked to them, at the date the dividend was paid.

Loans to members of governing bodies
As at 31 March 2024, there were no loans or other credits outstanding to any current or former executive or non-executive directors, or members of the SEC (2023: none). The Group policy is not to extend loans to directors or members of the SEC. There were also no non-business-related loans or credits granted to relatives of any executive or non-executive director, or member of the SEC.

37. Business combinations

Accounting policy
The Group applies the acquisition method to account for business combinations. The cost of an acquisition is measured at the fair value of the assets transferred, equity instruments issued and liabilities incurred at the date of exchange, plus the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the cost of acquisition, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the profit or loss for the period.

On acquisition, non-controlling interests, recognised to the extent that the risks and rewards of ownership remain with the non-controlling interest, are measured as a percentage of the net assets of the acquiree.

Any contingent consideration is measured at fair value at the acquisition date. Subsequent changes in the fair value of the contingent consideration are recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Acquisition-related costs are expensed in the period in which they are incurred.

Gianvito Rossi
In January 2024, the Group completed the acquisition of 70% of the share capital and voting rights of Gianvito Rossi srl ('Gianvito Rossi'), a renowned shoemaking Maison registered in Italy, for a total consideration of € 275 million. This acquisition strengthens and diversifies

37. Business combinations continued

the Group's presence in Fashion & Accessories through a Maison which has unique *savoir faire* in the world of shoemaking and whose core attributes of uncompromising quality, elegance and timelessness are perfectly aligned with Richemont's values.

Other acquisitions

During the year, the Group also completed several further business combinations, as follows:

- 33% of the share capital of manufacturing entities specialising in the manufacture of jewellery in France, acquired in April 2023;
- 85% of a textile manufacturer based in Italy, acquired in September 2023; and
- 100% of the share capital of manufacturing entities specialising in the manufacture of jewellery in Italy, acquired in November 2023 and February 2024.

The impact of these acquisitions on the financial position and performance of the Group is not significant, and as such these acquisitions are presented in aggregate below.

	Gianvito Rossi €m	Other €m	Total €m
Property, plant and equipment	10	7	17
Intangible assets	216	23	239
Right of use assets	16	14	30
Other non-current assets	1	1	2
Inventories	39	14	53
Cash and cash equivalents	10	15	25
Trade and other receivables	14	17	31
Trade and other payables	(22)	(13)	(35)
Short-term borrowings	(3)	(7)	(10)
Current and deferred tax	(56)	(10)	(66)
Retirement benefit liability	(2)	(2)	(4)
Lease liabilities	(15)	(14)	(29)
Net assets acquired	208	45	253
Fair value of net assets acquired	208	45	253
Non-controlling interests	(64)	–	(64)
Goodwill	131	28	159
Total consideration	275	73	348
Consideration deferred to future periods	–	(19)	(19)
Purchase consideration – cash paid	275	54	329
Cash and cash equivalents acquired	(10)	(15)	(25)
Payments related to business combinations in prior years	–	2	2
Cash outflow on acquisitions	265	41	306

The fair value of the assets and total purchase consideration is provisional, pending finalisation of valuation work and any purchase price adjustments. Goodwill represents certain intangible assets that do not qualify for separate recognition, including an integrated workforce and technical know-how in terms of design and creation. None of the goodwill is expected to be deductible for tax purposes.

The gross contractual value of receivables acquired was € 31 million, all of which is considered to be recoverable.

In the period since acquisition, the businesses contributed € 26 million to sales and a loss of € 16 million to net profit. Had the acquisitions been made on 1 April 2023, the contribution to sales and net profit for the full period would have been € 176 million and € 8 million, respectively.

Acquisition-related transaction costs of € 3 million were expensed in the year ended 31 March 2024 as Other expenses.

Transactions with non-controlling shareholders

The Group has entered into put and call option arrangements with the non-controlling shareholder of Gianvito Rossi. The Group has the right to acquire, and the non-controlling shareholder has the right to sell, all, but not part, of their shareholding between five and ten years after completion of the acquisition at a value equal to the fair value on the date of exercise.

37. Business combinations continued

Contingent consideration

At 31 March 2024, the Group has a total provision of € 20 million related to contingent consideration payable as a result of business combinations in the current and prior periods (2023: € 1 million). The fair value of the contingent consideration is estimated by calculating the present value of future expected cash flows, based on latest forecasts and budgets, and is updated at each reporting date. The estimates are based on a discount rate which reflects the risk profile of the investment and probability adjusted sales and operating profit figures, as well as estimated performance against predefined operational KPIs. As the valuation is based on unobservable inputs, it is classified as Level 3 in the fair value hierarchy. Movements in the balance during the year are as follows:

	2024 €m	2023 €m
Balance at 1 April of prior year	**1**	41
Exchange adjustments	**1**	2
Increase resulting from business combinations during the year	**19**	1
Payments made during the year	**(2)**	(43)
Unwinding of discount rate	**1**	–
Balance at 31 March	**20**	1

38. Ultimate controlling party

The directors regard Compagnie Financière Rupert, Bellevue, Geneva, Switzerland to be the Group’s controlling party, as 51% of the voting rights of the Company are held by that entity.

39. Principal Group companies

Details of the Group's principal subsidiary companies, determined to be those entities with external revenue of more than € 10 million equivalent or total assets of more than € 50 million equivalent, or which have a non-controlling interest, are disclosed below:

Country of incorporation	Location	Name of company	Effective interest	Share capital (currency 000's)
Subsidiary undertakings				
Australia	Sydney	Richemont Australia Pty Limited	100.0%	AUD 4 500
Belgium	Brussels	Delvaux Createur S.A.	100.0%	€ 2 250
	Brussels	Delvaux Design Coordination et Finance SA	100.0%	€ 45 304
	Brussels	DLX Holdings S.A.	100.0%	€ 166 079
Brazil	São Paulo	RLG do Brasil Varejo Ltda.	100.0%	BRL 412 015
Canada	Ottawa	Richemont Canada Inc.	100.0%	CAD 25 000
China	Shanghai	Feng Mao Trading	51.0%	CNY 1 265 645
	Shanghai	Mishang Trading (Shanghai) Co., Ltd.	100.0%	€ 11 200
	Shanghai	Richemont Commercial Company Limited	100.0%	CNY 2 982 700
France	Paris	AZ Factory	99.9%	€ 3 000
	Paris	Azzedine Alaïa SAS	100.0%	€ 75 250
	Paris	Cartier et Compagnie	100.0%	€ 194 000
	Paris	Cartier Joaillerie International SAS	100.0%	€ 28 755
	Paris	Chloé	100.0%	€ 5 455
	Septmoncel	DPS Septmoncel	49.0%	€ 132
	Paris	Les Ateliers VCA	100.0%	€ 349 370
	Paris	Montblanc France	100.0%	€ 325
	Paris	Richemont Holding France	100.0%	€1 200 250
	Paris	RLG Property France SAS	100.0%	€ 173 491
	Paris	Société Cartier	100.0%	€ 30 000
	Paris	Watchfinder France	100.0%	€ 50
Germany	Glashütte	Lange Uhren GmbH	100.0%	€ 550
	Hamburg	Montblanc Deutschland GmbH	100.0%	€ 103
	Hamburg	Montblanc International GmbH	100.0%	€ 1 775
	Hamburg	Montblanc International Holding GmbH	100.0%	€ 4 099
	Hamburg	Montblanc-Simplo GmbH	100.0%	€ 1 724
	Munich	Richemont Northern Europe GmbH	100.0%	€ 13 070
Hong Kong SAR, China	Hong Kong	Richemont Asia Pacific Limited	100.0%	HK$ 4 162 500
	Hong Kong	The Net-A-Porter Group Asia Pacific Limited	100.0%	HK$ 200 000
	Hong Kong	Yoox Asia Limited	100.0%	HK$ 1 000
India	New Delhi	Richemont India Private Limited	100.0%	INR 2 463
Italy	Milan	Buccellati Holding Italia S.p.A	100.0%	€ 22 941
	San Mauro Pascoli	Gianvito Rossi Srl.	70.0%	€ 2 000
	Vicenza	Miles Manifattura S.p.A.	85.0%	€ 2 000
	Milan	Montblanc Italia Srl	100.0%	€ 47
	Florence	Pelletteria Richemont Firenze S.r.l.	100.0%	€ 400
	Milan	PGI S.p.A.	100.0%	€ 520
	Milan	Richemont Italia S.p.A.	100.0%	€ 10 000
	Milan	YOOX NET-A-PORTER GROUP S.p.A.	100.0%	€ 1 384
Japan	Tokyo	Richemont Japan Limited	100.0%	JPY 250 000
	Tokyo	Yoox Japan	100.0%	JPY 10 000
Jersey	St Helier	Richemont Employee Benefits Limited	100.0%	CHF –
	St Helier	Richemont Luxury Group Limited	100.0%	CHF 4 722 900
	St Helier	RLG Property Ltd.	100.0%	€ 288 979
	St Helier	RLG Real Estate Partners LP	100.0%	€ 380 324

39. Principal Group companies continued

Country of incorporation	Location	Name of company	Effective interest	Share capital (currency 000's)
Luxembourg	Luxembourg	Richemont International Holding SA	100.0%	€ 603 435
	Luxembourg	RLG Property Holdings 2 Sarl	100.0%	€ 1 041
Malaysia	Kuala Lumpur	Richemont Luxury (Malaysia) SDN BHD	100.0%	MYR 1 000
Mexico	Mexico City	Richemont de Mexico SA de CV	100.0%	MXN 597 757
Monaco	Monte Carlo	RLG Monaco	100.0%	€ 239
Netherlands	Amsterdam	Cartier Europe B.V.	100.0%	€ 203
	Amsterdam	RLG Europe BV	100.0%	€ 17 700
Saudi Arabia	Riyadh	Richemont Saudi Arabia LLC	75.0%	SAR 26 667
Singapore	Singapore	Richemont Luxury (Singapore) Pte Ltd.	100.0%	SGD 100 000
South Africa	Bryanston	RLG Africa (Pty) Ltd	100.0%	ZAR 4 000
South Korea	Seoul	Richemont Korea Limited	100.0%	KRW 5 887 560
Spain	Madrid	Montblanc Iberia S.L.	100.0%	€ 1 000
	Madrid	Richemont Iberia S.L.	100.0%	€ 6 005
Switzerland	Villars-sur-Glâne	Richemont International SA	100.0%	CHF 1 007 500
	Villars-sur-Glâne	Richemont Suisse SA	100.0%	CHF 4 850
	Delémont	Varinor SA	100.0%	CHF 28 900
	Villars-sur-Glâne	Watchfinder Switzerland SA	100.0%	CHF 100
Thailand	Bangkok	Richemont Luxury (Thailand) Limited	100.0%	THB 729 000
Türkiye	Istanbul	Richemont Istanbul Luks Esya Dagitim AS	100.0%	TRY 1 003 959
United Arab Emirates	Dubai	Richemont (Dubai) FZE	100.0%	AED 9 000
	Dubai	YNAP Middle East General Trading LLC	66.6%	AED 300
United Kingdom	London	Alfred Dunhill Limited	100.0%	£ 698 315
	London	Cartier Limited	100.0%	£ 34 602
	London	Da Vinci Holdings Limited	51.0%	CNY 89
	London	James Purdey & Sons Limited	100.0%	£ 49 403
	London	Peter Millar UK Ltd.	100.0%	£ 14 400
	London	Richemont Holdings (UK) Limited	100.0%	£ 280 672
	London	The Net-A-Porter Group Limited	100.0%	£ 40 006
	London	Watchfinder.co.uk Limited	100.0%	£ 12
United States of America	Wilmington	Peter Millar Inc.	100.0%	US$ 122 465
	Wilmington	Richemont North America Holdings Inc.	100.0%	US$ 318 631
	Wilmington	Richemont North America Inc.	100.0%	US$ 146 015
	New York	YNAP Corporation	100.0%	US$ 45 002
	New York	Watchfinder North America Inc.	100.0%	US$ 50

Details of the Group's associates and joint ventures are provided in note 10.

39. Principal Group companies continued

Non-controlling interests in subsidiaries

The Group has no material non-controlling interests. The information that follows is the aggregate total for all subsidiaries with a non-controlling interest. The information is presented before elimination of intra-Group transactions and balances.

Balance sheet

	2024 €m	2023 €m
Non-current assets	**618**	201
Current assets	**373**	296
Non-current liabilities	**(114)**	(26)
Current liabilities	**(116)**	(78)
Intra-Group balances	**(199)**	(156)
	562	237
Carrying amount of non-controlling interests	**(114)**	(60)

Statement of comprehensive income

	2024 €m	2023 €m
Revenue	**500**	485
Profit/(loss)	**(233)**	(1)
Profit/(loss) allocated to non-controlling interests	**(7)**	(12)

Cash flow statement

	2024 €m	2023 €m
Cash flows from operating activities	**46**	(15)
Cash flows from investing activities	**(18)**	(22)
Cash flows from financing activities	**(5)**	49

40. Events after the reporting date

Dividend

An ordinary dividend of CHF 2.75 per ‘A’ share/10 ‘B’ shares is proposed for approval at the AGM of the Company, to be held on 11 September 2024. These financial statements do not reflect these dividends payable, which will be accounted for as an appropriation of retained earnings to be effected during the year ending 31 March 2024.

Revolving credit facility

On 5 April 2024, Richemont entered into a € 2 billion syndicated revolving credit facility with its strategic bank partners. This relationship facility has a five-year tenor with two one-year extension options.

Acquisition of Vhernier

On 7 May 2024, the Group reached an agreement to acquire 100% of the share capital of Vhernier SpA, an Italian jewellery Maison. Completion remains subject to certain customary conditions and regulatory approvals. Once completed, the transaction is not expected to have a material impact on the Group’s consolidated net assets or operating results for the year ended 31 March 2025.

Report of the statutory auditor

to the General Meeting of Compagnie Financière Richemont SA

Bellevue, Switzerland

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Compagnie Financière Richemont SA and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 March 2024, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the consolidated financial statements (pages 84 to 141) give a true and fair view of the consolidated financial position of the Group as at 31 March 2024 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards and comply with Swiss law.

Basis for opinion

We conducted our audit in accordance with Swiss law, International Standards on Auditing (ISAs) and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the 'Auditor’s responsibilities for the audit of the consolidated financial statements' section of our report. We are independent of the Group in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, as well as the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit approach

Overview

Overall Group materiality: EUR 200 million

We conducted full scope audit work at 37 reporting units in 18 countries. Our audit scope addressed over 88% of the Group's revenue.

As key audit matters the following areas of focus have been identified:

- Taxation
- Inventory provisions

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Materiality

The scope of our audit was influenced by our application of materiality. Our audit opinion aims to provide reasonable assurance that the consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall Group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the consolidated financial statements as a whole.

Overall Group materiality	EUR 200 million
Benchmark applied	Three-year average profit before tax
Rationale for the materiality benchmark applied	We chose profit before tax as the benchmark because, in our view, it is the benchmark against which the performance of the Group is most commonly measured. The three-year average reflects current market volatility. Moreover, profit before tax is a generally accepted benchmark for materiality considerations.

We agreed with the Audit Committee that we would report to them misstatements above EUR 10 million identified during our audit as well as any misstatements below that amount which, in our view, warranted reporting for qualitative reasons.

Audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

Due to the nature of its business and its organization, the Group has a decentralized structure and operates in several countries over four main regions (Asia, Europe, Americas and Middle East). Local full scope audit teams based in 18 different territories audit the business transactional operations and report to us on their audit results, in response to the instructions we sent to them. We, as group auditor, then ensure quality of their work by means of planning presentations with all teams, detailed review of their audit plan and final memorandum, and closing calls with teams of all significant entities. Procedures performed at group level include analytical procedures on entities not covered by group reporting requirements to ensure that any material risk is identified and addressed. We also assess the appropriateness of Group accounting policies, assess accounting treatment of material or unusual transactions when prepared centrally and audit the consolidation, which includes the central consolidation adjustments, amongst others share based compensation, tax, equity and intercompany eliminations and business combination accounting when applicable. We finally validate the compliance of the consolidated financial statements with IFRS Accounting Standards and Swiss law.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Taxation

Key audit matter	How our audit addressed the key audit matter
The Group is subject to taxation in many jurisdictions and management makes judgements about the incidence and quantum of tax liabilities that are subject to the future outcome of assessments by the relevant tax authorities. Accordingly, the calculation of tax expense and the related liability are subject to inherent uncertainty. To make those judgements, management follows an established and structured process whereby they systematically monitor and assess tax risks existence, development and settlement in each of their jurisdictions. The Group's main tax risks are transfer pricing being outside an arm's length benchmark range and potential adverse results for ongoing tax audits. Based on this methodology, management calculated uncertain tax positions which are accounted for as current income tax liabilities (EUR 923 million as at 31 March 2024). Refer to note 4 - Critical accounting estimates and assumptions and note 11 - Taxation.	We have confirmed the Group's exposure in various countries through inquiry with local and group management, audited management's process to assess the risk of tax payments in the different jurisdictions because of potential challenges to the tax returns or positions as well as the measurement and timing of recognition of the provision when applicable. We tested transactions with transfer pricing risks and risks of an adverse tax audit result for selected entities to assess that an appropriate level of provision including related penalty and interest is recorded. With the support of our internal tax experts, we examined the documentation outlining the matters in dispute or at risk and the benchmarks relied upon for transfer pricing and used our knowledge of the tax laws and other similar taxation matters to assess the available evidence, management's judgmental processes and the provisions. Based on the procedures performed, we concluded that management's tax estimates were reasonable.

Inventory provisions

Key audit matter	How our audit addressed the key audit matter
Inventory provisions totalled EUR 861 million at 31 March 2024. The need for provisions pertaining to slow moving or identified for dismantling finished goods is assessed centrally at the Maison level headquarters. Each Maison marketing and strategic functions classify their finished goods in product life cycle stages and a provision rate is determined for each stage based on both the selling out forecasts and the estimated recoverable value. Inventory provisions also include other provisions on finished goods (e.g. damage) and provisions on raw materials and work-in-progress. Each Maison has specific provision rules and computes independently their provision rates. Maison provision rules and final provision values are assessed for consistency and approved by Group management. Refer to note 4 - Critical accounting estimates and assumptions and note 13 - Inventories.	We coordinated specific tailored work and reporting for each Maison's material provisions on finished goods at the Maison headquarters. The procedures consisted of checking the Maisons' policies were correctly and consistently applied, were compliant with the Group accounting policies and the respective provision balances were correctly reflected in the accounting records via central adjustment. We also assessed the appropriateness of key assumptions, which include the recoverable value after dismantling and selling out assumptions. We also tested the appropriateness of other provisions on finished goods, raw materials and work in progress by reconciling significant inputs of the calculation file to the supporting documentation and testing the mathematical accuracy. We executed additional independent analytical review procedures at consolidated level and corroborated the results with management. We assessed the principles of the inventory provision rules and concluded that these were consistent between Maisons. As a result of our procedures performed, we determined that management's conclusions with respect to the carrying value of the inventory provision were reasonable.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements, the consolidated financial statements, the remuneration report and our auditor’s reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' responsibilities for the consolidated financial statements

The Board of Directors is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor’s responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law, ISAs and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Swiss law, ISAs and SA-CH, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors’ use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to

the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them regarding all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In accordance with article 728a para. 1 item 3 CO and PS-CH 890, we confirm the existence of an internal control system that has been designed, pursuant to the instructions of the Board of Directors, for the preparation of the consolidated financial statements.

We recommend that the consolidated financial statements submitted to you be approved.

PricewaterhouseCoopers SA

Guillaume Nayet License audit expert Auditor in charge	Yazen Jamjum Licensed audit expert

Geneva, 16 May 2024

Compagnie Financière Richemont SA
Company financial statements

Income statement

for the year ended 31 March

	Notes	2024 CHFm	2023 CHFm
Operating income			
Dividend income		**2 249.1**	1 733.1
		2 249.1	1 733.1
Operating expense			
General expenses	*3,4*	**29.4**	14.7
		29.4	14.7
Operating profit		**2 219.7**	1 718.4
Non-operating income/(expense)			
Financial income	*5*	**59.3**	34.9
Financial expenses	*5*	**(2.9)**	(1.7)
		56.4	33.2
Profit before taxes		**2 276.1**	1 751.6
Direct taxes		**(4.3)**	(2.9)
Net profit		**2 271.8**	1 748.7

Company financial statements

Balance sheet

at 31 March

	Notes	2024 CHFm	2023 CHFm
Current assets			
Cash and cash equivalents		**12.0**	43.7
Other receivables		**0.2**	0.3
Taxation		**1.4**	–
Current accounts receivable from Group companies		**2 075.5**	2 463.1
		2 089.1	2 507.1
Long-term assets			
Long-term loans receivable from a Group company		**90.1**	91.3
Investments	*6*	**6 622.3**	4 782.1
		6 712.4	4 873.4
Total assets		**8 801.5**	7 380.5
Current liabilities			
Current accounts payable to Group companies		**3.0**	2.1
Taxation		**3.0**	1.7
Accounts payable and accrued expenses		**0.7**	0.9
		6.7	4.7
Shareholders' equity			
Share capital	*7*	**591.3**	574.2
Share premium	*7*	**1 119.6**	–
Statutory legal reserve	*8*	**117.6**	117.6
Other statutory reserves	*7*	**11.4**	–
Reserve for own shares	*9*	**467.2**	347.2
Retained earnings brought forward	*10*	**4 215.9**	4 588.1
Profit for the year		**2 271.8**	1 748.7
		8 794.8	7 375.8
Total equity and liabilities		**8 801.5**	7 380.5

Compagnie Financière Richemont SA

Notes to the Company financial statements

at 31 March 2024

Note 1 – General

Compagnie Financière Richemont SA (‘the Company’) is a limited liability company (société anonyme) with registered office at 50 Chemin de la Chênaie, 1293 Bellevue, Geneva, Switzerland. The main activity of the Company is the holding of investments in the luxury goods sector. The Company employs fewer than ten full-time equivalent employees.

Basis of preparation of the financial statements

The financial statements represent the financial position of Compagnie Financière Richemont SA at 31 March 2024 and the results of its operations for the year then ended, prepared in accordance with Swiss law and the Company’s Articles of Incorporation.

Note 2 – Significant accounting policies

Current accounts receivable from Group companies

Current accounts receivable from Group companies are stated at their nominal value. Impairment charges are calculated for these assets on an individual basis.

Investments

Investments in subsidiary companies are stated at cost less amounts written off for diminutions in value which are considered to be of a durable nature.

Foreign currency translation

Assets and liabilities denominated in foreign currencies are translated into Swiss francs at year-end exchange rates, with the exception of investments in subsidiaries which are translated using historical exchange rates.

Foreign currency transactions are translated using the actual exchange rates prevailing during the year. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the year-end exchange rates of assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Note 3 – General expenses

General expenses include personnel costs of CHF 4.6 million (2023: CHF 3.6 million) and transaction costs related to the issuance of share capital of CHF 11.4 million.

Note 4 – Board and executive compensation disclosures

Details of compensation required by the Swiss Code of Obligations, art. 663 and following, can be found in note 36 to the consolidated financial statements and in the Compensation report.

Note 5 – Financial income/Financial expenses

Financial expenses include CHF 1.2 million of exchange losses incurred on loans receivable from a Group company. In 2023, financial expenses included CHF 0.8 million of exchange losses incurred on loans receivable from a Group company.

Note 6 – Investments

Company	Domicile	Purpose	% capital/voting rights	2024 CHFm	2023 CHFm
Richemont Holdings AG	Switzerland	Investment holding company	100%	**770.7**	770.7
Richemont International Holding SA	Luxembourg	Investment holding company	100%	**5 233.1**	3 392.9
Richemont International SA	Switzerland	Operating company	100%	**387.4**	387.4
Richemont Luxury Group Ltd	Jersey	Investment holding company	100%	**231.0**	231.0
Richemont Securities SA	Switzerland	Former depository/issuer of Richemont South African Depository Receipts	100%	**0.1**	0.1
				6 622.3	4 782.1

In addition, a list of significant direct and indirect subsidiaries can be found in note 39 to the consolidated financial statements.

Note 7 – Share capital

	2024 Number of shares	2024 CHFm	2023 Number of shares	2023 CHFm
‘A’ registered shares with a par value of CHF 1.00 each, fully paid				
Balance at 1 April	522 000 000	**522.0**	522 000 000	522.0
Increase from warrant exercises	15 582 089	**15.6**	–	–
Balance at 31 March	537 582 089	**537.6**	522 000 000	522.0
‘B’ registered shares with a par value of CHF 0.10 each, fully paid				
Balance at 1 April	522 000 000	**52.2**	522 000 000	52.2
Increase from warrant exercises	15 582 089	**1.5**	–	–
Balance at 31 March	537 582 089	**53.7**	522 000 000	52.2
		591.3		574.2

Issue of share capital

In November 2020, shareholders were granted tradeable warrants, which could either be traded or used to acquire new shares at a potentially beneficial price three years after issue. Each ‘A’ shareholder received two ‘A’ warrants and each ‘B’ shareholder received two ‘B’ warrants. The warrants were exercisable in November 2023, with 67 ‘A’ warrants and CHF 67 required to acquire one ‘A’ share (67 ‘B’ warrants and CHF 6.70 to acquire one ‘B’ share). Prior to exercise, the ‘A’ warrants were listed on the SIX Swiss Exchange.

The share premium paid in was reduced by statutory reserves for an amount equivalent to the transaction costs of the share capital issuance of CHF 11.4 million.

Note 8 – Statutory legal reserve

The legal reserve of CHF 117.6 million (2023: CHF 117.6 million) is not available for distribution.

Note 9 – Reserve for own shares

The reserve is created in respect of Richemont ‘A’ shares purchased by Richemont Employee Benefits Limited (‘REBL’), a subsidiary company.

During the year REBL purchased 360 000 ‘A’ shares on the open market (2023: 0 ‘A’ shares).

During the year 1 512 654 ‘A’ shares (2023: 1 728 763 ‘A’ shares) were delivered to executives under Richemont long-term incentive plans by REBL and a further 1 113 930 ‘A’ shares (2023: 1 042 541 ‘A’ shares) were sold to a third party following the exercise of over-the-counter call options linked to the hedging programme.

At 31 March 2023, REBL held 277 828 738 ‘A’ warrants (2022: 277 828 738 ‘A’ warrants) that were issued under the equity-based loyalty scheme described in note 7, and acquired an additional 11 462 330 warrants during the year. Upon expiry in November 2023 REBL exercised the ‘A’ warrants, according to the terms defined in the loyalty scheme, receiving 4 317 776 new ‘A’ shares.

At 31 March 2024, following these transactions, REBL held 6 041 512 Richemont ‘A’ shares (2023: 3 990 320 ‘A’ shares) with a cost of CHF 467.2 million (2023: CHF 347.2 million). In terms of the reserve for own shares established in respect of purchased shares, a net amount of CHF 120.0 million has been transferred to the reserve (2023: CHF 186.5 million from the reserve) during the year.

During the years ended 31 March 2024 and 31 March 2023, Richemont Stock Units (‘RSUs’) and Performance Stock Units (‘PSUs’) were granted under the Richemont long-term incentive plan to certain executives resident in the United States, of which 20 251, respectively 23 581, were granted by the Company. Each RSU/PSU entitles the executive to receive one Richemont ‘A’ share. These securities were valued at a price of CHF 134.54, respectively 104.61, at the date of grant, vest over three years and expire on 31 July 2026, respectively 1 August 2025.

In order to hedge the obligations in respect of these options, the Company has entered into an arrangement to purchase, from REBL, an equivalent number of call options on the same terms and conditions as those granted to executives.

Notes to the Company financial statements continued

Note 10 – Retained earnings

	2024 CHFm	2023 CHFm
Balance at 1 April	**6 336.8**	6 251.6
Dividend paid	**(2 000.9)**	(1 850.0)
Net transfer (to)/from reserve for own shares	**(120.0)**	186.5
Net retained earnings brought forward	**4 215.9**	4 588.1
Net profit	**2 271.8**	1 748.7
Balance to be carried forward	**6 487.7**	6 336.8

Note 11 – Commitments and contingencies

At 31 March 2024, the Company had issued guarantees in favour of Group companies for credit facilities up to a maximum of CHF 5 984.2 million (2023: CHF 6 197.8 million).

The directors believe that there are no other contingent liabilities.

Note 12 – Significant shareholders

Compagnie Financière Rupert

Compagnie Financière Rupert, a Swiss partnership limited by shares, holds 6 418 850 Richemont 'A' shares and 537 582 089 Richemont 'B' registered shares, representing 10% of the equity of the Company and controlling 51% of the Company's voting rights. Mr Johann Rupert, Chairman of Richemont, is the sole General Managing Partner of Compagnie Financière Rupert. Mr Anton Rupert, non-executive director of the Company, is a partner of Compagnie Financière Rupert.

Parties associated with Mr Johann Rupert and Compagnie Financière Rupert held a further 2 921 335 'A' shares at 31 March 2024.

Other significant shareholders

Prior to the listing of the Company's 'A' shares on the Johannesburg Stock Exchange on 19 April 2023, Richemont Securities SA, a subsidiary of the Company, acted as depository in respect of Richemont South African Depository Receipts ('DRs'), which were traded on the Johannesburg Stock Exchange operated by JSE Limited. DRs trade in the ratio of ten DRs to each Richemont 'A' share. In its capacity as depository and on behalf of the holders of DRs, Richemont Securities SA was the registered holder of one 'A' share in safe custody for every ten DRs in issue. Richemont Securities SA's interest in Richemont 'A' shares was non-beneficial in nature.

At 31 March 2024, Richemont Securities SA held no Richemont 'A' shares (2023: 71 399 001 shares), representing some 0% (2023: 14%) of the 'A' shares, in safe custody in respect of DRs in issue.

Note 13 – Post-balance sheet event

On 5 April 2024, the Company's subsidiary, Richemont International Holding SA, and the Company entered into a € 2 billion syndicated revolving credit facility with their strategic bank partners. This relationship facility has a five-year tenor with two one-year extension options.

Proposal of the Board of Directors for the appropriation of retained earnings

At 31 March 2024

	CHFm
Available retained earnings	
Balance at 1 April 2023	**6 336.8**
Dividend paid	**(2 000.9)**
Net transfer from reserve for own shares	**(120.0)**
Net profit	**2 271.8**
Balance at 31 March 2024	**6 487.7**

Proposed appropriation

The amount of CHF 3.5 million will be allocated to the statutory legal reserve in relation to the issuance of new share capital in accordance with Swiss law.

The proposed ordinary dividend payable to Richemont shareholders will be CHF 2.75 per Richemont share. This is equivalent to CHF 2.75 per 'A' registered share in the Company and CHF 0.275 per 'B' registered share in the Company. It will be payable to Richemont shareholders in September 2024, free of charges but subject to Swiss withholding tax at 35%, at the banks designated as paying agents.

The available retained earnings remaining after deduction of the dividend amount and allocation to the statutory legal reserve will be carried forward to the following business year.

The Board of Directors
Geneva, 16 May 2024

Report of the statutory auditor

to the General Meeting of Compagnie Financière Richemont SA

Bellevue, Switzerland

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Compagnie Financière Richemont SA (the Company), which comprise the balance sheet as at 31 March 2024, and the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements (page 148 to 153) comply with Swiss law and the Company's articles of incorporation.

Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit approach

Overview

Overall materiality: CHF 44 million

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which the Company operates.

We have determined that there are no key audit matters to communicate in our report.

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Materiality

The scope of our audit was influenced by our application of materiality. Our audit opinion aims to provide reasonable assurance that the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the financial statements as a whole.

• **Overall materiality**	CHF 44 million
• **Benchmark applied**	Total assets
• **Rationale for the materiality benchmark applied**	We chose total assets as the benchmark to determine our overall audit materiality, because, in our view, this metric is the most relevant factor when assessing a holding company which has limited operating activities, and which holds mainly investments in subsidiaries and intra-group loans.

We agreed with the Audit Committee that we would report to them misstatements above CHF 4.4 million identified during our audit as well as any misstatements below that amount which, in our view, warranted reporting for qualitative reasons.

Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we considered where subjective judgements were made; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Key audit matters

We have determined that there are no key audit matters to communicate in our report.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements, the consolidated financial statements, the remuneration report and our auditor's reports thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' responsibilities for the financial statements

The Board of Directors is responsible for the preparation of financial statements in accordance with the provisions of Swiss law and the Company’s articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor’s responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors’ use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them regarding all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In accordance with article 728a para. 1 item 3 CO and PS-CH 890, we confirm the existence of an internal control system that has been designed, pursuant to the instructions of the Board of Directors, for the preparation of the financial statements.

We further confirm that the proposed appropriation of available earnings comply with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

PricewaterhouseCoopers SA

Guillaume Nayet	Yazen Jamjum
License audit expert	Licensed audit expert
Auditor in charge	

Geneva, 16 May 2024