

WHAT MOVES YOU, MAKES YOU

Spike Lee with his Meisterstück pen.
Provoking thought since 1986.



MONTBLANC

Financials

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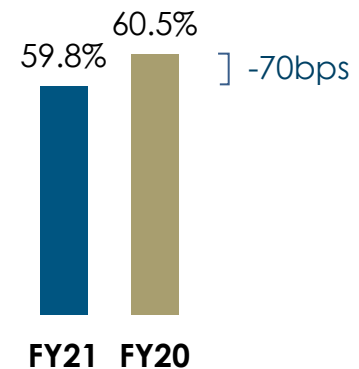
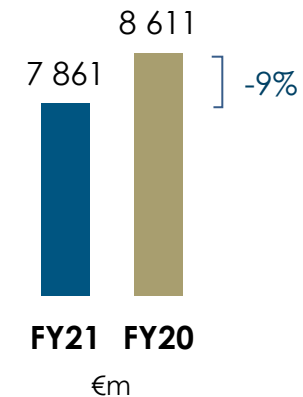
RICHEMONT

FY21 GROSS PROFIT

› **Gross profit decreased by 9%**

› **Gross margin at 59.8%, down 70bps**

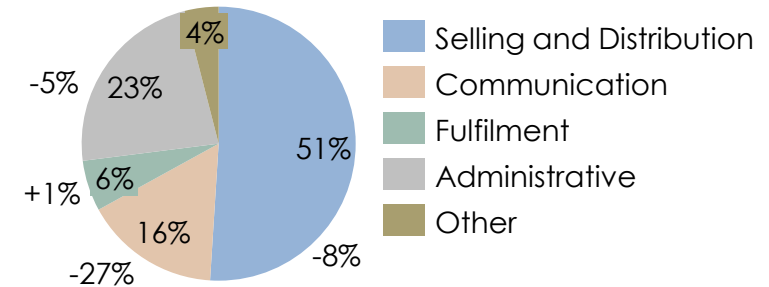
- Lower manufacturing capacity utilisation
- Adverse currency movements
- Higher gold prices
- Higher sales mix towards locations with higher import duties
- Highly competitive pricing environment at Online Distributors



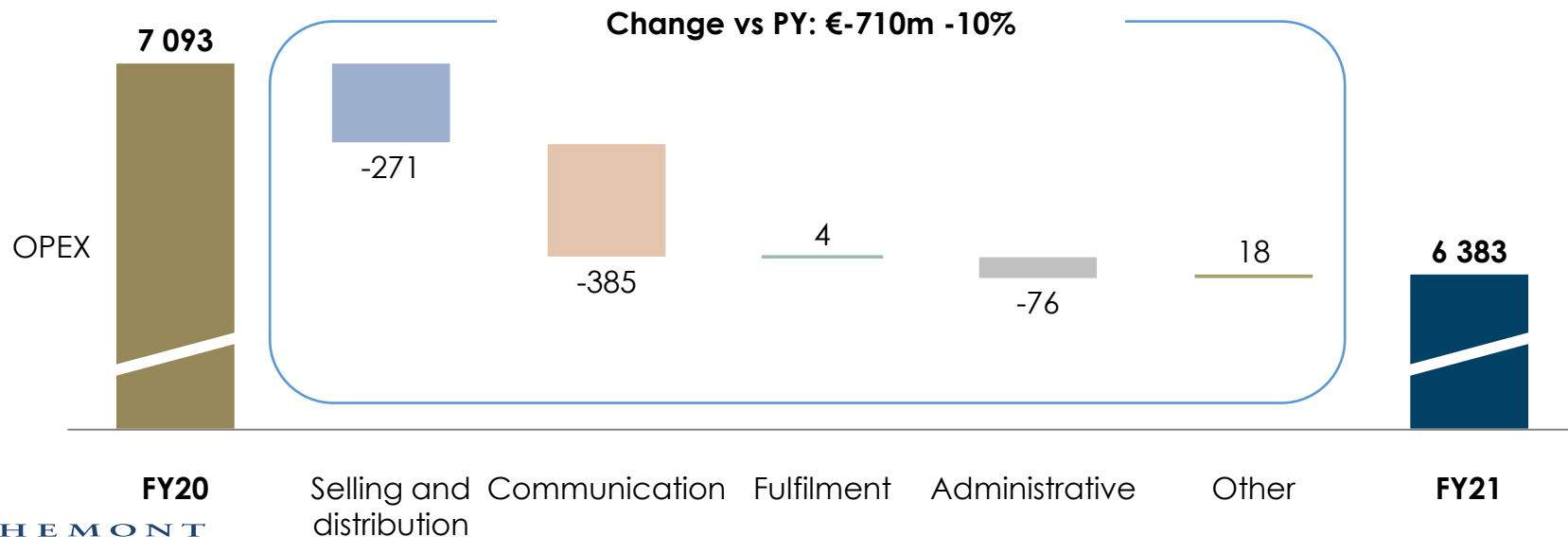
FY21 OPERATING EXPENSES

› 10% reduction in operating expenses, outpacing sales decline

- Strict cost control on Selling and Distribution
- Communication costs down due to lower spending and physical event cancellations, mostly in H1
- Administrative costs down 5%



› Overall 48.6% of sales



FY21 OPERATING PROFIT

- › **Operating profit lower by 3%**
- › **Operating margin up 50bps to 11.2%**

12 months	€m	FY21	FY20	Change
Sales		13 144	14 238	-8%
Gross profit		7 861	8 611	-9%
Net operating expenses		-6 383	-7 093	-10%
Selling and distribution expenses		-3 241	-3 512	-8%
Communication expenses		-1 030	-1 415	-27%
Fulfilment expenses		-356	-352	+1%
Administrative expenses		-1 484	-1 560	-5%
Other expenses		-272	-254	+7%
Operating profit		1 478	1 518	-3%
Gross margin		59.8%	60.5%	
Operating margin		11.2%	10.7%	
Net operating expenses as a % of sales		48.6%	49.8%	

FY21 NET FINANCE INCOME/(COSTS)

› **€362m swing in net finance income due to**

- Negative swing of €72m in financial expense line and of €124m in hedging activities
- More than offset by a favourable variance of €294m in net forex on monetary items and €255m improvement in fair value adjustments

12 months	€m	FY21	FY20	Change
Financial (expense)/income, net		-67	+5	-72
Lease liability interest expense		-65	-74	+9
Net foreign exchange gains/(losses) on monetary items		+49	-245	+294
Net (losses)/gains on hedging activities		-80	+44	-124
Fair value adjustments		+188	-67	+255
Net finance income/(costs)		+25	-337	+362

FY21 PROFIT FOR THE YEAR

- › **Profit up by 38% to €1 289m**, reflecting primarily a €362m swing in net finance income
- › **Profit margin up 330bps to 9.8%**

12 months	€m	FY21	FY20	Change
Operating profit		1 478	1 518	-3%
Net finance income/(costs)		25	- 337	NR
Share of equity-accounted investments' results		12	17	-29%
Profit before taxation		1 515	1 198	+26%
Taxation		-226	-267	-15%
Profit for the year		1 289	931	+38%
Profit margin		9.8%	6.5%	+330bps

FY21 CASH FLOW FROM OPERATING ACTIVITIES

› **€848m increase in cash flow from operating activities due to**

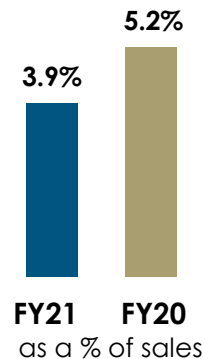
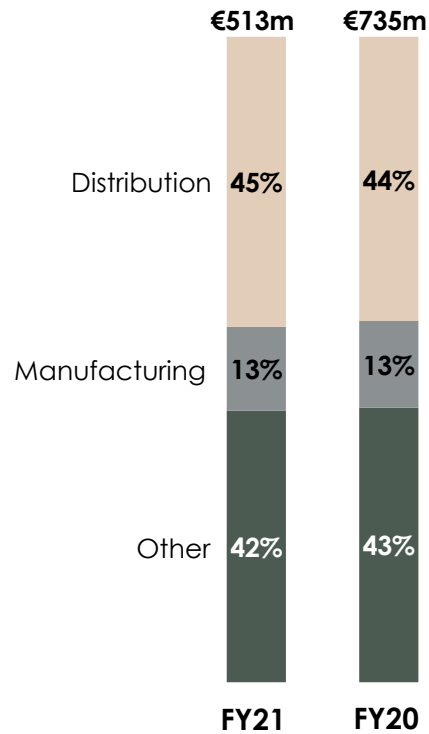
- Stringent inventory control and working capital management
- Sequential normalisation of debtor and creditor positions as trading conditions improved

12 months	€m	FY21	FY20	Change
Operating profit		1 478	1 518	-40
Adjustment for depreciation and amortisation		1 522	1 492	+30
Adjustment for other non-cash items		32	114	-82
Changes in working capital		529	-327	+856
Taxation paid		-248	-373	+125
Net financing receipts/(payments)		-95	-54	-41
Cash flow from operating activities		3 218	2 370	+848

FY21 CAPITAL EXPENDITURE

› Capex 30% lower than prior year

- Selective investments in store network, and manufacturing facilities for Cartier
- Investments in IT, mainly at NET-A-PORTER and YOOX



Cartier - Saint Honoré, Paris



Van Cleef & Arpels - Prince's Building, Hong Kong SAR

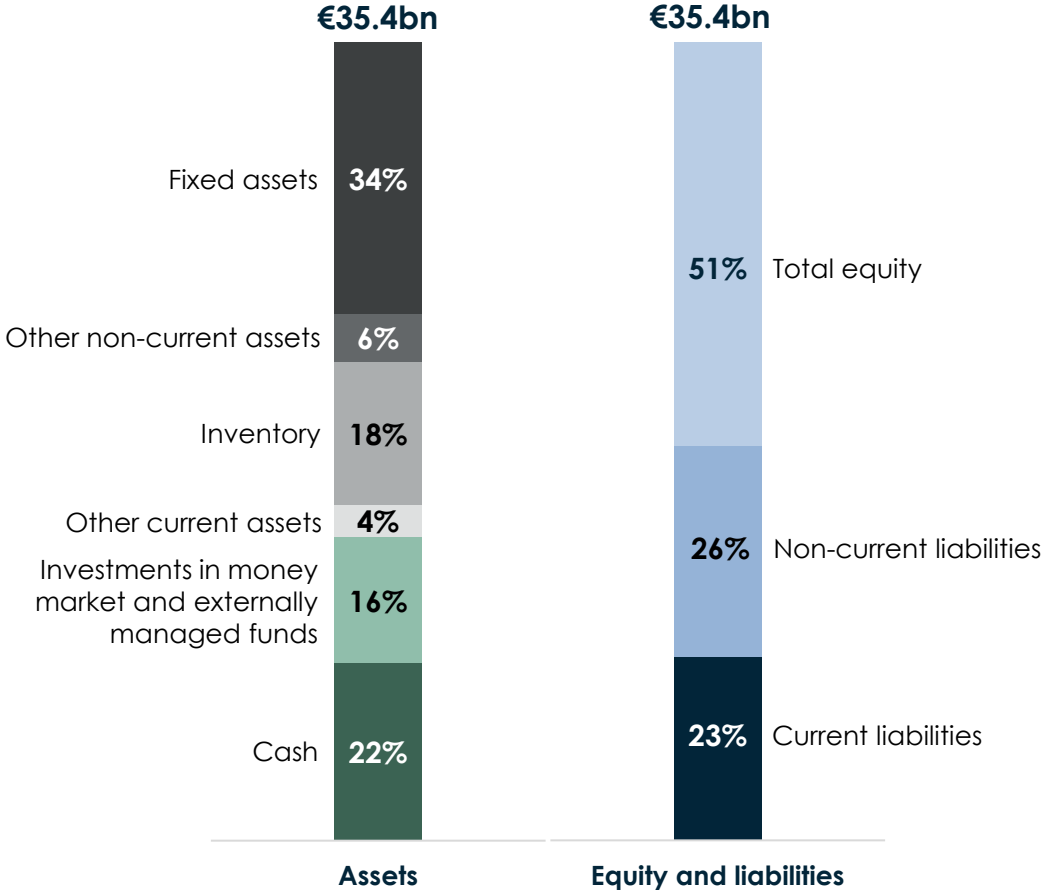
FY21 FREE CASH FLOW

› Strong increase in free cash flow

- Higher cash flow from operating activities, lower capital expenditures and lease payments partly due to rent relief
- Partly offset by investment in Farfetch convertible notes

12 months	€m	FY21	FY20	Change
Cash flow from operating activities		3 218	2 370	+848
Net acquisition of tangible assets		-372	-568	+196
Net acquisition of intangible assets		-127	-165	+38
Payments capitalised as right of use assets		-	-2	+2
Net acquisition of investment property		-1	-4	+3
Net acquisition of other non-current assets		-367	-19	-348
Lease payments - principal		-561	-588	+27
Total free cash inflow		1 790	1 024	+766

BALANCE SHEET STRENGTH



DIVIDEND

- › **The Board proposes a dividend of CHF2.00 per 1 A share/ 10 B shares**
- › **100% increase**, given an improving economic environment, solid cash flow generation and attractive long term prospects for the luxury goods industry