KERING

2023
Financial Document

TABLE OF CONTENTS

CHAPTER 1

2023 key figures

KERING IN 2023

Revenue

€19,566 million

-4%

as reported versus 2022

-2%

on a comparable basis[1] versus 2022

Recurring operating income

€4,746 million

-15%

versus 2022

24.3%

recurring operating margin

Net income attributable to the Group

€2,983 million

Dividend per share

€14[2]

Free cash flow from operations[3]

€1,983 million

Free cash flow from operations

excluding strategic real estate acquisition and disposal

€3,321 million

48,964

employees
as of December 31, 2023[4]

-58%

in the Group's environmental footprint
(EP&L intensity 2015-2023)

57%

women managers

CDP Triple A List

Climate - Water - Forests

(1) Comparable revenue is defined on page 36.
(2) Subject to the approval of the Annual General Meeting to be held on April 25, 2024.
(3) Free cash flow from operations is defined on page 37.
(4) Average 46,014 FTE in 2023.

Key consolidated figures

(in € millions)	2023	2022	Change (reported)
Revenue	**19,566**	**20,351**	**-4%**
EBITDA	**6,569**	**7,255**	**-9%**
EBITDA margin (% of revenue)	*33.6%*	*35.6%*	*-2.0 pts*
Recurring operating income	**4,746**	**5,589**	**-15%**
Recurring operating margin (% of revenue)	*24.3%*	*27.5%*	*-3.2 pts*
Net income attributable to the Group	**2,983**	**3,614**	**-17%**
o/w continuing operations excluding non-recurring items	**3,061**	**3,747**	**-18%**
Gross operating investments(1)	**2,611**	**1,071**	**+144%**
Free cash flow from operations(2)	**1,983**	**3,208**	**-38%**
Net debt(3)	**8,504**	**2,306**	**N/A**

(1) Purchases of property, plant and equipment and intangible assets.
(2) Free cash flow from operations is defined on page 37.
(3) Net debt is defined on page 37.

Per share data

(in €)	2023	2022	Change (reported)
Net income attributable to the Group	24.38	29.34	-17%
o/w continuing operations excluding non-recurring items	25.02	30.42	-18%
Dividend per share	14.00 (1)	14.00	–

(1) Subject to the approval of the Annual General Meeting to be held on April 25, 2024.

Revenue

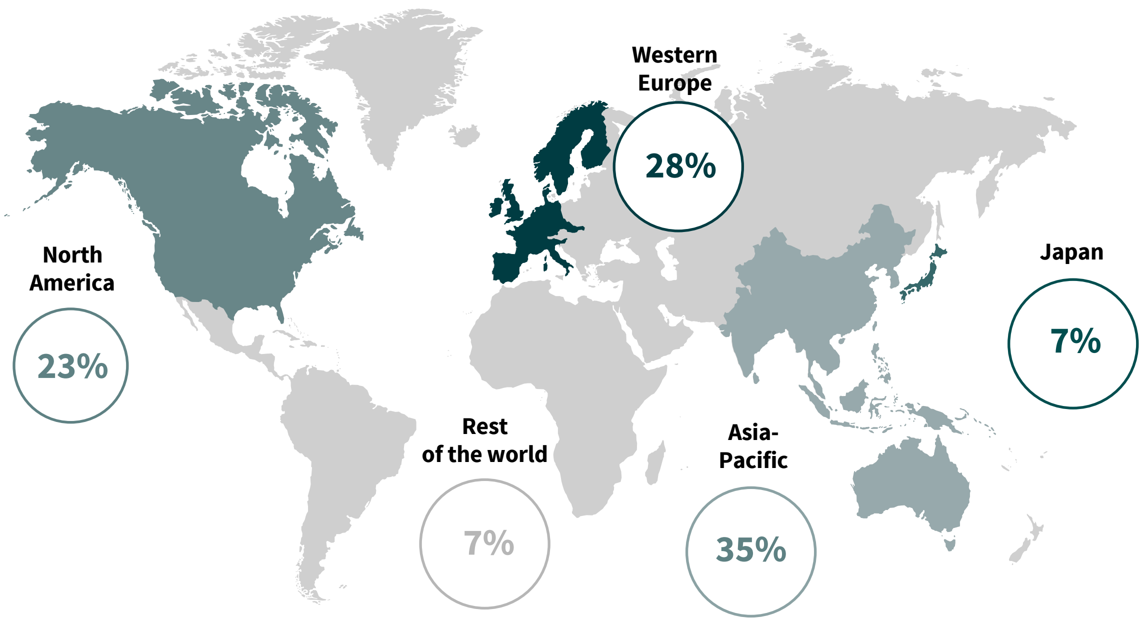
Breakdown by segment

(in € millions)	2023	2022	Reported change	Comparable change[1]
Gucci	9,873	10,487	-6%	-2%
Yves Saint Laurent	3,179	3,300	-4%	-1%
Bottega Veneta	1,645	1,740	-5%	-2%
Other Houses	3,514	3,874	-9%	-8%
Kering Eyewear and Corporate	1,568	1,139	+38%	+11%
Eliminations	*(213)*	*(189)*	*N/A*	*N/A*
Revenue	**19,566**	**20,351**	**-4%**	**-2%**

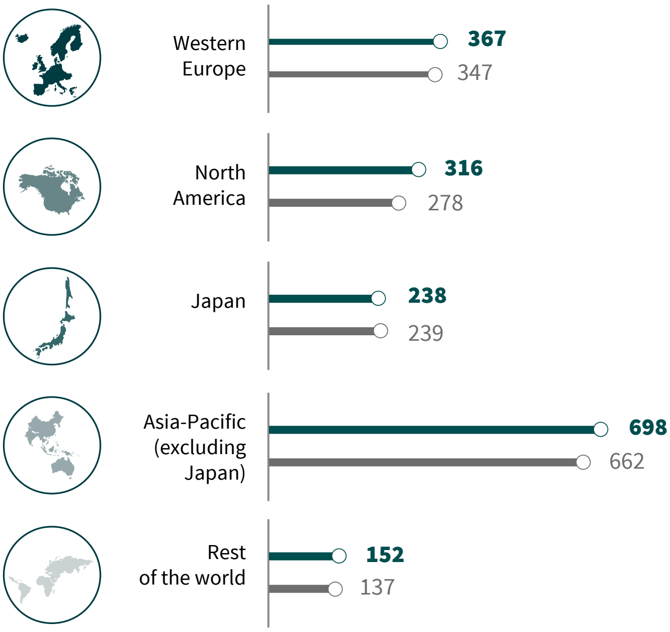
(1) On a comparable scope and exchange rate basis. Comparable growth is defined on page 36.

Breakdown by region

(as a % of consolidated revenue)



Number of directly operated stores by region



1,771
Total as of Dec. 31, 2023

1,663
Total as of Dec. 31, 2022

Recurring operating income

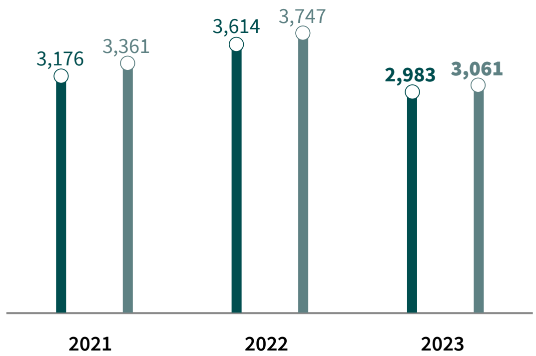
Breakdown of recurring operating income by segment

(in € millions)	2023	2022	Change
Gucci	3,264	3,732	-13%
Yves Saint Laurent	969	1,019	-5%
Bottega Veneta	312	366	-15%
Other Houses	212	558	-62%
Kering Eyewear and Corporate	(7)	(88)	+92%
Eliminations	*(4)*	*2*	*N/A*
GROUP	**4,746**	**5,589**	**-15%**
Recurring operating margin (% of revenue)	*24.3%*	*27.5%*	*-3.2 pts*

Other financial indicators

Net income attributable to the Group

(in € millions)

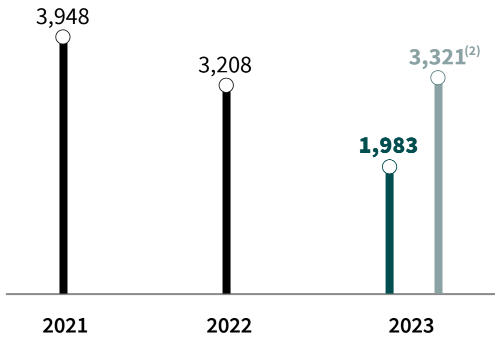


Net income attributable to the Group

Net income from continuing operations (excluding non-recurring items) attributable to the Group

Free cash flow from operations[1]

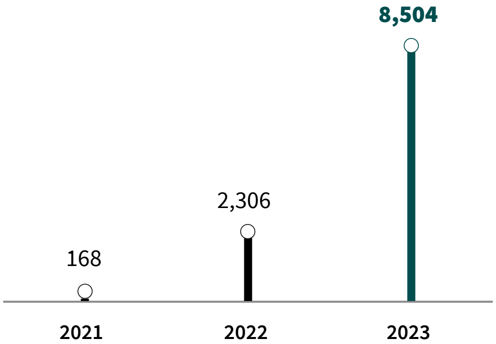
(in € millions)



(1) Free cash flow from operation is defined on page 37.
(2) Excluding strategic real estate acquisition and disposal.

Net debt[3]

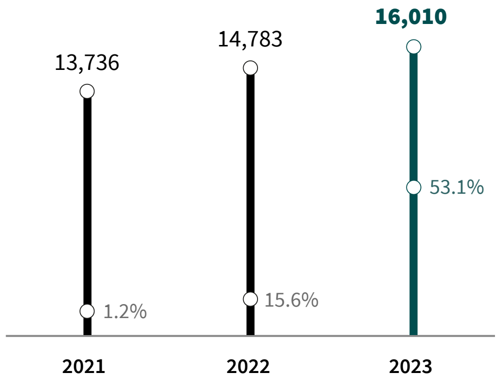
(in € millions)



(3) Net debt is defined on page 37.

Equity and net debt-to-equity ratio[4]

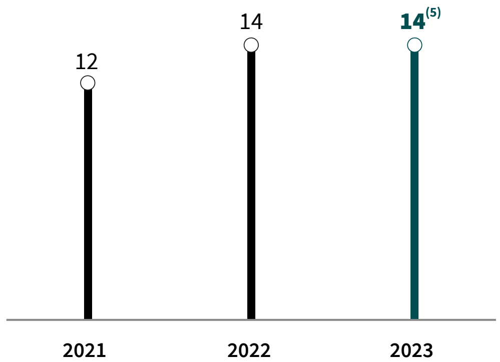
(in € millions and %)



(4) Net debt is defined on page 37.

Dividend per share

(in €)



(5) Subject to the approval of the Annual General Meeting to be held on April 25, 2024.

CHAPTER 2

Activity report

1 - INTRODUCTION

The global Luxury market in 2023

After a good momentum in 2022 - with sales growth of around 15% at constant exchange rates[(1)] - the Luxury sector saw its growth return to normal over the course of 2023.

While sales are expected to show an increase of 8-11%[(1)] over the year as a whole, growth was much less strong in the second half of 2023. Sales growth for the fourth quarter of 2023 is expected around 6%[(2)] , only a slight improvement compared to the third-quarter. By contrast, growth was almost 17% in the first half of 2023.

In 2023, Luxury market's development is closely related to the geopolitical, public health and macroeconomic context, the main dynamics in which can be summarized as follows:

- In May 2023, the World Health Organization (WHO) declared the end of the international public health emergency related to COVID-19. Consequently, the endemic persistence of the illness had no impact on the Luxury market in the first half of 2023. However, since China continued its extremely strict "zero-COVID" policy throughout 2022 – particularly in the second and fourth quarters – the base for comparison regarding Luxury brands' performance in Mainland China was to some extent favorable, although it varied widely from one quarter to another and between provinces.
- The armed conflict between Russia and Ukraine that began in February 2022 continued to have a very limited direct impact on the business activities of major Luxury brands. However, it contributed to inflationary pressure and the deterioration in the global economic outlook.
- Based on Oxford Economics projections[(3)], expectations regarding global economic growth have been upgraded. Those projections show the world economy growing by 2.6% in 2023, whereas the growth forecast at the start of the year was 1.6%. However, this remains lower than the growth rate of 3.1% achieved on average between 2010 and 2019 and in 2022. The vast majority of OECD members should see growth within a range of 0.5-2.5%. Growth in Gross World Product (GWP) is likely to be driven by the rebound in the Chinese economy – which is expected at 5.2%, although this is well below the 7.7% average rate seen between 2010 and 2019 – and strong performance in Southeast Asian economies (4.3%).
- Inflation, after reaching very high levels in 2022 (8.4% in the eurozone and 8% in the United States) seems to be on a gradual but significant downtrend, due in particular to lower energy prices. However, inflation has not yet fallen enough to meet central bank targets. It continues to have a material impact on the amount households are spending on basic necessities, and is therefore a drag on their purchasing power.
- The rate-hiking cycle carried out by central banks in the main OECD economies seems to have come to an end in 2023. Interest rates are likely to fall gradually in 2024, although they are expected to remain relatively high, which could continue to affect the real estate market, as well as dragging down households' confidence levels and propensity to consume. However, financial markets rallied in 2023 – with the Nasdaq up 43% and the S&P 500 up 24% – which is a positive factor that is likely to support demand for luxury goods at a time when excess savings put aside during the COVID-19 pandemic in 2020 have to a large extent been spent.
- After 2022 saw very large movements in exchange rates between the world's main currencies, driven by central bank monetary policies, the Euro rose against other major currencies in 2023. This resulted in an overall narrowing in price differences between regions, although in many cases they remained large enough to encourage tourists to buy luxury goods when traveling.
- The post-pandemic phase has also brought a renewed desire among consumers to pay for experiences, so spending on services is now growing more quickly than spending on goods. For consumers with less purchasing power, this is very probably causing them to reallocate their budgets, spending more on leisure, eating out and travel instead of products made by Luxury brands.

The aforementioned trends are affecting the main markets to different extents. In addition, the performances of Luxury brands may differ materially from one region to another as a result of variations in tourist numbers and bases for comparison.

- The recovery in tourism accelerated in Europe, Asia and the Middle East in the first half of 2023. In the second half, growth rates slowed in Europe and the Middle East because of a high base for comparison. However, travel bookings by Chinese people rose rapidly in 2023, primarily to Asian destinations and gradually to Europe, although they have not yet recovered to their 2019 level overall. This trend is boosting the sales of stores in the main tourist destinations.
- Business levels in Western Europe were very solid in the first half of 2023, but slowed sharply from the third quarter onward. Sales to tourists underpinned positive trends to a large extent, but the growth rate moved steadily back to more normal levels because of the gradually rising base for comparison. Domestic demand came under more pressure due to the wait-and-see attitude of European consumers.
- After strong growth between the end of 2020 and mid-2022, North America is the region where business levels suffered most from weaker demand among the most aspirational customers and from American tourists shifting their purchases to other geographies, where they can buy at lower prices. Trends appeared to improve toward the end of the year, although this was primarily due to a less challenging base for comparison.

---

(1) Bain & Company-Altagamma, Euromonitor, panel of financial analysts.
(2) Based on average projections in financial analyst reports published in late December 2023 and early January 2024.
(3) Oxford Economics is the source of all macroeconomic data in this document unless otherwise mentioned.

- Despite a slowdown in growth at the end of the year, sales in Japan were very strong in 2023. Growth was largely driven by sales to Asian tourists, attracted by price differentials arising from movements in the exchange rate between the Japanese yen and other currencies. The number of Chinese tourists has also risen in Japan, although in the second half of the year it was still almost 60% below their 2019 level[4].
- Growth in China rebounded, particularly in the second quarter and to a lesser extent in the fourth, compared with the very unusual trends seen in 2022. However, indicators show that the recovery in the Chinese economy, although solid overall, remains exposed to certain risk factors – including population aging, youth employment and the decline in the real-estate market – which are also weighing on consumer confidence. Sales growth in mainland China was therefore robust but volatile, and more fragile in the second half. In contrast, sales in Hong Kong SAR and Macau SAR grew strongly in 2023, with large amounts of buying by consumers from Mainland China.
- In the rest of the Asia-Pacific region, sales continued to rise in Southeast Asia as the region saw firm economic development in its various countries and good levels of tourism. The South Korean market was affected by weaker local demand caused by slower growth in the country's economy, tighter credit conditions and certain South Korean consumers buying products in other regional markets because of price differentials.
- Finally, in the other regions of the world, sales growth returned to more normal levels after several quarters of very strong growth.

Another effect of economic trends is that the impact of deep-seated changes in the Luxury industry in recent years, amplified by the COVID-19 crisis, seems to have faded further in 2023.

- Online sales growth is converging with that seen in physical retail networks, which has, since 2022, benefited from a rebound in tourism and lower bases for comparison. In some regions, online sales may even have started to fall because of the online channel's exposure to more aspirational customers. As a result, online sales as a proportion of total sector sales are stabilizing or falling slightly depending on the region and brand.
- In the short and medium term, demand from Generations Y and Z remains one of the principal growth drivers for the global Luxury market. The proportion of sales coming from this customer segment increased in 2023, but at a slower rate, because penetration was already high at the end of 2022 (an estimated 65% of revenue according to Bain & Company-Altagamma).
- The Luxury market is seeing a premiumization trend in terms of both supply and demand, and this was confirmed in 2023. This trend is largely related to the economic situation, with high inflation and falling purchasing power affecting the less wealthy customer segments but leaving customers with the highest income or wealth levels relatively unaffected. In addition, the most timeless and upscale products are regarded as safe-haven assets at a time of uncertainty about other asset classes. As a result, the market has recently been more positive for Jewelry, Watches and certain types of Leather goods. Ready-to-wear clothing is also benefiting from this trend, supported by the renewed popularity of more formal clothing among consumers, the upturn in Chinese demand and the resilience of the wealthiest customers. Distribution channels are also being affected, particularly online sales or US department stores.

At this stage, it remains difficult to predict how the Luxury market will develop in 2024. The ongoing recovery in Chinese demand – particularly among Chinese tourists – and the lower base for comparison in several regions of the world could have a positive impact on growth in the coming months, and particularly in the second half of the year. However, demand from domestic customers could remain under pressure due to economic uncertainties, since 2024 growth forecasts for the global economy have been downgraded.

As an illustration of ongoing uncertainty regarding the macroeconomic and geopolitical context, forecasts regarding the Luxury sector's growth in full-year 2024 vary widely: Bain & Company-Altagamma expects growth of between 1% and 7%, although forecasts in financial analysts' recent reports have been more optimistic, predicting growth of 6% on average. Experts agree that growth is likely to be very limited in the first half of 2024.

(4) Forward Keys.

2 - SIGNIFICANT EVENTS OF 2023

Acquisition of prestigious real-estate assets in Paris

In 2023, Kering acquired three prestigious buildings in Paris, located on Rue de Castiglione (close to Place Vendôme in the first *arrondissement*) and Avenue Montaigne (in the eighth *arrondissement*).

Those investments form part of Kering's selective real-estate strategy aimed at securing key locations that are highly desirable for its Houses.

In accordance with its long-term financial strategy, the Group intends to implement a disciplined and flexible approach to managing its real-estate portfolio.

Appointment of Sabato de Sarno as Creative Director of Gucci

Sabato De Sarno's appointment as Creative Director of Gucci was announced on January 28, 2023. He is responsible for defining and expressing the House's creative vision accross the Women's, Men's, Leather goods, Accessories and Lifestyle collections.

Sabato De Sarno presented his debut runaway collection at Milan Women's Fashion Week in September 2023.

Appointment of Raffaella Cornaggia as Chief Executive Officer of Kering Beauté

Raffaella Cornaggia was appointed as CEO of Kering Beauté on February 3, 2023. Based in Paris, she is a member of the Group's Executive Committee. Supported by a team of seasoned professionals, her role is to develop an expertise in the Beauty category for Bottega Veneta, Balenciaga, Alexander McQueen, Pomellato and Qeelin.

Launch of Gucci's "Circular Hub", the first hub to power a Circular Made in Italy

With the support of Kering, Gucci launched its "Circular Hub", the first hub for circular luxury in Italy on February 21, 2023. Its aim is to accelerate the circular transformation of the Italian fashion industry's production model across the entire value chain, starting from raw materials and design, through production optimisation and logistics. This innovation platform will support the design and manufacturing of circular products as well as the scouting of new solutions.

Kering commits to next horizon in sustainability with group-wide target for reducing absolute emissions by 40%

On March 17, 2023, Kering announced a commitment to reduce its absolute greenhouse gas emissions by 40% by 2035, on a 2021 baseline. This new target covering scopes 1, 2 and 3 of the Greenhouse Gas Protocol (GHG Protocol), continues the evolution of the Group's sustainability strategy and represents a necessary step to accelerate the implementation of the Group's vision of a modern and responsible luxury.

Preliminary investigation by the European Commission

In the scope of an inspection carried out as part of a preliminary investigation into the fashion sector in several countries under EU antitrust rules, the European Commission has started on April 18, 2023, an inspection at the Italian premises of Gucci, a subsidiary of Kering. The Group is fully cooperating with the Commission in the context of this investigation.

Departure of Daniela Riccardi from Kering's Board of Directors and appointment of Maureen Chiquet

At the Board of Directors meeting following the Annual General Meeting on Thursday, April 27, 2023, Daniela Riccardi submitted her resignation from her position as a Director of Kering. On July 18, 2023, the Board of Directors, after consultation with the Nominations & Governance Committee, decided to coopt Maureen Chiquet as independent director for the remainder of Daniela Riccardi's term of office, until 2026. She joined Kering's Board of Directors in September 2023. Maureen Chiquet, a US citizen, has more than 35 years' experience in the fashion and luxury goods sector, including nine years as Global CEO of Chanel.

Further integration of Kering's supply chain

Kering Eyewear strengthened its position in the luxury eyewear industry by acquiring 100% of *Usinage & Nouvelles Technologies* (UNT) on June 30, 2023. UNT is located in the Jura region of France and is a key player in the manufacturing of high-precision metal and mechanical components for the luxury eyewear sector.

Boucheron, meanwhile, as part of its ongoing development strategy, reinforced its production capacity by acquiring a High Jewelry workshop gathering around 60 artisans near Place Vendôme in Paris on October 31, 2023.

Kering strengthens governance and operations

On July 18, 2023, Kering announced a series of top appointments aimed at strengthening the stewardship of its Houses, further elevating operating expertise and strengthening its organisation.

- Francesca Bellettini, in addition to her current role as President and CEO of Yves Saint Laurent since 2013, was appointed Kering Deputy CEO in charge of Brand Development.
- Jean-Marc Duplaix, Chief Financial Officer since 2012, was appointed Kering Deputy CEO, in charge of Operations and Finance.
- Jean-François Palus, Kering Group Managing Director, was appointed President and CEO of Gucci, replacing Marco Bizzarri, who has been President and CEO of Gucci since 2015. He left the company on September 23, 2023.
- Armelle Poulou, Director of Corporate Finance, Treasury and Insurance since 2019, was appointed Chief Financial Officer on September 1, 2023. She is reporting to Jean-Marc Duplaix.

Acquisition of high-end fragrance House Creed by Kering Beauté

Announced on June 26, 2023, Kering Beauté's acquisition of a 100% stake in Creed was completed on October 17, 2023. Creed is consolidated in Kering accounts starting from November 1, 2023. This acquisition represents a major step for Kering Beauté. A perfect fit with the Group's portfolio of renowned Houses, it gives Kering Beauté substantial scale and a platform for supporting the future development of other Kering Beauté fragrance franchises, by leveraging in particular Creed's global distribution network.

Acquisition of a significant shareholding in Valentino

On July 27, 2023, Kering acquired a 30% shareholding in Valentino for €1.7 billion from Mayhoola, as part of a strategic partnership which could lead to Mayhoola becoming a shareholder in Kering. The agreement comprises an option for Kering to acquire 100% of of the share capital of Valentino no later than 2028.

The Alexander McQueen fashion House and Sarah Burton announce the end of their collaboration, Seán McGirr appointed Creative Director of the House

On September 11, 2023, Alexander McQueen and its Creative Director Sarah Burton announced the end of their collaboration after two decades together. On October 3, 2023 Seán McGirr was appointed to replace Sarah Burton as Creative Director of the House. Seán McGirr was previously Head of Ready-to-Wear at JW Anderson.

Bond issues

As part of the Group's active liquidity management, Kering carried out three bond issues in 2023, enabling it to enhance its financial flexibility and allowing it both to refinance existing debt and finance its recent acquisitions.

The great success of these issues with investors underscored the market's confidence in the Group's credit quality.

Kering's long-term debt is rated A with a stable outlook by Standard & Poor's.

- Dual-tranche issue on February 20, 2023 for a total amount of €1.5 billion:
  - a €750 million tranche with a 6-year maturity and a 3.25% coupon,
  - and a €750 million tranche with a 10-year maturity and a 3.375% coupon.

  The issue allowed the Group to refinance its existing debt.
- Four-tranche issue on August 29, 2023 for a total amount of €3.8 billion bond issue:
  - a €750 million tranche with a 2-year maturity and a 3.75% coupon,
  - a €750 million tranche with a 4-year maturity and a 3.625% coupon,
  - a €1 billion tranche with a 8-year maturity and a 3.625% coupon,
  - a €1.3 billion tranche with a 12-year maturity and a 3.875% coupon.

  This issue was notably intended to finance the acquisition of Creed.
- Dual-tranche issue on November 16, 2023, for a total amount of £800 million:
  - a £400 million tranche with a 3-year maturity and a 5.125% coupon,
  - a £400 million tranche with a 9-year maturity and a 5% coupon.

  This issue allowed the Group to diversify its sources of funding, by accessing for the first time the sterling bond market.

3 - SUBSEQUENT EVENTS

Departure of Tidjane Thiam from Kering's Board of Directors

In order to have the necessary time to devote to his political commitments, Tidjane Thiam, elected President of the Democratic Party of Ivory Coast on December 22, 2023, submitted his resignation from his position as Director to the Chairman of Kering's Board of Directors on January 9, 2024. He was an independent Director since June 16, 2020 and Chair of the Audit Committee. He was also a member of the Remuneration Committee.

Acquisition of a prestigious property in New York City

On January 22, 2024 and continuing the strategy implemented in 2023, Kering announced the acquisition of a prestigious New York City property comprising multi-level luxury retail spaces, totaling approximately 115,000 sq. ft, or 10,700 sq. m., located at 715-717 Fifth Avenue, on the Southeast corner of 56th Street, for a consideration of $963 million (€885 million).

4 - GROUP PERFORMANCE IN 2023

4.1 Revenue and income statement

Condensed consolidated income statement

(In € millions)	**2023**	**2022**	**Change**
Revenue	19,566	20,351	-4%
Recurring operating income	4,746	5,589	-15%
% of revenue	*24.3%*	*27.5%*	*-3.2 pts*
EBITDA	6,569	7,255	-9%
% of revenue	*33.6%*	*35.6%*	*-2.0 pts*
Other non-recurring operating income and expenses	(103)	(194)	+47%
Financial result	(410)	(260)	-58%
Income tax expense	(1,163)	(1,420)	+18%
Share in earnings (losses) of equity-accounted companies	4	2	+100%
Net income from continuing operations	3,074	3,717	-17%
o/w attributable to the Group	*2,983*	*3,613*	*-17%*
o/w attributable to minority interests	*91*	*104*	*-13%*
Net income (loss) from discontinued operations	–	1	-100%
Net income attributable to the Group	2,983	3,614	-17%
Net income from continuing operations (excluding non-recurring items) attributable to the Group	3,061	3,747	-18%

Earnings per share

(in €)	**2023**	**2022**	**Change**
Basic earnings per share	24.38	29.34	-17%
Basic earnings per share from continuing operations excluding non-recurring items	25.02	30.42	-18%

Revenue

In 2023, the Group's revenue totaled €19,566 million, down 4% as reported and down 2% on a comparable scope and exchange rate basis[(1)] compared to 2022.

Currency movements had a negative impact on performance in 2023, reducing reported sales growth by just under 4 points or by almost €662 million in absolute terms. Due to the Euro strengthening against other major currencies, the negative exchange-rate effect arose mainly from sales denominated in Chinese yuan (€232 million) and US dollars (€140 million).

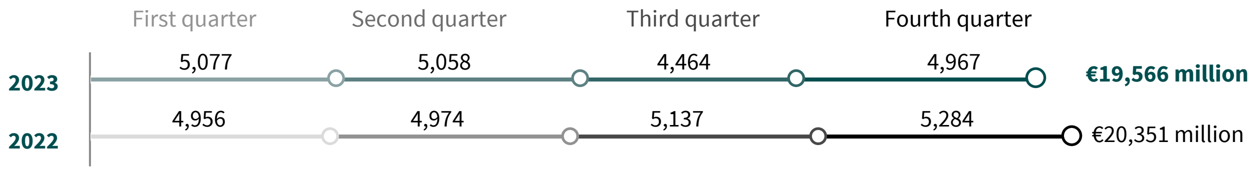
Changes in scope had a positive effect on Group revenue. They consisted mainly of the positive contribution made by Maui Jim, which has been consolidated since October 1, 2022, and by Creed, consolidated since November 1, 2023.

Group revenue by segment

(in € millions)	**2023**	**%**	**2022**	**%**	**Reported change**	**Comparable change[(1)]**
Gucci	9,873	51%	10,487	52%	-6%	-2%
Yves Saint Laurent	3,179	16%	3,300	16%	-4%	-1%
Bottega Veneta	1,645	8%	1,740	9%	-5%	-2%
Other Houses	3,514	18%	3,874	19%	-9%	-8%
Kering Eyewear and Corporate	1,568	8%	1,139	5%	+38%	+11%
Eliminations	(213)	*-1%*	*(189)*	*-1%*	*N/A*	*N/A*
Revenue	**19,566**	**100%**	**20,351**	**100%**	**-4%**	**-2%**

(1) On a comparable scope and exchange rate basis. Comparable revenue growth is defined on page 36.

Group revenue by quarter



Compared to 2022, Kering's revenue grew in the first and second quarters of 2023 (by 1% and 3% respectively on a comparable basis), driven by good momentum in its own stores (particularly in Western Europe and Japan) and an upturn in business levels in Asia-Pacific, and despite a decline in North America and in online sales.

Overall, third quarter performance is down 9% on a comparable basis. It follows similar dynamic as the first half of the year in North America and Japan. Performance is nonetheless affected by weaker local demand and lower numbers of tourists, whose contribution stabilized due to a high base for comparison and the absence of any large-scale rebound in Chinese customers. The recovery in China was also weaker than expected.

Sales in the fourth quarter (down 4% on a comparable basis) remained stable in our own stores. However, as it did throughout the year, revenue suffered from lower wholesale revenue and lower online sales, which were particularly affected by a return to normal in demand among aspirational customers.

Quarterly revenue by segment

(in € millions)	**First quarter**	**Second quarter**	**Third quarter**	**Fourth quarter**	**2023**
Gucci	2,616	2,512	2,217	2,528	9,873
Yves Saint Laurent	806	770	768	835	3,179
Bottega Veneta	395	438	381	431	1,645
Other Houses	890	966	805	853	3,514
Kering Eyewear and Corporate	433	436	333	366	1,568
Eliminations	*(63)*	*(64)*	*(40)*	*(46)*	*(213)*
Revenue	**5,077**	**5,058**	**4,464**	**4,967**	**19,566**

(in € millions)	**First quarter**	**Second quarter**	**Third quarter**	**Fourth quarter**	**2022**
Gucci	2,591	2,582	2,581	2,733	10,487
Yves Saint Laurent	739	742	916	903	3,300
Bottega Veneta	396	438	437	469	1,740
Other Houses	973	982	995	924	3,874
Kering Eyewear and Corporate	308	283	253	295	1,139
Eliminations	*(51)*	*(53)*	*(45)*	*(40)*	*(189)*
Revenue	**4,956**	**4,974**	**5,137**	**5,284**	**20,351**

(comparable change[(1)])	**Q1 2023/2022 change**	**Q2 2023/2022 change**	**Q3 2023/2022 change**	**Q4 2023/2022 change**	**2023/2022 change**
Gucci	+1%	+1%	-7%	-4%	-2%
Yves Saint Laurent	+8%	+7%	-12%	-5%	-1%
Bottega Veneta	–	+3%	-7%	-4%	-2%
Other Houses	-9%	-1%	-15%	-5%	-8%
Kering Eyewear and Corporate	+11%	+21%	+3%	+7%	+11%
Eliminations	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*
Revenue	**+1%**	**+3%**	**-9%**	**-4%**	**-2%**

(1) On a comparable scope and exchange rate basis. Comparable revenue growth is defined on page 36.

Group revenue by region

(in € millions)	2023	%	2022	%	Reported change	Comparable change[1]
Asia-Pacific (excluding Japan)	6,848	35%	6,568	33%	+4%	+10%
Western Europe	5,405	28%	5,566	27%	-3%	-4%
North America	4,500	23%	5,547	27%	-19%	-22%
Japan	1,400	7%	1,244	6%	+13%	+24%
Rest of the world	1,413	7%	1,425	7%	-1%	-2%
TOTAL	19,566	100%	20,351	100%	-4%	-2%

(1) On a comparable scope and exchange rate basis. Comparable revenue growth is defined on page 36.
Revenue generated outside the eurozone represented 79% of the consolidated total in 2023.

The Group's sales grew most strongly in Japan, where they rose 24% on a comparable basis. The rebound in tourist numbers from the rest of Asia, driven by the weak Yen, lay behind this very good performance.

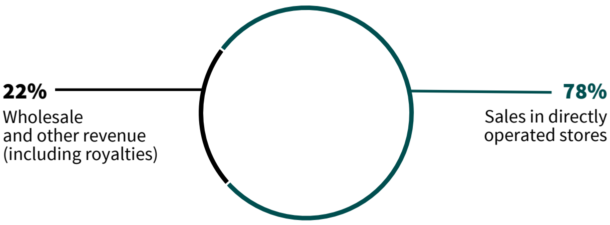
In Asia-Pacific – the Group's largest region in terms of revenue, accounting for 35% of the total – revenue was up 10% on a comparable basis relative to 2022. Sales grew strongly in Greater China, while South Korea and Southeast Asian countries saw slower revenue growth after a sharp increase in 2022.

In Western Europe, after a buoyant first half, the Group's sales slowed in the second, affected by a return to normal in local demand and a stabilization in tourist numbers. The 4% decline in sales on a comparable basis was mainly the result of lower wholesale revenue, in line with the Group's strategy of making its distribution more exclusive.

Revenue in North America fell 22% on a comparable basis compared to 2023. Performance in that region was again held back by a significant decline in local demand and a slowdown in department store sales, particularly among aspirational customers. However, revenue remained around 50% higher than in 2019.

The Group's performance in the Rest of the World returned to normal overall after several years of strong growth. Comparisons with 2022 remained partly affected by the shutdown of business activities in Russia and Ukraine from late-February 2022. However, the Group's exposure to the conflict between Russia and Ukraine is limited, since in 2021 Kering generated around 1% of its total revenue in those countries, and the net value of its assets there was not material at the end of 2021 (around 0.1% of the Group total assets). The value of those assets was written down in full in 2022.

Group revenue by distribution channel



Percentages based on revenue before Eliminations

Sales from directly operated and online stores came in at €15,446 million in 2023, stable on a comparable basis relative to 2022. The previous comments regarding performance by region in 2023 also apply to the growth trajectory of retail sales.

Store footfall was higher than in 2022, although trends varied widely between regions. Higher footfall was accompanied by a slight decline in the conversion rate (i.e., the number of people buying products as a percentage of the total number of people visiting stores). As a result, revenue growth was driven by an increase in average selling prices, resulting from the policy of taking the Houses' product ranges more upscale. The 3% increase in sales at physical stores managed by the Houses contrasts with the decline in online sales, whose proportion of retail sales fell to around 12% (as opposed to 15% in 2022). The decline in the online channel was due to its overexposure to certain product categories and customers more impacted by the macroeconomic context - inflation and higher interest rates. In addition, the base for comparison is high, since online sales have almost tripled since 2019.

Revenue from stores and online sales directly operated by the Group accounted for around 78% of the Group's total sales (before Eliminations), similar to the figure seen in 2022. Excluding Kering Eyewear and Kering Beauté, however, this figure is at 85% versus 82% in 2022. The increase in this proportion in recent years has resulted from the long-term strategy implemented by all Houses, which is aimed at controlling their distribution more tightly, including online sales, and making them more exclusive.

Wholesale revenue fell 13% year-on-year in 2023 on a comparable basis (before Eliminations). For the Houses, wholesale revenue fell significantly, by 21% on a comparable basis. This reflects a reduction in orders placed by US distributors and the reorganization of the wholesale distribution network that is currently underway, resulting in sales being concentrated among the best-positioned distributors. Although these streamlining efforts are complete at Gucci, they are continuing in the Group's other Fashion and Leather goods Houses. However, Kering Eyewear, which has a wholesale-only distribution model, posted sales growth of 10% on a comparable basis, driven both by the development of existing licenses and the successful integration of Lindberg. Including the scope effect arising from the contribution of Maui Jim, revenue was up 37% at constant exchange rates.

The Houses' royalty revenue from licenses and other revenue rose by 10% on a comparable basis in 2023, due to very robust growth in the Eyewear category and in the Fragrances and Cosmetics category.

Recurring operating income

(in € millions)	2023	2022	Change
Gucci	3,264	3,732	-13%
Yves Saint Laurent	969	1,019	-5%
Bottega Veneta	312	366	-15%
Other Houses	212	558	-62%
Kering Eyewear and Corporate	(7)	(88)	+92%
Eliminations	*(4)*	*2*	*N/A*
Recurring operating income[(1)]	**4,746**	**5,589**	**-15%**

(1) Recurring operating income is defined on page 36.

The Group's recurring operating income amounted to €4,746 million in 2023, down €843 million or 15% compared to 2022.

Recurring operating margin fell 3.2 points to 24.3% because of negative operational leverage, particularly in the second half of the year, as a result of decreasing revenue.

Gross margin was €14,927 million, a decrease of 2%. As a proportion of revenue, gross margin was 76.3%, up 1.6 points relative to 2022, under the combined effects of higher average selling prices, the increasing proportion of sales from directly operated stores and the positive effect of foreign exchange hedging.

Operating expenses rose by 6%. This increase arose from investments made by the Group's brands and Kering Eyewear to support their development and expansion, notably by increasing budgets for store expenses, the creation, development and presentation of collections, communications and digitalization.

These efforts, which were necessary in view of the competitive environment and the Group's long-term ambitions for its Houses, independent of short-term trends, affected brands' profitability against a background of slowing sales growth, particularly in the second half of the year. Gucci, Balenciaga and Alexander McQueen were the Houses where profit was affected most.

EBITDA

(in € millions)	2023	2022	Change
Recurring operating income	**4,746**	**5,589**	**-15%**
Net recurring charges to depreciation, amortization and provisions on non-current operating assets	1,823	1,666	+9%
o/w depreciation of lease right-of-use assets	*985*	*935*	*+5%*
EBITDA[(1)]	**6,569**	**7,255**	**-9%**

(1) EBITDA is defined on page 37.

(in € millions)	2023	2022	Change
Gucci	3,999	4,416	-9%
Yves Saint Laurent	1,219	1,251	-3%
Bottega Veneta	494	541	-9%
Other Houses	585	888	-34%
Kering Eyewear and Corporate	276	157	+75%
Eliminations	*(4)*	*2*	*N/A*
EBITDA	**6,569**	**7,255**	**-9%**

EBITDA for 2023 amounted to €6,569 million versus €7,255 million in 2022. EBITDA margin was 33.6%, less than the 2022 figure of 35.6%.

Other non-recurring operating income and expenses

(in € millions)	2023	2022	Change
Impairment of goodwill, brands and other non-current assets	(70)	(41)	-71%
Other	(33)	(153)	+79%
Other non-recurring operating income and expenses	**(103)**	**(194)**	**+47%**

(cf. Consolidated financial statements, Note 7 – Other non-recurring operating income and expenses.)

Financial result

(in € millions)	2023	2022	Change
Cost of net debt[1]	(108)	(47)	-131%
Other financial income and expenses	(151)	(89)	-69%
Financial result excluding leases	**(259)**	**(136)**	**-90%**
Interest expense on lease liabilities	(151)	(124)	-22%
Financial result	**(410)**	**(260)**	**-58%**

(1) Net debt is defined on page 37.

In 2023, the cost of net debt was €108 million (€47 million in 2022). The increase was mainly due to the larger amount of bond debt outstanding. Most of the increase in the average cost of debt was offset by higher income from investments.

Other financial income and expense produced a net expense of €151 million in 2023 (€89 million in 2022).

Adjusted for the positive impact arising from the expiry of derivatives embedded in PUMA bonds in 2022, financial expense decreased by €44 million.

(cf. Consolidated financial statements, Note 8 – Financial result.)

Income tax

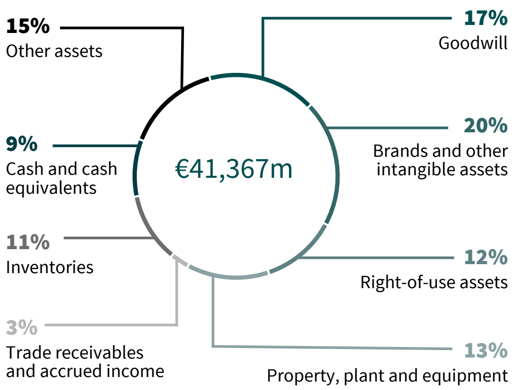
(in € millions)	2023	2022
Income before tax	4,233	5,135
Income tax expense	(1,163)	(1,420)
Effective tax rate	**27.5%**	**27.7%**
Other non-recurring operating income and expenses	(103)	(194)
Recurring income before tax	4,336	5,329
Income tax on other non-recurring operating income and expenses	25	60
Tax expense on recurring income	(1,188)	(1,480)
Effective tax rate on recurring income[1]	**27.4%**	**27.8%**

(1) The effective tax rate on recurring income is defined on page 37.

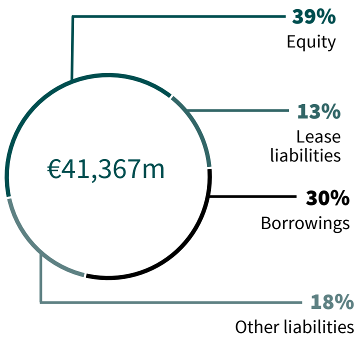
(cf. Consolidated financial statements, Note 9 – Income taxes.)

4.2 Balance sheet as of December 31, 2023

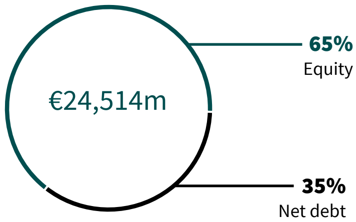
Assets



Equity and liabilities



Capital employed



Condensed balance sheet

(In € millions)	Dec. 31, 2023	Dec. 31, 2022	Change
Goodwill	7,112	4,053	+75%
Brands and other intangible assets	8,178	7,357	+11%
Lease right-of-use assets	4,984	4,929	+1%
Property, plant and equipment	5,341	3,388	+58%
Investments in equity-accounted companies	1,750	49	N/A
Other non-current assets	2,072	2,503	-17%
Non-current assets	**29,437**	**22,279**	**+32%**
Inventories	4,550	4,465	+2%
Trade receivables and accrued income	1,151	1,180	-2%
Cash and cash equivalents	3,922	4,336	-10%
Other current assets	2,307	1,681	+37%
Current assets	**11,930**	**11,662**	**+2%**
Assets held for sale	**–**	**–**	**–**
TOTAL ASSETS	41,367	33,941	+22%
Equity attributable to the Group	15,212	13,998	+9%
Equity attributable to minority interests	798	785	+2%
Total equity	**16,010**	**14,783**	**+8%**
Non-current borrowings	10,026	4,347	+131%
Non-current lease liabilities	4,511	4,420	+2%
Other non-current liabilities	2,189	1,885	+16%
Non-current liabilities	**16,726**	**10,652**	**+57%**
Current borrowings	2,400	2,295	+5%
Current lease liabilities	884	812	+9%
Other current liabilities	5,347	5,399	-1%
Current liabilities	**8,631**	**8,506**	**+1%**
Liabilities associated with assets held for sale	**–**	**–**	**–**
TOTAL EQUITY AND LIABILITIES	41,367	33,941	+22%

Net debt

(in € millions)	Dec. 31, 2023	Dec. 31, 2022	Change
Borrowings	12,426	6,642	+87%
Cash and cash equivalents	(3,922)	(4,336)	-10%
Net debt	**8,504**	**2,306**	**N/A**

Capital employed

(in € millions)	Dec. 31, 2023	Dec. 31, 2022	Change
Total equity	16,010	14,783	+8%
Net debt	8,504	2,306	N/A
Capital employed	**24,514**	**17,089**	**+43%**

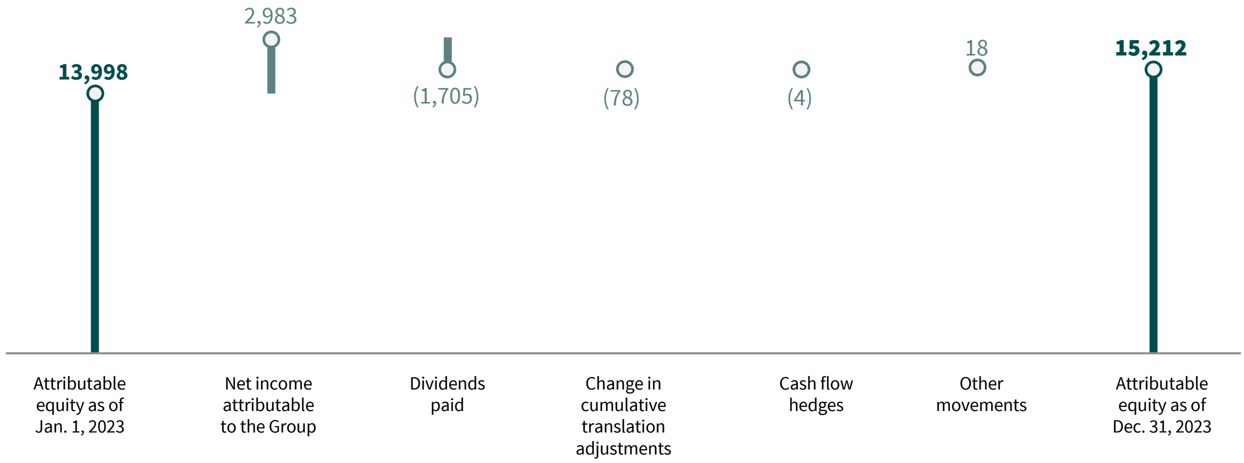
Goodwill and brands

As of December 31, 2023, the carrying amount of brands net of deferred tax liabilities amounted to €5,527 million, compared to €5,111 million as of December 31, 2022.

Current operating assets (liabilities), net

(in € millions)	Dec. 31, 2023	Dec. 31, 2022	Statement of cash flows	Foreign exchange differences	Other movements
Inventories	4,550	4,465	102	(75)	58
Trade receivables and accrued income	1,151	1,180	(24)	(30)	26
Trade payables and accrued expenses	(2,200)	(2,263)	126	31	(93)
Other current assets (liabilities), net	(442)	(589)	(124)	147	125
Net current tax receivables (payables)	229	(190)	427	5	(13)
Current operating assets (liabilities), net	**3,288**	**2,603**	**507**	**77**	**102**

Change in equity attributable to the Group



As of December 31, 2023, the share capital amounted to €493,683,112. It comprised 123,420,778 fully paid-up shares with a par value of €4 each, a reduction of €2,600,000 following the cancellation of 650,000 shares under the share buyback program (share capital of €496,283,112, comprising 124,070,778 shares as of December 31, 2022). Excluding the 840,597 Kering treasury shares, there were 122,580,181 shares issued and outstanding as of December 31, 2023.

(cf. Consolidated financial statements, Note 19 – Equity.)

4.3 Cash flow, investments and net debt

Free cash flow from operations

Cash flow received from operating activities

(in € millions)	2023	2022	Change
Cash flow received from operating activities before tax, dividends and interest	**6,289**	**6,926**	**-9%**
Change in working capital requirement	(396)	(902)	+56%
Income tax paid	(1,434)	(1,746)	+18%
Net cash received from operating activities	**4,459**	**4,278**	**+4%**

Operating investments

(in € millions)	2023	2022	Change
Net cash received from operating activities	**4,459**	**4,278**	**+4%**
Acquisitions of property, plant and equipment and intangible assets	(2,611)	(1,071)	-144%
Disposals of property, plant and equipment and intangible assets	135	1	N/A
Free cash flow from operations[1]	**1,983**	**3,208**	**-38%**

(1) Free cash flow from operations is defined on page 37.

Gross operating investments by segment

(in € millions)	2023	2022	Change
Gucci	435	408	+7%
Yves Saint Laurent	186	112	+66%
Bottega Veneta	105	92	+15%
Other Houses	247	221	+12%
Kering Eyewear and Corporate	1,638	238	N/A
Acquisitions of property, plant and equipment and intangible assets	**2,611**	**1,071**	**+144%**

Operating investments amounted to €2,611 million in 2023, an increase of €1,540 million or 144% relative to 2022.

Excluding the acquisition of strategic real-estate assets in Paris, they totaled €1,230 million, representing 6.3% of revenue.

This ratio is higher than the December 31, 2022 figure of 5.3%, due to an increase in the investment budget for 2023.

Seasonal variations in investments are similar from one year to the next, with most investments taking place in the second half, although the proportion of investments occurring in the second half of 2023 was lower than in the second half of 2022 (excluding the acquisition of strategic real-estate assets in Paris).

Investments in 2023 related mainly to store openings and refurbishments, as well as logistics infrastructure and IT systems, most of which are managed by Corporate on behalf of the Group's brands.

In 2023, 58% of the Group's gross operating investments (excluding the acquisition of strategic real-estate assets in Paris) related to the retail network (70% in 2022). 53% of the investments in stores concerned store opening programs and 47% concerned conversion and refurbishment projects.

Excluding the acquisition of strategic real-estate assets in Paris, Kering Eyewear and Corporate’s proportion of the Group’s operating investments was stable relative to 2022 at 21%: this figure has returned to normal following the Group’s major strategic programs in the years preceding 2022.

Available cash flow from operations and available cash flow

(in € millions)	2023	2022	Change
Free cash flow from operations	**1,983**	**3,208**	**-38%**
Repayment of lease liabilities	(880)	(824)	-7%
Interest paid on leases	(151)	(124)	-21%
Available cash flow from operations[1]	**953**	**2,260**	**-58%**
Interest and dividends received	76	17	N/A
Interest paid and equivalent (excluding leases)	(226)	(174)	-30%
Available cash flow[1]	**802**	**2,103**	**-62%**

(1) Available cash flow from operations and available cash flow are defined on page 37.

Dividends paid

The cash dividend paid by Kering SA to its own shareholders in 2023 amounted to €1,712 million, including the €550 million interim dividend paid on January 18, 2023 (€1,483 million in 2022 including a €434 million interim dividend).

Dividends paid in 2023 also included €42 million paid to minority interests in consolidated subsidiaries (€45 million in 2022).

Changes in net debt

(in € millions)	2023	2022	Change
Net debt as of January 1	**2,306**	**168**	**N/A**
Free cash flow from operations	(1,983)	(3,208)	+38%
Dividends paid	1,754	1,528	+15%
Net interest paid and dividends received	150	157	-4%
Acquisitions of Kering shares	10	1,030	-99%
Repayment of lease liabilities[1]	1,030	948	+9%
Disposal of PUMA shares	(236)	(100)	+136%
Other acquisitions and disposals	5,394	1,817	+197%
Other movements	79	(34)	N/A
Net debt as of December 31	**8,504**	**2,306**	**N/A**

(1) Comprising repayments of principal amounting to €880 million in 2023 (€824 million in 2022) and interest payments of €151 million in 2023 (€124 million in 2022) relating to capitalized fixed lease payments.

(in € millions)	Dec. 31, 2023	Dec. 31, 2022	Change
Bonds	9,795	4,226	+132%
Other bank borrowings	134	201	-33%
Commercial paper	1,277	1,010	+27%
Other borrowings	1,219	1,205	+1%
o/w put options granted to minority interests	*711*	*681*	*+4%*
Borrowings	**12,426**	**6,642**	**+87%**
Cash and cash equivalents	(3,922)	(4,336)	-10%
Net debt[1]	**8,504**	**2,306**	**N/A**

(1) Net debt is defined on page 37.

Lease liabilities totaled €5,395 million as of December 31, 2023 (€5,232 million as of December 31, 2022).

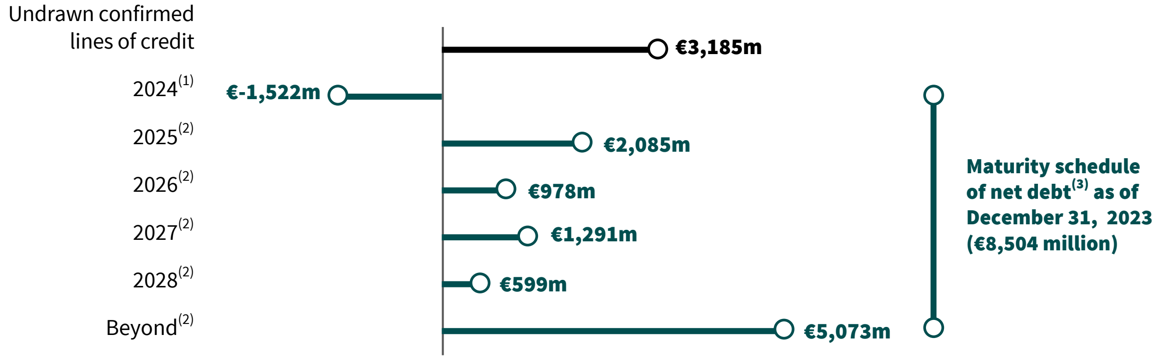
Solvency

The Group has a very sound financial position and has a Standard & Poor's long-term credit rating of A with stable outlook.

Liquidity

As of December 31, 2023, the Group's cash and cash equivalents amounted to €3,922 million (€4,336 million at December 31, 2022). The Group has confirmed lines of credit totaling €3,185 million (December 31, 2022: €3,035 million).

Maturity schedule of net debt



(1) Borrowings less cash and cash equivalents.
(2) Borrowings.
(3) Net debt is defined on page 37.

The amount of borrowings with a maturity less than one year (€2,400 million as of December 31, 2023) was significantly less than the Group's cash and cash equivalents (€3,922 million as of December 31, 2023). Consequently, the Group is not exposed to any liquidity risk.

The Group’s loan agreements and lines of credit feature standard *pari passu,* cross default and negative pledge clauses.

The Group’s financing agreements do not include any rating trigger clauses.

(cf. Consolidated financial statements, Note 20 – Net debt.)

5 - OPERATING PERFORMANCE BY SEGMENT

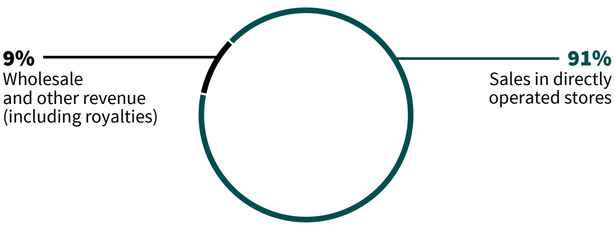
5.1 Gucci

(in € millions)	2023	2022	Change
Revenue	**9,873**	**10,487**	**-6%**
Recurring operating income	**3,264**	**3,732**	**-13%**
% of revenue	***33.1%***	***35.6%***	***-2.5 pts***
EBITDA	3,999	4,416	-9%
% of revenue	*40.5%*	*42.1%*	*-1.6 pts*
Acquisitions of property, plant and equipment and intangible assets	435	408	+7%
Average FTE headcount	21,086	20,711	+2%

Revenue

Gucci posted revenue of €9,873 million in 2023, down 6% year-on-year as reported and down 2% at comparable exchange rates.

Revenue by distribution channel



After Gucci completed the reorganization of its distribution, sales from directly operated stores made up 91% of its total sales in 2023, the same as in 2022.

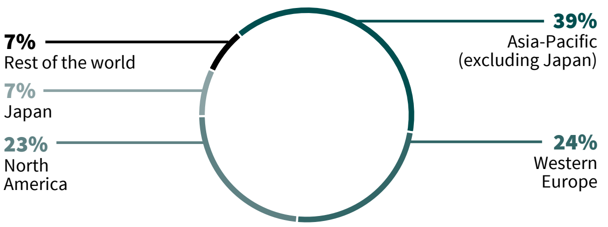
Sales from physical and online stores controlled by the House were down 2% on a comparable basis relative to 2022. Revenue rose by 1% in the first half but was affected in the second half by demand for luxury goods returning to more normal levels from a high base for comparison, particularly among local customers, and by a weaker-than-expected recovery in tourist numbers compared to 2022.

In 2023 as a whole, the main driver of sales growth in physical stores was the increase in average selling prices, resulting from changes in the product mix and increases in price to develop a more upscale product range.

After several years of strong growth and a stabilization in 2022, revenue from online stores fell in 2023 on a comparable basis because of this distribution channel's exposure to the American market (where it accounts for almost half of sales) and to customers with lesser purchasing power more impacted by deteriorating macroeconomic conditions. There is also a greater desire to visit physical stores. As a result, sales from online stores accounted for around 12% of total retail revenue in 2023.

Difficulties encountered by wholesalers, combined with their cautious approach to transition collections, led to a 5% decrease in wholesale revenue (at comparable exchange rates) relative to 2022.

Revenue by region



In view of the proportion of Gucci's sales generated by directly operated stores, the following revenue analysis by region only concerns sales in its own physical and online stores, on a comparable basis.

In Western Europe, sales grew by 7% on a comparable basis in the first half, driven by tourists, but were affected in the second by a decline in store footfall and local demand. In 2023 as a whole, sales were stable relative to 2022.

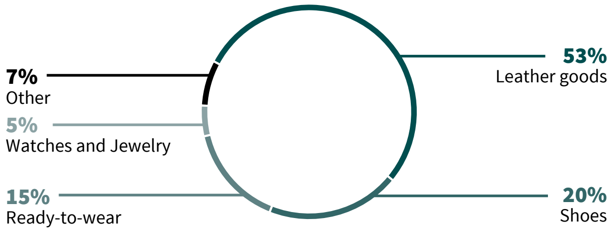
In Japan, the rebound in tourist numbers, driven in particular by attractive exchange rates, helped to boost sales, which rose by 26% on a comparable basis in 2023.

In North America, Gucci's revenue was down 20%, with trends in the second half being very similar to those seen in the first. However, sales to North American customers in all markets remained over 40% higher on a comparable basis than in 2019.

Sales were up 5% on a comparable basis in Asia-Pacific and sales growth accelerated in the fourth quarter, partly because the base for comparison was lower than in the third quarter. The resumption of inter-regional tourism led to a sharp increase in sales in Hong Kong SAR and Macau SAR. However, demand fell in South Korea as some local consumers bought products in other countries within the region, and because of weaker local demand.

In the world's other regions, revenue growth was firm relative to 2022, particularly in the Middle East.

Revenue by product category



In 2023, sales of most Gucci product categories in directly operated stores were almost unchanged or slightly lower compared to 2022. The increase in average selling prices, resulting both from changes in the product mix and price hikes, offset lower volumes.

Sales of Leather goods were resilient, particularly for Women's lines, which were driven by the success of certain iconic products such as the *Jackie* and *Valigeria* travel bags.

However, categories featuring entry-level products, such as small Leather goods, Shoes and Belts, were affected by the return-to-normal in demand, unlike High Jewelry, which saw robust growth.

Royalty revenue increased compared to 2022. The Eyewear category, managed by Kering Eyewear, continued to see rising sales. Royalties from the license granted to Coty in the Fragrances and Cosmetics category saw an improvement, from a base that remained fairly favorable for comparison.

Recurring operating income

Gucci's recurring operating income amounted to €3,264 million in 2023, down €468 million year-on-year.

Recurring operating margin was 33.1%, down 2.5 points.

Given Gucci's geographical exposure, the combination of currency effects and the result of currency hedging had a positive impact of around 1.6 points on recurring operating margin. However, the House continued to invest in initiatives to boost its long-term growth, which consequently increased its cost base. Given the decline in sales as reported, operational leverage was negative (i.e., expenses rose more quickly than revenue), and this adversely affected margins.

Gucci generated EBITDA of €3,999 million in 2023, a decrease of €417 million relative to 2022 and representing an EBITDA margin of 40.5%.

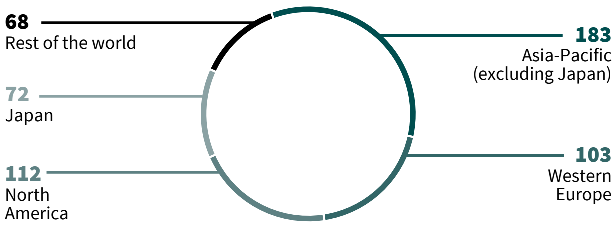
Store network and operating investments

As of December 31, 2023, Gucci operated 538 stores directly. Gucci opened 10 new stores during the year (net of closures), mainly in Asia and North America.

The House therefore continued to prioritize optimizing its store network in support of its brand elevation strategy, increasing its visibility in the best locations and giving customers an exclusive experience, while withdrawing from less productive locations.

Gucci's operating investments amounted to €435 million in 2023, 7% higher than in 2022, against a backdrop of further cost increases for materials and building work. Gross operating investments equaled 4.4% of revenue (3.9% in 2022), which is a relatively normal level for a House of Gucci's size.

Breakdown of directly operated stores by region



5.2 Yves Saint Laurent

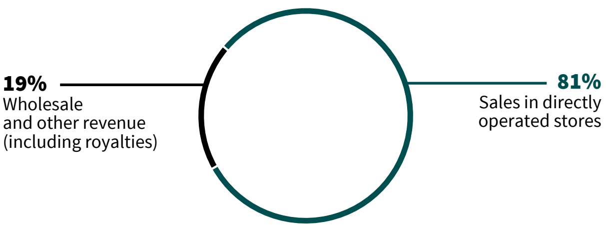
(in € millions)	2023	2022	Change
Revenue	**3,179**	**3,300**	**-4%**
Recurring operating income	**969**	**1,019**	**-5%**
% of revenue	***30.5%***	***30.9%***	***-0.4 pts***
EBITDA	1,219	1,251	-3%
% of revenue	*38.3%*	*37.9%*	*+0.4 pts*
Acquisitions of property, plant and equipment and intangible assets	186	112	+66%
Average FTE headcount	5,112	4,555	+12%

Revenue

In 2023, Yves Saint Laurent's revenue amounted to €3,179 million, down 4% year-on-year as reported and down 1% at comparable exchange rates.

Revenue from the House's wealthiest customers continued to rise in all product categories, showing that the brand elevation strategy has been well received.

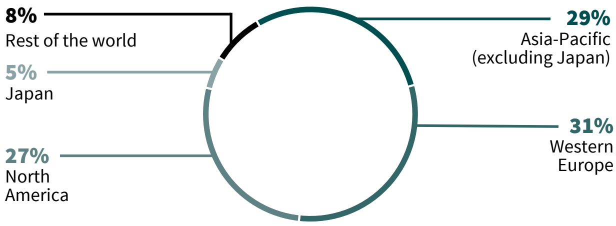
Revenue by distribution channel



Sales from physical and online stores controlled by the House accounted for 81% of the total, an increase of 4 points relative to 2022, and were up 4% on a comparable basis relative to 2022. After double-digit growth in the first half of the year (sales up 11% on a comparable basis), business levels suffered in the second half – and particularly in North America and Europe – from lower store footfall caused by weaker local demand along with a weaker-than-expected recovery in tourist numbers. Yves Saint Laurent continued the successful deployment of its brand elevation strategy, which resulted in a higher average spend. Online sales fell, with marked differences in performance across the regions.

Wholesale revenue was down 26% at constant exchange rates compared to 2022. This was due to the ongoing effort to streamline distribution, focusing on a small number of partners, and a macroeconomic environment that was less helpful for wholesalers, particularly in North America.

Revenue by region



In view of the proportion of Yves Saint Laurent's sales generated by directly operated stores, the following revenue analysis by region only concerns sales in its own physical and online stores.

In 2023, Yves Saint Laurent's revenue rose relative to 2022, although growth rates varied widely between regions.

In Western Europe, sales rose by 5% on a comparable basis. After a very buoyant first half, the House saw weaker local demand in the second, along with a smaller increase in tourist numbers from a high base in 2022.

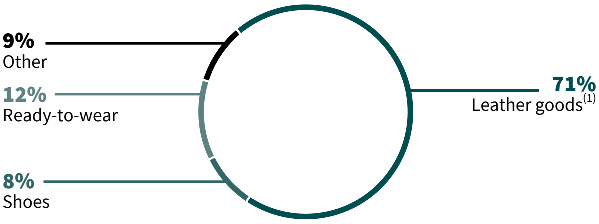
In North America, after two exceptional years in 2021 and 2022 in which sales doubled compared to 2019, revenue fell 15% on a comparable basis due to macroeconomic conditions, which seriously affected aspirational customers.

In Asia-Pacific, revenue was up 20% on a comparable basis thanks to a rebound in Greater China. Trends in Korea and Southeast Asia were less dynamic, after several quarters of very strong growth since 2020.

In Japan, sales were up 21% on a comparable basis in 2023 due to strong growth in the number of tourists visiting from China and Southeast Asia, who were attracted by the pricing differential related to favorable exchange rate.

Yves Saint Laurent's performance in the Rest of the World was solid, with growth of 8%, and particularly so in the Middle East, which has historically been an important market for the brand.

Revenue by product category



Leather goods remained the top category, with sales growth compared to 2022 closely aligned with the House's overall performance. This reflects the initiatives taken by Yves Saint Laurent over the last few years to constantly renew and refresh its Leather goods offering, which has helped it to both attract new customers and retain existing ones in all its markets.

Sales of Ready-to-wear collections for women rose very sharply, continuing trends seen since 2021. This performance is the result of the brand's merchandising strategy implemented during recent quarters with the aim of making its offerings and price architecture more relevant in this category.

By contrast, sales in the Shoes category were affected to a greater extent by slower growth in demand in certain markets.

Royalty revenue generated by Kering Eyewear surged, again showing the success of this licensing agreement. Royalties paid by L'Oréal in the Fragrances and Cosmetics category also rose very sharply.

Recurring operating income

In 2023, Yves Saint Laurent's recurring operating income totaled €969 million, down 5%, although recurring operating margin remained above 30%, down 0.4 points relative to 2022.

The House was able to keep operating margin at a high level through efforts to control costs despite the expansion of the store network.

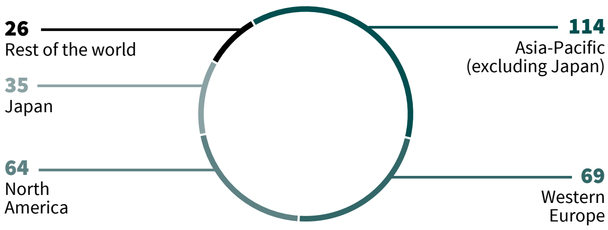
In 2023, EBITDA totaled €1,219 million, almost unchanged compared to 2022. EBITDA margin was 38.3% as opposed to 37.9% in 2022.

Store network and operating investments

As of December 31, 2023, the House had 308 directly operated stores. A net 28 new stores were added in 2023 in its main markets, in line with the target of a network of 300 to 350 directly operated stores in the medium term. In particular, the Saint Laurent Champs-Élysées flagship store opened in Paris in December. It is the House's largest store and features a new design concept that will be rolled out across other stores in its network. In addition, some existing stores were refurbished, relocated and extended.

This resulted in a high level of operating investments, which amounted to €186 million, up €74 million relative to 2022 and equal to 5.8% of revenue.

Breakdown of directly operated stores by region



(1) Including royalties to the total revenue, this product category represented 72% of the total in 2022.

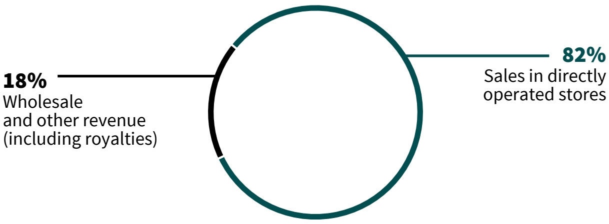
5.3 Bottega Veneta

(in € millions)	**2023**	**2022**	**Change**
Revenue	**1,645**	**1,740**	**-5%**
Recurring operating income	**312**	**366**	**-15%**
% of revenue	***19.0%***	***21.0%***	***-2.0 pts***
EBITDA	494	541	-9%
% of revenue	*30.0%*	*31.1%*	*-1.1 pts*
Acquisitions of property, plant and equipment and intangible assets	105	92	+15%
Average FTE headcount	3,891	3,748	+4%

Revenue

In 2023, Bottega Veneta's revenue amounted to €1,645 million, down 5% as reported or down 2% on a comparable basis compared to 2022. The House is successfully implementing its brand elevation strategy and is increasing in popularity among the high-end customers.

Revenue by distribution channel

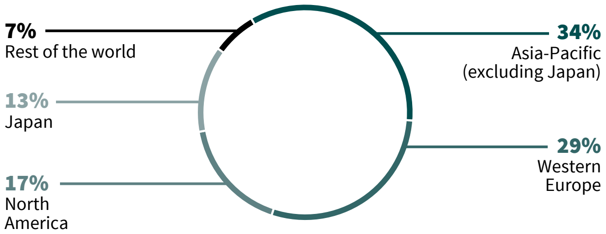


In keeping with its exclusive, high-end positioning, the House is focusing on selling its products through its directly operated physical and online stores, which accounted for 82% of its revenue in 2023 (78% in 2022).

Bottega Veneta's sales in directly operated physical and online stores rose by 4% on a comparable basis. This growth was driven both by resilient sales at comparable scope and by good momentum in online stores. The House is continuing, consistently and with determination, to implement its strategy of developing its offering in all product categories, raise brand awareness and enhance the customer experience across all points of sale.

Wholesale revenue was down 24% on a comparable basis, as expected. Bottega Veneta has reorganized this distribution channel, with the aim of working only with a limited number of selected partners.

Revenue by region



Given the proportion of Bottega Veneta's sales that are generated in directly operated stores, the following revenue analysis by region only concerns sales in physical and online stores.

In Western Europe, revenue rose by 4% on a comparable basis. Revenue growth was robust in the first half but was affected in the second by a slowdown in demand among local customers from a high base, and by a weaker-than-expected recovery in tourist numbers compared to 2022.

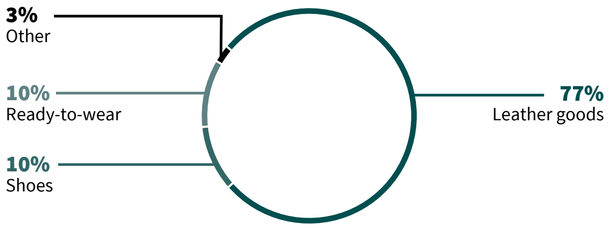
In Japan, revenue rose by 12% at constant exchange rates relative to 2022, with higher tourist numbers offsetting a return to normal in sales to local customers.

In North America, Bottega Veneta's sales rose by 2% on a comparable basis relative to 2022, showing great resilience in less helpful market conditions.

In Asia-Pacific, the House's sales were stable. Bottega Veneta's improved performance in Greater China reflecting the implementation of its media strategy aimed at raising its brand profile, its efforts to improve the store network and to strengthen teams offset lower revenue in South Korea and Southeast Asia after two years of strong growth.

Sales growth in the Rest of the World remained robust.

Revenue by product category



Leather goods remains Bottega Veneta's core business (77% of total sales), and both new and iconic lines, along with their seasonal variations, met with great success among the House's customer base. The House's strategy aims to maintain its exclusive positioning in Leather goods, particularly by focusing on sales growth through higher prices and an improved product mix – including the introduction of new, highly exclusive lines like *Andiamo* – rather than through volume growth alone.

Ready-to-wear revenue posted very solid growth again in 2023 as new collections, both womenswear but also increasingly menswear, were very well received. The House's Jewelry line was also highly successful.

However, sales momentum in the Shoes category was less buoyant.

Recurring operating income

Bottega Veneta's recurring operating income for 2023 totaled €312 million, down 15% compared to 2022.

Recurring operating margin was 19%, 2 points less than in 2022. That was due to negative operational leverage, as the House continued to take a more selective approach to distribution and maintained its investment efforts in order to make its revamp a lasting success. In view of its increasing cost base, the House is prioritizing its allocation of resources in order to focus them on the most strategic areas of expenditure.

EBITDA amounted to €494 million in 2023, equal to 30% of revenue.

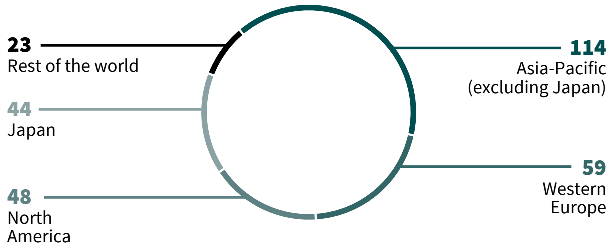
Store network and operating investments

As of December 31, 2023, Bottega Veneta had 288 directly operated stores. There were 17 net store openings during the year.

The brand is focusing its investment efforts on relocating and refurbishing its existing stores, while pursuing its strategy of gradual and targeted openings as opportunities arise, notably with the establishment of new flagships. This included the reopening of the House's flagship store on Avenue Montaigne in Paris, which features a high-end esthetic in both its open areas and VIP rooms.

Operating investments totaled €105 million, higher than in previous years. However, they remained broadly stable as a proportion of the House's sales (around 6.4%).

Breakdown of directly operated stores by region



5.4 Other Houses

(in € millions)	2023	2022	Change
Revenue	**3,514**	**3,874**	**-9%**
Recurring operating income	**212**	**558**	**-62%**
% of revenue	***6.0%***	***14.4%***	***-8.4 pts***
EBITDA	585	888	-34%
% of revenue	*16.7%*	*22.9%*	*-6.2 pts*
Acquisitions of property, plant and equipment and intangible assets	247	221	+12%
Average FTE headcount	9,020	8,137	+11%

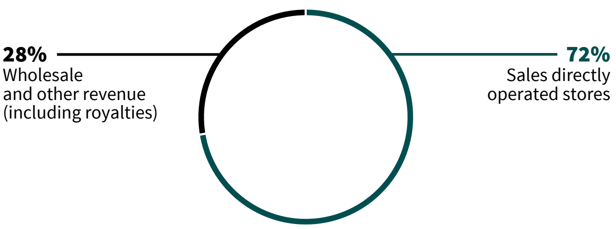
Revenue

In 2023, revenue from the Other Houses fell by 9% as reported and by 8% at constant scope and exchange rates.

There were mixed performances across the segment:

- Balenciaga's performance varied between geographies and distribution channels. It saw strong sales growth in Japan and Asia-Pacific but a sharp deceleration in North America and Europe. The House also continued its strategy of reducing its number of wholesalers while macroeconomic conditions were also less helpful for the latter, particularly in North America.
- Alexander McQueen suffered from its exposure to the wholesale market, particularly in the United States. However, sales in the House's stores rose due to the success of its Ready-to-Wear offering.
- After a good year in 2022, revenue at Brioni continued to recover.
- Revenue grew strongly at the Jewelry Houses:
  - Boucheron confirmed its potential with further strong sales growth in 2023.
  - Total revenue growth at Pomellato and Dodo was firm.
  - Qeelin's sales rose sharply due to the recovery in the Chinese market and in tourist numbers, as well as growth in its store network.

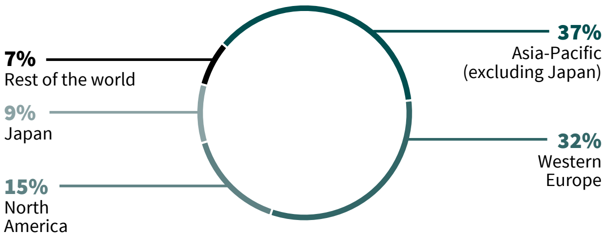
Revenue by distribution channel



Revenue from the Other Houses' directly operated physical and online stores rose 3% on a comparable basis relative to 2022. That growth was partly due to new store openings, in line with the strategy of moving toward more selective distribution. Online sales fell and held back the segment's overall performance. However, the proportion of total revenue coming from online sales varied between brands, showing close correlation with the maturity of each House's online stores and product range.

Wholesale revenue was down 29% on a comparable basis. In accordance with the Group's strategy, the Other Houses – primarily Balenciaga and Alexander McQueen – are focusing their wholesale businesses on a limited number of top-quality partners. Performance was also affected by a decline in orders from distributors in North America.

Revenue by region



The Other Houses' regional performances followed similar trends to those seen at Gucci, Yves Saint Laurent and Bottega Veneta.

The return to normal in local consumer spending and weak growth in tourist numbers in the second half of the year dragged down the Other Houses' sales growth in Western Europe, with the notable exception of Brioni (+9%). The Other Houses' total revenue in Western Europe fell by 19% on a comparable basis.

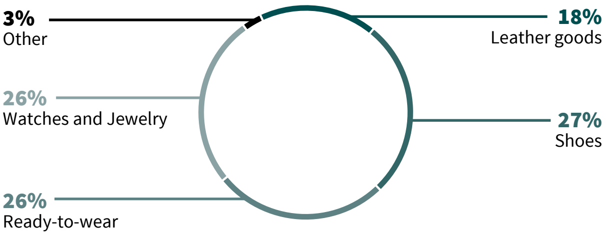
Revenue grew 27% on a comparable basis in Japan, boosted by the sharp upturn in the number of tourists traveling within Asia.

In North America, sales fell 33% on a comparable basis, due to the decrease in wholesale revenue – particularly at Alexander McQueen – and difficulties encountered by Balenciaga in this market.

In Asia-Pacific, revenue rose by 19% on a comparable basis, due in particular to very strong performance at Balenciaga, Boucheron and Qeelin in Greater China.

In the Rest of the world, the Other Houses' performance was held back by the decline in Balenciaga's sales in the Middle East.

Revenue by product category



Kering's Jewelry Houses maintained their 2022 trends, posting very strong growth in 2023, driven in particular by the success of their development plan in Asia-Pacific and Japan. High Jewelry collections from Boucheron but also Pomellato were particularly well received.

Among the other categories, Ready-to-wear was the most resilient, as Alexander McQueen focused more on this category within its own stores while Brioni also achieved growth.

However, the Shoes and Leather goods category suffered from a very high base for comparison and more moderate demand from aspirational customers in certain markets.

Royalties fell relative to 2022 as certain licenses and collaborations came to an end. However, royalties from licenses managed by Kering Eyewear increased.

Recurring operating income

The Other Houses' recurring operating income was €212 million in 2023, 62% less than in 2022.

Recurring operating margin came to 6%, down 8.4 points compared to 2022.

Continued high levels of expenses on supporting the Other Houses' development in all their main markets affected profitability, given the decrease in revenue. This was particularly true at Balenciaga and Alexander McQueen.

EBITDA totaled €585 million, down €303 million year-on-year. This caused EBITDA margin to fall 6.2 points to 16.7%.

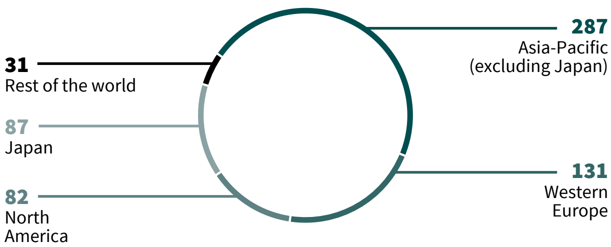
Store network and operating investments

The Other Houses had 618 directly operated stores as of December 31, 2023, a net increase of 34 compared to 2022.

Balenciaga, Brioni and the Jewelry brands were mainly behind this expansion of the network. Asia-Pacific had most store openings (net of closures), followed by North America.

These developments led to a slight increase in the Other Houses' operating investments, which totaled €247 million, €26 million more than in 2022. As a proportion of annual revenue, investments remained high at 7% in 2023 as opposed to 6% in 2022. Although the Houses obviously worked on strengthening their direct distribution, they also invested in their production capabilities and the full array of infrastructure needed to develop their businesses.

Breakdown of directly operated stores by region



5.5 Kering Eyewear and Corporate

(in € millions)	2023	2022	Change
Revenue	**1,568**	**1,139**	**+38%**
of which Kering Eyewear	*1,502*	*1,115*	*+35%*
of which Corporate and other	*66*	*24*	*+175%*
Recurring operating income	**(7)**	**(88)**	**+92%**
of which Kering Eyewear	*276*	*203*	*+36%*
of which Corporate and other	*(283)*	*(291)*	*+2%*
Acquisitions of property, plant and equipment and intangible assets	1,638	238	N/A
Average FTE headcount	6,906	5,486	+26%

The Kering Eyewear and Corporate segment comprises:

- Kering Eyewear, whose sales and operating income are presented before the elimination of intra-group sales and other consolidation adjustments (reported on the separate line item "Eliminations");
- Kering Beauté, a business that is currently being developed. Creed, acquired in October 2023, has been consolidated in Kering's financial statements since November 1, 2023;
- Kering's headquarters teams, all corporate departments reporting to them – including in the regions – and Shared Services, which provide a range of services to the brands, along with the Kering Sustainability Department. KGS – the Kering entity that handled sourcing activities for non-Group brands including companies making up the former Redcats group – was sold in November 2022. Sales and operating income for 2022 therefore include the contribution of KGS until that date.

In 2023, the segment generated total revenue of €1,568 million, including €1,502 million from Kering Eyewear.

Kering Eyewear's sales were up 35% as reported. However, they included a positive impact from a change in scope, due to the consolidation of Maui Jim from October 1, 2022.

At constant scope and exchange rates, revenue rose by 10%, with the number of licenses managed by Kering Eyewear remaining stable relative to 2022. Performance in the first and second halves of the year must be analyzed in view of seasonal variations in Kering Eyewear's business, with more sales taking place in the first six months.

Growth at constant scope was extremely solid in all main markets, and was driven in particular by a very strong upturn in Asia-Pacific and strong growth in Europe.

Local chains and the "three Os" (Opticians, Optometrists and Ophthalmologists) constitute the main channel for sales under license by brands managed by Kering Eyewear (around 50% of total sales in both 2023 and 2022). Revenue from those distributors once again saw very robust growth, showing the effectiveness of Kering Eyewear's sales organization. Sales in other distribution channels also rose, particularly in brands' own stores, and continued to recover in travel retail.

The segment made an operating loss of €7 million, comprising operating income of €276 million at Kering Eyewear less Corporate operating expenses of €283 million.

Kering Eyewear's recurring operating margin was 18.4%, similar to the 2022 figure. Positive operational leverage was offset by increased investment at Maui Jim, aimed particularly at continuing its development in new markets.

Corporate operating expenses were stable compared to 2022. These expenses arise from the Group's initiatives in the fields of IT, digital and innovation, and also sustainability.

The segment's operating investments amounted to €1,638 million in 2023 and included the acquisition of real-estate properties in Paris with the aim of securing prime locations for the Group's Houses. Adjusted for those acquisitions, operating investments amounted to €257 million in 2023, up €19 million relative to 2022. Corporate (logistics and head office) operations maintained a level of investment almost unchanged from last year.

6 - PARENT COMPANY NET INCOME

In 2023, the parent company generated net income of €1,855 million, compared to €1,552 million in 2022. The 2023 figure includes €1,886 million of dividends received from subsidiaries (versus €1,624 million in 2022).

7 - TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties in 2023 are described in the notes to the consolidated financial statements (cf. Consolidated financial statements, Note 31 – Transactions with related parties).

8 - OUTLOOK

To achieve its long-term vision, Kering invests in the development of its houses, so that they continuously strengthen their desirability and the exclusivity of their distribution, strike a perfect balance between creative innovation and timelessness, and achieve the highest standards in terms of quality, sustainability, and experience for their customers. In an environment of ongoing economic and geopolitical uncertainty, Kering will continue to execute on its strategy and vision, in pursuit of two key ambitions: to maintain a trajectory of long-term profitable growth, and to confirm its status as one of the most influential groups in the Luxury industry.

In 2024, in a context of ongoing normalization of the sector's growth, the impact of Kering's investment strategy will weigh on the group's full-year recurring operating income (based on the scope of consolidation and exchange rates at December 31, 2023), which should post a decline compared to the level reported in 2023, particularly in the first half of the year. The Group will prioritize expenses and investments supporting the long-term development and growth of its houses, while remaining vigilant and disciplined with regards to its cost structure.

9 - DEFINITIONS OF NON-IFRS FINANCIAL INDICATORS

"Reported" and "comparable" growth

The Group's "reported" growth corresponds to the change in reported revenue between two periods.

The Group measures "comparable" growth (also referred to as "organic" growth) in its business by comparing revenue between two periods at constant scope and exchange rates.

Changes in scope are dealt with as follows for the periods concerned:

- the portion of revenue relating to acquired entities is excluded from the current period;
- the portion relating to entities divested or in the process of being divested is excluded from the previous period.

Currency effects are calculated by applying the average exchange rates for the current period to amounts in the previous period.

Recurring operating income

The Group's operating income includes all revenues and expenses directly related to its activities, whether these revenues and expenses are recurring or arise from non-recurring decisions or transactions.

Other non-recurring operating income and expenses consist of items that, by their nature, amount or frequency, could distort the assessment of the Group's operating performance as reflected in its recurring operating income. They include changes in scope, the impairment of goodwill and brands and, where material, of property, plant and equipment and intangible assets, capital gains and losses on disposals of non-current assets, restructuring costs and disputes.

"Recurring operating income" is therefore an alternative performance indicator for the Group, defined as the difference between operating income and other non-recurring operating income and expenses. This indicator is intended to facilitate the understanding of the operating performance of the Group and its Houses and can therefore be used as a way to estimate recurring performance. It is presented in a manner that is consistent and stable over the long term in order to ensure the continuity and relevance of financial information.

EBITDA

The Group uses EBITDA as an alternative performance indicator to monitor its operating performance. This financial indicator corresponds to recurring operating income plus net charges to depreciation, amortization and provisions on non-current operating assets recognized in recurring operating income.

Free cash flow from operations, available cash flow from operations and available cash flow

The Group uses an intermediate line item, "Free cash flow from operations", to monitor its financial performance. This financial indicator measures net operating cash flow less net operating investments (defined as acquisitions and disposals of property, plant and equipment and intangible assets).

The Group has also defined a new indicator, "Available cash flow from operations", in order to take into account capitalized fixed lease payments (repayments of principal and interest) pursuant to IFRS 16, and thereby reflect all of its operating cash flows.

"Available cash flow" therefore corresponds to available cash flow from operations plus interest and dividends received, less interest paid and equivalent (excluding leases).

Net debt

Net debt is one of the Group's main financial indicators, and is defined as borrowings less cash and cash equivalents. Lease liabilities are not included in the calculation of this indicator. Borrowings include put options granted to minority interests.

The cost of net debt corresponds to all financial income and expenses associated with these items, including the impact of derivative instruments used to hedge the fair value of borrowings.

Effective tax rate on recurring income

The effective tax rate on recurring income corresponds to the effective tax rate excluding tax effects relating to other non-recurring operating income and expenses.

CHAPTER 3

Financial statements as of December 31, 2023

1 - CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

Financial statements audited, certification in progress.

1.1 Consolidated income statement

(in € millions)	Notes	2023	2022
CONTINUING OPERATIONS			
Revenue	**4**	**19,566**	**20,351**
Cost of sales		(4,639)	(5,153)
Gross margin		**14,927**	**15,198**
Other personnel expenses	5	(2,982)	(2,830)
Other recurring operating income and expenses		(7,199)	(6,779)
Recurring operating income		**4,746**	**5,589**
Other non-recurring operating income and expenses	7	(103)	(194)
Operating income		**4,643**	**5,395**
Financial result	8	(410)	(260)
Income before tax		**4,233**	**5,135**
Income tax expense	9	(1,163)	(1,420)
Share in earnings (losses) of equity-accounted companies		4	2
Net income from continuing operations		**3,074**	**3,717**
o/w attributable to the Group		*2,983*	*3,613*
o/w attributable to minority interests		*91*	*104*
DISCONTINUED OPERATIONS			
Net income from discontinued operations		**–**	**1**
o/w attributable to the Group		*–*	*1*
o/w attributable to minority interests		*–*	*–*
GROUP TOTAL			
Net income of consolidated companies		**3,074**	**3,718**
o/w attributable to the Group		*2,983*	*3,614*
o/w attributable to minority interests		*91*	*104*

(in € millions)	Notes	2023	2022
Net income attributable to the Group		**2,983**	**3,614**
Basic earnings per share *(in €)*	10.1	24.38	29.34
Diluted earnings per share *(in €)*	10.1	24.37	29.31
Net income from continuing operations attributable to the Group		**2,983**	**3,613**
Basic earnings per share *(in €)*	10.1	24.38	29.33
Diluted earnings per share *(in €)*	10.1	24.37	29.30
Net income from continuing operations (excluding non-recurring items) attributable to the Group		**3,061**	**3,747**
Basic earnings per share *(in €)*	10.1	25.02	30.42
Diluted earnings per share *(in €)*	10.2	25.01	30.39

1.2 Consolidated statement of comprehensive income

(in € millions)	Notes	2023	2022
Net income		**3,074**	**3,718**
Change in currency translation adjustments relating to consolidated subsidiaries:		**(75)**	**(69)**
– change in currency translation adjustments		*(75)*	*(69)*
– amounts transferred to the income statement		*–*	*–*
Change in foreign currency cash flow hedges:	**21.6**	**(4)**	**246**
– change in fair value		*268*	*(68)*
– amounts transferred to the income statement		*(271)*	*327*
– tax effects		*(1)*	*(13)*
Change in other comprehensive income (loss) of equity-accounted companies:		**–**	**–**
– change in fair value		*–*	*–*
– amounts transferred to the income statement		*–*	*–*
Gains and losses recognized in equity, to be transferred to the income statement		**(79)**	**177**
Change in provisions for pensions and other post-employment benefits:	**23**	**1**	**24**
– change in actuarial gains and losses		*1*	*30*
– tax effects		*–*	*(6)*
Change in financial assets measured at fair value:	**16.2**	**(23)**	**(225)**
– change in fair value		*(33)*	*(272)*
– tax effects		*10*	*47*
Gains and losses recognized in equity, not to be transferred to the income statement		**(22)**	**(201)**
Total gains and losses recognized in equity		**(101)**	**(24)**
Comprehensive income		2,973	3,694
o/w attributable to the Group		*2,879*	*3,576*
o/w attributable to minority interests		*94*	*118*

1.3 Consolidated balance sheet

Assets

(in € millions)	Notes	Dec. 31, 2023	Dec. 31, 2022
Goodwill	11	7,112	4,053
Brands and other intangible assets	12	8,178	7,357
Lease right-of-use assets	13.1	4,984	4,929
Property, plant and equipment	14	5,341	3,388
Investments in equity-accounted companies	15	1,750	49
Non-current financial assets	16	536	855
Deferred tax assets	9.3	1,520	1,640
Other non-current assets		16	8
Non-current assets		**29,437**	**22,279**
Inventories	17	4,550	4,465
Trade receivables and accrued income	18	1,151	1,180
Current tax receivables		765	378
Current financial assets	16	136	167
Other current assets		1,406	1,136
Cash and cash equivalents	20.1	3,922	4,336
Current assets		**11,930**	**11,662**
Assets held for sale		**–**	**–**
TOTAL ASSETS		41,367	33,941

Equity and liabilities

(in € millions)	Notes	Dec. 31, 2023	Dec. 31, 2022
Equity attributable to the Group		15,212	13,998
Equity attributable to minority interests		798	785
Equity	**19**	**16,010**	**14,783**
Non-current borrowings	20	10,026	4,347
Non-current lease liabilities	13.2	4,511	4,420
Non-current financial liabilities	22	13	–
Non-current provisions for pensions and other post-employment benefits	23	68	66
Non-current provisions	24	21	19
Deferred tax liabilities	9.3	1,776	1,572
Other non-current liabilities		311	228
Non-current liabilities		**16,726**	**10,652**
Current borrowings	20	2,400	2,295
Current lease liabilities	13.2	884	812
Current financial liabilities	22	588	663
Trade payables and accrued expenses		2,200	2,263
Current provisions for pensions and other post-employment benefits	23	12	12
Current provisions	24	163	168
Current tax liabilities		536	567
Other current liabilities		1,848	1,726
Current liabilities		**8,631**	**8,506**
Liabilities associated with assets held for sale		**–**	**–**
TOTAL EQUITY AND LIABILITIES		41,367	33,941

1.4 Consolidated statement of changes in equity

Before appropriation of net income *(in € millions)*	**Notes**	**Number of shares outstanding**	**Share capital**	**Capital reserves**	**Kering treasury shares**	**Cumulative translation adjustments**	**Remeasure-ment of financial instruments**	**Other reserves and net income**	**Group**	**Minority interests**	**TOTAL**
As of January 1, 2022		**124,068,705**	**499**	**1,655**	**(380)**	**(82)**	**165**	**11,469**	**13,326**	**389**	**13,715**
Net income								3,614	3,614	104	3,718
Total gains and losses recognized in equity						(83)	21	24	(38)	14	(24)
Comprehensive income						**(83)**	**21**	**3,638**	**3,576**	**118**	**3,694**
Change in equity of Kering SA		102,862		38					38	–	38
Change in equity of subsidiaries									–	346	346
Expense related to share-based payments	6							45	45	–	45
Cancellation of Kering treasury shares	19.1		(3)	(379)	382				–	–	–
(Acquisitions) disposals of Kering treasury shares[(1)]	19.1	(1,951,197)			(1,030)				(1,030)	–	(1,030)
Distribution of dividends	19.2							(1,605)	(1,605)	(45)	(1,650)
Other changes[(2)]								(352)	(352)	(23)	(375)
As of Dec. 31, 2022		**122,220,370**	**496**	**1,314**	**(1,028)**	**(165)**	**186**	**13,195**	**13,998**	**785**	**14,783**
Net income								2,983	2,983	91	3,074
Total gains and losses recognized in equity						(78)	(26)		(104)	3	(101)
Comprehensive income						**(78)**	**(26)**	**2,983**	**2,879**	**94**	**2,973**
Change in equity of Kering SA									–	–	–
Change in equity of subsidiaries									–	9	9
Expense related to share-based payments	6	16,928			10			15	25	–	25
Cancellation of Kering treasury shares	19.1		(3)	(330)	333				–	–	–
(Acquisitions) disposals of Kering treasury shares[(1)]	19.1	342,883			230			(217)	13	–	13
Distribution of dividends	19.2							(1,705)	(1,705)	(42)	(1,747)
Other changes[(2)]					5			(3)	2	(48)	(46)
As of Dec. 31, 2023		**122,580,181**	**493**	**984**	**(450)**	**(243)**	**160**	**14,268**	**15,212**	**798**	**16,010**

(1) The acquisition cost of Kering treasury shares is reflected in the Kering treasury shares column. Capital gains or losses on the sale of Kering treasury shares, along with the related expenses and taxes, are recognized in the Other reserves and net income column.
(2) Other changes include changes in scope and transactions with minority interests.

1.5 Consolidated statement of cash flows

(in € millions)	Notes	2023	2022
Net income from continuing operations		**3,074**	**3,717**
Net recurring charges to depreciation, amortization and provisions on non-current operating assets	3.1	1,823	1,666
Other non-cash (income) expenses	26	94	(334)
Cash flow received from operating activities	**26**	**4,991**	**5,049**
Interest paid (received)		300	287
Dividends received		(9)	(7)
Current tax expense	9.1	1,007	1,597
Cash flow received from operating activities before tax, dividends and interest		**6,289**	**6,926**
Change in working capital requirement	27	(396)	(902)
Income tax paid		(1,434)	(1,746)
Net cash received from operating activities		**4,459**	**4,278**
Acquisitions of property, plant and equipment and intangible assets	28	(2,611)	(1,071)
Disposals of property, plant and equipment and intangible assets		135	1
Acquisitions of subsidiaries and associates, net of cash acquired		(5,093)	(1,565)
Disposals of subsidiaries and associates, net of cash transferred		–	(32)
Acquisitions of other financial assets		(56)	(235)
Disposals of other financial assets		251	115
Interest and dividends received		76	17
Net cash received from (used in) investing activities		**(7,298)**	**(2,770)**
Increase (decrease) in share capital and other transactions		–	38
Dividends paid to shareholders of Kering SA	19.2	(1,712)	(1,483)
Dividends paid to minority interests in consolidated subsidiaries		(42)	(45)
Transactions with minority interests		(24)	317
(Acquisitions) disposals of Kering treasury shares	19.1	(10)	(1,030)
Issuance of bonds and bank debt	20.4	6,205	1,742
Redemption of bonds and bank debt	20.4	(957)	(904)
Issuance (redemption) of other borrowings		174	343
Repayment of lease liabilities		(880)	(824)
Interest paid and equivalent		(377)	(298)
Net cash received from (used in) financing activities	**29**	**2,377**	**(2,144)**
Net cash received from (used in) discontinued operations		**–**	**(8)**
Impact of exchange rates on cash and cash equivalents		18	222
Net increase (decrease) in cash and cash equivalents		**(444)**	**(422)**
Cash and cash equivalents at opening	**25**	**4,094**	**4,516**
Cash and cash equivalents at closing	**25**	**3,650**	**4,094**

1.6 Notes to the 2023 consolidated financial statements

INTRODUCTION

Kering SA, the Group's parent company, is a *société anonyme* (French corporation) with a Board of Directors, incorporated under French law, whose registered office is located at 40, rue de Sèvres, 75007 Paris, France. Kering is a global Luxury group that manages the development of a collection of renowned Houses in Fashion, Leather goods and Jewelry.

On February 7, 2024, the Board of Directors approved the consolidated financial statements as of December 31, 2023 and authorized their publication. These consolidated financial statements will only be considered as final after their adoption by the April 25, 2024 Annual General Meeting.

The consolidated financial statements as of December 31, 2023 reflect the accounting position of Kering SA, its subsidiaries and its associates (the "Group").

Pursuant to European Regulation No. 1606/2002 of July 19, 2002, these consolidated financial statements were prepared in accordance with applicable international financial reporting standards (IFRSs) as endorsed by the European Union and mandatorily applicable as of the reporting date.

The accounting policies and methods applied by the Group pursuant to IFRSs are set out in Note 33 – Accounting policies and methods.

Unless otherwise stated, amounts are stated in millions of euros. In general, amounts stated in the consolidated financial statements and notes to the consolidated financial statements are rounded to the nearest unit. As a result, the sum of the rounded amounts may show non-material differences relative to the stated total.

NOTE 1 – SIGNIFICANT EVENTS OF 2023

Acquisition of prestigious real-estate assets in Paris

In 2023, Kering acquired three prestigious buildings in Paris, located on Rue de Castiglione (close to Place Vendôme in the first *arrondissement*) and Avenue Montaigne (in the eighth *arrondissement*).

Those investments form part of Kering's selective real-estate strategy aimed at securing key locations that are highly desirable for its Houses.

In accordance with its long-term financial strategy, the Group intends to implement a disciplined and flexible approach to managing its real-estate portfolio.

Kering Beauté acquires Creed, the high-end luxury heritage fragrance house

On June 26, 2023, Kering Beauté announced that it had signed an agreement to acquire 100% of Creed. The transaction was completed on October 17, 2023 and Creed has been fully consolidated in the consolidated financial statements since November 1, 2023.

Established in 1760 by James Henry Creed, the House of Creed is the largest global independent player in the fast-growing high-end fragrance market, with distinctive, timeless and sophisticated fragrance collections. In recent years, Creed has delivered double-digit growth, along with outstanding profitability and very high EBITDA margins, while never compromising on product quality and maintaining its very strong brand image. In its financial year ended March 31, 2023, Creed generated revenue of more than €250 million. Creed offers a tailored, elevated in-store experience through its network of branded stores, and quality distribution through around 1,400 points of sale globally.

The acquisition of Creed is a major milestone for Kering Beauté. Creed is a perfect fit with Kering's portfolio of renowned Luxury brands, and immediately gives Kering Beauté substantial scale, an attractive financial profile, as well as a platform for supporting the future development of other Kering Beauté fragrance franchises, particularly by leveraging Creed's global distribution network.

While preserving Creed's rich heritage and exclusive brand image, Kering Beauté will further unlock Creed's potential across geographies, sales channels, and categories, notably by accelerating its development in China and in Travel Retail, and by further expanding its portfolio in the women's fragrance, body and home categories.

Kering and Mayhoola announce Kering's acquisition of a significant stake in Valentino as part of a broader strategic partnership

On July 27, 2023, Kering and Mayhoola entered into a binding agreement for Kering to acquire a 30% shareholding in Valentino, for a cash consideration of €1.7 billion. The agreement includes a cross-option agreement allowing Kering to acquire 100% of Valentino's share capital no later than 2028.

Founded in Rome in 1960 by Valentino Garavani, Valentino is one of the most internationally recognized Italian luxury houses. Valentino is a Maison de Couture with a strong heritage, positioned at the high end of the Luxury market. With its Haute Couture roots and a portfolio of iconic creations, Valentino has also developed a range of Ready-to-wear, Leather goods and Accessories that have attracted a very loyal customer base and are worn by celebrities around the world. Today, Valentino has 211 directly operated stores in more than 25 countries and it generated revenue of €1.4 billion and recurring EBITDA of €350 million in 2022.

The transaction is part of a broader strategic partnership between Kering and Mayhoola, which could lead to Mayhoola becoming a shareholder in Kering.

On November 30, 2023, Kering announced that it had completed the acquisition, in accordance with the terms disclosed on July 27, 2023 and following clearance from the antitrust authorities. This stake has been accounted for in Kering's financial statements using the equity method since November 30, 2023.

Boucheron announces the acquisition of a High Jewelry workshop

On November 6, 2023, as part of its ongoing growth and development strategy, Boucheron acquired a High Jewelry workshop, renowned for its excellent expertise in traditional craftsmanship. The acquisition allows Boucheron to reinforce the production capacity of its historical High Jewelry workshop.

The workshop is composed of four companies: Blondeau, Belter, Chanson and FG Développement, which have worked together at the same address since 2017. Together, they have around sixty artisans (CAD designers, jewelers, lapidaries, setters and polishers) who are involved in each step of the process in the making of a High Jewelry creation.

The workshop's teams joined Boucheron on October 31, 2023, working alongside its established workshop at 26 Place Vendôme to develop the House's High Jewelry collections.

Kering Eyewear acquires UNT, one of its key suppliers in the production of high-precision components

On June 30, 2023, Kering Eyewear acquired 100% of the share capital of French company UNT (*Usinage & Nouvelles Technologies*), to strengthen its position in the Luxury eyewear industry. UNT is a key player in the manufacturing of high-precision metal and mechanical components for the entire Luxury eyewear sector.

Following on from the acquisition of Manufacture Kering Eyewear – previously *Manufacture Cartier Lunettes* – in France in 2017 and the purchase of a stake in *Trenti Industria Occhiali* in Italy in 2019, this transaction represents another important step in the industrial development strategy of Kering Eyewear, which controls its supply chain through strategic partnerships with industry-leading manufacturers, ensuring an unparalleled level of quality and technical expertise.

Kering Eyewear and UNT share the same vision and values of excellence, craftsmanship, innovation and sustainability.

Three bond issues in euros and sterling, for €1.5 billion, €3.8 billion and £800 million respectively

As part of the Group's active liquidity management, Kering carried out three bond issues in 2023, enabling it to enhance its financial flexibility and allowing it both to refinance existing debt and finance its recent acquisitions.

The great success of these issues with investors underscored the market's confidence in the Group's credit quality.

Kering's long-term debt is rated A with a stable outlook by Standard & Poor's.

- Dual-tranche issue on February 20, 2023 for a total amount of €1.5 billion:
  - a €750 million tranche with a 6-year maturity and a 3.25% coupon,
  - and a €750 million tranche with a 10-year maturity and a 3.375% coupon.

  The issue allowed the Group to refinance its existing debt.
- Four-tranche issue on August 29, 2023 for a total amount of €3.8 billion bond issue:
  - a €750 million tranche with a 2-year maturity and a 3.75% coupon,
  - a €750 million tranche with a 4-year maturity and a 3.625% coupon,
  - a €1 billion tranche with a 8-year maturity and a 3.625% coupon,
  - a €1.3 billion tranche with a 12-year maturity and a 3.875% coupon.

  This issue was notably intended to finance the acquisition of Creed.
- Dual-tranche issue on November 16, 2023, for a total amount of £800 million:
  - a £400 million tranche with a 3-year maturity and a 5.125% coupon,
  - a £400 million tranche with a 9-year maturity and a 5% coupon.

  This issue allowed the Group to diversify its sources of funding, by accessing for the first time the sterling bond market.

NOTE 2 – SUBSEQUENT EVENTS

Acquisition of a prestigious property in New York City

On January 22, 2024 and continuing the strategy implemented in 2023, Kering announced the acquisition of a prestigious New York City property comprising multi-level luxury retail spaces, totaling approximately 115,000 sq. ft, or 10,700 sq. m., located at 715-717 Fifth Avenue, on the Southeast corner of 56th Street, for a consideration of $963 million (€885 million).

No other significant event took place between December 31, 2023 and February 7, 2024, the date on which the Board of Directors approved the annual financial statements.

NOTE 3 – OPERATING SEGMENTS

3.1 Information by operating segment

(in € millions)	Gucci	Yves Saint Laurent	Bottega Veneta	Other Houses	Kering Eyewear and Corporate	Eliminations[1]	Total
2023							
Revenue	**9,873**	**3,179**	**1,645**	**3,514**	**1,568**	**(213)**	**19,566**
Recurring operating income	**3,264**	**969**	**312**	**212**	**(7)**	**(4)**	**4,746**
Net recurring charges to depreciation, amortization and provisions on non-current operating assets	735	250	182	373	283	N/A	1,823
EBITDA	3,999	1,219	494	585	276	(4)	6,569
Acquisitions of property, plant and equipment and intangible assets[2]	435	186	105	247	1,638	N/A	2,611

(1) Intra-group eliminations are now disclosed in a separate column.

(2) Including the acquisition of strategic real-estate properties for €1,381 million.

(in € millions)	Gucci	Yves Saint Laurent	Bottega Veneta	Other Houses	Kering Eyewear and Corporate	Eliminations	Total
2022							
Revenue	**10,487**	**3,300**	**1,740**	**3,874**	**1,139**	**(189)**	**20,351**
Recurring operating income	**3,732**	**1,019**	**366**	**558**	**(88)**	**2**	**5,589**
Net recurring charges to depreciation, amortization and provisions on non-current operating assets	684	232	175	330.0	245	N/A	1,666
EBITDA	4,416	1,251	541	888	157	2	7,255
Acquisitions of property, plant and equipment and intangible assets	408	112	92	221	238	N/A	1,071

3.2 Revenue by region

(in € millions)	2023	2022
Asia-Pacific (Excluding Japan)	6,848	6,568
Western Europe	5,405	5,566
North America	4,500	5,547
Japan	1,400	1,244
Rest of the world	1,413	1,425
TOTAL	19,566	20,351

NOTES ON THE CONSOLIDATED INCOME STATEMENT

NOTE 4 – REVENUE

(in € millions)	2023	2022
Sales from directly operated stores including e-commerce	15,446	16,007
Wholesale sales, royalties and other revenue[1]	4,120	4,344
TOTAL	19,566	20,351

(1) After elimination of intra-group sales.

NOTE 5 – PERSONNEL EXPENSES AND HEADCOUNT

5.1 Personnel expenses by type

(in € millions)	2023	2022
Wages, salaries and payroll taxes	(2,682)	(2,497)
Expenses related to pensions and other post-employment benefits under defined benefit plans	(11)	(11)
Expense related to share-based payments	(10)	(29)
Other	(279)	(294)
TOTAL[1]	(2,982)	(2,830)

(1) Excludes personnel expenses included in the cost of sales.

5.2 Average headcount on a full-time equivalent basis by region

	2023	2022
Asia-Pacific (excluding Japan)	12,318	12,306
Western Europe	21,777	19,487
North America	5,638	4,825
Japan	2,808	2,681
Rest of the world	3,473	3,337
TOTAL	46,014	42,637

5.3 Headcount on the payroll at year-end by region

	Dec. 31, 2023	Dec. 31, 2022
Asia-Pacific (excluding Japan)	12,739	12,888
Western Europe	23,593	21,914
North America	5,957	5,840
Japan	2,978	2,934
Rest of the world	3,697	3,651
TOTAL	48,964	47,227

NOTE 6 – SHARE-BASED PAYMENT

6.1 Cash-settled plans

Until 2019, the Group granted certain employees Kering Monetary Units (KMUs), which are long-term share-based incentives that are systematically settled in cash and subject to continuing service conditions for all beneficiaries, and also subject to performance conditions for executive corporate officers. The Group recognizes its obligations as services are rendered by the beneficiaries, over the period from the grant date to the vesting date.

Vested rights may be exercised over a period of two years, during which beneficiaries can opt to cash out some or all of their KMUs in April and October, at their discretion, based on the most recently determined value.

The unit value of the KMUs awarded is determined and changes based on movements in the Kering share price by itself and in comparison with the average performance of a basket of seven stocks from the Luxury industry. The exercise date is the date at which all of the specified vesting conditions are satisfied, and as of which the beneficiaries are entitled to ask for payment of their entitlements.

At December 31, 2023, all share-based long-term incentive plans had been exercised, with the 2019 plan reaching the end of its exercise period in October 2023.

Information on grants

Year granted	2019
Grant date	1/1/2019
Vesting period	3 years
Exercise period	2 years
Last exercise window	October 2023
Number of beneficiaries on the grant date	345
Number of shares initially granted	38,205
Unit fair value at grant date *(in €)*	753

Number of shares outstanding

Year granted	2019
Balance as of December 31, 2022	**3,758**
Number granted	–
Number forfeited	(29)
Number exercised	(3,729)
Balance as of December 31, 2023	–
o/w exercisable as of December 31, 2023	–
Weighted average price per instrument exercised *(in €)*	1,287

6.2 Plans settled in Kering shares

Free share and performance share plans

Since 2020, with respect to its long-term incentive plans, Kering has introduced free share and performance share plans for senior executives and certain Group employees. The characteristics of these plans are as follows:

Information on grants

Year granted	2020	2021	2022	2023
Grant date	10/01/2020	10/01/2021	10/04/2022	10/03/2023
Vesting period	3 years	3 years	3 years	3 years
Number of beneficiaries on the grant date	351	372	497	610
Number of shares initially granted	46,596	42,752	74,274	73,222
Unit fair value at grant date *(in €)*	542.6-608.7	622.5-628.3	457.2-461.5	397.3-403.4

Number of shares outstanding

Year granted	2020	2021	2022	2023
Balance as of December 31, 2022	**38,631**	**38,250**	**68,336**	**–**
Number granted	–	–	–	73,222
Number forfeited	(21,703)	(7,798)	(12,282)	(1,395)
Number delivered	(16,928)	–	–	–
Balance as of December 31, 2023	**–**	**30,452**	**56,054**	**71,827**

Under performance share plans, the final number of shares delivered to beneficiaries who continue to be employed by the Group at the end of the vesting period cannot be less than 50% of, or over 50% more than the initial grant made to these beneficiaries. The performance adjustment ratio used to calculate the final number of shares to be delivered is determined in line with Kering's share performance over the three-year vesting period versus the performance of the industry as a whole, as measured by an index of eight European luxury stocks. As well as the performance conditions applicable to all beneficiaries, specific performance conditions apply to the corporate officers, as outlined at the Annual General Meetings of June 16, 2020, April 22, 2021, April 28, 2022 and April 27, 2023.

Other free share and performance share plans

Kering may also include share-based payments in plans specifically introduced for key executives from the Houses, reflecting the creation of value at their respective brands.

A plan of this type was set up in 2020 and was settled in Kering shares in 2023 after an accelerated vesting period of three years compared with the initial vesting period of five years.

The fair value of this benefit at the grant date was calculated by an independent expert using the Black & Scholes and Monte Carlo methods, and amounted to €55 million.

NOTE 7 – OTHER NON-RECURRING OPERATING INCOME AND EXPENSES

(in € millions)	2023	2022
Gains relating to changes in scope	28	29
Capital gains on disposals of non-current assets	85	–
Restructuring reversal	35	–
Other	19	4
Other non-recurring operating income	**167**	**33**
Losses relating to changes in scope	(1)	(21)
Capital losses on disposals of non-current assets	–	–
Impairment of goodwill and other non-current assets	(70)	(41)
Restructuring costs	(111)	(36)
Acquisition costs	(39)	(29)
Other	(50)	(101)
Other non-recurring operating expenses	**(270)**	**(227)**
Other non-recurring operating income and expenses	(103)	(194)

Restructuring costs in 2023, net of reversals, mainly concern the continuation of the restructuring that began at Gucci in 2022. Other expenses comprise:

- impairment of other non-current assets, mainly related to the reorganization of Gucci's creative studio,
- impairment of other assets at Alexander McQueen and Brioni, and
- costs relating to the acquisition of Creed.

The gain from changes in the scope of consolidation arose from the change in consolidation method used for Ginori 1735.

The €85 million capital gain on asset disposals arose from the disposal of a building in London.

In 2022, other non-current operating expenses mainly concerned the cost of reorganizing Gucci's design studio, the impact of the change in estimate relating to inventories and impairment of assets in Russia. Other income were related to the disposal of Ulysse Nardin and Girard Perregaux.

NOTE 8 – FINANCIAL RESULT

(in € millions)	2023	2022
Cost of net debt[1]	**(108)**	**(47)**
Income from cash and cash equivalents	102	10
Finance costs at amortized cost	(210)	(57)
Other financial income and expenses	**(151)**	**(89)**
Net gains (losses) on financial assets	15	(3)
Net foreign exchange gains (losses)	(64)	(28)
Ineffective portion of cash flow and fair value hedges	(95)	(154)
Net gains (losses) on derivative instruments not qualifying for hedge accounting	9	111
Other finance costs	(16)	(15)
Financial result excluding leases	**(259)**	**(136)**
Interest expense on lease liabilities	(151)	(124)
TOTAL	(410)	(260)

(1) Net debt is defined in Note 33.1.5.

The Group's cost of net debt was €108 million in 2023 (€47 million in 2022). This €61 million increase was mainly due to the rise in interest expenses, arising from the increase in the Group's average amount of debt against a background of rising short- and long-term interest rates, partly offset by the significant increase in interest income on the Group's cash position as a result of higher interest rates.

Other financial income and expense produced a net expense of €151 million in 2023 (€89 million in 2022). This €62 million increase was mainly due to the non-recurrence of the €106 million positive impact that arose in 2022 from revaluing the option component of the bonds exchangeable for PUMA shares (redeemed in September 2022) at fair value through the income statement.

NOTE 9 – INCOME TAXES

9.1 Income tax expense

(in € millions)	2023	2022
Current tax expense	(1,007)	(1,597)
Deferred tax income/(expense)	(156)	177
TOTAL	(1,163)	(1,420)

9.2 Reconciliation of the effective tax rate

(in € millions)	2023	2022
Income before tax	4,233	5,135
Income tax expense	(1,163)	(1,420)
Effective tax rate	**27.5%**	**27.7%**
Other non-recurring operating income and expenses	(103)	(194)
Recurring income before tax	4,336	5,329
Income tax on other non-recurring operating income and expenses	25	60
Tax expense on recurring income	(1,188)	(1,480)
Effective tax rate on recurring income	**27.4%**	**27.8%**

(as a % of pre-tax income)	2023	2022
Tax rate applicable in France	**25.8%**	**25.8%**
Differences in the tax rates applicable to foreign subsidiaries	-1.9%	-0.9%
Permanent differences	-0.4%	-0.4%
Unrecognized tax losses carried forward	-0.8%	1.4%
Other differences	4.7%	1.8%
Effective tax rate on recurring income	**27.4%**	**27.8%**
Differences relating to other non-recurring operating income and expenses (permanent differences and differences in tax rates)	0.1%	-0.1%
Effective tax rate	**27.5%**	**27.7%**

The income tax rate applicable in France in 2023 was the standard rate of 25%, plus a social surtax of 3.3%, bringing the overall rate to 25.8%.

Differences in the tax rates applicable to foreign subsidiaries correspond to the difference between the statutory tax rate applicable in France and the different statutory tax rates applicable in other countries in which the Group does business.

Permanent differences result from expenses not deductible and/or income not taxable pursuant to the tax laws of the countries in which the Group operates.

Other differences mainly relate to other taxes, such as the IRAP regional production tax in Italy, the CVAE tax on value added in France, tax credits, and the impact of any tax reassessments.

9.3 Deferred tax assets and liabilities

(in € millions)	Dec. 31, 2022	Income statement	Gains and losses recognized in equity	Other changes[1]	Dec. 31, 2023
Deferred tax assets	1,640	(91)	2	(31)	1,520
Deferred tax liabilities	(1,572)	(65)	7	(146)	(1,776)
Net deferred tax assets (liabilities)	**68**	**(156)**	**9**	**(177)**	**(257)**
Value of brands	(1,544)	3	–	(140)	(1,681)
Inventories: elimination of internal margins and impairment	1,189	(140)	–	(23)	1,026
Other adjustments	403	(32)	9	(10)	370
Tax loss carryforwards	20	13	–	(4)	28

(1) "Other changes" include foreign exchange differences and changes in scope.

9.4 Unrecognized deferred tax assets

(in € millions)	Dec. 31, 2023	Dec. 31, 2022
Deferred tax assets on tax loss carryforwards	332	368
Deferred tax assets on other temporary differences	39	41
Unrecognized deferred tax assets	**370**	**410**

(in € millions)	Dec. 31, 2023	Dec. 31, 2022
Unrecognized tax loss carryforwards expiring in *(tax base)*	968	1,156
less than five years	*9*	*25*
more than five years	*959*	*1,132*
Indefinite unrecognized tax loss carryforwards *(tax base)*	607	623
Total unrecognized tax loss carryforwards *(tax base)*	**1,575**	**1,779**

NOTE 10 – EARNINGS PER SHARE

10.1 Earnings per share

2023

	Consolidated Group	Continuing operations	Discontinued operations
Net income attributable to the Group *(in € millions)*	**2,982.6**	**2,982.6**	**–**
Weighted average number of ordinary shares outstanding	123,953,244	123,953,244	123,953,244
Weighted average number of Kering treasury shares	(1,606,750)	(1,606,750)	(1,606,750)
Weighted average number of ordinary shares	**122,346,494**	**122,346,494**	**122,346,494**
Basic earnings per share *(in €)*	**24.38**	**24.38**	**–**
Weighted average number of ordinary shares	122,346,494	122,346,494	122,346,494
Potentially dilutive ordinary shares	36,436	36,436	36,436
Weighted average number of diluted ordinary shares	**122,382,930**	**122,382,930**	**122,382,930**
Diluted earnings per share *(in €)*	**24.37**	**24.37**	**–**

2022

	Consolidated Group	Continuing operations	Discontinued operations
Net income attributable to the Group *(in € millions)*	**3,613.8**	**3,612.7**	**1.0**
Weighted average number of ordinary shares outstanding	124,705,057	124,705,057	124,705,057
Weighted average number of Kering treasury shares	(1,545,941)	(1,545,941)	(1,545,941)
Weighted average number of ordinary shares	**123,159,116**	**123,159,116**	**123,159,116**
Basic earnings per share *(in €)*	**29.34**	**29.33**	**0.01**
Weighted average number of ordinary shares	123,159,116	123,159,116	123,159,116
Potentially dilutive ordinary shares	135,529	135,529	135,529
Weighted average number of diluted ordinary shares	**123,294,645**	**123,294,645**	**123,294,645**
Diluted earnings per share *(in €)*	**29.31**	**29.30**	**0.01**

10.2 Earnings per share from continuing operations excluding non-recurring items

Non-recurring items presented below consist of other non-recurring operating income and expenses (see Note 7), reported net of tax and any minority interests.

(in € millions)	2023	2022
Net income from continuing operations attributable to the Group	**2,982.6**	**3,612.7**
Other non-recurring operating income and expenses	(102.8)	(194.0)
Income tax on other non-recurring operating income and expenses	24.7	60.0
Net income from continuing operations (excluding non-recurring items) attributable to the Group	**3,060.7**	**3,746.7**

	2023	2022
Weighted average number of ordinary shares outstanding	123,953,244	124,705,057
Weighted average number of Kering treasury shares	(1,606,750)	(1,545,941)
Weighted average number of ordinary shares	**122,346,494**	**123,159,116**
Basic earnings per share from continuing operations excluding non-recurring items *(in €)*	**25.02**	**30.42**
Weighted average number of ordinary shares	122,346,494	123,159,116
Potentially dilutive ordinary shares	36,436	135,529
Weighted average number of diluted ordinary shares	**122,382,930**	**123,294,645**
Diluted earnings per share from continuing operations excluding non-recurring items *(in €)*	**25.01**	**30.39**

NOTES ON THE CONSOLIDATED BALANCE SHEET

NOTE 11 – GOODWILL AND IMPAIRMENT TESTS

11.1 Changes during the period

2023

(in € millions)	As of January 1	Acquisitions	Impairment losses	Changes in scope	Foreign exchange differences	Other movements	As of December 31
Gross	**4,261**	**3,508**	**–**	**–**	**72**	**(517)**	**7,324**
Impairment losses	(207)	–	–	–	(5)	–	(211)
NET	4,053	3,508	–	–	67	(517)	7,112

Acquisitions in 2023 corresponds mainly to €3,423 million of provisional goodwill relating to Creed. The €517 million of Other movements corresponds mainly to the allocation of goodwill relating to Maui Jim.

Creed's revenue for the period is €62 million.

2022

(in € millions)	As of January 1	Acquisitions	Impairment losses	Changes in scope	Foreign exchange differences	Other movements	As of December 31
Gross	**3,094**	**1,474**	**–**	**–**	**(114)**	**(194)**	**4,261**
Impairment losses	(203)	–	–	–	(4)	–	(207)
NET	2,891	1,474	–	–	(118)	(194)	4,053

Acquisitions in 2022 corresponds mainly to €1,455 million of provisional goodwill relating to Maui Jim. The €194 million of Other movements corresponds mainly to the allocation of goodwill relating to Lindberg.

11.2 Impairment tests

As part of the goodwill measurement process, an impairment test was carried out as of December 31, 2023. The main assumptions used for each cash-generating unit (CGU) or group of CGUs are as follows:

2023

	Goodwill			
Dec. 31, 2023 *(in € millions)*	Net carrying amount	Discount rate (before tax)	Perpetual growth rate	Business plan time frame
Gucci CGU	1,649	15.4%	3.0%	5 years
Other CGUs	5,464	12.1% - 15.7%	3.0%	5 or 10 years
TOTAL	7,112			

2022

	Goodwill			
Dec. 31, 2022 *(in € millions)*	Net carrying amount	Discount rate (before tax)	Perpetual growth rate	Business plan time frame
Gucci CGU	1,652	15.2%	3.0%	5 years
Other CGUs	2,401	11.8% - 15.2%	3.0%	5 or 10 years
TOTAL	4,053			

In 2023, no impairment loss was recognized in the income statement as a result of impairment tests.

Recoverable amounts determined as part of impairment tests underwent sensitivity testing based on a 10-basis-point increase in the post-tax discount rate, a 10-basis-point decrease in the perpetual growth rate and a 10-basis-point decrease in cash flows.

These tests did not show a recoverable amount less than the carrying amount of cash-generating units or groups of cash-generating units.

NOTE 12 – BRANDS AND OTHER INTANGIBLE ASSETS

(in € millions)	Gross	Amortization and impairment	Dec. 31, 2023 Net	Dec. 31, 2022 Net
Brands	7,311	(103)	7,208	6,655
Other intangible assets	2,216	(1,245)	970	702
TOTAL	9,527	(1,348)	8,178	7,357

In 2023, changes in brands and other intangible assets were as follows:

2023

(in € millions)	Carrying amount as of January 1	Acquisitions	Amortization	Impairment losses	Changes in scope	Foreign exchange differences	Other movements	Carrying amount as of December 31
Brands	6,655	–	–	–	–	(76)	628 (1)	7,208
Other intangible assets	702	311	(221)	–	114	(9)	74	970
TOTAL	7,357	311	(221)	–	114	(85)	702	8,178

(1) The amount under "Other movements" relates mainly to the Maui Jim brand.

2022

(in € millions)	Carrying amount as of January 1	Acquisitions	Amortization	Impairment losses	Changes in scope	Foreign exchange differences	Other movements	Carrying amount as of December 31
Brands	6,406	–	–	–	–	2	247 (1)	6,655
Other intangible assets	597	279	(177)	–	4	1	(2)	702
TOTAL	7,003	279	(177)	–	4	3	245	7,357

(1) The amount under "Other movements" relates to the Lindberg brand.

NOTE 13 – LEASES

13.1 Lease right-of-use assets

(in € millions)	Gross	Depreciation and impairment	Dec. 31, 2023 Net	Dec. 31, 2022 Net
Stores	6,498	(2,792)	3,706	3,682
Offices and other	1,758	(607)	1,151	1,126
Capitalized fixed lease payments	**8,256**	**(3,399)**	**4,857**	**4,808**
Lease rights	217	(91)	127	121
TOTAL	8,473	(3,490)	4,984	4,929

Change in lease right-of-use assets

2023

(in € millions)	Carrying amount as of January 1	New leases	Lease modifi-cations	Early termi-nations	Depreciation	Impairment losses	Foreign exchange differences	Other	Carrying amount as of December 31
Stores	3,682	1,060	147	(84)	(815)	(10)	(106)	(168)	3,706
Offices and other	1,126	245	7	(54)	(161)	(29)	(7)	23	1,151
Total	**4,808**	**1,305**	**154**	**(138)**	**(976)**	**(39)**	**(113)**	**(145)**	**4,857**
Lease rights	121	13	-	-	(9)	(2)	(1)	5	127
TOTAL	4,929	1,318	154	(138)	(985)	(41)	(114)	(140)	4,984

2022

(in € millions)	Carrying amount as of January 1	New leases	Lease modifi-cations	Early termin-ations	Depreciation	Impairment losses	Foreign exchange differences	Other	Carrying amount as of December 31
Stores	3,299	1,045	110	(35)	(771)	(18)	44	7	3,682
Offices and other	896	376	41	(37)	(154)	–	6	(3)	1,126
Total	**4,196**	**1,421**	**151**	**(72)**	**(925)**	**(18)**	**50**	**4**	**4,808**
Lease rights	106	14	–	–	(10)	–	(1)	13	121
TOTAL	4,302	1,435	151	(72)	(935)	(18)	49	17	4,929

13.2 Lease liabilities

(in € millions)	Less than one year	One to five years	More than five years	Total as of Dec. 31, 2023	Total as of Dec. 31, 2022
Maturity schedule of lease liabilities	884	2,519	1,992	5,395	5,232

As of December 31, 2023, current lease liabilities amounted to €884 million (€812 million in 2022). Non-current lease liabilities totaled €4,511 million (€4,420 million in 2022).

Change in lease liabilities

2023

(in € millions)	Carrying amount as of January 1	New leases	Repay-ments	Interest expense	Lease modifi-cations	Early termi-nations	Foreign exchange difference	Other	Carrying amount as of December 31
Stores	4,027	1,066	(850)	119	138	(99)	(116)	(133)	4,153
Offices and other	1,204	248	(180)	32	7	(68)	(8)	7	1,242
TOTAL	5,232	1,314	(1,030)	151	145	(167)	(124)	(126)	5,395

2022

(in € millions)	Carrying amount as of January 1	New leases	Repay-ments	Interest expense	Lease modifi-cations	Early termi-nations	Foreign exchange difference	Other	Carrying amount as of December 31
Stores	3,540	1,033	(780)	98	112	(34)	48	10	4,027
Offices and other	961	375	(168)	26	42	(37)	8	(3)	1,204
TOTAL	4,501	1,408	(948)	124	154	(71)	56	7	5,232

13.3 Impact of leases in the income statement

(in € millions)	2023	2022
Depreciation of lease right-of-use assets	(985)	(935)
Interest expense on lease liabilities	(151)	(124)
Impairment of lease right-of-use assets	41	18
Expense related to capitalized fixed lease payments	**(1,094)**	**(1,041)**
Rental expense – Variable lease payments	(1,032)	(989)
Rental expense – Short-term leases and/or Leases with a low-value underlying asset	(96)	(101)
Sub-lease revenue	10	10
Other lease expenses	**(1,118)**	**(1,080)**
TOTAL	(2,212)	(2,121)

13.4 Net deferred tax assets (liabilities) on leases

(in € millions)	Dec. 31, 2023	Dec. 31, 2022
Deferred tax assets	1,463	1,159
Deferred tax liabilities	(1,408)	(1,124)
Net deferred tax assets (liabilities)	55	35

NOTE 14 – PROPERTY, PLANT AND EQUIPMENT

(in € millions)	Gross	Depreciation and Impairment	Dec. 31, 2023 Net	Dec. 31, 2022 Net
Land and buildings	2,681	(274)	2,407	683
Plant and equipment	5,617	(3,084)	2,532	2,211
Other property, plant and equipment	530	(128)	402	494
TOTAL	8,828	(3,487)	5,341	3,388

2023

(in € millions)	Carrying amount as of January 1	Acquisitions	Disposals	Depreciation	Impairment losses	Changes in scope	Foreign exchange differences	Other movements	Carrying amount as of December 31
Land and buildings	683	1,695 [1]	(33)	(27)	–	17	(8)	80	2,407
Plant and equipment	2,211	743	(2)	(591)	(20)	19	(67)	239	2,532
Other property, plant and equipment	494	168	(1)	(16)	(1)	10	(9)	(244)	402
TOTAL	3,388	2,607	(37)	(634)	(21)	47	(83)	76	5,341

(1) Acquisitions in the period correspond mainly to acquisitions of strategic real-estate assets in Paris (cf. Note 1).

2022

(in € millions)	Carrying amount as of January 1	Acquisitions	Disposals	Depreciation	Impairment losses	Changes in scope	Foreign exchange differences	Other movements	Carrying amount as of December 31
Land and buildings	672	14	–	(21)	2	13	(7)	10	683
Plant and equipment	1,946	605	(4)	(515)	(18)	24	14	159	2,211
Other property, plant and equipment	349	333	–	(20)	–	6	4	(178)	494
TOTAL	2,967	952	(4)	(556)	(16)	42	12	(9)	3,388

NOTE 15 – INVESTMENTS IN EQUITY-ACCOUNTED COMPANIES

Companies accounted for by the equity method comprise associates (cf. Note 34). The Group's investments in associates break down as follows :

(in € millions)	**Dec. 31, 2023**	**Dec. 31, 2022**
Valentino	1,698	0
Other investments in equity-accounted companies	52	49
TOTAL	1,750	49

Minority interests held by Kering generated €4 million of net earnings from equity-accounted companies in 2023 (€2 million in 2022).

The acquisition of a shareholding in Valentino on November 30, 2023 was accompanied by cross put and call options under which the Group is committed from May 2026 through August 2028 to acquiring an additional 70% shareholding should the options be exercised.

These options were granted on an arm's-length basis.

Should the option be exercised, the exercise price will be adjusted on the basis of Valentino's performance and prospects for future years. The value of this commitment at closing is estimated at around €4 billion (cf. Note 30.3).

No other financial or operating commitment has been granted to Valentino, which is accounted for by the equity method.

NOTE 16 – FINANCIAL ASSETS

16.1 Breakdown of financial assets

(in € millions)	**Dec. 31, 2023**	**Dec. 31, 2022**
Non-consolidated investments(1)	167	416
Loans and receivables	3	1
Deposits and guarantees	232	226
Other financial investments(2)	136	213
Non-current financial assets	**536**	**855**
Derivative instruments	122	163
Loans and receivables	14	3
Current financial assets	**136**	**167**

(1) Including a 0.4% interest in PUMA in 2023 (3% in 2022).
(2) Including a €5 million investment in the "Climate Fund for Nature" carbon fund managed by Natixis subsidiary Mirova.

16.2 Financial assets at fair value

(in € millions)	**Dec. 31, 2023**	**Dec. 31, 2022**
Non-consolidated investments	167	416
o/w changes in fair value recognized through equity	*166*	*408*
o/w changes in fair value recognized through the income statement	*1*	*9*
Derivative instruments	122	163
Other financial investments	136	213
o/w changes in fair value recognized through equity	*130*	*205*
o/w changes in fair value recognized through the income statement	*6*	*7*
Financial assets at fair value	**425**	**791**

The fair value of non-consolidated investments quoted on an active market is their market price as of the reporting date (level 1 of the fair value hierarchy). This category chiefly includes PUMA shares. The fair value of non-consolidated investments not quoted on an active market is determined using internal valuation techniques drawing on non-observable inputs (level 3 of the fair value hierarchy). The securities in this category are not material.

The fair value of derivative instruments is determined using valuation techniques drawing on observable market inputs (such as forward rates and interest rate curves) and on commonly used models (level 2 of the fair value hierarchy) (cf. Note 21).

The fair value of other financial investments measured at fair value is determined using internal valuation techniques drawing on non-observable inputs (level 3 of the fair value hierarchy).

NOTE 17 – INVENTORIES

(in € millions)	**Dec. 31, 2023**	**Dec. 31, 2022**
Commercial inventories	4,981	4,707
Industrial inventories	1,094	1,102
Gross Value	**6,075**	**5,809**
Allowances	(1,525)	(1,343)
Carrying amount	**4,550**	**4,465**

Movements in allowances

(in € millions)	**As of January 1**	**Additions**	**Reversals**	**Changes in scope**	**Assets held for sale**	**Foreign exchange differences**	**Other movements**	**As of December 31**
2023	(1,343)	(244)	62	(11)	–	24	(12)	(1,525)
2022	(1,858)	(311)	84	(9)	–	(6)	756	(1,343)

In 2022, Other movements included a reclassification between gross value and allowances, following the adoption of a new technique for measuring inventories.

NOTE 18 – TRADE RECEIVABLES AND ACCRUED INCOME

(in € millions)	**Dec. 31, 2023**	**Dec. 31, 2022**
Trade receivables and accrued income	1,178	1,207
Allowances	(26)	(27)
Carrying amount	**1,151**	**1,180**

Movements in allowances

(in € millions)	As of January 1	Net (additions) reversals	Changes in scope	Foreign exchange differences	Other movements	As of December 31
2023	(27)	1	(2)	1	1	(26)
2022	(31)	5	(1)	(1)	–	(27)

Breakdown of trade receivables and accrued income by age

(in € millions)	**2023**	**2022**
Receivables not yet due	999	1,027
Past due receivables:	179	180
Less than one month	*108*	*99*
One to six months	*61*	*69*
More than six months	*10*	*12*
Allowances	(26)	(27)

Credit risk

In light of the Group's business model, with wholesale sales and royalties received from wholesalers making a smaller contribution to total sales, the Group does not have significant exposure to credit risk. Furthermore, with respect to wholesalers, the Group has no dependency or concentration risk. The Group substantially limits the credit risk linked to these parties by taking out credit insurance.

NOTE 19 – EQUITY

As of December 31, 2023, the share capital amounted to €493,683,112, comprising 123,420,778 fully paid-up shares with a par value of €4 each. This represents a reduction of €2,600,000 following the cancellation of 650,000 shares under the share buyback program (share capital of €496,283,112 comprising 124,070,778 shares as of December 31, 2022).

Excluding the 840,597 Kering treasury shares, there were 122,580,181 shares issued and outstanding as of December 31, 2023.

19.1 Kering treasury shares

	Dec. 31, 2023		**Dec. 31, 2022**	
(in € millions)	**Number**	**Amount**	**Number**	**Amount**
Liquidity agreement	6,750	3	–	–
Share buyback program (for cancellation)	–	–	650,000	333
Share-based payment	833,847	447	1,200,408	690
Kering treasury shares	**840,597**	**450**	**1,850,408**	**1,023**

Change in Kering treasury shares

(in € millions)	Number	Amount	Impact on cash
As of January 1,2023	**1,850,408**	**1,023**	
Purchases under the liquidity agreement	404,970	200	(200)
Disposals under the liquidity agreement	(398,220)	(198)	198
Purchases under share-based payment plans	–	–	–
Purchases with a view to canceling the shares	–	–	–
Cancellations under the share buyback program	(650,000)	(333)	N/A
Shares vested	(366,561)	(224)	N/A
Net capital gain (loss) on disposal	–	(18)	N/A
As of December 31, 2023	**840,597**	**450**	**(3)**

Liquidity agreement

Since May 26, 2004, Kering has maintained agreements with a financial intermediary in order to improve the liquidity of the Group's shares and ensure share price stability. The latest agreement was signed on February 13, 2019, in accordance with AMF ruling no. 2018-01 of July 2, 2018, applicable since January 1, 2019. An amendment to that agreement came into force on July 1, 2021, providing for the resources in the liquidity account to be reduced by €25 million. As a result, there has been €25 million in the liquidity account since July 1, 2021.

Share buyback programs

The share buyback program, authorized in the Annual General Meetings of July 6, 2021 and April 28, 2022 and announced on August 25, 2021 with the aim of repurchasing up to 2.0% of the Group's share capital over a 24-month period, was completed on December 15, 2022.

In 2023, the Company canceled 650,000 shares purchased through the fourth tranche of the share buyback program completed on December 15, 2022.

19.2 Dividends paid by Kering SA

(in € millions)	Dividend for 2023	Dividend for 2022
INTERIM DIVIDEND		
Amount per share	€4.50	€4.50
Payment date	January 17, 2024	January 18, 2023
Gross amount paid	552	551
BALANCE PAID THE FOLLOWING YEAR FURTHER TO THE AGM		
Amount per share	€9.50 (1)	€9.50
Payment date	May 6, 2024	May 4, 2023
Gross amount paid	1,172 (1) (2)	1,179
TOTAL DIVIDEND		
Amount per share	€14.00	€14.00
Total gross amount	1,724 (2)	1,712

(1) Based on a recommendation of Kering's Board of Directors of February 7, 2024, pending approval of the Annual General Meeting of April 25, 2024.
(2) Without adjusting for the effect of Kering shares held in treasury.

Amounts paid are presented after adjusting for the effect of Kering shares held in treasury.

NOTE 20 – NET DEBT

(in € millions)	Dec. 31, 2023	Dec. 31, 2022
Borrowings	12,426	6,642
Cash and cash equivalents	(3,922)	(4,336)
TOTAL	8,504	2,306

20.1 Cash and cash equivalents

(in € millions)	Dec. 31, 2023	Dec. 31, 2022
Cash	3,103	4,006
Cash equivalents[1]	819	330
TOTAL	3,922	4,336

(1) Including term deposits and mutual fund units.

20.2 Breakdown of borrowings by category and maturity

(in € millions)	Dec. 31, 2023	Current	Y +2	Y + 3	Y + 4	Y + 5	Beyond	Total non-current
Bonds	9,795	500	1,497	959	1,228	597	5,014	9,295
Other bank borrowings	134	68	46	19	–	–	–	66
Bank overdrafts	272	272	–	–	–	–	–	–
Commercial paper	1,277	1,277	–	–	–	–	–	–
Other borrowings[1]	948	282	541	–	63	2	59	665
o/w Put options granted to minority interests	*711*	*47*	*541*	–	*63*	*1*	*59*	*664*
TOTAL	12,426	2,400	2,085	978	1,291	599	5,073	10,026
%	100%	19%	17%	8%	10%	5%	41%	81%

(in € millions)	Dec. 31, 2022	Current	Y +2	Y + 3	Y + 4	Y + 5	Beyond	Total non-current
Bonds	4,226	600	502	748	498	486	1,391	3,626
Other bank borrowings	201	141	31	28	–	–	–	59
Bank overdrafts	242	242	–	–	–	–	–	–
Commercial paper	1,010	1,010	–	–	–	–	–	–
Other borrowings[1]	963	302	46	595	–	10	11	661
o/w Put options granted to minority interests	*681*	*20*	*46*	*595*	–	*10*	*11*	*661*
TOTAL	6,642	2,295	579	1,371	498	496	1,402	4,347
%	100%	35%	9%	21%	8%	7%	21%	65%

(1) Other borrowings include accrued interest.

20.3 Breakdown of borrowings by repayment currency

(in € millions)	Dec. 31, 2023	%	Dec. 31, 2022	%
EUR	11,046	89%	5,990	90%
GBP	927	7%	2	–
JPY	193	2%	409	6%
USD	182	1%	194	3%
Other currencies	78	1%	47	1%
TOTAL	12,426	100%	6,642	100%

Borrowings denominated in foreign currencies finance the Group's operations outside the eurozone.

20.4 Bonds

On February 27, 2023, the Group issued €1.5 billion of bonds, consisting of a €750 million tranche with a 6-year maturity and a 3.25% coupon and a €750 million tranche with a 10-year maturity and a 3.375% coupon.

In May 2023, the Group redeemed €600 million of bonds issued in May 2020.

On September 5, 2023, the Group issued €3.8 billion of bonds in four tranches:

- a €750 million tranche with a 2-year maturity and a 3.75% coupon,
- a €750 million tranche with a 4-year maturity and a 3.625% coupon,
- a €1 billion tranche with an 8-year maturity and a 3.625% coupon,
- a €1.3 billion tranche with a 12-year maturity and a 3.875% coupon.

Finally, on November 23, 2023, Kering issued £800 million of bonds in two tranches of £400 million each, one with a 3-year maturity and a coupon of 5.125%, and one with a 9-year maturity and a coupon of 5.00%.

The Group has a Euro Medium Term Notes (EMTN) program capped at €12,000 million as of December 31, 2023, of which €9,852 million had been drawn as of that date.

The bonds issued between 2014 and 2017 within the scope of the EMTN program are all subject to a change-of-control clause entitling bondholders to request early redemption at par if Kering's rating is downgraded to non-investment grade following a change of control.

Par value *(in millions, local currency)*	Currency	Issue interest rate	Issue date	Maturity	Dec. 31, 2023	Dec. 31, 2022
500	EUR	Fixed 2.75%	04/08/2014	04/08/2024	500	503
			05/30/2014	04/08/2024		
			06/26/2014	04/08/2024		
			09/22/2015	04/08/2024		
			11/05/2015	04/08/2024		
50	EUR	Fixed 1.6%	04/16/2015	04/16/2035	50	50
500	EUR	Fixed 1.25%	05/10/2016	05/10/2026	499	498
300	EUR	Fixed 1.5%	04/05/2017	04/05/2027	299	299
600	EUR	Fixed 0.25%	05/13/2020	05/13/2023	–	600
600	EUR	Fixed 0.75%	05/13/2020	05/13/2028	597	597
750	EUR	Fixed 1.25%	05/05/2022	05/05/2025	749	748
750	EUR	Fixed 1.875%	05/05/2022	05/05/2030	745	744
200	USD	Fixed 3.639%	05/27/2022	05/27/2027	181	187
750	EUR	Fixed 3.25%	02/27/2023	02/27/2029	745	–
750	EUR	Fixed 3.375%	02/27/2023	02/27/2033	742	–
750	EUR	Fixed 3.75%	09/05/2023	09/05/2025	748	–
750	EUR	Fixed 3.625%	09/05/2023	09/05/2027	748	–
1,000	EUR	Fixed 3.625%	09/05/2023	09/05/2031	989	–
1,300	EUR	Fixed 3.875%	09/05/2023	09/05/2035	1,286	–
400	GBP	Fixed 5.125%	11/23/2023	11/23/2026	460	–
400	GBP	Fixed 5.00%	11/23/2023	11/23/2032	457	–
TOTAL					9,795	4,226

20.5 Other bank borrowings

The Group has bank borrowings denominated in Yen, mainly floating-rate and totaling €90 million at December 31, 2023 (€171 million at December 31,2022). These borrowings fall due within five years.

20.6 Undrawn confirmed lines of credit

As of December 31, 2023, the Group had undrawn confirmed lines of credit totaling €3,185 million (December 31, 2022: €3,035 million). These consisted of a syndicated facility for €2,385 million (of which €170 million falls due in December 2024 and €2,215 million in December 2025), and €800 million in bilateral lines of credit that had a maturity of more than one year at December 31, 2023.

NOTE 21 – DERIVATIVE INSTRUMENTS AND MANAGEMENT OF MARKET RISKS

21.1 Exposure and sensitivity to interest rate risk

(in € millions)	Dec. 31, 2023	Impact of hedging	After hedging	Impact on income of a 1% change in interest rates
Fixed-rate	11,073	–	11,073	–
Floating-rate	1,353	–	1,353	14
Borrowings	**12,426**		**12,426**	**14**

(in € millions)	Dec. 31, 2023	Impact on income of a 1% change in interest rates
Floating-rate investments	**3,894**	**39**

21.2 Exposure and sensitivity to foreign exchange risk

The majority of the Group's sales take place in currencies other than its functional currency, primarily in US dollars and in Asian currencies such as the Japanese yen and the Chinese yuan. Purchases and other expenses related to production are primarily denominated in euros. The Group uses derivative hedging instruments to minimize and anticipate the impact of currency fluctuations on its earnings. These hedges are set up using forward exchange-rate agreements and/or exchange-rate options eligible for hedge accounting.

The outstanding notional amounts of the derivative instruments used by the Group to manage its foreign exchange risk are shown below:

	Dec. 31, 2023 Notional amount[1]		Market value[2]			
(in € millions)	Less than one year	More than one year	Cash flow hedges	Fair value hedges	Unallocated	Total
Options purchased	**252**	**–**	**4**	**–**	**–**	**4**
CNY put	227	–	4	–	–	4
JPY put	25	–	–	–	–	–
Tunnels	**72**	**–**	**1**	**–**	**–**	**1**
JPY seller	48	–	2	–	–	2
MXN seller	21	–	(1)	–	–	(1)
Other	3	–	–	–	–	–
Forwards	**4,837**	**–**	**69**	**2**	**(1)**	**70**
USD	1,572	–	18	1	–	19
CNY	1,168	–	28	1	–	29
KRW	437	–	(1)	–	–	(1)
JPY	411	–	17	–	–	17
HKD	311	–	6	–	–	6
GBP	298	–	(3)	–	–	(3)
TWD	129	–	2	–	–	2
Other	511	–	2	–	(1)	1
Cross-currency swaps [3]	**1,176**	**–**	**–**	**4**	**10**	**14**
USD	640	–	–	1	12	13
CNY	191	–	–	1	–	1
JPY	180	–	–	–	(2)	(2)
CHF	(140)	–	–	1	2	3
Other	305	–	–	1	(2)	(1)
TOTAL	6,337	–	74	6	9	89

(1) Sale/(purchase).
(2) Gain/(loss).
(3) Excluding cross-currency swaps hedging debt (€1,101 million).

The Group's net exposure to foreign exchange risk can be analyzed as follows:

Dec. 31, 2023 *(in € millions)*	Net exposure in the balance sheet	Forecast exposure	Net exposure before hedging	Hedging instruments	Net exposure after hedging as of Dec. 31, 2023	Net exposure after hedging as of Dec. 31, 2022
USD	1,139	1,507	2,646	(2,031)	615	34
CNY	751	1,183	1,934	(1,586)	348	204
JPY	177	428	605	(664)	(59)	(311)
GBP	(922)	268	(654)	733	79	64
CHF	(88)	–	(88)	138	50	18
HKD	85	297	382	(324)	58	48
KRW	86	406	492	(437)	55	113
Other	1,084	575	1,659	(1,065)	594	645
TOTAL	2,312	4,664	6,976	(5,236)	1,740	815

Monetary assets comprise loans and receivables, bank balances, and investments and cash equivalents maturing within three months of the acquisition date.

Monetary liabilities comprise borrowings, operating payables and other current payables.

Most of these monetary items are denominated in the functional currencies in which the subsidiaries operate. They do not generate currency effects. Monetary items that are not denominated in the functional currencies in which the subsidiaries operate undergo currency hedging in accordance with applicable procedures.

Analysis of sensitivity to foreign exchange risk

Based on market data as of December 31, 2023, the direct impact on equity and income (excluding the tax effect) of a 10% increase or decrease in the euro exchange rate against the principal currencies to which the Group is exposed (USD, JPY and CNY) would be as follows:

Dec. 31, 2023	**Impact on equity**		**Impact on income**	
(in € millions)	**10% increase**	**10% decrease**	**10% increase**	**10% decrease**
USD	134	(164)	–	–
JPY	102	(109)	–	–
CNY	37	(43)	–	–

Dec. 31, 2022	**Impact on equity**		**Impact on income**	
(in € millions)	**10% increase**	**10% decrease**	**10% increase**	**10% decrease**
USD	197	(240)	–	–
JPY	30	(36)	–	–
CNY	131	(159)	–	–

All other market variables are deemed to be constant when calculating sensitivity.

The impact on equity, recognized in the "Remeasurement of financial instruments" item, results from foreign exchange instruments eligible for cash flow hedge accounting.

The impact on the income statement, recognized under "Financial result", relates to foreign exchange instruments that are not eligible for hedge accounting and to the change in the ineffective portion of cash flow hedges.

21.3 Exposure to the risk of fluctuations in share prices

The Group is exposed to this risk through its PUMA shares (0.4% stake as of December 31, 2023), the valuation of which depends on movements in their share price (cf. Note 16.2).

Based on market data on the closing date, a change of 10% in PUMA’s share price would have an impact of €3 million on the value of the Group’s interest in PUMA as recorded in the balance sheet.

The Group has limited exposure to other shares in non-consolidated investments, which are not hedged.

21.4 Exposure to the risk of fluctuations in precious metals prices

The Group may be exposed to changes in the prices of certain precious metals through its Houses’ activities, and particularly in its jewelry operations. As a result, hedging may be arranged, particularly through derivative financial instruments to secure production costs or through price negotiations with refiners or producers of semi-finished products.

As of December 31, 2023, hedging transactions with a remaining maturity of less than one year are treated as forward purchases with a notional amount of €6 million and a non-material market value (notional amount of €38 million as of December 31, 2022).

The Group’s view is that a 1% change in these precious metals prices would have no impact as of the balance sheet date.

21.5 Exposure to counterparty risk

The Group's derivatives transactions are carried out in accordance with internal control procedures for over-the-counter transactions, with top-tier counterparties that have signed FBF or ISDA agreements. The impact of counterparty risk on the fair value of derivatives, as recommended by IFRS 13, was regarded as non-material as of December 31, 2023.

21.6 Measurement of derivative instruments

(in € millions)	Dec. 31, 2023	Interest rate risk	Foreign exchange risk	Other market risks	Dec. 31, 2022
Non-current financial assets	**3**	**–**	**3**	**–**	**1**
Derivative instruments - at fair value through income statement	–	–	–	–	–
Derivative instruments - cash flow hedges	3	–	3	–	1
Derivative instruments - fair value hedges	–	–	–	–	–
Current financial assets	**122**	**–**	**122**	**–**	**163**
Derivative instruments - at fair value through income statement	17	–	17	–	3
Derivative instruments - cash flow hedges	95	–	95	–	156
Derivative instruments - fair value hedges	10	–	10	–	3
Non-current financial liabilities	**(13)**	**–**	**(13)**	**–**	**–**
Derivative instruments - at fair value through income statement	–	–	–	–	–
Derivative instruments - cash flow hedges	(13)	–	(13)	–	–
Derivative instruments - fair value hedges	–	–	–	–	–
Current financial liabilities	**(33)**	**–**	**(33)**	**–**	**(101)**
Derivative instruments - at fair value through income statement	(8)	–	(8)	–	(17)
Derivative instruments - cash flow hedges	(21)	–	(21)	–	(77)
Derivative instruments - fair value hedges	(4)	–	(4)	–	(7)
TOTAL	79	–	79	–	62

21.7 Liquidity risk

Liquidity risk management for the Group and each of its subsidiaries is closely monitored and periodically assessed within the scope of the Group's financial reporting procedures.

In order to guarantee its liquidity, as of December 31, 2023 the Group held confirmed undrawn lines of credit totaling €3,185 million and available cash of €3,922 million (cf. Note 20.1).

	Dec. 31, 2023				
(in € millions)	**Carrying amount**	**Cash flow**	**Less than one year**	**One to five years**	**More than five year**
Non-derivative financial instruments	**14,626**	**(16,515)**	**(4,772)**	**(5,886)**	**(5,857)**
Bonds	9,795	(9,851)	(500)	(4,291)	(5,060)
Commercial paper	1,277	(1,282)	(1,282)	–	–
Other borrowings	1,354	(3,182)	(790)	(1,595)	(797)
Trade payables and accrued expenses	2,200	(2,200)	(2,200)	–	–
Derivative financial instruments	**(79)**	**155**	**104**	**31**	**20**
Interest rate risk	**–**	**–**	**–**	**–**	**–**
Interest rate swaps	–	–	–	–	–
Other interest rate derivatives	–	–	–	–	–
Foreign exchange risk	**(79)**	**155**	**104**	**31**	**20**
Currency forwards and currency swaps	–	*89*	*89*	–	–
Outflows	–	*(6,391)*	*(6,391)*	–	–
Inflows	–	*6,480*	*6,480*	–	–
Other foreign currency derivatives	–	*66*	*15*	*31*	*20*
Outflows	–	*(1,503)*	*(205)*	*(766)*	*(532)*
Inflows	–	*1,569*	*220*	*797*	*552*
Other market risks	**–**	**–**	**–**	**–**	**–**
Precious metals hedges	–	–	–	–	–
TOTAL	14,547	(16,360)	(4,668)	(5,855)	(5,837)

	Dec. 31, 2022				
(in € millions)	**Carrying amount**	**Cash flow**	**Less than one year**	**One to five years**	**More than five years**
Non-derivative financial instruments	**8,905**	**(9,164)**	**(4,582)**	**(3,118)**	**(1,464)**
Bonds	4,226	(4,238)	(600)	(2,238)	(1,400)
Commercial paper	1,010	(1,011)	(1,011)	–	–
Other borrowings	1,406	(1,652)	(708)	(880)	(64)
Trade payables and accrued expenses	2,263	(2,263)	(2,263)	–	–
Derivative financial instruments	**(62)**	**51**	**44**	**7**	**–**
Interest rate risk	**–**	**–**	**–**	**–**	**–**
Interest rate swaps	–	–	–	–	–
Other interest rate derivatives	–	–	–	–	–
Foreign exchange risk	**(62)**	**51**	**44**	**7**	**–**
Currency forwards and currency swaps	–	*30*	*30*	–	–
Outflows	–	*(6,740)*	*(6,740)*	–	–
Inflows	–	*6,770*	*6,770*	–	–
Other foreign currency derivatives	–	*21*	*14*	*7*	–
Outflows	–	*(485)*	*(281)*	*(204)*	–
Inflows	–	*506*	*295*	*211*	–
Other market risks	**–**	**–**	**–**	**–**	**–**
Precious metals hedges	–	–	–	–	–
TOTAL	8,843	(9,113)	(4,538)	(3,111)	(1,464)

NOTE 22 – FINANCIAL LIABILITIES

22.1 Breakdown of financial liabilities

(in € millions)	**Dec. 31, 2023**	**Dec. 31, 2022**
Derivative instruments	13	–
Non-current financial liabilities	**13**	**–**
Derivative instruments	33	101
Kering SA interim dividend	552	558
Other	3	4
Current financial liabilities	**588**	**663**

22.2 Financial liabilities measured at fair value

(in € millions)	**Dec. 31, 2023**	**Dec. 31, 2022**
Derivative Instruments	33	101
Financial liabilities measured at fair value	**33**	**101**

Derivative financial instruments are measured using valuation techniques based on observable market parameters (including forward prices and yield curves) and commonly used models (level 2 fair value).

NOTE 23 – PROVISIONS FOR PENSIONS AND OTHER POST-EMPLOYMENT BENEFITS

23.1 Description of the main pension plans and other post-employment benefits

Depending on each country's laws and customs, the Group's employee receive long-term or post-employment benefits in addition to their short-term remuneration. These additional benefits take the form of defined contribution or defined benefit plans.

Under defined contribution plans, the Group is not obliged to make any additional payments beyond contributions already made. Contributions to these plans are expensed as incurred.

An actuarial valuation of defined benefit plans is carried out by independent experts. These benefits primarily concern mandatory supplementary pension plans in Switzerland, statutory severance pay in Italy, and retirement termination payments and long-service bonuses in France.

Mandatory supplementary pension plans (LPP) – Switzerland

In Switzerland, pension plans are defined contribution plans that guarantee a minimum interest rate credited to pension assets and provide for a fixed salary conversion rate on retirement. However, the pension plans operated by the Group's entities in Switzerland offer benefits over and above those mentioned in the LPP/BVG pension act. Consequently, a provision is booked in respect of defined benefit plans for the amounts that exceed LPP/BVG pension act requirements.

These pension plans are generally operated as separate legal entities in the form of a foundation, which may be a collective institution or affiliated to a specific plan. The Board of Trustees of these foundations, comprising an equal number of employer and employee representatives, is responsible for administering the plan and bears the investment and longevity risks. Collective foundations insure some of their risk with an insurance company.

Statutory severance pay (TFR) – Italy

The TFR (Trattamento di Fine Rapporto) plans in Italy were created by Italian act no. 297, adopted on May 29, 1982, and are applicable to all workers in the private sector on the termination of their employment for any reason (resignation, termination at the employer's initiative, death, incapacity or retirement). Since 2007, companies with at least 50 employees have had to transfer their TFR funding to an external fund manager. This concerns the large majority of plans operated by Kering group companies.

Retirement termination payments and long-service bonuses – France

In France, retirement termination benefits are fixed and paid by companies to their employees on retirement. The amount paid depends on the number of years of service on retirement, and is defined in the relevant collective bargaining agreement. The payments do not confer any vested entitlement to employees until they reach retirement age. Retirement termination benefits are not related to other statutory retirement benefits such as pensions paid by social security bodies or top-up pension funds such as ARRCO and AGIRC in France, which are defined contribution plans.

Long-service bonuses are not compulsory in France – i.e. there is no legal obligation to pay these awards to employees – but they hold symbolic value. Nevertheless, some of Kering's French entities choose to pay long-service bonuses after 20, 30, 35 and 40 years of service.

23.2 Provisions for pensions and other long-term benefits

Provisions on the balance sheet include provisions for defined-benefit post-employment plans and other long-term benefits:

(in € millions)	Dec. 31, 2023	Dec. 31, 2022
Non-current provisions	**68**	**66**
Current provisions	**12**	**12**
PROVISIONS FOR PENSIONS AND OTHER POST-EMPLOYMENT BENEFITS	80	78

	2023					2022
				Change during the period		
(in € millions)	Present value of benefit obligation	Fair value of plan assets	Provisions for pensions and other post-employment benefits	Gains and losses recognized in equity	Income statement	Provisions for pensions and other post-employment benefits
As of January 1	**132**	**54**	**78**	**–**	**–**	**101**
Current service cost	10	–	10	–	10	11
Past service cost	1	–	1	–	1	–
Plan amendments	–	–	–	–	–	–
Interest cost on the benefit obligation	4	–	4	–	4	1
Interest income on plan assets	–	1	(1)	–	–	–
Contributions paid by employees	3	3	–	–	–	–
Contributions paid by employer	–	3	(3)	–	–	(3)
Benefits paid	(16)	(8)	(8)	–	–	(6)
Actuarial gains and losses:	(2)	–	(1)	(1)	–	(30)
Changes in demographic assumptions	*(1)*	–	*(1)*	–	–	*1*
Changes in financial assumptions	*(1)*	–	*(1)*	–	–	*(35)*
Experience adjustments	–	–	–	–	–	*5*
Return on plan assets (excluding interest)	–	–	–	–	–	(1)
Insurance contracts	–	–	–	–	–	–
Administrative expenses	–	–	–	–	–	–
Changes in scope	2	1	1	–	–	2
Assets held for sale	–	–	–	–	–	–
Foreign exchange differences	4	3	–	–	–	2
As of December 31	**136**	**56**	**80**	**(1)**	**14**	**78**
Obligation funded by plan assets	71	–	–	–	–	–
Obligation not funded by plan assets	65	–	–	–	–	–

23.3 Actuarial assumptions used to estimate the present value of the benefit obligation

	France		Switzerland		Italy	
	2023	**2022**	**2023**	**2022**	**2023**	**2022**
Average maturity of plans *(in years)*	11.2	10.4	11.4	9.6	8.2	9.4
Discount rate	4.50%	4.00%	2.00%	2.25%	4.50%	4.00%
Expected rate of increase in salaries	2.92%	2.99%	1.40%	1.30%	3.00%	3.00%
Inflation rate	2.00%	2.00%	1.30%	1.10%	2.00%	2.00%

Sensitivity tests on actuarial assumptions show that the impact of a 50 basis-point increase or decrease in the discount rate would not be material and would represent less than 0.05% of consolidated equity as of December 31, 2023.

23.4 Breakdown of the present value of the benefit obligation by country

(in € millions)	**Dec. 31, 2023**	**Dec. 31, 2022**
Switzerland	68	67
Italy	35	34
France	22	21
Other	11	11
Present value of benefit obligation	**136**	**132**

23.5 Fair value of plan assets by type of financial instrument

(in € millions)	**Dec. 31, 2023**	**%**	**Dec. 31, 2022**	**%**
Debt instruments	11	20%	11	21%
Equity instruments	22	39%	20	37%
Real estate	13	23%	13	25%
Insurance contracts	–	0%	–	0%
Derivative instruments	4	7%	4	8%
Cash and cash equivalents	2	4%	2	4%
Other assets	3	6%	3	5%
Fair value of plan assets	**56**	**100%**	**54**	**100%**

In 2024, the Group intends to contribute €3 million to funded plans.

NOTE 24 – PROVISIONS AND CONTINGENT LIABILITIES

(in € millions)	Dec. 31, 2022	Charge	Reversals (utilized provisions)	Reversals (surplus provisions)	Changes in scope	Foreign exchange differences	Other movements	Dec. 31, 2023
Non-current provisions	19	1	(2)	–	2	(1)	2	21
Current provisions	168	68	(68)	(11)	1	–	5	163
TOTAL	187	69	(70)	(11)	3	(1)	7	184

(in € millions)	Dec. 31, 2023	Dec. 31, 2022
Provision for restructuring costs	64	53
Vendor warranties	23	23
Disputes and other contingencies	97	111
TOTAL	184	187

Litigation and disputes

Group companies are involved in a number of lawsuits or disputes arising in the normal course of business. According to their management and legal counsel, no disputes currently in progress are likely to have a material impact on the Group's normal and foreseeable operations or on its planned development.

The Group believes there are no known disputes likely to have a material impact on its net assets, earnings or financial position that are not adequately covered by provisions recorded as of the end of the reporting period. No individual claim against the parent company or against any of its subsidiaries is material with respect to the parent company or the Group.

The Group is not aware of any arbitration proceedings that have had in the recent past, or are likely to have in the future, a material impact on the financial position, activity or earnings of the Company or Group.

Vendor warranties

Provisions recorded in respect of vendor warranties were unchanged in 2023.

Contingent liabilities

To the best of the Group's knowledge, there are no material contingent liabilities.

NOTES ON THE CONSOLIDATED STATEMENT OF CASH FLOWS

NOTE 25 – CASH AND CASH EQUIVALENTS AS REPORTED IN THE STATEMENT OF CASH FLOWS

(in € millions)	**Dec. 31, 2023**	**Dec. 31, 2022**
Cash and Cash equivalents as reported in the balance sheet	**3,922**	**4,336**
Bank overdrafts	(272)	(242)
Cash and Cash equivalents as reported in the statement of cash flows	**3,650**	**4,094**

NOTE 26 – CASH FLOW RECEIVED FROM OPERATING ACTIVITIES

(in € millions)	**2023**	**2022**
Net income from continuing operations	**3,074**	**3,717**
Net recurring charges to depreciation, amortization and provisions on non-current operating assets	1,823	1,666
Other non-cash income and expenses	94	(334)
Non-cash recurring operating income and expenses:	*(307)*	*135*
Fair value of operating foreign exchange rate hedges	*(247)*	*284*
Other	*(60)*	*(149)*
Other non-cash income and expenses	401	(469)
Impairment of goodwill, brands and other non-current assets	*70*	*41*
Fair value of foreign exchange rate hedges in financial result	*228*	*(386)*
Deferred tax expense (income)	*156*	*(177)*
Share in earnings (losses) of equity-accounted companies	*(4)*	*(2)*
Other	*(49)*	*55*
Cash flow received from operating activities	**4,991**	**5,049**

NOTE 27 – CHANGE IN WORKING CAPITAL REQUIREMENT

(in € millions)	**2023**	**2022**
Change in Inventories	(102)	(1,015)
Change in trade receivables and accrued income	24	(196)
Change in trade payables and accrued expenses	(126)	494
Change in other operating receivables and payables	(192)	(185)
Change in working capital requirement	**(396)**	**(902)**

NOTE 28 – ACQUISITIONS OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

(in € millions)	2023	2022
Acquisitions of property, plant and equipment[1]	(2,607)	(952)
Acquisitions of intangible assets	(311)	(275)
Change in amounts due in respect of non-current assets	324	176
Lease set-up costs	(18)	(19)
Acquisitions of property, plant and equipment and intangible assets	**(2,611)**	**(1,071)**

(1) Acquisitions during the period mainly correspond to the acquisition of strategic real estate assets in Paris. (cf. Note 1)

NOTE 29 – FINANCING ACTIVITIES AND CHANGE IN BORROWINGS

	Borrowings					
(in € millions)	Current	Non-current	Lease liabilities	Other assets and liabilities	Equity	Total
As of January 1, 2023	**2,295**	**4,347**	**–**	**–**	**–**	**6,642**
Kering SA capital increase	–	–	–	–	–	–
Dividends paid to shareholders of Kering SA	–	–	–	–	(1,712)	(1,712)
Dividends paid to minority interests in consolidated subsidiaries	–	–	–	–	(42)	(42)
Transactions with minority interests	–	–	–	–	(24)	(24)
(Acquisitions) disposals of Kering treasury shares	–	–	–	–	(10)	(10)
Issuance of bonds and bank debt	–	6,205	–	–	–	6,205
Redemption of bonds and bank debt	(957)	–	–	–	–	(957)
Issuance (redemption) of other borrowings	174	–	–	–	–	174
Repayment of lease liabilities	–	–	(880)	–	–	(880)
Interest paid and equivalent	(98)	–	(151)	(128)	–	(377)
Net cash received from (used in) financing activities	**(882)**	**6,205**	**(1,030)**	**(128)**	**(1,788)**	**2,377**
Changes in scope	258	–	–	–	–	–
Foreign exchange differences	(22)	(5)	–	–	–	–
Changes in put options granted to minority interests	54	4	–	–	–	–
Other movements	697	(525)	–	–	–	–
As of December 31, 2023	**2,400**	**10,026**	**–**	**–**	**–**	**–**

(in € millions)	Borrowings Current	Borrowings Non-current	Lease liabilities	Other assets and liabilities	Equity	Total
As of January 1, 2022	**2,442**	**2,976**	**–**	**–**	**–**	**–**
Kering SA capital increase	–	–	–	–	38	38
Dividends paid to shareholders of Kering SA	–	–	–	–	(1,483)	(1,483)
Dividends paid to minority interests in consolidated subsidiaries	–	–	–	–	(45)	(45)
Transactions with minority interests	(29)	(1)	–	–	347	317
(Acquisitions) disposals of Kering treasury shares	–	–	–	–	(1,030)	(1,030)
Issuance of bonds and bank debt	–	1,742	–	–	–	1,742
Redemption of bonds and bank debt	(904)	–	–	–	–	(904)
Issuance (redemption) of other borrowings	343	–	–	–	–	343
Repayment of lease liabilities	–	–	(824)	–	–	(824)
Interest paid and equivalent	(67)	–	(124)	(107)	–	(298)
Net cash received from (used in) financing activities	**(658)**	**1,741**	**(948)**	**(107)**	**(2,172)**	**(2,144)**
Changes in scope	–	–	–	–	–	–
Foreign exchange differences	(21)	(6)	–	–	–	–
Changes in put options granted to minority interests	23	362	–	–	–	–
Other movements	509	(725)	–	–	–	–
As of December 31, 2022	**2,295**	**4,347**	**–**	**–**	**–**	**–**

OTHER DISCLOSURES

NOTE 30 – OFF-BALANCE SHEET COMMITMENTS

30.1 Main vendor warranties granted in connection with asset disposals

In relation to the disposal of certain businesses, the Group has granted customary vendor warranties in respect of certain fundamental representations, along with some specific capped and time-limited warranties. Provisions have been set aside in respect of some vendor warranties (cf. Note 24).

30.2 Off-balance sheet commitments relating to leases

(in € millions)	Payments due by period: Less than one year	One to five years	More than five years	Dec. 31, 2023	Dec. 31, 2022
Leases signed but effective after December 31, 2023	63	320	478	861	645
Short-term leases	14	–	–	14	15
Leases with a low-value underlying asset	2	3	2	7	14
Lease commitments given	**79**	**323**	**480**	**882**	**674**

30.3 Other commitments given and received in the course of the Group's operations

Other commitments given and received in the course of the Group's operations can be analyzed as follows:

	Payments due by period				
(in € millions)	Less than one year	One to five years	More than five years	Dec. 31, 2023	Dec. 31, 2022
Binding purchase commitments	117	9	-	126	118
Customs deposits and other guarantees in respect of operations	63	75	61	198	193
Other commitments given	**180**	**84**	**61**	**325**	**311**
Other commitments received	**43**	**-**	**1**	**44**	**30**

As part of its proactive strategy to offset its carbon emissions, on February 16, 2023 Kering undertook to invest up to €100 million in a carbon fund managed by Natixis subsidiary Mirova.
The commitment given by the Kering group as of December 31, 2023 amounted to €91 million.

30.4 Other commitments given

In relation to the purchase of a stake in Valentino (cf. Note 15), the commitment to acquire the remaining 70% was estimated at around €4 billion as of the accounts closing date.

NOTE 31 – TRANSACTIONS WITH RELATED PARTIES

31.1 Related party controlling the Group

Kering SA is controlled by Artémis, which in turn is wholly owned by Financière Pinault.

	Dec. 31, 2023	Dec. 31, 2022
% capital held by the Artémis group in Kering SA	42.2%	42.0%
% of voting rights held by the Artémis group in Kering SA	59.3%	59.3%
Dividend paid for Year Y-1 *(in € millions)*	730	625
Interim dividend paid for Year Y *(in € millions)*	234	235
Fees for the period *(in € millions)*	7	7

The Group pays fees to Artémis for (i) business development consulting services and complex transaction support, and (ii) the supply of development opportunities, new business and cost reduction solutions. These fees are governed by an agreement reviewed by the Audit Committee and approved by the Board of Directors.

31.2 Remuneration paid to members of the Board of Directors and the Group's Executive Committee

(in € millions)	2023	2022
Wages and salaries	42	41
Payroll taxes	8	7
Termination indemnities	8	–
Short-term remuneration	**58**	**48**
Post-employment benefits	1	1
Other long-term benefits	20	25
Share-based payment	19	2
Long-term remuneration	**39**	**29**
TOTAL	97	77

Short-term remuneration corresponds to amounts paid during the year, whereas long-term remuneration corresponds to amounts recognized as expenses in the period.

NOTE 32 – STATUTORY AUDITORS’ REMUNERATION

Fees for fiscal year 2023	**PwC** [1]		**Deloitte** [2]		**Total**	
(in € millions, excluding tax and disbursements)	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
Kering SA	0.7	0.6	0.9	0.8	1.6	1.4
Fully-consolidated subsidiaries	4.7	3.9	4.2	3.5	8.9	7.5
Statutory audit	**5.4**	**4.5**	**5.1**	**4.3**	**10.5**	**8.9**
Kering SA[3]	0.1	0.1	0.6	0.4	0.7	0.6
Fully-consolidated subsidiaries	3.7	3.7	0.4	0.3	4.1	4.0
Non-audit services	**3.8**	**3.8**	**1.0**	**0.7**	**4.8**	**4.6**
TOTAL	9.2	8.4	6.1	5.1	15.3	13.5

(1) Of which PwC network: €3.8 million in 2023 with respect to statutory audit services and €3.7 million with respect to non-audit services (In 2022: €3.2 million with respect to statutory audit services and €3.8 million with respect to non-audit services)
(2) Of which Deloitte network: €3.7 million in 2023 with respect to statutory audit services and €0.6 million with respect to non-audit services. (In 2022: €3.2 million with respect to statutory audit services and €0.5 million with respect to non-audit services)
(3) The non-audit services rendered by PwC to Kering SA and its fully-consolidated subsidiaries are mainly related to comfort letters. The non-audit services rendered by Deloitte & Associés to Kering SA and its fully-consolidated subsidiaries are mainly related to comfort letters and the verification of the consolidated non-financial performance statement.

NOTE 33 – ACCOUNTING POLICIES AND METHODS

33.1 Basis of preparation of the consolidated financial statements

33.1.1 Changes to the IFRS basis

Standards, amendments and interpretations mandatorily applicable from January 1, 2023, analysis of which has led to the conclusion that they have no effect or a non-material effect on the consolidated financial statements for the period ended December 31, 2023, are presented below:

- Amendment to IAS 1 "Presentation of Financial Statements" regarding the disclosure of accounting policies;
- Amendment to IAS 8 "Accounting Policies, Changes in Accounting Estimates, and Errors" regarding the definition of accounting estimates;
- Amendment to IAS 12 "Income taxes" regarding deferred tax related to assets and liabilities arising from a single transaction;
- Amendment to IFRS 16 "Leases" regarding lease liability in a sale and leaseback;
- Amendment to IAS 12 "Income Taxes" regarding international tax reform and the Pillar Two model rules.

The amendment to IAS 12, published by IASB on May 23, 2023 and immediately applicable to accounting periods starting on or after January 1, 2023, has been endorsed by the European Union.

This amendment to IAS 12 follows the publication of the Pillar Two international tax reform by the Organisation for Economic Co-operation and Development (OECD) in December 2021. The aim of the reform is to ensure that companies with consolidated revenue or consolidated assets of more than €750 million (as disclosed in their consolidated financial statements for two consecutive years) pay a minimum effective income tax rate of 15% in each of the jurisdictions in which they operate.

The amendment to IAS 12 provides for:

- A temporary exemption from the recognition of deferred tax resulting from the implementation of this Pillar Two reform;
- Specific disclosures in the notes to the consolidated financial statements, allowing readers to understand the Group's exposure based on information that is known or can reasonably be estimated;
- Separate presentation of the current tax that will result from the application of the Pillar Two provisions (after they come into force).

Simulations performed by the Group on previous years show a non-material impact as of the date of the reform.

- IFRS 17 "Insurance contracts" and amendments to IFRS 17 published in May 2017, June 2020 and December 2021.

IFRS 17, which is also mandatorily applicable for accounting periods starting on or after January 1, 2023, does not apply to the Group's consolidated financial statements, since its captive insurance companies only operate internally and Group subsidiaries are their only insured beneficiaries.

Finally, as of the accounts closing date, the Group was in the process of analyzing the impact of standards, amendments and interpretations applicable on or after January 1, 2024.

33.1.2 Changes to legislation

On April 14, 2023, France's pension reform act became law. The measures resulting from that reform were taken into account when determining the Group's liabilities as of December 31, 2023. The impact shown by that analysis is not material for the Group.

33.1.3 Use of estimates and judgment

The preparation of consolidated financial statements requires Group management to make estimates and assumptions that can affect the carrying amounts of certain assets and liabilities, income and expenses, and the disclosures in the accompanying notes. Group management reviews these estimates and assumptions on a regular basis to ensure they are appropriate in view of past experience and the current economic situation. Items in future financial statements may differ from current estimates as a result of changes in current assumptions.

The main estimates made by the Group's management when preparing the consolidated financial statements concern:

- goodwill,
- the useful lives associated with property, plant and equipment and intangible assets,
- contingency provisions and uncertain tax positions,
- inventory impairment provisions,
- assumptions used to calculate lease right-of-use assets and lease liabilities,
- provisions for pensions and long-term remuneration including share-based payment,
- the recognition of deferred tax assets,
- and certain financial instruments.

In its main estimates and in its risk analysis, the Group has taken into account:

- the impact of commitments and decisions made regarding the reduction of carbon emissions, in particular when carrying out impairment tests;
- the current macroeconomic context, including the increase in inflation, even though the Group has little exposure to it. Hyperinflation in certain countries, particularly Turkey and Argentina, has no material impact on the Group's consolidated financial statements;
- official inflation rates published to determine the actuarial assumptions used to calculate post-employment benefits and the discount rates used in carrying out impairment tests and devising medium-term plans.

In addition to the use of estimates, Group management uses judgment to determine the appropriate accounting treatment of certain transactions, pending the clarification of certain IFRSs or where prevailing standards do not cover the issue at hand.

33.1.4 Climate challenges

Reflection of climate challenges in the financial statements

Since 2022, Kering's Sustainable Finance Department has ensured that the Group's financial statements reflect climate issues, that the Group complies with new regulations in this area, and that environmental issues play an integral part in Kering's decision-making processes, particularly as regards investments.

In accordance with the recommendation of the Task Force on Climate-Related Financial Disclosures (TCFD), Kering has assessed the financial impact of specific climate risks. The analysis carried out so far does not show any material impact on the Group's financial statements.

In 2023, Kering began work in view of the entry into force of the Corporate Sustainability Reporting Directive (CSRD), involving all internal stakeholders and departments concerned (Risk Management, Finance, HR and Legal Departments, representatives of the Houses etc.). That work included changing the approach to materiality analysis by adopting a double materiality analysis approach, the methodology of which was determined with the help of an independent consultancy in line with the European Sustainability Reporting Standards (particularly ESRS 1 and 2). The review of issues, impacts and the associated risks and opportunities took account of risk factors already identified by the Group.

Work carried out in 2022 and 2023 led to the conclusion that the Group's climate issues had no impact on the revenue and margin figures used in carrying out impairment tests. Only the cost of carbon offsetting, historically allocated to Corporate and Other segment, has been allocated to the trajectories of each CGU or group of CGUs in proportion to their estimated consumption.

Proactive carbon offsetting strategy

At the 15th Conference of Parties (COP) of the Convention on Biological Diversity, which took place in Montreal in December 2022, Kering and upscale sustainable cosmetics company L'Occitane announced that they were teaming up to create the Climate Fund for Nature.

As part of its proactive strategy to offset its carbon emissions, on February 16, 2023 Kering undertook to invest up to €100 million in a carbon fund managed by Natixis subsidiary Mirova. This commitment to the Climate Fund for Nature will be fulfilled gradually, mainly in the first eight years, through successive calls for funds driven by the funding needs of projects.

The fund invests in carbon removal and avoidance projects involving nature-based solutions that generate carbon credits for Kering and other co-investors. Those carbon credits are transferred to its shareholders as and when they are delivered through a forward purchase agreement recognized under off-balance sheet commitments, and purchases of carbon credits for Kering's own use will be recognized as they arise and at the contractual price.

Signature of a collective power purchase agreement

On December 8, 2022, The Fashion Pact announced that its members had begun plans for a Collective Virtual Power Purchase Agreement (CVPPA), the aim of which is to speed up adoption of renewable energy sources by investing in new clean energy infrastructure, initially in Europe.

As part of those plans, on October 12, 2023 Kering signed a renewable power purchase agreement, involving no physical delivery, with Spain's Caletona Servicios y Gestiones. Energy certificates arising from renewable energy production – under the European Energy Certificate System (EECS®) – will be transferred to the Kering group as the agreement is performed.

The agreement is for a 10-year term starting on the commercial operation date, which is likely to be March 1, 2026.

Since the agreement was signed in late 2023, the impact on the financial statements on the accounts closing date was not material.

33.1.5 Use of alternative performance indicators

The alternative performance indicators used by the Group and presented in the consolidated financial statements are:

Recurring operating income and other non-recurring operating income and expenses

The Group's operating income includes all revenues and expenses directly related to its activities, whether these revenues and expenses are recurring or arise from non-recurring decisions or transactions.

Other non-recurring operating income and expenses consist of items that, by their nature, amount or frequency, could distort the assessment of the Group's operating performance as reflected in its recurring operating income. They include changes in scope, the impairment of goodwill and brands and, where material, of property, plant and equipment and intangible assets, capital gains and losses on disposals of non-current assets, restructuring costs and disputes (cf. Note 7).

"Recurring operating income" is therefore an alternative performance indicator for the Group, defined as the difference between operating income and other non-recurring operating income and expenses. This indicator is intended to facilitate the understanding of the operating performance of the Group and its Houses and can therefore be used as a way to estimate recurring performance. It is presented in a manner that is consistent and stable over the long term in order to ensure the continuity and relevance of financial information (cf. Note 3).

EBITDA

The Group uses EBITDA as an alternative performance indicator to monitor its operating performance. This financial indicator corresponds to recurring operating income plus net charges to depreciation, amortization and provisions on non-current operating assets recognized in recurring operating income (cf. Note 3).

Effective tax rate on recurring income

The effective tax rate on recurring income corresponds to the effective tax rate excluding tax effects relating to other non-recurring operating income and expenses (cf. Notes 7 and 9).

Net debt

Net debt is one of the Group's main financial indicators, and is defined as borrowings less cash and cash equivalents. Lease liabilities are not included in the calculation of this indicator. Borrowings include put options granted to minority interests (cf. Note 33.21).

The cost of net debt corresponds to all financial income and expenses associated with these items, including the impact of derivative instruments used to hedge the fair value of borrowings (cf. Note 8).

33.2 Consolidation principles

The Group's consolidated financial statements include the financial statements of the companies listed in Note 34. They include the financial statements of companies acquired as from the acquisition date and companies sold up until the date of disposal.

33.2.1 Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group exercises control. Control is defined according to three criteria: power over the investee; exposure, or rights, to variable returns from involvement with the investee; and the ability to exert power over the investee to affect the amount of the investor's returns. This definition of control implies that power over an investee can take many forms other than simply holding voting rights. The existence and effect of potential voting rights are considered when assessing control, if the rights are substantive. Control generally implies directly or indirectly holding more than 50% of the voting rights but can also exist when a smaller proportion of voting rights is held.

Subsidiaries are consolidated from the effective date of control.

Intercompany assets and liabilities as well as transactions between consolidated companies are eliminated. Gains and losses on internal transactions with controlled companies are fully eliminated.

33.2.2 Associates

Associates are entities in which the Group exercises a significant influence over the entity's management and financial policy, without exercising control or joint control. Significant influence generally implies holding 20% to 50% of the voting rights.

Associates are accounted for under the equity method. They are initially measured at cost, except when the associates were previously controlled by the Group, in which case they are measured at fair value as of the date control is lost and the impact is recognized in the income statement.

In subsequent periods, the share in profits or losses of the associate attributable to the Group is recognized in "Share in earnings (losses) of equity-accounted companies", and the share in other comprehensive income of associates is carried on a separate line of the statement of comprehensive income. If the Group's share in the losses of an associate equals or exceeds its investment in that associate, the Group no longer recognizes its share of losses, unless it has legal or constructive obligations to make payments on behalf of the associate.

Goodwill related to an associate is included in the carrying amount of the investment, presented separately within "Investments in equity-accounted companies" in the balance sheet.

33.2.3 Business combinations

Business combinations, where the Group acquires control of one or more other activities, are recognized using the acquisition method.

Business combinations are recognized and measured in accordance with the provisions of IFRS 3. Accordingly, the consideration transferred is measured at the fair value of the assets transferred, equity interests issued and liabilities incurred by the acquirer at the date of exchange. Identifiable assets and liabilities are generally measured at their fair value on the acquisition date. Costs directly attributable to an acquisition are recognized within other non-recurring operating expenses in the income statement.

Goodwill is recognized to represent the difference between the Group's share of the identified assets and liabilities measured at fair value. If the difference is negative, a gain is immediately recognized in the income statement within other non-recurring operating income.

The Group may choose to measure any minority interests resulting from each business combination at fair value (full goodwill method) or at the proportionate share in the identifiable net assets acquired, which are also generally measured at fair value (partial goodwill method).

Goodwill is determined at the date of control over the acquired entity is obtained and may not be adjusted after the measurement period. No additional goodwill is recognized on any subsequent acquisition of minority interests. Acquisitions and disposals of minority interests are recognized directly in equity attributable to the Group.

The accounting for a business combination must be completed within 12 months of the acquisition date. This applies to the measurement of identifiable assets and liabilities, consideration transferred and minority interests.

33.3 Foreign currency translation

33.3.1 Functional and presentation currency

Items included in the financial statements of each Group entity are valued using the currency of the primary economic environment in which the entity operates (functional currency). The Group's consolidated financial statements are presented in euros, which serves as its presentation currency.

33.3.2 Foreign currency transactions

Transactions denominated in foreign currencies are recognized in the entity's functional currency at the exchange rate prevailing on the transaction date.

Monetary items (assets and liabilities) in foreign currencies are translated at the closing exchange rate at the end of each reporting period. Any foreign exchange gains and losses resulting from this translation or from the settlement of these monetary items are recognized within other financial income and expenses in the income statement.

Non-monetary items in foreign currencies valued at historical cost are translated at the rate prevailing on the transaction date, and non-monetary items in foreign currencies measured at fair value are translated at the rate prevailing on the date the fair value is determined. When a gain or loss on a non-monetary item is recognized directly in equity within other comprehensive income, similar treatment is applied to the foreign exchange component of this gain or loss. Otherwise, the component is recognized in the income statement.

The treatment of currency hedges in the form of derivatives is described in Note 33.17.

33.3.3 Currency translation of foreign subsidiaries' financial statements

The income statements and balance sheets of Group entities with a functional currency that differs from the presentation currency are translated into euros as follows:

- items recorded in the balance sheet other than equity are translated at the exchange rate at the end of the reporting period;
- items in the income statement are translated at the average exchange rate for the period, corresponding to an approximate value for the rate at the transaction date in the absence of significant fluctuations;
- translation differences are recognized directly in equity within other comprehensive income as currency translation adjustments.

Goodwill and fair value adjustments arising from a business combination with a foreign activity are recognized in the functional currency of the entity acquired. They are subsequently translated into the Group's presentation currency at the closing exchange rate, and any resulting differences are recognized directly in equity within other comprehensive income as currency translation adjustments.

33.4 Operating segments

In accordance with IFRS 8, segment information is reported on the same basis as used internally by the Chairman and Chief Executive Officer and the Group Managing Director – the Group's chief operating decision makers – to allocate resources to segments and assess their performance.

An operating segment is a separate component of the Group that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the entity's chief operating decision maker, and for which discrete financial information is available. Each operating segment is monitored separately for internal reporting purposes, according to performance indicators common to all of the Group's segments. The segments presented are operating segments or groups of similar operating segments.

Financial information provided on operating segments is prepared in accordance with the same accounting rules as in the consolidated financial statements.

The performance of each operating segment is measured based on recurring operating income, which is the approach used by the Group's chief operating decision maker.

Recurring charges to depreciation, amortization and provisions on non-current operating assets reflect net charges to depreciation, amortization and provisions on intangible assets, lease right-of-use assets and property, plant and equipment recognized in recurring operating income.

Acquisitions of property, plant and equipment and intangible assets correspond to gross non-current asset purchases, including cash timing differences, as presented in the consolidated cash statement.

The presentation of revenue by region is based on the geographic location of clients.

33.5 Revenue

Revenue mainly comprises sales of goods, together with income from associated services and income from royalties and operating licenses.

33.5.1 Sales of goods and associated services

Sales of goods, whether they take place through a store network or online (retail activity including e-commerce) or wholesale operations, are recognized when the Group satisfies its performance obligation to its clients, typically upon delivery.

When a customer (particularly in the wholesale and e-commerce businesses) has a contractual right of return or routinely makes returns, a specific provision is set aside. When such returns are not contractual, the provision for returns is estimated based on historical data. Provisions for returns are presented in the balance sheet under liabilities in respect of future refunds. An asset (with an offsetting adjustment corresponding to the cost of sales) representing the right to recover the goods from the client is also recognized.

33.5.2 Royalties from operating licenses

Royalties received with respect to operating licenses are recognized in accordance with the contractual obligations specific to each agreement, over time as the performance obligation is satisfied, for example, when calculated based on the value of the underlying sales generated by the licensee under the agreement.

33.6 Personnel expenses

Personnel expenses primarily consist of wages, salaries and payroll taxes, expenses relating to pensions and other post-employment benefits under defined benefit plans (see Note 33.22), and expenses related to share-based payments (see Note 33.7). Wages, salaries and payroll taxes include fixed remuneration, variable short-term remuneration, long-term remuneration plans, expenses related to employee profit-sharing and other incentive plans, and any associated payroll taxes. Other personnel expenses include severance paid to individual employees or as part of a restructuring plan, and directors' fees paid to directors of Group entities.

33.7 Share-based payment

The Group may operate long-term variable remuneration plans that feature share-based payments. These plans are classified as either cash-settled plans or plans settled in Kering shares.

- Cash-settled plans result in the recognition of personnel expenses in the income statement spread over the entitlement vesting period, along with a matching liability in the balance sheet. The fair value of the benefit granted to the beneficiaries is remeasured at the end of each reporting period, taking into account any changes in market-based or internal performance conditions.
- Plans settled in Kering shares result in the recognition of personnel expenses in the income statement spread over the entitlement vesting period, and of an offsetting entry in equity attributable to the Group. The fair value of the benefit granted to the beneficiaries is set at the grant date of the plan using the Black & Scholes and Monte Carlo models, which take into account the impacts of any market-based performance conditions from the inception of the plan. The impacts of any internal-based performance conditions are remeasured at the end of each reporting period.

The payroll taxes relating to these long-term variable remuneration plans are also recognized in personnel expenses in the income statement as and when entitlements under the plans vest, with a matching liability in the balance sheet, regardless of whether the plans are settled in cash or in Kering shares. These payroll taxes are remeasured at the end of each reporting period based on the most certain assumptions as regards the outcome of the plans. Payroll taxes relating to plans settled in Kering shares reflect the best estimate of the number of shares to be delivered upon expiry of the plan at the end of each reporting period.

33.8 Income taxes

Income tax expense comprises the current and deferred tax expense.

Deferred tax is calculated using the liability method on all temporary differences between the carrying amount recorded in the consolidated balance sheet and the tax value of assets and liabilities, except for goodwill that is not deductible for tax purposes and certain other exceptions. The valuation of deferred tax balances depends on the way in which the Group intends to recover or settle the carrying amount of assets and liabilities, using tax rates that have been enacted or substantively enacted at the closing date.

Deferred tax assets and liabilities are not discounted and are presented separately in the balance sheet within non-current assets and liabilities.

A deferred tax asset is recognized on deductible temporary differences and for tax loss and credit carry-forwards to the extent that their future offset is probable.

A deferred tax liability is recognized on taxable temporary differences relating to investments in subsidiaries and associates unless the Group is able to control the timing of the reversal of the temporary difference, and it is probable that the temporary difference will not reverse in the foreseeable future.

Uncertain income tax positions are analyzed and reviewed internally in accordance with IAS 12 and IFRIC 23 and are shown on the balance sheet in the "current tax liabilities" line item.

33.9 Earnings per share

Earnings per share is calculated by dividing net income attributable to the Group by the weighted average number of ordinary shares outstanding during the period, i.e. without taking account of the weighted average number of Kering treasury shares held by the Group during the period.

Diluted earnings per share equals net income attributable to the Group divided by the weighted average diluted number of shares outstanding during the period, adjusted for the dilutive effect arising from free share grants.

Earnings per share from continuing operations excluding non-recurring items is also calculated by adjusting net income from continuing operations attributable to the Group for the amount of non-recurring items net of tax. Non-recurring items correspond to other non-recurring operating income and expenses in the income statement (cf. Note 33.1.5).

33.10 Goodwill

Goodwill is determined according to the method indicated in Note 33.2.3.

Goodwill is allocated as of the acquisition date to cash-generating units (CGUs) or groups of CGUs defined by the Group. The CGUs or groups of CGUs to which goodwill has been allocated are tested for impairment each year, or whenever events or circumstances indicate that an impairment loss is likely.

CGUs or groups of CGUs and the related impairment tests are described in Note 33.12.

33.11 Brands and other intangible assets

Brands and other intangible assets are recognized at cost less accumulated amortization and impairment.

Brands and intangible assets acquired as part of a business combination, which are controlled by the Group and are separable or arise from contractual or other legal rights, are recognized separately from goodwill.

Brands, which represent the majority of intangible assets within the Group, are intangible assets with indefinite useful lives and are therefore not amortized but are tested as part of the impairment test carried out on CGUs. Where that test indicates an impairment loss, brands are tested separately.

Other intangible assets are amortized over their useful lives and are tested for impairment when there is an indication that an impairment loss has taken place. The usual useful lives are as follows:

- Brands: indefinite;
- Internal IT developments, software and websites: 1-8 years;
- Rights, patents and other intellectual property: 5-20 years (maximum protection period).

The configuration and customization costs of software as part of a Saas (Software as a service) arrangement are analyzed and recorded in expenses for the period where they do not meet the criteria for capitalization under IAS 38.

Software developed in-house by the Group and meeting all the relevant criteria is capitalized and amortized on a straight-line basis over its useful life.

Impairment tests are described in Note 33.12.

33.12 Cash-generating units and impairment tests

The Group tests the value of its assets at the level of its cash-generating units (CGUs) or groups of CGUs. Impairment tests are performed each year, or whenever events or circumstances indicate that an impairment loss is likely. A CGU is the smallest group of assets, including goodwill, that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or CGUs.

CGUs or groups of CGUs as defined by the Group represent the various brands under which the Group operates (cf. Note 33.4).

Impairment tests seek to determine whether the recoverable amount of a CGU is less than its net carrying amount. The recoverable amount of a CGU is the higher of its fair value less costs to sell and its value in use. Value in use is determined with respect to future cash flow projections, taking into account the time value of money and the specific risks attributable to the CGU or group of CGUs.

Future cash flow projections are based on medium-term budgets and plans. These plans are drawn up for a period of five years with the exception of certain CGUs or groups of CGUs undergoing strategic repositioning, for which a longer period may be applied (typically ten years). To calculate value in use, a terminal value equal to the perpetual capitalization of a normative annual cash flow is added to the estimated future cash flows. The perpetual growth rates are appropriate in view of the country mix, since the Group now operates in regions whose markets are enjoying faster-paced growth than in Europe.

When the CGU’s recoverable amount is less than its net carrying amount, an impairment loss is recognized. Impairment is charged first to goodwill and recognized under "Other non-recurring operating income and expenses" in the income statement (cf. Note 33.1.5).

Impairment recognized in respect of brands and other intangible assets along with property, plant and equipment may be reversed at a later date if there is an indication that the impairment loss no longer exists. Impairment recognized in respect of goodwill may not be reversed.

For 2023, the way in which the Group took into account the macroeconomic situation and climate issues in its impairment tests is described in Notes 33.1.3 and 33.1.4.

33.13 Leases

The Group applies IFRS 16 for all of its leases, with the exception of:

- short-term leases, with a lease term of 12 months or less as of the commencement date;
- leases for which the underlying asset is of low value.

Payments under these leases that are not recognized on the balance sheet are recognized as operating expenses on a straight-line basis over the lease term.

Under IFRS 16, for each affected lease, the following items are recognized in the balance sheet as of the commencement date:

- a lease liability, corresponding to the present value of all fixed future payments for the estimated term of the lease. The current and non-current portions of these liabilities are shown separately. Fixed future lease payments include the remeasurement of any payments that depend on an index or a growth rate established in the lease. They may also include the value of any purchase options or estimated penalties for terminating the lease, where the Group is reasonably certain to exercise these options. In addition, any lease incentives receivable as of the commencement date are deducted from fixed payments;
- a lease right-of-use asset, corresponding to the value of the lease liability less any incentives received from the lessor and plus any prepaid lease payments, initial direct costs and the estimated cost of restoring the asset where required by the terms and conditions of the lease.

After the start of the lease, the liability related to future lease payments is reduced by the amount of payments made with respect to lease payments, and increased by the amount of interest. The liability may be remeasured to reflect a new assessment of, or change in, future lease payments. The right-of-use asset, initially measured at cost including the lessee’s direct costs and prepayments, minus lease incentives (rent-free periods) and restoration costs, is depreciated on a straight-line basis over the lease term as defined in accordance with IFRS 16.

IFRS 16 provides that the discount rate for each lease is determined with reference to the incremental borrowing rate, which corresponds to the rate of interest that the Group would have to pay to borrow over a similar term, and with similar security, the funds necessary to obtain an asset of a similar value to the lease right-of-use asset in a similar economic environment.

The incremental borrowing rates applied by the Group are based on a combination of risk-free interest rate curves per currency/country, euro/foreign currency swap points, and the Group’s credit spread, also accounting for the nature of the underlying (real estate) asset.

An "industry" beta, which varies according to the lessee’s operating segment, is added to these inputs to reflect the specific risk of each activity.

The rate curves take into account the average lease term and are prepared on a quarterly basis.

Lease rights are a separate component of right-of-use assets and are depreciated over the term of the underlying leases, less any residual value. This residual value is tested for impairment each year and an impairment loss is recognized where necessary.

The Group recognizes deferred tax in relation to the right-of-use asset and lease liability.

33.14 Property, plant and equipment

Property, plant and equipment are recognized at amortized historical cost less any impairment losses, with the exception of land, which is not depreciated. They are not revalued.

The various components of property, plant and equipment are recognized separately when their estimated useful life and therefore their depreciation periods are significantly different. The cost of property, plant and equipment includes the expenses that are directly attributable to its acquisition.

Depreciation is calculated using the straight-line method, based on the purchase price or production cost, less any residual value, which is reviewed annually if considered material.

The usual useful lives are as follows:

- Buildings: 10-100 years;
- Improvements and fixtures: 3-15 years;
- Improvements to leased assets: 3-10 years (limited to the lease term defined in accordance with IFRS 16);
- Plant and equipment: 3-20 years;
- Other property, plant and equipment: 2-7 years.

Property, plant and equipment are tested for impairment when an indication of impairment exists, such as a scheduled closure of a store or site, a redundancy plan or a downward revision of market forecasts. When an asset’s recoverable amount is less than its net carrying amount, an impairment loss is recognized. Where the recoverable amount of an individual asset cannot be determined precisely, the Group determines the recoverable amount of the CGU or group of CGUs to which the asset belongs.

When an item of property, plant and equipment is sold, the disposal gain or loss resulting from the difference between the selling price and the carrying amount of the assets sold is recognized in the income statement.

33.15 Financial assets

The classification of financial assets determines their accounting treatment and basis of measurement. There are three categories of financial assets:

- financial assets measured at amortized cost;
- financial assets measured at fair value through the income statement (profit or loss);
- financial assets measured at fair value in equity through other comprehensive income.

The Group determines the classification of its financial assets upon initial recognition, based on their characteristics and the management objective behind the asset's purchase. Purchases and sales of financial assets are recognized on the transaction date, which is the date the Group is committed to the purchase or sale of the asset. A financial asset is derecognized if the contractual rights to the cash flows from the financial asset expire or the asset is transferred.

33.15.1 Financial assets measured at amortized cost

Financial assets are carried at amortized cost if they are held as part of a business model whose objective is to collect contractual cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category includes loans and receivables, deposits and guarantees, trade receivables and most other current and non-current receivables.

These financial assets are initially recognized at fair value and subsequently at amortized cost using the effective interest method.

The effective interest rate is determined for each transaction and corresponds to the rate that would provide the net carrying amount of the financial asset by discounting its estimated future cash flows until maturity. The calculation includes transaction costs and any premiums and/or discounts. Transaction costs correspond to the costs directly attributable to the acquisition or issue of a financial asset. Net gains and losses on loans and receivables relate to interest income and impairment allowances.

Impairment allowances are recognized in the income statement based on the expected loss model:

- for its trade receivables, the Group applies a provision matrix for each country/brand based on historical loss data. Credit insurance that may be taken out by the Group is taken into account in the measurement of the risk and therefore of the provision;
- for other financial assets measured at amortized cost, an analysis is carried out taking into account the probability of counterparty default.

33.15.2 Financial assets measured at fair value through the income statement

Financial assets measured at fair value through the income statement mostly comprise financial assets giving rise to contractual cash flows that are not solely payments of principal and interest on the principal amount outstanding.

This category includes:

- non-consolidated investments and other financial investments, unless the Group has chosen to carry specific investments at fair value under the fair value option, in which case they are recognized directly in equity through other comprehensive income;
- financial assets held by the Group for trading purposes that the Group intends to resell in the near future and that are part of a portfolio of financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking;
- assets designated as at fair value under the fair value option.

Changes in the fair value of these assets are taken to the income statement. Net gains or losses arising on financial assets measured at fair value through the income statement generally correspond to interest income, dividends, changes in the fair value of the assets (unrealized gains or losses) and capital gains or losses on disposals (realized gains or losses).

33.15.3 Financial assets measured at fair value in equity through other comprehensive income

Financial assets are carried at fair value directly in equity through other comprehensive income when they are held as part of a business model whose objective is achieved both by collecting contractual cash flows (corresponding solely to payments of principal and interest on the principal amount outstanding) and selling these financial assets.

This category includes debt instruments, such as bonds, that have the contractual cash flow and business model characteristics set out above.

It may also include non-consolidated investments or other financial investments, in which case changes in the fair value of the assets are recognized directly in equity through other comprehensive income until the assets are sold, with the exception of dividends received, which are systematically recognized in the income statement irrespective of the classification of the underlying financial asset.

33.15.4 Fair value hierarchy and associated valuation methods

The fair value of financial assets is determined using one of three levels in the fair value hierarchy:

- Level 1: financial assets quoted on an active market;
- Level 2: financial assets whose fair value is determined using valuation techniques drawing on observable market inputs;
- Level 3: financial assets whose fair value is determined using valuation techniques drawing on non-observable inputs (inputs whose value does not result from the price of observable market transactions for the same instrument or from observable market data available as of the end of the reporting period) or inputs which are only partly observable.

33.16 Financial liabilities

The classification of financial liabilities determines their accounting treatment and measurement. There are two categories of financial liabilities:

- financial liabilities measured at amortized cost;
- financial liabilities measured at fair value through the income statement (profit or loss).

The Group determines the classification of its financial liabilities upon initial recognition, based on their characteristics.

33.16.1 Financial liabilities measured at amortized cost

Financial liabilities are carried at amortized cost if they are held as part of a business model whose objective is to disburse contractual cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category includes borrowings (with the exception of put options granted to minority interests – cf. Note 33.21), trade payables and most other current and non-current liabilities.

These financial liabilities are initially recognized at fair value less transaction costs, and subsequently at amortized cost using the effective interest method.

The effective interest rate is determined for each transaction and corresponds to the rate that would provide the net carrying amount of the financial liability by discounting its estimated future cash flows until maturity. The calculation includes transaction costs and any premiums and/or discounts. Transaction costs correspond to the costs directly attributable to the acquisition or issue of a financial liability.

The net carrying amount of financial liabilities measured at amortized cost that qualify as hedged items as part of a fair value hedging relationship is adjusted with respect to the hedged risk (cf. Note 33.17.1).

33.16.2 Financial liabilities measured at fair value through the income statement

The Group may elect to carry some financial liabilities at fair value through the income statement. In this case, unlike in the amortized cost method, the transaction costs associated with setting up these financial liabilities are recognized immediately within other financial income and expenses in the income statement.

33.17 Derivative instruments

33.17.1 Derivative instruments designated as hedging instruments

The Group uses various derivative instruments to reduce its exposure to foreign exchange risk, interest rate risk and the risk of movements in the prices of certain precious metals.

Derivative instruments are recognized in the balance sheet within current or non-current financial assets and liabilities, depending on their maturity. They are recognized at fair value as from the transaction date.

Derivatives designated as hedging instruments are classified by category of hedge based on the nature of the risks being hedged:

- a cash flow hedge is used to hedge the risk of changes in future cash flow from recognized assets or liabilities or a highly probable transaction that would impact the income statement;
- a fair value hedge is used to hedge the risk of changes in the fair value of recognized assets or liabilities or a firm commitment not yet recognized that would impact the income statement;

Hedge accounting can only be applied if all of the following conditions are met:

- the hedged instrument and the hedging instrument are both eligible;
- there is a formal designation and documentation of the hedging relationship as of the date of inception;
- there is an economic relationship between the hedged item and the hedging instrument.

The accounting treatment of derivative instruments qualified as hedging instruments, and their impact on the income statement and balance sheet, differ depending on the type of hedging relationship:

- for cash flow hedges, gains and losses are initially recognized directly in equity through other comprehensive income. They are then transferred to the income statement when the hedged items are recognized. For foreign currency derivatives, the effective portion is recorded in operating income, and the ineffective portion, option premiums and difference between spot and forward exchange rates (contango/backwardation) are recorded within "Financial result";
- for fair value hedges, gains and losses are recorded in the income statement in the same item as the hedged items, except for the ineffective portion, which is always recorded within "Financial result".

33.17.2 Derivative instruments designated as trading instruments

Changes in the fair value of derivative instruments that the Group cannot or does not wish to designate as hedging instruments are recognized in full in the income statement in other financial income and expenses within "Financial result".

33.17.3 Embedded derivative instruments

Certain financial assets or liabilities may contain a derivative instrument. When they are not closely related to the underlying instrument, these embedded derivatives are recognized separately in the balance sheet as a derivative instrument held for trading. Any changes in their fair value are taken in full in the income statement in other financial income and expenses within "Financial result".

33.18 Inventories

Inventories are measured using the weighted average cost method for all of the Group's business activities.

An impairment allowance on inventories is recognized on the basis of expected inventory turnover and obsolescence and if they are damaged.

33.19 Cash and cash equivalents

Cash and cash equivalents recorded on the assets side of the balance sheet include cash, mutual or similar funds, short-term investments and other highly liquid instruments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and have a maximum maturity of three months as of the purchase date.

Investments with a maturity exceeding three months, along with blocked or pledged bank accounts, are excluded from cash and cash equivalents.

Bank overdrafts are presented in borrowings on the liabilities side of the balance sheet. In the statement of cash flows, cash and cash equivalents at the opening and closing of the reporting period include bank overdrafts.

33.20 Kering treasury shares

Kering treasury shares, whether specifically allocated to be granted to Group employees, allocated to the liquidity agreement or held for any other purpose, as well as directly related transaction costs, are deducted directly from equity attributable to the Group.

On disposal, the consideration received for these shares, net of transaction costs and the related tax impacts, is also recognized directly in equity attributable to the Group.

33.21 Put options granted to minority interests

The Group has undertaken to repurchase the minority interests of shareholders of certain subsidiaries. The strike price of these put options may be set or determined according to a predefined calculation formula, and the options may be exercised either at any time or on a specific date.

The Group recognizes a financial liability in respect of any put options granted to minority interests. This liability is recognized at the present value of the best estimate of the strike price, with an offsetting entry in equity attributable to the Group. Any subsequent changes in the financial liability relating to put options granted to minority interests are recognized directly in equity, including the impact of unwinding the discount.

The financial liability recognized in respect of put options granted to minority interests is shown in the balance sheet within current and non-current borrowings, as appropriate. Put options granted to minority interests are therefore included in consolidated net debt (see Note 33.1.5).

Depending on the agreements signed by the Group with minority interests, minority shareholders may in some cases waive their dividend rights until the put option is exercised. In this case, the corresponding minority interests are canceled, with a direct offsetting entry in equity attributable to the Group. If the minority interests retain their dividend rights until the option is exercised however, the minority interests continue to be shown in the balance sheet.

33.22 Provisions for pensions and other post-employment benefits

Based on the laws and practices of each country, the Group recognizes various types of employee benefits, including pensions and other post-employment benefits.

Defined contribution plans

Under defined contribution plans, the Group is not obliged to make additional payments over and above contributions already made to a fund if the fund does not have sufficient assets to cover the benefits corresponding to services rendered by personnel during the current period and prior periods. Contributions paid into these plans are expensed in the income statement as incurred.

Defined benefit plans

Under defined benefit plans, obligations are valued using the projected unit credit method based on agreements in effect in each entity. Under this method, each period of service gives rise to an additional unit of benefit entitlement and each unit is measured separately to build up the final obligation. The obligation is then discounted. The actuarial assumptions used to determine the obligations vary according to the economic conditions of the country where the plan is established. These plans are valued by independent actuaries on an annual basis. The valuations take into account the level of future compensation, the probable active life of employees, life expectancy and staff turnover.

The provision recognized in the balance sheet corresponds to the present value of the obligations calculated as described above, less the fair value of the plans' financial assets under wholly funded pension plans.

The current service cost for these plans is recognized within personnel expenses in the income statement. The interest cost relating to the benefit obligation net of interest income on plan assets under wholly funded plans is recognized in other financial income and expenses within "Financial result". Past service cost, designating the increase in an obligation following the introduction of a new plan or the impact of amendments to an existing plan, is expensed immediately in the income statement within personnel expenses, regardless of whether or not the benefit entitlement has already vested or is still vesting.

Changes in actuarial assumptions and the impact of experience adjustments (the difference between outcomes estimated using actuarial assumptions and actual outcomes) give rise to actuarial gains and losses, which are recognized directly in equity within other comprehensive income. These actuarial gains and losses are never transferred to the income statement.

33.23 Provisions

Provisions for litigation, disputes and miscellaneous contingencies and losses are recognized as soon as a present obligation arises from past events, which is likely to result in an outflow of resources embodying economic benefits, the amount of which can be reliably estimated.

Provisions maturing in more than one year are valued at their discounted amount, representing the best estimate of the expense necessary to extinguish the current obligation at the end of the reporting period. The discount rate used reflects current assessments of the time value of money and specific risks related to the liability.

A provision for restructuring costs is recognized when there is a formal and detailed restructuring plan and the plan has begun to be implemented or its main features have been announced before the end of the reporting period. Restructuring costs for which a provision is made essentially represent employee costs (severance pay, early retirement plans, payment in lieu of notice, etc.), work stoppages and compensation for breaches of contract with third parties.

33.24 Discontinued operations, assets held for sale and liabilities associated with assets held for sale

The Group applies IFRS 5, which requires the separate recognition and presentation of assets (or disposal groups) held for sale and discontinued operations.

Non-current assets, or groups of assets and liabilities directly associated with those assets, are considered as held for sale if it is highly probable that their carrying amount will be recovered principally through a sale rather than through continuing use. Non-current assets (or disposal groups) held for sale are measured and recognized at the lower of their net carrying amount and their fair value less the costs of disposal. These assets are no longer depreciated or amortized from the time they qualify as assets (or disposal groups) held for sale. They are presented on separate lines in the consolidated balance sheet, without restatement for previous periods.

A discontinued operation is defined as a component of a group that generates cash flows that can be clearly distinguished from the rest of the Group and represents a separate line of business or geographical area of operations. For all periods presented, the net income or loss from these activities is shown on a separate line of the income statement within discontinued operations and is restated in the statement of cash flows.

NOTE 34 – LIST OF CONSOLIDATED ENTITIES

Consolidation method
Full consolidation: C
Equity method: E

Company	Transaction	% interest Dec. 31, 2023		% interest Dec. 31, 2022	
KERING SA			**Parent company**		**Parent company**
LUXURY HOUSES					
France					
ALEXANDER MCQUEEN FRANCE SAS		C	100.00	C	100.00
ARCADES PONTHIEU SA		C	95.00	C	95.00
ATELIER DE CONFECTION SAINT LAURENT		C	100.00	C	100.00
BALENCIAGA OPERATIONS SAS		C	100.00	C	100.00
BALENCIAGA SAS		C	100.00	C	100.00
BOTTEGA VENETA FRANCE SAS		C	100.00	C	100.00
BOUCHERON PARFUMS SAS		C	100.00	C	100.00
BOUCHERON SAS		C	100.00	C	100.00
BRIONI FRANCE SAS		C	100.00	C	100.00
DODO PARIS SAS		C	100.00	C	100.00
FRANCE CROCO SAS		C	100.00	C	100.00
GG FRANCE SERVICES SAS		C	100.00	C	100.00
GINORI 1735	Consolidation	C	100.00	–	–
GPO HOLDING SAS		C	100.00	C	100.00
GUCCI FRANCE SAS		C	100.00	C	100.00
LES BOUTIQUES BOUCHERON SAS		C	100.00	C	100.00
POMELLATO PARIS SAS		C	100.00	C	100.00
QEELIN FRANCE SARL		C	100.00	C	100.00
SAINT LAURENT CULTURE SAS	Formation	C	100.00	–	–
SAINT LAURENT EDITIONS SAS	Formation	C	100.00	–	–
SAINT LAURENT PRODUCTIONS SAS	Formation	C	100.00	–	–
SAS ETABLISSEMENTS E. BLONDEAU	Acquisition	C	100.00	–	–
SAS BELTER	Acquisition	C	100.00	–	–
SAS CHANSON ET CIE JOAILLIERS FABRICANTS	Acquisition	C	100.00	–	–
SAS FG DÉVELOPPEMENT	Acquisition	C	100.00	–	–
YSL VENTES PRIVEES FRANCE SAS		C	100.00	C	100.00
YVES SAINT LAURENT BOUTIQUE FRANCE SAS		C	100.00	C	100.00
YVES SAINT LAURENT PARFUMS SAS		C	100.00	C	100.00
YVES SAINT LAURENT SAS		C	100.00	C	100.00
Germany					
ALEXANDER MCQUEEN TRADING GMBH		C	100.00	C	100.00
BALENCIAGA GERMANY GmbH		C	100.00	C	100.00
BOTTEGA VENETA GERMANY GmbH		C	100.00	C	100.00
BRIONI GERMANY GmbH		C	100.00	C	100.00
DODO DEUTSCHLAND GmbH		C	100.00	C	100.00
GG LUXURY GOODS GmbH		C	100.00	C	100.00
POMELLATO DEUTSCHLAND GmbH		C	100.00	C	100.00
YVES SAINT LAURENT GERMANY GmbH		C	100.00	C	100.00

Company	Transaction	% interest Dec. 31, 2023		Dec. 31, 2022	
Austria					
ALEXANDER MCQUEEN GmbH		C	100.00	C	100.00
BALENCIAGA AUSTRIA GmbH		C	100.00	C	100.00
BOTTEGA VENETA AUSTRIA GmbH		C	100.00	C	100.00
GUCCI AUSTRIA GmbH		C	100.00	C	100.00
YVES SAINT LAURENT AUSTRIA GmbH		C	100.00	C	100.00
Belgium					
BALENCIAGA BELGIUM		C	100.00	C	100.00
GUCCI BELGIUM SA		C	100.00	C	100.00
SAINT LAURENT BELGIUM		C	100.00	C	100.00
Denmark					
BALENCIAGA DENMARK APS		C	100.00	C	100.00
LUXURY GOODS DENMARK AS		C	51.00	C	51.00
SAINT LAURENT DENMARK APS	Acquisition	C	100.00	–	–
Spain					
BALENCIAGA SPAIN SL		C	100.00	C	100.00
BOTTEGA VENETA ESPANA SL		C	100.00	C	100.00
DODO SPAIN SA		C	100.00	C	100.00
LUXURY GOODS SPAIN SL		C	100.00	C	100.00
LUXURY TIMEPIECES ESPANA SL		C	100.00	C	100.00
YVES SAINT LAURENT SPAIN SA		C	100.00	C	100.00
United Kingdom					
ALEXANDER MCQUEEN TRADING Ltd		C	100.00	C	100.00
AUTUMNPAPER Ltd		C	100.00	C	100.00
BALENCIAGA UK Ltd		C	100.00	C	100.00
BIRDSWAN SOLUTIONS Ltd		C	100.00	C	100.00
BOTTEGA VENETA UK CO. Ltd		C	100.00	C	100.00
BOUCHERON UK Ltd		C	100.00	C	100.00
BRIONI UK Ltd		C	100.00	C	100.00
DODO (UK) Ltd		C	100.00	C	100.00
GUCCI Ltd		C	100.00	C	100.00
GINORI 1735 LIMITED	Consolidation	C	100.00	–	–
LUXURY TIMEPIECES & JEWELLERY OUTLETS Ltd		C	100.00	C	100.00
LUXURY TIMEPIECES UK Ltd		C	100.00	C	100.00
PAINTGATE Ltd		C	100.00	C	100.00
POMELLATO (UK) Ltd		C	100.00	C	100.00
YVES SAINT LAURENT UK Ltd		C	100.00	C	100.00
Greece					
LUXURY GOODS GREECE AE		C	100.00	C	100.00
SAINT LAURENT GREECE AE		C	100.00	C	100.00
BOTTEGA VENETA GREECE SA		C	100.00	C	100.00
Hungary					
GUCCI HUNGARY RETAIL LTD		C	100.00	C	100.00
Ireland					
BALENCIAGA IRELAND LTD	Formation	C	100.00	–	–
BOTTEGA VENETA IRELAND LTD		C	100.00	C	100.00
GUCCI IRELAND Ltd		C	100.00	C	100.00
SAINT LAURENT IRELAND LTD		C	100.00	C	100.00

Company	Transaction	% interest Dec. 31, 2023		Dec. 31, 2022	
Italy					
ACCADEMIA DELLA PELLETTERIA SRL		C	51.00	C	51.00
ALEXANDER MCQUEEN ITALIA SRL		C	100.00	C	100.00
ALEXANDER MCQUEEN LOGISTICA SRL		C	100.00	C	100.00
ALEXANDER MCQUEEN ONLINE ITALIA SRL		C	100.00	C	100.00
B.V. ITALIA SRL		C	100.00	C	100.00
BALENCIAGA LOGISTICA SRL		C	100.00	C	100.00
BALENCIAGA ONLINE ITALIA SRL		C	100.00	C	100.00
BALENCIAGA RETAIL ITALIA SRL		C	100.00	C	100.00
BOTTEGA VENETA LOGISTICA SRL		C	100.00	C	100.00
BOTTEGA VENETA SRL		C	100.00	C	100.00
BRIONI GERMANICS HOLDING SRL		C	100.00	C	100.00
BRIONI ITALIA SRL		C	100.00	C	100.00
BRIONI SpA		C	100.00	C	100.00
BV ECOMMERCE SRL		C	100.00	C	100.00
CARAVEL PELLI PREGIATE SpA		C	100.00	C	100.00
CHEM – TEC SRL		C	51.00	C	51.00
COLONNA SpA		C	51.00	C	51.00
CONCERIA 800 SpA		C	51.00	C	51.00
COSTANZO & RIZZETTO SRL		E	45.00	E	45.00
DESIGN MANAGEMENT 2 SRL		C	100.00	C	100.00
DESIGN MANAGEMENT SRL		C	100.00	C	100.00
DI REMIGIO & DI DIODORO S.R.L.		C	51.00	C	51.00
DODO RETAIL ITALIA S.R.L.	Formation	C	100.00	–	–
E-LITE SRL		C	100.00	C	100.00
FALCO PELLAMI SpA		C	51.00	C	51.00
FUTURA SRL	Acquisition	C	77.00	–	–
G COMMERCE EUROPE SpA		C	100.00	C	100.00
GARPE SRL		C	100.00	C	100.00
GGW ITALIA SRL		C	100.00	C	100.00
GJP SRL		C	100.00	C	100.00
GPA SRL		C	100.00	C	100.00
GT SRL		C	100.00	C	100.00
GUCCI PALAZZO SRL		C	100.00	C	100.00
IMMOBILIARE ARNO		C	100.00	C	100.00
GUCCI LOGISTICA SpA		C	100.00	C	100.00
GUCCIO GUCCI SpA		C	100.00	C	100.00
IMMOBILIARE ARMEA SRL		C	100.00	C	100.00
K RETAIL SRL		C	100.00	C	100.00
KERING FASHION OPERATIONS SRL	Liquidation	–	–	C	100.00
LUXURY GOODS ITALIA SpA		C	100.00	C	100.00
LUXURY GOODS OUTLET SRL		C	100.00	C	100.00
MANIFATTURA VENETA PELLETERIE SRL		C	100.00	C	100.00
MARBELLA PELLAMI SpA		C	51.00	C	51.00
MFI LUXURY S.R.L	Acquisition	E	30.00	–	–
MOOD SRL		E	19.00	E	19.00
NEGOZI RICHARD GINORI SRL	Consolidation	C	100.00	–	–
PELLETTERIA ALESSANDRA SRL		C	90.00	C	90.00
PIGINI SRL		C	100.00	C	100.00
POMELLATO EUROPA SpA		C	100.00	C	100.00
POMELLATO SpA		C	100.00	C	100.00

Company	Transaction	% interest Dec. 31, 2023		Dec. 31, 2022	
ROMAN STYLE SpA		C	100.00	C	100.00
RICHARD GINORI SRL	Consolidation	C	100.00	–	–
SAINT LAURENT ECOMMERCE SRL		C	100.00	C	100.00
SL LUXURY RETAIL SRL		C	100.00	C	100.00
TEST & INNOVATION LAB SRL		C	100.00	C	100.00
TIGER FLEX SRL		C	100.00	C	100.00
TMLO HOLDING SRL		C	100.00	C	100.00
YVES SAINT LAURENT MANIFATTURE SRL		C	100.00	C	100.00
Luxembourg					
KERING PARTICIPATIONS SARL		C	100.00	C	100.00
GUCCI GULF INVESTMENT SARL		C	100.00	C	100.00
GUCCI LUXEMBOURG SA		C	100.00	C	100.00
QEELIN HOLDING LUXEMBOURG SA		C	100.00	C	100.00
Monaco					
BOUCHERON SAM		C	100.00	C	100.00
GUCCI SAM		C	100.00	C	100.00
KERING RETAIL MONACO SAM		C	100.00	C	100.00
SAM YVES SAINT LAURENT OF MONACO		C	100.00	C	100.00
SOCIETE MONEGASQUE DE HAUTE JOAILLERIE S.A.M.		C	100.00	C	100.00
Norway					
LUXURY GOODS NORWAY AS		C	51.00	C	51.00
SAINT LAURENT NORWAY AS	Acquisition	C	100.00	–	–
Netherlands					
ALEXANDER MCQUEEN (THE NETHERLANDS) BV		C	100.00	C	100.00
BALENCIAGA NETHERLANDS BV		C	100.00	C	100.00
BOTTEGA VENETA NETHERLANDS BV		C	100.00	C	100.00
G DISTRIBUTION BV		C	100.00	C	100.00
GG MIDDLE EAST BV		C	51.00	C	51.00
GG OTHER TERRITORIES BV		C	100.00	C	100.00
GUCCI NETHERLANDS BV		C	100.00	C	100.00
KERING ASIAN HOLDING BV		C	100.00	C	100.00
YVES SAINT LAURENT NETHERLANDS BV		C	100.00	C	100.00
Poland					
SAINT LAURENT POLAND SP. Z.O.O	Formation	C	100.00	–	–
Portugal					
BOTTEGA VENETA PORTUGAL, UNIPESSOAL LDA		C	100.00	C	100.00
GUCCI PORTUGAL UNIPESSOAL, LDA		C	100.00	C	100.00
SAINT LAURENT PORTUGAL SL		C	100.00	C	100.00
Czech Republic					
BALENCIAGA CZECH REPUBLIC SRO		C	100.00	C	100.00
LUXURY GOODS CZECH REPUBLIC SRO		C	100.00	C	100.00
YVES SAINT LAURENT CZECH REPUBLIC, SRO		C	100.00	C	100.00
Romania					
SIFA INTERNATIONAL SRL		C	100.00	C	100.00
Russia					
BOUCHERON RUS OOO		C	100.00	C	100.00
GUCCI RUS OOO		C	100.00	C	100.00
Serbia					
F.LLI ROSSI SHOES DOO		C	70.00	C	70.00
LUXURY TANNERY DOO		C	51.00	C	51.00

Company	Transaction	% interest Dec. 31, 2023		% interest Dec. 31, 2022	
Sweden					
BOTTEGA VENETA SWEDEN AB	Formation	C	100.00	–	–
GUCCI SWEDEN AB		C	51.00	C	51.00
SAINT LAURENT SWEDEN AB	Acquisition	C	100.00	–	–
Switzerland					
BALENCIAGA SWITZERLAND SA		C	100.00	C	100.00
BOTTEGA VENETA SWISS RETAIL SA		C	100.00	C	100.00
BOUCHERON (SUISSE) SA		C	100.00	C	100.00
BOUCHERON TIMEPIECES SA		C	100.00	C	100.00
BRIONI SWITZERLAND SA		C	100.00	C	100.00
FABBRICA QUADRANTI SA		C	100.00	C	100.00
GUCCI SWISS RETAIL SA		C	100.00	C	100.00
GUCCI SWISS TIMEPIECES SA		C	100.00	C	100.00
LUXURY GOODS OUTLETS EUROPE SAGL	Liquidation	–	–	C	100.00
THE MALL LUXURY OUTLET SA	Liquidation	–	–	C	100.00
POMELLATO SWITZERLAND S.A.	Formation	C	100.00	–	–
YSL SWITZERLAND SA		C	100.00	C	100.00
Aruba					
GEMINI ARUBA NV		C	100.00	C	100.00
Brazil					
BALENCIAGA BRASIL LTDA	Formation	C	100.00	–	–
BOTTEGA VENETA HOLDING Ltda		C	100.00	C	100.00
GUCCI BRASIL IMPORTACAO E EXPORTACAO Ltda		C	100.00	C	100.00
SAINT LAURENT BRASIL IMPORTACAO E EXPORTACAO Ltda		C	100.00	C	100.00
Canada					
ALEXANDER MCQUEEN TRADING CANADA INC.		C	100.00	C	100.00
BALENCIAGA CANADA Inc.		C	100.00	C	100.00
BOTTEGA VENETA CANADA Ltd		C	100.00	C	100.00
G. BOUTIQUES Inc.		C	100.00	C	100.00
QEELIN CANADA LTD		C	100.00	C	100.00
SAINT LAURENT CANADA BOUTIQUES Inc.		C	100.00	C	100.00
Chile					
LUXURY GOODS CHILE SpA		C	51.00	C	51.00
United States					
ALEXANDER MCQUEEN TRADING AMERICA, Inc.		C	100.00	C	100.00
BALENCIAGA AMERICA Inc.		C	100.00	C	100.00
BOTTEGA VENETA Inc.		C	100.00	C	100.00
BOUCHERON JOAILLERIE (USA) Inc.		C	100.00	C	100.00
BRIONI AMERICA HOLDING Inc.		C	100.00	C	100.00
BRIONI AMERICA Inc.		C	100.00	C	100.00
G GATOR USA LLC		C	100.00	C	100.00
GUCCI AMERICA Inc.		C	100.00	C	100.00
GUCCI FINANCIAL HOLDING AMERICAS, INC.		C	100.00	C	100.00
GUCCI OSTERIA USA LLC		C	100.00	C	100.00
GUCCI SAIPAN INC		C	100.00	C	100.00
GUCCI TRUST		C	100.00	C	100.00
KERING AMERICAS TRADING, LLC		C	100.00	C	100.00
LUXURY HOLDINGS Inc.		C	100.00	C	100.00
POMELLATO USA Inc.		C	100.00	C	100.00
RICHARD GINORI 1735 INC	Consolidation	C	100.00	–	–
WALL'S GATOR FARM II LLC		E	40.00	E	40.00
WG ALLIGATOR FARM LLC		E	40.00	E	40.00
YVES SAINT LAURENT AMERICA HOLDING Inc.		C	100.00	C	100.00
YVES SAINT LAURENT AMERICA Inc.		C	100.00	C	100.00

		% interest			
Company	**Transaction**	**Dec. 31, 2023**		**Dec. 31, 2022**	
Mexico					
BRIONI RETAIL MEXICO, S. DE R.L. DE C.V.	Formation	C	100.00	–	–
BALENCIAGA RETAIL MEXICO, S. DE R.L. DE C.V.		C	100.00	C	100.00
BOTTEGA VENETA MEXICO, S. DE R.L. DE C.V.		C	100.00	C	100.00
D ITALIAN CHARMS, S.A. DE R.L. DE C.V.		C	100.00	C	100.00
GUCCI IMPORTACIONES S.A. DE C.V.		C	100.00	C	100.00
GUCCI MEXICO S.A. DE C.V.		C	100.00	C	100.00
SAINT LAURENT MEXICO, S. DE R.L. DE C.V.		C	100.00	C	100.00
Panama					
LUXURY GOODS PANAMA S. DE R.L.		C	51.00	C	51.00
SAINT LAURENT PANAMA Inc.		C	100.00	C	100.00
Dominican Republic					
SAINT LAURENT DOMINICAN REPUBLIC S.A.S.	Formation	C	100.00	–	–
Australia					
ALEXANDER MCQUEEN AUSTRALIA PTY Ltd		C	100.00	C	100.00
BALENCIAGA AUSTRALIA PTY Ltd		C	100.00	C	100.00
BOTTEGA VENETA AUSTRALIA PTY Ltd		C	100.00	C	100.00
GUCCI AUSTRALIA PTY Ltd		C	100.00	C	100.00
SAINT LAURENT AUSTRALIA PTY Ltd		C	100.00	C	100.00
QEELIN AUSTRALIA PTY. LTD.		C	100.00	C	100.00
New Zealand					
ALEXANDER MCQUEEN NEW ZEALAND LTD		C	100.00	C	100.00
BALENCIAGA NEW ZEALAND LTD		C	100.00	C	100.00
GUCCI NEW ZEALAND Ltd		C	100.00	C	100.00
SAINT LAURENT NEW ZEALAND Ltd		C	100.00	C	100.00
Greater China					
Mainland China					
ALEXANDER McQUEEN (SHANGHAI) TRADING Ltd		C	100.00	C	100.00
BALENCIAGA FASHION SHANGHAI CO. Ltd		C	100.00	C	100.00
BOTTEGA VENETA (CHINA) TRADING Ltd		C	100.00	C	100.00
BRIONI (SHANGHAI) TRADING Ltd		C	100.00	C	100.00
DODO (SHANGHAI) WATCHES AND JEWELRY LTD	Formation	C	100.00	–	–
GUCCI (CHINA) TRADING Ltd		C	100.00	C	100.00
GUCCI WATCHES MARKETING CONSULTING (SHANGHAI) Ltd		C	100.00	C	100.00
KERING (SHANGHAI) WATCHES AND JEWELRY Ltd		C	100.00	C	100.00
LUXURY EMOTIONS (SHENZHEN) BUSINESS MANAGEMENT CO., LTD	Formation	C	100.00	–	–
POMELLATO SHANGHAI CO. Ltd		C	100.00	C	100.00
QEELIN TRADING (SHANGHAI) CO. Ltd		C	100.00	C	100.00
GINORI 1735 RETAIL SHANGHAI CO, LTD	Consolidation	C	100.00	–	–
YVES SAINT LAURENT (SHANGHAI) TRADING Ltd		C	100.00	C	100.00
Hong Kong SAR					
ALEXANDER MCQUEEN (HONG KONG) Ltd		C	100.00	C	100.00
BALENCIAGA ASIA PACIFIC Ltd		C	100.00	C	100.00
BOTTEGA VENETA HONG KONG Ltd		C	100.00	C	100.00
BOUCHERON HONG KONG Ltd		C	100.00	C	100.00
BRIONI HONG KONG Ltd		C	100.00	C	100.00
DODO HONG KONG LTD	Formation	C	100.00	–	–
GUCCI ASIA COMPANY Ltd		C	100.00	C	100.00
GUCCI GROUP (HONG KONG) LTD		C	100.00	C	100.00
POMELLATO PACIFIC Ltd		C	100.00	C	100.00
QEELIN Ltd		C	100.00	C	100.00
YVES SAINT LAURENT (HONG KONG) Ltd		C	100.00	C	100.00

Company	Transaction	% interest Dec. 31, 2023		Dec. 31, 2022	
Macau SAR					
ALEXANDER McQUEEN (MACAU) Ltd		C	100.00	C	100.00
BALENCIAGA MACAU Ltd		C	100.00	C	100.00
BOTTEGA VENETA MACAU Ltd		C	100.00	C	100.00
BRIONI MACAU Ltd		C	100.00	C	100.00
GUCCI MACAU Ltd		C	100.00	C	100.00
KERING (MACAU) WATCHES AND JEWELRY Ltd		C	100.00	C	100.00
QEELIN MACAU Ltd		C	100.00	C	100.00
YVES SAINT LAURENT MACAU Ltd		C	100.00	C	100.00
Taïwan					
BOUCHERON TAIWAN CO. Ltd		C	100.00	C	100.00
South Korea					
ALEXANDER MCQUEEN KOREA LLC		C	100.00	C	100.00
BALENCIAGA KOREA LLC		C	100.00	C	100.00
BOTTEGA VENETA KOREA LLC		C	100.00	C	100.00
BRIONI KOREA LLC	Formation	C	100.00	–	–
GUCCI KOREA LLC		C	100.00	C	100.00
KERING WATCHES & JEWELRY KOREA LLC		C	100.00	C	100.00
YVES SAINT LAURENT KOREA LLC		C	100.00	C	100.00
Guam					
BOTTEGA VENETA GUAM Inc.		C	100.00	C	100.00
GUCCI GROUP GUAM Inc.		C	100.00	C	100.00
India					
LUXURY GOODS RETAIL PRIVATE LTD		C	51.00	C	51.00
YVES SAINT LAURENT INDIA PRIVATE LTD	Formation	C	51.00	–	–
Japan					
BALENCIAGA JAPAN Ltd		C	100.00	C	100.00
BOTTEGA VENETA JAPAN Ltd		C	100.00	C	100.00
BOUCHERON JAPAN Ltd		C	100.00	C	100.00
BRIONI JAPAN CO. Ltd		C	100.00	C	100.00
GUCCI OSTERIA JAPAN G.K.		C	100.00	C	100.00
QEELIN JAPAN LIMITED		C	100.00	C	100.00
POMELLATO JAPAN CO. Ltd		C	100.00	C	100.00
RICHARD GINORI ASIA PACIFIC CO. LTD.	Consolidation	C	100.00	–	–
Malaysia					
AUTUMNPAPER MALAYSIA SDN BHD		C	100.00	C	100.00
BALENCIAGA SEA MALAYSIA SDN BHD		C	100.00	C	100.00
BOTTEGA VENETA MALAYSIA SDN BHD		C	100.00	C	100.00
GUCCI (MALAYSIA) SDN BHD		C	100.00	C	100.00
KERING WATCHES AND JEWELRY (MALAYSIA) SDN BHD		C	100.00	C	100.00
SAINT LAURENT (MALAYSIA) SDN BHD		C	100.00	C	100.00
Philippines					
LUXURY GOODS PHILIPPINES INC		C	75.00	C	75.00
Singapore					
ALEXANDER MCQUEEN (SINGAPORE) PTE Ltd		C	100.00	C	100.00
BALENCIAGA SINGAPORE PTE Ltd		C	100.00	C	100.00
BOTTEGA VENETA SINGAPORE PRIVATE Ltd		C	100.00	C	100.00
GUCCI SINGAPORE PTE Ltd		C	100.00	C	100.00
KERING (SINGAPORE) WATCHES AND JEWELRY PTE Ltd		C	100.00	C	100.00
SAINT LAURENT (SINGAPORE) PTE Ltd		C	100.00	C	100.00

Company	Transaction	% interest Dec. 31, 2023		Dec. 31, 2022	
Thailand					
ALEXANDER MCQUEEN (THAILAND) Ltd		C	100.00	C	100.00
BALENCIAGA THAILAND Ltd		C	100.00	C	100.00
BOTTEGA VENETA (THAILAND) Ltd		C	75.00	C	75.00
GUCCI SERVICES (THAILAND) Ltd		C	98.00	C	98.00
LUXURY GOODS (THAILAND) Ltd		C	75.00	C	75.00
SAINT LAURENT (THAILAND) CO. Ltd		C	100.00	C	100.00
Vietnam					
GUCCI VIETNAM CO. Ltd		C	100.00	C	100.00
South Africa					
GG LUXURY RETAIL SOUTH AFRICA PTE Ltd		C	62.00	C	62.00
Saudi Arabia					
BOTTEGA VENETA ARABIA TRADING LLC		C	75.00	C	75.00
BRIONI MIDDLE EAST GENERAL TRADING LLC	Formation	C	100.00	–	–
LUXURY GOODS ARABIA LTD		C	75.00	C	75.00
SAINT LAURENT ARABIA TRADING LLC	Formation	C	75.00	–	–
ARABIAN LUXURY GOODS TRADING (LLC)	Formation	C	75.00	–	–
Bahrain					
FLORENCE 1921 WLL		C	49.00	C	49.00
SAINT LAURENT BAHRAIN W.L.L	Formation	C	99.90	–	–
United Arab Emirates					
AP LUXURY GOODS MIDDLE EAST LLC		C	49.00	C	49.00
ATELIER LUXURY GULF LLC		C	49.00	C	49.00
FASHION LUXURY MIDDLE EAST LLC		C	49.00	C	49.00
KERING TRADING MIDDLE EAST DWC - LLC		C	100.00	C	100.00
LUXURY FASHION GULF LLC		C	49.00	C	49.00
LUXURY GOODS GULF LLC		C	49.00	C	49.00
Kuwait					
AUTUMNPAPER LUXURY GOODS FOR READYMADE CLOTHES, SHOES AND ACCESSORIES WLL		C	49.00	C	49.00
B.A.L FOR READY-TO-WEAR APPAREL AND ACCESSORIES WLL		C	49.00	C	49.00
BOTTEGA VENETA LEATHER GOODS KUWAIT WLL		C	49.00	C	49.00
LUXURY GOODS KUWAIT WLL		C	26.01	C	26.01
YSL KUWAIT FOR READYMADE CLOTHES AND ACCESSORIES WLL		C	49.00	C	49.00
Qatar					
APL LUXURY FASHION TRADING WLL.		C	49.00	C	49.00
FASHION LUXURY TRADING LLC		C	49.00	C	49.00
GUCCI QFZ LLC		C	100.00	C	100.00
LUXURY GOODS QATAR LLC		C	25.50	C	25.50
SAINT LAURENT PARIS LLC		C	24.00	C	24.00
Turkey					
BOTTEGA VENETA TURKEY LÜKS ÜRÜNLER LIMITED ŞIRKETI	Formation	C	100.00	–	–
GUCCI TURKEY LUXURY GOODS TRADE LLP		C	100.00	C	100.00
SAINT LAURENT TURKEY LÜKS ÜRÜNLER LIMITED ŞIRKETI		C	100.00	C	100.00

Company	Transaction		% interest Dec. 31, 2023		Dec. 31, 2022
KERING EYEWEAR & CORPORATE					
KERING EYEWEAR & KERING BEAUTE					
France					
FRAGRANCES PRODUCTION SARL	Acquisition	C	100.00	–	–
FONTAINE FRANCE SARL	Acquisition	C	100.00	–	–
KERING EYEWEAR FRANCE SAS		C	65.07	C	64.32
MANUFACTURE KERING EYEWEAR SAS		C	65.07	C	64.32
MYYRH SARL	Acquisition	C	100.00	–	–
MAUI JIM EUROPE SARL		C	65.07	C	64.32
USINAGE ET NOUVELLES TECHNOLOGIES S.A.S.	Acquisition	C	65.07	–	–
Germany					
KERING EYEWEAR DACH GmbH		C	65.07	C	64.32
MAUI JIM GERMANY, GMBH		C	65.07	C	64.32
Croatia					
KERING EYEWEAR SOUTH EAST EUROPE DOO		C	65.07	C	64.32
Denmark					
LINDBERG AS		C	65.07	C	64.32
Spain					
KERING EYEWEAR ESPANA SA		C	65.07	C	64.32
MAUI JIM SPAIN, S.L.		C	65.07	C	64.32
United Kingdom					
CHENAL II LTD.	Acquisition	C	100.00	–	–
FONTAINE LTD.	Acquisition	C	100.00	–	–
KERING BEAUTE UK	Formation	C	100.00	–	–
KERING EYEWEAR UK Ltd		C	65.07	C	64.32
LAGUNE LTD.	Acquisition	C	100.00	–	–
MAUI JIM UK LTD.		C	65.07	C	64.32
THE ORANGE SQUARE COMPANY LTD	Acquisition	C	100.00	–	–
Italy					
KERING EYEWEAR SpA		C	65.07	C	64.32
TRENTI INDUSTRIA OCCHIALI SPA		C	35.79	C	35.37
MAUI JIM - ITALY S.R.L.		C	65.07	C	64.32
Jersey					
CHENAL I LTD.	Acquisition	C	100.00	–	–
Luxembourg					
LINDBERG SA		C	65.07	C	64.32
FONTAINE LUXEMBOURG SARL	Acquisition	C	100.00	–	–
Portugal					
KERING EYEWEAR PORTUGAL UNIPESSOAL LDA		C	65.07	C	64.32
Sweden					
MAUI JIM NORDIC AB		C	65.07	C	64.32
Canada					
INTERNATIONAL COSMETICS & PERFUMES CANADA LTD.	Acquisition	C	100.00	–	–
MAUI JIM CANADA ULC		C	65.07	C	64.32
United States					
CREED BOUTIQUE LLC	Acquisition	C	100.00	–	–
CREED BOUTIQUE BEVERLY HILLS, LLC	Acquisition	C	100.00	–	–
CREED BOUTIQUE HOUSTON, LLC	Acquisition	C	100.00	–	–
CREED BOUTIQUE KING OF PRUSSIA, LLC	Acquisition	C	100.00	–	–
CREED BOUTIQUE LAS VEGAS, LLC	Acquisition	C	100.00	–	–
CREED BOUTIQUE LAS VEGAS CRYSTALS, LLC	Acquisition	C	100.00	–	–
CREED BOUTIQUE MIAMI, LLC	Acquisition	C	100.00	–	–

Company	Transaction	% interest Dec. 31, 2023		Dec. 31, 2022	
CREED BOUTIQUE NORTHPARK, LLC	Acquisition	C	100.00	–	–
CREED BOUTIQUE VALLEY FAIR LCC	Acquisition	C	100.00	–	–
HUIPU CORP.		C	65.07	C	64.32
INTERNATIONAL COSMETICS AND PERFUMES, INC.	Acquisition	C	100.00	–	–
INTERNATIONAL COSMETICS AND PERFUMES FLO,LLC	Acquisition	C	100.00	–	–
INTERNATIONAL COSMETICS AND PERFUMES MAT,LLC	Acquisition	C	100.00	–	–
INTERNATIONAL COSMETICS AND PERFUMES MIZ, LLC	Acquisition	C	100.00	–	–
KERING EYEWEAR USA Inc.		C	65.07	C	64.32
MAUI JIM INC.		C	65.07	C	64.32
MAUI JIM USA, INC.		C	65.07	C	64.32
NILES FISHING COMPANY, LTD.		C	65.07	C	64.32
ZEAL OPTICS, INC.		C	65.07	C	64.32
LINDBERG USA, INC.		C	65.07	C	64.32
Mexico					
COSPER INTERNATIONAL S. DE R.L. DE C.V.	Acquisition	C	100.00	–	–
CREED BOUTIQUE MASARYK S.A DE C.V.	Acquisition	C	100.00	–	–
Australia					
KERING EYEWEAR AUSTRALIA PTY Ltd		C	65.07	C	64.32
MAUI JIM AUSTRALIA PTY, LTD		C	65.07	C	64.32
Greater China					
Mainland China					
FONTAINE (SHANGHAI) INTERNATIONAL TRADE CO., LTD	Acquisition	C	100.00	–	–
KERING EYEWEAR SHANGHAI TRADING ENTERPRISES Ltd		C	65.07	C	64.32
LINDBERG SHANGHAI TRADING LTD		C	65.07	C	64.32
MAUI JIM EYEWEAR SELLING (SHANGHAI) CO., LTD		C	65.07	C	64.32
Hong Kong SAR					
FONTAINE HK LTD.	Acquisition	C	100.00	–	–
KERING EYEWEAR APAC Ltd		C	65.07	C	64.32
MAUI JIM ASIA LIMITED		C	65.07	C	64.32
Taiwan					
KERING EYEWEAR TAIWAN Ltd		C	65.07	C	64.32
South Korea					
KERING EYEWEAR KOREA Ltd		C	65.07	C	64.32
India					
KERING EYEWEAR INDIA Ltd		C	65.07	C	64.32
MAUI JIM SUN OPTICS INDIA PRIVATE LIMITED		C	65.07	C	64.32
Japan					
KERING EYEWEAR JAPAN Ltd		C	65.07	C	64.32
Malaysia					
KERING EYEWEAR MALAYSIA SDN BHD		C	65.07	C	64.32
Mexico					
MAUI JIM SUNGLASSES DE MEXICO S DE RL DE CV		C	65.07	C	64.32
Singapore					
KERING EYEWEAR SINGAPORE PTE LTD		C	65.07	C	64.32
South Africa					
MAUI JIM SOUTH AFRICA (PTY) LTD		C	65.07	C	64.32
United Arab Emirates					
CREED MIDDLE EAST PERFUMES TRADING LLC	Acquisition	C	100.00	–	–
KERING EYEWEAR MIDDLE EAST FZ-LLC		C	65.07	C	64.32
MAUI JIM MIDDLE EAST TRADING L.L.C		C	65.07	C	64.32
MAUI JIM MIDDLE EAST FZE		C	65.07	C	64.32

Company	Transaction	% interest Dec. 31, 2023		% interest Dec. 31, 2022	
CORPORATE					
France					
56 MONTAIGNE 1 SNC	Merger	C	100.00	–	–
56 MONTAIGNE SNC	Formation	C	100.00	–	–
CASTIGLIONE 12-14 SCI	Formation	C	100.00	–	–
DISCODIS SAS		C	100.00	C	100.00
GG FRANCE 13 SAS		C	100.00	C	100.00
GG FRANCE 14 SAS		C	100.00	C	100.00
IMMO FRANCE 1 SAS		C	100.00	C	100.00
IMMO FRANCE 2 SAS	Formation	C	100.00	–	–
IMMO FRANCE 3 SAS	Formation	C	100.00	–	–
IMMO FRANCE 4 SAS	Formation	C	100.00	–	–
IMMO FRANCE 5 SAS	Formation	C	100.00	–	–
KERING BEAUTE SAS		C	100.00	C	100.00
KERING FINANCE SNC		C	100.00	C	100.00
KERING FRANCE 1	Formation	C	100.00	–	–
KERING FRANCE PARTICIPATIONS SAS		C	100.00	C	100.00
KERING SIGNATURE		C	100.00	C	100.00
KERING VENTURE SAS		C	100.00	C	100.00
MONTAIGNE 35 - 37 SCI	Formation	C	100.00	–	–
SOCIETE CIVILE KERING CAPITAL		C	100.00	C	100.00
Spain					
KERING SPAIN SL		C	100.00	C	100.00
United Kingdom					
KERING INTERNATIONAL Ltd		C	100.00	C	100.00
KERING UK SERVICES Ltd		C	100.00	C	100.00
Italy					
KERING ITALIA SpA		C	100.00	C	100.00
KERING SERVICE ITALIA SpA		C	100.00	C	100.00
NEVER GIVE UP INVESTMENTI S.R.L.		C	50.74	C	50.74
Luxembourg					
E-KERING LUX SA		C	100.00	C	100.00
GEMINGA SARL	Liquidation	–	–	C	100.00
KERING INVESTMENTS SA	Liquidation	–	–	C	94.13
KERING RE		C	100.00	C	100.00
Netherlands					
GUCCI PARTICIPATION BV		C	100.00	C	100.00
K OPERATIONS BV		C	100.00	C	100.00
KERING HOLLAND NV		C	100.00	C	100.00
KERING INVESTMENTS EUROPE BV		C	100.00	C	100.00
KERNIC-MET BV		C	100.00	C	100.00
Switzerland					
LUXURY GOODS INTERNATIONAL SA		C	100.00	C	100.00
LUXURY GOODS LOGISTICS SA		C	51.00	C	51.00
LUXURY GOODS OPERATIONS SA		C	51.00	C	51.00
Brazil					
KERING BRASIL SERVICOS ADMINISTRATIVOS LTDA		C	100.00	C	100.00
Canada					
KERING CANADA SERVICES INC		C	100.00	C	100.00
United States					
KERING AMERICAS Inc.		C	100.00	C	100.00
YOUR FRIENDS IN NEW YORK HOLDINGS, LLC	Disposal	–	0.00	E	22.22

		% interest			
Company	**Transaction**	**Dec. 31, 2023**		**Dec. 31, 2022**	
Mexico					
KERING MEXICO S. DE R.L. DE C.V.		C	100.00	C	100.00
Australia					
KERING AUSTRALIA PTY Ltd		C	100.00	C	100.00
Greater China					
Mainland China					
KERING INVESTMENT MANAGEMENT GROUP CO., LTD		C	100.00	C	100.00
Hong Kong SAR					
KERING ASIA PACIFIC Ltd		C	100.00	C	100.00
South Korea					
KERING KOREA LLC		C	100.00	C	100.00
Japan					
YUGEN KAISHA GUCCI		C	100.00	C	100.00
KERING JAPAN Ltd		C	100.00	C	100.00
KERING TOKYO INVESTMENT Ltd		C	100.00	C	100.00
Malaysia					
KERING SERVICES MALAYSIA SDN BHD		C	100.00	C	100.00
Singapore					
KERING SOUTH EAST ASIA PTE Ltd		C	100.00	C	100.00
United Arab Emirates					
KERING SERVICES MIDDLE EAST		C	100.00	C	100.00

2 - EXCERPT FROM KERING SA'S ANNUAL FINANCIAL STATEMENTS

2.1 Balance sheet

Assets

	2023			2022
(in € millions)	**Gross**	**Depreciation, amortization and provisions**	**Carrying amount**	**Carrying amount**
Investments	15,533	(1,656)	13,877	9,365
Other long-term investments	1,541	(123)	1,418	1,172
Total investments	**17,074**	**(1,779)**	**15,295**	**10,537**
Property, plant and equipment and intangible assets	669	(245)	424	381
Total non-current assets	**17,743**	**(2,024)**	**15,719**	**10,918**
Receivables[1]	518	(1)	517	392
Marketable securities	96	0	96	111
Cash[1]	2,126	0	2,126	1,365
Total current assets	**2,740**	**(1)**	**2,739**	**1,868**
ASSETS	20,483	(2,025)	18,458	12,786
(1) o/w concerning associates:			2,393	1,556

Equity and liabilities

(in € millions)	2023	2022
Share capital	494	496
Additional paid-in capital	1,381	1,711
Reserves	1,345	1,345
Retained earnings	2,427	2,585
Net income for the year	1,855	1,552
Total equity	**7,502**	**7,689**
Provisions	**66**	**51**
Bond issues[1]	9,852	4,238
Other borrowings[1][2]	130	40
Other liabilities[2]	908	768
Total liabilities	**10,890**	**5,046**
TOTAL EQUITY AND LIABILITIES	18,458	12,786
(1) o/w due in more than one year:	9,352	3,638
(2) o/w concerning associates:	153	64

2.2 Income statement

(in € millions)	2023	2022
Operating income	994	584
Operating expenses	(1,058)	(633)
Net operating loss	**(64)**	**(49)**
Dividends	1,888	1,628
Other financial income and expenses	(110)	(107)
Financial result	**1,778**	**1,521**
Recurring income before tax	**1,714**	**1,472**
Net non-recurring income (expense)	63	41
Employee profit-sharing	(8)	(9)
Income taxes	86	48
Net income for the year	**1,855**	**1,552**

2.3 Statement of cash flows

(in € millions)	2023	2022
Dividends received	1,888	1,628
Interest on borrowings	(148)	(51)
Income tax (paid) received	189	25
Other	33	(80)
Net cash flow resulting from operating activities	**1,962**	**1,521**
(Acquisitions) disposals of operating assets	(122)	(116)
Change in long-term investments	(5,041)	(2,713)
Net cash flow resulting from investing activities	**(5,163)**	**(2,829)**
Net change in borrowings	5,674	872
Share capital increases	0	39
Dividends paid by Kering	(1,712)	(1,483)
Net cash flow resulting from financing activities	**3,962**	**(573)**
Change in cash and cash equivalents	**761**	**(1,880)**
Cash and cash equivalents at beginning of year	**1,365**	**3,245**
Cash and cash equivalents at end of year	**2,126**	**1,365**

Kering

Société anonyme (a French corporation) with a share capital of €493,683,112
Registered office: 40 rue de Sèvres – 75007 Paris
Registered with the Paris Trade and Companies Registry under number 552 075 020

Tél. : +33 (0)1 45 64 61 00
kering.com

This document was produced by an "Imprim'Vert" eco-responsible printing company on FSC-certified paper for the cover pages and PEFC-certified paper for the inside pages, made using wood from sustainably managed forests.

Design and production: Ruban Blanc.

Publication date: February 8, 2024.

Empowering Imagination