RICHEMONT

AD HOC ANNOUNCEMENT PURSUANT TO ART. 53LR
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RICHEMONT ANNOUNCES STRONG UNDERLYING PERFORMANCE FOR THE SIX-MONTH PERIOD ENDED 30 SEPTEMBER 2023

Group highlights

- Sales and operating profit from continuing operations of € 10.2 billion and € 2.7 billion, respectively, notwithstanding uncertain macroeconomic and geopolitical environments, demanding comparatives and significant adverse foreign currency movements
- Clearance obtained from all regulatory authorities on agreement with FARFETCH and Alabbar to sell a controlling interest in YNAP to create a neutral industry-wide platform
- Continued progress on ESG matters: first ESG Report in accordance with GRI Standards and strengthened governance with two new board members and two new SEC members

Financial highlights

- Sales increase of 6% at actual exchange rates (+12% at constant exchange rates) fuelled by almost all regions and distribution channels
- Growth led by Asia Pacific, with sales up 14% at actual exchange rates (+23% at constant exchange rates), and Jewellery Maisons, with sales up 10% at actual exchange rates (+16% at constant exchange rates)
- Continued outperformance of retail, up 9% at actual exchange rates (+16% at constant exchange rates), representing 69% of Group sales
- Operating profit from continuing operations down by 2% at actual exchange rates (+15% at constant exchange rates) with a 26.0% operating margin (28.5% at constant exchange rates, a 90 basis-point increase) reflecting:
  - *Jewellery Maisons* achieving 10% sales growth at actual exchange rates (+16% at constant exchange rates) and delivering a 35.5% operating margin
  - *Specialist Watchmakers* contracting sales by 3% at actual exchange rates (+3% at constant exchange rates) and achieving a 19.7% operating margin
  - *'Other'* business area (predominantly *F&A Maisons*) reducing sales by 1% at actual exchange rates (+3% at constant exchange rates); a € 6 million loss overall, with F&A Maisons posting a 2.1% operating margin
- 3% increase in profit for the period from continuing operations to € 2.2 billion; € 0.7 billion loss from discontinued operations primarily resulting from € 0.5 billion non-cash write-down of YNAP net assets
- Solid net cash position of € 5.8 billion, with increased € 1.7 billion cash flow generated from operating activities

Key financial data (unaudited)

Six months ended 30 September	2023	2022	change
Sales	**€ 10 221 m**	€ 9 676 m	+6%
Gross profit	**€ 6 973 m**	€ 6 667 m	+5%
Gross margin	**68.2%**	68.9%	-70 bps
Operating profit	**€ 2 655 m**	€ 2 723 m	-2%
Operating margin	**26.0%**	28.1%	-210 bps
Profit for the period from continuing operations	**€ 2 160 m**	€ 2 105 m	+3%
Loss for the period from discontinued operations	**€ (655) m**	€ (2 871) m	
Profit/(loss) for the period	**€ 1 505 m**	€ (766) m	
Earnings per 'A' share/10 'B' shares, diluted basis	**€ 2.601**	€ (1.337)	
Cash flow generated from operating activities	**€ 1 666 m**	€ 1 540 m	+126 m
Net cash position	**€ 5 785 m**	€ 4 763 m	

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Chairman's commentary

Overview of results

In the first six months of the financial year, Richemont reported a strong underlying performance amid continued economic and geopolitical uncertainties and an unfavourable foreign exchange environment. Sales from continuing operations rose by 12% at constant exchange rates (+6% at actual exchange rates) to € 10.2 billion and operating profit from continuing operations was € 2.7 billion, up 15% at constant exchange rates. The ongoing focus on enhancing the desirability of our Maisons, promoting direct-to-client engagement, nurturing our domestic clienteles and reinforcing the agility and excellence of our operations has strengthened the Group and reinforced its resilience.

Compared to the prior-year period, at actual exchange rates, sales increases were recorded across almost all channels and regions excluding Americas, where sales declined by 4%. Growth was led by Asia Pacific with sales up by 14% following the reopening of China, *Jewellery Maisons* and the retail channel which, together with the online retail channel, contributed 74% of Group sales.

With 10% sales growth overall and ongoing cost discipline delivering a € 2.5 billion operating result and a corresponding 35.5% operating margin, our *Jewellery Maisons*, Buccellati, Cartier and Van Cleef & Arpels, have demonstrated their continued leadership of the industry. We have further invested in their manufacturing capacity and capabilities, distribution and communication to support their strong development.

While demand for iconic collections remained resilient across our watch Maisons, our *Specialist Watchmakers* recorded a 3% year-on-year sales decline to € 2.0 billion. This performance overshadowed the high single-digit sales growth in their directly operated stores, now 57% of the *Specialist Watchmakers'* sales, and the continued outperformance of A. Lange & Söhne and Vacheron Constantin. Impacted by a strong Swiss franc, operating result amounted to € 391 million, generating a 19.7% operating margin.

The Group's '*Other'* business area saw sales decline by 1% while sales at our *Fashion & Accessories Maisons* were broadly in line with the prior-year period, with most Maisons posting higher sales. Of particular note are the retail performance and continued outperformance of Alaïa, Delvaux and Peter Millar, together with the success of Montblanc's redesigned leather collections. Overall, the *'Other'* business area recorded a € 6 million operating loss whilst the *Fashion & Accessories Maisons* generated a € 25 million operating profit.

At Group level, operating profit from continuing operations was also significantly impacted by negative foreign exchange developments, but nonetheless still delivered a 26.0% operating margin. Profit for the period from continuing operations increased to € 2.2 billion, benefiting from lower net finance costs. The € 0.7 billion loss from discontinued operations reflected the combined result of YOOX NET-A-PORTER ('YNAP') for the six-month period and the € 0.5 billion non-cash write-down on the revaluation of YNAP's net assets, classified as 'held for sale', to its fair value. The total net non-cash write-down since we fully acquired NET-A-PORTER in 2010 amounts to € 1.8 billion, based on the application of IFRS which has driven a series of write-up(s) / write-down of the net assets carried value. Importantly, amid the current macro uncertainty, our net cash position remained solid at € 5.8 billion on 30 September 2023 (excluding YNAP's net bank overdraft position of € 0.7 billion, presented as assets and liabilities of disposal group held for sale).

Strengthening of our operations and portfolio of Fashion & Accessories Maisons

On 28 July 2023, we signed an agreement with Gianvito Rossi to acquire a controlling stake in the eponymous renowned Italian luxury shoemaker. Its exceptional 'Made in Italy' craftsmanship, timeless elegance and untapped potential will strengthen our portfolio of *Fashion & Accessories Maisons.* The transaction is expected to complete in the first half of calendar year 2024.

On 1 September 2023, the Senior Executive Committee was further strengthened with the appointments of Swen Grundmann, who combines the newly-created role of Corporate Affairs Director with Company Secretary, and of Boet Brinkgreve in the newly-created role of CEO of Laboratoire de Haute Parfumerie et Beauté. These appointments reflect the growing importance of regulatory and reputational matters and highlight the Group's ambition to have the Maisons involved in fragrance reach their full potential in this dynamic market by levering internal competences.

Our Luxury New Retail ('LNR') partners

The relevant regulatory authorities have now unconditionally cleared the acquisition by Farfetch of a 47.5% stake in YNAP in exchange for the issuance of Farfetch Class 'A' ordinary shares to Richemont. In exchange, Richemont will receive circa 58.5 million of Farfetch shares, and, on the fifth anniversary of completion, an additional equivalent of US$ 250 million in Farfetch Class 'A' ordinary shares based on the then-current Farfetch share price. As part of the transaction, Alabbar will also acquire a 3.2% interest in YNAP, leaving Richemont with a 49.3% holding, and realising my long-standing goal of making YNAP a neutral industry-wide online platform.

Completion of the transaction remains subject to certain other conditions.

Annual General Meeting and Board changes

At the Annual General Meeting ('AGM') in September 2023, two new non-executive directors, Fiona Druckenmiller and Bram Schot, were elected. Fiona brings her combined financial and jewellery expertise and understanding of the American clientele and social and environmental causes whilst Bram adds premium automotive industry expertise, business acumen and understanding of risk management, supply chain and sustainability issues.

Also at this year's AGM, shareholders re-elected Wendy Luhabe as the 'A' shareholders' representative, with 95% of the 'A' shareholders casting their votes. Wendy was elected to the Board with 94% supportive votes. All directors have been elected by a large majority of 'A' votes represented in addition to the 'B' votes.

Equity-based shareholder loyalty scheme

In November 2020, we launched a Shareholder Loyalty Scheme to mitigate the reduction of the cash dividend per share for the year ended March 2020, following the Covid outbreak, by enabling long-term shareholders to acquire new Richemont 'A' shares at a potentially beneficial exercise price in November 2023.

I am truly delighted to see that our shareholders will be rewarded for their patience and trust in Richemont, as long as our share price remains above the exercise price of CHF 67 by 20 November 2023, and hope that they take up the offer before the deadline. The conversion of warrants into 'A' shares is not automatic. If warrant holders do not act, warrants will expire worthless. More details can be found on the Richemont website under Shareholder information.

Sustainability compliance-driven approach

In June, we further progressed on our ESG agenda by publishing Richemont's first ESG report fully prepared in accordance with the Global Reporting Initiative's (GRI) Standards, with increased GRI disclosures and 40 quantitative indicators independently assured by PWC. We have also extended our Speak Up platform to external stakeholders to enable them to voice their concerns, in line with the UN Guiding Principles for Business and Human Rights and the EU Whistleblower Directive.

I am pleased to report that Richemont received a 11.3 risk rating score for its 'low risk exposure' with a 'strong management' labelling from the ESG rating agency Sustainalytics. This rating positions the Group among the top 4% of more than 15 000 companies rated worldwide.

Outlook

The period under review started strongly, beyond our expectations. However, growth eased in the second quarter as inflationary pressure, slowing economic growth and geopolitical tensions began to affect customer sentiment, compounded by strong comparatives. Consequently, we have seen a broad-based normalisation of market growth expectations across the industry. The positive news is that a soft-landing scenario seems to be prevailing in major economies with still higher growth expected from China, which should benefit from stimulus measures.

We have further reinforced the breadth and depth of the skillset both on our Senior Executive Committee and the Board. Our Maisons have continued to enhance their desirability and capabilities and increase proximity with their clients. Financial discipline has been maintained enabling targeted investments and a further strengthening of our operations.

I would like to thank all the teams at Richemont for their contribution to a strong underlying performance in a volatile environment and ask them to remain agile and focused amid today's global uncertainties. Our solid balance sheet enables us to manage for the long term, investing in a discerning manner in talent, research & development, production, distribution and sustainability initiatives. I have every confidence in the long-term prospects of our Group.

Johann Rupert
Chairman

Compagnie Financière Richemont SA

Financial review

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

Following the announcement in August 2022 of an agreement, subject to a number of conditions, including the receipt of certain anti-trust approvals, to sell a controlling stake in YOOX NET-A-PORTER ('YNAP'), the results of YNAP for the six-months ended 30 September 2023, as well as the comparative period, are presented as 'discontinued operations'.

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

Sales

Sales from continuing operations for the six months ended 30 September 2023 grew by 6% compared to the prior period at actual exchange rates and by 12% at constant exchange rates.

Sales in all regions, with the exception of the Americas, rose compared to the prior period at actual exchange rates. Growth was led by Asia Pacific where sales rose by 14% fuelled by a 23% progression in mainland China, Hong Kong and Macau combined, following the removal of Covid-related restrictions at the start of the year and the related resumption of travel. Sales in the Americas contracted by 4%, particularly impacted by lower wholesale sales and a relatively weak US dollar over the period. With a 3% year-on-year sales increase, growth in Europe remained positive notwithstanding the demanding comparatives (+45%). The 2% growth in Japan, which follows a 66% sales growth in the prior-year period, reflects the continued return of tourism, notably from mainland Chinese, on the back of a weak yen.

Most channels recorded sales growth, with the Group's directly-operated store network posting the strongest growth rate at 9% and now accounting for 69% of total sales. Although online retail sales, which exclude sales made by YNAP, declined by 7%, direct-to-client sales made up close to three quarters of Group sales. Sales in the wholesale channel grew by 1%, reflecting the positive performance in Asia Pacific.

Growth was led by the Jewellery Maisons, where sales increased by 10% compared to the prior-year period while sales at the Specialist Watchmakers were 3% lower. The 'Other' business area, including Watchfinder, declined by 1% while sales at our Fashion & Accessories Maisons were broadly in line with the prior-year period. 'Discontinued operations', comprising YNAP, recorded a 13% contraction in sales.

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

Gross profit

Compared to the prior year, gross profit from continuing operations increased by 5% to € 6 973 million, corresponding to a gross margin of 68.2% of sales.

This 70 basis point gross margin decrease reflects unfavourable foreign exchange movements, partially offset by the positive impact of targeted price increases and volume leverage, as well as a favourable channel and geographical mix.

Operating profit

Operating profit for the six months ended 30 September 2023 decreased by 2% compared to the prior-year period to € 2 655 million. In an unsupportive environment, operating margin amounted to 26.0%. Profitability was significantly impacted by negative foreign exchange developments during the period. At constant exchange rates, operating profit grew by 15% to 28.5% of sales.

Operating expenses grew by 9% over the prior-year period, above the 6% sales progression rate. Selling and distribution expenses increased by 9%, amounting to 23.4% of sales in the current period compared to 22.8% a year ago, reflecting higher retail sales, larger retail operations in addition to inflation-driven operating cost increases. Communication expenses grew by 9% to support sales, most notably at the Jewellery Maisons, and represented 8.6% of sales, slightly above the 8.3% in the prior-year period. Increased salary costs, investments in technology and the strength of the Swiss franc compared to the euro contributed to the 16% increase in administrative expenses, which are primarily incurred in Swiss francs.

Profit for the period

Profit for the period from continuing operations rose by 3% to € 2 160 million. The € 55 million increase in profit for the period reflected a € 150 million reduction in net finance costs to € 52 million (compared to € 202 million in the prior-year period). Net finance costs included foreign exchange losses of € 161 million on monetary items and non-cash fair value losses on the Group's investments in the Farfetch convertible note and Farfetch China option, offset by gains on the Group's hedging programme. Net interest income amounted to € 45 million, a € 63 million favourable variance over the prior-year period.

Results from discontinued operations represent the operating results of YNAP for the six-month period, as well as an additional € 527 million non-cash charge on the revaluation of YNAP's net assets, classified as 'held for sale', to its fair value. This charge depends on several variables, mainly the listed share price of Farfetch Limited and the US dollar/euro foreign exchange rate at reporting date. It also takes into account the expected fair value of the shareholding that the Group will retain in YNAP. This charge is therefore subject to change before completion of the transaction.

Earnings per share (1 'A' share/10 'B' shares) amounted to € 2.601 on a diluted basis. Excluding YNAP, diluted earnings per share (1 'A' share/10 'B' shares) from continuing operations were € 3.725 .

To comply with the South African practice of providing headline earnings per share ('HEPS') data, the relevant figure for headline earnings for the period ended 30 September 2023 was € 2 042 million (2022: € 1 930 million). Basic HEPS for the period were € 3.577 (2022:€ 3.396); diluted HEPS for the period were € 3.520 (2022: € 3.357). Further details regarding earnings per share and HEPS, including an itemised reconciliation, may be found in note 10.3 of the Group's condensed consolidated interim financial statements.

Cash flow

Cash flow generated from operating activities, including YNAP, increased to € 1 666 million compared to € 1 540 million in the prior-year period. Decreased operating profit was more than offset by lower investments in working capital.

Net investments in property, plant and equipment were 2% lower than in the prior-year period, and mostly focussed on the renovation and expansion of the Group's directly operated stores network, together with the strategic expansion of manufacturing facilities in Switzerland and Italy and further investments in technology.

Cash outflows on the acquisition of subsidiaries relate to the acquisition of manufacturing facilities in Italy and France, in support of the Jewellery and Fashion & Accessories Maisons.

The 2023 ordinary dividend of CHF 2.50 per share (1 'A' share/10 'B' shares), and the special dividend of CHF 1.00 per share (1 'A' share/10 'B' shares) were paid to shareholders, net of withholding tax, in September. The overall dividend cash outflow in the period amounted to € 2 072 million.

The Group acquired 0.4 million 'A' shares during the six-month period to hedge executive stock options. The cost of these purchases was offset by proceeds from the exercise of stock options by executives and other activities related to the hedging programme, leading to a net inflow of € 83 million.

Balance sheet

At 30 September 2023, the assets and liabilities of YNAP are classified as 'Assets of disposal groups held for sale' and 'Liabilities of disposal groups held for sale', respectively. The remainder of the balance sheet reflected only the assets and liabilities of the continuing operations.

Inventories of € 7 717 million , excluding YNAP, were € 621 million higher than at 31 March 2023, leading to a 17.5 months inventory rotation (September 2022: 15.5 months).

The Group's gross cash position at 30 September 2023 reached € 11 753 million while the Group's net cash position stood at € 5 785 million, a decrease of € 764 million compared to the position at 31 March 2023, largely explained by the dividend payment. The Group's net cash position is comprised of cash and cash equivalents, investments in externally managed bonds and money market funds as well as external borrowings, principally the € 5.9 billion euro-denominated corporate bonds.

Shareholders' equity represented 46% of total equity and liabilities in line with 31 March 2023.

YNAP's performance

YNAP's performance is shown under 'Results from discontinued operations' which saw sales decline by 13% at actual exchange rates and by 10% at constant exchange rates.

Review of operations

Sales by region

in €m	Six months to 30 September 2023	Six months to 30 September 2022	Change at Constant exchange rates*	Change at Actual exchange rates	Six months to 30 September 2023 % of sales
Europe	**2 253**	2 181	+5%	+3%	22%
Asia Pacific	**4 262**	3 755	+23%	+14%	42%
Americas	**2 118**	2 203	+1%	-4%	21%
Japan	**824**	807	+13%	+2%	8%
Middle East & Africa	**764**	730	+9%	+5%	7%
	10 221	9 676	+12%	+6%	100%

* Movements at constant exchange rates are calculated by translating underlying sales in local currencies into euros in both the current period and the comparative period at the average exchange rates applicable for the financial year ended 31 March 2023.

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

Europe

For the six-months to 30 September 2023, sales in Europe grew by 5% compared to the prior-year period, sustained by higher domestic demand and tourist spending, largely from American, Middle Eastern and, more recently, Chinese clients. Of particular note is the performance in Switzerland, with high single-digit sales growth over the period. Jewellery Maisons also drove sales growth.

Overall, the region maintained its contribution of 22% of Group sales.

Asia Pacific

With a 23% year-on-year progression, Asia Pacific generated the strongest regional sales growth rate, driven by a 34% sales increase in mainland China, Hong Kong and Macau combined, following the removal of Covid-related restrictions at the beginning of the year and increasing travel flows across these three markets. This was complemented by double-digit growth in Thailand and Taiwan. This sharp growth was fuelled by all business areas.

With a 42% contribution to Group sales up from 39% in the prior-year period, Asia Pacific remained the Group's largest region in terms of sales.

Americas

Sales in the Americas grew by 1% compared with the prior-year period, notwithstanding a significant level of purchases abroad by American-resident clients. Increases at the Jewellery Maisons and 'Other' business area offset lower sales by the Specialist Watchmakers.

The contribution of the Americas region to Group sales amounted to 21% compared to 23% in the prior-year period, nearly on par with Europe in terms of Group sales share.

Japan

Sales in Japan grew by 13%, recording the second strongest regional performance, on the back of demanding comparatives. The strong performance was due to increased tourist spending, notably from mainland Chinese clients, partly favoured by a weak yen. All business areas contributed to this strong performance.

Japan represented 8% of overall sales, in line with the prior-year period.

Middle East & Africa

Sales in the Middle East & Africa region were 9% higher than the prior-year period, driven by strong domestic and tourist spend, primarily in the United Arab Emirates. All business areas delivered sales growth.

The region represented 7% of Group sales, compared to 8% in the prior-year period.

Sales by distribution channel

in €m	Six months to 30 September 2023	Six months to 30 September 2022	Change at Constant exchange rates*	Change at Actual exchange rates	Six months to 30 September 2023 % of sales
Retail	**7 013**	6 445	+16%	+9%	69%
Online retail	**566**	608	-2%	-7%	5%
Wholesale and royalty income	**2 642**	2 623	+5%	+1%	26%
	10 221	9 676	+12%	+6%	100%

* Movements at constant exchange rates are calculated by translating underlying sales in local currencies into euros in both the current period and the comparative period at the average exchange rates applicable for the financial year ended 31 March 2023.

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

Retail

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

Retail sales again recorded the strongest relative performance, increasing by 16% compared to the prior-year period. This increase reflected growth in all business areas and regions, led by Asia Pacific.

Retail continued to be the largest contributor to Group sales with 1 313 directly operated boutiques generating 69% of Group sales, up from 67% in the prior-year period.

Online retail

Following the reclassification of YNAP sales to discontinued operations, 'Online retail' comprises online retail sales directly generated by the Group's Maisons and Watchfinder.

Online retail sales declined by 2% as higher sales at the Jewellery Maisons were more than offset by lower sales at the remaining business areas.

The contribution of online retail to Group sales amounted to 5% compared to 6% in the prior-year period.

Wholesale and royalty income

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

Wholesale sales grew by 5% with double digit growth for the Jewellery Maisons partially offset by declining sales at the Specialist Watchmakers. In terms of geographies, growth in wholesale sales reflected good performances in Asia Pacific and Japan.

The wholesale channel contributed 26% to Group sales versus 27% a year ago.

Sales and operating result by business area

Jewellery Maisons

in €m	Six months to 30 September 2023	Six months to 30 September 2022	Change
Sales	**6 953**	6 344	+10%
Operating result	**2 468**	2 354	+5%
Operating margin	**35.5%**	37.1%	-160 bps

The Group's three Jewellery Maisons, Buccellati, Cartier and Van Cleef & Arpels combined, generated a 10% year-on-year increase in sales (+16% at constant exchange rates), supported by growth in most distribution channels and most regions led by Asia Pacific.

The strong performance was broad-based across product categories from silverware at Buccellati to high jewellery at the Group's three Jewellery Maisons. Iconic jewellery collections significantly contributed along with other 'creative' offers such as *Clash* and *Grain de Café* (Cartier), *Fauna* and *Perlée* (Van Cleef & Arpels) and *Opera Tulle* and *Ramage* (Buccellati). In watches, the *Santos* and *Tank* (Cartier) and *Alhambra* (Van Cleef & Arpels) collections were highly sought after.

There were many store renovations over the six-month period, including Cartier in Atlanta and Van Cleef & Arpels in Hawaii. A number of store openings also took place and included a second Buccellati store in Seoul and the relocated Van Cleef & Arpels store at South Coast Plaza. Jewellery production capacity was enhanced with new facilities being built, acquired, or recently completed in Italy, France and Switzerland.

Higher sales and ongoing cost discipline, allowing for higher communication expenses to support sales, led to a 5% increase in operating result to € 2 468 million. Operating margin reached 35.5%. At constant exchange rates, operating profit rose by 20% with an operating margin improved by 120 basis points over the prior-year period.

Specialist Watchmakers

in €m	Six months to 30 September 2023	Six months to 30 September 2022	Change
Sales	**1 987**	2 043	-3%
Operating result	**391**	506	-23%
Operating margin	**19.7%**	24.8%	-510 bps

Sales at the Specialist Watchmakers, which comprise A. Lange & Söhne, Baume & Mercier, IWC Schaffhausen, Jaeger-LeCoultre, Panerai, Piaget, Roger Dubuis and Vacheron Constantin, were 3% lower than in the prior-year period (+3% at constant exchange rates). With continued internalisation of external points of sales, sales in directly operated stores rose by high single digits (double digits at constant exchange rates), strongly mitigating contractions in the other channels. As a result, direct-to-client sales increased to 59% of total Specialist Watchmakers' sales.

Performance was varied across the Maisons with a continued outperformance by A. Lange & Söhne and Vacheron Constantin. However, demand for Iconic collections remained resilient, in particular *Riviera* for Baume & Mercier, *Pilot's watches* for IWC, *Reverso* for Jaeger-LeCoultre, *Radiomir* for Panerai, *Polo* for Piaget and *Excalibur* for Roger Dubuis.

Store internalisations continued along with new store openings notably IWC at New York Hudson Yards and Panerai in Seoul, while store renovations included Piaget in Bangkok and Vacheron Constantin on Rodeo Drive, amongst others.

Significantly impacted by a strong Swiss franc, operating result contracted to € 391 million nonetheless generating a 19.7% operating margin. At constant exchange rates, operating profit declined by 1% and operating margin by 100 basis points to 23.0% over the prior-year period.

Other

in €m	Six months to 30 September 2023	Six months to 30 September2022	Change
Sales	**1 281**	1 289	-1%
Operating result	**(6)**	56	-111%
Operating margin	**(0.5)%**	4.3%	-480 bps

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

Sales were 1% lower for the period with muted performance in most regions. Sales at the Fashion & Accessories Maisons were in line with the prior-year period (+5% at constant exchange rates) driven by retail and particularly strong performances at Alaïa, Delvaux and Peter Millar which offset softer performances at some other Maisons.

Worth highlighting are the robust performance of Alaïa's Summer Fall 23 collection by Peter Mulier and Montblanc's leather category with the successfully redesigned collections by Marco Tomasetta, the renewed appeal of dunhill menswear under the recent creative leadership of Simon Holloway following his positive impact at Purdey, and growing demand for the *Mosaico* collection at Serapian.

Store investments included new Delvaux stores in Malaysia and Saudi Arabia, 10 internalised stores at Chloé in South Korea and Montblanc's renovated stores in Düsseldorf and Yorkdale, Canada.

In addition, Watchfinder launched a third-party marketplace in the United Kingdom in April, expanding their product offer through carefully selected professional sellers.

Operating loss amounted to € 6 million for the business area while the Fashion & Accessories Maisons generated a € 25 million profit, leading to a 2.1% operating margin.

Corporate costs

in €m	Six months to 30 September 2023	Six months to 30 September 2022	Change
Corporate costs	**(188)**	(181)	+4%
Central support services	**(148)**	(141)	+5%
Other unallocated expenses, net	**(40)**	(40)	n/r

Corporate costs represent the costs of central management, marketing support and other central functions (collectively central support services), as well as other expenses and income that are not allocated to specific segments. Most corporate costs are incurred in Switzerland. They increased by 4% compared to the prior-year period and represented less than 2% of Group sales.

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

Jérôme Lambert
Chief Executive Officer

Burkhart Grund
Chief Finance Officer

Appendix

(April-June) €m		Q1-24	Q1-23 represented	Movement at: Constant exchange rates	Movement at: Actual exchange rates
By region	Europe	**1 131**	1 031	+11%	+10%
	Asia Pacific	**2 239**	1 695	+40%	+32%
	Americas	**1 096**	1 142	-2%	-4%
	Japan	**424**	401	+14%	+6%
	Middle East & Africa	**432**	385	+15%	+12%
By distribution channel	Retail	**3 618**	3 051	+24%	+19%
	Online retail	**298**	300	+2%	-1%
	Wholesale and royalty income	**1 406**	1 303	+11%	+8%
By business area	Jewellery Maisons	**3 599**	3 015	+24%	+19%
	Specialist Watchmakers	**1 061**	1 002	+10%	+6%
	Other	**662**	637	+6%	+4%
Total		**5 322**	**4 654**	**+19%**	**+14%**

(July-September) €m		Q2-24	Q2-23	Movement at: Constant exchange rates	Movement at: Actual exchange rates
By region	Europe	**1 122**	1 150	-1%	-2%
	Asia Pacific	**2 023**	2 060	+8%	-2%
	Americas	**1 022**	1 061	+4%	-4%
	Japan	**400**	406	+12%	-1%
	Middle East & Africa	**332**	345	+3%	-4%
By distribution channel	Retail	**3 395**	3 394	+8%	–
	Online retail	**268**	308	-6%	-13%
	Wholesale and royalty income	**1 236**	1 320	–	-6%
By business area	Jewellery Maisons	**3 354**	3 329	+9%	+1%
	Specialist Watchmakers	**926**	1 041	-4%	-11%
	Other	**619**	652	–	-5%
Total		**4 899**	**5 022**	**+5%**	**-2%**

(April-September) €m		H1-24	H1-23	Movement at: Constant exchange rates	Movement at: Actual exchange rates
By region	Europe	**2 253**	2 181	+5%	+3%
	Asia Pacific	**4 262**	3 755	+23%	+14%
	Americas	**2 118**	2 203	+1%	-4%
	Japan	**824**	807	+13%	+2%
	Middle East & Africa	**764**	730	+9%	+5%
By distribution channel	Retail	**7 013**	6 445	+16%	+9%
	Online retail	**566**	608	-2%	-7%
	Wholesale and royalty income	**2 642**	2 623	+5%	+1%
By business area	Jewellery Maisons	**6 953**	6 344	+16%	+10%
	Specialist Watchmakers	**1 987**	2 043	+3%	-3%
	Other	**1 281**	1 289	+3%	-1%
Total		**10 221**	**9 676**	**+12%**	**+6%**

Condensed consolidated income statement

	Six months to 30 September 2023 €m	Six months to 30 September 2022 €m
Revenue	**10 221**	9 676
Cost of sales	**(3 248)**	(3 009)
Gross profit	**6 973**	6 667
Selling and distribution expenses	**(2 393)**	(2 203)
Communication expenses	**(877)**	(804)
Fulfilment expenses	**(118)**	(117)
Administrative expenses	**(909)**	(786)
Other operating expenses	**(21)**	(34)
Operating profit	**2 655**	2 723
Finance costs	**(395)**	(372)
Finance income	**343**	170
Share of post-tax results of equity-accounted investments	**26**	38
Profit before taxation	**2 629**	2 559
Taxation	**(469)**	(454)
Profit for the period from continuing operations	**2 160**	2 105
Loss for the period from discontinued operations	**(655)**	(2 871)
Profit/(loss) for the period	**1 505**	(766)
Profit/(loss) attributable to:		
Owners of the parent company	**1 509**	(760)
– continuing operations	**2 161**	2 107
– discontinued operations	**(652)**	(2 867)
Non-controlling interests	**(4)**	(6)
	1 505	(766)
Earnings per 'A' share/10 'B' shares attributable to owners of the parent company during the period (expressed in € per share)		
From profit/(loss) for the period		
Basic	**2.643**	(1.337)
Diluted	**2.601**	(1.337)
From continuing operations		
Basic	**3.785**	3.708
Diluted	**3.725**	3.665

Condensed consolidated statement of cash flow

	Six months to 30 September 2023 €m	Six months to 30 September 2022 €m
Cash flows from operating activities		
Operating profit from continuing operations	**2 655**	2 723
Operating loss from discontinued operations	**(603)**	(2 863)
Adjustment for non-cash items	**1 273**	3 518
Changes in working capital	**(1 091)**	(1 335)
Cash flow generated from operations	**2 234**	2 043
Interest received	**191**	70
Interest paid	**(193)**	(110)
Dividends from equity-accounted investments	**1**	2
Taxation paid	**(567)**	(465)
Net cash generated from operating activities	**1 666**	1 540
Cash flows from investing activities		
Acquisition of subsidiary undertakings and other businesses, net of cash acquired	**(29)**	(45)
Acquisition of equity-accounted investments	**–**	(330)
Acquisition of property, plant and equipment	**(309)**	(324)
Proceeds from disposal of property, plant and equipment	**1**	10
Acquisition of intangible assets	**(69)**	(53)
Payments capitalised as right of use assets	**(11)**	–
Investment in money market and externally managed funds	**(10 066)**	(6 629)
Proceeds from disposal of money market and externally managed funds	**9 822**	6 790
Acquisition of other non-current assets and investments	**(46)**	(27)
Proceeds from disposal of other non-current assets and investments	**6**	10
Net cash used in investing activities	**(701)**	(598)
Cash flows from financing activities		
Proceeds from borrowings	**7**	2
Repayment of borrowings	**–**	(1)
Dividends paid	**(2 072)**	(1 851)
Acquisition of treasury shares	**(54)**	–
Proceeds from sale of treasury shares	**137**	116
Contribution received from non-controlling interests	**–**	9
Lease payments – principal	**(372)**	(348)
Net cash used in financing activities	**(2 354)**	(2 073)
Net change in cash and cash equivalents	**(1 389)**	(1 131)
Cash and cash equivalents at the beginning of the period	**4 636**	4 568
Exchange (losses)/gains on cash and cash equivalents	**(13)**	247
Cash and cash equivalents at the end of the period	**3 234**	3 684

Condensed consolidated balance sheet

	30 September 2023 €m	31 March 2023 €m
Assets		
Non-current assets		
Property, plant and equipment	**3 363**	3 343
Goodwill	**662**	610
Other intangible assets	**487**	497
Right of use assets	**3 666**	3 565
Investment property	**34**	34
Equity-accounted investments	**626**	599
Deferred income tax assets	**844**	752
Financial assets held at fair value through profit or loss	**228**	289
Financial assets held at fair value through other comprehensive income	**265**	301
Other non-current assets	**574**	529
	10 749	10 519
Current assets		
Inventories	**7 717**	7 096
Trade receivables and other current assets	**1 937**	1 708
Derivative financial instruments	**108**	103
Financial assets held at fair value through profit or loss	**7 807**	7 401
Assets of disposal group held for sale	**2 554**	3 124
Cash at bank and on hand	**10 012**	10 936
	30 135	30 368
Total assets	**40 884**	40 887
Equity and liabilities		
Equity attributable to owners of the parent company		
Share capital	**334**	334
Treasury shares	**(222)**	(305)
Hedge and share option reserves	**227**	212
Cumulative translation adjustment reserve	**4 547**	4 093
Retained earnings	**14 051**	14 625
	18 937	18 959
Non-controlling interests	**55**	60
Total equity	**18 992**	19 019
Liabilities		
Non-current liabilities		
Borrowings	**5 967**	5 954
Lease liabilities	**3 316**	3 239
Deferred income tax liabilities	**216**	129
Employee benefits obligations	**64**	65
Provisions	**75**	90
Other long-term financial liabilities	**97**	83
	9 735	9 560
Current liabilities		
Trade payables and other current liabilities	**2 559**	2 960
Current income tax liabilities	**733**	861
Borrowings	**1**	1
Lease liabilities	**688**	644
Derivative financial instruments	**70**	7
Provisions	**195**	201
Liabilities of disposal groups held for sale	**1 845**	1 801
Bank overdrafts	**6 066**	5 833
	12 157	12 308
Total liabilities	**21 892**	21 868
Total equity and liabilities	**40 884**	40 887

Presentation

The results will be presented via a live audio webcast on 10 November 2023, starting at 09:30 (CET). The direct link is available from 07:00 (CET) at www.richemont.com. The presentation may be viewed using a mobile device or from a browser.

- Live telephone connection:
  - pre-registration required here
- An archive of the audio webcast will be available at 15:00 (CET) the same day from:
  - www.richemont.com/en/home/investors/results-reports-presentations/
- A transcript of the audio webcast will be available on 11 November from:
  - www.richemont.com/en/home/investors/results-reports-presentations/

Statutory information

The Richemont 2023 Interim Report will be available for download from the Group's website from 17 November 2023 at www.richemont.com/en/home/investors/results-reports-presentations/

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

The closing price of the Richemont 'A' share on 29 September 2023 was CHF 112.00 and the market capitalisation of the Group's 'A' shares on that date was CHF 58 464 million. Over the preceding six-month period, the highest closing price of the 'A' share was CHF 155.65 (15 May) and the lowest closing price was CHF 109.30 (27 September).

About Richemont

At Richemont, we craft the future. Our unique portfolio includes prestigious Maisons distinguished by their craftsmanship and creativity, alongside online distributors that cultivate expert curation and technological innovation to deliver the highest standards of service. Richemont's ambition is to nurture its Maisons and businesses and enable them to grow and prosper in a responsible, sustainable manner over the long term.

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

Disclaimer

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