Operations
Europe and the Americas most severely impacted, improvement in Q2

Relative resilience of Asia Pacific and Middle East and Africa
H1-21 SALES IN EUROPE

- **Sales declined by 44%**
  - Strong impact from store and fulfilment centre closures in Q1, lack of international tourism and muted local demand
  - Resilience at Online Distributors
  - Robust performance from our Maisons in online retail
H1-21 SALES IN ASIA PACIFIC

- Sales down by 4%, with pronounced double digit growth in Q2
  - Strong growth in China across channels, declines elsewhere
  - Good performance at Jewellery Maisons
H1-21 SALES IN AMERICAS

› Sales contracted by 31%, resuming growth in September
  - Declines in all business areas and channels; Jewellery Maisons less affected
  - Resilience in online retail - triple digit increase for our Maisons
H1-21 SALES IN JAPAN

› Sales lower by 44%
  - Impacted by reduced international tourism and challenging comparatives
  - Growth in online retail
H1-21 SALES IN THE MIDDLE EAST AND AFRICA

› Sales decreased by 5%
  ‣ Strong increase in Jewellery Maisons; stable performance at Online Distributors
  ‣ Retail sales growth aided by internalisation of stores at Jewellery Maisons
  ‣ Double digit growth in online retail

<table>
<thead>
<tr>
<th>Region</th>
<th>% of sales</th>
<th>€ Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Middle East and Africa</td>
<td>8%</td>
<td>€423m</td>
</tr>
<tr>
<td>Asia Pacific</td>
<td>47%</td>
<td></td>
</tr>
<tr>
<td>Europe</td>
<td>22%</td>
<td></td>
</tr>
<tr>
<td>Americas</td>
<td>16%</td>
<td></td>
</tr>
<tr>
<td>Japan</td>
<td>7%</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Q1-21</th>
<th>Q2-21</th>
<th>H1-21</th>
<th>H1-20</th>
</tr>
</thead>
<tbody>
<tr>
<td>% Sales</td>
<td>-39%</td>
<td>+36%</td>
<td>-5%</td>
<td>-1%</td>
</tr>
</tbody>
</table>
H1-21 SALES BY DISTRIBUTION CHANNEL

› Retail sales decreased by 22%
  ▪ High single digit increase in Asia Pacific, double digit increase in Middle East and Africa; declines in all business areas with Jewellery Maisons most resilient

› Online retail sales contracted by 3%
  ▪ Varied regional performances; triple digit growth in our Maisons (7% of Group sales excluding Online Distributors)

› Wholesale sales declined by 42%; 25% of Group sales
  ▪ Largest declines in Europe and Americas
**H1-21 SALES BY PRODUCT LINE**

- **Jewellery** the largest and most resilient product category
- **Watch** sales impacted by exposure to wholesale, declines in all regions
- **Clothing** and **leather goods** helped by steady improvements at Online Distributors

<table>
<thead>
<tr>
<th>6 months</th>
<th>€m</th>
<th>Total Group</th>
<th>Excluding Online Distributors</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>H1-21</td>
<td>Constant rates</td>
<td>Actual rates</td>
</tr>
<tr>
<td>Jewellery</td>
<td>2 253</td>
<td>- 13%</td>
<td>- 15%</td>
</tr>
<tr>
<td>Watches</td>
<td>1 747</td>
<td>- 33%</td>
<td>- 34%</td>
</tr>
<tr>
<td>Clothing</td>
<td>692</td>
<td>- 18%</td>
<td>- 19%</td>
</tr>
<tr>
<td>Leather goods and accessories</td>
<td>493</td>
<td>- 32%</td>
<td>- 32%</td>
</tr>
<tr>
<td>Writing instruments</td>
<td>122</td>
<td>- 39%</td>
<td>- 41%</td>
</tr>
<tr>
<td>Other</td>
<td>171</td>
<td>- 45%</td>
<td>- 46%</td>
</tr>
<tr>
<td><strong>Total sales</strong></td>
<td><strong>5 478</strong></td>
<td><strong>- 25%</strong></td>
<td><strong>- 26%</strong></td>
</tr>
</tbody>
</table>
Sales decreased by 18% overall in H1, but increased by 4% in Q2

- Higher sales in Asia Pacific and Middle East and Africa; very strong growth in China
- Triple digit increase in online retail; lower sales in both retail and wholesale

Resilient operational performance

- Reduced manufacturing capacity utilisation, higher gold prices and a stronger Swiss franc
- Solid operating margin, a result of resilient sales, good cost control and focused investments

<table>
<thead>
<tr>
<th>6 months</th>
<th>€m</th>
<th>Sept 20</th>
<th>Sept 19</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td></td>
<td>3 061</td>
<td>3 736</td>
<td>-18%</td>
</tr>
<tr>
<td>Operating results</td>
<td></td>
<td>922</td>
<td>1 219</td>
<td>-24%</td>
</tr>
<tr>
<td>Operating margin</td>
<td></td>
<td>30.1%</td>
<td>32.6%</td>
<td>-250bps</td>
</tr>
</tbody>
</table>
H1-21 JEWELLERY MAISONS

› **Innovative digital initiatives** adapted to new environment
  
  - Virtual events for high jewellery and watchmaking (*Watchmaking Encounters*)
  - Distance sales

› Selective developments in **store network**
  
  - Renovated store re-openings in Shanghai for Cartier and in Paris for Van Cleef & Arpels
  - Buccellati acquired rights to historic store in Rome

› **Well received product launches** across Maisons included *Tulle* and *Macri* (Buccellati), *Clash de Cartier* as well as *Frivole* and *Alhambra* (Van Cleef & Arpels) collections in addition to the rejuvenated Santos and Pasha watch collections at Cartier
H1-21 PERFORMANCE – SPECIALIST WATCHMAKERS

› **Sales for the period down by 38%; Q2 sales down by 18%**
  - Declines in all regions, with relative resilience in Asia Pacific
  - Triple digit increase in online retail more than offset by strong declines in other channels

› **Small operating loss of €8m**
  - Lower capacity utilisation in manufacturing, higher gold prices and a stronger Swiss franc
  - Partly mitigated by strict cost control and targeted investments

<table>
<thead>
<tr>
<th>6 months</th>
<th>€m</th>
<th>Sept 20</th>
<th>Sept 19*</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td></td>
<td>966</td>
<td>1 567</td>
<td>-38%</td>
</tr>
<tr>
<td>Operating results</td>
<td>-8</td>
<td>285</td>
<td>18.2%</td>
<td>-1 900bps</td>
</tr>
<tr>
<td>Operating margin</td>
<td>-0.8%</td>
<td>18.2%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Prior period comparatives have been restated to exclude valuation adjustments on acquisitions from segment results
H1-21 SPECIALIST WATCHMAKERS

› **New digital initiatives** enhancing reach and customer experience

   ▪ *Watches & Wonders on the Cloud*
   
   ▪ Virtual boutique experience at IWC and Piaget
   
   ▪ Distance sales

› **Targeted store openings**

   ▪ IWC Zurich, with immersive experience
   
   ▪ 5 new Tmall Luxury Pavilion flagship stores

› **Further enrichment** of iconic collections

   ▪ Relaunched *Master Control* (Jaeger LeCoultre)
   
   ▪ New references for *Portugieser* (IWC), *Possession* and *Limelight Gala* (Piaget), *Overseas* (Vacheron Constantin)
H1-21 PERFORMANCE – ONLINE DISTRIBUTORS

› Sales decrease overall at 21%; 2% increase in Q2 sales
  ▪ Steady improvement in all regions since reopening of fulfilment centres
  ▪ Relative outperformance in Europe, Middle East and Africa and Japan
  ▪ Highly competitive pricing environment for YOOX NET-A-PORTER

› Operating loss of €138m
  ▪ Good cost control
  ▪ Continued investments in IT at YOOX NET-A-PORTER and in international expansion at Watchfinder

<table>
<thead>
<tr>
<th>6 months</th>
<th>€m</th>
<th>Sept 20</th>
<th>Sept 19*</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td></td>
<td>934</td>
<td>1 179</td>
<td>-21%</td>
</tr>
<tr>
<td>Operating results</td>
<td></td>
<td>-138</td>
<td>-104</td>
<td>-33%</td>
</tr>
<tr>
<td>Operating margin</td>
<td></td>
<td>-14.8%</td>
<td>-8.8%</td>
<td>-600bps</td>
</tr>
</tbody>
</table>

* Prior period comparatives have been restated to exclude valuation adjustments on acquisitions from segment results
H1-21 ONLINE DISTRIBUTORS

› YOOX NET-A-PORTER GROUP

- 20th anniversary
- NET-A-PORTER replatforming on track
- 165 exclusive brand capsules introduced
- Partnership with Watches & Wonders
- 202 luxury brands now available on NET-A-PORTER Tmall Luxury Pavilion
- Management of Montblanc online flagship store
- Sustainability initiatives included electric delivery vans and fifth season of the Vanguard mentorship programme

› Watchfinder & Co.

- Positive customer response to international expansion
H1-21 PERFORMANCE – OTHER

› **H1 sales declined by 42%; Q2 sales decreased by 24%**
  - Impacted by closure of fulfilment centres and stores and drop in travel retail
  - Broad based declines across regions; strong performance in China
  - Double digit increase in online retail

› **Operating loss of €108m**
  - Lower gross margin partly mitigated by good cost control
  - Higher losses at the Group’s watch component manufacturers

<table>
<thead>
<tr>
<th></th>
<th>£m</th>
<th>Sept 20</th>
<th>Sept 19*</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>6 months</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales</td>
<td></td>
<td>545</td>
<td>941</td>
<td>-42%</td>
</tr>
<tr>
<td>Operating results</td>
<td></td>
<td>-108</td>
<td>5</td>
<td>-2 260%</td>
</tr>
<tr>
<td>Operating margin</td>
<td></td>
<td>-19.8%</td>
<td>0.5%</td>
<td>-2 030 bps</td>
</tr>
</tbody>
</table>

* Prior period comparatives have been restated to exclude valuation adjustments on acquisitions from segment results
Accelerated **digital transformation**

- Fully digitalised showrooms for Spring buying
- Deployment of distance sales tools and live streaming events
- 3 new **Tmall Luxury Pavilion** flagship stores (Chloé, dunhill and Montblanc)

Montblanc **online store** now hosted by YOOX NET-A-PORTER

**Notable launches** included the **Mini Daria** bag (Chloé), **Court** sneaker (dunhill), **M_Gram** collection (Montblanc) and **Hyperlite Shield Outwear** (Peter Millar)