Operations
FY21 OVERVIEW OF REVENUE BY REGION

- Growth in Asia Pacific partially mitigating declines in other regions
- Europe and Japan most affected by pandemic
- Rebalancing of geographic mix:
  - Asia Pacific now larger than Europe and the Americas combined
  - Mainland China now #1 market
**FY21 SALES - EUROPE**

- **Sales declined by 30%**
  - Impact from recurring periods of store closures and lack of international tourism; partly mitigated by increased local demand
  - Improvement in H2
  - Triple-digit growth in Maisons’ online retail sales

<table>
<thead>
<tr>
<th>Region</th>
<th>Current Year</th>
<th>Prior Year</th>
<th>% Change at Constant Rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asia Pacific</td>
<td>-16%</td>
<td>-27%</td>
<td>FY21 vs. FY19</td>
</tr>
<tr>
<td>Americas</td>
<td>18%</td>
<td>7%</td>
<td></td>
</tr>
<tr>
<td>Japan</td>
<td>7%</td>
<td>30%</td>
<td></td>
</tr>
<tr>
<td>Middle East and Africa</td>
<td>18%</td>
<td>7%</td>
<td></td>
</tr>
<tr>
<td>Europe</td>
<td>23%, €2.955m</td>
<td>30%</td>
<td></td>
</tr>
</tbody>
</table>

- % change
- Current year
- Prior year
Sales increased by 22%

- Triple-digit growth in mainland China, driven by Jewellery Maisons and Specialist Watchmakers; improvement in other main markets in H2
- Q4 growth reflected favourable comparatives and continued outbound travel restrictions
- Retail increased in all business areas; double-digit increase in online retail

<table>
<thead>
<tr>
<th>Region</th>
<th>FY21 vs. FY19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>7%</td>
</tr>
<tr>
<td>Middle East and Africa</td>
<td>7%</td>
</tr>
<tr>
<td>Americas</td>
<td>18%</td>
</tr>
<tr>
<td>Europe</td>
<td>23%</td>
</tr>
<tr>
<td>Asia Pacific</td>
<td>45%, €5 937m</td>
</tr>
</tbody>
</table>

Current year vs. Prior year:
- Q1: +10% vs. +29%
- Q2: +22% vs. +14%
- Q3: +25% vs. +10%
- Q4: -37% vs. +22%
- FY: +29% vs. 0%

% change at constant rates:
FY21 SALES - AMERICAS

› **Sales lower by 10%**
  
  - Sequential quarterly improvement
  - Strength of Jewellery Maisons
  - Growth in online retail more than offset by declines in other channels
FY21 SALES - JAPAN

- Sales 21% lower than prior year
  - Impacted by lack of international tourism
  - Lower sales in all business areas
  - Good growth in online retail

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Current Year</th>
<th>Prior Year</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>-64%</td>
<td>-26%</td>
<td>-9%</td>
</tr>
<tr>
<td>Q2</td>
<td>+8%</td>
<td>+19%</td>
<td>+15%</td>
</tr>
<tr>
<td>Q3</td>
<td>+1%</td>
<td>+15%</td>
<td>-1%</td>
</tr>
<tr>
<td>Q4</td>
<td>-7%</td>
<td>-21%</td>
<td>-21%</td>
</tr>
<tr>
<td>FY</td>
<td>-21%</td>
<td>-21%</td>
<td>+1%</td>
</tr>
</tbody>
</table>

-9% vs. -21% FY21 vs. FY19

<table>
<thead>
<tr>
<th>Region</th>
<th>Growth</th>
<th>Sales (€m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>7%</td>
<td>940m</td>
</tr>
<tr>
<td>Middle East and Africa</td>
<td>7%</td>
<td></td>
</tr>
<tr>
<td>Europe</td>
<td>23%</td>
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</tr>
<tr>
<td>Americas</td>
<td>18%</td>
<td></td>
</tr>
<tr>
<td>Asia Pacific</td>
<td>45%</td>
<td></td>
</tr>
</tbody>
</table>
FY21 SALES - MIDDLE EAST AND AFRICA

- **Mid-single digit increase in sales**
  - Resilient local demand and return of international tourism
  - Double-digit increases at Jewellery Maisons and Online Distributors
  - Strong growth in retail and online retail; decline in wholesale
FY21 SALES BY DISTRIBUTION CHANNEL

› Retail sales rose by 2%
   ▪ Strong double-digit increase in Asia Pacific and Middle East and Africa; growth in Jewellery Maisons more than offsetting declines elsewhere

› Online retail sales increased by 9%
   ▪ Growth in all regions with triple-digit progression at Maisons (7% of Group sales excluding Online Distributors)

› 76% of Group sales directly with end clients

› Wholesale sales declined by 25%
   ▪ Sales declined in all regions; relative resilience in Asia Pacific

Retail sales rose by 2%

- Strong double-digit increase in Asia Pacific and Middle East and Africa; growth in Jewellery Maisons more than offsetting declines elsewhere

Online retail sales increased by 9%

- Growth in all regions with triple-digit progression at Maisons (7% of Group sales excluding Online Distributors)

76% of Group sales directly with end clients

Wholesale sales declined by 25%

- Sales declined in all regions; relative resilience in Asia Pacific

\[\begin{align*}
\text{Retail} & \quad \text{Online retail} & \quad \text{Wholesale} \\
\text{FY21} & \quad +2\% & \quad +14\% & \quad -25\% \\
\text{FY20} & \quad -2\% & \quad +9\% & \quad -5\%
\end{align*}\]
† Sales increased by 3%
  ▪ Double-digit growth in Asia Pacific and Middle East and Africa
  ▪ Strength in retail and online retail

† Operating margin improved to 31.0%
  ▪ Resilient sales combined with cost control and focus on strategic investments
  ▪ Successfully mitigated higher gold prices and stronger Swiss franc

<table>
<thead>
<tr>
<th>12 months</th>
<th>€m</th>
<th>FY21</th>
<th>FY20</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>7 459</td>
<td>7 217</td>
<td></td>
<td>+3%</td>
</tr>
<tr>
<td>Operating results</td>
<td>2 309</td>
<td>2 077</td>
<td></td>
<td>+11%</td>
</tr>
<tr>
<td>Operating margin</td>
<td>31.0%</td>
<td>28.8%</td>
<td></td>
<td>+220bps</td>
</tr>
</tbody>
</table>
FY21 JEWELLERY MAISONS

› Agility and flexibility in manufacturing and global operations, managing a trough in Q1 and a high in Q4

› Enduring appeal of iconic collections supported by product enrichment, with Clash Supple and Santos at Cartier, Alhambra, Frivole and Poetic Complications at Van Cleef & Arpels, Opera Tulle at Buccellati

› Leveraging omnichannel capabilities
  ▪ Distant sales, mobile/online platforms
  ▪ Digital product launches
  ▪ Selective renovations and openings at Cartier and Van Cleef & Arpels (Tmall Luxury Pavilion); international expansion of Buccellati
FY21 PERFORMANCE – SPECIALIST WATCHMAKERS

› Sales lower by 21%; significant improvement in H2
  - Double-digit increase in Asia Pacific, declines in other regions
  - Triple-digit growth in online retail, decline in wholesale, retail more resilient
  - Sell out – sell in ratio above 100%; strong partnership with wholesale clients

› Operating margin decreased to 5.9%
  - Impact of lower manufacturing capacity utilisation, higher gold prices and strong Swiss franc
  - Mitigation through strong cost and cash focus, strong increase in cash generation

<table>
<thead>
<tr>
<th>12 months</th>
<th>€m</th>
<th>FY21</th>
<th>FY20</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td></td>
<td>2 247</td>
<td>2 859</td>
<td>-21%</td>
</tr>
<tr>
<td>Operating results</td>
<td></td>
<td>132</td>
<td>304</td>
<td>-57%</td>
</tr>
<tr>
<td>Operating margin</td>
<td>5.9%</td>
<td></td>
<td>10.6%</td>
<td>-470bps</td>
</tr>
</tbody>
</table>
Lasting appeal of iconic collections supported by new references, namely in the Pilot and Portugieser lines at IWC, Master and Reverso lines at Jaeger-LeCoultre, the Luminor line at Panerai, the Possession and Limelight Gala collections at Piaget as well as the Overseas collection at Vacheron Constantin.

Digital acceleration
- Digital Watches & Wonders, complemented with physical events in Shanghai and Sanya
- Global digital campaigns on Tmall and NET-A-PORTER/MR PORTER
- Innovation through distant sales initiatives

Store openings, mostly in Asia Pacific, including 5 new Tmall Luxury Pavilion flagship stores
FY21 PERFORMANCE – ONLINE DISTRIBUTORS

- **Sales contracted by 9%; positive in H2**
  - Growth in Middle East and Africa; relative resilience in Europe and Japan
  - Continued competitive environment

- **Operating loss reduced to €223m, margin 30bps down**
  - Strict cost control contributed to a reduction in operating losses
  - EBITDA loss halved to €37m
  - Strong improvement in cash flow through inventory focus

<table>
<thead>
<tr>
<th>12 months</th>
<th>€m</th>
<th>FY21</th>
<th>FY20</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>2 197</td>
<td>2 427</td>
<td></td>
<td>-9%</td>
</tr>
<tr>
<td>Operating results</td>
<td>-223</td>
<td>-241</td>
<td></td>
<td>+7%</td>
</tr>
<tr>
<td>Operating margin</td>
<td>-10.2%</td>
<td>-9.9%</td>
<td></td>
<td>-30bps</td>
</tr>
</tbody>
</table>
FY21 ONLINE DISTRIBUTORS

› **NET-A-PORTER, MR PORTER, YOOX and THE OUTNET**
  - New CEO and organisation
  - NET-A-PORTER replatforming on track
  - Good development of the JV with Alibaba
  - Development of the watch and jewellery offer

› **Watchfinder & Co.**
  - Continued international expansion, with boutique openings in Paris and Geneva
  - Roll out of ‘Part exchange’ programme
FY21 PERFORMANCE – OTHER

› **Sales decreased by 25%**
  - Declines in all regions; notable strength in mainland China
  - Strong growth in online retail, now 17% of sales, wholesale strongly impacted by travel retail and temporary store closures in Europe
  - Resilience of Peter Millar

› **Operating loss of €241m**
  - Effective cost control partially offsetting lower sales
  - Strong cash flow management

<table>
<thead>
<tr>
<th>12 months</th>
<th>€m</th>
<th>FY21</th>
<th>FY20</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>1 345</td>
<td>1 788</td>
<td>-25%</td>
<td></td>
</tr>
<tr>
<td>Operating results</td>
<td>-241</td>
<td>-141</td>
<td>-71%</td>
<td></td>
</tr>
<tr>
<td>Operating margin</td>
<td>-17.9%</td>
<td>-7.9%</td>
<td>-1 000bps</td>
<td></td>
</tr>
</tbody>
</table>
FY21 OTHER – FASHION & ACCESSORIES

› A number of major appointments
  ▪ New CEO for the F&A Maisons division
  ▪ New creative directors at Chloé, Alaïa and Montblanc

› Digital
  ▪ New e-commerce platform at Peter Millar
  ▪ Launch of Tmall Pavilion flagship stores for Chloé, dunhill and Montblanc
  ▪ Digital fashion shows and showrooms

› Launch of AZ Factory

› Notable product launches, such as Editions collection at Alaïa, Gabriela Hearst’s first collection and Woody additions at Chloé, Le Petit Prince and Planet lines at Montblanc and the further extension of G/Fore at Peter Millar