

# RICHEMONT

## AD HOC ANNOUNCEMENT PURSUANT TO ART. 53 LR

17 JULY 2023

### RICHEMONT ANNOUNCES 14% SALES GROWTH (19% AT CONSTANT EXCHANGE RATES) FOR ITS FIRST QUARTER ENDED 30 JUNE 2023

#### Highlights

- Solid start to the financial year with 14% sales growth at actual exchange rates (+19% at constant exchange rates)
- Performance driven by higher sales across almost all regions and distribution channels and all business areas, at actual exchange rates
- Strong rebound in Asia Pacific more than offsetting muted sales in the Americas
- Growth driven by retail, now 68% of Group sales, with direct-to-client sales representing 74% of sales
- Growth across all business areas led by the Jewellery Maisons (+19% at actual exchange rates, +24% at constant rates), followed by the Specialist Watchmakers (+6% at actual exchange rates, +10% at constant rates) and Other (including the F&A Maisons: +5% at actual exchange rates, +8% at constant rates)

April-June €m	2023	2022 Re-presented*	% change 2023 vs 2022	
			constant rates	actual rates
<b>By region</b>				
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%
<b>By distribution channel</b>				
Retail	3 618	3 051	+24%	+19%
Online retail	298	300	+2%	-1%
Wholesale and royalty income	1 406	1 303	+11%	+8%
<b>By business area</b>				
Jewellery Maisons	3 599	3 015	+24%	+19%
Specialist Watchmakers	1 061	1 002	+10%	+6%
Other	662	637	+6%	+4%
<b>Total</b>	<b>5 322</b>	<b>4 654</b>	<b>+19%</b>	<b>+14%</b>

\* Prior-year period comparatives have been re-presented as YNAP results are presented as 'discontinued operations'

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## Review of trading in the three-month period ended 30 June 2023 versus the prior year, at constant exchange rates

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

At 19%, the sales growth rate in the quarter ended June 2023 was well above the 12% sales increase of the prior-year period. All channels, business areas and regions, excluding the Americas, generated higher sales compared to the prior-year period.

The Group's 19% sales progression was driven by double-digit increases in almost all regions, including a 40% rebound in **Asia Pacific**, the strongest regional performance. Favourable prior-year period comparatives, as well as the removal of Covid-related restrictions and the reopening of borders in mainland China, Hong Kong SAR and Macau SAR in January 2023, led to substantial sales increases ranging from double-digit growth in the mainland to triple digits in the latter two locations. Sales were solid across other Asian markets, notably in Australia and Taiwan. In **Europe**, sales rose by 11% on demanding comparatives (+52% in the prior-year period), sustained by resilient domestic demand and tourist spending, largely from American, Middle Eastern and, more recently, Chinese clients. Most markets, particularly France, Italy and Switzerland, generated higher sales. In the **Americas**, the 2% sales contraction stemmed from lower wholesale sales and retail sales broadly aligned with the prior-year period. **Japan** posted a 14% sales growth notwithstanding demanding comparatives against the prior-year period (+90% in the prior-year period), benefitting from strong local demand as well as increasing tourist spending, partly induced by a weak yen. Sales in the **Middle East & Africa** progressed by 15%, reflecting both higher domestic and tourist spending in Dubai.

All channels posted sales growth, with retail recording the strongest relative channel performance. **Retail** sales progressed by 24%, driven by increases in all regions and double-digit increases across all business areas, led by the Specialist Watchmakers, closely followed by the Jewellery Maisons. The strongest performances were recorded in Asia Pacific and the Middle East & Africa regions. With the ongoing 'retailisation' of our Maisons, retail sales reached 68% of Group sales. **Online retail** sales were 2% higher, reflecting a varied performance among business areas with the Jewellery Maisons posting 14% growth. Direct-to-client sales continued to grow in importance and represented 74% of Group sales, up 200 basis points over a year ago. Sales in the **wholesale** channel rose by 11% as higher sales at our Jewellery Maisons and 'Other' business area more than offset lower wholesale sales at our Specialist Watchmakers following the strategic conversion of a number of franchise stores into directly operated stores.

The Group's three **Jewellery Maisons** - Buccellati, Cartier and Van Cleef & Arpels - posted the strongest sales increase at 24%, delivering robust jewellery and watch sales. Sales progressed in all channels and regions excluding the Americas where sales were broadly flat. Sales at the **Specialist Watchmakers** grew by 10%, benefitting from thriving retail sales, which together with online sales contributed to close to 60% of the business area sales. Growth was achieved in most Maisons and regions with noteworthy outperformances from A. Lange & Söhne, Jaeger-LeCoultre, Piaget and Vacheron Constantin. The Group's **Other** business area, which is mostly composed of our Fashion & Accessories Maisons and includes Watchfinder & Co., generated a 6% sales increase. F&A Maisons sales grew by 8% on demanding comparatives (+26% during the prior-year period), supported by strong retail sales across all its Maisons and almost all regions, including in the Americas. Of particular note is Peter Millar's double-digit sales

growth despite the relative slowdown of the US market and high comparatives. In addition, Montblanc is starting to benefit from an evolving product offering and a revival in the travel retail channel, Chloé is progressing well in its ‘retailisation’ while Alaïa, Delvaux and dunhill also posted strong contributions.

YOOX NET-A-PORTER (YNAP), now presented as ‘discontinued operations’, posted a 8% sales reduction (-10% at actual exchange rates) in a globally challenging environment for digital distribution pure players.

The Group’s net cash position at 30 June 2023 was € 6.6 billion (2022: € 5.4 billion), reflecting the quarter’s strong sales. It excludes YNAP’s net bank overdraft position of € 0.5 billion since the assets and liabilities of YNAP are classified as ‘Assets of disposal group held for sale’ and ‘Liabilities of disposal group held for sale’, respectively.

## ESG matters

Richemont delivered its first ESG Report established in accordance with GRI Standards and with 40 KPIs independently assured by PWC.

## Corporate calendar

The annual general meeting will be held on Wednesday 6 September 2023 in Geneva. The interim results for the current financial year will be announced on Friday 10 November 2023.

## About Richemont

**At Richemont, we craft the future.** Our unique portfolio includes prestigious Maisons distinguished by their craftsmanship and creativity. 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/>.

Richemont ‘A’ shares are listed and traded on the SIX Swiss Exchange, Richemont’s primary listing, and are included in the Swiss Market Index (‘SMI’) of leading stocks. The ‘A’ shares are also traded on the Johannesburg Stock Exchange, Richemont’s secondary listing.

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## Disclaimer

The financial information contained in this announcement is unaudited.

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 consumer 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.

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## Appendix 1: Foreign exchange rates

<b>Average exchange rates against the euro</b>	<b>April-June 2023</b>	April-June 2022
United States dollar	<b>1.09</b>	1.06
Japanese yen	<b>150</b>	138
Swiss franc	<b>0.98</b>	1.03
Renminbi	<b>7.63</b>	7.03

Actual exchange rates for the period are calculated using the average daily closing rates against the euro.

In terms of sales at constant exchange rates, average exchange rates for the year ended 31 March 2023 are used to convert local currency sales into euros for all presented periods. Exchange rate translation effects are thereby eliminated from the reported sales performance.