Financial review

in €m	2024	2023	% change
Sales	**20 616**	19 953	+3%
Cost of sales	**(6 580)**	(6 237)	
Gross profit	**14 036**	13 716	+2%
Net operating expenses	**(9 242)**	(8 685)	+6%
Operating profit	**4 794**	5 031	-5%
Net financial (costs)/income	**(178)**	(314)	
Share of post-tax results of equity-accounted investments	**39**	41	
Profit before taxation	**4 655**	4 758	-2%
Taxation	**(837)**	(847)	-1%
Profit for the year from continuing operations	**3 818**	3 911	-2%
Loss for the year from discontinued operations	**(1 463)**	(3 610)	
Profit for the year	**2 355**	301	+682%
Analysed as follows:			
Attributable to owners of the parent company	**2 362**	313	
Attributable to non-controlling interests	**(7)**	(12)	
Profit for the year	**2 355**	301	+682%
Earnings per share – diluted basis	**€ 4.077**	€ 0.543	+651%

Any references to Hong Kong, Macau and Taiwan within this financial review are to Hong Kong SAR, China; Macau SAR, China; and Taiwan, China, respectively.

The results of YOOX NET-A-PORTER ('YNAP') for the year ended 31 March 2024 are presented as 'discontinued operations'. Unless otherwise stated, all comments below relate to the results of 'continuing operations'.

Sales

For the year ended 31 March 2024, sales from continuing operations increased by 3% at actual exchange rates and by 8% at constant exchange rates, to € 20 616 million.

Sales in all regions increased compared to the prior year, at both actual and constant exchange rates. At actual exchange rates, growth of 4% in Asia Pacific included a 7% progression in mainland China, Hong Kong and Macau combined, following the removal of travel and health restrictions at the start of the year and the related resumption of travel in those markets. Sales growth in the Americas reached 1%, with increased momentum in the second half of the year, albeit against less demanding comparatives. In absolute terms, the Americas ended the year slightly ahead of Europe where sales grew by 2% compared to the prior year. Japan reported the strongest regional performance for the year with sales up by 8%, on strength of tourist demand, notably from China. Sales in Middle East & Africa rose by 7%.

The Group's directly-operated stores recorded the strongest channel growth rate, with sales up by 5% at actual exchange rates compared to the prior year, reflecting growth in all regions and business areas. At actual exchange rates, online retail sales, which exclude sales made by YNAP, declined by 6% while wholesale sales were in line with the prior year and represented 25% of Group sales.

At actual exchange rates, sales at the Jewellery Maisons rose by 6%, reflecting growth across all regions, and in both retail and wholesale; growth at constant exchange rates reached 12%. The 3% sales decrease at the Specialist Watchmakers reflects a good performance in Japan and the Middle East & Africa region having been more than offset by declines in other regions. Sales in the 'Other' business area declined by 2%, notwithstanding growth seen in the Americas, its largest region. At constant exchange rates, sales by the Specialist Watchmakers and 'Other' business area grew by 2% and 1%, respectively.

Further details on sales by region, distribution channel and business area are given under Review of Operations.

Gross profit

Compared to the prior year, gross profit increased by 2% to € 14 036 million with a corresponding gross margin of 68.1% of sales.

This 60 basis point reduction in gross margin was mainly driven by a combination of unfavourable foreign exchange movements and increased raw materials cost, partially offset by the positive impact of targeted price increases and a favourable geographical mix.

Operating profit

Profitability was significantly impacted by adverse foreign exchange movements during the period, resulting in a 5% reduction in operating profit from continuing operations to € 4 794 million. Operating margin contracted by 190 basis points to 23.3% of sales. At constant exchange rates, operating profit grew by 13% to 26.2% of sales.

Overall, operating expenses grew by 6% over the prior year, outpacing the 3% sales increase.

Selling and distribution expenses increased by 7%, amounting to 24.3% of sales in the current period compared to 23.5% a year ago, reflecting the expansion of the Group's retail network and strength of retail sales in addition to inflation-driven operating cost increases.

Communication expenses rose by 3% compared to the prior year and amounted to 9.7% of sales.

Expenses related to the fulfilment of online retail orders decreased by 5% whilst administrative expenses increased by 11%. Higher salary costs, investments in technology and adverse foreign exchange movements contributed to the increase in administrative expenses, which are primarily incurred in Swiss francs. Other expenses included a € 34 million charge for impairment of intangible assets as well as a € 19 million charge related to the impairment of goodwill at Watchfinder, which was further negatively impacted by the global reduction of resale values for pre-owned watches. Overall, non-recurring charges, including M&A fees, amounted to € 58 million net.

Profit for the year

Profit for the year from continuing operations was solid at € 3 818 million. The € 93 million decrease compared to the prior year included a € 136 million improvement in net finance costs which amounted to € 178 million. Net finance costs included net foreign exchange losses of € 226 million on monetary items, partially mitigated by a € 187 million net gain on the Group's hedging programme. Net interest expense of € 22 million reflected a favourable € 62 million variance compared to the prior year. This positive variance was offset by a € 269 million charge included in finance costs in relation to the Farfetch convertible note, valued at € nil at 31 March 2024.

The loss for the year from discontinued operations amounted to € 1 463 million. This incorporates a further reduction in the fair value of YNAP, reflecting a € 1 263 million write-down of the net assets held for sale, considering current levels of net working capital.

As a result, profit for the year amounted to € 2 355 million.

Earnings per share reached € 4.077 on a diluted basis. Excluding YNAP, diluted earnings per share (1 'A' share/10 'B' shares) from continuing operations were € 6.588.

To comply with the South African practice of providing headline earnings per share ('HEPS') data, the relevant figure for the year ended 31 March 2024 was € 3 688 million (2023: € 3 807 million). Basic HEPS for the year were € 6.398 (2023: € 6.691), diluted HEPS for the year were € 6.365 (2023: € 6.601). Further details regarding earnings per share and HEPS, including an itemised reconciliation, can be found in note 28 of the Group's consolidated financial statements.

Cash flow

Cash flow generated from operating activities, including YNAP, amounted to € 4 696 million compared to € 4 491 million in the prior year. The 5% increase reflected lower investments in working capital and higher cash flows from the settlement of currency derivatives.

Net investments in property, plant and equipment amounted to € 865 million, a 3% increase over the prior year. Capital expenditure during the period focused on improvements to the Group Maisons' retail network, as well as investments in manufacturing facilities in Switzerland, France and Italy in support of the Group's three business areas.

During the year, the Group completed a number of acquisitions, resulting in a net cash outflow of € 306 million, the most significant being a controlling stake in Gianvito Rossi, the high-end Italian shoe maker.

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

Proceeds from the exercise of share options by executives and other hedging activities during the period amounted to a net cash inflow of € 181 million. Additional treasury shares were acquired during the year at a cost of € 54 million.

The exercise of shareholder warrants issued in 2020 resulted in a net cash inflow of € 880 million, net of acquisition costs.

Balance sheet

At 31 March 2024, the assets and liabilities of YNAP were classified as 'Assets of disposal group held for sale' and 'Liabilities of disposal group held for sale', respectively. The remainder of the balance sheet reflected only the assets and liabilities of continuing operations.

Inventories excluding YNAP amounted to € 7 980 million, a 12% increase, and inventory rotation represented 17.7 months of cost of sales (2023: 16.6 months).

The Group's net cash position at 31 March 2024 rose by 14% to € 7 450 million excluding YNAP. Net cash is comprised of cash and cash equivalents, investments in externally managed bond and money market funds as well as external borrowings, including corporate bonds. At 31 March 2024, gross cash amounted to € 13 429 million.

Shareholders' equity represented 48% of total equity and liabilities compared to 47% in the prior year.

YNAP's performance

YNAP's performance is shown under 'Results from discontinued operations'. In a challenging environment for luxury e-commerce, YNAP sales declined by 14% at actual exchange rates.

Acquisition of Gianvito Rossi

On 31 January 2024, Richemont completed the acquisition of 70% of the share capital of Gianvito Rossi srl ('Gianvito Rossi'), for a total net cash consideration of € 265 million. Gianvito Rossi's results are consolidated within the 'Other' business area with effect from 1 February 2024. The acquisition resulted in the recognition of € 131 million in provisional goodwill and € 216 million of intangible assets.

Proposed dividend

Considering the Group's strong annual performance and robust net cash position, the Board has proposed a dividend of CHF 2.75 per 'A' share/10 'B' shares.

The dividend will be paid as follows:

	Gross dividend per 1'A' share/ 10 'B' shares	Swiss withholding tax @ 35%	Net payable per 1'A' share/ 10 'B' shares
Dividend	CHF 2.750	CHF 0.9625	CHF 1.7880

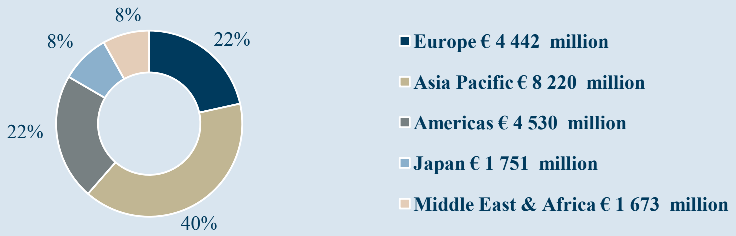
The dividend will be payable following the Annual General Meeting which is scheduled to take place in Geneva on Wednesday 11 September 2024.

The last day to trade Richemont 'A' shares on Swiss Stock Exchange ('SIX') and the Johannesburg Stock Exchange ('JSE') cum-dividend will be Wednesday 18 September 2024. Both will trade ex-dividend from Thursday 19 September 2024.

The dividend on the Richemont 'A' shares traded on SIX will be paid on Monday 23 September 2024 and is payable in Swiss francs. The dividend in respect of the Richemont 'A' shares traded on the JSE will be payable on Monday 30 September and is payable in rand. Further details regarding the latter dividend payment may be found in a separate announcement dated Friday 17 May 2024 on SENS, the JSE news service.

Review of operations

Sales by region



			Movement at:	
in €m	2024	2023	Constant exchange rates*	Actual exchange rates
Europe	**4 442**	4 371	+3%	+2%
Asia Pacific	**8 220**	7 937	+10%	+4%
Americas	**4 530**	4 467	+5%	+1%
Japan	**1 751**	1 616	+20%	+8%
Middle East & Africa	**1 673**	1 562	+11%	+7%
	20 616	19 953	+8%	+3%

* Movements at constant exchange rates are calculated by translating underlying sales in local currencies into euros in both the current year and the comparative year 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

Sales in Europe for the year ended 31 March 2024 grew by 3%, sustained by resilient domestic demand and increased spending by Chinese clients. The Jewellery Maisons drove sales growth in the region.

Overall, Europe contributed 22% of Group sales, in line with the prior year.

Asia Pacific

Compared to the prior year, sales in the Group's largest sales region, Asia Pacific, grew by 10%. This positive performance reflects double-digit sales growth in Hong Kong and Macau, with most other main markets reporting growth. Sales in all business areas increased compared to the prior year, led by the Jewellery Maisons.

The region contributed 40% of Group sales.

Americas

The Americas reported sales growth of 5% compared to the prior year. This performance reflects higher sales by the Jewellery Maisons and the Fashion & Accessories Maisons, more than offsetting lower sales at the Specialist Watchmakers.

The contribution of the region to Group sales was 22%, ranking it slightly ahead of Europe as the Group's second largest region. Of note, the US has become the largest market for the Group.

Japan

With a 20% year-on-year sales increase, Japan posted the strongest regional sales growth rate, despite demanding comparatives. The strong performance reflected increased tourist spending, notably from Chinese clients, partly favoured by a weak yen. In terms of business areas, both Jewellery Maisons and Specialist Watchmakers grew sales by double digits.

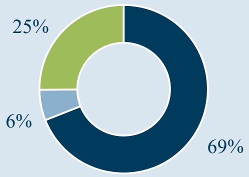
Japan represented 8% of overall sales, in line with last year.

Middle East & Africa

Sales in the Middle East & Africa region grew by 11% compared to the prior year, driven by strong domestic and tourist spending, primarily in the United Arab Emirates. All business areas increased sales compared to the prior year.

The region contributed 8% of Group sales.

Sales by distribution channel



			Movement at:		
in €m	2024	2023	Constant exchange rates*	Actual exchange rates	2024 % of sales
Retail	**14 228**	13 497	+11%	+5%	69%
Online retail	**1 212**	1 294	-2%	-6%	6%
Wholesale and royalty income	**5 176**	5 162	+4%	+0%	25%
	20 616	19 953	+8%	+3%	100%

** Movements at constant exchange rates are calculated by translating underlying sales in local currencies into euros in both the current year and the comparative year 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 rates. Unless otherwise stated, all comments below relate to sales of continuing operations.

Retail

The Retail distribution channel incorporates sales from the Group's directly-operated stores.

The Retail channel again generated the strongest relative performance with growth of 11% compared to the prior year. This increase reflected growth across all business areas and regions.

Retail continued to be the largest contributor to Group sales through 1 367 directly-operated boutiques accounting for 69% of Group sales compared to 68% a year ago.

Online retail

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

Online retail sales declined by 2% year-on-year, with the Fashion & Accessories Maisons posting muted growth. Overall, the online retail channel contributed 6% of Group sales.

Wholesale

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 4% over the prior year. The increase was driven by a solid performance from the Jewellery Maisons, partially offset by softer sales at the Specialist Watchmakers and 'Other' division.

For the year under review, the wholesale channel contributed 25% to Group sales compared to 26% in the prior year.

Sales and operating results by segment

Jewellery Maisons

in €m	2024	2023	Change
Sales	**14 242**	13 427	+6%
Operating result	**4 713**	4 684	+1%
Operating margin	**33.1%**	34.9%	-180 bps

Sales at the Group's three Jewellery Maisons – Buccellati, Cartier and Van Cleef & Arpels – reached a new threshold of € 14.2 billion. The combined 6% year-on-year sales increase at actual rates (+12% at constant rates) was driven by the retail and wholesale channels, across price points, with growth in all regions. Jewellery and watch sales benefitted from the successful launches of high jewellery collections, *Le Voyage Recommencé* (Cartier), *Le Grand Tour* (Van Cleef & Arpels) and *Mosaico* (Buccellati), and continued outperformance of iconic collections, including *Opera Tulle* and *Macri* at Buccellati, *Trinity* (celebrating its 100th Anniversary), *Panthère* and *Baignoire* at Cartier as well as *Alhambra*, *Fauna* and *Perlée* at Van Cleef & Arpels.

Profitability was impacted by negative foreign exchange movements during the year, with the operating margin ending 180 basis points lower at 33.1%. The Jewellery Maisons' operating result increased nonetheless to € 4.7 billion, reflecting higher sales and ongoing cost discipline, albeit tempered by continued investments in distribution and communication and stepped-up investment in jewellery production capacities to meet existing and future demand. At constant currencies, the operating result increased by 14%.

Noteworthy store network developments during the year included the renovation of Buccellati's Montenapoleone and Van Cleef & Arpels' Geneva stores, the relocation of the Van Cleef & Arpels store in South Coast Plaza, California, as well as store openings for Buccellati in Macau and Cartier in Mumbai, to name but a few.

Specialist Watchmakers

in €m	2024	2023	Change
Sales	**3 767**	3 875	-3%
Operating result	**572**	738	-22%
Operating margin	**15.2%**	19.0%	-380 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 compared to the prior year (+2% at constant exchange rates), at € 3.8 billion, notwithstanding a robust 6% increase in retail sales (+12% at constant exchange rates).

Performance was varied across Maisons and geographies, with growth in Asia Pacific (excluding mainland China), Japan and Middle East & Africa having been more than offset by declines in other locations. Iconic collections demonstrated resilience, including *Lange 1* for A. Lange & Söhne, *Portugieser* for IWC, *Reverso* for Jaeger-LeCoultre, *Luminor* for Panerai, *Polo* for Piaget and *Traditionnelle* for Vacheron Constantin.

Combined retail and online retail sales contributed 60% of the Specialist Watchmakers sales, a 4 percentage point increase compared to the prior year, validating the relevance of the division's direct-to-client strategy to complement the focus on key strategic multi-brand retail partners. This strategy continued to be supported by targeted store investments that notably included new openings (amongst others 'Casa Panerai' in Paris, Vacheron Constantin in Bangkok), the internalisation of external points of sale, selective relocations (such as Jaeger-LeCoultre on Madison Avenue in New York) and renovations (first new Piaget boutique concept in Taipei 101).

Profitability was significantly impacted by unfavourable foreign exchange movements and a softer sales momentum during the year. Pricing power and reinforced cost discipline, notwithstanding continued investments in 'retailisation' and communication, softened the reduction in operating result to € 572 million, generating a 15.2% operating margin. At constant currencies, the operating result improved by 3% over the prior year.

Other

in €m	2024	2023	Change
Sales	**2 607**	2 651	-2%
Operating result	**(43)**	59	NR
Operating margin	**-1.6%**	2.2%	-380 bps

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

At € 2.6 billion, sales were slightly down over the prior year. The resilience of the Americas, its largest region, mitigated softness in other regions while muted retail sales growth broadly offset lower sales in the other channels.

Watchfinder, whose sales were negatively impacted by a subdued pre-owned watch market, has pursued its expansion and is now present across over 100 Specialist Watchmakers and Cartier boutiques via its 'Part Exchange Service'.

Most Fashion & Accessories Maisons generated higher sales at actual exchange rates. Worth highlighting is the continued appeal of Alaïa and Peter Millar, the success of high value items at Montblanc, the strong reception of the latest evolution of *Pin* and *Cool Box* collections at Delvaux and the acclaimed first collections of Chemena Kamali at Chloé and Simon Holloway at dunhill.

The Fashion & Accessories Maisons' retail network was further enhanced with selective openings across Maisons and regions (e.g. Alaïa in Riyadh, Delvaux in Kuala Lumpur) and internalisations (Alaïa in London at Harrods). The retail network also benefitted from a number of relocations (Peter Millar on Madison Avenue in New York) and renovations (Montblanc in Shanghai IFC Mall).

The business area recorded a € 43 million loss overall, with the Fashion & Accessories Maisons at breakeven due to strict cost control which limited the impact of unfavourable foreign exchange movements and softer sales. At constant currencies, the operating result for the Fashion & Accessories Maisons amounted to € 30 million.

The year also saw the acquisition of a controlling stake in Gianvito Rossi to internalise proprietary *savoir faire* in high-end shoe manufacturing in addition to developing the potential of this unique Maison. Gianvito Rossi's contribution to the business area's sales and profit since its consolidation on 1 February 2024 was immaterial.

Corporate costs

in €m	2024	2023	Change
Corporate costs	**(417)**	(427)	-2%
Central support services	**(289)**	(302)	-4%
Other unallocated expenses, net	**(128)**	(125)	+2%

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 business areas. Most corporate costs are incurred in Switzerland. For the year under review, they represented 2% of Group sales and included € 58 million net one-time unallocated charges comprised of charges related to impairment of intangible assets of € 34 million and goodwill at Watchfinder of € 19 million (2023: € 65 million net one-time unallocated charges).

The Group's consolidated financial statements of income, cash flows and financial position are presented in the Appendix. Richemont's audited consolidated financial statements for the year may be found on the Group's website at https://www.richemont.com/investors/results-reports-presentations.

Jérôme Lambert
Group Chief Executive Officer

Burkhart Grund
Chief Finance Officer