

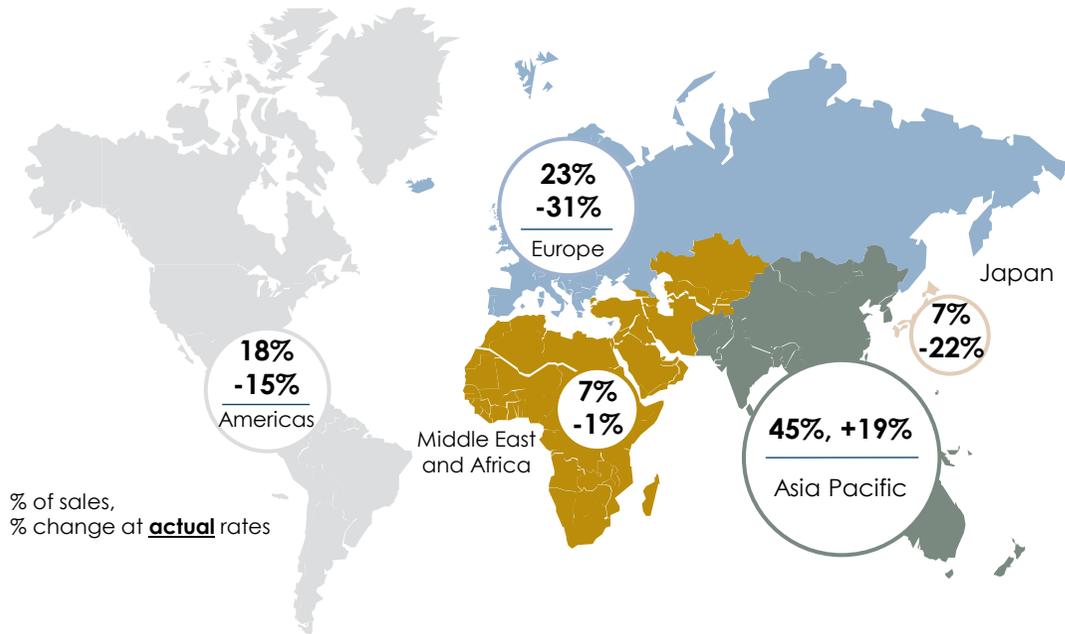
# Operations

RICHEMONT

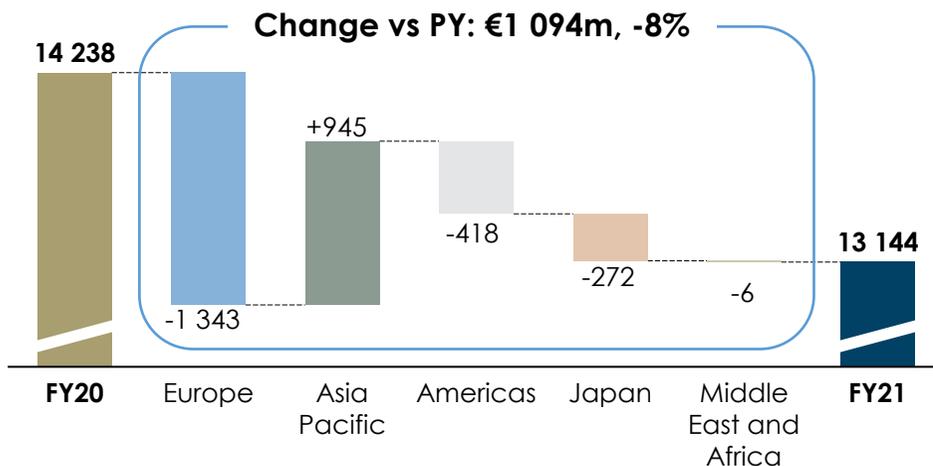


 PETER MILLAR

# FY21 OVERVIEW OF REVENUE BY REGION



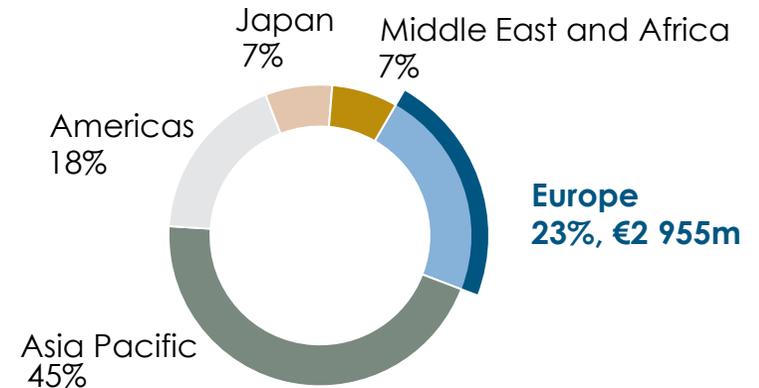
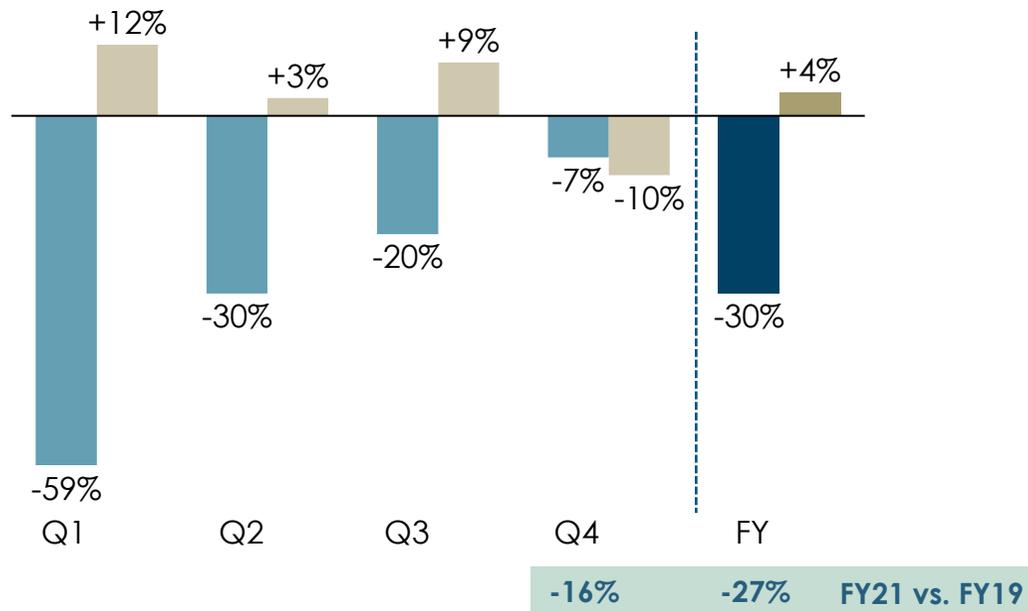
- › Growth in Asia Pacific partially mitigating declines in other regions
- › Europe and Japan most affected by pandemic
- › Rebalancing of geographic mix:
  - Asia Pacific now larger than Europe and the Americas combined
  - Mainland China now #1 market



# FY21 SALES - EUROPE

## › Sales declined by 30%

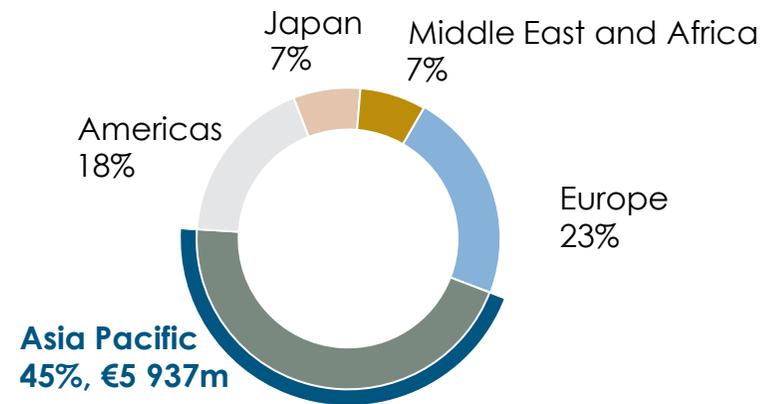
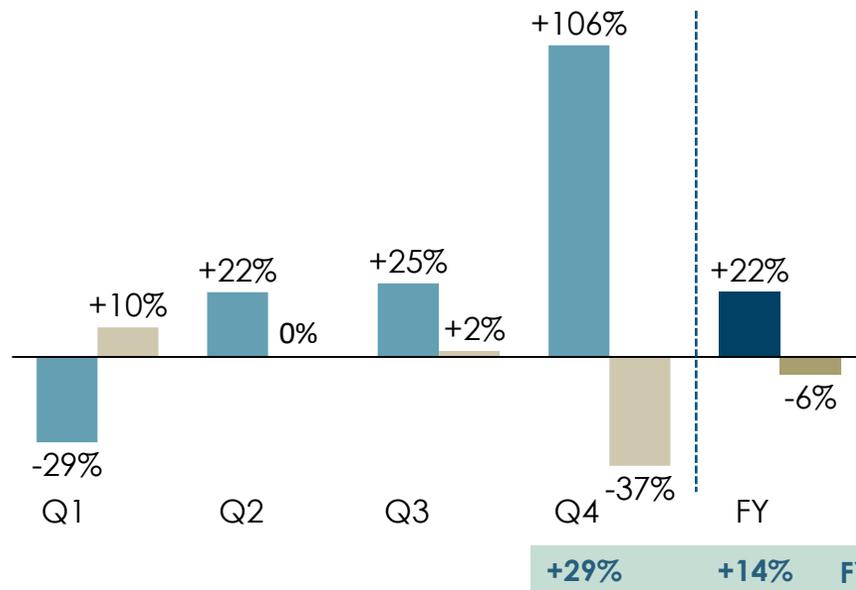
- Impact from recurring periods of store closures and lack of international tourism; partly mitigated by increased local demand
- Improvement in H2
- Triple-digit growth in Maisons' online retail sales



# FY21 SALES - ASIA PACIFIC

## › Sales increased by 22%

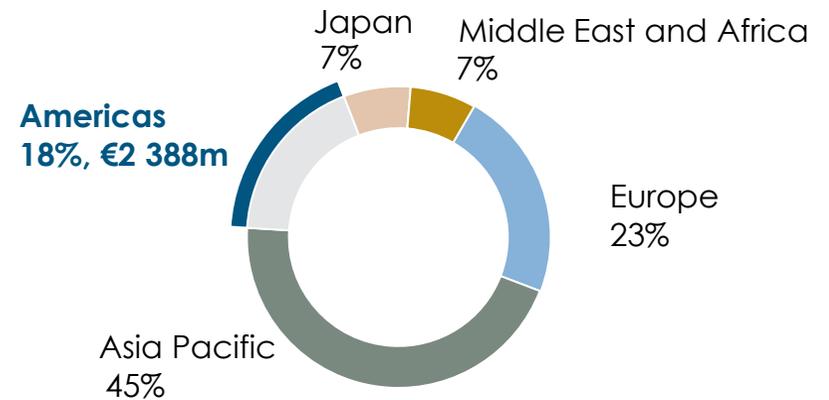
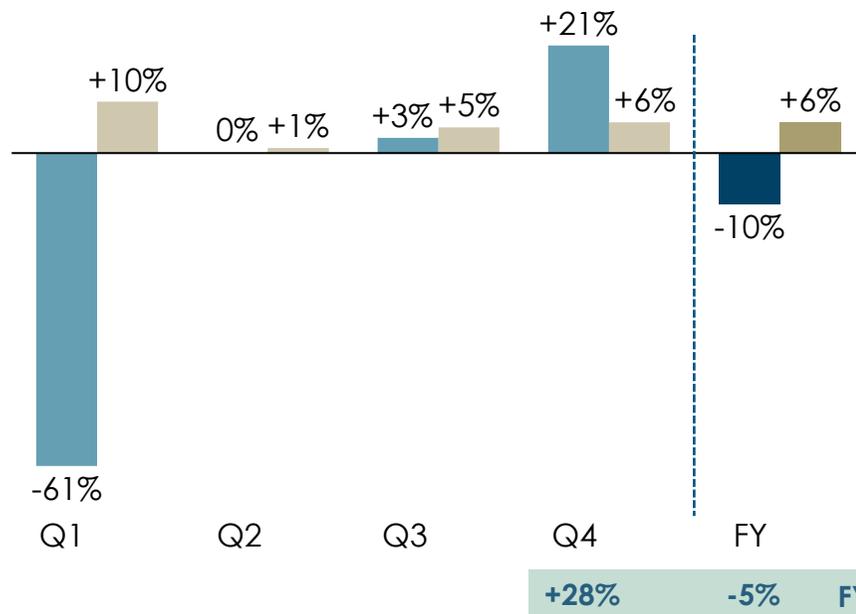
- Triple-digit growth in mainland China, driven by Jewellery Maisons and Specialist Watchmakers; improvement in other main markets in H2
- Q4 growth reflected favourable comparatives and continued outbound travel restrictions
- Retail increased in all business areas; double-digit increase in online retail



# FY21 SALES - AMERICAS

## › Sales lower by 10%

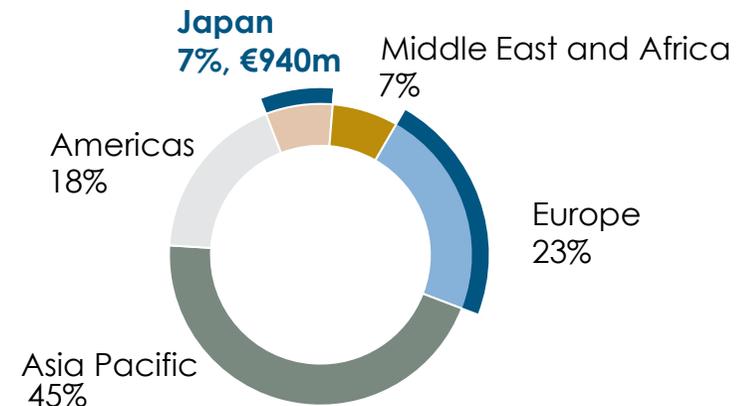
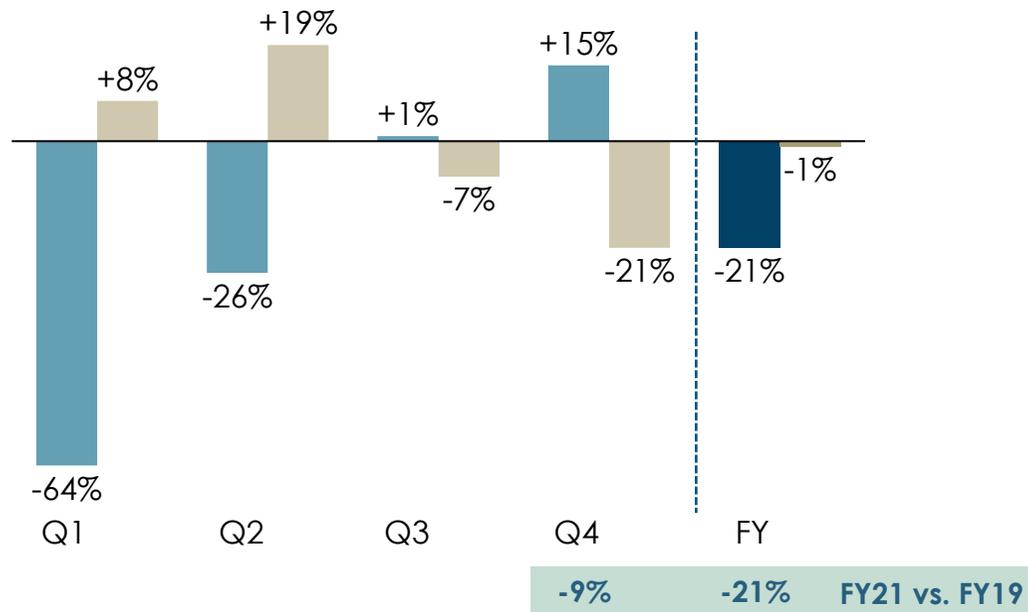
- Sequential quarterly improvement
- Strength of Jewellery Maisons
- Growth in online retail more than offset by declines in other channels



# FY21 SALES - JAPAN

## › Sales 21% lower than prior year

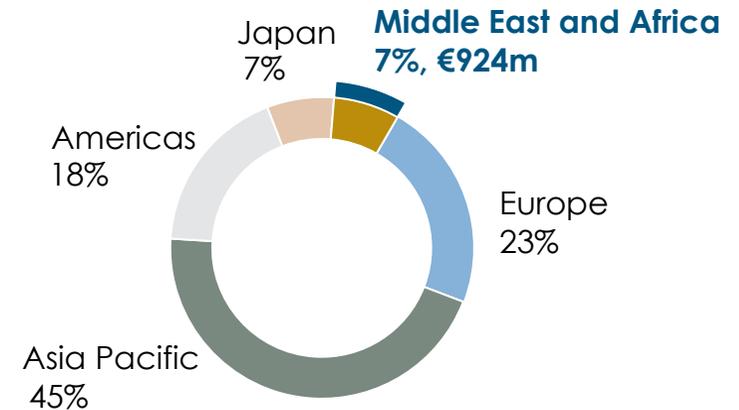
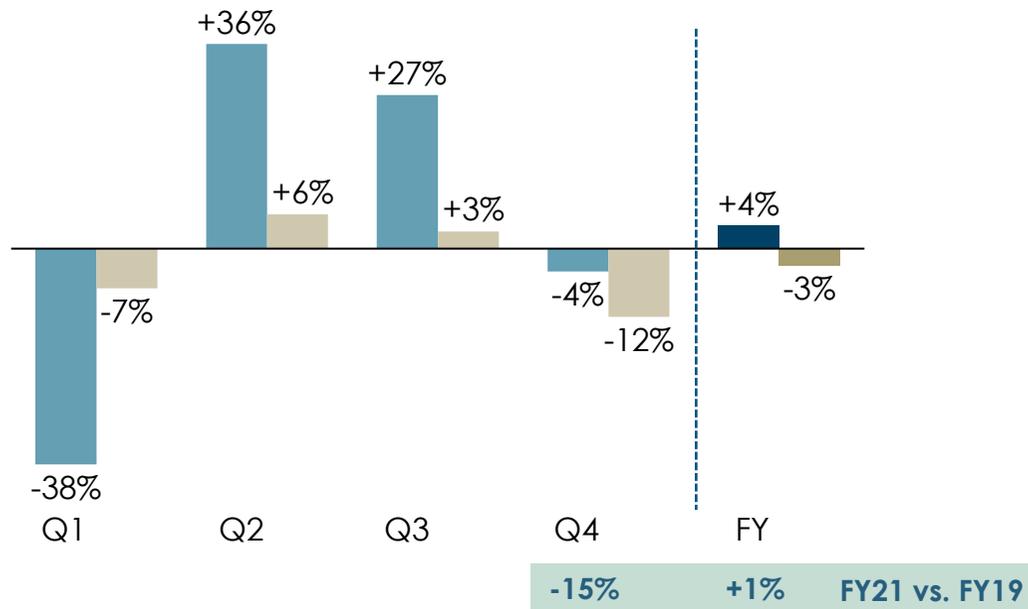
- Impacted by lack of international tourism
- Lower sales in all business areas
- Good growth in online retail



# 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

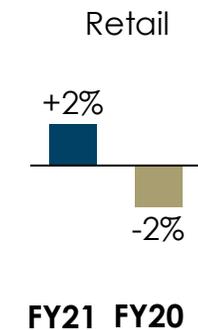
## › Online retail sales increased by 9%

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

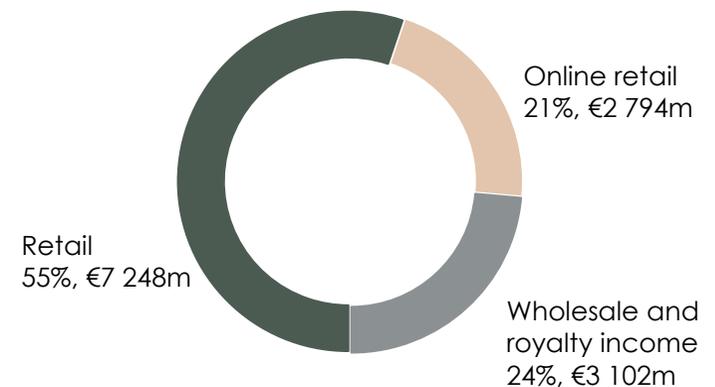
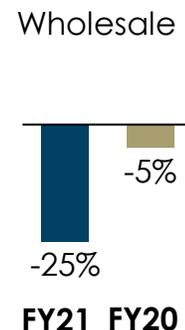
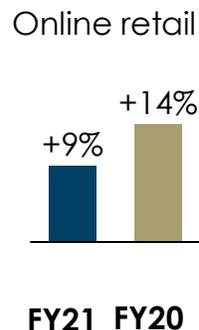
## › 76% of Group sales directly with end clients

## › Wholesale sales declined by 25%

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



% change at constant rates



# FY21 PERFORMANCE – JEWELLERY MAISONS

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## › 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

<b>12 months</b>	€m	<b>FY21</b>	<b>FY20</b>	<b>Change</b>
Sales		7 459	7 217	+3%
Operating results		2 309	2 077	+11%
Operating margin		31.0%	28.8%	+220bps

# 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

12 months	€m	FY21	FY20	Change
Sales		2 247	2 859	-21%
Operating results		132	304	-57%
Operating margin		5.9%	10.6%	-470bps

# FY21 SPECIALIST WATCHMAKERS

- › **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

12 months	€m	FY21	FY20	Change
Sales		2 197	2 427	-9%
Operating results		-223	-241	+7%
Operating margin		-10.2%	-9.9%	-30bps

# 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

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## › 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

12 months	€m	FY21	FY20	Change
Sales		1 345	1 788	-25%
Operating results		-241	-141	-71%
Operating margin		-17.9%	-7.9%	-1 000bps

# 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

