

Full-year results 2018

February 12, 2019

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INTRODUCTION

FRANÇOIS-HENRI PINAULT

CHAIRMAN & CEO

2018, AN EXCELLENT YEAR FOR KERING



INCREASE IN REVENUE **+€2.8BN**

INCREASE IN EBIT **+€1.3BN**

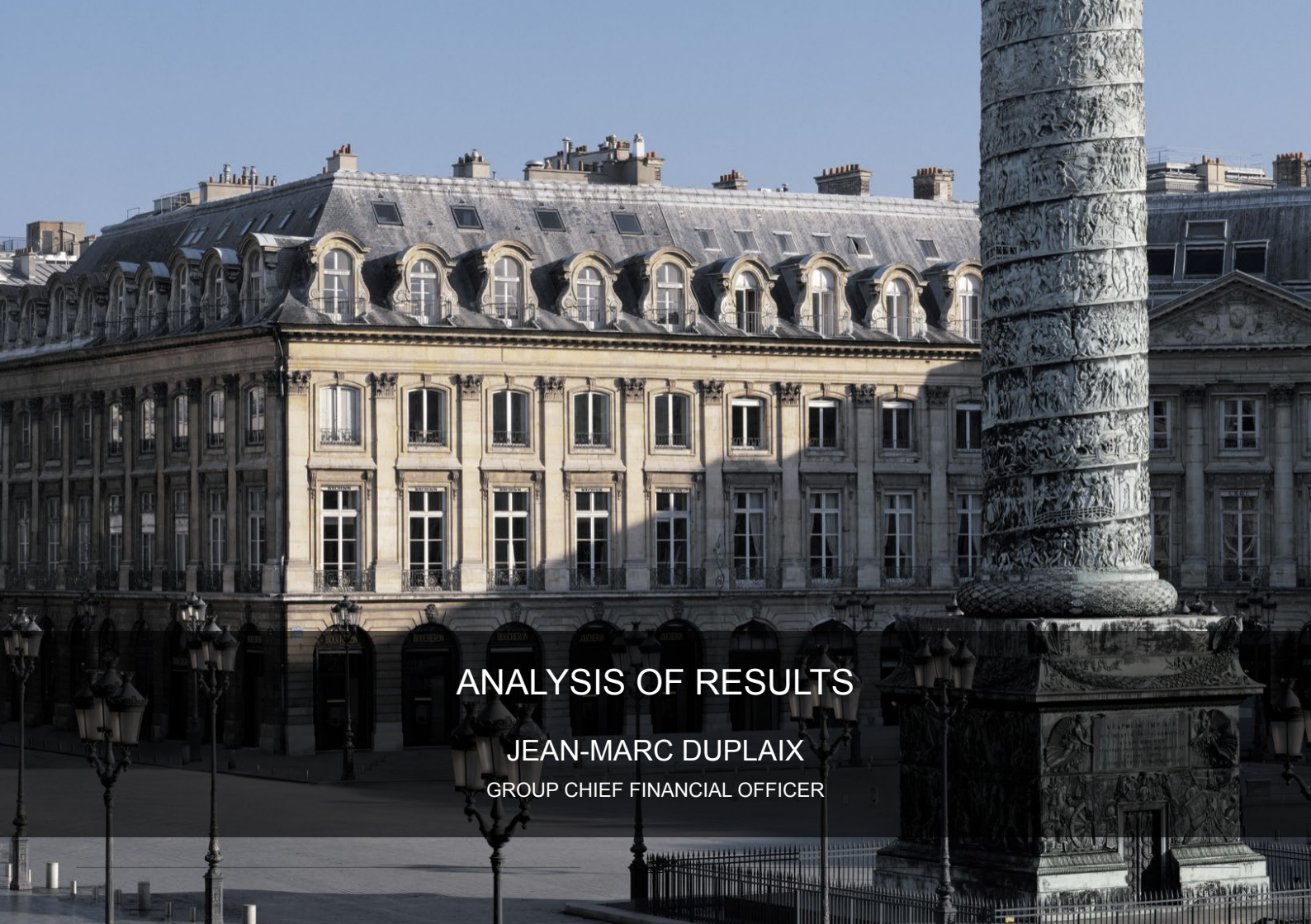
A FAVORABLE…
BUT COMPLEX ENVIRONMENT

HEALTHY, BALANCED AND PROFITABLE GROWTH

VISION, STRATEGY, EXECUTION,
FINANCIAL DISCIPLINE

POWERFUL CULTURE AT THE ROOT OF OUR SUCCESS

VALUE CREATION AND SHAREHOLDER RETURN



ANALYSIS OF RESULTS

JEAN-MARC DUPLAIX

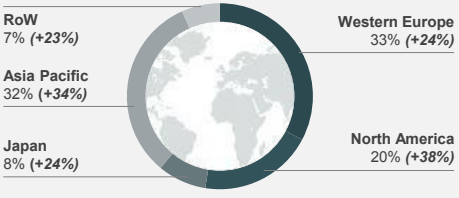
GROUP CHIEF FINANCIAL OFFICER

OUTSTANDING OPERATING PERFORMANCES

GROUP REVENUE (€m)

€13,665m
+26.3% reported
+29.4% comparable

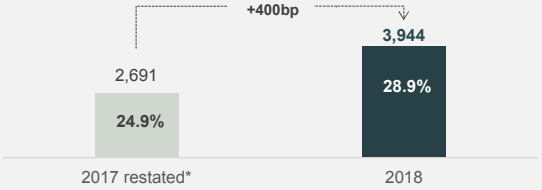




As a % of revenue and (% comparable growth)

GROUP RECURRING OPERATING INCOME (€m)

€3,944m
up **47%**
from 2017 restated

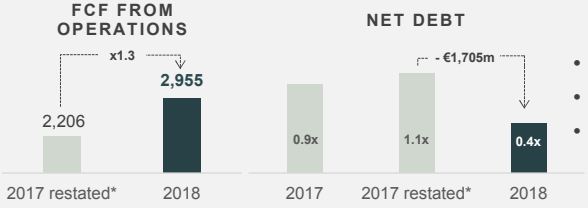


Group recurring operating income in €m and margin in %

- **Exceptional increase** in EBIT and margin
- EBIT doubled over two years
- Virtuous **operating leverage**

FCF AND NET DEBT (€m)

FCF of **€2,955m**
Net debt down
Debt-to-EBITDA ratio of 0.4x

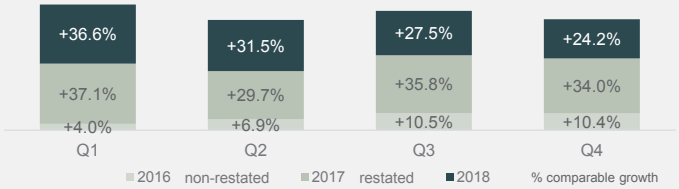


- **Group CAPEX:** €828m, 6.1% of revenue
- **Operating FCF close to €3bn**
- **Net debt halved** at €1,711m

* PUMA, Volcom, Stella McCartney and Christopher Kane have been reclassified under discontinued operations, in accordance with IFRS 5
** At constant scope and exchange rates

ANOTHER YEAR OF SIGNIFICANT PROFITABLE GROWTH

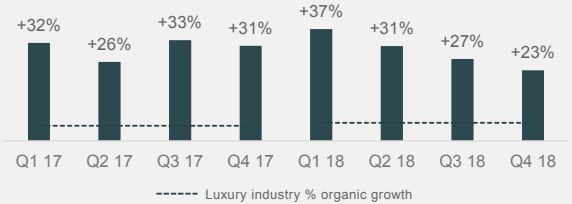
GROUP REVENUE



- **Sustained growth throughout the year**…
- …on top of high comps

LUXURY

Revenue: €13,247m
+26.0% reported
+29.1% comparable



- Eight consecutive quarters of 20%+ comparable growth
- Continuing **clear sector outperformance**

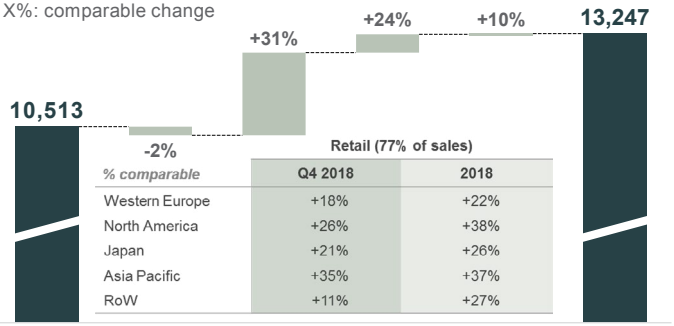
REVENUE AND RECURRING OPERATING INCOME

In €m	Revenue	Recurring operating income	Recurring operating income reported change (%)	Recurring operating income margin (%)
Luxury	13,247	4,191	+44.8%	**31.6%**
Corporate & other	*418*	*(247)*	-20.9%	*n.a*
Kering	**13,665**	**3,944**	**+46.6%**	**28.9%**

RECORD REVENUE AND PROFITABILITY

2018 REVENUE: +26.0% REPORTED, +29.1% COMPARABLE

In €m
X%: comparable change



Retail (77% of sales)

% comparable	Q4 2018	2018
Western Europe	+18%	+22%
North America	+26%	+38%
Japan	+21%	+26%
Asia Pacific	+35%	+37%
RoW	+11%	+27%

In €m	2018	Reported change
Revenue	**13,247**	+26.0%
Recurring operating income	**4,191**	+44.8%
Recurring operating income margin	*31.6%*	*+4.1pt*
Gross CAPEX	610	+29.6%
As % of revenue	*4.6%*	*+0.1pt*

2018: EXCEPTIONAL GROWTH

- Fueled by retail (+31%) and across all regions
- E-commerce up 71%
- FX impact negative in H1 (-7pt), neutral in H2

Q4: +23% ON TOP OF HIGH COMPS

- Retail +25%, double-digit growth in all regions

RECURRING OPERATING INCOME UP 45%

- Strong operating leverage at Gucci, Saint Laurent and Balenciaga
- Bottega Veneta repositioning underway
- Investments to bolster our growth drivers

BEST-IN-CLASS OPERATING INCOME MARGIN: 31.6%

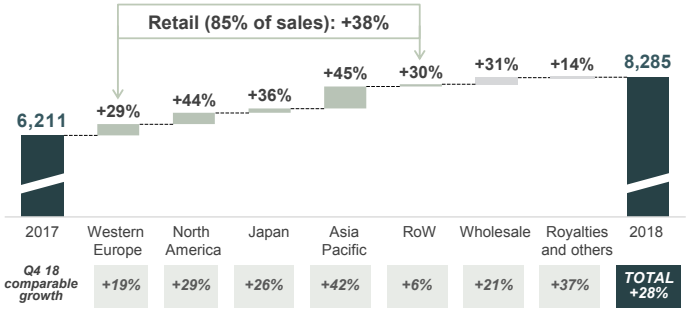
- Significant increase: +4.1pt

SELECTIVE CAPEX UNDER CONTROL

EXCELLENT PERFORMANCE UNDERSCORING BRAND MOMENTUM

2018 REVENUE: +33.4% REPORTED, +36.9% COMPARABLE

In €m
X%: comparable change



In €m	2018	Reported change
Revenue	**8,285**	+33.4%
Recurring operating income	**3,275**	+54.2%
Recurring operating income margin	*39.5%*	*+5.3pt*
Gross CAPEX	313	+25.8%
As % of revenue	*3.8%*	*-0.2pt*

2018: REVENUE TOPS €8BN

- Very strong growth on top of extremely high comps since H2 2016
- Well-balanced performance across product categories and clientele segments
- Retail up 38% under particularly healthy conditions (stable network, full-price sales, higher traffic and productivity); e-commerce up 70%

Q4: REVENUE UP 28%

- Retail up 29%, wholesale up 21%

RECURRING OPERATING INCOME UP 54% PASSES THE €3BN MARK

- Positive impact from higher gross margin (distribution mix, production organization, higher sell-through)
- Highly favorable operating leverage
- Ongoing investments to sustain momentum (stores, communications, CRM, digital)

RECORD OPERATING MARGIN AT 39.5%

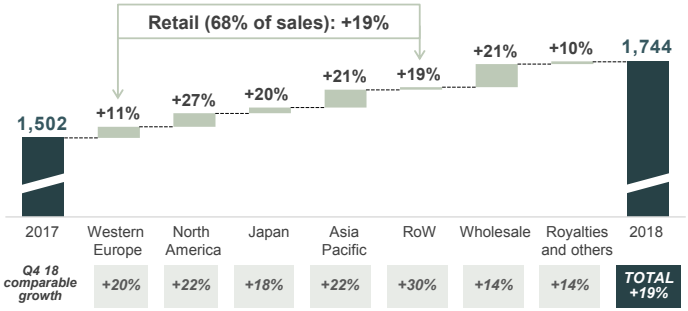
TARGETED CAPEX

- Further deployment of new store concept

EXECUTION OF STRATEGY AND GROWTH TRAJECTORY

2018 REVENUE: +16.1% REPORTED, +18.7% COMPARABLE

In €m
X%: comparable change



In €m	2018	Reported change
Revenue	**1,744**	+16.1%
Recurring operating income	**459**	+21.9%
Recurring operating income margin	*26.3%*	*+1.2pt*
Gross CAPEX	89	+21.9%
As % of revenue	*5.1%*	*+0.2pt*

2018: SUSTAINED GROWTH ONGOING

- On very high comps after seven consecutive years of 20%+ growth
- Retail up 19% on like-for-like and openings
- Very favorable reception of Ready-to-Wear; strong appeal of accessories, in particular Leather Goods (carryover and newness)
- Wholesale up 21%

Q4 UP 19%

- Retail and e-commerce up 21%
- Double-digit growth of wholesale

RECURRING OPERATING INCOME UP 22%

- Critical mass provides room to combine operating leverage and further strategic investments

OPERATING MARGIN ABOVE 26%

- Solid and more gradual margin progression on mix of growth (like-for-like/openings)

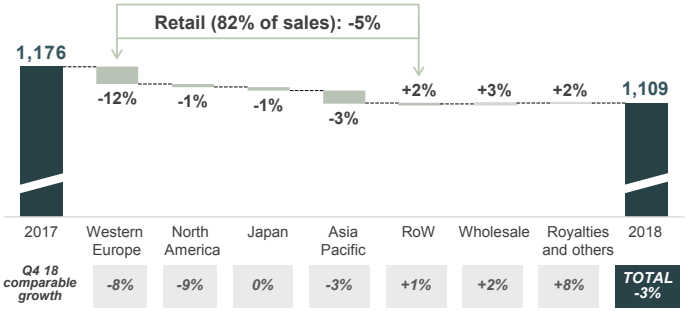
CAPEX STEADY AROUND 5% OF REVENUE

- Store opening and renovation plans

TOWARDS A NEW PHASE OF GROWTH

2018 REVENUE: -5.7% REPORTED, -3.4% COMPARABLE

In €m
X%: comparable change



In €m	2018	Reported change
Revenue	**1,109**	-5.7%
Recurring operating income	**242**	-17.7%
Recurring operating income margin	*21.8%*	*-3.2pt*
Gross CAPEX	69	+34.5%
As % of revenue	*6.2%*	*+1.9pt*

2018: LOWER REVENUE

- Retail down 5%
- Europe impacted by lower tourist spend; mixed performances in other regions, particularly Asia Pacific
- Reset of product offering initiated towards year end

Q4 DOWN 3%

- Retail down 4%
- Wholesale up 2%
- Very encouraging reception of Daniel Lee's initial Spring/Summer pieces and Pre-Fall collection

REDUCED RECURRING OPERATING INCOME

- Operating deleverage mitigated by cost control
- Targeted increase in investments to accompany brand repositioning and strengthen product development capabilities

OPERATING MARGIN AT 21.8%

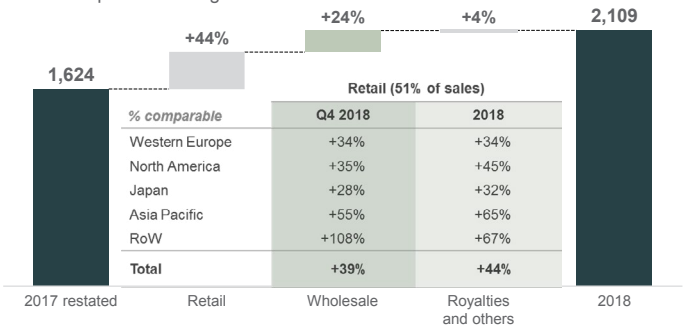
CAPEX FOCUSED ON NETWORK IMPROVEMENT

- Selective store openings
- Iconic projects, including new high-visibility flagships (Madison Avenue, Ginza, Dubai Mall) and store renovations

MAJOR GROWTH DRIVERS

2018 REVENUE: +29.8% REPORTED, +32.1% COMPARABLE

In €m
X%: comparable change



Retail (51% of sales)

% comparable	Q4 2018	2018
Western Europe	+34%	+34%
North America	+35%	+45%
Japan	+28%	+32%
Asia Pacific	+55%	+65%
RoW	+108%	+67%
Total	**+39%**	**+44%**

In €m

	2018	Reported change
Revenue	**2,109**	+29.8%
Recurring operating income	**215**	+114.0%
Recurring operating income margin	*10.2%*	*+4.0pt*
Gross CAPEX	139	+42.1%
As % of revenue	*6.6%*	*+0.5pt*

2018 REVENUE EXCEEDS €2BN

- Growth fueled by Couture & Leather Goods, led by Balenciaga and Alexander McQueen
- Second consecutive year of growth in Watches, with promising new initiatives; solid performance from Jewelry
- Retail now the main distribution channel

Q4 REVENUE UP 25%

- Sharp increases across all regions on top of high comps
- Balenciaga's exceptional momentum continues
- Alexander McQueen: sequential acceleration

RECURRING OPERATING INCOME MORE THAN DOUBLES

- Remarkable operating leverage at Balenciaga due to scale
- Ongoing development plans, notably at Alexander McQueen and Boucheron

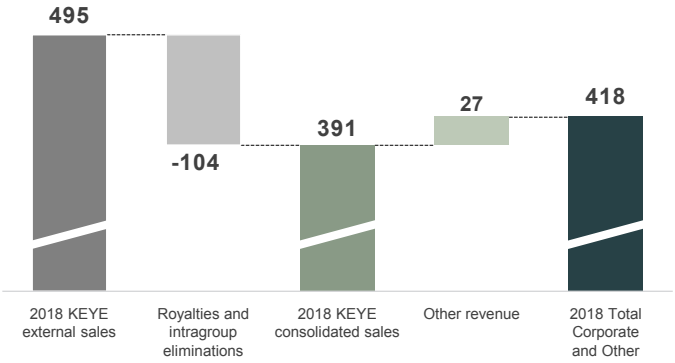
OPERATING MARGIN ABOVE 10%

CAPEX FOCUSED ON NETWORK EXPANSION

- Openings and retailization, notably at Balenciaga, Alexander McQueen and Boucheron

CORPORATE & OTHER

In €m



In €m

	2018	2017
Total recurring operating result	**(247)**	(204)
Underlying result	*(183)*	*(170)*
Corporate Long-term incentive plan	*(64)*	*(34)*
Gross CAPEX	218	134

KERING EYEWEAR: OUTSTANDING PERFORMANCE

- Consolidated revenue of €391m, up 46% comparable
- Very strong growth of Gucci
- Cartier launch resounding success
- Enthusiastic reception of initial Balenciaga and Montblanc collections (available early 2019)

Q4: FURTHER ACCELERATION, UP 72% COMPARABLE

- Double-digit growth in all regions and distribution networks

GOOD CONTROL OVER UNDERLYING RECURRING OPERATING RESULT

- Positive contribution from KEYE, up from 2017
- Disciplined management of corporate costs (ex. LTI) in the context of ambitious transformation projects

CAPEX: STRENGTHEN OUR GROWTH PLATFORM

- Accelerated modernization of IT systems, expansion of Group logistics capabilities, KEYE investments (logistics center)
- Includes final installment of Safilo compensation, paid in 2018

FINANCIAL PERFORMANCE

In €m	2018	2017*
Revenue	**13,665**	**10,816**
Gross margin	**10,198**	**7,916**
Recurring operating income	**3,944**	**2,691**
Other non-recurring operating income and expenses	(222)	(164)
Finance costs, net	(207)	(220)
Income tax expense	(868)	(551)
Share in earnings of equity-accounted companies	12	(4)
Net income from continuing operations	2,659	1,752
Net income from discontinued operations	1,095 (1)	113
Net income of consolidated companies	3,754	1,865
Of which net income, Group share	***3,715***	***1,786***
Net income, Group share, from continuing operations excluding non-recurring items	**2,817**	**1,887**
Net income, Group share, per share (in euro)	29.49	14.17
Net income per share from continuing operations, Group share, excluding non-recurring items (in euro)	22.36	14.97

(1) Mainly PUMA contribution: net income and net capital gain of €1.18bn

* PUMA, Volcom, Stella McCartney and Christopher Kane have been reclassified under discontinued operations, in accordance with IFRS 5.
Reminder: PUMA IFRS 5 from January 1 to May 16, 2018 and Equity-accounted since May 16, 2018.

FREE CASH FLOW FROM OPERATIONS

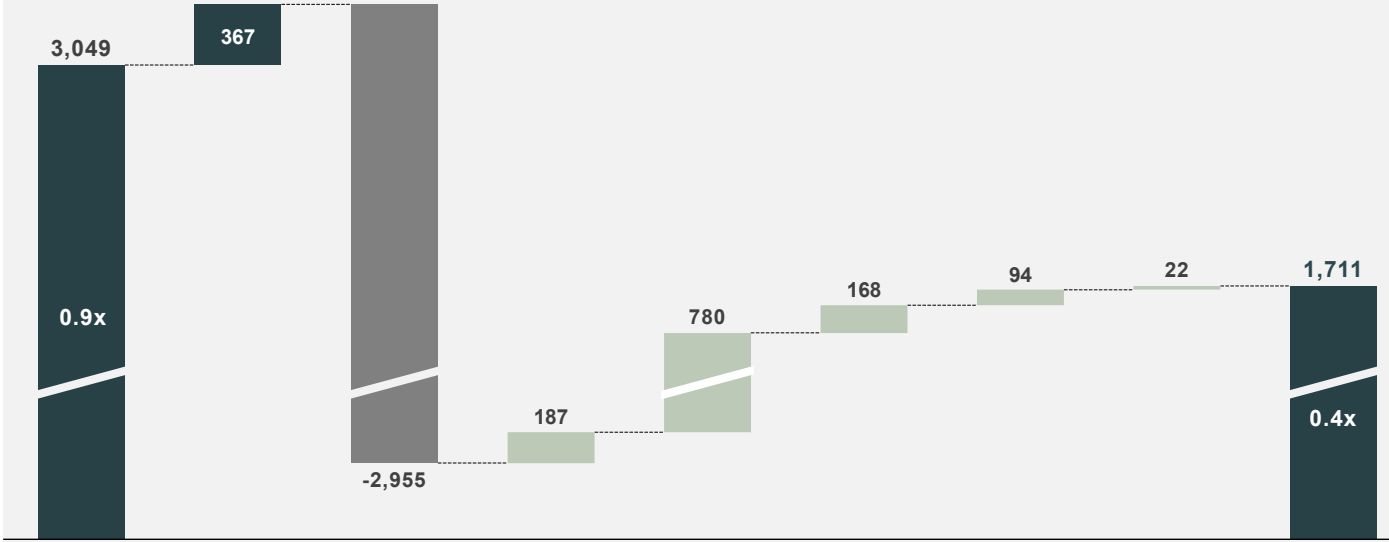
In €m	2018	2017*
Cash flow before taxes, dividends and interests	4,392	3,125
Change in working capital requirement	(52)	(36)
Income tax paid	(562)	(316)
Net cash flow from operating activities	**3,778**	**2,773**
Acquisition of fixed operating assets	(828)	(605)
Sale of fixed operating assets	5	38
Free cash flow from operations	**2,955**	**2,206**

* Restated data

CHANGE IN NET FINANCIAL DEBT

2017-2018 CHANGE

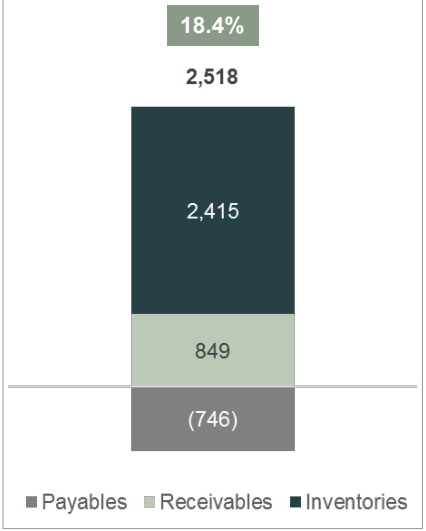
IN €M AND NET DEBT / EBITDA RATIO



BALANCE SHEET AND OPERATING WORKING CAPITAL

In €m	Dec. 31, 2018	Dec. 31, 2017
Intangible Assets	9,793	14,580
Tangible Assets	2,229	2,268
Other Non-current Assets (Liabilities)	654	(1,349)
Total Non-current Assets	**12,676**	**15,499**
Operating Working Capital	2,518	2,825
Other Current Assets (Liabilities)	(3,404)	(2,275)
Total Current Assets (Liabilities)	**(886)**	**550**
Net Assets held for sale	350	-
Provisions	(367)	(374)
Capital employed	**11,773**	**15,675**
Shareholders' Equity	10,062	12,626
Net Debt	1,711	3,049
Total Sources	**11,773**	**15,675**

Operating Working Capital
(in €m and as % of revenue)



Debt-to-equity ratio
17.0%

IFRS 16 – LEASES

MAIN CHANGES

- **Replaces IAS 17 as from January 1, 2019**
  First application of IFRS 16 in H1 2019 financial statements
- **General principles**
  Henceforth, lease contracts* must be accounted for by lessees as follows:

BALANCE SHEET	
BEFORE	AFTER
Off-balance sheet commitments (non actualized)	**Assets** Right-of-use (actualized value of fixed rents)
	Liabilities Associated lease liability

P&L	
BEFORE	AFTER
Rental expenses in Opex	**Opex** Variable lease expense + rental charges
	D&A right-of-use amortization
	Net finance costs Interest expense relating to lease liability

IMPACT ON PERFORMANCE MEASUREMENTS

- ↗ EBITDA, Recurring operating income, Operating income
- ↗ Finance costs
- ↗ Debt as accounted for in balance sheet and associated ratios
- ↗ Net cash from operating activities
- ↘ Net cash from financing activities
- ➡ **Affecting a number of KPIs used to effectively monitor operating performance**

FIRST INDICATIONS

- Fixed rent (capitalized): **45% of total rental expense**
- Variable rent (still in Opex): **55% of total rental expense**
- Application of the modified retrospective approach as of **Jan. 1, 2019** (note 2.2.4 to the consolidated financial statements)
- Estimated impact on debt of around **€3.7bn****
- Publication of **Alternative Performance Measures** to enable better readability of financial statements

* Excluding leases with initial term of one year or less or leases with a low-value underlying asset

** based on current stage of contracts review



OUR MODEL

FRANÇOIS-HENRI PINAULT

CHAIRMAN & CEO

A UNIQUE GROWTH & PERFORMANCE MODEL

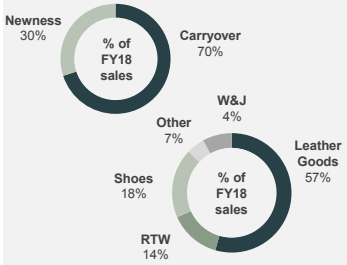


ACHIEVE OUR VALUE CREATION POTENTIAL
GUCCI – MEDIUM-TERM LEVERS & AMBITIONS

GUCCI



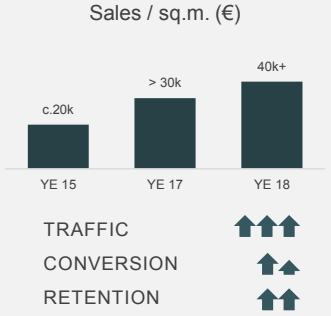
MERCHANDISING



Strong double-digit growth in all product categories



RETAIL METRICS





DISTRIBUTION



DOS YE 2018 : 540

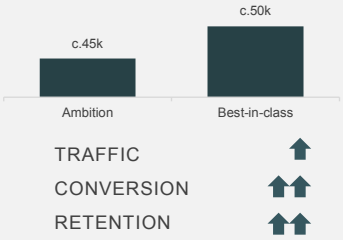
E-commerce
70% growth in 2018
c.6% retail sales

Openings in untapped countries and increased penetration

2018

2019 & BEYOND

- Maintaining fashion content in new introductions
- Support to existing pillars
- Maximize the efficiency of the product assortment
- Development in High Jewelry
- Further potential in Fragrance and Cosmetics



DOS stable
Selective buybacks and store enlargement

Travel Retail opportunities
(organic growth, buybacks, new openings)
10% of sales in medium term

E-commerce
€1bn sales in medium term

ACHIEVE OUR VALUE CREATION POTENTIAL
GUCCI – MEDIUM-TERM LEVERS & AMBITIONS

GUCCI

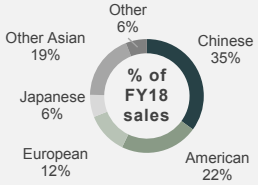


CLIENT METRICS

2018

62%
of sales with Millennials

Growth from all age groups and all nationalities



2019 & BEYOND

CRM, clienteling tools and initiatives

Customer Hub across channels

Launch in EMEA end 2018,
US live mid 2019,
full rollout 2020



DIGITAL LEADERSHIP

2018

55%
of media allocated to digital

gucci.com 367.5m visits
57+ million social media followers

2019 & BEYOND

>60%
of media spend allocated to digital in 2019 / MT

Native digital content



SUPPLY CHAIN

2018

Ongoing internalization
(own factories + supervised production)

2019 & BEYOND

Adaptation to higher volumes

Reduction of lead time

Better **control** over quality and value chain

COHERENT AND SUSTAINABLE DEVELOPMENT
REVENUE **€10BN** / EBIT MARGIN **40%+** MEDIUM TERM

ACHIEVE OUR VALUE CREATION POTENTIAL
SAINT LAURENT – MAINTAINING MOMENTUM

SAINT LAURENT



PRODUCT OFFERING AND MERCHANDISING

ONGOING WORK ON BALANCE ACROSS CATEGORIES

- Iconic, essentially Parisian **Ready-to-Wear** fueling desirability
- Driving **Leather Goods** and **Shoes**

LIKE-FOR-LIKE GROWTH

CONTINUING IMPROVEMENT IN SALES DENSITY

- **New tools** and **initiatives** deployed to enhance client engagement
- **Unique client experience**

NETWORK EXPANSION

219 DOS AT 2018 YE

- **Openings**, notably in EMEA, North America and Greater China, travel retail opportunities
- **Relocations**

COMMUNICATIONS AND IMAGE

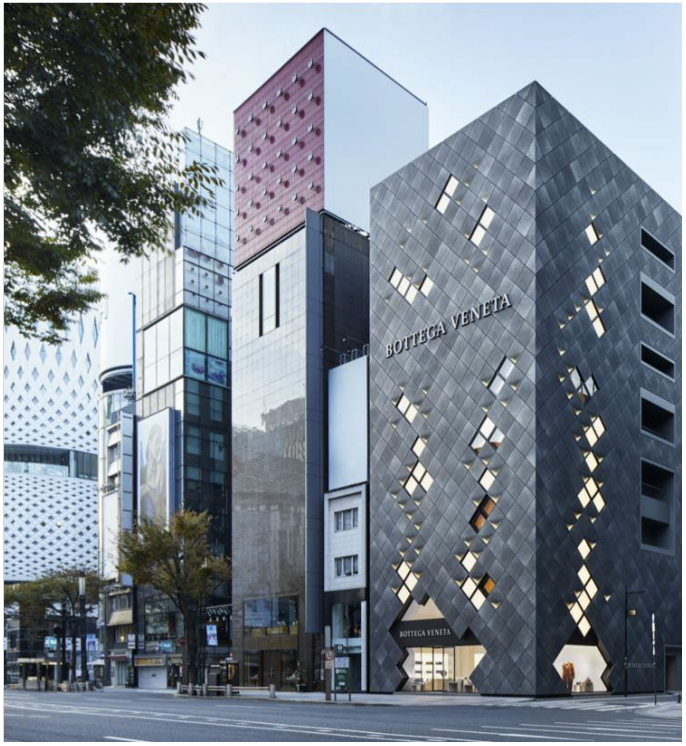
LEVERAGE BRAND TERRITORY & NARRATIVE

- Significant investments in and around **fashion shows**, key drivers of **brand image**
- **Unique aesthetic** interpreted across all supports, with growing **digital presence**

IN LINE WITH MT/LT AMBITIONS PRESENTED IN 2017
REVENUE **€2BN** THEN **€3BN** / EBIT MARGIN **25%**, THEN **27%**

ACHIEVE OUR VALUE CREATION POTENTIAL
REPOSITIONING BOTTEGA VENETA

BOTTEGA VENETA



PRODUCT OFFERING AND MERCHANDISING

ESTABLISHED LEGITIMACY IN ACCESSORIES

- **Reinvention** of Ready-to-Wear
- **Renewed** Leather Goods offering

DISTRIBUTION

279 DOS AT 2018 YE

- Relocations, enlargements, **new flagships**

CLIENTS

LOYAL CLIENTELE, MODEST ACQUISITION RATIO

- **Expansion** of client base (nationalities, demographics)

COMMUNICATION

IMPACT AND BRAND AWARENESS STILL RESTRICTED

- **Strengthened communications**, new messaging, expanded digital presence

NEXT STEPS

FEBRUARY 2019: F/W FASHION SHOW – LATE Q2 2019: FALL COLLECTION IN STORES

ACHIEVE OUR VALUE CREATION POTENTIAL
OTHER HOUSES



COUTURE & LEATHER GOODS

- Build on the Houses' creative codes and their distinctive RTW positioning to grow the other categories, and transform them into global brands
- Expansion of store networks
  - Balenciaga: 156 DOS at 2018 YE (+35), flagship opening in Milan via Montenapoleone and buybacks (U.A.E., China, Thaïland, Malaysia, Australia)
  - AMQ: 63 DOS at 2018 YE (+7), London Old Bond Street flagship open
- Sharp growth in 2018 and ambitious expansion plans
- Balenciaga, 4th Group brand, to pass €1bn mark in 2019
- AMQ target: doubling retail network in medium term

BALENCIAGA

Alexander McQUEEN



JEWELRY

- Investment plan underway to reinforce the notoriety and presence of the brand
- Jewelry / High Jewelry collections emphasizing bold creative inspiration
- Spectacular renovation of Hôtel de Nocé, place Vendôme, reopening of flagship in December
- Target openings in Asia in 2018 and beyond, renovation of existing network

BOUCHERON
PARIS

POWERFUL CULTURE
UNITING AN ENSEMBLE OF COMPLEMENTARY HOUSES

GUCCI / SAINT LAURENT

PURSUE GROWTH

- Ensure gradual normalization of growth trajectory
- Progressive elevation of operating margin
- Substantial FCF generation, normative Capex level

Alexander McQUEEN / BALENCIAGA / BOUCHERON / KERING EYEWEAR / Pomellato / qeelin

INVEST IN DEVELOPMENT

- Levers: untapped markets, expanded distribution networks, broadened product offering
- Opex & Capex investments
- Significant potential to raise margins in short / medium term
- Future growth drivers

ENTREPRENEURIAL CULTURE - SUSTAINABLE DEVELOPMENT - TALENT

BOTTEGA VENETA / Brioni ROMA

TRANSFORM AND RELAUNCH

- New Creative Directors
- In-depth work on positioning, product offering, distribution network, supply chain
- Investments required in the short term
- Significant operating leverage in medium term

GP GIRARD-PERREGAUX HAUTE HORLOGERIE SUISSE DEPUIS 1791 / ULYSSE NARDIN

STRENGTHEN AND MONITOR

- Precision watchmaking product positioning
- Offering and distribution enhancement underway
- Implementation of cost synergies
- Gradual recovery of profitability ongoing



TRANSFORMATION & GROWTH PLATFORM

JEAN-FRANÇOIS PALUS

GROUP MANAGING DIRECTOR

TRANSFORM TO STRENGTHEN OUR COMPETITIVE ADVANTAGES

Anticipate and adapt to evolutions in our business, markets, clients and Houses

CHALLENGES

Boost top-line momentum,
raise profitability,
reduce working capital

Improve operating efficiency



Client-centric strategy

AMBITIONS AND MEANS

Transform and personalize client relationship

Develop new expertise CRM & AI factory, Innovation cell

Adapt logistics capabilities

Modernize IT systems

E-COMMERCE VALUE CHAIN INTERNALIZATION

GOALS

- Take **full control of client experience**, online and offline
- **Exceed client expectations**
- Implement full **omnichannel** strategy and **deploy new functionalities**
- **Improve financial profile** of e-commerce activities

SCOPE AND TIMELINE :

SAINT LAURENT / BOTTEGA VENETA / BALENCIAGA / Alexander McQUEEN

MEANS

- **New technological e-commerce platform**
- New integrated **logistics** setup
- **Integration** of client service and relationship with media agencies
- **Internalization** of back-office functions
- Creation of e-commerce **center of excellence**
- 2018-20 Opex and Capex ramp up

BENEFITS

- **360° vision** of client and client journey
- New **omnichannel capabilities, improved client service**
  Larger product assortment, improved availability, shorter delivery time
- Increased **financial contribution** from **e-commerce**
  - *Higher revenue, gradual absorption of cost base, inventory optimization*
  - *End of profit sharing, neutral impact from 2021, then accretive*
- **Exit venture** at expiration date
  Zero impact on debt and earnings

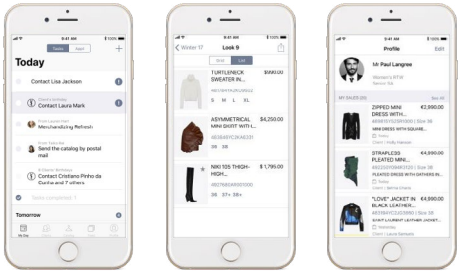
2018
Decision and overall design of project

2019
Technical and operational implementation, start of migration

H1 2020
Launch

CLIENT AT THE HEART OF DIGITAL ECOSYSTEM

IN STORE

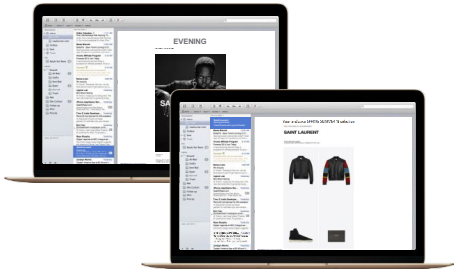


LUCE

Deployment of application for Sales Associates

- Personalize client relationship
- Increase efficiency of SAs
- Improve client engagement
- Reach 100% of DOS by end of H1 2019 at Gucci, YSL, BV and AMQ
- Increase of average ticket

ON LINE



LUMIÈRE

- Use data to boost relevance and personalization of communications
- Adapt our strategy to the specifics of various digital platforms, notably in China
- Raise conversion rate

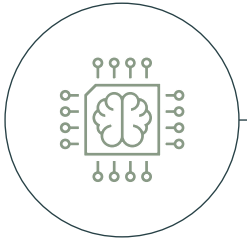
REMOTELY



KERING SIGNATURE – CLIENT SERVICE

- Take expertise in-house to provide clients with tailor-made services at each step of their journey
- Significantly improve performance
- In time, provide coverage through five regional hubs

DEVELOPMENT OF NEW EXPERTISE



AI FACTORY

- **Artificial Intelligence as additional performance lever**
- Deployment of a team of **data scientists**, first pilots launched **in 2019**
- **Projects underway**:
  - Target high-potential customers
  - Optimize sell through
  - Reduce inventory shortages



CRM FACTORY

- Creation of **Group CRM center of excellence**
- **Support CRM initiatives** of our brands and **raise their efficiency**
- **Create and implement new customer journeys** to generate incremental sales



INNOVATION CELL

- **Business models**
- **Client experience**
- **New innovative materials**
- **Technologies**

ADAPT OUR LOGISTICS INFRASTRUCTURE





OPERATING MODELS



LOGISTIC SYSTEMS



LOGISTIC TOOLS

Adapt to growth of activity

Reduce lead time – Improve service

Develop omnichannel functions – Optimize inventory

Optimize return logistics

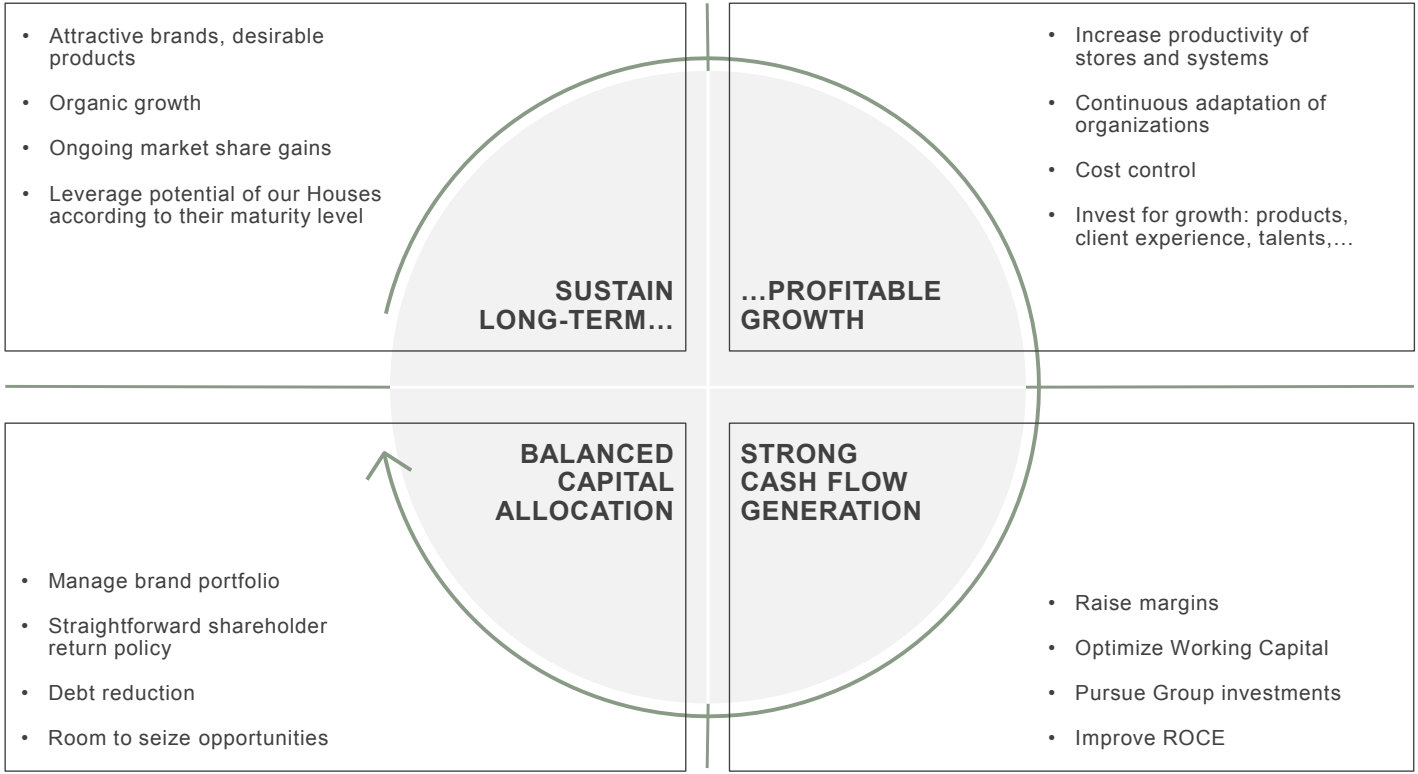
Take better advantage of Free Trade Agreements

Reduce unit logistical costs

MODERNIZATION OF INFORMATION SYSTEMS



MAINTAIN STEADY, SUSTAINABLE GROWTH MOMENTUM



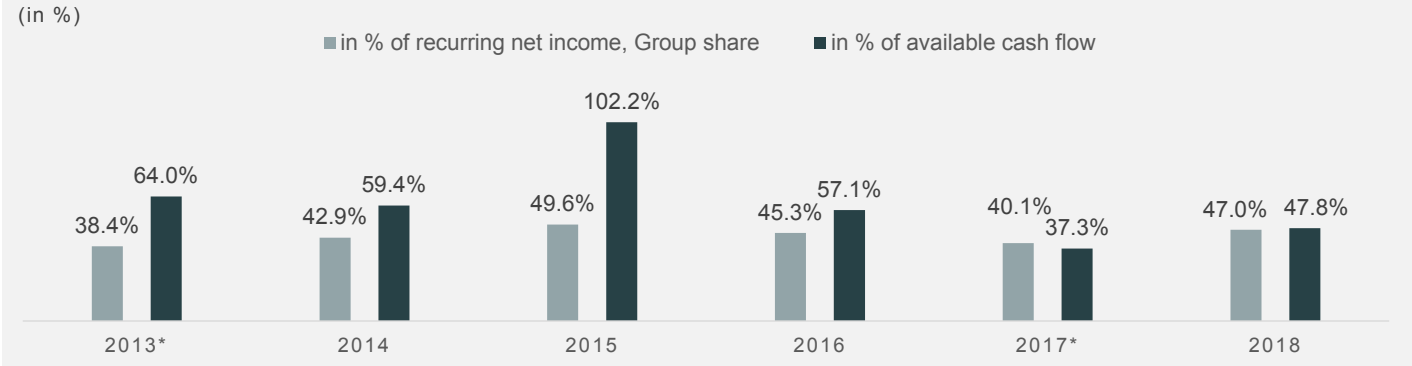
DIVIDEND UP 75%

DIVIDEND PER SHARE



Proposed to April 24, 2019 AGM
€3.5 per share interim dividend paid on January 17, 2019
€7.0 per share balance to be paid on May 6, 2019

DIVIDEND PAYOUT



* Restated data



Q&A

Appendix

REVENUE

in €m	2018	2017*	Reported change €m	Reported change %
Gucci	8,284.9	6,211.2	2,073.7	+33.4%
Saint Laurent	1,743.5	1,501.4	242.1	+16.1%
Bottega Veneta	1,109.1	1,176.3	(67.2)	-5.7%
Other Houses	2,109.2	1,624.4	484.8	+29.8%
Luxury – Total Houses	**13,246.7**	**10,513.3**	**2,733.4**	**+26.0%**
Corporate & Other	418.5	302.6	115.9	+38.3%
Kering	**13,665.2**	**10,815.9**	**2,849.3**	**+26.3%**

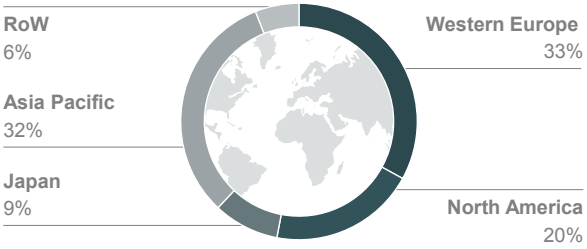
* Restated data

2018 REVENUE

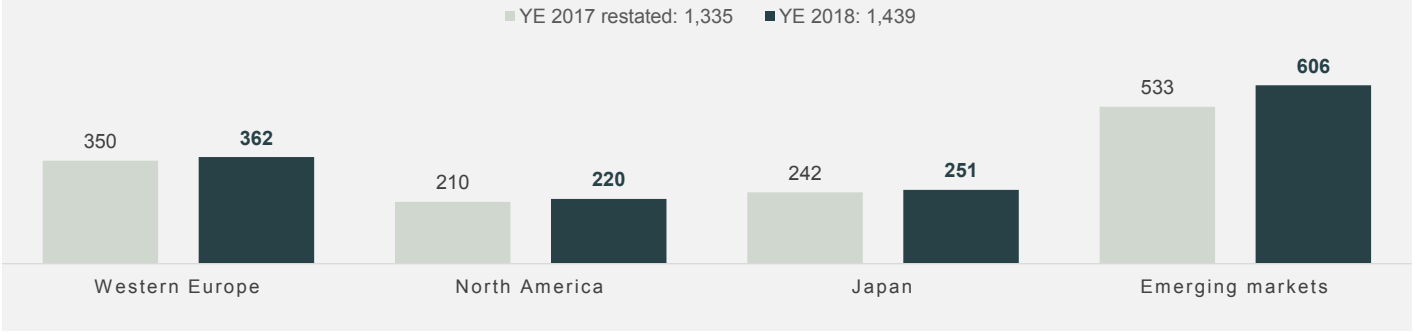
€13,247m +26.0% REPORTED, +29.1% COMPARABLE

	in €m	y-o-y change % comparable	y-o-y change % reported
Q1 18	**2,998**	+36.9%	+27.6%
Q2 18	**3,211**	+31.3%	+26.2%
Q3 18	**3,318**	+27.1%	+27.2%
Q4 18	**3,720**	+23.3%	+23.5%

Revenue breakdown by region



NUMBER OF DIRECTLY OPERATED STORES

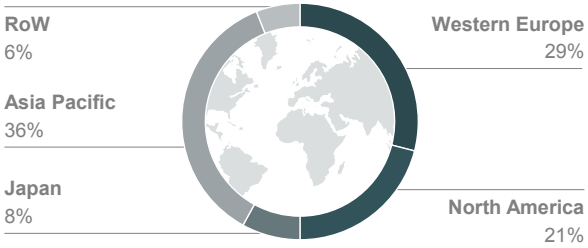


2018 REVENUE

€8,285m +33.4% REPORTED, +36.9% COMPARABLE

	in €m	y-o-y change % comparable	y-o-y change % reported
Q1 18	**1,867**	+48.7%	+37.9%
Q2 18	**1,986**	+40.1%	+34.3%
Q3 18	**2,096**	+35.1%	+34.9%
Q4 18	**2,336**	+28.1%	+28.0%

Revenue breakdown by region



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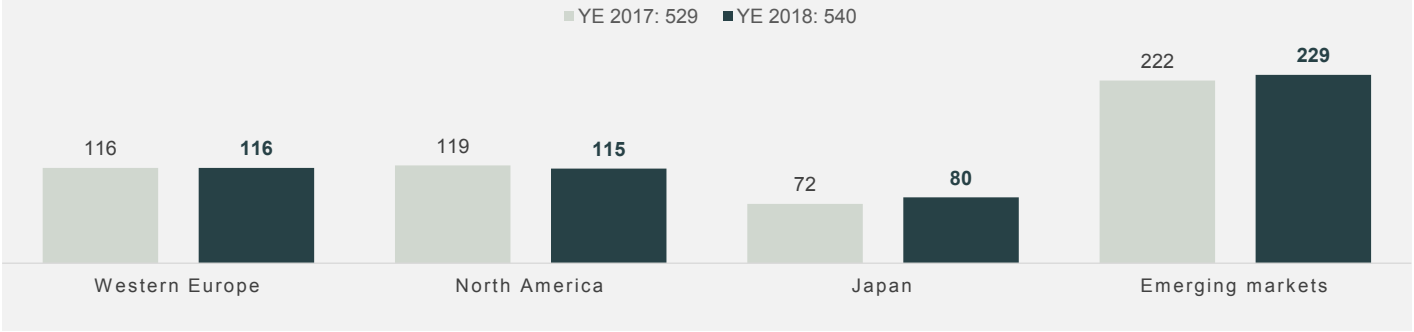
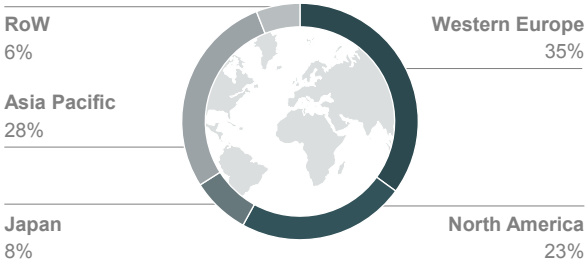


2018 REVENUE

€1,744m +16.1% REPORTED, +18.7% COMPARABLE

	y-o-y change		
	in €m	% comparable	% reported
Q1 18	**408**	+19.6%	+12.0%
Q2 18	**400**	+19.8%	+15.5%
Q3 18	**447**	+16.1%	+16.5%
Q4 18	**488**	+19.4%	+20.0%

Revenue breakdown by region



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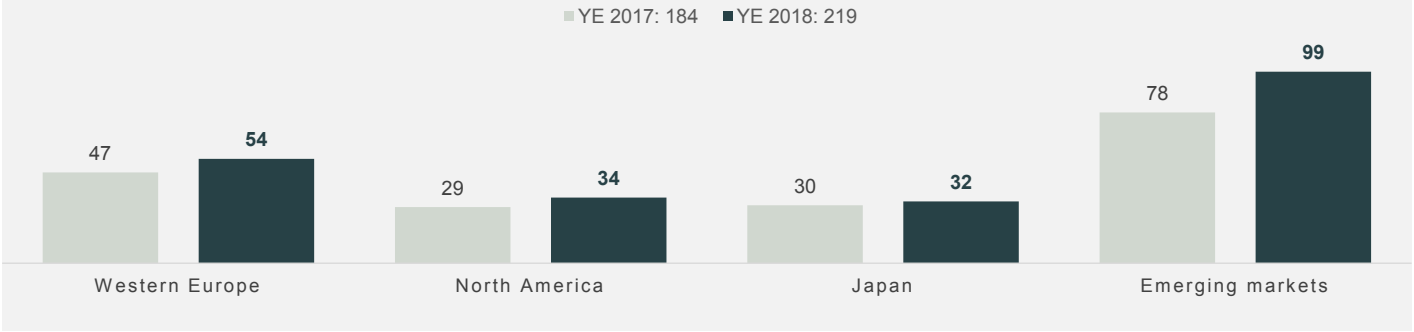
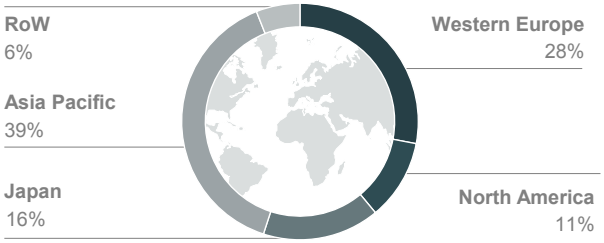


2018 REVENUE

€1,109m -5.7% REPORTED, -3.4% COMPARABLE

	in €m	y-o-y change % comparable	y-o-y change % reported
Q1 18	**261**	+0.7%	-6.8%
Q2 18	**291**	-2.3%	-6.1%
Q3 18	**259**	-8.4%	-7.8%
Q4 18	**298**	-3.2%	-2.4%

Revenue breakdown by region



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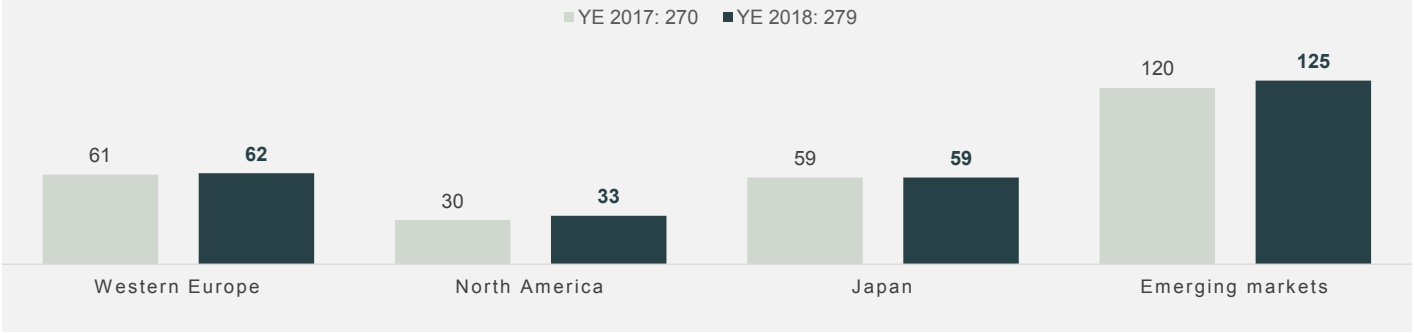


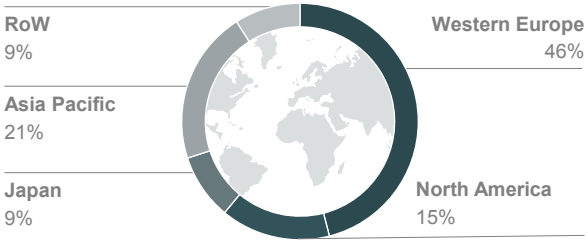
OTHER HOUSES

2018 REVENUE

€2,109m +29.8% REPORTED, +32.1% COMPARABLE

	in €m	y-o-y change % comparable	y-o-y change % reported
Q1 18	**462**	+38.6%	+31.6%
Q2 18	**534**	+34.7%	+30.6%
Q3 18	**516**	+32.2%	+32.2%
Q4 18	**597**	+25.5%	+26.0%

Revenue breakdown by region



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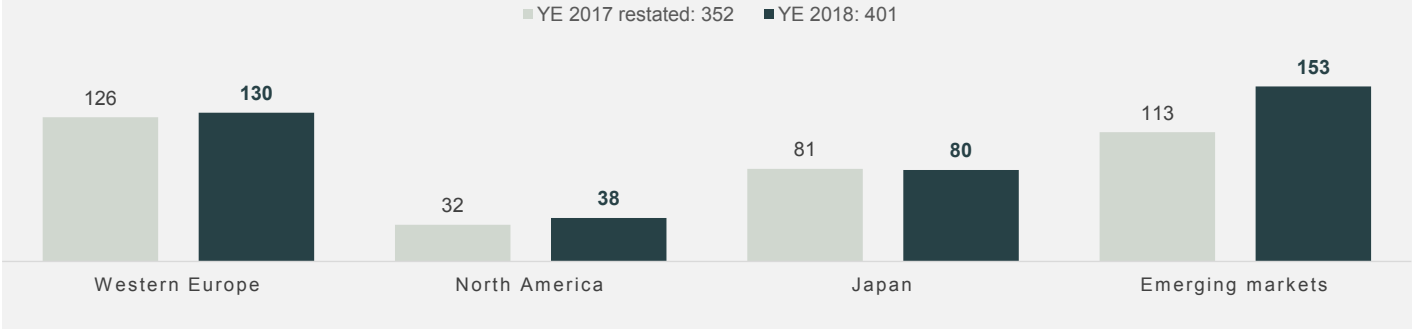

RECURRING OPERATING INCOME

in €m	2018	2017*	Reported change €m	Reported change %
Gucci	3,275.2	2,124.1	1,151.1	+54.2%
Saint Laurent	459.4	376.9	82.5	+21.9%
Bottega Veneta	242.0	294.0	(52.0)	-17.7%
Other Houses	214.4	100.2	114.2	+114.0%
Luxe – Total Houses	**4,191.0**	**2,895.2**	**1,295.8**	**+44.8%**
Corporate & Other	(247.2)	(204.5)	(42.7)	-20.9%
Kering	**3,943.8**	**2,690.7**	**1,253.1**	**+46.6%**

* Restated data

EBITDA

in €m	2018	2017*	Reported change €m	Reported change %
Gucci	3,514.6	2,331.0	1,183.6	+50.8%
Saint Laurent	502.8	422.1	80.7	+19.1%
Bottega Veneta	284.3	337.3	(53.0)	-15.7%
Other Houses	296.8	161.2	135.6	+84.1%
Luxe – Total Houses	**4,598.5**	**3,251.6**	**1,346.9**	**+41.4%**
Corporate & Other	(162.8)	(128.8)	(34.0)	-26.4%
Kering	**4,435.7**	**3,122.8**	**1,312.9**	**+42.0%**

* Restated data

NET FINANCIAL COSTS AND INCOME TAX

in €m	2018	2017*
Cost of net debt	(77)	(110)
Other financial income and expenses	(130)	(110)
Financial costs (net)	**(207)**	**(220)**

in €m	2018	2017*
Tax on recurring income	(904)	(557)
Tax on non-recurring items	36	6
Total tax charge	**(868)**	**(551)**
Effective tax rate	**24.7%**	**23.9%**
Tax rate on recurring income	**24.2%**	**22.6%**

* Restated data

STEADY SHAREHOLDER RETURN



2013-18:
+23% average p.a.

DIVIDEND GROWTH LINKED TO GROUP PERFORMANCE

Payout target of 50%*



EXCEPTIONAL DISTRIBUTION IN KIND

of PUMA shares
≈ €36 per share
as of May 16, 2018



SHARE REPURCHASE PROGRAM

Up to 1% of outstanding share capital
0.3% repurchased at YE 2018

SUSTAINED GROWTH AND FINANCIAL PERFORMANCE

*Target of 50% on average of recurring net income, Group share and available cash flow

KERING



Gucci • Saint Laurent • Bottega Veneta • Balenciaga • Alexander McQueen • Brioni
Boucheron • Pomellato • Dodo • Qeelin • Ulysse Nardin • Girard-Perregaux
Kering Eyewear

Empowering Imagination