

KERING



letter

TO SHAREHOLDERS

MARCH 2022

**MESSAGE FROM THE
CHAIRMAN AND CEO**

"Kering realized excellent performances in 2021, further consolidating its prominent position in the Luxury of the future."

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**MESSAGE FROM THE CHAIRMAN
AND CHIEF EXECUTIVE OFFICER**



Dear Shareholders,

Kering realized excellent performances in 2021, further consolidating its prominent position in the Luxury of the future.

Thanks to their ability to blend authenticity with bold creativity, all our Houses achieved sharp sales rebound, way beyond their 2019 levels, while reinforcing the exclusivity of their distribution and further enhancing their brand equity. We expanded our team of talented people around the world, and I am sincerely grateful for the remarkable accomplishments of all our colleagues.

We are working assiduously to meet our ambitious sustainability commitments. All our Houses are stronger than ever before, and we are confident we will extend last year's momentum in 2022 and in coming years.

Thank you for your support.

François-Henri Pinault,
Chairman and Chief Executive Officer

2021 HIGHLIGHTS

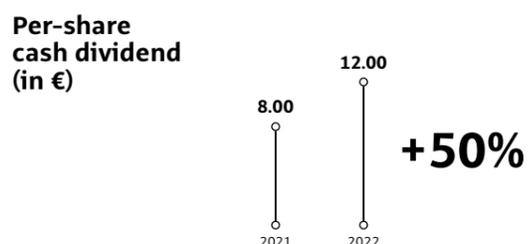


To find out more about the highlights and the Group's key figures in 2021, watch the 2021 annual results video in the Finance section of our website: www.kering.com/en/finance/

KEY FIGURES

Revenue €17,645 million	Recurring operating income €5,017 million
Recurring operating margin 28.4%	Net income attributable to owners of the parent €3,176 million
Employees* 42,811	-41% Environmental footprint (EP&L intensity 2015-2021)

* As of December, 31 2021.



At the Annual General Meeting to be held on April 28, 2022, the Board of Directors will ask shareholders to approve a dividend of €12 per share for 2021, an increase of 50%. An interim cash dividend of €3.50 per share was paid on January 17, 2022. Subject to shareholder approval, the balance of €8.50 per share will be paid on May 5, 2022.

Provisional calendar

April 21, 2022 First-quarter 2022 revenue	May 5, 2022 Payment of final dividend*
April 28, 2022 Annual General Meeting	End-July 2022 First-half 2022 results

* Ex-dividend date: May 3, 2022, subject to the approval of the Annual General Meeting.

Analysis of the results

The Group achieved record revenue in 2021, up 35% on a comparable basis compared with 2020 and significantly higher than in 2019 (up 13%). Recurring operating income rose sharply, up 60% relative to 2020, reaching a new record of €5,017 million. Recurring operating margin, at 28.4%, retrieved a high level.

Growth was driven by outstanding performances from all **Houses**, which generated **revenue** of €17,019 million, up 35% on a comparable basis.

In the retail network revenue was 40% higher than in 2020 on a comparable basis, supported by a sharp rebound in all regions.

Wholesale revenue was up 17% on a comparable basis year-on-year. Relative to 2019, it was down 3%, in line with the Group's increasingly exclusive approach to distribution.

Recurring operating income from the Houses was €5,175 million. Recurring operating margin exceeded 30%, while all Houses continued to invest significantly in their operations.

GUCCI: a year of sustained growth further extending the brand's authority



In 2021, Gucci's **revenue** amounted to €9,731 million (up 31% both as reported and on a comparable basis), exceeding the 2019 level, with the House having nearly completed the streamlining of its wholesale operations. Gucci's **recurring operating income** totaled €3,715 million in 2021, 42% higher than in 2020.

Yves Saint Laurent: record performances, confirming its exceptional long-term growth trajectory



Yves Saint Laurent's **2021 revenue** amounted to €2,521 million, an increase of 46% on a comparable basis. Sales from directly operated stores grew sharply in 2021, up 55% compared with 2020 and 35% over two years.

Yves Saint Laurent achieved **recurring operating income** of €715 million in 2021.



Bottega Veneta: major new milestones

Bottega Veneta's **2021 revenue** exceeded €1.5 billion, up 25% on a comparable basis relative to 2020. Bottega Veneta's **2021 recurring operating income** totaled €286 million.

Other houses: outstanding growth, confirming their exceptional potential

Kering's other Houses generated **2021 revenue** of €3,264 million, up 44% on a comparable basis, representing around €1 billion in additional revenue compared with 2020.

Once again, Balenciaga and Alexander McQueen delivered excellent performances, and all Jewelry Houses had an exceptional year: Boucheron enjoyed success in new markets, Pomellato continued to grow at an exceptional pace, and Qeelin saw very rapid expansion. The Other Houses' **2021 recurring operating income** was 2.5 times the 2020 level, at €459 million.

Corporate and other

In **2021, revenue** from the Corporate and other segment totaled €626 million, an increase of 43% on a comparable basis.

Kering Eyewear's contribution including LINDBERG's revenue from October 1, 2021, rose to €599 million.

Net costs recorded by the Corporate and other segment for 2021 came to €158 million, a decrease of €74 million from 2020, largely reflecting the significant increase in Kering Eyewear's contribution.

BOTTEGA VENETA



"BOTTEGA FOR BOTTEGAS"

In December 2021, Bottega Veneta launched "Bottega for Bottegas", an initiative to pass on the brand's coveted visibility (advertising spaces, website, store windows and newsletters) to *Bottegas*, smaller creative workshops with longstanding tradition in Italian culture. The initiative helped support these artisans to further their global visibility and highlighted products which proudly carry the "Made in Italy" seal.

As a brand that was born through the passion of a collective of artisans in Veneto, providing smaller *Bottegas* with global brand awareness to support their creativity and craftsmanship, felt like a natural extension of Bottega Veneta's DNA. Twelve *Bottegas* were selected across Italy.

A WORK OF ART ON THE GREAT WALL OF CHINA TO MARK CHINESE NEW YEAR

From January 6 to 12, 2022, Bottega Veneta took over part of the Great Wall of China with a large scale digitally-screened public art installation. Alongside the installation, Bottega Veneta pledged a donation to support the maintenance and renovation of the Shanhai Pass, which is the starting point of the eastern end of the Great Wall and China's easternmost pass (historically known as the First Pass Under Heaven).

The artwork delivered the message that reads "新春快乐," which translates to "Happy New Year". The wish appeared in shades of Bottega green and tangerine. Tangerine is a symbolic representation of the abundance of happiness and prosperity (its pronunciation in Chinese is also a play of words on good luck and fortune) within Chinese traditional culture.



ONE STEP CLOSER TO TRACEABILITY OF PRECIOUS STONES

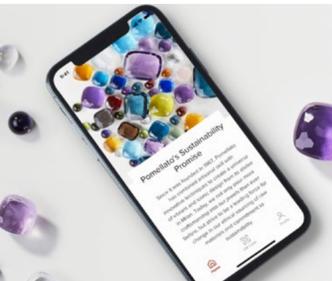
Pomellato launches new traceability app, the first of its kind in the jewelry industry.

October 2021. Pomellato has announced the launch of its first App, a virtual world dedicated to the fine jewelry house's passionate commitment to building responsible, ethical and transparent sourcing. The first of its kind in the jewelry industry, the App allows Pomellato connoisseurs and new clients to 'trace' its jewels, from the origins of gold and gemstones to its journey through Pomellato's Milanese atelier.

The App launch coincided with the 20th anniversary of Pomellato's most iconic collection, Nudo, showcasing 17 Nudo rings as well as the exquisitely crafted Nuvola,

the jewelry house's first fully traceable collection. More than just a shopping experience, each design has a sustainability story for users to explore.

Using the app, you can download certifications from the Responsible Jewellery Council (RJC) and trace the value chain of jewelry with guides to stones' meaning, manufacture, clarity, color and cut.



BOUCHERON
PARIS

THE ÉTOILE DE PARIS COLLECTION



In January 2022, Boucheron launched the *Étoile de Paris* collection. Faceted like a gemstone with a diamond at its center, the *Étoile de Paris* motif is a subtle mise en abyme, a stone within a stone, inspired by the famous *Place de l'Étoile* and its 12 avenues.

With this collection and in collaboration with Sarine Technologies, the world leader in diamond technology solutions, Boucheron is reinforcing its commitment to traceability.

Thanks to an advanced algorithm, it is now possible to identify the center diamond and track it through each stage of its life cycle.

In addition to its intrinsic quality assessed by an innovative technique based on Artificial Intelligence and defined by the 4Cs - carat, color, clarity and cut - Boucheron is now able to provide very detailed information about its provenance, size, polishing and setting.

This fully traceable solitaire ring (from the platinum to the stone in the center) is another step towards the House's goal of achieving 100% traceability for its key raw materials by 2025.



JUDE LAW AND RAFF LAW ARE THE NEW BRIONI AMBASSADORS

Brioni has unveiled its Spring/Summer 2022 campaign, starring the House's two new ambassadors, Jude Law and his son Raff Law.

Shot by photographer Craig McDean in London, the campaign marks two special moments: the Laws' debut for the House, and the first time they share a stage.

The campaign offers an insight into how the duo warm-up and practice their craft, documenting the two actors as they interact with an authenticity of spirit, a passion for storytelling, and their natural intimacy.

Sporting key pieces from the Spring/Summer 2022 collection, the Laws offer a new take on Roman-style elegance. The campaign showcases a varied and elegant wardrobe, combined with Brioni's supreme mastery of its craft, providing a true celebration of the House's heritage and vision.

SUSTAINABILITY & ENGAGEMENT



KERING RANKED ONE OF THE WORLD'S MOST SUSTAINABLE COMPANIES

Kering has been ranked 12th in the Corporate Knights Global 100 ranking of the world's most sustainable companies in 2022. Kering came top of the Clothing and Accessory Retail category for the fifth year in a row. The survey assesses companies' environmental and social responsibility each year. It features 1% of the most sustainable corporations in the world, assessed on the basis of 24 key performance indicators covering resource management, employee management, financial management, clean revenue and clean investment.

CARTIER AND KERING LAUNCH THE WATCH & JEWELLERY INITIATIVE 2030

Driven by a common conviction that the global Sustainable Development Goals (SDGs) and aspirations for a sustainable industry can only be achieved through collaborative initiatives, Cartier, delegated by Richemont, and Kering, launched the "Watch & Jewellery Initiative 2030" in October 2021.

The initiative aims at bringing together watches and jewelry brands across the globe to begin a collective journey towards a low-carbon future and ensure the industry creates positive outcomes for the planet and for people. Like the Fashion Pact, the initiative commits to a set of ambitious and common objectives in three areas: building climate resilience, preserving resources, and fostering inclusiveness.

More information available on www.wjinitiative2030.org

KERING JOINS FCLTGLOBAL

Kering joined the FCLTGlobal initiative in February 2022. FCLTGlobal is a Boston-based non-profit organization that forms a network of more than seventy leading organizations (corporations and investors) committed to a common goal of driving long-term value creation and supporting a sustainable and prosperous economy in the long term.

More information available on www.fcltglobal.org

Annual General Meeting

Thursday, April 28, 2022 at 4 p.m.

Reception as of 3 p.m. at the Group's headquarters:
40 rue de Sèvres – Paris 7^e

All the relevant information is available on Kering's website: www.kering.com (see Finance > Shareholders information > Annual General Meeting)

Shareholders can vote online ahead of the General Meeting, by logging on to the secure Votaccess website, which will be open from April 8 to 27, 2022, until 3 p.m. Holders of both registered and bearer shares* can use Votaccess to submit the same voting instructions as on the paper form.

* Holders of bearer shares will only be able to vote online if the financial institution managing their account is a member of Votaccess and offers this service for the Kering Annual General Meeting. The Meeting will be broadcast live and a replay will also be available.

Appointments

Appointments of Véronique Weill, Yonca Dervisoglu and Serge Weinberg as Independent Directors.

The appointments of Véronique Weill, Yonca Dervisoglu and Serge Weinberg will be submitted to the shareholder vote at the next Annual General Meeting.



VÉRONIQUE WEILL



YONCA DERVISOGLU



SERGE WEINBERG

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(voicebot available 24/7
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For any other queries,
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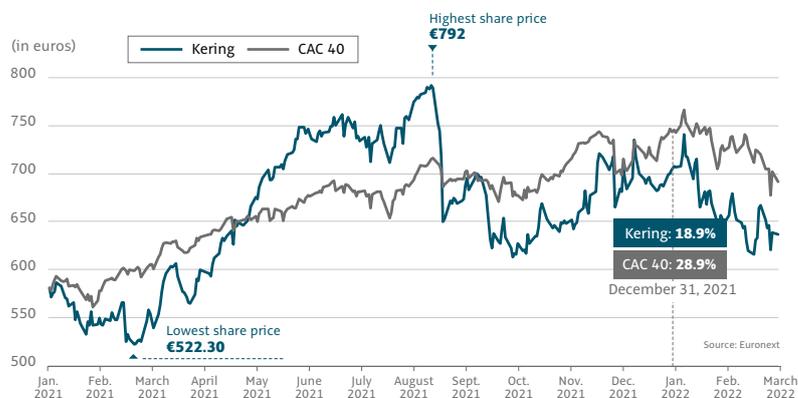
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Share price

PERFORMANCE OF THE KERING SHARE

Compared to the CAC 40 index (rebased) from January 1, 2021 to February 28, 2022.



MARKET CAPITALIZATION
as of December 31, 2021
€88.15 billion

GENERAL DATA PROTECTION REGULATION

In accordance with France's data protection law (*Informatique et Libertés*) of January 6, 1978 (as amended) and the EU General Data Protection Regulation of April 27, 2016, you have the right to access, rectify and erase your personal data, and to restrict or object to the processing of that data, as well as the right to data portability, under the conditions set forth in the applicable legislation. To exercise your rights, please contact us at the following address: actionnaire@kering.com.

For more information, please consult our Privacy Policy at <https://www.kering.com/en/legal/>.

Should you no longer wish to receive Kering's Letter to Shareholders, please contact us by post or email (see "Contact information" details above).

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Published by the Kering Investor Relations department.

Design and production: **côtécorp**. Photo credits: **Cover:** Eric Sander® – **Portrait of François-Henri Pinault:** Carole Bellaïche® – **Pomellato** – **Boucheron** – **Gucci** – **Bottega Veneta** – **Saint Laurent** – **Brioni** – Nina-Lou Giachetti® – **Back cover:** Yuji Ono, Miguel Sandinha, Marthe Lemelle.