



## PRESS RELEASE

October 22, 2020

**SOLID REBOUND IN REVENUE  
KERING CONTINUES TO DEMONSTRATE RESILIENCE AND AGILITY**

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**Consolidated revenue in the third quarter of 2020: €3,717.7 million,  
-4.3% as reported, -1.2% on a comparable basis**

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*“In a tough environment, Kering achieved substantial revenue recovery in the third quarter. The creativity of each of our Houses and the agility of our organization led to a sharp rebound in sales, nearly matching the level of the 2019 third quarter. We are pursuing with determination the implementation of our strategic initiatives - the internalization of our e-commerce activities reached other key milestones and we continue bolstering our growth platforms. With a solid financial situation, further reinforced recently, we keep investing in our Houses, to enhance their exclusivity, and strengthening our positions. Against a backdrop that remains uncertain, and despite limited visibility, we are well prepared and confident in our ability to deliver good performances over time.”*

**François-Henri Pinault, Chairman and Chief Executive Officer**

- Strong sequential improvement in third-quarter comparable revenue, nearly unchanged from the third quarter of 2019 despite the Covid-19 crisis.
- Revenue generated by the Luxury Houses’ directly operated stores back to the third-quarter 2019 level.
  - Kering reaped the benefits of sharp growth in certain regions, notably North America (up 44.1%), driven by a rebound in local demand, and Asia-Pacific (up 18.5%), fueled by excellent momentum in Mainland China. Sales performances in Western Europe (down 41.0%) and Japan (down 22.8%) were still severely hampered by the halt in tourism.
  - Online sales continued their outstanding growth trajectory, up 101.9% in the third quarter, led by North America and Asia-Pacific. In the first nine months of the year, e-commerce accounted for 12.5% of Group retail sales.
- Wholesale revenue down 5.2% on a comparable basis, reflecting both the sharp slowdown in travel retail and the Group’s strategy towards increasingly exclusive distribution.
- Ongoing Group strategic investments supporting the development of its Houses, notably continuing progress in the internalization of their e-commerce activities.



Revenue <i>(in € millions)</i>	Q3 2020	Q3 2019	Reported change	Comparable change <sup>(1)</sup>
<b>Total Houses</b>	<b>3,600.1</b>	<b>3,777.8</b>	<b>-4.7%</b>	<b>-1.6%</b>
Gucci	2,087.8	2,374.7	-12.1%	-8.9%
Yves Saint Laurent	510.7	506.5	+0.8%	+3.9%
Bottega Veneta	332.5	284.3	+17.0%	+20.7%
Other Houses	669.1	612.3	+9.3%	+11.7%
<b>Corporate and other</b>	<b>117.6</b>	<b>106.8</b>	<b>+10.1%</b>	<b>+13.8%</b>
<b>KERING</b>	<b>3,717.7</b>	<b>3,884.6</b>	<b>-4.3%</b>	<b>-1.2%</b>

(1) On a comparable Group structure and exchange rate basis.

Kering's **consolidated revenue** in the third quarter of 2020 totaled €3,717.7 million, down 4.3% as reported and 1.2% on a comparable basis. This performance represents a sharp rebound compared with the year-on-year contraction of 43.5% as reported and 43.7% on a comparable basis posted in the second quarter of 2020.

Revenue from the Group's **Houses** amounted to €3,600.1 million in the quarter (down 4.7% as reported and 1.6% on a comparable basis).

### **Gucci: sales recovery in directly operated store network**

Gucci's revenue picked up sharply in the third quarter of 2020 compared with the prior quarter. At €2,087.8 million, revenue was down 12.1% as reported and 8.9% on a comparable basis. Retail sales were down 4.0% on a comparable basis. Gucci had an excellent quarter in North America (up 43.7%) and delivered a solid performance in Asia-Pacific (up 10.6%), despite high bases of comparison in recent years. The lack of tourists weighed on sales during the period, especially in Western Europe (down 47.3%) and Japan (down 25.9%), though tighter relationships with local customers in Europe are paying off. Online sales grew sharply worldwide, accounting for 12.6% of total retail sales.

Wholesale revenue contracted 31.6%, in line with the House's ongoing strategy of enhancing the exclusivity of its distribution by reducing the number of third-party retailers.

### **Yves Saint Laurent: return to growth in all distribution channels**

Yves Saint Laurent returned to growth in the third quarter in both its directly operated stores and its wholesale channel. Total revenue of €510.7 million was up 0.8% year on year as reported and 3.9% on a comparable basis. Retail sales rose 5.8% on a comparable basis. In addition to its strong appeal among local customers in Europe and North America, Yves Saint Laurent's market penetration is increasing in the Asia-Pacific region, where awareness of the brand is rising together with the expansion of its store network. Online sales more than doubled year on year, notably reflecting the successful launch of the House's China e-commerce site in June. Buoyed by the success of the Fall 2020 collection, wholesale revenue also rose, up 3.4%.

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## **Bottega Veneta: successful collections and sharp sales growth**

Bottega Veneta's third-quarter performance confirmed the resounding success of its collections – both with the House's longstanding clientele and with new customers. Revenue totaled €332.5 million, up 17.0% as reported and 20.7% on a comparable basis. Sales generated in directly operated stores rose 12.1% on top of high bases of comparison, spurred by an excellent performance in Asia-Pacific and solid growth in North America. Online sales achieved triple-digit growth.

Revenue from wholesale jumped 63.4%, reflecting significant market share gains.

## **Other Houses: solid growth of Couture & Leather Goods Houses**

Overall, the Other Houses returned to growth in the third quarter, with revenue of €669.1 million, up 9.3% as reported and 11.7% on a comparable basis. Retail sales rose 10.0% and wholesale revenue was up 16.7%.

Alexander McQueen and Balenciaga delivered double-digit growth in both retail and wholesale channels. These two Houses are benefiting from the expansion of their directly operated store networks in high-growth markets – especially Asia-Pacific and North America – and progress in their online sales is also accelerating.

Despite their significant exposure to Western Europe and Japan, the Jewelry Houses held up well, buoyed by Boucheron's growth in Asia-Pacific and Qeelin's growing success. The Watch Manufactures, hit hard by the crisis, are continuing to focus on prime distribution.

## **Corporate and other**

Revenue for the "Corporate and other" segment rose 10.1% as reported and 13.8% on a comparable basis, led by Kering Eyewear's solid performance during the quarter.



## REMINDER OF ANNOUNCEMENTS MADE SINCE JULY 1, 2020

### ***Kerby Jean-Raymond and Kering launch “Your Friends in New York”***

September 10, 2020 – Kerby Jean-Raymond and Kering announced the creation of “Your Friends in New York”, a groundbreaking new platform designed to empower the next generation of innovators. “Your Friends in New York” will merge music, art, philanthropy and wellness to form an ecosystem of creativity that reimagines how consumers discover and interact with brands, including Jean-Raymond’s own brand, Pyer Moss. Aiming to participate in this powerful community for new talents and innovation, Kering will support as a partner.

### ***Kering and its Houses unite to support Mika’s benefit concert “I Love Beirut”***

September 17, 2020 – Kering and its Houses – Gucci, Saint Laurent, Bottega Veneta, Balenciaga, Alexander McQueen, Brioni, Boucheron, Pomellato, Dodo, Qeelin, Ulysse Nardin, Girard-Perregaux, Kering Eyewear – came together to support “I Love Beirut”, the benefit concert organized by Lebanese-British singer Mika for the victims of the explosions that devastated Beirut on August 4. The concert was held on September 19. All profits, including money from a fundraising campaign run in parallel, were donated to the Lebanese Red Cross and Save the Children Lebanon.

### ***Kering successfully completes the sale of 5.9% of its Puma shares***

October 6, 2020 – Kering announced the completion of the sale following an accelerated bookbuilding process to qualified investors only, as defined in Article 2(e) of Regulation (EU) 2017/1129, of approximately 5.9% of the share capital of Puma SE for a total amount of approximately €655.6 million, corresponding to a sale price per share of €74.50. Following the transaction, Kering will retain a 9.8% stake in Puma. Kering and Artémis have entered into a lock-up agreement relating to the Puma shares, which will conclude 90 calendar days from the settlement date of the shares, subject to certain exceptions or the waiver of the agreement by the joint global coordinators. The net proceeds of the transaction will be used for Kering’s general corporate purposes and will further strengthen its financial structure.

### ***Kering Japan opens its new headquarters in Tokyo***

October 9, 2020 – Kering announced the opening of its new headquarters in Japan, located in Omotesando, Tokyo. In 2021, Bottega Veneta will open a new flagship designed by Creative Director Daniel Lee on the first three floors of the building. Previously the Japanese headquarters of an Italian luxury brand, Kering acquired the building in 2019 in partnership with a real estate investor. Initially designed in 2004 by Pritzker-winning Japanese architect Toyo Ito, the building’s unique façade has been a city landmark for more than 15 years.

### ***Progress report one year after the launch of the Fashion Pact***

October 12, 2020 – One year after its creation, the Fashion Pact published its first progress report. The Fashion Pact is a global coalition of companies in the fashion and textile industry that was created following a mission given to Kering Chairman and CEO, François-Henri Pinault by French President, Emmanuel Macron. Today it has 60 members, all committed to a common core of ambitious key environmental goals in three areas: mitigating climate change, restoring biodiversity and protecting the oceans. With the support of some of the best technical experts, the Fashion Pact’s signatories have identified seven tangible strategic targets, particularly in areas where collaborative action is needed to scale solutions and thus achieve critical impact on a global scale. The coalition has made its first strides, including implementing an operational structure, developing a dashboard of KPIs to measure the impact of its joint efforts, and initiating collaborative work on biodiversity drawing on the technical skills of industry experts.

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## AUDIOCAST

An **audiocast** for analysts and investors will be held at **5.45 p.m.** (CEST) on **Thursday, October 22, 2020**. It can be accessed **here**. The slides (PDF) will be available ahead of the audiocast at [www.kering.com](http://www.kering.com).

You can also listen to the presentation by phone using one of the dial-in numbers below, but we would be grateful if you would use the audiocast if possible.

France, Paris	+33 (0)1 70 70 07 81
United Kingdom, London	+44 (0)84 4481 9752
United States, New York	+1 646 741 3167
International	+44 (0)20 7192 8338

Confirmation code: 4969717

A replay of the audiocast will also be available at [www.kering.com](http://www.kering.com).

### About Kering

*A global Luxury group, Kering manages the development of a series of renowned Houses in Fashion, Leather Goods, Jewelry and Watches: Gucci, Saint Laurent, Bottega Veneta, Balenciaga, Alexander McQueen, Brioni, Boucheron, Pomellato, DoDo, Qeelin, Ulysse Nardin, Girard-Perregaux, as well as Kering Eyewear. By placing creativity at the heart of its strategy, Kering enables its Houses to set new limits in terms of their creative expression while crafting tomorrow's Luxury in a sustainable and responsible way. We capture these beliefs in our signature: "Empowering Imagination". In 2019, Kering had nearly 38,000 employees and revenue of €15.9 billion.*

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## Appendix: Revenue for the third quarter of 2020 and the nine months ended September 30, 2020

Revenue <i>(in € millions)</i>	Q3 2020	Q3 2019	Reported change	Comparable change <sup>(1)</sup>	9 months ended Sept. 30, 2020	9 months ended Sept. 30, 2019	Reported change	Comparable change <sup>(1)</sup>
<b>Total Houses</b>	<b>3,600.1</b>	<b>3,777.8</b>	<b>-4.7%</b>	<b>-1.6%</b>	<b>8,775.6</b>	<b>11,142.2</b>	<b>-21.2%</b>	<b>-20.8%</b>
Gucci	2,087.8	2,374.7	-12.1%	-8.9%	5,160.0	6,991.8	-26.2%	-25.6%
Yves Saint Laurent	510.7	506.5	+0.8%	+3.9%	1,191.8	1,479.5	-19.4%	-19.1%
Bottega Veneta	332.5	284.3	+17.0%	+20.7%	835.6	833.3	+0.3%	+0.5%
Other Houses	669.1	612.3	+9.3%	+11.7%	1,588.2	1,837.6	-13.6%	-13.6%
<i>Corporate and other</i>	117.6	106.8	+10.1%	+13.8%	320.4	380.8	-15.9%	-15.7%
<b>KERING</b>	<b>3,717.7</b>	<b>3,884.6</b>	<b>-4.3%</b>	<b>-1.2%</b>	<b>9,096.0</b>	<b>11,523.0</b>	<b>-21.1%</b>	<b>-20.6%</b>

<sup>(1)</sup> On a comparable Group structure and exchange rate basis.