

# K E R I N G



## PRESS RELEASE

October 24, 2019

### **SUSTAINED, WELL-BALANCED GROWTH ACROSS ALL HOUSES**

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**Consolidated revenue in the third quarter of 2019: €3,884.6 million  
up 14.2% as reported  
up 11.6% on a comparable basis**

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*"We achieved another strong quarter, and all our segments contributed to our solid top-line gain. Our progress, on top of considerable expansion in the past two years, is healthy and well balanced across all Houses. We are consolidating our growth trajectory, and carrying out continuous, targeted operating investments. We live in an increasingly complex world, but we are fully confident in our capacity to deliver sustained performances over time."*

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

- Very strong quarter at Gucci (up 10.7% on a comparable basis), delivering on its ambitions against a persistently high comparison base.
- Very solid sales growth at Yves Saint Laurent (up 10.8% on a comparable basis), driven by all regions.
- Excellent reception of the new Bottega Veneta collections and highly encouraging sales growth (up 6.9% on a comparable basis).
- Very strong progress of Kering's Other Houses (up 16.3% on a comparable basis), powered by Balenciaga and Alexander McQueen. Robust growth of Watches and Jewelry.



Revenue <i>(in € millions)</i>	Q3 2019	Q3 2018	Reported change	Comparable change <sup>(1)</sup>
<b>Total Houses</b>	<b>3,777.8</b>	<b>3,318.2</b>	<b>+13.9%</b>	<b>+11.3%</b>
Gucci	2,374.7	2,096.0	+13.3%	+10.7%
Yves Saint Laurent	506.5	446.9	+13.3%	+10.8%
Bottega Veneta	284.3	258.9	+9.8%	+6.9%
Other Houses	612.3	516.4	+18.6%	+16.3%
<b>Corporate and other</b>	<b>106.8</b>	<b>83.8</b>	<b>+27.4%</b>	<b>+24.8%</b>
<b>Kering</b>	<b>3,884.6</b>	<b>3,402.0</b>	<b>+14.2%</b>	<b>+11.6%</b>

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

The Group delivered another quarter of high growth in consolidated revenue, up 14.2% as reported and up 11.6% on a comparable Group structure and exchange rate basis, to €3,884.6 million.

Growth in total revenue of Kering's Houses (up 11.3% on a comparable basis) was particularly well balanced and fueled by sales in the directly operated store network (up 12.0% on a comparable basis). This strong upward trend was driven by Asia-Pacific (up 16.6% on a comparable basis), Western Europe (up 12.2% on a comparable basis) and Japan (up 11.9% on a comparable basis). Online sales climbed 20.1% during the period and wholesale posted significant growth, up 8.7% comparable.

### **Gucci: very solid revenue growth**

Gucci delivered very healthy growth in the quarter, with revenue up 13.3% as reported and 10.7% on a comparable basis to €2,374.7 million, once again on top of particularly high bases of comparison. All of the main product categories contributed to this growth, demonstrating the enduring success of the House's collections. Growth in sales from directly operated stores (up 10.7% on a comparable basis) was led by Asia-Pacific (up 17.9% on a comparable basis) and Western Europe (up 11.9% on a comparable basis). Wholesale rose 9.8% on a comparable basis.

### **Yves Saint Laurent: further sustained growth**

Yves Saint Laurent pursued its double-digit growth in the quarter, with revenue up 13.3% as reported and 10.8% on a comparable basis to €506.5 million. Growth was balanced across distribution channels, with an 11.4% rise in comparable sales from directly operated stores driven by all of the House's geographic regions, and an 8.2% increase from wholesale.

***Bottega Veneta: performance lifted by the House's creative renewal***

Bottega Veneta saw highly encouraging growth during the third quarter, with sales up 9.8% as reported and 6.9% on a comparable basis to €284.3 million. Daniel Lee's collections were extremely well received, by established and new customers alike. Sales from directly operated stores rose 7.5% on a comparable basis, with sharp growth in Western Europe (up 10.1% comparable) and North America (up 17.1% comparable). Wholesale continued to grow, up 4.1% comparable.

***Other Houses: continuing growth trajectory***

Revenue from Kering's Other Houses totaled €612.3 million in the third quarter, up 18.6% as reported and 16.3% on a comparable basis.

Sales from Couture and Leather Goods continued to rise sharply, fueled in particular by the strong sales momentum at Balenciaga and Alexander McQueen.

Jewelry delivered solid growth, with a very good quarter at Boucheron and strong performances from Pomellato and DoDo, while Qeelin pursued its successful expansion in Mainland China. Watches posted an encouraging performance, lifted by the launch of new models by Ulysse Nardin.

***Corporate and other***

Revenue of the "Corporate and other" segment totaled €106.8 million in the third quarter, up 27.4% as reported and 24.8% on a comparable basis. Growth was chiefly driven by the very strong performance from Kering Eyewear, which reported a 29.1% comparable increase in consolidated sales to €100.1 million, underpinned by the excellent performances of the Gucci, Cartier and Saint Laurent eyewear collections and the successful launches of Balenciaga and Montblanc.



## REMINDER OF ANNOUNCEMENTS MADE SINCE JULY 1, 2019

### ***Signature of the Fashion Pact***

August 23, 2019 – 32 leading global fashion and textile companies signed a Fashion Pact, committing to achieving practical objectives together in three areas: climate, biodiversity, and oceans. The Fashion Pact was presented to heads of state during the G7 meeting in Biarritz, which took place on August 26, 2019. In April 2019, French president Emmanuel Macron had given François-Henri Pinault, Chairman and Chief Executive Officer of Kering, a mission to bring together fashion and textile players, with the aim of setting practical objectives for reducing the environmental impact of their industry.

### ***Baby Leave: 14 weeks of paid leave to all parents of a new child***

September 10, 2019 – Beginning January 1, 2020, Kering's Parental Policy will provide a minimum of 14 weeks' maternity, paternity, adoption or partner leave on full pay for all Group employees. The policy will be applicable during the six months following birth or adoption, irrespective of the employee's personal circumstances or geographic location. This pioneering measure is part of the Group's commitment to equality in the workplace, well-being at work and work-life balance.

### ***Placement of bonds exchangeable into existing ordinary shares of PUMA***

September 25, 2019 – Kering announced the success of its issuance of bonds exchangeable into existing ordinary shares of PUMA by way of a placement to qualified investors only, in accordance with Article L. 411-2 II of the French Monetary and Financial Code (*Code monétaire et financier*). Following strong demand, the nominal amount of the issuance was increased from €500m to €550m. The net proceeds of the issuance will be used for Kering's general corporate purposes. The bonds will be issued at a principal amount of €100,000 per bond and will bear no interest (zero coupon). They will be offered at an issue price equal to 108.75% of the principal amount, namely €108,750, corresponding to an annual yield-to-maturity of -2.78%. The bonds will be redeemed at their principal amount at maturity, i.e., on September 30, 2022 (save in the event of early redemption), subject to the issuer's option to deliver existing ordinary shares in PUMA and an additional amount in cash.

### ***Appointment of Kalpana Bagamane Denzel as Chief Diversity, Inclusion and Talent Officer***

October 1, 2019 – The appointment of Kalpana Bagamane Denzel as Chief Diversity, Inclusion and Talent Officer signals a new stage in the Group's determined action in support of diversity. The Group will benefit from Kalpana's 25 years' experience of integrating diversity and inclusion across business, leadership and talent advisory, and education. Kalpana is based at Kering's headquarters in Paris and reports to Béatrice Lazat, Chief People Officer.

# K E R I N G



## AUDIOCAST

An **audiocast** for analysts and investors will be held at **5.45pm** (CEST) on **Thursday, October 24, 2019**. It may be accessed **here**. The slides (PDF) will be available ahead of the audiocast at [www.kering.com](http://www.kering.com).

The audiocast will also be available by phone, using one of the dial-in numbers below:

France, Paris	+33 (0)1 76 70 07 94
United Kingdom, London	+44 (0)84 4571 8892
United States, New York	+1 631 510 7495
International	+44 (0)20 7192 8000

Confirmation code: 8696418

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 2018, Kering had nearly 35,000 employees and revenue of €13.7 billion.*

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**Appendix: Revenue for the third quarter of 2019 and the nine months ended September 30, 2019**

<b>Revenue</b> <i>(in € millions)</i>	<b>Q3 2019</b>	<b>Q3 2018</b>	<b>Reported change</b>	<b>Comparable change<sup>(1)</sup></b>	<b>9 months ended Sept. 30, 2019</b>	<b>9 months ended Sept. 30, 2018</b>	<b>Reported change</b>	<b>Comparable change<sup>(1)</sup></b>
<b>Total Houses</b>	<b>3,777.8</b>	<b>3,318.2</b>	<b>+13.9%</b>	<b>+11.3%</b>	<b>11,142.2</b>	<b>9,526.9</b>	<b>+17.0%</b>	<b>+13.8%</b>
Gucci	2,374.7	2,096.0	+13.3%	+10.7%	6,991.8	5,948.8	+17.5%	+14.3%
Yves Saint Laurent	506.5	446.9	+13.3%	+10.8%	1,479.5	1,255.1	+17.9%	+14.6%
Bottega Veneta	284.3	258.9	+9.8%	+6.9%	833.3	811.1	+2.7%	-0.4%
Other Houses	612.3	516.4	+18.6%	+16.3%	1,837.6	1,511.9	+21.5%	+18.9%
<i>Corporate and other</i>	106.8	83.8	+27.4%	+24.8%	380.8	307.0	+24.0%	+20.4%
<b>Kering</b>	<b>3,884.6</b>	<b>3,402.0</b>	<b>+14.2%</b>	<b>+11.6%</b>	<b>11,523.0</b>	<b>9,833.9</b>	<b>+17.2%</b>	<b>+14.0%</b>

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