

K E R I N G



PRESS RELEASE

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INITIAL ESTIMATE OF COVID-19 EPIDEMIC IMPACT

Faced with the worldwide health emergency resulting from the COVID-19 epidemic, the health and safety of the teams at Kering and its Houses are the Group's utmost priority. The commitment, cohesion and resilience demonstrated by Kering's people in the current circumstances must be commended.

Taking into account the progression of COVID-19 in all of its key markets and its impact on the activity of its Houses, Kering estimates that its consolidated revenue for the first quarter of 2020, ending March 31, should post a decline of 13% to 14% in reported terms (down around 15% in comparable terms) versus the first quarter of 2019.

Currently, the Group is observing encouraging signs in Mainland China, where the decline in store traffic, and hence in sales, is narrowing. Conversely, the impact of the epidemic remains significant in other Asia Pacific markets, and the situation has substantially deteriorated in recent weeks in Western Europe and, more recently, North America.

As a result, Kering expects:

- Second quarter 2020 revenue sharply impacted by the effect of the epidemic on local clientele and tourism;
- A first half 2020 recurring operating margin in decline, which would be premature to quantify at this stage given the dynamic nature of the situation and the current lack of visibility.

In this context, Kering has implemented an initial action plan aimed at adapting its cost base and containing its working capital requirement. The Group is currently considering additional measures that can be activated to mitigate the dilution of its recurring operating margin throughout the year, while protecting its Houses' market positions and preserving their growth potential and capacity to bounce back in the short and medium term.

The epidemic does not call into question the structural drivers of the Luxury industry.

The strength of Kering's business model and organization, as well as its financial health and discipline, reinforce the Group's confidence in its medium- and long-term growth prospects.

Kering will release its first quarter 2020 revenue on April 21 after market close.

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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 over 38,000 employees and revenue of €15.9 billion.

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