RICHEMONT

Annual Report and Accounts 2023

Richemont is one of the world's leading luxury goods groups.

The Group's luxury goods interests encompass some of the most prestigious names in the industry, including Cartier, Van Cleef & Arpels, Piaget, Vacheron Constantin, Jaeger-LeCoultre, IWC Schaffhausen and Montblanc.

Each of our Maisons represents a proud tradition of style, quality and craftsmanship which Richemont is committed to preserving.

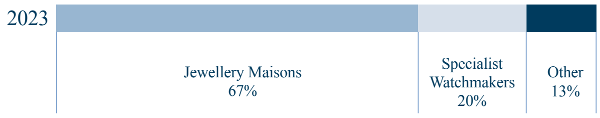
Cautionary statement regarding forward-looking statements

This document contains forward-looking statements as that term is defined in the United States Private Securities Litigation Reform Act of 1995. Words such as 'may', 'should', 'estimate', 'project', 'plan', 'believe', 'expect', 'anticipate', 'intend', 'potential', 'goal', 'strategy', 'target', 'will', 'seek' and similar expressions may identify forward-looking statements. Such forward-looking statements are not guarantees of future performance. Actual results may differ materially from the forward-looking statements as a result of a number of risks and uncertainties, many of which are outside the Group's control. Richemont does not undertake to update, nor does it have any obligation to provide updates or to revise, any forward-looking statements

Financial and operating highlights

Group sales (€m)

Sales by business area (% of Group)



Operating profit (€m)

Jewellery Maisons (€m)

Earnings per share, diluted basis (€)

Specialist Watchmakers (€m)

Dividend per share**

Other Businesses (€m)

* Prior-year comparatives have been re-presented as YNAP results are presented as 'discontinued operations'

** CHF 1.00 special dividend.

- Sales up by 19% at actual exchange rates and by 14% at constant exchange rates, driven by retail, up 22% at actual exchange rates (+17% at constant exchange rates), representing 68% of Group sales.
- Operating profit up 34% to € 5 billion, including non-recurring items of € 66 million net, leading to an increased operating margin of 25.2%.
- 60% increase in profit for the year from continuing operations to € 3 911 million; € 3.6 billion loss from discontinued operations primarily resulting from the € 3.4 billion non-cash write-down of YNAP net assets.
- Solid net cash position of € 6.5 billion.

Chairman's review

Johann Rupert, Chairman

Overview of results

Richemont reported excellent results for the financial year ended 31 March 2023, with all business areas generating higher sales and profits. The Group has drawn on the strength of its Maisons and the resilience of luxury consumers in an environment characterised by geopolitical volatility, economic uncertainty and high inflation.

During the year under review, sales attained an all-time high of € 20 billion, a 19% year-on-year increase. The final quarter recorded a significant sales increase as sales in Asia Pacific resumed growth following the removal of travel and health restrictions in mainland China. All the business areas, distribution channels and regions posted growth during the year. This performance was led by retail, Japan and Europe, closely followed by the Americas. Sales in directly-operated stores continued to outperform the other distribution channels markedly, their contribution to Group sales rising to 68%, and combined with online sales accounted for almost three-quarters of Group sales. Both outcomes demonstrate the success of our ongoing client engagement strategy.

All business areas delivered double-digit sales growth compared to the prior year. Our Jewellery Maisons, Buccellati, Cartier and Van Cleef & Arpels, increased their combined sales to € 13.4 billion and operating profit to € 4.7 billion, generating an improved 34.9% operating margin compared to the prior year. While Buccellati continued to develop solidly, generating the highest growth rates across the Group albeit from a smaller base, Cartier and Van Cleef & Arpels reaffirmed their market leadership with a high level of sales growth and profitability. The Jewellery Maisons enjoy the highest level of direct-to-client engagement within the Group (83%).

Our Specialist Watchmakers performed strongly with combined sales of € 3.9 billion and operating margin improving to 19.0% compared to the prior year. Over the past six years, the Specialist Watchmakers have undergone a profound evolution of their business model, which has successfully led to direct-to-client sales reaching 56% of sales this financial year while sales in branded environments neared three-quarters of their sales. The Specialist Watchmakers are reaping the benefits of past strategic actions and clear leaders have emerged, notably Vacheron Constantin which has reached € 1 billion in sales.

The Group's 'Other' business area, mostly composed of the Fashion & Accessories Maisons and now including Watchfinder, recorded sales of € 2.7 billion, up 19% compared to the prior year. Watchfinder's muted performance was more than offset by sharp growth in sales and profitability at the Fashion & Accessories Maisons, driven by renewed creativity and higher travel retail footfall. Strong Maisons have emerged alongside Montblanc and Chloé, especially Peter Millar, including its G/FORE business, which generated sales in excess of € 0.6 billion. Overall, the business area returned to profit with the Fashion & Accessories Maisons delivering € 94 million in operating profit.

At Group level, operating profit reached an all-time high of € 5 billion and operating margin expanded further to 25.2%. The significant 34% growth in operating profit, combined with well-controlled working capital, led to a robust € 4.5 billion cash flow from operating activities. Profit for the year from continuing operations rose by 60% to € 3.9 billion. The overall profit for the year was limited to € 301 million due to the € 3.6 billion loss for the year from discontinued operations. This was primarily due to the € 3.4 billion non-cash charge on the transfer of YOOX NET-A-PORTER ('YNAP') net assets to 'held for sale'.

Our Luxury New Retail ('LNR') partners

The agreement for Farfetch and Alabbar to acquire 47.5% and 3.2% of YNAP, respectively, leaving Richemont with a 49.3% holding in YNAP with 12-13% of Farfetch's issued share capital, is subject to a number of conditions, including the receipt of certain anti-trust approvals. The initial stage of the transaction is expected to complete by the end of calendar year 2023. From this point onwards, Richemont Maisons will adopt Farfetch's technology to realise their LNR vision to address clients' needs in a seamless manner across distribution channels. YNAP will also adopt Farfetch Platform Solutions to accelerate its shift towards a hybrid model and significantly enhance its prospects as a neutral industry-wide platform.

Dividend

Based upon the strong performance of the year, a strong cash flow generation and a solid net cash position of € 6.5 billion at the end of March 2023, the Board proposes to pay an ordinary dividend of CHF 2.50 per 'A' share (and CHF 0.25 per 'B' share), up by 11% over the prior year, as well as a special dividend of CHF 1.00 per 'A' share (and CHF 0.10 per 'B' share), subject to shareholders' approval at the annual general meeting ('AGM') on 6 September 2023.

Annual General Meeting, Board changes and management appointments

At the AGM in September 2022, two valued and experienced non-executive directors, Jan Rupert and Ruggero Magnoni, stepped down from the Board. I wish to reaffirm my warmest thanks to each of them for their invaluable service.

Also at the 2022 AGM, a resolution allowing for 'A' shareholder representation was voted on for the first time, at the request of a shareholder. Wendy Luhabe, nominated by the Board, was elected to this role by 84% of the 'A' shareholders who cast their votes. She was elected to the Board with 98% supportive votes. All non-executive directors were elected by an overwhelming majority of the 'A' shares cast. The voting at the meeting reflected a continued endorsement of the collegial board model, adopted at the time of foundation 35 years ago, where all directors serve the interest of all shareholders, 'A' and 'B' combined. I would like to once again express my deepest thanks to our long-term shareholders for their overwhelming support. We will continue executing on our Group strategy to create value for our shareholders, communities and colleagues, taking a long-term view.

At the 2023 AGM, shareholders will be asked to elect two new directors to the Board: Fiona Druckenmiller and Bram Schot. Ms Druckenmiller's jewellery expertise, understanding of the American clientele and social and environmental causes will be of great value to the Board, while Mr Schot brings more than three decades of experience in the premium automotive industry and a deep understanding of risk management, supply chain and sustainability issues.

After the 2023 AGM and subject to shareholders' approval, the Board will temporarily increase to 18 members as we continue to execute on our succession plan for our long-serving non-executive directors and ensure effective transmission of knowledge. Female Board members will represent 33% of the new Board. We will continue to address age, tenure, skills and geographic representation on the Board.

On 31 March 2024, the Board will bid farewell to two long-serving and valued non-executive directors, Guillaume Pictet and Jean-Blaise Eckert. Clay Brendish and Maria Ramos, two other respected non-executive directors, have also indicated that they will step down from the Board of Directors on 31 March 2025 after 14 and 13 years of service, respectively. I wish to thank them all for their invaluable and much-appreciated contribution to the development of Richemont.

We have further strengthened our Senior Executive Committee ('SEC') with the appointments of Patricia Gandji, the Group's Chief People Officer and CEO of Regions, in November 2022 and Bérangère Ruchat, the Group's Chief Sustainability Officer, in February 2023. These appointments reaffirm the importance of people, and Environmental, Social and Governance ('ESG') matters across the Group.

The tender process to select the next Group's external auditor is progressing in a timely fashion to be completed in time for the 2025 AGM and our shareholders' approval.

Sustainability, a story of continuous improvement

Acknowledging the need to embed sustainability even more firmly in our governance and reinforce the integral nature and importance of this discipline, we nominated Mr Schot to the Board and appointed Dr Ruchat to the SEC. This year, further comprehensive change was also initiated across Group functions, regions and Maisons to fully integrate ESG principles into all Richemont strategic and operational decision-making processes.

Honouring our prior commitments, we have phased out PVC from our products and packaging by our target timeline and reached 97% use of renewable electricity, thus contributing to a healthier planet. Our other key milestones and full ambition are disclosed in our upcoming FY23 ESG Report.

I am pleased to confirm that the Group is recognised as an industry leader by independent authorities such as MSCI (AA rating), Carbon Disclosure Project (A- rating), Sustainalytics (among the top 7% of 20 000 rated companies) and the World's Best Employers by Forbes 2022.

Outlook

I would like to thank all my colleagues across the Group for their contribution to the excellent performance delivered with commitment, agility, creativity and responsibility. We have seen all our businesses improve and have further progressed in our crucial digital and sustainability roadmaps. This year has seen a re-affirmation of the relevance of our strategy to build brand equity over the long term, and to do so in a responsible and creative manner.

Economic volatility and political uncertainty look set to remain features of the trading environment. The Group will therefore seek to maintain the necessary agility to manage fluctuating levels of demand. I am confident that our Maisons are well positioned to meet strong demand, notably driven by a significant resumption of Chinese travel. Richemont is fortunate to own such a unique portfolio of Maisons with excellent long-term prospects.

Johann Rupert
Chairman

Compagnie Financière Richemont SA

Jewellery Maisons

Key results

Sales (€m)

2023	13 427
2022	11 083

Operating result (€m)

2023	4 684
2022	3 799

Percentage of Group sales

2023

Jewellery Maisons 67%

Richemont’s Maisons

BUCCELLATI
MILANO DAL 1919

Cartier

Van Cleef & Arpels

BUCCELLATI

MILANO DAL 1919

Buccellati is one of the most prestigious Italian jewellers, established in Milan in 1919. Its jewellery, silver pieces and watches are all characterised by a highly distinctive style inspired by Italian Renaissance art, combined with a Venetian ornate influence, all executed with a superior level of craftsmanship and engraving techniques. This unique identity, originally introduced by Mario Buccellati in jewellery and silverware, embodies precious fabrics, delicate damasks and Venetian laces, and immediately obtained the admiration of royal families in Italy, Spain and Egypt, of Popes and Cardinals and of the famous poet Gabriele D'Annunzio, who coined the expression 'Prince of Goldsmiths'.

Buccellati's headquarters at Palazzo Portaluppi, Milan

- Buccellati continued its retail expansion with the opening of new stores in Singapore, Tokyo, Shinjuku, Shanghai, Shenzen, Nanjing, Hangzhou and Doha.
- The year was marked by the extension of *one-of-a-kind* creations with the launch of the *Macri Colour* High Jewellery collection during a presentation at the Whitney Museum in New York, as well as the redevelopment of the *Vintage* collection during Paris Haute Couture week.
- The Maison presented the 'art de la table silver and porcelain' project, in collaboration with Ginori 1735, at Galateo events during the Salone del Mobile in Milan and at Miami Art Basel in the US.
- Buccellati introduced its new website, including the e-commerce omni-channel facility, allowing online sales from three hubs: Milan, New York and Shanghai.

Throughout its 100 years of activity, Buccellati has always strenuously defended its unique and unmistakable style, based on ancient goldsmithing techniques, such as engraving and chiseling, expertly combined with the use of yellow and white gold to obtain unusual and extraordinary effects.

Richemont acquired Buccellati at the end of 2019 and, with Andrea Buccellati as honorary chairman and creative director and the help of other family members, is securing the tradition of the Maison.

The year under review has been Buccellati's third full year within the Group, with further significant investments in the product range and the opening of seven new points of sale in Singapore, Tokyo, Shinjuku, Shanghai, Shenzen, Nanjing, Hangzhou and Doha, as well as the expansion of the Rome flagship and relocation of its boutique in Hong Kong SAR, China.

In 2022, Buccellati saw the introduction of new creations in the *one-of-a-kind* collection, with the launch of the *Macri Colour* High Jewellery collection during a presentation at the Whitney Museum in New York, as well as the redevelopment of the *Vintage* collection during the Paris Haute Couture week. Buccellati also continued to introduce variations in the key *Icona* jewellery, silver and gift items lines.

The Maison presented the 'art de la table silver and porcelain' project, in collaboration with Ginori 1735, at Galateo events during the Salone del Mobile in Milan and at Miami Art Basel in the US, with special installations created by five well-known international architects.

Buccellati continued its 'Timeless Beauty' advertising featuring Beatrice Borromeo as the ambassador for the Maison.

Buccellati jewellery and silver items can be admired and purchased in mono-brand boutiques, shop-in-shops and corners in the principal cities of the world, as well as in a selection of prestigious multi-brand jewellers and exclusive department stores.

In the coming months, Buccellati will continue enlarging its retail footprint with the opening of new stores in Europe, the US, Asia Pacific and Japan, and renovation or expansion of some existing stores.

In the year ahead, Buccellati will also produce a new episode of its 'Timeless Beauty' advertising campaign and repeat the successful 'art de la table' event at the Salone del Mobile in Milan.

In 2023, Buccellati will also focus investments on growing its manufacturing and supply chain capacity, as well as launching the 'Buccellati Craftsmanship Masters' for young goldsmith apprentices.

Gianluca Brozzetti
Chief Executive

Established 1919
Via Brisa 5, Milan, Italy
Chief Executive Officer Gianluca Brozzetti
Chief Finance Officer Juliette Mathias De Guardia De Ponte
www.buccellati.com

Cartier

Founded in 1847, Cartier is not only one of the most established names in the world of jewellery and watches, it is also the reference of true and timeless luxury. The Maison Cartier distinguishes itself by its mastery of all the unique skills and crafts used for the creation of a Cartier piece. Driven by a constant quest for excellence in design, innovation and expertise, the Maison has successfully managed over the years to stand in a unique and enviable position: that of a leader and pioneer in its field.

13 Rue de la Paix, Paris

- Cartier launched a new version of the iconic *Tank Française* watch, as well as the *Masse Mystérieuse* complication, *Coussin*, and *Tank Chinoise*.
- Cartier reinvented the 13 rue de la Paix in Paris with a complete metamorphosis of the boutique, High Jewellery workshop, archives and a residence on the top floor.

After the strong rebound in 2021, Cartier continued to grow, confirming its appeal to all clientele across the globe, but facing different economic situations in different regions, China being disrupted by the zero Covid policy until December, and the US decelerating somewhat during the second half of the year. Other regions experienced solid growth.

From a product perspective, 2022 was marked by the successful relaunch of the iconic *Tank Française* watch. The Maison also expressed its creativity through *Clash [Un]limited*, a new jewellery limited edition collection, and the re-edition of *Grain de Café*. The High Jewellery collection *Beautés du Monde* was unveiled in Madrid, and further enriched Cartier's living heritage.

In 2022, Cartier pursued the transformation of its boutiques worldwide and reopened several flagship stores, including the two temples of rue de la Paix in Paris and the 5th Avenue Mansion in New York, as well as boutiques in Seoul, Chengdu, Sydney and elsewhere.

The Maison continued to actively contribute to society. Cartier reinforced its commitments to gender equality and women's empowerment through meaningful collaborations.

The 10th anniversary of Cartier Philanthropy was celebrated during 2022. Over this period, Cartier Philanthropy has invested CHF 100 million, supporting 80 NGOs in 40 countries. This year, Cartier for Nature joined forces with the China Green Foundation for the protection of the snow leopard, listed among the vulnerable species by the International Union for Conservation of Nature, with an estimation of only 4 000 – 7 000 individuals in the wild.

In 2022, 'Cartier and Islamic Art: In Search of Modernity', the exhibition showcasing the influence of Islamic art on Cartier's creations was shown at the Dallas Museum of Art. Originally shown at the Musée des Arts Décoratifs in Paris the year before, the exhibition will further travel to the Louvre Abu Dhabi in 2023.

Cartier also continued its partnership with the Venice International Film Festival.

In Paris, Fondation Cartier pour l'art contemporain unveiled the unique works of aboriginal artist Sally Gabori; in Milan, in partnership with the Triennale, the Fondation exhibited La Vita Moderna by Raymond Depardon.

In 2023, Cartier will unveil a new High Jewellery collection. The Maison will also confirm its singularity in jewellery and watchmaking, reinforcing its iconic collections. The year 2024 will see the 40th anniversary of the Fondation Cartier pour l'art contemporain.

Cyrille Vigneron
Chief Executive

Established 1847 at
13 rue de la Paix, Paris, France
Chief Executive Officer Cyrille Vigneron
Chief Finance Officer François Lepercq
www.cartier.com

Van Cleef & Arpels

Created in 1906, Van Cleef & Arpels is a High Jewellery Maison embodying the values of creation, transmission and expertise. Each new jewellery and timepiece collection is inspired by the identity and heritage of the Maison and tells a story with a universal cultural background, a timeless meaning and which expresses a positive and poetic vision of life.

Van Cleef & Arpels on Place Vendôme, Paris

- *Legend of Diamond* High Jewellery collection launched at the Chateau de Versailles.
- L'École des Arts Joailliers pursued its development by opening campuses in new countries.
- Reinforcement of the Maison's presence in strategic markets such as the US, China and South Korea.

Over the past twelve months, Van Cleef & Arpels continued its development, driven both by a highly dynamic jewellery market and by the inherent attractiveness of the Maison and its products.

Relying on a strong and balanced worldwide retail network of 150 stores together with online distribution covering 27 countries, the Maison reinforced its presence in strategic markets such as the US, China and South Korea, and opened its first store in New Zealand. It has strengthened the bonds with its local clients whilst benefitting from the return of tourists to Europe, the Middle East and Japan.

The year was organised around three major moments focusing on creations: the Watches and Wonders salon, the *Perlée* jewellery collection celebration and the launch of the *Legend Of Diamond* High Jewellery collection. In addition to these launches, Van Cleef & Arpels supported two events: the first 'Dance Reflection' festival in London and the heritage exhibition presented at the National Museum of Riyadh in Saudi Arabia.

After celebrating the tenth anniversary last year, L'École des Arts Joailliers is continuing to develop a growing offer of in-person courses and online talks, exhibitions and publications together with its research activities. In addition to its campuses in Paris and Hong Kong SAR, China, L'École is preparing new openings in the coming years.

Human resources are at the heart of the Maison, building inclusive teams, reinforcing expertise and ensuring our teams grow in a balanced, consistent and relevant way throughout the world. With selective recruitment and the meticulous integration of new team members, the Maison makes sure that the strategic vision and values are understood at all levels. On the CSR side, the Maison will accelerate its initiatives and communication plan through four axes: Sourcing, Environment, People and Communities.

For the coming year, the Maison will continue to expand its retail presence and extend its boutique network in new countries. It will renovate, relocate and extend existing stores, while pursuing the internalisation of boutiques in targeted locations.

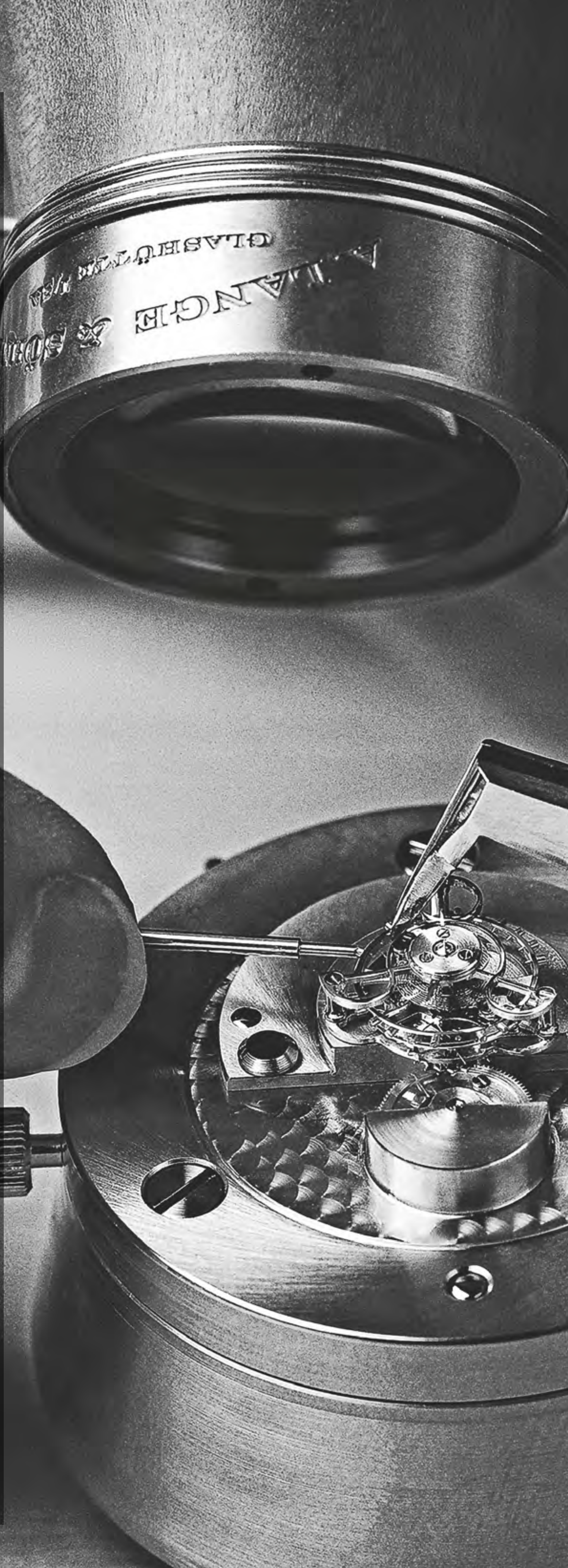
The planned development of the production capacity will accelerate. The Maison has defined a programme of new workshop openings in France to secure and support its jewellery development.

The marketing and communication programme will continue to emphasise the Maison's unique qualities. The jewellery pillars will be consolidated and new collections will be highlighted. A new High Jewellery collection will be unveiled to clients and the press in June, whilst watches inspired by the jewellery collections will be presented at Watches and Wonders. Artistic, cultural and educational commitments of the Maison will be intensified through L'École and the 'Dance Reflection' projects.

Nicolas Bos
Chief Executive

Established 1906 at
20-22 Place Vendôme, Paris, France
Chief Executive Officer Nicolas Bos
Chief Finance Officer Christophe Grenier
www.vancleefarpels.com

Specialist Watchmakers



Key results

Sales (€m)

2023	3 875
2022	3 435

Operating result (€m)

2023	738
2022	593

Percentage of Group sales

2023

Specialist Watchmakers 20%

Richemont's Maisons

A. LANGE & SÖHNE GLASHÜTTE I/SA

PANERAI

BAUME & MERCIER MAISON D'HORLOGERIE GENEVE 1830

PIAGET

IWC SCHAFFHAUSEN

ROGER DUBUIS

JAEGER-LECOULTRE

VACHERON CONSTANTIN GENÈVE

A. Lange & Söhne creates outstanding hand-finished mechanical timepieces with challenging complications that follow a clear and classical design line. Innovative engineering skills and traditional craftsmanship guarantee state-of-the-art calibre design, the utmost mechanical precision and meticulously hand-finished movements.

Main manufacturing building, Glashütte, Germany

- The new generation of the *Zeitwerk* featuring a power reserve doubled to 72 hours was presented. The launch was celebrated with exclusive events in Hong Kong SAR, China, Shanghai, Dubai, Singapore and Berlin.
- Since the three-year watchmaker training programme was relaunched 25 years ago, 228 young people have been trained in this craft. Today, the Maison also offers apprenticeships in other professions and currently has 36 apprentices in total.

Since its re-establishment in 1990, the Maison has developed 70 different in-house calibres, each revealing its unmistakable origins in high-precision Lange pocket watches.

Among the new models presented at Watches and Wonders 2022 was the *Richard Lange Minute Repeater* as a homage to classic precision watchmaking and limited to 50 pieces. Additionally, the third model in the *Odysseus* line was launched as a limited edition of 250 pieces. It is the first Lange watch with a case and bracelet made of titanium. And with the new *Grand Lange 1*, which is available in white or pink gold with grey dial, the Maison has proven again how a classic design can be subtly evolved while making it even more elegant.

The year continued with the introduction of the *1815 Rattrapante* in platinum in July, a watch fully focused on the eponymous complication and endowed with a dedicated movement.

The new generation of the *Zeitwerk* premiered on 24 October, a particular date in the Maison's history. On that day in 1994, the first collection of timepieces after the brand's revival has been presented. The award-winning mechanical digital watch now is available in two new versions: platinum and pink gold. Thanks to the evolved calibre L043.6, the exceptional timepiece now has a power reserve doubled to 72 hours. The revolutionary design concept has been subtly reworked as well, enhancing its expressive style.

The year also marked the 25th anniversary of watchmaking training at A. Lange & Söhne. As a special tribute, the in-house training centre was named after Walter Lange. The Walter Lange Training and Further Education Centre pays homage to not only the life work of the Saxon business's founder, but also his extraordinary commitment to promoting young talent and securing the future of watchmaking in the region.

The Maison has been perpetuating regional sponsorships for the Dresden State Art Collections and the Semper Opera house in Dresden. Additionally, the long-lasting partnership with the Concorso d'Eleganza Villa d'Este, the worldwide renowned contest for beauty and elegant design of classic automobiles, continued. The Concours d'Elegance at Hampton Court Palace near London gave the *1815 Chronograph Hampton Court Edition* a special stage. The unique timepiece was auctioned off for more than CHF 1 million by Phillips in Association with Bacs & Russo in Geneva. The highest result at auction that a Lange wristwatch has ever achieved went to the British charity The Prince's Trust, which "is dedicated to improving the lives of disadvantaged young people".

As a further development of the distribution strategy, the Maison has opened exclusive boutiques in Berlin, Frankfurt, Boston, Shanghai, Aspen, Las Vegas, Tokyo, Bangkok and Haikou. Further boutique openings in key markets in the US, Asia and Europe are planned. To even better meet the expectations of customers in a digital environment, a new website has been launched offering a deeper brand experience and additional opportunities for online orders.

Wilhelm Schmid
Chief Executive

Established 1990
Ferdinand-A.-Lange-Platz 1, Glashütte, Germany
Chief Executive Officer Wilhelm Schmid
Chief Finance Officer Katrin Gravier
www.alange-soehne.com

BAUME & MERCIER
MAISON D'HORLOGERIE GENEVE 1830

Baume & Mercier has been creating timepieces of the highest quality since 1830, combining refined design and technical achievements. For both men and women, the Maison offers style with cutting-edge technology.

Baume & Mercier, Les Brenets

- Expansion of the *Riviera* collection with new models presented at Watches and Wonders 2023.
- Opening of the external Haikou boutique in Hainan with new point of sales concept.

Baume & Mercier continues to build its future focused on design *savoir faire* in shapes, utmost quality, innovation and watchmaking expertise, all paired with refined style. Tradition and modernity, elegance, and personality, will continue to define the Maison style throughout the year and guide all its marketing and communication initiatives.

2022 was a year of continuity for Baume & Mercier. The Maison has successfully pursued the development of the *Riviera* collection as the pillar of its communication through the campaign 'You don't need a passport to see the Riviera'. The Maison will leverage the *Riviera*'s long-lasting legacy and success all year long, during the different Watches and Wonders fairs and local exhibitions or other local initiatives.

In 2023, the Maison has launched the Baumatic 8-year Warranty Programme to foster the connection with its clients and strengthen its partnership with worldwide retailers.

The Maison continues to express its watchmaking *savoir faire* and legitimacy. The Maison is expanding the *Riviera* collection, adding new materials or sizes such as the *Riviera Coastline*. The *Riviera Baumatic*, representing by essence the best of the Maison by merging a strong design to a best-in-class innovation and technical quality, has integrated the top sellers of the Maison and continues to bring dynamism to the brand desirability and sales.

Baume & Mercier has continued its international development by strengthening its visibility in historical markets such as Italy, France and the US. In addition, the Maison accelerated its development in Asian markets, especially in China, through the participation at Watches and Wonders in both Shanghai and Sanya and the opening in October of a brand new boutique in Haikou (Hainan) infused with the identity evolution of the Maison.

The Maison's manufacturing site in Les Brenets has always been at the heart of its watchmaking creations. The Maison has initiated a programme to welcome its partners, clients and press in order to reinforce its links with these audiences, aiming at an immersion in the Baume & Mercier *savoir faire* in terms of design, excellence, quality and reliability.

Always looking to its future, the Maison is strengthening its identity, focusing on design, watchmaking and collaboration through the lens of different and creative projects. In the year ahead, the Maison will continue to install the *Riviera* collection as its signature collection through new materials and colour combinations. In addition, Baume & Mercier will continue to develop *Clifton* as a robust platform for the *Baumatic* movement and *Hampton* with a focus on women.

David Chaumet
Chief Executive

Established 1830
4 rue André de Garrini, Meyrin, Geneva, Switzerland
Chief Executive Officer David Chaumet
Chief Finance Officer François Monet
www.baume-et-mercier.com

IWC Schaffhausen is the engineer and storyteller of responsible fine watchmaking and the choice for ambitious individuals with an appreciation of mechanics, a sense of style and a taste for adventure.

IWC Manufakturzentrum in Scaffhausen

- At the Watches and Wonders exhibition, IWC presented 'The Colors of TOP GUN' – a collection of coloured ceramics chronographs created in collaboration with Pantone®.
- With the third global flagship boutique in Shanghai, China, IWC took its successful new retail concept to the next level.

During the year under review, IWC Schaffhausen continued to create iconic products distinguished by timeless aesthetics, functional engineering and robustness.

IWC returned to the first physical edition of Watches and Wonders after the pandemic with 'The Colors of TOP GUN'. Created in collaboration with Pantone®, this collection underscored the Maison's legacy as a pioneer in coloured ceramic watches. It was celebrated with a private concert by German film music composer Hans Zimmer. The launch was followed by a global campaign with brand ambassador Tom Brady, 3D murals and billboards, an exhibition road show and pop-up stores in Hong Kong SAR, China, Amsterdam and Zurich.

In May, IWC launched the first official team watch for its partner, the Mercedes AMG Petronas® Formula One® team, which became a global e-commerce success. In addition, IWC organised a golfing challenge with Tom Brady and Lewis Hamilton in Miami, raising funds for programmes supported by Laureus Sport for Good. Both the 'Colors of TOP GUN' campaign and the Miami event resulted in a substantial increase in brand interest and momentum.

IWC was successfully certified by 'Great Place to Work®' for the second time and also received certification by EQUAL-SALARY for Switzerland, verifying that it pays its employees equally, regardless of gender. Finally, IWC established an internal Diversity, Equity and Inclusion council, representing the diversity of its workforce and providing guidance on various initiatives.

Expanding its portfolio of classic and elegant watches, IWC launched the new *Portofino* collections in 34 and 37 millimeters. The Maison also introduced new *Portofino* models with the *perpetual calendar* and the new *complete calendar*. The launch was accompanied by a pop-up exhibition in Quingdao, China, followed by a global campaign with new brand ambassador Gisele Bündchen.

The opening of IWC's flagship boutique at the Dubai Mall was followed by the third flagship at the Taikoo Hui Mall in Shanghai. This immersive environment takes the Maison's new retail concept to the next level. In addition, IWC implemented its new boutique concept in Rotterdam, Costa Mesa and at the Battersea Power Station re-development in London.

In 2023, IWC will introduce the *Ingenieur Automatic 40*, inspired by Gérald Genta's iconic *Ingenieur SL* from the 1970s. The Maison will also launch a global chronograph campaign. Building on its instrument watch legacy and functional design approach, it will establish icons like the *Portugieser Chronograph* as 'The Reference'. With a strong roll-out plan for new boutiques and flagships in Los Angeles and New York, IWC will strengthen its direct distribution network.

Christoph Grainger-Herr
Chief Executive

Established 1868
Baumgartenstrasse 15, Schaffhausen, Switzerland
Chief Executive Officer Christoph Grainger-Herr
Chief Finance Officer Lorenz Bärlocher
www.iwc.com

Since its founding in 1833, Jaeger-LeCoultre has created over 1 200 calibres and registered more than 400 patents, placing the Manufacture at the forefront of invention in fine watchmaking. Being the watchmaker of watchmakers, its leading position stems from its full integration with over 180 areas of expertise gathered under one roof, in the heart of the Vallée de Joux, Switzerland.

Manufacture Jaeger-LeCoultre, Le Sentier, Vallée de Joux

- Jaeger-LeCoultre has introduced the ‘Stellar Odyssey’, bringing a series of exceptional timepieces, immersive exhibitions, pop-up stores and the themed Atelier d’Antoine Discovery Workshop.
- The ‘Made Of Makers’ programme brought in three new artistic collaborations, further strengthening the creative expression of the Maison.
- Two new global ambassadors, Anya Taylor-Joy and Jackson Yee, joined the Grande Maison.
- The Manufacture revealed the ‘Collectibles’ programme with selected vintage timepieces and a coffee table book, celebrating 190 years of watchmaking expertise.

In 2022, Jaeger-LeCoultre embarked on a ‘Stellar Odyssey’, paying homage to the celestial events that fascinate its watchmakers and celebrating the Maison’s expertise in translating celestial phenomena into intricate timepieces: the *Master Hybris Artistica Calibre 945*, showing the magnificence of the constellations and the sidereal time; the *Atmos Hybris Mechanica Calibre 590*, reproducing the earth and moon’s cycles around the sun; the *Rendez-Vous Star*, capturing the rarity and enchantment of shooting stars.

Jaeger-LeCoultre takes the ‘Stellar Odyssey’ experience around the world with a touring exhibition and a series of themed events that embrace artistic installation and immersive experiences, alongside the Atelier d’Antoine Discovery Workshops focusing on the celestial theme.

Continually expanding its creative and cultural universe, Jaeger-LeCoultre carries out new collaborations as part of its ‘Made Of Makers’ programme, partnering with leading artists who share its fundamental values of creativity, expertise and precision. Lettering artist Alex Trochut has created an alphabet style, the *1931 Alphabet*, a strongly modern addition to the Maison’s visual identity. As part of the ‘Stellar Odyssey’ celebration, visual artist Guillaume Marmin has presented a new art installation, ‘Passengers: Through Time’. Mixologist Matthias Giroud has created a menu of soft cocktails inspired by the cosmos and blended with scents and flavours from the Vallée de Joux.

This year, the Maison has announced two new global Ambassadors, the renowned British/American actress Anya Taylor-Joy and the Chinese actor, singer and dancer Jackson Yee.

The acceleration of the Maison’s retail expansion continues with its new flagship boutique opened on Rodeo Drive in Beverly Hills, inviting visitors to immerse themselves in the world of fine watchmaking and the remarkable story of Jaeger-LeCoultre’s heritage, expertise and spirit of innovation and creativity.

The Maison sustainability journey, ‘Make Our Time Better’, has achieved a wide climate education programme, volunteering acceleration, 100% renewable electricity at the Manufacture from local hydro-electric source and EQUAL-SALARY certification. The apprentice programme was enriched with a new craftsmanship training centre, partnering with local schools in the Vallée de Joux.

The beginning of 2023 witnessed a successful introduction of Jaeger-LeCoultre’s ‘Collectibles’ programme, offering a capsule collection of emblematic vintage pieces from the 1920s to the 1970s, complemented by a new collectors’ reference book. Every piece is thoroughly vetted by Jaeger-LeCoultre’s historical experts and fully serviced and restored by the specialised watchmakers of the Manufacture’s restoration workshop.

In 2023, Jaeger-LeCoultre will pay tribute to the ‘Golden Ratio’, recognised as a universal signifier of beauty and harmony, and inspiration for the proportions of the *Reverso*. The Maison will introduce new *Reverso* timepieces with complications for *Reverso Men* and with Métiers Rares®, notably enameling and gem-setting, for *Reverso Lady*. The ‘Reverso Stories’ exhibition will continue its world tour. The Maison will expand its retail network with the opening of new flagships and boutiques in key locations around the world.

Established 1833
Rue de la Golisse 8, Le Sentier, Switzerland
Chief Executive Officer Catherine Rénier
Chief Finance Officer Philippe Hermann
www.jaeger-lecoultre.com

Catherine Rénier
Chief Executive

PANERAI

Panerai manufactures technical instruments for modern heroes; its products feature unmistakable Italian design and creative innovations, closely associated to the world of the sea.

Manufacture Panerai, Neuchâtel

- Success of the new launches, namely the *Submersible QuarantaQuattro* and the *Luminor Due Luna*, supported by creative materials such as eSteel™, Carbotech™ and Goldtech™ and powered by a new calibre.
- Confirmation of the Maison’s Experiences programme: each marrying a spectacular activity for its customers with a limited edition.
- Acceleration of the Maison’s transformation, building its exclusive distribution and a direct relationship with its customers.

In 2022, Panerai is committed to developing initiatives and strategies that support a sustainable future.

In partnership with the Intergovernmental Oceanographic Commission of UNESCO, Panerai develops ocean education activities in the framework of the UN Decade of Ocean Science for Sustainable Development (2021/2030) empowering 100 universities and 5 000 students.

The main product launches were focused on the extension of the emblematic *Submersible* line with the *Submersible QuarantaQuattro* and, for the first time, on a new complication in *Luminor Due*, the moonphase.

Panerai continues to take advantage of its competences in calibres with the launch of its very first *Luminor Perpetual Calendar* and the spectacular *Submersible Skeleton Automatic*. In the same spirit, the Bronzo programme, one of the Maison’s most sought after models, has been extended for the first time to the *Radiomir* associated with a mechanical hand-wound calibre, as a homage to its first collection.

The Maison’s association with the ocean continued, thanks to the successful partnership with Luna Rossa during the 37th America’s Cup and to the activity aboard Eilean, the Maison’s classic sailing boat, with a tour of major Mediterranean ports.

Leveraging one of the most distinctive assets of the Maison, five experiences took place during the year to build an emotional connection with existing clients and entice a new community of prospective Maison loyalists. Panerai teamed up with some of the most demanding military teams to offer special immersive training and high adrenaline adventures. Leveraging the Maison’s heritage and artistry, Panerai highlighted the Italian lifestyle, welcoming clients, journalists and influencers at the Amalfi Coast aboard Eilean and in Florence to discover hidden Italian treasures.

Regarding its client-centric approach, be it through its directly operated stores or together with partners, Panerai has continued to open new boutiques in key cities, such as Athens, Zurich and Monte Carlo, reaching a total network of 172 stores. The new retail concept is now extended to all the new operations as a platform which integrates the world of the sea as well as celebrating modern heroes, Italian design and innovative reliable instruments. Meanwhile, Panerai continued its digital acceleration thanks to the launch of four new e-commerce platforms in Mexico, Hong Kong SAR, China, Singapore and Australia.

In the years to come, Panerai will continue to highlight its pioneering spirit through new exclusive experiences, sustainable commitments and product innovations. The Maison’s association with the world of the sea will also be continued thanks to upcoming initiatives.

Jean-Marc Pontroué
Chief Executive

Established 1860 at
Piazza San Giovanni 14/R, Palazzo Arcivescovile, Florence, Italy
Chief Executive Officer Jean-Marc Pontroué
Chief Finance Officer Olivier Bertoin
www.panerai.com

PIAGET

Piaget began in 1874 with a unique vision: always push the limits of innovation to be able to liberate creativity. Newly positioned as the Maison of Extraleganza, known for its audacity, it enjoys unrivalled credentials as both a watchmaker and a jeweller. Two fully integrated Manufactures in Plan-les-Ouates and La Côte-aux-Fées enable the Maison to refine its unique expertise in gold and jewellery crafting as well as ultra-thin movements.

Piaget's Manufacture and headquarters, Geneva

- Piaget *Polo* and *Possession* remained the two key growth drivers, while leveraging High Jewellery, craftsmanship and heritage to sustain exclusivity and authority in the eve of the Maison's 150th anniversary.
- The business grew through the opening of key points of sale, expansion of e-commerce and the implementation of bespoke client experiences, e.g. the digital mirror, the interactive window and the Possession Bar and AI capabilities for enhanced personalisation.

Piaget launched a new international brand campaign. Establishing one global consistent narrative across 14 markets, and introducing Piaget's new signature: 'Maison of Extraleganza'.

Piaget *Polo* and *Possession*'s iconisation was at the centre of the Maison's strategy with the worldwide launch of a new ring in September. The design was enhanced with one of Piaget's historical aesthetic signatures, the palace décor, bridging the Maison's expertise in watchmaking and jewellery.

After the launch of the Piaget *Polo* 36mm, the family grew with the addition of the 42mm Steel with green skeleton dial and the *Polo Rubber*, immediate successes, anchoring Piaget as a staple in the high-end sportswear category.

The iconisation strategy was strengthened by new local advocates' partnerships such as actor Karry Wang in China to build relevance locally, following global media animations. Joint product activations between the two collections, aimed to lure new audiences, were launched in Asia, alongside strong editorial presence.

The year was also marked by the expansion of *Limelight Gala* with creations paying tribute to Piaget's gem setting and watchmaking *savoir faire*. Our ultra-thin expertise was put forward with extraordinary *Altiplano* pieces adorning skeleton movements set with a gradient of diamonds and sapphires, tourbillons and métiers d'art dials.

The distribution network was marked by the opening of new points of sale around the world, with a new flagship store following on Canton Road in Hong Kong SAR, China. New e-commerce markets joined the movement with four key openings in Hong Kong SAR, China, Singapore, Australia and Switzerland.

The Maison leveraged High Jewellery as its creative lab, reasserting its commitment to excellence and artistry. An exceptional year with record sales worldwide, confirming Piaget's distinction within this state-of-the-art segment. Piaget successfully unveiled its *Solstice* collection last July in Paris, followed by an international tour in key markets.

The year 2022 saw the expansion of the Piaget Society across markets through global activations, capitalising on clients and educated creators and opinion leaders to enhance credibility in key markets. Piaget participated in the Cannes Film Festival partnering with directors David Cronenberg and Riley Keough, actors Catherine Langford and Forrest Whitaker.

In the year ahead, Piaget will push forward its visibility across markets and focus on bringing into the spotlight its craftsmanship heritage, while promoting its brand campaign in order to pave the way for its 150th anniversary in 2024.

Benjamin Comar
Chief Executive

Established 1874
37, chemin du Champ-des-Filles, Geneva, Switzerland
Chief Executive Officer Benjamin Comar
Chief Finance Officer Giorgio Ferrazzi
www.piaget.com

ROGER DUBUIS

Representing a disruptive blend of distinctive character and Hyper Horology™ expertise, Roger Dubuis has been at the forefront of the contemporary watchmaking scene since its start. Over the years, the Maison has been well-known for its limitless obsession for conceiving, designing and inventing the future of Haute Horlogerie and for its fearless determination to challenge the rules of classical watchmaking through a resolutely expressive and contemporary approach.

Roger Dubuis' Manufacture and headquarters, Geneva

- The Maison kept increasing its value proposition by strengthening its Hyper Horology™ supremacy while asserting its unique identity, well testified by the launch of Q-LAB™, a dedicated and exclusive space within the Manufacture, set to become a unique place to foster creativity and innovation.
- As an innovator who ignites new pathways of expression and craftsmanship, the Maison has unleashed the full potential of its iconic *Excalibur* collection with its luminescent *Excalibur Blacklight Spin-Stone™ Monobalancier*.

The exceptional degree of vertical integration within Manufacture Roger Dubuis allows it to enjoy the comprehensive mastery of its in-house production, certified by the prestigious Geneva Seal. This capacity has gradually contributed to its specialisation in spectacular and limited editions, as well as its enviable reputation in the domain of skeletonised and complicated calibres.

This year, the Maison continued to animate fine watchmaking, through the combination of skilled craftmanship, traditional metiers and state-of-the-art technology representing the backbone of the Maison's unique approach to Hyper Horology™.

The Maison presented the third and last chapter of its iconic *Excalibur* collection revamp. This introduced a remarkable evolution of the *Excalibur Monobalancier*, reinterpreted in a more modern way, and declined in different variations of EON GOLD™, while mastering new materials such as ceramic.

This year has also been the opportunity to reinterpret the *Knights of the Round Table* collection. A special edition where artistic craft meets horological mastery and contemporary design, merging the Maison's most legendary collection with its signature complication, the *Monotourbillon*.

Roger Dubuis also became the official timing partner of the Goodwood Festival of Speed. After two renowned partnerships within the motorsport universe, with racing legend Lamborghini Squadra Corse and premium tyre developer Pirelli, welcoming another partner to the fold with the world's most famous celebration of motorsport was a natural next step.

Both an ode to years of excellence and to an enduring partnership, this year Roger Dubuis introduced the new *Excalibur Spider Pirelli 150-year anniversary*, crafted from white mineral composite fibre, a hyper-tech material developed in-house.

The Maison kept strengthening its internal retail network and continued to deploy its new concept around the world, with boutiques opening in Taipei, Kuala Lampur, Chengdu and in other destinations, such as Costa Mesa, California.

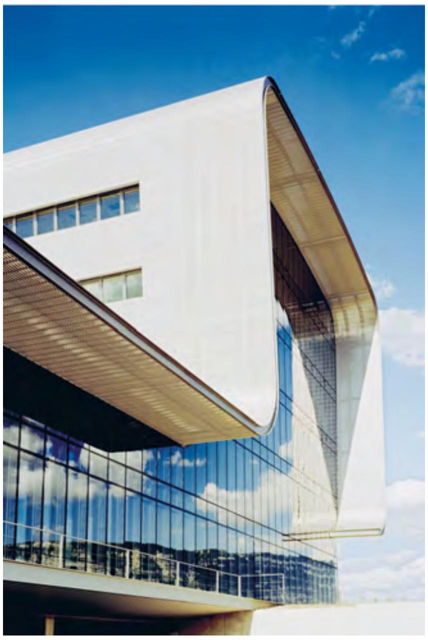
It also continued its digital acceleration, developing the infrastructure supporting its omni-channel network in additional regions such as Korea, Singapore and Australia, enhancing the connection to its clientele by providing access to Hyper Horology™ anywhere, anytime and with any device.

In the year ahead, the Maison will keep increasing its value proposition by strengthening its Hyper Horology™ supremacy, while sustaining differentiation by completing the product journey with new complications and Hyper Watches™, while consolidating and iconising its masterline.

Established 1995
2 rue André de Garrini, Meyrin, Geneva, Switzerland
Chief Finance Officer Vincent Lachaize
www.rogerdubuis.com

VACHERON CONSTANTIN
GENÈVE

Crafting eternity since 1755, Vacheron Constantin is the world's oldest watch Manufacture in continuous production, faithfully perpetuating a proud heritage based on transmitting expertise through generations of master craftsmen.



Vacheron Constantin Manufacture and headquarters, Geneva

- With the continued development of *Les Cabinotiers*, the Maison expresses the ultimate know-how in both technical and métiers d'art fields.
- Vacheron Constantin collaborated with historians and curators of Le Louvre to develop four exceptional métiers d'art timepieces, paying tribute to four great civilisations.

Epitomising the spirit of 'Beautiful High Watchmaking', the Maison continues to create outstanding timepieces for connoisseurs who value technical excellence, understated luxury aesthetics and finishing with the highest standards.

Vacheron Constantin is devoted to concentrating on a limited production with a long-term value strategy, as well as to continue providing strong client engagement, a high level of quality and desirability.

The year 2022 marked the return of the physical Watches and Wonders, Geneva at which Vacheron Constantin re-presented its iconic *Historiques 222* reference, originally launched in 1977 for the 222nd anniversary of the Maison. Other highlights included the reveal of *Les Cabinotiers* timepieces launched under the theme 'Les Royaumes Aquatiques' featuring artistic crafts such as guilloché, engraving, enamelling and gem-setting. The Geneva event also celebrated the launch of new skeletonised *Overseas* watches and new timepieces dedicated to women with the ultra-thin *Traditionnelle* perpetual calendar and the *Patrimony* self-winding.

The Maison continued to strengthen its commitment to art and culture with the launch of four métiers d'art timepieces, paying tribute to four great civilisations. These models were developed in close collaboration with Le Louvre curators and historians. True symbols of each era, these artistic masterpieces, staged by skilled craftmakers, were at the centre of an exceptional 2-Day international event at the museum.

Vacheron Constantin kept building a consistent and selective distribution network around the world with the opening of new boutiques in Mexico, Sydney and Kuala Lumpur, as well as implementing its new concept in its Dubai Mall boutique. This was accompanied by the launch of e-commerce in four new countries; the Maison now counts a total of eleven countries with e-commerce capabilities.

As the Maison enters a new era, Vacheron Constantin will remain true to its values, investing in and driving innovation and transformation, leveraging its expertise and creativity to delight its clients, while embedding sustainability through environmental resilience, collective governance and human values. Since 2019, as an umbrella theme for its social responsibility actions, the Maison has chosen 'Employability'. This comes to life through various activities such as participating in vocational integration of people in need, professional retraining and being EQUAL-SALARY certified since 2020.

Vacheron Constantin keeps looking to the future with caution and confidence, building on its successful collections, its reputation for fine craftsmanship, its unique one-to-one approach to client relations as well as the talent and commitment of its teams – all forged in accordance with François Constantin's motto "do better if possible, and that is always possible".

Louis Ferla
Chief Executive

Established 1755
10 Chemin du Tourbillon, Geneva, Switzerland
Chief Executive Officer Louis Ferla
www.vacheron-constantin.com

Other

Key results

Sales (€m)

2023 2 651

2022* 2 230

Operating result (€m)

2023 59

2022 -46

* Prior-year comparatives have been re-presented following the reclassification of Watchfinder & Co. to the ‘Other’ business area

Percentage of Group sales

2023

Other 13%

Richemont’s Maisons

ALAÏA

dunhill

AZ FACTORY

MONTBLANC

Chloé

PETER MILLAR

1829 DELVAUX

PURDEY

SERAPIAN MILANO

WATCHFINDER&Co.
THE PRE-OWNED WATCH SPECIALIST

ALAÏA

"My obsession is to make women beautiful. When you create with this in mind things can't go out of fashion." Azzedine Alaïa

7 rue de Moussy, Paris

- Pieter Mulier's first collections reinforced with strength and consistency the fresh re-interpretation of Alaïa's distinctive codes and femininity, while enhancing his own contemporary vision.
- Alaïa opened a new flagship in the heart of New York, in Soho – an iconic neighbourhood and an emblematic location intimately linked to the history of the Maison.

Created in 1964, Alaïa is a Parisian Fashion Maison, with a Couture soul which, beyond fashion, reveals the power of femininity and the timelessness of beauty in the spirit of its namesake creator. Azzedine Alaïa created an outstanding legacy to build on, including sculptural silhouettes, unique signature codes and know-how.

For the past two years, Alaïa has successfully managed to reactivate its outstanding positioning, creating a strong desirability within the industry. The Alaïa woman is reinterpreted with accuracy, celebrating the power of femininity. Pieter Mulier presented his two latest collections first in July 2022, in a soon-to-be emblematic flagship at 15 rue du Faubourg Saint-Honoré, an expansion of the Maison to open in 2024, then in January 2023, in his own home in Antwerp, a reciprocal exchange after the first two shows within the home of Alaïa in Paris, mirroring Azzedine Alaïa's habit of showing collections in his home.

The collections were strongly welcomed by media and buyers, and have shown very positive sales results, confirming Pieter Mulier's forward-looking creative vision. The Maison was highlighted with strong support from celebrities and influential VIPs on red carpets and impactful printed covers among which US Vogue with Rihanna and British Vogue with Beyoncé.

Along with this new creative impulse, Alaïa reinforced its distribution worldwide with a new flagship in New York, the opening of its first boutique in Shanghai, as well as a new boutique in Tokyo.

Alaïa relies on strong and historical partnerships with retail partners such as Bergdorf Goodman, Neiman Marcus and Saks, as well as online and specialty retailers, including NET-A-PORTER, Dover Street Market, Maxfield, The Webster and MyTheresa. These all contributed to the success and the expansion of the Maison.

In the year ahead, Alaïa will pursue its development by accelerating the brand's visibility and awareness while enhancing operations and execution, and perpetuating its outstanding positioning. It will reinforce and engage its community of friends and celebrities within Alaïa's brand territories through events, celebrities and ambassadorships, develop awareness in new markets and broaden the audience beyond the community through press and media, capitalising on iconic products and codes, such as *Le Coeur* leather goods line, the hooded bodysuit, the knitwear dress or the denim collection. The Maison will continue to selectively expand distribution and accelerate the expansion of its digital footprint.

Myriam Serrano
Chief Executive

Established 1964
7 rue de Moussy, Paris, France
Chief Executive Officer Myriam Serrano
Chief Finance Officer Amélie Meunier
www.maison-alaia.com

AZ FACTORY

"We are on a journey to design beautiful, purposeful, solutions-driven fashion that works for everyone. A place to experiment and try new things, our way." Alber Elbaz

Love brings love tribute show

- AZ Factory evolved into a new business model, acting as a fashion gallery.
- The Maison launched collaborations with Thebe Magugu, Cyril Bourez, Ester Manas, Lutz Huelle and Bas Timmer.
- In July 2022, AZ Factory launched a pop-up physical experience in Paris.

Since 2022, AZ Factory has evolved into a multi-disciplinary platform that goes beyond the conventional fashion blueprint, daringly supporting independent talents as a creative collective with a curatorial approach comparable to the one of an art gallery specialised in fashion.

Now, AZ Factory welcomes Amigos, guest creatives, to co-create stories and products inspired by Alber Elbaz's idea of "smart fashion that cares". Each of them is provided with an experienced team covering any function from creativity, product development, merchandising, production, marketing and communication. Each project resonates with the values left by Alber Elbaz: smart fashion that cares, friendship and love.

Partnering with Amigo Thebe Magugu for this first collaborative product story was a conscious desire to bridge common values and shared passion. The collaboration provided Thebe with a platform to develop and share his vision of what fashion means today and to him. The product story is the fruit of this immersion into AZ Factory's aesthetics and value system set by founder Alber Elbaz – a desire to do things differently, whilst always keeping it fun – layered with own personal experiences.

As a second Amigo, the young independent designer Cyril Bourez identified an early attraction to the reality of creating, the practical doing over the theory. With this project, Cyril was interested in leveraging his menswear training and vintage craftmanship expertise to offer a new vision of what women's clothing could mean, by applying this auto-fiction approach to Alber Elbaz's creative legacy, paying tribute to his work in a playful and irreverent way.

Then came a team in both love and craft for the past decade, Ester Manas and Balthazar, driven daily by key values of generosity, collaboration, humour, celebration and of course, inclusivity.

The duo described the inception of the project as a 'big buffet' which they turned into their creative playground. The importance of women's place in their work unquestioned, they focused on highlighting this common joyful and fierce persona. This collection was revealed during the first AZ Factory pop-up experience, in the Marais district of Paris in July 2022.

Named *F is for Friendship*, Lutz Huelle's product story was a riff on AZ Factory's alphabet, and an ode to the brand's protagonists, its very own Amigos. At the root of his work has always been one central question: "What is it that my friends want to wear?"

The answer was a simple one: practical, functional clothes that also spark joy. Lutz doesn't like labels or categories, and his is a unique blend of influences he describes as a multi-cultural fashion language, in which he likes to remove things from their original context to suggest new use for them. The collection was presented at the Fondation Cartier in October as part of the Paris Fashion Week schedule.

AZ Factory also joined forces with Bas Timmer to create a capsule collection to support people living unsheltered. The fifth Amigo for 2022 saw a surprising collaboration of AZ Factory in support of Sheltersuit Foundation to help unsheltered people around the world. Each bag sold would finance the creation of a Sheltersuit which would be donated by local non-profits: what a better way to reaffirm AZ Factory's motto "love brings love"?

Annie Paray
Chief Executive

Established 2019
261 Boulevard Raspail, Paris, France
Chief Executive Officer Annie Paray
Chief Finance Officer Laetitia de Mathan
www.azfactory.com

Chloé

Founded in 1952 by Gaby Aghion, an Egyptian-born Parisian who wanted to liberate women's bodies from the stiffly formal fashion of the time through a luxury ready-to-wear offering. Seventy years later, Chloé continues to embody a purposeful vision of luxury fashion, rooted in a sophisticated, forward-looking yet timeless style, a spontaneous and free-spirited attitude, and a belief in the power and joy of femininity.

La Maison Chloé, Paris

- Chloé continued desirable reinterpretations of the Maison's best-selling products, such as the *Nama* shoe, the *Woody* bag and ready-to-wear ranges, fashioned from lower-impact materials and ongoing fairtrade product partnerships.
- The Maison continued the successful shift of the brand to a direct-to-consumer model with strong retail performance and the opening of 15 new stores.
- The Maison's B Corp certified environmental and social commitments towards a purpose-driven business model saw strong progress.

This year saw the Maison go from strength to strength under the new creative leadership of Gabriela Hearst and reinforce its industry-leading social and environmental commitments following its recent B Corp certification.

The Maison's Autumn/Winter 2022 show in March 2022 saw Gabriela Hearst explore the concept of climate success through Rewilding, bringing to life the historic codes of the Maison through innovative lower-impact materials such as recycled cashmere, the reuse of deadstock fabrics and eco-nylon puffers.

Following the strong launch of the *Nama* shoe in October 2021, Chloé continued to showcase this desirable new silhouette as well as offering reinterpretations of other best-selling products such as the *Woody* bag and ready-to-wear ranges in lower impact materials.

In 2022, Chloé also launched two enticing capsule collections, the *Fast Girl* range, and a collaboration with British heritage brand Barbour that included a range of outerwear infused with the iconic codes of both brands.

Chloé extended its commitment to positive social impact through fairtrade partnerships with a community of social enterprises. New projects included the animation of the *Mini Woody* with Lebanon-based social enterprise Sarah's Bag and partnering with Ocean Sole, an organisation that collects and recycles flip flops discarded on Kenya's beaches and oceans.

Chloé also reinforced its commitment to its Women Forward partnerships where, through donations, volunteering and its supply chain, the Maison supports partners who are working to close the gender gap. Chloé introduced two new partners, including Rev'elle in France, an NGO that supports young women from low-income neighbourhoods.

The Maison has continued to progress its shift towards a direct-to-consumer business model. Over the year, Chloé has consolidated its wholesale business whilst elevating its global retail network, overseeing the opening of 15 new stores and the progressive refurbishment of boutiques in key cities.

Chloé has also made progress in strengthening its operational activities and internal *savoir faire*.

In October 2022, Chloé unveiled a new collection where over 60% of the ready-to-wear products utilised lower-impact materials and launched Chloé Vertical. This initiative places a unique digital ID on the labels of products, enabling users to trace their item from field to finished piece, and access their ownership certificate as well as care, repair and resale information.

Looking to the year ahead, Chloé is proud to be celebrating its 70th anniversary and the life of its founder, Gaby Aghion. Her rich and enduring legacy will be honoured through a series of cultural projects, and she continues to be a source of inspiration to the Maison in its commitments to furthering the advancement of women across the globe.

Riccardo Bellini
Chief Executive

Established 1952
5-7 Avenue Percier, Paris, France
Chief Executive Officer Riccardo Bellini
Chief Finance Officer Ascher Sabbah
www.chloe.com

1829

DELVAUX

Founded in Brussels in 1829, Delvaux is the oldest fine leather luxury goods Maison in the world and has been active without interruption ever since with its own workshops. Delvaux is the inventor of the modern handbag having filed in 1908 the first ever leather handbag patent in the world. Since its creation, the Maison has been both avant-garde and true to the finest traditions of craftmanship while conveying the heritage and symbols of Belgian culture.

Delvaux Headquarters in Brussel's Arsenal

- Delvaux launched the *Lingot* bag in April 2022.

Delvaux has just completed its first full year since its acquisition by Richemont in 2021.

It has been an important and successful year of reactivation and transformation in order to pave the way for a sustainable and long-term development of the Maison.

Delvaux has a strong heritage with a legacy which is constantly evolving, always eager to enrich its know-how and to welcome design and innovation.

With such a mindset, Delvaux is in tune with the evolution of society, which attaches increasing importance to sustainability and long-term values. In practice, a Delvaux bag is sustainable by design in its making and in its usage.

Delvaux's artisans and workshops master and exemplify leather-working *savoir faire* and the Maison's products, both striking and discreet, have a long-lasting life allowing them to flow from one generation to the next.

The Maison's own direct retail network represents an essential part of the sales through boutiques in outstanding locations. Each of the 60 boutiques is different with its unique design bridging Delvaux's soul and origin with each city's specific culture, thus creating a close relationship between the Maison and its local clients.

The past year saw the successful launch of innovative collections, like the new *Lingot* bag launched in April 2022.

During the year under review, in a challenging environment, strong sales growth has been achieved, with a striking acceleration in Japan and Korea and a powerful reboot in Europe.

Well-defined investments supported this growth, with the renovation of the flagship boutique on rue Saint-Honoré in Paris, the relocation of the Omotesando Maison in Tokyo, as well as openings in Chengdu, China, in Korea and Delvaux's first shop in the Middle East in the Dubai Mall.

The Maison is also actively preparing for further expansion in 2023 and is pleased to announce that it will open in two new countries, Malaysia and Saudi Arabia, confirming a year of both consolidation and acceleration.

Jean-Marc Loubier
Chief Executive

Established 1829
7, Bd Louis Schmidtlaan, Brussels, Belgium
Chief Executive Officer Jean-Marc Loubier
Chief Finance Officer Grégoire Bedoret
www.delvaux.com

Founded in London in 1893, dunhill has delivered masculine, elegant English style and refined, functional purpose for 130 years. Today the Maison celebrates classicism and sophistication, offering the very best of British leather goods and menswear.

Bourdon House, the London home of dunhill

- dunhill revisited its ready-to-wear offer, with a focus on elevated, refined and timeless pieces.
- Leather goods remains a key priority for the Maison with the launch of a new collection – *1893 Harness*.
- The Maison continues to strengthen its online presence through the internalisation of its brand store on Alibaba's Tmall Luxury Pavilion and the forthcoming launch of a redesigned e-commerce website.

Established in London in 1893, dunhill is an expression of the city's respect for tradition and viewpoint on modernity.

Drawing from this heritage and imbued spirit of innovation, the Maison has revisited its ready-to-wear offer this year. Focused on refinement and timeless pieces, dunhill's *AW23* offer is a statement of intent. A return to the roots of the Maison is clear with a focus on tailoring, iconic outerwear including top coats and car coats, and luxury casualwear. The new strategic direction is cemented via the creation of a new double-breasted silhouette *The Society Jacket*.

In leather goods, the presentation of a new collection, *1893 Harness*, further develops the Maison's proposition. Crafted in the finest grain calfskin, the soft and supple nature of the leather combined with its strength and durability is used to create a new masculine silhouette relevant for today. Using bespoke hardware inspired by the Maison's roots in bridlery and saddlery, the collection is a perfect signifier of where dunhill originated and what it has evolved into.

Further additions to the footwear category are seen in the development of hybrid derbys, brogues and Chelsea boots, featuring lightweight foam injection soles.

dunhill continues to reinforce Bourdon House as the Maison's global flagship destination. Dedication has been applied to elevate dunhill's experience through the Bespoke, Made-to-Measure and Made-to-Order services in tailoring, leather goods and footwear. Continuing the Maison's hospitality offer is the Barber Shop, Alfie's restaurant and café together with the Humidor and Cinema spaces.

The Maison continues to strengthen its global online presence. In China, dunhill internalised its brand store on Alibaba's Tmall Luxury Pavilion. The launch of a newly redesigned website will further bolster the Maison's e-commerce and always-on brand storytelling.

dunhill also grew its physical presence in key markets. New stores were opened in multiple locations in China and Japan.

Moving into 2024, dunhill will continue to reinterpret timeless British style through its proposition as a leading British, masculine, luxury Maison.

Laurent Malecaze
Chief Executive

Established 1893
Bourdon House, 2 Davies Street, London, England
Chief Executive Officer Laurent Malecaze
Chief Finance Officer Andrew Holmes
www.dunhill.com

MONTBLANC

For over a century, Montblanc's writing instruments have been the symbol of the art of writing. Driven by its passion for craftsmanship and creativity, Montblanc also provides elegant, sophisticated and innovative creations in the fields of fine leather and fine watchmaking.

Montblanc Haus, Hamburg, Germany

- The Maison opened the Montblanc Haus in Hamburg dedicated to the brand purpose to Inspire Writing.
- A new flagship concept Suite 4810 opened at the Champs-Élysées.

In May 2022, Montblanc opened the doors to Montblanc Haus, an immersive brand experience that conveys the heritage of the Maison and the importance and value of handwriting. Set on three levels on over 3 600 square metres, the Montblanc Haus invites visitors to discover permanent and temporary exhibitions dedicated to the Maison's brand purpose to Inspire Writing.

Underlining its authority in the field of luxury writing, Montblanc launched several limited editions in 2022, ranging from extensions in the Maison's *Great Characters and Writers Editions* lines to a unique high artistry piece dedicated to the first ascent of the Mont Blanc. A specific highlight was the 30th and final *Patron of Art* edition that was first launched in 1992, honouring influential patrons devoted to arts and culture.

Following the appointment of Marco Tomasetta as Artistic Director in 2021, Montblanc launched new design styles in its leather segment in 2022, taking inspiration from the Maison's archives and heritage of Inspire Writing. Elevating its signature leather collection, the Maison presented the relaunch of its *Meisterstück* collection at its first showroom in Paris in Spring 2022.

In September 2022, Zinedine Zidane joined Montblanc's ambassadors and appeared in a new campaign for the Montblanc Legend fragrance.

In watches, Montblanc launched its new hero product, the *1858 Iced Sea Automatic Date*, a sports diving watch inspired by the textures of the glacial lakes of the Mont Blanc. Coming in a 41mm stainless steel case with a bicolour ceramic unidirectional rotating bezel, the new *Iced Sea* is a certified diving timing instrument, conforming to the ISO 6425 norm.

Further elevating the experience for its clients, Montblanc unveiled a unique boutique experience named Suite 4810 on the iconic Champs-Élysées, showcasing its product categories in an elegant hotel-inspired setting. Highlight of the new flagship concept is a dedicated suite on the first floor, inviting clients to high-end experiences.

In the coming year, Montblanc will further elaborate on its brand purpose to Inspire Writing. Linked to its writing heritage, the Maison will add new dimensions to its leather goods collections with new functionalities, new styles and new colours.

Nicolas Baretzki
Chief Executive

Established 1906
Hellgrundweg 100, Hamburg, Germany
Chief Executive Officer Nicolas Baretzki
Chief Finance Officer Hendrik Bitterschulte
www.montblanc.com

PETER MILLAR

Peter Millar launched in 2001 with a single cashmere sweater, which embodied a commitment to craftsmanship that continues today. Now offering a complete range of casual apparel and sportswear, the brand works with only the finest materials and quality fabrics sourced from specialist mills and workshops. G/FORE, a golf-inspired sportswear and accessories brand which the Maison acquired in 2018, continues to build momentum internationally with a differentiated creative direction and product assortment.

Peter Millar boutique, Austin, Texas

- The Maison opened a Peter Millar boutique at Scottsdale Quarter in Scottsdale, Arizona.
- Its G/FORE brand continued to grow, including the opening of boutiques and new website platforms in the US and UK.

One of the fastest growing and most respected Maisons in luxury apparel, Peter Millar enjoys distribution through the finest specialty retail stores, prestigious resorts and the most exclusive country clubs, as well as through its own branded boutiques and online store. Strong relationships, exceptional product offerings and a premier level of customer service have cultivated an extraordinarily loyal clientele around the world.

After a period of rapid expansion, the Maison continued to execute its growth strategy, highlighted by the opening of a Peter Millar boutique in Scottsdale, Arizona, continued investments in its website platform, momentum in its wholesale channels, and growth of its G/FORE brand. Peter Millar now has 22 branded boutiques, and G/FORE launched its third boutique, also located in Scottsdale. Peter Millar achieved significant consumer engagement growth, supported by investment in digital marketing, creative content and systems to support its business.

The Maison continued to evolve its product lines, as it merged the *Crown Crafted* line with its *Collection* line to introduce a new, innovative offering that fuses luxury lifestyle apparel and reimagined performance sportswear. Furthermore, focus remained on the casualisation of the *Crown* line, which features a more relaxed sportswear aesthetic with 'lived-in' fabrics and unique finishing treatments. The casualisation direction was also present in the expansion of innovative performance apparel in the Maison's *Active* line. *Crown Sport* footwear experienced continued success with the launch of the *Camberfly Sneaker* capsule and new designs in the *Glide* and *Drift* capsules.

The Maison saw growth in the Los Angeles-based brand G/FORE, which was acquired in 2018. G/FORE's growth was supported by investments in e-commerce operations and digital marketing, including the launch of a new website platform in the US as well as the first G/FORE platform servicing the UK. Newly designed variations of the *MG4X2* golf cross trainer and *MG4+* footwear capsules were significant contributors to the brand's growth, complemented by limited edition products and capsules. Finally, G/FORE experienced continued growth in its women's golf segment by offering a refined aesthetic unique to the women's golf market.

In the year ahead, Peter Millar will strengthen its product categories with particular focus on elevating its outerwear offering, with new fabrications and silhouettes. The *Crown Crafted* line will also be bolstered by a deeper cashmere sweater offering, including a new cashmere-silk programme called *Voyager*. The Maison will also expand the distribution network with new boutiques, including a new flagship boutique on Madison Avenue in New York. G/FORE will launch a new men's and women's footwear capsule, *G.112*, to reinvigorate its offering, and will also open a pop-up boutique in New York. The Maison will continue to invest in the online shopping experience with particular focus on improved creative content and fulfilment capabilities. As always, a focus on outstanding quality and world-class customer service will underpin these initiatives.

Scott Mahoney
Chief Executive

Established 2001
1501 Sunrise Avenue, Raleigh, North Carolina, USA
Chief Executive Officer Scott Mahoney
Chief Finance Officer Jon Mark Baucom
www.petermillar.com

PURDEY

James Purdey & Sons, holder of Royal Warrants as gunmakers to the British royal family, was founded in 1814 and has been crafting the finest shotguns and rifles for more than two centuries. The combination of precision craftsmanship and exquisite finish make both Purdey's guns and elegant countryside clothing the most desirable choice for the passionate client.

Audley House, the home of James Purdey & Sons since 1882

- A year of continued growth across the business, led by increased demand for sporting guns, shooting experiences and retail sales of clothing.
- Purdey's shooting school, acquired in 2018, was fully integrated into Purdey and renamed 'Purdey at the Royal Berkshire Shooting School'.

From being famous for the craft of gunmaking for over 200 years to the Purdey of today, the product offering has been extended to include luxury countryside clothing, leather, luggage and gifts, each with their unique characteristics but all with the same fundamental levels of craft, outstanding quality and authority.

This year has seen intensive work with a new creative director to further elevate the sourcing, quality and design of Purdey's *Sporting*, *Technical* and *Lifestyle* collections. The newest range will launch in Spring 2023, bringing a lightness of touch along with timelessness and *savoir faire* to the clothing. Autumn 2023 will be the largest new collection, building on Purdey's reputation as a uniquely British brand for all seasons.

Experiences remain at the forefront of the customers' ambitions. Beyond the joy of buying a bespoke hand-crafted shotgun, they look to Purdey for the complete lifestyle experience of the Maison. From practice days at 'Purdey at the Royal Berkshire Shooting School', to full 'gate to gate' adventures involving some of the finest estates in the UK and the world, the 'Purdey Sporting Agency' is a jewel in Purdey's crown.

Purdey has always been known for the innovation it brings to gunmaking, leading the finest gunmakers in the world with new ranges and techniques. This year, in addition to the growing success of smaller calibre shotguns, Purdey has relaunched the *London Sporter*, the most accessible range which is available in 12, 20 and 28 bore calibres.

In February 2023, The Duke of Wellington, as Chair of Judges of the Purdey Awards for Game and Conservation, presented a series of prizes to some of the most outstanding estates in Great Britain, recognising the importance they play in habitat conservation and the countryside.

The future for Purdey is very exciting, elevating every element of its offer to that of Purdey's gunmaking, reaching new customers looking for the finest of British tradition, elegance and craft.

Dan Jago
Chief Executive

Established 1814
Audley House, 57-58 South Audley Street, London, England
Chief Executive Officer Dan Jago
Chief Finance Officer Lewis O'Neill
www.purdey.com

SERAPIAN
MILANO

Serapian is a historical leather goods Maison founded in Milan in 1928 by Stefano Serapian. The Maison has established itself as an ambassador of Italian craftsmanship and of Milanese elegance, notably thanks to its iconic Mosaico craft and unique bespoke service. Serapian also stands out with its refined tonal palette and soft geometric shapes such as its signature Secret Bag.

Serapian's Bespoke Salatto at Villa Mozart in the heart of Milan

- In September, Serapian's presentation was a tribute to Gabriella Crespi, an iconic figure of Milanese design during the 1970s.
- In October, for the occasion of Paris Fashion Week, Serapian unveiled an ephemeral boutique at 1 rue de la Paix celebrating Italian Mestieri d'Arte.

Serapian was founded in Milan by Stefano Serapian in 1928. Together with his wife Gina, they gathered the most talented artisans to set up a bespoke atelier in the heart of the city. This milieu of excellence attracted well-heeled ladies and elegant gentlemen looking for something truly special.

In 1947, Stefano Serapian brought *Mosaico* to life. He created a speciality so unique that it would become one of the Maison's hallmarks. Delicate strips of lamb nappa are meticulously handwoven together by Serapian skilled artisans, creating a geometric, hypnotic effect somewhere between Byzantine mosaics and Japanese origami.

In the early 1970s Stefano's son, Ardavast, took over the reins to write a new chapter in the story of the Maison. He notably developed the *Secret* bag, which is still a hallmark of the Maison today. This was born from a bespoke request made by a Milanese woman seeking a spacious and lightweight creation with a hidden pocket inside, hence the name *Secret*.

With the fast-paced development of travel and leisure, Ardavast unveiled *Stepan*, an innovative and water resistant material dedicated to the sophisticated globetrotters. Created to stand the test of time, this coated canvas features an all-over s-etching detail, remaining an exclusive Maison emblem to this day.

Since the early days, the Serapian bespoke service is a place where nothing is impossible. Some recent examples include hand-painted jewellery boxes, the interior restoration of a 1930s Lancia Dilambda car and even a limited edition *Catilina* chair with storied Milanese design firm Azucena.

In October, the Maison unveiled an ephemeral boutique at 1 rue de la Paix in Paris featuring the finest Milanese Mestieri d'Arte. Guests are invited to discover Serapian's creations, witness the *Mosaico* craft woven live by a master artisan and enjoy unique pieces of design from the Doppia Firma project by the Fondazione Cologni dei Mestieri d'Arte.

Today, from its bespoke atelier in the heart of Milan, the Maison is still writing its future. Weaving tradition with innovation, Serapian will unveil in 2023 a never seen before digital, bespoke experience. This exclusive service will further anchor the signature *Mosaico* craft as the epitome of high craftsmanship for connoisseurs worldwide.

Maxime Bohé
Chief Executive

Established 1928
Via Mozart 9, Milan, Italy
Chief Executive Officer Maxime Bohé
Chief Finance Officer Silvia Ponzoni
www.serapian.com

WATCHFINDER&Co.
THE PRE-OWNED WATCH SPECIALIST

Founded in 2002, Watchfinder&Co. is the premier resource from which to buy, sell and part-exchange pre-owned luxury watches. From current bestsellers and cult classics through to vintage and limited edition pieces, Watchfinder has thousands of watches from more than 70 different luxury brands, all available online and via a network of private showrooms and boutiques.

Watchfinder at Bongénie, Geneva

- Watchfinder&Co. celebrated 20 years.
- Watchfinder&Co. opened its first retail space in the Middle East.
- Watchfinder&Co. announced the launch of its own marketplace in 2023, setting new standards with site-wide authentication as a standard.

This year, Watchfinder&Co. celebrated 20 years of excellence, making it one of the most established and trusted pre-owned watch specialists in the world. Throughout the year, Watchfinder&Co. continued to grow its retail footprint across the globe, enter new markets, expand its high-profile brand partnerships and bolster its global infrastructure.

2022 saw Watchfinder&Co. strengthen its partnership with American fashion retailer Nordstrom. The expanded partnership followed a hugely successful trial that took place in Nordstrom Seattle and on Nordstrom.com in November 2021. Now, in addition to a permanent shop-in-shop in Seattle and an ongoing online presence, Watchfinder&Co.'s in-store footprint also includes a brand new shop-in-shop in Nordstrom's flagship New York City store. The collaboration now also includes the roll-out of a series of retail pop-ups over the next twelve months, including Nordstrom's Scottsdale, Arizona and La Jolla, California locations.

Another successful retail partnership that came to fruition in 2022 was with luxury shopping destination creators and operators Value Retail and the opening of a Watchfinder&Co. boutique in their flagship location, Bicester Village, in November.

This year also saw Watchfinder&Co. launch in the Middle East. In January 2023, in partnership with TimeVallée, Watchfinder&Co. opened its first pre-owned lounge in Qatar, located within the Hamad International Airport.

Supporting Watchfinder&Co.'s continued growth, and strengthening its presence in both the EU and the US, the company has also unveiled two brand new servicing and distribution hubs. The two dedicated hubs oversee Watchfinder's centralised logistics for EU and US inventory, distribution and servicing. The new hubs are another step in Watchfinder's ongoing commitment to providing its customers with a faster and more sustainable service.

With a view to the year ahead, Watchfinder&Co. has also announced that it will be further expanding its current offering with the launch of its own marketplace in Spring 2023. The roll-out will begin in the UK, followed by its key international markets. With a continued commitment to providing unparalleled choice, quality and customer experience, Watchfinder&Co.'s marketplace will provide its customers with access to an even wider selection of pre-owned luxury watches without compromising on the extremely high standards the business has built up over the past 20 years. Setting a new industry standard, all marketplace stock will be meticulously inspected and authenticated by Watchfinder&Co.'s team of expert watchmakers in their independent service centres and come with a 24-month Watchfinder&Co. warranty, much like their owned stock, as standard.

Arjen van de Vall
Chief Executive

Established 2002
23 Kings Hill Ave, Kings Hill, West Malling, England
Chief Executive Officer Arjen van de Vall
Chief Finance Officer Patrick Addor
www.watchfinder.co.uk

Discontinued Operations

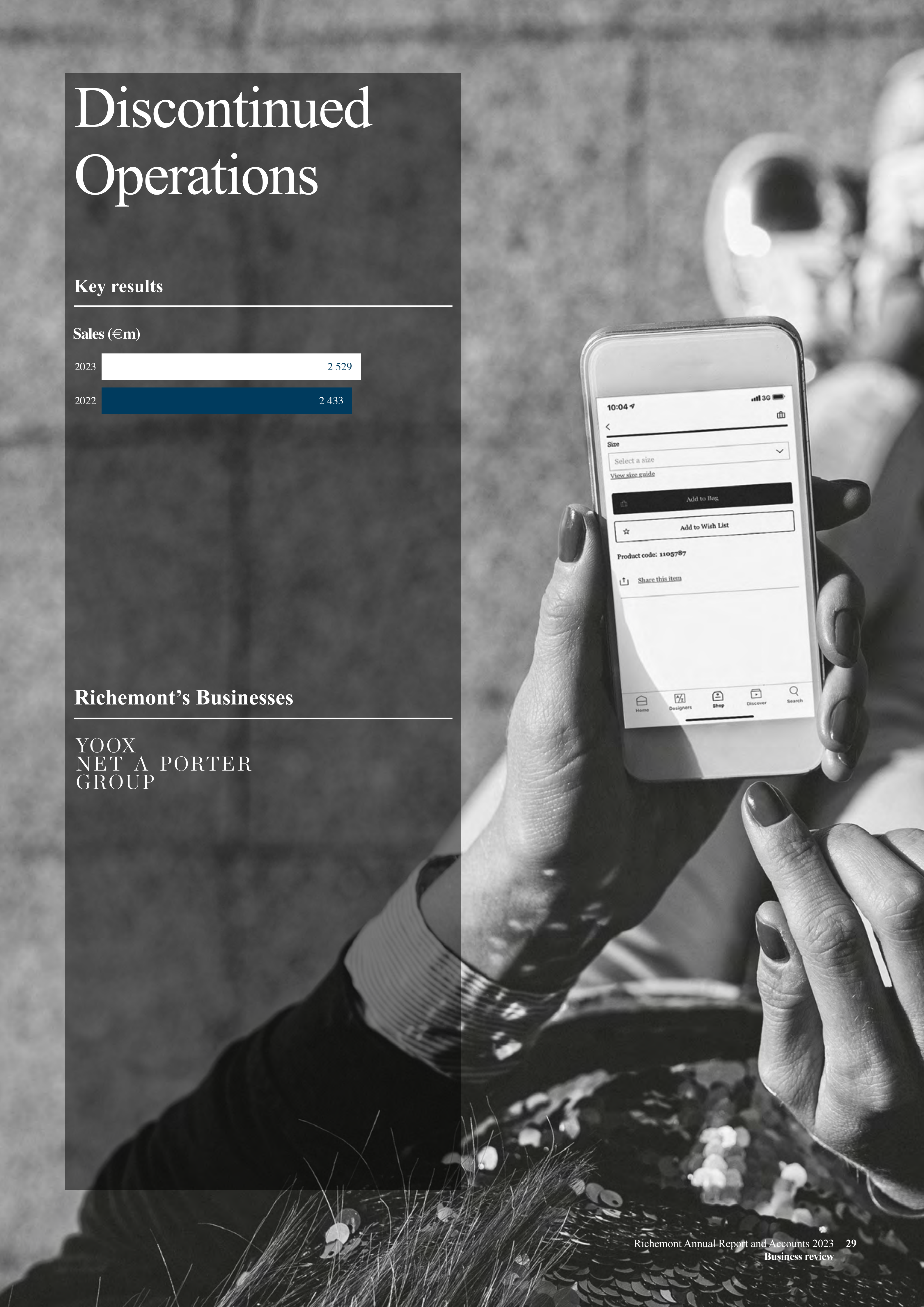
Key results

Sales (€m)

2023	2 529
2022	2 433

Richemont’s Businesses

YOOX NET-A-PORTER GROUP



YOOX NET-A-PORTER GROUP

YOOX NET-A-PORTER is home to the world's leading online luxury, fashion and style destinations. Through its four multi-brand online stores, NET-A-PORTER, MR PORTER, THE OUTNET and YOOX, it has more than 20 years' experience in transforming the way the world shops.

YOOX NET-A-PORTER Tech Hub, London

- YOOX enhanced its marketplace with new homeware and pre-owned categories.
- THE OUTNET introduced resale with circularity services expanded to new markets.
- NET-A-PORTER and MR PORTER bolster client retention through a new loyalty programme.

Despite challenging global macroeconomic conditions, the business delivered stable performance throughout the year.

The business continued to tailor the customer experience globally with the launch of the Italian sites of NET-A-PORTER and MR PORTER, while MR PORTER also localised in Germany and Korea.

In China, Weibo hashtag #NAP IT# surpassed 1.6 billion users, strengthening NET-A-PORTER's local brand's awareness. Through its dual-channel app and flagship store on Alibaba's Tmall Luxury Pavilion, Chinese luxury fashion consumers have access to unique curation and superior content.

NET-A-PORTER and MR PORTER introduced a new loyalty programme for its most valued customers in the UK, the US and Asia Pacific regions to unlock rewards, exclusive events and products.

Across its online stores, data continued to drive enhancements to the customer experience, delivering new ways for customers to evaluate sizing, improved performance of inventory, and further streamlining the checkout process.

YOOX Marketplace enhanced its offering with the launch of a HOME DÉCOR + ART category and pre-owned fashion, a first in the business highlighting its commitment to circular fashion.

As part of its Infinity sustainability strategy, YOOX NET-A-PORTER furthered its commitment to unlocking re-commerce by launching its resale service on THE OUTNET while NET-A-PORTER, MR PORTER and THE OUTNET also expanded services to France and Italy. In the UK, NET-A-PORTER launched its first dedicated clothing care and repair service, marking another step in the company's roll-out of circularity services.

The second edition of The Modern Artisan, YOOX NET-A-PORTER's training programme with The Prince's Foundation, produced its first responsible womenswear collection, which met 100% of the company's sustainability and circularity design criteria.

Alison Loehnis
Chief Executive

Established 2000
Via Morimondo 17, Milan, Italy
Chief Executive Officer Alison Loehnis
Chief Finance Officer Paola Agasso
www.ynap.com
www.net-a-porter.com www.mrporter.com www.theoutnet.com www.yoox.com

Regional & Central Functions

Richemont has support functions around the world, which bring to our Maisons all the expertise, competences and tools they need to grow their brand equity and focus on their strengths in design creation, sales and marketing. Working as business partners with the Maisons, they foster the capturing of synergies and the sharing of best practices, while respecting the specifics of each Maison.

RICHEMONT

Richemont

Richemont regional and central functions provide a business operations system to the Maisons in order to develop their activities, covering a large spectrum of services in more than 130 countries. All regional and central functions worked closely with the Maisons to ensure continuity in a volatile environment, while pursuing the development of the operational backbone of the Maisons through various projects and initiatives.

REGIONAL FUNCTIONS

In a volatile context still impacted by the pandemic, all regional teams have been highly focused on partnering with Maisons to innovate and better connect with their clients, while ensuring business continuity, operational excellence and compliance with local regulations.

Europe

Europe performed strongly throughout the year, driven by continued local demand, the return of international tourism and a positive e-commerce performance. In this context, the focus on operational excellence proved critical, with automation and client service initiatives improving ways of working and efficiency. Richemont Europe also supported the continuous development of the omni-channel and client-centricity strategies of the Maisons, while extending the scope of its activity with the integration of Delvaux. Finally, the teams developed numerous people experience, learning and development initiatives, notably leadership and female empowerment programmes. The last fiscal year also saw enhancements to the Environment, Social and Governance ('ESG') journey, with key local projects and commitment to energy saving.

Middle East, India and Africa

As the Middle East, India and Africa region continues to develop and welcomes more tourists, the region focuses on key business development initiatives, with boutique openings, as well as further internalisations in Saudi Arabia and India. The region has made substantial progress in the support and development of the local talent pool in the United Arab Emirates and Saudi Arabia thanks to initiatives such as the Saudi Arabia Craftsmanship Programme and the Graduate Trainee programme, which offers United Arab Emirates nationals the opportunity to integrate the workforce. Finally, the Group Enterprise Resource Planning ('ERP') implementation is under way in the region to further drive operational excellence.

Asia Pacific

Asia Pacific pursued its business development in the region with the completion of the first directly operated boutique in New Zealand as well as the legal entity and office set-up in Vietnam. The sub-region of Oceania and Korea benefitted from the gradual reopening of borders whilst China was still having to deal with periodic lockdowns and disruptions, which tested the region's agility and Business Continuity Plan ('BCP') capabilities. The Group ERP has now been implemented in all Asia Pacific markets. Websales have been activated for Van Cleef & Arpels as well as the Specialty Watchmakers Maisons in most of the North East Asia and South Asia & Oceania markets. A Customer Relationship Centre has been established in Singapore to enhance the proximity and service to local clients in the sub-region. Richemont continues to strive to be an employer of choice in the region, for example, Richemont was nominated amongst the top 100 best employers in China and one of the top ten employers in Hong Kong SAR, China. Efforts on sustainability have continued all along the year and ESG initiatives have also been reinforced in all markets with programmes linked to each market's specific needs.

Americas

The Americas experienced economic expansion throughout the year, with performance driven by local consumption. In the second quarter, the region finalised the integration of Delvaux. Group ERP completed implementation in Mexico and is under way in Brazil. The region has started using artificial intelligence to drive efficiency at Customer Relationship Centre. The Americas have continued to progress on the ESG journey, through specific local initiatives and notably are in the fourth year of its career development day in partnership with Laureus USA.

Japan

The Japan region experienced a steep recovery throughout the year, with the performance mainly driven by local consumption, in addition to a gradual return of inbound tourism during the second half of the year as border restrictions were eased. The year saw the acceleration of omni-channel with the introduction of new tools and innovative ways of connecting with our clients. A client-centric approach drove operational excellence and automation initiatives, which increased efficiency across the region. The region's sustainability journey continues from focus on environmental topics to Diversity, Equity and Inclusion ('DEI').

CENTRAL SUPPORT FUNCTIONS

Industry and Customer Service

The Group Industry and Customer Services mission is to define and execute the Group's industry, customer service, supply chain/logistics, indirect procurement, responsible sourcing and research and innovation strategies, operate our industrial and logistics backbone, and support the Maisons in their manufacturing and supply chain development.

In the last year, our team showed strong agility to support the growth of Maisons in a context of global supply chain disruption, in the aftermath of the Covid-19 pandemic. Thanks to the deployment of specific measures, and notably direct shipments to point of sales solutions, Richemont continued delivering its products in all territories where the Group operates.

Richemont continued to pursue its worldwide logistics re-engineering and investment programmes. Product and trade compliance, supported by the Specialist Compliance Centre, is highly focused on ensuring adherence to strict standards and continued market access. Richemont's internal manufacturing entities play an important role in the Maisons' sourcing strategies, with a secure and competitive offer in components and with a tailored approach in Italy for the leather goods activity. This year, Richemont reinforced and secured its manufacturing capacity, adapting its existing industrial assets and reinforcing its collaboration with suppliers. Research & Innovation and responsible sourcing teams have been strengthened to meet Richemont's commitments to the Science Based Targets initiative ('SBTi'), co-ordinate the PVC phase-out and secure the key supply chains for the Group.

Richemont's efforts will continue in the coming years to ensure business continuity as well as efficiency by pooling the Group's capacities while maintaining the ability to adapt to demand. Richemont's Research & Innovation teams are working in collaboration with its Maisons and Manufactures to deliver innovative solutions and bring more value to our clients, integrating a pragmatic sustainable roadmap. Our teams are able to leverage a worldwide network of scientific, academic and industrial partners. In collaboration with the Group Corporate Social Responsibility ('CSR') management and Research & Innovation, the responsible sourcing teams will continue their efforts to support all Maisons and entities in the enrichment, prioritisation and execution of their environmental roadmap with a strong focus on transparency, traceability and compliance.

Technology

This year has seen an acceleration in project execution with a laser focus on delivering business value via Richemont's technology roadmap, validated by the Board of Directors in 2021. A continual alignment with the Group's priorities along the year has resulted in a number of key topics forming the framework of its deliverables:

- Security and Compliance remain an overarching priority, with several key initiatives aiming at adapting to local and regional regulatory requirements in terms of Personal Information protection, as well as continuously strengthening its security posture, in line with industry best practice.
- Simplification and modernisation of the back-end technologies, including continued roll-out of the SAP template, have resulted in a steady improvement in the service provided to its clients.
- Migration of the on-premise hosting facilities to public cloud providers, via the Move to Cloud initiative, has continued apace. The majority of services, previously delivered from three datacentres located in Switzerland, Hong Kong SAR, China and the US, are now being powered by the Cloud.

Real Estate

The Real Estate function supports the Group and its Maisons with their strategic planning, acquisition and construction development, and project management for new boutiques. Real Estate also supports the Maisons through the Building and Office Services ('BOS') function, which handles the facility management (space planning, construction and maintenance) for corporate locations, repair and maintenance for boutique locations in select markets, as well as all office-related services, including hospitality.

This year, the main retail projects were the openings of numerous stores in China, Cartier in G6 Ginza, the IWC flagship store in Shinjuku, and the new Delvaux flagship store in Omotesando in Tokyo, the renovation of the Cartier flagship stores in Paris and Milan, the Van Cleef & Arpels expansion in Bal Harbour and the first US boutique for Alaïa in Soho, New York. The other projects included new office locations in Seoul and Miami.

Human Resources

Connecting and engaging with Richemont colleagues helped define critical people priorities and articulate the HR vision around three key pillars: building a sense of belonging, offering a world of opportunities and fostering a journey of becoming for all its colleagues.

This year, HR teams demonstrated Richemont's commitment to achieve its business priorities, supporting business performance, while staying true to the Group values of courage, empathy, curiosity, humility and integrity. Initiatives were focused on:

- attracting talents, sharing about the Group's unique culture and elevating the candidate experience. These efforts led to awards from global and local institutions, recognising Richemont as an attractive place to work;
- accelerating on development and internal mobility to retain our employees, empowering them to take ownership of their career with the evolution of our performance framework. Additional learning opportunities were made accessible to all colleagues, as well as specific tailor-made programmes for targeted upskilling. Recognising the need to accompany leaders in their development, a new platform was created for the top executives to connect and be stimulated on critical themes and challenges;
- demonstrating a caring mindset to raise employees' expectations, offering competitive, equitable and personalised pay and benefits, as well as addressing the cost of living. Employees are paid at or above local standards worldwide, consistent with market practice, and harmonised within each country to ensure fair treatment; and
- connecting with Richemont colleagues all around the world, organising a DEI market tour, to develop awareness and knowledge on diversity topics, and better understand the employees' expectations in terms of recognising their differences. This will enable Group HR to develop its DEI strategy, prioritising and adjusting to what is meaningful and relevant, in the local cultural context within which Richemont operates.

Moving forward, HR colleagues' ambition will continue to be, for Richemont business and its people, to reach their full potential together. Empowering colleagues to help Richemont thrive and prepare for the future, creating long-term value for customers, partners, investors and the wider society.

Building a diverse, inclusive and caring place to work, as well as enabling all colleagues to have a positive impact, shaping Richemont's sustainable future, will remain top priorities in the coming years.

Financial review

in €m	2023	2022 re-presented*	% change
Sales	**19 953**	16 748	+19%
Cost of sales	**(6 237)**	(5 572)	
Gross profit	**13 716**	11 176	+23%
Net operating expenses	**(8 685)**	(7 423)	+17%
Operating profit	**5 031**	3 753	+34%
Net financial (costs)/income	**(314)**	(841)	
Share of post-tax results of equity-accounted investments	**41**	31	
Profit before taxation	**4 758**	2 943	+62%
Taxation	**(847)**	(494)	+71%
Profit for the year from continuing operations	**3 911**	2 449	+60%
Loss for the year from discontinued operations	**(3 610)**	(370)	
Profit for the year	**301**	2 079	-86%
Analysed as follows:			
Attributable to owners of the parent company	**313**	2 074	
Attributable to non-controlling interests	**(12)**	5	
Profit for the year	**301**	2 079	-86%
Earnings per share – diluted basis	**€ 0.543**	€ 3.611	-85%

* Prior-year comparatives have been re-presented as YNAP results are presented as 'discontinued operations'.

Any references to Hong Kong, Macau and Taiwan within this financial review are to Hong Kong SAR, China; Macau SAR, China; and Taiwan, China, respectively.

Following the 24 August 2022 announcement of an agreement, subject to a number of conditions, including the receipt of certain anti-trust approvals, to sell a controlling stake in YOOX NET-A-PORTER ('YNAP'), the results of YNAP for the year ended 31 March 2023 are presented as 'discontinued operations'. Prior-year comparatives are re-presented accordingly.

Unless otherwise stated, all comments below relate to the results of the continuing operations. The results of Watchfinder & Co. ('Watchfinder') are now reported within the 'Other' business area.

Sales

For the year ended 31 March 2023, Richemont reported strong performance with sales from continuing operations increasing by 19% at actual exchange rates and by 14% at constant exchange rates to € 19 953 million.

Compared to the year ended 31 March 2022, sales grew in all regions, distribution channels and business areas, both at actual and constant exchange rates.

At actual exchange rates, Asia Pacific sales grew by 6%, partly benefitting from a rebound in sales in mainland China, Hong Kong and Macau in the final quarter of the financial year, following the removal of travel and health restrictions. Elsewhere in the region, South Korea and South East Asia delivered significant sales increases throughout the year. Sales growth in the Americas, which represents the Group's second largest sales region, reached 27% for the year against strong comparatives (+89% in the prior year). In Europe, the overall 30% sales growth reflected robust demand in most markets, with the performance of France, Italy and Switzerland particularly noteworthy. Japan reported the strongest regional performance for the year with sales up by 45%, driven by solid domestic sales and the progressive return of inbound tourism. Sales in Middle East & Africa rose by 24%.

The Group's directly-operated stores drove growth, with sales up by 22% at actual exchange rates compared to the prior year, underpinned by double-digit growth across all regions and all business areas. Online retail sales, now excluding sales made by YNAP, increased by 12% while wholesale sales were 14% higher over the year.

At actual exchange rates, all business areas delivered double-digit sales growth compared to the prior year. Sales at the Jewellery Maisons rose by 21%, reflecting growth across all channels and regions. The 13% increase in sales of the Specialist Watchmakers was supported by growth in all regions with the exception of Asia Pacific. The 'Other' business area enjoyed a 19% sales progression, sustained by all regions.

Further details on sales by region, distribution channel and business area are given under Review of Operations.

Gross profit

Compared to the prior year, gross profit increased by 23% to € 13 716 million and the corresponding gross margin rose to 68.7% of sales.

This 200 basis point gross margin improvement was mainly driven by a combination of price increases, a more favourable geographical sales mix and a further client-driven shift towards retail. All these positive factors more than offset increases in raw materials cost and inflationary pressures experienced throughout the supply chain.

Operating profit

Increases in sales and gross profit combined with well-controlled costs led to the operating profit from continuing operations rising by 34% to an all-time high of € 5 031 million. As a result, operating margin improved by 280 basis points to 25.2% of sales.

Overall, operating expenses grew by 17% over the prior year, below the 19% sales increase.

Higher retail sales and the selective expansion and qualitative improvements of the Group's retail network contributed to a 19% increase in selling and distribution expenses. As a percentage of sales, these expenses were in line with the prior year at 23.5%.

Communication expenses rose by 17% compared to the prior year, and amounted to 9.7% of sales.

Expenses related to the fulfilment of online retail orders grew by 19% whilst administrative expenses increased by 20%. Other expenses included one-time items of € 66 million, the main item being a € 55 million charge related to the impairment of goodwill at Watchfinder, which has been negatively impacted by the global reduction of resale values for pre-owned watches.

Profit for the year

Profit for the year from continuing operations increased by 60% over the prior year to € 3 911 million. The € 1 462 million increase in profit for the year included a € 527 million improvement in net finance costs which amounted to € 314 million. The reduction in net finance costs was mostly due to non-cash fair value losses arising from the Group's investments in a Farfetch convertible note and an option to purchase additional Farfetch China shares, as well as the Group's investments in externally managed bond funds and money market funds, overall amounting to € 54 million, compared to € 538 million in the prior year. Net interest expense amounted to € 7 million, a € 46 million reduction over the prior year, while foreign exchange non-cash losses on monetary items amounted to € 240 million, a € 43 million increase over the prior year.

The loss for the year from discontinued operations amounted to € 3 610 million, representing YNAP's operating result and the € 3.4 billion non-cash charge on the transfer of YNAP net assets to 'held for sale' at 31 March 2023.

As a result, profit for the year amounted to € 301 million.

Earnings per share reached € 0.543 on a diluted basis. Excluding YNAP, diluted earnings per share (1 'A' share/10 'B' shares) from continuing operations were € 6.778.

To comply with the South African practice of providing headline earnings per share ('HEPS') data, the relevant figure for the year ended 31 March 2023 was € 3 807 million (2022: € 2 132 million). Basic HEPS for the year were € 6.691 (2022: € 3.762), diluted HEPS for the year were € 6.601 (2022: € 3.712). Further details regarding earnings per share and HEPS, including an itemised reconciliation, can be found in note 28 of the Group's consolidated financial statements.

Cash flow

Cash flow generated from operating activities, including YNAP, amounted to € 4 491 million compared to € 4 638 million in the prior year. The 3% reduction reflected increased operating profits from continuing operations, more than offset by higher investments in working capital.

Net investments in property, plant and equipment amounted to € 838 million, a 14% increase over the prior year. Capital expenditure during the period focused on expansion and qualitative improvements to the Group Maisons' retail network, as well as targeted manufacturing and technology investments.

During the year, the Group contributed € 330 million to its associate, Kering Eyewear, maintaining its percentage ownership at 30%.

The 2022 dividend of CHF 2.25 per share (1 'A' share/10 'B' shares) and the exceptional dividend of CHF 1.00 per share (1 'A' share/10 'B' shares) were paid to shareholders and to South African Depository Receipt ('DR') holders, net of withholding tax, in September 2022. The total dividend cash outflow in the period amounted to € 1 851 million.

Proceeds from the exercise of share options by executives and other hedging activities during the period amounted to a net cash inflow of € 198 million. No treasury shares nor shareholder warrants were repurchased during the year.

Balance sheet

At 31 March 2023, the assets and liabilities of YNAP were classified as 'Assets of disposal group held for sale' and 'Liabilities of disposal group held for sale', respectively. The remainder of the balance sheet reflected only the assets and liabilities of continuing operations. The prior year has not been restated.

Inventories amounted to € 7 096 million, a 16% increase excluding YNAP, and inventory rotation represented 16.6 months of cost of sales (2022: 15.1 months).

The Group's net cash position rose by 25% to € 6 549 million at 31 March 2023. Net cash is comprised of cash and cash equivalents, investments in externally managed bond and money market funds as well as external borrowings, including corporate bonds. At 31 March 2023, gross cash amounted to € 12 504 million.

Shareholders' equity represented 47% of total equity and liabilities compared to 50% in the prior year.

Sale of a controlling interest in YNAP

During the period, the Group reached an agreement with Farfetch and Alabbar, which is subject to a number of conditions, including the receipt of certain anti-trust approvals, to sell a controlling interest in YNAP. In the initial stage, Farfetch and Alabbar will acquire 47.5% and 3.2%, respectively, of YNAP's share capital, making YNAP a neutral platform with no controlling shareholder. Upon completion of the sale, Richemont will receive Farfetch Class 'A' ordinary shares expected to represent 12-13% of the issued share capital of Farfetch. Richemont will also receive US$ 250 million (expected to be settled in Farfetch Class 'A' ordinary shares) on the fifth anniversary of completion of the initial stage of the transaction. Alabbar, Richemont and YNAP's long-standing partner in the Middle East, will acquire a 3.2% interest in YNAP in exchange for its shares in the joint venture with YNAP in the Gulf Cooperation Council region. The initial stage of the transaction is currently expected to complete before the end of calendar year 2023.

The potential second and final stage of the transaction provides for Farfetch to increase its ownership of YNAP share capital to 100% through a put and call option mechanism.

YNAP's performance

YNAP's performance is shown under 'Results from discontinued operations'. In a globally challenging environment for digital distribution pure players, YNAP delivered sales growth of 4% at actual exchange rates.

NET-A-PORTER and MR PORTER led growth with a high single-digit sales increase in the UK and the US while the good performance of YOOX in Europe and the US was not able to fully offset the suspension of commercial activities in Russia.

Proposed dividend

Considering the Group's strong annual performance and robust net cash position, the Board has proposed a dividend of CHF 2.50 per 'A' share/10 'B' shares and an additional special dividend of CHF 1.00 per 'A' share/10 'B' shares.

The dividend will be paid as follows:

	Gross dividend per 1'A' share/ 10 'B' shares	Swiss withholding tax @ 35%	Net payable per 1'A' share/ 10 'B' shares
Dividend	CHF 2.500	CHF 0.875	CHF 1.625
Special dividend	CHF 1.00	CHF 0.35	CHF 0.65

The dividends will be payable following the annual general meeting ('AGM') which is scheduled to take place in Geneva on Wednesday 6 September 2023.

The last day to trade Richemont 'A' shares on Swiss Stock Exchange ('SIX') and the Johannesburg Stock Exchange ('JSE') cum-dividend will be Tuesday 19 September 2023. Both will trade ex-dividend from Wednesday 20 September 2023.

The dividends on the Richemont 'A' shares traded on SIX will be paid on Friday 22 September 2023 and are payable in Swiss francs. The dividends in respect of the Richemont 'A' shares traded on the JSE will be payable on Thursday 28 September and are payable in rand. Further details regarding the latter dividends payment may be found in a separate announcement dated Friday 12 May 2023 on SENS, the JSE news service.

Review of operations

Sales by region

in €m	2023	2022 re-presented*	Movement at: Constant exchange rates**	Actual exchange rates
Europe	**4 371**	3 351	+31%	+30%
Asia Pacific	**7 937**	7 487	+1%	+6%
Americas	**4 467**	3 528	+14%	+27%
Japan	**1 616**	1 118	+56%	+45%
Middle East & Africa	**1 562**	1 264	+13%	+24%
	19 953	16 748	+14%	+19%

* Prior-year comparatives have been re-presented as YNAP results are presented as ‘discontinued operations’.

** Movements at constant exchange rates are calculated by translating underlying sales in local currencies into euros in both the current year and the comparative year at the average exchange rates applicable for the financial year ended 31 March 2022.

The following comments on Group sales refer to year-on-year movements at constant exchange rates. Contributions to Group sales relate to sales at actual exchange rates. Unless otherwise stated, all comments below relate to sales of continuing operations.

Europe
For the year ended 31 March 2023, Europe delivered a 31% year-on-year sales increase, the second highest regional growth rate for the Group. This robust growth was fuelled by strong local demand and an increase in tourism from the US and the Middle East, complemented by a favourable exchange rate. Sales performances in France, Italy and Switzerland were of particular note. All business areas delivered solid sales increases compared to the prior year.

Overall, the region contributed 22% of Group sales, compared to 20% in the prior year.

Asia Pacific
Sales in the Group’s largest sales region, Asia Pacific grew by 1% compared to the prior year, an improvement compared to the 7% decline in the first nine months of the financial year. A strong rebound in sales in mainland China, Hong Kong and Macau during the final quarter of the year, following the removal of health-related restrictions, contributed to the recovery in the region. This positive performance also reflects significant double-digit sales growth in South Korea and South East Asia, most notably in Australia, Singapore and Thailand, throughout the year.

The region contributed 40% of Group sales, compared to 45% in the prior year.

Americas
The Americas reported sales growth of 14% compared to the prior year. Moderated growth rates in the second half of the year partly reflected increased purchases abroad by American-resident clients driven by the strength of the US dollar. All business areas delivered double-digit sales growth for the year, with the highest rate of progression reported by the ‘Other’ business area.

The contribution of the region to Group sales increased to 22% from 21% in the prior year. The region now stands just ahead of Europe as the Group’s second largest sales region.

Japan
With a 56% year-on-year sales progression, Japan posted the strongest regional sales growth rate, underpinned by strong domestic demand, the progressive return of international tourism from mid-October, and lower comparatives due to temporary boutique closures due to Covid-related restrictions in the prior year.

Japan represented 8% of overall sales, compared to 7% in the prior year.

Middle East & Africa
Sales in the Middle East & Africa region grew by 13% compared to the prior year, driven by solid domestic and inbound tourist spending, notably in Dubai and Qatar.

The region contributed 8% of Group sales compared to 7% in the prior year.

Sales by distribution channel

			Movement at:	
in €m	2023	2022 re-presented*	Constant exchange rates**	Actual exchange rates
Retail	**13 497**	11 057	+17%	+22%
Online retail	**1 294**	1 152	+6%	+12%
Wholesale and royalty income	**5 162**	4 539	+8%	+14%
	19 953	16 748	+14%	+19%

* Prior-year comparatives have been re-presented as YNAP results are presented as 'discontinued operations'.

** Movements at constant exchange rates are calculated by translating underlying sales in local currencies into euros in both the current year and the comparative year at the average exchange rates applicable for the financial year ended 31 March 2022.

The following comments on Group sales refer to year-on-year movements at constant exchange rates. Contributions to Group sales relate to sales at actual rates. Unless otherwise stated, all comments below relate to sales of continuing operations.

Retail

The Retail distribution channel incorporates sales from the Group's directly-operated stores.

Retail generated the strongest channel performance with a 17% sales growth compared to the prior year. Retail sales grew significantly across all business areas and regions, most notably in Europe and Japan, led by the Jewellery Maisons and Specialist Watchmakers.

Retail continued to be the largest contributor to Group sales with 1 286 directly-operated boutiques accounting for 68% of Group sales compared to 66% a year ago.

Online retail

Following the reclassification of YNAP sales to discontinued operations, 'Online retail' now comprises online retail sales directly generated by the Group's Maisons and Watchfinder.

Online retail sales grew by 6% year-on-year as the Group's Maisons continued to expand their digital presence, with highest growth rates at the Specialist Watchmakers. In terms of regions, online retail sales were led by the Americas and Japan which delivered double-digit growth compared to the prior year, as did Middle East & Africa. Overall, they contributed 6% of Group sales.

Wholesale

This distribution channel includes sales to mono-brand franchise partners, to third-party multi-brand retail partners as well as sales to agents, in addition to royalty income.

The 8% sales progression over the prior year was driven by most business areas and by all regions with the exception of Asia Pacific.

For the year under review, the wholesale channel contributed 26% to Group sales compared to 27% in the prior year.

Sales and operating results by segment

Jewellery Maisons

in €m	2023	2022	Change
Sales	**13 427**	11 083	+21%
Operating result	**4 684**	3 799	+23%
Operating margin	**34.9%**	34.3%	+60 bps

The Group's three Jewellery Maisons – Buccellati, Cartier and Van Cleef & Arpels – achieved a combined 21% increase in sales compared to the prior year (+86% compared to the year ended March 2020), with double-digit growth in jewellery and watches. All iconic collections outperformed, from *Opera Tulle* and *Macri* at Buccellati, *Trinity*, *Panthère* and *Santos* at Cartier to *Alhambra*, *Perlée* and *Fauna* at Van Cleef & Arpels. This strong performance was also broad-based across all Jewellery Maisons, price points, regions and distribution channels. Growth was the strongest in the Jewellery Maisons' directly-operated store network which, together with online retail, contributed 83% of the business area's sales.

Higher sales, increased utilisation of manufacturing facilities and ongoing cost discipline, notwithstanding the continued investment in distribution, manufacturing and communication to support strong growth, drove a 23% year-on-year increase in operating result to € 4 684 million. Operating margin improved by 60 basis points to 34.9%.

Significant store developments during the year included the new flagship boutiques for Cartier in Sydney, Van Cleef & Arpels in San Francisco and Chengdu, the reopening of Cartier flagship boutiques in Paris 13 Rue de la Paix, New York Fifth Avenue and Seoul as well as the extension of the Buccellati Roma flagship boutique and new Buccellati stores in Singapore Marina Bay Sands, Nanjing Deji Plaza and Shenzhen Bay Mix.

Specialist Watchmakers

in €m	2023	2022	Change
Sales	**3 875**	3 435	+13%
Operating result	**738**	593	+24%
Operating margin	**19.0%**	17.3%	+170 bps

Sales at the Specialist Watchmakers, which comprise A. Lange & Söhne, Baume & Mercier, IWC Schaffhausen, Jaeger-LeCoultre, Panerai, Piaget, Roger Dubuis and Vacheron Constantin, grew by 13% compared to the prior year (+36% compared to the year ended March 2020).

The strong performance was driven by double-digit increases at many Maisons. Retail and online retail sales led the growth and, together, contributed 56% of the Specialist Watchmakers sales; a 500 basis point increase highlighting the progress of the direct-to-client strategy of the division. This evolution was supported by selective store investments which notably included flagship openings by Piaget in Canton Road Hong Kong, Panerai in Zurich, IWC in Taikoo Hui Shanghai, Maison Vacheron 1755 in Shanghai, Jaeger-LeCoultre in Beverly Hills, and a Zurich salon for A. Lange & Söhne. Growth was achieved across all regions excluding Asia Pacific, with commendable results in the Americas, Europe and Japan.

Iconic collections continued to outperform, including *Lange 1* for A. Lange & Söhne, *Riviera* for Baume & Mercier, *Pilot's watches* for IWC, *Reverso* for Jaeger-LeCoultre, *Luminor* for Panerai, *Polo* for Piaget, *Excalibur* for Roger Dubuis and *Overseas* for Vacheron Constantin. Maisons successfully showcased their novelties during Watches and Wonders Geneva 2023.

The combination of double-digit sales growth and continued cost discipline – with continued investments into brand equity – resulted in an operating result of € 738 million. Operating margin gained 170 basis points, increasing to 19.0%.

Other

in €m	2023	2022 re-presented*	Change
Sales	**2 651**	2 230	+19%
Operating result	**59**	(46)	+228%
Operating margin	**2.2%**	-2.1%	+430 bps

* Prior-year comparatives have been re-presented following the reclassification of Watchfinder & Co. to the 'Other' business area.

'Other' includes the Group's Fashion & Accessories Maisons, the Group's watch component manufacturing and real estate activities, amongst others.

Sales grew by 19% compared to the prior year (+37% compared to the year ended March 2020), fuelled by a solid performance by Fashion & Accessories Maisons, while Watchfinder sales were negatively impacted by lower demand from their UK domestic clientele and a subdued pre-owned watch market. Overall, revenue growth came from all channels and regions, and performance in the Americas and the Middle East & Africa was particularly noteworthy.

Alaïa's performance illustrates the increased desirability of Richemont's Fashion & Accessories Maisons, supported by highly acclaimed new collections and extensive high profile press coverage. Montblanc is also benefitting from improvement in travel retail footfall as well as demand for its *Meisterstück* writing instruments collection and new *Extreme* leather goods collection. Chloé furthered its growth momentum with the continuous roll-out of new aesthetics across its product offering. Delvaux, with *Brillant* and *Tempête* leather lines, and Peter Millar, with the *Crown Sport* clothing and G/FORE footwear lines, continued to deliver solid results.

Store developments included new stores for Alaïa in New York and Shanghai, for Delvaux in Dubai Mall and Tokyo Omotesando as well as G/FORE and Peter Millar openings in Scottsdale, Arizona. The retail network benefitted from a number of renovations, including the Delvaux store in Paris St Honoré and Montblanc flagship store in Paris Champs-Elysées.

Operating result amounted to € 59 million, with notably € 94 million (3.9% on sales) for the Fashion & Accessories Maisons due to higher sales, improved pricing power and financial discipline.

Corporate costs

in €m	2023	2022	Change
Corporate costs	**(427)**	(566)	-25%
Central support services	**(302)**	(309)	-2%
Other unallocated expenses, net	**(125)**	(257)	-51%

Corporate costs represent the costs of central management, marketing support and other central functions (collectively central support services), as well as other expenses and income that are not allocated to specific business areas. Most corporate costs are incurred in Switzerland. For the year under review, they represented 2% of Group sales and included € 65 million net one-time unallocated charges comprised of a € 55 million charge in relation to impairment of intangible assets at Watchfinder (FY22: € 203 million net one-time unallocated charges).

Jérôme Lambert
Group Chief Executive Officer

Burkhart Grund
Chief Finance Officer

Richemont's approach to ESG

Richemont's approach to sustainability is inspired by its purpose: 'We craft the Future'. During the year under review, Richemont continued building on its responsible business values and heritage. Richemont initiated comprehensive change across the Group functions and regions, as well as Maisons with the goal to integrate Environment, Social and Governance ('ESG') principles right across the business.

ESG framework

Richemont's ESG framework incorporates the insights from its latest materiality assessment conducted at the beginning of 2023. This comprehensive assessment identified 21 material ESG topics, with eleven regarded as highly material. A double materiality perspective was applied, considering the Group's impact on the environment and people, as well as the influence of ESG issues on its business.

Richemont approaches ESG as a broad risk management and reporting framework, enabling performance management and enhanced regulatory compliance. The Group's sustainability approach encompasses not only ESG, but also voluntary impact projects and a longstanding tradition of philanthropy. By supporting seven schools and nine Foundations, Richemont's donations foster social impact and environmental protection.

During the year under review, Richemont transitioned to a more structured and compliance-driven approach to ESG. Building upon its heritage of responsible business practices and a decade-long commitment to sustainability, the Group designed a robust reporting and disclosure framework that reflects dedication to caring for people and the environment.

The Group's Chief Sustainability Officer guides a responsible business strategy. The ESG governance model positions Group Sustainability as a central hub, connecting more than 80 sustainability leaders from various functions, regions and Maisons. These leaders meet biannually and communicate regularly online, playing a strategic role in disseminating new standards and requirements throughout their respective business units. Richemont has also established specialised committees to address specific ESG topics, including gold sourcing, gemstones, human rights, research and innovation, and safety. These committees complement the efforts of the Group's Senior Executive Committee and the Governance and Sustainability Committee.

Acting on the environmental impact

Richemont has an influential role to play in addressing climate change. The materiality assessment revealed potential financial impacts of increasing carbon offsetting costs, emissions reduction quotas, and the reputational costs of non-compliance with regulations. The Group introduced carbon reduction targets validated by the Science Based Targets initiative ('SBTi') in July 2021 and is working progressively to reduce its carbon footprint.

Richemont has been recognised for its environmental leadership by CDP (previously the Carbon Disclosure Project), receiving high scores for tackling climate change and securing water resources. The Group has been acknowledged for its work in reducing greenhouse gas emissions, mitigating climate risks and developing a low-carbon economy. Richemont phased-out polyvinyl chloride ('PVC') from all its products and packaging in December 2022.

Managing energy consumption is essential, as it is directly linked to emissions performance. Richemont has a significant global real estate presence, and is committed to managing its energy footprint for both environmental and financial benefits. The Group is focusing on improving its energy efficiency and attaining 100% renewable electricity by 2025.

Circularity and more efficient use of materials present opportunities for further reducing greenhouse gas emissions and Richemont's customers expect engagement on circularity. The Group is committed to reducing the natural resource impacts of its operations, including waste footprint. It adopts a progressive approach that starts with a focus on packaging.

The Group's aim is to enhance transparency in its approach to water management including through assessments of basin-level water risks in its operations.

Amplifying the Group's social impact

The Group prioritises a range of social topics, including human rights, diversity, equity and inclusion, talent and skills development, health and safety, social impact and community wellbeing.

The Group is dedicated to fostering a diverse and inclusive workplace, where it can provide growth opportunities, and retain talent. It continues to support its people in areas marked by unrest and conflict, ensuring their safety and wellbeing.

Championing diversity, equity and equal opportunity is an essential for employees' wellbeing and success. Richemont has a zero-tolerance policy for discrimination and is committed to fostering a fair and respectful work environment. Ongoing efforts include equal pay certification across the entire Group by the end of 2023, identifying context-specific diversity challenges, and promoting gender balance in the workforce. This year, Richemont achieved certification for its Swiss and French-based employees for gender-equal pay; it also continued the roll-out of the ConnectHER Talent Accelerator to increase the number of women lined up for senior-level positions, and, Group-wide, Richemont has achieved a healthy gender balance.

Richemont's approach to ESG continued

In a competitive industry, nurturing talent and skills is crucial. Richemont strives to create a positive working environment where employees can develop, reach their full potential and stay engaged. To foster human capital development, various programmes and initiatives to promote individual growth and career development for its workforce are offered. To preserve special craftsmanship techniques and invest in young professionals, Richemont also offers an award-winning apprenticeship programme in collaboration with universities around the world.

The health and safety of employees are of utmost importance, and Richemont continuously assesses risks and improves its safety management systems to prevent injury and promote wellbeing. Ongoing initiatives include the roll-out of ChemGuard across manufacturing sites and repair centres, revising key performance indicators for Health, Safety and Environment, and establishing a Health, Safety and Environment data dashboard.

Influencing the Group's supply chain

Richemont recognises the complexity of its Maisons' supply chains and the importance of managing a wide range of social and environmental impacts. It continuously strives to improve the sustainability and transparency of its supply chains.

The Group's commitment to responsible gold sourcing is reflected in the establishment of a Gold Sourcing Committee, which oversees the management of all gold-related supply chain issues. The Group maintains strong partnerships with organisations such as the Responsible Jewellery Council.

In the sphere of diamonds and gemstones, Richemont has established the Stones Supply Chain Committee to govern sourcing issues and strengthen its engagement with suppliers across the entire value chain. The Group aims to increase the transparency for these valuable resources by mapping its supply chains. The deployment of the ESG risk assessment and the Social Impact Assessment methodology helps it to better understand human rights risks and opportunities.

Leather holds a special place in Richemont's heritage. Richemont is working to expand its supply chain mapping of leather, including traceability assessments and identification of salient human rights issues, as well as biodiversity-related impacts. By focusing on these critical supply chain areas, Richemont aims to continue advancing its sustainability efforts and creating a positive impact on the communities and environment connected to its business. For more information about Richemont's efforts to ensure its Maisons operate with a sustainable and responsible supply chain, please refer to the 'Influencing Our Supply Chain' section of the Group's ESG Report.

Refining the Group's governance

Richemont's approach to governance creates an essential foundation for implementing sustainability plans across the organisation. The Group's Standards of Business Conduct anchor its culture and values, and its Enterprise Risk Management equips it to identify, assess and respond to relevant sustainability developments and risks. Sustainability is firmly embedded at the highest level through the Governance and Sustainability Committee, which advises the Board. The Chief Sustainability Officer, part of the Senior Executive Committee, is responsible for the sustainability transformation and reporting.

Business ethics are foundational to Richemont's culture, operations and business model. They are deeply ingrained in its ways of working, codes and systems across the Group. The Group recently updated its Standards of Business Conduct to place greater emphasis on ethical and sustainability principles, and this is supported by Richemont's internal Speak Up platform for reporting suspected violations. During the year under review, Richemont offered e-learning training on the platform, along with courses on anti-bribery and corruption, anti-money laundering, conflicts of interest, and insider trading. Richemont also implements an Intellectual Property ('IP') strategy, which includes programmes aimed at addressing counterfeiting issues both online and offline.

Richemont is committed to complying with regulations related to product health and safety, consumer protection and product claims. Richemont aims to be truthful, accurate and balanced in the marketing, advertising, and labelling of its products, ensuring that its customers have the information they need to make informed decisions.

Richemont is especially mindful of the risks associated with misleading environmental claims. The Group's internal Directive on Environmental Product Claims, adopted in May 2022, ensures compliance and prevents greenwashing while disclosing products' environmental performance. Richemont prioritises due diligence in assessing environmental claims, labels, standards and performance.

By refining the Group's governance and embedding ethical practices throughout its operations, Richemont continues to strengthen its position as a responsible and sustainable luxury goods group. For more information about the Group's governance initiatives, please refer to the 'Refining Our Governance' section of the Group's ESG Report.

Finally, Richemont would like to thank all its employees from around the world, across different business functions and within its Maisons. They have shown their commitment to building a more sustainable future for the next generation. Sustainability is a complex topic that cannot be managed by a single team. It takes all of the Group to move in the right direction to achieve impact. ESG is everybody's business at Richemont.

Peace Parks Foundation

Peace Parks Foundation believes that conservation at scale creates healthy landscapes and resilient communities that are able to adapt to change.

We are in an era of unprecedented change resulting in spiralling levels of nature degradation. With Africa being home to a quarter of the world's biodiversity, it has a vital role to play in countering this global devastation.

In a year of renewed global environmental goal setting, Peace Parks made a considerable impact within the southern African landscape, reaffirming the relevant role we have to play in contributing to developing transboundary landscapes through our unique focus on conservation at scale.

Our rewilding efforts saw seven species of game animals translocated to the Simalaha Community Conservancy in Zambia, and sufficient numbers for founder populations of the majestic eland moved to Maputo and Zinave national parks in Mozambique. The biggest highlight of the year was undoubtedly the successful reintroduction of both black and white rhino to Zinave. Not only are both keystone species now able to re-establish healthy, restorative populations in their former native range, but their return after more than four decades of absence has seen Zinave become Mozambique's first Big Five national park. The ultimate cause for celebration was the birth of a perfect little calf within two weeks of their arrival. Named Princesa by President Filipe Nyusi of Mozambique, she is a beacon of rewilding hope and a testament to the successful conservation efforts invested here.

In Malawi, with the generous support of the German Ministry of Economic Co-operation and Development through the German Development Bank ('KfW'), great strides were made to rehabilitate the infrastructure in Nyika National Park and Vwaza Marsh Wildlife Reserve, both key components within the Malawi-Zambia transboundary landscape. Staff houses and administration offices were renovated, dramatically improving the working conditions of all the park staff. At the request of the community, a 70 kilometre solar powered electric fence along the eastern boundary of Vwaza Marsh was also successfully completed to bring an end to the extensive human elephant conflict. Almost 14 000 community members here also directly benefitted from activities such as climate-smart agriculture, the production of high-value crops, the selling of produce through collective marketing and livestock production.

Since 1997, Peace Parks has been instrumental in the establishment of ten transfrontier conservation areas across southern Africa. The combined size of these 'peace parks' is more than 1 000 000 km², making it the largest terrestrial conservation movement on earth

The first rhino calf born in Zinave National Park, Mozambique in more than four decades is a testimony to the dedication of Peace Parks' rewilding efforts here. To date, more than 2 300 mammals from 16 species were introduced into the park's well-secured sanctuary, with wildlife now flourishing at around 5 000 animals

In Zambia, more than 10 000 cookstoves were distributed that deliver both climate and sustainable development impacts. Added to the reduction in firewood demands and emissions, the pilot project is well on its way towards uplifting people through a new stream of income opportunity: turning any reductions in greenhouse gas emissions into carbon credits, which can, in turn, be sold for a monetary return to the communities. This year, Gold Standard registered the programme, enabling the first cookstove carbon sales. In 2022, 74 000 Voluntary Emission Reduction ('VER') carbon credits were estimated to have been issued. With additional donor support, this project can be significantly scaled to broaden impact in other areas as well.

The connection between successful conservation at scale, true partnerships and donor support is one for which we were abundantly grateful this year as our aims and ambitions as an organisation grew. We express special thanks to Richemont for supporting the Limpopo National Park community development programme, which directly impacts extremely vulnerable people, making them more resilient to the impacts of climate change.

Underpinning each of our wins, on all levels, has been the combined efforts and commitment to conservation of Peace Parks Foundation and its partners. The future of nature, and ourselves, rests in co-existence with all living creatures on this planet we call home, and we can only achieve this by working together.

Contact

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Laureus

It is more than two decades since Richemont's support and belief founded the Laureus organisation comprising the Laureus Sport for Good Foundation, and the Laureus World Sports Awards, and its mission to end violence, discrimination and inequality has never been more important.

The purpose of Laureus is to improve the lives of young people around the world through the inspirational power of athletes and sport as a force for good. From day one, the Laureus Sport for Good Foundation has been pursuing its mission to fund, support, develop and implement programmes and initiatives that use sport to create equality, access and opportunity in society. The Laureus World Sports Awards are a platform to celebrate that work as well as the inspirational achievements of the greatest athletes in sport to create a powerful, purpose-driven combination. For over more than two decades, Laureus has helped change the lives of more than 6.5 million young people, each and every one of whom has benefitted from the unwavering support that Richemont has provided to Laureus.

Originally conceived by Richemont Chairman Johann Rupert, with the support of many of the world's highest profile and most successful athletes, Laureus Sport for Good's mission is to help bridge the gaps in society. It was launched in response to Nelson Mandela's famous words at the inaugural Laureus World Sports Awards in 2000: "Sport has the power to change the world. It has the power to inspire. It has the power to unite people in a way that little else does. It speaks to youth in a language they understand. It is more powerful than governments in breaking down racial barriers. It laughs in the face of all types of discrimination."

Laureus' founding mission and belief in the power of athletes and sport have since been reflected by others in the field, including becoming a multi-lateral policy position of the United Nations ('UN'). In December 2022, the latest iteration of that progress saw the UN General Assembly formally recognise the power of sport to expand sustainable development and inspire young people around the planet via a new resolution. Laureus' engagement with the UN, via the organisation's Department of Economic and Social Affairs as well as individual agencies such as UNESCO, continues to strengthen year on year as a result of this increased recognition of the power of sport. Likewise, the objective of contributing to and achieving the UN Sustainable Development Goals ('SDGs') has not only provided a focus for Laureus' impact since the SDGs were adopted in 2016, but has allowed the Foundation to build out thematic programming across key social focus areas. In 2022, for example, Laureus launched and supported a series of new humanitarian programmes to support people displaced by conflict and natural disasters. Efforts have focused on both short-term humanitarian relief as well as recovery, rehabilitation and longer term support, including by the provision of trauma-sensitive sports activities for young people in conflict-affected communities and by increasing community cohesion and peaceful dialogue in locations where there are large intakes of refugees.

Laureus Ambassador Andriy Shevchenko speaks to young people engaged with one of the humanitarian programmes that the Laureus Sport for Good Foundation supported for the first time in 2022

Complementing that engagement with the UN, the World Health Organization ('WHO') and other global, multi lateral bodies, the work of Laureus nonetheless remains deeply rooted in local communities around the world. Over the last year, Laureus made grants to more than 275 community-based organisations in 50 countries and territories, each using their own local expertise to change the lives of young people for the better.

Whether it be via basketball in Brooklyn to help young people escape gang violence, boxing in Nairobi to empower girls and create leadership opportunities for young women, or football in Cambodia to help young people stay in education in a country where only 5% of youth graduate high school, the work of Laureus and its community partners are living proof that sport continues to help people achieve in education and find pathways to their future careers and livelihoods. That includes within Richemont, an internship programme launched in the US in 2022 for young people who have graduated Laureus' programmes and are seeking to progress into employment.

Other elements of Richemont's ongoing support include donations to support Laureus' programmes around the world, sponsorship of the Laureus World Sports Awards by IWC Schaffhausen, and initiatives with individual Maisons to facilitate the creation of products to raise funds to benefit Laureus Sport for Good. Richemont employees are also involved in a wide range of fundraising activities to support Laureus' work.

Together, Laureus and Richemont continue to prove the concept that athletes can change the world, and champion the power of sport not just for raising awareness, but for changing lives.

For more information, go to www.laureus.com/foundation

Michelangelo Foundation

The Michelangelo Foundation for Creativity and Craftsmanship is a private, not-for-profit, international foundation based in Geneva, Switzerland, founded in 2016 by Johann Rupert and Franco Cologni. Its purpose is to champion craftsmanship, endorse and enable its artisans to sell their work and to sustain and grow their business in the long term.

Guided by a belief that human talent and its creative expressions are fundamental to our existence, the Foundation aims to drive diversity within artisanship and demonstrate the value that craft plays in enriching our lives.

The Foundation's main expression of this mission is the Homo Faber event – a celebration of human talent, creativity, design and craftsmanship, held biannually at the Fondazione Giorgio Cini, Venice. The 2022 edition, under the patronage of UNESCO, welcomed 55 000 visitors from 10 April to 1 May. It marked the beginning of a more international outlook for the Foundation as it hosted Japan as guest of honour with the masterpieces of twelve National Living Treasures on display. The event spotlighted more than 400 artisans from 43 countries, showcasing over 650 objects across 15 exhibitions.

Sophie Beale, Milliner, UK

Visitors had the chance to explore broader forms of contemporary craft, from elevated hospitality experiences with artisanal food and drinks to discovering the role of craft in theatre, fashion and design. Functional craft was showcased throughout the exhibitions – from a surfboard handcrafted from Cryptomeria japonica wood to a chess set inspired by pre-Islamic mythical figures. This edition saw the launch of Homo Faber In Città, an immersive addition to the main event. It included over 100 wide-ranging experiences from mosaic and gold leaf making, to gastronomy and wine making, and behind the scenes tours of performance and visual art productions in Venice.

The Foundation's signature digital platform Homo Faber Guide extended its global reach by welcoming artisans from Colombia, Japan, South Korea and Singapore. By March 2023, it will feature over 2 200 artisans from 43 countries, practising nearly 200 different crafts. With more than one million users, the Homo Faber Guide is regarded more and more as a travel guide and a destination for gift inspiration.

The Foundation seeks to inspire and enable a new generation to enter craft with specific education initiatives. Seven summer schools took place across Europe from June, culminating in the first course further afield focusing on Zellige tile making in Morocco. This year's pilot Trainee to Professional programme enabled seven aspiring artisans to train in the workshops of master artisans. Based on the success of these programmes and an awareness of the issues facing young talents and master artisans, the Foundation will keep investing in the future of craft by developing the employability of its young community of makers.

Looking forward, the Foundation will continue to celebrate human creativity and excellence, making craftsmanship more relevant, socially, culturally and economically for its community and to a wider audience of experts, aficionados and enthusiasts, with a specific focus on new generations.

For more information on Homo Faber, please visit: www.homofaber.com

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Email: info@michelangelofoundation.org
Website: www.michelangelofoundation.org

Board of Directors

1. Johann Rupert
Chairman
South African, born 1950

Mr Rupert was first appointed to the Board in 1988 and served as Chairman from 2002 to 2013. Following a sabbatical year, he was reappointed Chairman in September 2014. He is Chairman of the Nominations Committee and the Senior Executive Committee.

Mr Rupert is the Managing Partner of Compagnie Financière Rupert. He studied economics and company law at the University of Stellenbosch. After working for the Chase Manhattan Bank and Lazard Frères in New York, he founded Rand Merchant Bank in 1979. In 1985, he joined Rembrandt. He founded Richemont in 1988 and became Group Chief Executive. He also served as Chief Executive Officer from 2003 to 2004 and from 2010 to 2013. He is Non-executive Chairman of Remgro Limited and Chairman of Reinet Investments Manager S.A., the management company of Reinet Investments S.C.A.

Mr Rupert holds honorary doctorates in Law, Economics and Commerce, is Chairman of the Peace Parks Foundation and the Michelangelo Foundation.

2. Josua Malherbe
Non-executive Deputy Chairman
South African, born 1955

Mr Malherbe was appointed to the Board in 2010 as a Non-executive Director and has served as Deputy Chairman since September 2013. He also serves as Chairman of the Audit Committee and is a member of the Strategic Security Committee, and was a member of the Nominations Committee until April 2022.

He qualified as a Chartered Accountant from The South African Institute of Chartered Accountants in 1984 and worked with the predecessor firm of PricewaterhouseCoopers before joining Rand Merchant Bank in 1985. In 1990 he joined Rembrandt Group Limited and was involved with Richemont at that time. Since its formation in 2000, he served first as Chief Executive Officer and then as Deputy Chairman of VenFin Limited until 2009 when that company was acquired by Remgro Limited.

Mr Malherbe continues to serve as a director of Richemont Securities S.A., Remgro Limited, Reinet Investments Manager S.A., and Pension Insurance Corporation Group Limited.

3. Jérôme Lambert
Group Chief Executive Officer
French/Swiss, born 1969

Mr Lambert was appointed to the Board in 2017 and is a member of the Senior Executive Committee.

He graduated from ESG Management School, Paris and completed post-graduate studies at the Swiss Graduate School of Public Administration.

Prior to joining the Group, he held financial roles in Switzerland's public postal and telecommunications service. Mr Lambert joined Jaeger-LeCoultre in 1996 as the Manufacturer's financial controller and became Chief Financial Officer three years later. In 2002, he was appointed its Chief Executive Officer and served in that role until June 2013. Mr Lambert then became Chief Executive Officer of Montblanc until March 2017. In addition, Mr Lambert has served as Chairman of A. Lange & Söhne since 2009 and was its Chief Executive for two years. In April 2017, Mr Lambert became the Group's Head of Operations, responsible for central and regional services and all Maisons other than Jewellery and Specialist Watchmakers. In November 2017, Specialist Watchmakers Maisons were added to his scope and he was named Group Operations Officer. Mr Lambert has been the Group Chief Executive Officer since September 2018.

4. Burkhart Grund
Chief Finance Officer
German/American, born 1965

Mr Grund was appointed to the Board in 2017 and is a member of the Senior Executive Committee.

He is a graduate in Business Administration of Georgia Southern University, US and completed his graduate studies in International Finance at Münster University, Germany.

Prior to joining the Group, he held various positions in the Finance department at Wella AG and was appointed Chief Financial Officer of the Wella subsidiary in Chile in 1996.

He moved to Richemont in 2000 to be Chief Financial Officer of Montblanc France, a position which he held until 2006 when he joined Van Cleef & Arpels as Vice President and Chief Financial Officer. In 2016, Mr Grund was appointed Group Deputy Finance Director, and became a member of the Senior Executive Committee. In August 2017, Mr Grund was appointed the Group's Chief Finance Officer.




5. Nikesh Arora
Non-executive Director
American, born 1968

Mr Arora was appointed to the Board as a Non-executive Director in 2017 and is a member of the Nominations Committee.

He holds an M.S. in Business Administration from Northeastern University (1990-1992), an M.S. in finance from Boston College (1992-1994) and a B. Tech. in electrical engineering from the Institute of Technology at Banaras Hindu University (1985-1989).

Mr Arora is currently the Chairman and CEO of Palo Alto Networks, the world's largest independent cybersecurity company based in Santa Clara California. He has been in this role since 1 June 2018. Prior to this Mr Arora was President and Chief Operating Officer of SoftBank Group Corp., the global telecommunications company and technology investor; he worked at SoftBank from September 2014 until June 2016. Mr Arora also serves on the boards of HeadSpin since February 2018 and MoveWorks since May 2021.

Prior to that Mr Arora has held a number of senior positions in the technology sector. He held various roles at Google since 2004, his last role being Senior Vice President and Chief Business Officer of Google, Inc. from 2009 until 2014. Prior to that Mr Arora worked at Deutsche Telekom AG where his last role was CMO of T-Mobile International; he was at DTAG from 1999 until 2004. Prior to this he was in financial roles at Putnam Investments and Fidelity Investments.

6. Clay Brendish
Non-executive Lead Independent Director
British, born 1947

Mr Brendish was appointed to the Board as a Non-executive Director and the Lead Independent Director in 2017. He also serves as the Chairman of the Strategic Security and Compensation Committees and is a member of the Audit and Nominations Committees as well as the Governance and Sustainability Committee of which he served as the Chairman until February 2022.

He holds a Master's degree in engineering from the Imperial College, London and also holds an honorary Doctor of Science degree from the University of London.

6. Clay Brendish continued

His professional background is in the Information Technology and Communications industry, having founded Admiral plc in 1979 (now part of CGI UK). He was a Non-executive Director of BT plc from 2002 to 2011 and Non-executive Director and Chairman of the Meteorological Office from 1995 to 2003. He was also a Trustee of the Economist Newspaper from 1999 to 2012. He was most recently Non-executive Chairman of Anite from 2005 to 2015 and of SThree from 2010 to April 2018. Prior to his nomination to the Board of Richemont, Mr Brendish served as an advisor to Richemont's Strategic Security Committee.

7. Jean-Blaise Eckert
Non-executive Director
Swiss, born 1963

Maître Eckert was appointed to the Board as a Non-executive Director in 2013 and is a member of the Audit Committee, and was a member of the Nominations Committee until April 2022.

He graduated from Neuchâtel University, Switzerland, and holds an MBA from Haas School of Business, University of California Berkeley.

Maître Eckert has been a practising lawyer since 1989 and a Partner of Lenz & Staehelin since 1999, advising on national and international corporate, commercial and tax law.

Maître Eckert serves on the board of several Swiss companies, including Stellantis International SA and UL GmbH, and on the board of several not-for-profit organisations, including the Fondation pour la Musique et la Culture, Genève. He is also a member of a number of Swiss and international professional organisations.

8. Keyu Jin
Non-executive Director
Chinese, born 1982

Dr Jin was appointed to the Board as a Non-executive Director in 2017 and is a member of the Compensation and Nominations Committees.

She is a professor of Economics at the London School of Economics.

From Beijing, Dr Jin holds a BA, MA and PhD from Harvard University. Her specific areas of expertise are international macroeconomics, international finance and the Chinese economy.

Dr Jin is since April 2022 a Non-executive Director of Credit Suisse Group AG.

Board of Directors continued

9.

10.

9. Wendy Luhabe
Non-executive Director
South African, born 1957

Ms Luhabe was appointed to the Board in 2020 as a Non-executive Director and is a member of the Governance and Sustainability, and Nominations Committees.

She obtained a Bachelor of Commerce majoring in Accounting and Management from the University of Lesotho in 1981 and attended the Management Advancement Program at the University of the Witwatersrand in 1983. She is a recipient of four Honorary doctorates in Commerce from her Alma Mater, University of Fort Hare and the University of Stellenbosch, both South Africa's historic Universities.

Ms Luhabe founded 'Bridging the Gap', a Human Capital development practice in 1981 and Women Private Equity Fund in 2003, which was the first Venture Capital Fund for Women in South Africa. She is a founding Chairman and member of Women Investment Portfolio Holdings which was established in 1993. She established the Wendy Luhabe Foundation and Scholarship at the University of Johannesburg, where she was the founding Chancellor during South Africa's transition to a democracy.

She is the representative of the 'A' shareholders on the Richemont Board and she currently serves on the Cartier Philanthropy Board since 2021.

Ms Luhabe is a previous Chair of Vodacom from 2000 to 2005, the Industrial Development Corporation ('IDC') from 2001 to 2009, the International Marketing Council ('IMC') from 2002 to 2009, Alliance Capital from 1997 to 2003, and Vendôme South Africa from 2001 to 2011. She has been a Non-executive Director of Tiger Brands from 1994 to 2001, Telkom from 1994 to 2003, the Johannesburg Stock Exchange from 2003 to 2011 and World Rugby from 2016 to 2018, among others over the past 30 years.

She was a Trustee of The Duke of Edinburgh's International Award Foundation, and the founding Chancellor of the University of Johannesburg. She has served on the Boards of the IMD and ESSEC Business Schools, and recently stepped down as Chairman of the African Leadership University to develop the next generation of young African Leaders to accelerate Africa's development.

Ms Luhabe was a Non-executive Director of Pepkor from January 2019 and currently serves as Non-Executive Chairman since December 2020. She has served as Non-Executive Chairman of Libstar since 2018.

10. Jeff Moss
Non-executive Director
American, born 1970

Mr Moss was appointed to the Board as a Non-executive Director in 2016 and is a member of the Strategic Security Committee, and was a member of the Nominations Committee until April 2022.

He holds a BA in Criminal Justice from Gonzaga University.

Mr Moss is a computer and internet security expert and is the founder of Black Hat Briefings and DEF CON. Black Hat Briefings was created in 1997 and sold to CMP Media LLC in 2005. DEF CON was established in 1992 and is currently known as one of the world's largest hacker conventions. He served as Chief Security Officer of the Internet Corporation for Assigned Names and Numbers ('ICANN') from 2011 to 2013. Prior to this, Mr Moss served as a director at Secure Computing Corporation from 1998 to 2000.

He currently serves as a life member of the Council on Foreign Relations (an independent, nonpartisan membership organisation, think tank, and publisher), is since 2013 a Non-resident Senior Fellow at the Atlantic Council, and is a member of the Georgetown University School of Law Cybersecurity Advisory Committee. In December 2021, Mr Moss was sworn in as a member of the US Department of Homeland Security ('DHS'), Cybersecurity Infrastructure Security Agency ('CISA'), Cybersecurity Advisory Committee, and serves as a chairman of their Technical Advisory Council. Mr Moss served as a sworn member of the US Department of Homeland Security Advisory Council ('HSAC') from 2009 to 2020, providing advice and recommendations to the Secretary of the Department of Homeland Security on matters related to homeland security. He also served as a commissioner on the Global Commission for the Stability of Cyberspace ('GCSC') from February 2017 to December 2021. In October 2022, Mr Moss became an inaugural member of the UK Government's Cyber Advisory Board ('GCAB').

11. Vesna Nevistic
Non-executive Director
Swiss/Croatian, born 1965

Dr Nevistic was appointed to the Board as a Non-executive Director in 2017 and is a member of the Audit Committee, and was a member of the Nominations Committee until April 2022.

She holds Swiss and Croatian citizenships and has a PhD in Electrical Engineering from the Swiss Federal Institute of Technology ('ETH') Zurich.

She has gained extensive international experience in consulting and investment banking, having been a Partner at McKinsey and Managing Director at Goldman Sachs. From 2009 to 2012, Dr Nevistic was a Group Managing Director and Head of Corporate Development at UBS, where she was part of the senior executive team that restructured the bank's operations following the financial crisis. She currently runs her own advisory boutique, focusing on corporate strategy and business transformations, and serves as a Non-Executive Director at Atlantic Grupa d.d. and since May 2023 at Kuehne + Nagel International AG. She is also a member of the Advisory Board of the Zagreb School of Economics and Management.

Dr Nevistic supports various non-profit organisations, was a member of the Finance Committee of the Swiss Study Foundation, and a trustee at the Swiss Institute/Contemporary Art New York.

12. Guillaume Pictet
Non-executive Director
Swiss, born 1950

Mr Pictet was appointed to the Board as a Non-executive Director in 2010 and is a member of the Governance and Sustainability, Audit and Compensation Committees, and was a member of the Nominations Committee until April 2022.

He is a graduate of HEC, Lausanne University. His career in private banking has included membership of Darier Hentsch & Cie's senior management. He has also served as an international economist in Switzerland's Federal Department of Economic Affairs.

Since 1996, Mr Pictet has been a Founding Partner and Vice Chairman of de Pury Pictet Turrettini & Cie SA. He also serves as a board member of Sécheron SA and as Chairman of the Fondation Hardt.

13. Maria Ramos
Non-executive Director
South African, born 1959

Ms Ramos was appointed to the Board as a Non-executive Director in 2011 and is a member of the Compensation Committee, and was a member of the Nominations Committee until April 2022.

She holds degrees from the University of the Witwatersrand (Bachelor of Commerce and a Bachelor of Commerce Honours in Economics) and from the University of London ('SOAS') – Master of Science in Economics. She also holds honorary doctorates from the University of Stellenbosch and Free State University. She obtained an Institute of Bankers' Diploma in 1983.

Ms Ramos, until February 2019, served as Chief Executive Officer of Absa Group Limited for a period of ten years. Before joining Absa (previously Barclays Africa Group Limited) in March 2009 as Group Chief Executive, Ms Ramos served as the Chief Executive of Transnet Limited. This followed an eight-year tenure as director general of South Africa's National Treasury (formerly the Department of Finance).

She has also served as a Non-executive and Independent Director on the boards of Sanlam Limited from 2004 to 2009, SABMiller PLC from 2008 to 2009, Remgro Limited from 2007 to 2009, the Interim Board of Public Investment Corporation ('PIC') from 2019 to 2020, and the Board of The Saudi British Bank from 2019 to 2020.

Ms Ramos currently serves on the boards of AngloGold Ashanti Ltd since June 2019, where she serves as Chair since December 2020, and Standard Chartered PLC from 1 January 2021.

She is a member of the Group of Thirty and co-Chaired the United Nations Secretary-General's Task Force on Digital Financing of the Sustainable Development Goals (2018 to 2020). She also serves as a member of the International Advisory Board of the Blavatnik School of Government, Oxford University, and is a member of the Wits Foundation Board of Governors since March 2022.

Board of Directors continued

14. Anton Rupert
Non-executive Director
South African, born 1987

Mr Anton Rupert was appointed to the Board as a Non-executive Director in 2017 and is a member of the Strategic Security Committee, and was a member of the Nominations Committee until April 2022.

He was a director of Watchfinder.co.uk from July 2018 to December 2019 and serves as a Non-executive Director of Remgro Ltd. He is a partner of Compagnie Financière Rupert.

Mr Anton Rupert is a non-voting observer designated by Reinet Fund S.C.A., F.I.S. to the board of Carbon, Inc., a leading digital manufacturing platform and is a director of MQA Limited, a company specialised in innovative music coding technology. Since January 2021, he is a member of the Advisory Board of Asia Partners Fund LP I, a regional South East Asia private equity fund focused on growth stage technology-based opportunities.

He has knowledge of and insight into tech start-ups and has had extensive exposure to all of the Group's businesses. He brings valuable insight into changing consumer behaviour in digital marketing and web-based commerce.

15. Patrick Thomas
Non-executive Director
French, born 1947

Mr Thomas was appointed to the Board as a Non-executive Director in 2021, and was a member of the Nominations Committee until April 2022.

He is a graduate of the ESCP Europe (Ecole Supérieure de Commerce de Paris).

Mr Thomas brings more than 30 years of experience in the luxury goods industry. He was the first and only non-family manager of Hermès, where he served as CEO and led the group's considerable development from 2003 until 2014, after eight years as COO from 1989 to 1997. He equally held senior positions at Pernod Ricard UK from 1986 to 1989, Lancaster Group from 1997 to 2000, and William Grant & Sons Ltd. from 2000 to 2003.

Mr Thomas is currently Non-executive Chairman of the Supervisory Board of Champagne Laurent Perrier since April 2021 and of the Supervisory Board of Ardian since 2015, the Lead Independent Director of Teleperformance since 2018, a Non-executive Director of MycoWorks since 2021, a Non-executive Director and Founder of Shang Xia Trading (China) since 2010, and a Non-executive Vice-Chairman of the Supervisory Board of Massilly Holding.

16. Jasmine Whitbread
Non-executive Director
Swiss/British, born 1963

Ms Whitbread was appointed to the Board as a Non-executive Director in 2021. She is a member of the Governance and Sustainability Committee, and was a member of the Nominations Committee until April 2022. Since February 2022 she has served as the Chair of the Governance and Sustainability Committee.

She was awarded a Bachelor of Arts Degree and an Honorary Doctorate of Laws from the University of Bristol and completed the Executive Programme at the Stanford Graduate School of Business.

Ms Whitbread is an experienced Non-executive Director with 20 years of experience in Sustainability and ESG issues. She has a leadership and management background spanning marketing, technology, finance, media, telecommunications and not-for-profit organisations. She has previously served as CEO of Save the Children International from 2010 to 2015 and London First from 2016 to March 2021. She also served as a Non-executive Director of BT Group PLC from 2011 to 2019 where she was a member of the Audit and Risk Committee and chaired the Digital Impact & Sustainability Committee. She was an advisor to Richemont's Governance and Sustainability Committee and its precursor from 2020 to 2021.

Ms Whitbread is currently Non-executive Chair of Travis Perkins PLC since March 2021. She is also Non-executive Director, Chair of the Compensation Committee and a member of the Sustainability Committee of WPP PLC since 2019. She has been a Non-executive Director, Chair of the Culture & Sustainability Committee and a member of the Nomination and Remuneration Committees of Standard Chartered PLC since 2015, and is due to step down from this board in May 2023.

Corporate governance

Contents

Introduction

Compagnie Financière Richemont SA (the 'Company' or 'Richemont') and its subsidiaries (together 'the Group') are committed to maintaining a high standard of corporate governance. The sections that follow provide information on the Group's structure, general shareholder information and details regarding the Board of Directors of the Company (the 'Board'), its committees, as well as the Company's Senior Executive Committee ('SEC'). They adhere to the SIX Swiss Exchange's Directive on Information relating to Corporate Governance ('DCG'). Cross-references to other sections of the report are provided where appropriate. In certain instances, where the issues contained in the DCG do not apply to Richemont or where the amounts involved are not material, no disclosure may be given. Additional information can be found in the Compensation report.

In addition to Swiss law, including inter alia the Swiss Code of Obligations, the Financial Market Infrastructures Act ('FinMIA') and all the relevant ordinances, the Company complies with the Listing Rules of the SIX Swiss Exchange. The Company also complies with the rules of the Johannesburg Stock Exchange, to the extent that they apply to companies with secondary listings there.

The Group's principles of corporate governance are codified in the Articles of Incorporation of the Company (the 'Articles'), in its Organisational Regulations and in the terms of reference of the Audit, Compensation, Governance and Sustainability, Nominations and Strategic Security Committees of the Board. The Articles and the Organisational Regulations of the Company are available on the Group's website at www.richemont.com/en/home/about-us/corporate-governance/

The Group's corporate governance principles and practices are reviewed by the Audit Committee and the Board on an annual basis in the light of prevailing best practices.

The Board believes that the Company's corporate governance arrangements continue to serve its shareholders well. The Board is confident that the Group's governance structure reinforces its ability to deliver the Group's strategy of growing value for shareholders over the long term through the sustained growth of its Maisons.

1. Group structure and shareholders

Group structure

The Company is a Swiss company with its registered office at 50, chemin de la Chênaie, 1293 Bellevue, Geneva, Switzerland.

The Group's luxury goods businesses are reported within: (i) Jewellery Maisons; (ii) Specialist Watchmakers; and (iii) Other. Each of the Maisons in the Group enjoys a high degree of autonomy, with its own management group under a chief executive officer. To complement those businesses, the Group has established central support functions and a regional functions structure around the world to provide specialised support in terms of distribution, finance, legal, IT and administration services.

The market capitalisation and International Security Identification Number ('ISIN') of the Richemont 'A' shares are given in section 2 of this corporate governance report, which deals with the capital structure.

The Group holds an interest in one listed company: Dufry AG ('Dufry'). Dufry's registered office is in Basel, Switzerland and its registered shares are listed on the SIX Swiss Exchange with ISIN number CH0023405456. Further details regarding Richemont's shareholding in Dufry may be found in note 34 (for note 34 see page 121 of this report).

Details of the most significant non-listed companies within the Group are set out in note 39 ('Principal Group companies') to the Group's consolidated financial statements (for note 39 see page 132 of this report).

Significant shareholders

As at 31 March 2023, Compagnie Financière Rupert, a partnership limited by shares, having its registered office in Bellevue, Geneva, Switzerland, held 6 263 000 Richemont 'A' shares and 522 000 000 Richemont 'B' shares representing 10.18% of the Company's capital and some 51% of its voting rights. Mr Johann Rupert, Chairman of Richemont, is the sole General Managing Partner of Compagnie Financière Rupert.

As at 31 March 2023, there were no other significant shareholders in the Company, i.e. persons holding at least 3% of the voting rights. Disclosure notifications by significant shareholders of the Company can be viewed on the SIX Swiss Exchange's website at www.ser-ag.com/en/resources/notifications-market-participants/significant-shareholders.html#/

Cross-shareholdings

Richemont does not hold an interest in any company which is itself a significant shareholder in the Group.

2. Capital structure

Capital

There are 522 000 000 ‘A’ registered shares (‘‘A’ shares’) and 522 000 000 ‘B’ registered shares (‘‘B’ shares’) in issue. Each ‘A’ share has a par value of CHF 1.00 and each ‘B’ share has a par value of CHF 0.10. The issued capital amounts to CHF 574 200 000. Further details are given in note 29 to the Group’s consolidated financial statements (for note 29 see page 116 of this report).

Authorised and conditional capital

On 17 November 2020, the Company created two conditional capitals having an aggregate amount of CHF 24 200 000, allowing the Company to issue not more than 22 000 000 ‘A’ shares and not more than 22 000 000 ‘B’ shares upon exercise of shareholders’ warrants, to be issued under a shareholder loyalty scheme to be established by the Company.

The first conditional capital (the ‘‘A’ conditional capital’) allows an increase of the Company’s share capital by an aggregate amount of up to CHF 22 000 000, which represents 3.83% of the existing share capital of the Company. The ‘A’ conditional capital makes it possible to issue not more than 22 000 000 ‘A’ shares, to be fully paid in, upon exercise of warrants to be issued by the Company or one of its subsidiaries to holders of ‘A’ shares (the ‘A’ warrants).

The second conditional capital (the ‘‘B’ conditional capital’) allows an increase of the Company’s share capital by an aggregate amount of up to CHF 2 200 000, which represents 0.38% of the existing share capital of the Company. The ‘B’ conditional capital makes it possible to issue not more than 22 000 000 ‘B’ shares, to be fully paid in, upon exercise of warrants to be issued by the Company or one of its subsidiaries to holders of ‘B’ shares (the ‘B’ warrants).

Preferential subscription rights of shareholders are excluded for what regards the issuance of ‘A’ shares out of the ‘A’ conditional capital and of ‘B’ shares out of the ‘B’ conditional capital. The Board can set the terms of the ‘A’ warrants and of the ‘B’ warrants, as well as of the issuance of the new ‘A’ shares under the ‘A’ conditional capital and of new ‘B’ shares under the ‘B’ conditional capital.

The Company does not have any authorised share capital.

Changes in capital

Except for the creation of the ‘A’ conditional capital and the ‘B’ conditional capital referred to above, during the three-year period preceding the period ended 31 March 2023, there were no changes to the Company’s capital structure. For movements in the reserve for treasury shares, please see the description in the section ‘Share repurchases and shares held in treasury’ and the details in note 29 (for note 29 see page 116 of this report).

Shares, warrants, depository receipts and warrant receipts

Shares

The Company’s ‘A’ shares are listed on the SIX Swiss Exchange. Since 24 April 2023 the Company’s ‘A’ shares also have a secondary listing on the Johannesburg Stock Exchange, where they were previously listed in the form of depository receipts (see the sub-section ‘Depository Receipts’). The Company’s ‘A’ shares are traded on both exchanges under the ISIN CH0210483332 and the symbol CFR.

The Company’s ‘B’ shares are not listed on any stock exchange and are held by Compagnie Financière Rupert, as detailed above.

At 31 March 2023, Richemont’s market capitalisation, based on a closing price of CHF 145.90 per share and a total of 522 000 000 ‘A’ shares in issue, was CHF 76 159 million. The overall valuation of the Group at the year end, reflecting the value of both the listed ‘A’ shares and the unlisted ‘B’ shares, was CHF 83 775 million.

During the year under review, the highest closing price of the ‘A’ share was CHF 149.35 on 7 March 2023, and the lowest closing price of the ‘A’ share was CHF 90.28 on 24 May 2022.

According to Article 7 of the Articles, each share confers the right to one vote.

For Article 7 see: www.richemont.com/media/8d88cb444844e38/articles-of-incorporation.pdf

Holders of ‘A’ shares and ‘B’ shares enjoy the same dividend rights, but due to the differing par values of the two classes of shares, ‘B’ shareholders receive one tenth of the dividend per share paid to holders of the ‘A’ shares.

In respect of the financial year ended 31 March 2023, an ordinary dividend of CHF 2.50 per ‘A’ share and CHF 0.25 per ‘B’ share, and an additional special dividend of CHF 1.00 per ‘A’ share and CHF 0.10 per ‘B’ share, have been proposed for approval by the shareholders in September 2023. During the year under review, the shareholders approved an ordinary dividend of CHF 2.25 and a special dividend of CHF 1.00 per ‘A’ share. They also approved an ordinary dividend of CHF 0.225 and a special dividend of CHF 0.10 per ‘B’ share.

Warrants

On 27 November 2020, as part of a shareholder loyalty scheme that was first announced on 7 August 2020, the Company issued 1 044 000 000 warrants relating to its ‘A’ shares (‘A’ warrants) and 1 044 000 000 warrants relating to its ‘B’ shares (‘B’ warrants). The Company delivered two ‘A’ warrants to the holder of each of its ‘A’ shares, and two ‘B’ warrants to the holder of each of its ‘B’ shares.

Sixty-seven ‘A’ warrants entitle eligible holders to purchase one ‘A’ share to be issued out of the Company’s ‘A’ conditional capital at a price of CHF 67.00 (subject to adjustments) during an exercise period that is expected to run from 09.00 a.m. Central European Time (‘CET’) on 20 November 2023 until 12 noon CET on 22 November 2023. During the same period, 67 ‘B’ warrants will entitle their holders to purchase one ‘B’ share at a price of CHF 6.70 (subject to adjustments). Holders of ‘B’ warrants will be deemed to have exercised a number of ‘B’ warrants that is equal to the number of ‘A’ warrants that will have been duly exercised, so that the number of issued ‘A’ shares and ‘B’ shares will remain equal.

The ISIN of the ‘A’ warrants is CH0559601544 and their Swiss ‘Valorennummer’ 55960154.

The ISIN of the ‘B’ warrants is CH0559601551 and their Swiss ‘Valorennummer’ 55960155.

The ‘A’ warrants have been listed on SIX Swiss Exchange since 27 November 2020 and are expected to be traded on that stock exchange until 15 November 2023. The ‘B’ warrants are not listed on any stock exchange.

More information on the Company’s shareholder loyalty scheme, the ‘A’ warrants and the ‘B’ warrants can be obtained in the Company’s ‘Shareholder Information Memorandum’ dated 19 October 2020, which can be consulted at www.richemont.com/en/home/investors/shareholder-information/shareholder-loyalty-scheme/

Depository Receipts
Until 21 April 2023, the Company’s ‘A’ shares and ‘A’ warrants were listed and traded on the Johannesburg Stock Exchange in the form of depository receipts and warrant receipts, respectively (‘DRs’) issued by Richemont Securities, a wholly-owned subsidiary of the Company, which acted as Depository for the issuance, transfer and cancellation of the DRs. The ISIN of the DRs was CH0045159024 for the ‘A’ shares and CH0562931086 for the warrant receipts. The terms and conditions applicable to DRs were set out in a deposit agreement entered into between Richemont Securities as Depository, and the Company as Issuer.

On 17 March 2023, the Company announced its intention to terminate its DR programme and to list its ‘A’ shares and ‘A’ warrants on the Johannesburg Stock Exchange as a secondary listing, in addition to their main listing on the SIX Swiss Exchange. On 4 April 2023, the Company announced that the holders of DRs relating to the ‘A’ shares had approved the termination of the depository receipt programme by the requisite majority, and that it had obtained the required regulatory approvals to proceed with the termination of the programme. The ‘A’ shares and ‘A’ warrants underlying the DRs were credited to the securities accounts of the relevant South African investors on 24 April 2023, and the Company’s ‘A’ shares and ‘A’ warrants were traded on the Johannesburg Stock Exchange.

Share repurchase and shares held in treasury
Over the course of the preceding 21-year period ended 20 March 2020, the Group had repurchased a total of 34 552 934 former ‘A’ units and 42 681 876 ‘A’ shares through the market to meet obligations under share option plans for executives. During the year under review, there were no ‘A’ shares repurchased through the market.

Taking into account the exercise of options by executives during the course of the year and other activities linked to the Company’s hedging activities, the balance held in treasury at 31 March 2023 was 3 990 320 ‘A’ shares.

When ‘A’ shares are bought back, the cost value of the shares purchased in the market is deducted from shareholders’ equity in the Group’s consolidated statement of financial position. Gain or losses arising from the sale of shares are as a consequence of the exercise of options by executives, and are recognised within retained earnings directly in shareholders’ equity. Details are given in note 29 (for note 29 see page 116 of this report).

Dividend-right certificates
There are no dividend-right certificates.

Transferability of shares
The Company’s ‘A’ shares are issued as uncertificated securities within the meaning of the Swiss Code of Obligations and as intermediated securities within the meaning of the Swiss Federal Act on Intermediated Securities (‘FISA’). Following entry in the Share Register, shareholders may request a statement in respect of their ‘A’ shares from the Company at any time. Shareholders do not have the right to request the printing and delivery of certificated ‘A’ shares. Certificates (individual share certificates or certificates representing several ‘A’ shares) may however be printed and delivered if considered appropriate by the Company. The transfer and encumbering of ‘A’ shares are carried out according to the provisions of the FISA. There are no restrictions on the transfer of ‘A’ shares. Transfers of the unlisted ‘B’ registered shares in the Company, which are held solely by Compagnie Financière Rupert, must be approved by the Board in accordance with Article 6 of the Articles. The limitations on transferability of shares may be removed by a resolution of the general meeting of shareholders passed by at least two-thirds of the shares and the absolute majority of the nominal share capital represented at a general meeting of shareholders.

According to Article 6 of the Articles, nominees holding ‘A’ shares may under certain conditions be registered in the Share Register as shareholders with voting rights.

For Article 6 see: www.richemont.com/media/8d88cb444844e38/articles-of-incorporation.pdf

Convertible bonds and options
As at 31 March 2023, there are no convertible bonds or options issued by the Company other than the share options issued in the context of the Group’s share option plan. The details of the Group’s share option plan are set out in the Compensation report from page 63 and in note 31 to the Group’s consolidated financial statements (for note 31 see page 118 of this report).

Corporate governance continued

3. Board of Directors

Responsibilities and membership

In addition to the non-transferable and inalienable duties, the Board kept the powers and responsibilities which are stipulated in section 2.2.3 of the Organisational Regulations.

For section 2.2.3 of the Organisational Regulations see: www.richemont.com/media/be4nsorn/20210318_organisational_regulations.pdf

The Board is responsible for the overall strategic direction of the Group and the appointment of senior management. In addition, it is responsible for establishing financial controls and appropriate procedures for the management of risk within the Group as well as the overall supervision of the business. The Board is responsible for the preparation of the financial statements of the Company and of the Group and for the organisation of shareholder meetings.

With respect to the Board's membership and the qualities of its members as at 31 March 2023, nine nationalities are currently represented on the Board, which was composed of three executive directors and 13 non-executive directors with diverse professional and business backgrounds. The Board's Chairman is Mr Johann Rupert and its Deputy Chairman is Mr Josua Malherbe. The representative of the 'A' shareholders on the Board is Ms Wendy Luhabe. Board members are proposed for election on an individual basis at each year's annual general meeting ('AGM') for a term of one year. All directors are eligible to stand for re-election each year, details of nominations being given in the notice of the AGM. There is no restriction on the number of times a director may seek re-election and no formal age limit for directors.

Neither age nor the number of years served on the Board is deemed to affect a director's independence. Certain independent directors have served for more than ten years.

The non-executive directors are, without exception, indisputably independent in character and judgment. All non-executive members of the Board were not previously members of the management of the Company or one of the Company's subsidiaries in the three financial years preceding the period under review. They bring to the Board an array of expertise and experience. The Board considers that the combination of experience and expertise has been a significant factor in contributing to the superior returns for shareholders generated by the Group since the listing of Richemont on the Swiss Stock Exchange in 1988. Photographs and biographies of the current Board members may be found on pages 46 to 50.

At the AGM on 7 September 2022, Mr Ruggero Magnoni and Mr Jan Rupert did not stand for re-election to the Board. At the upcoming AGM that is expected to take place on 6 September 2023, the Board will propose shareholders to elect Ms Fiona Druckenmiller and Mr Bram Schot to the Board. Mr Guillaume Pictet and Maître Jean-Blaise Eckert have indicated that they will step down from the Board at the end of the financial year ending on 31 March 2024. Mr Clay Brendish and Ms Maria Ramos have indicated that they will step down from the Board at the end of the financial year ending on 31 March 2025.

In terms of its regular business, the Board generally meets for half a day to a full day, five times per annum. Further meetings on specific topics are held on an ad hoc basis. During the year under review, the Board held eight meetings. In addition, Board members attended meetings with the senior management of certain Maisons at which strategy, marketing plans and new products were presented. The Chairman and the Chief Finance Officer establish the agendas for the meetings of the Board. Directors may ask that an item be placed on the agenda for any meeting. Financial reports and supporting information in respect of agenda items are circulated to members of the Board in advance of each meeting. The Board may invite other managers and external advisors to attend meetings.

Professional background and other activities and functions

Details may be found on pages 46 to 50.

Activities outside the Group

The Articles (Article 26) limit the number of permitted outside mandates of Board members. Those activities include directorships in other organisations, including publicly listed businesses.

For Article 26 see: www.richemont.com/media/8d88cb444844e38/articles-of-incorporation.pdf

Elections and terms of office

Each of the Chairman of the Board, the members of the Board, the members of the Compensation Committee and the Independent Representative are elected individually by the general meeting of shareholders. They serve for a term of one year, which expires at the end of the following AGM. They are eligible for re-election indefinitely.

Board evaluation

The Board and each of its permanent Committees conduct an annual self-assessment of their own role and effectiveness. This provides members of the Board the opportunity to reflect on their individual and collective performance. The respective Committee's conclusions are communicated to the Board.

Board Committees

In terms of the Group's framework of corporate governance, the Board has established the following standing committees: an Audit Committee; a Compensation Committee; a Governance and Sustainability Committee; a Nominations Committee and a Strategic Security Committee. The current composition of these Committees is indicated below and in the biographical notes on Board members that may be found on pages 46 to 50.

Each Board Committee has its own written terms of reference outlining its duties and responsibilities and a Chair elected by the Board. The Chair of each Committee presents a summary of the proceedings of each Committee meeting to the Board. All Board Committees are entitled to invite members of senior management and external specialists to attend meetings for specific matters on an ad hoc basis.

Audit Committee

During the year under review, the five members of the Audit Committee were: Mr Josua Malherbe (Chair); Mr Clay Brendish; Maître Jean-Blaise Eckert; Dr Vesna Nevistic; and Mr Guillaume Pictet. The members are all non-executive directors and, without exception, independent in character and judgment.

Meetings of the Committee are held at least three times per annum and have a typical duration of half a day. Two additional meetings for the financial results announcements of the third quarter and first quarter of the financial year were scheduled to be held in January and July, respectively. During the year under review, four meetings took place. The Chief Finance Officer, the Head of Internal Audit, other members of senior management and representatives of PricewaterhouseCoopers SA, the Group's external auditor, attended three meetings. The Committee has met in camera with the internal auditor during three meetings.

The Audit Committee acts in an advisory capacity to the Board, except for the appointment of its advisors for which it has a decision power. Its principal tasks are to:

- satisfy itself that the consolidated financial statements follow approved accounting principles and give a true and fair view of the Group's financial position and results;
- recommend to the Board the appointment, reappointment or dismissal of the external auditor and keep under review their independence and objectivity as well as their level of compensation;
- examine and review, with both the external and internal auditor, the adequacy and effectiveness of the Group's accounting, financial and operational controls;
- oversee the effectiveness of the Group's Internal Audit function and liaise with the Head of Internal Audit on all matters of significance arising from the department's work;
- oversee the adequacy and effectiveness of risk management practices in the Group;
- examine and review the adequacy, effectiveness and integrity of the processes to assure the Group's compliance with all applicable laws and regulations; and
- ensure compliance with the Group's Code of Conduct.

The Chair of the Audit Committee reports the findings of each Committee meeting to the Board and makes recommendations to management on behalf of the Board.

Compensation Committee

During the year under review, the Compensation Committee was composed of Mr Clay Brendish (Chair); Dr Keyu Jin; Mr Guillaume Pictet; and Ms Maria Ramos. The members are all non-executive directors and, without exception, indisputably independent in character and judgment. To assist it in its deliberations, the Committee may draw on support from the Group's internal specialists and external advisors, whose role is explained in the Company's Compensation report from page 63. Meetings of the Committee are held as necessary but at least two times a year and typically last one to two hours. During the year under review, the Committee met on five occasions and invited other managers or external advisors five times.

The purpose of the Committee is to support the Board in establishing and reviewing the compensation strategy and guidelines as well as in preparing the proposals to the general meeting of shareholders regarding the compensation of the Board and the SEC. The Compensation Committee can submit proposals to the Board on other compensation-related issues.

The Committee can appoint advisors. It has authority to establish the policy framework for the remuneration of the members of the senior management.

The Committee oversees the administration of the Group's long-term incentive plans for executive members of the Board and the members of the SEC. It approves, inter alia, the awards granted to executive directors and approves the awards made to other executives in aggregate, recognising that the SEC has the authority to make awards to executives other than those serving on the Board. In addition, the Committee oversees any material amendment to existing long-term incentive plans or the creation of any other long-term incentive plan pertaining to senior management.

Governance and Sustainability Committee

The Governance and Sustainability Committee consists of the following non-executive directors: Ms Jasmine Whitbread (Chair); Mr Clay Brendish; Ms Wendy Luhabe; and Mr Guillaume Pictet. Meetings of the Committee are held at least three times per annum. During the year under review, five meetings took place.

The purpose of the Committee is to support the Board in establishing and reviewing strategy, policies and guidelines with regard to ESG matters.

The Governance and Sustainability Committee acts in an advisory capacity to the Board, except for the following areas: regarding environmental matters, reviews and approves management proposals regarding CO_2 targets, climate change and biodiversity; regarding social matters, it reviews and approves management proposals regarding Diversity, Equity and Inclusion ('DEI') as well as matters regarding human and workplace rights and positive social impacts within the Group's operations, its supply chain and the communities in which it operates. The Committee further reviews and approves any material amendment to existing strategic plans relating to Corporate Social Responsibility ('CSR'), Environmental, Social and Governance ('ESG'), sustainability and any of their components; it also approves disclosures in the audited annual ESG Report and the Group's separate disclosures regarding Science Based Targets ('SBTi') and DEI.

Nominations Committee

The Nominations Committee has been reconstituted with effect from November 2022. The Committee now comprises the following directors: Mr Johann Rupert (Chair); Mr Nikesh Arora; Mr Clay Brendish; Dr Keyu Jin; and Ms Wendy Luhabe. Meetings of the Committee are to be held at least once a year, with the first meeting of the newly constituted Committee to be held in May 2023.

Corporate governance continued

The Nominations Committee acts in an advisory capacity to the Board, except for the appointment of its advisors for which it has a decision power. It consists of the non-executive directors meeting under the chairmanship of the Chairman of the Board.

The principal functions of the Committee are to advise the Board in areas such as the composition and size of the Board and the criteria to be applied in the selection of new members of the Board and senior management. In addition, the Committee is responsible for the nomination of directors to serve on Board Committees.

Succession planning is established throughout the Group's operations. At the level of Board membership, the Nominations Committee is responsible for continuity as directors reach retirement or indicate their intention to resign.

The Group's succession plans seek to preserve the current balance of executive directors, former executive directors in a non-executive capacity, and non-executive directors who have not held operational responsibilities within the Group. While this balance will be preserved in the long term, as the continuity it brings to strategic discussions is one of the Group's strengths, the profile of individual appointments may vary from time to time. Such variations take account of the Board's evolving requirements in terms of experience and diversity.

Strategic Security Committee
The Strategic Security Committee acts in an advisory capacity to the Board. It also has authority to appoint advisors, and key officers responsible for security matters within the Group.

The Strategic Security Committee is composed of the following four non-executive directors: Mr Clay Brendish (Chair); Mr Josua Malherbe; Mr Jeff Moss; and Mr Anton Rupert.

To assist it in its deliberations, the Committee draws on support from the Group's internal specialists and external advisors. Meetings of the Committee are held as necessary and typically last half a day. The Committee met five times during the year under review and invited other managers to these meetings.

The purpose of the Committee is to advise the Board in all aspects of security policy. It aims to protect the Company's assets, including confidential business information and intellectual property, and its operations against intrusive actions. It also oversees the protection of Richemont's employees and physical assets.

Attendance

The attendance of each executive and non-executive director at Board and Committee meetings during the year under review are indicated in the following table.

	Board	Audit Committee	Compensation Committee	Governance and Sustainability Committee	Nominations Committee	Strategic Security Committee
Number of meetings	8	4	5	5	–	5
Johann Rupert	8	–	2	–	–	–
Josua Malherbe	8	4	–	–	–	5
Nikesh Arora	8	–	–	–	–	–
Clay Brendish	8	4	5	5	–	5
Jean-Blaise Eckert	6	4	–	1	–	–
Burkhart Grund	8	4	5	5	–	2
Keyu Jin	7	–	5	–	–	–
Jérôme Lambert	8	–	5	–	–	5
Wendy Luhabe	7	–	–	5	–	–
Ruggero Magnoni (until 7 September 2022)	5	1	–	–	–	–
Jeff Moss	7	–	–	–	–	5
Vesna Nevistic	8	4	–	–	–	–
Guillaume Pictet	8	4	5	5	–	–
Maria Ramos	7	–	5	–	–	–
Anton Rupert	8	–	–	–	–	5
Jan Rupert (until 7 September 2022)	5	–	–	–	–	2
Patrick Thomas	8	–	–	–	–	–
Jasmine Whitbread	8	1	2	5	–	3

Corporate governance continued

Control and risk management instruments

Management is responsible for implementing the strategic policies determined by the Board. Members of management are empowered to conduct the day-to-day strategic and operational administration of the Group including, inter alia, financial management. Senior management is responsible for the management of the Group's underlying businesses and investments, subject at all times to an obligation to provide adequate information on the development of those businesses to the Board. Management operates within the guidelines as set out in the Group Investment Procedures and such other policies and procedures as may from time to time be laid down by the Board. In addition, management provides the Board with appropriate support to consider and evaluate strategic alternatives.

The Board employs various reporting means and control mechanisms in order to monitor the way in which senior management exercises the authority delegated to it.

- Prior to each Board meeting, members of the Board receive a financial report, summarising recent Group, segmental and Maison financial performance as well as operational developments.
- Members of the SEC ('Senior Executives') report to the Board at each meeting. Supplementary reports are provided by the Company Secretary.
- The Group's employee performance review process requires that members of management are given clearly defined targets at the beginning of each financial year. The Senior Executives monitor performance against these targets on an ongoing basis and report progress to the Board.
- There is interaction between the Board and other members of the management, for example, through the presence on a regular or ad hoc basis at Board Committee meetings. Members of the Board are also exposed to the decision-making process at the level of each Maison through their involvement with the annual reviews of the Maisons' strategies.
- The Group's Internal Audit function provides an objective means of assessing how the Group's risks are being managed and controlled. This function's independent status is reinforced by the direct reporting line from the Head of Internal Audit to the Chairman of the Audit Committee. The function performs financial and operational audits in accordance with a programme approved annually by the Audit Committee. This risk-based programme is designed to ensure that all business units as well as Group-wide issues are given sufficient audit coverage within an appropriate time frame. Summary reports from each audit are provided to the Audit Committee and discussed at its meetings. Progress with implementation of corrective actions is monitored on a regular basis.

The Group's risk profile is evolving, reflecting the volatile global macro and luxury environment. Enterprise risk management is a fundamental element of the Group's approach to risk management. A key goal is to ensure strong organisational alignment as to key risks facing the Group, which, if not mitigated, would prevent the Group from achieving its strategic objectives. To ensure that risks are identified and mitigated the Company has a risk management process which considers both strategic and operational risks ('Key Risks'). These Key Risks are identified through discussions with senior executives and reviewed and discussed at an annual meeting of the Senior Executive Committee. Following this meeting, a senior executive is appointed as Risk Coordinator for each Key Risk and is responsible for developing a risk mitigation plan ('Risk Mitigation Plan') and ensuring that mitigating actions are implemented. All identified Key Risks are modelled according to their probability of occurrence and potential impact and subsequently prioritised by management. A consolidated risk report, which includes the Risk Mitigation Plans prepared by the respective Risk Coordinator, is reviewed annually by the Audit Committee and the Board. The Key Risks identified include the risks associated with inter alia Security/Business Interruption, Business Transformation and Compliance, which can be explained as follows. The Group's success is highly dependent on its ability to respond to major business interruption events such as Covid-19 and to adapt to the secular changes in the luxury industry, caused by accelerating industry digitisation, increasing importance of customer-centricity, and volatility of the socio-economic and geopolitical environment. The Company is focusing on leveraging the Group's strategic investments and partnerships to cope with disruptive competitive market forces, by identifying new growth opportunities. Compliance risks and related monitoring requirements are continuing to rise, as regulators, financial institutions and governments are tightening the various legal frameworks where the Group and its Maisons are conducting business, in areas such as anti-bribery and corruption, anti-money laundering, international sanctions, anti-trust and competition, cybersecurity and data privacy, labour and employment and product/trade and sourcing. The Company has established a Legal and Regulatory Compliance Committee to discuss compliance priorities and analyses of various legal and regulatory monitoring tools.

4. Senior Executive Committee

Except where the law, the Articles or the Organisational Regulations of the Company provide otherwise, the Board has delegated the entire management of the Company to the SEC. The exact scope of the SEC's powers is outlined in section 3.2 of the Organisational Regulations of the Company, which can be consulted here: www.richemont.com/media/be4nsorn/20210318_organisational_regulations.pdf

The SEC comprised, from 1 April 2022 until 10 November 2022, of Mr Johann Rupert, Mr Jérôme Lambert, the Group Chief Executive Officer, and Mr Burkhart Grund, the Chief Finance Officer. Ms Patricia Gandji, in her capacity as Chief People Officer and CEO of Regions, and Dr Bérangère Ruchat, in her capacity as Chief Sustainability Officer, joined the SEC, respectively, from 11 November 2022 and 10 February 2023.

Their biographical details and other activities may be found on: www.richemont.com/en/home/about-us/corporate-governance/senior-executive-committee/

The SEC focuses solely on strategic direction, capital allocation, governance, and the provision of central and regional functions for the benefit of the Group's Maisons and businesses.

Mr Lambert, the Group Chief Executive Officer, leads the development of strategic plans reflecting the long-term objectives and priorities established by the Board.

In accordance with section 3.1 of the Organisational Regulations, the Chairman of the Board oversees the convening of meetings of the Board and ensures the liaison between the Board and the SEC. Other managers were invited to participate on an ad hoc basis at the Chairman's discretion.

The SEC meets on an ad hoc basis to review matters associated with the implementation of the Group's strategic policies. During the year under review the Committee met twelve times.

For section 3.1 of the Organisational Regulations see: www.richemont.com/media/be4nsorn/20210318_organisational_regulations.pdf

Activities outside the Group
The Articles (Article 36) limit the number of permitted mandates of Senior Executives. Those activities include directorships in other organisations, including publicly listed businesses.

For Article 36 see: www.richemont.com/media/8d88cb444844e38/articles-of-incorporation.pdf

Management contracts
There are no contracts between the Group and any third parties for the management of the Company or any subsidiary in the Group.

Committees reporting to the Senior Executive Committee
From time to time, committees of the SEC may be established to determine the Group's policy in specific business areas, including finance, health and safety matters and corporate social responsibility.

5. Compensation, shareholdings and loans
Details of compensation-related matters are given in the Compensation report from page 63.

6. Shareholder participation rights
Voting rights
Holders of Richemont shares may attend and vote at meetings of shareholders of the Company. They may attend in person or may appoint a third party to represent them at the meeting. In addition, an independent representative is appointed at each general meeting by shareholders for a term of one year expiring at the end of the following year's AGM.

There is no limit on the number of shares that may be held by any given party. Pursuant to Article 6 of the Articles, the voting rights attaching to those shares are only restricted if the shares are either unregistered or are held by a registered nominee with at least 1% of the share capital of the Company and that nominee has declined the Company's request to provide certain details regarding beneficial owners. Further details of this restriction may be found in Article 6 of the Articles.

For Article 6 see : www.richemont.com/media/8d88cb444844e38/articles-of-incorporation.pdf

The Company 'A' and 'B' shares have equal rights to share in the dividends and capital of the Company; 'B' shareholders are entitled to receive 10% of the dividend per share paid to 'A' shareholders and hold 9.1% of the Company's capital. However, despite the differing par values of the 'A' and 'B' shares, each 'B' share conveys the same voting rights as each 'A' share, in normal circumstances, at shareholder meetings. Richemont 'B' shareholders therefore control 50% of the votes at shareholder meetings. The 'B' registered shares are entirely held by Compagnie Financière Rupert (see section 1 above). In accordance with Swiss company law, certain resolutions, notably those relating to the purpose of the Company, its capital structure, the transfer of its registered office or its dissolution, require the approval of two-thirds of the shares and the absolute majority of the nominal share capital represented at a general meeting of shareholders.

The relevant date to determine the shareholders' right to participate in the general meeting of shareholders on the basis of the registrations appearing in the share register is set by the Board and is stipulated in the notice of meeting.

Statutory quorums
The general meeting of shareholders is the Company's ultimate decision-making forum. Resolutions of the general meeting are generally passed by an absolute majority of the votes represented at the meeting. As mentioned above, certain resolutions may require the approval of two-thirds of the shares and an absolute majority of the nominal share capital represented at a general meeting of shareholders.

Further details on quorum and requisite majorities may be found in Article 704 of the Swiss Code of Obligations and Article 18 of the Articles.

For Article 18 see: www.richemont.com/media/8d88cb444844e38/articles-of-incorporation.pdf

Corporate governance continued

Convocation of the general meeting of shareholders and inclusions of items on the agenda
It is contemplated that the AGM, in respect of the financial year ended 31 March 2023, will be held on 6 September 2023 at the Hotel InterContinental, Geneva. The notice period and agenda in respect of the meeting follow the requirements of Swiss company law.

Holders of a minimum of one million 'A' shares in the Company with a par value of CHF 1 million may request that an item be placed on the meeting agenda. The Company will communicate the deadline for submitting such a request for the 2023 AGM by means of notice, which will be published in the Swiss Official Gazette of Commerce pursuant to Article 46 of the Company's Articles.

For Article 46 see: www.richemont.com/media/8d88cb444844e38/articles-of-incorporation.pdf

7. Change of control and defence mechanisms

In terms of the FinMIA and its implementing ordinances, the Company has not elected to 'opt out' or 'opt up' in respect of the provisions relating to the obligations for an acquirer of a significant shareholding to make a compulsory offer to all shareholders. In accordance with FinMIA, any party that would directly or indirectly, or acting in concert with third parties, acquire more than 33⅓% of the voting rights of the Company would therefore be obliged to make an offer to acquire all of the listed equity securities of the Company.

No specific provisions exist in the Articles or Organisational Regulations of the Company which would seek to limit or block any takeover bid. No special contractual relationships exist between Group companies and directors or members of senior management which would protect management or act as a deterrent to a change of control of the Company.

The rules of the long-term compensation plans for executives in the Group contain specific provisions in respect of a change of control of the Group. These provisions are typical in terms of such plans and would result in the immediate vesting of benefits due to participants in the event of a change of control taking place.

8. Auditor

The external auditor reports to the Board through the Audit Committee, which also supervises the Group's relationship with the auditor.

PricewaterhouseCoopers SA was reappointed by the Company's shareholders at the 2022 AGM as the auditor of the Company's financial statements and the Group's consolidated financial statements. It was appointed for a period of one year and, being eligible, will stand for a further period of office of one year at this year's AGM.

PricewaterhouseCoopers was initially appointed as auditor of the Company and the Group in 1993 (as Coopers & Lybrand). Mr Guillaume Nayet, the lead auditor, assumed that role in September 2018. In accordance with Swiss law, the lead auditor rotates at least once every seven years.

In the year under review, total fees and expenses paid or accrued as payable to PricewaterhouseCoopers for the audit of the financial statements of the Company, the Group and its subsidiaries were € 11.3 million. Total fees and expenses paid or accrued as payable in respect of the financial year to PricewaterhouseCoopers for non-audit services amounted to € 1.1 million, primarily relating to tax compliance services.

The scope of services provided by the external auditor is reviewed annually by the Audit Committee and the relative weight of non-audit work provided by the external auditor is also kept under close review. The Audit Committee further assesses the effectiveness of external audit and the independence and objectivity of the external auditor, reviews the level of remuneration to be paid to the external auditor and approves the fees to be paid for the audit of the financial statements of the Company and the Group.

A questionnaire-based evaluation, in which the Finance Director of every subsidiary is consulted, forms the basis of an annual review of the external auditor's performance. The results of the evaluation are reviewed by the Audit Committee.

Representatives of PricewaterhouseCoopers attended three meetings of the Audit Committee held during the year as well as the meeting of the Committee held on 10 May 2023 at which the financial statements were reviewed. The Audit Committee has also met in camera with the external auditor during the course of these three meetings.

The Company has decided to initiate a comprehensive tender process for its external audit function, under the supervision of the Audit Committee. It is anticipated that this process will be completed in the Company's 2024 fiscal year, with the Board to propose to the 2025 AGM the appointment of the chosen firm for the financial year ending 31 March 2026, at the earliest.

9. Information policy

The Group reports to shareholders in accordance with the requirements of Swiss law and the guidance provided by the SIX Swiss Exchange. The annual report is the principal source of financial and business information for shareholders. The Group's announcement of the results for the financial year is issued in May each year.

In addition to the regulatory annual and interim reports, Richemont publishes trading statements in July covering the Group's performance during the first quarter of its financial year, and in January covering the Group's performance during the third quarter of its financial year and the pre-Christmas trading period. Ad hoc announcements are made in respect of matters, which the Board considers to be of significance to shareholders, in accordance with the specific guidelines laid down by the SIX Swiss Exchange.

The annual report is distributed to all parties who have asked to be placed on the Group's mailing list. Investors may request electronic notification that such reports have been published on the Group's website.

All news announcements other than the annual financial report are distributed by email. Shareholders and other interested parties may ask to be included on the distribution list by contacting the Company Secretary at the Company's registered office or by email (secretariat@cfrinfo.net) or by registering on the Group's website at www.richemont.com/en/home/contact-us/subscribe-to-our-press-releases/

Copies of the annual and interim reports, results announcements, trading statements, and the ESG Report may also be downloaded from the Richemont website at www.richemont.com/en/home/investors/results-reports-presentations and copies of the Company's ad hoc announcements on the Group's website at www.richemont.com/en/home/media/press-releases-and-news/?category=Ad+hoc+announcements+pursuant+to+Art.+53+LR. Copies of the Articles, together with its Organisational Regulations, are also available on the website.

The Group presents its annual and interim results to analysts and major investors each year. The presentations take place in Geneva and are simultaneously broadcast over the internet to anyone who registers to view them. Each presentation is downloadable from the website. A replay of the broadcast is available on the Group's website within 24 hours of the presentation and a transcript of the presentation shortly thereafter.

Statutory and regulatory announcements are published in the Swiss Official Gazette of Commerce and, in certain cases, by the SIX Swiss Exchange.

The Company's registered office is 50, chemin de la Chênaie, CP 30, 1293 Bellevue, Geneva, Switzerland. The Company's telephone number is: +41 (0) 22 721 3500 and its website is: www.richemont.com

Contact addresses are:

Secretariat: Swen H. Grundmann, Company Secretary.
Tel: +41 (0) 22 721 3500 – Email: secretariat@cfrinfo.net

Investor and Media: Sophie Cagnard, Group Corporate Communications Director; James Fraser, Investor Relations Executive.
Tel: +41 (0) 22 721 3003 – Email: investor.relations@cfrinfo.net (investor relations)
Tel: +41 (0) 22 721 3507 – Email: pressoffice@cfrinfo.net (press enquiries)

10. Closed periods

Richemont defines the principles related to the closed periods within the Group's Code of Conduct.

The Code of Conduct applies to the members of the Board, the former members of the Board who served within the last twelve months or act as advisors to the Board, the members of the SEC, and other directors, employees and consultants of Group companies, who have been notified that they are subject to trading restrictions set forth in the Code (the 'addressees').

During closed periods and subject to certain conditions and exceptions mentioned below, the addressees are prevented from entering into trades on the securities issued by Richemont (or by another entity within the Group), as well as the instruments which have securities issued by Richemont (or by another entity within the Group) as their significant underlying asset. The prohibition to enter into trades during closed periods also applies to persons connected with the addressees (such as spouses and other individuals living in the same household as the addressees) and entities on which the addressees have a significant influence.

The Group is in closed periods:

- from 1 April until the announcement of the annual results;
- from 1 July until the trading update for the quarter ended 30 June is published;
- from 1 October until the announcement of the interim results; and
- from 15 December until the trading update for the quarter ended 31 December is published.

By way of exception, trades entered into by connected persons or entities that do not affect the addressees' assets are not subject to closed period restrictions if the addressees do not have a significant influence on the trade. In limited circumstance, trades that affect the assets of an addressee may not be affected by closed periods when the recipient has no possibility to influence the trade. Upon request, an authorisation to trade in a closed period may exceptionally be granted by the Chief Finance Officer.

Additionally, the members of the Board and the SEC as well as a number of notified addressees are subject to a clearance regime, whereby trades outside of closed periods must be authorised prior to being carried out.

Corporate governance continued

Corporate calendar

A corporate calendar of relevant dates is displayed below and on the Group's website at www.richemont.com/en/home/investors/corporate-calendar. (The calendar on the website is updated if and when new information becomes available.)

Next events	Date
ESG Report publication	June 2023
Trading update for the quarter ended 30 June 2023	17 July 2023
Annual General Meeting	6 September 2023
Interim results announcement	10 November 2023
Interim results presentation	10 November 2023
Interim report publication (web version only)	November 2023
Trading update for the quarter ended 31 December 2023	January 2024

Compensation report

Letter from the Chairman of the Compensation Committee

Clay Brendish, Chairman

Dear Shareholders,

On behalf of the Compensation Committee, I am pleased to present our Compensation report for the year ended 31 March 2023.

The ability of the Group to attract and retain key talents in order to achieve the Group's strategic objectives has never been more important. The Committee has supported management in addressing these areas throughout the year, ensuring that exceptional performance is rewarded fairly and that strategic efforts leading to long-term growth are incentivised correctly. Specific retention plans for the Group's key talents were also subject to review during the period.

Ensuring that executives and employees receive fair compensation, which is in line with observed market practice, is a key component of the Group's remuneration policy. Management undertook a comprehensive benchmarking review of senior executive compensation in early 2023, which the Committee reviewed and discussed in detail during its meetings. Further details of this study are included in the following Compensation report.

During the year, the Senior Executive Committee ('SEC') welcomed two new members, Patricia Gandji, Chief People Officer and CEO of Regions, and Bérangère Ruchat, Chief Sustainability Officer. As is customary, the Committee reviewed the contractual terms and conditions of these new members.

At the AGM in September 2022, shareholders once again approved the remuneration proposals. Specifically, shareholders were asked to approve the maximum amount of fixed Board compensation from the 2022 AGM to the 2023 AGM; the maximum amount of fixed SEC compensation for the 2024 financial year and the variable compensation of the SEC for the 2022 financial year. The actual compensation paid to the Board for the period from the 2021 AGM to the 2022 AGM and to the SEC with respect to fixed compensation for the 2023 financial year was within amounts previously approved by the shareholders.

The Compensation report that follows describes the Group's guiding principles, philosophy and policies for setting the compensation of members of the Board and the SEC. The report complies with the relevant articles of the Swiss Code of Obligations, the Swiss Code of Best Practice, and the Ordinance against Excessive Compensation ('OEC'), and with the Company's Articles of Incorporation. The compensation for the financial year under review, as detailed on pages 73 to 75, has been audited by the Group's auditor, PricewaterhouseCoopers.

On behalf of the Board, we would like to thank you for your continued support on executive compensation matters.

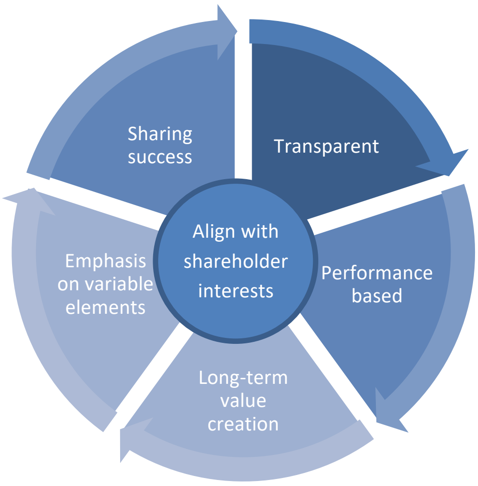
We look forward to receiving comments from our shareholders.

Clay Brendish
Compensation Committee Chairman

Compensation report continued

Our compensation-setting philosophy

The primary objective of the Group's compensation strategy is to align variable compensation paid to senior executives to total shareholder returns over the long term, while attracting and retaining key talent in the face of competition from other multinational groups.



Members of the SEC, with the exception of the Chairman of the Board of Directors, are rewarded in line with the level of their authority and responsibility within the organisation. An executive's total compensation comprises both fixed and variable elements. Short-term incentives are paid in cash and are awarded to executives in May, based on performance during the previous financial year. These are complemented by long-term awards under the Group's Performance Share Unit ('PSU') and Performance Cash Unit ('PCU') plans, which serve to both retain key executives and to ensure that the interests of these executives are aligned to the values of the Group, including a focus on capital allocation for long-term strategic purposes and the development of a culture of creativity and responsibility within the Maisons.

The variable remuneration of each Senior Executive is dependent on performance against certain, pre-defined KPIs. These measures are both quantitative, reflecting the performance of the Group in terms of sales, operating profit and cash generation, as well as return on net assets for long-term incentives, and qualitative, with respect to individual and collective management performance.

Non-executive directors are not eligible for awards under the Group's short- or long-term incentive schemes.

Comparative group benchmarking

To ensure that the Group remains competitive in its compensation arrangements, benchmarking surveys are periodically considered by the Committee. A comprehensive benchmarking survey was performed in early 2023 which covered both the SEC and other key positions within the Group, focusing on base salaries, target bonuses, long-term incentives and total direct compensation levels.

In benchmarking the remuneration of these executives, the Group considered compensation practices in a selection of multinational groups which it considers to be its peers. The criteria for selection included: industry focus on luxury goods, size in term of revenue and headcount, listed companies and international presence in relevant geographies. These peers were identified as follows:

- Multinational groups active in the Luxury Goods industry, such as LVMH, Kering and Hermès, amongst others.
- International groups headquartered in Europe and Switzerland with significant global presence.

As a point of reference, the Group targets at least the median compensation level of the peer group, while maintaining the potential for above-average variable compensation for superior performance.

Compensation Committee

The Compensation Committee ('the Committee') is a committee of the Board of Directors, responsible for reviewing and establishing the Group's compensation policies and strategy. The core responsibilities of the Committee include agreeing the compensation of the executive director members of the Board and the SEC and setting the compensation of the non-executive directors and the Chairman of the Board of Directors. The compensation of all other members of senior management is regularly reviewed by the Committee.

The Committee considers the recommendations of the Chairman of the Board of Directors regarding compensation awards for the SEC and the Chief Executive Officers of certain Maisons and may amend or reject these recommendations. The Chairman of the Committee reports to the full Board of Directors on the discussions and decisions taken at each Committee meeting.

Members of the Committee are appointed by the shareholders of the Company for a term of one year. During the year ended 31 March 2023, the composition of the Committee was as follows:

Compensation Committee
Clay Brendish (Chairman)
Keyu Jin
Guillaume Pictet
Maria Ramos

The Committee meets five times per year, with additional meetings scheduled as required. During the year ended 31 March 2023, the Committee met five times. The Group Chief Executive Officer, Chief Finance Officer and Chief People Officer also attend Committee meetings but are not present when decisions are taken regarding their own compensation. One meeting was partially held in the presence of the Group's external auditor.

Remuneration awards for members of the SEC are approved by the Committee at its first meeting following the end of the financial year to which the awards relate.

Compensation of the Senior Executive Committee

Total compensation of members of the Group's SEC is made up as follows:

			Payment	Performance criteria	Target*	Max*	% quantitative	% qualitative
Performance Cash Units ('PCU')	Variable	Long-term	Cash	• Quantitative (Value creation, RONA)	–	75%	100%	0%
Performance Stock Units ('PSU')	Variable	Long-term	Shares	• Quantitative 70% (Value creation 50%, RONA 20%) • Qualitative 30% (Brand Equity, Customer Centricity, Sustainability, People)	112.5%	150%	70%	30%
Short-term incentive	Variable	Short-term	Cash	• Quantitative (Sales, EBIT, Cash) 55% • Individual qualitative KPIs 25% • Collective qualitative KPIs 20%	75%	150%	55%	45%
Base salary and benefits	Fixed							

* As a percentage of base salary.

Fixed compensation

Base salary

The base salary reflects the position, qualifications and responsibilities of the executive, taking into account the external market value for the position in the market in which the individual is based. It is paid on a monthly basis in cash. The level of base salary is reviewed as necessary in accordance with the Group's salary review process, which usually takes place in May. In determining the level of any increase to base salary, consideration is given to the Group's performance, the role and responsibilities of the individual and the results of benchmarking studies.

Benefits

SEC members, with the exception of the Chairman of the Board of Directors, also receive benefits in line with their duties and responsibilities, which may include company car and medical insurance subsidy.

The Company also operates a retirement foundation in Switzerland. Each executive has a retirement account to which the executive and the Group make contributions at rates set out in the foundation rules based on a percentage of salary. A Group contribution of up to 13.05% was applied in the year on salaries to a ceiling of CHF 860 400 (CHF 882 000 from 1 January 2023).

Executives are reimbursed for travel and other necessary business expenses incurred in the performance of their duties.

Variable compensation

Short-term cash incentives

Short-term incentives are awarded with respect to performance in each financial year and are paid in cash.

The performance assessment comprises both quantitative and qualitative components, each with a pre-set target expressed as a percentage of base salary. The mix of quantitative and qualitative targets are aligned with the Group's business priorities for the year ahead, encouraging individual creativity and business development, as well as delivering continued profit growth and value creation. For members of the SEC, the short-term incentive target is set at 75% of base salary, with a maximum cap of 150% of base salary.

The quantitative component of the short-term cash incentive is assessed on actual Group sales, operating profit and cash generation, compared to budget. Cash generation is calculated as operating cash flow after capital expenditure and lease payments. Each of these three measures has equal weighting in the calculation.

The qualitative component is assessed on performance against both individual and collective strategic targets, measuring contributions towards growing brand equity, enhancing the client journey, driving initiatives on sustainability and enhancing the employee experience in the organisation. The Compensation Committee may decide to use its discretion in assessing the qualitative aspect of performance to take into account exceptional performance during the year where necessary.

For exceptional performance and commitment to the Group, additional incentives may be awarded by the Committee. One member of the SEC, Burkhart Grund, Chief Finance Officer, was awarded an additional payment of € 2.3 million in the current year, which is payable in May 2023, as well as the right to further additional incentives in 2024, and an additional grant of PSU made in the current financial year. This discretionary award recognises exceptional performance over a number of years which the Committee considered had not been properly reflected in previous remuneration awards.

Compensation report continued

Long-term variable incentives

SEC members, with the exception of the Chairman of the Board of Directors, are awarded long-term incentives under the Group's PSU and PCU plans.

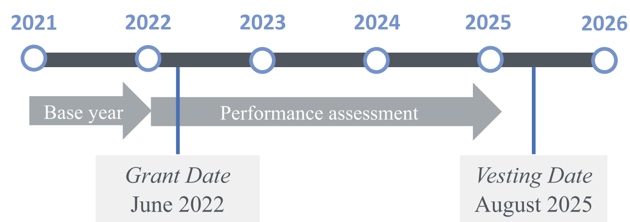
Performance Stock Unit plan

Under the PSU plan, executives receive 'A' shares after a fixed vesting period. Awards are subject to performance conditions which may reduce the number of shares vesting. The main features of this plan are as follows:

Plan	Performance Stock Unit plan
Vesting period	Three years from grant date (awards prior to 2021 vested between three and five years from grant date)
Vesting conditions	• Continued employment with the Group. • Achievement of quantitative and qualitative performance conditions as set by the Compensation Committee for each grant.
Termination of employment	• In the event that an award holder retires, dies or has to end employment with the Group due to injury or permanent disability, all outstanding units vest immediately. • If the award holder is a bad leaver, all unvested awards are forfeited. • If employment is terminated for any other reason, unvested PSU, reduced pro-rata to reflect the date of cessation of employment compared to the original vesting period, shall continue and vest on the original date, provided that performance conditions are met. • Accelerated vesting of PSU is not granted to a member of the SEC on retirement.
Hedging of obligations	• Buy-back of 'A' shares or warrants immediately prior to grant date, if needed. • Awards do not result in the issue of new share capital.
Dividends	No entitlement prior to vesting
Compensation value at date of grant	Based on valuation principles of IFRS 2, excluding employer's social security costs
Governance	Total award is reviewed and approved by the Compensation Committee, as are individual awards to SEC members

The target long-term variable award for SEC members is set at 112.5% of base salary with a maximum cap of 150% of base salary, with the final value awarded to an executive depending on value creation of the Group. The Compensation Committee has discretion to increase or decrease the final award to take into account current market conditions, long-term and strategic decision-making, amongst other factors; such discretion is used only in very limited circumstances, to take into account exceptional performance which the calculation above did not capture. The final award value is converted into PSU based on the average share price over the 30 trading days preceding the approval of the award by the Compensation Committee.

For performance in the year ended 31 March 2022, PSU awards were made in June 2022, with a vesting date of August 2025. The performance conditions related to these awards are assessed over the vesting period; average performance during the financial years ending March 2023, March 2024 and March 2025 is compared to performance in the base year, being the year ended 31 March 2022. Full vesting of the award takes place only if performance is at least equal to the base year. Any reduction in performance leads to a linear reduction in the number of PSU which vest.



For the 2022 grant, performance is measured as follows:

Measure	Weighting	Description
Value creation	50%	Value based on a predefined formula of Operating Profit and Free Cash Flow
RONA	20%	Return on Net Assets
Qualitative	30%	Individual qualitative targets in the following categories, assessed over the three-year vesting period: • Brand equity • Customer centricity • Sustainability • Employee experience

Performance measures are aligned with the Group's strategic goals. The weighting of each criterion reflects the percentage of the total grant which vests depending on that performance measure. Each criteria is evaluated independently of the others.

The cost to the Group of this plan is equal to the fair value of the PSU awards, which is charged to net profit over the vesting period. There may also be a cash outflow on grant, as the Group repurchases its own shares and warrants in order to meet its obligations under this plan. The total fair value of PSU granted to members of the SEC in relation to performance for the year ended 31 March 2022 was CHF 7.7 million. The award of PSU requires retrospective approval from shareholders at the AGM. Following such approval, a revised fair value is determined for accounting purposes only.

The PSU plan may also be used as a retention tool, with additional awards made to specific executives whom the Group has identified as strategic to its future growth. The vesting period is the same as for the PSU plan (3 years for awards in 2022).

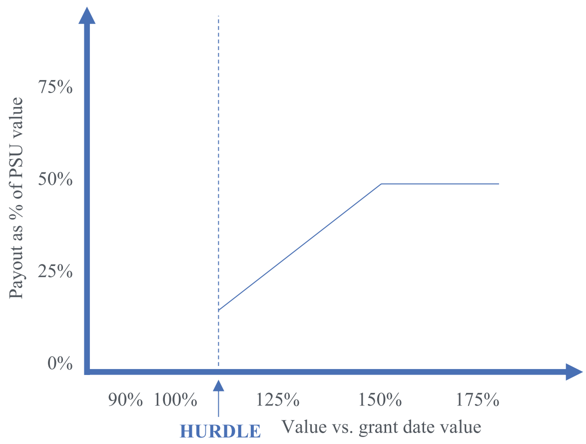
Performance Cash Unit plan

PSU awards are supplemented by a long-term cash plan, the PCU. Under this plan, certain senior executives, including members of the SEC, are eligible to receive a cash payment after a fixed vesting period.

The objective of this plan is to reward those executives whose performance has exceeded expectations in terms of value creation. Payment is made only if pre-set hurdle rates are reached; this hurdle rate is set at the beginning of the plan in order to capture challenging but realistic growth targets over the vesting period. The hurdle rate is set individually for each executive and depends on various factors, such as forecast growth and market share, amongst others. If the hurdle rates are achieved, the executive receives a cash payment which increases on a linear basis in line with growth in the value of the Group (or Maison or business area, depending on the responsibilities of the executive) compared to the grant year, up to the maximum amount which is set at 50% of the executive's PSU award. The maximum possible payout is therefore equal to 75% of base salary, for an executive receiving the maximum PSU award.

For awards made in June 2022, hurdle rates are based on the value of the Group (or Maison or business area, depending on the responsibilities of the executive), calculated on the same basis as for the PSU plan (see above) and on RONA.

An illustration of the potential payout is presented as follows:



Share options

In previous years, executives also received awards under the Group's share option plan. The final awards were made under this plan in 2020. The main features of the Group's share option plan are as follows:

Plan	Employee share option plan
Strike price	Market value of share on grant date
Vesting period	Tranches over periods of three to six years from grant date
Expiry date	Nine years from date of grant
Vesting conditions	• Continued employment with the Group. • The share options granted between 2008 and 2015 include a performance condition correlated to other luxury goods companies upon which vesting is conditional.
Termination of employment	• In the event that an option holder retires, dies or has to end employment with the Group due to injury or permanent disability, all outstanding share options vest immediately. • If employment is terminated for any other reason, unvested share options are forfeited.
Dividends	No entitlement prior to exercise

Gains made by executives on exercising the share options depend on changes in the share price since the date of the award and, other than employer's social security contributions thereon, do not represent a cost to the Group.

Long-term incentive schemes for other Group executives

The Group also operates the following long-term incentive plans for Group and Maison executives, to which SEC members are not eligible. Awards are made on an annual basis.

Long-term Retention Plan

The Long-term Retention Plan ('LRP') is a cash incentive plan primarily used as a retention tool for key positions within the Group. For each eligible participant, the awards are set at the grant date at between 50% and 150% of the target short-term cash incentive awarded for the previous year (which varies as a percentage of fixed salary depending on employment grade) and become payable, typically after three further years of service. The level of the award granted is determined based on the current position, as well as on the employee's individual performance and potential, while ensuring consistency across the Group. In exceptional circumstances a higher percentage may be awarded. Exceptionally in the year ended 31 March 2020, LRP were granted to certain employees in lieu of RSU awards. These LRP awards vest in tranches over three, four and five years. No awards were made under the LRP plan in the year ended 31 March 2023.

Restricted Stock Unit plan

The Restricted Stock Unit plan ('RSU') operates on the same basis as the PSU plan, but is not subject to performance conditions. Employees receive an 'A' share provided that they remain in employment during the vesting period. In case of retirement, vesting is on a pro-rata basis.

Compensation report continued

Senior Executive Committee

In the year under review the members of the SEC were:

Senior Executive Committee	
Johann Rupert	Chairman of the Board of Directors
Patricia Gandji[1]	Chief People Officer and CEO of Regions
Burkhart Grund	Chief Finance Officer
Jérôme Lambert	Group Chief Executive Officer
Bérangère Ruchat[2]	Chief Sustainability Officer

1. From 11 November 2022.

2. From 10 February 2023.

Compensation of the SEC for the period is summarised below:

	Fixed components		Variable components				
	Salary and other employee benefits CHF	Post-employment benefits CHF	Short-term incentives[2] CHF	Long-term incentives[3] CHF	Social security cost CHF	Total CHF	Prior year CHF
Variable paid in:			*Cash*	*Equity/Cash*			
Senior Executive Committee							
Burkhart Grund	1 922 456	115 809	3 772 050	6 496 855	640 553	**12 947 723**	8 532 757
Jérôme Lambert	1 951 094	114 989	1 486 990	4 063 369	363 475	**7 979 917**	7 430 648
Other[1]	450 352	49 675	332 084	–	23 064	**855 175**	–
Total	4 323 902	280 473	5 591 124	10 560 224	1 027 092	**21 782 815**	15 963 405

1. For the period of membership of the Senor Executive Committee.

2. Related to performance in the year to 31 March 2023.

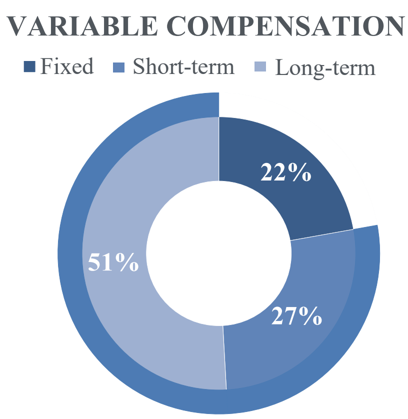
3. Related to performance in the year to 31 March 2022.

Changes in the level of compensation awarded to members of the SEC reflect changes in membership compared to the previous year, as well as increased performance-related compensation, as explained below.

Variable compensation

The objective of the Group's compensation policy is to favour variable (short- and long-term incentives) over fixed compensation. Executives benefit from a short-term cash incentive plan and awards granted under the Group's PSU and PCU plans. The Committee considers these components in total to ensure there is an appropriate balance between reward for short-term success and long-term retention. Targets used to determine the payout levels for both the variable short-term and long-term incentives are considered by the Committee on an annual basis. The Group does not provide for any transaction-specific success fees for its executives.

The split for the Group's Senior Executives for the year ended 31 March 2023 was as follows:



Variable compensation made up 78% of total compensation for the year under review. Absolute variable compensation has decreased compared to the prior year due to the change in membership of the SEC. For the remaining members of the SEC, the following impacts are reflected in the overall variable compensation awarded:

- The increase in the value of long-term incentives awarded for performance in the financial year ended 31 March 2022 increased due to the significant growth in both profitability and cash generation during that period.
- The exceptional grant of PSU awarded during the period, as described above, reflecting sustained exceptional performance over a number of years.
- Changes in short-term incentives reflect performance for the year under review.

Short-term incentives

The performance assessment for short-term incentives awards to members of the SEC is as follows:

Measure	Weighting	Description
Quantitative KPIs	55%	Performance against budget of: • Sales • Operating Profit • Cash flow
Qualitative KPIs		
Individual	25%	Specific targets based on executive's scope of responsibility
Collective	20%	Performance during the twelve month performance period in the following areas is assessed collectively for the SEC: • Climate & environment • Talent diversity • Targeted operational goals

The total incentive awards achieved under the short-term incentive scheme, excluding exceptional amounts, represented on average 78% of base salary. The individual achievement figures for the Group's executive directors, compared to the target bonus, are as follows:

	Quantitative		Qualitative		Total	
	Weight	Achieved	Weight	Achieved	Weight	Achieved
Burkhart Grund	*55%*	59%	*45%*	44%	*100%*	103%
Jérôme Lambert	*55%*	59%	*45%*	45%	*100%*	104%

Achievement of the collective qualitative KPIs was assessed as 94%.

Long-term incentives

Members of the SEC received PSUs in June 2022, for performance in the year to 31 March 2022. All of these awards vest over three years.

Long-term incentive awards are approved by the Compensation Committee after the end of the financial year to which the award relates. The grant date is determined by the date on which the award, including any performance conditions, is communicated to the recipient, which falls after the date of this report. Awards related to performance during the year to 31 March 2023 will therefore be reported in next year's Compensation report. This report presents details of awards made during the period under review, which relate to performance in the year ended 31 March 2022.

All executives have also received awards under the Group's PCU plan for performance in the year to 31 March 2022. The maximum possible payout to be received in August 2025 is equal to 50% of the PSU value awarded for the year.

Compensation report continued

Details of PSUs held by members of the Board and the SEC under the Group's PSU plan at 31 March 2023 were as follows:

	Number of units					
	1 April 2022	Granted in year	Vested in year	Cancelled in year	31 March 2023	Vesting dates
Burkhart Grund	68 148	46 261	13 516	–	**100 893**	Aug 2023-Dec 2025
Jérôme Lambert	82 588	25 221	15 876	–	**91 933**	Aug 2023-Dec 2025
Other SEC members[1]	38 306	–	–	–	**38 306**	Aug 2023-Dec 2025
	189 042	71 482	29 392	–	**231 132**	

1. Opening balance refers to the outstanding balance for the date on which the executive joined the SEC.

Certain PSUs awarded in 2019 and 2020 will vest in August 2023 and December 2023, respectively, based on Group results for the period to 31 March 2022 and 31 March 2023, respectively. These PSU will vest at 100%. Of the total 184 196 PSU which were originally granted (including 42 676 to current SEC members), executives will receive 184 196 CFR 'A' shares on vesting (current SEC members will receive 42 676).

Members of the SEC also hold share options which were granted in prior years. Details of share options held by members of the Board and the SEC under the Group's share option plan at 31 March 2023 were as follows:

	Number of options						
	1 April 2022	Granted	Exercised	Lapsed	31 March 2023	Average strike price CHF	Earliest exercise period
Burkhart Grund	132 463	–	69 194	–	**63 269**	85.54	Jul 2023-Dec 2025
Jérôme Lambert	278 786	–	61 000	–	**217 786**	85.67	Apr 2023-Dec 2025
Other SEC members[1]	27 133	–	–	–	**27 133**	82.24	Jul 2023-Dec 2025
	438 382	–	130 194	–	**308 188**		

1. Opening balance refers to the outstanding balance for the date on which the executive joined the SEC.

Shareholders' approval

At the annual general meeting ('AGM'), the shareholders of the Company will be asked to approve the fixed compensation of the SEC for the next full financial year, being the twelve months to 31 March 2025. Changes compared to the prior year reflect the increase in membership of the SEC.

For the year ended 31 March 2023, the shareholders' meeting of September 2021 approved total fixed compensation of CHF 6.6 million. Actual fixed compensation of CHF 4.6 million is within the limits previously approved by shareholders.

Shareholders will also be requested to retrospectively approve the variable compensation paid and accrued during the current year to 31 March 2023, as follows:

	CHF
Variable remuneration for the year to 31 March 2023	
Short-term incentives for the year ended 31 March 2023	**5 591 124**
Long-term incentive awards	**10 560 224**
Employer's social security	**997 924**
Total	**17 149 272**

Compared to the prior year, changes in the total amount of variable compensation are due to the change in membership of the SEC, an exceptional award to one executive as described above and increased long-term incentives awarded for performance in the year ended 31 March 2022, reflecting the significant growth delivered by the Group in that year.

Compensation of the Board of Directors

Compensation paid to non-executive directors for the period is summarised below:

	Fees and other benefits CHF	Consultancy fees CHF	Social security cost CHF	Total CHF	Prior year CHF
Board of Directors					
Johann Rupert (Chairman)	2 700 000	–	357 346	**3 057 346**	3 058 663
Non-executive directors	3 315 000	–	107 976	**3 422 976**	4 202 824
Total	6 015 000	–	465 322	**6 480 322**	7 261 487

Two Board members, Mr Ruggero Magnoni, who stepped down from the Board during the year, and Mr Anton Rupert have formally waived their entitlement to receive any fees or compensation in respect of their duties as non-executive directors.

Chairman

The total compensation awarded to the Chairman of the Board of Directors, Mr Johann Rupert, is reviewed annually by the Committee. No variable compensation was awarded.

Non-executive directors

Non-executive directors are entitled to receive an annual base retainer of CHF 100 000, plus a fee of CHF 20 000 for each Board meeting attended.

Non-executive directors are not eligible for performance-related payments and do not receive awards under the Group's share option plan or other long-term incentive plans.

Non-executive directors who are also Committee members are entitled to receive further fees per meeting attended.

Committee attendance fees	Chairman	Member
Audit Committee	CHF 20 000	CHF 15 000
Governance and Sustainability Committee	CHF 15 000	CHF 10 000
Compensation Committee	CHF 15 000	CHF 10 000
Strategic Security Committee	CHF 15 000	CHF 10 000

Executive directors

The executive directors of the Board are all members of the SEC and do not receive any compensation for their role as members of the Board.

Shareholder approval

At the AGM, the shareholders of the Company will be asked to approve the compensation of the Board of Directors for the period from AGM 2023 to AGM 2024. Following a review of directors' fees, which have remained unchanged for a number of years, remuneration of the Board of Directors is expected to increase.

Compensation governance

Severance

There are no arrangements in place to provide for any severance benefit or other special departure payments for any director or any member of the SEC, other than their contractual and legal rights. In general, the duration of the contractual notice period is six months. In certain cases, the employing entity is required to provide twelve months' notice; however, in no cases is the notice period longer than twelve months for members of the SEC.

Clawback

In addition to applicable statutory provisions, the Group's long-term incentive plans include provisions allowing the Group to reclaim, in full or in part, distributed compensation as a result of special circumstances. There are no clawback provisions for the short-term incentive.

Upon termination of employment as a result of serious misconduct, including fraud as defined by the applicable criminal law and violation of the Group's Standards of Business Conduct, all awards granted and outstanding, whether vested or unvested, lapse immediately without any compensation.

External consultants

The Group also uses external consultants for advice on remuneration matters. During the year, external advice was received from a number of professional firms including PricewaterhouseCoopers, Deloitte, Lenz & Staehelin, RSM, Mercer and Willis Towers Watson. None of these firms received any additional remuneration-related mandates from those consultations; however, Lenz & Staehelin also received fees for legal and tax advice (see page 129). PricewaterhouseCoopers is the Company and Group's external auditor.

Change of control

The rules of the share option and PSU plan for executives in the Group contain specific provisions in respect of a change of control of the Group. These provisions are typical in terms of such plans and would result in the vesting of benefits due to participants in the event of a change of control taking place.

Compensation report continued

Management contracts
There are no contracts between the Group and any third parties for the management of the Company or any subsidiary in the Group.

Allotment of shares
No shares were allotted to directors or members of senior management during the year under review.

Share ownership
Details of the shareholdings of the members of the Board of Directors in the Company are disclosed on page 130 of this report. Directors are encouraged to acquire and hold shares in the Company.

Trading in Richemont shares
The exercise of options and transactions in Richemont shares and related securities by any current director or member of the SEC and their related parties is promptly notified to the SIX Swiss Exchange. These notifications are simultaneously published by SIX Swiss Exchange.

Shareholder approval
The Company's Articles of Association contain provisions relating to compensation-related articles with respect to compensation principles (Article 38) and the binding votes of the AGM (Article 39). Shareholders are required to approve prospectively the remuneration of the Board of Directors and the fixed compensation of the SEC, while variable compensation is approved retrospectively. The Articles also include provisions for the remuneration of new members of the SEC (Article 39).

The following compensation will be proposed to the shareholders for approval at the AGM:

	Period covered
Board of Directors	
Fixed compensation	AGM 2023 – AGM 2024
Senior Executive Committee	
Fixed compensation	April 2024 – March 2025
Variable compensation	April 2022 – March 2023

The Articles of Association can be found at:
https://www.richemont.com/en/home/about-us/corporate-governance/

Compensation report for the financial year under review

The Ordinance against Excessive Compensation ('OEC') allows the Board of Directors to identify a corporate body to which management of the day-to-day operations of the organisation can be delegated. This is deemed to be the SEC, which is chaired by the Chairman of the Board and comprises the following executives:

Johann Rupert	Chairman of the Board of Directors
Burkhart Grund	Chief Finance Officer
Jérôme Lambert	Group Chief Executive Officer
Patricia Gandji	Chief People Officer and CEO of Regions
Bérangère Ruchat	Group Chief Sustainability Officer

Members of this Committee are considered to be subject to the various disclosure and approval requirements imposed by the OEC.

The total compensation of the members of the Board of Directors and the SEC amounted to CHF 6.5 million and CHF 21.8 million, respectively, including pension contributions, benefits in kind and all other aspects of compensation. The highest paid member of the SEC was Burkhart Grund, Chief Finance Officer, with a total compensation of CHF 12.9 million.

The measurement basis for each component of compensation is described below:

- Salary and other short-term benefits: accruals basis.
- Short-term incentives: accruals basis.
- Pension: contributions paid.
- Share options and PSU: total fair value, as determined at the date of award of the share options granted in the year, the share option value being determined in accordance with the valuation methodology of IFRS 2.
- PCU awards: maximum payout awarded.
- Employer's social security: amounts are presented on a cash paid basis for short-term compensation and estimated, based on fair value at grant date and mandatory employer social security contributions which provide rights up to the maximum future state benefit, for long-term incentives.

All amounts are stated gross before the deduction of any related tax or amounts due by the employee.

Compensation for the financial year to 31 March 2023

	Fixed fees CHF	Consultancy fees CHF	Other CHF	Social security cost[5] CHF	Total CHF
Board of Directors					
Johann Rupert	2 700 000	–	–	357 346	**3 057 346**
Josua Malherbe	310 000	–	–	21 859	**331 859**
Nikesh Arora	200 000	–	–	–	**200 000**
Clay Brendish	450 000	–	–	–	**450 000**
Jean-Blaise Eckert	205 000	–	–	–	**205 000**
Keyu Jin	250 000	–	–	–	**250 000**
Wendy Luhabe	250 000	–	–	17 348	**267 348**
Ruggero Magnoni[2, 3]	–	–	–	–	**–**
Jeff Moss	250 000	–	–	–	**250 000**
Vesna Nevistic	245 000	–	–	–	**245 000**
Guillaume Pictet	345 000	–	–	26 217	**371 217**
Maria Ramos	230 000	–	–	19 929	**249 929**
Anton Rupert[2]	–	–	–	–	**–**
Jan Rupert[3]	110 000	–	–	8 036	**118 036**
Patrick Thomas	200 000	–	–	14 587	**214 587**
Jasmine Whitbread	270 000	–	–	–	**270 000**
Total	6 015 000	–	–	465 322	**6 480 322**

	Fixed components		Variable components				
	Salary and other employee benefits CHF	Post-employment benefits CHF	Short-term incentives CHF	Share-based awards[1] CHF	Cash-based long-term incentives CHF	Social security cost[5] CHF	Total CHF
Variable paid in:			*Cash*	*Equity*	*Cash*		
Senior Executive Committee							
Burkhart Grund	1 922 456	115 809	3 772 050	5 071 855	1 425 000	640 553	**12 947 723**
Jérôme Lambert	1 951 094	114 989	1 486 990	2 638 369	1 425 000	363 475	**7 979 917**
Other SEC members[4]	450 352	49 675	332 084	–	–	23 064	**855 175**
Total	4 323 902	280 473	5 591 124	7 710 224	2 850 000	1 027 092	**21 782 815**
Total compensation							**28 263 137**

1. Share-based compensation is recognised at the total fair value at the date of the award. These incentives are settled in equity (shares) after completion of the vesting period of three years. Details of the share-based compensation valuation model and significant inputs to this model are found in note 31 to the consolidated financial statements.

2. Mr Magnoni and Mr Anton Rupert have formally waived their entitlement to receive any fees or compensation in respect of their duties as non-executive directors.

3. Until 7 September 2022.

4. Other SEC members include two executives in the current year. Figures relate to compensation for the period of membership of the Senor Executive Committee only.

5. Social security costs are the employer's contribution on all components of compensation (see above).

AUDITED

Compensation report continued

AUDITED

Compensation for the financial year to 31 March 2022

	Fixed fees CHF	Consultancy fees CHF	Other CHF	Social security cost[5] CHF	Total CHF
Board of Directors					
Johann Rupert	2 700 000	–	–	358 663	**3 058 663**
Josua Malherbe	310 000	–	–	23 588	**333 588**
Nikesh Arora	200 000	55 000	–	–	**255 000**
Clay Brendish	460 000	–	–	–	**460 000**
Jean-Blaise Eckert	245 000	–	–	–	**245 000**
Keyu Jin	250 000	–	–	–	**250 000**
Wendy Luhabe	250 000	–	–	19 317	**269 317**
Ruggero Magnoni[2]	–	–	–	–	**–**
Jeff Moss	250 000	–	–	–	**250 000**
Vesna Nevistic	245 000	–	–	–	**245 000**
Guillaume Pictet	335 000	–	–	25 569	**360 569**
Alan Quasha[3]	90 000	–	–	–	**90 000**
Maria Ramos	230 000	–	–	20 539	**250 539**
Anton Rupert[2]	–	–	–	–	**–**
Jan Rupert	250 000	–	–	18 760	**268 760**
Gary Saage[3]	90 000	310 000	9 487	259 005	**668 492**
Patrick Thomas[4]	90 000	–	–	6 559	**96 559**
Jasmine Whitbread[4]	160 000	–	–	–	**160 000**
Total	6 155 000	365 000	9 487	732 000	**7 261 487**

	Fixed components		Variable components				
	Salary and other employee benefits CHF	Post-employment benefits CHF	Short-term incentives CHF	Share-based award[1] CHF	Cash-based long-term incentives CHF	Social security cost[5] CHF	Total CHF
Variable paid in:			*Cash*	*Equity*	*Cash*		
Senior Executive Committee							
Nicolas Bos[3]	721 912	49 740	667 000	1 875 915	943 500	244 327	**4 502 394**
Burkhart Grund	1 512 498	114 781	3 695 000	1 744 712	877 500	588 266	**8 532 757**
Jérôme Lambert	1 934 399	112 211	1 754 000	2 209 999	1 111 500	308 539	**7 430 648**
Cyrille Vigneron[3]	809 033	49 601	673 000	2 315 411	1 164 500	389 139	**5 400 684**
Other SEC members[3,6]	1 363 958	147 519	1 172 000	3 877 241	1 950 000	567 522	**9 078 240**
Total	6 341 800	473 852	7 961 000	12 023 278	6 047 000	2 097 793	**34 944 723**
Total compensation							**42 206 210**

1. Share-based compensation is recognised at the total fair value at the date of the award. These incentives are settled in equity (shares) after completion of the vesting period of three years. Details of the share-based compensation valuation model and significant inputs to this model are found in note 31 to the consolidated financial statements.

2. Mr Magnoni and Mr Anton Rupert have formally waived their entitlement to receive any fees or compensation in respect of their duties as non-executive directors.

3. Until 8 September 2021.

4. From 8 September 2021.

5. Social security costs are the employer's contribution on all components of compensation (see above).

6. Other SEC members include three executives in the prior year. Figures relate to compensation for the period of membership of the Senor Executive Committee only.

Related party transactions

Maître Jean-Blaise Eckert, a non-executive director, is a partner of the Swiss legal firm Lenz & Staehelin. During the year under review, Lenz & Staehelin received fees totalling CHF 0.9 million from Group companies for advice on legal and taxation matters.

During the year the Group gave donations of CHF 0.1 million to the Fondazione Giuliano e Maria Carmen Magnoni, a charitable organisation supporting initiatives for young people in disadvantaged conditions. Mr Ruggero Magnoni is Vice-Chairman of the Foundation.

Payments to former directors

Mr Alain-Dominique Perrin, a former director of the Company, provided consulting services to the Group during the year. Fees for these services amounted to CHF 4.5 million. The consultancy services provided to the Group are in connection with business development and marketing-related activities, in particular ensuring that matters related to communication, products and distribution are appropriate and consistent with the identity and strategy of the Group's Maisons.

Loans to members of governing bodies

As at 31 March 2022, there were no loans or other credits outstanding to any current or former executive, non-executive director or member of the SEC. In accordance with the Group's Articles of Association (Article 38), the Group does not extend loans to current or former members of the Board or SEC. There were also no non-business-related loans or credits granted to relatives of any member of the Board or SEC.

Report of the statutory auditor

to the General Meeting of Compagnie Financière Richemont SA

Bellevue, Switzerland

We have audited the pages 73 to 75 of the accompanying compensation report of Compagnie Financière Richemont SA for the year ended 31 March 2023.

Board of Directors' responsibility

The Board of Directors is responsible for the preparation and overall fair presentation of the remuneration report in accordance with Swiss law and the Ordinance against Excessive Compensation in Stock Exchange Listed Companies (Ordinance). The Board of Directors is also responsible for designing the remuneration system and defining individual remuneration packages.

Auditor's responsibility

Our responsibility is to express an opinion on the remuneration report. We conducted our audit in accordance with Swiss Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the remuneration report complies with Swiss law and articles 14–16 of the Ordinance.

An audit involves performing procedures to obtain audit evidence on the disclosures made in the remuneration report with regard to compensation, loans and credits in accordance with articles 14–16 of the Ordinance. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements in the remuneration report, whether due to fraud or error. This audit also includes evaluating the reasonableness of the methods applied to value components of remuneration, as well as assessing the overall presentation of the remuneration report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the remuneration report of Compagnie Financière Richemont SA for the year ended 31 March 2023 complies with Swiss law and articles 14–16 of the Ordinance.

PricewaterhouseCoopers SA

Guillaume Nayet	Louise Rolland
Licensed audit expert Auditor in charge	Licensed audit expert

Genève, 11 May 2023

Consolidated financial statements

Directors’ Report

The Board of Directors of Compagnie Financière Richemont SA (‘Richemont’ or ‘the Company’) is pleased to submit its report on the activities of the Company, its subsidiaries and equity-accounted investments (together, ‘the Group’) for the year ended 31 March 2023. The consolidated financial statements on the following pages set out the financial position of the Group at 31 March 2023 and the results and cash flows of its operations for the year then ended. The financial statements of the Company are presented on pages 78 to 134.

Further information on the Group’s activities during the year under review is given in the financial review on pages 34 to 40.

Consolidated financial statements

Company financial statements

Consolidated balance sheet
at 31 March

	Notes	2023 €m	2022 re-presented €m
Assets			
Non-current assets			
Property, plant and equipment	*6*	**3 343**	3 122
Goodwill	*7*	**610**	3 538
Other intangible assets	*8*	**497**	2 342
Right of use assets	*9*	**3 565**	3 468
Investment property		**34**	–
Equity-accounted investments	*10*	**599**	252
Deferred income tax assets	*11*	**752**	754
Financial assets held at fair value through profit or loss	*34*	**289**	325
Financial assets held at fair value through other comprehensive income	*34*	**301**	280
Other non-current assets	*12*	**529**	521
		10 519	14 602
Current assets			
Inventories	*13*	**7 096**	7 099
Trade receivables and other current assets	*14*	**1 708**	1 662
Derivative financial instruments	*15*	**103**	55
Financial assets held at fair value through profit or loss	*34*	**7 401**	6 632
Assets and disposal group held for sale	*16*	**3 124**	59
Cash at bank and on hand	*17*	**10 936**	9 877
		30 368	25 384
Total assets		**40 887**	39 986
Equity and liabilities			
Equity attributable to owners of the parent company			
Share capital	*29*	**334**	334
Treasury shares	*29*	**(305)**	(478)
Hedge and share option reserves	*29*	**212**	148
Cumulative translation adjustment reserve		**4 093**	3 728
Retained earnings	*29*	**14 625**	16 082
		18 959	19 814
Non-controlling interests	*39*	**60**	49
Total equity		**19 019**	19 863
Liabilities			
Non-current liabilities			
Borrowings	*18*	**5 954**	5 948
Lease liabilities	*9*	**3 239**	3 101
Deferred income tax liabilities	*11*	**129**	325
Employee benefit obligations	*19*	**65**	61
Provisions	*20*	**90**	74
Other long-term financial liabilities	*21*	**83**	107
		9 560	9 616
Current liabilities			
Trade payables and other current liabilities	*22*	**2 960**	3 351
Current income tax liabilities		**861**	724
Borrowings	*18*	**1**	1
Lease liabilities	*9*	**644**	647
Derivative financial instruments	*15*	**7**	150
Provisions	*20*	**201**	325
Liabilities of disposal group held for sale	*16*	**1 801**	–
Bank overdraft	*17*	**5 833**	5 309
		12 308	10 507
Total liabilities		**21 868**	20 123
Total equity and liabilities		**40 887**	39 986

Consolidated income statement
for the year ended 31 March

	Notes	2023 €m	2022 re-presented €m
Revenue	*23*	**19 953**	16 748
Cost of sales		**(6 237)**	(5 572)
Gross profit		**13 716**	11 176
Selling and distribution expenses		**(4 683)**	(3 930)
Communication expenses		**(1 940)**	(1 655)
Fulfilment expenses		**(257)**	(216)
Administrative expenses		**(1 702)**	(1 423)
Other operating expenses	*24*	**(103)**	(199)
Operating profit		**5 031**	3 753
Finance costs	*27*	**(597)**	(956)
Finance income	*27*	**283**	115
Share of post-tax results of equity-accounted investments	*10*	**41**	31
Profit before taxation		**4 758**	2 943
Taxation	*11*	**(847)**	(494)
Profit for the year from continuing operations		**3 911**	2 449
Loss for the year from discontinued operations	*16*	**(3 610)**	(370)
Profit for the year		**301**	2 079
Profit attributable to:			
Owners of the parent company		**313**	2 074
– continuing operations		**3 909**	2 434
– discontinued operations		**(3 596)**	(360)
Non-controlling interests		**(12)**	5
		301	2 079
Earnings per 'A' share/10 'B' shares attributable to owners of the parent company during the year (expressed in € per share)			
From profit for the year			
Basic	*28*	**0.550**	3.660
Diluted	*28*	**0.543**	3.611
From continuing operations			
Basic	*28*	**6.870**	4.295
Diluted	*28*	**6.778**	4.237

Consolidated statement of comprehensive income
for the year ended 31 March

	Notes	2023 €m	2022 re-presented €m
Profit for the year		**301**	2 079
Other comprehensive income:			
Items that will never be reclassified to profit or loss			
Defined benefit plan actuarial gains	*19*	**9**	32
Tax on defined benefit plan actuarial gains	*11*	**(1)**	(7)
Fair value changes on financial assets held at fair value through other comprehensive income		**13**	(169)
		21	(144)
Items that are or may be reclassified subsequently to profit or loss			
Currency translation adjustments			
– movement in the year		**363**	1 107
– reclassification to profit or loss		**–**	(2)
Cash flow hedging – reclassification to profit or loss		**5**	5
Tax on cash flow hedging reclassified to profit or loss		**(1)**	(1)
Share of other comprehensive income of equity-accounted investments	*10*	**(21)**	1
		346	1 110
Other comprehensive income, net of tax		**367**	966
Total comprehensive income		**668**	3 045
Total comprehensive income attributable to:			
Owners of the parent company		**682**	3 037
– continuing operations		**4 309**	3 376
– discontinued operations		**(3 627)**	(339)
Non-controlling interests		**(14)**	8
		668	3 045

Consolidated statement of changes in equity

for the year ended 31 March

		Equity attributable to owners of the parent company							
	Notes	Share capital €m	Treasury shares €m	Hedge and share option reserves €m	Cumulative translation adjustment reserve €m	Retained earnings €m	Total €m	Non-controlling interests €m	Total equity €m
Balance at 1 April 2021 – as reported		334	(490)	419	2 626	14 885	17 774	110	17 884
Impact of re-presentation of equity	*29*	–	(129)	(313)	–	442	–	–	–
Balance at 1 April 2021 – re-presented		334	(619)	106	2 626	15 327	17 774	110	17 884
Comprehensive income									
Profit for the period		–	–	–	–	2 074	2 074	5	2 079
Other comprehensive loss		–	–	4	1 102	(143)	963	3	966
		–	–	4	1 102	1 931	3 037	8	3 045
Transactions with owners of the parent company recognised directly in equity									
Net changes in treasury shares	*29*	–	141	–	–	(17)	124	–	124
Acquisition of warrants on own equity	*29*	–	–	–	–	(131)	(131)	–	(131)
Employee share-based compensation	*31*	–	–	67	–	–	67	–	67
Tax on share-based compensation	*11*	–	–	13	–	–	13	–	13
Reclassification to retained earnings	*29*	–	–	(42)	–	42	–	–	–
Changes in non-controlling interests		–	–	–	–	(6)	(6)	(69)	(75)
Initial recognition of put options over non-controlling interests		–	–	–	–	(23)	(23)	–	(23)
Dividends paid	*30*	–	–	–	–	(1 041)	(1 041)	–	(1 041)
		–	141	38	–	(1 176)	(997)	(69)	(1 066)
Balance at 31 March 2022 – re-presented		334	(478)	148	3 728	16 082	19 814	49	19 863
Balance at 1 April 2022		334	(478)	148	3 728	16 082	19 814	49	19 863
Comprehensive income									
Profit for the period		–	–	–	–	313	313	(12)	301
Other comprehensive income		–	–	4	365	–	369	(2)	367
		–	–	4	365	313	682	(14)	668
Transactions with owners of the parent company recognised directly in equity									
Net changes in treasury shares	*29*	–	173	–	–	25	198	–	198
Employee share-based compensation	*31*	–	–	96	–	–	96	–	96
Tax on share-based compensation	*11*	–	–	20	–	–	20	–	20
Reclassification to retained earnings	*29*	–	–	(56)	–	56	–	–	–
Changes in non-controlling interests		–	–	–	–	–	–	25	25
Dividends paid	*30*	–	–	–	–	(1 851)	(1 851)	–	(1 851)
		–	173	60	–	(1 770)	(1 537)	25	(1 512)
Balance at 31 March 2023		334	(305)	212	4 093	14 625	18 959	60	19 019

Consolidated statement of cash flows
for the year ended 31 March

	Notes	2023 €m	2022 re-presented €m
Cash flows from operating activities			
Operating profit from continuing operations		**5 031**	3 753
Operating loss from discontinued operations	*16*	**(3 639)**	(363)
Adjustment for non-cash items	*32*	**5 092**	1 703
Changes in working capital	*32*	**(1 167)**	81
Cash flow generated from operations		**5 317**	5 174
Interest received		**210**	102
Interest paid		**(304)**	(210)
Dividends from equity-accounted investments	*10*	**2**	6
Taxation paid		**(734)**	(434)
Net cash generated from operating activities		**4 491**	4 638
Cash flows from investing activities			
Acquisition of subsidiary undertakings and other businesses, net of cash acquired	*37*	**(49)**	(195)
Proceeds from disposal of subsidiary undertakings, net of cash		**1**	1
Contribution to equity-accounted investments	*10*	**(330)**	(104)
Proceeds from disposal of equity-accounted investments		**–**	63
Acquisition of property, plant and equipment		**(857)**	(754)
Proceeds from disposal of property, plant and equipment		**19**	18
Payments capitalised as right of use assets		**(3)**	(4)
Acquisition of intangible assets		**(124)**	(117)
Proceeds from disposal of investment property		**–**	86
Investment in money market and externally managed funds		**(15 239)**	(13 698)
Proceeds from disposal of money market and externally managed funds		**14 553**	12 654
Acquisition of other non-current assets and investments		**(57)**	(252)
Proceeds from disposal of other non-current assets and investments		**13**	24
Net cash used in investing activities		**(2 073)**	(2 278)
Cash flows from financing activities			
Proceeds from borrowings	*33*	**4**	1
Repayment of borrowings	*33*	**(6)**	(16)
Dividends paid		**(1 851)**	(1 041)
Proceeds from sale of treasury shares		**198**	123
Acquisition of warrants on own equity	*29*	**–**	(131)
Contribution from non-controlling interests in a subsidiary		**25**	15
Acquisition of non-controlling interests in a subsidiary		**–**	(86)
Lease payments – principal		**(688)**	(632)
Net cash used in financing activities		**(2 318)**	(1 767)
Net change in cash and cash equivalents		**100**	593
Cash and cash equivalents at the beginning of the year		**4 568**	3 780
Exchange gains/(losses) on cash and cash equivalents		**(32)**	195
Cash and cash equivalents at the end of the year	*17*	**4 636**	4 568

Notes to the consolidated financial statements
at 31 March 2023

1. General information

Compagnie Financière Richemont SA ('the Company'), its subsidiaries and equity-accounted investments (together 'Richemont' or 'the Group') is one of the world's leading luxury goods groups. The Group's interests encompass several of the most prestigious names in the luxury industry including Cartier, Van Cleef & Arpels, Buccellati, A. Lange & Söhne, Baume & Mercier, IWC Schaffhausen, Jaeger-LeCoultre, Panerai, Piaget, Roger Dubuis, Vacheron Constantin, Watchfinder, YOOX NET-A-PORTER ('YNAP'), Alaïa, Chloé, Delvaux, dunhill, Montblanc, Peter Millar, Purdey, Serapian and AZ Factory.

The Company is incorporated in Switzerland and registered in Bellevue, Geneva, Switzerland. Shares of the Company are listed and traded on the SIX Swiss Exchange and are included in the Swiss Market Index ('SMI') of leading stocks. Prior to April 2023, Depository Receipts ('DRs') in respect of Richemont shares were traded on the Johannesburg Stock Exchange operated by JSE Limited. This programme was terminated in April 2023. On 19 April 2023, the Company's 'A' shares became listed on the Johannesburg Stock Exchange as a secondary listing. Corporate bonds issued by a subsidiary of the Company are listed on the Luxembourg Stock Exchange.

These consolidated financial statements have been approved by the Board of Directors of the Company ('the Board') for issue on 11 May 2023 and are subject to approval at the shareholders' general meeting due to be held on 6 September 2023.

2. Summary of significant accounting policies

2.1. Basis of preparation

These consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards and IFRS Interpretations Committee interpretations (together 'IFRS').

These consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss or other comprehensive income.

The policies set out in notes 2.2 to 2.7 have been consistently applied to the periods presented. Amendments to IFRSs effective for the financial year ending 31 March 2023 do not have a material impact on the Group.

2.2. Basis of consolidation

The consolidated financial statements include the accounts of the Company and its subsidiary undertakings together with the Group's share of the results and net assets of equity-accounted investments.

(a) Subsidiary undertaking

Subsidiary undertakings are defined as those undertakings that are controlled by the Group and are consolidated from the date control commences until the date control ceases. Control of an undertaking exists when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its powers over the entity. The accounts of subsidiary undertakings are drawn up at 31 March of each year. Uniform accounting policies have been adopted.

(b) Associates and joint ventures

Associated undertakings are defined as those undertakings, not classified as subsidiary undertakings, where the Group is able to exercise a significant influence. Significant influence is presumed to exist where the Group holds between 20% and 50% of the voting rights of another entity. Joint ventures are those arrangements where the Group has joint control and rights to the net assets of the arrangement.

2.3. Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The functional currency of the Company is Swiss francs. The consolidated financial statements are presented in millions of euros (the 'presentation currency'). Management believes that this currency is more useful to the users of the consolidated financial statements.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the average exchange rates prevailing during the period. The average rates approximate actual rates at the transaction dates. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

(c) Group companies

The assets and liabilities of foreign operations that have a functional currency different from the presentation currency are translated to euro at the closing exchange rates at the reporting date.

The income, expenses and cash flows of foreign operations are translated to euro at the average exchange rates.

All resulting foreign exchange differences are recognised in other comprehensive income.

When a foreign operation is sold, such exchange differences are recognised in profit or loss as part of the gain or loss on disposal.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and are translated at the closing rate.

2.4. Impairment of non-financial assets

All non-financial assets are tested for impairment whenever events or changes in circumstance indicate that the carrying amount may not be fully recoverable, with the exception of intangible assets that have an indefinite useful life which are not subject to amortisation and so are tested annually for impairment. The Group has identified goodwill as the only category of intangible asset with an indefinite life.

Assets which do not generate cash flows independently of other assets are allocated to a cash-generating unit ('CGU') for impairment testing. The CGUs are made up of assets grouped at the lowest levels for which there are separately identifiable cash flows, subject to an operating segment ceiling. An impairment loss is recognised, if necessary, for the amount by which a CGU's carrying amount exceeds its recoverable amount. The recoverable amount is

Notes to the consolidated financial statements

2. Summary of significant accounting policies continued

2.4. Impairment of non-financial assets continued

the higher of a CGU's fair value, less costs of disposal, and its value-in-use.

2.5. Discontinued operations

On 23 August 2022, the Group announced that it had reached an agreement with Farfetch Limited ('Farfetch') and Symphony Global ('Alabbar') to sell its controlling shareholding in YNAP. Following completion of certain conditions, including anti-trust procedures, anticipated to take between 12 and 18 months from the date of announcement, YNAP will no longer be consolidated as a subsidiary undertaking. In accordance with IFRS 5, the assets and liabilities of YNAP are reclassified as held for sale and its results for the year are presented as discontinued operations. Prior year comparatives in the consolidated income statement, consolidated statement of comprehensive income and consolidated statement of cash flows have been restated accordingly. Further details of this transaction and the implications for the Group's consolidated financial statements can be found in note 16.

2.6. Hyperinflationary economies

With effect from 1 June 2022, Türkiye is considered to be hyperinflationary. There is no significant impact on the financial statements of the Group as a result.

2.7. Other accounting policies

Details of the other accounting policies adopted by the Group can be found in the note to the consolidated financial statements to which they relate.

2.8. Climate-related risks

At the date of this report, the Group considers that its current exposure to climate-related risks is limited and as a result the impact on the financial statements is not significant.

During the year under review, Richemont continued to build and strengthen its ESG framework. The costs associated with specific initiatives undertaken during the year, such as the elimination of PVC from our products and packaging and the transition to renewable energy sources are included with Cost of sales and the various expense line items within Operating Profit, as appropriate. Cash flow forecasts used for impairment testing take into account any known impacts rising from climate-related risks.

A comprehensive materiality assessment conducted in early 2023 identified a number of material topics, which may have a financial impact in the future. Examples include the progressive reduction of our waste footprint and increased carbon offsetting costs, which are expected to have an impact on future operating profit. The Group will continue to closely monitor developments in this area, and the financial impact thereof.

2.9. New standards and interpretations not yet adopted

Certain new accounting standards and amendments issued by the IASB and interpretations issued by the IFRS Interpretations Committee are not yet effective and have not been applied in preparing these consolidated financial statements. None are expected to have a significant impact on the Group's consolidated financial statements.

3. Risk assessment

The Company has a risk management process which considers both strategic and operational risks. All identified risks are modelled according to their probability of occurrence and potential impact and subsequently prioritised by Group management. A consolidated risk report, which includes risk mitigation plans prepared by the Group executive directly responsible for addressing the risk, is reviewed annually by the Audit Committee and the Board of Directors.

For any risks identified which relate to accounting and financial reporting, and to reduce the risk to the financial statements arising from material misstatement, whether due to fraud or error, the Group's internal control system framework defines relevant control measures which are implemented across the Group and appropriately monitored.

4. Critical accounting estimates and assumptions

The Group is required to make estimates and assumptions that affect the reported amount of certain asset, liability, income and expense items and certain disclosures regarding contingencies, and to make judgments in the process of applying its accounting policies. Estimates and assumptions applied by management are continuously evaluated and are based on information available, historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances at the dates of preparation of the consolidated financial statements. Principal matters involving significant estimates, assumptions or judgments relate in particular to:

(a) Inventories

The Group records a provision against its inventories for damaged and slower-moving items. This provision is based on estimates made by management taking into consideration various factors including historical experience, estimated future demand, discontinuations and product development.

The provision is assessed at each reporting date by the respective Maison or subsidiary company and is adjusted accordingly. Details of the movements in the provision are provided in note 13.

(b) Taxation

The Group is subject to income taxes in a number of jurisdictions due to its wide geographical presence. There are a number of transactions and calculations on which the ultimate tax determination is uncertain. Management exercises judgment, within a strict and objective process framework, in determining the adequate current income tax provision including amounts in relation to uncertain tax positions. The amounts accrued are based on management's interpretation of the specific tax law and on adherence to internationally accepted rules and practice. New information may become available that causes the Group to change its assessment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Details of the Group's tax liabilities are given in note 11.

4. Critical accounting estimates and assumptions continued

(c) Recoverable amount of CGUs for goodwill impairment testing

Goodwill is tested annually for impairment. The recoverable amounts of CGUs are determined based either on the value-in-use of the CGU, or on its fair value less costs of disposal. In both cases, these calculations require the use of estimates for sales growth, EBITDA margins, other future cash flows, discount rates and terminal growth rates.

Details of the goodwill impairment testing done in the year are given in note 7.

(d) Measurement of assets and liabilities of disposal group held for sale

In accordance with IFRS 5, the Group has classified the assets and liabilities of YNAP as held for sale on its balance sheet at 31 March 2023. Measurement of the net assets of the disposal group is based on the terms of the signed agreement. The purchase price will be primarily settled in a fixed number of listed shares. In order to remeasure the net assets, the share price on 31 March 2023 and foreign exchange rates on that date were used, together with the estimated fair value of the shareholding which the Group will retain in YNAP; however the final recoverable amount of these net assets will be determined only on the completion date.

Further details are provided in note 16.

5. Segment information

(a) Information on reportable segments

Management has determined the operating segments based on the reports regularly reviewed by the chief operating decision maker ('CODM') in making strategic decisions. Each operating segment is managed separately by a dedicated Chief Executive Officer and management team allowing management to maintain and develop the specific identity of each Maison or distributor. These operating segments have been aggregated into reportable segments as follows:

- **Jewellery Maisons** – businesses whose heritage is in the design, manufacture and distribution of jewellery products; these comprise Buccellati, Cartier and Van Cleef & Arpels.
- **Specialist Watchmakers** – businesses whose primary activity includes the design, manufacture and distribution of precision timepieces. The Group's Specialist Watchmakers comprise A. Lange & Söhne, Baume & Mercier, IWC Schaffhausen, Jaeger-LeCoultre, Panerai, Piaget, Roger Dubuis and Vacheron Constantin.

In order to determine which operating segments share similar economic characteristics and thus meet the criteria for aggregation, management has focused on the distribution network, product mix and gross margin structure of the Maisons.

Other operating segments include Alaïa, AZ Factory, Chloé, Delvaux, dunhill, Montblanc, Peter Millar, Purdey, Serapian, Watchfinder, investment property companies and other manufacturing entities. None of these segments meet the quantitative thresholds for determining reportable segments.

Following the reclassification of the results of YNAP as discontinued operations (note 16), Online Distributors, which previously comprised YNAP and Watchfinder, is no longer presented separately. Watchfinder is included within Other operating segments as it does not meet the threshold for separate disclosure. Prior year comparatives have been re-presented accordingly. Further details of the results of YNAP for the period can be found in note 16.

The entire product range of a particular Maison, which may include jewellery, watches, writing instruments and leather goods, is reflected in the sales and operating result for that segment.

The non-separable costs of operating multi-brand regional functions are allocated to individual operating segments using allocation keys most relevant to the nature of the expense being allocated. Unallocated corporate costs represent the costs of the Group's corporate operations which are not attributed to the segments.

Performance measurement is based on segment contribution before corporate costs, unallocated valuation adjustments on acquisitions, interest and tax, as management believes that such information is most relevant in evaluating the results of segments relative to other entities that operate within similar markets.

Comparatives have been re-presented throughout this note for consistency with current year presentation, with respect to the reclassification of Watchfinder to Other (as described above) and the reclassification of YNAP to discontinued operations (note 16).

Revenue by business area is as follows:

	2023 €m	2022 re-presented €m
Jewellery Maisons	**13 427**	11 083
Specialist Watchmakers	**3 875**	3 435
Other	**2 651**	2 230
	19 953	16 748

Notes to the consolidated financial statements

5. Segment information continued

(a) Information on reportable segments continued

The operating result by business area is as follows:

	2023 €m	2022 re-presented €m
Operating result		
Jewellery Maisons	**4 684**	3 799
Specialist Watchmakers	**738**	593
Other	**59**	(46)
	5 481	4 346
Impact of valuation adjustments on acquisitions	**(23)**	(27)
Unallocated corporate costs	**(427)**	(566)
Operating profit	**5 031**	3 753
Finance costs	**(597)**	(956)
Finance income	**283**	115
Share of post-tax results of equity-accounted investments	**41**	31
Profit before taxation	**4 758**	2 943
Taxation	**(847)**	(494)
Profit for the year from continuing operations	**3 911**	2 449

In the year to 31 March 2023, impairment charges were included within unallocated corporate costs of € 55 million (2022: € 3 million was included in the 'Other' segment with a further € 52 million within unallocated corporate costs).

	2023 €m	2022 re-presented €m
Depreciation and amortisation costs included within the segment operating results		
Jewellery Maisons	**662**	561
Specialist Watchmakers	**265**	254
Other	**222**	216
Unallocated	**194**	192
	1 343	1 223

5. Segment information continued

(a) Information on reportable segments continued

The segment assets which are reviewed by the CODM comprise inventories and trade debtors.

	2023 €m	2022 €m
Segment assets		
Jewellery Maisons	**4 736**	4 025
Specialist Watchmakers	**2 004**	1 764
Online Distributors	**–**	1 091
Other	**1 208**	1 063
	7 948	7 943
Eliminations	**–**	(111)
	7 948	7 832

	2023 €m	2022 €m
Total segment assets	**7 948**	7 832
Non-current assets	**10 519**	14 602
Current financial assets at fair value through profit or loss	**7 401**	6 632
Other receivables	**856**	929
Derivative financial instruments	**103**	55
Cash at bank and on hand	**10 936**	9 877
Assets of disposal groups held for sale	**3 124**	59
Total assets	**40 887**	39 986

In the above table, YNAP segment assets are included in Online Distributors in the comparative period, and in assets of disposal groups held for sale at 31 March 2023.

The CODM also reviews additions to property, plant and equipment, other intangible assets, and investment property as follows:

	2023 €m	2022 re-presented €m
Additions to non-current assets:		
Property, plant and equipment, other intangible assets and investment property		
Jewellery Maisons	**589**	516
Specialist Watchmakers	**150**	123
Online Distributors	**–**	84
Other	**108**	80
Unallocated	**131**	73
	978	876

5. Segment information continued

(b) Information about geographical areas

Each operating segment operates on a worldwide basis. External sales presented in the four main geographical areas where the Group's operating segments operate are as follows:

	2023 €m	2022 re-presented €m
Europe	**4 371**	3 351
France	**1 001**	636
United Kingdom	**801**	675
Italy	**560**	379
Switzerland	**595**	426
Other Europe	**1 414**	1 235
Middle East & Africa	**1 562**	1 264
United Arab Emirates	**933**	685
Other Middle East & Africa	**629**	579
Asia	**9 553**	8 605
China	**5 033**	5 395
– of which mainland China	***3 926***	*4 300*
– of which Hong Kong SAR, China and Macau SAR, China	***1 107***	*1 095*
Japan	**1 616**	1 118
South Korea	**1 077**	907
Other Asia	**1 827**	1 185
Americas	**4 467**	3 528
United States	**3 850**	3 101
Other Americas	**617**	427
	19 953	16 748

Sales are allocated based on the location of the wholesale customer, the boutique or the shipping address for online transactions.

The total non-current assets, other than financial instruments and deferred tax assets, located in Switzerland, the Company's domicile, and the rest of the world are as follows:

	2023 €m	2022 €m
Italy	**967**	4 287
Switzerland	**2 051**	1 989
United Kingdom	**491**	1 852
United States	**1 537**	1 289
France	**1 307**	1 176
Rest of the world	**2 674**	2 464
	9 027	13 057

Segment assets are allocated based on where the assets are located. In the case of equity-accounted investments, the allocation of the asset is determined by the location of the shareholding.

5. Segment information continued

(c) Information about products

External sales by product are as follows:

	2023 €m	2022 re-presented €m
Jewellery	**10 036**	8 293
Watches	**6 983**	6 045
Clothing	**842**	610
Leather goods and accessories	**963**	829
Writing instruments	**456**	415
Other	**673**	556
	19 953	16 748

(d) Major customers

Sales to no single customer represented more than 10% of total revenue.

6. Property, plant and equipment

Accounting policy

All property, plant and equipment is shown at cost less accumulated depreciation and impairment. Depreciation on property, plant and equipment is calculated using the straight-line method over the asset's estimated useful life, up to the following limits:

- Buildings 40 years
- Plant and machinery 20 years
- Fixtures, fittings, tools and equipment 15 years

Residual values and useful lives are reviewed annually and adjusted if appropriate. Neither assets under construction nor land are depreciated.

	Land and buildings €m	Plant and machinery €m	Fixtures, fittings, tools and equipment €m	Assets under construction €m	Total €m
1 April 2021					
Cost	1 472	1 026	3 311	258	6 067
Depreciation	(610)	(724)	(2 150)	–	(3 484)
Net book value at 1 April 2021	862	302	1 161	258	2 583
Exchange adjustments	58	16	49	10	133
Acquisition through business combinations	1	–	22	–	23
Additions	18	72	381	288	759
Disposals	(1)	(2)	(6)	(1)	(10)
Depreciation charge	(65)	(66)	(373)	–	(504)
Impairment charge	(6)	–	(13)	–	(19)
Reclassified from investment properties	182	–	–	–	182
Reclassified to assets held for sale	–	–	(24)	–	(24)
Transfers and reclassifications	14	2	100	(117)	(1)
31 March 2022					
Cost	1 796	1 128	3 643	438	7 005
Depreciation	(733)	(804)	(2 346)	–	(3 883)
Net book value at 31 March 2022	1 063	324	1 297	438	3 122

Notes to the consolidated financial statements

6. Property, plant and equipment continued

	Land and buildings €m	Plant and machinery €m	Fixtures, fittings, tools and equipment €m	Assets under construction €m	Total €m
1 April 2022					
Cost	**1 796**	**1 128**	**3 643**	**438**	**7 005**
Depreciation	**(733)**	**(804)**	**(2 346)**	**–**	**(3 883)**
Net book value at 1 April 2022	**1 063**	**324**	**1 297**	**438**	**3 122**
Exchange adjustments	**23**	**7**	**(20)**	**5**	**15**
Acquisition through business combinations (note 37)	**3**	**1**	**–**	**–**	**4**
Additions	**37**	**79**	**556**	**249**	**921**
Disposals	**(1)**	**(2)**	**(5)**	**(2)**	**(10)**
Depreciation charge	**(64)**	**(64)**	**(419)**	**–**	**(547)**
Impairment charge	**–**	**–**	**–**	**(1)**	**(1)**
Reclassified to assets of disposal group held for sale (note 16)	**(16)**	**(78)**	**(18)**	**(46)**	**(158)**
Transfers and reclassifications	**56**	**8**	**213**	**(280)**	**(3)**
31 March 2023					
Cost	**1 863**	**1 092**	**4 064**	**363**	**7 382**
Depreciation	**(762)**	**(817)**	**(2 460)**	**–**	**(4 039)**
Net book value at 31 March 2023	**1 101**	**275**	**1 604**	**363**	**3 343**

Land and buildings comprise mainly manufacturing facilities, retail boutiques, offices and distribution centres.

In the year to 31 March 2023, impairment charges of € 1 million are included within administrative costs (2022: € 3 million and € 16 million are included in selling and distribution expenses and other operating expenses, respectively).

Committed capital expenditure not reflected in these financial statements amounted to € 190 million at 31 March 2023 (2022: € 221 million).

7. Goodwill

Accounting policy
Goodwill is allocated to the CGUs for the purpose of impairment testing that are expected to benefit from the business combination in which the goodwill arose, subject to an operating segment ceiling. It is tested annually for impairment and carried at cost less accumulated impairment losses.

	€m
Carrying value at 1 April 2021	3 456
Exchange adjustments	22
Goodwill arising on business combinations	60
Carrying value at 31 March 2022	**3 538**
Exchange adjustments	**3**
Impairment charge	**(55)**
Reclassification to assets of disposal groups held for sale (note 16)	**(2 876)**
Carrying value at 31 March 2023	**610**

7. Goodwill continued

Impairment testing for goodwill

The Group considers its Maisons and individual business units formerly aggregated as Online Distributors to be the appropriate CGUs for goodwill allocation. The balance at 31 March is allocated as follows:

	2023 €m	2022 €m
Jewellery Maisons	**240**	1 143
Specialist Watchmakers	**130**	441
Online Distributors	**–**	1 716
Other Maisons	**240**	238
	610	3 538

Goodwill arising on the acquisition of YNAP, including amounts previously allocated to Maisons, has been reclassified to held for sale during the year.

Of the remaining balance, Watchfinder, Cartier and Buccellati CGUs each have an allocation of goodwill which is considered significant when compared to the total goodwill balance.

The Cartier CGU includes goodwill of € 131 million (2022: € 828 million). The discounted cash flow model on which the value-in-use calculation is based includes five years of cash flows and assumes sales and EBITDA growth of 1% (2022: 1%) and a terminal growth rate of 2.00% (2022: 2.07%), with operating margins remaining stable over the period. The growth rate is based on conservative assumptions given the significant level of headroom in prior years. The discount rate used is 8.70% (2022: 8.23%).

The Buccellati CGU includes goodwill of € 107 million (2022: € 107 million). The discounted cash flow model on which the value-in-use calculation is based includes ten years of cash flows, reflecting the long-term nature of the investment, and assumes sales growth of 10.8% CAGR (2022: 14.7% CAGR) and a terminal growth rate of 2.00% (2022: 2.06%), with operating margins increasing over the period to a level consistent with the Group's other Jewellery Maisons. The discount rate used is 10.47% (2022: 10.2%).

A reasonably possible change in key assumptions at 31 March 2023 used for the Cartier CGU would not cause the carrying amount to exceed the recoverable amount. With respect to the Buccellati CGU, the estimated recoverable value exceeded the carrying value by € 97 million (2022: € 92 million). The following reasonably possible changes to key assumptions would lead to the recoverable value equalling the carrying amount:

	Key assumption 2023	Change	Key assumption 2022
Buccellati CGU			
Terminal growth	**2.00%**	-4.84 ppt	2.06%
Discount rate	**10.5%**	+1.63 ppt	10.2%
Revenue growth (CAGR)	**10.8%**	-3.22 ppt	14.7%
Long-term EBITDA margin (after lease payments)	**28.4%**	-15.90%	35.0%

Goodwill allocated to the Watchfinder CGU amounts to € 107 million (2022: € 167 million). The discounted cash flow model on which the fair value less cost of disposal calculation is based includes ten years of cash flows, based on the long-term nature of the investment, and assumes sales growth of between 0% and 20% per annum, or 17.35% CAGR (2022: 20.2% CAGR), based on management forecasts and a terminal growth rate of 2.00% (2022: 2.30%) based on expected long-term inflation rates, with operating margins expected to improve over the period to a level consistent with management's long-term expectations. The discount rate used is 12.86% (2022: 11.9%). It is classified as Level 3 in the IFRS fair value hierarchy. As a result of this test, the carrying amount of the CGU was found to exceed the recoverable amount and an impairment charge of € 55 million (2022: nil) was recognised in relation to goodwill allocated to the Watchfinder CGU. This impairment arises as a result of the global reduction in resale values of pre-owned watches, together with the impact of an increase in the discount rate. It is included within Other expenses (note 24).

7. Goodwill continued

No other CGU has an allocation of goodwill which is significant in comparison with the total carrying amount. For the majority of the Group's CGUs, representing a total goodwill allocation of € 171 million, the recoverable value is calculated using value-in-use. For each CGU, the discounted cash flow model used for impairment testing considers five years of cash flows and a long-term growth rate based on the long-term inflation rate. Sales growth projections are based on Maison management forecasts and growth rates which are fixed at the low end of the Group's past experience. EBITDA margins are assumed to remain stable compared to the margin achieved by the CGU in the current year unless there are Maison-specific reasons to assume otherwise. For certain Maisons that are at the beginning of significant expansion or realignment, the calculation of the recoverable value, which may be based on fair value less cost of disposal where appropriate, includes ten years of cash flows, with sales growth projections including input from independent external analyses on the luxury industry, supplemented by CGU-specific adjustments when deemed necessary, or on historic growth rates experienced by peer Maisons.

At 31 March 2023, no additional goodwill impairments have been identified (2022: none). For details of the write-down of the net assets of YNAP, including goodwill, following the transfer to disposal group held for sale, see note 16.

8. Other intangible assets

Accounting policy

Other intangible assets are shown at cost less accumulated amortisation and impairment. Amortisation of other intangible assets is calculated using the straight-line method over the asset's estimated useful life, or contractual life if applicable, up to the following limits:

- Software and related licences 15 years
- Development costs 10 years
- Intellectual property-related 50 years
- Distribution rights 5 years
- Leasehold rights 20 years

The Group does not have any indefinite life intangible assets.

Costs that are directly associated with developing, implementing or improving identifiable software products having an expected benefit beyond one year are recognised as other intangible assets. Costs associated with maintaining software are expensed as incurred.

Leasehold rights represent premiums paid to parties other than the lessor, prior to implementation of IFRS 16, and are amortised over their expected useful lives or, if shorter, the lease period.

Costs incurred on development projects, including internally generated costs, are recognised as other intangible assets when it is probable that the project will be a success, considering its commercial and technological feasibility, and costs can be measured reliably. These assets are amortised from the commencement of commercial production of the product. Other development expenditures and research expenditures are expensed as incurred.

8. Other intangible assets continued

	Intellectual property related €m	Leasehold and distribution rights €m	Computer software and related licences €m	Development costs €m	Total €m
1 April 2021					
Cost	2 553	241	713	165	3 672
Amortisation	(577)	(167)	(429)	(63)	(1 236)
Net book value at 1 April 2021	1 976	74	284	102	2 436
Exchange adjustments	17	1	2	7	27
Acquisition through business combinations	111	2	1	–	114
Additions:					
– internally developed	–	–	36	39	75
– other	2	1	39	–	42
Disposals	–	–	–	(4)	(4)
Amortisation charge	(176)	(20)	(124)	(29)	(349)
Transfers and reclassifications	–	–	1	–	1
31 March 2022					
Cost	2 643	241	778	194	3 856
Amortisation	(713)	(183)	(539)	(79)	(1 514)
Net book value at 31 March 2022	1 930	58	239	115	2 342

	Intellectual property related €m	Leasehold and distribution rights €m	Computer software and related licences €m	Development costs €m	Total €m
1 April 2022					
Cost	**2 643**	**241**	**778**	**194**	**3 856**
Amortisation	**(713)**	**(183)**	**(539)**	**(79)**	**(1 514)**
Net book value at 1 April 2022	**1 930**	**58**	**239**	**115**	**2 342**
Exchange adjustments	**(24)**	**–**	**1**	**3**	**(20)**
Acquisition through business combinations (note 37)	**–**	**1**	**–**	**–**	**1**
Additions:					
– internally developed	**–**	**–**	**12**	**47**	**59**
– other	**1**	**1**	**22**	**–**	**24**
Disposals	**–**	**–**	**–**	**(2)**	**(2)**
Amortisation charge	**(83)**	**(16)**	**(51)**	**(36)**	**(186)**
Transfers to Assets of disposal groups held for sale (note 16)	**(1 520)**	**–**	**(204)**	**–**	**(1 724)**
Transfers and reclassifications	**–**	**1**	**2**	**–**	**3**
31 March 2023					
Cost	**476**	**201**	**94**	**230**	**1 001**
Amortisation	**(172)**	**(156)**	**(73)**	**(103)**	**(504)**
Net book value at 31 March 2023	**304**	**45**	**21**	**127**	**497**

Amortisation of € 35 million (2022: € 28 million) is included in cost of sales; € 16 million (2022: € 23 million) is included in selling and distribution expenses; € 8 million (2022: € 117 million) is included in administration expenses; and € 127 million (2022: € 181 million) is included in other expenses.

Committed capital expenditure not reflected in these financial statements amounted to € 17 million at 31 March 2023 (2022: € 9 million).

Notes to the consolidated financial statements

9. Leases

Accounting policy
The Group leases various boutiques, offices, warehouses and manufacturing facilities under non-cancellable lease arrangements.

A right of use asset and corresponding lease liability is recognised with respect to all lease agreements in which the Group is the lessee, except for short-term leases (where the lease term is twelve months or less), leases with variable rentals not based on an observable index and leases of low-value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The lease liability is initially measured at the present value of lease payments that are not paid at the commencement date, discounted by the incremental borrowing rate, which is based on the rate at which the Group would be able to borrow funds in the same jurisdiction over the same term as the lease agreement. The lease liability is subsequently measured using the effective interest rate method.

The right of use asset is based on the initial measurement of the lease liability, adjusted for any payments made at or before the commencement date and for initial direct costs, including key money. It is subsequently measured at cost less accumulated depreciation and impairment charges. Depreciation is charged on a straight-line basis over the lease term.

The lease term used to determine the lease liability and the useful life of the right of use asset is based on the lease agreement, excluding renewal options unless these options are contractual, the specific terms of the additional rental period are included in the initial lease agreement and the Group has a reasonable expectation of exercising the option. Termination options are ignored unless the Group already has the intention to exercise the option at the commencement date.

Lease concessions agreed after 1 April 2020 for lease payments due before 30 June 2022 as a direct result of the Covid-19 pandemic are not treated as a lease modification. Any change resulting from such an agreement is recorded in profit and loss for the period.

The Group has a number of commitments under non-cancellable lease contracts relating to boutiques, offices and manufacturing facilities. Leases are negotiated on an individual basis and may contain escalation clauses, renewal rights and termination options, depending on standard practices in the local market and on the Group's desire to maintain flexibility in its asset base.

Right of use assets at 31 March are as follows:

	Land and buildings €m	Other assets €m	Total €m
1 April 2021			
Gross value	4 499	58	4 557
Depreciation	(1 189)	(29)	(1 218)
Net book value at 1 April 2021	3 310	29	3 339
Exchange adjustments	100	1	101
Acquisition through business combinations	97	–	97
Additions	518	15	533
Depreciation charge	(683)	(14)	(697)
Impairment charge	(36)	–	(36)
Remeasurement	131	–	131
31 March 2022			
Gross value	5 257	68	5 325
Depreciation	(1 820)	(37)	(1 857)
Net book value at 31 March 2022	3 437	31	3 468

9. Leases continued

	Land and buildings €m	Other assets €m	Total €m
1 April 2022			
Gross value	**5 257**	**68**	**5 325**
Depreciation	**(1 820)**	**(37)**	**(1 857)**
Net book value at 1 April 2022	**3 437**	**31**	**3 468**
Exchange adjustments	**(21)**	**(1)**	**(22)**
Acquisition through business combinations (note 37)	**1**	**–**	**1**
Additions	**840**	**8**	**848**
Depreciation charge	**(729)**	**(10)**	**(739)**
Remeasurement	**180**	**3**	**183**
Transfer to Assets of disposal groups held for sale (note 16)	**(174)**	**(13)**	**(187)**
Transfers	**13**	**–**	**13**
31 March 2023			
Gross value	**5 855**	**36**	**5 891**
Depreciation	**(2 308)**	**(18)**	**(2 326)**
Net book value at 31 March 2023	**3 547**	**18**	**3 565**

'Other assets' includes plant & machinery, fixtures, fittings, tools and equipment.

No impairment charges were recognised during the year to 31 March 2023 (2022: € 2 million and € 34 million are included in selling and distribution expenses and other operating expenses, respectively).

Total lease liabilities are as follows:

	31 March 2023 €m	31 March 2022 €m
Non-current lease liabilities	**(3 239)**	(3 101)
Current lease liabilities	**(644)**	(647)
	(3 883)	(3 748)

The maturity of the Group's lease liabilities is as follows:

31 March 2023	2023 Carrying value €m	2023 Contractual cash flows €m	2022 Carrying value €m	2022 Contractual cash flows €m
Less than one year	**(644)**	**(722)**	(647)	(701)
Between 1-2 years	**(618)**	**(687)**	(568)	(612)
Between 2-3 years	**(512)**	**(575)**	(468)	(504)
Between 3-4 years	**(449)**	**(497)**	(371)	(410)
Between 4-5 years	**(335)**	**(373)**	(313)	(339)
More than 5 years	**(1 325)**	**(1 516)**	(1 381)	(1 577)
	(3 883)	**(4 370)**	(3 748)	(4 143)

9. Leases continued

Included within operating profit are the following expenses, which are not reflected in the lease liabilities:

	2023 €m	2022 re-presented €m
Short-term leases	**80**	72
Low-value asset leases	**12**	10
Variable rental payments	**697**	571
Other	**1**	1
	790	654

Interest charges recognised during the period amounted to € 77 million (2022 re-presented: € 61 million) (note 27).

The Group has applied the practical expedient permitted by IFRS 16 (paragraph 46B) and, as a result, rent concessions agreed with landlords in the period to 30 June 2022 as a direct result of the Covid-19 pandemic have not been treated as a lease modification. The amount recognised in profit or loss for the year ended 31 March 2023 as a result of this practical expedient is € 9 million (2022: € 10 million).

Certain boutique leases contain a variable element, based most commonly on percentage of sales, which links rental payments to boutique revenue. Cash outflows arising from variable rental contracts for the period amounted to € 653 million (2022: € 567 million), which represented 44% of the total rental payments made (2022: 42%). Variable rentals are not reflected in the lease liabilities above. In addition, some lease agreements contain extension clauses, which would allow the Group to extend the lease for a specific additional period. Cash flows under such clauses are generally included in the lease liabilities above if the lease terms of the extended period are specified in the original lease agreement.

The total cash outflow for leases for the period amounted to € 1 499 million (2022: € 1 336 million).

At 31 March 2023, the Group had commitments totalling € 288 million for lease agreements which had not yet commenced (2022: € 330 million).

10. Equity-accounted investments

Accounting policy

Associated undertakings and joint ventures (‘equity-accounted investments’) are accounted for using the equity method.

Unrealised gains on transactions between the Group and its equity-accounted investments are eliminated to the extent of the Group’s interest in the equity-accounted investments. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred.

When the Group’s share of losses in an equity-accounted investment equals or exceeds its interest in the investment, the Group does not recognise further losses unless it has incurred legal or constructive obligations or made payments on behalf of the equity-accounted investment.

Goodwill arising on the acquisition of equity-accounted investments is included in the carrying value of the equity-accounted investment and is tested for impairment whenever events or changes in circumstances indicate that the carrying amount of the investment may not be fully recoverable.

	€m
At 1 April 2021	187
Exchange adjustments	2
Acquisition of equity-accounted investments	106
Disposal of equity-accounted investments	(63)
Dividend received	(6)
Share of post-tax results	25
Share of other comprehensive income	1
At 31 March 2022	**252**
Exchange adjustments	**(1)**
Increase in equity-accounted investments	**330**
Disposal of equity-accounted investments	**–**
Dividends received	**(2)**
Share of post-tax results	**41**
Share of other comprehensive income	**(21)**
At 31 March 2023	**599**

During the year the Group contributed € 330 million to its associate, Kering Eyewear, with no change in its percentage ownership which remains at 30%.

The value of equity-accounted investments at 31 March 2023 includes goodwill of € 33 million (2022: € 38 million).

The Group’s principal equity-accounted investments at 31 March 2023 were as follows:

		2023 interest held (%)	2022 interest held (%)	Country of incorporation	Country of operation
Associates					
Rouages SA	Watch component manufacturer	**35**	35	Switzerland	Switzerland
Schwab-Feller AG	Watch component manufacturer	**20**	20	Switzerland	Switzerland
Monnin SA	Watch component manufacturer	**35**	35	Switzerland	Switzerland
Kering Eyewear SpA	Eyewear manufacturer/distributor	**30**	30	Italy	Worldwide
Farfetch China Holdings Limited	Online distributors	**12.5**	12.5	United Kingdom	China
Watches & Wonders Foundation	Watchmaking foundation	**–**	–	Switzerland	Worldwide
Watches & Jewellery Initiative 2023	Industry-wide association	**–**	–	Switzerland	Worldwide
Joint ventures					
DPS Beaune SAS	Jewellery manufacturer	**33**	33	France	France
New Bond Street JV Jersey Unit Trust	Investment property entity	**48**	48	United Kingdom	United Kingdom
MDA SAS	Leather goods manufacturer	**50**	50	France	France

Despite a shareholding of 12.5%, Farfetch China is considered to be an associate because the Group has significant influence in the entity, as evidenced by its ability to appoint one out of five members of the Board of Directors, which has responsibility for matters such as overall business strategy, relationships with key stakeholders and approving the annual financial budget.

10. Equity-accounted investments continued

(a) Kering Eyewear SpA

The summarised financial information and reconciliation to the amounts recognised in the Group statement of financial position and profit or loss in respect of the Group's share of results of its principal associated undertaking, Kering Eyewear, is as follows:

	2023 €m	2022 €m
Revenue	**1 115**	706
Operating profit (loss) for the period	**203**	82
Group's share of net profit (loss)	**34**	16
Adjustments to align accounting policies	**–**	1
Amount recognised in profit	**34**	17
Group's share of other comprehensive income	**(21)**	1
Amount recognised in total comprehensive income	**13**	18

	2023 €m	2022 €m
Group's share of net assets	**484**	142
Goodwill	**32**	32
Carrying amount of equity-accounted investments	**516**	174

The results of Kering Eyewear are consolidated into the financial statements of its listed parent company, Kering S.A. The financial year end of Kering Eyewear is 31 December, which is the latest publicly available results at the date of preparation of these financial statements. The information above reflects the results and financial position of Kering Eyewear at that date, which are prepared in accordance with IFRS (as adopted in the EU). These amounts are adjusted for fair value adjustments at acquisition and differences in accounting policy, where relevant. No dividends were received from Kering Eyewear during the period.

(b) Other equity-accounted investments

No other equity-accounted investment is considered individually significant to the Group. The summarised financial information is provided on an aggregate basis, and reflects the amounts presented in the financial statements of the equity-accounted investments, adjusted for differences in accounting policies, where relevant:

	Associates		Joint ventures		Total	
	2023 €m	2022 €m	2023 €m	2022 €m	2023 €m	2022 €m
Profit/(loss) for the year	**(109)**	(27)	**1**	9	**(108)**	(18)
Other comprehensive income	**–**	–	**–**	–	**–**	–
Total comprehensive income	**(109)**	(27)	**1**	9	**(108)**	(18)
Group's share of net profit/(loss) at individual % owned	**(9)**	(1)	**–**	4	**(9)**	3
Losses not recognised	**16**	5	**–**	–	**16**	5
Amount recognised in profit	**7**	4	**–**	4	**7**	8
Carrying amount at 31 March	**33**	26	**50**	52	**83**	78

During the period, losses from associated undertakings of € 16 million were not recognised (2022: € 5 million), resulting in a cumulative total of € 21 million unrecognised losses.

11. Taxation

Accounting policy

Current tax is the expected tax payable or receivable on the taxable profits/(losses) of Group companies, calculated using local tax rates enacted or substantively enacted at the reporting date, and includes adjustments in respect of previous years, where applicable.

Deferred tax is provided using the liability method in accordance with IAS 12 and is determined using the tax rates and laws enacted or substantively enacted when the deferred tax is realised or settled.

Deferred tax is provided on temporary differences arising on investments in subsidiaries and equity-accounted investments, except where the Group controls the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Current and deferred tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income, in which case the related tax effect is also recognised directly in equity or in other comprehensive income.

In determining the amount of current and deferred tax the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience.

11.1. Deferred income tax

	Losses carried forward €m	Inventories €m	Employee benefits €m	Non-current assets €m	Other €m	Total €m
At 1 April 2021	241	480	44	95	181	1 041
Exchange adjustments	1	18	2	20	9	50
Charge/(credit) to income statement	(26)	58	21	(9)	23	67
Charge/(credit) to equity or other comprehensive income	–	–	6	–	–	6
Acquisition through business combinations	–	4	1	18	–	23
Other movements	–	(1)	–	2	45	46
Gross deferred tax asset at 31 March 2022	216	559	74	126	258	1 233
At 1 April 2021	–	(64)	–	(485)	(136)	(685)
Exchange adjustments	–	(7)	–	(22)	(1)	(30)
Charge/(credit) to income statement	–	(53)	–	2	56	5
Acquisition through business combinations	–	–	–	(48)	(1)	(49)
Other movements	–	1	–	(2)	(44)	(45)
Gross deferred tax liability at 31 March 2022	–	(123)	–	(555)	(126)	(804)
Net deferred tax asset/(liability) at 31 March 2022	216	436	74	(429)	132	429

Recognised in the balance sheet as:	
Deferred income tax assets	754
Deferred income tax liabilities	(325)
	429

Notes to the consolidated financial statements

11. Taxation continued

11.1. Deferred income tax continued

	Losses carried forward €m	Inventories €m	Employee benefits €m	Non-current assets €m	Other €m	Total €m
At 1 April 2022	**216**	**559**	**74**	**126**	**258**	**1 233**
Exchange adjustments	**–**	**(9)**	**2**	**(6)**	**(2)**	**(15)**
Charge/(credit) to income statement	**(32)**	**49**	**12**	**24**	**41**	**94**
Charge/(credit) to equity or other comprehensive income	**–**	**–**	**19**	**–**	**–**	**19**
Transfer to assets of disposal group held for sale	**(174)**	**(25)**	**(1)**	**(23)**	**(88)**	**(311)**
Other movements	**9**	**1**	**(1)**	**–**	**–**	**9**
Gross deferred tax asset at 31 March 2023	**19**	**575**	**105**	**121**	**209**	**1 029**
At 1 April 2022	**–**	**(123)**	**–**	**(555)**	**(126)**	**(804)**
Exchange adjustments	**–**	**(3)**	**–**	**7**	**(1)**	**3**
Charge/(credit) to income statement	**–**	**(4)**	**–**	**(36)**	**(8)**	**(48)**
Transfer to liabilities of disposal group held for sale	**–**	**9**	**3**	**419**	**4**	**435**
Other movements	**–**	**(5)**	**(3)**	**8**	**8**	**8**
Gross deferred tax liability at 31 March 2023	**–**	**(126)**	**–**	**(157)**	**(123)**	**(406)**
Net deferred tax asset/(liability) at 31 March 2023	**19**	**449**	**105**	**(36)**	**86**	**623**

Recognised in the balance sheet as:	
Deferred income tax assets	**752**
Deferred income tax liabilities	**(129)**
	623

€ 452 million of net deferred tax assets and € 278 million of deferred tax liabilities are expected to be recovered after more than twelve months (2022: € 673 million and € 681 million, respectively).

Unrecognised deferred tax assets and liabilities

Deferred tax assets are recognised for losses carried forward when it is considered likely that the losses will be utilised against future taxable profits, based on estimated future profitability in the relevant tax jurisdiction. The Group has not recognised a deferred tax asset in respect of tax losses of € 8 536 million (2022: € 5 308 million). The majority of these losses relate to transactions in previous years, often with no impact on the Group's consolidated profit or loss as reported under IFRS. A significant portion of these losses relate to entities in which the majority of income is taxable at 0%. € 1 772 million of the unrecognised tax losses can be carried forward in the applicable jurisdiction of the reporting entity with no expiry dates (2022: € 1 621 million). The remainder of the unrecognised tax losses have maximum expiration dates of between five and seventeen years.

Additionally, the Group has not recognised deferred tax liabilities in relation to unremitted earnings from its subsidiaries which are not expected to be distributed in the foreseeable future amounting to € 255 million (2022: € 295 million).

11. Taxation continued

11.2. Taxation charge

Taxation charge for the year:

	2023 €m	2022 re-presented €m
Current tax	**836**	566
Deferred tax charge/(credit)	**11**	(72)
	847	494

The average effective tax rate is calculated in respect of profit before taxation but excluding the share of post-tax results of equity-accounted investments. The rates for the years ended 31 March 2023 and 2022 were 17.9% and 17.2%, respectively.

The taxation charge on the Group's profit before tax differs from the amount that arises using the local statutory tax rates applicable to profits of the consolidated companies as follows:

	2023 €m	2022 re-presented €m
Profit before taxation	**4 758**	2 943
Share of post-tax results of equity-accounted investments	**(41)**	(31)
Adjusted profit before taxation	**4 717**	2 912
Tax on adjusted profit calculated at statutory tax rate	**660**	401
Difference in tax rates	**67**	(33)
Change in tax rate on opening deferred tax balances	**–**	56
Non-taxable income	**(2)**	(4)
Non-deductible expenses net of other permanent differences	**15**	2
Utilisation and recognition of prior year tax losses	**8**	(1)
Non-recognition of current year tax losses	**33**	38
Withholding and other income taxes	**49**	55
Prior year adjustments	**17**	(20)
Taxation charge	**847**	494

The statutory tax rate applied of 14% (2022: 14%) reflects the average rate applicable to the main Swiss-based operating companies.

12. Other non-current assets

Accounting policy

Included within other non-current assets is the Group's collection of heritage pieces, held primarily for presentation purposes to promote the Maisons and their history and not intended for sale. These assets are held at cost less any impairment in value. The residual values of such pieces are generally equal to or in excess of cost.

	2023 €m	2022 €m
Maisons' collections	**357**	314
Lease deposits	**135**	178
Loans and receivables	**15**	8
Other assets	**22**	21
	529	521

At 31 March 2023, non-current loans and receivables included a receivable due from an equity-accounted investment of € 1 million (2022: € 1 million).

The carrying values of lease deposits, loans and receivables approximate their fair values. There are no overdue or impaired amounts included in deposits, loans and receivables.

Notes to the consolidated financial statements

13. Inventories

Accounting policy
Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Cost is determined using either a weighted average or specific identification basis depending on the nature of the inventory. The cost of finished goods and work in progress comprises raw materials, direct labour, related production overheads and, where applicable, duties and taxes.

	2023 €m	2022 €m
Raw materials and work in progress	**2 806**	2 306
Finished goods	**5 134**	5 742
	7 940	8 048
Provision for inventories	**(844)**	(949)
	7 096	7 099

The cost of inventories recognised as an expense and included in cost of sales amounted to € 5 720 million (2022: € 6 389 million).

The Group reversed € 122 million (2022: € 107 million) of previous inventory write-downs during the year as the goods were sold at an amount in excess of the written-down value. The amount reversed has been credited to cost of sales.

The Group recognised € 270 million (2022: € 323 million) of write-down of inventories within cost of sales.

Of the total balance, € 901 million is expected to be recovered in more than twelve months (2022: € 1 074 million).

14. Trade receivables and other current assets

Accounting policy
The carrying value of trade receivables represents the original invoice amount, being the fair value at initial recognition, less provision for expected credit losses. Other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for expected credit losses. The Group applies the simplified approach to measuring expected credit losses ('ECL') for trade receivables, based on lifetime ECL, as permitted by IFRS 9. A provision for expected credit losses is established when there is evidence, based on historic experience and incorporating forward-looking information where relevant, including knowledge of the Group's customer base, that the counterparty is credit impaired or that the Group will not be able to collect all amounts due, according to the original terms of the receivables. Impairment losses are recognised in profit or loss for the period. Other receivables include credit card receivables.

	2023 €m	2022 €m
Trade receivables	**864**	748
Less: provision for impairment	**(12)**	(15)
Trade receivables – net	**852**	733
Other receivables	**382**	435
Current financial assets	**1 234**	1 168
Sales return asset	**32**	64
Current income tax asset	**75**	48
Prepayments	**167**	181
Other non-financial receivables	**200**	201
	1 708	1 662

Trade and other receivables are valued based on expected cash flows which are not discounted as they are expected to occur within the next twelve months. Due to their short maturity, the fair values of trade and other receivables approximate to their book values.

There is no concentration of credit risk with respect to trade receivables as the Group has a large number of internationally dispersed customers. The maximum exposure to credit risk is equal to the carrying value.

14. Trade receivables and other current assets continued

The movement in the provision for impairment of trade and other receivables was as follows:

	2023 €m	2022 €m
Balance at 1 April of prior year	**(15)**	(23)
Provision charged to profit or loss	**(12)**	(8)
Utilisation of provision	**2**	2
Reversal of unutilised provision	**12**	15
Reclassified to Assets of disposal group held for sale (note 16)	**1**	–
Exchange differences	**–**	(1)
Balance at 31 March	**(12)**	(15)

At 31 March 2023, trade and other receivables of € 8 million (2022: € 49 million) were impaired.

Receivables past due but not impaired:

	2023 €m	2022 €m
Up to three months past due	**78**	50
Three to six months past due	**12**	3
Over six months past due	**32**	3
	122	56

15. Derivative financial instruments

The Group uses currency forwards, being commitments to purchase or sell foreign currencies. All derivative financial instruments are held at fair value through profit and loss.

The nominal amounts of certain types of financial instruments provide a basis for comparison with instruments recognised on the reporting date but do not necessarily indicate the amounts of future cash flows involved or the current fair value of the instruments, and therefore do not indicate the Group's exposure to credit or price risks. The derivative instruments become favourable (assets) or unfavourable (liabilities) as a result of fluctuations in market interest rates or foreign exchange rates relative to their terms.

The fair value of publicly traded derivatives, securities and investments is based on quoted market prices at the reporting date. In assessing the fair value of non-traded derivatives and other financial instruments, the Group uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date.

The nominal amounts and fair values of derivative instruments held are as follows:

	Nominal amount		Fair value assets		Fair value liabilities	
	2023 €m	2022 €m	2023 €m	2022 €m	2023 €m	2022 €m
Currency forwards	**4 174**	5 193	**103**	55	**(7)**	(150)

The contractual maturity of the nominal value of derivative instruments held is as follows:

	Less than 6 months		Between 6 and 12 months		After 12 months	
	2023 €m	2022 €m	2023 €m	2022 €m	2023 €m	2022 €m
Currency forwards	**2 037**	2 902	**2 137**	2 291	**–**	–

Nominal amount

Nominal amount represents the sum of all contract volumes outstanding at the year end.

Foreign currency amounts have been translated to euros using the exchange rates prevailing at the reporting date.

15. Derivative financial instruments continued

Non-current derivative financial instruments

The Group also holds an option to convert its investment in Farfetch China into listed shares of Farfetch Limited. This option is exercisable three years after issuing, under specific conditions, and is therefore classified as non-current. At 31 March 2023, the carrying value of the option amounted to € 16 million (2022: € 47 million), included within non-current assets held at fair value through profit and loss. For further details of the valuation of this option, classified as Level 3 in the IFRS fair value hierarchy, see note 34.

16. Assets and disposal group held for sale and discontinued operations

On 24 August 2022, the Group announced that it had entered into a binding agreement, subject to a number of conditions, including the receipt of certain anti-trust approvals, to sell a controlling interest in YNAP. Farfetch and Alabbar will acquire a 47.5% and 3.2% stake, respectively, making YNAP a neutral platform with no controlling shareholder.

Upon completion of the sale of 47.5% of YNAP's share capital to Farfetch, Richemont will receive between 53.0 and 58.5 million Farfetch Class 'A' ordinary shares. The Group will also receive US$ 250 million (expected to be settled in Farfetch Class 'A' ordinary shares, using the then current 60-day Volume Weighted Average Price) on the fifth anniversary of completion of the initial stage of the transaction. Alabbar will also become a shareholder in YNAP, acquiring a 3.2% interest in YNAP in exchange for its shares in the joint venture with YNAP in the Gulf Cooperation Council region. The potential second and final stage of the transaction provides for Farfetch to increase its ownership of YNAP's share capital to 100% through a put and call mechanism.

Management expects the sale to be completed within the next twelve months following completion of anti-trust procedures. The business meets the criteria of IFRS 5 to be classified as held for sale and, as it is considered to be a separate major line of business, it is reported as a discontinued operation. For segmental reporting, YNAP was an operating segment aggregated within Online Distributors.

The results of the discontinued operations included in profit for the year are set out below. The comparative consolidated income statement and consolidated statement of comprehensive income have been re-presented to show the discontinued operations separately from continuing operations.

	2023 €m	2022 €m
Revenue	**2 529**	2 433
Expenses	**(2 724)**	(2 796)
Loss on write-down of net assets to recoverable amount	**(3 444)**	–
Operating loss	**(3 639)**	(363)
Finance costs	**(33)**	(3)
Finance income	**4**	–
Loss before taxation	**(3 668)**	(366)
Taxation on ordinary activities of the disposal group	**58**	(4)
Loss for the period from discontinued operations	**(3 610)**	(370)

The net assets of the disposal group held for sale have been measured at the estimated fair value less cost to sell at the reporting date, resulting in a charge of € 3 444 million. The fair value is based on the estimated sale proceeds, including both a cash element and listed shares of Farfetch Limited, and also takes into account the expected fair value of the shareholding which the Group will retain in YNAP. The market value of Farfetch Limited shares at 31 March 2023 was US$ 4.91 (€ 4.52) per share.

The cumulative income (expense) recognised in Other Comprehensive Income in relation to the disposal group is as follows:

	2023 €m	2022 €m
Currency translation adjustments	**33**	(26)
Cumulative income (expense) recognised in Other Comprehensive Income	**33**	(26)

16. Assets and disposal group held for sale and discontinued operations continued

Cash flows from/(used in) discontinued operations are as follows:

	2023 €m	2022 €m
Net cash used in operating activities	**(227)**	(437)
Net cash used in investing activities	**(79)**	(84)
Net cash used in financing activities	**(21)**	572
	(327)	51

The major classes of assets and liabilities of the disposal group at 31 March 2023, and assets held for sale at 31 March 2022, are as follows:

	2023 €m	2022 €m
Property, plant and equipment	**162**	24
Other intangible assets	**1 179**	–
Right of use assets	**205**	–
Investment property	**–**	35
Deferred tax assets	**54**	–
Other non-current assets	**2**	–
Inventories	**1 082**	–
Trade and other receivables	**170**	–
Cash and cash equivalents	**270**	–
	3 124	59
Provisions	**(66)**	–
Deferred tax liabilities	**(179)**	–
Current tax liabilities	**(7)**	–
Lease liabilities	**(194)**	–
Trade and other payables	**(616)**	–
Other non-current liabilities	**(2)**	–
Bank overdrafts	**(737)**	–
	(1 801)	–

17. Cash and cash equivalents

	2023 €m	2022 €m
Cash at bank and on hand	**10 936**	9 877
Bank overdrafts	**(5 833)**	(5 309)
Cash at bank and on hand within assets of disposal groups held for sale (note 16)	**270**	–
Bank overdrafts within liabilities of disposal groups held for sale (note 16)	**(737)**	–
	4 636	4 568

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

The effective interest rate on cash at bank was 1.7% (2022: 0.8%). The effective interest rate on bank overdrafts was 1.1% (2022: 1.8%).

18. Borrowings

Accounting policy
Borrowings, including corporate bonds, are recognised initially at fair value, net of transaction costs incurred and are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

	2023 €m	2022 €m
Non-current:		
Corporate bonds	**5 937**	5 929
Secured bank borrowings	**17**	15
Unsecured bank borrowings	**–**	4
	5 954	5 948
Current:		
Secured bank borrowings	**1**	1
	1	1
Total borrowings	**5 955**	5 949

The Group's borrowings are denominated in the following currencies:

	2023 €m	2022 €m
Euro	**5 940**	5 934
Danish krone	**15**	15
	5 955	5 949

Other than the corporate bonds, the Group has fixed rate DKK borrowings totalling € 15 million for which the rates of 2.82% are fixed until September 2023 and € 3 million borrowings with interest rate fixed at 1.50%. The DKK loans are secured on the Group's investment property located in Denmark. The EUR loan is secured on the equity of the borrowing entity. The fair values of these borrowings are not significantly different to the carrying value.

The following corporate bonds, which are listed on the Luxembourg Stock Exchange, have been issued by a subsidiary of the Group based in Luxembourg, Richemont International Holding SA.

	2023 €m	2022 €m
1.00% € 1 500 million bond maturing in 2026 issued at 98.784%	**1 491**	1 488
1.50% € 1 250 million bond maturing in 2030 issued at 98.701%	**1 236**	1 235
2.00% € 1 000 million bond maturing in 2038 issued at 97.805%	**980**	977
2.00% € 250 million bond maturing in 2038 issued at 98.557%	**246**	246
0.75% € 500 million bond maturing in 2028 issued at 99.884%	**498**	497
1.125% € 850 million bond maturing in 2032 issued at 99.732%	**847**	847
1.625% € 650 million bond maturing in 2040 issued at 98.387%	**639**	639
	5 937	5 929

19. Employee benefit obligations

Accounting policy

A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive post-employment, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the balance sheet in respect of defined benefit plans is the present value of the defined benefit obligations at the reporting date less the fair values of plan assets. The defined benefit obligations are calculated on a regular, cyclical basis by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using the yields available at reporting dates on high-quality corporate or government bonds (in countries with no deep corporate bond market) that are denominated in the currency in which the benefits will be paid, and that have terms to maturity consistent with the terms of the related pension liability.

Past service costs are recognised immediately in profit or loss. Remeasurements, comprising actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (excluding interest) are charged or credited to other comprehensive income in the period in which they arise.

For defined contribution plans, the Group pays contributions to publicly or privately administered pension plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as an employee benefit expense when employees have rendered services entitling them to the contributions. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Switzerland

The Group's largest retirement plan – the RISA Foundation – is in Switzerland, covering over 90% of the Group's defined benefit retirement obligations and assets. The Group expects to contribute € 93 million in the year ended 31 March 2024 (year ended March 2023: € 92 million).

Each employee has a personal retirement account which receives contributions in line with the Foundation rules, based on a percentage of salary. The Foundation Board determines the level of interest to apply to retirement accounts each year. At retirement, employees can receive their retirement account as a lump sum or as a lifetime pension. The weighted average duration of the expected benefit payments is 14 years.

Assets are held separately from the Group. Although the Foundation Board has built up an asset buffer as a contingency against asset values falling, any surplus is not deemed recoverable by the Group as all Foundation assets will ultimately all be used to provide benefits to members. Similarly, unless the assets are insufficient to cover minimum statutory benefits, the Group does not expect to make any deficit contributions.

The Foundation invests in a diversified portfolio of assets which targets a long-term return sufficient to provide increases to employee retirement accounts over time, whilst being exposed to a low level of risk in order to do so.

Other plans

The Group sponsors several other retirement plans, a mixture of defined benefit and defined contribution plans, in some countries where the Group operates. The Group also operates a worldwide Long Service Award scheme, which is accounted for as a defined benefit plan and included within this category. The Group expects to contribute € 12 million in the year ended 31 March 2024 (year ended March 2023: € 14 million) to the defined benefit plans.

The net liabilities reflected in non-current liabilities in the statement of financial position in respect of post-employment defined benefit plans are as follows:

	Switzerland		Rest of the world		Total	
	2023 €m	2022 €m	2023 €m	2022 €m	2023 €m	2022 €m
Present value of funded obligations	**(1 919)**	(1 972)	**(177)**	(206)	**(2 096)**	(2 178)
Fair value of plan assets	**2 205**	2 180	**186**	220	**2 391**	2 400
Net funded obligations	**286**	208	**9**	14	**295**	222
Present value of unfunded obligations	**–**	–	**(74)**	(73)	**(74)**	(73)
Amount not recognised due to asset limit	**(286)**	(208)	**–**	(2)	**(286)**	(210)
Net liabilities	**–**	–	**(65)**	(61)	**(65)**	(61)

19. Employee benefit obligations continued

	Switzerland		Rest of the world		Total	
	2023 €m	2022 €m	2023 €m	2022 €m	2023 €m	2022 €m
Expense charged in:						
Cost of sales	**44**	37	**4**	5	**48**	42
Net operating expenses	**56**	57	**15**	16	**71**	73
	100	94	**19**	21	**119**	115

Total costs are included in employee benefits expense (note 26).

The movement in the fair value of plan assets was as follows:

	Switzerland		Rest of the world		Total	
	2023 €m	2022 €m	2023 €m	2022 €m	2023 €m	2022 €m
Balance at 1 April of prior year	**2 180**	1 903	**220**	209	**2 400**	2 112
Exchange differences	**69**	160	**(1)**	1	**68**	161
Interest on plan assets	**27**	8	**4**	2	**31**	10
Actual return on plan assets less interest on plan assets	**(152)**	38	**(15)**	–	**(167)**	38
Assets distributed on settlements	**–**	–	**(23)**	–	**(23)**	–
Contributions paid by employer	**92**	76	**14**	16	**106**	92
Contributions paid by plan participants	**69**	57	**–**	–	**69**	57
Benefits paid	**(78)**	(59)	**(13)**	(12)	**(91)**	(71)
Administrative expenses	**(2)**	(3)	**–**	–	**(2)**	(3)
Assets acquired in a business combination (note 37)	**–**	–	**–**	4	**–**	4
Balance at 31 March	**2 205**	2 180	**186**	220	**2 391**	2 400

The movement in the present value of the employee benefit obligation was as follows:

	Switzerland		Rest of the world		Total	
	2023 €m	2022 €m	2023 €m	2022 €m	2023 €m	2022 €m
Balance at 1 April of prior year	**(1 972)**	(1 727)	**(279)**	(272)	**(2 251)**	(1 999)
Exchange differences	**(62)**	(146)	**1**	(2)	**(61)**	(148)
Current service cost (employer part)	**(101)**	(92)	**(19)**	(20)	**(120)**	(112)
Contributions by plan participants	**(69)**	(57)	**–**	–	**(69)**	(57)
Interest on benefit obligations	**(24)**	(7)	**(4)**	(2)	**(28)**	(9)
Actuarial (losses)/gains	**231**	(2)	**14**	14	**245**	12
Past service cost	**–**	–	**1**	(1)	**1**	(1)
Liabilities extinguished on settlements	**–**	–	**22**	–	**22**	–
Liabilities acquired in a business combination (note 37)	**–**	–	**–**	(8)	**–**	(8)
Benefits paid	**78**	59	**13**	12	**91**	71
Balance at 31 March	**(1 919)**	(1 972)	**(251)**	(279)	**(2 170)**	(2 251)

19. Employee benefit obligations continued

Changes in the amount not recognised due to the asset limit are as follows:

	Switzerland		Rest of the world		Total	
	2023 €m	2022 €m	2023 €m	2022 €m	2023 €m	2022 €m
Balance at 1 April of prior year	**(208)**	(176)	**(2)**	(2)	**(210)**	(178)
Change in surplus/(deficit)	**(68)**	(17)	**1**	1	**(67)**	(16)
Interest on asset limit	**(3)**	(1)	**1**	–	**(2)**	(1)
Exchange differences	**(7)**	(14)	**–**	(1)	**(7)**	(15)
Balance at 31 March	**(286)**	(208)	**–**	(2)	**(286)**	(210)

The major categories of plan assets at the reporting date are as follows:

	Switzerland		Rest of the world		Total	
	2023 €m	2022 €m	2023 €m	2022 €m	2023 €m	2022 €m
Equities	**719**	742	**30**	38	**749**	780
Government bonds	**718**	694	**37**	54	**755**	748
Corporate bonds	**37**	41	**94**	100	**131**	141
Property	**466**	475	**1**	1	**467**	476
Cash	**68**	37	**2**	3	**70**	40
Insurance policies and other assets	**197**	191	**22**	24	**219**	215
Fair value of plan assets	**2 205**	2 180	**186**	220	**2 391**	2 400

The plan assets are held primarily within instruments with quoted market prices in active markets with the exception of the property and insurance policy holdings.

The RISA Foundation owns a property valued at € 39 million (2022: € 21 million) which the Group currently leases from the RISA Foundation. With the exception of this holding, the plans do not invest directly in property occupied by the Group or in financial securities issued by the Group.

The principal actuarial assumptions used for accounting purposes reflect market conditions in each of the countries in which the Group operates.

	Switzerland		Rest of the world	
	2023	2022	2023	2022
Discount rate	**2.1%**	1.2%	**3.7%**	1.6%
Interest credit rate	**1.5%**	1.5%	**1.2%**	0.7%
Future pension increases	**–**	–	**2.2%**	1.9%
Swiss technical rate	**2.0%**	2.0%	**–**	–
Life expectancy of 60-year-old	**27.8**	27.7	**various**	various

Assumptions are the weighted average of rates adopted by plans in the rest of the world.

For the RISA Foundation, changes in the assumptions are likely to impact the values of the obligations.

- Discount rate – A decrease of 0.5% per annum would increase obligations by € 131 million (2022: € 148 million), although this is also likely to have an impact on the Foundation's assets.
- Interest credit rate – A 0.5% per annum decrease in the interest credit rate leads to a € 74 million (2022: € 80 million) decrease in obligations.
- Future technical rate for conversion of lump sum to pension – A decrease of 0.5% would decrease obligations by € 48 million (2022: € 50 million).
- Life expectancy – A one-year increase would increase obligations by € 22 million (2022: € 26 million).

19. Employee benefit obligations continued

The above sensitivities are calculated assuming other assumptions are held constant. In practice, any increase in obligations from the above assumptions is likely to be partially offset by a reduction in the assumption for future interest credit. The calculation is performed on the same basis as in the prior year.

For the Group's other arrangements, a fall in the average discount rate of 0.5% per annum would increase the obligations by approximately € 10 million (2022: € 15 million).

20. Provisions

	Warranties and sales-related €m	Employee benefits €m	Other €m	Total €m
At 1 April 2022	**259**	**82**	**58**	**399**
Charged/(credited) to profit or loss:				
– additional provisions	**730**	**51**	**12**	**793**
– unused amounts reversed	**(79)**	**(4)**	**(6)**	**(89)**
Net charge	**651**	**47**	**6**	**704**
Reclassified to Assets held for sale (note 16)	**(58)**	**(2)**	**(7)**	**(67)**
Utilised during the year	**(670)**	**(56)**	**(32)**	**(758)**
Exchange adjustments	**3**	**5**	**5**	**13**
At 31 March 2023	**185**	**76**	**30**	**291**

	2023 €m	2022 €m
Total provisions at 31 March:		
– non-current	**90**	74
– current	**201**	325
	291	399

Warranties and sales-related provisions

Group companies establish provisions for potential sales returns and warranties provided on certain products. Based on past experience a provision of € 185 million (2022: € 259 million) has been recognised for expected sales returns and warranty claims. It is expected that € 152 million (2022: € 230 million) of this provision will be used within the following twelve months and that the remaining € 33 million (2022: € 29 million), which relates solely to potential warranty claims, will be utilised over the remainder of the expected warranty period of the products.

Employee benefits provisions

These include obligations arising under the Group's long-term incentive plans and the social security costs on the Group's share option plan. An amount of € 30 million (2022: € 45 million) is expected to be utilised in the coming twelve months. The remainder will be utilised in the next two to eight years.

Other provisions

Other provisions include provisions for certain legal claims brought against the Group during the ordinary course of business and provisions for the Group's obligations arising from committed restructuring activities. Restructuring provisions include lease termination penalties and employee termination payments and are recognised when a detailed, formal plan has been established and communicated to those parties directly affected by the plan. Provisions for legal claims represent management's best estimate of the likely outcome of the claim at the balance sheet date. It is not expected that the outcomes of legal claims will give rise to any material losses beyond the amounts provided at 31 March 2023. The Group's restructuring provision is expected to be utilised in the coming year.

21. Other long-term financial liabilities

	2023 €m	2022 €m
Other lease liabilities	**42**	42
Other long-term financial liabilities	**41**	65
	83	107

22. Trade and other current liabilities

	2023 €m	2022 €m
Trade payables	**736**	927
Other payables	**1 106**	1 132
Accruals	**851**	1 041
Current financial liabilities	**2 693**	3 100
Other current non-financial liabilities	**267**	251
	2 960	3 351

Trade and other payables are valued based on expected cash flows which are not discounted as they are expected to occur within the next twelve months.

23. Revenue

Accounting policy

The Group sells jewellery, watches, leather goods, clothing, writing instruments and other luxury goods on a worldwide basis through its retail, online retail and wholesale distribution channels and provides after-sales service for its products.

Revenue is recognised when the customer obtains control of the goods. For retail sales, which take place in the Group's network of internal boutiques, control generally passes when the customer takes physical possession of goods, at which time the Group has a right to receive payment for the asset and it is implicit that the customer has accepted it. In the case of online retail sales made directly to the end customer, sales are recorded when the goods are delivered to the customer, as the Group remains in control of, and is subject to the related risks of, the delivery process. Wholesale sales are made to distributors, wholesalers or external franchisees. For these sales, revenue is recognised when the wholesaler takes delivery of the shipment, in most cases after customs formalities have been cleared in the destination country. At this point, the customer is able to control the future use of the product, in terms of where and how it will be sold, and assumes the risk of obsolescence and loss. Revenue relating to after-sales services is recognised when the service has been completed.

The Group also receives royalty income arising from the use of its intellectual property by third parties, which is recognised over time. Sales-based royalties are recognised in line with sales made by the third-party licensee, with all other royalties recognised on a straight-line basis over the term of the licence agreement.

Revenue is measured net of value-added tax, duties, other sales taxes, rebates and trade discounts. Goods sold to wholesale customers are often sold with volume discounts based on total sales over a twelve-month period or other similar criteria. Revenue from such contracts is recorded net of the estimated discount, based on the accumulated experience of the Group, using the expected value method, and recognised up to an amount beyond which a significant reversal is not expected to occur. The Group does not have any contracts where the period between recognition of revenue and payment by the customer exceeds one year. As a consequence, the Group does not adjust the transaction price for the time value of money.

Where there is a practice of agreement to customer returns, or where we are obliged by local legal requirements, accumulated experience is used to estimate and provide for such returns at the time of sale.

The Group provides a standard warranty against manufacturing defects, and recognises its obligation for repairs under this warranty as a provision.

23. Revenue continued

	2023 €m	2022 re-presented €m
Revenue from contracts with customers	**19 888**	16 699
Royalty income	**65**	49
	19 953	16 748

Analysis of revenue by geographical area and by reporting segment is as follows:

Year to 31 March 2023	Asia €m	Europe €m	Americas €m	Japan €m	Middle East & Africa €m	Total €m
Jewellery Maisons	**5 358**	**2 715**	**2 951**	**1 215**	**1 188**	**13 427**
Specialist Watchmakers	**2 041**	**774**	**568**	**240**	**252**	**3 875**
Other	**538**	**882**	**948**	**161**	**122**	**2 651**
	7 937	**4 371**	**4 467**	**1 616**	**1 562**	**19 953**

Year to 31 March 2022 re-presented	Asia €m	Europe €m	Americas €m	Japan €m	Middle East & Africa €m	Total €m
Jewellery Maisons	4 895	1 992	2 417	799	980	11 083
Specialist Watchmakers	2 061	580	426	169	199	3 435
Other	531	779	685	150	85	2 230
	7 487	3 351	3 528	1 118	1 264	16 748

24. Other operating (expense)/income

	2023 €m	2022 re-presented €m
Royalty expenses	**(5)**	(4)
Investment property rental income	**1**	1
Investment property costs	**(4)**	(7)
Amortisation of intangible assets acquired on business combinations	**(29)**	(34)
Gain on sale of investment property	**–**	24
Other expense	**(66)**	(179)
	(103)	(199)

Other expense in the prior year includes a charge of € 98 million related to the suspension of commercial activities in Russia.

25. Operating profit

Operating profit includes the following items of expense/(income):

	2023 €m	2022 re-presented €m
Depreciation of property, plant and equipment	**535**	472
Impairment of property, plant and equipment	**1**	19
Amortisation of other intangible assets	**87**	92
Impairment of goodwill (note 7)	**55**	–
Depreciation of right of use assets	**721**	655
Impairment of right of use assets	**–**	36
Variable lease payments (note 9)	**697**	571
Sub-lease rental income (non-investment property)	**(4)**	(4)
Research and development costs	**91**	80
(Profit)/loss on disposal of property, plant and equipment	**(9)**	6
Loss on disposal of other intangible assets	**3**	3
Restructuring charges	**(2)**	1

26. Employee benefits expense

Accounting policies

Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

Incentive plans

The Group recognises a liability and an expense for incentive plans when contractually obliged or where there is a past practice that has created a constructive obligation.

	2023 €m	2022 re-presented €m
Wages and salaries, including termination benefits of € 23 million (2022: € 39 million)	**2 851**	2 498
Social security costs	**458**	401
Share-based compensation expense (note 31)	**94**	67
Long-term employee benefits	**17**	14
Pension costs – defined contribution plans	**67**	53
Pension costs – defined benefit plans (note 19)	**119**	115
	3 606	3 148

Notes to the consolidated financial statements

27. Finance costs and income

	2023 €m	2022 re-presented €m
Finance costs:		
Interest expense:		
– bank borrowings	**(116)**	(32)
– corporate bonds	**(95)**	(95)
– other financial expenses	**(15)**	(33)
– lease liabilities	**(77)**	(61)
Net foreign exchange losses on monetary items	**(240)**	(197)
Net loss in fair value of financial instruments at fair value through profit or loss	**(54)**	(538)
Finance costs	**(597)**	(956)
Finance income:		
Interest income:		
– from financial assets at amortised cost (including bank and other deposits)	**183**	71
– from financial assets held at fair value through profit or loss	**35**	32
– other financial income	**1**	4
Mark-to-market adjustment in respect of hedging activities	**64**	8
Finance income	**283**	115
Net finance costs	**(314)**	(841)

28. Earnings per share

28.1. Basic

Basic earnings per ‘A’ share/10 ‘B’ shares is calculated by dividing the profit attributable to owners of the parent company by the weighted average number of shares in issue during the year, excluding shares purchased by the Group and held in treasury. Holders of ‘A’ and ‘B’ shares enjoy the same dividend rights, but due to the differing par values of the two classes of shares, ‘B’ shareholders receive one-tenth of the dividend per share paid to the ‘A’ shareholders.

	2023	2022
Profit from continuing operations attributable to owners of the parent company (€ millions)	**3 909**	2 434
Profit from discontinued operations attributable to owners of the parent company (€ millions)	**(3 596)**	(360)
Total attributable to owners of the parent company (€ millions)	**313**	2 074
Weighted average number of shares in issue (millions)	**569.0**	566.7
Basic earnings per ‘A’ share/10 ‘B’ shares from continuing operations	**6.870**	4.295
Basic earnings per ‘A’ share/10 ‘B’ shares from discontinued operations	**(6.320)**	(0.635)
Total basic earnings per ‘A’ share/10 ‘B’ shares	**0.550**	3.660

28. Earnings per share continued

28.2. Diluted

Diluted earnings per ‘A’ share/10 ‘B’ shares is calculated adjusting the weighted average number of shares outstanding, which assumes conversion of all dilutive potential shares. The Group has three categories of dilutive potential shares: share options, Restricted Share Units and shareholder warrants. These instruments allow the holder to potentially acquire a share of the Company at a price lower than market value.

The calculation is performed for all potential shares to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company’s shares) based on the monetary value of the subscription rights attached to the outstanding instruments. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the instrument.

For the year ended 31 March 2023, all instruments are dilutive and so none are excluded from the calculation below (2022: all instruments were dilutive). For the calculation of the loss per share from discontinued operations, none of the Group’s potential shares are considered dilutive.

	2023	2022
Profit from continuing operations attributable to owners of the parent company (€ millions)	**3 909**	2 434
Profit from discontinued operations attributable to owners of the parent company (€ millions)	**(3 596)**	(360)
Total profit attributable to owners of the parent company (€ millions)	**313**	2 074
Weighted average number of shares in issue (millions)	**569.0**	566.7
Adjustment for dilutive potential shares (millions)	**7.7**	7.7
Weighted average number of shares for diluted earnings per share (millions)	**576.7**	574.4
Diluted earnings per ‘A’ share/10 ‘B’ shares from continuing operations	**6.778**	4.237
Diluted earnings per ‘A’ share/10 ‘B’ shares from discontinued operations	**(6.320)**	(0.635)
Total diluted earnings per ‘A’ share/10 ‘B’ shares	**0.543**	3.611

28.3. Headline earnings per ‘A’ share/10 ‘B’ shares

The presentation of headline earnings per ‘A’ share/10 ‘B’ shares as an alternative measure to earnings per share is required under the JSE listing requirements.

	2023 €m	2022 €m
Profit attributable to owners of the parent company	**313**	2 074
Loss on disposal of non-current assets	**(6)**	9
Impairment of non-current assets	**56**	55
Gain on disposal of an associate	**–**	(7)
Gain on bargain purchase	**–**	(1)
Write-down of assets held for sale	**3 444**	–
Currency exchange (gains)/losses reclassified from currency translation adjustment reserve	**–**	2
Headline earnings	**3 807**	2 132

	2023 millions	2022 millions
Weighted average number of shares:		
– Basic	**569.0**	566.7
– Diluted	**576.7**	574.4
	€ per share	€ per share
Headline earnings per ‘A’ share/10 ‘B’ shares:		
– Basic	**6.691**	**3.762**
– Diluted	**6.601**	**3.712**

Notes to the consolidated financial statements

29. Equity

29.1. Share capital

Accounting policy
Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are recognised as a deduction from equity, net of any tax effects.

	2023 €m	2022 €m
Authorised, issued and fully paid:		
522 000 000 'A' registered shares with a par value of CHF 1.00 each	**304**	304
522 000 000 'B' registered shares with a par value of CHF 0.10 each	**30**	30
	334	334

Holders of 'A' and 'B' shares enjoy the same dividend rights, but due to the differing par values of the two classes of shares, 'B' shareholders receive one-tenth of the dividend per share paid to the 'A' shareholders.

Conditional capital

In connection with the warrants described in note 29.5, shareholders have approved the creation of a conditional capital amounting to 22 million 'A' shares and 22 million 'B' shares, which will potentially be used to issue the corresponding number of shares upon exercise of the warrants in November 2023.

29.2. Treasury shares

Accounting policy
The cost of treasury shares held at each reporting date is deducted from shareholders' equity. Gains or losses arising on the disposal of treasury shares are recognised within retained earnings directly in shareholders' equity.

Treasury shares denominated in CHF are translated to EUR on consolidation using the historic exchange rate. Previously, movements in the treasury share reserve were translated at the average rate for the period. From 1 April 2022, disposals of treasury shares are translated at the exchange rate initially used when that share was acquired. This improves the information provided to the user of financial statements with respect to the closing value of the treasury share reserve. As this is applied retrospectively, prior year comparatives have been re-presented accordingly. The treasury share reserve at the beginning of the comparative period is increased by € 129 million and retained earnings is increased by € 129 million accordingly. There is no impact on opening or closing equity, nor on net profit or earnings per share.

In order to hedge partially its potential obligations arising under the share option plan, the Group has purchased Richemont 'A' shares. Changes in the holding of this treasury stock of shares are shown as movements in shareholders' equity as follows:

	Shares millions	€m
Balance at 1 April 2021 – as reported	8.5	490
Impact of representation of equity	–	129
Balance at 1 April 2021	8.5	619
Sold	(1.8)	(141)
Balance at 31 March 2022	**6.7**	**478**
Sold	**(2.8)**	**(173)**
Balance at 31 March 2023	**3.9**	**305**

The Company has given a pledge over 2 100 279 Richemont 'A' shares as security for vested warrants granted under the Group's share option plan (2022: 3 142 820 Richemont 'A' shares).

During the year under review the Group did not acquire any treasury shares (2022: none).

In the same period the Group delivered 2.4 million treasury shares for proceeds of € 198 million, in settlement of options exercised in the period and traded options exercised in previous periods (2022: 1.8 million shares for proceeds of € 124 million) and 0.4 million shares in settlement of Restricted Share Units ('RSUs') and Performance Share Units ('PSUs'). The cost of the 2.8 million shares (2022: 1.8 million) delivered during the year to plan participants was € 173 million (2022: € 141 million). The gain realised on shares sold during the year amounted to € 25 million (2022: loss of € 17 million) which was recognised directly in retained earnings.

29. Equity continued

29.2. Treasury shares continued

The market value of the 3.9 million shares (2022: 6.7 million) held by the Group at the year end, based on the closing price at 31 March 2023 of CHF 145.90 (2022: CHF 118.00), amounted to € 587 million (2022: € 798 million).

At 31 March 2023, the Group holds 278 million warrants issued under the equity-based loyalty scheme described at note 29.5 (2022: 278 million). No additional warrants were purchased during the year (2022: 171 million warrants at a total cost of € 131 million). The cost of these warrants is recorded in Retained Earnings (see note 29.4). These warrants will be used, together with the treasury shares, to provide a comprehensive hedge of the Group's potential obligations arising under its share option and restricted share unit plans.

29.3. Other reserves

Accounting policy
Other reserves include the hedge reserve and the share-based payments reserve.

The cumulative expense charged to the share-based payments reserve for RSUs and PSUs is reclassified to retained earnings upon vesting. For share options, the cumulative expense is reclassified to retained earnings when the options are exercised. Prior to 1 April 2022, cumulative expenses remained in the share-based payments reserve. Following this reclassification, the share-based payments reserve reflects only those RSU and share options for which the Group retains a future obligation to deliver an 'A' share. As this change in policy is applied retrospectively, prior year comparatives have been re-presented accordingly. The share-based payment reserve at the beginning of the comparative period is decreased by € 313 million and retained earnings increased by €313 million as a result. There is no impact on opening or closing total equity, nor on net profit or earnings per share.

	2023 €m	2022 €m
Balance at 1 April of prior year (re-presented at 1 April 2021*)	**148**	106
Movement in hedge reserve		
– recycled to profit and loss, net of tax	**4**	4
Movement in equity-based compensation reserve		
– equity-based compensation expense	**96**	67
– tax on equity-based compensation expense	**20**	13
– reclassification to retained earnings	**(56)**	(42)
Balance at 31 March	**212**	148

* The opening balance at 1 April 2021, previously reported as € 419 million, is restated by € 313 million, as described above and seen in the Consolidated Statement of Changes in Equity.

29.4. Retained earnings

	2023 €m	2022 €m
Balance at 1 April of prior year (re-presented at 1 April 2021*)	**16 082**	15 327
Profit for the year	**313**	2 074
Other comprehensive income:		
– defined benefit plan actuarial gains/(losses)	**9**	32
– tax on defined benefit plan actuarial gains/(losses)	**(1)**	(7)
– fair value changes on assets held at FVTOCI	**13**	(169)
– share of other comprehensive income of associates, net of tax	**(21)**	1
Dividends paid (note 30)	**(1 851)**	(1 041)
Acquisition of warrants	**–**	(131)
Initial recognition of put options over non-controlling interests	**–**	(23)
Changes in non-controlling interests	**–**	(6)
Reclassification from share-based payments reserve	**56**	42
Gain/(loss) on sale of treasury shares	**25**	(17)
Balance at 31 March	**14 625**	16 082

* The opening balance at 1 April 2021, previously reported as € 14 885 million, is restated by € 442 million, as described in notes 29.2 and 29.3 and seen in the Consolidated Statement of Changes in Equity.

Notes to the consolidated financial statements

29. Equity continued

29.5. Shareholder warrants

In November 2020, shareholders were granted tradeable warrants, which can either be traded or used to acquire new shares at a potentially beneficial price three years after issuing, in November 2023. Each 'A' shareholder received two 'A' warrants and each 'B' shareholder received two 'B' warrants. On the exercise date, 67 'A' warrants must be exercised to acquire one 'A' share (67 'B' warrants to acquire one 'B' share). The exercise price of the warrants was set at CHF 1 per warrant (being CHF 67 per newly issued share). The 'A' warrants are listed on the SIX Swiss Exchange.

30. Dividends

Accounting policy

Dividend distributions to Richemont shareholders are recognised as a liability in the Group's consolidated financial statements in the period in which the dividends are approved by the shareholders of the Company.

In September 2022 a dividend of CHF 2.25 per 'A' share and CHF 0.225 per 'B' share was paid (September 2021: CHF 2.00 and CHF 0.20, respectively), as well as an exceptional dividend of CHF 1.00 per 'A' share and CHF 0.10 per 'B' share (September 2021: no exceptional dividend was paid).

31. Share-based payments

Accounting policy

The Group operates equity-settled share-based compensation plans based on options and Restricted Share Units ('RSUs') granted in respect of Richemont 'A' shares. The fair value of the employee services received in exchange for the grant of options or restricted shares is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the option or share granted. At each reporting date, the Group revises its estimate of the number of options or shares that are expected to vest. It recognises the impact of the revision of original estimates, if any, in profit or loss over the remaining vesting period with a corresponding adjustment to equity.

Restricted Stock Units

The Group has a share-based compensation plan under which executives are awarded RSUs. Awards under this plan vest over periods of three to five years from the date of grant. The executive must remain in the Group's employment until vesting. On vesting, the executive will receive an 'A' share in the Company. Awards granted to senior executives are also subject to performance conditions which may reduce the number of shares vesting (Performance Stock Units, or 'PSUs'). Executives are not entitled to dividends during the vesting period.

A reconciliation of the movement in the number of restricted and performance share awards granted to executives is as follows:

	Number of shares
Balance at 1 April 2021	2 121 228
Granted	1 071 882
Distributed	(340)
Lapsed	(169 554)
Balance at 31 March 2022	**3 023 216**
Granted	**1 023 428**
Distributed	**(437 180)**
Lapsed	**(171 756)**
Balance at 31 March 2023	**3 437 708**

The per unit fair values of RSU and PSU granted in April, June and October 2022 were CHF 115.66, CHF 104.61 and CHF 92.76, respectively. The significant inputs to the model were the share price of CHF 122.35, CHF 111.30 and CHF 97.22 at the grant date and dividend yield of 1.8%, 2.0% and 2.3%, respectively.

Equity-settled share option plan

Previously, the Group also had a long-term share-based compensation plan whereby executives are awarded options to acquire Richemont 'A' shares at the market price on the date of grant. Awards under the share option plan vest over periods of three to six years and have expiry dates, the date after which unexercised options lapse, of nine years from the date of grant. The executive must remain in the Group's employment until vesting. No awards have been made under this plan since the year ended 31 March 2021.

31. Share-based payments continued

Equity-settled share option plan continued

A reconciliation of the movement in the number of share option awards granted to executives is as follows:

	Weighted average exercise price in CHF per share	Number of options
Balance at 1 April 2021	82.55	8 177 176
Exercised	80.02	(2 868 999)
Lapsed	86.73	(272 206)
Balance at 31 March 2022	**83.77**	**5 035 971**
Exercised	**85.10**	**(1 615 008)**
Lapsed	**83.07**	**(84 201)**
Balance at 31 March 2023	**83.14**	**3 336 762**

Of the total options outstanding at 31 March 2023, options in respect of 1 690 224 shares (2022: 1 786 818 shares) had vested and were exercisable.

The weighted average share price at the date of exercise for options exercised during the year was CHF 121.62 (2022: CHF 117.82).

The following information applies to options outstanding at the end of each year:

	Exercise price	Number of options	Weighted average remaining contractual life
31 March 2023	**CHF 94.00**	**30 283**	**0.2 years**
	CHF 83.30	**227 501**	**1.2 years**
	CHF 56.55	**247 337**	**2.2 years**
	CHF 80.20	**460 756**	**3.2 years**
	CHF 92.00	**1 342 937**	**4.2 years**
	CHF 82.86	**453 374**	**5.3 years**
	CHF 75.84	**574 574**	**6.7 years**
31 March 2022	CHF 90.11	65 782	0.2 years
	CHF 92.00	833	0.2 years
	CHF 94.00	274 701	1.2 years
	CHF 83.30	274 709	2.2 years
	CHF 56.55	374 839	3.2 years
	CHF 80.20	924 245	4.2 years
	CHF 92.00	1 923 013	5.2 years
	CHF 82.86	578 548	6.3 years
	CHF 75.84	619 301	7.7 years

No share options were granted during the years ended 31 March 2023 and 31 March 2022.

Share-based compensation expense

The amount recognised in profit or loss before social security and taxes for equity-settled share-based compensation transactions was € 96 million (2022: € 67 million), of which € 2 million (2022: € 0 million) is included within Results from discontinued operations (note 16).

The fair value of PSU awarded to members of the Senior Executive Committee ('SEC') is fixed on the date of approval of SEC remuneration by the shareholders of the Company. The award date value in September 2021 of CHF 93.45 per PSU was revalued following the annual general meeting ('AGM') in September 2022 at CHF 101.46 per PSU. The estimated fair value of PSU awarded to members of the SEC in the year ended 31 March 2023 is based on the valuation at the award date of June 2022. Changes in the fair value of these PSU between the award date and 31 March 2023 are not significant to the Group. The final fair value will be fixed in September 2023 following approval by shareholders.

32. Cash flow from operating activities

	2023 €m	2022 €m
Depreciation of property, plant and equipment	**547**	504
Depreciation of right of use assets	**739**	697
Depreciation of investment property	**1**	3
Amortisation of other intangible assets	**186**	349
Impairment of property, plant and equipment	**1**	19
Impairment of right of use assets	**–**	36
Impairment of goodwill	**55**	–
(Profit)/loss on disposal of property, plant and equipment	**(9)**	6
Loss on disposal of intangible assets	**3**	4
Profit on disposal of investment properties	**(1)**	(24)
Profit on lease remeasurement	**(6)**	(2)
Fixed rent concessions linked to Covid-19	**(9)**	(10)
Increase in non-current provisions	**34**	24
Increase in retirement benefit obligations	**13**	23
Loss on write-down of net assets transferred to held for sale	**3 444**	–
Other non-cash items	**94**	74
Adjustments for non-cash items	**5 092**	1 703
Increase in inventories	**(986)**	(420)
Increase in trade receivables	**(151)**	(62)
Increase in other current assets	**(42)**	(138)
Increase in current liabilities	**257**	723
Increase in assets and liabilities of disposal groups held for sale	**(77)**	–
Decrease in non-current liabilities	**(39)**	(16)
Decrease in derivative financial instruments	**(129)**	(6)
Changes in working capital	**(1 167)**	81

33. Liabilities arising from financing activities

	Corporate bonds €m	Fixed and floating rate borrowings €m	Lease liabilities €m	Total €m
At 1 April 2021	5 922	15	3 517	9 454
Acquisition through business combinations	–	20	94	114
Additions to lease liabilities	–	–	536	536
Amortised interest costs	7	–	67	74
Remeasurement of lease liabilities	–	–	118	118
Exchange adjustments	–	–	112	112
Non-cash movements	7	20	927	954
Proceeds from borrowings	–	1	–	1
Repayment of borrowings	–	(16)	–	(16)
Interest element of lease payments	–	–	(64)	(64)
Capital element of lease payments	–	–	(632)	(632)
Net cash received/(paid)	–	(15)	(696)	(711)
At 31 March 2022	5 929	20	3 748	9 697
Total liabilities arising from financing activities at 31 March:				
– current	–	1	647	648
– non-current	5 929	19	3 101	9 049
At 31 March 2022	5 929	20	3 748	9 697

33. Liabilities arising from financing activities continued

	Corporate bonds €m	Fixed and floating rate borrowings €m	Lease liabilities €m	Total €m
At 1 April 2022	**5 929**	**20**	**3 748**	**9 697**
Acquisition through business combinations (note 37)	**–**	**–**	**1**	**1**
Additions to lease liabilities	**–**	**–**	**846**	**846**
Amortised interest costs	**8**	**–**	**82**	**90**
Remeasurement of lease liabilities	**–**	**–**	**168**	**168**
Reclassification to liabilities of disposal group held for sale (note 16)	**–**	**–**	**(200)**	**(200)**
Exchange adjustments	**–**	**–**	**(18)**	**(18)**
Non-cash movements	**8**	**–**	**879**	**887**
Proceeds from borrowings	**–**	**4**	**–**	**4**
Repayment of borrowings	**–**	**(6)**	**–**	**(6)**
Interest element of lease payments	**–**	**–**	**(79)**	**(79)**
Capital element of lease payments	**–**	**–**	**(665)**	**(665)**
Net cash paid	**–**	**(2)**	**(744)**	**(746)**
At 31 March 2023	**5 937**	**18**	**3 883**	**9 838**
Total liabilities arising from financing activities at 31 March:				
– current	**–**	**1**	**644**	**645**
– non-current	**5 937**	**17**	**3 239**	**9 193**
At 31 March 2023	**5 937**	**18**	**3 883**	**9 838**

34. Financial instruments: fair values and risk management

Accounting policy

The classification of financial assets depends on the underlying business model of the investment and the characteristics of its contractual cash flows. The Group classifies its financial assets as follows:

(a) Financial assets held at fair value through other comprehensive income

A financial asset is classified in this category if it is a strategic investment, meaning that it is long-term in nature and has not been undertaken with the objective of maximising short-term profits or dividends. The Group has designated certain investments in listed entities at fair value through comprehensive income. Investments are initially recognised at cost excluding transaction costs, which represents fair value. Fair value adjustments are included in other comprehensive income in the period in which they arise.

(b) Financial assets at amortised cost

This category includes non-derivative financial assets held in order to collect contractual cash flows. These primarily include trade and other receivables. Assets are initially recorded at fair value, including directly attributable transaction costs, and subsequently measured at amortised cost.

(c) Financial assets at fair value through profit or loss

All financial assets not included in one of the above-mentioned categories are classified as fair value through profit or loss. This includes investments in derivative assets, as well as investments in externally managed bond funds and money market funds. Investments are initially recognised at cost excluding transaction costs, which represents fair value. Fair value adjustments are included in profit or loss in the period in which they arise. Interest income is excluded from the calculation of the fair value gain or loss.

All financial assets are assessed for impairment at each balance sheet date.

The Group's financial liabilities are classified at amortised cost, with the exception of derivative liabilities which are classified at fair value through profit or loss.

34. Financial instruments: fair values and risk management continued

34.1. Fair value estimation

The following table shows the carrying amounts and fair values of financial assets and liabilities, including their level in the fair value hierarchy defined by IFRS.

	Carrying amount					Fair value			
31 March 2023	Fair value through profit or loss €m	Fair value through OCI (equity) €m	Assets at amortised cost €m	Liabilities at amortised cost €m	Total €m	Level 1 €m	Level 2 €m	Level 3 €m	Total €m
Financial assets measured at fair value									
Derivative financial instruments	**15**	–	–	–	**15**			**15**	**15**
Listed investments	–	**301**	–	–	**301**	**301**			**301**
Unlisted investments	**274**	–	–	–	**274**		**269**	**5**	**274**
Non-current assets measured at fair value	**289**	**301**	–	–	**590**				
Investments in externally managed funds	**6 262**	–	–	–	**6 262**	**6 262**			**6 262**
Investments in money market funds	**1 139**	–	–	–	**1 139**		**1 139**		**1 139**
Derivative financial instruments	**103**	–	–	–	**103**		**103**		**103**
Current assets measured at fair value	**7 504**	–	–	–	**7 504**				
	7 793	**301**	–	–	**8 094**				
Financial assets not measured at fair value									
Non-current loans and receivables (note 12)	–	–	**15**	–	**15**				
Non-current lease deposits (note 12)	–	–	**135**	–	**135**				
Trade and other receivables (note 14)	–	–	**1 234**	–	**1 234**				
Cash at bank and on hand	–	–	**10 936**	–	**10 936**				
	–	–	**12 320**	–	**12 320**				
Financial liabilities measured at fair value									
Derivative financial instruments	**(7)**	–	–	–	**(7)**		**(7)**		**(7)**
Financial liabilities not measured at fair value									
Borrowings (note 18)	–	–	–	**(5 955)**	**(5 955)**	**(5 178)**			**(5 178)**
Lease liabilities (note 9)	–	–	–	**(3 883)**	**(3 883)**				
Other non-current financial liabilities	–	–	–	**(83)**	**(83)**				
Trade and other payables (note 22)	–	–	–	**(2 693)**	**(2 693)**				
Bank overdrafts	–	–	–	**(5 833)**	**(5 833)**				
	(7)	–	–	**(18 447)**	**(18 447)**				

Unlisted investments held at fair value through profit or loss at 31 March 2022 includes an investment in convertible notes issued by Farfetch Limited. Non-current derivative financial instruments relate to the Farfetch China option (note 15). Listed investments held at fair value through Other Comprehensive Income relate to the Group's investment in Dufry.

34. Financial instruments: fair values and risk management continued

34.1. Fair value estimation continued

	Carrying amount					Fair value			
31 March 2022	Fair value through profit or loss €m	Fair value through OCI (equity) €m	Assets at amortised cost €m	Liabilities at amortised cost €m	Total €m	Level 1 €m	Level 2 €m	Level 3 €m	Total €m
Financial assets measured at fair value									
Derivative financial instruments	47	–	–	–	47			47	47
Listed investments	–	280	–	–	280	280			280
Unlisted investments	278	–	–	–	278		273	5	278
Non-current assets measured at fair value	325	280	–	–	605				
Investments in externally managed funds	6 449	–	–	–	6 449	6 449			6 449
Investments in money market funds	183	–	–	–	183		183		183
Derivative financial instruments	55	–	–	–	55		55		55
Current assets measured at fair value	6 687	–	–	–	6 687				
	7 012	280	–	–	7 292				
Financial assets not measured at fair value									
Non-current loans and receivables (note 12)	–	–	8	–	8				
Non-current lease deposits (note 12)	–	–	178	–	178				
Trade and other receivables (note 14)	–	–	1 168	–	1 168				
Cash at bank and on hand	–	–	9 877	–	9 877				
	–	–	11 231	–	11 231				
Financial liabilities measured at fair value									
Derivative financial instruments	(150)	–	–	–	(150)		(150)		(150)
Financial liabilities not measured at fair value									
Borrowings (note 18)	–	–	–	(5 949)	(5 949)	(5 998)			(5 998)
Lease liabilities (note 9)	–	–	–	(3 748)	(3 748)				
Other non-current financial liabilities	–	–	–	(107)	(107)				
Trade and other payables (note 22)	–	–	–	(3 100)	(3 100)				
Bank overdrafts	–	–	–	(5 309)	(5 309)				
	(150)	–	–	(18 213)	(18 213)				

The Group does not disclose the fair value for financial instruments where the carrying value is a reasonable approximation of the fair value.

Valuation techniques

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. The quoted market price for financial assets held by the Group is the current bid price. These instruments are included in Level 1 and comprise investments in externally managed funds made up of listed bonds and investments in listed equities. The fair value of the Group's corporate bonds is also based on the quoted market price.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques, maximising the use of observable market data, where available, and relying as little as possible on entity-specific estimates. If all significant inputs are observable the instrument is included as Level 2; if one or more of the significant inputs is not based on observable market data then the instrument is included as Level 3.

Specific valuation techniques used for Level 2 financial instruments include:

- currency forwards are measured based on observable spot exchange rates, the term interest rates of the respective currencies and the currency basis spread between the respective currencies; and
- the Farfetch convertible note is valued using the Black-Scholes model, with key inputs being the market price of the Farfetch share on the date of the valuation of US$ 4.91 (2022: US$ 15.12), the risk-free rate of 4.9% (2022: 2.0%) and the expected volatility of the underlying equity instrument of 70.0% (2022: 73.4%). The value of the underlying bond is determined using a Discounted Cash Flow model with a credit spread of minus 0.4% (2022: 2.1%). As the note is convertible at any time into Farfetch shares, its valuation is closely correlated to the evolution of the Farfetch share price.

The nominal value of the investments in money market funds approximates the fair value, as the maximum average life is 120 days and the maximum weighted average maturity is 60 days. These instruments are included in Level 2.

Notes to the consolidated financial statements

34. Financial instruments: fair values and risk management continued

34.1. Fair value estimation continued

Level 3 financial instruments consist of the Farfetch China option, together with various small investments in unlisted equities. Specific valuation techniques for Level 3 financial instruments include:

- the Farfetch China option is valued using the Black-Scholes model, with key inputs being the market price of Farfetch Limited shares on the date of the valuation of US$ 4.91 (2022: US$ 15.12), the risk-free rate of 3.8% (2022: 2.4%) and the expected volatility of the underlying equity instrument of 70.0% (2022: 73.4%). The strike price of the option is derived from the value of the underlying investment in Farfetch China, which is determined using a discounted cash flow model. This model includes ten years of cash flows, based on the long-term nature of the investment, and assumes sales growth of between 5% and 25% per annum and a terminal growth rate of 2.1%, with operating margins growing steadily over the period. The discount rate used in the valuation is 10.7%. As the option is convertible in the future into Farfetch Limited shares, its valuation is also closely correlated with the evolution of the Farfetch listed share price.

Movements in Level 3 financial instruments during the period are set out below:

	€m
At 1 April 2022	52
Exchange adjustments	2
Unrealised losses recognised in net finance costs	(34)
At 31 March 2023	**20**

Management performs valuations of investments as necessary for financial reporting purposes, including for Level 3 items. The Group's reporting specialists regularly present the valuation process employed and results to the Group chief finance officer and these are also presented to the Group Audit Committee in advance of publication.

The main Level 3 input used by the Group is derived and evaluated as follows:

- The fair value of the underlying investment in Farfetch China is based on recent transactions with third parties. A plus/(minus) 5% change in the fair value of this investment would lead to a (minus)/plus 3% change in the fair value of the option (€ 0 million) (2022: 3% change in the fair value of the option, or € 1 million).

34.2. Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, price risk, cash flow and fair value interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

Financial risk management is carried out by a central treasury department ('Group Treasury') under policies approved by the Board. Group Treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Board has approved formal written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, use of derivative and non-derivative financial instruments, and investing excess liquidity and related counterparty exposure (note 34.2(b)).

(a)(i) Market risk: foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Swiss franc and euro against US dollar, HK dollar, Chinese yuan, Japanese yen, UAE dirham and Singapore dollar. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

Foreign exchange risk arises when recognised assets and liabilities are denominated in a currency that is not the entity's functional currency. This arises principally from the retranslation impact of euro and USD-denominated investments in money market and managed bond funds held in an entity with a Swiss franc functional currency. Changes in foreign exchange rates also impact the repricing of derivative contracts.

The Group's financial risk management policy is to hedge up to 70% of forecast net cash flow exposure arising in currencies including US dollars, HK dollars, Chinese yuan, Japanese yen, UAE dirham and Singapore dollar for the subsequent twelve months. Group Treasury undertakes the management of the net position in each foreign currency by using external currency derivatives.

The Group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. Currency exposure arising from these net assets of the Group's foreign operations is not systematically hedged.

34. Financial instruments: fair values and risk management continued

34.2. Financial risk factors continued

The sensitivity analysis presented in the following tables shows the pre-tax increase/(decrease) in profit or loss that would result from the noted percentage change in listed exchange rates, all other factors remaining constant. There is no impact in other comprehensive income. The analysis is performed on the same basis as for 2022.

	Change in rate		Profit/(loss)	
	2023 %	2022 %	2023 €m	2022 €m
USD strengthening vs CHF	**8%**	7%	**274**	256
JPY strengthening vs CHF	**10%**	8%	**(45)**	(17)
HKD strengthening vs CHF	**8%**	7%	**(65)**	(37)
SGD strengthening vs CHF	**6%**	6%	**(45)**	(33)
CHF strengthening vs EUR	**10%**	10%	**(440)**	(90)
AED strengthening vs CHF	**8%**	8%	**(33)**	(13)
CNY strengthening vs EUR	**7%**	7%	**(66)**	(140)
CNY strengthening vs CHF	**8%**	7%	**8**	(17)

	Change in rate		Profit/(loss)	
	2023 %	2022 %	2023 €m	2022 €m
USD weakening vs CHF	**8%**	7%	**(274)**	(256)
JPY weakening vs CHF	**10%**	8%	**45**	17
HKD weakening vs CHF	**8%**	7%	**65**	37
SGD weakening vs CHF	**6%**	6%	**45**	33
CHF weakening vs EUR	**10%**	10%	**440**	90
AED weakening vs CHF	**8%**	8%	**33**	13
CNY weakening vs EUR	**7%**	7%	**66**	140
CNY weakening vs CHF	**8%**	7%	**(8)**	17

(a)(ii) Market risk: price risk

The Group is exposed to commodity price risk, marketable securities' price risk and other price risk.

- Commodity price risk

The Group is exposed to price risk related to anticipated purchases of certain commodities, namely precious metals and stones for use in its manufacturing processes. There is no financial risk as the commodities are for use as raw materials by the Group's businesses. A change in those prices may alter the gross margin of specific businesses.

- Marketable securities' price risk

The Group is exposed to marketable securities' price risk in respect of investments in AAA rated money market and externally managed funds with a weighted average rating of AA+ and its investments in listed entities. These are classified in the consolidated statement of financial position as financial assets held at fair value through profit or loss, or at fair value through other comprehensive income in the case of the Group's investment in Dufry.

The price risk associated with the investments in AAA rated money market funds and AA+ rated externally managed funds held by the Group at 31 March 2023 and 2022 is considered to be minimal, due to the high credit quality of the underlying investments. A 1% increase/(decrease) in the share price of Farfetch Ltd would have no material impact on profit for the year (2022: € 1 million). A 1% increase/(decrease) in the share price of Dufry Ltd would increase/(decrease) other comprehensive income for the year by € 3 million, respectively (2022: € 3 million).

(a)(iii) Market risk: interest rate risk

- Fair value interest rate risk

The Group is exposed to fair value interest rate risk linked to its fixed rate loan commitment (details of the Group's borrowings are presented in note 19). The risk is considered to be the difference between current levels of interest rates and the committed rates.

The Group records its fixed rate borrowings at amortised cost using the effective interest method. Therefore a change in interest rates at 31 March 2023 would not affect the profit for the year.

An increase/(decrease) in the risk-free rate used in the valuation of the Farfetch convertible note and Farfetch China option of 1% would (decrease)/increase profit for the year by € 1 million (2022: € 2 million).

- Cash flow interest rate risk

The Group is also exposed to future cash flow fluctuation risk due to changes in variable market interest rates. The cash flow risk associated with net cash is such that an (decrease)/increase of 100 basis points in interest rates at the reporting date would have impacted profit for the year by plus/(minus) € 17 million (2022: plus/(minus) € 12 million), all other variables remaining constant. The analysis is performed on the same basis as for 2022.

(b) Credit risk

The Group has no significant concentrations of credit risk. It has established credit check policies that ensure the high credit worthiness of its customers. A short-term credit rating of minimum A1/P1 is applied to cash deposits with financial counterparties. A minimum money market fund rating of AAA is applied to euro-denominated money market funds. A weighted average portfolio rating of AA+ is applied to externally managed funds.

At 31 March 2023, the Group had € 7 401 million invested in money market and externally managed funds denominated in various currencies, including euro, CHF and USD (2022: € 6 632 million) and € 10 936 million held as cash at bank (2022: € 9 877 million).

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate level of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, Group Treasury aims to maintain flexibility in funding by keeping committed credit lines available.

Local liquidity is ensured by maintaining local bank credit facilities and by funding the excess funding requirements using the Group overlay cash pool.

34. Financial instruments: fair values and risk management continued

34.2. Financial risk factors continued

The following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements. Derivative assets are excluded. Contractual maturities of lease liabilities are presented in note 9.

		Contractual cash flows				
31 March 2023	Carrying amount €m	Total €m	6 months or less €m	Between 6-12 months €m	Between 1-3 years €m	More than 3 years €m
Non-derivative financial liabilities						
Borrowings	**5 955**	**6 853**	**24**	**59**	**1 658**	**5 112**
Other non-current financial liabilities	**83**	**86**	**–**	**–**	**26**	**60**
Trade and other payables	**2 693**	**2 693**	**2 693**	**–**	**–**	**–**
Bank overdrafts	**5 833**	**5 833**	**5 833**	**–**	**–**	**–**
	14 564	**15 465**	**8 550**	**59**	**1 684**	**5 172**
Derivative financial liabilities						
Currency forwards	**7**	**1 251**	**677**	**574**	**–**	**–**
	7	**1 251**	**677**	**574**	**–**	**–**

		Contractual cash flows				
31 March 2022	Carrying amount €m	Total €m	6 months or less €m	Between 6-12 months €m	Between 1-3 years €m	More than 3 years €m
Non-derivative financial liabilities						
Borrowings	5 949	6 963	24	60	171	6 708
Other non-current financial liabilities	107	107	–	–	48	59
Trade and other payables	3 100	3 099	3 099	–	–	–
Bank overdrafts	5 309	5 309	5 309	–	–	–
	14 465	15 478	8 432	60	219	6 767
Derivative financial liabilities						
Currency forwards	150	3 268	2 209	1 059	–	–
	150	3 268	2 209	1 059	–	–

34.3. Accounting for derivative financial instruments and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value.

In previous periods, the Group was party to a EUR-denominated interest rate swap contract which was used to hedge the Group's corporate bond issue. Cash flow hedge accounting was applied to the transaction, and as a result the loss realised on this interest rate swap was deferred in equity. This loss is recycled to the income statement over the life of the related bond.

The Group does not apply hedge accounting to any of its other hedging activities.

The fair values of various derivative instruments are disclosed in note 15.

34. Financial instruments: fair values and risk management continued

34.4. Offsetting financial assets and financial liabilities

The following financial assets and liabilities are subject to offsetting, as a current legally enforceable right to set-off the recognised amounts exists and the Group intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

	Gross amount of recognised asset/ (liability) subject to set-off €m	Gross amount of set-off €m	Net amount presented €m	Related amounts not set-off €m	Total €m
At 31 March 2023					
Trade receivables	**170**	**(21)**	**149**	**–**	**149**
Cash at bank and on hand	**10 936**	**–**	**10 936**	**(5 788)**	**5 148**
Derivative assets	**103**	**–**	**103**	**(7)**	**96**
	11 209	**(21)**	**11 188**	**(5 795)**	**5 393**
Trade payables	**(207)**	**21**	**(186)**	**–**	**(186)**
Bank overdrafts	**(5 833)**	**–**	**(5 833)**	**5 788**	**(45)**
Derivative liabilities	**(7)**	**–**	**(7)**	**7**	**–**
	(6 047)	**21**	**(6 026)**	**5 795**	**(231)**

	Gross amount of recognised asset/ (liability) subject to set-off €m	Gross amount of set-off €m	Net amount presented €m	Related amounts not set-off €m	Total €m
At 31 March 2022					
Trade receivables	138	(65)	73	–	73
Cash at bank and on hand	9 877	–	9 877	(5 303)	4 574
Derivative assets	55	–	55	(34)	21
	10 070	(65)	10 005	(5 337)	4 668
Trade payables	(195)	65	(130)	–	(130)
Bank overdrafts	(5 309)	–	(5 309)	5 303	(6)
Derivative liabilities	(150)	–	(150)	34	(116)
	(5 654)	65	(5 589)	5 337	(252)

The Group is subject to a number of master netting arrangements specific to cash pooling and derivative contract arrangements. These arrangements allow for net settlement of the relevant financial assets and financial liabilities when both parties elect to settle on a net basis. In certain circumstances, such as a default event as defined in the relevant agreement, all outstanding transactions under the agreement are terminated, the termination value is assessed and only a single net amount is payable in settlement of all transactions. These agreements do not meet the criteria for offsetting in the statement of financial position. The right to set-off is legally enforceable only following certain specified events. In addition, the Group and the counterparties do not intend to settle on a net basis.

34.5. Capital risk management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business, maintaining a balance between business returns and a secure capital position. The Board monitors the return of capital to shareholders, which the Group defines as total equity excluding non-controlling interests, and the level of dividends to shareholders, as well as the net cash position of the Group. At 31 March 2023, the net cash position of the Group was € 6 549 million (2022: € 5 251 million).

There were no changes in the Group's approach during the year.

The Group is not subject to any externally imposed capital requirements.

Notes to the consolidated financial statements

35. Financial commitments and contingent liabilities

At 31 March 2023, the Group had contingent liabilities in respect of bank and other guarantees and other matters arising in the ordinary course of business from which no material losses are anticipated. Details of the Group's commitments in respect of financial derivatives are given in note 15, in respect of property, plant and equipment in note 6 and in respect of intangible assets in note 8. The Group has commitments of € 24 million with respect to its short-term leases (2022: € 24 million).

36. Related-party transactions

The Group has a number of transactions and relationships with related parties, as defined by IAS 24, *Related Party Disclosures*.

At 31 March 2023 Compagnie Financière Rupert, Bellevue, Switzerland, Geneva holds 6 263 000 'A' shares and 522 000 000 'B' registered shares representing an interest in 51% of the Company's voting rights. Parties associated with Mr Johann Rupert and Compagnie Financière Rupert held a further 2 836 664 'A' shares or 'A' share equivalents at 31 March 2023, representing 0.3% of the Company's voting rights.

Besides Compagnie Financière Rupert, the Board of Directors and the SEC ('key management'), the Group has identified the following other related parties:

- Richemont's equity-accounted investments (see note 10);
- Richemont foundations (employee and others); and
- various entities under the common control of the Rupert family's interests or which are controlled or jointly controlled by a member of key management.

The following transactions were carried out with related parties giving rise to (expense/payables) and income/receivables:

(a) Transactions and balances between the Group and its equity-accounted investments

	2023 €m	2022 €m
Goods and services bought from and other transactions with its equity-accounted investments:		
Rouages SA – purchase of watch components	**(11)**	(8)
Schwab-Feller AG – purchase of watch components	**(3)**	(3)
Kering Eyewear SpA – purchase of finished goods	**(15)**	(23)
DPS Beaune SAS – purchase of finished goods	**(19)**	(10)
Monnin SA – purchase of watch components	**(2)**	–
MDA SAS – purchase of finished goods	**(12)**	(6)
Watches & Wonders Foundation – purchase of services	**(22)**	–
Watches & Jewellery Initiative 2030 – donation	**(1)**	–
Services provided to equity-accounted investments:		
Laureus Sports for Good Foundation – donations	**–**	(1)
Goods and services sold to and other transactions with equity-accounted investments:		
Kering Eyewear SpA – royalties and sales of finished goods	**30**	29
Payables outstanding at 31 March:		
Kering Eyewear SpA – trading	**(4)**	(1)
Rouages SA – trading	**(1)**	(1)
MDA SAS – trading	**(2)**	(3)
Watches & Wonders Foundation – trading	**(12)**	–
Laureus Sport for Good Foundation – donation	**–**	(1)
Receivables outstanding at 31 March:		
Kering Eyewear SpA – trading	**7**	7
New Bond Street – loan	**1**	1
MDA SAS – trading	**3**	2
Watches & Wonders Foundation – prepayments	**5**	–

36. Related-party transactions continued

(b) Transactions and balances between the Group and entities under common control

	2023 €m	2022 €m
Services bought from and other transactions with entities under common control:		
Entities under common control of the Rupert family's interests	**(9)**	(6)
Services provided to and other transactions with entities under common control:		
Peace Parks Foundation – donation	**–**	(5)
Other entities under common control of the Rupert family's interests	**–**	–
Receivables outstanding at 31 March:		
Entities under common control of the Rupert family's interests	**–**	–
Payables outstanding at 31 March:		
Entities under common control of the Rupert family's interests	**(1)**	(6)

The Group has paid € 0.7 million (2022: € 0.7 million) during the year ended 31 March 2023 for the lease of a property owned by its post-employment benefit foundation in Switzerland, a related party.

(c) Individuals

During the year, the Group gave donations of € 0.1 million (2022: € 0.2 million) to the Fondazione Giuliano e Maria Carmen Magnoni, a charitable organisation supporting initiatives for young people in disadvantaged conditions. Mr Ruggero Magnoni, a non-executive director of the Company until 7 September 2022, is vice-chairman of the Fondazione.

Maître Jean-Blaise Eckert, a non-executive director, is a partner of the Swiss legal firm Lenz & Staehelin. During the year under review, Lenz & Staehelin received fees totalling € 0.9 million (2022: € 0.7 million) from Group companies for advice on legal and taxation matters.

During the prior year Mr Gary Saage and Mr Nikesh Arora provided consultancy services to the Group in addition to their duties as non-executive directors, receiving € 0.3 million and € 0.1 million, respectively, for the services provided. These fees are included in the individual disclosures of key management compensation as short-term employee benefits in the prior year.

Sales of finished goods to related parties amounted to less than € 1 million.

(d) Key management compensation

Key management comprises the Board of Directors of Compagnie Financière Richemont SA and the Senior Executive Committee.

	2023 €m	2022 €m
Salaries and short-term employee benefits	**11**	12
Short-term incentives	**5**	10
Long-term benefits	**1**	–
Post-employment benefits	**–**	–
Share-based compensation expense	**7**	5
Employer social security	**3**	5
	27	32

At 31 March 2023, current liabilities amounting to € 8 million were recorded in relation to amounts due to members of key management (2022: € 7 million).

36. Related-party transactions continued

(d) Key management compensation continued

Share option plan

The Group operates a long-term share-based compensation plan whereby executives are awarded options to acquire Richemont 'A' shares at the market price on the date of grant. No awards under the share option plan have been made to persons serving as non-executive directors. At 31 March 2023, 308 188 share options were held by members of key management (2022: 411 249 share options). These options will expire on or before November 2029.

Performance Share Unit plan

The Group operates a RSU plan. Awards under this plan also vest over periods of three to six years from the date of grant. On vesting, the executive will receive a share in the Company. Awards granted to senior executives are also subject to performance conditions which may reduce the number of shares vesting (Performance Share Units, or 'PSU'). Executives are not entitled to dividends during the vesting period. At 31 March 2023, 231 132 PSUs were held by members of key management (2022: 150 736 PSUs). A total of 71 482 PSUs were awarded to members of key management during the year ended 31 March 2023.

Share ownership

As at 31 March 2023, members of the Board and parties closely linked to them owned a total of 17 572 Richemont 'A' shares. Mr Johann Rupert is the General Managing Partner of Compagnie Financière Rupert, which holds 6 263 000 'A' shares and the 522 000 000 'B' registered shares in the Company. Parties associated with Mr Johann Rupert and Compagnie Financière Rupert held a further 2 836 664 'A' shares or 'A' share equivalents at 31 March 2023. The interest of individual directors and members of the SEC in Richemont 'A' shares is as follows:

	at 31 March 2023	at 31 March 2022
Board of Directors		
Clay Brendish	**2 010**	2 010
Jean-Blaise Eckert	**75**	75
Burkhart Grund	**5 000**	–
Jérôme Lambert	**1 148**	1 148
Jeff Moss	**2 400**	2 400
Guillaume Pictet	**5 535**	5 535
Maria Ramos	**1 404**	1 404
	17 572	12 572

Following the decision of the AGM on 7 September 2022 to pay dividends of CHF 2.25 per 'A' registered share and CHF 0.225 per 'B' registered share, as well as an exceptional dividend of CHF 1.00 per 'A' registered share and CHF 0.10 per 'B' registered share, dividends of CHF 197 618 694 were paid to shareholders who were members of the Board or the SEC, or parties closely linked to them, at the date the dividend was paid.

Mr Josua Malherbe, a non-executive director, does not hold any 'A' shares or 'A' share equivalents. Members of Mr Malherbe's family have acquired and currently hold 14 067 'A' share equivalents and are beneficiaries of trusts holding 201 100 'A' shares or 'A' share equivalents at 31 March 2023.

Loans to members of governing bodies

As at 31 March 2023, there were no loans or other credits outstanding to any current or former executive or non-executive directors, or members of the SEC (2022: none). The Group policy is not to extend loans to directors or members of the SEC. There were also no non-business-related loans or credits granted to relatives of any executive or non-executive director, or member of the SEC.

37. Business combinations

Accounting policy

The Group applies the acquisition method to account for business combinations. The cost of an acquisition is measured at the fair value of the assets transferred, equity instruments issued and liabilities incurred at the date of exchange, plus the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the cost of acquisition, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the profit or loss for the period.

On acquisition, non-controlling interests are measured as a percentage of the net assets of the acquiree.

Any contingent consideration is measured at fair value at the acquisition date. Subsequent changes in the fair value of the contingent consideration are recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Acquisition-related costs are expensed in the period in which they are incurred.

During the year, the Group also completed several business combinations, including the operations of external boutiques and distributors in strategic markets. The impact of these acquisitions on the financial position and performance of the Group is not significant, and as such these acquisitions are presented in aggregate below.

	Total €m
Property, plant and equipment	**4**
Intangible assets	**1**
Right of use assets	**1**
Inventories	**1**
Lease liabilities	**(1)**
Net assets acquired	**6**
Fair value of net assets acquired	**6**
Total consideration	**6**
Consideration deferred to future periods	**–**
Purchase consideration – cash paid	**6**
Payment of amounts deferred in prior periods	**43**
Cash outflow on acquisitions	**49**

Contingent consideration

During the year, payments amounting to € 43 million were made to settle obligations related to contingent consideration for business combinations in prior periods. At 31 March 2023, the Group has a remaining provision for contingent consideration of € 1 million (31 March 2022: € 41 million). The only other movements in this balance during the year were exchange rate movements and the unwinding of the discount rate.

38. Ultimate controlling party

The directors regard Compagnie Financière Rupert, Bellevue, Geneva, Switzerland to be the Group's controlling party, as 51% of the voting rights of the Company are held by that entity.

39. Principal Group companies

Details of the Group's principal subsidiary companies, determined to be those entities with external revenue of more than € 10 million equivalent or total assets of more than € 50 million equivalent, or which have a non-controlling interest, are disclosed below:

Country of incorporation	Location	Name of company	Effective interest	Share capital (currency 000's)
Subsidiary undertakings				
Australia	Sydney	Richemont Australia Pty Limited	100.0%	AUD 4 500
Belgium	Brussels	Delvaux Createur S.A.	100.0%	€ 2 250
	Brussels	DLX Holdings S.A.	100.0%	€ 166 079
Brazil	São Paulo	RLG do Brasil Varejo Ltda.	100.0%	BRL 412 015
Canada	Ottawa	Richemont Canada Inc.	100.0%	CAD 25 000
China	Shanghai	Delvaux (Shanghai) Limited	100.0%	HK$ 10 000
	Shanghai	Feng Mao Trading	51.0%	CNY 1 043 252
	Shanghai	Mishang Trading (Shanghai) Co., Ltd.	100.0%	€ 6 000
	Shanghai	Richemont Commercial Company Limited	100.0%	CNY 2 982 700
France	Paris	AZ Factory	99.9%	€ 3 000
	Paris	Azzedine Alaïa SAS	100.0%	€ 250
	Paris	Cartier et Compagnie	100.0%	€ 134 000
	Paris	Cartier Joaillerie International SAS	100.0%	€ 28 755
	Paris	Cartier Parfums	100.0%	€ 4 168
	Paris	Chloé	100.0%	€ 5 455
	Paris	Delvaux France	100.0%	€ 10
	Septmoncel	DPS Septmoncel	49.0%	€ 132
	Paris	Les Ateliers VCA	100.0%	€ 149 370
	Paris	Montblanc France	100.0%	€ 325
	Paris	Richemont Holding France	100.0%	€ 600 250
	Paris	RLG Property France SAS	100.0%	€ 141 491
	Paris	Société Cartier	100.0%	€ 30 000
	Paris	Watchfinder France	100.0%	€ 50
Germany	Glashütte	Lange Uhren GmbH	100.0%	€ 550
	Hamburg	Montblanc Deutschland GmbH	100.0%	€ 103
	Hamburg	Montblanc International GmbH	100.0%	€ 1 775
	Hamburg	Montblanc International Holding GmbH	100.0%	€ 4 099
	Hamburg	Montblanc-Simplo GmbH	100.0%	€ 1 724
	Munich	Richemont Northern Europe GmbH	100.0%	€ 13 070
Hong Kong SAR, China	Hong Kong	Delvaux Hong Kong Limited	100.0%	HK$ 1 000
	Hong Kong	Richemont Asia Pacific Limited	100.0%	HK$ 4 162 500
	Hong Kong	The Net-A-Porter Group Asia Pacific Limited	100.0%	HK$ 200 000
	Hong Kong	Yoox Asia Limited	100.0%	HK$ 1 000
India	New Delhi	Richemont India Private Limited	100.0%	INR 2 463
Italy	Milan	Buccellati Holding Italia S.p.A	100.0%	€ 22 941
	Milan	Montblanc Italia Srl	100.0%	€ 47
	Milan	PGI S.p.A.	100.0%	€ 520
	Milan	Richemont Italia S.p.A.	100.0%	€ 10 000
	Milan	YOOX NET-A-PORTER GROUP S.p.A.	100.0%	€ 1 384
Japan	Tokyo	Delvaux Japan K.K.	100.0%	JPY 85 000
	Tokyo	Richemont Japan Limited	100.0%	JPY 250 000
	Tokyo	Yoox Japan	100.0%	JPY 10 000
Jersey	St Helier	Richemont Employee Benefits Limited	100.0%	CHF –
	St Helier	Richemont Luxury Group Limited	100.0%	CHF 4 722 900
	St Helier	RLG NBS Limited	100.0%	£ 78 500
	St Helier	RLG Property Ltd.	100.0%	€ 288 979
	St Helier	RLG Real Estate Partners LP	100.0%	€ 380 484

39. Principal Group companies continued

Country of incorporation	Location	Name of company	Effective interest	Share capital (currency 000's)
Luxembourg	Luxembourg	Richemont International Holding SA	100.0%	€ 603 435
	Luxembourg	RLG Property Holdings 2 Sarl	100.0%	€ 1 041
Malaysia	Kuala Lumpur	Richemont Luxury (Malaysia) SDN BHD	100.0%	MYR 1 000
Mexico	Mexico City	Richemont de Mexico SA de CV	100.0%	MXN 597 757
Monaco	Monte Carlo	RLG Monaco	100.0%	€ 239
Netherlands	Amsterdam	Cartier Europe B.V.	100.0%	€ 203
	Amsterdam	RLG Europe BV	100.0%	€ 18
Saudi Arabia	Riyadh	Richemont Saudi Arabia LLC	75.0%	SAR 26 667
Singapore	Singapore	Richemont Luxury (Singapore) Pte Ltd.	100.0%	SGD 100 000
South Africa	Bryanston	RLG Africa (Pty) Ltd	100.0%	ZAR 4 000
South Korea	Seoul	Delvaux Korea Limited	100.0%	KRW 100 000
	Seoul	Richemont Korea Limited	100.0%	KRW 5 887 560
Spain	Madrid	Montblanc Iberia S.L.	100.0%	€ 1 000
	Madrid	Richemont Iberia S.L.	100.0%	€ 6 005
Switzerland	Villars-sur-Glâne	Richemont International SA	100.0%	CHF 1 007 500
	Villars-sur-Glâne	Richemont Suisse SA	100.0%	CHF 4 850
	Delémont	Varinor SA	100.0%	CHF 28 900
	Villars-sur-Glâne	Watchfinder Switzerland SA	100.0%	CHF 100
Thailand	Bangkok	Richemont Luxury (Thailand) Limited	100.0%	THB 529 000
Türkiye	Istanbul	Richemont Istanbul Luks Esya Dagitim AS	100.0%	TRY 373 959
United Arab Emirates	Dubai	Richemont (Dubai) FZE	100.0%	AED 9 000
	Dubai	YNAP Middle East General Trading LLC	66.6%	AED 300
United Kingdom	London	Alfred Dunhill Limited	100.0%	£ 698 315
	London	Da Vinci Holdings Limited	51.0%	CNY 89
	London	James Purdey & Sons Limited	100.0%	£ 49 403
	London	Peter Millar UK Ltd.	100.0%	£ 14 400
	London	Richemont Holdings (UK) Limited	100.0%	£ 280 672
	London	Richemont UK Limited	100.0%	£ 15 776
	London	The Net-A-Porter Group Limited	100.0%	£ 40 006
	London	Watchfinder.co.uk Limited	100.0%	£ 12
United States of America	Wilmington	Peter Millar Inc.	100.0%	US$ 122 465
	Wilmington	Richemont North America Holdings Inc.	100.0%	US$ 318 631
	Wilmington	Richemont North America Inc.	100.0%	US$ 146 015
	New York	YNAP Corporation	100.0%	US$ 45 002
	New York	Watchfinder North America Inc.	100.0%	US$ 50

Details of the Group's associates and joint ventures are provided in note 10.

Notes to the consolidated financial statements

39. Principal Group companies continued

Non-controlling interests in subsidiaries

The Group has no material non-controlling interests. The information that follows is the aggregate total for all subsidiaries with a non-controlling interest. The information is presented before elimination of intra-Group transactions and balances.

Balance sheet

	2023 €m	2022 €m
Non-current assets	**201**	367
Current assets	**296**	299
Non-current liabilities	**(26)**	(28)
Current liabilities	**(78)**	(94)
Intra-Group balances	**(156)**	267
	237	811
Carrying amount of non-controlling interests	**(60)**	(49)

Statement of comprehensive income

	2023 €m	2022 €m
Revenue	**485**	472
Profit/(loss)	**(1)**	(48)
Profit/(loss) allocated to non-controlling interests	**(12)**	5

Cash flow statement

	2023 €m	2022 €m
Cash flows from operating activities	**(15)**	11
Cash flows from investing activities	**(22)**	34
Cash flows from financing activities	**49**	(56)

40. Events after the reporting date

Dividend

An ordinary dividend of CHF 2.50 per ‘A’ share/10 ‘B’ shares and an additional special dividend of CHF 1.00 per ‘A’ share/10 ‘B’ shares are proposed for approval at the AGM of the Company, to be held on 6 September 2023. These financial statements do not reflect these dividends payable, which will be accounted for as an appropriation of retained earnings to be effected during the year ending 31 March 2024.

Report of the statutory auditor

to the General Meeting of Compagnie Financière Richemont SA

Bellevue, Switzerland

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Compagnie Financière Richemont SA and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 March 2023 and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements (pages 78 to 134) give a true and fair view of the consolidated financial position of the Group as at 31 March 2023 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and comply with Swiss law.

Basis for opinion

We conducted our audit in accordance with Swiss law, International Standards on Auditing (ISAs) and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the 'Auditor's responsibilities for the audit of the consolidated financial statements' section of our report. We are independent of the Group in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, as well as the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit approach

Overview

Overall Group materiality: EUR 120 million

We conducted a full scope audit at 31 reporting units, which resulted in a coverage of 80 % of the total revenue.

As key audit matters the following area of focus have been identified:

- Valuation of YNAP as disposal group held for sale
- Taxation
- Inventory provision

Materiality

The scope of our audit was influenced by our application of materiality. Our audit opinion aims to provide reasonable assurance that the consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall Group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the consolidated financial statements as a whole.

Overall Group materiality	EUR 120 million
Benchmark applied	Three-year average profit before tax
Rationale for the materiality benchmark applied	We chose profit before tax as the benchmark because, in our view, it is the benchmark against which the performance of the Group is most commonly measured. The three-year average reflects current market volatility. Moreover, profit before tax is a generally accepted benchmark for materiality considerations.

We agreed with the Audit Committee that we would report to them misstatements above EUR 6 million identified during our audit as well as any misstatements below that amount which, in our view, warranted reporting for qualitative reasons.

Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the consolidated financial statements. In particular, we considered where subjective judgements were made; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

Due to the nature of its business and its organization, the Group has a decentralized structure and operates in more than 30 countries over four main regions (Asia, Europe, Americas and Middle East). Local full scope audit teams based in 15 different territories audit the business transactional operations and report to us on their audit results, in response to the instructions we sent to them. We, as group auditor, then ensure quality of their work by means of planning presentations with all teams, detailed review of their audit plan and final memorandum, and closing calls with teams of all significant entities. Procedures performed at group level include analytical procedures on entities not covered by group reporting requirements to ensure that any material risk is identified and addressed. We also assess the appropriateness of Group accounting policies, assess accounting treatment of material or unusual transactions when prepared centrally and audit the consolidation, which includes the central consolidation adjustments, amongst others share based compensation, tax, equity and intercompany eliminations and business combination accounting when applicable. We finally validate the compliance of the consolidated financial statements with IFRS and Swiss law.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of YNAP as disposal group held for sale

Key audit matter	How our audit addressed the key audit matter

In August 2022 the Group entered into an agreement with Farfetch Limited (Farfetch) and Symphony Global (Alabbar) to sell its controlling shareholding in YOOX NET-A-PORTER (YNAP), at which point the Group has reclassified the assets and liabilities of YNAP as a disposal group held for sale on its balance sheet in accordance with IFRS 5 (Non-current assets held for sale and discontinued operations). Completion of anti-trust procedures is in progress as at 31 March 2023 so YNAP assets and liabilities remain presented as a disposal group held for sale.
 	
The net assets of the disposal group held for sale have been measured at the fair value less costs to sell (FVLCTS) at the reporting date at EUR 1’323 million, resulting in a charge of EUR 3’444 million.
 	
The valuation of the FVLCTS is performed in 3 tranches:
• 47.5% including a fixed amount of listed shares of Farfetch Limited, a cash element and a put and call mechanism.
• 3.2% minority stake from Alabbar in exchange for its shares in the joint venture with YNAP in the Gulf Cooperation Council region.
• 49.3% for the expected fair value of the shareholding that the Group will retain in YNAP.
 	
Management is required to make use of judgements and assumptions in the determination of the FVLCTS of YNAP as a disposal group held for sale.
 	
Refer to note 4 – Critical accounting estimates and assumptions and note 16 – Assets and disposal group held for sale and discontinued operations.
	We have tested management’s valuation of YNAP net assets as a disposal group held for sale as follows:
	• We have traced the number of Farfetch shares to be received and the cash element to the underlying contractual agreements;
	• We have reviewed, with the support of our valuation experts, the reasonableness of the model and assumptions used to value the put and call mechanism included in the fair value of the consideration to be received from Farfetch;
	• We have corroborated management’s assumptions in the determination of the fair value of the shareholding the Group will retain in YNAP, using available financial information from market participants and industry insights and:
	  - tested the mathematical accuracy of the valuation model applied by management and assessed overall appropriateness;
	  - challenged management to substantiate its key assumptions in the valuation model by comparing them to analysts’ reports of the industry and peer companies;
	  - tested, with the support of our valuation experts, the reasonableness of technical assumptions;
	• We have verified the calculation of the charge recorded in the consolidated income statement, resulting from the difference between carrying amount of YNAP as a disposal group held for sale and its FVLCTS.
	
	Based on the procedures performed, we concluded that management’s approach to measure YNAP as a disposal group held for sale was supportable.

Taxation

Key audit matter	How our audit addressed the key audit matter
The Group is subject to taxation in many jurisdictions and management makes judgements about the incidence and quantum of tax liabilities that are subject to the future outcome of assessments by the relevant tax authorities. Accordingly, the calculation of tax expense and the related liability are subject to inherent uncertainty. To make those judgements, management follows an established and structured process whereby they systematically monitor and assess tax risks existence, development and settlement in each of their jurisdictions. The Group's main tax risks are transfer pricing being outside an arm's length benchmark range and potential adverse results for ongoing tax audits. Based on this methodology, management calculated uncertain tax positions which are accounted for as current income tax liabilities (EUR 861 million as at 31 March 2023). Refer to note 4 - Critical accounting estimates and assumptions and note 11 - Taxation.	We have confirmed the Group's exposure in various countries through inquiry with local and group management, audited management's process to assess the risk of tax payments in the different jurisdictions because of potential challenges to the tax returns or positions as well as the measurement and timing of recognition of the provision when applicable. We tested transactions with transfer pricing risks and risks of an adverse tax audit result for selected entities to assess that an appropriate level of provision including related penalty and interest is recorded. With the support of our internal tax experts, we examined the documentation outlining the matters in dispute or at risk and the benchmarks relied upon for transfer pricing and used our knowledge of the tax laws and other similar taxation matters to assess the available evidence, management's judgmental processes and the provisions. Based on the procedures performed, we concluded that management's tax estimates were reasonable.

Inventory provisions

Key audit matter	How our audit addressed the key audit matter
Inventory provisions totaled EUR 844 million at 31 March 2023. The need for provisions pertaining to slow moving or identified for destruction finished goods is assessed centrally at the Maison level headquarters. Each Maison marketing and strategic functions classify their finished goods in product life cycle stages and a provision rate is determined for each stage based on both the selling out forecasts and the estimated recoverable value. Inventory provisions also include other provisions on finished goods (e.g. damage) and provisions on raw materials and work-in-progress. Each Maison has specific provision rules and computes independently their provision rates. Maison provision rules and final provision values are assessed for consistency and approved by Group management. Refer to note 4 – Critical accounting estimates and assumptions and note 13 – Inventories.	We coordinated specific tailored work and reporting for each Maison's material provisions on finished goods at the Maison headquarters. The procedures consisted of checking the Maisons' policies were correctly and consistently applied, were compliant with the Group accounting policies and the respective provision balances were correctly reflected in the accounting records via central adjustment. We also assessed the appropriateness of key assumptions, which include the recoverable value after destruction and selling out assumptions. We also tested the appropriateness of other provisions on finished goods, raw materials and work in progress by reconciling significant inputs of the calculation file to the supporting documentation and testing the mathematical accuracy. We executed additional independent analytical review procedures at consolidated level and corroborated the results with management. We assessed the principles of the inventory provision rules and concluded that these were consistent between Maisons. As a result of our procedures performed, we determined that management's conclusions with respect to the carrying value of the inventory provision were reasonable.

Other information

The Board of Directors is responsible for the other information in the annual report. The other information comprises all information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements and the compensation report of Compagnie Financière Richemont SA and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' responsibilities for the consolidated financial statements

The Board of Directors is responsible for the preparation of the consolidated financial statements, which give a true and fair view in accordance with IFRS and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law, ISAs and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Swiss law, ISAs and SA-CH, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to

the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In accordance with article 728a paragraph 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists which has been designed for the preparation of the consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

PricewaterhouseCoopers SA

Guillaume Nayet	Louise Rolland
Licensed audit expert Auditor in charge	Licensed audit expert

Genève, 11 May 2023

Compagnie Financière Richemont SA

Company financial statements

Income statement

for the year ended 31 March

	Notes	2023 CHFm	2022 CHFm
Operating income			
Dividend income		**1 733.1**	978.9
		1 733.1	978.9
Operating expense			
General expenses	*3,4*	**14.7**	16.5
		14.7	16.5
Operating profit		**1 718.4**	962.4
Non-operating income/(expense)			
Financial income	*5*	**34.9**	39.1
Financial expenses	*5*	**(1.7)**	(7.3)
		33.2	31.8
Profit before taxes		**1 751.6**	994.2
Direct taxes		**(2.9)**	(2.6)
Net profit		**1 748.7**	991.6

Company financial statements

Balance sheet

at 31 March

	Notes	2023 CHFm	2022 CHFm
Current assets			
Cash and cash equivalents		**43.7**	131.6
Other receivables		**0.3**	0.7
Taxation		**–**	0.2
Current accounts receivable from Group companies		**2 463.1**	2 475.8
		2 507.1	2 608.3
Long-term assets			
Long-term loans receivable from a Group company		**91.3**	92.1
Investments	*6*	**4 782.1**	4 782.1
		4 873.4	4 874.2
Total assets		**7 380.5**	7 482.5
Current liabilities			
Current accounts payable to Group companies		**2.1**	2.6
Taxation		**1.7**	1.5
Accounts payable and accrued expenses		**0.9**	1.3
		4.7	5.4
Shareholders' equity			
Share capital	*7*	**574.2**	574.2
Statutory legal reserve	*8*	**117.6**	117.6
Reserve for own shares	*9*	**347.2**	533.7
Retained earnings	*10*	**6 336.8**	6 251.6
		7 375.8	7 477.1
Total equity and liabilities		**7 380.5**	7 482.5

Compagnie Financière Richemont SA

Notes to the Company financial statements

at 31 March 2023

Note 1 – General

Compagnie Financière Richemont SA ('the Company') is a limited liability company (société anonyme) with registered office at 50 Chemin de la Chênaie, 1293 Bellevue, Geneva, Switzerland. The main activity of the Company is the holding of investments in the luxury goods sector. The Company employs fewer than ten full-time equivalent employees.

Basis of preparation of the financial statements

The financial statements represent the financial position of Compagnie Financière Richemont SA at 31 March 2023 and the results of its operations for the year then ended, prepared in accordance with Swiss law and the Company's Articles of Incorporation.

Note 2 – Significant accounting policies

Current accounts receivable from Group companies

Current accounts receivable from Group companies are stated at their nominal value. Impairment charges are calculated for these assets on an individual basis.

Investments

Investments in subsidiary companies are stated at cost less amounts written off for diminutions in value which are considered to be of a durable nature.

Foreign currency translation

Assets and liabilities denominated in foreign currencies are translated into Swiss francs at year-end exchange rates, with the exception of investments in subsidiaries which are translated using historical exchange rates.

Foreign currency transactions are translated using the actual exchange rates prevailing during the year. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the year-end exchange rates of assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Note 3 – General expenses

General expenses include personnel costs of CHF 3.6 million (2022: CHF 3.7 million).

Note 4 – Board and executive compensation disclosures

Details of compensation required by the Swiss Code of Obligations, art. 663 and following, can be found in note 36 to the consolidated financial statements and in the Compensation report.

Note 5 – Financial income/Financial expenses

Financial expenses include CHF 0.8 million of exchange losses incurred on loans receivable from a Group company. In 2022, financial expenses included CHF 3.6 million of exchange losses incurred on loans receivable from a Group company.

Note 6 – Investments

Company	Domicile	Purpose	% capital/voting rights	2023 CHFm	2022 CHFm
Richemont Holdings AG	Switzerland	Investment holding company	100%	**770.7**	770.7
Richemont International Holding SA	Luxembourg	Investment holding company	100%	**3 392.9**	3 392.9
Richemont International SA	Switzerland	Operating company	100%	**387.4**	387.4
Richemont Luxury Group Ltd	Jersey	Investment holding company	100%	**231.0**	231.0
Richemont Securities SA	Switzerland	Depository/issuer of Richemont South African Depository Receipts	100%	**0.1**	0.1
				4 782.1	4 782.1

In addition, a list of significant direct and indirect subsidiaries can be found in note 39 to the consolidated financial statements.

Notes to the Company financial statements continued

Note 7 – Share capital

	2023 CHFm	2022 CHFm
522 000 000 ‘A’ registered shares with a par value of CHF 1.00 each, fully paid	**522.0**	522.0
522 000 000 ‘B’ registered shares with a par value of CHF 0.10 each, fully paid	**52.2**	52.2
	574.2	574.2

Shareholder warrants

In November 2020, shareholders were granted tradeable warrants, which can either be traded or used to acquire new shares at a potentially beneficial price after three years in November 2023. Each ‘A’ shareholder received two ‘A’ warrants and each ‘B’ shareholder received two ‘B’ warrants. On the exercise date, 67 ‘A’ warrants must be exercised to acquire one ‘A’ share (67 ‘B’ warrants to acquire one ‘B’ share). The exercise price of the warrants was set at CHF 1 per warrant (being CHF 67 per newly issued share). The warrants are listed on the SIX Swiss Exchange.

Conditional capital

In connection with the warrants described above, shareholders approved the creation of a conditional capital amounting to 22 million ‘A’ shares and 22 million ‘B’ shares, which will be used to issue the corresponding number of shares upon exercise of the warrants.

Note 8 – Statutory legal reserve

The legal reserve of CHF 117.6 million (2022: CHF 117.6 million) is not available for distribution.

Note 9 – Reserve for own shares

The reserve is created in respect of Richemont ‘A’ shares purchased by Richemont Employee Benefits Limited (‘REBL’), a subsidiary company.

During the year 1 728 763 ‘A’ shares (2022: 1 780 412 ‘A’ shares) were delivered to executives under Richemont long-term incentive plans by REBL and a further 1 042 541 ‘A’ shares (2022: 11 000 ‘A’ shares) were sold to a third party following the exercise of over-the-counter call options linked to the hedging programme.

At 31 March 2023, following these transactions, REBL held 3 990 320 Richemont ‘A’ shares (2022: 6 761 624 ‘A’ shares) with a cost of CHF 347.2 million (2022: CHF 533.7 million). In terms of the reserve for own shares established in respect of purchased shares, a net amount of CHF 186.5 million has been transferred from the reserve (2022: CHF 156.1 million from the reserve) during the year.

REBL also holds warrants that were issued under the equity-based loyalty scheme described in note 7. REBL purchased no ‘A’ warrants in the open market during the year (2022: 171 000 000 ‘A’ warrants for a cost of CHF 141.9 million).

At 31 March 2023, REBL held 277 828 738 ‘A’ warrants (2022: 277 828 738 ‘A’ warrants).

Assuming market conditions are favourable, REBL will exercise the ‘A’ warrants upon expiry in November 2023, according to the terms defined in the loyalty scheme.

Note 10 – Retained earnings

	2023 CHFm	2022 CHFm
Balance at 1 April	**6 251.6**	6 237.6
Dividend paid	**(1 850.0)**	(1 133.7)
Net transfer from reserve for own shares	**186.5**	156.1
Net profit	**1 748.7**	991.6
Balance at 31 March	**6 336.8**	6 251.6

Note 11 – Commitments and contingencies

At 31 March 2023, the Company had issued guarantees in favour of Group companies for credit facilities up to a maximum of CHF 6 197.8 million (2022: CHF 6 404.5 million).

The directors believe that there are no other contingent liabilities.

Note 12 – Significant shareholders

Compagnie Financière Rupert

Compagnie Financière Rupert, a Swiss partnership limited by shares, holds 6 263 000 Richemont 'A' shares and 522 000 000 Richemont 'B' registered shares, representing 10% of the equity of the Company and controlling 51% of the Company's voting rights. Mr Johann Rupert, Chairman of Richemont, is the sole General Managing Partner of Compagnie Financière Rupert. Mr Anton Rupert, non-executive director of the Company, and Mr Ruggero Magnoni (non-executive director until 7 September 2022), are partners of Compagnie Financière Rupert.

Parties associated with Mr Johann Rupert and Compagnie Financière Rupert held a further 2 836 664 'A' shares or 'A' share equivalents at 31 March 2023.

Other significant shareholders

Richemont Securities SA, a subsidiary of the Company, acts as depository in respect of Richemont South African Depository Receipts ('DRs'), which are traded on the Johannesburg Stock Exchange operated by JSE Limited. DRs trade in the ratio of ten DRs to each Richemont 'A' share. In its capacity as depository and on behalf of the holders of DRs, Richemont Securities SA is the registered holder of one 'A' share in safe custody for every ten DRs in issue. Richemont Securities SA's interest in Richemont 'A' shares is non-beneficial in nature.

All dividends attributable to the 'A' shares held in safe custody are remitted by Richemont Securities SA individually to holders of DRs. Richemont Securities SA, as registered holder of 'A' shares, votes those shares at general meetings of shareholders of the Company. DR holders may provide Richemont Securities SA with voting instructions as to their holdings of DRs and Richemont Securities SA may only vote on behalf of those DR holders from whom it has received such instructions.

At 31 March 2023, Richemont Securities SA held 71 399 001 Richemont 'A' shares (2022: 70 431 596 shares), representing some 14% (2022: 13%) of the 'A' shares, in safe custody in respect of DRs in issue.

Note 13 – Post-balance sheet event

On 4 April 2023, the Company announced the termination of the DR programme following the obtention of the necessary regulatory approvals, as well as the approval by the DR holders through a vote organised with deadline 3 April 2023. On 19 April 2023, the Company's 'A' shares became listed on the JSE (as a secondary listing), and, on 24 April 2023, holders of DRs received, respectively, one 'A' share for 10 DRs, and one 'A' warrant for 10 warrant receipts. The conversion of the DRs had no effect on positions of the investors, nor on the accounts of the Company.

Proposal of the Board of Directors for the appropriation of retained earnings

At 31 March 2023

	CHFm
Available retained earnings	
Balance at 1 April 2022	**6 251.6**
Dividend paid	**(1 850.0)**
Net transfer from reserve for own shares	**186.5**
Net profit	**1 748.7**
Balance at 31 March 2023	**6 336.8**

Proposed appropriation

The proposed dividends payable to Richemont shareholders comprise an ordinary dividend of CHF 2.50 per Richemont share plus a special dividend of CHF 1.00 per Richemont share. This is equivalent to, respectively, CHF 2.50 and CHF 1.00 per 'A' registered share in the Company and CHF 0.25 and CHF 0.10 per 'B' registered share in the Company. It will be payable to Richemont shareholders in September 2023, free of charges but subject to Swiss withholding tax at 35%, at the banks designated as paying agents.

The available retained earnings remaining after deduction of the dividend amount will be carried forward to the following business year.

The Board of Directors
Geneva, 11 May 2023

Report of the statutory auditor

to the General Meeting of Compagnie Financière Richemont SA

Bellevue, Switzerland

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Compagnie Financière Richemont SA (the Company), which comprise income statement for the year ended 31 March 2023, the balance sheet as at 31 March 2023, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements (pages 142 to 146) as at 31 March 2023 comply with Swiss law and the Company's articles of incorporation.

Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report.

We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our audit approach

Overview

Overall materiality: CHF 37 million

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which the Company operates.

We have determined that there are no key audit matters to communicate in our report.

Materiality

The scope of our audit was influenced by our application of materiality. Our audit opinion aims to provide reasonable assurance that the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the financial statements as a whole.

• **Overall materiality**	CHF 37 million
• **How we determined it**	Total assets
• **Rationale for the materiality benchmark applied**	We chose total assets as the benchmark to determine our overall audit materiality, because, in our view, this metric is the most relevant factor when assessing a holding company which has limited operating activities, and which holds mainly investments in subsidiaries and intra-group loans.

We agreed with the Audit Committee that we would report to them misstatements above CHF 3.7 million identified during our audit as well as any misstatements below that amount which, in our view, warranted reporting for qualitative reasons.

Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we considered where subjective judgements were made; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Key audit matters

We have determined that there are no key audit matters to communicate in our report.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements, the remuneration report and our auditor's reports thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' responsibilities for the financial statements

The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the Company’s articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor’s responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Swiss law and Swiss Auditing Standards we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors’ use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In accordance with article 728a paragraph 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists which has been designed for the preparation of the financial statements according to the instructions of the Board of Directors.

We further confirm that the proposed appropriation of available earnings complies with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

PricewaterhouseCoopers SA

Guillaume Nayet	Louise Rolland
Licensed audit expert Auditor in charge	Licensed audit expert

Genève, 11 May 2023

Five-year record

Summary income statement	2019 €m	2020 €m	2021 €m	2022 re-presented* €m	2023 €m
Sales	13 989	14 238	13 144	16 748	**19 953**
Cost of sales	(5 344)	(5 627)	(5 283)	(5 572)	**(6 237)**
Gross profit	8 645	8 611	7 861	11 176	**13 716**
Net operating expenses	(6 702)	(7 093)	(6 383)	(7 423)	**(8 685)**
Operating profit	1 943	1 518	1 478	3 753	**5 031**
Net finance (costs)/income	(183)	(337)	25	(841)	**(314)**
Share of post-tax results of equity-accounted investments	1 408	17	12	31	**41**
Profit before taxation	3 168	1 198	1 515	2 943	**4 758**
Taxation	(381)	(267)	(226)	(494)	**(847)**
Profit for the year from continuing operations	2 787	931	1 289	2 449	**3 911**
Loss for the year from discontinued operations	–	–	–	(370)	**(3 610)**
Profit for the year	2 787	931	1 289	2 079	**301**
Gross profit margin	61.8%	60.5%	59.8%	66.7%	**68.7%**
Operating profit margin	13.9%	10.7%	11.2%	22.4%	**25.2%**
Sales by business area					
Jewellery Maisons	7 083	7 217	7 459	11 083	**13 427**
Specialist Watchmakers	2 980	2 859	2 247	3 435	**3 875**
Online Distributors	2 105	2 427	2 197	–	**–**
Other	1 881	1 788	1 345	2 230	**2 651**
Eliminations	(60)	(53)	(104)	–	**–**
	13 989	14 238	13 144	16 748	**19 953**
Sales by geographic region					
Europe	4 118	4 298	2 955	3 351	**4 371**
Asia Pacific	5 243	4 992	5 937	7 487	**7 937**
Americas	2 551	2 806	2 388	3 528	**4 467**
Japan	1 148	1 212	940	1 118	**1 616**
Middle East & Africa	929	930	924	1 264	**1 562**
	13 989	14 238	13 144	16 748	**19 953**
Sales by distribution channel					
Retail	7 320	7 338	7 248	11 057	**13 497**
Wholesale and royalty income	4 407	4 254	3 102	4 539	**5 162**
Online retail	2 262	2 646	2 794	1 152	**1 294**
	13 989	14 238	13 144	16 748	**19 953**
Sales by product line					
Jewellery	5 061	5 205	5 553	8 293	**10 036**
Watches	4 930	4 816	4 085	6 045	**6 983**
Leather goods	1 402	1 415	1 129	829	**963**
Writing instruments	414	383	308	415	**456**
Clothing and other	2 182	2 419	2 069	1 166	**1 515**
	13 989	14 238	13 144	16 748	**19 953**

* 2022 comparatives have been re-presented as YNAP results are presented as 'discontinued operations' and following the reclassification of Watchfinder & Co. to the 'Other' business area.

Five-year record continued

Operating results from continuing operations	2019 re-presented* €m	2020 €m	2021 re-presented** €m	2022 re-presented*** €m	2023 €m
Jewellery Maisons	2 229	2 077	2 309	3 799	**4 684**
Specialist Watchmakers	381	304	132	593	**738**
Online Distributors	(99)	(241)	(223)	–	**–**
Other	(95)	(141)	(214)	(46)	**59**
Operating contribution	2 416	1 999	2 004	4 346	**5 481**
Elimination of internal transactions	2	(2)	(6)	–	**–**
Impact of valuation adjustments on acquisition	(173)	(196)	(197)	(27)	**(23)**
Unallocated corporate costs	(302)	(283)	(323)	(566)	**(427)**
Operating profit from continuing operations	1 943	1 518	1 478	3 753	**5 031**

Free cash flow	2019	2020	2021	2022	2023
Operating profit from continuing operations	1 943	1 518	1 478	3 753	**5 031**
Operating profit/(loss) from discontinued operations	–	–	–	(363)	**(3 639)**
Depreciation, amortisation and other non-cash items	918	1 606	1 554	1 703	**5 092**
Lease-related payments	–	(660)	(626)	(696)	**(770)**
Changes in working capital	(530)	(327)	529	81	**(1 167)**
Other operating activities	1	18	(30)	(38)	**(10)**
Taxation paid	(306)	(373)	(248)	(434)	**(734)**
Net acquisition of non-current assets	(880)	(758)	(867)	(999)	**(1 009)**
Free cash flow	1 146	1 024	1 790	3 007	**2 794**

Net cash	2019	2020	2021	2022	2023
Cash at bank and on hand	5 060	4 462	7 877	9 877	**10 936**
Investments in externally managed and money market funds	4 528	4 362	5 550	6 632	**7 401**
Borrowings	(4 347)	(3 952)	(5 937)	(5 949)	**(5 955)**
Bank overdrafts	(2 713)	(2 477)	(4 097)	(5 309)	**(5 833)**
	2 528	2 395	3 393	5 251	**6 549**

Per share information (IFRS)	2019	2020	2021	2022	2023
Diluted earnings per share from continuing operations	€ 4.927	€ 1.646	€ 2.296	€ 4.237	**€ 6.778**
Headline earnings per share	€ 2.600	€ 1.742	€ 2.328	€ 3.762	**€ 6.691**

	2019	2020	2021	2022	2023
Ordinary dividend per share	CHF 2.00	CHF 1.00	CHF 2.00	CHF 2.25	**CHF 2.50**
Special dividend per share	–	–	–	CHF 1.00	**CHF 1.00**
Closing market price:					
Highest price	CHF 99.02	CHF 87.12	CHF 92.58	CHF 144.75	**CHF 149.35**
Lowest price	CHF 60.92	CHF 49.40	CHF 49.96	CHF 92.10	**CHF 90.28**

Exchange rates	2019	2020	2021	2022	2023
Average rates					
€ : CHF	1.1463	1.0962	1.0759	1.0675	**0.9937**
€ : CNY	7.7654	7.7379	7.8987	7.4599	**7.1314**
€ : JPY	128.34	120.81	123.68	130.50	**140.85**
€ : US$	1.1578	1.1112	1.1667	1.1624	**1.0414**

	2019	2020	2021	2022	2023
Switzerland	8 434	7 867	7 882	7 974	**8 706**
Rest of the world	27 206	26 861	26 878	23 310	**25 253**
Average number of employees from continuing operations	35 640	34 728	34 760	31 284	**33 959**
Average number of employees from discontinued operations	–	–	–	4 569	**4 254**

* 2019 is re-presented to show the impact of valuation adjustments on acquisition separately.

** 2021 is re-presented as costs previously included with Other have been reclassified to unallocated corporate costs.

*** 2022 comparatives have been re-presented as YNAP results are presented as 'discontinued operations' and following the reclassification of Watchfinder & Co. to the 'Other' business area.

Statutory information

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