



PRESS RELEASE

July 24, 2024

FIRST-HALF 2024 RESULTS

Group revenue: €9,018 million
down 11% as reported and on a comparable basis

Recurring operating income: €1,582 million
Net income attributable to the Group: €878 million

“In a challenging market environment, which adds pressure on our top line and profitability, we are working assiduously to create the conditions for a return to growth. Our Houses pursue their investments to enrich their offer, intensify the impact of their communications, and reinforce the exclusivity of their distribution. We make certain that every one of these investments creates value for the long term. While the current context might impact the pace of our execution, our determination and confidence are stronger than ever.”

François-Henri Pinault, Chairman and Chief Executive Officer

- **Group revenue** amounted to €9.0 billion in the **first half of 2024**, down 11% both as reported and on a comparable basis.
- **In the second quarter of 2024**, revenue totaled €4.5 billion, also down 11% as reported and on a comparable basis. The decline in revenue as reported includes a negative currency effect of 1% and a positive scope effect of 1% from the consolidation of Creed.
 - o Sales from the directly operated retail network fell by 12% on a comparable basis in the second quarter, adversely affected by lower store traffic. Trends in the various regions in the second quarter remained broadly in line with the first quarter, apart from a sequential improvement in Japan and a deceleration in Asia-Pacific.
 - o Wholesale and Other revenue fell 6% on a comparable basis, as the Group continued to enhance the exclusivity of its Houses' distribution. Kering Eyewear pursued its positive trend.
- As the Group maintains its ongoing investment in its Houses, **recurring operating income** fell 42% to €1.6 billion in the first half, in line with the guidance provided when the Group reported its first-quarter 2024 revenue. **Recurring operating margin** was 17.5%, significantly lower than in the first half of 2023, resulting from negative operational leverage. The Group prioritizes expenditures aimed at nurturing the desirability of its Houses and maintains strict control over all operating expenses.

KERING



- **Net income attributable to the Group** was €878 million in the first half of 2024.
- **Free cash flow from operations** remained high at €1.9 billion in the first half excluding real estate acquisitions, thanks to good inventory management in particular. Including the acquisition of a prestigious property on Fifth Avenue in New York City, free cash flow from operations totaled €1.1 billion.

Operating performance

Revenue <i>(in € millions)</i>	H1 2024	H1 2023	Reported change	Comparable change ⁽¹⁾
Gucci	4,085	5,128	-20%	-18%
Yves Saint Laurent	1,441	1,576	-9%	-7%
Bottega Veneta	836	833	+0%	+3%
Other Houses	1,717	1,856	-7%	-6%
Kering Eyewear and Corporate	1,067	869	+23%	+7%
<i>Eliminations</i>	<i>(128)</i>	<i>(127)</i>	<i>N/A</i>	<i>N/A</i>
KERING	9,018	10,135	-11%	-11%

(1) On a comparable scope and exchange rate basis.

Recurring operating income <i>(in € millions)</i>	H1 2024	H1 2023	Change
Gucci	1,007	1,810	-44%
Yves Saint Laurent	316	481	-34%
Bottega Veneta	121	169	-28%
Other Houses	44	224	-80%
Kering Eyewear and Corporate	101	63	+61%
<i>Eliminations</i>	<i>(7)</i>	<i>(8)</i>	<i>N/A</i>
KERING	1,582	2,739	-42%



Gucci

In the **first half of 2024**, Gucci's **revenue** was €4.1 billion, down 20% as reported and down 18% on a comparable basis. Sales from the directly operated retail network dropped 20% on a comparable basis, while wholesale revenue was down 9%.

In the **second quarter of 2024**, the House's sales were down 19% on a comparable basis, with a 20% decline in the directly operated retail network. Performances in each region were broadly in line with those of the prior quarter, including a continuing marked decrease in Asia-Pacific. Gucci's new offering, rolled out in stores in line with plans, is well received, while sales of carryovers remained lower.

Gucci's **recurring operating income** totaled €1.0 billion in the first half of 2024. **Recurring operating margin** was 24.7%, reflecting investments to pursue the House's long-term strategic initiatives.

Yves Saint Laurent

Yves Saint Laurent's **revenue in the first half of 2024** was €1.4 billion, down 9% as reported and down 7% on a comparable basis. On a comparable basis, the House's sales from its directly operated retail network were down 6% while wholesale revenue fell 25%.

In the **second quarter of 2024**, Yves Saint Laurent's sales were down 9% on a comparable basis, with an 8% decline in the directly operated retail network. Performance deteriorated in Asia-Pacific, while trends in Japan showed a sequential improvement. The House pursued initiatives targeting local customers, and its new collections were very well received. Wholesale revenue was down 25% in the second quarter.

Yves Saint Laurent's **recurring operating income** was €316 million in the first half and its **recurring operating margin** was 22.0%, as the House continues to invest in its communications and clientele initiatives.

Bottega Veneta

Bottega Veneta had a record **first half**, with **revenue** of €836 million, unchanged as reported and up 3% on a comparable basis. Sales from the directly operated retail network rose by 8% on a comparable basis, while wholesale revenue was down 19% on a comparable basis.

In the second quarter, the House's revenue was up 4% on a comparable basis. Sales in the directly operated retail network rose 7% on a comparable basis, supported by double-digit growth in Western Europe and North America and strong momentum in the Middle East. Sales in Asia-Pacific were resilient. Wholesale revenue was down 13%.

Bottega Veneta's **recurring operating income** for the first half of 2024 totaled €121 million, and its **recurring operating margin** was 14.5%, reflecting significant communications expenditure as well as highly exclusive clienteling events.



Other Houses

The Other Houses' **revenue** in the **first half of 2024** was €1.7 billion, down 7% as reported and down 6% on a comparable basis. Sales from the directly operated retail network rose 1% on a comparable basis, while wholesale was down 21%.

Second quarter 2024 sales were down 5% on a comparable basis, with contrasted performance across Houses. Sales in the directly operated retail network were stable year-on-year on a comparable basis. Jewelry Houses Boucheron and Pomellato both achieved double-digit growth. Balenciaga's sales from its directly operated retail network were unchanged on a comparable basis. Alexander McQueen continued its creative transition. Brioni posted strong revenue growth from its directly operated retail network on a comparable basis. Wholesale revenue of Other Houses was down 16%.

The Other Houses' **recurring operating income** in the **first half of 2024** amounted to €44 million, resulting in a **recurring operating margin** of 2.6%. That performance is attributable to significant reinvestment in communications at Balenciaga and the impact of the transition at Alexander McQueen, while Boucheron delivered sharply higher operating income.

Kering Eyewear and Corporate

In the first half of 2024, total revenue from the **Kering Eyewear and Corporate** segment was €1.1 billion, mainly from the activities of Kering Eyewear and Kering Beauté, the latter comprising the sales of Creed.

Kering Eyewear's **revenue** in the **first half of 2024** totaled €914 million, up 5% as reported and up 6% on a comparable basis.

In the **second quarter**, Kering Eyewear's sales rose by 3% both on a comparable basis and as reported, driven by solid progression of the brands in its portfolio.

In the **first half**, Kering Eyewear's **recurring operating income** was €196 million. **Recurring operating income** for the **segment** was €101 million, after taking into account Kering Beauté's recurring operating income along with Corporate costs (€95 million).

K E R I N G



Financial performance

In the first half of 2024, **net financial expense** amounted to €288 million.

The **effective tax rate** on recurring income was 26.9%.

Net income attributable to the Group was €878 million.

Cash flow and financial position

The Group's **free cash flow from operations** was €1.1 billion in the first half of 2024. Excluding the acquisition of a prestigious property on Fifth Avenue in New York City, free cash flow from operations totaled €1.9 billion.

At June 30, 2024, Kering's **net debt** amounted to €9.9 billion.

Outlook

To achieve its long-term vision, Kering invests in the development of its Houses, so that they continuously strengthen their desirability and the exclusivity of their distribution, strike a perfect balance between creative innovation and timelessness, and achieve the highest standards in terms of quality, sustainability, and experience for their customers. In an environment of ongoing economic and geopolitical uncertainty, Kering will continue to execute on its strategy and vision, in pursuit of two key ambitions: to maintain a trajectory of long-term profitable growth, and to confirm its status as one of the most influential groups in the Luxury industry.

Considering the uncertainties weighing on the evolution of demand from luxury consumers in the coming months following the slowdown recorded in the first half of 2024, Kering's recurring operating income in the second half of 2024 could be down by approximately 30% compared to the second half of 2023 (*).

The group prioritizes expenses and initiatives supporting the long-term development and growth of its houses, while pursuing with determination the actions required in the current situation to optimize its cost structure.

(*) Based on the scope of consolidation and exchange rates at the time of first-half 2024 reporting.

At its July 24, 2024, meeting, Kering's Board of Directors, chaired by François-Henri Pinault, approved the consolidated financial statements for the six months ended June 30, 2024, which were subject to a limited review.

KERING



WEBCAST

Kering will present its first-half 2024 results in an **audiocast**, which will be accessible [here](#) at **5.45pm (CET) on Wednesday, July 24, 2024**.

The presentation will be followed by a Q&A session for analysts and investors.

The slides (in PDF format) will be available ahead of the audiocast at www.kering.com.

A replay of the webcast will also be available at www.kering.com.

About Kering

Kering is a global Luxury group that manages the development of a collection of renowned Houses in Fashion, Leather Goods and Jewelry: Gucci, Saint Laurent, Bottega Veneta, Balenciaga, Alexander McQueen, Brioni, Boucheron, Pomellato, Dodo, Qeelin, Ginori 1735, as well as Kering Eyewear and Kering Beauté. By placing creativity at the heart of its strategy, Kering enables its Houses to set new limits in terms of their creative expression while crafting tomorrow's Luxury in a sustainable and responsible way. We capture these beliefs in our signature: Empowering Imagination. In 2023, Kering had 49,000 employees and revenue of €19.6 billion.

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APPENDICES

EXCERPT FROM THE CONSOLIDATED FINANCIAL STATEMENTS AND ADDITIONAL
INFORMATION RELATING TO THE FIRST-HALF 2024 RESULTS

SITUATION AS OF JUNE 30, 2024

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HIGHLIGHTS AND ANNOUNCEMENTS SINCE JANUARY 1, 2024

Acquisition of strategic real-estate assets in New York and Milan

January 22, 2024 – Kering announced the acquisition of a prestigious New York City property comprising luxury retail spaces across multiple floors and totaling approximately 115,000 sq. ft, or 10,700 sq. m. The building is located at 715-717 Fifth Avenue and the price paid was \$963 million (the equivalent of €885 million on the date of the announcement).

April 4, 2024 – Kering announced the acquisition of the company that owns the iconic building located at 8 Via Monte Napoleone in Milan, for a consideration of approximately €1.3 billion. This 18th-century building is located on the most prestigious corner of Milan's *Quadrilatero della Moda* fashion district. It has five floors and gross floorspace of approximately 127,000 sq. ft, or 11,800 sq. m.

These two investments form part of Kering's selective real-estate strategy aimed at securing key locations that are highly desirable for its Houses.

"Triple A" CDP score for Kering's climate commitments

February 6, 2024 – Kering is one of only 10 companies worldwide to achieve a score of AAA following the Carbon Disclosure Project's annual assessment, which covers more than 21,000 companies. Kering is the only company in its sector to earn this distinction, confirming its leadership in terms of transparency and performance as regards protecting the climate, forests and water.

Dual-tranche bond issue for a total amount of €1.75 billion

March 5, 2024 – Kering carried out a dual-tranche bond issue for a total of €1.75 billion, consisting of:

- a €1 billion tranche with an 8-year maturity and a 3.375% coupon; and
- a €750 million tranche with a 12-year maturity and a 3.625% coupon.

The issue forms part of the Group's active liquidity management and increases Kering's financial flexibility.

Creation of a tool to measure ecological impact in Asia-Pacific in partnership with the National University of Singapore

May 13, 2024 – Kering and the National University of Singapore (NUS) officially announced that they were forming a partnership as part of a research project. The aim of the project is to develop a reference framework for measuring the impact of sustainability strategies adopted by large corporations in Asia-Pacific. Over a three-year period, the project will look at those corporations' ecological transition strategies and environmental reports and prepares a baseline study. That study is intended for business leaders, investors, institutional investors and NGOs, and will be a useful resource for measuring progress made by industries in the region.

APPOINTMENTS SINCE JANUARY 1, 2024

Appointments to Kering's Executive Committee

April 2, 2024 – Kering announced the appointment of Mélanie Flouquet, Chief Strategy Officer, and Armelle Poulou, Chief Financial Officer, to the Group's Executive Committee.

June 6, 2024 – Kering announced the appointment of Laurent Claquin as its Chief Brand Officer and a member of the Executive Committee, effective July 1, 2024.

Appointments to Kering's Board of Directors

April 25, 2024 – The Annual General Meeting has approved the appointment of three new independent directors on the recommendation of the Board of Directors and its Appointments and Governance Committee: Rachel Duan, Giovanna Melandri and Dominique D'Hinnin.

Appointment of Ewa Abrams as President of Kering Americas

July 15, 2024 – Ewa Abrams, currently General Counsel of Kering Americas, has been appointed as President of Kering Americas effective August 1, 2024. She will report directly to Jean-Marc Duplaix, Deputy CEO in charge of Operations and Finance.

K E R I N G



CONSOLIDATED INCOME STATEMENT

<i>(in € millions)</i>	First half 2024	First half 2023
CONTINUING OPERATIONS		
Revenue	9,018	10,135
Cost of sales	(2,310)	(2,405)
Gross margin	6,708	7,730
Other personnel expenses	(1,547)	(1,505)
Other recurring operating income and expenses	(3,579)	(3,486)
Recurring operating income	1,582	2,739
Other non-recurring operating income and expenses	(13)	-
Operating income	1,569	2,739
Financial result	(288)	(204)
Income before tax	1,281	2,535
Income tax expense	(345)	(692)
Share in earnings (losses) of equity-accounted companies	4	3
Net income from continuing operations	940	1,846
<i>o/w attributable to the Group</i>	<i>878</i>	<i>1,785</i>
<i>o/w attributable to minority interests</i>	<i>62</i>	<i>61</i>
DISCONTINUED OPERATIONS		
Net income (loss) from discontinued operations	-	-
<i>o/w attributable to the Group</i>	-	-
<i>o/w attributable to minority interests</i>	-	-
GROUP TOTAL		
Net income of consolidated companies	940	1,846
<i>o/w attributable to the Group</i>	<i>878</i>	<i>1,785</i>
<i>o/w attributable to minority interests</i>	<i>62</i>	<i>61</i>

<i>(in € millions)</i>	First half 2024	First half 2023
Net income attributable to the Group	878	1,785
Basic earnings per share <i>(in €)</i>	7.16	14.60
Diluted earnings per share <i>(in €)</i>	7.16	14.59
Net income from continuing operations attributable to the Group	878	1,785
Basic earnings per share <i>(in €)</i>	7.16	14.60
Diluted earnings per share <i>(in €)</i>	7.16	14.59
Net income from continuing operations (excluding non-recurring items) attributable to the Group	888	1,789
Basic earnings per share <i>(in €)</i>	7.24	14.63
Diluted earnings per share <i>(in €)</i>	7.24	14.62

KERING



CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

<i>(in € millions)</i>	First half 2024	First half 2023
Net income	940	1,846
<i>o/w attributable to the Group</i>	<i>878</i>	<i>1,785</i>
<i>o/w attributable to minority interests</i>	<i>62</i>	<i>61</i>
Change in currency translation adjustments relating to consolidated Subsidiaries	11	(95)
<i>change in currency translation adjustments</i>	<i>11</i>	<i>(95)</i>
<i>amounts transferred to the income statement</i>	<i>-</i>	<i>-</i>
Change in foreign currency cash flow hedges	(63)	119
<i>change in fair value</i>	<i>(16)</i>	<i>204</i>
<i>amounts transferred to the income statement</i>	<i>(52)</i>	<i>(79)</i>
<i>tax effects</i>	<i>5</i>	<i>(6)</i>
Change in other comprehensive income (loss) of equity-accounted Companies	-	-
<i>change in fair value</i>	<i>-</i>	<i>-</i>
<i>amounts transferred to the income statement</i>	<i>-</i>	<i>-</i>
Gains and losses recognized in equity, to be transferred to the income statement	(52)	24
Change in provisions for pensions and other post-employment benefits	(6)	(2)
<i>change in actuarial gains and losses</i>	<i>(8)</i>	<i>(2)</i>
<i>tax effects</i>	<i>2</i>	<i>-</i>
Change in financial assets measured at fair value	15	16
<i>change in fair value</i>	<i>13</i>	<i>22</i>
<i>tax effects</i>	<i>2</i>	<i>(6)</i>
Gains and losses recognized in equity, not to be transferred to the income Statement	9	14
Total gains and losses recognized in equity	(43)	38
<i>o/w attributable to the Group</i>	<i>(44)</i>	<i>40</i>
<i>o/w attributable to minority interests</i>	<i>1</i>	<i>(2)</i>
COMPREHENSIVE INCOME	897	1,884
<i>o/w attributable to the Group</i>	<i>834</i>	<i>1,825</i>
<i>o/w attributable to minority interests</i>	<i>63</i>	<i>59</i>



CONSOLIDATED BALANCE SHEET

Assets

<i>(in € millions)</i>	June 30, 2024	Dec. 31, 2023
Goodwill	7,090	7,112
Brands and other intangible assets	8,185	8,178
Lease right-of-use assets	5,098	4,984
Property plant and equipment	6,314	5,341
Investments in equity-accounted companies	1,775	1,750
Non-current financial assets	483	536
Deferred tax assets	1,507	1,520
Other non-current assets	35	16
Non current assets	30,487	29,437
Inventories	4,346	4,550
Trade receivables and accrued income	1,155	1,151
Current tax receivables	762	765
Current financial assets	64	136
Other current assets	1,404	1,406
Cash and cash equivalents	3,934	3,922
Current assets	11,665	11,930
Assets held for sale	-	-
TOTAL ASSETS	42,152	41,367

Equity and liabilities

<i>(in € millions)</i>	June 30, 2024	Dec. 31, 2023
Equity attributable to the Group	14,901	15,212
Equity attributable to the minority interests	849	798
Equity	15,750	16,010
Non-current borrowings	11,018	10,026
Non-current lease liabilities	4,593	4,511
Non-current financial liabilities	7	13
Non-current provisions for pensions and other post-employment benefits	78	68
Non-current provisions	27	21
Deferred tax liabilities	1,793	1,776
Other non-current liabilities	433	311
Non current liabilities	17,949	16,726
Current borrowings	2,838	2,400
Current lease liabilities	914	884
Current financial liabilities	58	588
Trade payables and accrued expenses	2,132	2,200
Current provisions for pensions and other post-employment benefits	13	12
Current provisions	135	163
Current tax liabilities	743	536
Other current liabilities	1,620	1,848
Current liabilities	8,453	8,631
Liabilities associated with assets held for sale	-	-
TOTAL EQUITY AND LIABILITIES	42,152	41,367



CONSOLIDATED STATEMENT OF CASH FLOWS

<i>(in € millions)</i>	First half 2024	First half 2023
Net income from continuing operations	940	1,846
Net recurring charges to depreciation, amortization and provision on non-current operating assets	1,013	878
Other non-cash (income) expenses	10	(139)
Cash flow received from operating activities	1,963	2,585
Interest paid (received)	229	173
Dividends received	(2)	(7)
Current tax expense	312	684
Cash flow received from operating activities before tax dividends and interests	2,502	3,435
Change in working capital requirement	44	(419)
Income tax paid	(100)	(419)
Net cash received from operating activities	2,446	2,597
Acquisitions of property, plant and equipment and intangible assets	(1,391)	(1,891)
Disposals of property, plant and equipment and intangible assets	-	117
Acquisitions of subsidiaries and associates, net of cash acquired	(23)	(55)
Disposals of subsidiaries and associates, net of cash transferred	-	-
Acquisitions of other financial assets	(35)	(24)
Disposals of other financial assets	97	96
Interest and dividends received	30	14
Net cash received from (used in) investing activities	(1,322)	(1,743)
Increase (decrease) in share capital and other transactions	-	-
Dividends paid to shareholders of Kering SA	(1,716)	(1,712)
Dividends paid to minority interests in consolidated subsidiaries	(6)	(12)
Transactions with minority interests	(3)	(26)
(Acquisitions) disposals of Kering treasury shares	3	(7)
Issuance of bonds and bank debt	1,750	1,508
Redemption of bonds and bank debt	(512)	(658)
Issuance (redemption) of other borrowings	153	(408)
Repayment of lease liabilities	(530)	(419)
Interest paid and equivalent	(254)	(178)
Net cash received from (used in) from financing activities	(1,116)	(1,912)
Net cash received from (used in) discontinued operations	-	-
Impact of exchange rate variations on cash and cash equivalents	37	14
Net increase (decrease) in cash and cash equivalents	46	(1,044)
Cash and cash equivalents at opening	3,650	4,094
Cash and cash equivalents at closing	3,696	3,050



REVENUE FOR THE FIRST AND SECOND QUARTERS

(in € millions)

	H1 2024	H1 2023	Reported change	Comparable change ⁽¹⁾	Q2 2024	Q2 2023	Reported change	Comparable change ⁽¹⁾	Q1 2024	Q1 2023	Reported change	Comparable change ⁽¹⁾
Gucci	4,085	5,128	-20%	-18%	2,006	2,512	-20%	-19%	2,079	2,616	-21%	-18%
Yves Saint Laurent	1,441	1,576	-9%	-7%	701	770	-9%	-9%	740	806	-8%	-6%
Bottega Veneta	836	833	+0%	+3%	448	438	+2%	+4%	388	395	-2%	+2%
Other Houses	1,717	1,856	-7%	-6%	893	966	-8%	-5%	824	890	-7%	-6%
Kering Eyewear and Corporate	1,067	869	+23%	+7%	531	436	+22%	+5%	536	433	+24%	+9%
<i>Eliminations</i>	<i>(128)</i>	<i>(127)</i>	-	-	<i>(65)</i>	<i>(64)</i>	-	-	<i>(63)</i>	<i>(63)</i>	-	-
KERING	9,018	10,135	-11%	-11%	4,514	5,058	-11%	-11%	4,504	5,077	-11%	-10%

⁽¹⁾ Change on a comparable scope and exchange rate basis.



MAIN DEFINITIONS

“Reported” and “comparable” growth

The Group’s “reported” growth corresponds to the change in reported revenue (previously referred to as “actual” growth) between two periods.

The Group measures “comparable” growth (also referred to as “organic” growth) in its business by comparing revenue between two periods at constant scope and exchange rates.

Changes in scope are dealt with as follows for the periods concerned:

- the portion of revenue relating to acquired entities is excluded from the current period;
- the portion relating to entities divested or in the process of being divested is excluded from the previous period.

Currency effects are calculated by applying the average exchange rates for the current period to amounts in the previous period.

Recurring operating income

The Group’s operating income includes all revenues and expenses directly related to its activities, whether these revenues and expenses are recurring or arise from non-recurring decisions or transactions.

Other non-recurring operating income and expenses consist of items that, by their nature, amount or frequency, could distort the assessment of the Group’s operating performance as reflected in its recurring operating income. They include changes in scope, the impairment of goodwill and brands and, where material, of property, plant and equipment and intangible assets, capital gains and losses on disposals of non-current assets, restructuring costs and disputes.

“Recurring operating income” is therefore an alternative performance indicator for the Group, defined as the difference between operating income and other non-recurring operating income and expenses. This indicator is intended to facilitate understanding of the operating performance of the Group and its Houses and can therefore be used as a way to estimate recurring performance. It is presented in a manner that is consistent and stable over the long term in order to ensure the continuity and relevance of financial information.

EBITDA

The Group uses EBITDA as an alternative performance indicator to monitor its operating performance. This financial indicator corresponds to recurring operating income plus net charges to depreciation, amortization and provisions on non-current operating assets recognized in recurring operating income.

Free cash flow from operations, available cash flow from operations and available cash flow

The Group uses an intermediate line item, “Free cash flow from operations”, to monitor its financial performance. This financial indicator measures net operating cash flow less net operating investments (defined as acquisitions and disposals of property, plant and equipment and intangible assets).

The Group has also defined a new indicator, “Available cash flow from operations”, in order to take into account capitalized fixed lease payments (repayments of principal and interest) pursuant to IFRS 16, and thereby reflect all of its operating cash flows.

“Available cash flow” therefore corresponds to available cash flow from operations plus interest and dividends received, less interest paid and equivalent (excluding leases).

Net debt

Net debt is one of the Group’s main financial indicators, and is defined as borrowings less cash and cash equivalents. Lease liabilities are not included in the calculation of this indicator. Borrowings include put options granted to minority interests. The cost of net debt corresponds to all financial income and expenses associated with these items, including the impact of derivative instruments used to hedge the fair value of borrowings.

Effective tax rate on recurring income

The effective tax rate on recurring income corresponds to the effective tax rate excluding tax effects relating to other non-recurring operating income and expenses.