

**PRESS RELEASE**

2021 First-half results

July 27, 2021

**VERY STRONG GROWTH IN SALES
REVENUE UP MATERIALLY ON FIRST HALF 2019
SHARP REBOUND IN INCOME, MARGINS AND CASH FLOW**

Consolidated revenue: €8,047.2 million
up 49.6% as reported and 54.1% on a comparable basis
Recurring operating income: €2,237.0 million, up 134.9%
Recurring operating margin: 27.8%
Net income attributable to the Group: €1,479.0 million
Recurring net income attributable to the Group¹: €1,477.4 million

“Kering delivered excellent performances in the first half and resumed its trajectory of strong, profitable growth. All our Houses contributed to a sharp rebound in total revenue, which comfortably exceeded its 2019 level, with a remarkable acceleration in the second quarter. While returning to substantial profitability and leveraging the desirability of our brands, we are stepping up the pace of our investments in our Houses and strategic initiatives, notably to enhance the exclusivity and control of our distribution. Our teams are demonstrating their agility in this fast-moving environment, and we have the right assets, resources and strategy to successfully pursue our journey.”

François-Henri Pinault, Chairman & CEO

- Consolidated revenue rebounded sharply in the first half of 2021, up 54.1% from the first half of 2020 and 8.4% higher than in the same period of 2019, on a comparable basis.
 - o In the second quarter of 2021, comparable revenue growth continued to accelerate, up 95.0% year on year and 11.2% versus the second quarter of 2019.
 - o In retail (including e-commerce), second-quarter comparable sales surged 97.9%, driven by North America (up 263%) and Asia-Pacific (up 53%).
- Recurring operating income was 2.3 times higher than in the first half of 2020, nearing the level achieved in the first half of 2019. The recurring operating margin rose by more than 10 points to 27.8%, fueled by the performance recovery at all Group Houses.
- Free cash flow from operations reached a record level of €2,353.9 million.

¹ Recurring net income attributable to the Group: net income from continuing operations attributable to the Group, excluding non-recurring items.

KERING



Key financial indicators

(in € millions)

| | H1 2021 | H1 2020 | Change |
|---|--------------------------------|--------------------------------|------------------------------------|
| Revenue | 8,047.2 | 5,378.3 | +49.6% |
| Recurring operating income <i>as a % of revenue</i> | 2,237.0 <i>27.8%</i> | 952.4 <i>17.7%</i> | +134.9% <i>+10.1 pts</i> |
| EBITDA <i>as a % of revenue</i> | 2,950.9 <i>36.7%</i> | 1,675.0 <i>31.1%</i> | +76.2% <i>+5.6 pts</i> |
| Net income attributable to the Group | 1,479.0 | 272.6 | +442.6% |
| Recurring net income attributable to the Group | 1,477.4 | 569.3 | +159.5% |

Operating performance

Revenue
(in € millions)

| | H1 2021 | H1 2020 | Reported change | Comparable change ⁽¹⁾ |
|----------------------------|----------------|----------------|-----------------|----------------------------------|
| Total Houses | 7,708.0 | 5,175.5 | +48.9% | +53.3% |
| Gucci | 4,479.3 | 3,072.2 | +45.8% | +50.3% |
| Yves Saint Laurent | 1,045.5 | 681.1 | +53.5% | +58.2% |
| Bottega Veneta | 707.6 | 503.1 | +40.6% | +45.0% |
| Other Houses | 1,475.6 | 919.1 | +60.5% | +64.5% |
| Corporate and other | 339.2 | 202.8 | +67.3% | +72.7% |
| KERING | 8,047.2 | 5,378.3 | +49.6% | +54.1% |

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

Recurring operating income
(in € millions)

| | H1 2021 | H1 2020 | Change (in €m) | Change (%) |
|----------------------------|----------------|----------------|----------------|----------------|
| Total Houses | 2,296.3 | 1,063.0 | 1,233.3 | +116.0% |
| Gucci | 1,694.2 | 929.0 | 765.2 | +82.4% |
| Yves Saint Laurent | 275.1 | 102.1 | 173.0 | +169.4% |
| Bottega Veneta | 129.7 | 43.6 | 86.1 | +197.5% |
| Other Houses | 197.3 | (11.7) | 209.0 | -- |
| Corporate and other | (59.3) | (110.6) | 51.3 | +46.4% |
| KERING | 2,237.0 | 952.4 | 1,284.6 | +134.9% |



All Houses contributed to the Group's strong performance

Total revenue of Kering's Houses in the first half of 2021 amounted to €7,708.0 million, up 48.9% as reported and 53.3% on a comparable basis. Growth versus the first half of 2019 was particularly impressive, with comparable revenue up 7.7% and a marked acceleration in the second quarter, up 10.5%.

Sales generated in directly operated stores – which accounted for around 80% of the Houses' total sales in the first half of 2021 – were driven by the excellent momentum in North America and the Asia-Pacific region. Overall, comparable sales from the directly operated store network, including e-commerce, were 60.1% higher than in the first half of 2020 and up 11.2% from the first six months of 2019, even though an average of 17% and 13% of the store network remained closed during the first quarter and second quarter of 2021, respectively. The Houses' outstanding online momentum continued, with e-commerce revenue up 78.5% year on year. E-commerce represented 14% of total retail sales in the first six months of 2021.

In the first half, wholesale revenue increased 29.8% year on year on a comparable basis. Comparable sales generated by this channel were down 4.0% in the past two years, reflecting the Houses' strategy of streamlining their wholesale networks.

The Houses' **recurring operating income** totaled €2,296.3 million in the first half of 2021. **Recurring operating margin** was 29.8%, up 9.3 points year on year, as the Houses pursue major investment programs to further reinforce their growth potential.

Gucci: growth momentum for the long term

Gucci posted **first-half 2021 revenue** of €4,479.3 million (up 45.8% as reported and 50.3% on a comparable basis), returning to its pre-pandemic level. Sales generated in directly operated stores – accounting for 91% of the House's total revenue – were up 59.0% and 6.3% from the first six months of 2020 and 2019, respectively. The House continued to strengthen its positions with local customers.

In line with Gucci's strategy to transform its distribution, implemented since early 2020, wholesale revenue was down 9.6%, and down 40.8% compared with 2019.

Gucci's sales growth accelerated significantly in the **second quarter of 2021**, with an increase of 86.1% on a comparable basis. Sales generated in directly operated stores rose 93.0% in the second quarter, representing an increase of 10.7% compared with the second quarter of 2019.

Gucci's **recurring operating income** in the first six months of 2021 totaled €1,694.2 million. **Recurring operating margin** was 37.8%, as the House pursues its investments to broaden its brand influence, notably during this centenary year, and to further deploy its omnichannel clienteling activities.

Yves Saint Laurent: sharp rebound in sales and profitability

Yves Saint Laurent's **sales** amounted to €1,045.5 million in the **first half of 2021**, up 53.5% as reported and 58.2% on a comparable basis. Revenue from directly operated stores rose 74.9% year on year and was up 17.3% against 2019. Sales bounced back in all geographic regions, and particularly North America and Asia-Pacific, reflecting the ongoing success of both the House's iconic lines and its new collections.



Wholesale revenue rose 25.4% during the period.

The House delivered an excellent performance in the **second quarter**, with revenue up 118.5% on a comparable basis. In the directly operated store network, sales were up 26.1% compared to the same period of 2019.

Recurring operating income totaled €275.1 million. Yves Saint Laurent continued to invest in its geographic expansion during the period while raising its **recurring operating margin** to 26.3%, which exceeded its pre-COVID level.

Bottega Veneta: very healthy growth across all distribution channels

Bottega Veneta generated **revenue** of €707.6 million in the **first half of 2021**, up 40.6% year on year as reported and 45.0% on a comparable basis. Sales in directly operated stores rose 45.2% compared with the first half of 2020 and 19.2% versus the same period of 2019, driven by very robust growth in North America in particular.

Wholesale revenue rose 44.6% year on year, as the House gains market share in its highly exclusive network of third-party retailers.

Bottega Veneta's revenue in the **second quarter** of 2021 totaled a record €379.4 million, up 69.0%.

The House's **recurring operating income** exceeded its first-half 2019 level and its **recurring operating margin** stood at 18.3%.

Other Houses: an excellent performance across the board

Revenue from the Group's Other Houses rebounded sharply in the **first half of 2021**, at €1,475.6 million, up 60.5% as reported and 64.5% on a comparable basis. Comparable revenue in the first half of 2021 was 22.7% higher than in the first six months of 2019. Sales growth was very robust for all of the Other Houses' distribution channels, reaching 63.1% for directly operated stores and 66.8% for the wholesale network.

Balenciaga and Alexander McQueen once again delivered outstanding performances, as did the Jewelry Houses. The Watchmaking brands and Brioni registered very encouraging rebounds.

Revenue growth of the Other Houses accelerated sharply in the **second quarter**, with sales up 111.3% on a comparable basis.

The Other Houses delivered **recurring operating income** of €197.3 million, up sharply year on year, and their **recurring operating margin** amounted to 13.4%, a 2.1-point improvement compared to the first half of 2019.

Corporate and other

Revenue of the Corporate and other segment increased 67.3% as reported and 72.7% on a comparable basis in the first half of 2021, fueled by the strong momentum of Kering Eyewear (up 61.8% on a comparable basis).

Kering Eyewear's contribution to first-half consolidated revenue totaled €326.4 million (after elimination of intra-group sales and royalties paid to the Houses).

Net operating costs recorded by the Corporate and other segment totaled €59.3 million in the first half of 2021, a €51.3 million improvement compared to the first six months of 2020, thanks to sharply higher operating income at Kering Eyewear and tight control over corporate costs.



Financial performance

Financial result was €125.6 million negative, down 13.3% from €144.9 million last year. This total includes the cost of net debt, which amounted to €21.7 million, 27.7% lower than in the same period of 2020.

The **effective tax rate** in the first half of 2021 was 28.4% and its effective tax rate on recurring income was 28.2%.

Cash flow and financial position

The Group's **free cash flow from operations** rose 316.2% year on year in the first half of 2021 to a record €2,353.9 million.

Kering's financial structure at June 30, 2021 was very solid and its **net debt** was considerably reduced from the year-earlier level:

| <i>(in € millions)</i> | June 30, 2021 | Dec. 31, 2020 | Change |
|-------------------------|--------------------------|--------------------------|---------------|
| Capital employed | 13,385.7 | 14,183.7 | -5.6% |
| o/w Total equity | 12,766.5 | 12,035.0 | +6.1% |
| o/w Net debt | 619.2 | 2,148.7 | -71.2% |

Outlook

Though it remains highly dependent on developments in the health situation and associated restrictions across countries and regions, the luxury market has posted a significant rebound since the beginning of the year.

A key player in this market, Kering is perfectly positioned to fully benefit from the upturn, having successfully safeguarded its profitability while maintaining the expenditure and investments required to strengthen its Houses and ensure their potential to bounce back. Kering pursues the steadfast implementation of its strategy and will continue to steer and allocate its resources towards supporting its operating performance, maintain high cash flow generation, and optimize return on capital employed.

Thanks to its robust operational and organizational model, along with its solid financial position, Kering remains confident in its growth potential for the medium and long term.

At its meeting of July 27, 2021, Kering's Board of Directors, under the chairmanship of François-Henri Pinault, approved the consolidated financial statements for the first half of 2021, which were subject to limited review procedures.

K E R I N G



AUDIOCAST

An **audiocast** for analysts and investors will be held at **5:45pm** (CEST) on **Tuesday, July 27, 2021**. It may be accessed [here](#).

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

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

The 2021 First-Half Report will be available at www.kering.com.

About Kering

A global Luxury group, Kering manages the development of a series of renowned Houses in Fashion, Leather Goods, Jewelry and Watches: Gucci, Saint Laurent, Bottega Veneta, Balenciaga, Alexander McQueen, Brioni, Boucheron, Pomellato, DoDo, Qeelin, Ulysse Nardin, Girard-Perregaux, as well as Kering Eyewear. By placing creativity at the heart of its strategy, Kering enables its Houses to set new limits in terms of their creative expression while crafting tomorrow's Luxury in a sustainable and responsible way. We capture these beliefs in our signature: "Empowering Imagination". In 2020, Kering had over 38,000 employees and revenue of €13.1 billion.

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APPENDICES

EXTRACT FROM THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS AND
ADDITIONAL INFORMATION FOR THE SIX MONTHS ENDED JUNE 30, 2021

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HIGHLIGHTS AND ANNOUNCEMENTS SINCE JANUARY 1, 2021

Kering and Conservation International launch the Regenerative Fund for Nature

January 28, 2021 – Kering and Conservation International launched the Regenerative Fund for Nature to transform one million hectares of farms and landscapes producing raw materials in fashion's supply chains to regenerative agriculture over the next five years. As an important step in achieving Kering's commitment to have a net positive impact on biodiversity by 2025, the one million hectares under the new Fund is on top of Kering's goal to protect an additional one million hectares of critical, "irreplaceable" habitat outside of its direct supply chain, entailing the transformation of two million hectares in total.

Kering invests in Vestiaire Collective

March 1, 2021 – Vestiaire Collective announced a new €178 million financing round backed by Kering and Tiger Global Management to accelerate its growth in the second-hand market and drive change for a more sustainable fashion industry. By investing in Vestiaire Collective (approximately 5% stake) and by being represented on the platform's Board of Directors, Kering is illustrating its pioneering strategy, supporting innovative business models, embracing new market trends and exploring new services to fashion and luxury customers.

Kering enhances its global logistics capabilities with a new hub in Northern Italy

April 8, 2021 – Kering announced the completion of the first phase of its new global logistics hub in Trecate, in the Piemonte region of Northern Italy. The first part of the building has been operating since March 2020, and the second part (over 100,000 sq.m) is scheduled to become operational by the end of the third quarter of 2021. Built in record time, the Group's new global logistics hub covers more than 162,000 sq.m and combines state-of-the-art technology and automation, scalability, innovative sustainability and features for the well-being of employees. The hub will meet the demand from the Houses' regional warehouses, retail stores, wholesalers and e-commerce worldwide.

Ginevra Elkann leaves Kering's Board of Directors

April 27, 2021 – As a result of her changing roles within Exor, of which she is also a board member, and in order to avoid any potential conflict of interests, Ginevra Elkann resigned from her position as a member of Kering's Board of Directors, as of April 27, 2021. Her resignation was duly noted by the Board.

Kering successfully completes the sale of 5.9% of Puma's share capital

May 27, 2021 – Kering announced the completion of the sale following an accelerated bookbuilding process, to qualified investors only, of approximately 5.9% of the share capital of Puma SE for a total amount of approximately €805 million, corresponding to a sale price of €90.3 per Puma share. Following this transaction, Kering has a remaining stake of c. 4.0% of Puma's share capital. The net proceeds of the transaction were used for Kering's general corporate purposes and have further strengthened its financial structure.

Kering Eyewear acquires the Danish luxury eyewear brand Lindberg

July 8, 2021 – Kering Eyewear and the Lindberg family signed an agreement for Kering Eyewear to acquire 100% of the share capital of Lindberg. This acquisition is an important milestone in the successful expansion of Kering Eyewear and fits perfectly with its development strategy. This acquisition will further reinforce Kering Eyewear as the most relevant player in the luxury eyewear market segment, adding to its portfolio a complementary and proprietary brand with strong legitimacy, undisputed know-how and best-in-class customer service in optical frames.

KERING



CONSOLIDATED INCOME STATEMENT

| <i>(in € millions)</i> | First half 2021 | First half 2020 |
|--|----------------------------|----------------------------|
| CONTINUING OPERATIONS | | |
| Revenue | 8,047.2 | 5,378.3 |
| Cost of sales | (2,104.6) | (1,474.8) |
| Gross margin | 5,942.6 | 3,903.5 |
| Personnel expenses | (1,162.5) | (1,026.7) |
| Other recurring operating income and expenses | (2,543.1) | (1,924.4) |
| Recurring operating income | 2,237.0 | 952.4 |
| Other non-recurring operating income and expenses | (17.3) | (319.6) |
| Operating income | 2,219.7 | 632.8 |
| Financial result | (125.6) | (144.9) |
| Income before tax | 2,094.1 | 487.9 |
| Income tax expense | (594.6) | (193.7) |
| Share in earnings (losses) of equity-accounted companies | 0.9 | (7.8) |
| Net income from continuing operations | 1,500.4 | 286.4 |
| <i>o/w attributable to the Group</i> | 1,461.9 | 283.8 |
| <i>o/w attributable to minority interests</i> | 38.5 | 2.6 |
| DISCONTINUED OPERATIONS | | |
| Net income (loss) from discontinued operations | 17.1 | (11.2) |
| <i>o/w attributable to the Group</i> | 17.1 | (11.2) |
| <i>o/w attributable to minority interests</i> | - | - |
| TOTAL GROUP | | |
| Net income of consolidated companies | 1,517.5 | 275.2 |
| <i>o/w attributable to the Group</i> | 1,479.0 | 272.6 |
| <i>o/w attributable to minority interests</i> | 38.5 | 2.6 |

| <i>(in € millions)</i> | First half 2021 | First half 2020 |
|--|----------------------------|----------------------------|
| Net income attributable to the Group | 1,479.0 | 272.6 |
| Basic earnings per share <i>(in €)</i> | 11.85 | 2.18 |
| Diluted earnings per share <i>(in €)</i> | 11.85 | 2.18 |
| Net income from continuing operations attributable to the Group | 1,461.9 | 283.8 |
| Basic earnings per share <i>(in €)</i> | 11.71 | 2.27 |
| Diluted earnings per share <i>(in €)</i> | 11.71 | 2.27 |
| Net income from continuing operations (excluding non-recurring items) attributable to the Group | 1,477.4 | 569.3 |
| Basic earnings per share <i>(in €)</i> | 11.84 | 4.55 |
| Diluted earnings per share <i>(in €)</i> | 11.84 | 4.55 |

KERING



CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| <i>(in € millions)</i> | First half 2021 | First half 2020 |
|--|----------------------------|----------------------------|
| Net income | 1,517.5 | 275.2 |
| <i>o/w attributable to the Group</i> | 1,479.0 | 272.6 |
| <i>o/w attributable to minority interests</i> | 38.5 | 2.6 |
| Change in currency translation adjustments relating to consolidated subsidiaries: | 87.2 | (31.3) |
| <i>change in currency translation adjustments</i> | 87.2 | (31.3) |
| <i>amounts transferred to the income statement</i> | - | - |
| Change in foreign currency cash flow hedges: | (115.7) | 67.9 |
| <i>change in fair value</i> | (66.0) | 59.1 |
| <i>amounts transferred to the income statement</i> | (55.9) | 12.1 |
| <i>tax effects</i> | 6.2 | (3.3) |
| Change in other comprehensive income (loss) of equity-accounted companies: | - | 2.1 |
| <i>change in fair value</i> | - | 2.1 |
| <i>amounts transferred to the income statement</i> | - | - |
| Gains and losses recognized in equity, to be transferred to the incomestatement | (28.5) | 38.7 |
| Change in provisions for pensions and other post-employment benefits: | 7.6 | 6.0 |
| <i>change in actuarial gains and losses</i> | 9.0 | 6.9 |
| <i>tax effects</i> | (1.4) | (0.9) |
| Change in financial assets measured at fair value: | 55.3 | - |
| <i>change in fair value</i> | 35.8 | - |
| <i>tax effects</i> | 19.5 | - |
| Gains and losses recognized in equity, not to be transferred to the incomestatement | 62.9 | 6.0 |
| Total gains and losses recognized in equity | 34.4 | 44.7 |
| <i>o/w attributable to the Group</i> | 29.7 | 44.2 |
| <i>o/w attributable to minority interests</i> | 4.7 | 0.5 |
| COMPREHENSIVE INCOME | 1,551.9 | 319.9 |
| <i>o/w attributable to the Group</i> | 1,508.7 | 316.8 |
| <i>o/w attributable to minority interests</i> | 43.2 | 3.1 |



CONSOLIDATED BALANCE SHEET

Assets

| <i>(in € millions)</i> | June 30, 2021 | Dec. 31, 2020 |
|---|-----------------|-----------------|
| Goodwill | 2,456.6 | 2,452.2 |
| Brands and other intangible assets | 7,012.9 | 6,985.8 |
| Lease right-of-use assets | 4,239.8 | 3,956.8 |
| Property, plant and equipment | 2,725.3 | 2,670.2 |
| Investments in equity-accounted companies | 34.3 | 36.2 |
| Non-current financial assets | 983.1 | 1,688.6 |
| Deferred tax assets | 1,275.7 | 1,177.4 |
| Other non-current assets | 5.5 | 17.4 |
| Non-current assets | 18,733.2 | 18,984.6 |
| Inventories | 3,041.1 | 2,845.5 |
| Trade receivables and accrued income | 898.1 | 910.4 |
| Current tax receivables | 335.6 | 600.5 |
| Current financial assets | 26.7 | 158.0 |
| Other current assets | 1,109.4 | 1,062.9 |
| Cash and cash equivalents | 4,786.9 | 3,442.8 |
| Current assets | 10,197.8 | 9,020.1 |
| Assets held for sale | 0.3 | 0.7 |
| TOTAL ASSETS | 28,931.3 | 28,005.4 |

Equity and liabilities

| <i>(in € millions)</i> | June 30, 2021 | Dec. 31, 2020 |
|--|-----------------|-----------------|
| Equity attributable to the Group | 12,518.0 | 11,820.9 |
| Equity attributable to minority interests | 248.5 | 214.1 |
| Equity | 12,766.5 | 12,035.0 |
| Non-current borrowings | 3,507.7 | 3,815.3 |
| Non-current lease liabilities | 3,835.2 | 3,545.8 |
| Non-current financial liabilities | 80.1 | 80.0 |
| Non-current provisions for pensions and other post-employment benefits | 105.0 | 107.5 |
| Non-current provisions | 18.5 | 18.4 |
| Deferred tax liabilities | 1,475.7 | 1,485.1 |
| Other non-current liabilities | 182.7 | 183.6 |
| Non-current liabilities | 9,204.9 | 9,235.7 |
| Current borrowings | 1,898.4 | 1,776.2 |
| Current lease liabilities | 575.4 | 538.0 |
| Current financial liabilities | 72.7 | 338.1 |
| Trade payables and accrued expenses | 1,659.4 | 1,489.6 |
| Current provisions for pensions and other post-employment benefits | 9.3 | 12.2 |
| Current provisions | 132.7 | 212.4 |
| Current tax liabilities | 1,117.3 | 901.3 |
| Other current liabilities | 1,494.6 | 1,466.8 |
| Current liabilities | 6,959.8 | 6,734.6 |
| Liabilities associated with assets held for sale | 0.1 | 0.1 |
| TOTAL EQUITY AND LIABILITIES | 28,931.3 | 28,005.4 |



CONSOLIDATED CASH FLOW STATEMENT

| <i>(in € millions)</i> | First half 2021 | First half 2020 |
|--|--------------------|--------------------|
| Net income from continuing operations | 1,500.4 | 286.4 |
| Net recurring charges to depreciation, amortization and provisions on non-current operating assets | 713.9 | 722.6 |
| Other non-cash (income) expenses | (102.7) | 136.7 |
| Cash flow received from operating activities | 2,111.6 | 1,145.7 |
| Expenses (income) from financial interest | 114.6 | 142.9 |
| Dividends received | (1.8) | - |
| Current tax expense | 670.1 | 307.1 |
| Cash flow received from operating activities before tax, dividends and interest | 2,894.5 | 1,595.7 |
| Change in working capital requirement | 12.4 | (470.3) |
| Income tax paid | (208.5) | (192.1) |
| Net cash received from operating activities | 2,698.4 | 933.3 |
| Acquisitions of property, plant and equipment and intangible assets | (345.4) | (367.8) |
| Disposals of property, plant and equipment and intangible assets | 0.9 | 0.1 |
| Acquisitions of subsidiaries and associates, net of cash acquired | 18.7 | 12.5 |
| Disposals of subsidiaries and associates, net of cash transferred | (0.7) | 0.7 |
| Acquisitions of other financial assets | (90.4) | (28.1) |
| Disposals of other financial assets | 823.8 | 12.2 |
| Interest and dividends received | 2.0 | 2.5 |
| Net cash received from (used in) investing activities | 408.9 | (367.9) |
| Dividends paid to shareholders of Kering SA | (998.3) | (1,000.1) |
| Dividends paid to minority interests in consolidated subsidiaries | (8.8) | (1.6) |
| Transactions with minority interests | (81.1) | (51.6) |
| (Acquisitions) disposals of Kering treasury shares | (117.8) | (2.0) |
| Issuance of bonds and bank debt | 38.6 | 1,423.0 |
| Redemption of bonds and bank debt | (219.7) | (234.0) |
| Issuance (redemption) of other borrowings | 155.8 | 321.6 |
| Repayment of lease liabilities | (372.1) | (385.3) |
| Interest paid and equivalent | (129.4) | (144.9) |
| Net cash received from (used in) financing activities | (1,732.8) | (74.9) |
| Net cash received from (used in) discontinued operations | 4.1 | (1.4) |
| Impact of exchange rates on cash and cash equivalents | 9.7 | 5.5 |
| Net increase (decrease) in cash and cash equivalents | 1,388.3 | 494.6 |
| Cash and cash equivalents at opening | 3,000.1 | 1,837.6 |
| Cash and cash equivalents at closing | 4,388.4 | 2,332.2 |



REVENUE FOR THE FIRST AND SECOND QUARTERS OF 2021

| <i>(in € millions)</i> | H1 2021 | H1 2020 | Reported change | Comparable change ⁽¹⁾ | Q2 2021 | Q2 2020 | Reported change | Comparable change ⁽¹⁾ | Q1 2021 | Q1 2020 | Reported change | Comparable change ⁽¹⁾ |
|----------------------------|----------------|----------------|-----------------|----------------------------------|----------------|----------------|-----------------|----------------------------------|----------------|----------------|-----------------|----------------------------------|
| Total Houses | 7,708.0 | 5,175.5 | +48.9% | +53.3% | 3,981.1 | 2,109.8 | +88.7% | +92.5% | 3,726.9 | 3,065.7 | +21.6% | +26.0% |
| Gucci | 4,479.3 | 3,072.2 | +45.8% | +50.3% | 2,311.6 | 1,268.1 | +82.3% | +86.1% | 2,167.7 | 1,804.1 | +20.2% | +24.6% |
| Yves Saint Laurent | 1,045.5 | 681.1 | +53.5% | +58.2% | 528.8 | 246.5 | +114.5% | +118.5% | 516.7 | 434.6 | +18.9% | +23.4% |
| Bottega Veneta | 707.6 | 503.1 | +40.6% | +45.0% | 379.4 | 229.4 | +65.4% | +69.0% | 328.2 | 273.7 | +19.9% | +24.6% |
| Other Houses | 1,475.6 | 919.1 | +60.5% | +64.5% | 761.3 | 365.8 | +108.1% | +111.3% | 714.3 | 553.3 | +29.1% | +33.1% |
| Corporate and other | 339.2 | 202.8 | +67.3% | +72.7% | 176.1 | 65.3 | +169.7% | +176.5% | 163.1 | 137.5 | +18.6% | +22.9% |
| KERING | 8,047.2 | 5,378.3 | +49.6% | +54.1% | 4,157.2 | 2,175.1 | +91.1% | +95.0% | 3,890.0 | 3,203.2 | +21.4% | +25.8% |

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



MAIN DEFINITIONS

“Reported” and “comparable” revenue

The Group’s “reported” revenue corresponds to published revenue. The Group also uses “comparable” data to measure organic growth. “Comparable” revenue refers to 2020 revenue adjusted as follows by:

- neutralizing the portion of revenue corresponding to entities divested in 2020;
- including the portion of revenue corresponding to entities acquired in 2021;
- remeasuring 2020 revenue at 2021 exchange rates.

These adjustments give rise to comparative data at constant scope and exchange rates, which serve to measure organic growth.

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 Group structure, 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 a major indicator for the Group, defined as the difference between operating income and other non-recurring operating income and expenses. This intermediate line item is intended to facilitate the understanding of the operating performance of the Group and its Houses and can therefore be used as a way to estimate recurring performance. This indicator 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 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 Capex (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. Consequently, 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. Borrowings include put options granted to minority interests.

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.