KERING

2024

First-Half Report

TABLE OF CONTENTS

CHAPTER 1

Kering in the first half of 2024 - Key figures 2

CHAPTER 2

Activity report 6

1 - Significant events in the first half of 2024 6
2 - Group performance in the first half of 2024 7
3 - Operating performance by segment 18
4 - Parent company net income 27
5 - Transactions with related parties 27
6 - Outlook 27
7 - Definitions of non-IFRS financial indicators 28

CHAPTER 3

Condensed consolidated interim financial statements for the six months ended June 30, 2024 29

1 - Consolidated income statement 29
2 - Consolidated statement of comprehensive income 30
3 - Consolidated balance sheet 31
4 - Consolidated statement of changes in equity 32
5 - Consolidated statement of cash flow 33
6 - Notes to the condensed consolidated interim financial statements for the six months ended June 30, 2024 34

Statutory auditor's review report on the interim financial information 47
Statement by the persons responsible for the interim financial report 48

This document is a free-translation into English of the 2024 First-Half Report issued in French.
In the event of any discrepancies, the French version will take precedence.

CHAPTER 1
Kering in the first half of 2024 - Key figures

Consolidated key figures

(in € millions)	First half 2024	First half 2023	Reported change
Revenue	**9,018**	**10,135**	**-11%**
EBITDA	**2,595**	**3,617**	**-28%**
EBITDA margin (% of revenue)	*28.8%*	*35.7%*	*-6.9 pts*
Recurring operating income	**1,582**	**2,739**	**-42%**
Recurring operating margin (% of revenue)	*17.5%*	*27.0%*	*-9.5 pts*
Net income attributable to the Group	**878**	**1,785**	**-51%**
o/w continuing operations excluding non-recurring items	**888**	**1,789**	**-50%**
Gross operating investments (1)	**1,391**	**1,891**	**-26%**
Free cash flow from operations (2)	**1,055**	**823**	**+28%**
Net debt (3)	**9,922**	**3,854**	**N/A**

(1) Acquisitions of property, plant and equipment and intangible assets, including the acquisition and disposal of real estate assets in the first half of 2024 for €897 million and in the first half of 2023 for €1,359 million.

(2) Free cash flow from operations is defined on page 28, including the acquisition and disposal of real estate assets in the first-half of 2024 for 832 million euros and in the first-half of 2023 for 1,315 million euros.

(3) Net debt is defined on page 28.

Per share data

(in €)	First half 2024	First half 2023	Reported change
Earnings per share attributable to the Group	7.16	14.60	-51%
o/w continuing operations excluding non-recurring items	7.24	14.63	-51%

Revenue

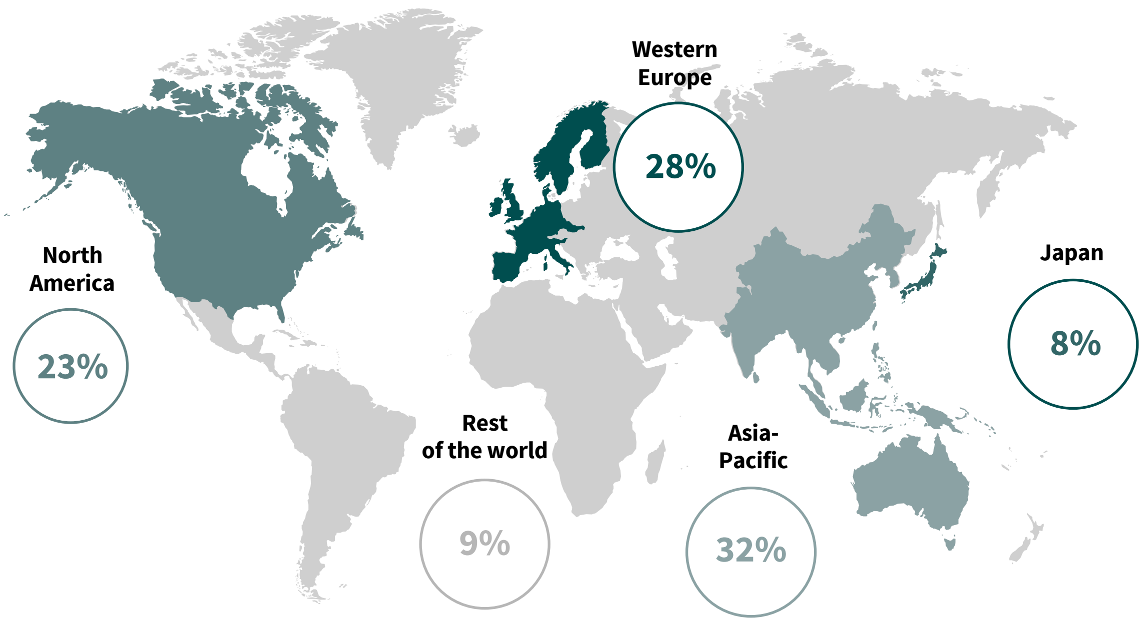
Breakdown by segment

(in € millions)	First half 2024	First half 2023	Change	Comparable change[1]
Gucci	4,085	5,128	-20%	-18%
Yves Saint Laurent	1,441	1,576	-9%	-7%
Bottega Veneta	836	833	–	+3%
Other Houses	1,717	1,856	-7%	-6%
Kering Eyewear and Corporate	1,067	869	+23%	+7%
Eliminations	*(128)*	*(127)*	*N/A*	*N/A*
REVENUE	9,018	10,135	-11%	-11%

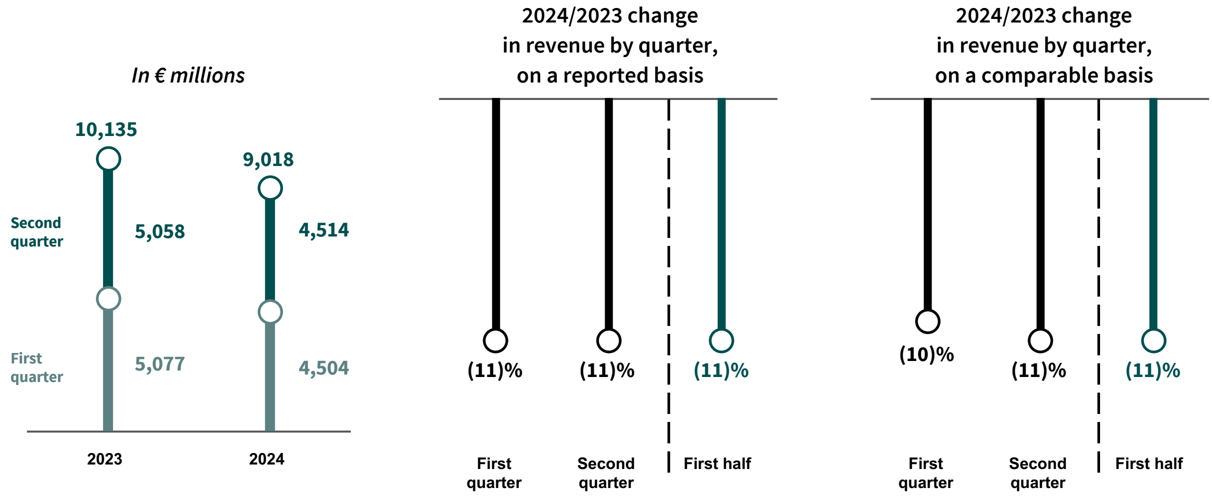
(1) On a comparable scope and exchange rate basis. Comparable growth is defined on page 28.

Breakdown by region

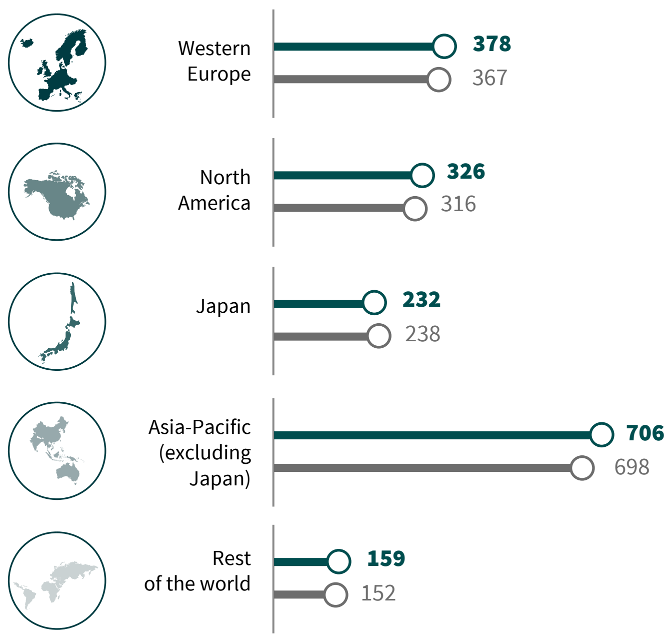
(as a % of consolidated revenue)



Revenue by quarter



Number of directly operated stores by region



1,801
Total at June 30, 2024

1,771
Total at December 31, 2023

Recurring operating income

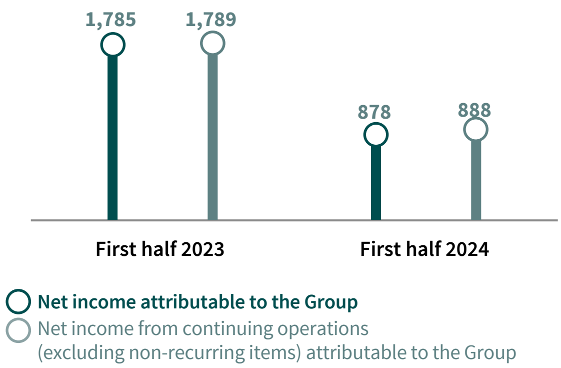
Breakdown by segment

(in € millions)	First half 2024	First half 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%
Eliminations	*(7)*	*(8)*	*N/A*
GROUP	1,582	2,739	-42%
Recurring operating margin (% of revenue)	*17.5%*	*27.0%*	*-9.5 pts*

Other financial indicators

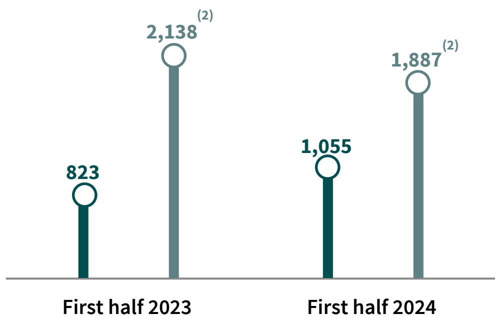
Net income attributable to the Group

(in € millions)



Free cash flow from operations [1]

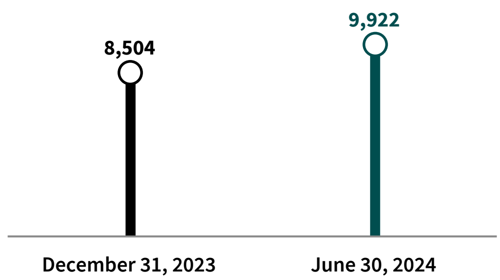
(in € millions)



(1) Free cash flow from operations is defined on page 28.
(2) Excluding strategic real estate acquisition and disposal.

Net debt [2]

(in € millions)



(2) Net debt is defined on page 28.

CHAPTER 2

Activity report

1 - SIGNIFICANT EVENTS IN THE FIRST HALF OF 2024

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

On January 22, 2024, Kering announced the acquisition of a prestigious New York City property comprising luxury retail spaces across multiple floors and with total floorspace of 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).

On April 4, 2024, the Group also announced the acquisition of the company that owns the iconic building located at 8 Via Montenapoleone 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 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

On February 6, 2024, Kering was 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

On 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.

Changes in the Executive Committee

On 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.

On June 6, 2024, Kering also announced the appointment of Laurent Claquin as its Chief Brand Officer and a member of the Executive Committee, effective July 1, 2024. By creating the role of Chief Brand Officer, Kering is aiming to enhance the appeal of Kering's corporate brand, and to increase the Group's visibility and influence.

Changes in the Board of Directors

In the Annual General Meeting held on April 25, 2024, Kering's shareholders approved the appointment of three new directors: Rachel Duan, Giovanna Melandri and Dominique D'Hinnin. They also ratified the cooption of Maureen Chiquet as Director and the renewal of Jean-Pierre Denis' term of office.

At the time the present document was published, Kering's Board of Directors had 13 members. Of its members, 64% are independent Directors and 55% are women[(1)]. Six nationalities are represented on the Board: American, British, Chinese, French, Italian and Turkish.

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

On Monday, 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 prepare 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.

(1) Excluding the Directors representing employees in accordance with article L. 225-27 of the French Commercial Code and the AFEP-MEDEF Code.

2 - GROUP PERFORMANCE IN THE FIRST HALF OF 2024

2.1 Revenue and income statement

Condensed consolidated income statement

(in € millions)	First half 2024	First half 2023	Change
Revenue	9,018	10,135	-11%
Recurring operating income	1,582	2,739	-42%
as a % of revenue	*17.5%*	*27.0%*	*-9.5 pts*
EBITDA	2,595	3,617	-28%
as a % of revenue	*28.8%*	*35.7%*	*-6.9 pts*
Other non-recurring operating income and expenses	(13)	–	N/A
Financial result	(288)	(204)	-41%
Income tax expense	(345)	(692)	+50%
Share in earnings (losses) of equity-accounted companies	4	3	+33%
Net income from continuing operations	940	1,846	-49%
o/w attributable to the Group	*878*	*1,785*	*-51%*
o/w attributable to minority interests	*62*	*61*	*+2%*
Net income (loss) from discontinued operations	–	–	N/A
Net income attributable to the Group	878	1,785	-51%
Net income from continuing operations (excluding non-recurring items) attributable to the Group	888	1,789	-50%

Earnings per share

(in €)	First half 2024	First half 2023	Change
Basic earnings per share	7.16	14.60	-51%
Basic earnings per share from continuing operations excluding non-recurring items	7.24	14.63	-51%

Revenue

The Group's revenue amounted to €9,018 million in the first six months of 2024. Compared to the same period of 2023, revenue fell 11% as reported and 11% on a comparable scope and exchange rate basis, against the backdrop of a slowing market in most regions except Japan. There was a marked deceleration in China, while trends did not improve greatly in North America and Europe. In all of those markets, there was a growing divergence in performance between the various sector players.

Currency movements had a negative impact on first-half performance, dragging down reported sales growth by just over 1 point or by €195 million in absolute terms. The Euro rose against other currencies to varying extents, and the negative exchange rate effect arose mainly from sales denominated in Chinese yuan (€73 million) and the Japanese yen (€78 million).

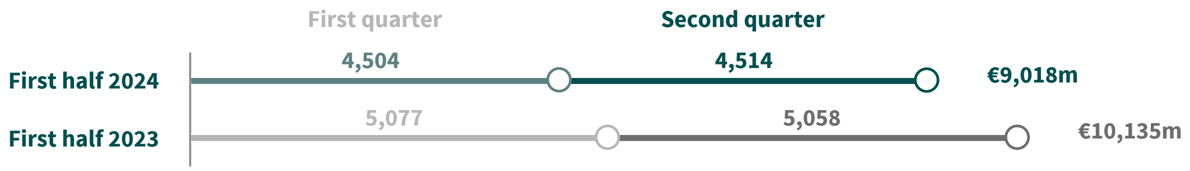
Scope effects boosted revenue by €138 million, mainly due to the contribution of Creed, which has been consolidated since November 1, 2023.

Group revenue by segment

(in € millions)	First half 2024	% of total revenue	First half 2023	% of total revenue	Change	Comparable change(1)
Gucci	4,085	45%	5,128	52%	-20%	-18%
Yves Saint Laurent	1,441	16%	1,576	16%	-9%	-7%
Bottega Veneta	836	9%	833	8%	–	+3%
Other Houses	1,717	19%	1,856	19%	-7%	-6%
Kering Eyewear and Corporate	1,067	12%	869	7%	+23%	+7%
Eliminations	(128)	*-1%*	*(127)*	*-2%*	*N/A*	*N/A*
REVENUE	9,018	100%	10,135	100%	-11%	-11%

(1) On a comparable scope and exchange rate basis. Comparable growth is defined on page 28.

Group revenue by quarter



After falling 10% on a comparable basis in the first quarter of 2024, Group revenue was down 11% on a comparable basis in the second quarter, due to ongoing low store footfall, particularly as regards local customers. Trends in the various regions remained broadly the same as in the first quarter, with a sequential improvement in North America and Japan and a deceleration in Asia-Pacific.

Quarterly revenue by segment

(in € millions)	First quarter 2024	Second quarter 2024	First half 2024
Gucci	2,079	2,006	4,085
Yves Saint Laurent	740	701	1,441
Bottega Veneta	388	448	836
Other Houses	824	893	1,717
Kering Eyewear and Corporate	536	531	1,067
Eliminations	*(63)*	*(65)*	*(128)*
REVENUE	4,504	4,514	9,018

(in € millions)	First quarter 2023	Second quarter 2023	First half 2023
Gucci	2,616	2,512	5,128
Yves Saint Laurent	806	770	1,576
Bottega Veneta	395	438	833
Other Houses	890	966	1,856
Kering Eyewear and Corporate	433	436	869
Eliminations	*(63)*	*(64)*	*(127)*
REVENUE	5,077	5,058	10,135

(comparable change[1])	Q1 2024/2023 change	Q2 2024/2023 change	H1 2024/2023 change
Gucci	-18%	-19%	-18%
Yves Saint Laurent	-6%	-9%	-7%
Bottega Veneta	+2%	+4%	+3%
Other Houses	-6%	-5%	-6%
Kering Eyewear and Corporate	+9%	+5%	+7%
Eliminations	*N/A*	*N/A*	*N/A*
REVENUE	-10%	-11%	-11%

(1) On a comparable scope and exchange rate basis. Comparable revenue growth is defined on page 28.

Group revenue by region

(in € millions)	First half 2024	% of total revenue	First half 2023	% of total revenue	Change	Comparable change(1)
Asia-Pacific (excluding Japan)	2,897	32%	3,710	37%	-22%	-20%
Western Europe	2,555	28%	2,739	27%	-7%	-8%
North America	2,057	23%	2,266	22%	-9%	-12%
Japan	737	8%	683	7%	+8%	+22%
Rest of the world	772	9%	737	7%	+5%	+2%
TOTAL	9,018	100%	10,135	100%	-11%	-11%

(1) On a comparable scope and exchange rate basis. Comparable revenue growth is defined on page 28.
Revenue generated outside the eurozone represented 78% of the consolidated total in the first half of 2024.

In Western Europe, sales fell by 8% on a comparable basis. That decrease was made worse by weak wholesale revenue, which was down around 10% during the period. Sales from directly operated stores and e-commerce sites were down 8%, although from a high base for comparison. The number of tourists traveling from Asia fell, and their spending did not make up for the fall in sales among local customers.

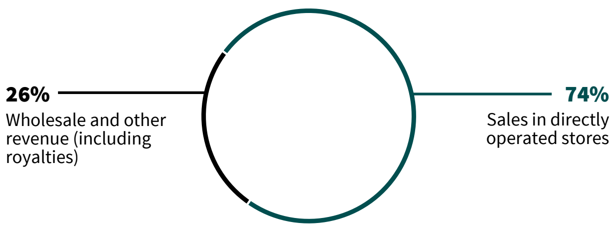
Following on from an excellent 2023, sales in Japan remained very strong, with growth of 22% on a comparable basis and an acceleration in the second quarter. That growth was driven by higher tourist numbers from elsewhere in Asia, since Japan's appeal as a shopping destination has been greatly increased by the weak yen.

Revenue in North America fell 12% on a comparable basis compared to the first half of 2023, although there was a slight improvement in the second quarter relative to the first. The region's performance continued to be affected mainly by a clear decline in domestic demand, particularly among customers most affected by inflation. However, good sales momentum among the wealthiest customers continued in the second quarter.

In Asia-Pacific – the Group's largest region in terms of revenue, accounting for 32% of the total – revenue was down 20% on a comparable basis relative to the first half of 2023, and the decline accelerated to 23% in the second quarter. The Group's sales fell in all of the region's main markets, and the effect of customers buying products in the region's other countries instead of at home (mainly in Japan because of price differentials) was not enough to offset the fall in local demand.

First-half 2024 sales in the Rest of the world rose 2% on a comparable basis, driven by good sales momentum in the Middle East in the first quarter.

Group revenue by distribution channel



Percentages based on revenue before Eliminations

Sales from directly operated stores and e-commerce sites came in at €6,805 million in the first half of 2024, down 12% on a comparable basis relative to the same period in 2023. The previous comments regarding performance by region also apply to a very large extent to the growth trajectory of retail sales.

Trends in store footfall are naturally highly contrasted between regions and Houses. Overall, footfall decreased during the period, and there was no improvement in the conversion rate (i.e., the number of people buying products as a percentage of the total number of people visiting stores). On the plus side, as in 2023, the Houses saw an increase in average selling prices, resulting from the elevation strategy regarding the product offering. E-commerce sales, which accounted for just under 12% of total sales in the retail channel (in line with the first half of 2023), fell slightly more sharply because they are more exposed to certain product and customer categories that are more affected by the macroeconomic context.

Revenue from stores and e-commerce sites directly operated by the Group accounted for around 74% of the Group's total sales (before Eliminations), slightly lower than the first half of 2023 (77%). Excluding Kering Eyewear and Kering Beauté however, the proportion was 84%, unchanged relative to the first half of 2023. The increase in the proportion of revenue coming from the retail channel in recent years has resulted from the long-term strategy implemented by all Houses, which is aimed at controlling their distribution more effectively, including via e-commerce, and making them more exclusive.

Wholesale revenue fell 9% year-on-year in the first half of 2023 on a comparable basis (before Eliminations). For the Houses, wholesale revenue fell significantly, by 18% on a comparable basis. This reflects a reduction in orders placed by US distributors and the reorganization of the wholesale distribution network that is currently underway. Although these streamlining efforts are almost complete at Gucci, they are continuing in the Group's other Couture and Leather goods Houses. However, Kering Eyewear, which has a wholesale-only distribution model, posted sales growth of 6% on a comparable basis, driven both by the development of existing licenses and the successful integration of Lindberg and Maui Jim.

The Houses' royalty revenue from licenses and other revenue rose by 16% on a comparable basis in the first half of 2024, due to very robust growth in the Eyewear category and in the Fragrances and Cosmetics category.

Recurring operating income

(in € millions)	First half 2024	First half 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%
Eliminations	*(7)*	*(8)*	*N/A*
RECURRING OPERATING INCOME (1)	1,582	2,739	-42%

(1) Recurring operating income is defined on page 28.

The Group's recurring operating income amounted to €1,582 million in the first half of 2024, €1,157 million or 42% lower than in the same period of 2023.

Operating margin fell 9.5 points to 17.5% because of negative operational leverage resulting from lower revenue.

Gross margin was €6,708 million, down 13% compared to the first half of 2023. As a proportion of revenue, gross margin was 74.4%, down 1.9 points relative to the first half of 2023, due to the combined negative effects of the country and product mix and despite higher average selling prices and the positive effect of foreign exchange rate hedges.

Operating expenses rose by 3%. This increase arose from investments made by the Group's Houses and Kering Eyewear to support their development and expansion, notably by increasing budgets for store expenses, creation, the development and presentation of collections, communications and the digital transformation. These efforts, which were necessary in view of the competitive environment and the Group's long-term ambitions for its Houses, against a background of falling revenue, resulted in negative operational leverage that affected the brands' profitability to varying extents. Gucci, Saint Laurent, Balenciaga and Alexander McQueen were the Houses where profit was affected most.

EBITDA

(in € millions)	First half 2024	First half 2023	Change
Recurring operating income	**1,582**	**2,739**	**-42 %**
Net recurring charges to depreciation, amortization and provisions on non-current operating assets	1,013	878	+15%
o/w depreciation of lease right-of-use assets	*527*	*468*	*+13%*
EBITDA (1)	2,595	3,617	-28%

(1) EBITDA is defined on page 28.

(in € millions)	First half 2024	First half 2023	Change
Gucci	1,389	2,172	-36%
Yves Saint Laurent	464	600	-23%
Bottega Veneta	215	259	-17%
Other Houses	247	404	-39%
Kering Eyewear and Corporate	287	190	+52%
Eliminations	*(7)*	*(8)*	*N/A*
EBITDA	2,595	3,617	-28%

EBITDA was €2,595 million in the first half of 2024, down 28% compared to the first half of 2023. EBITDA margin was 28.8%, down 6.9 points relative to the first half of 2023.

Other non-recurring operating income and expenses

(in € millions)	First half 2024	First half 2023	Change
Impairment of goodwill, brands and other non-current assets	(1)	(54)	+99%
Other	(12)	54	-122%
OTHER NON-RECURRING OPERATING INCOME AND EXPENSES	(13)	–	N/A

(See consolidated financial statements, Note 4 – Other non-recurring operating income and expenses.)

Financial result

(in € millions)	First half 2024	First half 2023	Change
Cost of net debt [1]	(151)	(40)	N/A
Other financial income and expenses	(48)	(94)	+49%
Total financial result excluding leases	**(199)**	**(134)**	**-49%**
Interest expense on lease liabilities	(89)	(70)	-27%
FINANCIAL RESULT	(288)	(204)	-41%

(1) Net debt is defined on page 28.

The Group's cost of net debt was €151 million in the first half of 2024 (€40 million in the first half of 2023). The increase is mainly due to the rise in the average amount of debt, mainly long-term debt, in the context of interest rates, partly offset by the higher return on the Group's cash position.

Other financial income and expenses represented a net expense of €48 million in the first half of 2024, as opposed to €94 million in the first half of 2023.

The €46 million decrease was mainly due to weaker exchange-rate effects, and in particular the reduction in the cost of carry relating to foreign exchange hedging between the two periods.

(See the condensed consolidated interim financial statements, Note 5 - Financial result).

Income tax

As of June 30, 2024, the Group estimates that its full-year tax rate (in accordance with IAS 34) will be 26.9%.

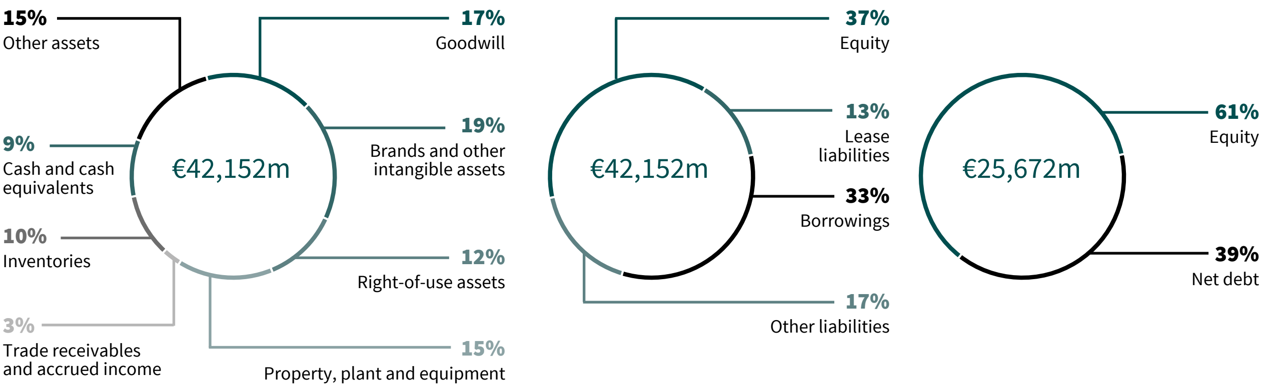
(in € millions)	First half 2024	First half 2023
Income before tax	1,281	2,535
Income tax expense	(345)	(692)
Effective tax rate	**26.9%**	**27.3%**
Other non-recurring operating income and expenses	(13)	–
Recurring income before tax	1,294	2,535
Income tax on other non-recurring operating income and expenses	3	(4)
Tax expense on recurring income	(348)	(688)
Effective tax rate on recurring income[1]	**26.9%**	**27.1%**

(1) The effective tax rate on recurring income is defined on page 28.

(See condensed consolidated interim financial statements, Note 6 – Income taxes).

2.2 Balance sheet as of June 30, 2024

Assets **Equity and liabilities** **Capital employed**



Condensed balance sheet

(in € millions)	June 30, 2024	Dec. 31, 2023	Change
Goodwill	7,090	7,112	–
Brands and other intangible assets	8,185	8,178	–
Lease right-of-use assets	5,098	4,984	+2%
Property, plant and equipment	6,314	5,341	+18%
Investments in equity-accounted companies	1,775	1,750	+1%
Other non-current assets	2,025	2,072	-2%
Non-current assets	**30,487**	**29,437**	**+4%**
Inventories	4,346	4,550	-4%
Trade receivables and accrued income	1,155	1,151	–
Cash and cash equivalents	3,934	3,922	–
Other current assets	2,230	2,307	-3%
Current assets	**11,665**	**11,930**	**-2%**
Assets held for sale	**–**	**–**	**–**
TOTAL ASSETS	42,152	41,367	+2%
Equity attributable to the Group	14,901	15,212	-2%
Equity attributable to minority interests	849	798	+6%
Equity	**15,750**	**16,010**	**-2%**
Non-current borrowings	11,018	10,026	+10%
Non-current lease liabilities	4,593	4,511	+2%
Other non-current liabilities	2,338	2,189	+7%
Non-current liabilities	**17,949**	**16,726**	**+7%**
Current borrowings	2,838	2,400	+18%
Current lease liabilities	914	884	+3%
Other current liabilities	4,701	5,347	-12%
Current liabilities	**8,453**	**8,631**	**-2%**
Liabilities associated with assets held for sale	**–**	**–**	**–**
TOTAL EQUITY AND LIABILITIES	42,152	41,367	+2%

Net debt

(in € millions)	June 30, 2024	Dec. 31, 2023
Borrowings	13,856	12,426
Cash and cash equivalents	(3,934)	(3,922)
NET DEBT	9,922	8,504

Capital employed

(in € millions)	June 30, 2024	Dec. 31, 2023
Equity	15,750	16,010
Net debt	9,922	8,504
CAPITAL EMPLOYED	25,672	24,514

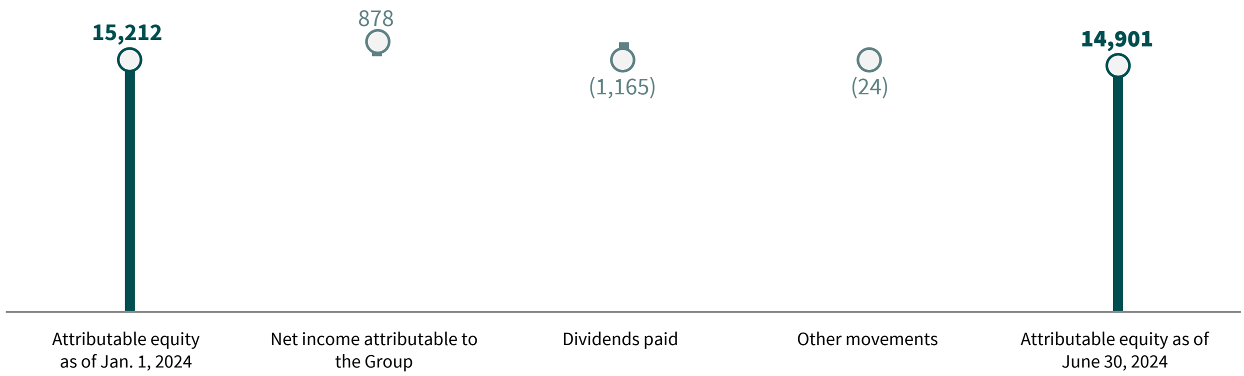
Goodwill and brands

As of June 30, 2024, brands net of deferred tax liabilities amounted to €5,586 million, compared to €5,527 million as of December 31, 2023.

Net current operating assets (liabilities)

(in € millions)	June 30, 2024	Dec. 31, 2023	Statement of cash flow	Foreign exchange differences	Other changes
Inventories	4,346	4,550	(198)	(5)	(1)
Trade receivables and accrued income	1,155	1,151	–	(4)	8
Trade payables and accrued expenses	(2,132)	(2,200)	70	(5)	3
Other current assets (liabilities), net	(215)	(442)	153	(12)	86
Net current tax receivables (payables)	19	229	(213)	4	(1)
NET CURRENT OPERATING ASSETS (LIABILITIES)	3,173	3,288	(188)	(22)	95

Change in equity attributable to the Group



As of June 30, 2024, Kering SA's share capital amounted to €493,683,112 comprising 123,420,778 fully paid-up shares with a par value of €4 each. As of June 30, 2024, there were 122,586,981 shares issued and outstanding, excluding the 833,847 Kering treasury shares.

(See condensed consolidated interim financial statements, Note 10 – Equity.)

2.3 Cash flow, investments and net debt

Free cash flow from operations

Cash flow received from operating activities

(in € millions)	First half 2024	First half 2023	Change
Cash flow received from operating activities before tax, dividends and interest	**2,502**	**3,435**	**-27%**
Change in working capital requirement	44	(419)	+111%
Income tax paid	(100)	(419)	+76%
NET CASH RECEIVED FROM OPERATING ACTIVITIES	2,446	2,597	-6%

Operating investments

(in € millions)	First half 2024	First half 2023	Change
Net cash received from operating activities	**2,446**	**2,597**	**-6%**
Acquisitions of property, plant and equipment and intangible assets	(1,391)	(1,891)	+26%
Disposals of property, plant and equipment and intangible assets	–	117	N/A
FREE CASH FLOW FROM OPERATIONS	1,055	823	+28%

In the first half of 2024, free cash flow from operations includes an outflow of €832 million resulting from strategic real-estate acquisitions, of which €65 million in net cash flows and €897 million in acquisitions of property, plant and equipment and intangible assets.

In the first half of 2023, free cash flow from operations includes an outflow of €1,315 million resulting from strategic real-estate acquisitions, of which €73 million in net cash flows and €1,359 million in acquisitions of property, plant and equipment and intangible assets, partly offset by €117 million as a result of real-estate disposals.

Gross operating investments by segment

(in € millions)	First half 2024	First half 2023	Change
Gucci	124	232	-46%
Yves Saint Laurent	107	81	+32%
Bottega Veneta	51	44	+17%
Other Houses	99	82	+20%
Kering Eyewear and Corporate	1,010	1,452	-30%
ACQUISITIONS OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS	1,391	1,891	-26%

Operating investments amounted to €1,391 million in the first half of 2024. Excluding the acquisition of a strategic real-estate asset in New York, they totaled €494 million, representing 5.5% of revenue. That ratio is in line with that seen in the first half of 2023 (5.2%).

Available cash flow from operations and available cash flow

(in € millions)	First half 2024	First half 2023	Change
Free cash flow from operations	**1,055**	**823**	**+28%**
Repayment of lease liabilities	(530)	(419)	-26%
Interest paid on leases	(89)	(70)	-27%
Available cash flow from operations (1)	**436**	**335**	**+30%**
Interest and dividends received	30	14	+114%
Interest paid and equivalent (excluding leases)	(165)	(108)	-53%
AVAILABLE CASH FLOW (1)	301	240	+26%

(1) Available cash flow from operations and available cash flow are defined on page 28.

Dividends paid

The cash dividend paid by Kering SA to its own shareholders in the first half of 2024 amounted to €1,716 million, including the €552 million interim dividend paid on January 17, 2024 (€1,712 million in the first half of 2023 including a €551 million interim dividend).

Dividends paid in the first half of 2024 also included €6 million paid to minority interests in consolidated subsidiaries (€12 million in the first half of 2023).

Change in net debt

(in € millions)	First half 2024	First half 2023	Change
Net debt as of January 1	**8,504**	**2,306**	**N/A**
Free cash flow from operations	(1,055)	(823)	-28%
Dividends paid	1,722	1,724	–
Net interest paid and dividends received	135	94	+44%
Acquisitions of Kering shares	(3)	7	-143%
Repayment of lease liabilities (1)	619	489	+27%
Other acquisitions and disposals	(39)	(17)	-129%
Other movements	39	74	-47%
NET DEBT AS OF JUNE 30	9,922	3,854	+157%

(1) Repayments of principal for €530 million in 2024 (€419 million in 2023) and interest payments of €89 million in 2024 (€70 million in 2023) relating to capitalized fixed lease payments.

(in € millions)	June 30, 2024	Dec. 31, 2023	Change
Bond debt	11,067	9,795	+13%
Other bank borrowings	137	134	+2%
Commercial paper	1,371	1,277	+7%
Other borrowings	1,281	1,219	+5%
o/w Put options granted to minority interests	*710*	*711*	–
Borrowings	**13,856**	**12,426**	**+12%**
Cash and cash equivalents	(3,934)	(3,922)	–
NET DEBT (1)	9,922	8,504	+17%

(1) Net debt is defined on page 28.

Lease liabilities totaled €5,507 million as of June 30, 2024 (€5,395 million as of December 31, 2023).

Solvency

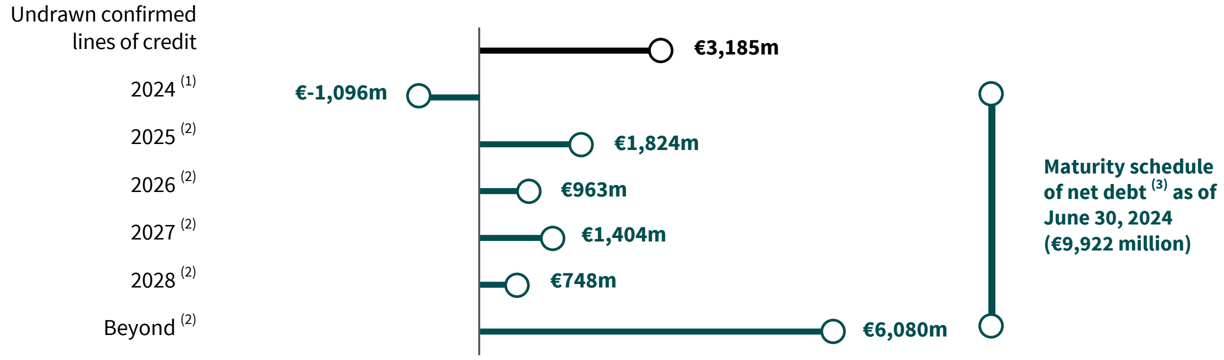
The Group has a sound financial position and has a long-term credit rating of A- with stable outlook from ratings agency Standard & Poor's.

Liquidity

At June 30, 2024, the Group's cash and cash equivalents amounted to €3,934 million (€3,922 million at December 31, 2023).

The Group has confirmed lines of credit totaling €3,185 million (unchanged relative to December 31, 2023).

Maturity schedule of net debt



(1) Borrowings less cash and cash equivalents.
(2) Borrowings.
(3) Net debt is defined on page 28.

The portion of the Group's borrowings maturing within one year (€2,838 million as of June 30, 2024) is significantly lower than the Group's cash and cash equivalents (€3,934 million as of June 30, 2023), plus confirmed lines of credit. Consequently, the Group is not exposed to any liquidity risk.

As of June 30, 2024, the Group's loan agreements feature standard pari passu, cross default and negative pledge clauses.

The Group's financing agreements do not include any rating trigger clauses.

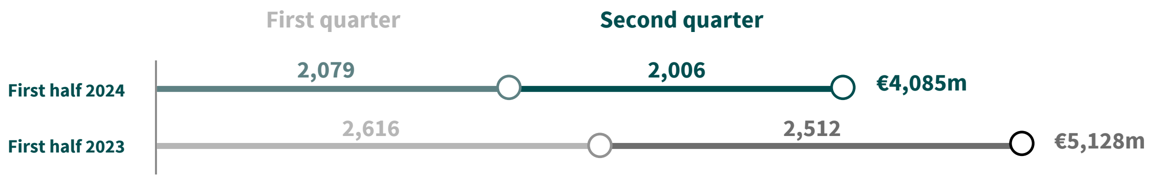
(See the condensed consolidated interim financial statements, Note 11 – Net debt).

3 - OPERATING PERFORMANCE BY SEGMENT

3.1 Gucci

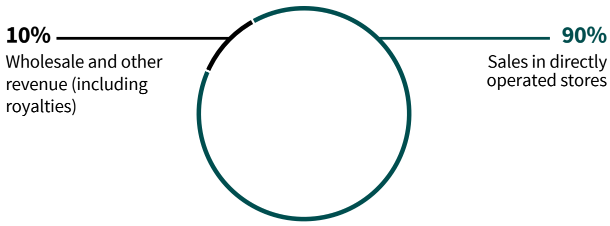
(in € millions)	First half 2024	First half 2023	Change
Revenue	**4,085**	**5,128**	**-20%**
Recurring operating income	**1,007**	**1,810**	**-44%**
as a % of revenue	***24.7%***	***35.3%***	***-10.6 pts***
EBITDA	1,389	2,172	-36%
as a % of revenue	*34.0%*	*42.4%*	*-8.4 pts*
Acquisitions of property, plant and equipment and intangible assets	124	232	-46%
Average FTE headcount	20,665	21,127	-2%

Revenue



Gucci generated €4,085 million in revenue for the first half of 2024, down 20% year-on-year as reported or down 18% at comparable exchange rates.

Revenue by distribution channel



Sales from directly operated stores made up 90% of Gucci's total sales in the first half of 2024. As a result, business levels in Gucci's exclusive distribution network are probably the best measure of the House's intrinsic performance.

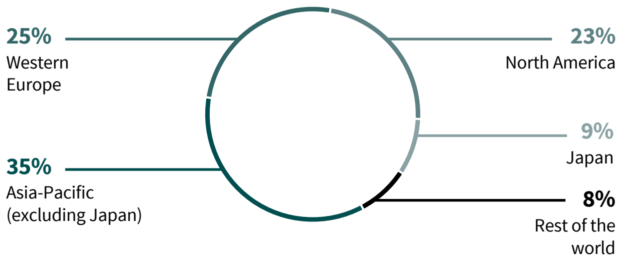
Sales from stores and e-commerce sites controlled by Gucci were down 20% on a comparable basis in the first half, with the decline in the second quarter being on par with that seen in the first.

Footfall in the physical store network was significantly down.

E-commerce sales fell even more sharply, due in particular to this distribution channel's exposure to the American market (where it accounted for almost half of sales in the first half of 2024) and to customers with lesser purchasing power, who are more impacted by deteriorating macroeconomic conditions. This led to a slight decrease in the penetration of the online business.

In the first half of 2024, wholesale revenue fell 9%, mainly due to lower sales in Asia-Pacific.

Revenue by region



In view of the proportion of Gucci's sales generated by directly operated stores, the following revenue analysis by region only concerns retail and online sales.

In Western Europe, after rising by 7% in the first half of 2023 on a comparable basis, revenue fell by 15% in the first six months of 2024. During that period, growth was affected by weak local demand and lower numbers of tourists, particularly from Asia-Pacific.

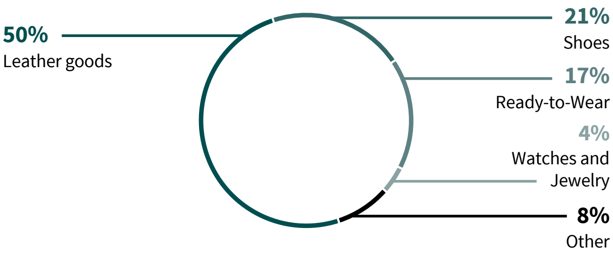
In North America, Gucci's revenue was down 18% on a comparable basis, with trends in the second quarter being very similar to those seen in the first. Sales to North American customers in all markets fell year-on-year, despite ongoing excellent momentum in Western Europe. However, they remained around 28% higher on a comparable basis than in the first half of 2019.

Japan's appeal for tourists, resulting from the weak Yen, boosted sales in that market by 12% on a comparable basis during the period.

Revenue in Asia-Pacific fell 30% year-on-year on a comparable basis, with a slight deterioration in the second quarter (sales down 33%) compared to the first. The region is being affected primarily by lower local demand, linked to a sharp decline in store footfall, but also from customers making purchases in Japan instead of in their home markets, because of the weak Yen.

In the world's other regions, business levels were more resilient, particularly in the Middle East, Eastern Europe and Latin America, with revenue down around 4% on a comparable basis.

Revenue by product category



In the first half of 2024, sales of all Gucci's main product categories in directly operated stores were lower compared to the first half of 2023, because of contracting volumes and the relative stability of average selling prices.

Leather goods sales were the worst affected, pending the launch of new products, particularly in the handbag segment.

The brand's other product categories saw fairly similar trends rates, with the exception of Ready-to-Wear, which benefited the most from new products added to the range.

Royalty revenue increased, driven by the Eyewear category managed by Kering Eyewear and by the Fragrances and Cosmetics category as a result of the license granted to Coty.

Recurring operating income

Gucci's recurring operating income amounted to €1,007 million in the first half of 2024, down 44% on the same period of 2023.

Recurring operating margin was 24.7%, down 10.6 points.

The combination of currency effects and the impact of currency hedging had a very slightly negative impact on margins.

The House continued to invest in initiatives to boost its long-term growth, while taking a highly disciplined approach to its fixed costs. Given the sharp decline in sales as reported, operational leverage was negative (i.e., expenses rose more quickly than revenue), and this had a sharply adverse impact on margins.

In the first half of 2024, Gucci's EBITDA amounted to €1,389 million, giving EBITDA margin of 34%. EBITDA was down 36% and EBITDA margin fell by 8.4 points.

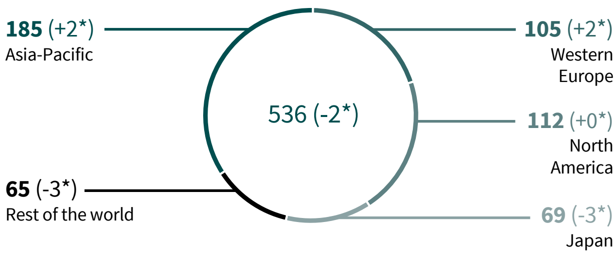
Store network and operating investments

As of June 30, 2024, Gucci operated 536 stores directly. During the first-half period, it closed two stores (net of openings).

Gucci continued to prioritize organic growth by maximizing the productivity of the existing store network, while maintaining efforts to identify opportunities that will enable it to enhance its distribution in certain regions or sales channels.

The House's operating investments totaled €124 million in the first half of 2024, down €108 million compared to the first six months of 2023. Gross operating investments equaled 3.0% of revenue during the period (4.5% in the first half of 2023), which is a relatively normal level for a House of Gucci's size.

Breakdown of directly operated stores by region

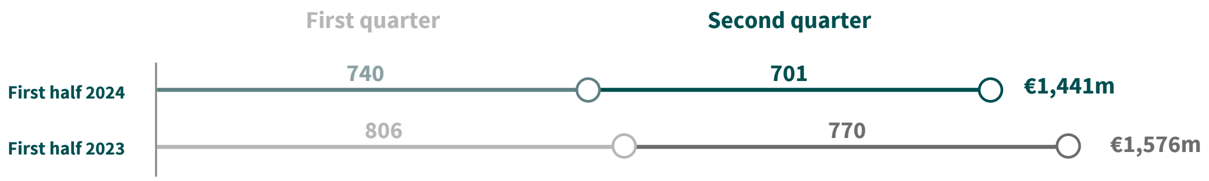


* Net store openings/closures between December 31, 2023 and June 30, 2024.

3.2 Yves Saint Laurent

(in € millions)	First half 2024	First half 2023	Change
Revenue	**1,441**	**1,576**	**-9%**
Recurring operating income	**316**	**481**	**-34%**
as a % of revenue	***22.0%***	***30.5%***	***-8.5 pts***
EBITDA	464	600	-23%
as a % of revenue	*32.2%*	*38.0%*	*-5.8 pts*
Acquisitions of property, plant and equipment and intangible assets	107	81	+31%
Average FTE headcount	5,341	4,200	+27%

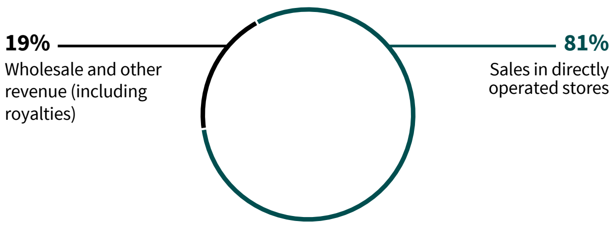
Revenue



Yves Saint Laurent's sales amounted to €1,441 million in the first half of 2024, down 9% as reported and 7% on a comparable basis relative to the first half of 2023. At constant exchange rates, the decline worsened slightly between the first and second quarters.

The House's sales have increased sixfold over the past ten years, and it is continuing to streamline its distribution against a macroeconomic background that is adversely affecting its customers.

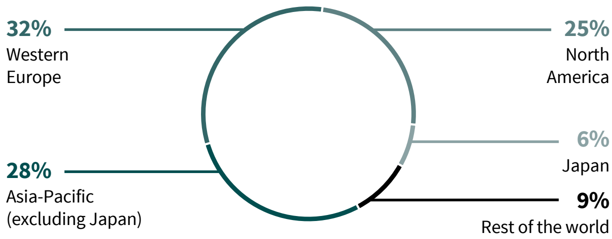
Revenue by distribution channel



Revenue from stores and e-commerce sites directly operated by the House accounted for 81% of its total. That revenue fell by 6% on a comparable basis relative to the first six months of 2023. Demand from local customers in physical stores was affected by weak store footfall in all regions, and in China in particular. Tourism, including large numbers of tourists shopping in Japan, did not fully compensate for that situation. Online sales fell, with marked differences in performance across the regions. Against this backdrop, Yves Saint Laurent continued to implement successfully its elevation strategy.

Wholesale revenue was down 25% at constant exchange rates compared to the first half of 2023. This was due to the ongoing effort to streamline distribution, focusing on a small number of partners, and a macroeconomic environment that was less helpful for wholesalers, particularly in North America. This rationalization will continue throughout the year.

Revenue by region



In view of the proportion of Yves Saint Laurent's sales generated by directly operated stores, the following revenue analysis by region only concerns retail and e-commerce sales.

In the first half of 2024, Yves Saint Laurent saw revenue fall year-on-year in Asia-Pacific and North America, stabilize in Western Europe and the Middle East, and increase in Japan because of the large number of tourists making purchases in that country.

In Asia-Pacific, revenue was down 19% on a comparable basis – although revenue in the first half of 2023 was 29% higher than a year previously – and sales were affected by lower store footfall, particularly in China. Business levels grew in South Korea.

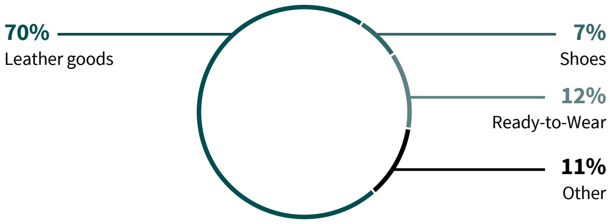
In North America, sales were down 7% on a comparable basis, with store footfall and sales trend improving in the second quarter compared to the first.

In Western Europe, revenue was almost unchanged on a comparable basis both thanks to the loyalty of local customers and tourism spending.

In Japan, sales were up 42% on a comparable basis in 2024 due to strong growth in the number of tourists visiting from China and Southeast Asia, who were attracted by the pricing differential arising from the favorable exchange rate.

Yves Saint Laurent's performance in the Rest of the world was positive, with growth of 2% on a comparable basis, and particularly so in Latin America and the Middle East, which has historically been an important market for the brand.

Revenue by product category



Leather goods remained the top category, with sales trends compared to the first half of 2023 closely aligned with the House's overall performance. New product lines were successful during the period.

Revenue from the Ready-to-Wear and Shoes categories was affected by weaker demand in most markets.

Royalty revenue generated by Kering Eyewear surged, again showing the success of this licensing agreement. Royalties paid by L'Oreal in the Fragrances and Cosmetics category also rose sharply.

Recurring operating income

In the first half of 2024, Yves Saint Laurent's recurring operating income totaled €316 million, down 34%. Recurring operating margin was therefore 22%, down 8.5 points year-on-year.

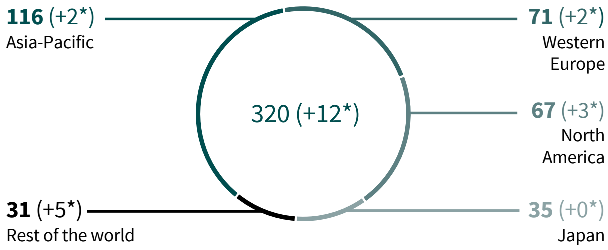
The House continued to develop its store network and support short- and medium-term brand development through clienteling and media initiatives. Against a backdrop of falling sales, operational leverage was negative (i.e., expenses rose more quickly than revenue), and this adversely affected margins.

EBITDA fell by €136 million year-on-year to €464 million. As a result, EBITDA margin was 32.2% as opposed to 38.0% in the first half of 2023.

Store network and operating investments

As of June 30, 2024, the House had 320 directly operated stores. A net 12 new stores were added during the period, in line with the target of having a network of 300 to 350 directly operated stores in the medium term. This resulted in a high level of investment, amounting to €107 million, or 7.4% of sales as opposed to 5.1% in the first half of 2023.

Breakdown of directly operated stores by region

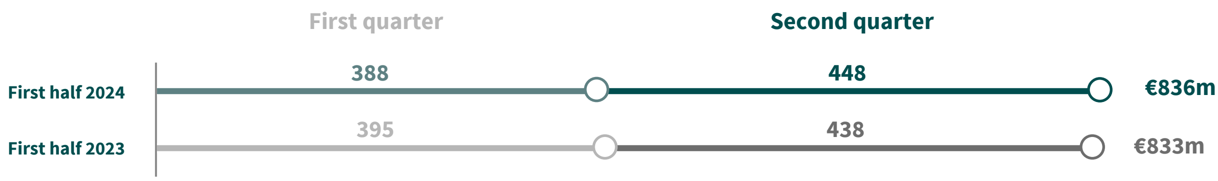


* Net store openings/closures between December 31, 2023 and June 30, 2024.

3.3 Bottega Veneta

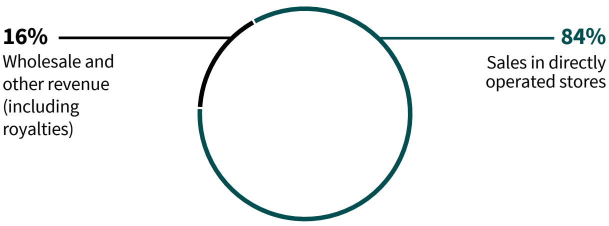
(in € millions)	**First half 2024**	**First half 2023**	**Change**
Revenue	**836**	**833**	**–**
Recurring operating income	**121**	**169**	**-28%**
as a % of revenue	***14.5%***	***20.3%***	***-5.8 pts***
EBITDA	215	259	-17%
as a % of revenue	*25.7%*	*31.2%*	*-5.5 pts*
Acquisitions of property, plant and equipment and intangible assets	51	44	+18%
Average FTE headcount	3,990	3,866	+3%

Revenue



Bottega Veneta generated revenue of €836 million in the first half of 2024, stable as reported and up 3% on a comparable basis.

Revenue by distribution channel



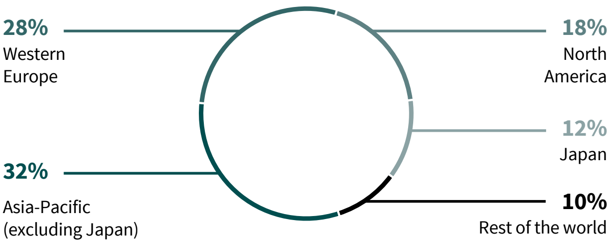
In keeping with the brand's exclusive, high-end positioning, the House is focusing on selling its products through directly operated stores and e-commerce sites. These accounted for 84% of its revenue, as opposed to 80% in the first half of 2023.

Bottega Veneta's sales in directly operated physical and online stores rose by 8% on a comparable basis. This growth was driven both by good sales momentum in both physical and online stores. The House is continuing, consistently and with determination, to implement its strategy of developing its offering in all product categories, raise brand awareness and enhance the customer experience across all points of sale.

Growth was relatively consistent between the first and second quarters, with an acceleration in the second.

Wholesale revenue fell 19% because of the streamlining of this distribution channel – a process that will continue throughout 2024 – with the aim of working only with a limited number of very high-quality partners.

Revenue by region



Given the proportion of Bottega Veneta's sales that are generated in directly operated stores, the following revenue analysis by region only concerns retail and e-commerce sales.

In Western Europe, revenue rose by 17% on a comparable basis, driven by both local customers and tourists.

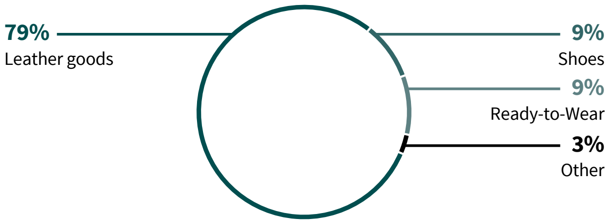
In North America, Bottega Veneta's revenue surged by 21% on a comparable basis due to the success of its new collections among local customers.

In Japan, sales grew by 8% on a comparable basis. That growth reflected the brand's appeal and higher sales to tourists, mainly those from Asia.

In Asia-Pacific, sales fell by 7% on a comparable basis, affected by lower store footfall, particularly in China. Sales in South Korea increased slightly. The House's new aesthetic and product range is popular in Asia-Pacific, resulting in a higher conversion rate and a higher average ticket.

Trends in the Rest of the world remained very good overall (revenue up 32% on a comparable basis), driven by very significant growth in the Middle East.

Revenue by product category



Leather goods constitutes the brand's core business, making up 79% of total sales. Both new and iconic lines, along with their seasonal variations, met with great success among the House's customer base. The House's strategy is still to maintain the exclusivity associated with this key category of leather goods, particularly by focusing on growth driven by value rather than higher volumes alone.

Ready-to-Wear slowed down, but remained very popular among wealthier customers.

Jewelry sales (in the Others category) were particularly strong, and the House launched a first collection of perfumed candles.

Recurring operating income

Bottega Veneta's recurring operating income amounted to €121 million in the first half of 2024, down 28% year-on-year.

Recurring operating margin was 14.5%, 5.8 points lower than in the year-earlier period. The decrease reflects strong communications and store network investments in order to support the House's short- and medium-term development.

EBITDA amounted to €215 million during the period, down 17%. This resulted in an EBITDA margin of 25.7%.

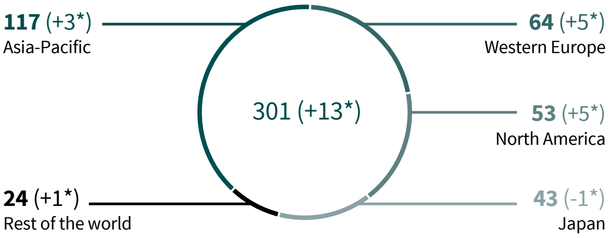
Store network and operating investments

As of June 30, 2024, Bottega Veneta had 301 directly operated stores, a net increase of 13 stores on December 31, 2023.

The brand continued to focus its investment efforts on relocating and refurbishing its existing stores, pursuing its elevation strategy in respect of its store network by ensuring a presence in selected locations, particularly in Asia.

Operating investments totaled €51 million, an increase of €7 million compared with the first half of 2023. However, they remained broadly stable as a proportion of the House's sales (around 6.1%).

Breakdown of directly operated stores by region

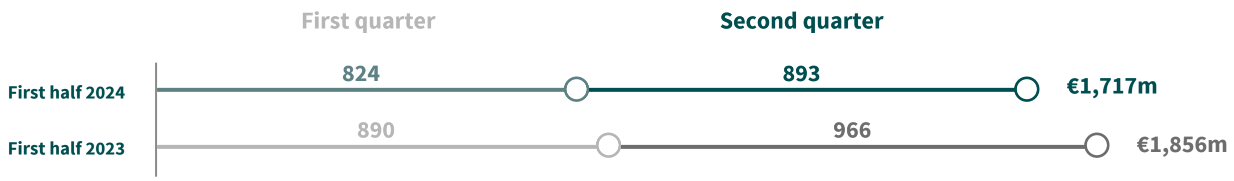


* Net store openings/closures between December 31, 2023 and June 30, 2024.

3.4 Other Houses

(in € millions)	First half 2024	First half 2023	Change
Revenue	**1,717**	**1,856**	**-7%**
Recurring operating income	**44**	**224**	**-80%**
as a % of revenue	***2.6%***	***12.1%***	***-9.5 pts***
EBITDA	247	404	-39%
as a % of revenue	*14.4%*	*21.8%*	*-7.4 pts*
Acquisitions of property, plant and equipment and intangible assets	99	82	+21%
Average FTE headcount	9,228	8,806	+5%

Revenue

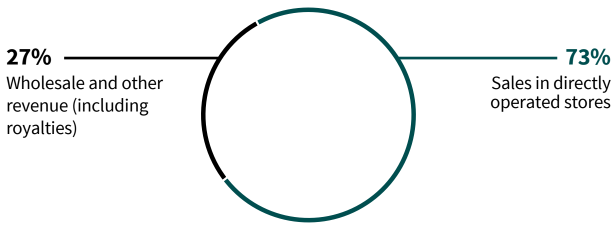


Overall revenue generated by the Other Houses fell by 7% as reported and by 6% on a comparable basis in both the first and second quarters of the year.

There were mixed performances across the segment:

- Balenciaga's sales in directly operated physical and online stores stabilized compared to the first half of 2023. The House also continued its distribution rationalization strategy in a macroeconomic environment that was less positive for wholesalers;
- Alexander McQueen suffered from its exposure to the wholesale market, particularly in the United States, and from weak demand in its own stores in what was a transitional six months for the House;
- After a good year in 2023, revenue at Brioni continued to rise;
- Revenue grew strongly at the Jewelry Houses, driven primarily by Boucheron, which had excellent momentum, particularly in Japan. Total revenue generated by Pomellato and Dodo was stable, with growth in their own stores offset by lower wholesale revenue. Qeelin was adversely affected by the contraction in the Chinese market, but saw higher sales in the rest of the Asia-Pacific region.

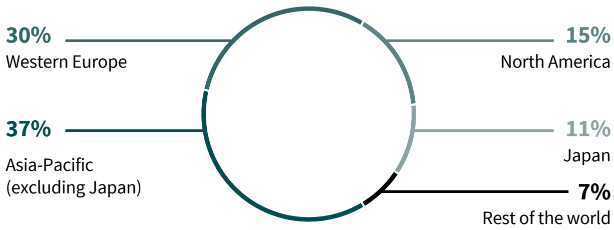
Revenue by distribution channel



Revenue from stores and websites directly operated by the Other Houses rose 1% on a comparable basis. That growth was partly due to new store openings, in line with the strategy of moving toward more selective distribution. Online sales fell in the first-half period and held back the segment's overall performance. However, the proportion of total revenue coming from online sales varied between brands, showing close correlation with the maturity of each House's online stores and product range.

Wholesale revenue was down 21% on a comparable basis. In accordance with the Group's strategy, the Other Houses – primarily Balenciaga and Alexander McQueen – are focusing their wholesale businesses on a limited number of top-quality partners. Performance was also affected by a decline in orders from distributors in all regions.

Revenue by region



Revenue in Western Europe was down 16% on a comparable basis, affected by the streamlining of wholesale distribution and the own-store performance of Balenciaga and Alexander McQueen.

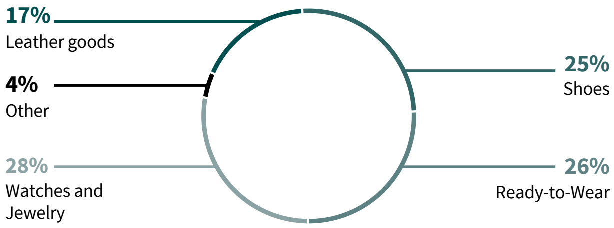
In North America, sales fell 10% on a comparable basis, due to the decrease in wholesale revenue, particularly at Alexander McQueen. Balenciaga's sales from directly operated stores rebounded by 9% on a comparable basis compared to the first half of 2023.

Sales jumped by 41% on a comparable basis in Japan. Growth was supported by strong tourism flows, and unabated success of the Jewelry Houses.

In Asia-Pacific, revenue was down 5% on a comparable basis despite growth at Boucheron and a resilient performance by Balenciaga.

In the Rest of the world, the Other Houses saw positive growth, particularly in the Middle East.

Revenue by product category



Continuing the pattern of 2023, the Jewelry Houses continued to implement their development plans successfully and thus saw the strongest sales growth, due in particular to their successful development plan in Asia-Pacific and Japan.

The Ready-to-Wear category also delivered growth in menswear.

However, the Shoes and Leather goods categories suffered from more moderate demand from aspirational customers in certain markets.

Royalties fell relative to 2023 as certain licenses and collaborations came to an end.

Recurring operating income

The Other Houses' recurring operating income amounted to €44 million in the first half of 2023, down €180 million on the same period of 2023.

Recurring operating margin came to 2.6%, 9.5 points lower than in the year-earlier period.

Performance varied between Houses. Balenciaga invested heavily in communications and in-store event; Alexander McQueen suffered from negative operational leverage, while Boucheron saw a sharp increase in operating income.

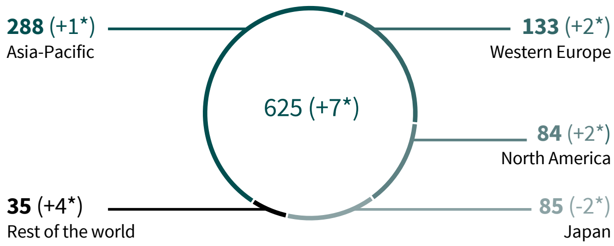
EBITDA was €247 million. EBITDA margin was therefore 14.4%, down 7.4 points compared to the first half of 2023.

Store network and operating investments

The Other Houses had 625 directly operated stores as of June 30, 2024, seven more than at December 31, 2023.

The Other Houses' operating investments amounted to €99 million. As a proportion of revenue, operating investments increased to 5.7% as opposed to 4.4% in the first half of 2023.

Breakdown of directly operated stores by region



* Net store openings/closures between December 31, 2023 and June 30, 2024.

3.5 Kering Eyewear and Corporate

(in € millions)	First half 2024	First half 2023	Change
Revenue	**1,067**	**869**	**+23%**
of which Kering Eyewear	*914*	*869*	*+5%*
of which Corporate and other	*153*	*–*	*N/A*
Recurring operating income	**101**	**63**	**+61%**
of which Kering Eyewear	*196*	*186*	*+5%*
of which Corporate and other	*(95)*	*(123)*	*+23%*
Acquisitions of property, plant and equipment and intangible assets	1,010	1,452	-31%
Average FTE headcount	7,220	6,360	+14%

The “Kering Eyewear and Corporate” segment comprises:

- Kering Eyewear, whose sales and operating income are presented before the elimination of intra-group sales and other consolidation adjustments (reported on the separate line item Eliminations);
- Kering Beauté, a business that is currently being developed. Creed, acquired in October 2023, has been consolidated in Kering’s financial statements since November 1, 2023;
- Kering’s headquarters teams, all corporate departments reporting to them – including in the regions – and Shared Services, which provide a range of services to the brands, along with the Kering Sustainability Department.

In the first half of 2024, the segment generated total revenue of €1,067 million, mainly from Kering Eyewear but also Kering Beauté. Kering Beauté’s sales included Creed for the full six months, along with initial sales of products developed for Kering Beauté by the Group’s Houses.

Kering Eyewear’s sales were up 5% as reported and up 6% on a comparable basis, driven by good overall performance in the brand portfolio.

Overall, sales growth at constant scope and exchange rates was very robust in Kering Eyewear’s various markets, all of which saw growth.

As regards the distribution channels of brands managed under license by Kering Eyewear, local chains and the “three Os” (opticians, optometrists and ophthalmologists) constitute the main sales channel. Revenue from those distributors increased, showing the effectiveness of Kering Eyewear's sales organization. Performances in the other main distribution channels improved, particularly among distributors.

The segment generated recurring operating income of €101 million, comprising operating income of €196 million at Kering Eyewear less Corporate operating expenses (including those of Kering Beauté) of €95 million.

Kering Eyewear's recurring operating margin was 21.4%, stable compared to 2023. First-half figures are boosted by positive seasonal effects resulting in particular from purchases of sunglasses, creating positive operational leverage while supporting communications investment efforts.

Corporate costs fell €28 million year-on-year, reflecting in particular the positive impact of including Creed's operating income.

The segment’s operating investments amounted to €1,010 million in the first half of 2024 and included the acquisition of a real-estate property in New York, with the aim of securing prime locations for the Group’s Houses. Adjusted for those purchases, operating investments amounted to €113 million. This is broadly similar to the figure for the first half of 2023 (€93 million), and represents a relatively normal level.

4 - PARENT COMPANY NET INCOME

The parent company generated income of €1,877 million in the first half of 2024, compared with €81 million for the first six months of 2023. The first-half 2024 figure includes €1,961 million of dividends received from subsidiaries (versus €18 million in the first half of 2023).

5 - TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties in the first half of 2024 are described in Note 17 "Transactions with related parties" to the condensed consolidated interim financial statements.

6 - 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[1].

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.

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

7 - DEFINITIONS OF NON-IFRS FINANCIAL INDICATORS

"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.

CHAPTER 3

Condensed consolidated interim financial statements for the six months ended June 30, 2024

1 - CONSOLIDATED INCOME STATEMENT

(in € millions)	Notes	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	4	(13)	–
Operating income		**1,569**	**2,739**
Financial result	5	(288)	(204)
Income before tax		**1,281**	**2,535**
Income tax expense	6	(345)	(692)
Share in earnings (losses) of equity-accounted companies	8	4	3
Net income from continuing operations		**940**	**1,846**
o/w attributable to the Group		*878*	*1,785*
o/w attributable to minority interests		*62*	*61*
DISCONTINUED OPERATIONS			
Net income (loss) from discontinued operations		–	–
o/w attributable to the Group		–	–
o/w attributable to minority interests		–	–
GROUP TOTAL			
Net income		**940**	**1,846**
o/w attributable to the Group		*878*	*1,785*
o/w attributable to minority interests		*62*	*61*

(in € millions)	Notes	First half 2024	First half 2023
Net income attributable to the Group		**878**	**1,785**
Basic earnings per share *(in €)*	7.1	7.16	14.60
Diluted earnings per share *(in €)*	7.1	7.16	14.59
Net income from continuing operations attributable to the Group		**878**	**1,785**
Basic earnings per share *(in €)*	7.1	7.16	14.60
Diluted earnings per share *(in €)*	7.1	7.16	14.59
Net income (loss) from continuing operations (excluding non-recurring items) attributable to the Group		**888**	**1,789**
Basic earnings per share *(in €)*	7.2	7.24	14.63
Diluted earnings per share *(in €)*	7.2	7.24	14.62

2 - CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in € millions)	Notes	First half 2024	First half 2023
Net income		**940**	**1,846**
Change in currency translation adjustments relating to consolidated subsidiaries:		**11**	**(95)**
– change in currency translation adjustments		*11*	*(95)*
– amounts transferred to the income statement		*–*	*–*
Change in foreign currency cash flow hedges:	**12**	**(63)**	**119**
– change in fair value		*(16)*	*204*
– amounts transferred to the income statement		*(52)*	*(79)*
– tax effects		*5*	*(6)*
Change in other comprehensive income (loss) of equity-accounted companies:		**–**	**–**
– change in fair value		*–*	*–*
– amounts transferred to the income statement		*–*	*–*
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)**
– change in actuarial gains and losses		*(8)*	*(2)*
– tax effects		*2*	*–*
Change in financial assets measured at fair value:	**9.2**	**15**	**16**
– change in fair value		*13*	*22*
– tax effects		*2*	*(6)*
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**
COMPREHENSIVE INCOME		897	1,884
o/w attributable to the Group		*834*	*1,825*
o/w attributable to minority interests		*63*	*59*

3 - CONSOLIDATED BALANCE SHEET

Assets

(in € millions)	Notes	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	9.1	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	9.1	64	136
Other current assets		1,404	1,406
Cash and cash equivalents	14	3,934	3,922
Current assets		**11,665**	**11,930**
Assets held for sale		**–**	**–**
TOTAL ASSETS		42,152	41,367

Equity and liabilities

(in € millions)	Notes	June 30, 2024	Dec. 31, 2023
Equity attributable to the Group		14,901	15,212
Equity attributable to minority interests		849	798
Equity	**10**	**15,750**	**16,010**
Non-current borrowings	11	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	13	27	21
Deferred tax liabilities		1,793	1,776
Other non-current liabilities		433	311
Non-current liabilities		**17,949**	**16,726**
Current borrowings	11	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	13	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

4 - CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Before appropriation of net income *(in € millions)*	**Notes**	**Number of shares outstanding**	**Share capital**	**Capital reserves**	**Kering treasury shares**	**Cumulative translation adjustments**	**Remeasure-ment of financial instruments**	**Other reserves and net income**	**Group**	**Minority interests**	**TOTAL**
As of January 1st, 2023		**122,220,370**	**496**	**1,314**	**(1,028)**	**(165)**	**186**	**13,195**	**13,998**	**785**	**14,783**
Net income								1,785	1,785	61	1,846
Total gains and losses recognized in equity						(93)	135	(2)	40	(2)	38
Comprehensive income						**(93)**	**135**	**1,783**	**1,825**	**59**	**1,884**
Change in equity of Kering SA									–	–	–
Change in equity of subsidiaries									–	1	1
Expense related to share-based payments								13	13	–	13
Cancellation of Kering treasury shares									–	–	–
(Acquisitions) disposals of Kering treasury shares (1)		75,215			43				43	–	43
Distribution of dividends								(1,154)	(1,154)	(21)	(1,175)
Other changes (2)								(153)	(153)	(24)	(176)
As of June 30, 2023		**122,295,585**	**496**	**1,314**	**(985)**	**(258)**	**321**	**13,685**	**14,572**	**800**	**15,372**
Net income								1,198	1,198	30	1,228
Total gains and losses recognized in equity						15	(161)	2	(144)	5	(139)
Comprehensive income						**15**	**(161)**	**1,200**	**1,054**	**35**	**1,089**
Change in equity of Kering SA									–	–	–
Change in equity of subsidiaries									–	8	8
Expense related to share-based payments		16,928			10			2	12	–	12
Cancellation of Kering treasury shares			(3)	(330)	333				–	–	–
(Acquisitions) disposals of Kering treasury shares (1)		267,668			187			(217)	(30)	–	(30)
Distribution of dividends								(551)	(551)	(21)	(572)
Other changes (2)					5			150	155	(24)	130
As of December 31, 2023		**122,580,181**	**493**	**984**	**(450)**	**(243)**	**160**	**14,268**	**15,212**	**798**	**16,010**
Net income								878	878	62	940
Total gains and losses recognized in equity						11	(55)		(44)	1	(43)
Comprehensive income						**11**	**(55)**	**878**	**834**	**63**	**897**
Change in equity of Kering SA									–	–	–
Change in equity of subsidiaries									–	–	–
Expense related to share-based payments								14	14	–	14
Cancellation of Kering treasury shares	10								–	–	–
(Acquisitions) disposals of Kering treasury shares (1)	10	6,750			3				3	–	3
Distribution of dividends								(1,165)	(1,165)	(8)	(1,173)
Other changes (2)								3	3	(4)	(1)
As of June 30, 2024		**122,586,931**	**493**	**984**	**(447)**	**(232)**	**105**	**13,998**	**14,901**	**849**	**15,750**

(1) The acquisition cost of Kering treasury shares is reflected in the “Kering treasury shares” column. Capital gains or losses on the sale of Kering treasury shares, along with the related expenses and taxes, are recognized in the “Other reserves and net income” column.

(2) “Other changes” include changes in scope and transactions with minority interests.

5 - CONSOLIDATED STATEMENT OF CASH FLOW

(in € millions)	Notes	First half 2024	First half 2023
Net income from continuing operations		**940**	**1,846**
Net recurring charges to depreciation, amortization and provisions on non-current operating assets	3	1,013	878
Other non-cash (income) expenses	15	10	(139)
Cash flow received from operating activities	**15**	**1,963**	**2,585**
Interest paid (received)		229	173
Dividends received		(2)	(7)
Current tax expense	6.1	312	684
Cash flow received from operating activities before tax, dividends and interest		**2,502**	**3,435**
Change in working capital requirement	16	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	11.3	1,750	1,508
Redemption of bonds and bank debt	11.3	(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) financing activities		**(1,116)**	**(1,912)**
Net cash received from (used in) discontinued operations		**–**	**–**
Impact of exchange rates 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	**14**	**3,696**	**3,050**

6 - NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2024

Presentation of the condensed consolidated interim financial statements **35**
1 Significant events in the first half of 2024 35
2 Subsequent events 36
3 Operating segments 36

Notes on the consolidated income statement **37**
4 Other non-recurring operating income and expenses 37
5 Financial result 37
6 Income tax 38
7 Earnings per share 38

Notes on the consolidated balance sheet **40**
8 Investments in equity-accounted companies 40
9 Financial assets 41
10 Equity 42
11 Net debt 42
12 Derivative instruments 44
13 Provisions 44

Notes on the consolidated statement of cash flow **45**
14 Cash and cash equivalents as reported in the cash flow statement 45
15 Cash flow received from operating activities 45
16 Change in working capital requirement 45
17 Transactions with related parties 46
18 Accounting policies and methods – Application of IFRS accounting framework 46

PRESENTATION OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

INTRODUCTION

Kering SA, the Group's parent company, is a société anonyme (French corporation) with a Board of Directors, incorporated under French law, whose registered office is located at 40, rue de Sèvres, 75007 Paris, France. Kering is a global luxury group that manages the development of a collection of renowned Houses in Fashion, Leather goods and Jewelry.

On July 24, 2024, the Board of Directors approved the consolidated interim financial statements for the six months ended June 30, 2024 and authorized their publication.

The consolidated financial statements as of June 30, 2024 reflect the accounting position of Kering SA, its subsidiaries and its associates (the "Group").

Pursuant to European Regulation No. 1606/2002 of July 19, 2002, these consolidated financial statements were prepared in accordance with applicable International Financial Reporting Standards (IFRSs) as endorsed by the European Union and mandatorily applicable as of the reporting date.

The condensed consolidated interim financial statements for the six months ended June 30, 2024 were prepared in accordance with IAS 34 "Interim financial reporting". The notes do not include all of the disclosures required for full annual consolidated financial statements, and should be read in conjunction with the consolidated financial statements for the year ended December 31, 2023. Specific information and new texts applicable to 2024 are presented in Note 18 – Accounting policies and methods – Application of IFRS accounting framework.

Unless otherwise stated, amounts are stated in millions of euros. In general, amounts stated in the consolidated financial statements and in the notes to the consolidated financial statements are rounded to the nearest unit. As a result, the sum of the rounded amounts may show non-material differences relative to the stated total.

NOTE 1 - SIGNIFICANT EVENTS IN THE FIRST HALF OF 2024

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

On January 22, 2024, Kering announced the acquisition of a prestigious New York City property comprising luxury retail spaces across multiple floors and with total floorspace of 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).

On April 4, 2024, the Group also announced the acquisition of the company that owns the iconic building located at 8 Via Montenapoleone 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. The transaction will be completed in the second half of 2024.

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

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

On 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.

NOTE 2 - SUBSEQUENT EVENTS

On July 18, 2024, Kering finalized the acquisition, announced on April 4, 2024, of the company that owns the iconic building located at Via Montenapoleone 8 in Milan, for a cash consideration of €1.3 billion.

Kering signed a new €3,000 million syndicated facility on July 18, 2024, maturing in July 2029 and including two extension options each of one year. This new facility replaced the existing €2,385 million facility, canceled on the same day.

NOTE 3 - OPERATING SEGMENTS

(in € millions)	**Gucci**	**Yves Saint Laurent**	**Bottega Veneta**	**Other Houses**	**Kering Eyewear and Corporate**	**Eliminations**	**Total**
FIRST HALF 2024							
Revenue	**4,085**	**1,441**	**836**	**1,717**	**1,067**	**(128)**	**9,018**
Recurring operating income	**1,007**	**316**	**121**	**44**	**101**	**(7)**	**1,582**
Net recurring charges to depreciation, amortization and provisions on non-current operating assets	382	148	94	203	186	N/A	1,013
EBITDA	1,389	464	215	247	287	(7)	2,595
Acquisitions of property, plant and equipment and intangible assets (1)	124	107	51	99	1,010	N/A	1,391

(in € millions)	**Gucci**	**Yves Saint Laurent**	**Bottega Veneta**	**Other Houses**	**Kering Eyewear and Corporate**	**Eliminations**	**Total**
FIRST HALF 2023							
Revenue	**5,128**	**1,576**	**833**	**1,856**	**869**	**(127)**	**10,135**
Recurring operating income	**1,810**	**481**	**169**	**224**	**63**	**(8)**	**2,739**
Net recurring charges to depreciation, amortization and provisions on non-current operating assets	362	119	90	180	127	N/A	878
EBITDA	2,172	600	259	404	190	(8)	3,617
Acquisitions of property, plant and equipment and intangible assets (2)	232	81	44	82	1,452	N/A	1,891

(1) In the first half of 2024, acquisitions of property, plant and equipment and intangible assets include the acquisition of a strategic real-estate property for €897 million.

(2) In the first half of 2023, acquisitions of property, plant and equipment and intangible assets include the acquisitions of strategic real-estate properties for €1,359 million.

NOTES ON THE CONSOLIDATED INCOME STATEMENT

NOTE 4 - OTHER NON-RECURRING OPERATING INCOME AND EXPENSES

(in € millions)	**First half 2024**	**First half 2023**
Gains relating to changes in scope	1	–
Capital gains on disposals of non-current assets	–	85
Restructuring reversal	27	23
Other	1	6
Other non-recurring operating income	**29**	**114**
Losses relating to changes in scope	–	(1)
Capital losses on disposals of non-current assets	–	–
Impairment of goodwill and other non-current assets	(1)	(54)
Restructuring costs	(29)	(31)
Acquisition costs	(2)	(1)
Other	(11)	(27)
Other non-recurring operating expenses	**(42)**	**(114)**
TOTAL	(13)	–

In the first half of 2024, as in the first half of 2023, restructuring costs, net of reversals, mainly concerned the continuation of the restructuring that began at Gucci in 2022.

In 2023, other income and expenses mainly included:

- impairment of other non-current assets, mainly related to the reorganization of Gucci's creative studio;
- impairment of other assets at Alexander McQueen and Brioni;
- and the €85 million capital gain on asset disposals arising from the disposal of a building in London.

NOTE 5 - FINANCIAL RESULT

(in € millions)	**First half 2024**	**First half 2023**
Cost of net debt (1)	**(151)**	**(40)**
Income from cash and cash equivalents	44	22
Finance costs at amortized cost	(195)	(62)
Other financial income and expenses	**(48)**	**(94)**
Net gains (losses) on financial assets	2	2
Net foreign exchange gains (losses)	(24)	(44)
Ineffective portion of cash flow and fair value hedges	(14)	(53)
Net gains (losses) on derivative instruments not qualifying for hedge accounting	(4)	7
Other finance costs	(8)	(6)
Total financial result excluding leases	**(199)**	**(134)**
Interest expense on lease liabilities	(89)	(70)
TOTAL	(288)	(204)

(1) Net debt is defined on page 28.

The Group's cost of net debt was €151 million in the first half of 2024 (€40 million in the first half of 2023). The increase is mainly due to the increase in the average amount of debt, mainly long-term debt, in the context of interest rates, partly offset by the higher return on the Group's cash position.

Other financial income and expenses represented a net expense of €48 million in the first half of 2024, as opposed to €94 million in the first half of 2023.

The €46 million decrease was mainly due to weaker exchange-rate effects, and in particular the reduction in the cost of carry relating to foreign exchange hedging between the two periods.

NOTE 6 - INCOME TAX

6.1 Income tax expense

(in € millions)	First half 2024	First half 2023
Current tax expense	(312)	(684)
Deferred tax income (expense)	(32)	(8)
TOTAL	(345)	(692)

6.2 Reconciliation of the effective tax rate

As of June 30, 2024, the Group estimates that its full-year tax rate (in accordance with IAS 34) will be 26.9%. That rate includes the effects of the Pillar Two rules published by the Organisation for Economic Co-operation and Development (OECD) in December 2021, the impact of which is currently estimated to be non-material.

(in € millions)	First half 2024	First half 2023
Income before tax	1,281	2,535
Income tax expense	(345)	(692)
Effective tax rate	**26.9%**	**27.3%**
Other non-recurring operating income and expenses	(13)	–
Recurring income before tax	1,294	2,535
Income tax on other non-recurring operating income and expenses	3	(4)
Tax expense on recurring income	(348)	(688)
Effective tax rate on recurring income [(1)]	**26.9%**	**27.1%**

(1) The effective tax rate on recurring income is defined on page 28.

NOTE 7 - EARNINGS PER SHARE

7.1 Earnings per share

First half 2024

	Consolidated Group	Continuing operations	Discontinued operations
Net income attributable to the Group *(in € millions)*	**878**	**878**	**–**
Weighted average number of ordinary shares outstanding	123,420,778	123,420,778	123,420,778
Weighted average number of Kering treasury shares	(836,341)	(836,341)	(836,341)
Weighted average number of ordinary shares	**122,584,437**	**122,584,437**	**122,584,437**
Basic earnings per share *(in €)*	**7.16**	**7.16**	**–**
Weighted average number of ordinary shares	122,584,437	122,584,437	122,584,437
Potentially dilutive ordinary shares	42,319	42,319	42,319
Weighted average number of diluted ordinary shares	**122,626,756**	**122,626,756**	**122,626,756**
Diluted earnings per share *(in €)*	**7.16**	**7.16**	**–**

First half 2023

	Consolidated Group	Continuing operations	Discontinued operations
Net income attributable to the Group *(in € millions)*	**1,785**	**1,785**	**–**
Weighted average number of ordinary shares outstanding	124,070,778	124,070,778	124,070,778
Weighted average number of Kering treasury shares	(1,800,186)	(1,800,186)	(1,800,186)
Weighted average number of ordinary shares	**122,270,592**	**122,270,592**	**122,270,592**
Basic earnings per share *(in €)*	**14.60**	**14.60**	**–**
Weighted average number of ordinary shares	122,270,592	122,270,592	122,270,592
Potentially dilutive ordinary shares	79,521	79,521	79,521
Weighted average number of diluted ordinary shares	**122,350,113**	**122,350,113**	**122,350,113**
Diluted earnings per share *(in €)*	**14.59**	**14.59**	**–**

7.2 Earnings per share from continuing operations excluding non-recurring items

Non-recurring items presented below consist of other non-recurring operating income and expenses (see Note 4), reported net of tax and any minority interests.

(in € millions)	First half 2024	First half 2023
Net income from continuing operations attributable to the Group	**877.7**	**1,785.0**
Other non-recurring operating income and expenses	(13.4)	–
Income tax on other non-recurring operating income and expenses	3.2	(4.0)
Net income (loss) from continuing operations (excluding non-recurring items) attributable to the Group	**887.9**	**1,789.0**

	First half 2024	First half 2023
Weighted average number of ordinary shares outstanding	123,420,778	124,070,778
Weighted average number of Kering treasury shares	(836,341)	(1,800,186)
Weighted average number of ordinary shares	**122,584,437**	**122,270,592**
Basic earnings per share from continuing operations excluding non-recurring items *(in €)*	**7.24**	**14.63**
Weighted average number of ordinary shares	122,584,437	122,270,592
Potentially dilutive ordinary shares	42,319	79,521
Weighted average number of diluted ordinary shares	**122,626,756**	**122,350,113**
Diluted earnings per share from continuing operations excluding non-recurring items *(in €)*	**7.24**	**14.62**

NOTES ON THE CONSOLIDATED BALANCE SHEET

NOTE 8 - INVESTMENTS IN EQUITY-ACCOUNTED COMPANIES

Companies accounted for by the equity method comprise associates. The Group's investments in associates break down as follows:

(in € millions)	**June 30, 2024**	**Dec. 31, 2023**
Valentino	1,701	1,698
Other investments in equity-accounted companies	74	52
TOTAL	1,775	1,750

In November 2023, Kering completed the acquisition of a 30% shareholding in Italian fashion house Valentino for €1.7 billion under a broader strategic partnership with Mayhoola. The agreement included cross put and call options under which the Group gave an undertaking to acquire an additional 70% stake from May 2026 through 2028 should the options be exercised.

If the options are exercised, the exercise price will be adjusted on the basis of Valentino's performance and prospects for future years. The value of this commitment at closing is estimated at around €4 billion.

Valentino is an internationally recognized Italian luxury house with a high-end luxury positioning rooted in Haute Couture. It has also developed a ready-to-wear, leather goods, accessories and beauty offering for men and women.

The share in earnings/(losses) of equity-accounted companies came to €3 million for Valentino.

The Valentino group's consolidated financial statements prepared under IFRS and in euros were used to account for Valentino under the equity method in Kering's financial statements. These consolidated financial statements have not been published. The financial statements include certain transactions entered into between Kering and Valentino on an arm's length basis.

As of June 30, 2024, allocation of the purchase price to assets and liabilities acquired based on their fair value was still being finalized.

The Valentino group generated net income of €23.4 million on revenue of €1,348 million in 2023 via its network of over 200 stores in more than 25 countries. No dividend was paid in respect of 2023.

No other financial or operating commitment has been granted to Valentino, which is accounted for by the equity method.

NOTE 9 - FINANCIAL ASSETS

9.1 Breakdown of financial assets

(in € millions)	**June 30, 2024**	**Dec. 31, 2023**
Non-consolidated investments [1]	92	167
Loans and receivables	2	3
Deposits and guarantees	244	232
Other financial investments [2]	144	136
Non-current financial assets	**483**	**536**
Derivative instruments	50	122
Loans and receivables	14	14
Current financial assets	**64**	**136**

(1) Of which a 0.4% stake in PUMA as of June 30, 2024 and December 31, 2023.
(2) Including an investment in the Climate Fund for Nature, managed by Natixis subsidiary Mirova, in an amount of €10.5 million. As part of its proactive strategy to offset its carbon emissions, on February 16, 2023 Kering undertook to invest up to €100 million in this carbon fund. The commitment given by the Kering group as of June 30, 2024 amounted to €85.1 million.

9.2 Financial assets measured at fair value

(in € millions)	**June 30, 2024**	**Dec. 31, 2023**
Investments	92	167
o/w changes in fair value recognized through equity	*91*	*166*
o/w changes in fair value recognized through the income statement	*1*	*1*
Derivative instruments	50	122
Other financial investments	144	136
o/w changes in fair value recognized through equity	*138*	*130*
o/w changes in fair value recognized through the income statement	*6*	*6*
Financial assets at fair value	**288**	**425**

NOTE 10 - EQUITY

At June 30, 2024, the share capital amounted to €493,683,112, comprising 123,420,778 fully paid-up shares with a par value of €4 each (unchanged from December 31, 2023). Excluding the 833,847 Kering treasury shares, there were 122,586,931 shares issued and outstanding as of June 30, 2024.

	June 30, 2024		Dec. 31, 2023	
(in € millions)	**Number**	**Amount**	**Number**	**Amount**
Liquidity agreement	–	–	6,750	3
Share buyback program (for cancellation)	–	–	–	–
Share-based payment	833,847	447	833,847	447
Kering treasury shares	**833,847**	**447**	**840,597**	**450**

Change in Kering treasury shares

(in € millions)	Number	Amount	Impact on cash
As of January 1, 2024	**840,597**	**450**	
Purchases under the liquidity agreement	306,881	113	(113)
Disposals under the liquidity agreement	(313,631)	(115)	115
Purchases under share-based payment plans	–	–	–
Purchases with a view to canceling the shares	–	–	–
Cancellations under the share buyback program	–	–	N/A
Shares vested	–	–	N/A
Net capital gain (loss) on disposal	–	–	N/A
As of June 30, 2024	**833,847**	**447**	**3**

NOTE 11 - NET DEBT

(in € millions)	June 30, 2024	Dec. 31, 2023
Borrowings	13,856	12,426
Cash and cash equivalents	(3,934)	(3,922)
TOTAL	9,922	8,504

11.1 Cash and cash equivalents

(in € millions)	June 30, 2024	Dec. 31, 2023
Cash	2,302	3,103
Cash equivalents [1]	1,632	819
TOTAL	3,934	3,922

(1) Including term deposits and mutual fund units.

11.2 Breakdown of borrowings by category and maturity

(in € millions)	June 30, 2024	Current	Y +2	Y + 3	Y + 4	Y + 5	Beyond	Total non-current
Bond debt	11,067	749	1,248	958	1,346	745	6,021	10,318
Other bank borrowings	137	90	48	–	–	–	–	48
Bank overdrafts	238	238	–	–	–	–	–	–
Commercial paper	1,371	1,371	–	–	–	–	–	–
Other borrowings (1)	1,042	390	528	5	58	2	59	652
o/w Put options granted to minority interests	*710*	*59*	*528*	*5*	*58*	*2*	*59*	*652*
TOTAL	13,856	2,838	1,824	963	1,404	748	6,080	11,018
%	100%	20%	13%	7%	10%	5%	44%	80%

(1) Other borrowings include accrued interest.

(in € millions)	Dec. 31, 2023	Current	Y +2	Y + 3	Y + 4	Y + 5	Beyond	Total non-current
Bond debt	9,795	500	1,497	959	1,228	597	5,014	9,295
Other bank borrowings	134	68	46	19	–	–	–	66
Bank overdrafts	272	272	–	–	–	–	–	–
Commercial paper	1,277	1,277	–	–	–	–	–	–
Other borrowings (1)	948	282	541	–	63	2	59	665
o/w Put options granted to minority interests	*711*	*47*	*541*	*–*	*63*	*1*	*59*	*664*
TOTAL	12,426	2,400	2,085	978	1,291	599	5,073	10,026
%	100%	19%	17%	8%	10%	5%	41%	81%

(1) Other borrowings include accrued interest.

11.3 Bond debt

On March 11, 2024, the Group issued €1.75 billion of bonds, 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.

In April 2024, the Group repaid €500 million of bonds initially issued in April 2014.

11.4 Undrawn confirmed lines of credit

As of June 30, 2024, the Group had undrawn confirmed lines of credit totaling €3,185 million (December 31, 2023: €3,185 million). These consisted of a syndicated facility for €2,385 million (of which €170 million expires in December 2024 and €2,215 million in December 2025), and €800 million in bilateral lines of credit with a maturity of more than one year at June 30, 2024.

NOTE 12 - DERIVATIVE INSTRUMENTS

(in € millions)	June 30, 2024	Dec. 31, 2023
Non-current financial assets	**25**	**3**
Derivative instruments - at fair value through income statement	–	–
Derivative instruments - cash flow hedges	25	3
Derivative instruments - fair value hedges	–	–
Current financial assets	**50**	**122**
Derivative instruments - at fair value through income statement	5	17
Derivative instruments - cash flow hedges	41	95
Derivative instruments - fair value hedges	4	10
Non-current financial liabilities	**(7)**	**(13)**
Derivative instruments - at fair value through income statement (1)	(4)	–
Derivative instruments - cash flow hedges	(3)	(13)
Derivative instruments - fair value hedges	–	–
Current financial liabilities	**(52)**	**(33)**
Derivative instruments - at fair value through income statement	(18)	(8)
Derivative instruments - cash flow hedges	(29)	(21)
Derivative instruments - fair value hedges	(5)	(4)
TOTAL	16	79

(1) Liabilities related to derivative instruments recognized at fair value through the income statement include €3.7 million related to the Collective Virtual Purchase Agreement (CVPPA). That derivative is measured using an internally developed level-3 model, and includes energy certificates.
On May 5, 2024, Kering amended the CVPPA of October 12, 2023 initially formed with Caletona Servicios y Gestiones. The new CVPPA, which is an agreement to purchase renewable energy without physical delivery, was formed with a new solar photovoltaic farm operated by Castellana Power S.L.U, which operates in Spain. Energy certificates arising from renewable energy production – under the European Energy Certificate System (EECS®) – will be transferred to the Kering group as the agreement is performed.
The agreement is for a 10-year term starting on the commercial operation date, which is likely to be July 1, 2026.

NOTE 13 - PROVISIONS

(in € millions)	Dec. 31, 2023	Charge	Reversals (utilized provisions)	Reversals (surplus provisions)	Changes in scope	Foreign exchange differences	Other movements	June 30, 2024
Non-current provisions	21	–	(2)	–	–	–	8	27
Current provisions	163	16	(34)	(5)	–	(1)	(5)	135
TOTAL	184	16	(36)	(5)	–	(1)	3	161

(in € millions)	June 30, 2024	Dec. 31, 2023
Provision for restructuring costs	40	64
Vendor warranties	23	23
Disputes and other contingencies	98	97
TOTAL	161	184

NOTES ON THE CONSOLIDATED STATEMENT OF CASH FLOW

NOTE 14 - CASH AND CASH EQUIVALENTS AS REPORTED IN THE CASH FLOW STATEMENT

(in € millions)	**June 30, 2024**	**June 30, 2023**
Cash and cash equivalents as reported in the balance sheet	**3,934**	**3,328**
Bank overdrafts	(238)	(278)
Cash and cash equivalents as reported in the statement of cash flow	**3,696**	**3,050**

NOTE 15 - CASH FLOW RECEIVED FROM OPERATING ACTIVITIES

(in € millions)	**First half 2024**	**First half 2023**
Net income from continuing operations	**940**	**1,846**
Net recurring charges to depreciation, amortization and provisions on non-current operating assets	1,013	878
Other non-cash income and expenses	10	(139)
Non-cash recurring operating income and expenses	*(110)*	*(129)*
Fair value of operating foreign exchange rate hedges	*(49)*	*(79)*
Other	*(61)*	*(50)*
Other non-cash income and expenses	120	(10)
Impairment of goodwill, brands and other non-current assets	*1*	*45*
Fair value of foreign exchange rate hedges in financial result	*48*	*64*
Deferred tax expense (income)	*32*	*8*
Share in earnings (losses) of equity-accounted companies	*(4)*	*(2)*
Other	*43*	*(125)*
Cash flow received from operating activities	**1,963**	**2,585**

NOTE 16 - CHANGE IN WORKING CAPITAL REQUIREMENT

(in € millions)	**First half 2024**	**First half 2023**
Change in Inventories	198	(168)
Change in trade receivables and accrued income	–	(53)
Change in trade payables and accrued expenses	(70)	38
Change in other operating receivables and payables	(83)	(236)
Change in working capital requirement	**44**	**(419)**

NOTE 17 - TRANSACTIONS WITH RELATED PARTIES

Kering SA is controlled by Artemis, which in turn is wholly owned by Financière Pinault.

	June 30, 2024	June 30, 2023
% capital held by the Artemis group in Kering SA	42.3%	42.0%
% of voting rights held by the Artemis group in Kering SA	59.4%	59.4%
Dividend paid for Year Y-1 *(in € millions)*	731	730
Fees for the period *(in € millions)*	3	4

The Group pays fees to Artemis for (i) business development consulting services and complex transaction support, and (ii) the supply of development opportunities, new business and cost reduction solutions. These fees are governed by an agreement reviewed by the Audit Committee and approved by the Board of Directors.

NOTE 18 - ACCOUNTING POLICIES AND METHODS – APPLICATION OF IFRS ACCOUNTING FRAMEWORK

The condensed consolidated interim financial statements are prepared according to the accounting policies and methods applied by the Group to the consolidated financial statements for 2023 (presented Note 33 – Accounting policies and methods), with the exception of the method related to income tax as well as standards, amendments and interpretations endorsed by the European Union and in force since January 1, 2024.

In the condensed consolidated interim financial statements for the six months ended June 30, 2024, the tax expense (current and deferred) is calculated by applying the average annual tax rate estimated for the current tax year to pre-tax accounting profit for each country or tax group.

Standards, amendments and interpretations endorsed by the European Union and applicable as of January 1, 2024

The standards, amendments and interpretations published by IASB and mandatorily applicable from January 1, 2024 are listed below:

- Amendments to IAS 1 "Presentation of Financial Statements": "Classification of Liabilities as Current or Non-current" and "Non-current Liabilities with Covenants".
- Amendments to IAS 7 "Statement of Cash Flows" and IFRS 7 "Financial Instruments": "Supplier Finance Arrangements".
- Amendments to IFRS 16 "Leases": "Lease Liability in a Sale and Leaseback".

After analyzing the texts that came into force on January 1, 2024, the Group concluded that they would have either no effect or a non-material effect on its condensed consolidated interim financial statements for the six months ended June 30, 2024.

Standards, amendments and interpretations applicable as of January 1, 2024 and not yet endorsed by the European Union

As of the closing date of the condensed consolidated interim financial statements, no standard, amendment or interpretation applicable as of January 1, 2024 was awaiting endorsement by the European Union.

Standards, amendments and interpretations applicable from January 1, 2025 and not yet endorsed by the European Union

Standards, amendments and interpretations published and not yet endorsed by the European Union are listed below:

- IFRS 18 – Presentation and Disclosure in Financial Statements
- Amendments to IFRS 9 and IFRS 7 – Amendments to the Classification and Measurement of Financial Instruments
- Amendment to IAS 21 "The Effects of Changes in Foreign Exchange Rates" – Lack of Exchangeability

As of the closing date of the condensed consolidated interim financial statements, the Group was in the process of analyzing the impact of these amendments.

STATUTORY AUDITOR'S REVIEW REPORT ON THE INTERIM FINANCIAL INFORMATION

For the six months ended June 30, 2024

To the Shareholders of Kering,

In compliance with the assignment entrusted to us by the Shareholders' meeting and in accordance with the requirements of Article L.451-1-2 III of the French Monetary and Financial Code (*Code monétaire et financier*), we hereby report to you on:

- the review of the accompanying condensed consolidated interim financial statements of Kering for the six months ended June 30, 2024;
- the verification of the information contained in the interim management report.

These condensed consolidated interim financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

I - Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France.

A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with IAS 34 -standard of the IFRSs as adopted by the European Union applicable to interim financial information.

II – Specific verification

We have also verified the information presented in the interim management report on the condensed consolidated interim financial statements subject to our review.

We have no matters to report as to its fair presentation and consistency with the condensed consolidated interim financial statements.

Neuilly-sur-Seine and Paris-La Défense, July 24, 2024

The Statutory Auditors

PricewaterhouseCoopers Audit		Deloitte & Associés	
Camille Phelizon	**Patrice Morot**	**David Dupont-Noel**	**Bénédicte Margerin**

STATEMENT BY THE PERSONS RESPONSIBLE FOR THE INTERIM FINANCIAL REPORT

We certify that, to our knowledge, the condensed consolidated interim financial statements for the six months ended June 30, 2024 have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and results of the Company and the undertakings included in the consolidation, and that the interim management report gives a fair description of the material events that occurred in the first six months of the financial year and their impact on the interim financial statements, as well as a description of the principal risks and uncertainties for the remaining six months of the year, along with the principal transactions with related parties.

Paris, July 24, 2024.

by delegation of the Chairman and Chief Executive Officer,

the Deputy CEO - Operations and Finance, **Jean-Marc Duplaix**

the Chief Financial Officer, **Armelle Poulou**

Kering

Société anonyme (a French corporation) with a share capital of €493,683,112
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Registered with the Paris Trade and Companies Registry under number 552 075 020

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This document was produced by an “Imprim'vert” eco-responsible printer on FSC-certified paper
for the cover pages and inside pages, from sustainably managed forests

Design and production: Ruban Blanc

Publication date: July 24, 2024

Empowering Imagination