KERING

2024
Financial Document

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CHAPTER 1

2024 key figures

KERING IN 2024

Revenue

€17,194 million

-12%

as reported versus 2023

-12%

on a comparable basis[1] versus 2023

Recurring operating income

€2,554 million

-46%

versus 2023

14.9%

recurring operating margin

Net income attributable to the Group

€1,133 million

Dividend per share

€6.00[2]

Free cash flow from operations[3]

€1,432 million

Free cash flow from operations

excluding strategic real estate acquisitions

€3,568 million

46,930

employees
as of December 31, 2024[4]

-23%

reduction in our greenhouse gas emissions[5]

58%

women managers

CDP Triple A List

Climate - Water - Forests

(1) Comparable revenue is defined on page 34.
(2) Subject to the approval of the Annual General Meeting to be held on April 24, 2025.
(3) Free cash flow from operations is defined on page 35.
(4) Average 45,845 FTE in 2024.
(5) On all scopes (1, 2, and 3) as of December 31, 2024, compared to the base year (2022).

Key consolidated figures

(in € millions)	2024	2023	Change (reported)
Revenue	**17,194**	**19,566**	**-12%**
EBITDA	**4,667**	**6,569**	**-29%**
EBITDA margin (% of revenue)	*27.1%*	*33.6%*	*-6.5 pts*
Recurring operating income	**2,554**	**4,746**	**-46%**
Recurring operating margin (% of revenue)	*14.9%*	*24.3%*	*-9.4 pts*
Net income attributable to the Group	**1,133**	**2,983**	**-62%**
o/w continuing operations excluding non-recurring items	**1,310**	**3,061**	**-57%**
Gross operating investments[1]	**3,309**	**2,611**	**+27%**
Free cash flow from operations[2]	**1,432**	**1,983**	**-28%**
Net debt[3]	**10,517**	**8,504**	**+24%**

(1) Purchases of property, plant and equipment and intangible assets.
(2) Free cash flow from operations is defined on page 35.
(3) Net debt is defined on page 35.

Per share data

(in €)	2024	2023	Change (reported)
Net income attributable to the Group	9.24	24.38	-62%
o/w continuing operations excluding non-recurring items	10.68	25.02	-57%
Dividend per share	6.00 [1]	14.00	-57%

(1) Subject to the approval of the Annual General Meeting to be held on April 24, 2025.

Revenue

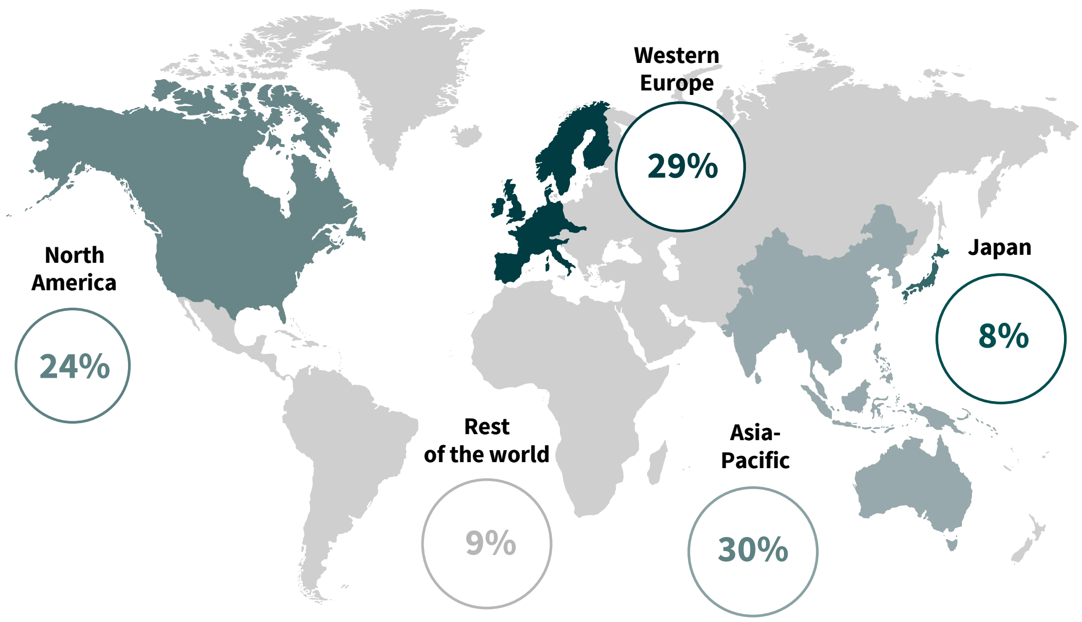
Breakdown by segment

(in € millions)	2024	2023	Reported change	Comparable change[1]
Gucci	7,650	9,873	-23%	-21%
Yves Saint Laurent	2,881	3,179	-9%	-9%
Bottega Veneta	1,713	1,645	+4%	+6%
Other Houses	3,221	3,514	-8%	-7%
Kering Eyewear and Corporate	1,941	1,568	+24%	+8%
Eliminations	*(212)*	*(213)*	*N/A*	*N/A*
Revenue	**17,194**	**19,566**	**-12%**	**-12%**

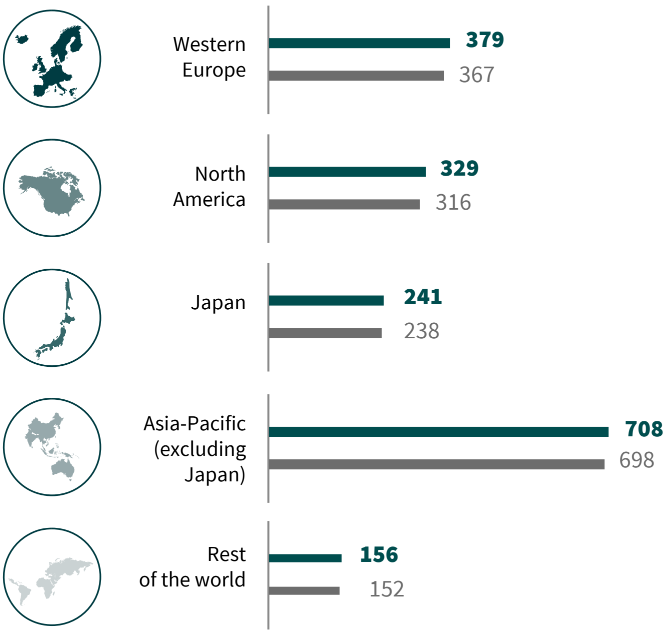
(1) On a comparable scope and exchange rate basis. Comparable growth is defined on page 34.

Breakdown by region

(as a % of consolidated revenue)



Number of directly operated stores by region



1,813
Total as of Dec. 31, 2024

1,771
Total as of Dec. 31, 2023

Recurring operating income

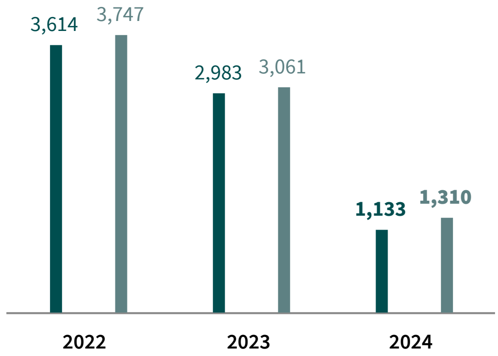
Breakdown of recurring operating income by segment

(in € millions)	**2024**	**2023**	**Change**
Gucci	1,605	3,264	-51%
Yves Saint Laurent	593	969	-39%
Bottega Veneta	255	312	-18%
Other Houses	(9)	212	N/A
Kering Eyewear and Corporate	112	(7)	N/A
Eliminations	*(2)*	*(4)*	*N/A*
Recurring operating income	**2,554**	**4,746**	**-46%**
Recurring operating margin (% of revenue)	*14.9%*	*24.3%*	*-9.4 pts*

Other financial indicators

Net income attributable to the Group

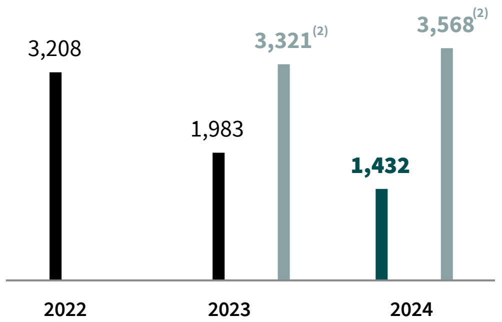
(in € millions)



- Net income attributable to the Group
- Net income from continuing operations (excluding non-recurring items) attributable to the Group

Free cash flow from operations[1]

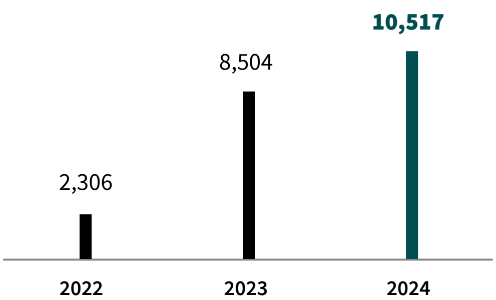
(in € millions)



[1] Free cash flow from operation is defined on page 35.
[2] Excluding strategic real estate acquisitions and disposals.

Net debt[3]

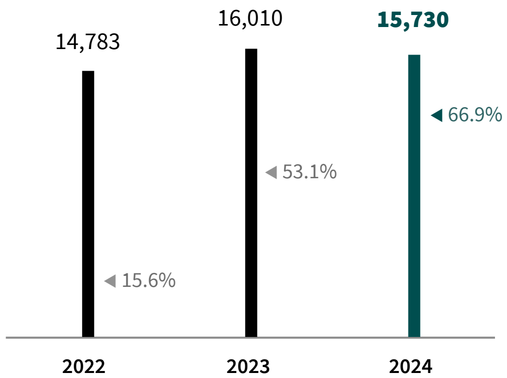
(in € millions)



[3] Net debt is defined on page 35.

Equity and net debt-to-equity ratio[4]

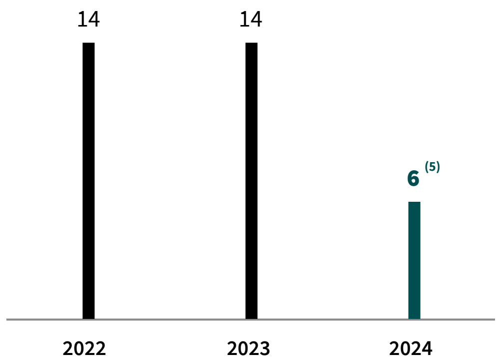
(in € millions and %)



[4] Net debt is defined on page 35.

Dividend per share

(in €)



[5] Subject to the approval of the Annual General Meeting to be held on April 24, 2025.

CHAPTER 2

Activity report

1 - INTRODUCTION

2024: A slowdown in the luxury goods market

In 2024, macroeconomic conditions and multiple sources of geopolitical uncertainty affected consumers' real incomes and confidence levels in most regions of the world.

Experts and analysts currently estimate that the luxury sector saw zero growth in 2024 at constant exchange rates[1], with a significant deterioration in the second half of the year, particularly in Asia, excluding Japan.

The main factors to be taken into account when analyzing the sector's performance in 2024 are as follows:

- Global gross domestic product (GDP) is likely to show growth of 2.7% in 2024, the same as in 2023 but below the long-term average of 3.1% seen between 2010 and 2019. As regards individual regions, the latest estimates are that growth was weak in Europe (0.8%), in line with the target in China (5%) and more resilient than expected in the United States (2.7%).
- Uncertainties arising from geopolitical events and elections, and the US election in particular, knocked consumer confidence and discretionary consumer spending. In China, the decline in consumer sentiment was clear in the second half, and causes included slower GDP growth, the ongoing crisis in China's real estate sector—which accounts for the vast majority of the country's household savings—and the high rate of unemployment among young people. Stimulus measures announced by the Chinese authorities in September 2024 were mainly focused on the banking and financial sectors, and have not yet been sufficient to give fresh impetus to consumer spending, and discretionary spending in particular. However, further measures have been announced in the meantime and more are expected.
- The delayed impact of higher interest rates held back growth in Europe and the United States. Although inflation fell significantly, moving close to central-bank targets, it remained stubbornly high in the service sector and continued to damage households' real incomes.
- The shift in consumer spending from luxury goods to services, accentuated by relatively high inflation, was a further drag on the luxury sector's growth.
- The luxury market saw lower store footfall and lower sales volumes, and these were not offset by price increases or changes in the product mix, which were moderate last year.

Trends in the luxury market varied between regions in 2024.

- In mainland China, the luxury market saw a sharp slowdown in 2024, and particularly the second half of the year, due to the aforementioned tough macroeconomic conditions.
- The US market, which had been slowing since the end of 2023, gradually improved in 2024 and especially in the fourth quarter, supported by buoyant financial markets and a lower base for comparison.
- The European market saw only a limited expansion in 2024 against a backdrop of sluggish economic growth. Tourism had a positive impact on the market in 2024, and US tourist numbers were particularly strong, although trends were mixed during the Paris Olympics. However, Chinese tourist numbers were lower than expected last year.
- Japan stood out with strong growth in 2024, especially in the first half. That growth was driven by spending among tourists, who were attracted by prices that were very appealing because of the weak yen. Sales growth in Japan moved back to more normative levels from the third quarter onward as the yen strengthened in August and became highly volatile in the fourth quarter.
- The South Korean market was affected by fragile local demand, caused by high levels of household debt and by some South Korean consumers buying products in Japan because of price differentials. However, those price differentials narrowed at the end of the year. South Korea has also been engulfed by a political crisis since December.
- Sales in Southeast Asia suffered from price differentials that adversely affected spending by tourists—despite measures making it easier to obtain visas—and encouraged local consumers to buy luxury goods in other countries.

With customers becoming increasingly selective and demanding, the luxury market's performance also varied between product categories:

- The apparel category grew in line with the sector, while leather goods slightly underperformed. The shoes category suffered more from a widespread rise in prices, which made it less attractive to aspirational customers. Conversely, jewelry was one of the best-performing categories in 2024, and was buoyed in particular by the high jewelry segment.

In 2024, the luxury market continued to see a premiumization trend in terms of both supply and demand:

- This trend is largely related to the economic situation, with high inflation and falling real incomes affecting less wealthy customer segments but leaving customers with the highest incomes or wealth levels relatively unscathed. In addition, the most timeless and upscale products are regarded as safe-haven assets at a time of uncertainty about other asset classes.

Finally, and after very strong growth during and immediately after the Covid-19 pandemic, online sales have grown in line with, or slightly more slowly than, sales in physical stores since 2023. Online sales are also more exposed to aspirational customers. However, the stronger trends seen in the United States in late 2024 could indicate an upturn in the online distribution channel.

At this stage, it remains difficult to predict how the luxury market will develop in 2025. Experts are cautious about the recovery in the Chinese market, expecting sales to remain subdued in the first half and then recover to a modest extent in the second. An increase in US import tariffs could also put greater pressure on the Chinese economy. On the plus side, experts are optimistic about the US market, which should benefit from a low base for comparison. Growth in that market should also be supported by solid trends in consumer spending and wealth effects, resulting from the strong dollar, the bull market in financial markets and cryptocurrencies, particularly among the wealthiest households. Europe is expected to see moderate growth. Sales to tourists should remain a key growth driver in 2025. In particular, the rise in the dollar against the euro in the fourth quarter of 2024 should stimulate sales in Europe, and this could offset the decline in Japanese sales growth to more normative levels. Consultancies Bain & Company and McKinsey, along with the main financial analysts, are currently expecting growth in the luxury sector to fall within a range of 0 - 4% at constant exchange rates in 2025.

(1) Source: Bain & Company, panel of financial analysts.

2 - SIGNIFICANT EVENTS OF 2024

Acquisition of strategic real estate assets in New York and Milan

In 2024, Kering acquired prestigious real estate assets in New York and Milan as part of its selective real estate strategy aimed at securing key highly desirable locations for its Houses.

In New York City, the acquisition of the property located at 715-717 Fifth Avenue, totaling approximately 115,000 sq. ft, or 10,700 sq. m. for a price of $963 million (€885 million on the date of the announcement) was finalized on January 22, 2024.

In Milan, Kering acquired the company that owns the building located at 8 Via Monte Napoleone with a gross floorspace of approximately 127,000 sq. ft, or 11,800 sq. m. The acquisition was finalized on July 18, 2024, for a consideration of approximately €1.3 billion.

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

On February 6, 2024, Kering became one of only 10 companies in the world 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 the luxury sector to earn this distinction, confirming its leadership in terms of transparency and performance as regards the protection of the climate, forests, and water.

Bond issues

As part of the Group's active liquidity management, Kering carried out bond issues in 2024, enabling it to enhance its financial flexibility.

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;
- a €750 million tranche with a 12-year maturity and a 3.625% coupon.

On November 14, 2024, Kering carried out a single-tranche bond issue for a total of €750 million with a 10-year maturity and a 3.625% coupon.

The Group's long-term credit is rated "BBB+" with a stable outlook by Standard & Poor's.

Changes in the Executive Committee

On April 2, 2024, Kering appointed Mélanie Flouquet, Chief Strategy Officer, and Armelle Poulou, Chief Financial Officer, to the Group's Executive Committee.

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

Changes in the Board of Directors

At 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.

Stefano Cantino appointed CEO of Gucci

On October 8, 2024, Kering announced the appointment of Stefano Cantino as CEO of Gucci, effective January 1, 2025, reporting to Francesca Bellettini, Kering Deputy CEO in charge of Brand Development. Stefano Cantino, who joined Gucci in May 2024 as Deputy CEO, is a member of Kering's Executive Committee.

Adoption of first-ever science-based targets for nature globally

During COP16 on October 30, 2024, Kering set and adopted science-based targets for land and freshwater, becoming the first company globally to adopt such targets.

These advance the Group's commitment to biodiversity after participating in a year-long pilot with the Science Based Targets Network.

Verification and approval of Kering's Net-Zero science-based targets by SBTi

On November 1, 2024, Kering took another significant step to strengthen its climate ambitions. The Group has set emission reduction targets across its value chain, both near and long term, in line with climate science and the Science Based Targets initiative (SBTi) net-zero criteria.

Kering appoints new CEOs at Saint Laurent and Balenciaga

On November 18, 2024, Kering announced, the appointment of Cédric Charbit as CEO of Saint Laurent and Gianfranco Gianangeli as CEO of Balenciaga, effective January 2, 2025. Both report to Francesca Bellettini.

Appointment of Louise Trotter as Creative Director of Bottega Veneta

On December 12, 2024, Kering announced the appointment of Louise Trotter as new Creative Director of Bottega Veneta, marking the opening of an exciting new chapter in the brand's creative journey. She joined the House in late January 2025.

3 - SUBSEQUENT EVENTS

Signature of an agreement regarding prime real estate assets in Paris with Ardian

On January 15, 2024, as part of its selective real estate strategy, Kering signed a binding investment agreement with Ardian, a world-leading private investment house, pertaining to three highly prestigious real estate properties in Paris.

Kering will bring these assets into the newly created joint-venture. Ardian will own 60% of this unique property portfolio while Kering retains 40% of the ownership and will receive net proceeds of €837 million. The deal is expected to close in the first quarter of 2025, pending the fulfillment of customary conditions for real estate transactions.

Kering and Simon announce the completion of the sale of 'The Mall Luxury outlets'

On January 30, 2025, Kering and Simon® announced the finalization of the sale of 100% of The Mall Luxury Outlets entities held by Kering to Simon, the US real estate investment trust engaged in the ownership of premier shopping, dining, entertainment destinations.

The Mall, created in 2001, operates two luxury outlet destinations in Italy. For Kering, the divestment of this non-core asset will generate net proceeds of approximately €350 million.

Kering's brands will maintain a presence in these two very high-end shopping villages, the strategy implemented by Kering aiming at gradually concentrating its outlet distribution to a limited number of exclusive venues.

Gucci ends its collaboration with Sabato de Sarno

Gucci announced on February 6, 2025, the end of its collaboration with Creative Director Sabato De Sarno. The Fall-Winter'25 fashion show in Milan on February 25 will be presented by the Gucci design office. The new Artistic Direction will be announced in due time.

4 - GROUP PERFORMANCE IN 2024

4.1 Revenue and income statement

Condensed consolidated income statement

(In € millions)	2024	2023	Change
Revenue	17,194	19,566	-12%
Recurring operating income	2,554	4,746	-46%
% of revenue	*14.9%*	*24.3%*	*-9.4 pts*
EBITDA	4,667	6,569	-29%
% of revenue	*27.1%*	*33.6%*	*-6.5 pts*
Other non-recurring operating income and expenses	(242)	(103)	-135%
Financial result	(614)	(410)	-50%
Income tax expense	(461)	(1,163)	+60%
Share in earnings (losses) of equity-accounted companies	(10)	4	N/A
Net income from continuing operations	1,227	3,074	-60%
o/w attributable to the Group	*1,133*	*2,983*	*-62%*
o/w attributable to minority interests	*94*	*91*	*+3%*
Net income (loss) from discontinued operations	–	–	N/A
Net income attributable to the Group	1,133	2,983	-62%
Net income from continuing operations (excluding non-recurring items) attributable to the Group	1,310	3,061	-57%

Earnings per share

(in €)	2024	2023	Change
Basic earnings per share	9.24	24.38	-62%
Basic earnings per share from continuing operations excluding non-recurring items	10.68	25.02	-57%

Revenue

In 2024, the Group's revenue amounted to €17,194 million, down 12% as reported and down 12% on a comparable basis[(1)] compared to 2023.

Currency movements had a negative impact on performance in 2024, reducing reported sales growth by 1 point and sales in absolute terms by almost €238 million. The euro rose against the main Asian currencies, and the negative exchange-rate effect arose mainly from sales denominated in Japanese yen (€103 million), Chinese yuan (€54 million) and South Korean won (€48 million).

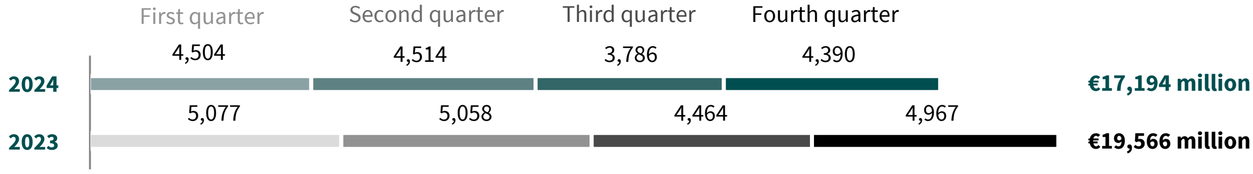
Changes in scope had a positive effect on Group revenue. That effect consisted mainly of the positive contribution made by Creed, which has been consolidated since November 1, 2023.

Group revenue by segment

(in € millions)	2024	in % of total	2023	in % of total	Reported change	Comparable change[(1)]
Gucci	7,650	44%	9,873	51%	-23%	-21%
Yves Saint Laurent	2,881	17%	3,179	16%	-9%	-9%
Bottega Veneta	1,713	10%	1,645	8%	+4%	+6%
Other Houses	3,221	19%	3,514	18%	-8%	-7%
Kering Eyewear and Corporate	1,941	11%	1,568	8%	+24%	+8%
Eliminations	(212)	*-1%*	*(213)*	*-1%*	*N/A*	*N/A*
Revenue	**17,194**	**100%**	**19,566**	**100%**	**-12%**	**-12%**

(1) On a comparable scope and exchange-rate basis. Comparable growth is defined on page 34.

Group revenue by quarter



Year-on-year growth was negative in all four quarters of the year.

The luxury sector saw a slowdown in all regions, and combined with ongoing efforts to streamline distribution and the transition underway at Gucci, this resulted in reported sales falling 11% on a reported basis in both the first and second quarters. Japan was the only region seeing strong growth. Japanese sales were driven by tourists, particularly from China, attracted by the weakness of the yen against other Asian currencies.

Performance in the third quarter – when sales fell 16% on a comparable basis – was affected by the economic situation and consumer confidence weakening simultaneously across all regions, particularly in Asia-Pacific and more specifically China.

Sales in the fourth quarter (down 12% on a comparable basis) benefited from a slight improvement in North American demand.

Throughout the year, Group revenue suffered from lower sales in the wholesale and online channels, which were particularly affected by a return to normal in demand among aspirational customers.

Quarterly revenue by segment

(in € millions)	**First quarter**	**Second quarter**	**Third quarter**	**Fourth quarter**	**2024**
Gucci	2,079	2,006	1,641	1,924	7,650
Yves Saint Laurent	740	701	670	770	2,881
Bottega Veneta	388	448	397	480	1,713
Other Houses	824	893	686	818	3,221
Kering Eyewear and Corporate	536	531	440	434	1,941
Eliminations	*(63)*	*(65)*	*(48)*	*(36)*	*(212)*
Revenue	**4,504**	**4,514**	**3,786**	**4,390**	**17,194**

(in € millions)	**First quarter**	**Second quarter**	**Third quarter**	**Fourth quarter**	**2023**
Gucci	2,616	2,512	2,217	2,528	9,873
Yves Saint Laurent	806	770	768	835	3,179
Bottega Veneta	395	438	381	431	1,645
Other Houses	890	966	805	853	3,514
Kering Eyewear and Corporate	433	436	333	366	1,568
Eliminations	*(63)*	*(64)*	*(40)*	*(46)*	*(213)*
Revenue	**5,077**	**5,058**	**4,464**	**4,967**	**19,566**

(comparable change[(1)])	**Q1 2024/2023 change**	**Q2 2024/2023 change**	**Q3 2024/2023 change**	**Q4 2024/2023 change**	**2024/2023 change**
Gucci	-18%	-19%	-25%	-24%	-21%
Yves Saint Laurent	-6%	-9%	-12%	-8%	-9%
Bottega Veneta	+2%	+4%	+5%	+12%	+6%
Other Houses	-6%	-5%	-14%	-4%	-7%
Kering Eyewear and Corporate	+9%	+5%	+7%	+10%	+8%
Eliminations	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*
Revenue	**-10%**	**-11%**	**-16%**	**-12%**	**-12%**

(1) On a comparable scope and exchange rate basis. Comparable revenue growth is defined on page 34.

Group revenue by region

(in € millions)	2024	as a % of total	2023	as a % of total	Reported change	Comparable change[1]
Asia-Pacific (excluding Japan)	5,222	30%	6,848	35%	-24%	-23%
Western Europe	4,995	29%	5,405	28%	-8%	-9%
North America	4,095	24%	4,500	23%	-9%	-11%
Japan	1,423	8%	1,400	7%	+2%	+9%
Rest of the world	1,459	9%	1,413	7%	+3%	+3%
TOTAL	17,194	100%	19,566	100%	-12%	-12%

(1) On a comparable scope and exchange rate basis. Comparable revenue growth is defined on page 34.
Revenue generated outside the eurozone represented 77% of the consolidated total in 2024.

The Group's sales grew most strongly in Japan, where they rose 9% on a comparable basis. This very good performance resulted from large numbers of tourists from the rest of Asia visiting Japan, attracted by the weak yen.

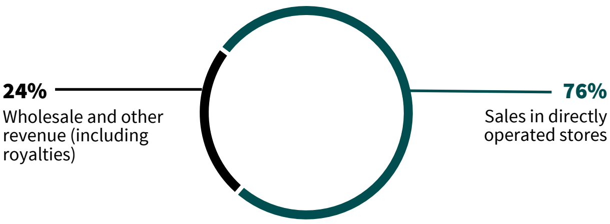
In the rest of Asia-Pacific, meanwhile, sales slowed sharply after rising rapidly in 2023. Lower local demand, particularly in Greater China, led to a steep drop in store footfall. In addition, tourists from those countries made some of their purchases in Japan instead of at home. Overall, therefore, the proportion of Group sales coming from Asia-Pacific fell 5 points to 30%.

In Western Europe, Kering's sales suffered as local demand and tourist numbers returned to more normal levels. Performance was stronger in Southern European countries than in their Northern neighbors. In addition, the Group's ongoing strategy of taking a more exclusive approach to wholesale distribution adversely affected the region's overall performance, with sales down 9% on a comparable basis.

Revenue in North America fell 11% on a comparable basis compared to 2023. The region's performance was affected by lower local demand: economic conditions remained unfavorable, leading to lower store footfall. However, very wealthy customers continued to drive sales in the most exclusive segments and revenue remained around 35% higher than in 2019.

The Group's sales in the rest of the world rose by 3%, driven in particular by the Gulf countries.

Group revenue by distribution channel



Percentages based on revenue before Eliminations

Sales from directly operated and online stores came in at €13,248 million in 2024, down 13% on a comparable basis relative to 2023. The previous comments regarding performance by region also apply to the trend in retail sales.

Store footfall was lower than in 2023, although the various regions saw significantly different trajectories, with the steepest decline coming from Asia-Pacific. Lower footfall was accompanied by a slight decline in the conversion rate (i.e. the number of people buying products as a percentage of the total number of people visiting stores). However, excluding online sales, the average selling price increased, although trends varied between Houses. Sales at physical stores managed by the Houses (down 12% on a comparable basis) were less affected than online sales, whose proportion of retail sales fell to around 11% (as opposed to 12% in 2023). The decline in the online channel was due to its overexposure to certain product categories and to customers who are more impacted by the macroeconomic context of ongoing high inflation and interest rates.

Revenue from physical and online stores directly operated by the Group accounted for around 76% of the Group's total sales (before Eliminations). Excluding Kering Eyewear and Kering Beauté, however, the figure was 85%, similar to 2023. This proportion has increased in recent years because of the long-term strategy implemented by all Houses, which is aimed at controlling their distribution – including online sales – more tightly, and making them more exclusive.

Wholesale revenue fell 11% year-on-year in 2023 on a comparable basis (before Eliminations). For the Houses, wholesale revenue fell significantly, by 22% 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, resulting in sales being concentrated among the best-positioned distributors. On the plus side, Kering Eyewear, which has a wholesale-only distribution model, and Kering Beauté posted wholesale revenue growth of 6% on a comparable basis. Kering Eyewear was buoyed by both the development of existing licenses and the successful integration of Lindberg and Maui Jim. Sales at Kering Beauté, meanwhile, were boosted by developments at Creed.

The Houses' royalty revenue from licenses and other revenue rose by 13% on a comparable basis in 2024, due to very robust growth in the Eyewear and Fragrances & Cosmetics categories, and from rental revenue arising from real estate purchases.

Recurring operating income

(in € millions)	2024	2023	Change
Gucci	1,605	3,264	-51%
Yves Saint Laurent	593	969	-39%
Bottega Veneta	255	312	-18%
Other Houses	(9)	212	N/A
Kering Eyewear and Corporate	112	(7)	N/A
Eliminations	*(2)*	*(4)*	*N/A*
Recurring operating income[1]	**2,554**	**4,746**	**-46%**

(1) Recurring operating income is defined on page 34.

The Group's recurring operating income amounted to €2,554 million in 2024, down €2,192 million or 46% compared to 2023.

Recurring operating margin fell 9.4 points to 14.9% because of a particularly high level of negative operating leverage resulting from lower revenue.

Gross margin was €12,681 million, a decrease of 15%. As a proportion of revenue, gross margin was 73.8%, down 2.5 points relative to 2023, due to adverse developments in the product and geographical mix. The decrease also resulted from a faster decline in leather goods sales and in revenue generated in China. In addition, the combination of currency effects and currency hedging results was less favorable than in 2023.

Operating expenses fell by 1%. While brand investments continued, with increased expenditure on stores, product creation, development of collections and communications, there were also major efforts to limit operational costs.

Those investments by brands, driven by the competitive environment and the Group's long-term ambitions for its Houses, independent of short-term trends, are affecting their profitability against a background of falling sales. Gucci, Balenciaga and Alexander McQueen were the Houses where profit fell most.

Kering Eyewear and Kering Beauté continued to develop their brand portfolios while making a significant contribution to the Group's recurring operating income.

EBITDA

(in € millions)	2024	2023	Change
Recurring operating income	**2,554**	**4,746**	**-46%**
Net recurring charges to depreciation, amortization and provisions on non-current operating assets	2,113	1,823	+16%
o/w depreciation of lease right-of-use assets	*1,133*	*985*	*+15%*
EBITDA[1]	**4,667**	**6,569**	**-29%**

(1) EBITDA is defined on page 34.

(in € millions)	2024	2023	Change
Gucci	2,403	3,999	-40%
Yves Saint Laurent	921	1,219	-24%
Bottega Veneta	463	494	-6%
Other Houses	426	585	-27%
Kering Eyewear and Corporate	456	276	+65%
Eliminations	*(2)*	*(4)*	*N/A*
EBITDA	**4,667**	**6,569**	**-29%**

EBITDA for 2024 amounted to €4,667 million versus €6,569 million in 2023. EBITDA margin was 27.1%, less than the 2023 figure of 33.6%.

Other non-recurring operating income and expenses

(in € millions)	2024	2023	Change
Impairment of goodwill, brands and other non-current assets	(111)	(70)	-58%
Other	(131)	(33)	N/A
Other non-recurring operating income and expenses	**(242)**	**(103)**	**-135%**

(See Consolidated financial statements, Note 7 – Other non-recurring operating income and expenses.)

Financial result

(in € millions)	2024	2023	Change
Cost of net debt[1]	(320)	(108)	-196%
Other financial income and expenses	(89)	(151)	+41%
Financial result excluding leases	**(409)**	**(259)**	**-58%**
Interest expense on lease liabilities	(205)	(151)	-36%
Financial result	**(614)**	**(410)**	**-50%**

(1) Net debt is defined on page 35.

In 2024, the cost of net debt was €320 million (€108 million in 2023). The increase mainly arose from the increase in outstanding bond debt in 2023 and 2024.

Other financial income and expense produced a net expense of €89 million in 2024 (€151 million in 2023). The €62 million decrease was mainly due to lower exchange-rate effects.

(See Consolidated financial statements, Note 8 – Financial result.)

Income tax

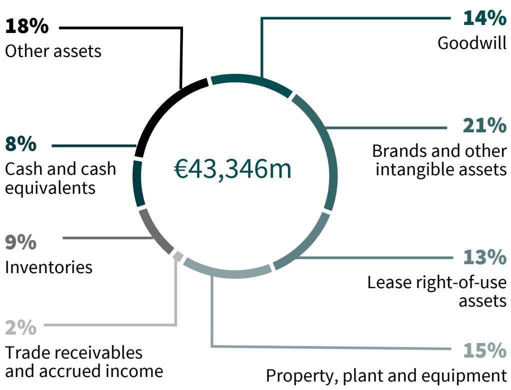
(in € millions)	2024	2023
Income before tax	1,698	4,233
Income tax expense	(461)	(1,163)
Effective tax rate	**27.1%**	**27.5%**
Other non-recurring operating income and expenses	(242)	(103)
Recurring income before tax	1,940	4,336
Income tax on other non-recurring operating income and expenses	65	25
Tax expense on recurring income	(526)	(1,188)
Effective tax rate on recurring income[1]	**27.1%**	**27.4%**

(1) The effective tax rate on recurring income is defined on page 35.

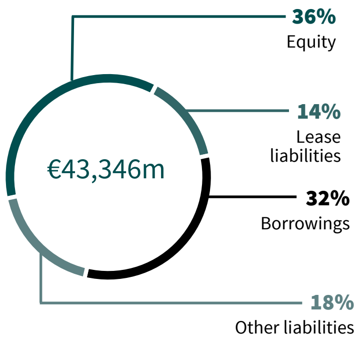
(See Consolidated financial statements, Note 9 – Income taxes.)

4.2 Balance sheet as of December 31, 2024

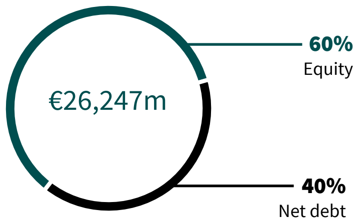
Assets



Equity and liabilities



Capital employed



Condensed balance sheet

(In € millions)	Dec. 31, 2024	Dec. 31, 2023	Change
Goodwill	6,277	7,112	-12%
Brands and other intangible assets	9,287	8,178	+14%
Lease right-of-use assets	5,615	4,984	+13%
Property, plant and equipment	6,537	5,341	+22%
Investments in equity-accounted companies	1,762	1,750	+1%
Other non-current assets	2,170	2,072	+5%
Non-current assets	**31,648**	**29,437**	**+8%**
Inventories	3,992	4,550	-12%
Trade receivables and accrued income	1,003	1,151	-13%
Cash and cash equivalents	3,518	3,922	-10%
Other current assets	2,110	2,307	-9%
Current assets	**10,623**	**11,930**	**-11%**
Assets held for sale	**1,075**	**–**	**N/A**
TOTAL ASSETS	43,346	41,367	+5%
Equity attributable to the Group	14,904	15,212	-2%
Equity attributable to minority interests	826	798	+4%
Total equity	**15,730**	**16,010**	**-2%**
Non-current borrowings	10,556	10,026	+5%
Non-current lease liabilities	5,056	4,511	+12%
Other non-current liabilities	2,412	2,189	+10%
Non-current liabilities	**18,024**	**16,726**	**+8%**
Current borrowings	3,479	2,400	+45%
Current lease liabilities	1,051	884	+19%
Other current liabilities	5,062	5,347	-5%
Current liabilities	**9,592**	**8,631**	**+11%**
Liabilities associated with assets held for sale	**–**	**–**	**–**
TOTAL EQUITY AND LIABILITIES	43,346	41,367	+5%

Net debt

(in € millions)	Dec. 31, 2024	Dec. 31, 2023	Change
Borrowings	14,035	12,426	+13%
Cash and cash equivalents	(3,518)	(3,922)	-10%
Net debt	**10,517**	**8,504**	**+24%**

Capital employed

(in € millions)	Dec. 31, 2024	Dec. 31, 2023	Change
Total equity	15,730	16,010	-2%
Net debt	10,517	8,504	+24%
Capital employed	**26,247**	**24,514**	**+7%**

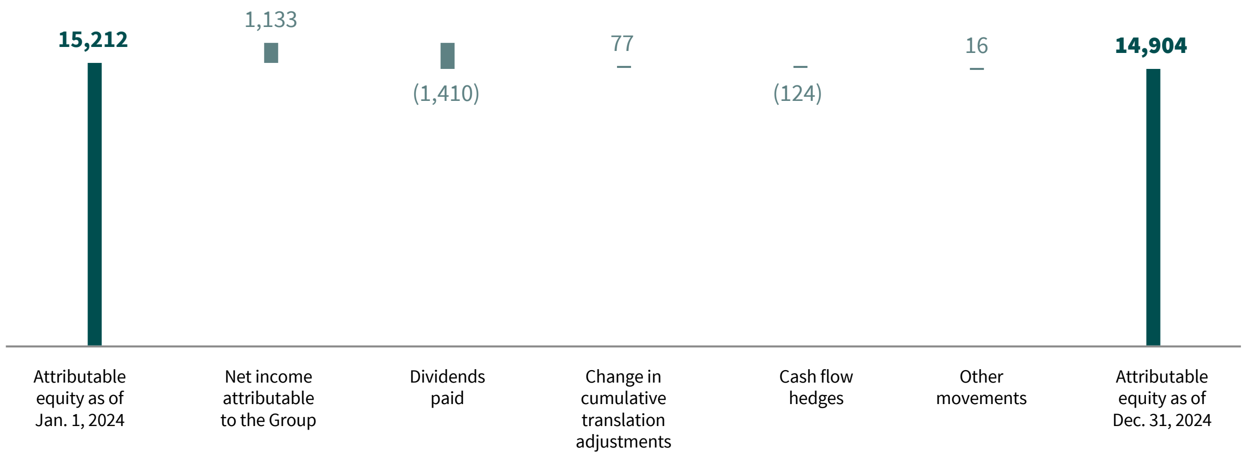
Goodwill and brands

As of December 31, 2024, the carrying amount of brands net of deferred tax liabilities amounted to €6,561 million, compared to €5,527 million as of December 31, 2023.

Current operating assets (liabilities), net

(in € millions)	Dec. 31, 2024	Dec. 31, 2023	Statement of cash flows	Foreign exchange differences	Other movements
Inventories	3,992	4,550	(568)	20	(10)
Trade receivables and accrued income	1,003	1,151	(165)	5	12
Trade payables and accrued expenses	(2,098)	(2,200)	113	(17)	6
Other current assets (liabilities), net	(501)	(442)	65	(80)	(44)
Net current tax receivables (payables)	152	229	(71)	6	(12)
Current operating assets (liabilities), net	**2,548**	**3,288**	**(626)**	**(66)**	**(48)**

Change in equity attributable to the Group



As of December 31, 2024, the share capital amounted to €493,683,112. It comprised 123,420,778 fully paid-up shares with a par value of €4 each, unchanged from 31 December 2023. Excluding the 819,085 Kering treasury shares, there were 122,601,693 shares issued and outstanding.

(See Consolidated financial statements, Note 19 – Equity.)

4.3 Cash flow, investments and net debt

Free cash flow from operations

Cash flow received from operating activities

(in € millions)	2024	2023	Change
Cash flow received from operating activities before tax, dividends and interest	**4,480**	**6,289**	**-29%**
Change in working capital requirement	667	(396)	N/A
Income tax paid	(438)	(1,434)	+69%
Net cash received from operating activities	**4,709**	**4,459**	**+6%**

Operating investments

(in € millions)	2024	2023	Change
Net cash received from operating activities	**4,709**	**4,459**	**+6%**
Acquisitions of property, plant and equipment and intangible assets	(3,309)	(2,611)	-27%
Disposals of property, plant and equipment and intangible assets	32	135	-76%
Free cash flow from operations[1]	**1,432**	**1,983**	**-28%**

(1) Free cash flow from operations is defined on page 35.

Gross operating investments by segment

(in € millions)	2024	2023	Change
Gucci	293	435	-33%
Yves Saint Laurent	211	186	+13%
Bottega Veneta	112	105	+7%
Other Houses	194	247	-22%
Kering Eyewear and Corporate	2,499	1,638	N/A
Acquisitions of property, plant and equipment and intangible assets	**3,309**	**2,611**	**+27%**

Operating investments amounted to €3,309 million in 2024, an increase of €698 million relative to 2023. They include the acquisition of real estate assets in New York and Milan for 2,201 million euros.

Excluding the acquisition of real estate assets, operating investments totaled €1,108 million, representing 6.4% of revenue and are down 10% relative to 2023. The following analysis is based on this perimeter.

Seasonal variations in investments are similar from one year to the next, with a greater proportion of investments taking place in the second half, albeit a slightly lower proportion in 2024 than in 2023.

Investments in 2024 related mainly to store openings and refurbishments, as well as logistics infrastructure and IT systems most of which are managed by Corporate on behalf of the Group's brands.

In 2024, 58% of the Group's gross operating investments related to the retail network (56%[2] in 2023). 53% of the investments in stores concerned store opening programs and 47% concerned conversion and refurbishment projects.

The Kering Eyewear and Corporate segment accounted for 27% of the total, up from 21% in 2023, as a result of investments by Kering Eyewear and Kering Beauté (including the inclusion of Creed for the full year in 2024) and in information systems.

Available cash flow from operations and available cash flow

(in € millions)	2024	2023	Change
Free cash flow from operations	**1,432**	**1,983**	**-28%**
Repayment of lease liabilities	(1,049)	(880)	-19%
Interest paid on leases	(205)	(151)	-36%
Available cash flow from operations[1]	**178**	**953**	**-81%**
Interest and dividends received	70	76	-8%
Interest paid and equivalent (excluding leases)	(404)	(226)	-79%
Available cash flow[1]	**(156)**	**802**	**-119%**

(1) Available cash flow from operations and available cash flow are defined on page 35.

(2) These ratios are calculated on the basis of gross operating capital expenditure, rather than cash outflow.

Dividends paid

The cash dividend paid by Kering SA to its own shareholders in 2024 amounted to €1,716 million, including the €552 million interim dividend paid on January 17, 2024 (€1,712 million in 2023 including a €550 million interim dividend).

Dividends paid in 2024 also included €24 million paid to minority interests in consolidated subsidiaries (€42 million in 2023).

Changes in net debt

(in € millions)	2024	2023	Change
Net debt as of January 1	**8,504**	**2,306**	**N/A**
Free cash flow from operations	(1,432)	(1,983)	+28%
Dividends paid	1,740	1,754	-1%
Net interest paid and dividends received	334	150	+122%
Acquisitions of Kering shares	(2)	10	-123%
Repayment of lease liabilities[1]	1,253	1,030	+22%
Other acquisitions and disposals	47	5,158	-99%
Other movements	73	79	-7%
Net debt as of December 31	**10,517**	**8,504**	**+24%**

(1) Comprising repayments of principal for €1,049 million in 2024 (€880 million in 2023) and interest payments of €205 million in 2024 (€151 million in 2023) relating to capitalized fixed lease payments.

(in € millions)	Dec. 31, 2024	Dec. 31, 2023	Change
Bonds	11,840	9,795	+21%
Other bank borrowings	138	134	+3%
Commercial paper	854	1,277	-33%
Other borrowings	1,203	1,219	-1%
o/w put options granted to minority interests	*704*	*711*	*-1%*
Borrowings	**14,035**	**12,426**	**+13%**
Cash and cash equivalents	(3,518)	(3,922)	-10%
Net debt[1]	**10,517**	**8,504**	**+24%**

(1) Net debt is defined on page 35.

Lease liabilities totaled €6,107 million as of December 31, 2024 (€5,395 million as of December 31, 2023).

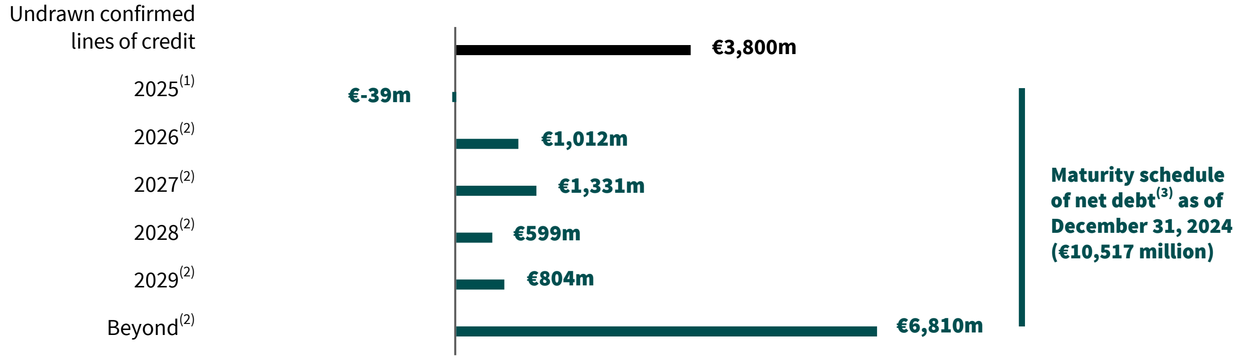
Solvency

The Group has a sound financial position and has a Standard & Poor's long-term credit rating of BBB+ with stable outlook.

Liquidity

As of December 31, 2024, the Group's cash and cash equivalents amounted to €3,518 million (€3,922 million at December 31, 2023). The Group has confirmed lines of credit totaling €3,800 million (€3,185 million as of December 31, 2023).

Maturity schedule of net debt



(1) Borrowings less cash and cash equivalents.
(2) Borrowings.
(3) Net debt is defined on page 35.

The amount of borrowings with a maturity less than one year (€3,479 million as of December 31, 2024) was less than the Group's cash and cash equivalents (€3,518 million as of December 31, 2024).

The Group's loan agreements and lines of credit feature standard pari passu, cross default and negative pledge clauses.

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

(See Consolidated financial statements, Note 20 – Net debt.)

5 - OPERATING PERFORMANCE BY SEGMENT

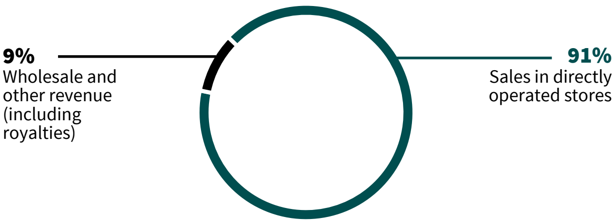
5.1 Gucci

(in € millions)	2024	2023	Change
Revenue	**7,650**	**9,873**	**-23%**
Recurring operating income	**1,605**	**3,264**	**-51%**
% of revenue	***21.0%***	***33.1%***	***-12.1 pts***
EBITDA	2,403	3,999	-40%
% of revenue	*31.4%*	*40.5%*	*-9.1 pts*
Acquisitions of property, plant and equipment and intangible assets	293	435	-33%
Average FTE headcount	20,032	21,086	-5%

Revenue

Gucci posted revenue of €7,650 million in 2024, down 23% year-on-year as reported and down 21% at comparable exchange rates.

Revenue by distribution channel



Sales from directly operated stores made up 91% of its total sales in 2024, the same as in 2023.

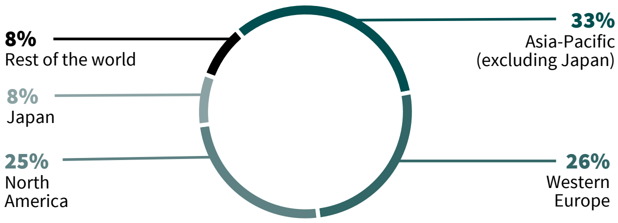
Sales from physical and online stores controlled by the House were down 21% on a comparable basis relative to 2023. Revenue fell significantly in both halves of the year as demand for luxury goods returned to more normal levels, particularly among local customers, and as a result of Gucci's ongoing transition, with new collections being gradually rolled out during the year while permanent collections became less appealing.

The main reason for the decline in physical store sales in 2024 was lower footfall, which led to weaker volumes. The success of iconic Gucci pieces and new products launched as part of the brand elevation strategy failed to offset adverse developments in the geographical mix (with China making up a smaller proportion of total sales) and in the product mix.

Revenue from online stores fell sharply in 2024 on a comparable basis because of this distribution channel's exposure to the American market (where it accounts for almost half of sales) and to customers with lower purchasing power, who are more affected by deteriorating macroeconomic conditions. As a result, sales from online stores accounted for around 11% of total retail revenue in 2024.

Difficulties encountered by wholesalers in the United States and China, combined with the gradual build-up of revenue from new collections, led to a 28% decrease in wholesale revenue (at comparable exchange rates) relative to 2023.

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 sales in its own physical and online stores, on a comparable basis.

In Western Europe, sales fell by 17% on a comparable basis, and the decline was broadly similar across the four quarters of the year, although the trend worsened in the third quarter and saw a slight sequential improvement in the fourth. The drop in sales resulted from weaker demand among local customers and tourists, although the proportion of sales made to tourists gradually rose during the year thanks to visitors from the United States.

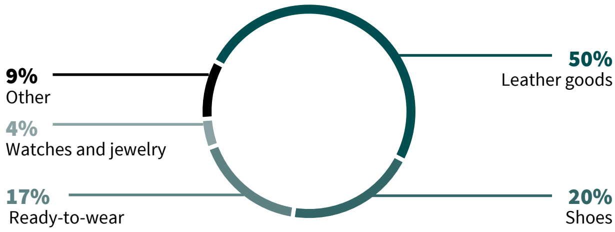
In North America, Gucci's revenue was down 18% on a comparable basis, with trends in the second half being similar to those seen in the first, although the fourth quarter showed signs of a sequential acceleration.

Sales were down 32% on a comparable basis in Asia-Pacific, with a sharper decline in the third quarter. The fall in sales resulted particularly from a decline in weaker local demand in China against a backdrop of lower consumer confidence caused by weak macroeconomic conditions and ongoing difficulties in the real estate sector and in youth employment. The resumption of inter-regional tourism led to a sharp increase in sales to Chinese tourists in Japan. Demand also fell in South Korea as some local consumers bought products in other countries, particularly Japan, and because of weaker local demand.

In Japan, the rebound in tourist numbers, driven in particular by attractive exchange rates, gave a major boost to sales in the first half of the year, although the second half was less good because of the stronger yen. In 2024 as a whole, sales were stable after rising 26% on a comparable basis in 2023.

In the Rest of the world, revenue was 5% lower than in 2023.

Revenue by product category



In 2024, sales of most Gucci product categories in directly operated stores were lower compared to 2023.

In the second half, sales of leather goods were boosted by the launch of new lines and the success of iconic pieces like *Jackie*, although that did not offset weak sales of permanent collections.

Categories featuring entry-level products, such as small leather goods, a part of shoes offer and belts, were affected by normalizing demand in this segment.

The ready-to-wear category was more resilient, supported by the introduction of Gucci's new aesthetic in the first half.

Royalty revenue increased compared to 2023. The eyewear category, managed by Kering Eyewear, continued to see sales growth, while the fragrances and cosmetics category, managed by Coty under license, saw a slight decline in sales.

Recurring operating income

Gucci's recurring operating income amounted to €1,605 million in 2024, down €1,659 million year-on-year.

Recurring operating margin was 21%, down 12.1 points.

Recurring operating margin was adversely affected by developments in the product and geographical mix – with leather goods and China accounting for a smaller proportion of total sales – as well as by inventory reduction efforts and a less positive impact from currency effects and hedging than in 2023.

Gucci continued to invest in initiatives to boost its long-term growth, while working to optimize its cost base. Despite the significant decrease in operational costs, the steep decline in sales led to negative operating leverage (i.e. expenses rose more quickly than revenue), and this had a significant adverse impact on margins.

Gucci generated EBITDA of €2,403 million in 2024, a decrease of €1,596 million relative to 2023 and representing an EBITDA margin of 31.4%.

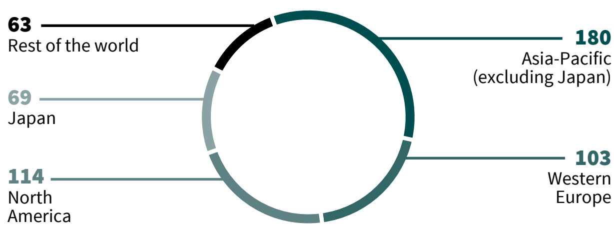
Store network and operating investments

As of December 31, 2024, Gucci operated 529 stores directly. During the year, Gucci closed nine stores (net of openings) in Asia, Japan, Eastern Europe and the Middle East.

The House therefore continued to prioritize optimizing its store network in support of its brand elevation strategy, increasing its visibility in the best locations and giving customers an exclusive experience, while withdrawing from less productive locations.

Gucci's operating investments amounted to €293 million in 2023, down €142 million compared to 2023, as the House focused on high-impact projects. As a proportion of revenue, they equaled 3.8%.

Breakdown of directly operated stores by region



5.2 Yves Saint Laurent

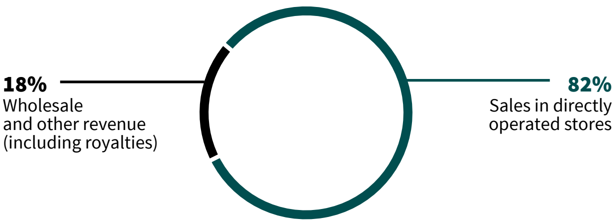
(in € millions)	2024	2023	Change
Revenue	**2,881**	**3,179**	**-9%**
Recurring operating income	**593**	**969**	**-39%**
% of revenue	***20.6%***	***30.5%***	***-9.9 pts***
EBITDA	921	1,219	-24%
% of revenue	*31.9%*	*38.3%*	*-6.4 pts*
Acquisitions of property, plant and equipment and intangible assets	211	186	+13%
Average FTE headcount	5,297	5,112	+4%

Revenue

In 2024, Yves Saint Laurent's revenue amounted to €2,881 million, down 9% year-on-year both as reported and at comparable exchange rates.

With a sharp decline in customer traffic in most regions, particularly in Asia-Pacific, the House continued to pursue its strategy, consisting of building up its exclusive clientele while remaining attractive to other customers.

Revenue by distribution channel

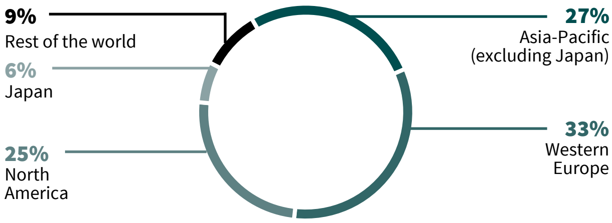


Sales from physical and online stores controlled by the House accounted for 82% of the total, an increase of 1 point relative to 2023. Business levels suffered throughout the year from weaker demand, which resulted from adverse macroeconomic conditions and a fall in consumer confidence. Lower sales to Chinese customers, in Greater China in the first half and in other countries as well in the second, accounted for most of the decline in sales.

Yves Saint Laurent continued the successful deployment of its brand elevation strategy, and so average spend remained resilient. Online sales fell as the House reduced the number of its e-concessions.

Wholesale revenue was down 25% at constant exchange rates compared to 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.

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 sales in its own physical and online stores.

In 2024, Yves Saint Laurent's revenue performance compared to 2023 has varied significantly across regions.

In Western Europe, sales fell 3% on a comparable basis, due in particular to weaker local demand, although sales to tourists held up well.

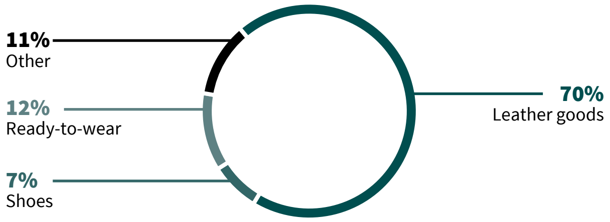
In North America, revenue fell 7% on a comparable basis due to macroeconomic conditions, which seriously affected aspirational customers. Trends in store traffic and sales improved in the fourth quarter.

In Asia-Pacific, after rapid growth in 2023, sales fell 21% on a comparable basis, mainly because of weak local demand in China.

In Japan, sales were up 19% on a comparable basis in 2024 due to strong growth in the number of tourists visiting from China and Southeast Asia, attracted by the pricing differential arising from the favorable exchange rate.

Yves Saint Laurent's performance in the Rest of the world was solid, with growth of 7%, and particularly in 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 growth compared to 2023 closely aligned with the House's overall performance. Over the past few years, Yves Saint Laurent has been committed to constantly renewing and refreshing its leather goods offering, which allows the House to attract new customers and retain existing ones in all its markets. In 2024, the House ramped up new product launches to offset lower demand for its permanent collections.

Sales were more resilient in women's ready-to-wear and shoes collections than in menswear collections. In terms of merchandizing, the product range for men is being expanded to make it more relevant in all markets.

Royalty revenue generated by Kering Eyewear surged, again showing the success of this licensing agreement. Royalties paid by L'Oréal in the fragrances and cosmetics category also rose very sharply.

Recurring operating income

In 2024, Yves Saint Laurent's recurring operating income totaled €593 million, down 39% compared to 2023.

Recurring operating margin was 20.6%, down 9.9 points.

As previously outlined, recurring operating margin was affected by adverse developments in the product and geographical mix, inventory reduction efforts and a less positive impact from currency effects and hedging than in 2023.

The House also continued to invest in initiatives to support its long-term growth. The expansion of the store network led to a slight increase in the cost base, which was not offset by sales growth. This led to negative operating leverage, which weighed heavily on operating margin.

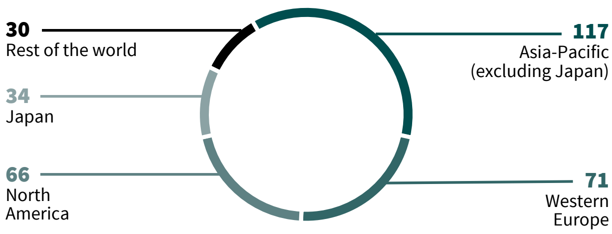
In 2024, EBITDA totaled €921 million, down €298 million year-on-year. EBITDA margin was 31.9% as opposed to 38.3% in 2023.

Store network and operating investments

As of December 31, 2024, the House had 318 directly operated stores. A net 10 new stores were added in 2024 in Yves Saint Laurent's main markets. In particular, the House opened a store in Meatpacking District in New York and reopened its store in Design District in Miami, adopting the new store concept first unveiled at the Champs-Élysées store in Paris. Many existing stores were refurbished, relocated and extended.

This resulted in a high level of operating investments, which amounted to €211 million, up €25 million relative to 2023. As a proportion of revenue, they equaled 7.3%.

Breakdown of directly operated stores by region



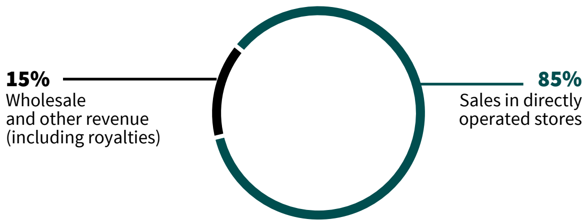
5.3 Bottega Veneta

(in € millions)	2024	2023	Change
Revenue	**1,713**	**1,645**	**+4%**
Recurring operating income	**255**	**312**	**-18%**
% of revenue	***14.9%***	***19.0%***	***-4.1 pts***
EBITDA	463	494	-6%
% of revenue	*27.0%*	*30.0%*	*-3.0 pts*
Acquisitions of property, plant and equipment and intangible assets	112	105	+7%
Average FTE headcount	4,034	3,891	+4%

Revenue

In 2024, Bottega Veneta's revenue amounted to €1,713 million, up 4% as reported or up 6% on a comparable basis compared to 2023. The House is successfully implementing its brand elevation strategy and is increasing in popularity among the wealthiest customers.

Revenue by distribution channel

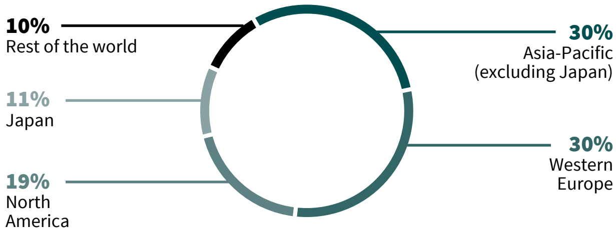


In keeping with its exclusive, high-end positioning, the House is focusing on selling its products through its own directly operated physical and online stores, which accounted for 85% of its revenue in 2024 (82% in 2023).

Bottega Veneta's sales in directly operated physical and online stores rose by 10% on a comparable basis, although there were wide regional variations. Growth was very strong in Europe, the Middle East and North America. It was driven by expansion in the customer base, particularly the most exclusive segment, by a higher conversion rate in stores, and by an increase in the average selling price because of the success of the House's collections, particularly handbags. Online sales were excellent, supported by the House's omnichannel strategy.

Wholesale revenue was down 15% on a comparable basis, as expected. Bottega Veneta continued to reorganize this distribution channel, with the aim of working only with a limited number of selected 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 sales in its own physical and online stores.

In Western Europe, revenue rose by 24% on a comparable basis. Revenue grew consistently throughout the year, and was very strong in the fourth quarter.

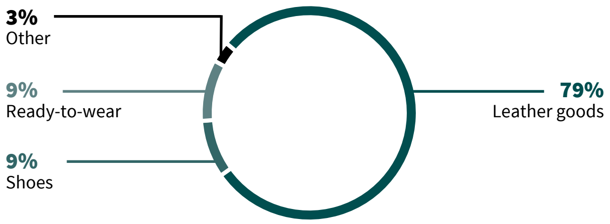
In Japan, revenue rose by 2% at constant exchange rates relative to 2023: the House saw only a moderate boost from higher tourist numbers because it is less well known among Chinese customers.

In North America, Bottega Veneta's sales rose by 25% on a comparable basis relative to 2023, showing its great appeal among American customers, with a sharp increase in customer traffic combined with a higher average price.

In Asia-Pacific, the House's sales fell by 7% due to a strong decrease in customer traffic in Greater China, although there were increases in the conversion rate in stores and in the average price. Business levels in South Korea and the rest of Southeast Asia were stable.

Revenue in the Rest of the world jumped by 43% on a comparable basis, supported by very strong momentum in the Middle East.

Revenue by product category



Leather goods remain the core business of Bottega Veneta (79% of total sales). This category experienced remarkable success, driven by the popularity of the *Andiamo* line and the introduction of numerous new products.

The House's jewelry offer confirmed its strong appreciation among customers this year.

The sales momentum of the shoes and ready-to-wear categories was comparatively less sustained.

Recurring operating income

Bottega Veneta's recurring operating income for 2024 totaled €255 million, down 18% compared to 2023.

Recurring operating margin was 14.9%, 4.1 points less than in 2023, despite higher sales. The decrease in margin resulted from investment efforts, particularly in communications and the store network, aimed at supporting the House's strong momentum, and from the ongoing streamlining of its wholesale distribution network.

EBITDA amounted to €463 million in 2024, equal to 27% of revenue.

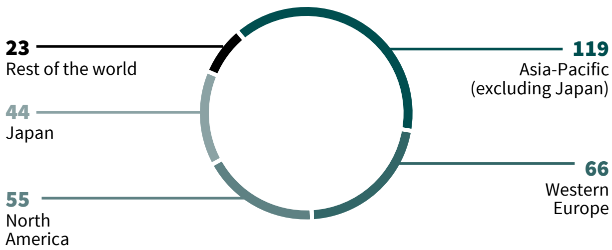
Store network and operating investments

As of December 31, 2024, Bottega Veneta had 307 directly operated stores. There were 19 net store openings in the House's main markets during the year.

In line with its brand strategy, the House opened two invitation-only spaces dedicated to its most exclusive customers, one in the Palazzo Soranzo Van Axel in Venice and one on Madison Avenue in New York.

Operating investments totaled €112 million, up 7% compared to 2023. However, they remained broadly stable as a percentage of the House's turnover (around 6.5%).

Breakdown of directly operated stores by region



5.4 Other Houses

(in € millions)	2024	2023	Change
Revenue	**3,221**	**3,514**	**-8%**
Recurring operating income	**(9)**	**212**	**N/A**
% of revenue	***N/A***	***6.0%***	***N/A***
EBITDA	426	585	-27%
% of revenue	*13.2%*	*16.7%*	*-3.5 pts*
Acquisitions of property, plant and equipment and intangible assets	194	247	-22%
Average FTE headcount	9,242	9,020	+3%

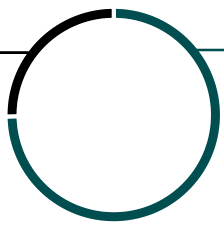
Revenue

In 2024, revenue from the Other Houses fell by 8% as reported and by 7% on a comparable basis.

There were mixed performances across the segment:

- Balenciaga's performance varied between categories and distribution channels. After its sales in physical and online stores were roughly stable in the first half, the House suffered in the second from lower demand in all regions except Japan. Balenciaga also continued its strategy of reducing its number of wholesalers while macroeconomic conditions were also less helpful for the wholesale channel;
- Alexander McQueen had a transitional year and saw customer numbers fall sharply in all geographies, leading to lower sales in both physical and online stores and lower wholesale revenue across all categories;
- after a good year in 2023, revenue at Brioni continued to rise;
- revenue grew at the jewelry Houses:
  - Boucheron confirmed its potential with further strong sales growth in 2024,
  - The revenue growth of the Group formed by Pomellato and DoDo is more moderate,
  - Qeelin saw a decline in sales, affected by the deterioration in the Chinese market.

Revenue by distribution channel

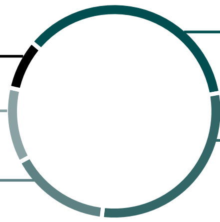


Revenue from the Other Houses' directly operated physical and online stores fell 4% on a comparable basis relative to 2023. This includes a decline in revenue among couture brands, except Brioni, as demand returned to more normal levels, as well as an increase in the revenues of jewelry Houses, driven by store networks quality improvement.

Online sales fell and held back the segment's overall performance. However, the proportion of total revenue coming from online sales varied between Houses, showing close correlation with the maturity of each House's online stores and product range.

Wholesale revenue was down 17% 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 Western Europe and North America.

Revenue by region



The Other Houses' regional performances followed similar trends to those described above, with sales falling in all regions except Japan.

Local consumer spending was relatively anemic and weak growth in tourist numbers in the second half of the year dragged down the Other Houses' sales growth in Western Europe, with the notable exception of Boucheron. The Other Houses' total revenue in Western Europe fell by 14% on a comparable basis.

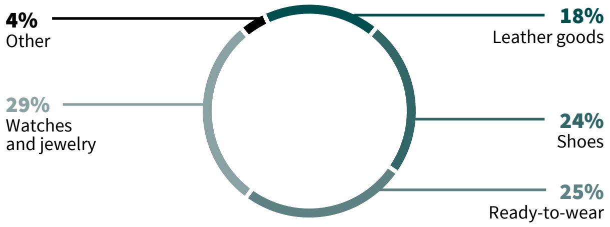
Revenue grew 27% on a comparable basis in Japan, boosted by the sharp upturn in the number of tourists traveling within Asia and the success of Boucheron among Japanese customers.

In North America, sales fell 8% on a comparable basis due to the decrease in wholesale revenue, particularly at Alexander McQueen. Balenciaga's sales growth turned positive again in North America in 2024 in directly operated stores.

In Asia-Pacific, revenue fell 10% on a comparable basis: performance varied between Houses, and was positive at Brioni, Boucheron and Pomellato.

In the Rest of the world, the Other Houses posted 2% revenue growth on a comparable basis, driven by good performances of Balenciaga and Brioni in the Middle East.

Revenue by product category



Jewelry Houses maintained their 2023 trends, with growth in 2024 driven in particular by the success of their collections and development in Asia-Pacific and Japan. High jewelry collections from Boucheron but also Pomellato were particularly well received.

Of the other categories, leather goods was the most resilient because of the success of Balenciaga's handbag range, and of its *Rodeo* bag in particular.

However, the shoes and ready-to-wear categories suffered from more moderate demand from aspirational customers in certain markets, and from the ongoing transition at Alexander McQueen.

Royalty revenue fell compared to 2023.

Recurring operating income

In 2024, the Other Houses reported a recurring operating loss of €9 million, a deterioration of €221 million compared to 2023.

The decrease in recurring operating income was due to negative operating leverage at Balenciaga and Alexander McQueen as a result of lower sales, particularly in the wholesale distribution network despite a streamlined cost base, while Brioni, Boucheron and Ginori saw their results improve.

EBITDA totaled €426 million, down €159 million year-on-year. This caused EBITDA margin to fall 3.5 points to 13.2%.

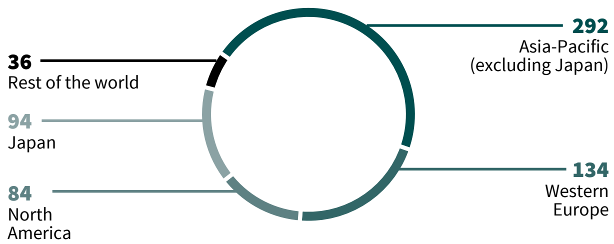
Store network and operating investments

The Other Houses had 640 directly operated stores as of December 31, 2024, a net increase of 22 compared to the same period in 2023.

Balenciaga, Brioni and the jewelry Houses were mainly behind this expansion of the network, while Alexander McQueen closed some of its less productive stores. Japan had most store openings (net of closures), followed by Asia-Pacific. Boucheron opened its first stores in the United States, one on Madison Avenue in New York and one in Las Vegas.

The Other Houses' operating investments totaled €194 million in 2024, €53 million less than in 2023. As a proportion of annual revenue, investments fell to 6% in 2024. Although the Houses are working to strengthen their direct distribution, they are also investing in their production capabilities and the full array of infrastructure needed to develop their businesses.

Breakdown of directly operated stores by region



5.5 Kering Eyewear and Corporate

(in € millions)	2024	2023	Change
Revenue	**1,941**	**1,568**	**+24%**
of which Kering Eyewear	*1,583*	*1,502*	*+5%*
of which Kering Beauté	*323*	*62*	*N/A*
of which Corporate and other	*35*	*4*	*N/A*
Recurring operating income	**112**	**(7)**	**N/A**
of which Kering Eyewear	*277*	*276*	*–*
of which Corporate and other	*(165)*	*(283)*	*+42%*
Acquisitions of property, plant and equipment and intangible assets	2,499	1,638	N/A
Average FTE headcount	7,240	6,906	+4%

The “Kering Eyewear and Corporate” segment comprises:

- Kering Eyewear and Kering Beauté, 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’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 2024, the segment generated total revenue of €1,941 million, including €1,583 million from Kering Eyewear and €323 million from Kering Beauté.

Kering Eyewear’s sales were up 5% as reported. At constant scope and exchange rates, revenue rose by 6%, with the number of licenses managed by Kering Eyewear remaining stable relative to 2023. The performance was driven by the strong momentum of the Gucci, Maui Jim, Cartier and Saint Laurent brands. Growth at constant scope was solid in the main markets, and was driven in particular by Europe and Asia-Pacific.

Kering Beauté’s revenue mainly comprises that of Creed, which grew relative to 2023 particularly as a result of developing new fragrances for women. Kering Beauté also launched a range of high-end fragrances for Bottega Veneta in 2024.

Local chains and the “three Os” (Opticians, Optometrists and Ophthalmologists) constitute the main channel for sales under license by brands managed by Kering Eyewear (around 50% of total sales in both 2024 and 2023). Revenue from those distributors once again saw robust growth, showing the effectiveness of Kering Eyewear’s sales organization. Sales in other distribution channels also rose, particularly in brands’ own stores, and continued to recover in travel retail.

The segment’s recurring operating income was €112 million, driven by Kering Eyewear’s operating income of €277 million, whereas Kering Beauté’s positive contribution was offset by Corporate costs, resulting in a net negative impact of €165 million.

Kering Eyewear’s recurring operating margin was 17.5%, slightly less than in 2023 because of increased investments at Maui Jim, aimed particularly at continuing its development in new markets.

Corporate operating expenses were lower than in 2023 as a result of efficiency efforts, and despite depreciation and amortization charges relating to investments made in recent years in information systems, digitalization and innovation.

The segment’s operating investments amounted to €2,499 million in 2024 and included the acquisition of real estate properties in New York and Milan, with the aim of securing prime locations for the Group’s Houses. Adjusted for those acquisitions, operating investments amounted to €298 million in 2024, up €41 million relative to 2023. The increase resulted from investment efforts at Kering Eyewear and Corporate, along with the inclusion of Creed in the scope of consolidation over the full year.

6 - PARENT COMPANY NET INCOME

In 2024, the parent company generated net income of €1,413 million, compared to €1,855 million in 2023. The 2024 figure includes €1,966 million of dividends received from subsidiaries (versus €1,886 million in 2023).

7 - TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties in 2024 are described in the notes to the consolidated financial statements *(see Consolidated financial statements, Note 31 – Transactions with related parties)*.

8 - 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 heritage, and achieve the highest standards in terms of quality, sustainability and experience for their customers.

In an economic and geopolitical environment that remains uncertain, Kering continues to deploy its strategy with the aim of achieving profitable long-term growth trajectory.

The Group is stepping up the initiatives needed to support the development and growth of its Houses, while implementing with determination the efforts required to increase its efficiency. These actions imply particular vigilance with regards to financial discipline related to control of the Group's cost base, selectively of its investments, and management of its balance sheet.

9 - DEFINITIONS OF NON-IFRS FINANCIAL INDICATORS

"Reported" and "comparable" growth

The Group's "reported" growth corresponds to the change in reported revenue 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 the 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

Financial statements as of December 31, 2024

1 - CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2024

Financial statements audited, certification in progress.

1.1 Consolidated income statement

(in € millions)	Notes	2024	2023
CONTINUING OPERATIONS			
Revenue	**4**	**17,194**	**19,566**
Cost of sales		(4,513)	(4,639)
Gross margin		**12,681**	**14,927**
Other personnel expenses	5	(3,017)	(2,982)
Other recurring operating income and expenses		(7,110)	(7,199)
Recurring operating income		**2,554**	**4,746**
Other non-recurring operating income and expenses	7	(242)	(103)
Operating income		**2,312**	**4,643**
Financial result	8	(614)	(410)
Income before tax		**1,698**	**4,233**
Income tax expense	9	(461)	(1,163)
Share in earnings (losses) of equity-accounted companies		(10)	4
Net income from continuing operations		**1,227**	**3,074**
o/w attributable to the Group		*1,133*	*2,983*
o/w attributable to minority interests		*94*	*91*
DISCONTINUED OPERATIONS			
Net income from discontinued operations		**–**	**–**
o/w attributable to the Group		–	–
o/w attributable to minority interests		–	–
GROUP TOTAL			
Net income of consolidated companies		**1,227**	**3,074**
o/w attributable to the Group		*1,133*	*2,983*
o/w attributable to minority interests		*94*	*91*

(in € millions)	Notes	2024	2023
Net income attributable to the Group		**1,133**	**2,983**
Basic earnings per share *(in €)*	10.2	9.24	24.38
Diluted earnings per share *(in €)*	10.2	9.24	24.37
Net income from continuing operations attributable to the Group		**1,133**	**2,983**
Basic earnings per share *(in €)*	10.2	9.24	24.38
Diluted earnings per share *(in €)*	10.2	9.24	24.37
Net income from continuing operations (excluding non-recurring items) attributable to the Group		**1,310**	**3,061**
Basic earnings per share *(in €)*	10.2	10.68	25.02
Diluted earnings per share *(in €)*	10.2	10.68	25.01

1.2 Consolidated statement of comprehensive income

(in € millions)	Notes	2024	2023
Net income		**1,227**	**3,074**
Change in currency translation adjustments relating to consolidated subsidiaries:		**84**	**(75)**
– change in currency translation adjustments		*84*	*(75)*
– amounts transferred to the income statement		*–*	*–*
Change in foreign currency cash flow hedges:	**21.6**	**(124)**	**(4)**
– change in fair value		*(70)*	*268*
– amounts transferred to the income statement		*(77)*	*(271)*
– tax effects		*23*	*(1)*
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		**(40)**	**(79)**
Change in provisions for pensions and other post-employment benefits:	**23**	**(9)**	**1**
– change in actuarial gains and losses		*(11)*	*1*
– tax effects		*2*	*-*
Change in financial assets measured at fair value:	**16.2**	**11**	**(23)**
– change in fair value		*15*	*(33)*
– tax effects		*(4)*	*10*
Gains and losses recognized in equity, not to be transferred to the income statement		**2**	**(22)**
Total gains and losses recognized in equity		**(38)**	**(101)**
Comprehensive income		1,189	2,973
o/w attributable to the Group		*1,088*	*2,879*
o/w attributable to minority interests		*101*	*94*

1.3 Consolidated balance sheet

Assets

(in € millions)	Notes	Dec. 31, 2024	Dec. 31, 2023
Goodwill	11	6,277	7,112
Brands and other intangible assets	12	9,287	8,178
Lease right-of-use assets	13.1	5,615	4,984
Property, plant and equipment	14	6,537	5,341
Investments in equity-accounted companies	15	1,762	1,750
Non-current financial assets	16	492	536
Deferred tax assets	9.3	1,651	1,520
Other non-current assets		27	16
Non-current assets		**31,648**	**29,437**
Inventories	17	3,992	4,550
Trade receivables and accrued income	18	1,003	1,151
Current tax receivables		680	765
Current financial assets	16	42	136
Other current assets		1,388	1,406
Cash and cash equivalents	20.1	3,518	3,922
Current assets		**10,623**	**11,930**
Assets held for sale	**2, 7, 14**	**1,075**	**–**
TOTAL ASSETS		43,346	41,367

Equity and liabilities

(in € millions)	Notes	Dec. 31, 2024	Dec. 31, 2023
Equity attributable to the Group		14,904	15,212
Equity attributable to minority interests		826	798
Equity	**19**	**15,730**	**16,010**
Non-current borrowings	20	10,556	10,026
Non-current lease liabilities	13.2	5,056	4,511
Non-current financial liabilities	22	13	13
Non-current provisions for pensions and other post-employment benefits	23	85	68
Non-current provisions	24	51	21
Deferred tax liabilities	9.3	1,985	1,776
Other non-current liabilities		278	311
Non-current liabilities		**18,024**	**16,726**
Current borrowings	20	3,479	2,400
Current lease liabilities	13.2	1,051	884
Current financial liabilities	22	343	588
Trade payables and accrued expenses		2,098	2,200
Current provisions for pensions and other post-employment benefits	23	13	12
Current provisions	24	191	163
Current tax liabilities		528	536
Other current liabilities		1,889	1,848
Current liabilities		**9,592**	**8,631**
Liabilities associated with assets held for sale		**–**	**–**
TOTAL EQUITY AND LIABILITIES		43,346	41,367

1.4 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 1, 2023		**122,220,370**	**496**	**1,314**	**(1,028)**	**(165)**	**186**	**13,195**	**13,998**	**785**	**14,783**
Net income								2,983	2,983	91	3,074
Total gains and losses recognized in equity						(78)	(26)		(104)	3	(101)
Comprehensive income						**(78)**	**(26)**	**2,983**	**2,879**	**94**	**2,973**
Change in equity of Kering SA									–	–	–
Change in equity of subsidiaries									–	9	9
Expense related to share-based payments	6	16,928			10			15	25	–	25
Cancellation of Kering treasury shares	19.1		(3)	(330)	333				–	–	–
(Acquisitions) disposals of Kering treasury shares[1]	19.1	342,883			230			(217)	13	–	13
Distribution of dividends	19.2							(1,705)	(1,705)	(42)	(1,747)
Other changes[2]					5			(3)	2	(48)	(46)
As of Dec. 31, 2023		**122,580,181**	**493**	**984**	**(450)**	**(243)**	**160**	**14,268**	**15,212**	**798**	**16,010**
Net income								1,133	1,133	94	1,227
Total gains and losses recognized in equity						77	(122)		(45)	7	(38)
Comprehensive income						**77**	**(122)**	**1,133**	**1,088**	**101**	**1,189**
Change in equity of Kering SA									–	–	–
Change in equity of subsidiaries									–	–	–
Expense related to share-based payments	6	14,762			82			(75)	7	–	7
Cancellation of Kering treasury shares	19.1								–	–	–
(Acquisitions) disposals of Kering treasury shares[1]	19.1	6,750			3			24	27	–	27
Distribution of dividends	19.2							(1,410)	(1,410)	(22)	(1,432)
Other changes[2]								(20)	(20)	(51)	(71)
As of Dec. 31, 2024		**122,601,693**	**493**	**984**	**(365)**	**(166)**	**38**	**13,920**	**14,904**	**826**	**15,730**

(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.

1.5 Consolidated statement of cash flows

(in € millions)	Notes	2024	2023
Net income from continuing operations		**1,227**	**3,074**
Net recurring charges to depreciation, amortization and provisions on non-current operating assets	3.1	2,113	1,823
Other non-cash (income) expenses	26	57	94
Cash flow received from operating activities	**26**	**3,397**	**4,991**
Interest paid (received)		559	300
Dividends received		(2)	(9)
Current tax expense	9.1	526	1,007
Cash flow received from operating activities before tax, dividends and interest		**4,480**	**6,289**
Change in working capital requirement	27	667	(396)
Income tax paid		(438)	(1,434)
Net cash received from operating activities		**4,709**	**4,459**
Acquisitions of property, plant and equipment and intangible assets	28	(3,309)	(2,611)
Disposals of property, plant and equipment and intangible assets		32	135
Acquisitions of subsidiaries and associates, net of cash acquired		(35)	(5,093)
Acquisitions of other financial assets		(83)	(56)
Disposals of other financial assets		140	251
Interest and dividends received		70	76
Net cash received from (used in) investing activities		**(3,185)**	**(7,298)**
Dividends paid to shareholders of Kering SA	19.2	(1,716)	(1,712)
Dividends paid to minority interests in consolidated subsidiaries		(24)	(42)
Transactions with minority interests		(73)	(24)
(Acquisitions) disposals of Kering treasury shares	19.1	2	(10)
Issuance of bonds and bank debt	20.4	2,493	6,205
Redemption of bonds and bank debt	20.4	(525)	(957)
Issuance (redemption) of other borrowings		(394)	174
Repayment of lease liabilities		(1,049)	(880)
Interest paid and equivalent		(610)	(377)
Net cash received from (used in) financing activities	**29**	**(1,896)**	**2,377**
Net cash received from (used in) discontinued operations		**–**	**–**
Impact of exchange rates on cash and cash equivalents		31	18
Net increase (decrease) in cash and cash equivalents		**(341)**	**(444)**
Cash and cash equivalents at opening	**25**	**3,650**	**4,094**
Cash and cash equivalents at closing	**25**	**3,309**	**3,650**

1.6 Notes to the 2024 consolidated 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 – Paris 7e, France. Kering is a global group that manages the development of a collection of renowned Houses in fashion, leather goods and jewelry.

On February 10, 2025, the Board of Directors approved the consolidated financial statements as of December 31, 2024 and authorized their publication. These consolidated financial statements will only be considered as final after their adoption by the April 24, 2025 Annual General Meeting.

The consolidated financial statements as of December 31, 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 accounting policies and methods applied by the Group pursuant to IFRSs are set out in Note 33 – Accounting policies and methods.

Unless otherwise stated, amounts are stated in millions of euros. In general, amounts stated in the consolidated financial statements and 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 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 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 acquisition was completed on 18 July 2024 for a cash consideration of €1.3 billion.

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

Bond issues

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;
- a €750 million tranche with a 12-year maturity and a 3.625% coupon.

On November 14, 2024, Kering carried out a single-tranche bond issue for a total of €750 million with a 10-year maturity and a 3.625% coupon.

These issues form part of the Group's active liquidity management, and increases Kering's financial flexibility.

€3 billion syndicated credit facility

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

NOTE 2 – SUBSEQUENT EVENTS

Signature of an agreement regarding prime real estate assets in Paris with Ardian

On January 15, 2025, Kering and Ardian announced the signature of an investment agreement relating to three highly prestigious real estate properties in Paris. This portfolio comprises Hôtel de Nocé, located at 26, place Vendôme, and two buildings located on avenue Montaigne, at numbers 35-37 and 56.

Kering will transfer these assets to a newly created joint venture. Ardian, a world-leading private investment house, will hold 60% of this unique prime real estate portfolio, with Kering retaining a 40% stake. Net proceeds for Kering will amount to €837 million.

This transaction is part of Kering's selective real estate strategy, aimed at securing exceptional long-term retail locations for its Houses in the world's most emblematic luxury districts. For Ardian, this long-term partnership is a rare opportunity to bolster its presence in Paris by investing in three real estate assets located on the city's most prestigious streets, offering its clients access to a highly exclusive real estate market.

The deal is expected to close in the first quarter of 2025, pending the fulfillment of customary conditions for real estate transactions.

Kering and Simon announce the completion of the sale of 'The Mall Luxury outlets'

On January 30, Kering and Simon® announced the finalization of the sale of 100% of The Mall Luxury Outlets entities held by Kering to Simon, the US real estate investment trust engaged in the ownership of premier shopping, dining, entertainment destinations.

The Mall, created in 2001, operates two luxury outlet destinations in Italy. For Kering, the divestment of this non-core asset will generate net proceeds of approximately €350 million.

Kering's brands will maintain a presence in these two very high-end shopping villages, the strategy implemented by Kering aiming at gradually concentrating its outlet distribution to a limited number of exclusive venues.

NOTE 3 – OPERATING SEGMENTS

3.1 Information by operating segment

(in € millions)	Gucci	Yves Saint Laurent	Bottega Veneta	Other Houses	Kering Eyewear and Corporate	Eliminations[1]	Total
2024							
Revenue	**7,650**	**2,881**	**1,713**	**3,221**	**1,941**	**(212)**	**17,194**
Recurring operating income	**1,605**	**593**	**255**	**(9)**	**112**	**(2)**	**2,554**
Net recurring charges to depreciation, amortization and provisions on non-current operating assets	798	328	208	435	344	N/A	2,113
EBITDA	2,403	921	463	426	456	(2)	4,667
Acquisitions of property, plant and equipment and intangible assets[2]	293	211	112	194	2,499	N/A	3,309

(1) Intra-group eliminations are disclosed in a separate column.

(2) Including the acquisition of strategic real estate properties up to €2,201 million.

(in € millions)	Gucci	Yves Saint Laurent	Bottega Veneta	Other Houses	Kering Eyewear and Corporate	Eliminations	Total
2023							
Revenue	**9,873**	**3,179**	**1,645**	**3,514**	**1,568**	**(213)**	**19,566**
Recurring operating income	**3,264**	**969**	**312**	**212**	**(7)**	**(4)**	**4,746**
Net recurring charges to depreciation, amortization and provisions on non-current operating assets	735	250	182	373	283	N/A	1,823
EBITDA	3,999	1,219	494	585	276	(4)	6,569
Acquisitions of property, plant and equipment and intangible assets[1]	435	186	105	247	1,638	N/A	2,611

(1) Including the acquisition of strategic real estate properties up to €1,380 million.

3.2 Revenue by region

(in € millions)	2024	2023
Asia-Pacific (Excluding Japan)	5,222	6,848
Western Europe	4,995	5,405
North America	4,095	4,500
Japan	1,423	1,400
Rest of the world	1,459	1,413
TOTAL	17,194	19,566

NOTES ON THE CONSOLIDATED INCOME STATEMENT

NOTE 4 – REVENUE

(in € millions)	2024	2023
Sales from directly operated stores including e-commerce	13,248	15,446
Wholesale sales, royalties and other revenue[1]	3,946	4,120
TOTAL	17,194	19,566

(1) After elimination of intra-group sales.

NOTE 5 – PERSONNEL EXPENSES AND HEADCOUNT

5.1 Personnel expenses by type

(in € millions)	2024	2023
Wages, salaries and payroll taxes	(2,755)	(2,682)
Expenses related to pensions and other post-employment benefits under defined benefit plans	(11)	(11)
Expense related to share-based payments	(16)	(10)
Other	(235)	(279)
TOTAL[1]	(3,017)	(2,982)

(1) Excludes personnel expenses included in the cost of sales.

5.2 Average headcount on a full-time equivalent basis by region

	2024	2023
Asia-Pacific (excluding Japan)	12,053	12,318
Western Europe	21,717	21,777
North America	5,645	5,638
Japan	2,884	2,808
Rest of the world	3,545	3,473
TOTAL	45,845	46,014

5.3 Headcount on the payroll at year-end by region

	Dec. 31, 2024	Dec. 31, 2023
Asia-Pacific (excluding Japan)	11,860	12,739
Western Europe	22,607	23,593
North America	5,805	5,957
Japan	3,074	2,978
Rest of the world	3,584	3,697
TOTAL	46,930	48,964

NOTE 6 – SHARE-BASED PAYMENT

Plans settled in Kering shares

Free share and performance share plans

Since 2020, with respect to its long-term incentive plans, Kering has introduced free share and performance share plans for senior executives and certain Group employees. The characteristics of these plans are as follows:

Information on grants

Year granted	2021	2022	2023	2024
Grant date	10/01/2021	10/04/2022	10/03/2023	10/02/2024
Vesting period	3 years	3 years	3 years	3 years
Number of beneficiaries on the grant date	372	497	610	609
Number of shares initially granted	42,752	74,274	73,222	221,159
Unit fair value at grant date *(in €)*	622,5-628,3	457,2-461,5	397,3-403,4	220,7-225,39

Number of shares outstanding

Year granted	2021	2022	2023	2024
Balance as of December 31, 2023	**30,452**	**56,054**	**71,827**	**–**
Number granted	–	–	–	221,159
Number forfeited	(15,771)	(11,324)	(12,742)	(16,995)
Number delivered	(14,681)	(81)	–	–
Balance as of December 31, 2024	**–**	**44,649**	**59,085**	**204,164**

Under performance share plans, the final number of shares delivered to beneficiaries who continue to be employed by the Group at the end of the vesting period cannot be less than 50% of, or over 50% more than the initial grant made to these beneficiaries. The performance adjustment ratio used to calculate the final number of shares to be delivered is determined in line with Kering's share performance over the three-year vesting period versus the performance of the industry as a whole, as measured by an index of eight European luxury stocks.

As well as the performance conditions applicable to all beneficiaries, specific performance conditions apply to the corporate officers, as outlined at the Annual General Meetings of April 22, 2021, April 28, 2022, April 27, 2023 and April 25, 2024.

NOTE 7 – OTHER NON-RECURRING OPERATING INCOME AND EXPENSES

(in € millions)	**2024**	**2023**
Gains relating to changes in scope	1	28
Capital gains on disposals of non-current assets	8	85
Restructuring reversal	47	35
Other	3	19
Other non-recurring operating income	**60**	**167**
Losses relating to changes in scope	–	(1)
Impairment of goodwill and other non-current assets	(111)	(70)
Restructuring costs	(120)	(111)
Acquisition costs	(2)	(39)
Other	(69)	(50)
Other non-recurring operating expenses	**(302)**	**(270)**
Other non-recurring operating income and expenses	(242)	(103)

In 2024, impairment of non-current assets mainly concerned an adjustment to the carrying amount of assets that will be transferred as part of the partnership signed with Ardian in January 2025. Those assets are classified as “Assets held for sale”.

Restructuring charges, net of reversals, mainly relate to expenditure incurred at Gucci’s head office and in its regional operations, in order to improve its organization.

Other expenses comprise:

- costs and compensation payments related to the streamlining of the Houses’ store networks and the Group’s offices;
- advisory fees related to non-recurring transactions;
- various other costs.

In 2023, the gain from changes in the scope of consolidation arose from the change in consolidation method used for Ginori 1735. The €85 million capital gain on asset disposals arose from the disposal of a building in London.

Restructuring costs, net of reversals, mainly concerned the continuation of the restructuring that began at Gucci in 2022. Other non-recurring operating expenses corresponded to the impairment of other non-current assets at Gucci, Alexander McQueen and Brioni, along with costs related to the Creed acquisition.

NOTE 8 – FINANCIAL RESULT

(in € millions)	2024	2023
Cost of net debt[(1)]	**(320)**	**(108)**
Income from cash and cash equivalents	79	102
Finance costs at amortized cost	(398)	(210)
Other financial income and expenses	**(89)**	**(151)**
Net gains (losses) on financial assets	2	15
Net foreign exchange gains (losses)	(30)	(64)
Ineffective portion of cash flow and fair value hedges	(37)	(95)
Net gains (losses) on derivative instruments not qualifying for hedge accounting	(9)	9
Other finance costs	(16)	(16)
Financial result excluding leases	**(409)**	**(259)**
Interest expense on lease liabilities	(205)	(151)
TOTAL	(614)	(410)

(1) Net debt is defined in Note 33.1.4

The Group's cost of net debt was €320 million in 2024 (€108 million in 2023). The €212 million increase mainly arose from the increase in outstanding bond debt in 2023 and 2024.

Other financial income and expense produced a net expense of €89 million in 2024 (€151 million in 2023). The €62 million decrease was mainly due to weaker exchange-rate effects.

NOTE 9 – INCOME TAXES

9.1 Income tax expense

As of December 31, 2024, the Group's effective tax rate for the year was 27.1%. This rate includes the effects of the "Pillar 2" rules published in December 2021 by the Organisation for Economic Co-operation and Development (OECD), which have a non-significant impact.

(in € millions)	2024	2023
Current tax expense	(526)	(1,007)
Deferred tax income/(expense)	65	(156)
TOTAL	(461)	(1,163)

9.2 Reconciliation of the effective tax rate

(in € millions)	2024	2023
Income before tax	1,698	4,233
Income tax expense	(461)	(1,163)
Effective tax rate	**27.1%**	**27.5%**
Other non-recurring operating income and expenses	(242)	(103)
Recurring income before tax	1,940	4,336
Income tax on other non-recurring operating income and expenses	65	25
Tax expense on recurring income	(526)	(1,188)
Effective tax rate on recurring income	**27.1%**	**27.4%**

(as a % of pre-tax income)	2024	2023
Tax rate applicable in France	**25.8%**	**25.8%**
Differences in the tax rates applicable to foreign subsidiaries	-2.7%	-1.9%
Permanent differences	2.1%	-0.4%
Unrecognized tax losses carried forward	-0.7%	-0.8%
Other differences	2.6%	4.7%
Effective tax rate on recurring income	**27.1%**	**27.4%**
Differences relating to other non-recurring operating income and expenses (permanent differences and differences in tax rates)	–	0.1%
Effective tax rate	**27.1%**	**27.5%**

The income tax rate applicable in France in 2024 was the standard rate of 25%, plus a social surtax of 3.3%, bringing the overall rate to 25.8%.

Differences in the tax rates applicable to foreign subsidiaries correspond to the difference between the statutory tax rate applicable in France and the different statutory tax rates applicable in other countries in which the Group does business.

Permanent differences result from expenses not deductible and/or income not taxable pursuant to the tax laws of the countries in which the Group operates.

Other differences mainly relate to other taxes, such as the IRAP regional production tax in Italy, the CVAE tax on value added in France, tax credits, and the impact of any tax reassessments.

9.3 Deferred tax assets and liabilities

(in € millions)	Dec. 31, 2023	Income statement	Gains and losses recognized in equity	Other changes[1]	Dec. 31, 2024
Deferred tax assets	1,520	89	19	23	1,651
Deferred tax liabilities	(1,776)	(24)	2	(187)	(1,985)
Net deferred tax assets (liabilities)	**(257)**	**65**	**21**	**(163)**	**(334)**
Value of brands	(1,681)	(1)	–	(123)	(1,805)
Inventories: elimination of internal margins and impairment	1,026	(135)	–	25	916
Other adjustments	370	(7)	21	(69)	315
Tax loss carryforwards	28	208	–	4	241

(1) “Other changes” include foreign exchange differences and changes in scope.

9.4 Unrecognized deferred tax assets

(in € millions)	Dec. 31, 2024	Dec. 31, 2023
Deferred tax assets on tax loss carryforwards	314	332
Deferred tax assets on other temporary differences	40	39
Unrecognized deferred tax assets	**354**	**370**

(in € millions)	Dec. 31, 2024	Dec. 31, 2023
Unrecognized tax loss carryforwards expiring in *(tax base)*	942	968
less than five years	*12*	*9*
more than five years	*930*	*959*
Indefinite unrecognized tax loss carryforwards *(tax base)*	551	607
Total unrecognized tax loss carryforwards *(tax base)*	**1,493**	**1,575**

NOTE 10 – EARNINGS PER SHARE

10.2 Earnings per share

2024

	Consolidated Group	Continuing operations	Discontinued operations
Net income attributable to the Group *(in € millions)*	**1,133.2**	**1,133.2**	**–**
Weighted average number of ordinary shares outstanding	123,420,778	123,420,778	123,420,778
Weighted average number of Kering treasury shares	(803,181)	(803,181)	(803,181)
Weighted average number of ordinary shares	**122,617,597**	**122,617,597**	**122,617,597**
Basic earnings per share *(in €)*	**9.24**	**9.24**	**–**
Weighted average number of ordinary shares	122,617,597	122,617,597	122,617,597
Potentially dilutive ordinary shares	51,744	51,744	51,744
Weighted average number of diluted ordinary shares	**122,669,341**	**122,669,341**	**122,669,341**
Diluted earnings per share *(in €)*	**9.24**	**9.24**	**–**

2023

	Consolidated Group	Continuing operations	Discontinued operations
Net income attributable to the Group *(in € millions)*	**2,982.6**	**2,982.6**	**–**
Weighted average number of ordinary shares outstanding	123,953,244	123,953,244	123,953,244
Weighted average number of Kering treasury shares	(1,606,750)	(1,606,750)	(1,606,750)
Weighted average number of ordinary shares	**122,346,494**	**122,346,494**	**122,346,494**
Basic earnings per share *(in €)*	**24.38**	**24.38**	**–**
Weighted average number of ordinary shares	122,346,494	122,346,494	122,346,494
Potentially dilutive ordinary shares	36,436	36,436	36,436
Weighted average number of diluted ordinary shares	**122,382,930**	**122,382,930**	**122,382,930**
Diluted earnings per share *(in €)*	**24.37**	**24.37**	**–**

10.2 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 7)*, reported net of tax and any minority interests.

(in € millions)	2024	2023
Net income from continuing operations attributable to the Group	**1,133.2**	**2,982.6**
Other non-recurring operating income and expenses	(240.7)	(102.8)
Income tax on other non-recurring operating income and expenses	64.3	24.7
Net income from continuing operations (excluding non-recurring items) attributable to the Group	**1,309.6**	**3,060.7**

	2024	2023
Weighted average number of ordinary shares outstanding	123,420,778	123,953,244
Weighted average number of Kering treasury shares	(803,181)	(1,606,750)
Weighted average number of ordinary shares	**122,617,597**	**122,346,494**
Basic earnings per share from continuing operations excluding non-recurring items *(in €)*	**10.68**	**25.02**

Weighted average number of ordinary shares	122,617,597	122,346,494
Potentially dilutive ordinary shares	51,744	36,436
Weighted average number of diluted ordinary shares	**122,669,341**	**122,382,930**
Diluted earnings per share from continuing operations excluding non-recurring items *(in €)*	**10.68**	**25.01**

NOTES ON THE CONSOLIDATED BALANCE SHEET

NOTE 11 – GOODWILL AND IMPAIRMENT TESTS

11.1 Changes during the period

2024

(in € millions)	As of January 1	Acquisitions	Impairment losses	Changes in scope	Foreign exchange differences	Other movements	As of December 31
Gross	**7,324**	**12**	**–**	**–**	**(17)**	**(832)**	**6,487**
Impairment losses	(211)	–	–	–	1	–	(210)
NET	7,112	12	–	–	(16)	(832)	6,277

Other movements during the period correspond mainly to the allocation of goodwill relating to Creed in an amount of €830 million.

2023

(in € millions)	As of January 1	Acquisitions	Impairment losses	Changes in scope	Foreign exchange differences	Other movements	As of December 31
Gross	**4,261**	**3,508**	**–**	**–**	**72**	**(517)**	**7,324**
Impairment losses	(207)	–	–	–	(5)	–	(211)
NET	4,053	3,508	–	–	67	(517)	7,112

Acquisitions in 2023 corresponds mainly to €3,423 million of provisional goodwill relating to Creed. The €517 million of Other movements corresponds mainly to the allocation of goodwill relating to Maui Jim.

Creed's contribution to revenue in 2023 was €62 million.

11.2 Impairment tests

As part of the goodwill measurement process, an impairment test was carried out as of December 31, 2024. The main assumptions used for each cash-generating unit (CGU) or group of CGUs are as follows:

2024

Dec. 31, 2024	Goodwill			
(in € millions)	Net carrying amount	Discount rate (before tax)	Perpetual growth rate	Business plan time frame
Gucci CGU	1,655	15.4%	2.8%	5 years
Other CGUs	4,622	11.9% - 15.7%	2.8%	5 or 10 years
TOTAL	6,277			

2023

Dec. 31, 2023	Goodwill			
(in € millions)	Net carrying amount	Discount rate (before tax)	Perpetual growth rate	Business plan time frame
Gucci CGU	1,649	15.4%	3.0%	5 years
Other CGUs	5,464	12.1% - 15.7%	3.0%	5 or 10 years
TOTAL	7,112			

In 2024, no impairment loss was recognized statement as a result of impairment tests.

Recoverable amounts determined as part of impairment tests underwent sensitivity testing based on a 10-basis-point increase in the post-tax discount rate, a 10-basis-point decrease in the perpetual growth rate and a 10-basis-point decrease in cash flows.

These tests did not show a recoverable amount less than the carrying amount of cash-generating units or groups of cash-generating units.

NOTE 12 – BRANDS AND OTHER INTANGIBLE ASSETS

(in € millions)	Gross	Amortization and impairment	Dec. 31, 2024 Net	Dec. 31, 2023 Net
Brands	8,470	(103)	8,366	7,208
Other intangible assets	2,387	(1,467)	920	970
TOTAL	10,857	(1,570)	9,287	8,178

In 2024, changes in brands and other intangible assets were as follows:

2024

(in € millions)	Carrying amount as of January 1	Acquisitions	Amortization	Impairment losses	Changes in scope	Foreign exchange differences	Other movements	Carrying amount as of December 31
Brands	7,208	–	–	–	–	37	1,121 [1]	8,366
Other intangible assets	970	303	(235)	(20)	3	9	(110)	920
TOTAL	8,178	303	(235)	(20)	3	46	1,012	9,287

(1) The amount under "Other movements" is mainly related to the provisional goodwill recognized on the acquisition of Creed in 2023, primarily allocated to the brand in 2024.

2023

(in € millions)	Carrying amount as of January 1	Acquisitions	Amortization	Impairment losses	Changes in scope	Foreign exchange differences	Other movements	Carrying amount as of December 31
Brands	6,655	–	–	–	–	(76)	628 [1]	7,208
Other intangible assets	702	311	(221)	–	114	(9)	74	970
TOTAL	7,357	311	(221)	–	114	(85)	702	8,178

(1) The amount under "Other movements" relates mainly to the Maui Jim brand.

NOTE 13 – LEASES

13.1 Lease right-of-use assets

(in € millions)	Gross	Depreciation and impairment	Dec. 31, 2024 Net	Dec. 31, 2023 Net
Stores	7,791	(3,509)	4,282	3,706
Offices and other	1,927	(722)	1,205	1,151
Capitalized fixed lease payments	**9,718**	**(4,231)**	**5,487**	**4,857**
Lease rights	219	(91)	128	127
TOTAL	9,937	(4,322)	5,615	4,984

Change in lease right-of-use assets

2024

(in € millions)	Carrying amount as of January 1	New leases	Lease modifi-cations	Early termi-nations	Depreciation	Impairment losses	Foreign exchange differences	Other	Carrying amount as of December 31
Stores	3,706	1,189	285	(61)	(959)	(2)	105	18	4,282
Offices and other	1,151	181	54	(2)	(165)	-	8	(22)	1,205
Total	**4,857**	**1,370**	**339**	**(63)**	**(1,124)**	**(2)**	**113**	**(4)**	**5,487**
Lease rights	127	10	-	-	(9)	(1)	-	1	128
TOTAL	4,984	1,380	339	(63)	(1,133)	(3)	113	(3)	5,615

2023

(in € millions)	Carrying amount as of January 1	New leases	Lease modifi-cations	Early termin-ations	Depreciation	Impairment losses	Foreign exchange differences	Other	Carrying amount as of December 31
Stores	3,682	1,060	147	(84)	(815)	(10)	(106)	(168)	3,706
Offices and other	1,126	245	7	(54)	(161)	(29)	(7)	23	1,151
Total	**4,808**	**1,305**	**154**	**(138)**	**(976)**	**(39)**	**(113)**	**(145)**	**4,857**
Lease rights	121	13	–	–	(9)	(2)	(1)	5	127
TOTAL	4,929	1,318	154	(138)	(985)	(41)	(114)	(140)	4,984

13.2 Lease liabilities

(in € millions)	Less than one year	One to five years	More than five years	Total as of Dec. 31, 2024	Total as of Dec. 31, 2023
Maturity schedule of lease liabilities	1,051	2,775	2,281	6,107	5,395

As of December 31, 2024, current lease liabilities amounted to €1,051 million (€884 million in 2023). Non-current lease liabilities totaled €5,056 million (€4,511 million in 2023).

Change in lease liabilities

2024

(in € millions)	Carrying amount as of January 1	New leases	Repay-ments	Interest expense	Lease modifi-cations	Early termi-nations	Foreign exchange difference	Other	Carrying amount as of December 31
Stores	4,153	1,187	(1,061)	168	286	(75)	123	(6)	4,775
Offices and other	1,242	181	(192)	37	54	–	11	(1)	1,332
TOTAL	5,395	1,368	(1,253)	205	340	(75)	134	(7)	6,107

2023

(in € millions)	Carrying amount as of January 1	New leases	Repay-ments	Interest expense	Lease modifi-cations	Early termi-nations	Foreign exchange difference	Other	Carrying amount as of December 31
Stores	4,027	1,066	(850)	119	138	(99)	(116)	(133)	4,153
Offices and other	1,204	248	(180)	32	7	(68)	(8)	7	1,242
TOTAL	5,232	1,314	(1,030)	151	145	(167)	(124)	(126)	5,395

13.3 Impact of leases in the income statement

(in € millions)	2024	2023
Depreciation of lease right-of-use assets	(1,133)	(985)
Interest expense on lease liabilities	(205)	(151)
Impairment of lease right-of-use assets	3	41
Expense related to capitalized fixed lease payments	**(1,335)**	**(1,094)**
Rental expense – Variable lease payments	(805)	(1,032)
Rental expense – Short-term leases and/or Leases with a low-value underlying asset	(104)	(96)
Sub-lease revenue	11	10
Other lease expenses	**(898)**	**(1,118)**
TOTAL	(2,233)	(2,212)

13.4 Net deferred tax assets (liabilities) on leases

(in € millions)	Dec. 31, 2024	Dec. 31, 2023
Deferred tax assets	1,843	1,463
Deferred tax liabilities	(1,775)	(1,408)
Net deferred tax assets (liabilities)	68	55

NOTE 14 – PROPERTY, PLANT AND EQUIPMENT

(in € millions)	Gross	Depreciation and Impairment	Dec. 31, 2024 Net	Dec. 31, 2023 Net
Land and buildings	3,677	(257)	3,421	2,407
Plant and equipment	6,272	(3,548)	2,724	2,532
Other property, plant and equipment	537	(145)	392	402
TOTAL	10,486	(3,950)	6,537	5,341

2024

(in € millions)	Carrying amount as of January 1	Acquisitions	Disposals	Depreciation	Impairment losses	Changes in scope	Foreign exchange differences	Other movements	Carrying amount as of December 31
Land and buildings	2,407	2,182 [1]	(23)	(32)	(88)	–	33	(1,059)	3,421
Plant and equipment	2,532	620	(2)	(677)	(16)	2	49	216	2,724
Other property, plant and equipment	402	235	–	(22)	(2)	1	7	(229)	392
TOTAL	5,341	3,037	(24)	(731)	(106)	3	89	(1,072) [2]	6,537

(1) Acquisitions during the period mainly correspond to acquisitions of strategic real estate assets in Milan and New York *(see Note 1)*.
(2) "Other movements" in the period mainly relate to the reclassification of three prestigious real estate properties in Paris as Assets held for sale *(see Note 2)*.

2023

(in € millions)	Carrying amount as of January 1	Acquisitions	Disposals	Depreciation	Impairment losses	Changes in scope	Foreign exchange differences	Other movements	Carrying amount as of December 31
Land and buildings	683	1,695 [1]	(33)	(27)	–	17	(8)	80	2,407
Plant and equipment	2,211	743	(2)	(591)	(20)	19	(67)	239	2,532
Other property, plant and equipment	494	168	(1)	(16)	(1)	10	(9)	(244)	402
TOTAL	3,388	2,607	(37)	(634)	(21)	47	(83)	76	5,341

(1) In 2023, Acquisitions mainly correspond to acquisitions of prestigious real estate assets in Paris.

NOTE 15 – INVESTMENTS IN EQUITY-ACCOUNTED COMPANIES

Companies accounted for by the equity method comprise associates *(see Note 34)*. The Group's investments in associates break down as follows:

(in € millions)	**Dec. 31, 2024**	**Dec. 31, 2023**
Valentino	1,687	1,698
Other investments in equity-accounted companies	75	52
TOTAL	1,762	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 (see Note 30.4).

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 of net income from equity-accounted companies amounts to a loss of €11 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.

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.

Furthermore, no other financial or operational commitment has been made to the equity-accounted company, Valentino.

All of Kering's minority interests represent a loss of €10 million in the net income of equity-accounted companies (a gain of €4 million in 2023).

NOTE 16 – FINANCIAL ASSETS

16.1 Breakdown of financial assets

(in € millions)	**Dec. 31, 2024**	**Dec. 31, 2023**
Non-consolidated investments[(1)]	65	167
Loans and receivables	2	3
Deposits and guarantees	254	232
Other financial investments[(2)]	170	136
Non-current financial assets	**492**	**536**
Derivative instruments	35	122
Loans and receivables	7	14
Current financial assets	**42**	**136**

(1) Including a 0.4% interest in PUMA in 2023. As of December 31, 2024, the Group no longer holds any interest in PUMA.
(2) Including an investment in the Climate Fund for Nature in an amount of €18.1 million, managed by Natixis subsidiary Mirova. 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. As of December 31, 2024, the commitment amounted to €77.5 million.

16.2 Financial assets at fair value

(in € millions)	Dec. 31, 2024	Dec. 31, 2023
Non-consolidated investments	65	167
o/w changes in fair value recognized through equity	*65*	*166*
o/w changes in fair value recognized through the income statement	*–*	*1*
Derivative instruments	35	122
Other financial investments	170	136
o/w changes in fair value recognized through equity	*164*	*130*
o/w changes in fair value recognized through the income statement	*6*	*6*
Financial assets at fair value	**270**	**425**

The fair value of non-consolidated investments quoted on an active market is their market price as of the reporting date (level 1 of the fair value hierarchy). The change of the year mainly corresponds to the disposal of PUMA shares. The fair value of non-consolidated investments not quoted on an active market is determined using internal valuation techniques drawing on non-observable inputs (level 3 of the fair value hierarchy). The securities in this category are not material.

The fair value of derivative instruments is determined using valuation techniques drawing on observable market inputs (such as forward rates and interest rate curves) and on commonly used models (level 2 of the fair value hierarchy) *(see Note 21)*.

The fair value of other financial investments measured at fair value is determined using internal valuation techniques drawing on non-observable inputs (level 3 of the fair value hierarchy).

NOTE 17 – INVENTORIES

(in € millions)	Dec. 31, 2024	Dec. 31, 2023
Commercial inventories	4,439	4,981
Industrial inventories	1,020	1,094
Gross Value	**5,459**	**6,075**
Allowances	(1,467)	(1,525)
Carrying amount	**3,992**	**4,550**

Movements in allowances

(in € millions)	As of January 1	Additions	Reversals	Changes in scope	Assets held for sale	Foreign exchange differences	Other movements	As of December 31
2024	(1,525)	(145)	218	–	–	(8)	(7)	(1,467)
2023	(1,343)	(244)	62	(11)	–	24	(12)	(1,525)

NOTE 18 – TRADE RECEIVABLES AND ACCRUED INCOME

(in € millions)	**Dec. 31, 2024**	**Dec. 31, 2023**
Trade receivables and accrued income	1,058	1,178
Allowances	(55)	(26)
Carrying amount	**1,003**	**1,151**

Movements in allowances

(in € millions)	**As of January 1**	**Net (additions) reversals**	**Changes in scope**	**Foreign exchange differences**	**Other movements**	**As of December 31**
2024	(26)	(29)	–	(1)	1	(55)
2023	(27)	1	(2)	1	1	(26)

Breakdown of trade receivables and accrued income by age

(in € millions)	**2024**	**2023**
Receivables not yet due	894	999
Past due receivables:	164	179
Less than one month	*85*	*108*
One to six months	*55*	*61*
More than six months	*24*	*10*
Allowances	(55)	(26)

Credit risk

In light of the Group's business model, with wholesale sales and royalties received from wholesalers making a smaller contribution to total sales, the Group does not have significant exposure to credit risk. Furthermore, the Group has no dependency or concentration risk with respect to wholesalers. The Group substantially limits the credit risk linked to wholesale clients by taking out credit insurance.

NOTE 19 – EQUITY

As of December 31, 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 819,085 Kering treasury shares, there were 122,601,693 shares issued and outstanding as of December 31, 2024.

19.1 Kering treasury shares

	Dec. 31, 2024		**Dec. 31, 2023**	
(in € millions)	**Number**	**Amount**	**Number**	**Amount**
Liquidity agreement	–	–	6,750	3
Share buyback program (for cancellation)	–	–	–	–
Share-based payment	819,085	365	833,847	447
Kering treasury shares	**819,085**	**365**	**840,597**	**450**

Change in Kering treasury shares

(in € millions)	Number	Amount	Impact on cash
As of January 1,2024	**840,597**	**450**	**N/A**
Purchases under the liquidity agreement	647,706	198	(198)
Disposals under the liquidity agreement	(654,456)	(200)	200
Purchases under share-based payment plans	–	–	–
Purchases with a view to canceling the shares	–	–	–
Cancellations under the share buyback program	–	–	–
Shares vested	(14,762)	(7)	N/A
Net capital gain (loss) on disposal	–	(74)	N/A
As of December 31, 2024	**819,085**	**365**	**3**

Liquidity agreement

Since May 26, 2004, Kering has maintained agreements with a financial intermediary in order to improve the liquidity of the Group's shares and ensure share price stability. The latest agreement was signed on February 13, 2019, in accordance with AMF ruling no. 2018-01 of July 2, 2018, applicable since January 1, 2019. An amendment to that agreement came into force on July 1, 2021, providing for the resources in the liquidity account to be reduced by €25 million. As a result, there has been €25 million in the liquidity account since July 1, 2021.

Share buyback programs

With the exception of the aforementioned liquidity agreement, there is no ongoing share buyback program, the last share buyback program having been completed on December 15, 2022.

19.2 Dividends paid by Kering SA

(in € millions)	Dividend for 2024	Dividend for 2023
INTERIM DIVIDEND		
Amount per share	€2.00	€4.50
Payment date	January 16, 2025	January 17, 2024
Gross amount paid	245	552
BALANCE PAID THE FOLLOWING YEAR FURTHER TO THE AGM		
Amount per share	€4.00 (1)	€9.50
Payment date	May 7, 2025	May 6, 2024
Gross amount paid	494 (1) (2)	1,165
TOTAL DIVIDEND		
Amount per share	€6.00	€14.00
Total gross amount	739 (2)	1,716

(1) Based on a recommendation of Kering's Board of Directors of February 10, 2025, pending approval in the Annual General Meeting of April 24, 2025.
(2) Without adjusting for the effect of Kering shares held in treasury.

Amounts paid are presented after adjusting for the effect of Kering shares held in treasury.

NOTE 20 – NET DEBT

(in € millions)	Dec. 31, 2024	Dec. 31, 2023
Borrowings	14,035	12,426
Cash and cash equivalents	(3,518)	(3,922)
TOTAL	10,517	8,504

20.1 Cash and cash equivalents

(in € millions)	Dec. 31, 2024	Dec. 31, 2023
Cash	2,274	3,103
Cash equivalents[1]	1,244	819
TOTAL	3,518	3,922

[1] Including term deposits and mutual fund units.

20.2 Breakdown of borrowings by category and maturity

(in € millions)	Dec. 31, 2024	Current	Y + 2	Y + 3	Y + 4	Y + 5	Beyond	Total non-current
Bonds	11,840	1,499	980	1,241	598	746	6,776	10,341
Other bank borrowings	138	106	32	–	–	–	–	32
Bank overdrafts	209	209	–	–	–	–	–	–
Commercial paper	854	854	–	–	–	–	–	–
Other borrowings[1]	994	812	–	90	1	58	34	183
o/w Put options granted to minority interests	*704*	*523*	–	*90*	*1*	*57*	*34*	*182*
TOTAL	14,035	3,479	1,012	1,331	599	804	6,810	10,556
%	100%	25%	7%	9%	4%	6%	49%	75%

(in € millions)	Dec. 31, 2023	Current	Y + 2	Y + 3	Y + 4	Y + 5	Beyond	Total non-current
Bonds	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.

20.3 Breakdown of borrowings by repayment currency

(in € millions)	Dec. 31, 2024	%	Dec. 31, 2023	%
EUR	12,597	90%	11,046	89%
GBP	972	7%	927	7%
USD	201	1%	182	1%
JPY	190	1%	193	2%
Other currencies	75	1%	78	1%
TOTAL	14,035	100%	12,426	100%

Borrowings denominated in foreign currencies finance the Group's operations outside the eurozone.

20.4 Bonds

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.

On November 21, 2024, the Group issued €750 million of 10-year bonds with a coupon of 3.625%.

The Group has a Euro Medium Term Notes (EMTN) program capped at €17,000 million as of December 31, 2024, of which €11,907 million had been drawn as of that date.

The bonds issued between 2015 and 2017 within the scope of the EMTN program are all subject to a change-of-control clause entitling bondholders to request early redemption at par if Kering's rating is downgraded to non-investment grade following a change of control.

Par value *(in millions, local currency)*	Currency	Issue interest rate	Issue date	Maturity	Dec. 31, 2024	Dec. 31, 2023
500	EUR	Fixed 2.75%	04/08/2014	04/08/2024	–	500
			05/30/2014	04/08/2024		
			06/26/2014	04/08/2024		
			09/22/2015	04/08/2024		
			11/05/2015	04/08/2024		
50	EUR	Fixed 1.6%	04/16/2015	04/16/2035	50	50
500	EUR	Fixed 1.25%	05/10/2016	05/10/2026	499	499
300	EUR	Fixed 1.5%	04/05/2017	04/05/2027	299	299
600	EUR	Fixed 0.75%	05/13/2020	05/13/2028	598	597
750	EUR	Fixed 1.25%	05/05/2022	05/05/2025	750	749
750	EUR	Fixed 1.875%	05/05/2022	05/05/2030	746	745
200	USD	Fixed 3.639%	05/27/2022	05/27/2027	193	181
750	EUR	Fixed 3.25%	02/27/2023	02/27/2029	746	745
750	EUR	Fixed 3.375%	02/27/2023	02/27/2033	743	742
750	EUR	Fixed 3.75%	09/05/2023	09/05/2025	749	748
750	EUR	Fixed 3.625%	09/05/2023	09/05/2027	749	748
1,000	EUR	Fixed 3.625%	09/05/2023	09/05/2031	990	989
1,300	EUR	Fixed 3.875%	09/05/2023	09/05/2035	1,287	1,286
400	GBP	Fixed 5.125%	11/23/2023	11/23/2026	481	460
400	GBP	Fixed 5.00%	11/23/2023	11/23/2032	478	457
1,000	EUR	Fixed 3.375%	03/11/2024	03/11/2032	994	–
750	EUR	Fixed 3.625%	03/11/2024	03/11/2036	745	–
750	EUR	Fixed 3.625%	11/21/2024	11/21/2034	743	–
TOTAL					11,840	9,795

20.5 Other bank borrowings

The Group has €138 million of bank borrowings, which are mainly denominated in Japanese yen (€74 million at December 31, 2024, €90 million at December 31, 2023). They pay interest at floating rates and have terms of less than five years.

20.6 Undrawn confirmed lines of credit

As of December 31, 2024, the Group had undrawn confirmed lines of credit totaling €3,800 million (December 31, 2023: €3,185 million). These consisted of a syndicated facility of €3,000 million arranged in July 2024 and due to expire in July 2029, and €800 million in bilateral lines of credit that had a maturity of more than one year at December 31, 2024.

NOTE 21 – DERIVATIVE INSTRUMENTS AND MANAGEMENT OF MARKET RISKS

21.1 Exposure and sensitivity to interest rate risk

(in € millions)	Dec. 31, 2024	Impact of hedging	After hedging	Impact on income of a 1% change in interest rates
Fixed-rate	12,695	–	12,695	–
Floating-rate	1,340	–	1,340	13
Borrowings	**14,035**		**14,035**	**13**

(in € millions)	Dec. 31, 2024	Impact on income of a 1% change in interest rates
Floating-rate investments	**3,497**	**35**

21.2 Exposure and sensitivity to foreign exchange risk

As of December 31, 2024, a significant proportion of the Group's revenue comes from countries where the euro, its reporting currency, is not the functional currency. Purchases and other expenses related to production are primarily denominated in euros. Net exposure to foreign exchange risks relates mainly to currencies in which sales are denominated, i.e. the US dollar and Asian currencies such as the Japanese yen and Chinese yuan.

Monetary assets (receivables and loans, bank balances, investments and cash equivalents with a maturity of less than three months at the time of acquisition) and monetary liabilities (borrowings and debt, operational liabilities and other current liabilities) are mostly denominated in subsidiaries' functional currencies. They do not generate any currency effects. However, monetary items that are not denominated in subsidiaries' functional currencies are subject to currency hedging.

The Group has adopted a foreign exchange risk hedging policy that covers all of its net currency exposure on its balance sheet. Future cash flows from assets and liabilities are also hedged over a time frame of 12-18 months where they are highly probable.

The Group uses derivative hedging instruments to minimize and anticipate the impact of currency fluctuations on its earnings. These hedges are set up using forward exchange-rate agreements and/or exchange-rate options eligible for hedge accounting.

The outstanding notional amounts of those hedging derivatives are as follows:

(in € millions)	Dec. 31, 2024 Notional amount[1]		Market value[2]			
	Less than one year	More than one year	Cash flow hedges	Fair value hedges	Unallocated	Total
Tunnels	**431**	**–**	**(1)**	**–**	**–**	**(1)**
CNY seller	176	–	–	–	–	–
USD seller	148	–	(1)	–	–	(1)
JPY seller	107	–	–	–	–	–
Forwards	**3,267**	**7**	**(43)**	**–**	**(1)**	**(44)**
USD	1,070	–	(35)	–	–	(35)
CNY	700	–	(10)	(1)	–	(11)
JPY	351	–	3	1	–	4
KRW	308	–	13	–	–	13
GBP	185	–	(4)	–	–	(4)
HKD	165	–	(7)	–	–	(7)
TWD	108	–	–	–	–	–
Other	380	7	(3)	–	(1)	(4)
Cross-currency swaps[3]	**2,221**	**–**	**–**	**(1)**	**(15)**	**(16)**
USD	1,332	–	–	–	(13)	(13)
GBP	194	–	–	–	(1)	(1)
JPY	132	–	–	–	–	–
HKD	123	–	–	–	(2)	(2)
Other	440	–	–	(1)	1	–
TOTAL	5,919	7	(44)	(1)	(16)	(61)

(1) Sale/(purchase).
(2) Gain/(loss).
(3) Excluding cross-currency swaps hedging debt (€1,157 million).

The table below shows net exposure on the balance sheet to the main currencies as of December 31, 2024. The amounts shown are converted into euros at the closing exchange rate.

	as of Dec. 31, 2024	as of Dec. 31, 2023
	Net exposure after hedging	Net exposure after hedging
USD	1,526	1,139
CNY	287	751
JPY	60	177
GBP	(712)	(922)

Analysis of sensitivity to foreign exchange risk

Based on market data as of December 31, 2024, a 10% increase or decrease in the euro exchange rate against the principal currencies to which the Group is exposed (USD, JPY, CNY and GBP) was taken into account in the sensitivity analysis. All other market variables are deemed be constant when calculating sensitivity.

The impact on equity, recognized in the “Remeasurement of financial instruments” item, results from foreign exchange instruments eligible for cash flow hedge accounting. The impact on the income statement, recognized under “Financial result”, relates to foreign exchange instruments that are not eligible for hedge accounting and to the change in the ineffective portion of cash flow hedges

A 10% change in the exchange rates of the main exposure currencies relative to the euro would not have a material impact on the income statement because almost all net foreign currency exposures on the balance sheet are hedged and because the ineffective portion of cash flow hedges is not material.

The impact (excluding tax effects) of a 10% change in exchange rates on equity would be as follows:

Dec. 31, 2024	Impact on equity	
(in € millions)	10% increase	10% decrease
USD	96	(120)
CNY	64	(80)
JPY	35	(42)
GBP	14	(17)

Dec. 31, 2023	Impact on equity	
(in € millions)	10% increase	10% decrease
USD	134	(164)
CNY	102	(109)
JPY	37	(43)
GBP	24	(29)

21.3 Exposure to the risk of fluctuations in share prices

After the sale of PUMA shares in 2024, the Group is no longer exposed to the risk of fluctuations in share prices.

Shares held as non-consolidated investments represent a limited exposure for the Group and are not hedged.

21.4 Exposure to the risk of fluctuations in precious metals prices

The Group may be exposed to changes in the prices of certain precious metals as part of its Houses' activities, particularly in jewelry. As a result, hedging may be arranged, particularly through derivative financial instruments to secure production costs or through price negotiations with refiners or producers of semi-finished products.

As of December 31, 2024, hedging transactions with a remaining maturity of less than one year are treated as forward purchases with a notional amount of €9 million and a non-material market value (notional amount of €6 million as of December 31, 2023).

The Group's view is that a 1% change in these precious metals prices would have no impact as of the balance sheet date.

21.5 Exposure to counterparty risk

The Group's derivatives transactions are carried out in accordance with internal control procedures for over-the-counter transactions, with top-tier counterparties that have signed FBF or ISDA agreements. The impact of counterparty risk on the fair value of derivatives, as recommended by IFRS 13, was regarded as non-material as of December 31, 2024.

21.6 Measurement of derivative instruments

(in € millions)	**Dec. 31, 2024**	**Interest rate risk**	**Foreign exchange risk**	**Other market risks**	**Dec. 31, 2023**
Non-current financial assets	**18**	**–**	**18**	**–**	**3**
Derivative instruments - at fair value through income statement	–	–	–	–	–
Derivative instruments - cash flow hedges	18	–	18	–	3
Derivative instruments - fair value hedges	–	–	–	–	–
Current financial assets	**35**	**–**	**35**	**–**	**122**
Derivative instruments - at fair value through income statement	5	–	5	–	17
Derivative instruments - cash flow hedges	24	–	24	–	95
Derivative instruments - fair value hedges	6	–	6	–	10
Non-current financial liabilities	**(13)**	**–**	**(5)**	**(8)**	**(13)**
Derivative instruments - at fair value through income statement [(1)]	(8)	–	–	(8)	–
Derivative instruments - cash flow hedges	(5)	–	(5)	–	(13)
Derivative instruments - fair value hedges	–	–	–	–	–
Current financial liabilities	**(96)**	**–**	**(96)**	**–**	**(33)**
Derivative instruments - at fair value through income statement	(21)	–	(21)	–	(8)
Derivative instruments - cash flow hedges	(68)	–	(68)	–	(21)
Derivative instruments - fair value hedges	(7)	–	(7)	–	(4)
TOTAL	(56)	–	(48)	(8)	79

(1) Liabilities related to derivative instruments recognized at fair value through the income statement include €8 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.

21.7 Liquidity risk

Liquidity risk management for the Group and each of its subsidiaries is closely monitored and periodically assessed within the scope of the Group's financial reporting procedures.

In order to guarantee its liquidity, as of December 31, 2024, the Group held confirmed undrawn lines of credit totaling €3,800 million and available cash of €3,518 million *(see Note 20.1)*.

	Dec. 31, 2024				
(in € millions)	Carrying amount	Cash flow	Less than one year	One to five years	More than five years
Non-derivative financial instruments	**16,133**	**(18,572)**	**(5,784)**	**(4,927)**	**(7,861)**
Bonds	11,840	(11,907)	(1,500)	(3,575)	(6,832)
Commercial paper	854	(856)	(856)	–	–
Other borrowings	1,341	(1,169)	(955)	(180)	(34)
Future interest on financial liabilities	N/A	(2,542)	(375)	(1,172)	(995)
Trade payables and accrued expenses	2,098	(2,098)	(2,098)	–	–
Derivative financial instruments	**48**	**41**	**(62)**	**61**	**42**
Interest rate risk	**–**	**–**	**–**	**–**	**–**
Interest rate swaps	–	–	–	–	–
Other interest rate derivatives	–	–	–	–	–
Foreign exchange risk	**48**	**41**	**(62)**	**61**	**42**
Currency forwards and currency swaps	–	*(78)*	*(77)*	*(1)*	–
Outflows	–	*(5,504)*	*(5,503)*	*(1)*	–
Inflows	–	*5,426*	*5,426*	–	–
Other foreign currency derivatives	–	*119*	*15*	*62*	*42*
Outflows	–	*(1,458)*	*(200)*	*(745)*	*(513)*
Inflows	–	*1,577*	*215*	*807*	*555*
Other market risks	**–**	**–**	**–**	**–**	**–**
Precious metals hedges	–	–	–	–	–
TOTAL	16,181	(18,531)	(5,846)	(4,866)	(7,819)

	Dec. 31, 2023				
(in € millions)	Carrying amount	Cash flow	Less than one year	One to five years	More than five years
Non-derivative financial instruments	**14,626**	**(16,515)**	**(4,772)**	**(5,886)**	**(5,857)**
Bonds	9,795	(9,851)	(500)	(4,291)	(5,060)
Commercial paper	1,277	(1,282)	(1,282)	–	–
Other borrowings	1,354	(1,222)	(492)	(672)	(59)
Future interest on financial liabilities	N/A	(1,960)	(298)	(923)	(738)
Trade payables and accrued expenses	2,200	(2,200)	(2,200)	–	–
Derivative financial instruments	**(79)**	**155**	**104**	**31**	**20**
Interest rate risk	**–**	**–**	**–**	**–**	**–**
Interest rate swaps	–	–	–	–	–
Other interest rate derivatives	–	–	–	–	–
Foreign exchange risk	**(79)**	**155**	**104**	**31**	**20**
Currency forwards and currency swaps	–	*89*	*89*	–	–
Outflows	–	*(6,391)*	*(6,391)*	–	–
Inflows	–	*6,480*	*6,480*	–	–
Other foreign currency derivatives	–	*66*	*15*	*31*	*20*
Outflows	–	*(1,503)*	*(205)*	*(766)*	*(532)*
Inflows	–	*1,569*	*220*	*797*	*552*
Other market risks	**–**	**–**	**–**	**–**	**–**
Precious metals hedges	–	–	–	–	–
TOTAL	14,547	(16,360)	(4,668)	(5,855)	(5,837)

NOTE 22 – FINANCIAL LIABILITIES

22.1 Breakdown of financial liabilities

(in € millions)	Dec. 31, 2024	Dec. 31, 2023
Derivative instruments	13	13
Non-current financial liabilities	**13**	**13**
Derivative instruments	96	33
Kering SA interim dividend	245	552
Other	1	3
Current financial liabilities	**343**	**588**

22.2 Financial liabilities measured at fair value

(in € millions)	Dec. 31, 2024	Dec. 31, 2023
Derivative Instruments	96	33
Financial liabilities measured at fair value	**96**	**33**

Derivative financial instruments are measured using valuation techniques based on observable market parameters (including forward prices and yield curves) and commonly used models (level 2 fair value).

NOTE 23 – PROVISIONS FOR PENSIONS AND OTHER POST-EMPLOYMENT BENEFITS

23.1 Description of the main pension plans and other post-employment benefits

Depending on each country's laws and customs, the Group's employee receive long-term or post-employment benefits in addition to their short-term remuneration. These additional benefits take the form of defined contribution or defined benefit plans.

Under defined contribution plans, the Group is not obliged to make any additional payments beyond contributions already made. Contributions to these plans are expensed as incurred.

An actuarial valuation of defined benefit plans is carried out by independent experts. These benefits primarily concern mandatory supplementary pension plans in Switzerland, statutory severance pay in Italy, and retirement termination payments and long-service bonuses in France.

Mandatory supplementary pension plans (LPP) – Switzerland

In Switzerland, pension plans are defined contribution plans that guarantee a minimum interest rate credited to pension assets and provide for a fixed salary conversion rate on retirement. However, the pension plans operated by the Group's entities in Switzerland offer benefits over and above those mentioned in the LPP/BVG pension act. Consequently, a provision is booked in respect of defined benefit plans for the amounts that exceed LPP/BVG pension act requirements.

These pension plans are generally operated as separate legal entities in the form of a foundation, which may be a collective institution or affiliated to a specific plan. The Board of Trustees of these foundations, comprising an equal number of employer and employee representatives, is responsible for administering the plan and bears the investment and longevity risks. Collective foundations insure some of their risk with an insurance company.

Statutory severance pay (TFR) – Italy

The TFR (Trattamento di Fine Rapporto) plans in Italy were created by Italian act no. 297, adopted on May 29, 1982, and are applicable to all workers in the private sector on the termination of their employment for any reason (resignation, termination at the employer's initiative, death, incapacity or retirement). Since 2007, companies with at least 50 employees have had to transfer their TFR funding to an external fund manager. This concerns the large majority of plans operated by Kering group companies.

Retirement termination payments and long-service bonuses – France

In France, retirement termination benefits are fixed and paid by companies to their employees on retirement. The amount paid depends on the number of years of service on retirement, and is defined in the relevant collective bargaining agreement. The payments do not confer any vested entitlement to employees until they reach retirement age. Retirement termination benefits are not related to other statutory retirement benefits such as pensions paid by social security bodies or top-up pension funds such as ARRCO and AGIRC in France, which are defined contribution plans.

Long-service bonuses are not compulsory in France – i.e. there is no legal obligation to pay these awards to employees – but they hold symbolic value. Nevertheless, some of Kering's French entities choose to pay long-service bonuses after 20, 30, 35 and 40 years of service.

23.2 Provisions for pensions and other long-term benefits

Provisions on the balance sheet include provisions for defined-benefit post-employment plans and other long-term benefits:

(in € millions)	Dec. 31, 2024	Dec. 31, 2023
Non-current provisions	**85**	**68**
Current provisions	**13**	**12**
PROVISIONS FOR PENSIONS AND OTHER POST-EMPLOYMENT BENEFITS	98	80

	2024					2023
				Change during the period		
(in € millions)	Present value of benefit obligation	Fair value of plan assets	Provisions for pensions and other post-employment benefits	Gains and losses recognized in equity	Income statement	Provisions for pensions and other post-employment benefits
As of January 1	**136**	**56**	**80**	**–**	**–**	**78**
Current service cost	10	–	10	–	10	10
Past service cost	–	–	–	–	–	1
Plan amendments	–	–	–	–	–	–
Interest cost on the benefit obligation	4	–	4	–	4	4
Interest income on plan assets	–	1	(1)	–	–	(1)
Contributions paid by employees	2	2	1	–	–	–
Contributions paid by employer	–	3	(3)	–	–	(3)
Benefits paid	(14)	(8)	(6)	–	–	(8)
Actuarial gains and losses:	11	–	11	11	–	(1)
Changes in demographic assumptions	*(1)*	–	*(1)*	–	–	*(1)*
Changes in financial assumptions	*12*	–	*12*	–	–	*(1)*
Experience adjustments	–	–	–	–	–	–
Return on plan assets (excluding interest)	–	–	–	–	–	–
Insurance contracts	–	–	–	–	–	–
Administrative expenses	–	–	–	–	–	–
Changes in scope	1	–	1	–	–	1
Assets held for sale	–	–	–	–	–	–
Foreign exchange differences	(1)	(1)	(1)	–	–	–
As of December 31	**151**	**53**	**98**	**11**	**15**	**80**
Obligation funded by plan assets	74	–	–	–	–	–
Obligation not funded by plan assets	77	–	–	–	–	–

23.3 Actuarial assumptions used to estimate the present value of the benefit obligation

	France		Switzerland		Italy	
	2024	**2023**	**2024**	**2023**	**2024**	**2023**
Average maturity of plans *(in years)*	11.4	11.2	17.3	11.4	7.8	8.2
Discount rate	3.75%	4.50%	1.00%	2.00%	3.75%	4.50%
Expected rate of increase in salaries	2.97%	2.92%	1.30%	1.40%	3.00%	3.00%
Inflation rate	2.00%	2.00%	1.10%	1.30%	2.00%	2.00%

Sensitivity tests on actuarial assumptions show that the impact of a 50 basis-point increase or decrease in the discount rate would not be material and would represent less than 0.06% of consolidated equity as of December 31, 2024.

23.4 Breakdown of the present value of the benefit obligation by country

(in € millions)	**Dec. 31, 2024**	**Dec. 31, 2023**
Switzerland	71	68
Italy	41	35
France	27	22
Other	13	11
Present value of benefit obligation	**151**	**136**

23.5 Fair value of plan assets by type of financial instrument

(in € millions)	**Dec. 31, 2024**	**%**	**Dec. 31, 2023**	**%**
Debt instruments	11	21%	11	20%
Equity instruments	23	43%	22	39%
Real estate	11	21%	13	23%
Insurance contracts	–	0%	–	0%
Derivative instruments	–	0%	4	7%
Cash and cash equivalents	1	3%	2	4%
Other assets	7	13%	3	6%
Fair value of plan assets	**53**	**100%**	**56**	**100%**

The Group plans to contribute €3 million to plans covered by financial assets in 2025.

NOTE 24 – PROVISIONS AND CONTINGENT LIABILITIES

(in € millions)	Dec. 31, 2023	Charge	Reversals (utilized provisions)	Reversals (surplus provisions)	Changes in scope	Foreign exchange differences	Other movements	Dec. 31, 2024
Non-current provisions	21	11	(4)	–	–	–	23	51
Current provisions	163	108	(72)	(7)	–	1	(2)	191
TOTAL	184	120	(76)	(7)	–	1	21	242

(in € millions)	Dec. 31, 2024	Dec. 31, 2023
Provision for restructuring costs	70	64
Vendor warranties	23	23
Disputes and other contingencies	149	97
TOTAL	242	184

Litigation and disputes

Group companies are involved in a number of lawsuits or disputes arising in the normal course of business. According to their management and legal counsel, no disputes currently in progress are likely to have a material impact on the Group’s normal and foreseeable operations or on its planned development.

The Group believes there are no known disputes likely to have a material impact on its net assets, earnings or financial position that are not adequately covered by provisions recorded as of the end of the reporting period. No individual claim against the parent company or against any of its subsidiaries is material with respect to the parent company or the Group.

The Group is not aware of any arbitration proceedings that have had in the recent past, or are likely to have in the future, a material impact on the financial position, activity or earnings of the Company or Group.

Vendor warranties

Provisions recorded in respect of vendor warranties were unchanged in 2024.

Contingent liabilities

The European Commission's investigation into the fashion sector, about which the Company issued a press release on April 19, 2023, is ongoing. The Company continues to cooperate with the Commission and is monitoring the progress of this procedure to assess any potential impact on the Group at the conclusion of the investigations.

To the best of the Group’s knowledge, there are no other material contingent liabilities.

NOTES ON THE CONSOLIDATED STATEMENT OF CASH FLOWS

NOTE 25 – CASH AND CASH EQUIVALENTS AS REPORTED IN THE STATEMENT OF CASH FLOWS

(in € millions)	Dec. 31, 2024	Dec. 31, 2023
Cash and Cash equivalents as reported in the balance sheet	**3,518**	**3,922**
Bank overdrafts	(209)	(272)
Cash and Cash equivalents as reported in the statement of cash flows	**3,309**	**3,650**

NOTE 26 – CASH FLOW RECEIVED FROM OPERATING ACTIVITIES

(in € millions)	2024	2023
Net income from continuing operations	**1,227**	**3,074**
Net recurring charges to depreciation, amortization and provisions on non-current operating assets	2,113	1,823
Other non-cash income and expenses	57	94
Non-cash recurring operating income and expenses:	*(133)*	*(307)*
Fair value of operating foreign exchange rate hedges	*(73)*	*(247)*
Other	*(60)*	*(60)*
Other non-cash income and expenses	190	401
Impairment of goodwill, brands and other non-current assets	*111*	*70*
Fair value of foreign exchange rate hedges in financial result	*42*	*228*
Deferred tax expense (income)	*(65)*	*156*
Share in earnings (losses) of equity-accounted companies	*10*	*(4)*
Other	*92*	*(49)*
Cash flow received from operating activities	**3,397**	**4,991**

NOTE 27 – CHANGE IN WORKING CAPITAL REQUIREMENT

(in € millions)	2024	2023
Change in Inventories	568	(102)
Change in trade receivables and accrued income	165	24
Change in trade payables and accrued expenses	(113)	(126)
Change in other operating receivables and payables	48	(192)
Change in working capital requirement	**667**	**(396)**

NOTE 28 – ACQUISITIONS OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

(in € millions)	**2024**	**2023**
Acquisitions of property, plant and equipment[1]	(3,037)	(2,607)
Acquisitions of intangible assets	(303)	(311)
Change in amounts due in respect of non-current assets	42	324
Lease set-up costs	(12)	(18)
Acquisitions of property, plant and equipment and intangible assets	**(3,309)**	**(2,611)**

[1] In 2024, Acquisitions of property, plant and equipment mainly correspond to acquisitions of strategic real estate assets in Milan and New York *(see Note 1)*. In 2023, Acquisitions of property, plant and equipment mainly correspond to acquisitions of prestigious real estate assets in Paris.

NOTE 29 – FINANCING ACTIVITIES AND CHANGE IN BORROWINGS

	Borrowings					
(in € millions)	**Current**	**Non-current**	**Lease liabilities**	**Other assets and liabilities**	**Equity**	**Total**
As of January 1, 2024	**2,400**	**10,026**	**–**	**–**	**–**	**12,426**
Dividends paid to shareholders of Kering SA	–	–	–	–	(1,716)	(1,716)
Dividends paid to minority interests in consolidated subsidiaries	–	–	–	–	(24)	(24)
Transactions with minority interests	–	–	–	–	(73)	(73)
(Acquisitions) disposals of Kering treasury shares	–	–	–	–	2	2
Issuance of bonds and bank debt	–	2,493	–	–	–	2,493
Redemption of bonds and bank debt	(525)	–	–	–	–	(525)
Issuance (redemption) of other borrowings	(394)	–	–	–	–	(394)
Repayment of lease liabilities	–	–	(1,049)	–	–	(1,049)
Interest paid and equivalent	(345)	–	(205)	(60)	–	(610)
Net cash received from (used in) financing activities	**(1,264)**	**2,493**	**(1,253)**	**(60)**	**(1,811)**	**(1,896)**
Changes in scope	–	–	–	–	–	–
Foreign exchange differences	(2)	53	–	–	–	–
Changes in put options granted to minority interests	6	35	–	–	–	–
Other movements	2,339	(2,051)	–	–	–	–
As of December 31, 2024	**3,479**	**10,556**	**–**	**–**	**–**	**14,035**

(in € millions)	Borrowings		Lease liabilities	Other assets and liabilities	Equity	Total
	Current	Non-current				
As of January 1, 2023	**2,295**	**4,347**	**–**	**–**	**–**	**6,642**
Kering SA capital increase	–	–	–	–	(1,712)	(1,712)
Dividends paid to shareholders of Kering SA	–	–	–	–	–	–
Dividends paid to minority interests in consolidated subsidiaries	–	–	–	–	(42)	(42)
Transactions with minority interests	–	–	–	–	(24)	(24)
(Acquisitions) disposals of Kering treasury shares	–	–	–	–	(10)	(10)
Issuance of bonds and bank debt	–	6,205	–	–	–	6,205
Redemption of bonds and bank debt	(957)	–	–	–	–	(957)
Issuance (redemption) of other borrowings	174	–	–	–	–	174
Repayment of lease liabilities	–	–	(880)	–	–	(880)
Interest paid and equivalent	(98)	–	(151)	(128)	–	(377)
Net cash received from (used in) financing activities	**(882)**	**6,205**	**(1,030)**	**(128)**	**(1,788)**	**2,377**
Changes in scope	258	–	–	–	–	–
Foreign exchange differences	(22)	(5)	–	–	–	–
Changes in put options granted to minority interests	54	4	–	–	–	–
Other movements	697	(525)	–	–	–	–
As of December 31, 2023	**2,400**	**10,026**	**–**	**–**	**–**	**–**

OTHER DISCLOSURES

NOTE 30 – OFF-BALANCE SHEET COMMITMENTS

30.1 Main vendor warranties granted in connection with asset disposals

In relation to the disposal of certain businesses, the Group has granted customary vendor warranties in respect of certain fundamental representations, along with some specific capped and time-limited warranties. Provisions have been set aside in respect of some vendor warranties *(see Note 24)*.

30.2 Off-balance sheet commitments relating to leases

(in € millions)	Payments due by period			Dec. 31, 2024	Dec. 31, 2023
	Less than one year	One to five years	More than five years		
Leases signed but effective post-closing	68	273	410	751	861
Short-term leases	21	6	–	27	14
Leases with a low-value underlying asset	12	32	1	45	7
Lease commitments given	**101**	**311**	**411**	**823**	**882**

30.3 Other commitments given and received in the course of the Group's operations

Other commitments given and received in the course of the Group's operations can be analyzed as follows:

	Payments due by period				
(in € millions)	Less than one year	One to five years	More than five years	Dec. 31, 2024	Dec. 31, 2023
Binding purchase commitments	247	90	-	337	126
Customs deposits and other guarantees in respect of operations	74	104	47	225	198
Other commitments given	**321**	**194**	**47**	**562**	**325**
Other commitments received	**46**	**4**	**1**	**51**	**44**

As part of its strategy of making a positive contribution to climate change mitigation, on February 16, 2023 Kering undertook to invest up to €100 million in a carbon fund managed by Natixis subsidiary Mirova.

The commitment given by the Kering group as of December 31, 2024 amounted to €77.5 million.

30.4 Other commitments given

In relation to the purchase of a stake in Valentino *(see Note 15)*, the commitment to acquire the remaining 70% was estimated at around €4 billion as of the accounts closing date.

NOTE 31 – TRANSACTIONS WITH RELATED PARTIES

31.1 Related party controlling the Group

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

	Dec. 31, 2024	Dec. 31, 2023
% capital held by the Artémis group in Kering SA	42.3%	42.2%
% of voting rights held by the Artémis group in Kering SA	59.3%	59.3%
Dividend paid for Year Y-1 *(in € millions)*	731	730
Interim dividend paid for Year Y *(in € millions)*	105	234
Fees for the period *(in € millions)*	6	7

The Group pays fees to Artémis 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.

31.2 Remuneration paid to members of the Board of Directors and the Group's Executive Committee

(in € millions)	2024	2023
Wages and salaries	31	42
Payroll taxes	7	8
Termination indemnities	20	8
Short-term remuneration	**58**	**58**
Post-employment benefits	1	1
Other long-term benefits	(17)	20
Share-based payment	7	19
Long-term remuneration	**(10)**	**39**
TOTAL	48	97

Short-term remuneration corresponds to amounts paid during the year, whereas long-term remuneration corresponds to amounts recognized in the period.

NOTE 32 – STATUTORY AUDITORS' REMUNERATION

Fees for fiscal year 2024	**PwC** [1]		**Deloitte** [2]		**Total**	
(in € millions, excluding tax and disbursements)	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Kering SA	0.7	0.7	1.0	0.9	1.7	1.6
Fully-consolidated subsidiaries	5.0	4.7	4.3	4.2	9.3	8.9
Statutory audit	**5.7**	**5.4**	**5.3**	**5.1**	**11.0**	**10.5**
Sustainability report audit	**0.4**	**–**	**0.4**	**–**	**0.8**	**–**
Kering SA[3]	0.1	0.1	0.1	0.6	0.2	0.7
Fully-consolidated subsidiaries	2.4	3.7	0.4	0.4	2.8	4.1
Non-audit services	**2.5**	**3.8**	**0.5**	**1.0**	**3.0**	**4.8**
TOTAL	8.6	9.2	6.2	6.1	14.8	15.3

(1) Of which PwC network: €3.8 million in 2024 with respect to statutory audit services and €2.4 million with respect to non-audit services. (In 2023: €3.8 million with respect to statutory audit services and €3.7 million with respect to non-audit services).

(2) Of which Deloitte network: €3.9 million in 2024 with respect to statutory audit services and €0.4 million with respect to non-audit services. (In 2023: €3.7 million with respect to statutory audit services and €0.4 million with respect to non-audit services).

(3) The non-audit services provided by PwC to Kering SA and its fully-consolidated subsidiaries are mainly related to comfort letters. The non-audit services rendered by Deloitte & Associes to Kering SA and its fully-consolidated subsidiaries are mainly related to comfort letters and the verification of the consolidated non-financial performance statement.

NOTE 33 – ACCOUNTING POLICIES AND METHODS

33.1 Basis of preparation of the consolidated financial statements

33.1.1 Changes to the IFRS basis

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

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

- Amendments to IAS 1 "Presentation of Financial Statements":
  – Classifying liabilities as current or non-current ;
  – Delayed effective date ;
  – Non-current liabilities with covenants.
- Amendments to IAS 7 "Statement of Cash Flows" and IFRS 7 "Financial Instruments: Disclosures": supplier finance arrangements ;
- Amendment to IFRS 16 "Leases": lease liability in a sale and leaseback.

After analyzing the texts in force on January 1, 2024, the Group concluded that there would be either no effect or a non-material effect on its consolidated interim financial statements for the year ended December 31, 2024.

Standards, amendments and interpretations applicable on or after January 1, 2025

As of the accounts closing date, the Group was in the process of analyzing the impact of standards, amendments and interpretations endorsed by the European Union and applicable on or after January 1, 2025.

- Amendment to IAS 21 "The Effects of Changes in Foreign Exchange Rates": lack of exchangeability.

Standards, amendments and interpretations published 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";
- Improvements to IFRS 9 "Financial Instruments" and to IFRS 7 "Financial Instruments: Disclosures": changes to the classification and measurement of financial instruments;
- Annual improvements – Annual improvements to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7;
- Amendments to IFRS 9 "Financial Instruments" and to IFRS 7 "Financial Instruments: Disclosures": contracts referencing nature-dependent electricity.

As of the accounts closing date, the Group was in the process of analyzing the impact of applicable standards, amendments and interpretations. As regards IFRS 18 in particular, analysis work has begun in order to anticipate any requirement to adjust internal processes for producing financial statements and to plan updates to information systems.

33.1.2 Use of estimates and judgment

The preparation of consolidated financial statements requires Group management to make estimates and assumptions that can affect the carrying amounts of certain assets and liabilities, income and expenses, and the disclosures in the accompanying notes. Group management reviews these estimates and assumptions on a regular basis to ensure they are appropriate in view of past experience and the current economic situation. Items in future financial statements may differ from current estimates as a result of changes in current assumptions.

The main estimates made by the Group's management when preparing the consolidated financial statements concern:

- goodwill;
- the useful lives associated with property, plant and equipment and intangible assets;
- contingency provisions and uncertain tax positions;
- inventory impairment provisions;
- assumptions used to calculate lease right-of-use assets and lease liabilities;
- provisions for pensions and long-term remuneration including share-based payment;
- the recognition of deferred tax assets;
- and certain financial instruments.

In its main estimates and in its risk analysis, the Group has taken into account:

- the impact of commitments and decisions made regarding the reduction of carbon emissions, in particular when carrying out impairment tests;
- the current macroeconomic context and hyperinflation in certain countries, particularly Turkey and Argentina, have no material impact on the Group's consolidated financial statements;
- official inflation rates published to determine the actuarial assumptions used to calculate post-employment benefits and the discount rates used in carrying out impairment tests and devising medium-term plans.

In addition to the use of estimates, Group management uses judgment to determine the appropriate accounting treatment of certain transactions, pending the clarification of certain IFRSs or where prevailing standards do not cover the issue at hand.

33.1.3 Climate challenges

Reflection of climate challenges in the financial statements

Since 2022, Kering's Sustainable Finance Department has ensured that the Group's financial statements reflect climate issues, that the Group complies with new regulations in this area, and that environmental issues play an integral part in Kering's processes for making decisions, producing estimates and exercising judgment, particularly as regards investments.

In 2022 and 2023, in accordance with the recommendation of the Task Force on Climate-Related Financial Disclosures (TCFD), Kering assessed the financial impact of specific climate risks. In 2024, Kering strengthened its approach by updating its climate and nature-related risks in connection with the double materiality analysis and the ESRS (European Sustainability Reporting Standards) criteria of the CSRD (Corporate Sustainability Reporting Directive)

The work carried out led to the conclusion that these climate and nature issues had no impact on the revenue and margin figures used in carrying out impairment tests. Only the cost of each House's contribution to the Group's carbon-reduction initiatives is included in the trajectories of each CGU or group of CGU, depending on each House's proportion of the Group's total greenhouse gas (GHG) emissions.

In 2024, Kering continued to involve all internal stakeholders and departments concerned (Risk Management, Finance, HR and Legal Departments, representatives of the Houses, etc.) in view of the first-time application of the CSRD as of December 31, 2024.

33.1.4 Use of alternative performance indicators

The alternative performance indicators used by the Group and presented in the consolidated financial statements are:

Recurring operating income and other non-recurring operating income and expenses

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, 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 *(see Note 7)*.

"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 the 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 *(see Note 3)*.

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 *(see Note 3)*.

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 *(see Notes 7 and 9)*.

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 *(see Note 33.21)*. 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 *(see Note 8)*.

33.2 Consolidation principles

The Group's consolidated financial statements include the financial statements of the companies listed in Note 34. They include the financial statements of companies acquired as from the acquisition date and companies sold up until the date of disposal.

Intercompany assets and liabilities as well as transactions between consolidated companies are eliminated. Gains and losses on internal transactions with controlled companies are fully eliminated.

33.2.1 Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group exercises control. Control is defined according to three criteria: power over the investee; exposure, or rights, to variable returns from involvement with the investee; and the ability to exert power over the investee to affect the amount of the investor's returns. This definition of control implies that power over an investee can take many forms other than simply holding voting rights.

The existence and effect of potential voting rights are considered when assessing control, if the rights are substantive.

Control generally implies directly or indirectly holding more than 50% of the voting rights but can also exist when a smaller proportion of voting rights is held.

Subsidiaries are consolidated from the effective date of control.

33.2.2 Associates

Associates are entities in which the Group exercises a significant influence over the entity's management and financial policy, without exercising control or joint control. Significant influence generally implies holding 20% to 50% of the voting rights.

Associates are accounted for under the equity method. They are initially measured at cost, except when the associates were previously controlled by the Group, in which case they are measured at fair value as of the date control is lost and the impact is recognized in the income statement.

In subsequent periods, the share in profits or losses of the associate attributable to the Group is recognized in "Share in earnings (losses) of equity-accounted companies", and the share in other comprehensive income of associates is carried on a separate line of the statement of comprehensive income. If the Group's share in the losses of an associate equals or exceeds its investment in that associate, the Group no longer recognizes its share of losses, unless it has legal or constructive obligations to make payments on behalf of the associate.

Goodwill related to an associate is included in the carrying amount of the investment, presented separately within "Investments in equity-accounted companies" in the balance sheet.

33.2.3 Business combinations

Business combinations, where the Group acquires control of one or more other activities, are recognized using the acquisition method.

Business combinations are recognized and measured in accordance with the provisions of IFRS 3. Accordingly, the consideration transferred is measured at the fair value of the assets transferred, equity interests issued and liabilities incurred by the acquirer at the date of exchange. Identifiable assets and liabilities are generally measured at their fair value on the acquisition date. Costs directly attributable to an acquisition are recognized within other non-recurring operating expenses in the income statement.

Goodwill is recognized to represent the difference between the Group's share of the identified assets and liabilities measured at fair value. If the difference is negative, a gain is immediately recognized in the income statement within other non-recurring operating income.

The Group may choose to measure any minority interests resulting from each business combination at fair value (full goodwill method) or at the proportionate share in the identifiable net assets acquired, which are also generally measured at fair value (partial goodwill method).

Goodwill is determined at the date of control over the acquired entity is obtained and may not be adjusted after the measurement period. No additional goodwill is recognized on any subsequent acquisition of minority interests. Acquisitions and disposals of minority interests are recognized directly in equity attributable to the Group.

The accounting for a business combination must be completed within 12 months of the acquisition date. This applies to the measurement of identifiable assets and liabilities, consideration transferred and minority interests.

33.3 Foreign currency translation

33.3.1 Functional and presentation currency

Items included in the financial statements of each Group entity are valued using the currency of the primary economic environment in which the entity operates (functional currency). The Group's consolidated financial statements are presented in euros, which serves as its presentation currency.

33.3.2 Foreign currency transactions

Transactions denominated in foreign currencies are recognized in the entity's functional currency at the exchange rate prevailing on the transaction date.

Monetary items (assets and liabilities) in foreign currencies are translated at the closing exchange rate at the end of each reporting period. Any foreign exchange gains and losses resulting from this translation or from the settlement of these monetary items are recognized within other financial income and expenses in the income statement.

Non-monetary items in foreign currencies valued at historical cost are translated at the rate prevailing on the transaction date, and non-monetary items in foreign currencies measured at fair value are translated at the rate prevailing on the date the fair value is determined. When a gain or loss on a non-monetary item is recognized directly in equity within other comprehensive income, similar treatment is applied to the foreign exchange component of this gain or loss. Otherwise, the component is recognized in the income statement.

The treatment of currency hedges in the form of derivatives is described in Note 33.17.

33.3.3 Currency translation of foreign subsidiaries' financial statements

The income statements and balance sheets of Group entities with a functional currency that differs from the presentation currency are translated into euros as follows:

- items recorded in the balance sheet other than equity are translated at the exchange rate at the end of the reporting period;
- items in the income statement are translated at the average exchange rate for the period, corresponding to an approximate value for the rate at the transaction date in the absence of significant fluctuations;
- translation differences are recognized directly in equity within other comprehensive income as currency translation adjustments.

Goodwill and fair value adjustments arising from a business combination with a foreign activity are recognized in the functional currency of the entity acquired. They are subsequently translated into the Group's presentation currency at the closing exchange rate, and any resulting differences are recognized directly in equity within other comprehensive income as currency translation adjustments.

33.4 Operating segments

In accordance with IFRS 8, segment information is reported on the same basis as used internally by the Chairman and Chief Executive Officer and the Group Managing Director – the Group's chief operating decision makers – to allocate resources to segments and assess their performance.

An operating segment is a separate component of the Group that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the entity's chief operating decision maker, and for which discrete financial information is available. Each operating segment is monitored separately for internal reporting purposes, according to performance indicators common to all of the Group's segments. The segments presented are operating segments or groups of similar operating segments.

Financial information provided on operating segments is prepared in accordance with the same accounting rules as in the consolidated financial statements.

The performance of each operating segment is measured based on recurring operating income, which is the approach used by the Group's chief operating decision maker.

Recurring charges to depreciation, amortization and provisions on non-current operating assets reflect net charges to depreciation, amortization and provisions on intangible assets, lease right-of-use assets and property, plant and equipment recognized in recurring operating income.

Acquisitions of property, plant and equipment and intangible assets correspond to gross non-current asset purchases, including cash timing differences, as presented in the consolidated cash statement.

The presentation of revenue by region is based on the geographic location of clients.

33.5 Revenue

Revenue mainly comprises sales of goods, together with income from associated services and income from royalties and operating licenses.

33.5.1 Sales of goods and associated services

Sales of goods, whether they take place through a store network or online (retail activity including e-commerce) or wholesale operations, are recognized when the Group satisfies its performance obligation to its clients, typically upon delivery.

When a customer (particularly in the wholesale and e-commerce businesses) has a contractual right of return or routinely makes returns, a specific provision is set aside. When such returns are not contractual, the provision for returns is estimated based on historical data. Provisions for returns are presented in the balance sheet under liabilities in respect of future refunds. An asset (with an offsetting adjustment corresponding to the cost of sales) representing the right to recover the goods from the client is also recognized.

33.5.2 Royalties from operating licenses

Royalties received with respect to operating licenses are recognized in accordance with the contractual obligations specific to each agreement, over time as the performance obligation is satisfied, for example, when calculated based on the value of the underlying sales generated by the licensee under the agreement.

33.6 Personnel expenses

Personnel expenses primarily consist of wages, salaries and payroll taxes, expenses relating to pensions and other post-employment benefits under defined benefit plans *(see Note 33.22)*, and expenses related to share-based payments *(see Note 33.7)*. Wages, salaries and payroll taxes include fixed remuneration, variable short-term remuneration, long-term remuneration plans, expenses related to employee profit-sharing and other incentive plans, and any associated payroll taxes. Other personnel expenses include severance paid to individual employees or as part of a restructuring plan, and directors' fees paid to directors of Group entities.

33.7 Share-based payment

The Group may operate long-term variable remuneration plans that feature share-based payments. These plans are classified as either cash-settled plans or plans settled in Kering shares.

- Cash-settled plans result in the recognition of personnel expenses in the income statement spread over the entitlement vesting period, along with a matching liability in the balance sheet. The fair value of the benefit granted to the beneficiaries is remeasured at the end of each reporting period, taking into account any changes in market-based or internal performance conditions.
- Plans settled in Kering shares result in the recognition of personnel expenses in the income statement spread over the entitlement vesting period, and of an offsetting entry in equity attributable to the Group. The fair value of the benefit granted to the beneficiaries is set at the grant date of the plan using the Black-Scholes and Monte Carlo models, which take into account the impacts of any market-based performance conditions from the inception of the plan. The impacts of any internal-based performance conditions are remeasured at the end of each reporting period.

The payroll taxes relating to these long-term variable remuneration plans are also recognized in personnel expenses in the income statement as and when entitlements under the plans vest, with a matching liability in the balance sheet, regardless of whether the plans are settled in cash or in Kering shares. These payroll taxes are remeasured at the end of each reporting period based on the most certain assumptions as regards the outcome of the plans. Payroll taxes relating to plans settled in Kering shares reflect the best estimate of the number of shares to be delivered upon expiry of the plan at the end of each reporting period.

33.8 Income taxes

Income tax expense comprises the current and deferred tax expense.

Deferred tax is calculated using the liability method on all temporary differences between the carrying amount recorded in the consolidated balance sheet and the tax value of assets and liabilities, except for goodwill that is not deductible for tax purposes and certain other exceptions. The valuation of deferred tax balances depends on the way in which the Group intends to recover or settle the carrying amount of assets and liabilities, using tax rates that have been enacted or substantively enacted at the closing date.

Deferred tax assets and liabilities are not discounted and are presented separately in the balance sheet within non-current assets and liabilities.

A deferred tax asset is recognized on deductible temporary differences and for tax loss and credit carry-forwards to the extent that their future offset is probable.

A deferred tax liability is recognized on taxable temporary differences relating to investments in subsidiaries and associates unless the Group is able to control the timing of the reversal of the temporary difference, and it is probable that the temporary difference will not reverse in the foreseeable future.

Uncertain income tax positions are analyzed and reviewed internally in accordance with IAS 12 and IFRIC 23 and are shown on the balance sheet in the "current tax liabilities" line item.

33.9 Earnings per share

Earnings per share is calculated by dividing net income attributable to the Group by the weighted average number of ordinary shares outstanding during the period, i.e. without taking account of the weighted average number of Kering treasury shares held by the Group during the period.

Diluted earnings per share equals net income attributable to the Group divided by the weighted average diluted number of shares outstanding during the period, adjusted for the dilutive effect arising from free share grants.

Earnings per share from continuing operations excluding non-recurring items is also calculated by adjusting net income from continuing operations attributable to the Group for the amount of non-recurring items net of tax. Non-recurring items correspond to other non-recurring operating income and expenses in the income statement *(see. Note 33.1.4)*.

33.10 Goodwill

Goodwill is determined according to the method indicated in Note 33.2.3.

Goodwill is allocated as of the acquisition date to cash-generating units (CGUs) or groups of CGUs defined by the Group. The CGUs or groups of CGUs to which goodwill has been allocated are tested for impairment each year, or whenever events or circumstances indicate that an impairment loss is likely.

CGUs or groups of CGUs and the related impairment tests are described in Note 33.12.

33.11 Brands and other intangible assets

Brands and other intangible assets are recognized at cost less accumulated amortization and impairment.

Brands and intangible assets acquired as part of a business combination, which are controlled by the Group and are separable or arise from contractual or other legal rights, are recognized separately from goodwill.

Brands, which represent the majority of intangible assets within the Group, are intangible assets with indefinite useful lives and are therefore not amortized but are tested as part of the impairment test carried out on CGUs. Where that test indicates an impairment loss, brands are tested separately.

Other intangible assets are amortized over their useful lives and are tested for impairment when there is an indication that an impairment loss has taken place. The usual useful lives are as follows:

- Brands: indefinite;
- Internal IT developments, software and websites: 1-8 years;
- Rights, patents and other intellectual property: 5-20 years (maximum protection period).

The configuration and customization costs of software as part of a SaaS (Software as a Service) arrangement are analyzed and recorded in expenses for the period where they do not meet the criteria for capitalization under IAS 38.

Software developed in-house by the Group and meeting all the relevant criteria is capitalized and amortized on a straight-line basis over its useful life.

Impairment tests are described in Note 33.12.

33.12 Cash-generating units and impairment tests

The Group tests the value of its assets at the level of its cash-generating units (CGUs) or groups of CGUs. Impairment tests are performed each year, or whenever events or circumstances indicate that an impairment loss is likely. A CGU is the smallest group of assets, including goodwill, that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or CGUs.

CGUs or groups of CGUs as defined by the Group represent the various brands under which the Group operates *(see Note 33.4)*.

Impairment tests seek to determine whether the recoverable amount of a CGU is less than its net carrying amount. The recoverable amount of a CGU is the higher of its fair value less costs to sell and its value in use. Value in use is determined with respect to future cash flow projections, taking into account the time value of money and the specific risks attributable to the CGU or group of CGUs.

Future cash flow projections are based on medium-term budgets and plans. These plans are drawn up for a period of five years with the exception of certain CGUs or groups of CGUs undergoing strategic repositioning, for which a longer period may be applied (typically ten years).

To calculate value in use, a terminal value equal to the perpetual capitalization of a normative annual cash flow is added to the estimated future cash flows. The perpetual growth rates are appropriate in view of the country mix, since the Impairment recognized in respect of brands and other intangible assets along with property, plant and equipment may be reversed at a later date if there is an indication that the impairment loss no longer exists. Impairment recognized in respect of goodwill may not be reversed.

For 2024, the way in which the Group took into account the macroeconomic situation and climate issues in its impairment tests is described in Notes 33.1.2 and 33.1.3.

33.13 Leases

The Group applies IFRS 16 for all of its leases, with the exception of:

- short-term leases, with a lease term of 12 months or less as of the commencement date;
- leases for which the underlying asset is of low value;

Payments under these leases that are not recognized on the balance sheet are recognized as operating expenses on a straight-line basis over the lease term.

Under IFRS 16, for each affected lease, the following items are recognized in the balance sheet as of the commencement date:

- a lease liability, corresponding to the present value of all fixed future payments for the estimated term of the lease. The current and non-current portions of these liabilities are shown separately. Fixed future lease payments include the remeasurement of any payments that depend on an index or a growth rate established in the lease. They may also include the value of any purchase options or estimated penalties for terminating the lease, where the Group is reasonably certain to exercise these options. In addition, any lease incentives receivable as of the commencement date are deducted from fixed payments;
- a lease right-of-use asset, corresponding to the value of the lease liability less any incentives received from the lessor and plus any prepaid lease payments, initial direct costs and the estimated cost of restoring the asset where required by the terms and conditions of the lease.

After the start of the lease, the liability related to future lease payments is reduced by the amount of payments made with respect to lease payments, and increased by the amount of interest. The liability may be remeasured to reflect a new assessment of, or change in, future lease payments. The right-of-use asset, initially measured at cost including the lessee's direct costs and prepayments, minus lease incentives (rent-free periods) and restoration costs, is depreciated on a straight-line basis over the lease term as defined in accordance with IFRS 16.

IFRS 16 provides that the discount rate for each lease is determined with reference to the incremental borrowing rate, which corresponds to the rate of interest that the Group would have to pay to borrow over a similar term, and with similar security, the funds necessary to obtain an asset of a similar value to the lease right-of-use asset in a similar economic environment.

The incremental borrowing rates applied by the Group are based on a combination of risk-free interest rate curves per currency/country, euro/foreign currency swap points, and the Group's credit spread, also accounting for the nature of the underlying (real estate) asset.

An "industry" beta, which varies according to the lessee's operating segment, is added to these inputs to reflect the specific risk of each activity.

The rate curves take into account the average lease term and are prepared on a quarterly basis.

Lease rights are a separate component of right-of-use assets and are depreciated over the term of the underlying leases, less any residual value. This residual value is tested for impairment each year and an impairment loss is recognized where necessary.

The Group recognizes deferred tax in relation to the right-of-use asset and lease liability.

33.14 Property, plant and equipment

Property, plant and equipment are recognized at amortized historical cost less any impairment losses, with the exception of land, which is not depreciated. They are not revalued.

The various components of property, plant and equipment are recognized separately when their estimated useful life and therefore their depreciation periods are significantly different. The cost of property, plant and equipment includes the expenses that are directly attributable to its acquisition.

Depreciation is calculated using the straight-line method, based on the purchase price or production cost, less any residual value, which is reviewed annually if considered material.

The usual useful lives are as follows:

- Buildings: 10-100 years;
- Improvements and fixtures: 3-15 years;
- Improvements to leased assets: 3-10 years (limited to the lease term defined in accordance with IFRS 16);
- Plant and equipment: 3-20 years;
- Other property, plant and equipment: 2-7 years.

Property, plant and equipment are tested for impairment when an indication of impairment exists, such as a scheduled closure of a store or site, a redundancy plan or a downward revision of market forecasts. When an asset's recoverable amount is less than its net carrying amount, an impairment loss is recognized. Where the recoverable amount of an individual asset cannot be determined precisely, the Group determines the recoverable amount of the CGU or group of CGUs to which the asset belongs.

When an item of property, plant and equipment is sold, the disposal gain or loss resulting from the difference between the selling price and the carrying amount of the assets sold is recognized in the income statement.

33.15 Financial assets

The classification of financial assets determines their accounting treatment and basis of measurement. There are three categories of financial assets:

- financial assets measured at amortized cost;
- financial assets measured at fair value through the income statement (profit or loss);
- financial assets measured at fair value in equity through other comprehensive income.

The Group determines the classification of its financial assets upon initial recognition, based on their characteristics and the management objective behind the asset's purchase. Purchases and sales of financial assets are recognized on the transaction date, which is the date the Group is committed to the purchase or sale of the asset. A financial asset is derecognized if the contractual rights to the cash flows from the financial asset expire or the asset is transferred.

33.15.1 Financial assets measured at amortized cost

Financial assets are carried at amortized cost if they are held as part of a business model whose objective is to collect contractual cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category includes loans and receivables, deposits and guarantees, trade receivables and most other current and non-current receivables.

These financial assets are initially recognized at fair value and subsequently at amortized cost using the effective interest method.

The effective interest rate is determined for each transaction and corresponds to the rate that would provide the net carrying amount of the financial asset by discounting its estimated future cash flows until maturity. The calculation includes transaction costs and any premiums and/or discounts. Transaction costs correspond to the costs directly attributable to the acquisition or issue of a financial asset. Net gains and losses on loans and receivables relate to interest income and impairment allowances.

Impairment allowances are recognized in the income statement based on the expected loss model:

- for its trade receivables, the Group applies a provision matrix for each country/brand based on historical loss data. Credit insurance that may be taken out by the Group is taken into account in the measurement of the risk and therefore of the provision;
- for other financial assets measured at amortized cost, an analysis is carried out taking into account the probability of counterparty default.

33.15.2 Financial assets measured at fair value through the income statement

Financial assets measured at fair value through the income statement mostly comprise financial assets giving rise to contractual cash flows that are not solely payments of principal and interest on the principal amount outstanding.

This category includes:

- non-consolidated investments and other financial investments, unless the Group has chosen to carry specific investments at fair value under the fair value option, in which case they are recognized directly in equity through other comprehensive income;
- financial assets held by the Group for trading purposes that the Group intends to resell in the near future and that are part of a portfolio of financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking;
- assets designated as at fair value under the fair value option.

Changes in the fair value of these assets are taken to the income statement. Net gains or losses arising on financial assets measured at fair value through the income statement generally correspond to interest income, dividends, changes in the fair value of the assets (unrealized gains or losses) and capital gains or losses on disposals (realized gains or losses).

33.15.3 Financial assets measured at fair value in equity through other comprehensive income

Financial assets are carried at fair value directly in equity through other comprehensive income when they are held as part of a business model whose objective is achieved both (i) by collecting contractual cash flows (corresponding solely to payments of principal and interest on the principal amount outstanding) and (ii) selling these financial assets.

This category includes debt instruments, such as bonds, that have the contractual cash flow and business model characteristics set out above.

It may also include non-consolidated investments or other financial investments, in which case changes in the fair value of the assets are recognized directly in equity through other comprehensive income until the assets are sold, with the exception of dividends received, which are systematically recognized in the income statement irrespective of the classification of the underlying financial asset.

33.15.4 Fair value hierarchy and associated valuation methods

The fair value of financial assets is determined using one of three levels in the fair value hierarchy:

- Level 1: financial assets quoted on an active market;
- Level 2: financial assets whose fair value is determined using valuation techniques drawing on observable market inputs;
- Level 3: financial assets whose fair value is determined using valuation techniques drawing on non-observable inputs (inputs whose value does not result from the price of observable market transactions for the same instrument or from observable market data available as of the end of the reporting period) or inputs which are only partly observable.

33.16 Financial liabilities

The classification of financial liabilities determines their accounting treatment and measurement. There are two categories of financial liabilities:

- financial liabilities measured at amortized cost;
- financial liabilities measured at fair value through the income statement (profit or loss).

The Group determines the classification of its financial liabilities upon initial recognition, based on their characteristics

33.16.1 Financial liabilities measured at amortized cost

Financial liabilities are carried at amortized cost if they are held as part of a business model whose objective is to disburse contractual cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category includes borrowings (with the exception of put options granted to minority interests – *see Note 33.21*), trade payables and most other current and non-current liabilities.

These financial liabilities are initially recognized at fair value less transaction costs, and subsequently at amortized cost using the effective interest method.

The effective interest rate is determined for each transaction and corresponds to the rate that would provide the net carrying amount of the financial liability by discounting its estimated future cash flows until maturity. The calculation includes transaction costs and any premiums and/or discounts. Transaction costs correspond to the costs directly attributable to the acquisition or issue of a financial liability.

The net carrying amount of financial liabilities measured at amortized cost that qualify as hedged items as part of a fair value hedging relationship is adjusted with respect to the hedged risk *(see Note 33.17.1)*.

33.16.2 Financial liabilities measured at fair value through the income statement

The Group may elect to carry some financial liabilities at fair value through the income statement. In this case, unlike in the amortized cost method, the transaction costs associated with setting up these financial liabilities are recognized immediately within other financial income and expenses in the income statement.

33.17 Derivative instruments

33.17.1 Derivative instruments designated as hedging instruments

The Group uses various derivative instruments to reduce its exposure to foreign exchange risk, interest rate risk and the risk of movements in the prices of certain precious metals.

Derivative instruments are recognized in the balance sheet within current or non-current financial assets and liabilities, depending on their maturity. They are recognized at fair value as from the transaction date.

Derivatives designated as hedging instruments are classified by category of hedge based on the nature of the risks being hedged:

- a cash flow hedge is used to hedge the risk of changes in future cash flow from recognized assets or liabilities or a highly probable transaction that would impact the income statement;
- a fair value hedge is used to hedge the risk of changes in the fair value of recognized assets or liabilities or a firm commitment not yet recognized that would impact the income statement.

Hedge accounting can only be applied if all of the following conditions are met:

- the hedged instrument and the hedging instrument are both eligible;
- there is a formal designation and documentation of the hedging relationship as of the date of inception;
- there is an economic relationship between the hedged item and the hedging instrument.

The accounting treatment of derivative instruments qualified as hedging instruments, and their impact on the income statement and balance sheet, differ depending on the type of hedging relationship:

- for cash flow hedges, gains and losses are initially recognized directly in equity through other comprehensive income. They are then transferred to the income statement when the hedged items are recognized. For foreign currency derivatives, the effective portion is recorded in operating income, and the ineffective portion, option premiums and difference between spot and forward exchange rates (contango/backwardation) are recorded within “Financial result”;
- for fair value hedges, gains and losses are recorded in the income statement in the same item as the hedged items, except for the ineffective portion, which is always recorded within “Financial result”.

33.17.2 Derivative instruments designated as trading instruments

Changes in the fair value of derivative instruments that the Group cannot or does not wish to designate as hedging instruments are recognized in full in the income statement in other financial income and expenses within "Financial result".

33.17.3 Embedded derivative instruments

Certain financial assets or liabilities may contain a derivative instrument. When they are not closely related to the underlying instrument, these embedded derivatives are recognized separately in the balance sheet as a derivative instrument held for trading. Any changes in their fair value are taken in full in the income statement in other financial income and expenses within "Financial result".

33.18 Inventories

Inventories are measured using the weighted average cost method for all of the Group's business activities.

An impairment allowance on inventories is recognized on the basis of expected inventory turnover and obsolescence and if they are damaged.

33.19 Cash and cash equivalents

Cash and cash equivalents recorded on the assets side of the balance sheet include cash, mutual or similar funds, short-term investments and other highly liquid instruments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and have a maximum maturity of three months as of the purchase date.

Investments with a maturity exceeding three months, along with blocked or pledged bank accounts, are excluded from cash and cash equivalents.

Bank overdrafts are presented in borrowings on the liabilities side of the balance sheet. In the statement of cash flows, cash and cash equivalents at the opening and closing of the reporting period include bank overdrafts.

33.20 Kering treasury shares

Kering treasury shares, whether specifically allocated to be granted to Group employees, allocated to the liquidity agreement or held for any other purpose, as well as directly related transaction costs, are deducted directly from equity attributable to the Group.

On disposal, the consideration received for these shares, net of transaction costs and the related tax impacts, is also recognized directly in equity attributable to the Group.

33.21 Put options granted to minority interests

The Group has undertaken to repurchase the minority interests of shareholders of certain subsidiaries. The strike price of these put options may be set or determined according to a predefined calculation formula, and the options may be exercised either at any time or on a specific date.

The Group recognizes a financial liability in respect of any put options granted to minority interests. This liability is recognized at the present value of the best estimate of the strike price, with an offsetting entry in equity attributable to the Group. Any subsequent changes in the financial liability relating to put options granted to minority interests are recognized directly in equity, including the impact of unwinding the discount.

The financial liability recognized in respect of put options granted to minority interests is shown in the balance sheet within current and non-current borrowings, as appropriate. Put options granted to minority interests are therefore included in consolidated net debt *(see Note 33.1.4)*.

Depending on the agreements signed by the Group with minority interests, minority shareholders may in some cases waive their dividend rights until the put option is exercised. In this case, the corresponding minority interests are canceled, with a direct offsetting entry in equity attributable to the Group. If the minority interests retain their dividend rights until the option is exercised however, the minority interests continue to be shown in the balance sheet.

33.22 Provisions for pensions and other post-employment benefits

Based on the laws and practices of each country, the Group recognizes various types of employee benefits, including pensions and other post-employment benefits.

Defined contribution plans

Under defined contribution plans, the Group is not obliged to make additional payments over and above contributions already made to a fund if the fund does not have sufficient assets to cover the benefits corresponding to services rendered by personnel during the current period and prior periods. Contributions paid into these plans are expensed in the income statement as incurred.

Defined benefit plans

Under defined benefit plans, obligations are valued using the projected unit credit method based on agreements in effect in each entity. Under this method, each period of service gives rise to an additional unit of benefit entitlement and each unit is measured separately to build up the final obligation. The obligation is then discounted. The actuarial assumptions used to determine the obligations vary according to the economic conditions of the country where the plan is established. These plans are valued by independent actuaries on an annual basis. The valuations take into account the level of future compensation, the probable active life of employees, life expectancy and staff turnover.

The provision recognized in the balance sheet corresponds to the present value of the obligations calculated as described above, less the fair value of the plans' financial assets under wholly funded pension plans.

The current service cost for these plans is recognized within personnel expenses in the income statement. The interest cost relating to the benefit obligation net of interest income on plan assets under wholly funded plans is recognized in other financial income and expenses within "Financial result". Past service cost, designating the increase in an obligation following the introduction of a new plan or the impact of amendments to an existing plan, is expensed immediately in the income statement within personnel expenses, regardless of whether or not the benefit entitlement has already vested or is still vesting.

Changes in actuarial assumptions and the impact of experience adjustments (the difference between outcomes estimated using actuarial assumptions and actual outcomes) give rise to actuarial gains and losses, which are recognized directly in equity within other comprehensive income. These actuarial gains and losses are never transferred to the income statement.

33.23 Provisions

Provisions for litigation, disputes and miscellaneous contingencies and losses are recognized as soon as a present obligation arises from past events, which is likely to result in an outflow of resources embodying economic benefits, the amount of which can be reliably estimated.

Provisions maturing in more than one year are valued at their discounted amount, representing the best estimate of the expense necessary to extinguish the current obligation at the end of the reporting period. The discount rate used reflects current assessments of the time value of money and specific risks related to the liability.

A provision for restructuring costs is recognized when there is a formal and detailed restructuring plan and the plan has begun to be implemented or its main features have been announced before the end of the reporting period. Restructuring costs for which a provision is made essentially represent employee costs (severance pay, early retirement plans, payment in lieu of notice, etc.), work stoppages and compensation for breaches of contract with third parties.

33.24 Discontinued operations, assets held for sale and liabilities associated with assets held for sale

The Group applies IFRS 5, which requires the separate recognition and presentation of assets (or disposal groups) held for sale and discontinued operations.

Non-current assets, or groups of assets and liabilities directly associated with those assets, are considered as held for sale if it is highly probable that their carrying amount will be recovered principally through a sale rather than through continuing use. Non-current assets (or disposal groups) held for sale are measured and recognized at the lower of their net carrying amount and their fair value less the costs of disposal. These assets are no longer depreciated or amortized from the time they qualify as assets (or disposal groups) held for sale. They are presented on separate lines in the consolidated balance sheet, without restatement for previous periods.

A discontinued operation is defined as a component of a group that generates cash flows that can be clearly distinguished from the rest of the Group and represents a separate line of business or geographical area of operations. For all periods presented, the net income or loss from these activities is shown on a separate line of the income statement within discontinued operations and is restated in the statement of cash flows.

NOTE 34 – LIST OF CONSOLIDATED ENTITIES

Consolidation method
Full consolidation: C
Equity method: E

		% interest			
Company	**Transaction**	**Dec. 31, 2024**		**Dec. 31, 2023**	
KERING SA		**Parent company**		**Parent company**	
LUXURY HOUSES					
France					
AJH SAS [1]		C	100.00	C	100.00
ALEXANDER MCQUEEN FRANCE SAS		C	100.00	C	100.00
ALEXANDER MCQUEEN PARIS	Formation	C	100.00	–	–
ARCADES PONTHIEU SA		C	95.00	C	95.00
ATELIER DE CONFECTION SAINT LAURENT		C	100.00	C	100.00
BALENCIAGA OPERATIONS SAS		C	100.00	C	100.00
BALENCIAGA SAS		C	100.00	C	100.00
BOTTEGA VENETA FRANCE SAS		C	100.00	C	100.00
BOUCHERON PARFUMS SAS		C	100.00	C	100.00
BOUCHERON SAS		C	100.00	C	100.00
BRIONI FRANCE SAS		C	100.00	C	100.00
DODO PARIS SAS	Merger	–	–	C	100.00
FRANCE CROCO SAS		C	100.00	C	100.00
GG FRANCE SERVICES SAS	Merger	–	–	C	100.00
GINORI 1735 SAS		C	100.00	C	100.00
GPO HOLDING SAS	Merger	–	–	C	100.00
GUCCI FRANCE SAS		C	100.00	C	100.00
LES BOUTIQUES BOUCHERON SAS		C	100.00	C	100.00
POMELLATO PARIS SAS		C	100.00	C	100.00
QEELIN FRANCE SARL		C	100.00	C	100.00
SAINT LAURENT CULTURE SAS		C	100.00	C	100.00
SAINT LAURENT EDITIONS SAS		C	100.00	C	100.00
SAINT LAURENT PRODUCTIONS SAS		C	100.00	C	100.00
SAS BELTER	Merger	–	–	C	100.00
SAS ETABLISSEMENTS E. BLONDEAU	Merger	–	–	C	100.00
SAS FG DÉVELOPPEMENT	Merger	–	–	C	100.00
YSL VENTES PRIVEES FRANCE SAS		C	100.00	C	100.00
YVES SAINT LAURENT BOUTIQUE FRANCE SAS		C	100.00	C	100.00
YVES SAINT LAURENT PARFUMS SAS		C	100.00	C	100.00
YVES SAINT LAURENT SAS		C	100.00	C	100.00
Germany					
ALEXANDER MCQUEEN TRADING GMBH		C	100.00	C	100.00
BALENCIAGA GERMANY GmbH		C	100.00	C	100.00
BOTTEGA VENETA GERMANY GmbH		C	100.00	C	100.00
BRIONI GERMANY GmbH		C	100.00	C	100.00
DODO DEUTSCHLAND GmbH		C	100.00	C	100.00
GG LUXURY GOODS GmbH		C	100.00	C	100.00
POMELLATO DEUTSCHLAND GmbH		C	100.00	C	100.00
YVES SAINT LAURENT GERMANY GmbH		C	100.00	C	100.00

(1) Change of the legal name. Formerly SAS CHANSON ET CIE JOAILLIERS FABRICANTS

Company	Transaction	% interest Dec. 31, 2024		Dec. 31, 2023	
Austria					
ALEXANDER MCQUEEN GmbH		C	100.00	C	100.00
BALENCIAGA AUSTRIA GmbH		C	100.00	C	100.00
BOTTEGA VENETA AUSTRIA GmbH		C	100.00	C	100.00
GUCCI AUSTRIA GmbH		C	100.00	C	100.00
YVES SAINT LAURENT AUSTRIA GmbH		C	100.00	C	100.00
Belgium					
BALENCIAGA BELGIUM		C	100.00	C	100.00
GUCCI BELGIUM SA		C	100.00	C	100.00
POMELLATO BELGIQUE SARL	Formation	C	100.00	–	–
SAINT LAURENT BELGIUM		C	100.00	C	100.00
Denmark					
BALENCIAGA DENMARK APS		C	100.00	C	100.00
LUXURY GOODS DENMARK AS		C	51.00	C	51.00
SAINT LAURENT DENMARK APS		C	100.00	C	100.00
Spain					
BALENCIAGA SPAIN SL		C	100.00	C	100.00
BOTTEGA VENETA ESPANA SL		C	100.00	C	100.00
POMELLATO BOUTIQUES SPAIN SA [(2)]		C	100.00	C	100.00
LUXURY GOODS SPAIN SL		C	100.00	C	100.00
LUXURY TIMEPIECES ESPANA SL		C	100.00	C	100.00
YVES SAINT LAURENT SPAIN SA		C	100.00	C	100.00
United Kingdom					
ALEXANDER MCQUEEN TRADING Ltd		C	100.00	C	100.00
AUTUMNPAPER Ltd		C	100.00	C	100.00
BALENCIAGA UK Ltd		C	100.00	C	100.00
BIRDSWAN SOLUTIONS Ltd		C	100.00	C	100.00
BOTTEGA VENETA UK CO. Ltd		C	100.00	C	100.00
BOUCHERON UK Ltd		C	100.00	C	100.00
BRIONI UK Ltd		C	100.00	C	100.00
DODO (UK) Ltd	Liquidation	–	–	C	100.00
GINORI 1735 LIMITED		C	100.00	C	100.00
GUCCI Ltd		C	100.00	C	100.00
LUXURY TIMEPIECES & JEWELLERY OUTLETS Ltd	Liquidation	–	–	C	100.00
LUXURY TIMEPIECES UK Ltd		C	100.00	C	100.00
PAINTGATE Ltd		C	100.00	C	100.00
POMELLATO (UK) Ltd		C	100.00	C	100.00
YVES SAINT LAURENT UK Ltd		C	100.00	C	100.00
Greece					
BOTTEGA VENETA GREECE SA		C	100.00	C	100.00
LUXURY GOODS GREECE AE		C	100.00	C	100.00
SAINT LAURENT GREECE AE		C	100.00	C	100.00
Hungary					
GUCCI HUNGARY RETAIL LTD		C	100.00	C	100.00
Ireland					
BALENCIAGA IRELAND LTD		C	100.00	C	100.00
BOTTEGA VENETA IRELAND LTD		C	100.00	C	100.00
GUCCI IRELAND Ltd		C	100.00	C	100.00
SAINT LAURENT IRELAND LTD		C	100.00	C	100.00

(2) Change of legal name. Formerly DODO SPAIN SA

Company	Transaction	% interest Dec. 31, 2024		Dec. 31, 2023	
Italy					
ACCADEMIA DELLA PELLETTERIA SRL		C	51.00	C	51.00
ALEXANDER MCQUEEN ITALIA SRL		C	100.00	C	100.00
ALEXANDER MCQUEEN LOGISTICA SRL		C	100.00	C	100.00
ALEXANDER MCQUEEN ONLINE ITALIA SRL		C	100.00	C	100.00
B.V. ITALIA SRL		C	100.00	C	100.00
BALENCIAGA LOGISTICA SRL		C	100.00	C	100.00
BALENCIAGA ONLINE ITALIA SRL		C	100.00	C	100.00
BALENCIAGA RETAIL ITALIA SRL		C	100.00	C	100.00
BOTTEGA VENETA LOGISTICA SRL		C	100.00	C	100.00
BOTTEGA VENETA SRL		C	100.00	C	100.00
BRIONI GERMANICS HOLDING SRL	Merger	–	–	C	100.00
BRIONI ITALIA SRL		C	100.00	C	100.00
BRIONI SpA		C	100.00	C	100.00
BV ECOMMERCE SRL		C	100.00	C	100.00
CARAVEL PELLI PREGIATE SpA		C	100.00	C	100.00
CASTELLANI FASHION S.R.L	Acquisition	C	40.00	–	–
CHEM – TEC SRL		C	100.00	C	51.00
COLONNA SpA		C	100.00	C	51.00
CONCERIA 800 SpA		C	100.00	C	51.00
COSTANZO & RIZZETTO SRL		E	45.00	E	45.00
DESIGN MANAGEMENT 2 SRL		C	100.00	C	100.00
DESIGN MANAGEMENT SRL		C	100.00	C	100.00
DI REMIGIO & DI DIODORO S.R.L.		C	51.00	C	51.00
DODO RETAIL ITALIA S.R.L.		C	100.00	C	100.00
DODO S.R.L	Formation	C	100.00	–	–
E-LITE SRL		C	100.00	C	100.00
FALCO PELLAMI SpA		C	100.00	C	51.00
FUTURA SRL		C	77.00	C	77.00
G COMMERCE EUROPE SpA		C	100.00	C	100.00
GARPE SRL		C	100.00	C	100.00
GGW ITALIA SRL		C	100.00	C	100.00
GIANANGELI SRL	Acquisition	C	30.00	–	–
GJP SRL		C	100.00	C	100.00
GPA SRL		C	100.00	C	100.00
GT SRL		C	100.00	C	100.00
GUCCI LOGISTICA SpA		C	100.00	C	100.00
GUCCI PALAZZO SRL		C	100.00	C	100.00
GUCCIO GUCCI SpA		C	100.00	C	100.00
IL CASTELLO SRL	Acquisition	C	70.00	–	–
IMMOBILIARE ARMEA SRL		C	100.00	C	100.00
IMMOBILIARE ARNO		C	100.00	C	100.00
K RETAIL SRL		C	100.00	C	100.00
LUXURY GOODS ITALIA SpA		C	100.00	C	100.00
LUXURY GOODS OUTLET SRL		C	100.00	C	100.00
MANIFATTURA VENETA PELLETERIE SRL		C	100.00	C	100.00
MARBELLA PELLAMI SpA		C	100.00	C	51.00
MFI LUXURY S.R.L		E	30.00	E	30.00
MOOD SRL		E	19.00	E	19.00
NEGOZI RICHARD GINORI SRL		C	100.00	C	100.00
PELLETTERIA ALESSANDRA SRL		C	90.00	C	90.00
PIGINI SRL		C	100.00	C	100.00
POMELLATO EUROPA SpA		C	100.00	C	100.00

		% interest			
Company	**Transaction**	**Dec. 31, 2024**		**Dec. 31, 2023**	
POMELLATO SpA		C	100.00	C	100.00
RICHARD GINORI SRL		C	100.00	C	100.00
ROMAN STYLE SpA		C	100.00	C	100.00
SAINT LAURENT ECOMMERCE SRL		C	100.00	C	100.00
SL LUXURY RETAIL SRL		C	100.00	C	100.00
TEST & INNOVATION LAB SRL		C	100.00	C	100.00
TIGER FLEX SRL		C	100.00	C	100.00
TMLO HOLDING SRL		C	100.00	C	100.00
VALENZA SETTING LAB SRL	Acquisition	C	100.00	–	–
YVES SAINT LAURENT MANIFATTURE SRL		C	100.00	C	100.00
Luxembourg					
GUCCI GULF INVESTMENT SARL		C	100.00	C	100.00
GUCCI LUXEMBOURG SA		C	100.00	C	100.00
KERING PARTICIPATIONS SARL		C	100.00	C	100.00
QEELIN HOLDING LUXEMBOURG SA		C	100.00	C	100.00
Monaco					
BOUCHERON SAM		C	100.00	C	100.00
GUCCI SAM		C	100.00	C	100.00
KERING RETAIL MONACO SAM		C	100.00	C	100.00
SAM YVES SAINT LAURENT OF MONACO		C	100.00	C	100.00
SOCIETE MONEGASQUE DE HAUTE JOAILLERIE S.A.M.		C	100.00	C	100.00
Norway					
LUXURY GOODS NORWAY AS		C	51.00	C	51.00
SAINT LAURENT NORWAY AS		C	100.00	C	100.00
Netherlands					
ALEXANDER MCQUEEN (THE NETHERLANDS) BV		C	100.00	C	100.00
BALENCIAGA NETHERLANDS BV		C	100.00	C	100.00
BOTTEGA VENETA NETHERLANDS BV		C	100.00	C	100.00
G DISTRIBUTION BV		C	100.00	C	100.00
GG MIDDLE EAST BV		C	51.00	C	51.00
GG OTHER TERRITORIES BV		C	100.00	C	100.00
GUCCI NETHERLANDS BV		C	100.00	C	100.00
KERING ASIAN HOLDING BV		C	100.00	C	100.00
YVES SAINT LAURENT NETHERLANDS BV		C	100.00	C	100.00
Poland					
SAINT LAURENT POLAND SP. Z.O.O		C	100.00	C	100.00
LUXURY GOODS POLAND SP.Z.O.O	Acquisition	C	100.00	–	–
Portugal					
BOTTEGA VENETA PORTUGAL, UNIPESSOAL LDA		C	100.00	C	100.00
GUCCI PORTUGAL UNIPESSOAL, LDA		C	100.00	C	100.00
SAINT LAURENT PORTUGAL SL		C	100.00	C	100.00
Czech Republic					
BALENCIAGA CZECH REPUBLIC SRO		C	100.00	C	100.00
LUXURY GOODS CZECH REPUBLIC SRO		C	100.00	C	100.00
YVES SAINT LAURENT CZECH REPUBLIC, SRO		C	100.00	C	100.00
Romania					
SIFA INTERNATIONAL SRL		C	100.00	C	100.00
Russia					
BOUCHERON RUS OOO		C	100.00	C	100.00
GUCCI RUS OOO		C	100.00	C	100.00
Serbia					
F.LLI ROSSI SHOES DOO		C	70.00	C	70.00
LUXURY TANNERY DOO		C	100.00	C	51.00

Company	Transaction	% interest Dec. 31, 2024		% interest Dec. 31, 2023	
Sweden					
BOTTEGA VENETA SWEDEN AB		C	100.00	C	100.00
GUCCI SWEDEN AB		C	51.00	C	51.00
SAINT LAURENT SWEDEN AB		C	100.00	C	100.00
Switzerland					
BALENCIAGA SWITZERLAND SA		C	100.00	C	100.00
BOTTEGA VENETA SWISS RETAIL SA		C	100.00	C	100.00
BOUCHERON (SUISSE) SA		C	100.00	C	100.00
BOUCHERON TIMEPIECES SA		C	100.00	C	100.00
BRIONI SWITZERLAND SA		C	100.00	C	100.00
FABBRICA QUADRANTI SA		C	100.00	C	100.00
GUCCI SWISS RETAIL SA		C	100.00	C	100.00
GUCCI SWISS TIMEPIECES SA		C	100.00	C	100.00
POMELLATO SWITZERLAND S.A.		C	100.00	C	100.00
YSL SWITZERLAND SA		C	100.00	C	100.00
Aruba					
GEMINI ARUBA NV		C	100.00	C	100.00
Brazil					
BALENCIAGA BRASIL LTDA		C	100.00	C	100.00
BOTTEGA VENETA HOLDING Ltda		C	100.00	C	100.00
GUCCI BRASIL IMPORTACAO E EXPORTACAO Ltda		C	100.00	C	100.00
SAINT LAURENT BRASIL IMPORTACAO E EXPORTACAO Ltda		C	100.00	C	100.00
Canada					
ALEXANDER MCQUEEN TRADING CANADA INC.		C	100.00	C	100.00
BALENCIAGA CANADA Inc.		C	100.00	C	100.00
BOTTEGA VENETA CANADA Ltd		C	100.00	C	100.00
G. BOUTIQUES Inc.		C	100.00	C	100.00
QEELIN CANADA LTD		C	100.00	C	100.00
SAINT LAURENT CANADA BOUTIQUES Inc.		C	100.00	C	100.00
Chile					
LUXURY GOODS CHILE SpA		C	51.00	C	51.00
United States					
ALEXANDER MCQUEEN TRADING AMERICA, Inc.		C	100.00	C	100.00
BALENCIAGA AMERICA Inc.		C	100.00	C	100.00
BOTTEGA VENETA Inc.		C	100.00	C	100.00
BOUCHERON JOAILLERIE (USA) Inc.		C	100.00	C	100.00
BRIONI AMERICA HOLDING Inc.	Merger	–	–	C	100.00
BRIONI AMERICA Inc.		C	100.00	C	100.00
G GATOR USA LLC		C	100.00	C	100.00
GUCCI AMERICA Inc.		C	100.00	C	100.00
GUCCI FINANCIAL HOLDING AMERICAS, INC.		C	100.00	C	100.00
GUCCI OSTERIA USA LLC		C	100.00	C	100.00
GUCCI SAIPAN INC	Liquidation	–	–	C	100.00
GUCCI TRUST		C	100.00	C	100.00
KERING AMERICAS TRADING, LLC		C	100.00	C	100.00
LUXURY HOLDINGS Inc.		C	100.00	C	100.00
POMELLATO USA Inc.		C	100.00	C	100.00
RICHARD GINORI 1735 INC		C	100.00	C	100.00
WALL’S GATOR FARM II LLC		E	40.00	E	40.00
WG ALLIGATOR FARM LLC		E	40.00	E	40.00
YVES SAINT LAURENT AMERICA HOLDING Inc.		C	100.00	C	100.00
YVES SAINT LAURENT AMERICA Inc.		C	100.00	C	100.00

Company	Transaction	% interest Dec. 31, 2024		Dec. 31, 2023	
Mexico					
BALENCIAGA RETAIL MEXICO, S. DE R.L. DE C.V.		C	100.00	C	100.00
BOTTEGA VENETA MEXICO, S. DE R.L. DE C.V.		C	100.00	C	100.00
BRIONI RETAIL MEXICO, S. DE R.L. DE C.V.		C	100.00	C	100.00
D ITALIAN CHARMS, S.A. DE R.L. DE C.V.		C	100.00	C	100.00
GUCCI IMPORTACIONES S.A. DE C.V.		C	100.00	C	100.00
GUCCI MEXICO S.A. DE C.V.		C	100.00	C	100.00
SAINT LAURENT MEXICO, S. DE R.L. DE C.V.		C	100.00	C	100.00
Panama					
LUXURY GOODS PANAMA S. DE R.L.		C	51.00	C	51.00
SAINT LAURENT PANAMA Inc.		C	100.00	C	100.00
Dominican Republic					
SAINT LAURENT DOMINICAN REPUBLIC S.A.S.		C	100.00	C	100.00
Australia					
ALEXANDER MCQUEEN AUSTRALIA PTY Ltd		C	100.00	C	100.00
BALENCIAGA AUSTRALIA PTY Ltd		C	100.00	C	100.00
BOTTEGA VENETA AUSTRALIA PTY Ltd		C	100.00	C	100.00
GUCCI AUSTRALIA PTY Ltd		C	100.00	C	100.00
QEELIN AUSTRALIA PTY. LTD.		C	100.00	C	100.00
SAINT LAURENT AUSTRALIA PTY Ltd		C	100.00	C	100.00
New Zealand					
ALEXANDER MCQUEEN NEW ZEALAND LTD		C	100.00	C	100.00
BALENCIAGA NEW ZEALAND LTD		C	100.00	C	100.00
GUCCI NEW ZEALAND Ltd		C	100.00	C	100.00
SAINT LAURENT NEW ZEALAND Ltd		C	100.00	C	100.00
Greater China					
Mainland China					
ALEXANDER McQUEEN (SHANGHAI) TRADING Ltd		C	100.00	C	100.00
BALENCIAGA FASHION SHANGHAI CO. Ltd		C	100.00	C	100.00
BOTTEGA VENETA (CHINA) TRADING Ltd		C	100.00	C	100.00
BRIONI (SHANGHAI) TRADING Ltd		C	100.00	C	100.00
DODO (SHANGHAI) WATCHES AND JEWELRY LTD	Liquidation	–	–	C	100.00
GINORI 1735 RETAIL SHANGHAI CO, LTD		C	100.00	C	100.00
GUCCI (CHINA) TRADING Ltd		C	100.00	C	100.00
GUCCI WATCHES MARKETING CONSULTING (SHANGHAI) Ltd	Liquidation	–	–	C	100.00
KERING (SHANGHAI) WATCHES AND JEWELRY Ltd		C	100.00	C	100.00
LUXURY EMOTIONS (SHENZHEN) BUSINESS MANAGEMENT CO., LTD	Liquidation	–	–	C	100.00
POMELLATO SHANGHAI CO. Ltd		C	100.00	C	100.00
QEELIN TRADING (SHANGHAI) CO. Ltd		C	100.00	C	100.00
YVES SAINT LAURENT (SHANGHAI) TRADING Ltd		C	100.00	C	100.00
Hong Kong SAR					
ALEXANDER MCQUEEN (HONG KONG) Ltd		C	100.00	C	100.00
BALENCIAGA ASIA PACIFIC Ltd		C	100.00	C	100.00
BOTTEGA VENETA HONG KONG Ltd		C	100.00	C	100.00
BOUCHERON HONG KONG Ltd		C	100.00	C	100.00
BRIONI HONG KONG Ltd		C	100.00	C	100.00
DODO HONG KONG LTD		C	100.00	C	100.00
GUCCI ASIA COMPANY Ltd		C	100.00	C	100.00
GUCCI GROUP (HONG KONG) LTD		C	100.00	C	100.00
POMELLATO PACIFIC Ltd		C	100.00	C	100.00
QEELIN Ltd		C	100.00	C	100.00
YVES SAINT LAURENT (HONG KONG) Ltd		C	100.00	C	100.00

Company	Transaction	% interest Dec. 31, 2024		% interest Dec. 31, 2023	
Macau SAR					
ALEXANDER McQUEEN (MACAU) Ltd		C	100.00	C	100.00
BALENCIAGA MACAU Ltd		C	100.00	C	100.00
BOTTEGA VENETA MACAU Ltd		C	100.00	C	100.00
BRIONI MACAU Ltd		C	100.00	C	100.00
GUCCI MACAU Ltd		C	100.00	C	100.00
KERING (MACAU) WATCHES AND JEWELRY Ltd		C	100.00	C	100.00
QEELIN MACAU Ltd		C	100.00	C	100.00
YVES SAINT LAURENT MACAU Ltd		C	100.00	C	100.00
Taiwan					
BOUCHERON TAIWAN CO. Ltd		C	100.00	C	100.00
South Korea					
ALEXANDER MCQUEEN KOREA LLC		C	100.00	C	100.00
BALENCIAGA KOREA LLC		C	100.00	C	100.00
BOTTEGA VENETA KOREA LLC		C	100.00	C	100.00
BRIONI KOREA LLC		C	100.00	C	100.00
GUCCI KOREA LLC		C	100.00	C	100.00
KERING WATCHES & JEWELRY KOREA LLC		C	100.00	C	100.00
YVES SAINT LAURENT KOREA LLC		C	100.00	C	100.00
Guam					
BOTTEGA VENETA GUAM Inc.		C	100.00	C	100.00
GUCCI GROUP GUAM Inc.		C	100.00	C	100.00
India					
LUXURY GOODS RETAIL PRIVATE LTD		C	51.00	C	51.00
YVES SAINT LAURENT INDIA PRIVATE LTD		C	51.00	C	51.00
Japan					
BALENCIAGA JAPAN Ltd		C	100.00	C	100.00
BOTTEGA VENETA JAPAN Ltd		C	100.00	C	100.00
BOUCHERON JAPAN Ltd		C	100.00	C	100.00
BRIONI JAPAN CO. Ltd		C	100.00	C	100.00
GUCCI OSTERIA JAPAN G.K.		C	100.00	C	100.00
POMELLATO JAPAN CO. Ltd		C	100.00	C	100.00
QEELIN JAPAN LIMITED		C	100.00	C	100.00
RICHARD GINORI ASIA PACIFIC CO. LTD.		C	100.00	C	100.00
Malaysia					
AUTUMNPAPER MALAYSIA SDN BHD		C	100.00	C	100.00
BALENCIAGA SEA MALAYSIA SDN BHD		C	100.00	C	100.00
BOTTEGA VENETA MALAYSIA SDN BHD		C	100.00	C	100.00
GUCCI (MALAYSIA) SDN BHD		C	100.00	C	100.00
KERING WATCHES AND JEWELRY (MALAYSIA) SDN BHD		C	100.00	C	100.00
SAINT LAURENT (MALAYSIA) SDN BHD		C	100.00	C	100.00
Philippines					
LUXURY GOODS PHILIPPINES INC		C	75.00	C	75.00
Singapore					
ALEXANDER MCQUEEN (SINGAPORE) PTE Ltd		C	100.00	C	100.00
BALENCIAGA SINGAPORE PTE Ltd		C	100.00	C	100.00
BOTTEGA VENETA SINGAPORE PRIVATE Ltd		C	100.00	C	100.00
GUCCI SINGAPORE PTE Ltd		C	100.00	C	100.00
KERING (SINGAPORE) WATCHES AND JEWELRY PTE Ltd		C	100.00	C	100.00
SAINT LAURENT (SINGAPORE) PTE Ltd		C	100.00	C	100.00

Company	Transaction	% interest Dec. 31, 2024		% interest Dec. 31, 2023	
Thailand					
ALEXANDER MCQUEEN (THAILAND) Ltd		C	100.00	C	100.00
BALENCIAGA THAILAND Ltd		C	100.00	C	100.00
BOTTEGA VENETA (THAILAND) Ltd		C	100.00	C	75.00
GUCCI SERVICES (THAILAND) Ltd		C	98.00	C	98.00
LUXURY GOODS (THAILAND) Ltd		C	100.00	C	75.00
SAINT LAURENT (THAILAND) CO. Ltd		C	100.00	C	100.00
Vietnam					
GUCCI VIETNAM CO. Ltd		C	100.00	C	100.00
SAINT LAURENT VIETNAM COMPANY LIMITED	Formation	C	100.00	–	–
South Africa					
GG LUXURY RETAIL SOUTH AFRICA PTE Ltd		C	62.00	C	62.00
Saudi Arabia					
ARABIAN LUXURY GOODS TRADING (LLC)		C	75.00	C	75.00
BOTTEGA VENETA ARABIA TRADING LLC		C	75.00	C	75.00
BRIONI MIDDLE EAST GENERAL TRADING LLC		C	100.00	C	100.00
LUXURY GOODS ARABIA LTD		C	75.00	C	75.00
SAINT LAURENT ARABIA TRADING LLC		C	75.00	C	75.00
Bahrain					
FLORENCE 1921 WLL		C	49.00	C	49.00
SAINT LAURENT BAHRAIN W.L.L		C	99.90	C	99.90
United Arab Emirates					
AP LUXURY GOODS MIDDLE EAST LLC		C	49.00	C	49.00
ATELIER LUXURY GULF LLC		C	49.00	C	49.00
FASHION LUXURY MIDDLE EAST LLC		C	49.00	C	49.00
KERING TRADING MIDDLE EAST DWC - LLC		C	100.00	C	100.00
LUXURY FASHION GULF LLC		C	49.00	C	49.00
LUXURY GOODS GULF LLC		C	51.00	C	49.00
Kuwait					
AUTUMNPAPER LUXURY GOODS FOR READYMADE CLOTHES, SHOES AND ACCESSORIES WLL		C	49.00	C	49.00
B.A.L FOR READY-TO-WEAR APPAREL AND ACCESSORIES WLL		C	49.00	C	49.00
BOTTEGA VENETA LEATHER GOODS KUWAIT WLL		C	49.00	C	49.00
LUXURY GOODS KUWAIT WLL		C	26.01	C	26.01
YSL KUWAIT FOR READYMADE CLOTHES AND ACCESSORIES WLL		C	49.00	C	49.00
Morocco					
SAINT LAURENT MOROCCO	Formation	C	100.00	–	–
Qatar					
APL LUXURY FASHION TRADING WLL.		C	49.00	C	49.00
LUXURY GOODS QATAR LLC		C	49.00	C	49.00
GUCCI QFZ LLC		C	100.00	C	100.00
LUXURY GOODS QATAR LLC		C	25.50	C	25.50
SAINT LAURENT PARIS LLC		C	24.00	C	24.00
Turkey					
BOTTEGA VENETA TURKEY LÜKS ÜRÜNLER LIMITED ŞIRKETI		C	100.00	C	100.00
GUCCI TURKEY LUXURY GOODS TRADE LLP		C	100.00	C	100.00
SAINT LAURENT TURKEY LÜKS ÜRÜNLER LIMITED ŞIRKETI		C	100.00	C	100.00

Company	Transaction	% interest Dec. 31, 2024		% interest Dec. 31, 2023	
KERING EYEWEAR & CORPORATE					
KERING EYEWEAR & KERING BEAUTE					
France					
FONTAINE FRANCE SARL		C	100.00	C	100.00
FRAGRANCES PRODUCTION SARL		C	100.00	C	100.00
KERING EYEWEAR FRANCE SAS		C	65.07	C	65.07
MANUFACTURE KERING EYEWEAR SAS		C	65.07	C	65.07
MAUI JIM EUROPE SARL		C	65.07	C	65.07
MYRRH SARL		C	100.00	C	100.00
USINAGE ET NOUVELLES TECHNOLOGIES S.A.S.		C	65.07	C	65.07
Germany					
KERING EYEWEAR DACH GmbH		C	65.07	C	65.07
MAUI JIM GERMANY, GMBH		C	65.07	C	65.07
Croatia					
KERING EYEWEAR SOUTH EAST EUROPE DOO		C	65.07	C	65.07
Denmark					
LINDBERG | APS [3]		C	65.07	C	65.07
LINDBERG AS		C	65.07	C	65.07
Spain					
KERING EYEWEAR ESPANA SA		C	65.07	C	65.07
MAUI JIM SPAIN, S.L.		C	65.07	C	65.07
United Kingdom					
CHENAL II LTD.	Liquidation	–	–	C	100.00
FONTAINE LTD.		C	100.00	C	100.00
KERING BEAUTE UK		C	100.00	C	100.00
KERING EYEWEAR UK Ltd		C	65.07	C	65.07
LAGUNE LTD.		C	100.00	C	100.00
MAUI JIM UK LTD.		C	65.07	C	65.07
THE ORANGE SQUARE COMPANY LTD		C	100.00	C	100.00
Greece					
KERING EYEWEAR GREECE	Formation	C	65.07	–	–
Italy					
KERING EYEWEAR SpA		C	65.07	C	65.07
MAUI JIM - ITALY S.R.L.		C	65.07	C	65.07
REALE COMPAGNIA ITALIANA S.P.A	Formation	C	100.00	–	–
TRENTI INDUSTRIA OCCHIALI SPA		C	35.79	C	35.79
Jersey					
CHENAL I LTD.	Liquidation	–	–	C	100.00
Luxembourg					
FONTAINE LUXEMBOURG SARL		C	100.00	C	100.00
Portugal					
KERING EYEWEAR PORTUGAL UNIPESSOAL LDA		C	65.07	C	65.07
Sweden					
MAUI JIM NORDIC AB		C	65.07	C	65.07
Canada					
INTERNATIONAL COSMETICS & PERFUMES CANADA LTD.		C	100.00	C	100.00
MAUI JIM CANADA ULC		C	65.07	C	65.07

(3) Change of registered office and legal name. Formerly LINDBERG SA, based in Luxembourg

Company	Transaction	% interest Dec. 31, 2024		Dec. 31, 2023	
United States					
CREED BOUTIQUE BEVERLY HILLS, LLC	Merger	–	–	C	100.00
CREED BOUTIQUE HOUSTON, LLC	Merger	–	–	C	100.00
CREED BOUTIQUE KING OF PRUSSIA, LLC	Merger	–	–	C	100.00
CREED BOUTIQUE LAS VEGAS CRYSTALS, LLC	Merger	–	–	C	100.00
CREED BOUTIQUE LAS VEGAS, LLC	Merger	–	–	C	100.00
CREED BOUTIQUE LLC		C	100.00	C	100.00
CREED BOUTIQUE MIAMI, LLC	Merger	–	–	C	100.00
CREED BOUTIQUE NORTHPARK, LLC	Merger	–	–	C	100.00
CREED BOUTIQUE VALLEY FAIR LCC	Merger	–	–	C	100.00
HUIPU CORP.		C	65.07	C	65.07
INTERNATIONAL COSMETICS AND PERFUMES FLO,LLC		C	100.00	C	100.00
INTERNATIONAL COSMETICS AND PERFUMES MAT,LLC	Liquidation	–	–	C	100.00
INTERNATIONAL COSMETICS AND PERFUMES MIZ, LLC		C	100.00	C	100.00
INTERNATIONAL COSMETICS AND PERFUMES, INC.		C	100.00	C	100.00
KERING EYEWEAR USA Inc.		C	65.07	C	65.07
LINDBERG USA, IINC.	Merger	–	–	C	65.07
MAUI JIM INC.		C	65.07	C	65.07
MAUI JIM USA, INC.		C	65.07	C	65.07
NILES FISHING COMPANY, LTD.		C	65.07	C	65.07
ZEAL OPTICS, INC.		C	65.07	C	65.07
Mexico					
COSPER INTERNATIONAL S. DE R.L. DE C.V.		C	100.00	C	100.00
CREED BOUTIQUE MASARYK S.A DE C.V.		C	100.00	C	100.00
Australia					
A.C.N. 682 948 705 PTY LTD	Formation	C	65.07	–	–
KERING EYEWEAR AUSTRALIA PTY Ltd		C	65.07	C	65.07
MAUI JIM AUSTRALIA PTY, LTD		C	65.07	C	65.07
Greater China					
Mainland China					
FONTAINE (SHANGHAI) INTERNATIONAL TRADE CO., LTD		C	100.00	C	100.00
KERING EYEWEAR SHANGHAI TRADING ENTERPRISES Ltd		C	65.07	C	65.07
LINDBERG SHANGHAI TRADING LTD	Merger	–	–	C	65.07
MAUI JIM EYEWEAR SELLING (SHANGHAI) CO., LTD		C	65.07	C	65.07
Hong Kong SAR					
FONTAINE HK LTD.		C	100.00	C	100.00
KERING EYEWEAR APAC Ltd		C	65.07	C	65.07
MAUI JIM ASIA LIMITED		C	65.07	C	65.07
Taiwan					
KERING EYEWEAR TAIWAN Ltd		C	65.07	C	65.07
South Korea					
KERING EYEWEAR KOREA Ltd		C	65.07	C	65.07
India					
KERING EYEWEAR INDIA Ltd		C	65.07	C	65.07
MAUI JIM SUN OPTICS INDIA PRIVATE LIMITED		C	65.07	C	65.07
Japan					
KERING EYEWEAR JAPAN Ltd		C	65.07	C	65.07
Malaysia					
KERING EYEWEAR MALAYSIA SDN BHD		C	65.07	C	65.07
Mexico					
MAUI JIM SUNGLASSES DE MEXICO S DE RL DE CV		C	65.07	C	65.07
Singapore					
KERING EYEWEAR SINGAPORE PTE LTD		C	65.07	C	65.07

Company	Transaction	% interest Dec. 31, 2024		Dec. 31, 2023	
South Africa					
MAUI JIM SOUTH AFRICA (PTY) LTD		C	65.07	C	65.07
United Arab Emirates					
CREED MIDDLE EAST PERFUMES TRADING LLC		C	100.00	C	100.00
KERING EYEWEAR MIDDLE EAST FZ-LLC		C	65.07	C	65.07
MAUI JIM MIDDLE EAST FZE		C	65.07	C	65.07
MAUI JIM MIDDLE EAST TRADING L.L.C		C	65.07	C	65.07
CORPORATE					
France					
26 VENDOME SCI	Formation	C	100.00	–	–
56 MONTAIGNE SCI	Formation	C	100.00	–	–
56 MONTAIGNE SNC		C	100.00	C	100.00
CASTIGLIONE 12-14 SCI		C	100.00	C	100.00
DISCODIS SAS	Merger	–	–	C	100.00
GG FRANCE 13 SAS		C	100.00	C	100.00
GG FRANCE 14 SAS		C	100.00	C	100.00
IMMO FRANCE 1 SAS		C	100.00	C	100.00
IMMO FRANCE 2 SAS		C	100.00	C	100.00
IMMO FRANCE 3 SAS		C	100.00	C	100.00
IMMO FRANCE 4 SAS		C	100.00	C	100.00
IMMO FRANCE 5 SAS		C	100.00	C	100.00
KERING BEAUTE SAS		C	100.00	C	100.00
KERING FINANCE SNC		C	100.00	C	100.00
KERING FRANCE 1		C	100.00	C	100.00
KERING FRANCE 2 SAS	Formation	C	100.00	–	–
KERING FRANCE PARTICIPATIONS SAS		C	100.00	C	100.00
KERING LEATHER INNOVATION LAB SAS	Consolidation	C	100.00	–	–
KERING SIGNATURE		C	100.00	C	100.00
KERING STUDIO	Consolidation	C	100.00	–	–
KERING TALENT AND LEARNING	Consolidation	C	100.00	–	–
KERING VENTURE SAS		C	100.00	C	100.00
LYSITHEE SAS	Formation	C	100.00	–	–
MATIERE PREMIERE	Acquisition	E	20.00	–	–
MONTAIGNE 35 - 37 SCI		C	100.00	C	100.00
PASIPHAE SCI	Formation	C	100.00	–	–
SOCIETE CIVILE KERING CAPITAL		C	100.00	C	100.00
Spain					
KERING SPAIN SL		C	100.00	C	100.00
United Kingdom					
KERING INTERNATIONAL Ltd		C	100.00	C	100.00
KERING UK SERVICES Ltd		C	100.00	C	100.00
Italy					
KERING ITALIA SpA		C	100.00	C	100.00
KERING SERVICE ITALIA SpA		C	100.00	C	100.00
NEVER GIVE UP INVESTMENTI S.R.L.		C	50.98	C	50.74
Luxembourg					
E-KERING LUX SA		C	100.00	C	100.00
KERING RE		C	100.00	C	100.00

Company	Transaction	% interest Dec. 31, 2024		Dec. 31, 2023	
Netherlands					
GUCCI PARTICIPATION BV		C	100.00	C	100.00
K OPERATIONS BV		C	100.00	C	100.00
KERING HOLLAND NV		C	100.00	C	100.00
KERING INVESTMENT EUROPE 2 BV	Formation	C	100.00	–	–
KERING INVESTMENTS EUROPE BV		C	100.00	C	100.00
KERNIC-MET BV		C	100.00	C	100.00
Switzerland					
LUXURY GOODS INTERNATIONAL SA		C	100.00	C	100.00
LUXURY GOODS LOGISTICS SA		C	51.00	C	51.00
LUXURY GOODS OPERATIONS SA	Merger	–	0.00	C	51.00
Brazil					
KERING BRASIL SERVICOS ADMINISTRATIVOS LTDA		C	100.00	C	100.00
Canada					
KERING CANADA SERVICES INC		C	100.00	C	100.00
United States					
717 FIFTH AVE, LLC	Acquisition	C	100.00	–	0.00
KERING AMERICAS Inc.		C	100.00	C	100.00
Mexico					
KERING MEXICO S. DE R.L. DE C.V.		C	100.00	C	100.00
Australia					
KERING AUSTRALIA PTY Ltd		C	100.00	C	100.00
Greater China					
Mainland China					
KERING INVESTMENT MANAGEMENT GROUP CO., LTD		C	100.00	C	100.00
Hong Kong SAR					
KERING ASIA PACIFIC Ltd		C	100.00	C	100.00
South Korea					
KERING KOREA LLC		C	100.00	C	100.00
Japan					
KERING JAPAN Ltd		C	100.00	C	100.00
KERING TOKYO INVESTMENT Ltd		C	100.00	C	100.00
YUGEN KAISHA GUCCI		C	100.00	C	100.00
Malaysia					
KERING SERVICES MALAYSIA SDN BHD		C	100.00	C	100.00
Singapore					
KERING SOUTH EAST ASIA PTE Ltd		C	100.00	C	100.00
Thailand					
KERING (THAILAND) LIMITED	Formation	C	100.00	–	–
United Arab Emirates					
KERING SERVICES MIDDLE EAST		C	100.00	C	100.00

Kering

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Empowering Imagination