



# letter

TO SHAREHOLDERS

Dear Shareholders,

We are delighted to share this new edition of your Letter, which features a new format allowing us to share more widely Kering's latest achievements. Over the last year, we have strengthened our organization, invested and taken decisive steps to make our Houses more visible and exclusive than ever, while pursuing our sustainability ambitions. We are focused on reinvigorating Gucci, leveraging the unique combination of craftsmanship, Italian heritage and modernity that characterizes this iconic House. The launch of Kering Beauté and the acquisition of Creed, an established high-end luxury fragrance House, will enable us to increase our share of a constantly growing market. We are also stepping up our

investments in our exceptional know-how and value chain, as shown by the opening of Saint Laurent's *Atelier Maroquinerie* and Boucheron's acquisition of a high jewelry workshop. In a market environment remaining uncertain in the beginning of this year, our continuing investments in our Houses will put pressure on our results in the short term. Thanks to the experience gained across the group through a decade of outstanding expansion, we are confident in achieving our long-term ambitions while continuing, with your support, to craft tomorrow's luxury.

**François-Henri Pinault, Chairman and CEO**

## 2023 KEY FIGURES

Revenue  
**€19.6 billion**

Net income attributable  
the Group  
**€3 billion**

Recurring operating  
income  
**€4.7 billion**

Employees\*  
**49,000**

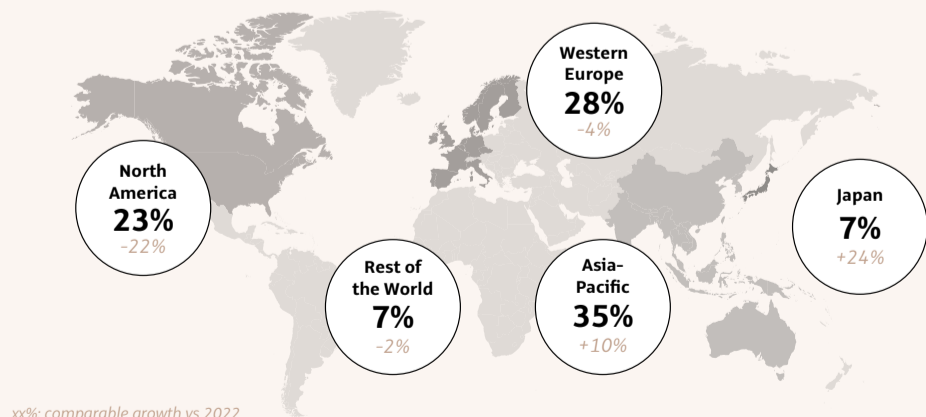
Recurring operating  
margin  
**24.3%**

Directly operated  
stores\*  
**1,771**

\* As of December 31, 2023

In 2023, the Group's revenue totaled €19.6 billion, down 4% as reported and down 2% on a comparable basis compared to 2022. Performance varied between regions. Sales grew strongly in Japan and to a lesser extent in Asia-Pacific. Sales declined in North America, after exceptional performance in 2021 and until the first half of 2022. Trends in Western Europe were good until the first half of 2023. Recurring operating income amounted to €4.7 billion, down 15% as reported.

## Revenue breakdown by region



xx%: comparable growth vs 2022

## Dividend per share (in €)



\* Kering's Board of Directors will ask shareholders to approve a cash dividend of €14 per share, unchanged from last year, at the Annual General Meeting to be held on April 25, 2024. An interim dividend of €4.50 per share was paid on January 17, 2024. If approved, a final dividend of €9.50 would therefore be paid on May 6, 2024.

## Gucci



Gucci's revenue amounted to €9.9 billion in 2023, down 6% as reported and down 2% on a comparable basis. Directly operated stores made up 91% of Gucci's total sales. Recurring operating income was close to €3.3 billion and recurring operating margin was 33.1%. Gucci's new Creative Director Sabato de Sarno presented his first collection during Milan Fashion Week in September 2023. The collection has been gradually rolled out across stores since February 2024.

## Yves Saint Laurent

Yves Saint Laurent's revenue amounted to €3.2 billion, down 4% as reported and down 1% on a comparable basis. Sales from the House's directly operated retail network accounted for 81% of its total revenue and rose by 4% on a comparable basis. The House achieved recurring operating income of almost €1 billion in 2023, and its recurring operating margin remained over 30%.

## Bottega Veneta



Bottega Veneta's revenue amounted to €1.6 billion, down 5% as reported and down 2% on a comparable basis compared to 2022. The House focuses on distributing its products through directly operated stores, which accounted for 82% of its revenue in 2023 (78% in 2022). Bottega Veneta achieved recurring operating income of €312 million. Recurring operating margin was 19%.

## Other Houses



In 2023, revenue from Kering's Other Houses totaled €3.5 billion, down 9% as reported and down 8% on a comparable basis.

Balenciaga and Alexander McQueen's performance was affected by their exposure to wholesalers,

notably following the decision to prioritize their own distribution. Brioni's activity keeps growing. Jewelry Houses performance sharply increased: Boucheron had another year of firm growth. Pomellato and Qeelin also performed well.

The Other Houses generated recurring operating income of €212 million in 2023. Recurring operating margin was 6%.

## Kering Eyewear and Corporate\*

Kering Eyewear's revenue continued to rise, coming in at €1.5 billion, up 35% as reported. That figure includes the impact of Maui Jim, which has been consolidated since October 1, 2022. Growth was 10% on a comparable basis. Kering Eyewear's recurring operating income was €276 million in 2023.

Corporate costs amounted to €283 million in 2023, similar to the 2022 figure.

\* Segment comprising Kering Eyewear, Kering Beauté (including Creed, acquired in October 2023), and corporate departments.



# store openings

## BOTTEGA VENETA EXPANDS ITS PARIS AVENUE MONTAIGNE STORE

Bottega Veneta expanded and reopened its 12 Avenue Montaigne flagship in Paris. The iconic duplex location combines Italian craftsmanship with a modernist sensibility.

The near 800m<sup>2</sup> space is defined by two essential materials: Murano glass and Italian "Noce" wood, recalling the Veneto region. The design centers around Murano glass blocks framed by walnut wood panels. The space consists of a series of salons, favoring intimate client moments in line with the brand's ultra-high-end positioning.

The new store offers all Bottega Veneta product categories, including the newly launched Home category, as well as a new in-store personalization service for select leather goods.



## qeelin

### QEELIN CELEBRATES THE YEAR OF DRAGON

Qeelin and Global Brand Ambassador Liu Shishi wished everyone a year of joy, happiness and prosperity at the annual Golden Dragon Parade, a traditional procession of bamboo rafts drifting serenely along the Yu Long River like the mythical creature.

As an auspicious start to the Year of the Dragon, Qeelin is honored to announce the latest creation in its *Bo Bo* collection: the Dragon *Bo Bo*, dragon with panda features, a radiant 18K rose gold pendant with diamonds and jade. This modern interpretation of the mythical animal pays tribute to the House's Eastern heritage and joyful, contemporary aesthetics.

These events initiate not only Year of the Dragon but also mark the 20<sup>th</sup> anniversary of Qeelin.



## BOUCHERON UNVEILS ITS NEW FLAGSHIP STORE IN TOKYO

On September 8, 2023, Boucheron opened its second-largest store in the world after the Place Vendôme store, in Ginza, the emblematic luxury district.

The new store of over 1,000 m<sup>2</sup> is an ode to nature. With its size, strategic location and the unique experience offered on each of its four floors, it acts as Boucheron's showcase in Asia.



## GUCCI'S RENOVATES ITS HISTORIC STORE IN VIA MONTE NAPOLEONE IN MILAN

Gucci's newly renovated Via Monte Napoleone store in Milan, deeply rooted in the city since 1951, seamlessly blends tradition with contemporary design, celebrating Milan's creativity and the essence of "Made in Italy."

The boutique was among the first to debut Sabato De Sarno's *Gucci Ancora* collection.



## know-how

### BOUCHERON ACQUIRES A HIGH JEWELRY ATELIER

As part of its development strategy and to accompany its growth, Boucheron has acquired a High Jewelry atelier recognized for its outstanding traditional know-how, located just a short distance from Place Vendôme in Paris. This acquisition will therefore add to the production capacity of the House's established high jewelry atelier.

### SAINT LAURENT OPENS L'ATELIER MAROQUINERIE

Saint Laurent is proud to announce the opening of *L'Atelier Maroquinerie*, its new 28,700 m<sup>2</sup> Centre of Excellence for the development and production of the brand's accessories and leather goods. Located in Scandicci, Florence, the atelier employs more than 500 skilled artisans and technicians.

## GUCCI

### GUCCI NEW CREATIVE CHAPTER

**2023** marked the beginning of a new era at Gucci with the appointment of Sabato De Sarno as Creative Director. In September 2023, his debut Women Spring Summer 2024 collection, *Gucci Ancora* was presented.

Drawing inspiration from Gucci's remarkable heritage, the collection centered around a theme that embraced a return to love and beauty. The show unfolded as a joyful narrative which highlighted a fresh aesthetic by seamlessly blending signature elements from the Gucci archive with De Sarno's contemporary vision, tailored to resonate with the modern woman. A few weeks after the debut show *Gucci Ancora*, the House presented *Ancora Notte*, his first eveningwear collection unveiled at the LACMA Art+Film Gala.

2024 started with the Men's and Women's Fall Winter 2024-2025 Fashion Shows. In January 2024, the Men's Fall-Winter 2024-25 show emphasized the shift towards a more formal, sophisticated and glamorous wardrobe, with the use of subdued silhouettes, attention to craftsmanship, and the incorporation of standout accessories.

Revealed in February 2024, the Women's Fall-Winter 2024-25 show beautifully blended artistic brilliance with technical precision. Each garment displayed meticulous details crafted through extensive research and technical experimentation, while reinventing the brand's heritage codes.



## BALENCIAGA

### BALENCIAGA RUNWAY SHOW IN LOS ANGELES

On December 2, 2023, Balenciaga held its first ever show in the city of Los Angeles to present its Fall 2024 collection, showcasing an interpretation of LA's fashion codes.

In homage to the city's trademark looks, the show opened with models in activewear, before moving on to an updated grunge style followed by tailoring. The close of the show turned the spotlight on red carpet outfits, in particular dresses inspired by Cristóbal Balenciaga designs. The final look paid tribute to LA's much loved "incognito" style, with a monumental gown with a high neckline hiding part of the model's face.



### LAUNCH OF BALENCIAGA'S "IT'S DIFFERENT" CAMPAIGN

The "It's different" campaign launched on November 2, 2023, reflects Balenciaga's new media and social media strategy, presenting items in exaggerated proportions, as well as the House's key silhouettes. Taking a minimalist approach, large-scale product images are displayed alongside short, ironic messages.





# sustainability and social commitment

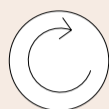
## NON-FINANCIAL ACHIEVEMENTS IN 2023



### Climate

**77%** reduction in our Scope 1 and 2\* greenhouse gas emissions in absolute terms, and **55%** reduction in our Scope 3\* emission intensity vs. 2015.

In 2023, we adopted a target of reducing our emissions across Scopes 1, 2 and 3 by **40% in absolute terms by 2035** relative to 2021.



### Energy transition

**100%** renewable electricity in 2023\*\* (target achieved in 2022).



### Traceability

**97%** of raw materials traced (target of 100% in 2025).



### Biodiversity

**840,000** hectares of land being converted to regenerative agriculture – out of a target of one million hectares by 2025 – through the Regenerative Fund for Nature, which Kering launched in 2022 in conjunction with *Conservation International* NGO, and which Inditex joined in 2023.



### Gender equality

As of December 31, 2023, women account for **63%** of Kering's employees, **57%** of its managers, and **50%** of the Board of Directors.



### Craftsmanship

**1,700** people trained through our Houses' excellence programs, such as those developed by: Gucci and *Instituto Secoli*, *Institut Saint Laurent Couture*, *Pomellato Virtuosi* with *Scuola Galdus*, Boucheron with *Haute École de Joaillerie*, Bottega Veneta's *Accademia Labor et Ingenium*...

## EXTERNAL RECOGNITION

**Rated AAA by CDP**, acknowledging our efforts to protect the climate, water and forests. Kering is one of only 10 companies in the world to be rated Triple A, and the only one in the luxury sector.

**MSCI AAA rating** for the third consecutive year, recognizing our management of ESG (environmental, social and governance) risks and opportunities.

**Inclusion in the DJSI World and DJSI Europe indices for the 11<sup>th</sup> consecutive year.** Kering is the only company from the luxury sector to feature consistently in these indices.

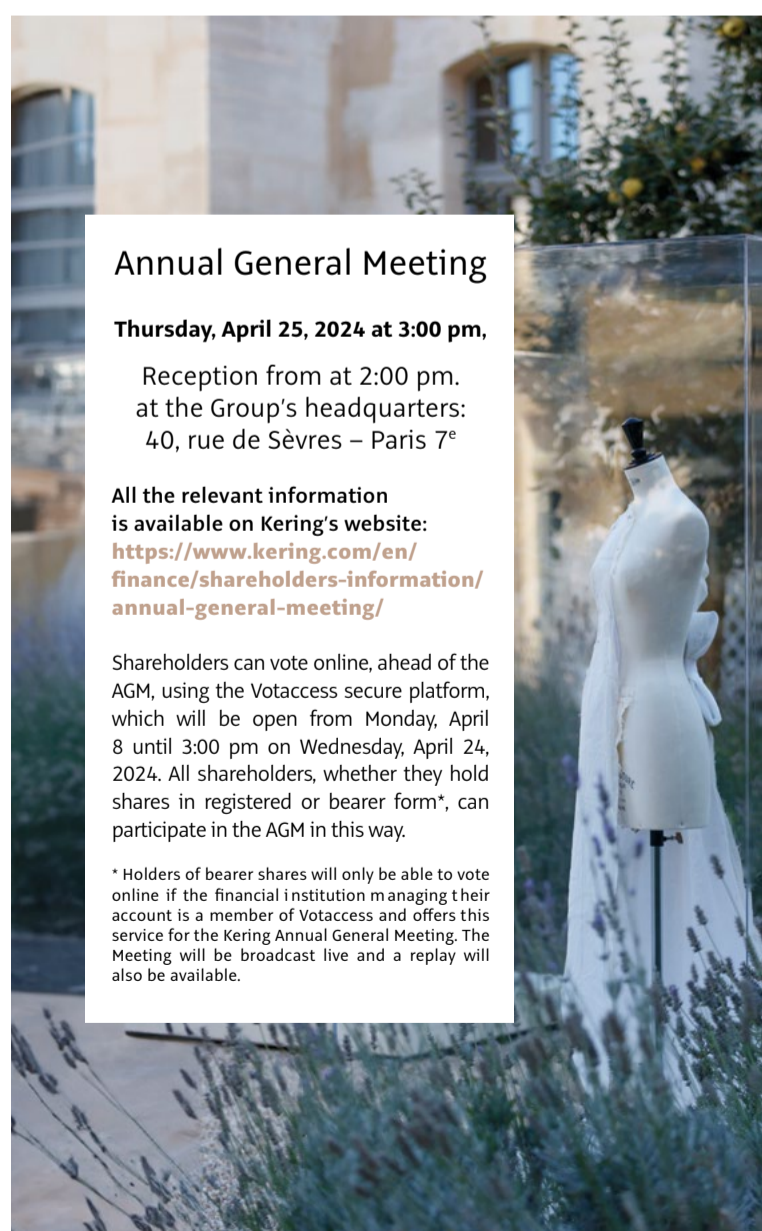
**Level 1 Universal Fair Pay certification awarded, recognized for all the Houses.**

The Group has analyzed gender pay gaps, examining various factors that influence salaries – such as experience, responsibility level and type of work done – and found a 1.6% gap in favor of men. Priority areas of action have been identified in order to achieve equal pay at all levels of the hierarchy by 2025.

\* Scope 1: direct emissions from our business activities; Scope 2: indirect emissions arising from our energy consumption; Scope 3: other indirect emissions.

\*\* In every country where this is possible, in line with international RE100 guidelines.

## SHAREHOLDERS' NOTEBOOK



### Annual General Meeting

Thursday, April 25, 2024 at 3:00 pm,

Reception from at 2:00 pm.  
at the Group's headquarters:  
40, rue de Sèvres – Paris 7<sup>e</sup>

All the relevant information is available on Kering's website:  
<https://www.kering.com/en/finance/shareholders-information/annual-general-meeting/>

Shareholders can vote online, ahead of the AGM, using the Votaccess secure platform, which will be open from Monday, April 8 until 3:00 pm on Wednesday, April 24, 2024. All shareholders, whether they hold shares in registered or bearer form\*, can participate in the AGM in this way.

\* Holders of bearer shares will only be able to vote online if the financial institution managing their account is a member of Votaccess and offers this service for the Kering Annual General Meeting. The Meeting will be broadcast live and a replay will also be available.

### Share Price

Performance of the Kering share compared to the CAC 40 index (rebased) from January 1, 2023 to February 29, 2024



\* Closing price between January 1 and February 29, 2024.

**MARKET CAPITALIZATION**  
As of December 29, 2023  
**€49.245 billion**

### GENERAL DATA PROTECTION REGULATION

In accordance with France's data protection law (*Informatique et Libertés*) of January 6, 1978 (as amended) and the EU General Data Protection Regulation of April 27, 2016, you have the right to access, rectify and erase your personal data, and to restrict or object to the processing of that data, as well as the right to data portability, under the conditions set forth in the applicable legislation. To exercise your rights, please contact us at the following address: [actionnaire@kering.com](mailto:actionnaire@kering.com).

For more information, please consult our Privacy Policy at <https://www.kering.com/en/legal/>.

Should you no longer wish to receive Kering's Letter to Shareholders, please contact us by post or email (see "Contact information" details).

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### Provisional Calendar

**Tuesday, April 23, 2024**

First-quarter revenue

**Thursday, May 2, 2024**

Ex-dividend date

**Monday, May 6, 2024**

Payment of final dividend in respect of 2023

**Wednesday, July 24, 2024**

Publication of first-half results

### Contact information

For all requests regarding the management of shares held in pure registered form\*, Société Générale Securities Services is your point of contact.

**Société Générale Securities Services**  
**SGSS/SBO/ISS**

32 rue du champ de tir – CS 30812

44308 Nantes Cedex 3 – France

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(voicebot available 24/7/advisors available Monday to Friday, 9:30am to 6:00pm (CET))

For any other queries, please contact:

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\* If you own administered registered shares, the financial intermediary who manages your account remains your point of contact.