VGR

// H1 2026

KERING

GUCCI SAINT LAURENT BOTTEGA VENETA BALENCIAGA McQUEEN Brioni

VGR MARKET INTELLIGENCE

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01

Executive Summary

Revenue fell €219m, 2.9%, to €7,220m against comparable growth of 1%; currency took €280m, 3.8 points, and Gucci's €270m fall was 123.3% of the group decline

Kering reported first-half revenue of €7,220m against €7,439m, down 2.9%, and up 1% on a comparable basis. Comparable growth was 0% in the first quarter and 2% in the second. Recurring operating income was €921m against €920m, a margin of 12.8% against 12.4%. Net income attributable to the Group was €189m against €474m, and €355m against €404m before non-recurring items. Net debt was €3,324m at 30 June against €8,039m at 31 December 2025. The 2025 figures are restated by the company to exclude Kering Beauté, sold to L'Oréal on 31 March 2026. The company gives no numeric guidance for 2026.

The company puts the currency effect at €280m, 4 points of growth, of which the US dollar €105m, the yen €72m and the won €43m; on the €7,439m base it is 3.8 points. The sale of The Mall Luxury Outlets in January 2025 took €3m. At constant scope and exchange rates revenue rose €64m, 0.9% in VGR arithmetic. Currency therefore took more than four times what the business added. Gucci revenue fell €270m, 8.9%, to €2,757m, and 5% on a comparable basis; on that rate currency accounts for about €110m to €140m of the Gucci fall. The rest of Kering Fashion & Leather Goods fell €45m, 1.5%. Kering Jewelry rose €66m, 14.5%, and Kering Eyewear €44m, 4.8%.

The second quarter differed from the first. Group revenue rose 0.7% in the second quarter after falling 6.4% in the first. Gucci fell 3.2% against 14.3%, and 2% against 8% on a comparable basis. By region, North America rose 9% on a comparable basis and 2.6% in euros; Japan rose 2% comparable and fell 10.0% in euros; Western Europe fell 2% comparable. The third-quarter release will show whether comparable growth holds at the second quarter's 2%.

Recurring operating income was flat at €921m: gross profit fell €239m and operating expenses fell €240m, and the gross margin lost 110bp to 71.6%

Gross margin, in the company's wording, was €5,170m against €5,409m, 71.6% of revenue against 72.7%. Cost of sales rose €20m while revenue fell €219m. Other personnel expenses fell €105m, 7.4%, to €1,315m, adding 88bp to the margin; other recurring operating expenses fell €135m, 4.4%, adding 62bp. The recurring operating margin rose 39bp to 12.8%. The average headcount of Kering Fashion & Leather Goods fell 9.6% and Gucci's 12.7%. The report does not break the gross margin down by segment or between price, mix and cost.

By segment, recurring operating income changed by €1m in total: Gucci −€18m, the rest of Kering Fashion & Leather Goods +€14m, Kering Jewelry +€16m, Kering Eyewear +€36m, Corporate & Other −€41m and eliminations −€6m. Gucci's margin rose 92bp to 17.0% on revenue 8.9% lower, as its costs below revenue fell 9.9%.

Kering Eyewear's margin rose 281bp to 23.0%. The 2026 full-year results will show whether cost reductions continue to match the fall in gross profit.

Net debt fell €4,715m to €3,324m; €3,531m came from other movements, mainly the Kering Beauté proceeds, and free cash flow of €2,613m includes €797m from property and the Gucci beauty agreement

Free cash flow from operations was €2,613m against €2,383m. It includes €497m from real estate transactions and €300m relating to the Gucci Beauty agreement; the first half of 2025 included €1,300m from real estate. Excluding these items, free cash flow was €1,816m against €1,083m, up 67.7%. The change in working capital requirement was an inflow of €602m against an outflow of €261m, and inventories fell €292m, 7.9%, in the half. Net cash from discontinued operations was €3,709m. Net debt to adjusted recurring EBITDA, the company's pre-IFRS 16 measure, fell to 1.4x from 3.4x. Dividends paid by Kering SA were €490m, including an exceptional €123m after the Beauté disposal. The 2026 full-year results will show net debt after a second half without the Beauté proceeds.

WHAT TO WATCH

Third-quarter 2026 revenue release; the date is not stated in the half-year documents. Group comparable revenue growth. A continuation is 2% or more, the second-quarter rate; a break is 0% or below, the first-quarter rate.

Same release. Gucci comparable revenue growth, −8% in the first quarter and −2% in the second. A continuation is a figure above −2%; a break is a return to −5% or below, the first-half rate.

2026 full-year results, date not stated. Net closures of directly operated stores against the 100 targeted for 2026, 84 of them done by 30 June, and the gross margin against 71.6%. A continuation is a full-year gross margin at or above 71.6%; a break is a figure below it.

VGR will publish the Q3 2026 analysis when the figures are released.

02

The period in figures

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KERING SA · EURONEXT PARIS: KER · FIRST HALF 2026 · EUR AS PUBLISHED

FINANCIAL YEAR ENDS 31 DECEMBER 2026 · PERIOD ENDED 30 JUNE 2026 · REPORTED 28 JULY 2026 · ANALYSIS 30 SEPTEMBER 2026

NET REVENUES	GROSS PROFIT	OPERATING PROFIT	NET PROFIT
−2.9%	**−4.4%**	**+0.1%**	**−60.1%**
7,220 vs 7,439	5,170 vs 5,409	921 vs 920	189 vs 474

	GROSS MARGIN	OPERATING MARGIN	RoS
	71.6%	**12.8%**	**2.6%**
	from 72.7%	from 12.4%	from 6.4%

€m, half-year against the same half a year earlier; operating profit is the company's recurring operating income; net profit is net income attributable to the Group, including discontinued operations; 2025 restated to exclude Kering Beauté; changes, margins and RoS are VGR arithmetic

Kering reports half-yearly under IAS 34 for a financial year that ends on 31 December. The condensed interim statements are unaudited. The table sets the reported lines beside the VGR basis used in the rest of this analysis.

€M	H1 26	H1 25	CHANGE
Revenue	7,220	7,439	**−2.9%**
comparable, as disclosed			+1%
at constant scope and currency, VGR	7,220	7,156	+0.9%
Gross margin (company line)	5,170	5,409	**−4.4%**
Other personnel expenses	(1,315)	(1,420)	−7.4%
Other recurring operating income and expenses	(2,934)	(3,069)	−4.4%
Recurring operating income	921	920	+0.1%

€M	H1 26	H1 25	CHANGE
Recurring EBITDA	1,935	1,955	**−1.0%**
Other non-recurring items	(223)	34	**−257**
Operating income	698	954	**−26.8%**
Income before tax	418	677	**−38.3%**
Net income attributable to the Group	189	474	**−60.1%**
continuing, excluding non-recurring items	355	404	**−12.1%**
Free cash flow from operations	2,613	2,383	+9.7%
Net debt, 30 June 2026 and 31 December 2025	3,324	8,039	−4,715

Source: Kering, 2026 First-Half Report, 28 July 2026: income statement, pp.14–22, 38. The comparable rate is as disclosed, in whole points; other changes are VGR arithmetic. The H1 25 constant-currency base is 7,439 less €280m currency and €3m scope.

03

The restatement bridge

Four items change the basis of comparison. Kering Beauté is a discontinued operation under IFRS 5 from 31 March 2026, and the company restates the 2025 income statement and segments to exclude it. Currency took €280m. The sale of The Mall Luxury Outlets in January 2025 took €3m. From the first quarter of 2026 the segments are Kering Fashion & Leather Goods, with Gucci shown separately, Kering Jewelry, Kering Eyewear and Corporate & Other; the new presentation moves no total. The calendar is the same in both periods.

H1 2025 TO H1 2026, €M	AMOUNT	POINTS OF BASE	PRECISION
Revenue, H1 2025 restated	7,439		disclosed
Currency	**−280**	**−3.8**	disclosed in €; points VGR
Scope: The Mall Luxury Outlets	**−3**	**−0.0**	disclosed
Growth at constant scope and currency	+64	+0.9	derived; company +1%
Revenue, H1 2026	7,220	**−2.9**	disclosed

Source: Kering, 2026 First-Half Report, 28 July 2026, pp.13–14. Points of base are VGR arithmetic on the restated H1 2025 revenue.

04

Growth composition

Growth Composition Index, points of reported growth: currency −3.8; perimeter −0.0 (€3m); space and like-for-like not disclosed; comparable growth +0.9 in VGR arithmetic. The company does not publish like-for-like sales or selling space. Retail sales, 73% of revenue before eliminations, were €5,351m and flat on a comparable basis; wholesale and other revenue rose 5%.

SEGMENT, €M	H1 26	H1 25	REPORTED	COMPARABLE
Kering Fashion & Leather Goods	5,800	6,115	**−5.2%**	−1%
of which Gucci	2,757	3,027	**−8.9%**	−5%
other houses, VGR	3,043	3,088	**−1.5%**	n/d
Kering Jewelry	521	455	+14.5%	+20%
Kering Eyewear	965	921	+4.8%	+8%
Corporate & Other	65	71	**−8.5%**	+1%
Eliminations	(131)	(123)		
Group	7,220	7,439	**−2.9%**	+1%

Source: Kering, 2026 First-Half Report, 28 July 2026, p.14. Reported changes are VGR arithmetic; comparable rates are as disclosed in whole points; n/d not disclosed.

REGION, €M	H1 26	H1 25	REPORTED	COMPARABLE
Asia-Pacific excl. Japan	2,137	2,217	**−3.6%**	0%
Western Europe	2,138	2,194	**−2.6%**	−2%
North America	1,765	1,720	+2.6%	+9%
Japan	539	599	**−10.0%**	+2%
Rest of the world	641	709	**−9.6%**	−8%

Source: Kering, 2026 First-Half Report, 28 July 2026, p.15. Reported changes VGR arithmetic; comparable rates as disclosed.

QUARTER, €M	2026	2025	REPORTED	COMPARABLE
Group Q1	3,568	3,813	**−6.4%**	0%
Group Q2	3,652	3,626	+0.7%	+2%
Gucci Q1	1,347	1,571	**−14.3%**	−8%
Gucci Q2	1,410	1,456	**−3.2%**	−2%

Source: Kering, 2026 First-Half Report, 28 July 2026, p.14. Reported changes VGR arithmetic.

05

The estate

Directly operated stores fell by 84 net in the half to 1,635, 4.9% of the December estate, after 75 net closures in 2025. The press release states a target of 100 net closures for 2026. Kering Fashion & Leather Goods closed 88 net, Gucci 19; Kering Jewelry opened 4 net. Retail sales were flat on a comparable basis with 4.9% fewer stores; sales per store are not calculable without the store count at 30 June 2025.

DIRECTLY OPERATED STORES	30 JUN 26	31 DEC 25	NET CHANGE
Group	1,635	1,719	**−84**
Kering Fashion & Leather Goods	1,415	1,503	**−88**
of which Gucci	478	497	**−19**
Kering Jewelry	206	202	+4

Source: Kering, 2026 First-Half Report, 28 July 2026, pp.6, 16, 26, 29, 31. December segment counts are the June count less the disclosed net change.

06

Margin architecture

Both years are on the company's recurring basis, which excludes the items in note 4. The bridge below moves the recurring operating margin from 12.4% to 12.8%.

RECURRING OPERATING MARGIN BRIDGE	BP	€M CHANGE	PRECISION
H1 2025 recurring operating margin, 12.4%			disclosed
Gross margin, 72.7% to 71.6%	**−110**	**−239**	exact
Other personnel expenses	+88	+105	exact
Other recurring operating income and expenses	+62	+135	exact
Rounding	−1		

RECURRING OPERATING MARGIN BRIDGE	BP	€M CHANGE	PRECISION
H1 2026 recurring operating margin, 12.8%	+39	+1	exact

Source: Kering, 2026 First-Half Report, 28 July 2026, p.38. VGR arithmetic on disclosed € millions.

SEGMENT RECURRING OPERATING MARGIN	H1 26	H1 25	CHANGE
Kering Fashion & Leather Goods	14.3%	13.6%	+67bp
of which Gucci	17.0%	16.1%	+92bp
other houses, VGR	11.8%	11.2%	+63bp
Kering Jewelry	6.1%	3.5%	+263bp
Kering Eyewear	23.0%	20.2%	+281bp
Corporate & Other, €m	(152)	(111)	**−41**
Group	12.8%	12.4%	+39bp

Source: Kering, 2026 First-Half Report, 28 July 2026, pp.17, 24–33. Margins and bp are VGR arithmetic on disclosed € millions.

Recurring EBITDA was €1,935m, 26.8% of revenue, 52bp higher. Depreciation and provisions fell €21m to €1,014m, of which right-of-use depreciation rose €6m to €588m.

07

Inventory

Inventories were €3,385m at 30 June against €3,677m at 31 December 2025, down €292m, 7.9%. The statement of net current operating assets attributes €317m of the fall to cash flow, with currency adding €31m and other changes taking €6m. On first-half cost of sales, inventory represents 299 days; the comparable figure at 30 June 2025 is not calculable from this report, which does not give the prior-year June balance.

INVENTORY	VALUE	PRECISION
Inventories, 30 June 2026, €m	3,385	disclosed
Change in the half, €m	**−292**	disclosed balances
Days on first-half cost of sales (181 days)	299	derived
Inventory to annualised first-half revenue	23.4%	derived

Source: Kering, 2026 First-Half Report, 28 July 2026, pp.19–20, 38. VGR arithmetic.

08

Working capital, cash and capital structure

€M	H1 26	H1 25	CHANGE
Cash flow before tax, dividends and interest	1,822	1,895	**−73**
Change in working capital requirement	602	(261)	+863
Income tax paid	(100)	(162)	+62
Net cash from operating activities	2,324	1,472	+852
Capital expenditure	(419)	(431)	+12
Disposals of fixed assets	708	1,342	**−634**
Free cash flow from operations	2,613	2,383	+230
of which real estate transactions	497	1,300	**−803**
of which Gucci Beauty agreement	300	–	+300
Free cash flow excluding these items, VGR	1,816	1,083	+67.7%
Lease principal and interest	(693)	(653)	**−40**
Available cash flow	1,809	1,583	+226

Source: Kering, 2026 First-Half Report, 28 July 2026, pp.20–22.

NET DEBT BRIDGE, €M	H1 26
Net debt, 1 January 2026	8,039
Free cash flow from operations	(2,613)
Dividends paid	493
Net interest paid and dividends received	111
Lease repayments	692
Other acquisitions, disposals and own shares	133
Other movements	(3,531)
Net debt, 30 June 2026	3,324

Source: Kering, 2026 First-Half Report, 28 July 2026, p.22. The bridge sums to the closing figure.

Borrowings were €11,804m and cash €8,480m. Lease liabilities of €6,103m are outside net debt. The cash flow statement shows €3,709m of net cash from

discontinued operations. The report describes €729m received at closing of the Kering Beauté sale and €432m payable five years later; the pages read do not reconcile these amounts to the €3,709m. Undrawn committed lines were €3,800m and the S&P rating BBB+ with a stable outlook.

09

Capital allocation and returns

Capital expenditure was €419m, 5.8% of revenue, of which €159m was property in a future state of completion; excluding real estate it was €260m, 3.6% of revenue against 5.3%. The Capital Markets Day set 5% to 6% of revenue for capital expenditure and a payout ratio around 50% of recurring net income. Dividends paid of €490m equal 27.1% of available cash flow. Kering took a 20% stake in the Raselli Franco group and a minority stake in ICCF. Return on capital employed is not disclosed in the report.

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Earnings quality

Net income attributable to the Group fell €285m, 60.1%. Non-recurring items moved from a €34m gain to a €223m charge: a €129m capital loss on the sale of the building at via Monte Napoleone 8 in Milan, €41m of impairment tied to store closures, net restructuring of €20m and net other items of €31m. In 2025 the line included €182m of gains on The Mall and €104m on a building in Japan. The effective tax rate was 48.8% against 29.5%; on recurring income it was 32.5%, which at the 2025 rate would have been €18.9m lower.

RECURRING NET INCOME BRIDGE, €M	CHANGE
Recurring net income, H1 2025	404
Recurring income before tax	−2
Tax on recurring income	−18
Equity-accounted companies	−24
Minority interests	−6
Rounding	+1
Recurring net income, H1 2026	355

Source: Kering, 2026 First-Half Report, 28 July 2026, pp.15, 18, 38. VGR arithmetic; the composition of the equity-accounted loss is not disclosed in the pages read.

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Guidance and the implied requirement

ITEM	STATUS	DETAIL
Return to growth, 2026	Met in H1	+1% comparable; −2.9% reported
Improve profitability, 2026	Met in H1	recurring margin +39bp
100 net store closures, 2026	84 done	16 remaining for H2
Capex 5–6% of revenue, mid-term	Below	3.6% excluding real estate; 5.8% including it
Recurring margin more than double FY 2025, mid-term	n/c	FY 2025 margin not in this report

Source: Kering, 2026 First-Half Report, 28 July 2026, p.34; Kering H1 2026 press release, 28 July 2026; Capital Markets Day release, 16 April 2026. n/c not calculable.

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Disclosure delta and metrics not reported

From the first quarter of 2026 the report shows revenue and recurring operating income for Gucci only within Kering Fashion & Leather Goods; figures for Saint Laurent, Bottega Veneta, Balenciaga, McQueen and Brioni are no longer published separately. Not reported: like-for-like sales, selling space, gross margin by segment, the price and volume split, inventory at 30 June 2025, return on capital employed, the composition of the equity-accounted loss, and numeric guidance for 2026.

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The company's account, tested

CLAIM	DISPOSITION
"Back to growth" (release title)	Partially supported: +1% comparable; −2.9% reported
"Net debt: €3.3 billion reduced by €4.7 billion since December 31, 2025"	Supported by the disclosed figures; €3,531m of the fall is other movements
"All key execution levers on track or ahead of plan"	Not verifiable from the disclosure, except store closures: 84 of 100

CLAIM	DISPOSITION
Operating expenses fell 5%	Supported by the disclosed figures: −5.3%
Recurring operating margin at 12.8%, "enhanced operating performance"	Supported by the disclosed figures: +39bp, with gross profit −€239m and costs −€240m
Gucci retail acceleration of 7 points in Q2	Not verifiable from the disclosure: quarterly retail rates not published
North America "the main engine of growth"	Partially supported: +9% comparable, +2.6% in euros

Kering H1 2026 press release, 28 July 2026; Source: Kering, 2026 First-Half Report, 28 July 2026. Dispositions are VGR's; arithmetic in the source-figures file, PART 3.

14

Method, sources and precision

Primary source: the 2026 First-Half Report, which carries the activity report and the condensed interim statements and notes, with the press release for the company's claims and the Capital Markets Day release for the prior. Segments, quarters and regions cross-foot to group revenue; the net debt bridge sums to the closing figure; recurring EBITDA equals recurring operating income plus depreciation and provisions.

FIGURE	PRECISION
Growth rates, margins and bp on disclosed € millions	Exact
Comparable growth rates	As disclosed, whole points
Currency within the Gucci fall	Bounded: €110m to €140m
Inventory days	Derived on first-half cost of sales
Like-for-like, sales per store, house-level figures	Not calculable: not disclosed

VGR arithmetic, Kering_H1_2026_Source_Figures.md.

PEER, FIRST HALF 2026	REPORTED REVENUE GROWTH	NOTE
Kering	−2.9%	comparable +1%; recurring margin 12.8%
LVMH	−2.9%	organic +2%; operating margin 22.5%
Prada Group	+11.2%	organic +4.7%; EBIT Adjusted margin 17.4%

PEER, FIRST HALF 2026	REPORTED REVENUE GROWTH	NOTE
Brunello Cucinelli	+9.5%	+13.3% at constant rates; margin 17.1%

VGR archive analyses of each company's H1 2026 release; peer figures as recorded there and not re-verified in this document.

Every VGR-derived percentage carries one decimal place and basis points are printed whole. The company's own rates are printed as disclosed. Arithmetic was carried out on the disclosed € millions and rounded only for printing.

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METHODOLOGY

VGR Standardised Financial Analysis Methodology v5.

Revised 30 September 2026 to methodology v5; first published 28 July 2026.

PRIMARY SOURCE

Kering, 2026 First-Half Report, published 28 July 2026: https://www.kering.com/api/download-file/?path=02_First_Half_Report_2026_EN_d6129bcfad.pdf. Press release, 28 July 2026: https://www.kering.com/api/download-file/?path=Kering_H1_26_Press_Release_28_07_26_49a507e6ca.pdf.

WORKING RECORD

Kering_H1_2026_Source_Figures.md. Figures in euro as published; nothing converted.

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