VGR

// FY2026

RICHEMONT

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VGR MARKET INTELLIGENCE

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01

Executive Summary

Richemont reported sales of €22,420m for the year ended 31 March 2026, up 4.8% on €21,399m and up 11% at constant exchange rates, with the fourth quarter up 13% at constant rates. Gross margin was 64.4% (66.9%). Operating profit was €4,492m (€4,467m), up 0.6% and up 23% at constant rates, a margin of 20.0% (20.9%) after €164m (€72m) of non-recurring costs. Profit for the year was €3,484m (€2,750m), up 26.7%; profit from continuing operations was €3,464m (€3,762m), down 7.9%. Cash generated from operating activities was €4,880m (€4,443m) and net cash €8,496m (€8,257m). The Board proposes an ordinary dividend of CHF 3.30 (CHF 3.00) and a special dividend of CHF 1.00. The company gives no numerical outlook.

Sales rose 4.8% to €22,420m against 11% at constant rates: currency took about 6.2 points and the Jewellery Maisons supplied 118.6% of the €1,021m increase

Translated at the prior year's average rates, sales would have been about €23,753m. The difference, about €1,333m, is the currency effect; because the constant-rate rate is disclosed in whole points it is bounded at €1,226m to €1,440m, or 5.7 to 6.7 points of growth. The effect widened through the year: actual-rate growth trailed constant-rate growth by 3.3 points in the first quarter and 8.6 points in the fourth (4.4% against 13%).

Of the €1,021m increase in euros, the Jewellery Maisons added €1,211m while the Specialist Watchmakers lost €134m and the Other business area €56m. By region the Americas supplied 43.5% and Europe 35.8%; Asia Pacific, 32.1% of sales, supplied 5.3%. Directly operated retail supplied 79.0% of the increase and reached 70.7% of sales (70.3%). The release discloses no like-for-like or space figure, so the constant-rate 11% cannot be split between existing boutiques, new space and wholesale sell-in. The figure that would settle the currency reading is the actual-rate against constant-rate gap in the Q1 FY2027 sales statement.

Gross margin fell 252bp to 64.4% and operating expenses fell 168bp as a share of sales, so operating margin fell 84bp to 20.0%; before non-recurring costs it fell 44bp

Cost of sales rose 12.7% against sales growth of 4.8%. Operating expenses rose 1.0% to €9,946m; excluding non-recurring costs they were €9,782m against €9,780m. Communication expenses fell 88bp as a share of sales and selling and distribution 75bp; other operating expenses, which carry the non-recurring items, rose 28bp. The company prints the movements as −250 bps and −90 bps, from margins rounded to one decimal; on the unrounded figures they are −252bp and −84bp.

At constant rates operating profit rose 23%, to about €5,494m (bounded €5,472m to €5,517m), so currency removed about €1,002m from operating profit against about €1,333m from sales. The implied constant-rate operating margin is about 23.1%,

against 20.9% a year earlier. The release attributes the gross-margin decline to currency, higher raw material costs and US duties, offset in part by price and mix, and gives no split between them. The interim gross margin for the six months to 30 September 2026 will show whether the decline continues.

The Jewellery Maisons earned €5,037m, 112.1% of group operating profit, at a 30.5% margin; the Specialist Watchmakers earned 3.4%

The Jewellery Maisons were 73.8% of sales (71.6%). Their margin fell 149bp to 30.5%. The Specialist Watchmakers' result fell to €107m (€175m), a 3.4% margin (5.3%); the Other area lost €96m (€102m) and corporate costs rose 14.1% to €517m, of which €134m was one-time. The segment results plus corporate costs give €4,531m (€4,516m), €39m (€49m) more than group operating profit; the release does not show the reconciling line. The segment note of the 2026 Annual Report would settle it.

WHAT TO WATCH

Q1 FY2027 sales statement, quarter to 30 June 2026 (July 2026). Group sales at actual and at constant rates. A continuation is a gap of 5 points or more between the two, as in Q2 to Q4 FY2026; a break is a gap below 3 points.

Q1 FY2027 sales statement. Middle East and Africa sales at constant rates, which fell 3% in Q4 FY2026 after the start of the conflict in the region in March. A continuation is a second negative quarter; a break is a return to growth.

H1 FY2027 interim results, six months to 30 September 2026 (November 2026). Group gross margin and the Jewellery Maisons' operating margin. A continuation is a gross margin at or below 64.4% and a Jewellery margin below 30.5%; a break is a gross margin back above 65.4%.

VGR will publish the Q1 FY2027 sales analysis when the figures are released.

02 · THE PERIOD IN FIGURES

Reported and on the VGR basis, side by side

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COMPAGNIE FINANCIÈRE RICHEMONT SA · SIX: CFR · FY2026 · EUR AS PUBLISHED

FINANCIAL YEAR ENDS 31 MARCH 2026 · PERIOD ENDED 31 MARCH 2026 · REPORTED 22 MAY 2026 · ANALYSIS 30 SEPTEMBER 2026

NET REVENUES	GROSS PROFIT	OPERATING PROFIT	NET PROFIT
+4.8%	+0.8%	+0.6%	+26.7%
22,420 vs 21,399	14,438 vs 14,319	4,492 vs 4,467	3,484 vs 2,750

GROSS MARGIN	OPERATING MARGIN	RoS
64.4%	20.0%	15.5%
from 66.9%	from 20.9%	from 12.9%

€m, period against the same period a year earlier; all lines as reported; net profit is profit for the year including discontinued operations (YNAP), €20m (−€1,012m)

Source: Richemont, ad hoc announcement pursuant to art. 53 LR, results webcast 09:30 CEST. Key financial data marked audited. The percentage changes, the margin rates and the return on sales (profit for the year divided by sales) are VGR arithmetic on the disclosed figures.

The VGR basis removes the non-recurring costs the company names in Other expenses, €164m (€72m), and measures profit on continuing operations. On that basis operating profit was €4,656m (€4,539m), up 2.6%, a margin of 20.8% (21.2%), and profit from continuing operations fell 7.9%.

€M	FY26	FY25	CHANGE
Sales	22,420	21,399	+4.8%
Gross profit	14,438	14,319	+0.8%
Operating expenses	9,946	9,852	+1.0%
Of which non-recurring	164	72	+€92m
Operating profit, reported	4,492	4,467	+0.6%

€M	FY26	FY25	CHANGE
Operating profit before non-recurring	4,656	4,539	+2.6%
Margin before non-recurring	20.8%	21.2%	**−44bp**
Profit, continuing operations	3,464	3,762	**−7.9%**
Profit, discontinued operations	20	(1,012)	+€1,032m
Diluted EPS, continuing (€)	5.875	6.388	**−8.0%**
Headline earnings	3,605	3,726	**−3.2%**

Source: Richemont, annual results announcement, 22 May 2026. EUR as published. Derived columns are VGR arithmetic.

03 · THE RESTATEMENT BRIDGE

Continuing operations exclude YNAP in both years; Baume & Mercier stays in

YNAP, sold in April 2025, is reported as discontinued in both years, so the sales comparison is on the same perimeter. Baume & Mercier, whose sale to the Damiani Group was agreed on 22 January 2026 with closing expected in summer 2026, remains in Specialist Watchmakers sales; its assets and liabilities are reclassified to the disposal group. The release gives no sales figure for Baume & Mercier, so the ex-disposal base is not calculable. Constant-rate growth uses FY2025 average rates for both years.

ITEM	TREATMENT	EFFECT ON THE COMPARISON
YNAP	Discontinued, both years	None on sales; +€1,032m swing in profit
Baume & Mercier	Held for sale; in continuing sales	Not calculable; sales not disclosed
Non-recurring costs	In Other expenses	€164m (€72m); removed on the VGR basis
Currency	Constant rates at FY2025 averages	Bounded 5.7 to 6.7 points of sales growth

Source: Richemont, annual results announcement, 22 May 2026. EUR as published.

04 · GROWTH COMPOSITION

The Americas and Europe supplied 79.3% of the euro increase

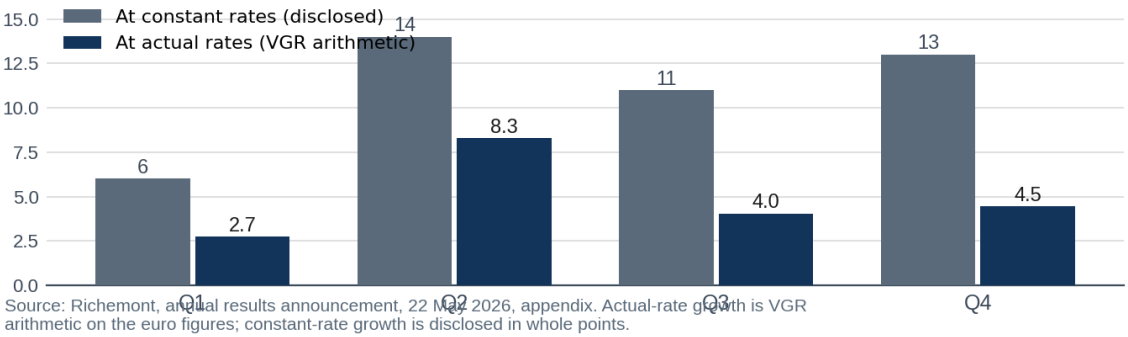
€M	FY26	ACTUAL	CONSTANT RATES	SHARE OF INCREASE
Europe	5,264	+7.5%	+9%	35.8%
Asia Pacific	7,204	+0.8%	+8%	5.3%
Americas	5,680	+8.5%	+17%	43.5%
Japan	2,229	+2.0%	+9%	4.2%
Middle East & Africa	2,043	+5.9%	+13%	11.2%
Retail	15,847	+5.4%	+12%	79.0%
Online retail	1,382	+2.0%	+8%	2.6%
Wholesale and royalties	5,191	+3.7%	+9%	18.3%
Jewellery Maisons	16,539	+7.9%	+14%	118.6%
Specialist Watchmakers	3,149	**−4.1%**	+1%	**−13.1%**
Other	2,732	**−2.0%**	+3%	**−5.5%**
Group	22,420	+4.8%	+11%	100.0%

Source: Richemont, annual results announcement, 22 May 2026. EUR as published. Constant-rate growth is disclosed in whole points and printed as disclosed; actual-rate growth and shares of the €1,021m increase are VGR arithmetic.

The Growth Composition Index can be filled in two of its five places. Currency took about 6.2 points (bounded 5.7 to 6.7). Perimeter is zero on the continuing basis. Space, like-for-like and sell-in are not disclosed; together with price they make up the 11% at constant rates. China, Hong Kong and Macau combined grew 3% at constant rates; South Korea's sales were "almost € 1.4 billion".

The gap between constant-rate and actual growth widened from 3.3 to 8.6 points

Sales growth by quarter · % · FY2026 against FY2025



Source: Richemont, annual results announcement, 22 May 2026, appendix. Actual-rate growth is VGR arithmetic on the euro figures; constant-rate growth is disclosed in whole points.

QUARTER, €M	FY26	FY25	ACTUAL	CONSTANT RATES
Q1	5,412	5,268	+2.7%	+6%
Q2	5,207	4,809	+8.3%	+14%
Q3	6,399	6,150	+4.0%	+11%
Q4	5,402	5,172	+4.4%	+13%
H2, derived	11,801	11,322	+4.2%	not stated

Source: Richemont, annual results announcement, 22 May 2026. EUR as published. Derived columns are VGR arithmetic.

05 · THE ESTATE

1,393 directly operated boutiques; no prior-year count in the release

Retail sales of €15,847m over 1,393 year-end boutiques give €11.4m per boutique, bounded because openings and closures in the year are not counted in the release. No selling area and no like-for-like figure are given. Net investment in property, plant and equipment was €957m, 8% lower than in FY2025.

MEASURE	FY26	DISPOSITION
Directly operated boutiques	1,393	Disclosed; FY2025 count not in the release
Retail sales per boutique	€11.4m	Bounded; year-end count
Direct-to-client share	77%	Disclosed; 76.8% on the euro figures

Source: Richemont, annual results announcement, 22 May 2026. EUR as published. Derived columns are VGR arithmetic.

06 · MARGIN ARCHITECTURE

The 84bp fall in operating margin is 252bp of gross margin offset by a 168bp lower expense ratio

% OF SALES	FY26	FY25	CHANGE
Gross margin	64.4%	66.9%	**−252bp**
Selling and distribution	25.6%	26.3%	−75bp
Communication	8.9%	9.8%	−88bp
Administrative	9.0%	9.3%	−33bp
Other operating expenses	0.9%	0.6%	**+28bp**
Operating margin	20.0%	20.9%	**−84bp**
Operating margin before non-recurring	20.8%	21.2%	**−44bp**

Source: Richemont, annual results announcement, 22 May 2026. EUR as published. Derived columns are VGR arithmetic. Components sum to the total within rounding.

BUSINESS AREA	FY26 MARGIN	FY25 MARGIN	CHANGE
Jewellery Maisons	30.5%	31.9%	**−149bp**
Specialist Watchmakers	3.4%	5.3%	**−193bp**
Other	−3.5%	−3.7%	+14bp
Corporate costs, €m	(517)	(453)	**+14.1%**

Source: Richemont, annual results announcement, 22 May 2026. EUR as published. Derived columns are VGR arithmetic. The company prints −140 bps, −190 bps and +20 bps from rounded margins.

07 · INVENTORY AND THE MARKDOWN CYCLE

Inventory rose 7.8% while cost of sales rose 12.7%; days on hand fell by 20

€M	FY26	FY25	CHANGE
Inventories	9,715	9,013	+7.8%
Inventory days on cost of sales	444	465	−20 days
Months of cost of sales (company)	17.1	18.6	−1.5 months
Inventory as % of sales	43.3%	42.1%	+121bp

Source: Richemont, annual results announcement, 22 May 2026. EUR as published. Derived columns are VGR arithmetic. Days = inventory / cost of sales × 365.

The fall in days reflects cost of sales rising faster than inventory, and cost of sales includes the higher gold price the company cites. Part of the fall is therefore a price effect in the denominator. The release gives no split of inventory by stage or by business area.

08 · WORKING CAPITAL, CASH AND CAPITAL STRUCTURE

Free cash flow after leases rose 23.7% to €3,066m; net cash rose €239m to €8,496m

€M	FY26	FY25	CHANGE
Cash generated from operations	5,867	5,417	+8.3%
Working capital change	(514)	(693)	+€179m
Net cash from operating activities	4,880	4,443	+9.8%
PP&E and intangibles, net	(1,034)	(1,155)	−10.5%
Lease principal	(780)	(810)	−3.7%
Free cash flow after leases	3,066	2,478	+23.7%
As % of continuing profit	88.5%	65.9%	+2,264bp
YNAP disposal, cash outflow	(640)	–	–
Net cash	8,496	8,257	+2.9%

Source: Richemont, annual results announcement, 22 May 2026. EUR as published. Derived columns are VGR arithmetic. Free cash flow = operating cash flow less PP&E and intangible acquisitions net of disposals, less lease principal.

Net cash is cash of €8,522m plus €8,713m of money market and bond funds, less €4,490m of borrowings and €4,249m of bank overdraft; the arithmetic reproduces the disclosed figure. The €1.5bn bond repaid in March 2026 reduced cash and borrowings equally. Lease liabilities of €4,744m are outside net cash. Receivable days were 31.0 (32.4); payable days on cost of sales 141.1 (158.7). Equity was 56.6% of total assets (54.1%).

09 · CAPITAL ALLOCATION AND RETURNS

Shareholders received €2,044m net; capital expenditure was 4.3% of sales

€M	FY26	FY25	NOTE
Dividends paid	1,888	1,710	CHF 3.00 per share paid September 2025
Treasury shares, net	156	(58)	Bought €186m, sold €30m
PP&E acquired	962	1,040	4.3% of sales (4.9%)
Proposed ordinary dividend	CHF 3.30	CHF 3.00	+10.0%; special CHF 1.00

Source: Richemont, annual results announcement, 22 May 2026. EUR as published. Derived columns are VGR arithmetic.

10 · EARNINGS QUALITY

Profit for the year rose €734m; continuing profit fell €298m and the discontinued swing added €1,032m

€M	FY26	FY25	CHANGE
Operating profit	4,492	4,467	+25
Net finance costs	(144)	(53)	**−91**
Equity-accounted investments	2	75	**−73**
Taxation	(886)	(727)	**−159**
Profit, continuing operations	3,464	3,762	**−298**
Discontinued operations	20	(1,012)	+1,032
Profit for the year	3,484	2,750	+734

Source: Richemont, annual results announcement, 22 May 2026. EUR as published.

The tax rate on profit before equity-accounted results rose to 20.4% from 16.5%; the company states the prior-year rate was reduced by non-cash accounting items. Net finance costs include €534m of foreign exchange losses on monetary items, offset by a €374m hedging gain, and a €109m fair-value gain on funds. Non-recurring costs have appeared in both years: €164m and €72m. Diluted headline earnings per share fell 3.4%.

11 · GUIDANCE AND THE IMPLIED REQUIREMENT

No numerical guidance was given, so no implied requirement can be computed

ITEM	STATUS	NOTE
Prior (Pass 0)	—	No Richemont guidance or implied requirement in the VGR ledgers
FY2027 outlook	—	None given; the Chairman's remarks carry no figure
Implied requirement	—	Not calculable without a guided figure

VGR ledgers; Richemont announcement, 22 May 2026.

12 · DISCLOSURE DELTA AND METRICS NOT REPORTED

Segment results do not sum to group operating profit, and no currency effect is stated in euros

METRIC	STATUS	NOTE
Segment reconciliation	N	€39m (€49m) gap not shown in the release
Currency effect in euros	N	Only rates are given; VGR bounds the amount
Gross margin bridge by cause	N	Causes named, not quantified
Like-for-like and space	N	Not reported
Prior-year boutique count	N	Not in the release
Auditor	N	KPMG SA succeeds PricewaterhouseCoopers
Rounded margin movements	N	−250 and −90 bps printed; −252bp and −84bp unrounded

Source: Richemont, annual results announcement, 22 May 2026. EUR as published.

13 · THE COMPANY'S ACCOUNT, TESTED

Five of eight claims are supported; the profit claim shows a different weighting

CLAIM	DISPOSITION	FIGURES
"strong sales growth and solid results"	Partially supported	+11% at constant rates; +4.8% actual; operating profit +0.6%
Cost discipline offset currency and raw materials	Supported by the disclosed figures	Expenses +1.0% against sales +4.8%
Expenses unchanged before non-recurring items	Supported by the disclosed figures	€9,782m against €9,780m
Gross margin: currency, raw materials, US duties	Not verifiable from the disclosure	No split given
Working capital consumption broadly similar	Supported by the disclosed figures	€514m against €693m
Inventory rotation improved	Supported by the disclosed figures	444 days against 465
Profit +27% from operating profit and YNAP base	The disclosed figures show a different weighting	Operating profit +€25m; discontinued swing + €1,032m
Jewellery market share gains	Not verifiable from the disclosure	No market data given

Source: Richemont, annual results announcement, 22 May 2026. EUR as published. Derived columns are VGR arithmetic.

14 · METHOD, SOURCES AND PRECISION REGISTER

Method, sources and precision register

The primary source is the 16-page annual results announcement of 22 May 2026 with its appended income statement, cash flow statement and balance sheet. The 2026 Annual Report, published the same day, was not read for this revision; items that sit only in its notes are marked as not in the release. The archive holds no luxury peer for the same period, so no cross-section is printed. Rates the company discloses in whole points are printed as disclosed; every VGR-derived percentage carries one decimal and basis points are whole.

PRECISION	MEANING	ITEMS
Exact	Arithmetic on two disclosed numbers	Growth rates, margins, shares of increase, free cash flow, days
Bounded	Both ends and the central reading	Currency effect on sales and operating profit; retail sales per boutique
Not calculable	Input missing, nothing substituted	Like-for-like; Baume & Mercier ex-disposal base; implied requirement

VGR precision register.

The working record is "Richemont_FY2026_Source_Figures.md", held with this document, with disclosed and derived figures in separate parts and the claims register.

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Made with the supervision of Pau Almar.
Revised 30 September 2026 to methodology v5; first published 27 May 2026.

METHODOLOGY

VGR standardised financial analysis methodology v5. Restatement before measurement; arithmetic before language; every finding names the disclosure that would settle it.

PRIMARY SOURCE

Compagnie Financière Richemont SA, ad hoc announcement pursuant to art. 53 LR, "Richemont delivers strong sales growth and solid results for the year ended 31 March 2026", 22 May 2026: https://www.richemont.com/media/ovfnkffy/ad-hoc-announcement-pursuant-to-art-53-lr-fy26-annual-results-en.pdf. Key financial data marked audited.

WORKING RECORD

Richemont_FY2026_Source_Figures.md, with company-disclosed figures and VGR-derived arithmetic in separate parts, the claims register and the metrics not reported.

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