

GUCCI

# CAPITAL MARKETS DAY

JUNE 9, 2022

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# AGENDA

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# BUILDING THE FUTURE ON A 100-YEAR LEGACY

1921 – 1940s

1950s – 1970s

1990s – 2000s

2000s – 2010s

2015 - 2019

2020



**A DREAM BORN  
IN FLORENCE**



**THE JETSET**



**FASHION AUTHORITY  
& OVERT SEXUALITY**



**THE  
CONSOLIDATION**



**THE REINVENTION**



**SUSTAINABLE  
ELEVATION**

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# AGENDA

## ENVISIONING GUCCI: BUSINESS STRATEGY UPDATE

2015 – 2019: THE REINVENTION

2020 – 2021: THE NEXT CHAPTER – LAYING THE FOUNDATIONS

2022 & BEYOND: THE PATH TO SUSTAINABLE LEADERSHIP

## FOCUS ON THE AMERICAS

2015 – 2019: THE REINVENTION

# THE PATH TO REINVENTION

Putting creativity back at its core, Gucci regained its position as the world's **leading fashion authority**



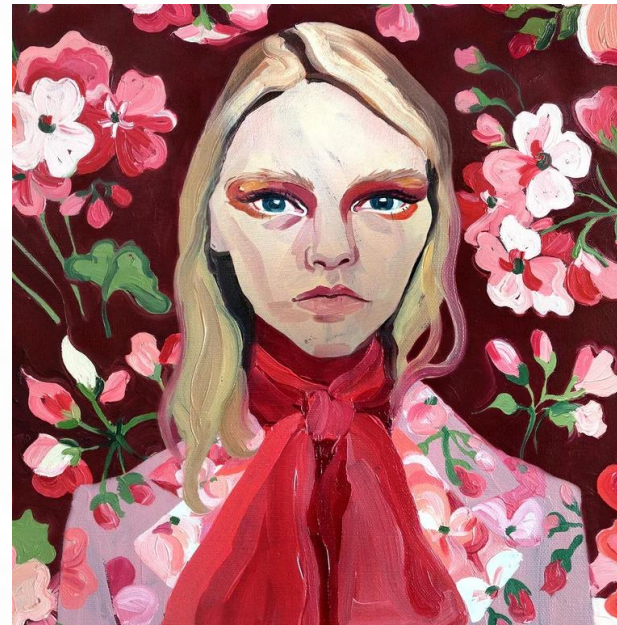
- **CREATIVITY AS KEY GROWTH DRIVER**
- **FASHION SHOWS ESTABLISHING NEW BRAND IMAGE**

- **ATTRACTING NEW CLIENTS WITH NEW AESTHETIC**
- **INTRODUCING YOUNG MILLENNIALS AND GEN Z TO THE LUXURY SECTOR**

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# REINVENTION SPREADS TO ALL BRAND EXPRESSIONS

The **reinvention** was gradually expanded to **all customer touchpoints**



- COMPREHENSIVE NEW OFFER
- ICONIC GG LOGO REINVIGORATED

- INTRODUCTION OF NEW STORE CONCEPT
- INVESTMENTS ON RETAIL EXCELLENCE

- INNOVATIVE CREATIVE COLLABORATIONS
- AUTHENTIC DIGITAL FIRST STORYTELLING

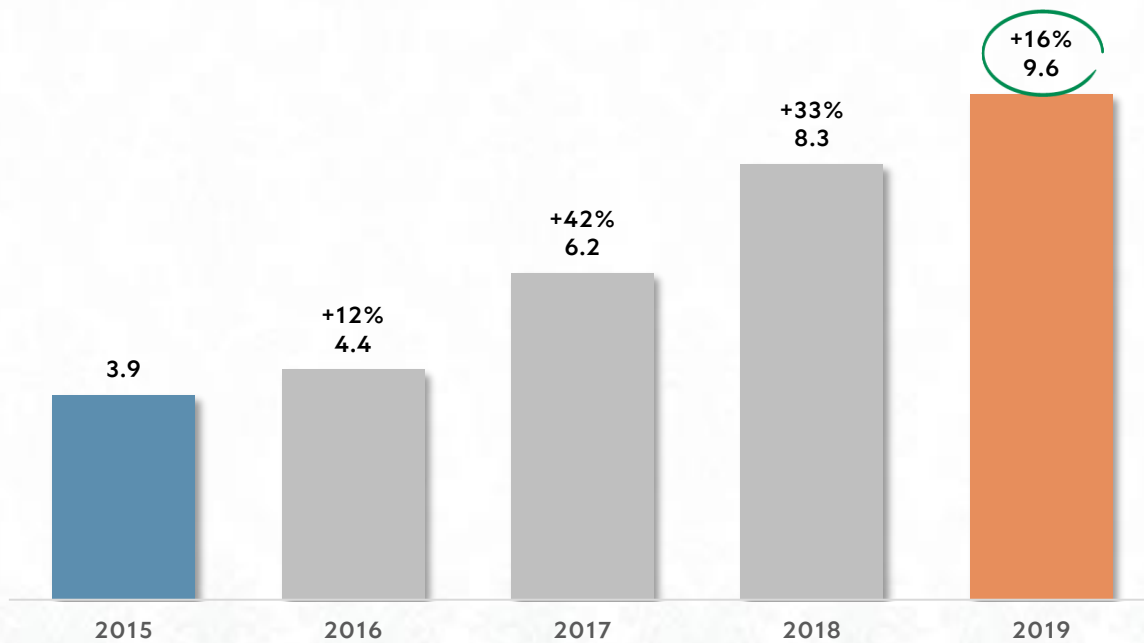
- CO-ED GENDER FLUID FASHION SHOWS

# REINVENTION DROVE RAPID GROWTH

Supported by redesigned production and supply chain

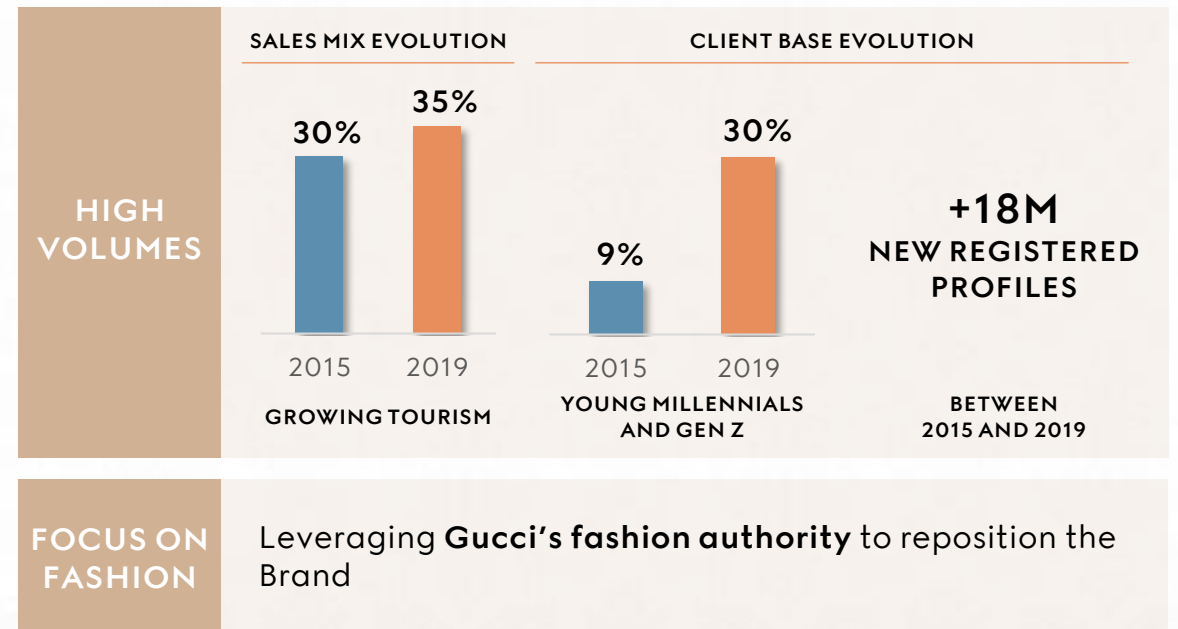
## REVENUE EVOLUTION 2015 - 2019

€ Billion and % YoY growth



## KEY GROWTH DRIVERS

+25% CAGR over four years (with stable network) was driven by:





# AGENDA

## **ENVISIONING GUCCI: BUSINESS STRATEGY UPDATE**

2015 – 2019: THE REINVENTION

2020 – 2021: THE NEXT CHAPTER – LAYING THE FOUNDATIONS

2022 & BEYOND: THE PATH TO SUSTAINABLE LEADERSHIP

## **FOCUS ON THE AMERICAS**

# ADAPTING TO NEW DYNAMICS

In early 2020, the pandemic hit just as Gucci was initiating **a new stage in its elevation strategy**



DISRUPTED SUPPLY CHAIN

All production based in Italy



GROWING DESIRE FOR MORE TIMELESS PRODUCTS

Icons offer early in the making, rebalancing fashion focus



LUXURY SPENDING REDIRECTED FROM TRAVEL TO PRODUCTS

Opportunity to fully capitalize on demand for **high-end items**



GENDER BALANCE SHIFTS WITH NEW MEN'S FOCUS

Gucci led industry on gender fluidity, with **potential to increase market share in men's**



LOCALS FUEL GROWTH

Opportunity to scale locals

# ACCELERATED BRAND ELEVATION STRATEGY

Focusing on **four key areas**



**INCREASE CONTROL  
OVER DISTRIBUTION**

- Elevate **direct store** network
- Sharply **reduce wholesale footprint**
- Continuously **invest in Gucci.com**



**STRENGTHEN  
FOCUS ON LOCALS**

- Invest in **client activations at local level**
- Develop **new high-touch brand experiences**



**REINFORCE  
HIGH-END OFFER**

- Launch **High-Jewelry** and **High-Watch** collections
- Extend the **Exotics** and **Made to Order** offer



**ACCELERATE OMNICHANNEL**

- Create **enhanced and seamless customer experience** across channels
- Power **digital platforms** and **omni-services**

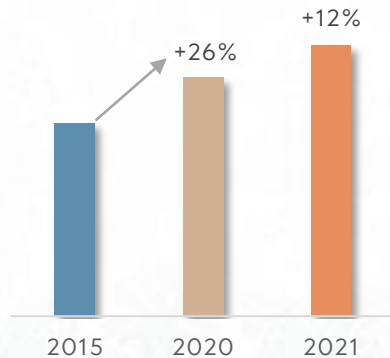
# THE STRATEGY DROVE RESULTS

Despite the disruption caused by the pandemic, the **ambitions set in 2018** were achieved

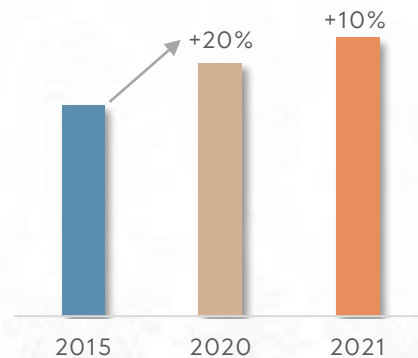


Today, **indicators are all trending positively** in this next chapter

FULL PRICE AUR

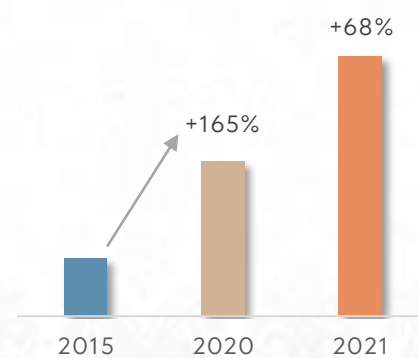


FULL PRICE AV. TICKET



TOP 2 CLIENT CLUSTERS

NUMBER OF REGISTERED CLIENTS



LOCALS IN DOS

**SALES FY 2021 WW**  
**+46%**  
**VS 2019**

# AGENDA

## ENVISIONING GUCCI: BUSINESS STRATEGY UPDATE

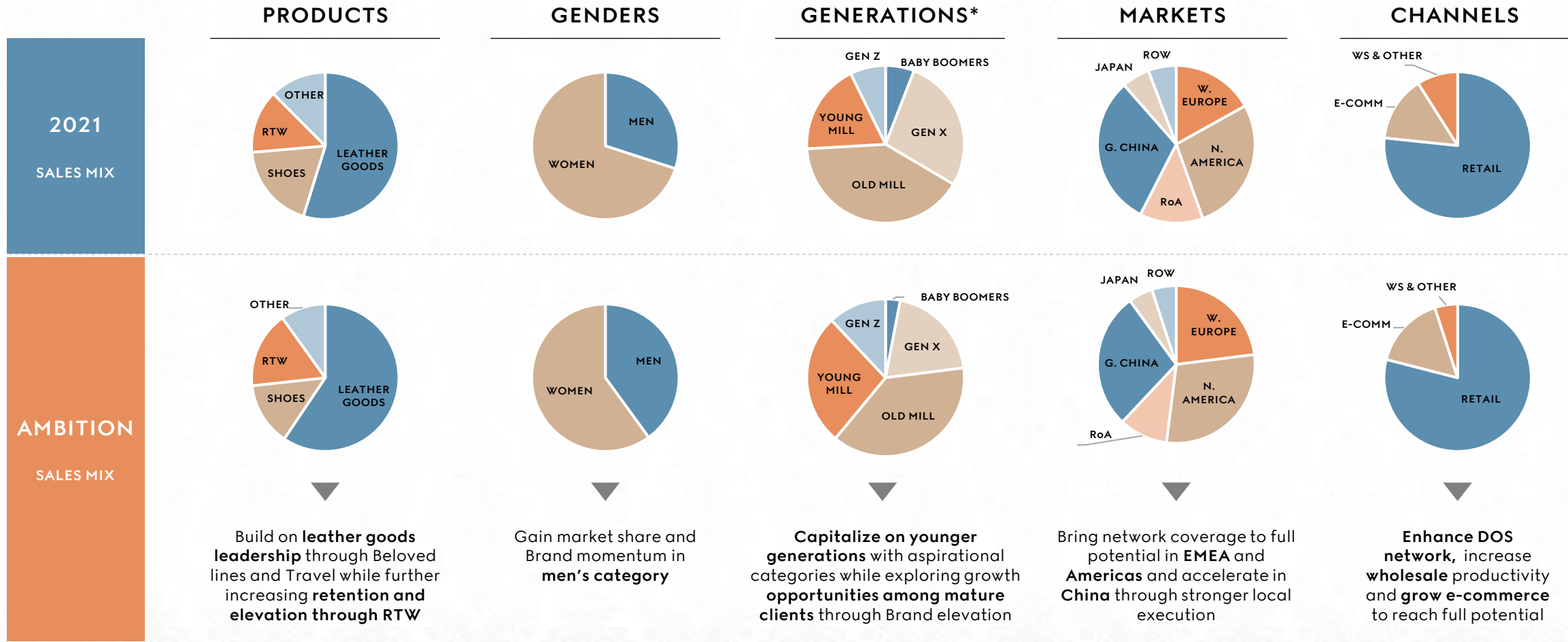
2015 – 2019: THE REINVENTION

2020 – 2021: THE NEXT CHAPTER – LAYING THE FOUNDATIONS

2022 & BEYOND: THE PATH TO SUSTAINABLE LEADERSHIP

## FOCUS ON THE AMERICAS

# NEW OPPORTUNITIES FOR GUCCI'S NEXT CENTURY



\*Baby Boomers: 58-79 yo; Generation X: 42-57 yo; Old Millennials: 31-41 yo; Young Millennials: 25-30 yo; Generation Z: 13-24 yo

# REINFORCE THE ELEVATION STRATEGY

The latest collections reinforcing the **two pillar strategy**, with **Men's and Travel** offering opportunity to gain market share

## TWO PILLARS DRIVING THE STRATEGY



### FASHION

Reaffirming the **Brand's Fashion Authority** with creativity and innovation at the center



### TIMELESS

Further **capitalizing on the Brand's Archive** reimagining its past for today



### MEN'S & TRAVEL

Raise share of voice and take **market share in two core categories** with significant growth potential

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# RETURN TO THE FASHION CALENDAR

Strongly increase share of voice and Brand visibility across both men's and women's categories

2021



ARIA



LOVE PARADE

APR

NOV

2022



EXQUISITE



COSMOGONIE



MEN'S

WOMEN'S

FEB

MAY

JUN

SEP

2023



MEN'S

WOMEN'S

CRUISE

MEN'S

WOMEN'S

JAN

FEB

MAY

JUN

SEP

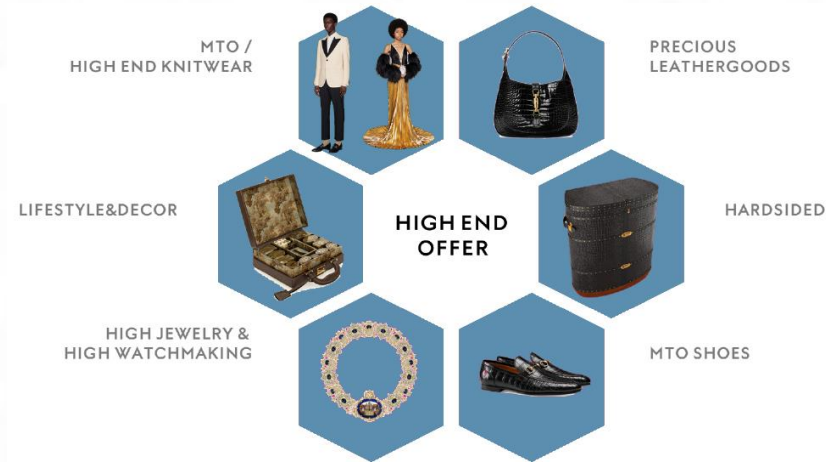


# PURSUE BRAND ELEVATION



## CAPITALIZE ON BELOVED LINES

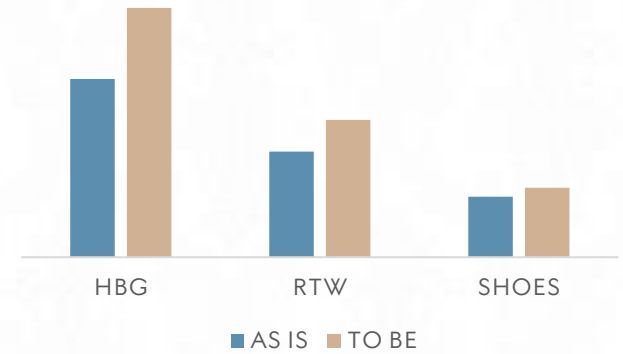
New Beloved lines hierarchy



## REINFORCE THE HIGH-END OFFER

High-end offer enriched

## AUR BY CATEGORY



## ELEVATE PRICE POSITIONING

Periodic price increases and constant elevation of collection's structure

# MAINTAIN A WELL-BALANCED AGE MIX

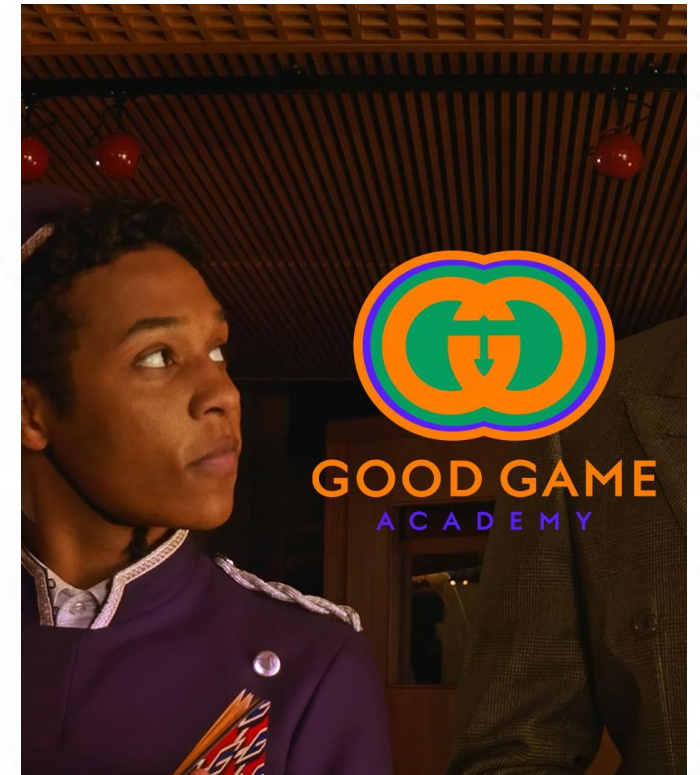
Keep focus on the high potential of **Young Millennials** and **Gen Z**, while capitalizing on growth opportunities among mature client base



Design authentic collaborations



Protect aspirational price points



Pioneer first-mover innovations

# DRIVE ALL CHANNELS TO FULL POTENTIAL



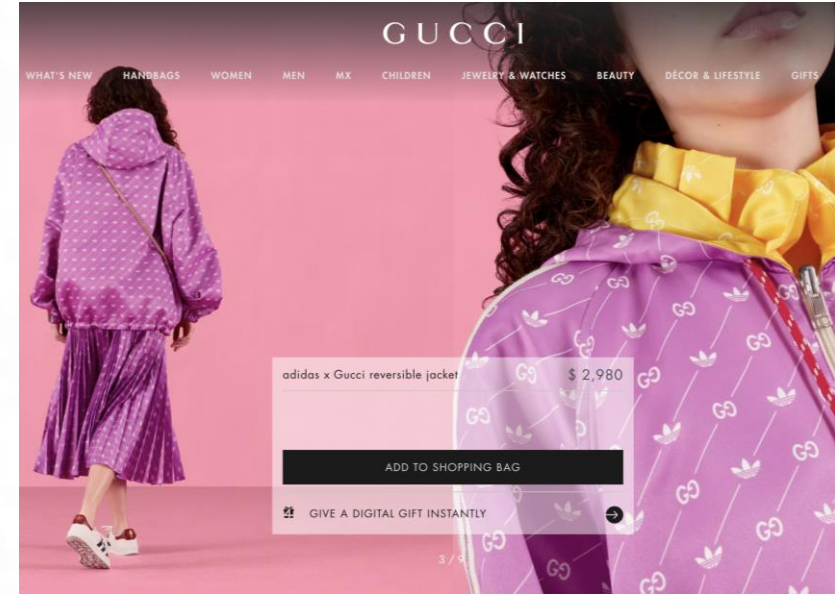
## RETAIL

- **Expand network** to capitalize on key opportunities
  - **Continuously invest in flagships** to upgrade and expand brand representation
  - **Constantly enhance client experience**



## WHOLESALE

- **Rationalization almost completed** (W&J ongoing)
  - **Increase productivity of existing doors** (under selective distribution agreement)
    - **Complete franchisee buy back**



## E-COMMERCE

- **Consolidate Gucci.com as a best-in-class destination**
- **Enhance digital experience** through new customer journeys and more comprehensive services

# FOCUS ON KEY STRATEGIC MARKETS



## EUROPE

- Drive local client loyalty
- New flagship image locations and special retail concepts



## AMERICAS

- Recapture wholesale business through expanded DOS network
- Accelerate omnichannel services



## CHINA

- New leadership to accelerate Brand momentum
- Leverage local high-end consumption

# NEW BUSINESS UNIT EXPLORING EMERGING TRENDS

Established in 2021 to focus on **three areas of opportunity**

## VAULT



New experimental online concept store embracing vintage, limited edition collaborations and emerging designers

## SECOND-HAND



Test and learn approach to gauge potential of resale market

## GAMING AND WEB 3



Strengthening Gucci's leadership in gaming and exploration of Web3

# ENSURE PERFECT EXECUTION

**Enhanced organization** to support growth through **perfect execution**:  
headcount doubled since 2015, key functions strengthened, new business units created

## DESIGN OFFICE



Newly established role of **Design Studio Director** dedicated to oversight of Main Collections

## PRODUCT DEVELOPMENT



**New separated structure** to support both Fashion and Main Collections

## MERCHANDISING



Key functions grouped under new role of **EVP, Brand General Manager** and new dedicated **high-end category team**

## REGIONS



**New Presidents of Greater China** and **EMEA** appointed to ensure strong local execution

# CONTINUE CREATING POSITIVE IMPACT

Gucci's **commitment to 10-year Culture of Purpose** announced in 2015 and amplified by the **Gucci Equilibrium platform** across **two pillars**: People and Planet

## PEOPLE

## PLANET



### GLOBAL EQUITY BOARD

58% women managers  
42% senior managers

45 countries analyzed on pay parity



### ÉCOLE DE L'AMOUR

830 people trained since 2018



### CARBON NEUTRAL SINCE 2018

-46% GHG emissions  
(since 2015 relative to growth)



### INNOVATION & CIRCULAR BY DESIGN: OFF THE GRID/DEMETRA

45 tons leather and textile scraps reused  
(Gucci-up)



### GLOBAL VOLUNTEERING PROGRAM & IMPACT FUND

1,700 Gucci employees volunteering  
9,800 hours

Impacted 400,000 local community members  
with Impact Fund in US



### CAMPAIGN FOR GENDER EQUALITY

\$19 million for 457 projects  
in 89 countries



### SUSTAINABLE MATERIALS & PROCESSES

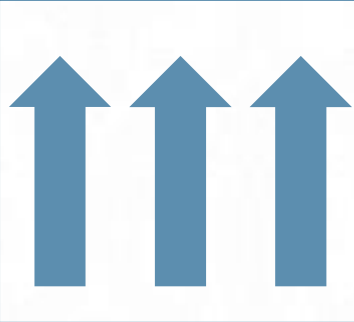
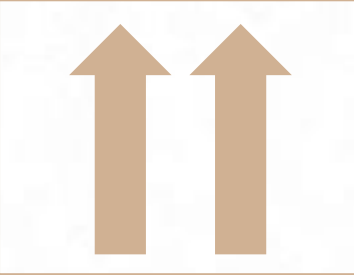

25% scrap-less leather  
95% overall raw materials traceability  
93% green energy use



### REGENERATIVE AGRICULTURE

Investing in recreating local supply  
chain in Italy for our collections

# KEY GROWTH DRIVERS

	KEY DRIVERS	MAGNITUDE OF EVOLUTION	CONTRIBUTION TO GROWTH
TRAFFIC	<p>Expected traffic increase driven by:</p> <ul style="list-style-type: none"> <li>• <b>Acquisition of new clients</b> through the Men's &amp; Travel and Timeless strategy</li> <li>• <b>Higher retention</b> driven by the investments on locals also fueled by events strategy</li> <li>• Increase the penetration of <b>top clients</b></li> </ul>		50%
AUR	<p>In line with the Brand elevation strategy, foreseen <b>AUR increase</b> driven by:</p> <ul style="list-style-type: none"> <li>• 1/3 Seasonal <b>price increases</b></li> <li>• 2/3 Elevation of <b>collection's structure</b></li> </ul>		30%
SQM EVOLUTION	<p>Positive effects on the business driven by network evolution through:</p> <ul style="list-style-type: none"> <li>• <b>New openings (+15% network increase)</b></li> <li>• <b>Expansion of existing locations</b></li> </ul>		20%



# MEDIUM-TERM AMBITIONS TO SUSTAIN LONG-TERM LEADERSHIP

	KEY DRIVERS	AMBITION	
<b>REVENUE</b>	<ul style="list-style-type: none"><li>• Improve sales density</li><li>• Increase space on key doors</li><li>• Reshape wholesale</li><li>• Boost e-commerce</li></ul>	<ul style="list-style-type: none"><li>• Sales density &gt;+30% vs 2021</li><li>• Wholesale &amp; other weight ~ 6%</li><li>• E-commerce weight ~ 16-18%</li></ul>	<b>€15 Bn</b>
<b>EBIT</b>	<ul style="list-style-type: none"><li>• Optimize gross margin</li><li>• Sustain Brand and Communication investment</li><li>• Leverage Opex</li></ul>		<b>41%+</b>
<b>CAPEX</b>	<ul style="list-style-type: none"><li>• Completion of store network upgrade and key store expansion</li><li>• Logistics and industrial transformation to increase efficiency</li><li>• IT transformation</li></ul>		<b>~ 3% of revenues</b>

# ENVISIONING GUCCI - BUSINESS STRATEGY TIMELINE



## 2015 - 2019 THE REINVENTION

REPOSITION THE PRODUCT OFFER  
UPDATE ALL CLIENT TOUCHPOINTS  
ENGAGE WITH NEW CLIENT BASE

## 2020 - 2021 THE NEXT CHAPTER – LAYING THE FOUNDATIONS

ELEVATE BRAND POSITIONING  
INCREASE CONTROL OVER DISTRIBUTION  
STRENGTHEN FOCUS ON LOCALS

## 2022 AND BEYOND THE PATH TO SUSTAINABLE LEADERSHIP

FOCUS ON FASHION AND TIMELESS PILLARS  
REINFORCE THE ORGANIZATION  
ESTABLISH NEW BUSINESSES

# AGENDA

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**FOCUS ON THE AMERICAS**

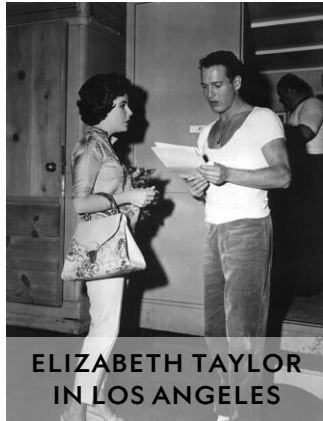
FOCUS ON THE AMERICAS

# GUCCI IN THE AMERICAS

A pioneer of the luxury market - then and now



JACKIE KENNEDY IN  
NEW YORK



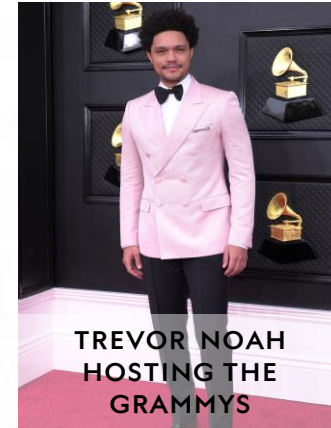
ELIZABETH TAYLOR  
IN LOS ANGELES



ALDO GUCCI IN  
PALM BEACH



JESSICA CHASTAIN AT  
THE OSCARS



TREVOR NOAH  
HOSTING THE  
GRAMMYS



BILLIE EILISH AT THE  
MET GALA



1953 HORSEBIT LOAFER  
THE MET



10 YEARS OF  
LACMA ART + FILM

NEW YORK | 1953  
PALM BEACH | 1961  
BEVERLY HILLS | 1968

MARKET LEADER IN LUXURY  
UNPARALLELED BRAND DESIRABILITY  
CENTER OF CREATIVITY + CULTURE

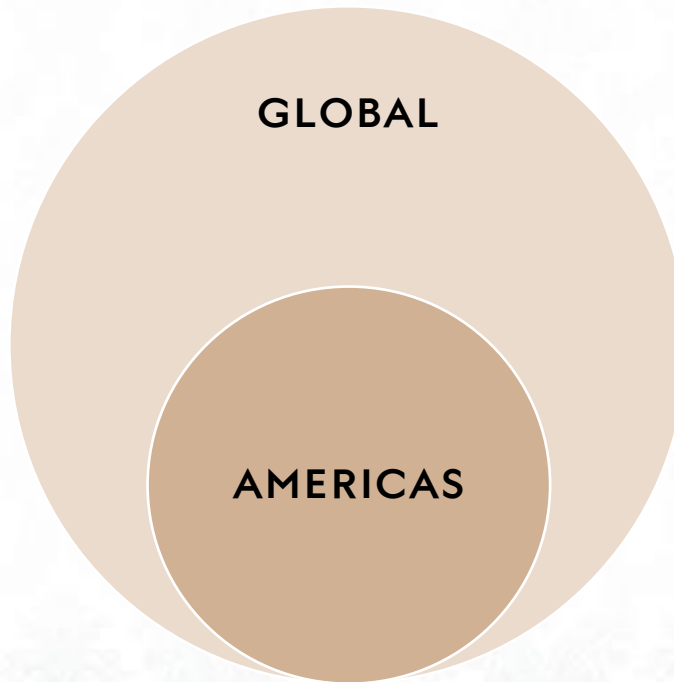
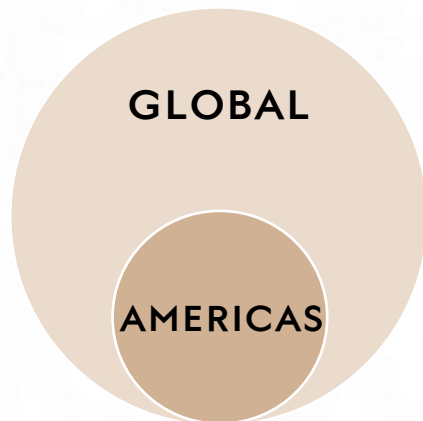
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# GUCCI IN THE AMERICAS

Americas is nearing Gucci's 2015 global business size and continues to maximize growth

2015

TODAY



GUCCI

## AMERICAS STRATEGIC PRIORITIES

STRENGTHEN & SECURE MARKET POSITION

REINFORCE BRAND DESIRABILITY

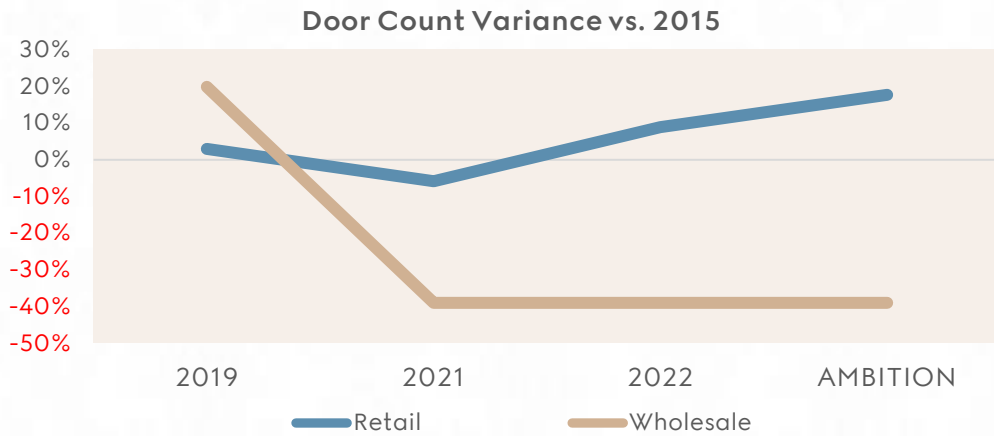
DRIVE CLIENT LOYALTY

ACCELERATE OMNI GROWTH

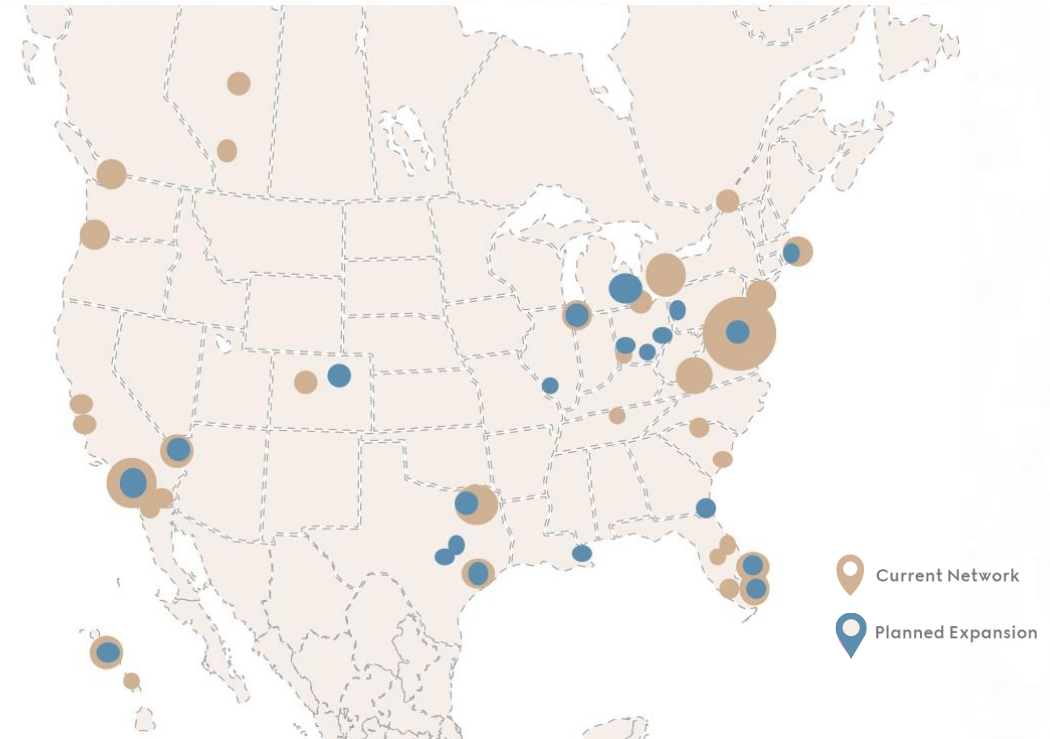
# STRENGTHEN & SECURE MARKET POSITION

The network evolves to realize further market potential

## RATIONALIZATION OF WHOLESALE NETWORK



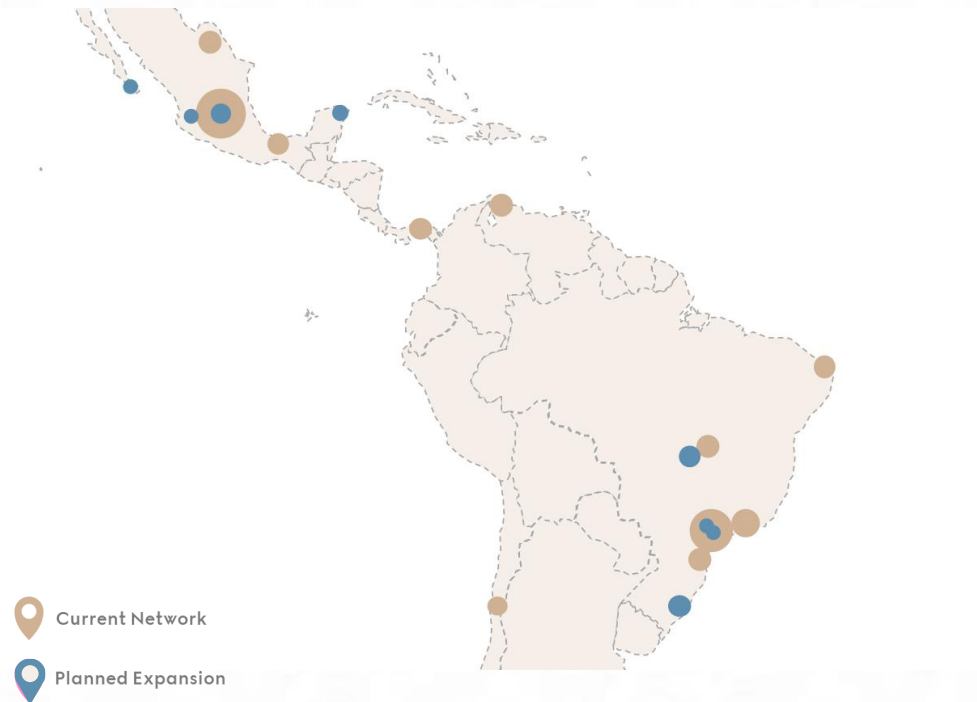
## NORTH AMERICA DOS NETWORK EXPANSION



# STRENGTHEN & SECURE MARKET POSITION

A unified market and a fortified local team structure

## 2021 LATIN AMERICA INTEGRATION & FUTURE EXPANSION



## AMERICAS RETAIL & FIELD TEAM STRUCTURE

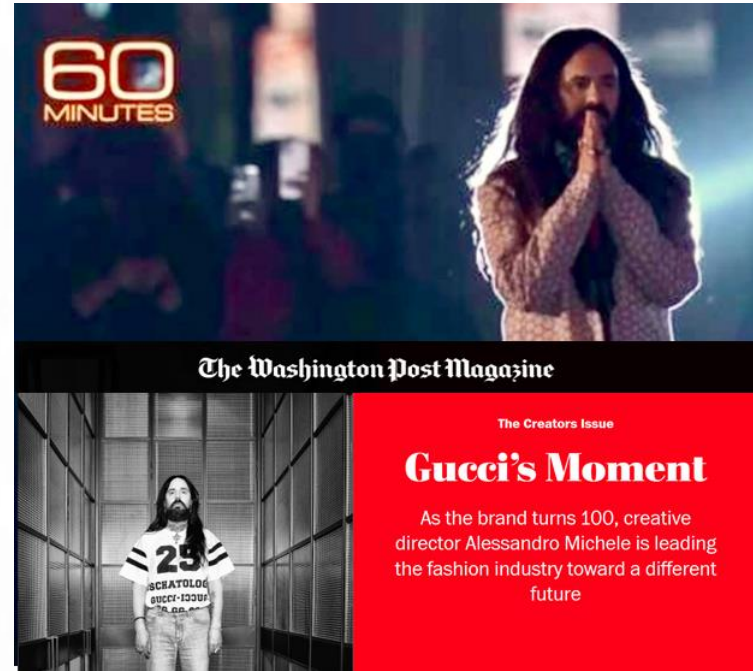
- + 5 RETAIL VICE PRESIDENTS
- + 10 MARKET DIRECTORS
- + 10 CLIENT ENGAGEMENT DIRECTORS
- + 5 RETAIL MERCHANDISING MANAGERS
- + 10 TALENT ACQUISITION PARTNERS

# REINFORCE BRAND DESIRABILITY

The Centennial takes center stage in the Americas, positioning our Fashion and Timeless future



Gucci leads the industry with the first post-pandemic global fashion show in the US, bringing *Love Parade* to Hollywood Boulevard in LA



All major media outlets celebrate the Centennial with iconic feature stories about 100 years of Gucci

**#1 MOST DESIRABLE  
FASHION LUXURY BRAND  
IN THE U.S.—LAST REPORTED  
JULY 2021\***

**#1 SHARE OF VOICE  
IN ALL FASHION LUXURY  
DURING Q4 2021 CENTENNIAL  
CELEBRATIONS\*\***

**#1 MOST SEARCHED  
FASHION LUXURY BRAND  
IN THE U.S. IN 2021\*\*\***



# REINFORCE BRAND DESIRABILITY

Accelerating Gucci's #1 position in The Americas



## TWO PILLARS IN ACTION

### FASHION

Reaffirm fashion authority

### TIMELESS

Capitalize on Beloved lines



## KEY CITY STRATEGY

### NEW IMAGE DOORS

Open 1 per top 5 market

### NETWORK COVERAGE

Expand image programs to over top 50% of cities



## CULTURAL HEAT

### HEAT IN HEADLINES

Own SOV and visibility across all channels

### SPOTLIGHT MOMENTS

Focus on outsized returns in earned media value



## LEADER IN IMPACT

### AUTHENTICITY

Amplify leadership as distinctly progressive and responsible

### GUCCI CHANGEMAKERS

Grow impact in key cities, reaching over 500k people

# DRIVE CLIENT LOYALTY

Customer base grows & all tiers elevate with a local approach

## ACQUISITION



**Acquire** significant number of new clients year over year

**Retain** entry-level clients and trade into higher tiers quickly

## ELEVATION



**Focus** on top tier segment growth

**Elevate** price positioning

**Reinforce** high end offer

## LOCALIZATION



**Strengthen** focus on locals with personalized events

**Grow** retention rate and accelerate strength of omni clients

RETENTION STRATEGY

DATA CAPTURE

PERSONALIZED CUSTOMER JOURNEY

BRAND EXPERIENCES

EXCLUSIVE PRODUCT ACCESS

# ACCELERATE OMNI GROWTH

Infrastructure is primed to more than double the 2019 business across channels



# ACCELERATE OMNI GROWTH

Cohesive strategy across the digital ecosystem

GUCCI.COM

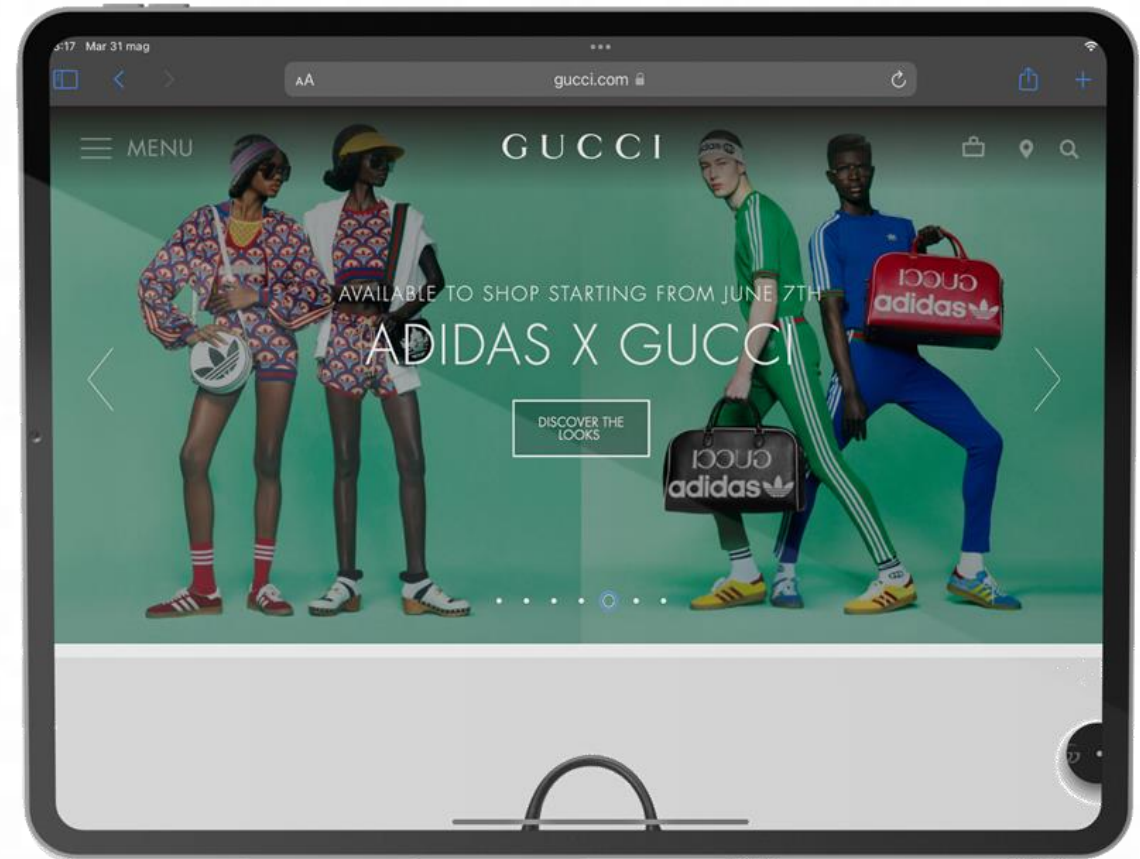
- Maximize Canada business to 2x 2021 volume
- Country rollout to 5 Latin America markets
- Launch & expansion of second-hand business

CLIENT SERVICES

- Increase penetration of sales from client services
- Expansion into new markets as part of digital business development

FOCUS ON DTC

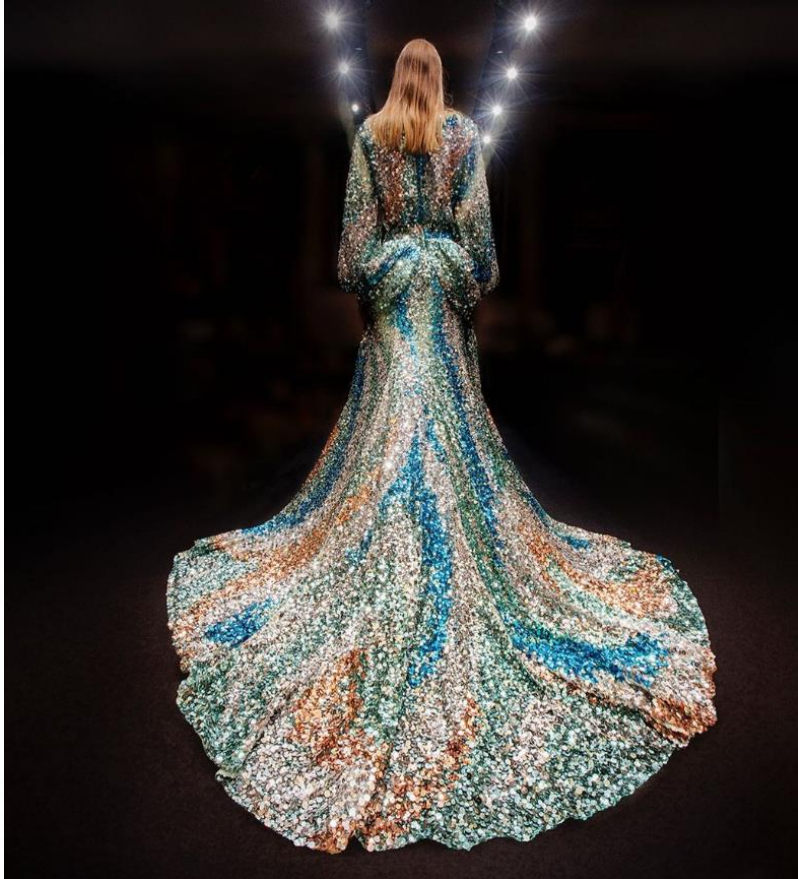
- Win-back business from wholesale.com
- Very selective approach on concession business



FOCUS ON THE AMERICAS

# THE NEXT PHASE OF GROWTH

Leverage global vision to fortify and accelerate Americas potential



COSMOGONIE



GUCCI

ALA MOANA

**2022 AND BEYOND**

# Q&A

The background is a dark olive green with a repeating embossed floral pattern. The pattern consists of stylized flowers and leaves arranged in a grid-like fashion, with each unit separated by small gaps. The embossing creates a subtle texture and depth to the design.

THANK YOU

GUCCI