PUIG

Consolidated Annual Accounts and Consolidated Management Report

for the year ended December 31, 2024

Puig Brands, S.A. and subsidiaries

(Translation of a report originally issued in Spanish. In the event of a discrepancy, the Spanish language version prevails)

Contents

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Consolidated Annual Accounts

at December 31, 2024

Consolidated balance sheet

As of December 31, 2024 and 2023

(Thousand euros)	Notes	2024	2023
Assets			
Property, plant and equipment	15	380,356	326,341
Intangible assets	16	4,705,720	4,114,267
Rights-of-use assets	17	365,076	287,922
Investments in associates and joint ventures	18	395,190	375,212
Financial investments	19	689	16,359
Other non-current assets	19	130,865	131,444
Deferred tax assets	14	171,826	146,562
Total non-current assets		6,149,722	5,398,107
Inventories	20	720,312	788,866
Trade accounts receivable	19	567,529	484,705
Other current assets	21	282,991	186,709
Cash and cash equivalents	22	882,646	852,901
Total current assets		2,453,478	2,313,181
Total assets		8,603,200	7,711,288
Liabilities			
Share capital	23	128,499	144,000
Reserves and retained earnings		3,612,174	1,087,933
Treasury shares	23	(80,281)	(105,907)
Interim dividend		—	(80,000)
Unrealized gains (losses) reserve		(27,720)	10,935
Cumulative translation adjustment	23	(106,568)	(107,055)
Equity attributable to the Parent Company		3,526,104	949,906
Non-controlling interests	23	11,580	9,303
Total equity		3,537,684	959,209
Non-current bank borrowings	25	1,129,931	1,788,846
Deferred tax liabilities	14	619,128	553,741
Provisions and other liabilitites	27	1,513,147	2,759,606
Total non-current liabilities		3,262,206	5,102,193
Current bank borrowings	25	527,173	358,371
Trade accounts payable		229,492	212,072
Other current liabilities	29	999,020	1,024,124
Income tax	14	47,625	55,319
Total current liabilities		1,803,310	1,649,886
Total liabilities and equity		8,603,200	7,711,288

Notes 1 to 34 of the attached Consolidated Report form an integral part of the Consolidated Balance Sheet as of December 31, 2024 and 2023.

Consolidated income statement

For the years ended December 31, 2024 and 2023.

(Thousand euros)	Notes	2024	2023
Net revenues	6-7-8	4,789,779	4,304,067
Cost of sales	9	(1,201,679)	(1,088,904)
Gross profit		3,588,100	3,215,163
Distribution expenses		(220,384)	(217,685)
Advertising and promotion expenses		(1,551,285)	(1,338,144)
Selling, general and administrative expenses		(1,057,717)	(966,364)
Operating profit		758,714	692,970
Other operational income and expenses	10	(146,626)	(13,764)
Operational profit		612,088	679,206
Financial result	13	19,358	(87,403)
Result from associates and impairment of financial assets	18	61,060	51,347
Profit before tax		692,506	643,150
Income tax	14	(149,973)	(143,262)
Net profit for the year		542,533	499,888
Non-controlling interests		(11,884)	(34,679)
Net profit attributable to the Parent Company		530,649	465,209
Earnings per share (euro)	24	0.98	0.86

Notes 1 to 34 of the attached Consolidated Report form an integral part of the Consolidated Income Statement as of December 31, 2024 and 2023.

Consolidated comprehensive income statement

For the years ended December 31, 2024 and 2023.

(Thousand euros)	Notes	2024	2023
Profit/(loss) for the year		542,533	499,888
Net gains (losses) from cash flow hedges		(32,059)	(23,541)
Income tax on items that may be reclassified to the income statement		6,724	6,618
Translation difference gain /(losses)		914	(28,491)
Items that may be reclassified to the income statement		(24,421)	(45,414)
Financial instruments at fair value through equity		(15,671)	(2,397)
Income tax		2,351	—
Items that may not be reclassified to the income statement		(13,320)	(2,397)
Consolidated global profit/(loss) fir the year		504,792	452,077
Attributed to:			
Parent company		492,481	417,610
Non-controlling interests		12,311	34,467

Notes 1 to 34 of the attached Consolidated Report form an integral part of the Consolidated Statement of Comprehensive Income as of December 31, 2024 and 2023.

Consolidated statement of changes in net equity

For the years ended December 31, 2024 and 2023.

(Thousand euros)	Attributable to the Parent Company (note 23)							
	Capital	Reserves	Interim dividend	Treasury shares	Unrealized gains (losses) reserve	Cumulative translation adjustment	Non-controlling interests (note 23)	Total
Balance at December 31, 2022	114,700	877,796	—	—	30,255	(77,902)	6,748	951,597
Total consolidated comprehensive profit for the year		465,209	—	—	(19,320)	(28,279)	34,467	452,077
Transactions with shareholders								
Capital increase	29,300	(29,300)	—	—	—	—	—	—
Shareholders contributions	—	80,601	—	—	—	—	—	80,601
Dividends	—	(80,000)	(80,000)	—	—	—	(21,323)	(181,323)
Treasury shares	—	(238,868)	—	(105,907)	—	—	—	(344,775)
Acquisition of non-controlling interests	—	(4,840)	—	—	—	—	(198)	(5,038)
Business combinations								
Other changes in equity								
Put-Call options	—	1,542	—	—	—	—	—	1,542
Reclassification of non-controlling interests	—	11,265	—	—	—	(874)	(10,391)	—
Other changes in equity	—	4,528	—	—	—	—	—	4,528
Balance at December 31, 2023	144,000	1,087,933	(80,000)	(105,907)	10,935	(107,055)	9,303	959,209
Total consolidated comprehensive profit for the year	—	530,649	—	—	(38,655)	487	12,311	504,792
Transactions with shareholders								
Capital increase	4,091	1,641,252	—	—	—	—	—	1,645,343
Capital decrease	(19,592)	19,592	—	—	—	—	—	—
Dividends	—	(186,086)	—	—	—	—	(6,433)	(192,519)
Treasury shares	—	243,260	—	25,626	—	—	—	268,886
Acquisition of non-controlling interests	—	181,604	—	—	—	—	—	181,604
Business combinations	—	—	—	—	—	—	159,667	159,667
Other changes in equity								
Put-Call options	—	182,215	—	—	—	—	—	182,215
Reclassification of non-controlling interests	—	3,601	—	—	—	—	(3,601)	—
Other changes in equity	—	(91,846)	80,000	—	—	—	(159,667)	(171,513)
Balance at December 31, 2024	128,499	3,612,174	—	(80,281)	(27,720)	(106,568)	11,580	3,537,684

Notes 1 to 34 of the attached Consolidated Report form an integral part of the Statement of changes in consolidated equity as of December 31, 2024 and 2023.

Consolidated cash flow statement

For the years ended December 31, 2024 and 2023.

(Thousand euros)	Notes	2024	2023
Cash flows from operating activities			
Profit / (loss) attributable to the Parent Company		530,649	465,209
Profit / (loss) attributable to non-controlling interests		11,884	34,679
Elimination of expenses and income with no impact on cash flows and other adjustments:			
Depreciation and Amortization	12	210,495	169,704
Deferred tax expense / income	14	(20,283)	(19,370)
Other financial income / expenses	13	8,868	5,098
Financial expenses	25	58,217	54,364
Other adjustments		(15,314)	26,223
Capital gains and losses on disposals of assets		668	(457)
Other non-current assets and liabilities		(25,663)	66,787
Result from associates and impairment of financial assets	18	(61,060)	(51,347)
Gross cash flow		698,461	750,890
Changes in working capital	30	41,231	(194,416)
Net cash from operating activities (I)		739,692	556,474
Cash flows from investing activities			
Purchases of property, plant and equipment and intangible	15 - 16	(190,919)	(177,919)
Disposals of property, plant and equipment and intangible		139	1,391
Dividends received	18	14,722	25,464
Financial assets	19	18,028	(4,602)
Business Combinations (net of cash)	5	(265,288)	—
Acquisition non-controlling interests		(811,476)	(51,900)
Loans issued to related parties (net)		(5,759)	(79,082)
Net cash from investing activities (II)		(1,240,553)	(286,648)
Cash flows from financing activities			
Capital increases	23	1,377,091	—
Treasury shares	23	(357)	(108,392)
Dividends paid	23	(192,519)	(181,323)
Issuance bank borrowings	25	658,572	429,780
Repayment bank borrowings and interests	25	(1,224,867)	(175,307)
Repayment of lease debt	17	(79,571)	(62,767)
Net cash from financing activities (III)		538,349	(98,009)
Net effect of changes in exchange rates (IV)		(7,743)	(28,966)
Change in cash and cash equivalents (I+II+III+IV)		29,745	142,851
Cash and cash equivalents at beginning of the year		852,901	710,050
Cash and cash equivalents at the end of the year		882,646	852,901

Notes 1 to 34 of the attached Consolidated Report form an integral part of the Consolidated Statement of Cash Flows as of December 31, 2024 and 2023.

Notes to the Consolidated Annual Accounts

For the year ended December 31, 2024.

1. Corporate information

Puig Brands, S.A. ("Parent Company", the "Company", "Puig Brands"), formerly Jorba B.V., was established on February 25, 1983. On November 20, 2015 it changed its corporate name to Jorba Perfumes, S.L. Sociedad Unipersonal. The Company changed its registered office on December 18, 2015, and is currently located at Plaza Europa 46-48 in L'Hospitalet de Llobregat, Barcelona, Spain. On November 8, 2022, Puig, S.L., the sole shareholder of Puig Brands ("Sole Shareholder" or Puig, S.L.), approved the transformation of the Company into a public limited company, and, on March 20, 2023, decided to change the corporate name to Puig Brands S.A., Sociedad Unipersonal.

On May 3, 2024, the class B shares of Puig Brands, S.A. have been admitted to trading on the four Spanish Stock Exchanges through the Stock Exchange Interconnection System (Continuous Market).

The consolidated annual accounts and the consolidated management report of Puig Brands and subsidiaries (hereinafter "Puig" or "the Group") corresponding to the financial year ended December 31, 2024 have been prepared by the directors of Puig Brands on February 26, 2025 in Barcelona.

Until December 31, 2022, the ultimate parent company of the Group for accounting purposes was Puig S.L., whose consolidated annual accounts for the year ended December 31, 2022 were audited at that level by Ernst & Young, S.L. On June 30, 2022, Puig, S.L. contributed its businesses to Puig Brands, S.A. Since 2023, being the first full year after the contribution was consummated, the Company has been the parent company of the Group, and prepared for the first time its own consolidated annual accounts as of the year ended December 31, 2023.

Puig is a global player in the premium beauty industry, home of iconic brands in the Fragrance and Fashion, makeup and skincare business categories.

Since 1914, the Puig family has run the family business. The Puig family is the backbone of the company's values, which have been passed on for the last three generations. Their entrepreneurial spirit, creativity and passion for innovation have made Puig a reference in the field of beauty and fashion. Present in the Fragrance and Fashion, Makeup, and Skincare business categories, its brands are reinforced by a powerful ecosystem of founders and generate engagement through storytelling that connects with people's emotions.

At Puig we honor the values and principles put in place by three generations of family leadership. Today we continue to build on that legacy, through conscious commitments in our ESG (Environmental, Social and Governance) agenda, aligned with the Union Nations Sustainable Development Goals.

Puig operates across three segments: Fragrance and Fashion, Makeup and Skincare through owned and licensed brands. Puig is based on a unique system of brands, led by unique personalities, with whom it establishes lasting and productive relationships, through shared values and the same brand building vision. Most of the business generated by Puig is built on its owned brands, highlighting Carolina Herrera, Jean Paul Gaultier, Rabanne, Charlotte Tilbury, Nina Ricci, Dries Van Noten, Penhaligon's, L'Artisan Parfumeur, Kama Ayurveda, Loto del Sur, Byredo, Dr.Barbara Sturm, Apivita and Uriage. Additionally, Puig markets licensed brands products, mainly Christian Louboutin, Adolfo Dominguez, Antonio Banderas.

In addition, Puig owns minority interests in other entities, with the most relevant ones being ISDIN, S.A., Ponteland Distribuçao, S.A. (Granado) and Sociedad Textil Lonia, S.A.

As a home of highly desirable premium brands, and to ensure that the identity of each brand is reflected at all stages, Puig is present in every stage of the value chain, relying on the knowledge and infrastructure of leading suppliers and partner.

The Company's ambition and determination have underpinned its international expansion since 1962, when it founded its first subsidiary outside Spain, and have helped it extend its activity across all continents. This extensive global presence is managed from the Barcelona headquarters. Puig has production plants in Europe (6) and India (1), with brand headquarters and subsidiaries in 32 countries.

2. Basis of presentation

2.1. Basis of presentation

The consolidated annual accounts have been prepared in accordance with the International Financial Reporting Standards (hereinafter, IFRS), adopted by the European Union (EU-IFRS).

The consolidated annual accounts are presented, unless expressly mentioned, in thousands of euros.

These consolidated annual accounts have been prepared under the going concern principle, in the absence of doubts about the Company's ability to continue its operations.

2.2. Basis of consolidation

The consolidated annual accounts corresponding to the financial year ended December 31, 2024 have been prepared in accordance with EU-IFRS.

Subsidiaries are entities over which the Company has control and, therefore, the power to govern their financial and operating policies. The results of subsidiaries acquired during the year are included in the consolidated annual accounts from the effective acquisition date.

Control is defined over three elements that must be complied with: having power on the relevant activity of the subsidiary, exposure, or the right to variable returns from its investment, and the ability to use such power to influence on those returns.

The share of non-controlling interests of the equity and income of the subsidiaries is under “Non-controlling interests” in the Consolidated Balance Sheet and “Profit attributable to non-controlling interests” in the Consolidated Income Statement.

All the intercompany balances and transactions have been eliminated, including unrealized profits arising from intragroup transactions.

Each of the companies included in the scope of consolidation prepares its annual accounts and other accounting records in accordance with the corresponding reporting standards, based on the legislation in force in the country of origin. Where these recognition and measurement criteria differ from those adopted by the Company in preparing its consolidated financial statements, they are adjusted to present the consolidated financial statements using uniform accounting policies.

The financial statements of companies with a functional currency other than the euro have been translated as follows:

- Assets and liabilities are translated into euros at the exchange rates prevailing at year-end.

- Items composing the equity of these companies are translated to euros at the historical exchange rates used in the preparation of their historical consolidated annual accounts.

- Income and expenses are translated into euros using the average exchange rate for the year.

The differences arising from the application of these exchange rates are included in consolidated equity under “Translation differences”.

Associates, in which Puig does not have control but has significant influence, have been accounted for using the equity method. For consolidation accounting purposes, it has been estimated that Puig has significant influence when holding more than 20% of companies’ share capital and/or it can be verified that such significant influence exists.

Subsidiaries are consolidated from the date on which control is transferred and cease to be consolidated when such control disappears. In the event of a loss of control over a subsidiary, the consolidated financial statements incorporate the results of said subsidiary for the portion of the reporting year in which Puig still held the control.

Almost all the entities included in the scope of consolidation have December 31st financial year ends. The financial statements of the entities whose yearly closing does not coincide with that of the Company have been duly adapted. The accounting principles used by subsidiaries and associates have been adapted in the consolidation process to make them coincide with those applied by the Company.

All the companies included in the scope of consolidation have been consolidated using the full consolidation method, except for the groups Ponteland Distribuçao, S.A. (Granado), Sociedad Textil Lonia, S.A., Isdin, S.A. and Beijing Yitian Shidai Trading, Co, LLC, which have been consolidated using the equity method.

2.3. Changes in accounting policies and in information breakdowns

The accounting policies used in the preparation of the consolidated annual accounts are the same as those applied in the consolidated annual accounts of 2023 of Puig Brands, S.A. and its subsidiaries, except for the following standards, interpretations and amendments that have been applied for the first time this exercise.

- Standards and interpretations approved by the European Union applied for the first time in 2024.

Puig has not experienced significant impacts on these consolidated annual accounts due to new standards and interpretations.

In May 2023, the IASB issued Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7). Puig has made the required disclosures in the full year 2024 Consolidated Financial Statements (see note 31.4) in accordance with the amendment.

- Standards and interpretations issued by the IASB but not yet applicable in 2024

Puig intends to adopt the standards, interpretations, and amendments to standards issued by the IASB that are not mandatorily applicable in the European Union when they become effective if they are applicable. Although Puig is currently analysing their impact, based on the analyses conducted to date, it estimates that their initial application will not have a significant impact on its consolidated financial statements.

2.4. Scope of consolidation

The main changes that occurred during the year ended December 31, 2024, relate the acquisition of Dr.Barbara Sturm as indicated in note 5.

For fiscal year 2023, there were no significant changes compared to fiscal year 2022.

3. Main events of the period

Business combination Dr.Barbara Sturm

In January 2024, Puig acquired 65% of Dr.Barbara Sturm. With this acquisition, Puig reinforces its presence in the skincare business. Dr.Barbara Sturm was founded in 2014 with the objective to deliver science-based and effective skincare treatments. Dr.Barbara Sturm is a luxury, science-focused skincare brand with seven owned spas and boutiques offering high-performance treatments (note 5).

2024 incentive plan and offering extraordinary award

Between January and March 2024 an extraordinary long-term incentive free shares plan was executed for the Chairman and CEO, our Senior Officers and other key employees. As a result, a total of 1.498.216 Class B shares have been delivered to the employees, with a total cost amounting to 36 million euros.

On March 19, 2024, Board of Directors approved the Offering Extraordinary Award for all employees (including Chairman and CEO, Senior Officers and other key employees) amounting to 79.9 million euros (including social security costs). In addition to the Offering Extraordinary Award, the Board of Directors approved an extraordinary plan incentive payment for the Chairman and CEO, some Senior Officers, and other key employees, in recognition of their respective contributions to the Company in the context of the Offering, which has been paid in May and June 2024. The Chairman and CEO received a total amount of 9.3 million euros (including the amount of the Offering Extraordinary Award attributable to him); the Senior Officers received a total amount of 4.5 million euros (including the amount of the Offering Extraordinary Award attributable to them); and certain key employees that are not Senior Officers received a total amount of 3.1 million euros (excluding the Offering Extraordinary Award attributable to them).

New revolving credit facilities

Between February and April 2024, Puig Brands signed revolving credit facilities totalling 680 million euros to finance the acquisition of minority interests in Byredo and Prado Investments.

Liabilities from Business Combinations

Prado Investments Limited

On March 1, 2024, Puig agreed to acquire preference shares from BDT Champion Holdings, L.P. corresponding to 26.3% of the total number of shares (and voting rights) in Prado Investments Limited, for a total consideration consisting of 366.0 million euros in cash on March 1, 2024 and 243.6 million euros settled through the issuance of Puig Brands new Class B Shares carried out on May 2, 2024.
After acquiring this additional stake, Puig has obtained 100% number of shares and voting rights in Prado Investments Limited (which holds 73.1% of the share capital of Charlotte Tilbury Limited).

Byredo AB

On March 1, 2024, Puig acquired 20% of Byredo AB from Manzanita for a total consideration of 214.6 million euros in cash paid on March 1, 2024. As part of this transaction, Manzanita committed to invest 161 million euros in the subscription at the Offering Price of new Puig Brands Class B Shares carried out on May 2, 2024.

Additionally, on March 1, 2024, Puig agreed to acquire 3% of Byredo AB from Arctic Sun, a company owned by brand founder Ben Gorham, for a total consideration consisting of 16.1 million euros in cash on March 1, 2024 and 16.1 million euros settled through the issuance of new Puig Brands Class B Shares carried out on May 2, 2024.

After acquiring this additional stake, Puig has obtained 100% number of shares and voting rights in Byredo AB.

As summary the Share capital increases subscribed by minority interests of Prado Investments Limited and Byredo AB (the Minority Shareholders) in an aggregate amount of 420,582 thousand euros by virtue of which a total of 17,166,618 new Class B Shares fully paid up were issued and fully subscribed by the Minority Shareholders (note 23).

Initial public offering of Class B shares of Puig Brands, S.A.

On May 3, 2024, class B shares of Puig Brands, S.A. were admitted to trading on the Barcelona, Madrid, Bilbao, and Valencia Stock Exchanges through the Stock Exchange Interconnection System (Continuous Market). The price per share was set at 24.50 euros, and the capital and net share premium increase amounted to 1,671 million euros. All details and equity considerations of the IPO are detailed in note 23.

Management incentive plans (SARs) after Puig Brands initial public offering admission

According to the provisions of the Incentive Plans (Share appreciation rights o SARs) 2015-2018, 2021-2023 and 2024, after Puig Brands Admission into the stock Spanish exchange:

- all the put options granted by Puig to the beneficiaries have been cancelled. Accordingly, the Admission has resulted in the entire cancellation of the 238.9 million euros liability recorded at December 31, 2023 related to plans 2015-2018 and 2021-2023 resulting in a positive impact in Other Reserves by this amount in 2024 (note 23).

- a limited number of call options granted to some of the beneficiaries have been cancelled. The call options after Admission remain effective and may be exercised by Puig over the Class B Shares that are subject to a lock-up restriction and during the period that such lock-up restriction applies.

Charlotte Tilbury

On July 25, 2024, Puig acquired an additional stake 5.4% in Charlotte Tilbury Limited amounting to 214,816 million euros (180,456 million GBPs). With this additional stake in Charlotte Tilbury, Puig directly controls 78.5% of the subsidiary.

On December 17, 2024, Puig announced the extension of its strategic collaboration with Charlotte Tilbury MBE. The original agreement signed in 2020, which was set to end in 2025, has been extended until the end of 2030. As a result, Charlotte Tilbury MBE will retain a minority stake in Charlotte Tilbury Limited until the end of 2030.

The agreement includes put and call options exercisable at different periods between 2026 and 2031, valued based on a market multiple linked to the key financial metrics of Charlotte Tilbury's business.

The extension of these put and call options, from 2026 to different periods between 2026 and 2031, has had a positive equity impact amounting to 197.5 million euros, mainly due to the extension of the liability (which is discounted at present value), the new multiples agreed and the projected financial metrics.

4. Accounting policies

The consolidated annual accounts have been prepared by the Directors of the Parent Company, in accordance with the International Financial Reporting Standards adopted by the European Union (IFRS-EU) as of December 31, 2024.

4.1. Business combinations - put-call options on minority interests

When a business is acquired, its assets, liabilities and contingent liabilities are measured at fair value at their acquisition date, as provided on IFRS 3, Business Combinations. When performing the purchase price allocation for the business combination, Puig records the identified intangible assets like brands or customer relationships. Any excess in the cost of acquisition over the fair values of the identified net assets is recognized as goodwill. If the cost of acquisition is lower than the fair value of the identifiable net assets, the difference is credited to profit or loss on the acquisition date.

At the business combination date, variable contingent consideration is estimated. Subsequently, differences are recorded in profit and loss.

The interest of non-controlling shareholders is stated at their proportion of the fair value of the assets and liabilities recognized. After initial recognition, non-controlling interests are adjusted by the profit / loss obtained.

On business combinations executed in stages, previous investments are valued at fair value with differences recorded in profit and loss.

In recent years, Puig has carried out business combinations in which it obtained the majority of voting (and economic) rights in entities like Charlotte Tilbury, Dr.Barbara Sturm or Byredo AB, among others, thereby gaining control over these businesses (note 5). In these transactions, specific purchase put-call options were agreed for the acquisition of the remaining stake.

When Puig acquires a business without obtaining all its voting shares, but agrees a put and call option to acquire the minority stake in the future, and if the terms and conditions of the contract permit it, Puig follows IFRS 10 as outlined below:

a. It calculates the value at which the non-controlling interests (minorities) should have been recorded according to IFRS 10.

b. Subsequently, at the year-end closing, minority interests are accounted for as if they were acquired on that date.

c. A financial liability is recognized for the current value of the amount payable as consideration for the exercise of the minority's put option, as an acquisition of minorities. The revaluation of the financial liability is reflected in consolidated equity.

   In subsequent years to the acquisition, Puig recognizes the amount of profit attributable to minority interests in the consolidated income statement and subsequently reclassifies the minority interest as reserves.

4.2. Investments in associates and joint ventures

Puig’s investments in associates and joint ventures are accounted for using the equity method.

Associates, in which Puig does not have control but has significant influence, have been accounted for using the equity method. For consolidation accounting purposes, it has been estimated that Puig has significant influence when holding more than 20% of companies’ share capital and/or it can be verified that such significant influence exists. Associates are defined in note 2 and Annex I.

Joint ventures are those entities over whose activities Puig has joint control, established by contractual arrangement. According to IFRS 11, Joint Arrangements, these entities are accounted for using the equity method in the consolidated financial statements.

The value of these investments on the consolidated balance sheet implicitly includes, where applicable, the goodwill arising on their acquisition.

Puig evaluates annually the impairment of the investments in associates and joint ventures.

4.3. Foreign currency translation

The financial statements of the standalone subsidiaries and associates are expressed in their functional currency. note 2.2 provides a detailed explanation of how Puig has translated local currency into euros.

The main functional currencies other than the euro are the US dollar (USD) and the pound sterling (GBP). A detail of all the companies in the scope of consolidation and their corresponding functional currencies is included in Annex I.

The financial statements of Puig companies whose functional currency is the currency of a hyperinflationary economy (Argentina) are adjusted for inflation in accordance with the procedure described in the following paragraph prior to their translation to euros. Once restated, all the items of the financial statements are converted to euros using the closing exchange rate. Amounts shown for prior years for comparative purposes are not modified. All impacts are accounted for within currency translation differences in equity.

To determine the existence of hyperinflation, Puig assesses the qualitative characteristics of the economic environment of the country, such as the trends in inflation rates over the previous three years. The financial statements of companies whose functional currency is the currency of a hyperinflationary economy are adjusted to reflect the changes in purchasing power of the local currency, so that all items in the balance sheet not expressed in current terms (non-monetary items) are restated by applying a general price index at the financial statement closing date, and all income and expense, profit and loss are restated monthly by applying appropriate adjustment factors.
The exchange rate applied at the end of the year was the following:

Argentine peso	2024	2023
Year-end exchange rate	1,064	895

4.4. Property, plant, and equipment

Property, plant and equipment are recorded at the lower of acquisition cost, net of its accumulated depreciation, and recoverable value.

Tangible fixed assets category	Depreciation method	Useful life
Buildings	Straight-line	33 years
Machinery and tools	Straight-line	4 to 10 years
Office furniture and other equipment	Straight-line	3 to 10 years

Expenditure relating to repairs or maintenance is included in the consolidated income statement. The costs of improvements or enhancements which extend the useful lives of the assets are capitalized.

The net carrying value of property, plant and equipment is reviewed for impairment when events or changes in circumstances indicate that the net carrying value may not be recoverable. If any such indication exists, and where the net carrying value exceeds the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amounts.

The recoverable amount of plant and equipment is the greater of net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks inherent to the asset. Impairment losses are recognized as an expense in the income statement.

4.5. Intangible assets other than goodwill

Brands acquired as a result of business combination are stated at their fair value at the acquisition date. Intangible assets are valued regularly to make sure that their net book value is not higher than their recoverable value, in which case a loss would be recorded.

The recoverable amount of intangible assets is the greater of net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks inherent to the asset. Impairment losses are recognized as an expense in the income statement.

Depreciation of intangible assets is calculated on a straight-line basis over the estimated useful lives of the assets, which are as follows:

Intangible assets	Depreciation method	Useful life
Brands	—	Indefinite
Software, ERP and other intangibles	Straight-line	3 to 5 years

Puig considers that its brands have an indefinite useful life since there is no foreseeable limit for the period over which the brands are expected to generate net cash inflows based on legal and competitive factors, since Puig’s brands have a consolidated position in the market.

Where the recoverable amount of an asset is below its carrying amount, the carrying amount is written down to its recoverable amount. An impairment loss is immediately recognized in profit or loss. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount. However, the increased carrying amount will not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or the cash-generating unit) in prior years. The reversal of an impairment loss is recognized immediately in profit or loss.

4.6. Goodwill

Goodwill is initially accounted for as the difference between the value of the contribution made for the acquisition of business and the fair value of the acquiree's identifiable assets, liabilities and contingent liabilities.

Goodwill is no longer amortized on application of IFRS 3. Instead, goodwill is internally tested annually unless impairment indicators are detected. Impairment indicators are for example significant differences between the business performance versus business plans and macroeconomic factors.

In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of cash flows have not been adjusted.

The composition of the Group's Cash Generating Units (CGUs) and the methodology for the impairment tests are explained in note 16.

4.7. Inventory

Inventory is valued at the lower of cost and net realizable value.
The cost of inventory comprises all costs related to purchase and conversion and design, logistic and transportation costs and the necessary costs directly attributable to bring the inventory to its present location and condition.

Costs incurred in bringing each product to its present location and conditions are accounted for as follows:

- Raw material: Purchase cost on a first-in, first-out basis

- Finished goods and work in progress: Direct costs and a portion of indirect costs based on a normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less the costs necessary to complete or perform the sale.

Obsolete and slow-moving products have been reduced to their estimated realizable value. This provision is based on product type, inventory turnover and expiry date.

4.8. Interest-bearing loans and borrowings

All loans and borrowings are initially recognized at cost, being the fair value of the consideration received net of issue costs associated with the borrowing.

After initial recognition, interest-bearing loans and borrowings are stated at their amortized value applying the effective interest rate method and considering emission expenses.

Derecognition of interest yield loans and credits

Puig derecognizes a previously recognized loan from the balance sheet when the obligation under the liability is extinguished because payment to the creditor for cancelling the debt has been made (through payments in cash or other goods or services) or because the debtor is legally released from any responsibility for the liability.

A loan is derecognized as follows: the difference between the carrying amount of the financial liability (or the part of it that has been derecognized) and the consideration paid, including any attributable transaction costs, which also has to include any new asset transferred other than cash or liability assumed, is recognized in the income statement in the year to which it relates.

Debt restructuring

In certain cases, Puig restructures its debt commitments to its creditors. For example: extending the maturity date of the principal in exchange for a higher interest rate, not paying and grouping interest in a single bullet payment of the principal and interest at the end of the life of the debt, etc.

There are several ways in which the terms on a debt may be changed:

- Immediate payment of the nominal amount (before maturity) followed by the refinancing of all or a portion of the nominal amount through a new debt (“exchange of debt”).

- Modifying the terms of the debt agreement before maturity (“modification of debt”).

In an exchange or modification of debt with the same creditor, Puig analyzes whether a substantial change in the terms on the original debt has occurred. If so, the accounting treatment is as follows

- the book value of the original financial liability (or of its corresponding portion) is derecognized from the balance sheet;

- the new financial liability is initially recognized at fair value;

- transaction costs are recognized in the income statement;

- the difference between the book value of the original financial liability (or the portion thereof that has been derecognized) and the fair value of the new liability is also recognized in the income statement.

  On the contrary, if after the analysis, Puig concludes that both debts are not substantially different (they are essentially the same debt), the accounting treatment is as follows:

- the original financial liability is not derecognized (that is, it is kept on the balance sheet);

- the fees paid in the restructuring transaction are recorded as an adjustment to the debt's carrying amount;
-
- the difference between the present value of cash flows excluding refinancing fees discounted at the effective interest rate prior to the refinancing and the previous amortized cost shall be presented as finance profit/(cost);

- a new effective interest rate is calculated as from the restructuring date. The amortized cost of a financial liability is determined by applying the effective interest rate, which equates the carrying amount of the financial liability on the modification date to the cash flows to be paid as per the new terms.

  The contractual terms are considered to be substantially different, among others, when the present value of the cash flows from the new contract, including any commission paid, net of any commission received, differs by at least 10% of the present value of the cash flows yet to be paid on the original contract, when the effective interest rate of the original contract has been applied to both amounts.

  Certain modifications to the determination of cash flows may not pass this quantitative analysis, but may also give rise to a substantial modification of the liability, such as: change from a fixed to a floating interest rate on the payment on the liability, restatement of the liability in a different currency, conversion of a loan at a fixed interest rate into a participation loan, among others.

4.9. Provisions

Provisions are recognized when:

- Puig has a present obligation (legal or implicit) as a result of a past event;
- It is probable that an economic outflow will be required to settle the obligation; and,
- A reliable estimate can be made of the amount of the obligation.

Provisions for restructuring costs are recognized when Puig has a formal plan for restructuring that has been notified to the affected parties.

If the effect of the cash temporary value is significant, the amount of the provision is discounted. Any increase in the provision value derived from the passing of time is recorded as "Financial expenses" in the consolidated income statement.

There are no risks giving rise to future significant contingencies that affect Puig and have not been considered in these financial statements.

Additionally, contingent liabilities are possible obligations arising as a consequence of past events, which may or may not occur depending on one or more future events beyond the Group's control. Unlike provisions, contingent liabilities are not recognized in the consolidated balance sheet but disclosed in the notes thereto unless they are not considered remote.

4.10. Post-employment benefits and shared-based payments

Post-employment pension plans

Puig has entered into post-employment pension plans with some of its employees.

Under defined contribution retirement plans, Puig pays fixed contributions on a current basis into a separate (third party) recognized pension fund and will have no obligation to pay further contributions. Such fixed contributions are recognized in the income statement on the due date.

Under defined benefit retirement plans, Puig is obliged to pay certain benefits upon retirement. The liabilities of Puig concerning defined benefit retirement plans, and the related service cost, are determined using the projected unit credit method. The following concepts are recognized in the income statement for the year: the service costs for the current year, costs due to interest, expected yield of any plan asset, cost of previous services, and the effect of any type of curtailments and settlements of the plan. Any actuarial gains and losses are recognized outside the income statement and presented in the statement of changes in equity according to IAS 19. The amount recognized in the balance sheet represents the present value of the defined benefit obligation, net of related assets.

Share appreciation plan

Puig has several “share appreciation rights” (SARs) for executives and employees. The related employee benefits expense is determined based on the fair value of the liability at the vesting date and it is recognized based on the best estimate made by Management. This expense is recognized over the stipulated period during which the services are rendered and adjusted based on actual employee rotation.

Most of the SARs plans grant the beneficiaries the right to choose whether the share-based payment transaction is settled in cash or by delivering equity instruments, and consequently, it meets the definition of a compound financial instrument, which includes a debt component and an equity component. In order to measure each component, the Company has concluded that there is always a cash event enforceable for the Company in relation to all shares granted, and consequently, the accounting for these plans has been treated as a cash settlement, being the equity component measured at nil.

In the case that the shares are finally acquired by the employees, crossed put and call options are put in place. For some plans, in the case of a public offering, the put and call options would no longer have any effect, except when lock up periods apply, in which case Puig retains a call option.

Some specific plans have been defined as cash-settled plans, as they are always settled in cash.

4.11. Leases

Puig leases are in line with market terms and conditions. The main types of lease agreements, as well as their main characteristics are described below:

- Offices and warehouses: contract terms include an average lease length between 10 and 15 years and fixed rent updated based on inflation rates. In some of these contracts Puig has unilateral option to extend from 5 to 10 years.

- Stores: contract terms include an average lease length between 3 and 12 years. Rent payments always include a fixed component and some of them also include a variable component linked to the sales of the respective store which is added to the fixed component.

- Cars: contract terms include an average lease length between 3 and 4 years and fixed rent updated based on inflation rates.

Variable lease payments, which do not depend on an index or rate, are not included in the measurement of the lease liability and the right-of-use asset, and are recorded as an operating expense as they are incurred.

At the commencement date of the lease, a right-of-use asset and a lease liability shall be recorded.

Initial valuation of the asset by right of use

At the commencement date of the lease, the right-of-use asset is measured at cost, which shall comprise:

- The amount of the initial measurement of the lease liability.
- Any lease payments made at or before the commencement date, less any lease incentives received.
- Any initial direct costs incurred by the lessee.
- An estimate of costs to be incurred by the company in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.
- In the cases in which there are variable amounts, the minimum lease payment shall be considered in the price.

Initial measurement of the lease liability

At the commencement date, the lease liability shall be measured at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, Puig's incremental borrowing rate shall be used. The lease payments included in the initial measurement of the lease liability comprise the following payments:

- Fixed payments less any lease incentives receivable.
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date of the lease.
- Amounts expected to be payable by the lessee under residual value guarantees.
- The exercise price of a purchase option if the lessee is reasonably certain to exercise that option.
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

Puig has included in the measurement of the lease liability the future cash flows for the periods it estimates that it will keep the contracts. For some of the lease contracts, the Group has extension options for additional periods, which can be freely exercised by the Group only.

These extension options have been considered in the value of the lease liability when Puig has reasonable certainty to exercise these options, due to significant investments performed, and the complexity to find similar leases in the market.

Subsequent measurement of the right-of-use asset

The right-of-use asset shall be measured at cost less any accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of the lease liability.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

Subsequent measurement of the lease liability

The lease liability shall be measured by: (i) increasing the carrying amount to reflect interest on the lease liability; (ii) reducing the carrying amount to reflect the lease payments made; and (iii) remeasuring the carrying amount to reflect any reassessment or lease modifications.

The lease payments associated with short-term leases or leases for which the underlying asset is of low value are recognized in the consolidated income statement as an expense on a straight-line basis over the lease term. A short-term lease is a lease that, at the commencement date, has a lease term of 12 months or less.

Modifications to lease payments linked to an index, such as the consumer price index, are treated as modifications to lease liabilities at the date the index is revised and based on remaining cash flows.

The balancing entry of a modification to the lease liability is an adjustment to the right-of-use asset.

4.12. Revenue

Revenue is recognized at the carrying amount of the consideration received. Sales agreements contain one single performance obligation that is satisfied at a point in time.

There are no contracts with customers with significant financing components.

Gross sales

Income from the sale of finished goods is recognized when control over the goods is transferred to the customer, which occurs when the significant risks and rewards of ownership of the goods have passed to the buyer and can be reliably measured, which is, in general terms, when the goods are delivered.

The Group's revenue comes from the following business segments: Fragrance and Fashion, Makeup, Skincare.

Sales rebates and returns

Sales rebates include all the discounts given to end customers, volume-based incentives, etc.

Sales rebates and refunds are part of the sale transaction and deducted from the consideration in revenue recognition.

Puig receives promotional support services from certain customers, such as placing products in display stands and publishing offers, among others. These services are not under Puig’s control neither fulfill any obligation and thus considered as a rebate. These amounts are deducted from the consideration for revenue recognition purposes if net revenue recognition criteria is met under IFRS 15.

Royalty income

Royalty income is related to licenses that Puig’s brands (Nina Ricci, Rabanne, Jean Paul Gaultier and Carolina Herrera) give to third parties to commercialize certain products such as eyewear and fashion and accessories. Royalty income is accounted for on an accrual basis, based on the percentage established for each of the licenses over the sales carried out by the third parties.

4.13. Income tax

The Parent Company and all of its Spanish subsidiaries pay corporate income tax under a consolidated tax regime, with the top entity responsible before the tax authorities being Puig, S.L. The income tax expense is recognized in the income statement except when it refers to items recorded directly under equity.

Deferred income tax is recorded applying the liability method, on all temporary differences existing at the balance sheet date between the carrying amount of an asset or liability in the balance sheet and its tax base. Deferred tax liabilities are recognized for all taxable temporary differences except when the deferred income tax liability arises from an acquired goodwill, whose amortization is not tax deductible, or the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor the taxable profit or loss. Likewise, deferred tax liabilities are also recognized for all taxable temporary differences arising from the carrying amount of investments in subsidiaries or associates, except when the following two conditions are jointly met: the timing of the reversal of the temporary differences can be controlled by the Parent Company and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilized except, when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of transaction, affects neither the accounting profit nor taxable profit or loss.

4.14. Financial instruments

Puig determines the most appropriate classification for each financial instrument based on its business model and the characteristics of contractual cash flows and reviews it only in the event of a change in the business model for managing said assets. Current and non-current financial instruments are classified into the following categories:

Financial assets at amortized cost

Financial assets at amortized cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified, or impaired. Puig's financial assets at amortized cost includes trade receivables, deposits, loans and other current assets.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognized in the statement of profit or loss. This category includes derivative instruments to cover loans in foreign currencies and some non-listed equity investments (note 18).

Financial assets at fair value through other comprehensive income

Upon initial recognition, Puig can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments. The classification is determined on an instrument-by-instrument basis. Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in the statement of profit or loss the right of payment has been established. Equity instruments designated at fair value through OCI are not subject to impairment assessment. The Group elected to classify irrevocably its listed and some other non-listed equity investments under this category (financial investments – note 18).

Financial liabilities at amortized cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate ("EIR") method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit or loss.

This category generally applies to interest-bearing loans, trade payables, other current liabilities and lease liabilities.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss includes earn-outs and share based payments designated upon initial recognition as at fair value through profit or loss.

Puig determines the fair value of financial instruments in accordance with the following hierarchy:

- Level 1: Observable prices for identical finance assets/liabilities in active markets.
- Level 2: Other measurement techniques in which the parameters with a significant impact on the determination of fair value are obtained directly or indirectly from the market.
- Level 3: Other measurement techniques in which the parameters with a significant impact on the determination of fair value are not obtained from the market. Fair value is mainly determined based on future economic projections for the underlying asset (or business).

4.15. Derivative financial instruments

Derivative instruments are initially recorded in the consolidated balance sheet at their cost of acquisition and are subsequently adjusted in order to always be recorded at their fair value. These adjustments are recorded as assets in case they are positive or as liabilities if they are negative.

For accounting purposes, and once the financial instrument has been designated as being a hedging instrument, the following classifications have been used:

a. Fair value hedges: when hedging against the exposure to changes in the fair value of a recognized asset or liability. Any gain or loss from re-measuring the hedging instrument at fair value is recognized immediately in the income statement, netting its effect in the same caption of the income statement.

b. Cash flow hedges: changes in fair value of hedging instruments are recorded for their effective proportion in the “Unrealized gains (losses) reserve” (Shareholders’ equity). The portion of the gain or loss of the hedging instrument that is determined to be an effective hedge is recognized directly in equity and the ineffective portion is recognized in net profit or loss.

The fair value of the different derivative financial instruments is calculated applying the following methods:

a. At year-end exchange rate.

b. Applying the discount of expected cash flows with regard to the market conditions, both for cash and futures at year end closing.

4.16. Use of estimates and judgments

The preparation of the financial statements in accordance with IFRS-EU requires Puig to make estimates and judgments (including fair value) that affect the application of accounting policies and the balances of assets, liabilities, revenues, and expenses.

These estimates and judgments are based on historical experience and various other factors that are considered reasonable under the circumstances, and their results form the basis for determining opinions on the carrying amounts of assets and liabilities that are not readily available from other sources.

The macroeconomic assumptions used in the estimates are based on figures provided by reputable entities and are tailored to Puig's specifications, including inflation, interest rates, exchange rates, etc. Puig incorporates these macroeconomic assumptions into its business planning and strategy.

The business plans prepared by management are used in the estimates made by Puig for the preparation of the annual accounts (e.g., impairment testing, recognition of deferred taxes or valuation of liabilities, etc.). However, actual results may differ from the estimates made in the business plans, both in the forecasts of business developments and in the assumptions applied for the calculations.

Puig's main estimates are as follows:

- The useful life and fair value of property, plant and equipment, and intangibles assets (note 15 and 16).

- The assumptions used in the Purchase Price Allocation (PPA) (note 5) carried out in each business combination. In all cases, the PPA is prepared by external advisors.

- The assumptions used in determining the fair value/value in use of various Cash Generating Units (CGUs) or groups of them to assess the potential impairment of goodwill or other assets (note 16 and 18).

- Estimation of expected credit losses on accounts receivable and inventory obsolescence (notes 4.8, 19, and 20).

- Estimation of deductions from net sales (returns and rebates) (notes 8 and 28).

- The fair value of financial instruments and certain unquoted financial assets (notes 19 and 25).

- Assumptions used in determining the fair values of liabilities related to business combinations (notes 4.1 and 26). Contingent consideration liabilities fall under level 3 of the fair value hierarchy in accordance with IFRS 13.

- Provisions: An estimate is made of amounts to be settled in the future, including those related to contractual obligations, pending litigation, and other future costs. These estimates are subject to interpretations of current facts and circumstances, projections of future events, and estimates of the financial effects of these events.

- Evaluation of the recoverability of tax credits, including carryforward tax losses and deduction rights. Deferred tax assets are recognized to the extent that future tax benefits are available against which temporary differences can be offset, based on management's assumptions regarding the amount and timing of future tax benefits.

5. Business combinations

Dr.Barbara Sturm

In January 2024, Puig acquired 65% (economic and votings rights) of Dr.Barbara Sturm (Barbara Sturm Molecular Cosmetics GmbH). With this acquisition, Puig reinforces its presence in the premium skincare business. Dr.Barbara Sturm was founded in 2014 with the objective to deliver science-based and effective skincare treatments. Dr.Barbara Sturm is a luxury, science-focused skincare brand with seven owned spas and boutiques offering high-performance treatments.

Transaction costs amounting to 5.7 million euros have been recorded in the 2024 income statement (note 10).

The respective carrying amounts and fair values of Dr.Barbara Sturm's identified assets and liabilities at the acquisition date were as follows:

(Thousand euros)	Net carrying amount	Fair value
Long term assets	10,464	192,315
Current assets	19,148	21,098
Cash and cash equivalents	10,535	10,535
Non-current liabilities	(18,667)	(76,068)
Current liabilities	(24,854)	(24,854)
Total net assets	(3,374)	123,026
Cash paid		275,823
Put & call option		159,667
Variable contingent consideration (earn-out)		965
Goodwill (note 16)		313,429

Dr.Barbara Sturm's assets and liabilities are denominated in euros.

The most important differences between the net carrying amount and their corresponding fair values correspond to the brand and customer relationships, with net fair values of 168 million euros and 14 million euros respectively. Additionally, there are deferred tax liabilities associated with the fair value of the intangible assets that arose in the purchase price allocation process, amounting to 57 million euros.

The respective fair values of Dr.Barbara Sturm's brand and customer relationships have been determined through valuations conducted by an independent expert using the royalty savings method and the MEEM (Multi-period Excess Earning Method) methodology. The key assumptions for the estimation of fair values at the acquisition date refer to net revenue growth and royalty rate aligned with the expected market evolution and considering the specifications of the brand. Additionally, a post-tax discount rate of 9.3% and a long-term growth rate of 3% are considered. The assumptions used in terms of business evolution are based on strategic plans approved by Puig.

Puig has recognized a goodwill in connection with the synergies that Puig obtains from Dr.Barbara Sturm improving other Puig cash-generating units (note 16).

As part of the acquisition, Puig has agreed to put and call options for the acquisition of the remaining 35% of Dr.Barbara Sturm's shares not currently owned (note 27). The valuation of these options is based on a net revenue multiple, adjusted according to market multiples. A minimum price, equivalent to the cash payment when control is taken, is guaranteed.

Additionally, an earn-out payable has been agreed as part of the acquisition. The valuation of the earn-out is based on a net revenue multiple, adjusted considering net revenue targets (note 27).

These liabilities have been discounted at a 9.3% at the time of the business combination.

At the acquisition date, the amount of the put call options amounted to 160 million euros, which have been initially recognized as non-controlling interest, and subsequently reclassified as a liability at the reporting date (note 3.1).

The results of Dr.Barbara Sturm's operations have been included in the 2024 financial statements from the acquisition date, January 1st. The amount of net revenue from the acquisition date until December 31, 2024, amounted to 54 million euros.

6. Segment reporting

The information presented below regarding segments has been prepared in accordance with IFRS 8, identifying the corresponding operating segments based on the type of products offered in each of them.

Puig's business activities are organized into three segments: Fragrance and Fashion, Makeup, and Skincare.

The segment reporting is presented with this breakdown as it is used by the senior management and board of directors of Puig to monitor the business. For the purposes of IFRS 8, the board of directors should be understood as the highest authority for operational decision-making at Puig.

Fragrance and Fashion: The Fragrance and Fashion business segment focuses on the creation, marketing and sale of fragrances, and to a much lesser extent, clothing, accessories, and other fashion-related items. Although fashion is a small portion of our revenues, it has been a key enabler of the fragrance industry, especially in the premium segment, where a major part of the top premium fragrance brands are inspired by a fashion brand. Puig recognizes the value of the deep connection that consumers build with fashion brands and how that translates to fragrances.

Under this business category, Puig designs, develops and markets fragrances in various forms, including eau de parfum sprays and colognes, as well as lotions, powders, creams, candles, and soaps, that are based on a particular fragrance. In addition, Puig designs, produces, and markets clothing, footwear, and accessories.

The Puig portfolio of brands operating in the Fragrance and Fashion business category includes Carolina Herrera, Jean Paul Gaultier, Nina Ricci, Rabanne, Byredo, Christian Louboutin, Dries Van Noten, L'Artisan Parfumeur, Penhaligon's, Adolfo Domínguez and Banderas among others.

Makeup: The Makeup business segment focuses on the creation, marketing, and sale of a comprehensive range of high-quality cosmetic products including, among others, foundations, concealers, lipsticks, lip glosses, eyeliners, blushes, mascaras and eyeshadows.

The Puig portfolio of brands operating in the Makeup business segment includes Carolina Herrera, Charlotte Tilbury, Rabanne, Byredo, Christian Louboutin and Dries Van Noten.

Charlotte Tilbury and Christian Louboutin are the brands with the largest revenue contribution to our Makeup business segment. Charlotte Tilbury is the leader in this segment in terms of know-how and acts as the driver for the expansion of makeup products to brands that are already established in other segments.

Skincare: The Skincare business segment focuses on the creation, marketing, and sale of a variety of products to meet the needs of different skin types and concerns, such as cleansers, toners, moisturizers, serums, body care, exfoliators, acne, and oil correctors, facial masks, and sun care products.

The Puig portfolio of brands under this segment skews heavily towards Dermo-Cosmetics but also includes Prestige skincare. Puig's brands operating in the Skincare business segment include Uriage, Apivita, Dr.Barbara Sturm, Kama Ayurveda, Loto del Sur and Charlotte Tilbury.

The distribution of net revenues, operating profit, depreciations and amortizations and operating assets among segments is as follows:

2024

(Thousand euros)	Net revenues	Operating profit	Amortization and impairment (**)	Operating assets
Fragance and Fashion	3,537,998	677,585	155,618	3,649,204
Make up	763,005	44,069	34,309	2,119,360
Skin care	516,164	37,060	20,568	970,429
Eliminations	(27,388)	(*)	—	—
	4,789,779	758,714	210,495	6,738,993

2023

(Thousand euros)	Net revenues	Operating profit	Amortization and impairment (**)	Operating assets
Fragance and Fashion	3,115,001	587,190	124,084	3,169,954
Make up	773,086	62,219	29,047	2,031,933
Skin care	430,854	43,561	16,573	800,214
Eliminations	(14,874)	(*)	—	—
	4,304,067	692,970	169,704	6,002,101

* Operating profit linked to intersegment eliminations, considering the figures involved, was not relevant.

** Depreciation and impairment are presented jointly in 2024 and 2023, as the impairment was not significant (note 15) and was fully allocated to Fragrance and Fashion.

For the purpose of the reconciliation with the total assets of Puig consolidated financial statements, assets are split as follows:

(Thousand euros)	Note	2024	2023
Fixed assets	15	380,356	326,341
Intangible assets	16	4,705,720	4,114,267
Right-of-use assets	17	365,076	287,922
Inventories	20	720,312	788,866
Trade accounts receivable	19	567,529	484,705
Total operational assets		6,738,993	6,002,101
Corporate assets		1,864,207	1,709,187
Total assets		8,603,200	7,711,288

Operational assets are those assets managed in the business segments. Corporate assets are those assets centrally managed by the Parent Company.

7. Geographical reporting

In the presentation of information by geographical areas, net revenues are based on the geographical location of clients, while operational assets are based on the geographical location of assets.

Puig reports using three geographical areas: EMEA (Europe, Middle East and Africa), Americas and Asia-Pacific.

The distribution of net revenues and operational assets by geographical areas is as follows:

2024

(Thousand euros)	Net revenues	Operating assets
EMEA	2,620,004	3,872,892
Americas	1,714,634	1,813,553
Asia-Pacific	455,141	1,052,548
	4,789,779	6,738,993

2023

(Thousand euros)	Net revenues	Operating assets
EMEA	2,322,116	3,303,691
Americas	1,542,978	1,600,909
Asia-Pacific	438,973	1,097,501
	4,304,067	6,002,101

The net carrying amount of property, plant and equipment, intangible assets, and right of use assets located in Spain amounted to 347,980 thousand euros as of December 31, 2024 (2023: 316,716 thousand euros).

8. Net revenues

In notes 6 and 7 above, net revenues by operating segment and by geographical area are presented.

A reconciliation between gross sales and net revenues is detailed as follows:

(Thousand euros)	2024	2023
Gross sales	5,380,826	4,793,239
Royalty income	24,984	26,440
Sales rebates	(505,805)	(448,213)
Sales returns	(110,226)	(67,399)
	4,789,779	4,304,067

Puig has deducted from its gross sales an amount of 616,031 thousand euros corresponding to discounts, returns and promotional support services from certain customers when these support services are not under Puig control neither fulfil any obligation (2023: 515,612 thousand euros) .

Puig does not have any client with a sales volume greater than 10% of Puig's net revenue.

9. Cost of sales

The breakdown of sales costs is as follows:

(Thousand euros)	2024	2023
Procurement and production costs	1,068,028	1,226,551
Inventory losses (note 20)	70,304	50,170
Gross inventory variation (note 20)	63,347	(187,817)
	1,201,679	1,088,904

Procurement and production costs are mainly related to the industrial production cost of products sold. This caption also includes finished goods produced by third parties.

Inventory losses reflects the obsolete stocks and slow-moving products, that, in line with Puig policies have been reduced to their estimated realizable value.

Gross inventory variation shows the difference between prior year and current year gross inventory (excluding provisions for obsolete stocks, slow-moving products and changes in scope from business combinations).

10. Other operational income and expenses

The breakdown of this item is as follows:

(Thousand euros)	2024	2023
Restructuring costs	—	(1,342)
Transaction costs	(17,825)	(2,797)
IPO	(119,473)	(5,168)
Other	(9,328)	(4,457)
	(146,626)	(13,764)

Restructuring costs are recognized in full if they have been communicated to the relevant third parties prior to the end of the reporting period. These costs primarily include expenses such as severance payments, early retirement payments, and other expenses associated with restructuring of acquisitions or change in activity such as site closures.

Transaction costs refer to the expenses incurred for business combinations (note 5) and other corporate transactions. These costs encompass various fees and expenses necessary for completing the transactions.

IPO costs refer to the extraordinary awards given to employees and other costs incurred during the process and the extraordinary pre-IPO incentive plans.

In 2024, “Other” are mainly costs related to Puig Women’s America’s Cup amounting to 9,1 million euros.

In 2023, “Other” are costs of the sponsorship of the Puig Women’s America’s Cup amounting to 4,4 million euros, exceptional legal costs amounting to 2,5 million euros and income of 2,4 million euros resulting from the termination of a license agreement.

11. Operating expenses

The following items are classified as expenses in the income statement based on their function:

(Thousand euros)	2024	2023
Personnel expenses	964,606	761,103
Lease expenses (note 17)	20,804	16,014
Research and development expenses	41,834	33,208
	1,027,244	810,325

In 2024 Puig's average headcount was 10,909 employees, of which 8,088 were female, 2,809 were male and 12 were non-binary/undisclosed (2023: 9,612, of which 7,017 were female, 2,522 were male and 73 were non-binary).

The headcount by professional category is as follows:

	Headcount at year-end				Average number
	Women	Men	Non-binary/ Not stated	Total	
2024					
Senior executives	143	130	—	273	272
Sales and marketing	2,457	670	8	3,135	3,051
Point of sale personnel	4,056	846	42	4,944	3,912
Technicians	1,915	900	11	2,826	2,758
Administrative	118	11	—	129	126
Production staff	433	376	—	809	790
	9,122	2,933	61	12,116	10,909
2023					
Senior executives	107	111	2	220	218
Sales and marketing	2,316	652	61	3,029	2,832
Point of sale personnel	3,617	813	19	4,449	3,357
Technicians	1,667	893	43	2,603	2,423
Administrative	113	22	2	137	129
Production staff	388	298	—	686	653
	8,208	2,789	127	11,124	9,612

The average number of people employed during the year with a disability equal to or greater than 33%, by category, in Puig companies domiciled in Spain to which Royal Decree 1/2021 of January 12, 2021 is applicable, is as follows:

	2024	2023
Senior executives	—	—
Sales and marketing	1	1
Point of sale personnel	1	1
Technicians and administrative	15	14
Production staff	13	10
	30	26

As of December 31, 2024, the Board of Directors consisted of 13 members, 9 men and 4 women (2023: 14 members, 12 men and 2 women).

Employee expenses

(Thousand euros)	2024	2023
Wages and salaries	645,076	554,812
Social security costs	127,189	110,562
Pension costs	16,024	11,713
Additional employee expenses	176,317	84,016
	964,606	761,103

The increase in wages and salaries for 2024 and 2023 mainly corresponds to the increase in the average headcount of the year as well as inflation.

The “Additional employee expenses” caption includes IPO exceptional award amounting to 94,340 thousand euros, multiannual employee remuneration amounting to 43,426 thousand euros in 2024 (46.143 thousand euros in 2023), indemnities amounting to 7,393 thousand euros (8,584 thousand euros in 2023) and other additional fringe benefits such as employee insurances, meal and food allowances, employee cars and other employee benefits. In 2023, this caption also included restructuring costs amounting to 1,342 thousand euros.

12. Depreciation and impairment

The breakdown of depreciation and amortization expenses and impairment is as follows:

(Thousand euros)	2024	2023
Depreciation and impairment of property, plant and equipment (note 15)	93,420	70,975
Depreciation and impairment of intangible assets (note 16)	41,154	32,903
Depreciation and impairment of right-of-use assets (note 17)	75,921	65,826
	210,495	169,704

Overall expenses shown above relate to property, plant, and equipment, intangible assets, and right-of-use assets.

13. Financial result

The detail of the financial income and expenses is as follows:

(Thousand euros)	2024	2023
Finance income from investments in financial institutions and others	16,598	20,401
Finance income with related parties	3,266	3,586
Other finance income (note 27)	86,591	19,609
Total finance income	106,455	43,596
Finance costs from bank borrowings, commissions	(67,939)	(54,364)
Finance lease expenses (note 17)	(8,868)	(5,098)
Other finance costs (note 27)	—	(25,810)
Total finance costs	(76,807)	(85,272)
Total exchange result	(10,290)	(45,727)
Exchange result	(10,290)	(45,727)
Financial result	19,358	(87,403)

Finance income

Financial income primarily corresponds to interest generated by investments held in financial institutions.

In 2024, finance income with related parties corresponds to interest amounting to 3,266 thousand euros of loans issued to related parties (2023: 3,586 thousand euros).

Other financial income in 2024 and 2023 corresponds to the change in the valuation of the earn outs (note 27).

Finance expenses

Financial expenses from financial debts with credit institutions, including loans, interest rate swaps, fees, and others, primarily refer to the interest on loans granted and credit lines used during the current year.

The financial expense for the year 2024 has increased compared to 2023 mainly due to bank borrowing taken in May 2023 and revolving credit facilities taken in 2024 to finance the acquisition of Dr.Barbara Sturm and minority interests respectively (note 3).

Finance lease expenses exclusively concern to the financial impact of applying IFRS 16.

In 2023, Other finance expenses correspond to the variation of earn-outs in relation to the business combinations (note 27).

Exchange results

In 2024 the negative impact of exchange gains mainly corresponds with the depreciation of the Argentinian Peso.

In 2023 the negative impact of exchange gains mainly corresponds with the depreciation of the Argentinian peso, the US Dollar and the GB pound.

As detailed in note 4.3, Puig applies adjustments in hyperinflationary economies.

14. Taxes

Puig Brands is subject to corporate income tax under the consolidated taxation regime in Spain, with Puig, S.L. being responsible for such tax consolidation. Annex II provides details of the companies that are part of the tax consolidation group led by Puig, S.L.

The remaining companies generally pay corporate income tax on an individual basis, except in some jurisdictions where taxation occurs under a tax consolidation regime (Annex II).

On June 2, 2020, inspection proceedings commenced in the Spanish tax consolidation group, for the corporate income tax for the periods 2015-2018 and the value added tax for the periods 2016 -2018. As a result of these inspection proceedings, in May and June 2022 Puig received assessments amounting to an aggregate of 9,131 thousand euros. These were paid in 2022. An economic and administrative claim was lodged against the assessments with which Puig disagreed and in November 2022 the defense allegations were submitted.

On December 31, 2024, Puig has ongoing tax inspections (started in 2023 and 2024) for companies within the group located in the United States, France, Germany and Canada. As of the date of preparation of these Consolidated Financial statements, no significant tax contingencies are expected from the outcomes of these inspections.

Under tax regulations prevailing in countries where Puig companies are domiciled, tax returns may not be considered final until they have either been inspected by tax authorities or until the corresponding inspection period has expired. The years open to inspection in relation to the main taxes vary according to the tax legislation of each country in which the Group operates. Puig considers that, in the event of a tax inspection, no significant tax contingencies would arise in the consolidated financial statements.

Pillar 2 legislation has been approved in certain jurisdictions where Puig operates. This legislation is effective for Puig's annual periods starting from January 1, 2024. As of December 2024, the effective tax rates under Pillar 2 in the jurisdictions where Puig operates are above 15%. Therefore, it has not been necessary to account for a provision to cover the difference between the country's rate and 15%.

The breakdown of the Group's tax balances is as follows:

(Thousand euros)	2024	2023
Assets		
Deferred tax assets	171,826	146,562
Current tax refund assets (note 21)	136,749	85,623
Liabilities		
Deferred tax liabilities	(619,128)	(553,741)
Current tax settlement liabilities (note 29)	(102,510)	(71,177)
Current income tax liabilities	(47,625)	(55,319)
	(460,688)	(448,052)

Short-term income tax liabilities in the consolidated balance sheet correspond to the provision for income tax for the year, net of with holdings and prepayments made during the year.

The deferred tax reflects the income tax amounts to be paid or recovered in future years and arises from the recognition of deferred tax assets or liabilities.

The reconciliation between the expense for tax on profits before tax and the tax rate applicable to Puig is as follows:

(Thousand euros)	2024	2023
Profit before taxes	692,506	643,150
Spanish tax rate (25%)	(173,127)	(160,787)
Permanent differences	16,840	2,050
Incentives and tax credits	10,687	4,262
Uncapitalized tax credits used in the period	120	(208)
Effect of the application of different tax rates	2,240	10,761
Deferred tax income / (expense) due to change in tax rates	429	342
Deferred tax on capitalization losses from prior periods	(433)	1,577
Other adjustments	(6,729)	(1,259)
Corporate income tax income / (expense)	(149,973)	(143,262)
Effective tax rate	21.7 %	22.3 %

Income tax includes expense from both current and deferred tax.

Current tax is the income tax amount payable related to tax on profit for the period and other tax charges derived from compliance with income tax regulations.

Additionally, most of the companies of the group have accumulated positive results in their net equity. If these reserves were distributed, they could be subject to taxation. These consolidated financial statements do not include the tax impact of the distribution when it is not probable to happen under the exemption of IAS 12.

On the other hand, the subsidiaries of the group do not include deferred tax liabilities in relation to future shareholders distributions because there is no expected dividend distribution at the date of preparation of the consolidated financial statements, therefore there is no tax impact on the parent company.

The breakdown of income tax income / (expense) is as follows:

(thousand euros)	2024	2023
Current income tax	(170,256)	(162,632)
Deferred income tax	20,283	19,370
Income tax	(149,973)	(143,262)

Deferred taxes

Deferred tax assets and liabilities movements as of December, 31 are as follows:

Deferred tax assets

2024					
(Thousand euros)	Intra-group transactions	Capitalized tax loss carryforward	Provisions	Others	Total
Deferred tax assets at December 31, 2023	30,133	23,242	14,007	79,180	146,562
Charge / credit to income statement	9,821	(8,091)	701	14,501	16,932
Charge / credit to equity	—	428	(24)	196	600
Business combinations	—	2,429	—	—	2,429
Currency translations and others	—	—	2,168	3,135	5,303
Deferred tax assets at December 31, 2024	39,954	18,008	16,852	97,012	171,826

2023					
(Thousand euros)	Intra-group transactions	Capitalized tax loss carryforward	Provisions	Others	Total
Deferred tax assets at December 31, 2022	24,205	21,217	23,114	55,361	123,897
Charge / credit to income statement	5,919	2,489	(7,189)	20,806	22,025
Charge / credit to equity	—	—	—	—	—
Business combinations	—	—	—	—	—
Currency translations and others	9	(464)	(1,918)	3,013	640
Deferred tax assets at December 31, 2023	30,133	23,242	14,007	79,180	146,562

Deferred tax liabilities

2024 (Thousand euros)	Intangible assets from business combinations	Derivatives	Other	Total
Deferred tax liabilities at December 31, 2023	521,216	4,013	28,512	553,741
Charge / credit to income statement	1,206	—	(4,557)	(3,351)
Charge / credit to equity	—	(3,080)	(5,395)	(8,475)
Business combinations	57,401	—	—	57,401
Currency translations and others	14,096	4	5,712	19,812
Deferred tax liabilities at December 31, 2024	593,919	937	24,272	619,128

2023 (Thousand euros)	Intangible assets from business combinations	Derivatives	Other	Total
Deferred tax liabilities at December 31, 2022	518,358	10,519	23,752	552,629
Charged/(credited) to the income statement	(3,779)	112	6,322	2,655
Charged/(credited) to equity	—	(6,618)	—	(6,618)
Business combinations	—	—	—	—
Currency translations and others	6,637		(1,562)	5,075
Deferred tax assets at December 31, 2024	521,216	4,013	28,512	553,741

At December 31, 2024 Puig had non-capitalized unused tax loss carry forwards (base) amounting to 73 million euros (2023: 32 million euros). Additionally, at the same date Puig had no unused tax credits.

The non-capitalized tax loss carryforward (base) maturities are as follows:

(Thousand euros)	2024	2023
Less than five years	5,947	24,923
More than five years	66,578	6,983
	72,525	31,906

15. Property, plant, and equipment

The breakdown of property, plant and equipment is as follows:

(Thousand euros)	Land and buildings	Machinery and tools	Office furniture and other equipment	Assets under construction and other	Total
Cost					
As of January 1, 2024	335,135	307,487	269,548	8,640	920,810
Additions	35,101	32,824	66,205	2,618	136,748
Disposals	(8,672)	(9,004)	(3,031)	(170)	(20,877)
Transfers and other	669	(9,165)	14,047	(5,099)	452
Business combinations (note 5)	4,566	—	2,159	—	6,725
Translation differences	10,225	711	3,622	(13)	14,545
As of December 31, 2024	377,024	322,853	352,550	5,976	1,058,403
Accumulated amortization					
As of January 1, 2024	(182,107)	(226,423)	(179,804)	(4,252)	(592,586)
Amortization (note 12)	(24,988)	(19,744)	(47,784)	(904)	(93,420)
Disposals	7,459	6,120	5,408	174	19,161
Transfers and other	(736)	11,288	(12,598)	1,512	(534)
Business combinations (note 5)	(2,291)	—	(849)	—	(3,140)
Translation differences	(3,020)	(444)	(2,113)	(68)	(5,645)
As of December 31, 2024	(205,683)	(229,203)	(237,740)	(3,538)	(676,164)
Impairment					
As of January 1, 2024	(383)	(1,399)	(101)	—	(1,883)
Impairment (note 12)	—	—	—	—	—
As of December 31, 2024	(383)	(1,399)	(101)	—	(1,883)
Net at January 1, 2024	152,645	79,665	89,643	4,388	326,341
Net at December 31, 2024	170,958	92,251	114,709	2,438	380,356

(Thousand euros)	Land and buildings	Machinery and tools	Office furniture and other equipment	Assets under construction and other	Total
Cost					
As of January 1, 2023	289,713	278,551	249,580	3,382	821,226
Additions	50,000	39,932	42,528	277	132,737
Disposals	(10,899)	(9,075)	(7,787)	(106)	(27,867)
Transfers and other	16,940	371	(15,579)	532	2,264
Business combinations (note 5)	—	—	—	—	—
Translation differences	(10,619)	(2,292)	806	4,555	(7,550)
As of December 31, 2023	335,135	307,487	269,548	8,640	920,810
Accumulated amortization					
As of January 1, 2023	(166,402)	(203,703)	(171,092)	(2,677)	(543,874)
Amortization (note 12)	(21,772)	(32,751)	(20,710)	(117)	(75,350)
Disposals	10,682	8,133	6,241	128	25,184
Transfers and other	(5,437)	294	6,699	(1,815)	(259)
Business combinations (note 5)	—	—	—	—	—
Translation differences	822	1,604	(942)	229	1,713
As of December 31, 2023	(182,107)	(226,423)	(179,804)	(4,252)	(592,586)
Impairment					
As of January 1, 2023	(397)	(5,760)	(101)	—	(6,258)
Impairment (note 12)	14	4,361	—	—	4,375
As of December 31, 2023	(383)	(1,399)	(101)	—	(1,883)
Net at January 1, 2023	122,914	69,088	78,387	705	271,094
Net at December 31, 2023	152,645	79,665	89,643	4,388	326,341

The “Land and buildings” caption mainly includes production premises, stores and offices owned by Puig.

The additions in 2024 and 2023 mainly correspond to investments in the production centers of Puig related to its activity, as well as leasehold improvements.

As of December 31, 2024, fully depreciated property, plant and equipment in use amount to 393,461 thousand euros (341,001 thousand euros in 2023).

As of December 31, 2024 and 2023 all property, plant and equipment items were covered by insurance policies taken out by Puig.

Additionally, none of the property, plant and equipment items has been pledged as collateral to third parties.

16. Intangible assets

The breakdown of intangible assets is as follows:

(Thousand euros)	Goodwill	Brands	Software	Others	Total
Cost					
As of January 1, 2024	1,766,203	2,211,127	187,330	189,688	4,354,348
Additions	—	—	34,561	19,610	54,171
Disposals and write-off	—	(3,030)	(6,251)	(546)	(9,827)
Business combinations (note 5)	313,429	167,910	2,499	13,941	497,779
Reclassifications and other	—	—	(35,427)	36,441	1,014
Translation differences	34,798	55,957	1,456	2,364	94,575
As of December 31, 2024	2,114,430	2,431,964	184,168	261,498	4,992,060
Accumulated Amortization					
As of January 1, 2024	—	(38,092)	(125,846)	(55,632)	(219,570)
Amortization (note 12)	—	—	(19,002)	(22,152)	(41,154)
Disposals and write-off	—	3,030	5,747	65	8,842
Business combinations (note 5)	—	—	(975)	—	(975)
Reclassifications and other	—	—	15,953	(17,529)	(1,576)
Translation differences	—	(218)	(608)	(570)	(1,396)
As of December 31, 2024	—	(35,280)	(124,731)	(95,818)	(255,829)
Impairment					
As of January 1, 2024	(20,511)	—	—	—	(20,511)
Impairment (note 12)	—	—	—	—	—
Reclassifications and other	(10,000)	—	—	—	(10,000)
As of December 31, 2024	(30,511)	—	—	—	(30,511)
Net at January 1, 2024	1,745,692	2,173,035	61,484	134,056	4,114,267
Net at December 31, 2024	2,083,919	2,396,684	59,437	165,680	4,705,720

(Thousand euros)	Goodwill	Brands	Software	Others	Total
Cost					
As of January 1, 2023	1,752,059	2,189,091	151,314	184,993	4,277,457
Additions	—	—	35,434	9,748	45,182
Disposals and write-off	(4,584)	(2,475)	(469)	(1,372)	(8,900)
Business combinations (note 5)	—	—	—	—	—
Reclassifications and other	—	—	374	(4,039)	(3,665)
Translation differences	18,728	24,511	677	358	44,274
As of December 31, 2023	1,766,203	2,211,127	187,330	189,688	4,354,348
Accumulated Amortization					
As of January 1, 2023	—	(40,653)	(101,514)	(47,918)	(190,085)
Amortization (note 12)	—	—	(21,633)	(11,270)	(32,903)
Disposals and write-off	—	2,475	209	65	2,749
Business combinations (note 5)	—	—	—	—	—
Reclassifications and other	—	—	(2,722)	3,449	727
Translation differences	—	86	(186)	42	(58)
As of December 31, 2023	—	(38,092)	(125,846)	(55,632)	(219,570)
Impairment					
As of January 1, 2023	(25,095)	—	—	—	(25,095)
Impairment (note 12)	—	—	—	—	—
Reclassifications and other	—	—	—	—	—
Disposals and write-off	4,584	—	—	—	4,584
As of December 31, 2023	(20,511)	—	—	—	(20,511)
Net at January 1, 2023	1,726,964	2,148,438	49,800	137,075	4,062,277
Net at December 31, 2023	1,745,692	2,173,035	61,484	134,056	4,114,267

In 2024 and 2023 the increase of software was due to the implementation of new IT systems and new e-commerce platforms for the different businesses.

The net value of brands and trademarks at year-end, were as follows:

(Thousand euros)	2024	2023
Charlotte Tilbury	1,173,508	1,119,669
Byredo	619,000	619,000
Dr.Barbara Sturm	167,910	–
Jean Paul Gaultier	111,770	111,770
Dries Van Noten	76,302	76,302
Uriage	76,137	76,137
Kama Ayurveda	43,777	42,372
Nina Ricci	37,031	37,031
Penhaligon’s	36,320	34,654
Apivita	35,559	35,559
Loto del Sur	16,380	17,551
L’Artisan Parfumeur	2,990	2,990
	2,396,684	2,173,035

These brands are considered to have indefinite useful lives. There have not been any impairments with respect to these brands.

As a result of the business combinations described in note 5, in 2024, Puig has incorporated Dr.Barbara Sturm to its brand portfolio.

During 2024, there was a positive impact of 56 million euros in the carrying amounts of brands as a result of changes in the exchange rates between several functional currencies of the brands and the presentation currency (euro) (positive impact of 25 million euros in 2023).

Brand and goodwill impairment test

Puig, internally, tests annually for impairment the brands with indefinite useful lives and goodwill acquired in business combinations.

Cash Generating Units (CGUs) are the smallest identifiable group of assets that generate cash flows independently of cash flows produced by other assets or group of assets. Puig defines these CGUs by associating them with different brands or businesses. Brands may belong to different operating segments (note 6).

In 2024, Dr.Barbara Sturm business has been incorporated into the Niche and Wellness CGU.

The Niche and Wellness CGU is composed by L'Artisan Parfumeur, Penhaligon's, Dries Van Noten, Byredo, Kama Ayurveda, Loto del Sur and Dr.Barbara Sturm.

The breakdown of the main intangible assets with indefinite useful lives (brands and goodwill) by cash-generating unit, operating segment, discount rate (Weighted average cost of capital, hereinafter WACC) before tax and long-term growth rate for 2024 and 2023 are as follows:

2024

Cash-generating unit	Operating segment	Gross value (*)	Net book value	WACC pre-tax	WACC post-tax	Long-term growth rate
Charlotte Tilbury	Skin care and makeup	1,946,949	1,946,949	13%	11%	3%
Niche & Wellness	Fragrances, fashion & skin care	1,146,432	1,121,432	12%	10%	3%
Uriage	Skin Care	152,095	152,095	13%	11%	3%
Jean Paul Gaultier	Fragrances & Fashion	117,359	117,359	11%	9%	3%
Apivita	Skin Care	67,667	67,667	13%	11%	3%
Nina Ricci	Fragrances & Fashion	37,031	37,031	11%	9%	3%

(*) Gross value net of depreciation and impairment, except for the indefinite useful life impairments

2023

Cash-generating unit	Operating segment	Gross value (*)	Net book value	WACC pre-tax	WACC post-tax	Long-term growth rate
Charlotte Tilbury	Skin care and makeup	1,858,087	1,858,087	13 %	11 %	3 %
Niche & Wellness	Fragrances, fashion & skin care	976,202	961,202	12 %	10 %	3 %
Uriage	Skin Care	152,095	152,095	14 %	11 %	3 %
Jean Paul Gaultier	Fragrances & Fashion	117,359	117,359	12 %	10 %	3 %
Apivita	Skin Care	67,667	67,667	13 %	11 %	3 %
Nina Ricci	Fragrances & Fashion	37,031	37,031	12 %	10 %	3 %

(*) Gross value net of depreciation and impairment, except for the indefinite useful life impairments

In addition to the above mentioned CGUs, Puig also operates other CGUs, with the most relevant ones being Rabanne and Carolina Herrera, that do not have significant intangible assets.

Accumulated impairment of 25,000 thousand euros in Dries Van Noten refers to the goodwill impairment from covid period (before the integration into the Niche and Wellness CGU).

Regarding the goodwill arising from the acquisition of Byredo business (amounting to 711 million euros) and Dr.Barbara Sturm (313 million euros) business, Puig's strategy encompassed not only the generation of cash flows within the acquired Byredo business, but also generating synergies across other CGUs distinct from Niche and Wellness. Consequently, since the allocation of the generated goodwill, for the purpose of measuring its potential impairment, could not be assigned to a specific CGU (Niche and Wellness) unless in an arbitrary manner. The assessment of the recoverability of such goodwill is conducted at the level of the group of CGUs for which it will generate cash flows (Niche, Carolina Herrera, Rabanne and Jean Paul Gaultier).

As of December 31, 2024, the gross and net values of the intangible assets with indefinite useful lives (brands and goodwill) of the mentioned CGUs were 2,294 million euros and 2,269 million euros (2023: 1,809 million euros and 1,794 million euros), the discounted pre-tax rate was 12% (2023: 12%), the post-tax rate was 10% (2023: 10%) and the long-term growth rate was 3% (2023: 3%).

Methodology of impairment test

The procedures for carrying out the impairment test, performed by the Company at least once a year, are as follows:

- The recoverable amount associated with different CGUs has been determined based on a value-in-use calculation using cash flow projections based on the business plans prepared by Puig for the next five years. The cash flows used for the impairment test include income tax payments.

- Puig uses the budgets and business plans of each CGU, which are prepared for a period of four or five years (approved by the Board of Directors/management), plus additional years based on the strategy of the Group and previous experience.

- The key assumptions used to prepare budgets and business plans are estimated growth in sales, evolution of operating expenses and gross margin of each cash-generating unit, based on experience and knowledge of each brand's performance, as well as macroeconomic indicators that reflect the current and foreseeable economic situation of each market.

- Sales growth assumptions are based on past performance, the growth potential of the industry itself, and Puig's ability to gain market share. Neither the Ukraine-Russia war, the Palestine-Israel conflict, nor climate change have a significant impact in the current and future strategic plans, due to sales in the impacted countries being not significant for Puig.

- A valuation analysis is carried out internally by Puig, which consists of applying the discounted free cash flow method, carrying out all the procedures necessary to determine the recoverable value of the assets in each CGU.

- The discount rates applied to future cash flow projections have been calculated specifically for each cash-generating unit, considering in some cases a specific risk premium in accordance with the specific characteristics of each CGU and the inherent risk profile in the projected cash flows of each cash-generating unit.

- Cash flows used for terminal value are extrapolated using a prudential growth rate compared to the expected long-term growth for the businesses involved.

- Carrying amounts of the CGUs include Brands and goodwill, other intangible assets, property plan and equipment allocated, right of use and other net assets assigned to the CGUs (including inventory and working capital amounts). Deferred tax liabilities are not included in the carrying amount of the CGUs.

Sensitivity analysis on key assumptions

Puig conducts a sensitivity analysis of the impairment calculation by applying reasonable variations to the key assumptions considered in the calculation. The following variations have been applied for CGUs and groups of CGUs:

- A variation of +1.5% in the discount rate would entail an adjustment to the net carrying amounts of the intangible assets recorded in 2024 amounting to 9,520 thousand euros (7,882 thousand euros in 2023).

- A variation of -1% in the long-term growth rate would entail an adjustment to the net carrying amounts of the intangible assets recorded in 2024 amounting to 978 thousand euros (3,522 thousand euros in 2023).

- A variation of -2% in the revenue growth compound annual growth rates (CAGR) would entail an adjustment to the net carrying amounts of the intangible assets recorded in 2024 amounting to 15,430 thousand euros (2,186 thousand euros in 2023).

17. Leases

17.1. Right-of-use assets

The breakdown of Puig's leases by nature of the underlying asset as of December 31, were as follows:

(Thousand euros)	2024	2023
Land and buildings	353,991	278,632
Machinery and tools	1,222	3,657
Office furniture and other equipment	9,863	5,633
	365,076	287,922

The movements in right-of-use assets were as follows:

(Thousand euros)	Cost	Accumulated amortization	Net value
At January 1, 2024	507,592	(219,670)	287,922
Additions	147,030	(75,921)	71,109
Early terminations and retirements	(56,406)	54,932	(1,474)
Business combinations (note 5)	1,611	(835)	776
Translation differences	10,309	(3,566)	6,743
At December 31, 2024	610,136	(245,060)	365,076
At January 1, 2023	413,004	(173,131)	239,873
Additions	124,096	(65,826)	58,270
Early terminations and retirements	(26,857)	17,523	(9,334)
Translation differences	(2,651)	1,764	(887)
At December 31, 2023	507,592	(219,670)	287,922

The additions in 2024 and 2023 mainly correspond to new stores and offices in all regions. There are no impairments over Right-of-use assets.

17.2. Lease liabilities

The amounts recognized in the consolidated balance sheet as of December, 31, were as follows:

(Thousand euros)	2024	2023
Non-current liabilities (note 27)	323,182	255,561
Current liabilities (note 29)	74,501	58,074
	397,683	313,635

The movements in lease liabilities as of December 31, were as follows:

(Thousand euros)	2024	2023
Starting balance	313,635	252,614
Additions	147,030	124,096
Early terminations and retirements	(584)	(4,775)
Translation differences	7,450	(631)
Business combinations (note 5)	855	—
Lease payments	(79,571)	(62,767)
Interests	8,868	5,098
Reclassifications and other	—	—
	397,683	313,635

The breakdown of the lease debt by maturity as of December 31, is as follows:

(Thousand euros)	2024	2023
Less than 1 year	74,501	58,074
2 years	66,727	51,975
3 years	53,679	45,674
4 years	44,274	35,589
Subsequent	158,502	122,323
Total lease liabilities	397,683	313,635

The breakdown of the gross debt amounts and forecasted interests' by maturity as of December, 31, is as follows:

(Thousand euros)	2024	2023
Less than 1 year	79,571	63,840
2 years	75,936	56,022
3 years	61,207	49,908
4 years	50,410	38,557
Subsequent	172,875	134,011
Total lease liabilities	439,999	342,338

17.3. Other lease-related matters

The amounts recognized in the consolidated income statements for the years ended as of December 31, were as follows:

(Thousand euros)	2024	2023
Depreciation of right-of-use assets (note 17.1)	(75,921)	(65,826)
Finance costs (note 17.2)	(8,868)	(5,098)
Expenses relating to leases of low-value assets, short-term and variable payments	(20,804)	(16,014)
	(105,593)	(86,938)

18. Investments in associates and joint ventures

Puig investments in associates and joint ventures have been accounted for using the equity method. The breakdown in this caption was as follows:

(Thousand euros)	% Ownership	Total assets (*)	Total liabilities (*)	Net revenues (*)	Operational profit (*)	Net profit (*)	Book value
Sociedad Textil Lonia, S.A. (Spain)	25%	498,561	138,067	414,611	48,431	37,364	150,453
Ponteland Distribuição, S.A. (Granado) (Brazil) (***)	35%	225,398	81,793	279,871	62,775	54,134	108,196
Isdin, S.A. (**) (***) (Spain)	50%	526,425	272,234	642,801	106,505	66,044	127,053
Beijing Yitian Shidai Trading Co, LLC (China) (***)	15%	15460	4796	27655	(1,196)	(1,667)	9,488
Total at December 31, 2024							395,190

(Thousand euros)	% Ownership	Total assets (*)	Total liabilities (*)	Net revenues (*)	Operational profit (*)	Net profit (*)	Book value
Sociedad Textil Lonia, S.A. (Spain)	25%	492,816	149,744	430,406	76,699	53,516	147,112
Ponteland Distribuição, S.A. (Granado) (Brazil) (***)	35%	211,881	76,288	244,337	51,159	38,709	114,187
Isdin, S.A. (**) (***) (Spain)	50%	399,500	179,990	568,945	83,702	50,032	104,508
Beijing Yitian Shidai Trading Co, LLC (China) (***)	15%	16,745	4,972	20,070	(3,971)	(3,967)	9,405
Total at December 31, 2023							375,212

(*) Refers to 100% of the entity
(**) Joint Venture
(***) Amounts in local gaap

The book values of investments accounted for using the equity method includes implicit goodwill and other assets.

The movements in “Investments in associates” during years ended December 31, 2024 and 2023 were as follows:

(Thousand euros)	Sociedad Textil Lonia, S.A.	Ponteland Distribuçao, S.A. (Granado)	Isdin, S.A.	Beijing Yitian Shidai Trading Co, LLC (Scent Library)	Total 2024
Balance at beginning of year 2024	147,112	114,187	104,508	9,405	375,212
Profit / (loss)	9,341	18,947	33,022	(250)	61,060
Net impairment	—	—	—	—	—
Dividends received	(6,000)	(4,245)	(10,477)	—	(20,722)
Translation differences	—	(20,693)	—	333	(20,360)
Balance at end of year 2024	150,453	108,196	127,053	9,488	395,190

(Thousand euros)	Sociedad Textil Lonia, S.A.	Ponteland Distribuçao, S.A. (Granado)	Isdin, S.A.	Beijing Yitian Shidai Trading Co, LLC (Scent Library)	Total 2023
Balance at beginning of year 2023	145,733	98,748	89,691	10,652	344,824
Profit / (loss)	13,379	13,547	25,016	(595)	51,347
Net impairment	—	—	—	—	—
Dividends received	(12,000)	(3,265)	(10,199)	—	(25,464)
Translation differences	—	5,157	—	(652)	4,505
Balance at end of year 2023	147,112	114,187	104,508	9,405	375,212

As of December 31, 2024, and 2023, Beijing Yitian Shidai Trading Co, LLC (Scent Library) had an impairment provision amounting to 19,591 thousand euros.

Impairment test on investments in associates and joint ventures

The methodology for testing impairment of interests in associated companies and joint ventures does not differ significantly from that applied to intangible assets (note 16).

At year end Puig analyzes the recoverable amounts of investments in associates and joint ventures. The recoverable amount has been determined based on a value-in-use calculation using cash flow projections based on the business plans prepared by Puig for the next five years.

The long-term growth rate used for the projections above 5 years has been estimated between 2.5% and 5%.

The discount rate (WACC) before and after taxes and the long-term growth rate for the years 2024 and 2023 are as follows:

	2024			2023		
Investment in associated	WACC pre-tax	WACC post-tax	Long-term growth rate	WACC pre-tax	WACC post-tax	Long-term growth rate
Sociedad Textil Lonia, S.A.	13%	10%	2%	13%	10%	2%
Ponteland Distribuçao, S.A. (Granado)	20%	15%	5%	20%	15%	5%
Isdin, S.A.	12%	10%	3%	12%	10%	3%
Beijing Yitian Shidai Trading Co, LLC (Scent Library)	17%	16%	5%	17%	15%	5%

Sensitivity analysis on key estimates

Puig conducts a sensitivity analysis of the impairment calculation by applying reasonable variations to the key assumptions considered in the calculation. The following variations have been assumed:

- A variation of +/-1.50% in the discount rate in the main investments would entail a negative change in the net carrying amount recorded of 347 thousand euros (2023: 1,493 thousand euros) and a positive impact of 2,811 thousand euros (2023: 2,095 thousand euros), respectively.

- A variation of +/- 1.00% in the long-term growth rate in the main investments would entail a positive change in the net carrying amount recorded of 881 thousand euros (2023: 1,003 thousand euros) and a negative impact of 730 thousands of euros (2023: 778 negative thousand euros), respectively.

- A variation of +/- 2.00% in the revenue growth compound annual growth rates (CAGR) would entail a positive change in the net carrying amount recorded of 1,608 thousand euros (2023: 4,872 thousand euros) and a negative impact of 877 thousand euros (2023: negative impact of 3,227 thousand euros), respectively.

19. Financial assets

The financial assets as of December 31, were classified as follows:

(Thousand euros)	2024	2023
Non-current financial assets		
Financial investments	689	16,359
Other non-current assets	130,865	131,444
Current financial assets		
Trade accounts receivable	567,529	484,705
Other current assets	282,991	186,709
Total	982,074	819,217

Financial investments include investments in which Puig does not have significant influence, therefore cannot be consolidated using the equity method. Financial investments are as follows:

	% Ownership		Change in fair value
	2024	2023	
Wemedia Shopping Network Holdings CO, Limited	6%	6%	OCI
Adolfo Dominguez, S.A.	14%	14%	OCI
Lanzatech Global, Inc	0.25%	0.25%	OCI
La Bouche Rouge, S.A.S.	—%	9%	Income Statement

In 2024, the decreases in long-term financial investments, amounting to 15.670 thousand euros, refers to the change in fair value of Wemedia Shopping Network Holdings CO, Limited and Lanzatech Global, Inc.

In 2024, Puig has divested its stake in La Bouche Rouge, S.A.S. Puig's participation was fully impaired in the past; therefore, no impact on the profit and loss account has occurred.

The total cost of these investments amounts to 35,635 thousand euros (2023: 35,635 thousand euros). The total amount of impairments as of December 2024 amounts to 34,946 thousand euros (2023: 19,276 thousand euros).

The breakdown of “Other non-current assets” as of December 31, was as follows:

(Thousand euros)	2024	2023
Deposits and other	20,888	18,505
Loans (note 30)	103,808	98,048
Other assets at fair value	6,169	14,891
Total	130,865	131,444

There was no impairment recorded related to other non-current assets.

Loans correspond to loans granted to employees. There are no significant differences between the market value of the loans and their respective nominal amount as they accrue interest at a market rate. The increase in 2024 is attributed to the issuance of new loans granted to employees for the purchase of Puig shares (notes 23 and 27).

Deposits include amounts given to the owners of leased commercial premises to guarantee the fulfillment of the conditions set forth in the lease agreements (note 17).

The “Other assets at fair value” caption corresponds to interest rate hedging derivatives (note 26).

Total other-non current assets are accounted for at amortized cost except hedging derivatives, which are accounted for at their fair value through other comprehensive income.

The breakdown of “Trade accounts receivable” in the consolidated balance sheet as of December, 31, were as follows:

(Thousand euros)	2024	2023
Accounts receivable	578,288	491,584
Accounts receivable from related parties (note 33)	5,522	10,278
Provision for impairment	(16,281)	(17,157)
Total	567,529	484,705

Accounts receivable include the balances that are expected to be collected within one year.

As of December 31, 2024, Puig reduced its accounts receivable by 136 million euros (2023: 128 million euros), through non-recourse factoring agreements. Consequently, the risks related to trade receivables were transferred to the corresponding financial entities.

As of December, 31, the breakdown by maturity of the “Trade accounts receivable” caption included in the table above were as follows:

(Thousand euros)	Total	Not due balances	Past due balances			
			30-90 days	90-180 days	180-365 days	>365 days
2024	583,810	477,566	75,295	8,928	9,387	12,634
2023	501,862	409,222	65,494	6,840	6,683	13,623

The balance of the “Trade accounts receivable” caption is shown net of the provision for impairment. Movements recorded in relation to this provision for the years ended December 31, were as follows:

(Thousand euros)	2024	2023
Provision at January 1	17,157	18,010
Charge for the year	5,550	5,414
Utilized and cancelled during the year	(6,264)	(6,382)
Translation differences	(162)	115
Provision at December 31	16,281	17,157

At December 31, 2024 the balance accounts receivable includes items in foreign currency amounting to 421 million euros (2023: 377 million euros).

20. Inventory

The breakdown of Inventories by category, net of the provision for obsolete stock, as of December, 31, were as follows:

(Thousand euros)	2024	2023
Raw materials	183,338	191,066
Work in progress	169,350	153,010
Finished goods	495,355	561,148
Inventory gross	848,043	905,224
Provisions	(127,731)	(116,358)
Total	720,312	788,866

(Thousand euros)	2024	2023
Provision at January 1	116,358	91,074
Charge in the income statement	70,304	50,170
Inventory write off	(66,140)	(25,227)
Translation differences	7,209	341
Provision at December 31	127,731	116,358

Provisions mainly refer to obsolete stocks and slow-moving products.

Puig has insurance policies to cover potential risks of damage.

21. Other current assets

The breakdown of “Other current assets” as of December 31, were as follows:

(Thousand euros)	2024	2023
Prepaid expenses	57,962	48,010
Tax receivable from tax authorities (note 14)	136,749	85,623
Loans to related parties (note 33)	—	203
Financial assets at fair value (note 26)	1,789	3,095
Receivables related parties (note 33)	52,954	13,884
Other accounts receivable	33,537	35,894
Total	282,991	186,709

The “Prepaid expenses” caption corresponds to balances generated by Puig’s ordinary activity, mainly advertising costs.

“Other accounts receivable” include rebates, royalties receivables and others.

The “Other assets at fair value” caption mainly includes foreign currency and interest rate derivatives (note 26). The breakdown as of December, 31 is as follows:

(Thousand euros)	2024	2023
Interest rate hedges	1,789	0
Foreign currency hedging (transactions)	—	2,305
Foreign currency hedging (loans)	—	790
	1,789	3,095

22. Cash and cash equivalents

“Cash and cash equivalents” includes cash and short-term deposits of less than 3 months. The breakdown of this heading as of December, 31, were as follows:

(Thousand euros)	2024	2023
Cash at banks	528,719	563,770
Cash equivalents	353,927	289,131
Total	882,646	852,901

Cash at banks include the amounts related to unrestricted current accounts at banks and are not pledged as collateral.

Cash equivalents include the amount of deposits placed at several financial institutions that mature in less than 3 months since its inception.

23. Equity

Share capital

On March 20, 2023, Puig Brands increased its share capital by 29,300 thousand euros through share premium, raising it to 144,000 thousand euros divided into 320,000 ordinary shares with a nominal value of 450 euros each. On the same date, the company split the shares, creating 475,000,000 Class A Shares with a nominal value of 0.30 euros each and 25,000,000 Class B Shares with a nominal value of 0.06 euros each. As of December 31, 2023, the share capital remained at 144,000 thousand euros, consisting of 475,000,000 Class A Shares and 25,000,000 Class B Shares.

Each of the Class A Shares confers five (5) votes and each of the Class B Shares confers one (1) vote. Other than the difference in the number of votes, the lower nominal value of Class B Shares and the right of Class A Shares to be converted into Class B Shares, each Class B Share confers the same rights (including the right to receive, in the same amounts, dividends and other distributions declared, made or paid on the Company's share capital) as the Class A Shares.

On April 8, 2024, Puig announced the intention to proceed with the initial public offering (the "Offering" or "IPO") of its Class B Shares to qualified investors. Puig intended to apply for admission of the Class B Shares to listing on the Barcelona, Madrid, Bilbao and Valencia Stock Exchanges and trading through the Automated Quotation System (Mercado Continuo). The Offering consisted of a primary offering tranche of newly issued Class B Shares by the Company (1,250 million euros) and a larger secondary offering of Class B Shares by the Company's controlling shareholder, Puig, S.L. (the "Selling Shareholder").

On April 18, 2024, the IPO prospectus was approved and published by the Spanish Securities Market Commission (Comisión Nacional del Mercado de Valores, "CNMV"), and the book-building process began.

On May 2, 2024, the Offering was carried out and the following transactions took place:

- a notarial deed of share capital increase was granted by the Company in a total amount of 1,250,000 thousand euros (including share nominal amounting to 3,061.2 thousand euros plus share premium amounting to 1,246,938.8 thousand euros) by virtue of which 51,020,408 new Class B Shares fully subscribed and paid up were issued (the "New Offer Shares");

- a notarial deed of conversion and share capital reduction in a total amount of 13,322.5 thousand euros by virtue of which 55,510,204 Class A Shares were converted into 55,510,204 Class B Shares (the "Secondary Offer Shares"),

- a notarial deed of conversion and share capital reduction in a total amount of 3,820.4 thousand euros by virtue of which of 15,918,367 Class A Shares were converted into 15,918,367 Class B Shares (the "Over-allotment Shares"). A call option on the Over-allotment Shares was granted by the Selling Shareholder under the stock lending agreement for the stabilization period after the IPO.

In addition, on May 2, 2024, Puig Brands granted:

- three notarial deeds of share capital increase in an aggregate amount of 420,582 thousand euros (including share nominal amounting to 1,029.7 thousand euros plus share premium amounting to 419,552.3 thousand euros) by virtue of which a total of 17,166,618 new Class B Shares fully paid up were issued and fully subscribed by the Minority Shareholders (note 3 and 27).

- a notarial deed of conversion and share capital reduction in a total amount of 2,449.0 thousand euros in relation to an additional conversion by virtue of which a total of 10,204,081 Class A Shares held by the Selling Shareholder were converted into 10,204,081 Class B Shares.

Finally, on May 3, 2024, the Company's Class B Shares were admitted to trading on the Barcelona, Madrid, Bilbao and Valencia Stock Exchanges through the Stock Exchange Interconnection System (Continuous Market). The price per share was set at 24.50 euros.

At December 31, 2024, the share capital resulting from the operations described above has been set at 128,499 thousand euros, represented by 568,187,026 fully subscribed and paid-up shares, belonging to two different classes: (i) 393,367,348 shares belonging to Class A Shares of 0.30 euros of nominal value each, and (ii) 174,819,678 shares belonging to Class B Shares of 0.06 euros of nominal value each.

In accordance with IAS 32, incremental costs that are directly attributable to issuing new Class B shares amounting to 33.7 million euros (25.2 million euros post tax) have been deducted from equity (net of any income tax benefit).

In accordance with the provisions of the Company's bylaws, Class A confers, in aggregate, 1,966,836,740 voting rights (5 votes per each Class A Share) and Class B shares confers in aggregate, 174,819,678 voting rights (1 vote per each Class B Share). Consequently, the total number of voting rights corresponding to Class A and Class B shares, in aggregate, is 2,141,656,418.

At December, 31, Puig Brands' Shareholders ownership, is as follows :

Economic rights	2024	2023
Puig. S.L. (controlled by Exea Empresarial, S.L.)	73.5%	95.8%
Treasury shares	0.9%	1.3%
Others	25.6%	2.9%
Total	100%	100%

Voting rights	2024	2023
Puig. S.L. (controlled by Exea Empresarial, S.L.)	93.0%	95.8%
Treasury shares	0.2%	1.3%
Others	6.8%	2.9%
Total	100%	100%

Treasury Shares

	Number of treasury shares	Thousand of euros
Treasury shares at December 31, 2022	—	—
Acquisition	21,000,000	344,775
Reduction due to Share Exchange	(4,131,338)	(67,827)
Reduction due to delivery of SARs plan	(10,418,035)	(171,041)
Treasury shares at December 31, 2023	6,450,627	105,907
Reduction due to delivery of SARs plan	(1,498,216)	(24,598)
Delivered and sold	(84,332)	(1,385)
Acquisition	18,588	357
Treasury shares at December 31, 2024	4,886,667	80,281

- 2024

As a result of the delivery of Class B Shares under the 2024 Incentive Plan, the Chairman and CEO, other Senior Officers and other key employees as beneficiaries under this plan, received 1,498,216 treasury shares (Class B Shares) in 2024.

Additionally, Puig delivered and sold 84,332 treasury shares (Class B Shares) to members of the Board of Directors and other key related members. Also, in 2024, the Company repurchased 18,588 treasury shares (Class B Shares) from an employee who acquired them under the former incentive plans.

After Puig Brands Admission into the stock Spanish exchange all the put options granted by Puig to the beneficiaries ceased to be effective and resulted in the entire cancellation of the 238.868 thousand euros liability recorded at December 31, 2023 (note 27).

At December 31, 2024, Puig holds 4,886,667 treasury shares (Class B Shares) amounting to 80,281 thousand euros.

- 2023

In May 2023, Puig Brands acquired 21,000,000 of its shares from its sole shareholder, Puig, S.L., for a total amount of 344,775 thousand euros.

During 2023, Puig Brands delivered 4,131,338 treasury shares to employees in exchange of 44,112 shares of Puig Gest, S.A. and 950,406 shares of Puig, S.L. (see note 23 “Reserves”) held by employees as part of the share appreciation rights plan (SAR’s) as described in note 27 (hereinafter, the “Share Exchange”). Additionally, in 2023, Puig delivered 10,418,035 shares to employees (SARs plan 2015-2018 and 2021-2023, note 27) and Board members.

The aforementioned acquisition of 21,000,000 treasury shares (344,775 thousand euros) were paid in the following manner: cash for an amount of 108,392 thousand euros, cancellation of loans with related parties for 92,863 thousand euros and compensation of receivables linked to the sale of Puig, S.L. and Puig, Gest, S.A. shares (see note 23 “other reserves”, 27 and 33) for an amount of 143,520 thousand euros.

Treasury shares of Puig Brands, S.A. delivered in 2023 had crossed call and put options for its repurchase, being Puig the obligor of these contracts. Commitments for this repurchase were accounted for at fair value under the heading “Provisions and other liabilities” in the long-term liabilities amounting to 238,868 thousand euros (note 27).

At December 31, 2023, Puig holds 6,450,627 of treasury shares (Class B Shares) amounting to 105,907 thousand euros.

Restricted reserves

As of December 31, 2024, restricted reserves amounted to 79,682 thousand euros (29,839 thousand euros as of December 31, 2023).

The increase in 2024 is mainly due to the increase in the Parent Company's restricted reserves amounting to 48,392 thousand euros

Unrealized gains (losses) reserve

This reserve mainly includes the fair value at year end of hedging derivatives to cover future transactions in foreign currency.

Application of the results of Puig Brands, S.A.

The proposal for the distribution of the results for fiscal year 2024, drafted by the Board Directors and expected to be approved by the General Meeting of Shareholders, is as follows:

(Thousand euros)	2024
Net profit	222,898
Application	
Dividend	212,260
Other reserves	10,638
Total	222,898

Dividends paid

In 2024, Puig general shareholders' meeting on April 5, 2024 approved a dividend distribution against share premium that amounted to 186,086 thousand euros. This dividend distribution has not been made in respect of our 2024 results.

In 2023, Puig Brands paid dividends to its shareholders totaling 160,000 thousand euros. These dividends comprised 80,000 thousand euros from prior year's results and 80,000 thousand euros from an interim dividend based on the fiscal year 2023 results.

Cumulative translation adjustment

The most significant currencies of the cumulative translation adjustment come from:

(Thousand euros)	2024	2023
Brazilian Real	(88,624)	(60,284)
Great British Pound	47,804	24,709
Argentinian Peso	(27,965)	(40,822)
US Dollar	(487)	(5,389)
Indian Rupee	(9,076)	(10,712)
Other	(28,220)	(14,557)
	(106,568)	(107,055)

Reserves

- 2024

The main impacts relate to the transactions described below;

(1) Share capital increase due to the IPO amounting to 1,641,252 thousand euros.

(2) Share capital conversion and reduction amounting to 19,592 thousand euros.

(3) Dividend amounting to 186,086 thousand euros.

(4) Treasury shares transactions amounting to 243,520 thousand euros, which included the positive effect due to the cancellation of the 238,868 thousand euros liability recorded at December 31, 2023 after Puig Brands Admission into the stock Spanish exchange.

(5) As detailed in note 3, in 2024 Puig agreed to acquire the minority interests in Prado Investments, Ltd and Byredo AB. The difference between the total considerations (856,808 thousand euros) and the liabilities from business combinations accounted for as long-term liabilities (1,038,405 thousand euros) amounted to 181,604 thousand euros and have had a positive impact in the Puig Brands reserves.

(6) The Put and call options valuation in accordance with IFRS 10 has a positive impact amounting to 182,215 thousand euros (note 27).

(7) The results of the companies with minority interests and put and call option are reclassified from non-controlling interests to reserves with a positive impact amounting to 3,601 thousand euros in 2024.

(8) Other changes in equity are mainly due to the 80,000 thousand euros from an interim dividend based on the fiscal year 2023 results.

- 2023

The main impacts relate to the transactions described below;

(1) Share capital increase by share premium to 29,300 thousand euros.

(2) As detailed in the "Treasury shares" section, in 2023, the Shares Exchange implied the acquisition of Puig, S.L. and Puig Gest, S.A. shares (held by Puig employees with put and call options) by Puig Brands, S.A. in exchange for treasury shares. Additionally, in 2023, Puig Brands, S.A. sold the acquired shares (Puig, S.L. and Puig Gest, S.A.) to Puig, S.L. The put and call options agreements for Puig S.L. and Puig Gest, S.A. shares were signed, at the time of the acquisition of the shares, by the shareholders of Puig Brands, S.A. and the beneficiaries agreeing a formula linked to the performance of Puig to determine the price of the shares. The agreed price of the shares (as per the put and call option agreements) at the time of the Shares Exchange performed by Puig Brands, S.A. was 68,134 thousand euros. After the acquisition of Puig, S.L. and Puig Gest. S.A. shares, Puig Brands, S.A. sold to Puig, S.L. the acquired shares at their fair value, amounting to 148,734 thousand euros.

As previously mentioned, the put and call options were agreements signed by the beneficiaries with the shareholders, but in 2023, in the context of the internal reorganization, the shareholders agreed to transfer the rights of these agreements to Puig Brands, S.A. Consequently, the valuation difference between the acquisition (linked to a formula as per the put and call agreements) and its fair value, were accounted for as a shareholder contribution amounting to 80,601 thousand euros.

(3) Dividend paid amounting to 80,000 thousand euros from 2022’s results.

(4) The commitments for the repurchase of Treasury shares amounting to 238,868 thousand euros were accounted for in reserves (“Treasury shares” section).

(5) The acquisition of a minority interest in Dries Van Noten minority had a negative impact in the reserves amounting to 4,840 thousand euros.

(6) The Put and call options valuation in accordance with IFRS 10 has a positive impact amounting to 1,542 thousand euros (note 27).

(7) The results of the companies with minority interests and put and call option are reclassified from non-controlling interests to reserves with a positive impact amounting to 11,265 thousand euros in 2023.

Non-controlling interests

The breakdown of non-controlling interests at December, 31 was as follows:

(Thousand euros)	2024	2023
Balance at beginning of year	9,303	6,748
Comprehensive income for the year to non-controlling interests	12,311	34,467
Dividends paid	(6,433)	(21,323)
Additions to and exclusions from the scope	—	(198)
Business combinations	159,667	—
Reclassification of put-call to long term liabilities (note 27)	(159,667)	—
Reclassification of minority interest with put and call options	(3,601)	(10,391)
Balance at year-end	11,580	9,303

Business combinations in 2024, refer to the minority interests recorded as of the business combination date (note 5).

For the percentage of shares in respect of which Puig has a put and call option, no minority interests are recorded at the end of the period. Instead, a liability at fair value is recognized at each December 31 (note 27). Minority interest is reclassified from “Minority Shareholders” to “Reserves”.

Additions to and exclusions from the scope in 2023 relate to the reclassification of the profit and loss attributable to Dries Van Noten. Puig had crossed put-call option that was executed in 2023 (note 27).

The companies in which Puig holds non-controlling interests are included in Annex I.

24. Earnings per share

Basic earnings per share are calculated as follows:

(Thousand euros)	2024	2023 (restated)	2023
Net profit attributable to the Parent Company	530,649	465,209	465,209
Average of shares	545,395,746	545,395,746	379,513,507
Treasury shares	4,886,667	6,450,627	6,450,627
Average of shares to determine earnings per share	540,509,079	538,945,119	373,062,880
Earnings per share (euro)	0.98	0.86	1.25

In 2024, we have restated the earnings per share for 2023 due to the IPO and its effects on the average number of shares during the period, in accordance with IAS 33.

There are no differences between diluted earnings per share and basic earnings per share for the mentioned periods.

25. Bank borrowings

The breakdown of current and non-current borrowings at December 31, 2024 and 2023 were as follows:

(Thousand euros)	2024	2023
Current		
Current portion of non-current borrowings	444,453	283,861
Bank loans and overdraft	82,720	74,510
Total	527,173	358,371
Non-current		
Non-current borrowings	1,129,931	1,788,846
Total	1,129,931	1,788,846

The movements in borrowings were as follows:

(Thousand euros)	2024	2023
Balance at beginning of year	2,147,217	1,839,312
Additions to the scope of consolidation	18,495	—
Net finance cost	58,217	54,364
Proceeds from bank borrowings	658,572	429,780
Repayment of bank borrowings including finance cost	(1,224,867)	(175,307)
Translation differences	(530)	(932)
Balance at year-end	1,657,104	2,147,217

As of December 31, 2024, the debt subject to variable interest rates without interest rate hedging amounted to 74 million euros (2023: 294 million euros). Puig entered into interest rate swaps covering the entirety of the remaining loans subject to variable interest rates, which amounted to 899 million euros at December 31, 2024 (2023: 981 million euros). The debt subject to fixed interest rates amounted to 684 million euros (2023: 872 million euros).

Between February and April 2024, Puig Brands signed revolving credit facilities totalling 680 million euros, partially used to finance the acquisition of minority interests in Byredo and Prado Investments (note 3). As of December 31, 2024, these credit facilities have been reimbursed.

As of December 31, 2024, Puig has significantly reduced its bank borrowings compared to the year ended December 31, 2023. This reduction has been due to the amortization of loans as per the original schedule, amounting to 266 million euros and the early partial repayment of two loans contracted in 2022, amounting to 200 million euros.

In June 2023, Puig Brands took new financing loans amounting to 400 million euros from different financial entities with maturities between 2026 and 2027. Out of the new loans, 100 million euros were subject to a fixed market interest rate, and 300 million euros are subject to a variable interest rate, which are fully hedged through interest rate swaps.

The breakdown of maturities were as follows at December, 31:

(Thousand euros)	2024	2023
2024	—	358,371
2025	527,173	510,068
2026	547,925	596,772
2027	581,602	681,602
2028 and subsequent years	404	404
Total	1,657,104	2,147,217

The breakdown of gross amounts and forecasted interest maturities was as follows as of December, 31:

(Thousand euros)	2024	2023
2024	—	412,653
2025	566,761	552,677
2026	573,119	627,627
2027	594,554	698,056
2028 and subsequent years	405	405
	1,734,839	2,291,418

As of December 31, 2024 and 2023, the Company had no bank loans secured by collaterals or guarantees.

As of December 31, 2024, the total unused amount of the credit lines amounts to 905 million euros (230 million euros in 2023).

Borrowings were denominated in the following currencies at December, 31:

(Thousand euros)	Effective interest rate %	2024	2023
Euros	0.58% - 5.38%	1,585,486	2,048,673
Other currencies	3.30% - 13.7% (*)	71,618	98,544
Total		1,657,104	2,147,217

*Excluding effective interest rates of hyperinflationary economies (Argentina).

The effective interest rate incorporates both, the interest rates on bank borrowings and credit lines.

The majority of the borrowings in euros are granted to Puig Brands, S.A. (the holding company), amounted by 1,567,077 thousand euros (2023: 2,024,461 thousand euros). The effective interest rates, considering interest rate swaps, on the amounts granted were 2.2% (2.3% in 2023).

Most financial debt is annually subject to compliance with a financial ratio based on EBITDA and net financial debt (pre IFRS 16). As of December 2024 and 2023, Puig complied with the financial ratio requirement.

26. Derivative financial instruments

During 2024 Puig continued using derivatives to limit both interest and foreign currency risks on otherwise unhedged positions and to adapt its debt structure to market conditions. These financial instruments have been classified into the Level 2 measurement category.

At December 31, 2024 the following foreign currency hedges entered into by group companies were in place:

Description	Notional	Maturity	Recognized in equity	Recognized in the income statement	Total
AUD/EUR	(28,900)	January 2025 - February 2026	248	9	257
BRL/EUR	(118,500)	January 2025 - October 2025	276	638	914
CAD/EUR	(9,100)	January 2025 - February 2026	(6)	(6)	(12)
GBP/EUR	(57,400)	January 2025 - January 2026	(574)	(595)	(1,169)
MXN/EUR	(1,152,000)	January 2025 - February 2026	(589)	419	(170)
PEN/EUR	(34,400)	January 2025 - February 2026	(120)	(72)	(192)
RUB/EUR	(259,800)	January 2025	—	(14)	(14)
USD/EUR	(323,300)	January 2025 - February 2026	(14,277)	(1,852)	(16,129)
ZCL/EUR	(23,786,800)	January 2025 - February 2026	23	162	185
Total as of December 31, 2024			(15,019)	(1,311)	(16,330)

At December 31, 2023 the following foreign currency hedges entered into by group companies were in place:

Description	Notional	Maturity	Recognized in equity	Recognized in the income statement	Total
AUD/EUR	(42,100)	January 2024 - February 2025	(531)	80	(451)
BRL/EUR	(179,200)	March 2024 - February 2025	91	—	91
CAD/EUR	(17,900)	January 2024 - February 2025	(169)	13	(156)
CLP/EUR	(22,280,100)	March 2024 - February 2025	254	—	254
GBP/EUR	(92,600)	January 2024 - January 2025	(664)	(165)	(829)
MXN/EUR	(873,000)	January 2024 - February 2025	(449)	(1,473)	(1,922)
PEN/EUR	(33,777)	January 2024 - February 2025	26	(23)	3
RUB/EUR	(485,000)	January 2024 - April 2024	(154)	252	98
USD/EUR	(335,100)	January 2024 - February 2025	3,875	1,342	5,217
Total as of December 31, 2023			2,279	26	2,305

Interest rate hedging transactions have been entered into through swaps to exchange floating interest rates for fixed interest rates.

As of December 31, 2024 and 2023, Puig had entered into the following interest rate hedging arrangements:

Currency	Notional currency 0.00	Maturity	Recognized in equity	Recognized in the income statement	Total
EUR	84,000	May 2025	873	—	873
EUR	35,000	May 2025	456	—	456
EUR	30,000	December 2025	460	—	460
EUR	50,000	June 2026	1,058	—	1,058
EUR	50,000	June 2026	899	—	899
EUR	50,000	June 2026	(987)	—	(987)
EUR	50,000	June 2026	(977)	—	(977)
EUR	200,000	May 2027	2,407	—	2,407
EUR	150,000	May 2027	1,805	—	1,805
EUR	150,000	June 2027	(4,431)	—	(4,431)
EUR	50,000	June 2027	(1,434)	—	(1,434)
EUR	899,000		129	—	129

Currency	Notional currency 0.00	Maturity	Recognized in equity	Recognized in the income statement	Total
EUR	123,000	May 2025	4,191	—	4,191
EUR	58,000	May 2025	2,209	—	2,209
EUR	30,000	December 2025	1,169	—	1,169
EUR	70,000	June 2026	2,656	—	2,656
EUR	50,000	June 2026	2,279	—	2,279
EUR	50,000	June 2026	(1,105)	—	(1,105)
EUR	50,000	June 2026	(1,067)	—	(1,067)
EUR	150,000	May 2027	4,480	—	4,480
EUR	200,000	May 2027	5,973	—	5,973
EUR	150,000	June 2027	(4,435)	—	(4,435)
EUR	50,000	June 2027	(1,459)	—	(1,459)
EUR	981,000		14,891	—	14,891

From the effectiveness tests run by Management, Puig has concluded that foreign currency and interest rate hedging transactions are fully effective.

Additionally, as of December 31, 2024 and 2023, Puig entered into the following foreign currency hedging arrangements to cover loans taken out in foreign currencies:

Description	Notional	Maturity	Recognized in equity	Recognized in the income statement	Total
USD	35,000	January 2025	—	(486)	(486)
CAD	300	January 2025	—	—	—
GBP	(60,000)	January 2025	—	(147)	(147)
TWD	22,663	January 2025	—	(3)	(3)
SGD	(200)	January 2025	—	1	1
JPY	1,770,000	January 2025	—	117	117
CHF	(5,000)	January 2025	—	(36)	(36)
AUD	22,950	January 2025	—	234	234
HKD	46,700	January 2025	—	(59)	(59)
SEK	(589,000)	January 2025	—	(13)	(13)
Total as of December 31, 2024			—	(392)	(392)

Description	Notional	Maturity	Recognized in equity	Recognized in the income statement	Total
USD	(62,646)	January 2024	—	271	271
CAD	(5,800)	January 2024	—	32	32
GBP	32,745	January 2024 - December 2024	—	236	236
TWD	62,457	January 2024	—	(13)	(13)
SGD	8,000	January 2024	—	19	19
JPY	72,000	January 2024	—	1	1
CHF	(5,000)	January 2024	—	145	145
MXN	(200,000)	January 2024	—	99	99
Total as of December 31, 2023			—	790	790

27. Provisions and other liabilities

The breakdown and annual movement of "Provisions and other liabilities", except for long-term lease liabilities and long term derivatives amounting to 323,182 thousand euros and 7,829 thousand euros (255,561 thousand euros and zero thousand euros in fiscal year 2023) (note 17), is as follows:

(Thousand euros)	Liabilities from business combinations	Other employee benefits	Treasury shares commitments	Employee pension plans	Other	Total
Balance at January 1, 2024	2,177,665	54,023	238,868	8,328	25,161	2,504,045
Recognized in profit and losses	(86,591)	45,979	—	1,369	36,256	(2,987)
Recognized in retained earnings	(182,215)	—	—	—	—	(182,215)
Utilized	(1,038,404)	(39,292)	(238,868)	(305)	(16,307)	(1,333,176)
Translation differences	56,462	1,166	—	—	896	58,524
Business combinations	160,632	—	—	—	—	160,632
Reclassifications and others	(14,611)	(8,278)	—	396	(194)	(22,687)
Balance at December 31, 2024	1,072,938	53,598	—	9,788	45,812	1,182,136
Balance at January 1, 2023	2,383,008	108,175	—	8,483	45,577	2,545,243
Recognized in profit and losses	6,201	46,143	—	713	16,388	69,445
Recognized in retained earnings	1,542	—	238,868	—	—	240,410
Utilized	(47,060)	(92,268)	—	(446)	(10,891)	(150,665)
Translation differences	40,980	(764)	—	(1)	442	40,657
Business combinations	—	—	—	—	—	—
Reclassifications and other	(207,006)	(7,263)	—	(421)	(26,355)	(241,045)
Balance at December 31, 2023	2,177,665	54,023	238,868	8,328	25,161	2,504,045

Liabilities from business combinations

When Puig Brands acquires a company, it often prefers that the previous shareholders remain in the company with a minority stake. In this way, the seller / founder remains engaged and committed to the continued success of the brand.

At the time of the acquisition, the Company may enter into call and put option agreements granting the right or obligation to purchase the minority stake from the seller/founder on certain specified dates and at prices calculated based on an initially agreed adjusted multiple linked to the business performance of the related business. This is the case with the recent acquisition of Dr.Barbara Sturm, as well as prior years' acquisitions such as Byredo, Charlotte Tilbury, Loto del Sur, Kama Ayurveda and Dries Van Noten.

These options have been recorded as liabilities in accordance with IFRS 10, and valued at fair value at each reporting period, with the changes in fair value recorded against equity.

At the time that the options are exercised, the Company will be required to make payments to the sellers / brand founders in the amounts due.

As part of the acquisition of Dr.Barbara Sturm, Puig agreed to put and call options for the acquisition of the remaining 35% of Dr.Barbara Sturm's shares not currently owned (note 5).

As detailed in note 3, in 2024 Puig agreed to acquire the minority interests in Prado Investments, Ltd and Byredo AB. The difference between the total considerations (856.8 million euros) and the liabilities from business combinations accounted for as long-term liabilities (1,038.4 million euros) amounted to 181,604 thousand euros and have had a positive impact in Puig Brands reserves.

In 2024, Puig extended the remaining put and call option agreement over Charlotte Tilbury, which was set to end in 2026, at different periods between 2026 and 2031. The new put and call option is valued based on a market multiple linked to the key financial metrics of Charlotte Tilbury's business. The extension of these put and call options, has had a positive equity impact of 197,469 thousand euros, mainly due to the extension of the liability (which is discounted at present value), the new multiples agreed, and the projected financial metrics.

In addition to the put and call options detailed in the previous paragraphs, as of December 31, 2024, Puig maintains the Kama Ayurveda and Loto del Sur put and call options from the 2022 business combinations. The reclassification in this caption, amounting to 14,611 thousand euros, relates to the put-call option of Kama Ayurveda exercisable in 2025 (note 29).

In addition to the call and put options mentioned above, in this caption Puig includes liabilities for earn-outs arising from certain business combinations. At December 31, 2024, the balance regarding these liabilities amounted to 106,799 thousand euros (185,901 thousand euros in 2023).

The change of valuation in these earn-outs in 2024 and 2023 were mainly driven by the change in management's projections with respect to the expected business performance to which these liabilities are linked, and the effect of the discount factor and the exchange rate. In addition, 2024 is also affected by the initial recognition of the business combinations completed in the period that amounted to 965 thousand euros (Dr.Barbara Sturm - note 5).

The amounts recognized as liabilities in the consolidated balance sheet have been discounted using the weighted average cost of capital ("WACC") of each business (note 16).

These liabilities have been classified in the Level 3 measurement category. Puig conducts a sensitivity analysis of these liabilities by applying reasonable variations to the key assumptions considered in the calculation.

- A variation of +/- 2% in the CAGR of the main business indicator to which the liability valuation is linked would impact the liability recognized in the balance sheet as of December 31, 2024, resulting in an increase of 59 million euros or a decrease of 50 million euros (2023: increase of 164 million euros or decrease of 152 million euros).

- A variation of +/- 1.5% in the discount rate would impact the liability recognized in the balance sheet as of December 31, 2024, leading either a 50 million euros decrease or an increase of 55 million euros (2023: increase of 86 million euros or decrease of 53 million euros).

At December, 31, the maturity of these liabilities was as follows:

(Thousand euros)	2024	2023
Liability maturing more than 1 and less than 3 years	342,002	1,125,074
Liability maturing between 3 and 5 years	203,491	325,296
Liability maturing in more than 5 years	527,445	727,295
	1,072,938	2,177,665

Employee benefits and others

Some employees are granted with plans called “share appreciation rights” (SARs). The SARs are vested based on services and specific performance conditions.

As of December 31, 2024, the remaining SARS plans refer exclusively to 2021 Plan and 2024-2028 plan. Their characteristics are as follows:

2021 Plan

Puig granted some employees with a management incentive plan which vests over five years (2021-2025). Vesting conditions are based on time-based and business performance conditions.

The value of the plan is based on the appreciation of the shares of a Puig subsidiary, being the difference between the value of the shares granted at the beginning of the plan and the value of the shares expected at the end of the vesting period above a certain threshold. The valuation of the vested shares is calculated based on a formula linked to the business performance (level 3 fair value measurement).

At grant date, the beneficiaries choose between two types of settlement:

- Cash settlement.

- Acquisition of shares based on their nominal value. Once acquired, a call option is granted to Puig to re-acquire the shares between 2026 and 2029 at a price calculated based on the value creation above a certain threshold. In addition, a put option is granted once the shares are acquired enabling the beneficiaries to execute them between 2026 and 2029.

2024-2028 Plan

Puig granted some employees with a management incentive plan which vests over five years (2024-2028). Vesting conditions are based on time-based and business performance conditions.

The value of the plan is based on the appreciation of the shares of a Puig subsidiary, being the difference between the value of the shares granted at the beginning of the plan and the value of the shares expected at the end of the vesting period above a certain threshold. The valuation of the vested shares is calculated based on a formula linked to the business performance (level 3 fair value measurement).

At grant date, the beneficiaries choose between two types of settlement:

- Cash settlement.

- Acquisition of shares based on their nominal value. Once acquired, a call option is granted to Puig to re-acquire the shares from 2029 at a price calculated based on the value creation above a certain threshold. In addition, a put option is granted once the shares are acquired enabling the beneficiaries to execute them from 2029.

In 2023 the following SARS were fully vested, prior to the expected vesting dates of the plans which were end of 2023, 2024 and 2025 depending on the grant and the plan, because the objectives set were achieved in advance.

2015-2018 Plan

Between 2015 and 2018, Puig granted some employees of Puig with shares appreciation rights over Puig, S.L. and Puig Gest, S.A. shares (both companies are directly/indirectly shareholders of Puig, Brands, S.A.). Most of the shares were already vested at January 1, 2021, except for one grant which started vesting at that date. Initially the underlying shares of the SAR was based on shares of Puig Gest, S.A.

Most of the shares were already vested at January 1, 2021, except for one grant which started vesting at that date. Once the shares were vested, the beneficiaries had the option to acquire the shares or to request the settlement in cash. Initially the underlying shares of the SAR was based on shares of Puig Gest, S.A. The beneficiaries agreed in 2023 to exchange the underlying shares of the plan for Puig Brands, S.A. shares.

For the beneficiaries who elected to acquire the shares (at a fixed price), a call option was granted to re-acquire the shares between 2025 and 2040 at a value based on a formula linked to performance indicators at the date the call option will be executed. In addition, a put option was granted to be executed between 2024-2028 with the same valuation method. These agreements were signed with the companies that delivered the shares to the beneficiaries (note 23).

2021-2023 Plan

The 2021-2023 plan was composed of three different yearly grants with a vesting period of 3-5 years between 2021 and 2025. The shares were vested by the employee based on time-based vesting conditions and business performance conditions. Initially the underlying shares of the SARs were based on shares of Puig, S.L. and Puig Gest, S.A. The beneficiaries agreed in 2023 to exchange the underlying shares of the plan for Puig Brands, S.A. shares.

The valuation of the incentive plan is calculated based on the value of the share appreciation rights, which is calculated based on an independent valuation (level 3 fair value measurement). The valuation of the plan is the difference between the value of the shares at the grant date and the expected valuation of the shares at the end of the vesting period.

Once the shares are vested, the beneficiary has the option to receive a cash settlement, acquire the shares, or receive free shares net of tax.

If the beneficiaries elect to acquire the shares or receive free shares (acquisition price fixed based on the value of the share appreciation rights on the granted date), a call option is granted to Puig to re-acquire the shares at any time from 2030 at the fair value of the shares at the date the call option will be executed. Simultaneously to the call option grant, a put option is granted to the beneficiary once the shares are acquired enabling the beneficiaries to exercise them at any time from the acquisition until 2030 except in the lock up period. Such obligation is held by the company which granted the shares.

The detail of plans based on share appreciation rights as of December, 31 is as follows:

2024

Number of SARs Rights	2015 – 2018 Plan	2021 Plan	2021 – 2023 Plan	2024 Plan	2024 2028 Plan
Outstanding at January 1, 2024	—	20,504,276	—	—	—
Granted number	—	2,259,400	—	1,498,216	14,314,245
Forfeited number	—	(481,800)	—	—	—
Vested number	—	(782,900)	—	(1,498,216)	(477,142)
Outstanding at December 31, 2024	—	21,498,976	—	—	13,837,104
Exercisable at December 31, 2024	—	883,191	—	—	308,000
Delivered at December 31, 2024	—	1,984,393	—	1,498,216	169,142

2023

Number of SARs Rights	2015 – 2018 Plan	2021 Plan	2021 – 2023 Plan
Outstanding at January 1, 2023	40,494	20,013,200	1,901,548
Granted number	—	1,564,200	—
Forfeited number	—	(338,800)	—
Vested number	40,494	(734,324)	1,901,548
Outstanding at December 31, 2023	—	20,504,276	—
Exercisable at December 31, 2023	—	601,224	—
Delivered at December 31, 2023	40,494	1,483,460	1,901,548
Exchanged	(1,026,351)	—	(1,901,548)
Carried forward exchanged at December 31, 2023	4,853,644	—	8,661,171

For the 2015-2018 Plan and the 2021-2023 Plan, in 2023, the beneficiaries agreed to exchange the underlying shares of the plan for shares in Puig Brands, S.A. The exchanged shares as of December 31, 2023, have been delivered in 2024. In some cases, the delivered shares include call options.

For the 2021 Plan and the 2024-2028 Plan, the SARs related to the underlying shares refer to a subsidiary of Puig.

For the 2024 Plan, the SARs related to the plan are for shares in Puig Brands, S.A. In some cases, the delivered SARs include call options.

Exercisable SARs include shares that have already vested by employees but have not been exercised.

For the 2021 Plan and the 2024-2028 Plan, the strike price and the exercisable price of the shares of the subsidiary that granted the plans depend on the year they were granted and vested. The carrying amount of the liability related to these plans as of December 31, 2024, amounts to 35,906 thousand euros (33,986 thousand euros in 2023).

The 2024 Plan, an extraordinary free share plan, has been vested in advance, with a total cost of 36 million euros (note 3).

In addition, other employee benefits, includes long term cash bonuses when certain business performance conditions are met. As at December 31, 2024, the liability amounted to 6,331 thousand euros (10,989 thousand euros in2023).

This caption also includes other employee benefits amounting to 11,361 thousand euros in 2024 (9,048 thousand euros in 2023).

Treasury shares Commitments

As detailed in note 3, as of the date of the IPO, all put options granted by Puig to the beneficiaries of the prior SARs plans (2015-2018 and 2021-2023) have ceased to be effective. Accordingly, the entire 238,868 million euros liability recorded as of December 31, 2023 was reversed.

Employee Pension plan

A portion of Puig's employees are covered by defined contribution or benefit retirement plans paid for by Puig companies. The type of plan varies according to the legal requirements of the country in which beneficiaries are employed.

a. Defined contribution plans.

For defined contribution plans, Puig undertakes to pay a defined contribution (e.g., a fixed amount or percentage of salaries).

Defined contribution plans cover employees mainly in Spain, United States, France and United Kingdom, among other countries.

Puig does not assume any obligations or commitments other than the annual contribution.

b. Defined benefit plans.

For defined benefit plans, Puig undertakes to pay the employee a defined benefit (e.g. a retirement pension at a fixed amount or percentage of the employee's final salary). For the defined benefit plan, the present value of future benefits (which the company is liable to pay under the plan) is computed using actuarial principles and the projected unit credit method. The computation of present value is based on assumptions of interest rates, increases in salaries and pensions, investment yield, mortality and disability. The present value is computed exclusively for the benefits to which the employees have earned entitlement through their employment with the company. The Group's defined benefit plans cover employees in France.

The defined benefit plan of French companies is not outsourced. The liability under the plan calculated on an actuarial basis is stated in the consolidated balance sheet at December 31, 2024 at an amount of 9.8 million euros (8.3 million euros in 2023).

The amounts recognized in equity are the following:

(Thousand euros)	2024	2023
Current service cost	1,369	713
Total (benefit) /expense recognized in the income statement	1,369	713
Net actuarial (loss)/gains recognized	—	—
Actual return on plan assets	—	—

The present value of the obligations and the fair value of the plan assets are as follows:

(Thousands of Euros)	2024	2023
Present value of related obligations	9,788	8,328
Net liabilities	9,788	8,328

Movements of net liabilities for the years ended December, 31 are as follows:

(Thousands of Euros)	2024	2023
Balance sheet at January 1	8,328	8,483
Net cost of the plan	1,369	712
Contributions / benefits	(305)	(446)
Reclassifications	396	(421)
Balance as of December 31	9,788	8,328

The main actuarial assumptions used at December, 31 are as follows:

	2024	2023
Discount rates	3.2 %	3.6% - 4.2%
Expected wage increase	4 %	—
Expected rate of return on plans assets	—	—
Average retirement age	64	62-65

Defined benefit plans have been classified into the Level 3 measurement category.

28. Off-balance sheet commitments

At December 31, 2024, Puig granted bank guarantees amounting to 191 million euros (181 million euros in 2023) mainly related to their normal business activity.

Specifically, bank guarantees represent commitments to third parties.

Additionally, it should be noted that Puig has no significant legal or tax contingencies.

The Group is not aware of any significant off-balance sheet commitments other than those described above.

29. Other current liabilities

The breakdown of this caption as of December 31 was as follows:

(Thousand euros)	2024	2023
Tax and social security debt (note 14)	102,510	71,177
Accrued payroll	110,784	104,102
Operating provisions	227,264	201,949
Payable for other services	429,080	352,889
Financial liabilities at fair value (note 26)	16,722	—
Other liabilities	21,973	24,634
Liabilities from business combinations (note 27)	14,611	207,006
Other liabilities related parties	1,575	4,293
Lease liabilities (note 17)	74,501	58,074
Total	999,020	1,024,124

Operating provisions include accruals of commissions, returns and provisions for other services.

In 2024, Puig executed a call option over minority interests in Charlotte Tilbury amounting to 214,816 thousand euros (180,456 thousand GBPs), corresponding to 5,4% stake. The liability recorded as of December 31, 2023 amounted to 207,006 thousand euros (179,899 thousand GBPs).

The “Other liabilities at fair value” caption mainly includes foreign currency fair value hedging derivatives and interest rate hedging derivatives (note 26). In 2024, the fair value of the derivatives amount to 16,722 thousand euros. The breakdown as of December, 31 is as follows:

(Thousand euros)	2024	2023
Foreing currency hedging (transactions)	16,330	—
Foreing currency hedging (loans)	392	—
Interest rate hedging	—	—
Total	16,722	—

30. Financial risk management, objectives and policies

In its normal course of business Puig is exposed to various financial risks: market risk (including foreign exchange risks and interest rate risks) and other risks such as credit risk, liquidity risk and capital risk management. Puig's management focuses on minimizing these risks implementing risk management policies to identify and analyze the risks faced by the Group and define appropriate risk limits and controls. Group's management procedures are designed to have a control environment.

This note provides information on the Group's exposure to risks, the Group's objectives, policies and processes for managing risks, the methods used to measure these risks and the financial instruments used to mitigate the corresponding risks.

The Group's Audit Committee supervises how management controls comply with the Group's risk management procedures and policies and review whether the risk management policy is suitable considering the risks that the Group is exposed to.

Foreign Exchange risk

The Group operates in an international environment and therefore is exposed to exchange rate risk on transactions in currencies, especially with regards to the USD and the GBP (being the euro the functional currency of the Group and the currency of the parent company). Currency risk is associated with future commercial transactions, recognized assets and liabilities, and net investment in foreign currencies.

Puig has a significant portion of sales to customers and to their own subsidiaries as well as certain purchases in currencies other than their functional currency (euro). Hedging instruments are used to reduce the foreign exchange risks arising from the fluctuations of currencies different from the companies' functional currencies.

Before the end of the year, as part of the budget preparation, Puig companies are responsible for identifying the exposure to foreign currency cash flows. The Group centrally analyzes the exposure and arranges the appropriate hedges. The identified foreign exchange risks are hedged using forward contracts or options.

Puig has implemented a strict policy to manage, measure and monitor these risks. The activities are organized based on a clear segregation of duties between the front office, middle office and back office which are responsible for the measurement, hedging and administration and financial control. The hedging strategy must always be presented to the top management for approval.

Derivative instruments entered into hedge for foreign exchange are accounted for in accordance with hedge accounting principles.

The financing obtained by Puig is mainly in Euros representing 96% of the total debt (95% in 2023).

The following table shows a sensitivity analysis to possible reasonable changes in the exchange rate of the main foreign currencies with which Puig operates, keeping all other variables constant:

(Thousands of euros)	Increase/ Decrease in USD	Effect on income	Effect in equity
2024	10 %	11,300	17,499
	(10)%	(11,300)	(17,499)
2023	10 %	8,015	12,131
	(10)%	(8,015)	(12,131)

(Thousands of euros)	Increase/ Decrease in GBP	Effect on income	Effect in equity
2024	10 %	(14,053)	(60,025)
	(10)%	14,053	60,025
2023	10 %	(5,730)	(98,105)
	(10)%	5,730	98,105

Puig has arranged exchange rate hedges to cover potential fluctuations in foreign currency.

Interest rate risk

Puig's interest rate risk arises from current and non-current borrowings with banks. The objective of Puig is to have a high proportion of borrowings at fixed rate or floating interest rates hedged by interest rates swaps (IRS). The main objective of the management is to protect net profit from the impact of significant changes in interest rates.

Puig uses derivative financial instruments (interest rate swaps) to cover the risk of changes in the interest rates on some loans. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. The fair value at December 31, 2024 amounts to 129 thousand euros (14,891 thousand euros in 2023).

As of December 31, 2024, the amount of debt subject to variable interest rates, without interest rate hedging, totaled 74 million euros (294 million euros in 2023), representing 4% of the total bank debt (14% in 2023).

An increase of 2% in the market interest rate could result in a financial interest expense increase of 1.5 million euros (2023: €5.9 million).

An increase of 2% in the market interest rate could result in a change of the valuation of the interest rate swaps of 19.7 million euros (33.8 million in 2023).

Credit risk

Credit risk is the risk to which Puig is exposed in the event that a customer or counterparty fails to pay its obligation.

To mitigate this risk Puig has a credit policy and manages its exposure to collection risk in the normal course of its operations. Puig evaluates the credit given to all its customers above a certain amount. Likewise, Puig has a credit insurance for most of its accounts receivable.

The Group recognizes impairment based on its best estimate of the expected losses on trade and other receivables. The main impairment losses recognized are due to specific losses relating to individually identified risks. At year end, these impairment losses are immaterial.

The maximum exposure to credit risk in relation to trade receivables is the amount shown in note 19 above amounting to 583,810 (501,861 thousand euros in 2023). Puig customers are reasonably fragmented, so individually none of them represents more than 10% in the overall amount of trade receivables.

Puig has undrawn amounts from credit facilities that can be used to cover operating cash deficits.

Also, to mitigate this credit risk, the Group may sometimes partially transfer this risk to third parties via non-recourse factoring of trade receivables in which case the Group would not retain any credit risk.

Credit risk also arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions. To mitigate this credit risk, the Group only works with banks with strong credit ratings as qualified by international rating agencies. The solvency of these institutions, as indicated in each institution’s credit ratings, is reviewed periodically in order to perform active counterparty risk management.

The assets subject to the credit risk exposure recognized in the balance sheet were as follow:

(Thousands of euros)	2024	2023
Financial investments	689	16,359
Other non-current assets	130,865	131,444
Trade and other receivables	567,529	484,705
Other current assets	282,991	186,709
Cash and cash equivalents	882,646	852,901
Total	1,864,720	1,672,118

Liquidity risk

Liquidity risk is the risk that the Group cannot meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure where possible, that it always has sufficient liquidity to settle its obligations at the maturity date.

Puig uses financial planning techniques to manage liquidity risk, taking into consideration the maturity of financial assets and liabilities and cash flow projections. Puig objective is to balance structural requirements and exceptional needs of cash with the loans and overdrafts taken out, to ensure that it will be able to use them depending on its liquidity situation.

As a consequence of the aforementioned the Group considers that it has liquidity and access to medium and long-term financing that allows the Group to ensure the necessary resources to meet the potential commitments for future investments.

Puig has undrawn amounts from credit facilities that can be used to cover operating cash deficits.

The maturities of the main financial liabilities, which include Leases (note 17), Bank Borrowings (note 25) and Liabilities for business combinations (note 27) as of December, 31 are as follows:

(Thousands of euros)	2025	2026	2027	2028	2029 and subsequent	Total
Bank borrowings	527,173	547,925	581,602	404	—	1,657,104
Liabilities from business combinations	14,611	342,002	—	177,119	553,817	1,087,549
Lease liabilities	74,501	66,727	53,679	44,274	158,502	397,683
	616,285	956,654	635,281	221,797	712,319	3,142,336

(Thousands of euros)	2024	2025	2026	2027	2028 and subsequent	Total
Bank borrowings	358,371	510,068	596,772	681,602	404	2,147,217
Liabilities from business combinations	207,006	10,022	1,115,052	—	1,052,591	2,384,671
Lease liabilities	58,074	51,975	45,674	35,590	122,322	313,635
	623,451	572,065	1,757,498	717,192	1,175,317	4,845,523

Capital risk management

Puig’s objective is to safeguard its capacity to continue managing its recurring activities and the capacity to continue to grow, by optimizing the debt-to-equity ratio and to create value for the shareholder.

The main purpose of Puig capital management is to ensure a financial structure that can optimize capital cost and maintain a solid financial position, in order to access to the financial markets at a competitive cost to cover financing needs.

Puig manages its capital to ensure that certain financial ratios are appropriate to develop its business, maintaining a high level of solvency so that it can provide appropriate returns to its shareholders. Net debt ratio is measured as follows:

(Thousands euros)	2024	2023
Net debt	1,068,130	1,509,700
Adjusted Ebitda	969,209	862,674
Net debt ratio (Net debt / Adjusted Ebitda)	1.10	1.75

Net Debt and Adjusted Ebitda are Alternative Performance Measures (Annex III).

The volume of capital is determined according to existing risks, making the corresponding adjustments to capital in accordance with changes in the economic environment and managed risks.

Changes in working capital

Breakdown of changes in working capital (net of changes in scope and non-cash items) is presented as follows:

(Thousand euros)	2024	2023
Inventory	77,602	(162,533)
Trade accounts receivable	(76,977)	(96,769)
Other current assets	(92,543)	42,255
Trade accounts payable	5,826	(26,815)
Other current liabilities	127,323	49,446
Changes in working capital	41,231	(194,416)

31. Other disclosures

31.1. Audit fees

Net fees accrued to Ernst & Young, S.L. as the auditor of the Group's consolidated annual accounts, or by any firms related to this auditor as a result of a relationship of control, common ownership or common management are as follows:

(Thousands euros)	2024	2023
Audit services	2,372	2,021
Other assurance services	974	852
Total audit and similar services	3,346	2,873
Tax services	—	60
Other services	191	87
Total professional services	3,537	3,020

Additionally, net audit fees for services provided by auditors other than the main auditor amounts to 151 thousand euros in 2024 (358 thousand euros in 2023).

31.2. Information on the Parent Company's Directors and key Management

During the year ended December 31, 2024 the Company's directors have not been party to any direct or indirect conflict of interest with Puig, except for the approval of the following resolutions in which one or several directors, as appropriate, refrained from deliberating and voting thereon as they could result in a conflict of interest situation:

a. the subscription of credit lines with different financial entities, and approval of the maximum amount to be subscribed.

b. Acknowledgement of the appointment of a CEO and delegation of authorities.

c. Approval of a new services agreement with the CEO.

d. Ratification of the remuneration related to the plan for the acquisition of Class B shares of Puig.

e. Approval of an extraordinary bonus related to the Company's IPO.

f. Approval of the amount derived from the extraordinary remuneration to be paid in light of the IPO.

g. Ratification of the increase in the annual contribution to the pension plan (welfare scheme).

h. Approval of certain related-parties transactions.

The remunerations for the year 2024 of the Key Management amounted to 34,881 thousand euros, respectively (51,047 thousand euros in 2023), for fixed and variable salaries, long terms incentive plans, fringe benefits, pension commitments, and life insurance premium payments.

The Chairman and CEO is also member of the key management of the Group and consequently, his remuneration has been accrued based on his executive services and his remuneration has been included in the Board of Directors remuneration section. In 2023, the Chairman and CEO and the Vice Chairman of the Board of Directors were also members of the key management of the Group and consequently, their remuneration were accrued based on their executive services and their remuneration were included in the Board of Directors remuneration section.

The remuneration accrued by the Board of Directors for the services provided as a members of the Board of Puig Brands and the executive services of the Chairman of Puig Brands, S.A. amounted to 25,236 thousand euros in 2024 (45,660 thousand euros in 2023, which included the remuneration of the Vice Chairman of the Board of Directors).

Puig has paid Directors and Key Management liability insurance premiums in the amount of 248 thousand euros (2023: 175 thousand euros).

As of December 31, 2024, there were loans granted to the Key Management amounting to 63,014 thousand euros (2023: 58,146 thousand euros).The interest accrued related to the loans granted to the Key Management amounted to 1,764 thousand euros (2023: 1,577 thousand euros). The loans accrue interest at a rate between 1.5% and 3.25%.

Puig also has given long term incentive plans to its Key Management (which includes the CEO and Chairman of the Board of Directors with executive service) amounting to 22,153 thousand euros (53,049 thousand euros in 2023 which also included the remuneration of the Chairman and CEO and the Vice Chairman of the Board of Directors). This remuneration has been included in the total remunerations (Key Management and Board of Directors) indicated above and are disclosed in the period when the plans are fully vested (which is different from period of the accrual of the related expense).

As detailed in note 27, during 2024, as part of the accelerated vesting of the long term incentive plan, Puig has delivered 1,009,230 treasury shares to the Key Management and members of the Board of Directors with executive services. In 2023, as part of the accelerated vesting of the long-term incentive plan, Puig delivered 6,101,430 treasury shares to the Key Management and to one member of the Board of Directors with executive services. Additionally, during 2023, the shares held by the beneficiaries of Puig, S.L. and Puig Gest, S.A. (950,406 and 8,030) exchanged for 3,374,335 shares of Puig Brands, S.A.

As of December 31, 2024, members of the Board of Directors, including the Chairman of the Board of Directors) own a total amount of 4,408,077 shares of Puig Brands, S.A (3,800,132 in 2023).

In 2023, Put and call options were agreed between the parties and a liability in the consolidated balance sheet were accrued. In 2024 all the put options granted by Puig have ceased to be effective (note 23), therefore there is no liability accounted for as December 31, 2024.

31.3. Information on the average supplier payment period

The average payment period to suppliers of Spanish companies is as follows:

	2024	2023
(Days)		
Average payment period to suppliers	52	52
Ratio of transactions paid	55	52
Ratio of transactions pending payment	37	45
(Thousands of euros)		
Total payments made	1,157,111	1,235,981
Total payments pending	169,569	103,168
Monetary volume of invoices paid in a period lower than the maximum established in the late payment regulations.	867,242	1,001,711
Percentage of payments below the maximum payment period over total payments made.	74.9%	81.0%
(Number of invoices)		
Invoices paid in a period lower than the maximum established in the late payment regulations.	61,329	74,377
Percentage of total invoices	80.5%	84.7%

a. Average payment period to suppliers: It will be understood as the weighted average between the ratio of paid operations and the ratio of unpaid operations.

b. Ratio of paid operations: It will be understood as the weighted difference between the calendar days that have elapsed since the date of receipt of the goods or services (however, in the absence of reliable information about the moment in which this circumstance occurs, the date of receipt of the invoice) until the material payment of the operation.

c. Ratio of transactions pending payment: It will be understood as the weighted difference between the calendar days that have elapsed since the date of receipt of the goods or services (however, in the absence of reliable information about the moment in which this circumstance occurs, it will be will take the date of receipt of the invoice) until the last day of the period to which the consolidated annual accounts refer.

31.4. Supplier financing arrangements

Puig has established a supplier finance arrangement that is offered to some of the key suppliers. Participation in the arrangement is at the suppliers' own discretion. Suppliers that participate in the supplier finance arrangement will receive early payment from the Puig external finance provider (external banks). If suppliers choose to receive early payment, they pay a fee to the external bank. In order for the finance provider to pay the invoices, the goods must have been received or supplied and the invoices approved by Puig. Payments to suppliers ahead of the invoice due date are processed by the finance provider and, in all cases, Puig settles the original invoice by paying the finance provider in line with the original invoice maturity date described above. Payment terms with suppliers have not been renegotiated in conjunction with the arrangement. Puig provides no security to the finance provider.

All trade payables subject to the supplier finance arrangement are included in the caption Trade Accounts Payables in the consolidated balance sheet.

(Thousand of euros)	2024	2023
Total amount agreed	88,152	96,585
Carrying amount of Trade Payables sent to the bank at the end of the period	17,585	69,520
Carrying amount of which suppliers have received payment	4,384	13,057

32. Enviromental information

Puig works towards contributing to two global commitments; helping limit global warming to 1.5°C by 2030 and becoming a net zero organization by 2050.

To achieve these goals, Puig integrates environmental, social and governance (ESG) criteria into its culture, business model, strategy, and day-to-day activities.

The main highlights achieved in 2024 on ESG are as follows:

- Puig is included one more year in the CDP Climate A-list.
- Reduction of the carbon footprint by 23.20% in tons of CO2e per million euros of net revenue vs. 2023. In absolute terms, the reduction has been 14.53% in tons of CO2e.
- Publication of the Puig Human Rights Policy and update of the Sustainable Sourcing Policy to align its social requirements with the former.
- Launch of an ethical auditing program of the supply chain following the Sedex SMETA methodology.

At the year end 2024 and 2023, Puig has no environmental liabilities, expenses, provisions or contingencies that might be material with respect to its equity, financial position and profits (losses).

Climate change-related impacts have been assessed by the directors, who have concluded that no significant effects are expected.

The Non-Financial Statement includes information on Puig's commitment to ESG through its Sustainability statement section of the Puig report.

33. Related parties

The main balances and transactions with Puig related parties are summarized as follows:

(Thousand euros)	Year	Sales and other income	Purchases and expenses	Financial income	Dividends	Accounts receivable and short-term financial investments	Accounts payable
Companies with significant influence over Puig	2023	4	280	687	—	8,512	(4,049)
	2024	—	151	—	—	42,358	331
Associated companies	2023	44,022	2,226	—	25,464	15,761	(1,361)
	2024	36,625	1,470	—	12,183	16,087	1,243
Other related parties	2023	2	11,186	1,322	—	39,991	(177)
	2024	2	12,621	1,502	11	40,825	959

Transactions with entities with significant influence over Puig for the years ended December 31, 2024 and 2023, primarily correspond to the ones related to Puig, S.L. as the head of the Spanish tax group.

Transactions with associated companies for the years ended December 31, 2024 and 2023, primarily correspond to payments received for the manufacturing services that Puig Brands provides for Isdin, S.A. royalties that Puig receives from Sociedad Textil Lonia, S.A. in connection with the license of CH Carolina Herrera, and the dividend distributions from our associate and joint venture investments.

Transactions with other related parties for the years ended December 31, 2024 and 2023, primarily correspond to payments to Inmo, S.L. and its subsidiaries in connection with the lease of our headquarters in Barcelona, the lease of our manufacturing facility in Barcelona (which was closed in 2023), and the lease of our Carolina Herrera and Rabanne stores in New York and Paris, respectively. Puig Brands also granted loans to our Senior Officers and employees in connection with the acquisition and/or delivery of Class B Shares.

Additionally, in 2023, Puig Brands, S.A. sold to its shareholder Puig, S.L. the shares of Puig Gest and Puig, S.L. for a total amount of 148,734 thousand euros (note 23). 143,520 thousand euros were settled in the acquisition of treasury shares (note 23) and 5,214 thousand euros were paid in cash.

Balances and transactions with minority shareholders and key management are not considered in the previous table (note 27 and 31.2).

34. Subsequent events

No significant subsequent events have occurred as of the date of preparation of the annual accounts.

Annex I. Consolidation scope

The companies included in the consolidation scope as of December 31, 2024 and 2023 are the following:

Full consolidation method

Name of the consolidated subsidiary	Address	Functional currency	Activity	% Ownership	
				2024	2023
Antonio Puig, S.A.U.	Plaza Europa 46-48, Hospitalet de Llobregat, Barcelona, Spain	EUR	Holding, manufacturing and commercial	100	100
Apivita Cosmetics - Diet - Pharmaceuticals Commercial and Industrial Société Anonyme (Apivita, S.A.)	Industrial Park of Markopoulo Mesogaias, Attica, 19003, Greece	EUR	Manufacturing and commercial	100	100
Apivita Ventures, S.L.U.	Plaza Europa 46-48, Hospitalet de Llobregat, Barcelona, Spain	EUR	Holding	100	100
Aubelia S.A.S.	40-52, boulevard du Parc 92200 Neuilly-sur-Seine, France	EUR	Holding	100	100
Barbara Sturm France SAS	65-67 Av. des Champs Elysées 75008 Paris, France	EUR	Commercial	65	—
Barbara Sturm Hong Kong Limited	21/F Edinburgh Tower, The Landmark, 15 Queen's RD Central, Hong Kong	HKD	Commercial	65	—
Barbara Sturm Limited	6 Dryden Street, London, England, WC2E 9NH	GBP	Commercial	65	—
Barbara Sturm Molecular Cosmetics GmbH	Königsallee 24, 40212, Düsseldorf, Germany	EUR	Holding and commercial	65	—
Byredo (Hong Kong) Limited	20/F, West Exchange Tower, 322 Des Vœux Road Central, Sheung Wan, Hong Kong	HKD	Commercial	100	77
Byredo (Hong Kong) Limited – Macau Branch	Avenida de Praia Grande No. 409, China Law Building, 16/Fl. – B47 em, Macao	MOP	Commercial	100	77
Byredo (Shanghai) Limited	Room 6, 30th Floor (with physical floor at 26th floor), No.1717, West Nanjing Road, Jing'an District, Shanghai, China	CNY	Commercial	100	77
Byredo AB (Sweden)	Box 3065, SE-103 61, Stockholm, Sweden	SEK	Holding and commercial	100	77
Byredo France SAS	35 Rue des Renaudes, 75017 , Paris, France	EUR	Commercial	Merged	77
Byredo GmbH	Sophienstraße 16, 10178 Berlin, Germany	EUR	Commercial	100	77
Byredo Japan KK	6-12-18 Jingumae, Shibuya-Ku,Tokyo, 150-0001, Japan	JPY	Commercial	100	77
Byredo Retail USA, LLC	630 5th Ave, 32nd Floor, New York, NY 10111, United Estates	USD	Commercial	100	77
Byredo Silver Lake LLC (extinguished)	257 Little Falls Drive, Wilmington, Delaware 19808, United States	USD	Commercial	Merged	77
Byredo UK Ltd.	6 Dryden Street, London, England, WC2E 9NH	GBP	Commercial	100	77
Byredo USA Inc.	630 5th Ave, 32nd Floor, New York, NY 10111, US+D8+D21	USD	Commercial	100	77
Carolina Herrera Ltd.	501 7th Ave, New York, United States	USD	Commercial	100	100
Charlotte Tilbury Beauty (Macau) Limited	Avenida da Praia Grande, no. 409 China Law Building, 21st/F., Macau	MOP	Commercial	79	56
Charlotte Tilbury Beauty (Shanghai) Limited	15/F, No. 68, Yuyuan Road, Jing'an District, Shanghai, China	CNY	Commercial	79	56
Charlotte Tilbury Beauty Asia Pacific Limited	10th Floor, Lee Garden Five, 18 Hysan Avenue, Causeway Bay, Hong Kong	HKD	Commercial	79	56
Charlotte Tilbury Beauty Austria GmbH	Rotenturmstraße, 5-9, Top/512-513, 1010 Vienna (Austria)	EUR	Commercial	79	—

Name of the consolidated subsidiary	Address	Functional currency	Activity	% Ownership	
				2024	2023
Charlotte Tilbury Beauty Canada Inc	C/O Gowling WLG, 160 Elgin Street Suite 2600 Ottawa, Ontario, K1P 1C3, Canada	CAD	Commercial	79	56
Charlotte Tilbury Beauty France SAS	9 Rue du Quatre Septembre, 75002 Paris, France	EUR	Commercial	79	56
Charlotte Tilbury Beauty Germany GmbH (**)	c/o Fieldfisher Partnerschaft von Rechtsanwälten mbB, Amerigo-Vespucci-Platz 1, 20457 Hamburg (Alemania)	EUR	Commercial	79	56
Charlotte Tilbury Beauty Hong Kong Limited	10th Floor, Lee Garden Five, 18 Hysan Avenue, Causeway Bay, Hong Kong	KHD	Commercial	79	56
Charlotte Tilbury Beauty Inc	National Registered Agents Inc., 160 Greentree Drive, Suite 101, Dover, DE 19904. Business Address: 148 Lafayette Street, 2nd Floor, New York, New York, 10013, United States	USD	Commercial	79	56
Charlotte Tilbury Beauty Ireland Limited	6th Floor 2 Grand Canal Square, Dublin 2 D02 A342 Ireland	EUR	Commercial	79	56
Charlotte Tilbury Beauty Korea Limited	(Supyo-dong) 10F, 100 Cheonggyecheon-ro, Jung-gu, Seoul (South Korea)	KRW	Commercial	79	—
Charlotte Tilbury Beauty Kozmetik Limited Sirketi	Dikilitaş Mah. Hakkı Yeten Cad. No: 10N İç Kapı No: 8 Beşiktaş/İstanbul (Turkey)	TRY	Commercial	79	—
Charlotte Tilbury Beauty Limited	8 Surrey Street, London, WC2R 2ND, United Kingdom	GBP	Commercial	79	56
Charlotte Tilbury Beauty Limited – Filiale a Italia	Piazza San Fedele 2, Milan, CAP 20121 (Italy)	EUR	Commercial	79	56
Charlotte Tilbury Beauty Limited España	Calle Maldonado, 4 28006 Madrid(Spain)	EUR	Commercial	79	56
Charlotte Tilbury Beauty Netherlands BV (**)	Regus, Amsterdam Sloterdijk, Kingsfordweg 151, Amsterdam, 1043 GR, Netherlands	GBP	Commercial	79	56
Charlotte Tilbury Beauty Poland spzoo	61-730 Poznan, Mlynska, 16 Piertro 8, Poland	PLN	Commercial	79	56
Charlotte Tilbury Beauty Propco US LLC	C/O Corporation Service Company, 251 Little Falls Drive, Wilmington DE 19808, United States	USD	Commercial	79	56
Charlotte Tilbury Beauty Switzerland AG	c/o Format A AG, Wiesenstrasse 9 8008 Zurich (Switzerland)	CHF	Commercial	79	56
Charlotte Tilbury Limited	280 Bishopsgate, London EC2M 4AG, London, England, UK	GBP	Holding	79	56
Charlotte Tilbury TM Limited	280 Bishopsgate, London, United Kingdom, EC2M 4RB	GBP	Commercial	79	56
Charlotte Tilbury Beauty Mexico S.A. de CV	Avenida Patriotismo 229 Pisos 7 y 8, Colonia San Pedro de los Pinos, Ciudad de México, 03800, Mexico	MXN	Commercial	100	—
Cosmetika S.A.S.	Cra 7 # 180 - 75 Módulo 4 -14, Bogota, Colombia	COP	Commercial	67	67
Creano NV	Godefriduskaai, 36, 2000 Antwerp, Belgium	EUR	Holding	100	100
Distribuidora Puig Chile Limitada	Avenida del Valle, 869, Piso 6, 580000,Comuna de Huechuraba, Chile	CLP	Commercial	100	100
DNV S.A.R.L.	3 Rue du Plâtre, 75004 Paris, France	EUR	Commercial	100	100
Dries Van Noten (Shanghai) Commercial Trading Co., Ltd.	Room 302, No. 9 building, No 696 Wei Hai Road, Jing An , district, Shanghai, China	CNY	Commercial	100	100
Dries Van Noten Group NV	Godefriduskaai, 36, 2000 Antwerp, Belgium	EUR	Holding	100	100
DVN USA CORP	90, State Street, Suite 700, Office 40, 12207, Albany, New York, United States	USD	Commercial	100	100
Etablissement Thermale d'Uriage S.A.S.	40-52, boulevard du Parc 92200 Neuilly-sur-Seine / Establishment: 60 Place Déesse Hygie 38410 Saint-Martin-d'Uriage, France	EUR	Commercial	100	100

Name of the consolidated subsidiary	Address	Functional currency	Activity	% Ownership	
				2024	2023
Het Modepaleis NV	Godefriduskaai, 36, 2000 Antwerp, Belgium	EUR	Commercial	100	100
Hôtel Restaurant les terrasses d'Uriage S.A.S.	Registered: 40-52, boulevard du Parc 92200 Neuilly-sur-Seine / Establishment: 60 Place Déesse Hygie 38410 Saint-Martin-d'Uriage, France	EUR	Commercial	100	100
Islestarr Holdings Limited	8 Surrey Street, London, WC2R 2ND, United Kingdom	GBP	Holding and commercial	79	56
Jean Paul Gaultier, S.A.S.	325 Rue Saint Martin, 75003 Paris, France	EUR	Commercial	100	100
Kama Ayurveda Private Ltd	K3, Jungpura Extension, New Delhi – 110014, India	INR	Manufacturing and commercial	85	85
L’Artisan Parfumeur S.A.R.L.	1 Rue Charles Tellier zone industrielle de Beaulieu 28000 Chartres, France	EUR	Commercial	100	100
Laboratoires Dermatologiques D'Uriage Deutschland GmbH	Änderung zur Geschäftsanschrift Zirkusweg 2, 20359 Hamburg (Germany)	EUR	Commercial	100	100
Laboratoires Dermatologiques D'Uriage Espagne S.L.U.	Calle Cardenal Marcelo Spinola 4, 1º, 28016, Madrid, Spain	EUR	Commercial	100	100
Laboratoires Dermatologiques D'Uriage France S.A.S.	40-52, boulevard du Parc 92200 Neuilly-sur-Seine, France	EUR	Commercial	100	100
Laboratoires Dermatologiques D'Uriage Italie S.R.L	Via Maurizio Gonzaga nº 7 CAP 20123 Milano (Italia)	EUR	Commercial	100	100
Laboratoires Dermatologiques D'Uriage Portugal S.A.	Alameda dos Oceanos, Edifício Espace, Lote 1.06.1.4, Piso 3, Bloco A 1990-207 Lisbon, Portugal	EUR	Commercial	100	100
Laboratoires Dermatologiques D'Uriage Russie LLC	4, Yakimanskaya Naberezhnava, Building 1, 119180 Moscow, Russia	RUB	Commercial	100	100
LDU Belux S.R.L.	Boulevard International 55 boite D – 1070 Anderlecht, Belgium	EUR	Commercial	100	100
Lendemain Distribution Inc.	630 5th Ave, 32nd Floor, New York, NY 10111, United Estates	USD	Commercial	100	100
Nina Ricci S.A.R.L.	39 Ave. Montaigne, 75008, Paris, France	EUR	Commercial	100	100
Paco Rabanne, S.A.S.	17 Rue François 1er, 75008 Paris, France	EUR	Commercial	100	100
Penhaligon’s Inc.	630 5th Ave, 32nd Floor, New York, NY 10111, United Estates	USD	Commercial	100	100
Penhaligon’s Ltd.	6 Dryden Street, London, England, WC2E 9NH	GBP	Commercial	100	100
Puig (Taiwan) Ltd. (Penhaligon’s Taiwan Ltd.)	18F., No. 97, Songren Rd., Xinyi Dist, Taipei City, Taiwan (Province of China)	TWD	Commercial	100	100
Penhaligon's (Singapore) Pte. Ltd.	18 Cross Street, #14-01, Cross Street Exchange, Singapore, 048423	SGD	Commercial	100	100
Perfumes e Cosméticos Puig Portugal Distribuidora S.A.	Rua Castilho 71, 4º direito, 1250-068, Lisbon, Portugal	EUR	Commercial	100	100
Prado Investments Limited	280 Bishopsgate, London EC2M 4AG, London, England, UK	GBP	Holding	100	86
Puig Hong Kong Ltd (Penhaligon’s Pacific Ltd.)	20/F., West Exchange Tower, 322 Des Voeux Road Central, Sheung Wan, Hong Kong	HKD	Commercial	100	100
Puig Macau Limited (Penhaligon’s (Macau) Limited)	Av. de Praia Grande 371, Edificio Keng Ou, 22 andar A, Macau	MOP	Commercial	100	100
Puig (Shanghai) Business Trading Co., Ltd.	Room 4, 5 of 28/F (with physical floor at 24/F on property certificate), No. 1717, West Nanjing Road, Jing'an Dist, Shanghai, China	CNY	Commercial	100	100

Name of the consolidated subsidiary	Address	Functional currency	Activity	% Ownership	
				2024	2023
Puig Arabia Limited (Al Farida International Beauty Ltd Co.) (*)	Real Building 3824, Sari Street , Al Zahra'a District, 23424 Jeddah, Kingdom of Saudi Arabia [more accurate address]	USD	Commercial	65	65
Puig Argentina S.A.	Calle Suipacha 1.111, 18º, C1008AAW, Buenos Aires, Argentina	ARS	Commercial	100	100
Puig Asia Pacific Pte Ltd. (*)	12 Tai Seng Street, Luxasia Building, Level 6, Singapore 534118	SGD	Commercial	100	100
Puig Belux, S.A.	Boulevard International 55D, 1070 Bruxelles, Belgium	EUR	Commercial	100	100
Puig Brands, S.A.	Plaza Europa 46-48, Hospitalet de Llobregat, Barcelona, Spain	EUR	Parent Company	100	100
Puig Brasil Comercializadora de Perfumes, Ltda.	Avenida das Americas nº 3301,Bloque 03, Salas 202 E301 Barra da Tijuca, Rio de Janeiro, Brazil	BRL	Commercial	100	100
Puig Canada Inc.	2360 Bristol Circle, Suite 300, Oakville, Ontario L6H 6M5, Canada	CAD	Commercial	100	100
Puig Colombia S.A.S.	Cra. 10 NO. 97ª -13 Oficina 705, Torre A Bogota D.C., Colombia	COP	Commercial	100	100
Puig Derma Trading (Shanghai) Co. Ltd.	2525 Wheelock Square, 25F Unit, 1717 West Nanjing Road, Jingan 200040, Shanghai, China	CNY	Commercial	100	100
Puig Deutschland, GmbH (**)	Astraturm Zirkusweg 2 D-20359, Hamburg, Germany	EUR	Commercial	100	100
Puig Emirates LLC (*)	Dubai Design District FZ LLC, D3, Building 07, 2nd Floor, Dubai, UAE	USD	Commercial	65	65
Puig France S.A.S.	65-67 Av. des Champs Elysées 75008 Paris, France	EUR	Manufacturing and commercial	100	100
Puig India Private Limited	3 Jangpura Extension, Commercial Complex, New Delhi, 110014, India	INR	Commercial	100	100
Puig International, S.A. (formerly Lesim)	Business Park Terre-Bonne, Bâtiment A4, Route de Crassier 17, 1262 Eysins, Switzerland	EUR	Holding and commercial	100	100
Puig Italia, S.r.l.	Via San Prospero 1, 20123 Milan, Italy	EUR	Commercial	100	100
Puig Japan, K.K.	6-12-18 Jingumae, Shibuya-Ku,Tokyo, 150-0001, Japan	JPY	Commercial	100	100
Puig Korea LLC	Unit 803, 191, Itaewon-ro, Yongsan-gu, Seoul, Korea	KRW	Commercial	100	100
Puig Malaysia Sdn. Bhd. (*)	Unit 30-01, level 30-01, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia	MYR	Commercial	51	51
Puig Mexico, S.A. de C.V.	Jaime Balmes 11, Torre C, Piso 3, Plaza Polanco, Los Morales, Delegación Miguel Hidalgo, 11510, México Distrito Federal, Mexico	MXN	Commercial	100	100
Puig Middle East FZCO (*)	Registered office: Jebel Ali Free Zone and is P.O.Box 17640, Jebel Ali Free Zone, Dubai, UAE Branch office for correspondence purposes: Dubai Design District FZ LLC, D3-Building 07, 2nd Floor (Offices A202, A203, A204) , UAE	USD	Commercial	65	65
Puig Nederland B.V. (**)	Regus – Hoofddorp, Azura, Saturnusstraat 46-62, 2132 HB Hoofddorp, the Netherlands	EUR	Commercial	100	100
Puig North America, Inc.	630 5th Ave, 32nd Floor, New York, NY 10111, United Estates	USD	Commercial	100	100
Puig Oceania Pty. Ltd.	Suite 502, Level 5, 388 George Street, Sydney NSW 2000, Australia	AUD	Commercial	100	100
Puig Östrerreich, GmbH	Leopold Ungar Platz 2, Stiege 2/ 1. Stock, 1190, Viena, Austria	EUR	Commercial	100	100
Puig Panamá, S.A.	Edificio Scotia Plaza nº 18, Av. Federico Boyd y C/ 51, pisos 9, 10 y 11, Panama City, Panama	USD	Commercial	Liquidated	100

Name of the consolidated subsidiary	Address	Functional currency	Activity	% Ownership	
				2024	2023
Puig Perú, S.A.	Avenida José Larco 1232 piso 9, Oficinas 9-101, 9-102, 9-103 y 9-105, 15074, Miraflores, Lima, Peru	PEN	Commercial	100	100
Puig Retail US, LLC	630 5th Ave, 32nd Floor, New York, NY 10111, USA	USD	Commercial	100	100
Puig Rus, LLC.	Russian Federation, 119180, Moscow Yakimanskaya naberezhnaya, 4, bld.1, Russia	RUB	Commercial	100	100
Puig SEA Pte. Ltd.	12 Tai Seng Street, #05-01 Luxasia Building Singapore 534118, Singapore	SDG	Commercial	51	51
Puig Suisse, S.A.	Business Park Terre-Bonne, Bâtiment A4, Route de Crassier 17, 1262 Eysins, Switzerland	CHF	Commercial	100	100
Puig UK Ltd.	6 Dryden Street, London, England, WC2E 9NH	GBP	Commercial	100	100
Puig USA Inc.	630 5th Ave, 32nd Floor, New York, NY 10111, United Estates	USD	Commercial	100	100
Scent Experience, S.L.U.	Plaza Europa 46-48, Hospitalet de Llobregat, Barcelona, Spain	EUR	Commercial	100	100
Sodifer S.A.R.L.	3 Rue du Plâtre, 75004 Paris, France	EUR	Commercial	100	100
Van Noten Andries NV	Godefriduskaai, 36, 2000 Antwerp, Belgium	EUR	Holding and Commercial	100	100

(*) Subsidiaries with non-controlling interests recognized in the Consolidated balance sheet.
(**) The company does not present audited annual accounts in its country of origin since it benefits from the exemption applied in this country. Puig Nederland B.V. and Charlotte Tilbury Beauty Netherlands BV take advantage of the exemption for the 403 Statement. Puig Deutschland GmbH and Charlotte Tilbury Beauty Germany GmbH benefit from the exemption applied in that country according to Sec. 264 para 3 no. 1 German Commercial Code.

Equity method

Name of the consolidated subsidiary	Address	Functional currency	Activity	% Ownership	
				2024	2023
Beijing Yitian Shidai Trading Co, LLC	B111 Unit, 10-2 buildings first floor, N.94 Dongsi shitiao, Beijing, China	CNY	Commercial	15	15
Isdin, S.A.	Provençals 33, 08019 Barcelona, Spain	EUR	Commercial	50	50
Ponteland Distribuçao, S.A.	Estrada São Domingos, s/n, Lote 14, Parte A, Bairro Boa Esperança, Seropédica, Rio de Janeiro, CEP 23894-080 (Brazil)	BRL	Manufacturing, Commercial	35	35
Sociedad Textil Lonia, S.A.	Parque Empresarial Pereiro de Aguiar, Ourense, Spain	EUR	Manufacturing, Commercial	25	25

Neither in fiscal year 2024 nor in 2023 there are no non-consolidated companies.

Annex II. Entities under tax consolidation regime

The companies included under tax consolidation regime at December 31, 2024 are as follows:

Tax parent company	Name of the consolidated tax subsidiary	Country
Puig, S.L. (*)	Puig Brands, S.A.	Spain
	Antonio Puig, S.A.U.	Spain
	Scent Experience, S.L.U.	Spain
	Apivita Ventures, S.L.U.	Spain
	Laboratoires Dermatologiques D'Uriage Espagne S.L.U.	Spain
Puig France S.A.S.	Puig France S.A.S.	France
	Paco Rabanne, S.A.S.	France
	Nina Ricci S.A.R.L.	France
	Jean Paul Gaultier, S.A.S.	France
	L'Artisan Parfumeur S.A.R.L.	France
Aubelia S.A.S.	Aubelia S.A.S.	France
	Laboratoires Dermatologiques D'Uriage France S.A.S.	France
	Hôtel Restaurant les terrasses d'Uriage S.A.S.	France
	Etablissement Thermales d'Uriage S.A.S.	France
Puig UK Ltd.	Puig UK Ltd.	United Kingdom
	Prado Investments Limited	United Kingdom
	Penhaligon's Ltd.	United Kingdom
	Byredo UK Ltd.	United Kingdom
	Charlotte Tilbury Limited	United Kingdom
	Islestarr Holdings Limited	United Kingdom
	Charlotte Tilbury TM Limited	United Kingdom
	Charlotte Tilbury Beauty Limited	United Kingdom
Puig North America, Inc.	Puig North America, Inc.	United States
	Puig USA Inc.	United States
	Carolina Herrera Ltd.	United States
	Penhaligon's Inc.	United States
	Lendemain Distribution Inc.	United States

(*) On May 27, 2024, Puig, S.L. agreed to change the closing date of the fiscal year, which is now June 30 instead of December 31. Accordingly, and by exception, the fiscal year that began on January 1, 2024, ended on June 30, 2024. The current fiscal year began on July 1, 2024, and will end on June 30, 2025, and so on.

Annex III. Alternative performance measures

Like-for-like net revenues growth

Like-for-like net revenues evolution reflects Puig's organic growth by adjusting net revenues for the impact of:

- Increases in scope/perimeter, by deducting from net revenues for the current year the amount of revenue generated over the months during which the acquired entities/brands were not consolidated in the prior year. For the avoidance of doubt, revenue generated by acquired entities/brands in the current year is included for the months when the acquired entities/brands were also consolidated in the prior year.

- Exchange rates fluctuations, calculated as the difference between current sales at current FX and current sales at previous year FX. This normalizes the impact from currency appreciation/depreciation compared to Euro to reflect the actual underlying performance of the company. This excludes the impact of high-inflation currencies (such as Argentine peso).

Like-for-like growth is used to provide a more homogeneous measure of Net Revenues and to provide a better understanding of the performance of the business.

Net revenues

(Thousand euros)	2023	2024	Growth
Net revenues	4,304,067	4,789,779	11.3 %
Net revenues related to increases in scope/perimeter (*)		(53,559)	(1.2)%
Net revenues related exchange effect rate		35,648	0.8 %
Like-for-like net revenues growth	4,304,067	4,771,868	10.9 %

(Thousand euros)	2022	2023	Growth
Net revenues	3,619,603	4,304,067	18.9 %
Net revenues related to increases in scope/perimeter (*)		(88,605)	(2.4)%
Net revenues related exchange effect rate		82,070	2.3 %
Like-for-like net revenues growth	3,619,603	4,297,532	18.7 %

(*) Increase in scope in 2024 corresponds to the deduction of Net Revenues generated by Dr.Barbara Sturm. Increase in scope in 2023 corresponds to the deduction of Net Revenues generated by Byredo, Kama Ayurveda and Loto del Sur during the months were those companies were not consolidated in 2022.

We use constant perimeter growth to provide a more homogeneous measure of our net revenues by business segment and geography. The following tables provide the reconciliation to the corresponding measure:

Net revenues - by segment

Fragrance and fashion

(Thousand euros)	2023	2024	Growth
Net revenues fragrance and fashion	3,115,001	3,537,998	13.6 %
Net revenues related to increases in scope/perimeter (*)		—	—
Constant perimeter net revenue growth	3,115,001	3,537,998	13.6 %

(Thousand euros)	2022	2023	Growth
Net revenues fragrance and fashion	2,671,524	3,115,001	16.6 %
Net revenues related to increases in scope/perimeter (*)		(72,648)	(2.7)%
Constant perimeter net revenue growth	2,671,524	3,042,353	13.9 %

Makeup

(Thousand euros)	2023	2024	Growth
Net revenues makeup	773,086	763,005	(1.3)%
Net revenues related to increases in scope/perimeter (*)		—	—
Constant perimeter net revenue growth	773,086	763,005	(1.3)%

(Thousand euros)	2022	2023	Growth
Net revenues makeup	626,027	773,086	23.5 %
Net revenues related to increases in scope/perimeter (*)		(2,249)	(0.4)%
Constant perimeter net revenue growth	626,027	770,837	23.1 %

Skincare

(Thousand euros)	2023	2024	Growth
Net revenues skincare	430,854	516,164	19.8 %
Net revenues related to increases in scope/perimeter (*)		(53,559)	(12.4)%
Constant perimeter net revenue growth	430,854	462,605	7.4 %

(Thousand euros)	2022	2023	Growth
Net revenues skincare	329,132	430,854	30.9 %
Net revenues related to increases in scope/perimeter (*)		(13,709)	(4.2)%
Constant perimeter net revenue growth	329,132	417,145	26.7 %

(*) Increase in scope in 2024 corresponds to the deduction of Net Revenues generated by Dr.Barbara Sturm. Increase in scope in 2023 corresponds to the deduction of Net Revenues generated by Byredo, Kama Ayurveda and Loto del Sur during the months were those companies were not consolidated in 2022.

Net revenues - by geography

EMEA

(Thousand euros)	2023	2024	Growth
Net revenues EMEA	2,322,116	2,620,004	12.8 %
Net revenues related to increases in scope/perimeter (*)		(28,284)	(1.2)%
Constant perimeter net revenue growth	2,322,116	2,591,720	11.6 %

(Thousand euros)	2022	2023	Growth
Net revenues EMEA	1,959,897	2,322,116	18.5 %
Net revenues related to increases in scope/perimeter (*)		(28,313)	(1.4)%
Constant perimeter net revenue growth	1,959,897	2,293,803	17.0 %

Americas

(Thousand euros)	2023	2024	Growth
Net revenues Americas	1,542,978	1,714,634	11.1 %
Net revenues related to increases in scope/perimeter (*)		(25,275)	(1.6)%
Constant perimeter net revenue growth	1,542,978	1,689,359	9.5 %

(Thousand euros)	2022	2023	Growth
Net revenues Americas	1,311,885	1,542,978	17.6 %
Net revenues related to increases in scope/perimeter (*)		(18,041)	(1.4)%
Constant perimeter net revenue growth	1,311,885	1,524,937	16.2 %

Asia-Pacific

(Thousand euros)	2023	2024	Growth
Net revenues Asia-Pacific	438,973	455,141	3.7 %
Net revenues related to increases in scope/perimeter (*)		—	—
Constant perimeter net revenue growth	438,973	455,141	3.7 %

(Thousand euros)	2022	2023	Growth
Net revenues Asia-Pacific	347,821	438,973	26.2 %
Net revenues related to increases in scope/perimeter (*)		(42,253)	(12.1)%
Constant perimeter net revenue growth	347,821	396,720	14.1 %

(*) Increase in scope in 2024 corresponds to the deduction of Net Revenues generated by Dr.Barbara Sturm. Increase in scope in 2023 corresponds to the deduction of Net Revenues generated by Byredo, Kama Ayurveda and Loto del Sur during the months were those companies were not consolidated in 2022.

Gross margin

Gross margin is calculated by dividing gross profit by net revenues. We use gross margin to understand the profitability of our core products or services, excluding overhead costs.

(Thousand euros)	2024	2023
Gross profit	3,588,100	3,215,163
Net revenues	4,789,779	4,304,067
Gross margin	74.9 %	74.7 %

Operating margin

Operating margin is calculated by dividing operating profit by net revenues. We use operating margin to measure the efficiency of our core business operations in generating income from regular business activities.

(Thousand euros)	2024	2023
Operating profit	758,714	692,970
Net revenues	4,789,779	4,304,067
Operating margin	15.8 %	16.1 %

EBITDA

EBITDA (Earnings before interest, tax, depreciation and amortization) is an indicator that measures the group's operational profit before financial results, profit/(loss) from associates and joint ventures, taxes, impairments and depreciation and amortization. It is calculated as the operational profit plus depreciation, amortization and impairment losses (only those impairments included in the operational profit).

This measure, although not specifically defined under IFRS, is often referred to and published by companies and is intended to facilitate analysis and comparability.

(Thousand euros)	2024	2023
Operational profit	612,088	679,206
Depreciation and impairment (note 12)	210,495	169,704
EBITDA	822,583	848,910

EBITDA margin

The EBITDA margin is calculated by dividing EBITDA by net revenues. The EBITDA margin measures how the group turns revenue into EBITDA.

(Thousand euros)	2024	2023
EBITDA	822,583	848,910
Net revenues	4,789,779	4,304,067
EBITDA margin	17.2 %	19.7 %

Adjusted EBITDA

Adjusted EBITDA is the EBITDA adjusted by excluding restructuring expenses, acquisition-related expenses of material transactions, gains and losses from the sale of businesses or real estate, and certain non-operating items that are material to the consolidated financial statements.

Adjusted EBITDA provides the reader a view of the ongoing and recurrent EBITDA of the company.

(Thousand euros)	2024	2023
EBITDA	822,583	848,910
Restructuring costs (note 10)	—	1,342
Transaction costs (note 10)	17,825	2,797
IPO costs (note 10)	119,473	5,168
Others (note 10)	9,328	4,457
Adjusted EBITDA	969,209	862,674

Adjusted EBITDA margin

The EBITDA adjusted margin is calculated by dividing adjusted EBITDA by net revenues. The adjusted EBITDA margin measures how the group turns revenue into EBITDA.

(Thousand euros)	2024	2023
Adjusted EBITDA	969,209	862,674
Net revenues	4,789,779	4,304,067
Adjusted EBITDA margin	20.2 %	20.0 %

Adjusted Net Profit

Means our IFRS Net profit excluding non-recurring items.

Adjusted Net profit provides to the reader a view of the ongoing and recurring results of the company.

The reconciliation between the APM and the figures corresponding to the consolidated statement of financial position of December 31, 2024 and 2023 are shown below:

(Thousand euros)	2024	2023
Net profit attributable to the parent company	530,649	465,209
Other operational income and expenses (note 10)	146,626	13,764
Other finance income and costs (note 13)	(86,591)	6,201
Tax effect on adjusted items	(36,546)	(1,546)
Minority interest on adjusted items	(2,815)	(6,091)
Adjusted net profit attributable to the parent company	551,323	477,537

Adjusted Net Profit Margin

The Adjusted net profit margin is calculated by dividing Adjusted net profit by Net revenues.

(Thousand euros)	2024	2023
Adjusted net profit attributable to the parent company	551,323	477,537
Net Revenues	4,789,779	4,304,067
Adjusted net profit margin	11.5 %	11.1 %

Adjusted earnings per share

The Adjusted earnings per share is calculated by dividing Adjusted net profit by the average of shares outstanding (note 24):

(Thousand euros)	2024	2023 (restated)	2023
Adjusted net profit attributable to the Parent Company	551,323	477,537	477,537
Average of shares	545,395,746	545,395,746	379,513,507
Treasury shares	4,886,667	6,450,627	6,450,627
Average of shares to determine earnings per share	540,509,079	538,945,119	373,062,880
Adjusted earnings per share (euro)	1.02	0.89	1.28

In 2024, we have restated the earnings per share for 2023 due to the IPO and its effects on the average number of shares during the period, in accordance with IAS 33.

Net Debt

Net debt is one of the indicators used by management to measure the level of the group's debt.

It includes current and non-current bank borrowings and other interest-bearing loans received, lease liability minus cash and cash equivalents, deposits, bonds and other marketable securities and, loans issued that are interest-bearing.

(Thousand euros)	2024	2023
Non-current bank borrowings (note 25)	1,129,931	1,788,846
Current bank borrowings (note 25)	527,173	358,371
Lease liability (note 17)	397,683	313,635
Loans issued to related parties and employees	(104,011)	(98,251)
Cash and cash equivalents (note 22)	(882,646)	(852,901)
Net debt	1,068,130	1,509,700

Net financial Debt

Net financial debt is one of the indicators used by Management to measure the level of the Group's debt.

It includes current and non-current bank borrowings and other interest-bearing loans received minus cash and cash equivalents, deposits, bonds and other marketable securities and, loans issued that are interest-bearing.

The reconciliation between the APM and the figures corresponding to the consolidated statement of financial position of December 31, 2024 and 2023 are shown below:

(Thousand euros)	2024	2023
Non-current bank borrowings (note 25)	1,129,931	1,788,846
Current bank borrowings (note 25)	527,173	358,371
Loans issued to related parties and employees	(104,011)	(98,251)
Cash and cash equivalents (note 22)	(882,646)	(852,901)
Net financial debt	670,447	1,196,065

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Consolidated Management Report

A home of Love Brands,
within a family company,
that furthers wellness, confidence and self-expression,
while leaving a better world.

1. Corporate information

We are a home of Love Brands. Our Love Brands resonate with and are loved by consumers, creating strong emotional bonds with them.

We are a family business with 110 years of history. The Puig Family is the backbone of the Company's values, which have been passed on for the last three generations, as well as its vision, which has defined the pillars of our strategy. This vision allows us to focus on the long-term perspective for our brands, our Company, and our stakeholders.

We want our brands to foster wellness, make our consumers and followers feel more confident, and empower them to express their true selves better. And all this, with a deep-rooted commitment to leaving behind a better world for future generations.

Who we are: our Premium Love Brands

We are a global player in the premium beauty industry, present in the Fragrance and Fashion, Makeup and Skincare business segments. We have a portfolio of premium Love Brands, consisting of 17 global brands from ten different countries with a strong and authentic identity as well as strategic complementarity.

We have carefully built our brand portfolio over decades by nurturing our own brands and partnering with visionary founders with whom we have established successful and long-lasting relationships through shared values and an aligned brand-building vision to integrate these brands into our portfolio, while maintaining the authenticity of each of these brands. We have curated our portfolio to provide strategic complementarity and diversification, as well as to achieve long-term growth.

Puig portfolio includes our brands Rabanne, Carolina Herrera, Charlotte Tilbury, Jean Paul Gaultier, Nina Ricci, Dries Van Noten, Byredo, Penhaligon's, L'Artisan Parfumeur, Uriage, Apivita, Kama Ayurveda and Loto del Sur as well as the beauty licenses of Christian Louboutin, Banderas and Adolfo Dominguez, among others. Additionally, from January 1st 2024, we have added another brand to our portfolio (Dr.Barbara Sturm).

We are a scaled, global business

We manage our worldwide presence from our Barcelona headquarters, supported by three regional hubs located in Paris, London, and New York. We have six manufacturing facilities in Europe and one in India, with brand headquarters and subsidiaries in 32 countries and employ over 12,100 people. We also have robust commercial reach through distributors and retailers, and more than 300 own stores around the world, resulting in our products being sold in more than 150 countries.
We conduct our business in three geographic segments: EMEA, the Americas and Asia-Pacific, which represented 54.7%, 35.8% and 9.5% respectively of our net revenues in 2024.

We sell our products through (i) physical channels (brick and mortar), such as department stores, selective retailers, pharmacies, drugstores, travel retail, spas and our own stores (314 and 276 own stores as of December 31, 2024 and 2023, respectively); and (ii) digital channels, such as e-commerce connected with our physical channels, online only retailers (pure players) and our brands' own e-commerce platforms.

We are committed to sustainability

Leaving a better world behind for the next generations is core to our purpose, and we are committed to maintaining and improving our sustainability performance. We have a clear ESG strategy across material topics, including a Net Zero emissions commitment by 2050. We maintain transparency in our progress, and have received external validation of our performance (by way of example, EcoVadis: Score of 73/100 Silver Medal; Sustainalytics: 20.9 score; and have been recognized in the CDP A-List for Climate Change.)

2. Business evolution

Business context 2024

2024 was a positive year for the global beauty market despite an environment marked by uncertainty and certain adverse factors, such as:

- An uncertain environment due to geopolitical stress, with ongoing conflicts in various regions all of which impacted slowing economic growth.
- While global inflation levels moderated over the course of the year, the beauty consumer in various jurisdictions has seen their disposable income reduced and adopting a more selective approach to beauty consumption.
- The Chinese market continued to show significant weakness with contraction in both domestic consumer spending and in the travel retail market.

Within the beauty market, the fragrance consumption has shown healthier growth levels compared to both makeup and skincare.

Results for the annual years ended December 31, 2024 and 2023

(Millions of euros, except %)	2024	Y24/Y23 % Variation	2023
Net revenues	4,789.8	11.3 %	4,304.1
Cost of sales	(1,201.7)	10.4 %	(1,088.9)
Gross profit	3,588.1	11.6 %	3,215.2
Distribution expenses	(220.4)	1.2 %	(217.7)
Advertising and promotion expenses	(1,551.3)	15.9 %	(1,338.1)
Selling, general and administrative expenses	(1,057.7)	9.5 %	(966.4)
Operating profit	758.7	9.5 %	693.0
Other operational income and expenses	(146.6)	965.3 %	(13.8)
Operational profit	612.1	(9.9)%	679.2
Financial result	19.4	(122.1)%	(87.4)
Result from associates and impairment of financial assets	61.1	18.9 %	51.3
Profit before tax	692.5	7.7 %	643.2
Income tax	(150.0)	4.7 %	(143.3)
Net profit for the year	542.5	8.5 %	499.9
Non-controlling interests	(11.9)	(65.7)%	(34.7)
Net profit attributable to the Parent Company	530.6	14.1 %	465.2

Net revenues

In 2024, net revenues increased 11.3% to €4,789.8 from €4,304.1 million in 2023, continuing the positive growth trajectory from previous years, reflecting (i) strong organic growth in Puig's core business, Fragrance and Fashion in EMEA and Americas, due to the desirability of our brands and the strong demand of our products that allowed for the increase of value market share; (ii) continued diversification into Skincare where strong organic growth was complemented with the inorganic contribution of Dr.Barbara Sturm, acquired in January 2024; partially offset with (iii) the negative impact of foreign exchange fluctuations; and (iv) the negative contribution of the makeup business segment, that faced various impacts during the year.

Organic growth (Like-for-like) reflects our organic growth by adjusting net revenues for the impact of (i) changes in scope/perimeter, by deducting from net revenues for the relevant year the amount of net revenues generated over the months during which the acquired entities/brands were not consolidated in the prior year and (ii) exchange rates fluctuations, calculated as the difference between net revenues for the relevant year at that year's exchange rates against the euro and net revenues in the that same year at the prior year's exchange rates against the euro, using the annual average exchange rate.

(Millions of euros, except %)	2024	2023	Growth
Net revenues	4,789.8	4,304.1	11.3 %
Net revenues related to increases in scope/perimeter	(53.6)		(1.2)%
Net revenues related exchange effect rate	35.6		0.8 %
Like-for-like net revenues growth	4,771.9	4,304.1	10.9 %

The strong organic growth during the periods under review is 10.9% in 2024 (Like-for-like). The acquisition of Dr.Barbara Sturm in January 2024 contributed +1.2% to net revenue. Meanwhile, exchange rate fluctuations had a negative impact of (0.8%), primarily due to exposure in emerging markets; this was partially offset by the strength of the British pound.

Net revenues by business segment

The following table presents our net revenues by business segment for the years indicated together with the percentage change between years:

(Millions of euros, except %)	2024	Y24/Y23 % Variation	2023
Fragrances and fashion	3,538.0	13.6 %	3,115.0
Makeup	763.0	(1.3)%	773.1
Skin care	516.2	19.8 %	430.9
Eliminations	(27.4)	84.1 %	(14.9)
Total	4,789.8	11.3 %	4,304.1

Net revenues grew at double digits in 2024, with Fragrance and Fashion being the main contributor to this growth, an increase of €423.0 million, or 13.6%, compared to 2023), followed by Makeup (a decrease of €-10.1 million, or (1.3)%, compared to 2023) and Skincare (an increase of €85.3 million, or 19.8%, compared to 2023) as further described below.

The growth in our Fragrance and Fashion business segment during the period under review was primarily due to the growth of both Prestige and Niche brands. The skincare business showed strong organic growth driven mainly by the Derma brands complemented with the acquisition of Dr.Barbara Sturm whereas growth in our Makeup showed a decrease during the year, with a flat Charlotte Tilbury performance and a negative contribution from the smaller make up offerings at Puig.

Fragrance and Fashion

In 2024, net revenues in the Fragrance and Fashion business segment increased by 13.6% to €3,538.0 from €3,115.0 million in 2023. In Fragrance (with Fashion representing less than 5% of our net revenues in 2024), this increase was primarily driven by:

i. An increase in net revenues from the Prestige portfolio category with double digit growth, particularly in North America and EMEA, driven by the success of Puig brands, in particular:

- Rabanne, reaching the €1 billion mark in net revenue for the second time in 2024, supported on launches like “Million Gold”;
- Carolina Herrera leveraging the continued strength of “Good Girl”, reaching the #1 feminine fragrance line in ranking worldwide; and
- Jean Paul Gaultier, which entered the Top 10 of Fragrance brands worldwide in 2024, building in the continued momentum of “Les Males” and “Classiques”;

ii. Significant growth in net revenues coming from the Niche portfolio category, primarily from:

- Penhaligons, L'Artisan Parfumeur and Dries Van Noten which showed consistent performance through 2024, with double digit growth;

- Byredo, after following an increased integration into Puig operations and process showed compelling growth in the second half of 2024.

Makeup

In 2024, net revenues in the Makeup business segment decreased (1.3)% to €763.0 million from €773.1 million in 2023. This reflected a decrease in net revenues primarily as a result of:

i. A flat performance of Charlotte Tilbury, that experienced several impacts during 2024 which included a tougher comparison against a strong 2023 performance further impacted by sell-in and sell-out dynamics including the anniversary effect of the sell-in pipeline into Ulta towards the end of 2023, and specific market dynamics in the Middle East and Asia-Pacific. In addition, the business segment was also impacted by the voluntary withdrawal of select batches of Charlotte Tilbury's Airbrush Flawless Setting Spray at the end of 2024.

ii. The negative performance of Puig's smaller make up offerings.

Skincare

In 2024, net revenues in Skincare, our fastest growing business segment, increased 19.8% to €516.2 from €430.9 million in 2023. This increase was primarily driven by:

i. The strong performance of double digit of Dermo-Cosmetics brands Uriage and Apivita, primarily in EMEA;

ii. The incorporation of Dr.Barbara Sturm in January 2024 that contributed with €54 million.

Net Revenue by geographical segment

The following table presents our net revenues by geographical segment for the years indicated together with the percentage change between years:

(Millions of euros, except %)	2024	Y24/Y23 % Variation	2023
EMEA	2,620.0	12.8 %	2,322.1
Americas	1,714.6	11.1 %	1,543.0
Asia-Pacific	455.1	3.7 %	439.0
Total	4,789.8	11.3 %	4,304.1

In 2024, net revenues grew across all of our geographic segments. EMEA was the main contributor in absolute terms (an increase of €297.9 million or 12.8% growth compared to 2023), followed by the Americas (an increase of €171.6 million or 11.1% growth compared to 2023) and Asia-Pacific (an increase of €16.1 million or 3.7% growth compared to 2023).

EMEA

In 2024, net revenues in EMEA increased 12.8% to €2,620.0 from €2,322.1 million in 2023, reflecting above-market growth in 2024. In particular, growth was led by the Fragrance and Fashion business segment with strong contribution also from both Make Up and Skincare.

Europe is the home market for the majority of our brands, which reinforces our positioning on this continent. Our net revenues grew in the main markets of the region, which by decreasing size are the UK, Spain and France, with these three markets being within our top five worldwide.

In the Middle East, Puig experienced continued growth of fragrances of the Niche category.

Americas

In 2024, net revenues in the Americas increased 11.1% to €1,714.6 from €1,543.0 million in 2023, driven by our three main markets: the US, Brazil, and Mexico. All three are among our top ten markets worldwide.

The Americas geographical segment is divided into two areas with distinct characteristics:

i. in North America (the US and Canada), our top market in terms of net revenues is the US (the largest beauty market in the world), where Fragrance and Fashion was the largest contributor to growth in the region; and

ii. Latin America, the Fragrance and Fashion remained the largest business segment. The region faced increased competition during 2024 and was exposed to negative fluctuations in foreign exchanges in Brazil and Mexico. The positive Argentine Peso hyperinflation adjustment, compared to a negative one in 2023 generated a positive impact in the region.

Asia-Pacific

In 2024, net revenues in Asia-Pacific increased 3.7% to €455.1 from €439.0 million in 2023. The growth experienced was in spite of a challenging market environment, particularly in China, where the market remained subdued. During 2024, Puig benefited from the newly created subsidiaries of Japan, India and South Korea.

Operating profit

Operating profit increased 9% to €758.7 million from €693.0 million in 2023.

(Millions of euros, except %)	2024	Y24/Y23 % Variation	2023
Fragrances and fashion	677.6	15.4 %	587.2
Makeup	44.1	(29.2)%	62.2
Skin care	37.1	(14.9)%	43.6
Total	758.7	9.5 %	693.0

Fragrance and Fashion

In 2024, operating profit for Fragrance and Fashion increased 15% to €677.6 from €587.2 million in 2023. This increase primarily reflects the continued positive performance of our Prestige brands, particularly in our core markets in EMEA and the Americas, where we have a strong presence and leadership positions thereby contributing to greater profitability. In spite of the growth in operating profit for the business segment, Puig maintained strong levels of Advertising and Promotion (A&P) during 2024 to support the growth in the company's brands portfolio.

Makeup

In 2024, operating profit for Makeup decreased (29)% to €44.1 million from €62.2 million in 2023. While Charlotte Tilbury, retained healthy profitability levels, the performance of the smaller make up offerings at Puig, with reduced scale and higher levels of Advertisement and promotion required, impacted negatively in the profitability of the business segment.

Skincare

In 2024, operating profit for Skincare decreased (15)% to €37.1 million from €43.6 million in 2023. This decrease primarily was due to the dilutive effect of the acquisition of Dr.Barbara Sturm, that, as planned, followed an exercise of readjustment of their distribution footprint to prepare the brand for future growth.

3. Treasury shares

In May 2023, Puig Brands acquired 21,000,000 of its shares from its sole shareholder, Puig, S.L., for a total amount of 344,775 thousand euros.

All transactions carried out with treasury shares are detailed in note 23 of the consolidated report.

At December 31, 2024, the Company holds 4,886,667 of treasury shares (Class B Shares) amounting to 80,281 thousand euros.

4. Financial risk management

Foreign currency exchange rate risk management

The Group operates in an international environment and therefore is exposed to exchange rate risk on transactions in currencies, especially with regards to the USD and the GBP (being the euro the functional currency of the Group and the currency of the parent company). Currency risk is associated with future commercial transactions, recognized assets and liabilities, and net investment in foreign currencies.

Puig has a significant portion of sales to customers and to their own subsidiaries as well as certain purchases in currencies other than their functional currency (euro). Hedging instruments are used to reduce the foreign exchange risks arising from the fluctuations of currencies different from the companies' functional currencies.

Before the end of the year, as part of the budget preparation, Puig companies are responsible for identifying the exposure to foreign currency cash flows. The Group centrally analyzes the exposure and arranges the appropriate hedges. The identified foreign exchange risks are hedged using forward contracts or options.

Puig has implemented a strict policy to manage, measure and monitor these risks. The activities are organized based on a clear segregation of duties between the front office, middle office and back office which are responsible for the measurement, hedging and administration and financial control. The hedging strategy must always be presented to the top management for approval.

The financing obtained by Puig is mainly in Euros representing 96% of the total debt (2023: 95%).

Derivative instruments entered into hedge for foreign exchange are accounted for in accordance with hedge accounting principles.

Puig has arranged exchange rate hedges to cover potential fluctuations in foreign currency. Note 29 of the consolidated report presents the effect on our income statement and equity resulting from an appreciation or depreciation of the US dollar and the pound sterling, respectively. Our sensitivity to sterling is mainly due to Charlotte Tilbury's strength in the UK, our largest European market.

Interest rate risk

Puig’s interest rate risk arises from current and non-current borrowings with banks. The objective of Puig is to have a high proportion of borrowings at fixed rate or floating interest rates hedged by interest rates swaps (IRS). The main objective of the management is to protect net profit from the impact of significant changes in interest rates.

Puig uses derivative financial instruments (interest rate swaps) to cover the risk of changes in the interest rates on some loans. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. The fair value at December 31, 2024 amounts to 129 thousand euros (2023: 14,891 thousand euros).

An increase of 2% in the market interest rate could result in a financial interest expense increase of 1.5 million euros (2023: €5.9 million).

An increase of 2% in the market interest rate could result in a change of the valuation of the interest rate swaps of 19.7 million euros (33.8 million in 2023).

Credit risk

Credit risk is the risk to which Puig is exposed in the event that a customer or counterparty fails to pay its obligation.

To mitigate this risk Puig has a credit policy and manages its exposure to collection risk in the normal course of its operations. Puig evaluates the credit given to all its customers above a certain amount. Likewise, Puig has a credit insurance for most of its accounts receivable.

The Group recognizes impairment based on its best estimate of the expected losses on trade and other receivables. The main impairment losses recognized are due to specific losses relating to individually identified risks. At year end, these impairment losses are immaterial.

The maximum exposure to credit risk in relation to trade receivables is the amount shown in note 19 above amounting to 583,810 thousand euros (2023: 501,861 thousand euros). Puig customers are reasonably fragmented, so individually none of them represents more than 10% in the overall amount of trade receivables.

Puig has undrawn amounts from credit facilities that can be used to cover operating cash deficits.

Also, to mitigate this credit risk, the Group has transferred this risk to third parties via non-recourse factoring of trade receivables in which case the Group would not retain any credit risk.

Credit risk also arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions. To mitigate this credit risk, the Group only works with banks with strong credit ratings as qualified by international rating agencies. The solvency of these institutions, as indicated in each institution’s credit ratings, is reviewed periodically in order to perform active counterparty risk management.

The assets subject to exposure to credit risk recognized in the balance sheet are detailed in note 29 of the consolidated report.

Liquidity risk

Liquidity risk is the risk that the Group cannot meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure where possible, that it always has sufficient liquidity to settle its obligations at the maturity date.

Puig uses financial planning techniques to manage liquidity risk, taking into consideration the maturity of financial assets and liabilities and cash flow projections. Puig objective is to balance structural requirements and exceptional needs of cash with the loans and overdrafts taken out, to ensure that it will be able to use them depending on its liquidity situation.

As a consequence of the aforementioned the Group considers that it has liquidity and access to medium and long-term financing that allows the Group to ensure the necessary resources to meet the potential commitments for future investments.

Puig has undrawn amounts from credit facilities that can be used to cover operating cash deficits.

The maturities of the main financial liabilities are detailed in note 29 of the consolidated report.

Capital risk management

Puig's objective is to safeguard its capacity to continue managing its recurring activities and the capacity to continue to grow, by optimizing the debt-to-equity ratio and to create value for the shareholder.

The main purpose of Puig capital management is to ensure a financial structure that can optimize capital cost and maintain a solid financial position, in order to access to the financial markets at a competitive cost to cover financing needs.

Puig manages its capital to ensure that certain financial ratios are appropriate to develop its business, maintaining a high level of solvency so that it can provide appropriate returns to its shareholders. The net debt ratio, as well as its calculation, are detailed in note 29 of the consolidated report.

The volume of capital is determined according to existing risks, making the corresponding adjustments to capital in accordance with changes in the economic environment and managed risks.

5. Information on the average payment period to suppliers

The average payment period to suppliers of Spanish companies in accordance with current legislation is detailed in note 31.3 of the attached consolidated report.

Average payment period to suppliers: It will be understood as the weighted average between the ratio of paid operations and the ratio of unpaid operations.

Ratio of paid operations: It will be understood as the weighted difference between the calendar days that have elapsed since the date of receipt of the goods or services (however, in the absence of reliable information about the moment in which this circumstance occurs, the date of receipt of the invoice) until the material payment of the operation.

Ratio of transactions pending payment: It will be understood as the weighted difference between the calendar days that have elapsed since the date of receipt of the goods or services (however, in the absence of reliable information about the moment in which this circumstance occurs, it will be will take the date of receipt of the invoice) until the last day of the period to which the annual accounts refer.

6. Consolidated Non-Financial Information Statement and Sustainability Information

It is included as an Annex to this Management Report, and forms an integral part of it, the Non-Financial Information Statement and Sustainability Report for the 2024 fiscal year.

7. Annual Corporate Governance Report

It is included as an Annex to this Management Report, and forms an integral part of it, the Annual Corporate Governance Report for the 2024 fiscal year, as required by Article 538 of the Spanish Companies Act.

8. Annual Report on Directors' Remuneration

It is included as an Annex to this Management Report, and forms an integral part of it, the Annual Report on Directors' Remuneration for the 2024 fiscal year, as required by Article 538 of the Spanish Companies Act.

9. Production, research and development activities and social aspects

Production costs

We require high quality raw materials in order to manufacture our products, such as essential oils and alcohols, and also glass containers and packaging components, which we purchase from various third parties. The market price for raw materials that we require for our business depends on a wide array of factors that are out of our control and that are very difficult to predict, such as scarcity, competition between suppliers, fluctuations in raw materials indices, and inflation.

We have limited exposure to energy and commodity costs, which do not make up a large part of our operating expenses, and strong pricing power among consumers due to the high margins that characterize the premium segment of the beauty industry.

Research and development activities

As part of our strategy to lead innovation within the industry, Puig consistently promotes the entrepreneurial spirit of its brands and of the people who are part of the company.

Developing and launching new products helps maintain the appeal of Puig brands, increases customer loyalty, and encourages purchasing. The company's focus on this area is a critical component of its growth plan and its performance will depend, in part, on its ability to continue to be innovative and launch new products.

Product design is conducted internally, together with key partners, to ensure consistency and strengthen the character and identity of each brand. The process starts with an innovative idea at the core of the brand, which is worked on hand-in-hand with innovation and development teams to bring it to reality.

People

The most valuable asset that Puig has is its people. 2023 was marked by the review and launch of a new version of the Ethical Code, which establishes the framework for the behavior expected of everyone who works at Puig, as well as third parties who work with Puig.

The success of Puig as a company lies in the talent of the people who work for it. As the company faces new challenges, it becomes necessary to capture what is happening in the world and bring new and diverse perspectives.

For this reason the updated version of the Ethical Code, launched in 2023, reaffirms the Puig determination to become a benchmark for sustainable change, prioritizing environmental sustainability, diversity awareness, and respect.

Puig is aware of the critical importance of attracting, developing and retaining talented employees, and that the Puig working environment is characterized by a human rights-friendly, inclusive and non-discriminatory culture, as well as the need to adapt to a changing world.

In line with these commitments, a number of milestones occurred in 2024:

- In May 2024, Puig successfully completed its €2.7 billion initial public offering (IPO), of which €1.25 billion were primary proceeds. Puig was subsequently included in the IBEX 35 index, solidifying its position as a prominent player in the Spanish stock market.
- Acquisition of a majority stake in Dr.Barbara Sturm, enhancing Puig's presence in the premium Skincare business segment.
- Unveiled a new visual identity with a redesigned logo, paying tribute to Puig's legacy and future, placing creativity and core values at the center.
- Inaugurated the second Puig Tower at its Barcelona headquarters and new offices in New York and London, further supporting its global expansion.
- Celebrated its first-ever global ESG event, uniting employees to share and embrace Puig's social and environmental objectives while encouraging sustainable daily practices.
- Partnered with the United Nations Women's Empowerment Principles (WEPs) to advance Puig's efforts towards gender equality.
- Launched the Puig Human Rights Policy, applying it across all Puig businesses globally.
- Introduced the Puig Ethical Code training, aligned with the company's renewed ambitions and applied to all its businesses worldwide.
- Served as a Global Partner for the 37th America's Cup and as the Naming Partner for the inaugural Puig Women's America's Cup, highlighting Puig's dedication to gender equality in sailing.

10. Subsequent events

No significant subsequent events have occurred as of the date of preparation of the consolidated annual accounts.

The Board of Directors of Puig Brands, S.A., as of February 26, 2025, prepares the consolidated annual accounts in accordance with the International Financial Reporting Standards adopted by the European Union (composed of the consolidated balance sheet, the consolidated income statement , the consolidated statement of comprehensive income, the statement of changes in consolidated net worth, the consolidated statement of cash flows, the consolidated annual accounts report and the consolidated management report) corresponding to the annual year ended on December 31, 2024.

Mr. Marc Puig Guasch
Chairman and CEO

Mr. Manuel Puig Rocha
Vice Chairman

Mr. Rafael Cerezo Laporta
Board member

Mr. Patrick Raji Chalhoub
Board member

Mr. Jordi Constans Fernández
(identified in his passport as Jorge Valentín Constans Fernández)
Lead Director

Ms. Ángeles García-Poveda Morera
Board member

Mr. Daniel Lalonde
Board member

Ms. Christine Ann Mei
Board member

Mr. Nicolas Mirzayantz
Board member

Mr. Josep Oliu Creus
Board member

Mr. Yiannis Petrides
(identified in his passport as Ioannis Petrides)
Board member

Ms. María Dolores Dancausa Treviño
Board member

Ms. Tina Müller
Board member

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