

Christian Dior

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Excellent first half for Christian Dior

Paris, July 26, 2022

The Christian Dior group recorded revenue of €36.7 billion in the first half of 2022, up 28% compared to the same period in 2021. Organic revenue growth was 21%. All business groups achieved double-digit organic revenue growth over the period.

In the second quarter, revenue increased by 27% against a particularly high basis of comparison. Organic revenue growth was 19%, in line with trends seen in the first quarter. Europe and the United States have been up sharply since the start of the year, while Asia saw a lower level of growth due to the new health restrictions in China.

Profit from recurring operations was up 34% at €10 232 million for the first half of 2022. Operating margin reached 27.9% of revenue, up 1.3 points compared to the first half of 2021. Group share of net profit was €2 678 million, up 24% compared to the first half of 2021.

Highlights of the first half of 2022 include:

- An excellent first half in a still disrupted environment,
- Double-digit organic revenue growth for all business groups,
- Strong growth in Europe, Japan and the United States,
- Exceptional momentum in champagne and cognac,
- Remarkable performance by the Fashion & Leather Goods business group, particularly Louis Vuitton, Christian Dior, Fendi, Celine, Loro Piana and Loewe, which gained market share across the board and achieved new record highs for profitability,
- Rapid growth in fragrances and skincare,
- Continued creative momentum within all our Watches & Jewelry Maisons, particularly Tiffany, Bulgari and TAG Heuer,
- Strong rebound from Sephora,
- Recovery in hotel activities,
- Operating free cash-flow of more than €4 billion.

Key figures

<i>Euro millions</i>	First half 2021*	First half 2022	% change
Revenue	28 665	36 729	+ 28 %
Profit from recurring operations	7 612	10 232	+ 34 %
Group share of net profit	2 169	2 678	+ 24 %
Operating free cash flow	5 290	4 043	- 24 %
Net financial debt	15 349	10 885	- 29 %
Total equity	40 128	50 324	+ 25%

Revenue by business group:

<i>Euro millions</i>	First half 2021*	First half 2022	% change	
			Reported	Organic**
Wines & Spirits	2 705	3 327	+ 23 %	+ 14 %
Fashion & Leather Goods	13 863	18 136	+ 31 %	+ 24 %
Perfumes & Cosmetics	3 025	3 618	+ 20 %	+ 13 %
Watches & Jewelry	4 023	4 909	+ 22 %	+ 16 %
Selective Retailing	5 085	6 630	+ 30 %	+ 22 %
Other activities and eliminations	(36)	109	-	-
Total	28 665	36 729	+ 28 %	+ 21 %

Profit from recurring operations by business group:

<i>Euro millions</i>	First half 2021*	First half 2022	% change
Wines & Spirits	924	1 154	+ 25 %
Fashion & Leather Goods	5 660	7 509	+ 33 %
Perfumes & Cosmetics	393	388	- 1 %
Watches & Jewelry	783	987	+ 26 %
Selective Retailing	131	367	+ 181 %
Other activities and eliminations	(279)	(173)	-
Total	7 612	10 232	+ 34 %

* The financial statements as of June 30, 2021 have been restated to reflect the purchase price allocation of Tiffany.

** With comparable structure and constant exchange rates. The structural impact for the Group compared to the first half of 2021 was zero and the currency effect was +7 %.

Wines & Spirits: strong growth in Champagne and good progress of Hennessy

The **Wines & Spirits** business group recorded organic revenue growth of 14% in the first half of 2022. Profit from recurring operations was up 25% compared to the first half of 2021. Against a backdrop of strong demand, champagne volumes were up 16% compared to the first half of 2021, leading to increasing pressure on supplies. Momentum was particularly good in Europe, the United States and Japan. For Hennessy, the impact of health restrictions in China and logistical disruptions in the United States was offset by the strong rebound in the second quarter linked to a catch-up in deliveries to the United States and a firm policy of price increases. Moët Hennessy strengthened its global portfolio of exceptional wines with the signing of an agreement to acquire the Joseph Phelps Vineyards, one of the most renowned wine properties in Napa Valley, California.

Fashion & Leather Goods: remarkable performances by Louis Vuitton, Christian Dior, Fendi, Celine, Loro Piana and Loewe

The **Fashion & Leather Goods** business group recorded organic revenue growth of 24% in the first half of 2022. Profit from recurring operations was up 33%. Driven as always by an exceptional creativity and with a major cultural focus, Louis Vuitton had an excellent first half across all its business activities and maintained its profitability at an exceptional level. Nicolas Ghesquière presented, for the first time at the Musée d'Orsay, his Women's Autumn-Winter 2022 collection and chose the Salk Institute in San Diego, California, for his 2023 Cruise show. Remarkable renovations continue to be made to the store network, for example in Lille, where Louis Vuitton Maison has reopened in the iconic L'Huîtrière (Oyster House). Maintaining its commitment to the development of high-quality craftsmanship and artisanal excellence, the Maison inaugurated two new workshops in France, including one for precious leathers in Vendôme. Christian Dior continued to enjoy remarkable growth in all its product categories. The latest fashion shows in Seville and Paris, which highlighted the inspiring collections of Maria Grazia Chiuri, were very well received. After three years of renovations, the historic birthplace of the Maison at 30 Avenue Montaigne in Paris reopened, celebrating its excellent know-how, its passion for couture, its elegance and culture, and offering a new holistic experience unique to Dior. Fendi recorded solid growth, driven by the success of the Kim Jones collections. Celine saw very strong growth resulting from the remarkable success of the ready-to-wear and leather goods created by Hedi Slimane, notably with the new line of high-end leather goods for its *Triomphe* and *16* collections. Loewe continued to show excellent momentum under the impetus of the bold creativity of J.W.Anderson. Loro Piana and Marc Jacobs also enjoyed an excellent first half of the year.

Perfumes & Cosmetics: strong momentum in perfumes, rebound in makeup, impact of health restrictions in China and commitment to selective distribution

The **Perfumes & Cosmetics** business recorded organic revenue growth of 13% in the first half of 2022. Profit from recurring operations was down 1% due to its highly selective policy in distribution and promotions. Parfums Christian Dior performed remarkably well, strengthening its leadership in all its key markets. *Sauvage* confirmed its position as the world's leading perfume and the iconic women's fragrances *J'adore* and *Miss Dior* saw continued success. Makeup also contributed to the Maison's very good results. Guerlain continued to grow, driven notably by the vitality of its *Abeille Royale* skincare, its *Aqua Allegoria* collection and its *Parfumerie l'Art et la Matière*. Parfums Givenchy benefited from the success of its *L'Interdit* perfume. Maison Francis Kurkdjian collaborated with the Château de Versailles as part of its patronage supporting the creation of a *Jardin du parfumeur*.

Watches & Jewelry: recovery in jewelry and watch revenue

The **Watches & Jewelry** business achieved organic revenue growth of 16% in the first half of 2022. Profit from recurring operations was up 26%. In jewelry, Tiffany & Co. enjoyed an excellent half-year, still driven by strong momentum in the United States. The new *Knot* collection notably benefited from sustained demand, as did the High Jewelry collection *Blue Book*, which saw record sales. A pop-up store opened on Avenue Montaigne in Paris, offering an immersive experience around the theme of the love story between Paris and Tiffany, while the Saatchi Gallery in London hosted the "Vision & Virtuosity" exhibition, celebrating the Maison's 185th anniversary. At Bulgari, the *Serpenti* and *Bzero1 Classic* lines were important growth drivers, while new records were set by the recently launched High Jewelry and High Watchmaking collection *Eden: The Garden of Wonders* and its watch lines, including the new *Octo Finissimo Ultra* watch. Chaumet and Fred performed very well over the first half. Chaumet's "Végétal" exhibition at the Palais des Beaux-Arts in Paris has been a great success. Several watchmaking innovations from TAG Heuer, Hublot and Zenith were unveiled at the Watches & Wonders Geneva summit.

Selective Retailing: excellent performance by Sephora; DFS impacted by health restrictions in China

In **Selective Retailing**, revenue was up 22% in the first half of 2022. Profit from recurring operations was up 181%. Sephora enjoyed an excellent performance with a strong rebound in its in-store activity. Momentum was particularly strong in North America, France and the Middle East. Investments in Sephora's omnichannel strategy continued with the aim of continuously improving the purchasing experience of its customers both online and in-store. DFS, for its part, was impacted during the first half by persistent weakness of international travel, notably due to the tightening of health restrictions in China.

Outlook 2022

Given the current geopolitical environment and taking into account the health situation, The Christian Dior group will maintain a strategy focused on continuously strengthening the desirability of its brands, by relying on the exceptional quality of its products and the excellence of their distribution.

Our strategy of focusing on the highest quality across all of our activities, combined with the dynamism and unparalleled creativity of our teams, will enable us to reinforce Group's global leadership position in luxury goods once again in 2022.

An interim dividend of €5.00 will be paid on Monday, December 5, 2022.

This financial release is available on our website www.dior-finance.com.

Limited review procedures have been carried out, the related report will be issued following the board meeting.

"This document may contain certain forward looking statements which are based on estimations and forecasts. By their nature, these forward looking statements are subject to important risks and uncertainties and factors beyond our control or ability to predict, in particular those described in Christian Dior's Annual Report which is available on the website (www.dior-finance.com). These forward looking statements should not be considered as a guarantee of future performance, the actual results could differ materially from those expressed or implied by them. The forward looking statements only reflect Christian Dior's views as of the date of this document, and Christian Dior does not undertake to revise or update these forward looking statements. The forward looking statements should be used with caution and circumspection and in no event can Christian Dior and its Management be held responsible for any investment or other decision based upon such statements. The information in this document does not constitute an offer to sell or an invitation to buy shares in Christian Dior or an invitation or inducement to engage in any other investment activities."

ANNEX

The condensed consolidated financial statements for the first half of 2022 are included in the PDF version of the press release.

Christian Dior group - Revenue by business group and by quarter

Revenue first half 2022 (Euro millions)

2022	Wines & Spirits	Fashion & Leather Goods	Perfumes & Cosmetics	Watches & Jewelry	Selective Retailing	Other activities and eliminations	Total
First quarter	1 638	9 123	1 905	2 338	3 040	(41)	18 003
Second quarter	1 689	9 013	1 714	2 570	3 591	149	18 726
First half	3 327	18 136	3 618	4 909	6 630	109	36 729

Revenue first half 2022 (organic growth compared to the first half of 2021)

2022	Wines & Spirits	Fashion & Leather Goods	Perfumes & Cosmetics	Watches & Jewelry	Selective Retailing	Other activities and eliminations	Total
First quarter	+ 2 %	+ 30 %	+ 17 %	+ 19 %	+ 24 %	-	+ 23 %
Second quarter	+ 30%	+ 19 %	+ 8 %	+ 13 %	+ 20 %	-	+ 19 %
First half	+ 14 %	+ 24 %	+ 13 %	+ 16 %	+ 22 %	-	+ 21 %

Revenue first half 2021 (Euro millions)

2021	Wines & Spirits	Fashion & Leather Goods	Perfumes & Cosmetics	Watches & Jewelry	Selective Retailing	Other activities and eliminations	Total
First quarter	1 510	6 738	1 550	1 883	2 337	(59)	13 959
Second quarter	1 195	7 125	1 475	2 140	2 748	23	14 706
First half	2 705	13 863	3 025	4 023	5 085	(36)	28 665

Alternative performance indicators

For the purposes of its financial communication, in addition to the accounting aggregates defined by IAS/IFRS, Christian Dior uses alternative performance indicators established in accordance with AMF position DOC-2015-12.

The table below lists these indicators and the reference to their definition and their reconciliation with the aggregates defined by IAS/IFRS standards, in the published documents.

Indicators	Reference to published documents
Free operating cash- flow	AR (consolidated accounts, consolidated cash flow statement)
Net Financial debt	AR (notes 1.23 and 19 of the appendix to the consolidated accounts)
Gearing	AR (part 2, Comments on the consolidated balance sheet)
Organic Growth	AR (part 1, Comments on the consolidated income statement)

AR : 2021 Annual Report

This document is a free translation into English of the original French financial release dated July 26th, 2022.

It is not a binding document.

In the event of a conflict in interpretation, reference should be made to the French version, which is the authentic text.

1. Consolidated income statement

<i>(EUR millions, except for earnings per share)</i>	June 30, 2022	Dec. 31, 2021	June 30, 2021^(a)
Revenue	36,729	64,215	28,665
Cost of sales	(11,418)	(20,355)	(9,107)
Gross margin	25,311	43,860	19,558
Marketing and selling expenses	(12,700)	(22,306)	(9,807)
General and administrative expenses	(2,382)	(4,427)	(2,119)
Income/(loss) from joint ventures and associates	3	13	(21)
Profit from recurring operations	10,232	17,139	7,612
Other operating income and expenses	(108)	4	(34)
Operating profit	10,124	17,143	7,578
Cost of net financial debt	3	40	21
Interest on lease liabilities	(116)	(242)	(127)
Other financial income and expenses	(693)	254	117
Net financial income/(expense)	(806)	52	11
Income taxes	(2,403)	(4,531)	(2,025)
Net profit before minority interests	6,915	12,664	5,564
Minority interests	4,237	7,718	3,396
Net profit, Group share	2,678	4,946	2,169
Basic Group share of net earnings per share (EUR)	14.85	27.41	12.02
Number of shares on which the calculation is based	180,410,580	180,410,580	180,410,580
Diluted Group share of net earnings per share (EUR)	14.85	27.40	12.01
Number of shares on which the calculation is based	180,410,580	180,410,580	180,410,580

(a) The financial statements as of June 30, 2021 have been restated to reflect the impact of the final allocation of the purchase price of Tiffany.

2. Consolidated statement of comprehensive gains and losses

<i>(EUR millions)</i>	June 30, 2022	Dec. 31, 2021	June 30, 2021 ^(a)
Net profit before minority interests	6,915	12,664	5,564
Translation adjustments	2,205	2,178	693
Amounts transferred to income statement	(2)	(4)	-
Tax impact	(4)	17	1
	2,199	2,191	694
Change in value of hedges of future foreign currency cash flows	(220)	281	397
Amounts transferred to income statement	87	(303)	(229)
Tax impact	31	127	89
	(102)	105	257
Change in value of the ineffective portion of hedging instruments	(234)	(375)	(185)
Amounts transferred to income statement	142	237	104
Tax impact	14	33	20
	(78)	(105)	(61)
Gains and losses recognized in equity, transferable to income statement	2,019	2,191	890
Change in value of vineyard land	-	52	-
Amounts transferred to consolidated reserves	-	-	-
Tax impact	-	(12)	-
	-	40	-
Employee benefit obligations: change in value resulting from actuarial gains and losses	375	251	100
Tax impact	(93)	(58)	(23)
	282	193	76
Gains and losses recognized in equity, not transferable to income statement	282	233	76
Gains and losses recognized in equity	2,300	2,423	965
Comprehensive income	9,216	15,087	6,530
Minority interests	5,636	9,180	3,972
Comprehensive income, Group share	3,580	5,907	2,558

(a) The financial statements as of June 30, 2021 have been restated to reflect the impact of the final allocation of the purchase price of Tiffany.

(b) As of Dec. 31, 2021, this amount includes 477 million euros relating to foreign exchange hedges implemented in anticipation of the acquisition of Tiffany shares and included in the value of the investment; see Note 2 to the 2021 consolidated financial statement.

3. Consolidated balance sheet

Assets

<i>(EUR millions)</i>	June 30, 2022	Dec. 31, 2021	June 30, 2021 ^(a)
Brands and other intangible assets	24,563	23,684	22,477
Goodwill	24,020	24,371	24,094
Property, plant and equipment	20,498	19,543	18,751
Right-of-use assets	14,548	13,699	13,892
Investments in joint ventures and associates	1,133	1,084	974
Non-current available for sale financial assets	1,320	1,363	980
Other non-current assets	1,168	1,054	967
Deferred tax	3,721	3,156	2,899
Non-current assets	90,971	87,954	85,034
Inventories and work in progress	18,920	16,549	15,832
Trade accounts receivable	4,078	3,787	2,951
Income taxes	536	338	354
Other current assets	5,926	5,606	4,067
Cash and cash equivalents	8,079	8,122	7,374
Current assets	37,539	34,402	30,578
Total assets	128,510	122,356	115,612

Liabilities and equity

<i>(EUR millions)</i>	June 30, 2022	Dec. 31, 2021	June 30, 2021 ^(a)
Equity, Group share	17,133	15,372	12,926
Minority interests	33,191	30,995	27,202
Equity	50,324	46,367	40,128
Long-term borrowings	10,520	12,165	12,147
Non-current lease liabilities	12,612	11,887	11,998
Non-current provisions and other liabilities	3,734	3,945	3,616
Deferred tax	6,582	6,302	6,794
Purchase commitments for minority interests' shares	12,778	13,677	12,987
Non-current liabilities	46,226	47,976	47,542
Short-term borrowings	11,039	8,091	12,126
Current lease liabilities	2,659	2,387	2,381
Trade accounts payable	7,569	7,086	5,661
Income taxes	1,406	1,275	986
Current provisions and other liabilities	9,287	9,174	6,788
Current liabilities	31,960	28,013	27,942
Total liabilities and equity	128,510	122,356	115,612

(a) The financial statements as of June 30, 2021 have been restated to reflect the impact of the final allocation of the purchase price of Tiffany.

4. Consolidated statement of changes in equity

(EUR millions)	Number of shares	Share capital	Share premium account	Christian Dior treasury shares	Cumulative translation adjustment	Revaluation reserves				Net profit and other reserves	Total equity		
						Available for sale financial assets	Hedges of future foreign currency cash flows and cost of hedging	Vineyard land	Employee benefit commitments		Group share	Minority interests	Total
As of Dec. 31, 2020	180,507,516	361	194	(17)	(278)	-	(116)	471	(86)	10,740	11,270	24,974	36,244
Gains and losses recognized in equity					857	-	18	12	74	-	961	1,462	2,423
Net profit										4,946	4,946	7,718	12,664
Comprehensive income					857	-	18	12	74	4,946	5,907	9,180	15,087
Expenses related to bonus share										52	52	80	132
(Acquisition)/disposal of Christian Dior treasury shares										-	-	-	-
Capital increase in subsidiaries										-	-	12	12
Interim and final dividends paid										(1,263)	(1,263)	(2,498)	(3,761)
Changes in control of consolidated entities										(18)	(18)	373	355
(Acquisition)/ disposal of minority interests' shares					-	-	-	1	-	(568)	(567)	(947)	(1,514)
Purchase commitments for minority interests' shares										(9)	(9)	(179)	(188)
As of Dec. 31, 2021	180,507,516	361	194	(17)	579	-	(98)	484	(12)	13,880	15,372	30,995	46,367
Gains and losses recognized in equity					856	-	(66)	-	112		902	1,399	2,301
Net profit										2,678	2,678	4,237	6,915
Comprehensive income					856	-	(66)		112	2,678	3,580	5,636	9,216
Expenses related to bonus share										25	25	38	63
(Acquisition)/disposal of Christian Dior treasury shares										-	-	-	-
Capital increase in subsidiaries										1	1	4	5
Interim and final dividends paid										(1,263)	(1,263)	(2,355)	(3,618)
Changes in control of consolidated entities										-	-	1	1
(Acquisition)/ disposal of minority interests' shares					3	-	(2)	2	2	(517)	(512)	(944)	(1,455)
Purchase commitments for minority interests' shares										(70)	(70)	(184)	(254)
As of June 30, 2022	180,507,516	361	194	(17)	1,438	-	(166)	486	102	14,734	17,133	33,191	50,324
As of Dec. 31, 2020	180,507,516	361	194	(17)	(278)	-	(116)	471	(86)	10,740	11,270	24,974	36,244
Gains and losses recognized in equity					268	-	92	-	29	-	389	577	966
Net profit										2,169	2,169	3,396	5,564
Comprehensive income					268	-	92	-	29	2,169	2,558	3,972	6,530
Expenses related to bonus share										31	31	47	78
(Acquisition)/disposal of Christian Dior treasury shares										-	-	-	-
Capital increase in subsidiaries										-	-	11	11
Interim and final dividends paid										(722)	(722)	(1,545)	(2,267)
Changes in control of consolidated entities										8	8	36	44
(Acquisition)/ disposal of minority interests' shares					-	-	-	-	-	(217)	(217)	(439)	(656)
Purchase commitments for minority interests' shares										(2)	(2)	146	144
As of June 30, 2021^(a)	180,507,516	361	194	(17)	(10)	-	(24)	471	(56)	12,008	12,926	27,202	40,128

(a) The financial statements as of June 30, 2021 have been restated to reflect the impact of the final allocation of the purchase price of Tiffany.

5. Consolidated cash flow statement

<i>(EUR millions)</i>	June 30, 2022	Dec. 31, 2021	June 30, 2021^(a)
I. OPERATING ACTIVITIES			
Operating profit	10,124	17,143	7,578
(Income)/loss and dividends received from joint ventures and associates	1	41	26
Net increase in depreciation, amortization and provisions	1,556	3,136	1,379
Depreciation of right-of-use assets	1,450	2,691	1,321
Other adjustments and computed expenses	(203)	(400)	(173)
Cash from operations before changes in working capital	12,928	22,611	10,131
Cost of net financial debt: interest paid	(23)	68	37
Lease liabilities: interest paid	(113)	(231)	(118)
Tax paid	(2,638)	(4,239)	(1,593)
Change in working capital	(2,891)	426	(783)
Net cash from operating activities	7,263	18,636	7,674
II. INVESTING ACTIVITIES			
Operating investments	(1,882)	(2,664)	(1,181)
Purchase and proceeds from sale of consolidated investments	(38)	(13,226)	(12,721)
Dividends received	1	10	2
Tax paid related to non-current available for sale financial assets and consolidated investments	-	-	-
Purchase and proceeds from sale of non-current available for sale financial assets	(125)	(99)	(84)
Net cash from/(used in) investing activities	(2,044)	(15,979)	(13,984)
III. FINANCING ACTIVITIES			
Interim and final dividends paid	(3,861)	(3,967)	(2,321)
Purchase and proceeds from sale of minority interests	(1,151)	(1,117)	(448)
Other equity-related transactions	3	4	2
Proceeds from borrowings	4,323	251	168
Repayment of borrowings	(3,267)	(6,763)	(2,554)
Repayment of lease liabilities	(1,338)	(2,453)	(1,202)
Purchase and proceeds from sale of current available for sale financial assets	(463)	(1,393)	(605)
Net cash from/(used in) financing activities	(5,753)	(15,438)	(6,960)
IV. EFFECT OF EXCHANGE RATE CHANGES	294	498	125
Net increase (decrease) in cash and cash equivalents (I+II+III+IV)	(238)	(12,283)	(13,145)
Cash and cash equivalents at beginning of period	7,918	20,201	20,201
Cash and cash equivalents at end of period	7,680	7,918	7,056
Total tax paid	(2,898)	(4,465)	(1,656)

(a) The financial statements as of June 30, 2021 have been restated to reflect the impact of the final allocation of the purchase price of Tiffany.

Alternative performance measure

The following table presents the reconciliation between “Net cash from operating activities” and “Operating free cash flow” for the periods presented:

<i>(EUR millions)</i>	June 30, 2022	Dec. 31, 2021	June 30, 2021^(a)
Net cash from operating activities	7,263	18,636	7,674
Operating investments	(1,882)	(2,664)	(1,181)
Repayment of lease liabilities	(1,338)	(2,453)	(1,202)
Operating free cash flow^(a)	4,043	13,518	5,290

(a) The financial statements as of June 30, 2021 have been restated to reflect the impact of the final allocation of the purchase price of Tiffany.

(b) Under IFRS 16, fixed lease payments are treated partly as interest payments and partly as principal repayments. For its own operational management purposes, the Group treats all lease payments as components of its “Operating free cash flow”, whether the lease payments made are fixed or variable. In addition, for its own operational management purposes, the Group treats operating investments as components of its “Operating free cash flow”.