

# Christian Dior

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## *Christian Dior delivers record first half performance*

Paris, July 26, 2021

**The Christian Dior group** recorded revenue of 28.7 billion euros in the first half of 2021, up 56% compared to the same period in 2020. Organic revenue growth was 53% compared to 2020 and 11% compared to 2019. This performance reflects accelerated growth in the second quarter of 2021, which saw organic revenue increase by 14% compared to 8% in the first quarter.

The first half of this year marks a return to strong growth momentum after a severely disrupted year in 2020 resulting from the global pandemic. The largest business group, Fashion & Leather Goods, achieved record levels of revenue with organic growth of 81% compared to 2020, and 38% compared to 2019. The United States and Asia are up sharply since the start of the year while Europe is experiencing a gradual recovery.

Profit from recurring operations was €7 623 million for the first half of 2021, up 44% compared to the first half of 2019 and more than four times higher than that of 2020. Operating margin reached 26.6%, up 5.5 points compared to 2019. Profit from recurring operations for the Fashion & Leather Goods business group stood at €5 660 million for the first half, more than three times that of 2020, and up 74% compared to 2019. Group share of net profit amounted to €2 164 million, up 64% compared to 2019 and 10 times higher than 2020. Operating free cash flow exceeded €5 billion, three times that of 2019.

Highlights of the first half of 2021 include:

- Excellent start to the year, in particular for the largest brands, during a period marked by the first signs of an exit from the current health crisis yet also by a continued lack of return to international travel,
- Remarkable performance by the Fashion & Leather Goods business group, particularly Louis Vuitton, Christian Dior, Fendi, Loewe and Celine which are gaining market share across all geographies and achieving record levels of revenue and profitability,
- Sustained revenue growth in Asia and the United States and a gradual recovery in Europe,
- Successful integration of Tiffany, which has performed extremely well since its acquisition,
- Strong growth in direct sales to customers, both in-store and remotely,
- Travel retail and hotel activities still held back by the limited recovery in international travel,
- Remarkable operating free cash flow.

## Key figures

<i>Euro millions</i>	<b>First half 2020</b>	<b>First half 2021</b>	<b>% change 2021/2020</b>	<b>% change 2021/2019</b>
Revenue	18 393	28 665	+ 56 %	+ 14 %
Profit from recurring operations	1 669	7 623	x 4.6	+ 44 %
Group share of net profit	202	2 164	x 10.7	+ 64 %
Operating free cash flow	(1 732)	5 279	-	x 3.0
Net Financial debt	8 319	15 137	x 1.8	x 4.4
Total equity	34 860	40 127	+ 15 %	+ 6 %

## Revenue by business group:

<i>Euro millions</i>	<b>First half 2020</b>	<b>First half 2021</b>	<b>% change First half 2021/2020</b>		<b>% change First half 2021/2019 Organic</b>
			Reported	Organic*	
Wines & Spirits	1 985	2 705	+ 36 %	+ 44 %	+ 12 %
Fashion & Leather Goods	7 989	13 863	+ 74 %	+ 81 %	+ 38 %
Perfumes & Cosmetics	2 304	3 025	+ 31 %	+ 37 %	- 3 %
Watches & Jewelry	1 319	4 023	x 3.1	+ 71 %	+ 5 %
Selective Retailing	4 844	5 085	+ 5 %	+ 12 %	- 25 %
Other activities and eliminations	(48)	(36)	-	-	-
<b>Total</b>	<b>18 393</b>	<b>28 665</b>	<b>+ 56 %</b>	<b>+ 53 %</b>	<b>+ 11 %</b>

\* With comparable structure and constant exchange rates. The structural impact for the Group compared to the first half of 2020 was +10% linked entirely to the consolidation of Tiffany & Co. for the first time. The currency effect was - 7 %.

## Profit from recurring operations by business group:

<i>Euro millions</i>	<b>First half 2020</b>	<b>First half 2021</b>	<b>% change 2021/2020</b>	<b>% change 2021/2019</b>
Wines & Spirits	551	924	+ 68 %	+ 20 %
Fashion & Leather Goods	1 769	5 660	x 3.2	+ 74 %
Perfumes & Cosmetics	(30)	393	-	+ 1 %
Watches & Jewelry	(17)	794*	-	x 2.2
Selective Retailing	(308)	131	-	- 82 %
Other activities and eliminations	(296)	(279)	-	-
<b>Total</b>	<b>1 669</b>	<b>7 623</b>	<b>x 4.6</b>	<b>+ 44 %</b>

\* incomparable structural impact.

## **Wines & Spirits: sustained demand in the United States and strong rebound in China**

The **Wines & Spirits** business group recorded organic revenue growth of 44% in the first half of 2021 compared to the same period of 2020 and 12% compared to that of 2019. Profit from recurring operations was up 20% compared to the first half of 2019. Champagne volumes rose 10% compared to the first half of 2019, driven by the good momentum in Europe and the United States. Hennessy cognac volumes increased by 6% compared to 2019, limited by supply constraints. China, which was the first market to have been impacted by the pandemic in early 2020, experienced a strong rebound over the first half of this year. Demand in the United States held up well. The group took a 50% equity stake in the Champagne Maison Armand de Brignac.

## **Fashion & Leather Goods: remarkable performances at Louis Vuitton, Christian Dior, Fendi, Loewe and Celine.**

The **Fashion & Leather Goods** business group recorded organic revenue growth of 81% in the first half of 2021 compared to the same period of 2020. Organic revenue growth compared to the first half of 2019 was 38%. Profit from recurring operations was up 74% compared to the first half of 2019 and represents more than three times that of 2020. Louis Vuitton, driven as always by its creativity and the artisanal excellence of its products, delivered a remarkable performance and maintained its profitability at an exceptional level. Due to the desirability of its iconic designs, purchases of many are subject to a waiting list. The Maison continues to offer its customers a unique experience, whether in its stores or through its many original initiatives. Christian Dior had an excellent first half with strong growth among local customers across all its product categories. Several innovations were unveiled during the first half. Celine's ready-to-wear and leather goods collections created by Hedi Slimane were hugely successful. Loewe continues to surprise with its innovative digital concepts in connection with the new collections created by J.W. Anderson. Fendi presented a ready-to-wear capsule by Kim Jones, the first collections of which debuted in July. Marc Jacobs performed very well over the period.

## **Perfumes & Cosmetics: rapid growth in direct sales and continued selective distribution**

The **Perfumes & Cosmetics** business group recorded organic revenue growth of 37% in the first half of 2021 compared to the same period of 2020. Organic revenue was down 3% compared to the first half of 2019. Profit from recurring operations was up 1% compared to the first half of 2019. The Group's major brands have maintained a policy of selective distribution unlike many competitors who have increased their proportion of discounted sales or sales in parallel networks, as a means of supporting their revenues. Our brands are benefiting from continued growth in online sales, partially offsetting the impact of the suspension of international travel and the closure of many points of sale. Parfums Christian Dior enjoyed a strong acceleration in its business with local customers, extending the recovery that began at the end of 2020. The continued success in iconic perfumes *Sauvage*, *Miss Dior* and *J'Adore*, the roll-out of *Rouge Dior* lipstick and the rapid progress of skincare lines *Prestige* and *Capture* contributed to the excellent performance of the Maison. Guerlain showed very positive momentum, driven by skincare, thanks to the exceptional vitality of *Abeille Royale* and *Orchidée Impériale*. Parfums Givenchy is gaining market share due to the success of *L'Interdit* perfume and the promising relaunch of the *Irresistible* collection. Fresh confirmed its presence in ultra-premium skincare and Maison Francis Kurkdjian continues to post remarkable growth.

## **Watches & Jewelry: strong rebound in own stores and integration of Tiffany**

The **Watches & Jewelry** business group recorded organic revenue growth of 71% in the first half of 2021 compared to the same period in 2020 and 5% compared to that in 2019 (excluding Tiffany). Profit from recurring operations was up 122% compared to the first half of 2019 and 27% excluding the effect of the integration of Tiffany. The first half saw the integration for the first time of iconic jewelry Maison Tiffany, which has benefited from the new team's focus on its iconic products. Honouring its long-standing tradition of expressing love and diversity, the Maison has successfully launched its first engagement ring for men, the *Charles Tiffany Setting*. Bvlgari saw good growth in jewelry, in particular in its network of own stores. The new *Magnifica* high-end jewelry collection was unveiled in June. Chaumet inaugurated its new exhibition “Joséphine et Napoléon” at its recently restored historic address at 12 place Vendôme. In watchmaking, TAG Heuer signed a major partnership with Porsche and launched the *Carrera Porsche* chronograph to mark the occasion. Official watch for the Euro 2020, Hublot enjoyed high visibility during the second quarter.

## **Selective Retailing: good performance from Sephora; DFS still held back by a limited recovery in international travel**

In **Selective Retailing**, organic revenue was up 12% compared to the first half of 2020 and down 25% compared to the first half of 2019. Profit from recurring operations was once again positive but was down 82% compared to the first half of 2019. Sephora achieved a good level of performance in a commercial environment which was impacted by store closures in several countries in Europe. Online sales continue to progress all over the world. A strategic partnership has been signed with Zalando, which is expected to launch in Germany by the end of the year. DFS continued to be impacted by the lack of recovery in international travel to most destinations. Following an ambitious renovation program, faithful to the history of this flagship store and maintaining high environmental standards, the reopening of La Samaritaine on June 23 was an historic success.

## **Outlook 2021**

Within the context of emerging from the health crisis, the 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 our activities, combined with the dynamism and unparalleled creativity of our teams, will enable us to reinforce the Christian Dior group's global leadership position in luxury goods once again in 2021.

An interim dividend of 3 Euros will be paid on 2 December 2021.

*This financial release is available on our website [www.dior-finance.com](http://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](http://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 2021 are included in the PDF version of the press release.

### Christian Dior group – Revenue by business group and by quarter

#### 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
<b>First half</b>	<b>2 705</b>	<b>13 863</b>	<b>3 025</b>	<b>4 023</b>	<b>5 085</b>	<b>(36)</b>	<b>28 665</b>

#### Revenue first half 2021 (organic growth compared to the first half of 2020)

2021	Wines & Spirits	Fashion & Leather Goods	Perfumes & Cosmetics	Watches & Jewelry	Selective Retailing	Other activities and eliminations	Total
First quarter	+ 36 %	+ 52 %	+ 18 %	+ 35 %	- 5 %	-	+ 30 %
Second quarter	+ 55 %	x 2.2	+ 67 %	x 2.2	+ 31 %	-	+ 84 %
<b>First half</b>	<b>+ 44 %</b>	<b>+ 81 %</b>	<b>+ 37 %</b>	<b>+ 71 %</b>	<b>+ 12 %</b>	<b>-</b>	<b>+ 53 %</b>

#### Revenue first half 2021 (organic growth compared to the first half of 2019)

2021	Wines & Spirits	Fashion & Leather Goods	Perfumes & Cosmetics	Watches & Jewelry	Selective Retailing	Other activities and eliminations	Total
First quarter	+ 17 %	+ 37 %	- 4 %	+ 1 %	- 30 %	-	+ 8 %
Second quarter	+ 7 %	+ 40 %	- 1 %	+ 9 %	- 19 %	-	+ 14 %
<b>First half</b>	<b>+ 12 %</b>	<b>+ 38 %</b>	<b>- 3 %</b>	<b>+ 5%</b>	<b>- 25 %</b>	<b>-</b>	<b>+ 11 %</b>

#### Revenue first half 2020 (Euro millions)

2020	Wines & Spirits	Fashion & Leather Goods	Perfumes & Cosmetics	Watches & Jewelry	Selective Retailing	Other activities and eliminations	Total
First quarter	1 175	4 643	1 382	792	2 626	(22)	10 596
Second quarter	810	3 346	922	527	2 218	(26)	7 797
<b>First half</b>	<b>1 985</b>	<b>7 989</b>	<b>2 304</b>	<b>1 319</b>	<b>4 844</b>	<b>(48)</b>	<b>18 393</b>

#### Revenue first half 2019 (Euro millions)

2019	Wines & Spirits	Fashion & Leather Goods	Perfumes & Cosmetics	Watches & Jewelry	Selective Retailing	Other activities and eliminations	Total
First quarter	1 349	5 111	1 687	1 046	3 510	(165)	12 538
Second quarter	1 137	5 314	1 549	1 089	3 588	(133)	12 544
<b>First half</b>	<b>2 486</b>	<b>10 425</b>	<b>3 236</b>	<b>2 135</b>	<b>7 098</b>	<b>(298)</b>	<b>25 082</b>

### 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
Operating free cash-flow	AR (consolidated financial statements, consolidated cash-flow statement)
Net financial debt	AR (Notes 1.22 and 19 of the appendix to the consolidated financial statements)
Gearing	AR (Management Report of the Board of Directors – Christian Dior group, Part 2, Comments on Consolidated Balance Sheet)
Organic growth	AR (Management Report of the Board of Directors – Christian Dior group, Part 1, Comments on the Consolidated Income Statement)

AR : 2020 Annual Report

*This document is a free translation into English of the original French financial release dated July 26, 2021.*

*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>	<b>June 30, 2021</b>	<b>Dec. 31, 2020</b>	<b>June 30, 2020</b>
<b>Revenue</b>	<b>28,665</b>	<b>44,651</b>	<b>18,393</b>
Cost of sales	(9,108)	(15,871)	(7,002)
<b>Gross margin</b>	<b>19,557</b>	<b>28,780</b>	<b>11,391</b>
Marketing and selling expenses	(9,803)	(16,790)	(7,999)
General and administrative expenses	(2,110)	(3,648)	(1,703)
Income/(loss) from joint ventures and associates	(21)	(42)	(21)
<b>Profit from recurring operations</b>	<b>7,623</b>	<b>8,300</b>	<b>1,669</b>
Other operating income and expenses	(34)	(333)	(154)
<b>Operating profit</b>	<b>7,589</b>	<b>7,967</b>	<b>1,515</b>
Cost of net financial debt	10	(38)	(47)
Interest on lease liabilities	(140)	(281)	(149)
Other financial income and expenses	117	(292)	(268)
<b>Net financial income/(expense)</b>	<b>(13)</b>	<b>(611)</b>	<b>(464)</b>
Income taxes	(2,023)	(2,385)	(518)
<b>Net profit before minority interests</b>	<b>5,553</b>	<b>4,970</b>	<b>532</b>
Minority interests	3,389	3,037	330
<b>Net profit, Group share</b>	<b>2,164</b>	<b>1,933</b>	<b>202</b>
<b>Basic Group share of net earnings per share (EUR)</b>	<b>11.99</b>	<b>10.72</b>	<b>1.12</b>
Number of shares on which the calculation is based	180,410,580	180,410,580	180,410,580
<b>Diluted Group share of net earnings per share (EUR)</b>	<b>11.98</b>	<b>10.70</b>	<b>1.12</b>
Number of shares on which the calculation is based	180,410,580	180,410,580	180,410,580

## 2. Consolidated statement of comprehensive gains and losses

<i>(EUR millions)</i>	June 30, 2021	Dec. 31, 2020	June 30, 2020
<b>Net profit before minority interests</b>	<b>5,553</b>	<b>4,970</b>	<b>532</b>
Translation adjustments	690	(1,645)	(149)
Amounts transferred to income statement	-	(11)	-
Tax impact	1	(10)	4
	<b>691</b>	<b>(1,666)</b>	<b>(144)</b>
Change in value of hedges of future foreign currency cash flows	392	73	(39)
Amounts transferred to income statement	(229)	(123)	(7)
Tax impact	90	(112)	11
	<b>253</b>	<b>(162)</b>	<b>(35)</b>
Change in value of the ineffective portion of hedging instruments	(185)	(209)	(51)
Amounts transferred to income statement	104	232	119
Tax impact	20	(9)	(26)
	<b>(61)</b>	<b>14</b>	<b>42</b>
<b>Gains and losses recognized in equity, transferable to income statement</b>	<b>883</b>	<b>(1,814)</b>	<b>(137)</b>
Change in value of vineyard land	-	(3)	-
Amounts transferred to consolidated reserves	-	-	-
Tax impact	-	3	-
	<b>-</b>	<b>-</b>	<b>-</b>
Employee benefit obligations: change in value resulting from actuarial gains and losses	108	(20)	5
Tax impact	(25)	6	-
	<b>83</b>	<b>(14)</b>	<b>5</b>
<b>Gains and losses recognized in equity, not transferable to income statement</b>	<b>83</b>	<b>(14)</b>	<b>5</b>
<b>Gains and losses recognized in equity</b>	<b>966</b>	<b>(1,829)</b>	<b>(132)</b>
<b>Comprehensive income</b>	<b>6,519</b>	<b>3,141</b>	<b>400</b>
Minority interests	3,966	1,926	256
<b>Comprehensive income, Group share</b>	<b>2,553</b>	<b>1,215</b>	<b>144</b>

### 3. Consolidated balance sheet

#### Assets

<i>(EUR millions)</i>	June 30, 2021	Dec. 31, 2020	June 30, 2020
Brands and other intangible assets	16,346	16,143	16,319
Goodwill	28,393	14,508	11,952
Property, plant and equipment	18,549	17,575	17,891
Right-of-use assets	13,993	12,515	13,229
Investments in joint ventures and associates	974	990	1,053
Non-current available for sale financial assets	980	739	789
Other non-current assets	966	845	934
Deferred tax	2,715	2,325	2,332
<b>Non-current assets</b>	<b>82,916</b>	<b>65,640</b>	<b>64,499</b>
Inventories and work in progress	16,054	13,016	14,078
Trade accounts receivable	2,950	2,756	2,378
Income taxes	356	401	1,042
Other current assets	4,022	3,846	4,161
Cash and cash equivalents	7,375	20,358	14,793
<b>Current assets</b>	<b>30,757</b>	<b>40,377</b>	<b>36,452</b>
<b>Total assets</b>	<b>113,673</b>	<b>106,017</b>	<b>100,951</b>

#### Liabilities and equity

<i>(EUR millions)</i>	June 30, 2021	Dec. 31, 2020	June 30, 2020
Equity, Group share	12,922	11,270	10,555
Minority interests	27,206	24,974	24,306
<b>Equity</b>	<b>40,127</b>	<b>36,244</b>	<b>34,860</b>
Long-term borrowings	11,937	14,065	14,932
Non-current lease liabilities	12,045	10,665	11,159
Non-current provisions and other liabilities	3,537	3,288	3,252
Deferred tax	5,089	5,079	5,049
Purchase commitments for minority interests' shares	12,987	10,991	8,198
<b>Non-current liabilities</b>	<b>45,596</b>	<b>44,088</b>	<b>42,589</b>
Short-term borrowings	12,124	11,005	9,021
Current lease liabilities	2,440	2,163	2,337
Trade accounts payable	5,662	5,098	4,201
Income taxes	987	721	566
Current provisions and other liabilities	6,737	6,698	7,377
<b>Current liabilities</b>	<b>27,950</b>	<b>25,685</b>	<b>23,502</b>
<b>Total liabilities and equity</b>	<b>113,673</b>	<b>106,017</b>	<b>100,951</b>



## 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
<b>As of December 31, 2019</b>	<b>180,507,516</b>	<b>361</b>	<b>194</b>	<b>(17)</b>	<b>362</b>	<b>-</b>	<b>(43)</b>	<b>471</b>	<b>(81)</b>	<b>9,632</b>	<b>10,880</b>	<b>24,837</b>	<b>35,717</b>
Gains and losses recognized in equity					(640)	-	(73)	-	(5)	-	(718)	(1,111)	(1,829)
Net profit										1,933	1,933	3,037	4,970
<b>Comprehensive income</b>					<b>(640)</b>	<b>-</b>	<b>(73)</b>	<b>-</b>	<b>(5)</b>	<b>1,933</b>	<b>1,215</b>	<b>1,926</b>	<b>3,141</b>
Expenses related to bonus share										26	26	36	62
(Acquisition)/disposal of Christian Dior treasury shares										-	-	-	-
Capital increase in subsidiaries										-	-	54	54
Interim and final dividends paid										(830)	(830)	(1,733)	(2,563)
Changes in control of consolidated entities										(13)	(13)	(10)	(23)
(Acquisition)/ disposal of minority interests' shares					-	-	-	-	-	(88)	(88)	(29)	(117)
Purchase commitments for minority interests' shares										80	80	(107)	(27)
<b>As of December 31, 2020</b>	<b>180,507,516</b>	<b>361</b>	<b>194</b>	<b>(17)</b>	<b>(278)</b>	<b>-</b>	<b>(116)</b>	<b>471</b>	<b>(86)</b>	<b>10,740</b>	<b>11,270</b>	<b>24,974</b>	<b>36,244</b>
Gains and losses recognized in equity					267	-	90	-	32	-	389	577	966
Net profit										2,164	2,164	3,389	5,553
<b>Comprehensive income</b>					<b>267</b>	<b>-</b>	<b>90</b>	<b>-</b>	<b>32</b>	<b>2,164</b>	<b>2,553</b>	<b>3,966</b>	<b>6,519</b>
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	46	54
(Acquisition)/ disposal of minority interests' shares					-	-	-	-	-	(216)	(216)	(439)	(655)
Purchase commitments for minority interests' shares										(2)	(2)	146	144
<b>As of June 30, 2021</b>	<b>180,507,516</b>	<b>361</b>	<b>194</b>	<b>(17)</b>	<b>(11)</b>	<b>-</b>	<b>(26)</b>	<b>471</b>	<b>(54)</b>	<b>12,003</b>	<b>12,922</b>	<b>27,206</b>	<b>40,127</b>
<b>As of December 31, 2019</b>	<b>180,507,516</b>	<b>361</b>	<b>194</b>	<b>(17)</b>	<b>362</b>	<b>-</b>	<b>(43)</b>	<b>471</b>	<b>(81)</b>	<b>9,632</b>	<b>10,880</b>	<b>24,837</b>	<b>35,717</b>
Gains and losses recognized in equity					(61)	-	2	-	1	-	(58)	(74)	(132)
Net profit										202	202	330	532
<b>Comprehensive income</b>					<b>(61)</b>	<b>-</b>	<b>2</b>	<b>-</b>	<b>1</b>	<b>202</b>	<b>144</b>	<b>256</b>	<b>400</b>
Expenses related to bonus share										16	16	22	38
(Acquisition)/disposal of Christian Dior treasury shares										-	-	-	-
Capital increase in subsidiaries										-	-	28	28
Interim and final dividends paid										(469)	(469)	(784)	(1,253)
Changes in control of consolidated entities										-	-	(2)	(2)
(Acquisition)/ disposal of minority interests' shares					-	-	-	1	-	(77)	(77)	(31)	(107)
Purchase commitments for minority interests' shares										61	61	(22)	39
<b>As of June 30, 2020</b>	<b>180,507,516</b>	<b>361</b>	<b>194</b>	<b>(17)</b>	<b>301</b>	<b>-</b>	<b>(41)</b>	<b>472</b>	<b>(79)</b>	<b>9,365</b>	<b>10,555</b>	<b>24,306</b>	<b>34,860</b>

## 5. Consolidated cash flow statement

(EUR millions)	June 30, 2021	Dec. 31, 2020	June 30, 2020
<b>I. OPERATING ACTIVITIES</b>			
Operating profit	7,589	7,967	1,515
(Income)/loss and dividends received from joint ventures and associates	26	64	25
Net increase in depreciation, amortization and provisions	1,384	3,478	1,635
Depreciation of right-of-use assets	1,358	2,572	1,294
Other adjustments and computed expenses	(194)	(91)	(52)
<b>Cash from operations before changes in working capital</b>	<b>10,162</b>	<b>13,990</b>	<b>4,417</b>
Cost of net financial debt: interest paid	38	(62)	(45)
Lease liabilities: interest paid	(132)	(290)	(142)
Tax paid	(1,590)	(2,397)	(1,383)
Change in working capital	(765)	(369)	(2,008)
<b>Net cash from operating activities</b>	<b>7,713</b>	<b>10,873</b>	<b>840</b>
<b>II. INVESTING ACTIVITIES</b>			
Operating investments	(1,191)	(2,478)	(1,414)
Purchase and proceeds from sale of consolidated investments	(12,696)	(536)	(45)
Dividends received	2	12	1
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	(84)	63	(33)
<b>Net cash from/(used in) investing activities</b>	<b>(13,969)</b>	<b>(2,939)</b>	<b>(1,491)</b>
<b>III. FINANCING ACTIVITIES</b>			
Interim and final dividends paid	(2,321)	(2,685)	(64)
Purchase and proceeds from sale of minority interests	(448)	(163)	(133)
Other equity-related transactions	2	39	14
Proceeds from borrowings	167	17,499	13,633
Repayment of borrowings	(2,554)	(5,024)	(2,712)
Repayment of lease liabilities	(1,243)	(2,302)	(1,157)
Purchase and proceeds from sale of current available for sale financial assets	(605)	69	(188)
<b>Net cash from/(used in) financing activities</b>	<b>(7,001)</b>	<b>7,433</b>	<b>9,393</b>
<b>IV. EFFECT OF EXCHANGE RATE CHANGES</b>	<b>115</b>	<b>(1,052)</b>	<b>31</b>
<b>Net increase (decrease) in cash and cash equivalents (I+II+III+IV)</b>	<b>(13,142)</b>	<b>14,315</b>	<b>8,773</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>20,201</b>	<b>5,886</b>	<b>5,886</b>
<b>Cash and cash equivalents at end of period</b>	<b>7,059</b>	<b>20,201</b>	<b>14,659</b>
<b>Total tax paid</b>	<b>(1,654)</b>	<b>(2,527)</b>	<b>(1,441)</b>

### Alternative performance measure

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

(EUR millions)	June 30, 2021	Dec. 31, 2020	June 30, 2020
Net cash from operating activities	7,713	10,873	840
Operating investments	(1,191)	(2,478)	(1,414)
Repayment of lease liabilities	(1,243)	(2,302)	(1,157)
<b>Operating free cash flow<sup>(a)</sup></b>	<b>5,279</b>	<b>6,093</b>	<b>(1,732)</b>

(a) 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”.