

Christian Dior

30 AVENUE MONTAIGNE
PARIS
75008

Excellent first half for Christian Dior

Paris, July 25, 2023

The Christian Dior Group recorded revenue of €42.2 billion in the first half of 2023, up 15%. Organic revenue growth was 17% compared to the same period in 2022. All business groups achieved double-digit organic revenue growth over the half year, except for Wines & Spirits, which faced a particularly high basis of comparison.

In the second quarter, organic revenue growth was 17%, in line with trends seen in the first quarter.

Profit from recurring operations for the first half of 2023 was up 13% at €11 571 million. Operating margin reached 27.4% of revenue. Group share of net profit was up 31% at €3 512 million.

Highlights of the first half of 2023 include:

- An excellent first half despite a disrupted environment,
- Significant revenue growth across all business groups except Wines & Spirits, which faced a high basis of comparison,
- Strong growth in business in Europe and Asia;
- Solid performance by champagne thanks to its value-based strategy, and a contraction in cognac compared to the first half of 2022 which benefited from the significant impact of inventory rebuilding among distributors,
- Outstanding performance by the Fashion & Leather Goods business group, in particular Louis Vuitton, Christian Dior Couture, Celine, Loro Piana, Loewe and all the other brands which gained market share worldwide,
- Rapid growth in perfume, makeup, and skincare,
- Impressive growth in high jewelry, and strong creative momentum among all Watches and Jewelry Maisons, in particular Tiffany, Bulgari, and TAG Heuer,
- Exceptional performance by Sephora, confirming its position as world leader in beauty retail,
- Return to profit for DFS, which benefited from the recovery in international travel.
- Operating free cash flow halved due to major investments in exceptional real estate and in operational inventories, notably in high jewelry.

Key figures

<i>Euro millions</i>	First half 2022	First half 2023	% change
Revenue	36 729	42 240	+ 15 %
Profit from recurring operations	10 232	11 571	+ 13 %
Group share of net profit	2 678	3 512	+ 31 %
Net financial debt	10 885	12 301	+ 13 %
Total equity	50 324	57 005	+ 13 %

Revenue by business group:

<i>Euro millions</i>	First half 2022	First half 2023	% change	
			Reported	Organic*
Wines & Spirits	3 327	3 181	- 4 %	- 3 %
Fashion & Leather Goods	18 136	21 162	+ 17 %	+ 20 %
Perfumes & Cosmetics	3 618	4 028	+ 11 %	+ 13 %
Watches & Jewelry	4 909	5 427	+ 11 %	+ 13 %
Selective Retailing	6 630	8 355	+ 26 %	+ 26 %
Other activities and eliminations	109	87	-	-
Total	36 729	42 240	+ 15 %	+ 17 %

* With comparable structure and constant exchange rates. The structural impact for the Group compared to the first half of 2022 was zero and the currency effect was -2%.

Profit from recurring operations by business group:

<i>Euro millions</i>	First half 2022	First half 2023	% change
Wines & Spirits	1 154	1 046	- 9 %
Fashion & Leather Goods	7 509	8 562	+ 14 %
Perfumes & Cosmetics	388	446	+ 15 %
Watches & Jewelry	987	1 089	+ 10 %
Selective Retailing	367	734	+ 100 %
Other activities and eliminations	(173)	(306)	-
Total	10 232	11 571	+ 13 %

Wines & Spirits: good half year for the Champagne business; weak demand for Hennessy

The **Wines & Spirits** business group recorded a slight revenue decline (3% organic) in the first half of 2023, when compared to a particularly strong first half of 2022. Profit from recurring operations was down 9%. The Champagne business recorded an increase in revenue over the half year, driven by its value-based strategy. Hennessy cognac was impacted by the economic environment in the United States and by the continued high stock level of its retailers. Among Provence rosé wines, the Group acquired the prestigious, world leading domain Minuty, and Château d'Esclans stepped up its international expansion. The Joseph Phelps Vineyard, one of the most renowned wine properties in Napa Valley, California, was included in the first half accounts for the first time. Glenmorangie whisky and Belvedere vodka continued to show strong momentum in innovation.

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

The **Fashion & Leather Goods** business group recorded organic revenue growth of 20% in the first half of 2023. Profit from recurring operations was up 14%. Louis Vuitton had an excellent first half, still driven by its exceptional creativity, the quality of its products and its strong links with art and culture. Nicolas Ghesquière's talent for creating a dialogue between fashion and architecture continued to elevate the strong desirability of his Women's collections to the highest level. A new chapter opened with the arrival of Pharrell Williams as Men's Creative Director. Set on the stage of the Pont-Neuf bridge in Paris, his first fashion show was met with huge enthusiasm and more than 1.1 billion views on social media reaching an all-time high. Christian Dior Couture continued to enjoy remarkable growth in all its product categories. Whether in Mumbai, Mexico City or Paris, each of the fashion shows inspired by Maria Grazia Chiuri showcased the exceptional craftsmanship of the Maison. The *Lady Dior* bag, an icon of the Maison Dior, was also featured in the "Christian Dior, Designer of Dreams" Exhibition at the Tokyo Museum of Contemporary Art. The exceptional Dior Homme designs by Kim Jones and the unique high jewelry creations by Victoire de Castellane elevated the superb craftsmanship of the Maison to an unprecedented new contemporary level. The success of Hedi Slimane's creations and fashion shows has continued to increase the desirability of Celine. Driven by the bold creativity of J.W. Anderson, Loewe continued to strengthen its distribution network, most notably with the opening of Casa Dubai. Fendi opened new stores in Seoul and Tokyo. Loro Piana, Rimowa, Marc Jacobs and Berluti enjoyed an excellent start to the year.

Perfumes & Cosmetics: strong momentum in perfumes and makeup, supported by a highly selective and high-quality distribution policy

The **Perfumes & Cosmetics** business group recorded organic revenue growth of 13% in the first half of 2023 thanks to strong momentum achieved through innovation, combined with a highly selective distribution policy. Profit from recurring operations was up 15%. Parfums Christian Dior enjoyed a remarkable performance, strengthening its leadership in its strategic markets. *Sauvage* confirmed its position as the world's leading perfume, while the iconic women's fragrances *J'adore* and *Miss Dior* saw continued success. Makeup also contributed to the strong set of results from the Maison, particularly *Dior Addict Lip Maximizer* and *Forever Skin Correct* foundation. Finally, skincare had an excellent performance, particularly in the premium segment in Asia with its iconic *Prestige* range. Guerlain continued to grow, driven notably by the vitality of its *Abeille Royale* skincare and its high-end perfumery collection *l'Art et la Matière*, enriched with a new *Jasmin Bonheur* creation. Givenchy benefited from the excellent reception of its new fragrance *Gentleman Society*. Benefit successfully expanded its *The Porefessional* skincare range, while Fenty Beauty's latest creation, *Hella Thicc* mascara, is already one of the Maison's bestsellers.

Watches & Jewelry: strong growth in jewelry, sustained innovation in watchmaking

The **Watches & Jewelry** business group achieved organic revenue growth of 13% in the first half of 2023. Profit from recurring operations was up 10%. In jewelry, Tiffany enjoyed excellent momentum with the exceptional success of the reopening of the “Landmark” in New York; The Landmark has once again become an emblematic venue for New York life. The new *Lock* collection continued to be rolled out worldwide and the first High Jewelry collection by Artistic Director Nathalie Verdeille was unveiled. Bulgari, which experienced strong growth, celebrated the 75th anniversary of its iconic *Serpenti* collection. Its high jewelry, with notably the launch of the *Mediterranea* collection, saw outstanding performance. Chaumet and Fred experienced strong growth over the first half. TAG Heuer celebrated 60 years of its *Carrera* collection. The LVMH watchmaking Maisons TAG Heuer, Hublot and Zenith unveiled many new products during LVMH Watch Week and the Watches & Wonders trade show.

Selective Retailing: excellent performance by Sephora; DFS growth supported by the recovery in international travel

In **Selective Retailing**, organic revenue growth was 26% in the first half of 2023. Profit from recurring operations was up 100%. Sephora performed exceptionally well and continued to gain market share thanks to its distinct and innovative product and service offering. Momentum was particularly strong in North America, Europe and the Middle East. Its distribution network continued to expand, particularly in the United Kingdom where its first store opening proved a huge success. DFS benefited from the gradual recovery in international travel and, in particular, from the return of tourists to the flagship destinations of Hong Kong and Macau. In France, the strong performance of La Samaritaine in Paris confirmed its appeal as a destination, within the context of an increasing number of Asian tourists. Le Bon Marché, which is growing strongly, continued to develop innovative concepts and benefit from a loyal French customer base as well as a return of international travelers.

Outlook 2023

In an uncertain geopolitical and economic environment, 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 energy and unparalleled creativity of our teams, will enable us to reinforce the Group's global leadership position in luxury goods once again in 2023.

An interim dividend of €5.50 will be paid on Wednesday, December 6th, 2023.

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

Limited review procedures have been carried out and 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 2023 are included in the PDF version of the press release.

Christian Dior Group – Revenue by business group and by quarter

Revenue first half 2023 (Euro millions)

2023	Wines & Spirits	Fashion & Leather Goods	Perfumes & Cosmetics	Watches & Jewelry	Selective Retailing	Other activities and eliminations	Total
First quarter	1 694	10 728	2 115	2 589	3 961	(52)	21 035
Second quarter	1 486	10 434	1 913	2 839	4 394	140	21 206
First half	3 181	21 162	4 028	5 427	8 355	87	42 240

Revenue first half 2023 (organic growth compared to the first half of 2022)

2023	Wines & Spirits	Fashion & Leather Goods	Perfumes & Cosmetics	Watches & Jewelry	Selective Retailing	Other activities and eliminations	Total
First quarter	+ 3 %	+ 18 %	+ 10 %	+ 11 %	+ 28 %	-	+ 17 %
Second quarter	- 8 %	+ 21 %	+ 16 %	+ 14 %	+ 25 %	-	+ 17 %
First half	- 3 %	+ 20 %	+ 13 %	+ 13 %	+ 26 %	-	+ 17 %

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

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: 2022 Annual Report

This document is a free translation into English of the original French financial release dated July 25th, 2023. 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, 2023	Dec. 31, 2022	June 30, 2022
Revenue	42,240	79,184	36,729
Cost of sales	(12,923)	(24,988)	(11,418)
Gross margin	29,317	54,196	25,311
Marketing and selling expenses	(14,914)	(28,150)	(12,700)
General and administrative expenses	(2,827)	(5,033)	(2,382)
Income/(loss) from joint ventures and associates	(5)	37	3
Profit from recurring operations	11,571	21,050	10,232
Other operating income and expenses	(10)	(54)	(108)
Operating profit	11,560	20,996	10,124
Cost of net financial debt	(168)	(15)	3
Interest on lease liabilities	(160)	(254)	(116)
Other financial income and expenses	794	(632)	(693)
Net financial income/(expense)	466	(901)	(806)
Income taxes	(3,147)	(5,393)	(2,403)
Net profit before minority interests	8,879	14,702	6,915
Minority interests	5,367	8,905	4,237
Net profit, Group share	3,512	5,797	2,678
Basic Group share of net earnings per share (EUR)	19.47	32.13	14.85
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)	19.45	32.11	14.85
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, 2023	Dec. 31, 2022	June 30, 2022
Net profit before minority interests	8,879	14,702	6,915
Translation adjustments	(829)	1,311	2,205
Amounts transferred to income statement	(9)	(32)	(2)
Tax impact	-	(4)	(4)
	(838)	1,275	2,199
Change in value of hedges of future foreign currency cash flows	457	28	(220)
Amounts transferred to income statement	(131)	290	87
Tax impact	(74)	(73)	31
	253	245	(102)
Change in value of the ineffective portion of hedging instruments	(182)	(309)	(234)
Amounts transferred to income statement	142	340	142
Tax impact	(3)	(11)	14
	(42)	21	(78)
Gains and losses recognized in equity, transferable to income statement	(628)	1,542	2,019
Change in value of vineyard land	3	(72)	-
Amounts transferred to consolidated reserves	-	-	-
Tax impact	(1)	18	-
	2	(53)	-
Employee benefit obligations: change in value resulting from actuarial gains and losses	(31)	301	375
Tax impact	8	(77)	(93)
	(23)	223	282
Gains and losses recognized in equity, not transferable to income statement	(22)	170	282
Gains and losses recognized in equity	(650)	1,712	2,300
Comprehensive income	8,229	16,414	9,216
Minority interests	4,978	9,941	5,636
Comprehensive income, Group share	3,251	6,473	3,580

3. Consolidated balance sheet

Assets

<i>(EUR millions)</i>	June 30, 2023	Dec. 31, 2022	June 30, 2022
Brands and other intangible assets	24,453	24,565	24,563
Goodwill	23,570	23,250	24,020
Property, plant and equipment	24,338	22,414	20,498
Right-of-use assets	14,636	14,609	14,548
Investments in joint ventures and associates	1,074	1,066	1,133
Non-current available for sale financial assets	1,394	1,109	1,320
Other non-current assets	1,102	1,187	1,168
Deferred tax	3,769	3,661	3,721
Non-current assets	94,336	91,861	90,971
Inventories and work in progress	22,638	20,319	18,920
Trade accounts receivable	4,173	4,258	4,078
Income taxes	507	375	536
Other current assets	8,597	7,550	5,926
Cash and cash equivalents	6,266	7,588	8,079
Current assets	42,181	40,090	37,539
Total assets	136,517	131,951	128,510

Liabilities and equity

<i>(EUR millions)</i>	June 30, 2023	Dec. 31, 2022	June 30, 2022
Equity, Group share	20,097	19,038	17,133
Minority interests	36,908	35,276	33,191
Equity	57,005	54,314	50,324
Long-term borrowings	8,923	10,380	10,520
Non-current lease liabilities	12,899	12,776	12,612
Non-current provisions and other liabilities	3,871	3,866	3,734
Deferred tax	6,801	6,553	6,582
Purchase commitments for minority interests' shares	12,710	12,489	12,778
Non-current liabilities	45,204	46,064	46,226
Short-term borrowings	13,794	9,375	11,039
Current lease liabilities	2,558	2,632	2,659
Trade accounts payable	8,224	8,788	7,569
Income taxes	1,331	1,224	1,406
Current provisions and other liabilities	8,401	9,554	9,287
Current liabilities	34,308	31,573	31,960
Total liabilities and equity	136,517	131,951	128,510

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, 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					506	-	103	(18)	85	-	676	1,036	1,712
Net profit										5,797	5,797	8,905	14,702
Comprehensive income					506	-	103	(18)	85	5,797	6,473	9,941	16,414
Expenses related to bonus share										53	53	79	132
(Acquisition)/disposal of Christian Dior treasury shares										-	-	-	-
Capital increase in subsidiaries										-	-	28	28
Interim and final dividends paid										(2,165)	(2,165)	(3,905)	(6,070)
Changes in control of consolidated entities										3	3	10	13
(Acquisition)/ disposal of minority interests' shares					2	-	(1)	2	2	(536)	(531)	(1,068)	(1,599)
Purchase commitments for minority interests' shares										(166)	(166)	(804)	(970)
As of Dec. 31, 2022	180,507,516	361	194	(17)	1,087	-	4	468	75	16,866	19,038	35,276	54,314
Gains and losses recognized in equity					(338)	-	87	-	(10)	-	(261)	(389)	(650)
Net profit										3,512	3,512	5,367	8,879
Comprehensive income					(338)	-	87	-	(10)	3,512	3,251	4,978	8,229
Expenses related to bonus share										29	29	42	71
(Acquisition)/disposal of Christian Dior treasury shares										-	-	-	-
Capital increase in subsidiaries										-	-	2	2
Interim and final dividends paid										(1,263)	(1,263)	(2,412)	(3,675)
Changes in control of consolidated entities										-	-	4	4
(Acquisition)/ disposal of minority interests' shares					6	-	-	3	1	(853)	(844)	(1,030)	(1,874)
Purchase commitments for minority interests' shares										(114)	(114)	48	(66)
As of June 30, 2023	180,507,516	361	194	(17)	755	-	91	471	66	18,177	20,097	36,908	57,005
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

5. Consolidated cash flow statement

(EUR millions)	June 30, 2023	Dec. 31, 2022	June 30, 2022
I. OPERATING ACTIVITIES			
Operating profit	11,560	20,996	10,124
(Income)/loss and dividends received from joint ventures and associates	5	26	1
Net increase in depreciation, amortization and provisions	1,599	3,219	1,556
Depreciation of right-of-use assets	1,480	3,007	1,450
Other adjustments and computed expenses	(140)	(483)	(203)
Cash from operations before changes in working capital	14,504	26,765	12,928
Cost of net financial debt: interest paid	(325)	(73)	(23)
Lease liabilities: interest paid	(144)	(240)	(113)
Tax paid	(2,812)	(5,603)	(2,638)
Change in working capital	(4,472)	(3,019)	(2,891)
Net cash from operating activities	6,751	17,830	7,263
II. INVESTING ACTIVITIES			
Operating investments	(3,564)	(4,969)	(1,882)
Purchase and proceeds from sale of consolidated investments	(441)	(809)	(38)
Dividends received	2	7	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	(92)	(149)	(125)
Net cash from/(used in) investing activities	(4,095)	(5,920)	(2,044)
III. FINANCING ACTIVITIES			
Interim and final dividends paid	(3,934)	(6,465)	(3,861)
Purchase and proceeds from sale of minority interests	(1,712)	(2,010)	(1,151)
Other equity-related transactions	2	12	3
Proceeds from borrowings	5,209	3,774	4,323
Repayment of borrowings	(2,493)	(3,891)	(3,267)
Repayment of lease liabilities	(1,389)	(2,751)	(1,338)
Purchase and proceeds from sale of current available for sale financial assets	137	(1,165)	(463)
Net cash from/(used in) financing activities	(4,180)	(12,495)	(5,753)
IV. EFFECT OF EXCHANGE RATE CHANGES	(234)	55	294
Net increase (decrease) in cash and cash equivalents (I+II+III+IV)	(1,758)	(530)	(238)
Cash and cash equivalents at beginning of period	7,388	7,918	7,918
Cash and cash equivalents at end of period	5,630	7,388	7,680
Total tax paid	(3,067)	(5,959)	(2,898)

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, 2023	Dec. 31, 2022	June 30, 2022
Net cash from operating activities	6,751	17,830	7,263
Operating investments	(3,564)	(4,969)	(1,882)
Repayment of lease liabilities	(1,389)	(2,751)	(1,338)
Operating free cash flow^(a)	1,798	10,110	4,043

(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”.