

Christian Dior

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Good results for Christian Dior in the first half of the year despite the prevailing environment

Paris, July 23, 2024

The Christian Dior Group recorded revenue of €41.7 billion in the first half of 2024. Growth continued over the period (2% organic growth) despite a geopolitical and economic environment that remained uncertain. Europe and the United States achieved growth on a constant consolidation scope and currency basis; Japan recorded double-digit revenue growth; the rest of Asia reflected the strong growth in spending by Chinese customers in Europe and Japan. In the second quarter, organic revenue growth was 1%.

Profit from recurring operations for the first half of 2024 came to €10.6 billion, equating to an operating margin of 25.6%, significantly exceeding pre-Covid levels. Exchange rate fluctuations had a substantial negative impact on the half-year period. The Group share of net profit amounted to €3.0 billion.

Highlights of the first half of 2024 included the following:

- Continued organic revenue growth.
- Substantial negative impact of exchange rate fluctuations, particularly on Fashion & Leather Goods.
- Growth in revenue in Europe and the United States, exceptional growth in Japan arising in particular from purchases made by Chinese travelers.
- Performance of Wines & Spirits reflecting the ongoing normalization of demand that began in 2023.
- Good resilience in Fashion & Leather Goods, which saw its operating margin remain at an exceptional level, especially for flagship brands Louis Vuitton and Christian Dior Couture.
- Rapid growth in fragrances and makeup, and ongoing success of our Maisons' iconic lines.
- Powerful creative momentum at all the Watches & Jewelry Maisons, and sustained investments in communications and in renovating stores.
- Exceptional performance by Sephora, which consolidated its position as world leader in beauty retail.
- Significant increase in operating free cash-flow, which came to more than €3 billion.

Financial highlights

<i>In millions of euros</i>	First-half 2023	First-half 2024	% Change
Revenue	42 240	41 677	-1%
Profit from recurring operations	11 571	10 649	-8%
Net profit, Group share	3 512	3 023	-14%
Operating free cash flow	1 798	3 128	+74%
Net financial debt	12 301	12 076	-2%
Equity	57 005	63 957	+12%

Revenue by business group changed as follows:

<i>In millions of euros</i>	First-half 2023	First-half 2024	% Change	
			Reported	Organic*
Wines & Spirits	3 181	2 807	-12%	-9%
Fashion & Leather Goods	21 162	20 771	-2%	+1%
Perfumes & Cosmetics	4 028	4 136	+3%	+6%
Watches & Jewelry	5 427	5 150	-5%	-3%
Selective Retailing	8 355	8 632	+3%	+8%
Other activities and eliminations	87	181	-	-
Total	42 240	41 677	-1%	+2%

* On a constant consolidation scope and currency basis. For the Group, the impact of changes in scope compared with the first half of 2023 was negligible and the exchange rate impact was -3%.

Profit from recurring operations by business group changed as follows:

<i>In millions of euros</i>	First-half 2023	First-half 2024	% Change
Wines & Spirits	1 046	777	-26%
Fashion & Leather Goods	8 562	8 058	-6%
Perfumes & Cosmetics	446	445	0%
Watches & Jewelry	1 089	877	-19%
Selective Retailing	734	785	+7%
Other activities and eliminations	(306)	(293)	-
Total	11 571	10 649	-8%

Wines & Spirits: Gradual recovery in cognac in the United States; cautious management of inventory levels among distributors

The **Wines & Spirits** business group saw a revenue decline (-9% organic) in the first half of 2024. Profit from recurring operations was down 26%. Champagne was down, reflecting the ongoing normalization of post-Covid demand, but remained significantly higher than in 2019. Moreover, the beginning of the year was compared to a good first half of 2023. Hennessy cognac was held back by weak local demand in the Chinese market, while the United States saw a return to growth in sales volumes in the second quarter, in a market that remained cautious. In Provence rosé wines, Château d'Esclans stepped up its international expansion while the prestigious Minuty estate was consolidated for the first time in the accounts.

Fashion & Leather Goods: Continued growth on a high basis of comparison; operating margin remained at an exceptional level

The **Fashion & Leather Goods** business group recorded organic revenue growth of 1% in the first half of 2024. Profit from recurring operations was down 6%. The operating margin remained at historically high levels. Louis Vuitton had a good start to the year, once again driven by its successful high-quality strategy. Nicolas Ghesquière's Fall/Winter fashion show was the opportunity to celebrate ten years of his visionary designs at the Maison. Pharrell Williams celebrated Louis Vuitton's spirit of travel at his latest fashion show, entitled "The World is Yours", held at UNESCO's headquarters in Paris. The Maison unveiled the latest chapter of its iconic Core Values campaign, featuring tennis champions Roger Federer and Rafael Nadal. Christian Dior Couture continued to show remarkable creative momentum, driven by the desirability of collections designed by Maria Grazia Chiuri and Kim Jones, whose fashion shows attracted a record number of viewers. The show presenting the 2025 Women's Cruise collection at Drummond Castle in Scotland, showcasing traditional Scottish craftsmanship, received an extraordinary welcome. The *Diorama* high jewelry collection presented in Florence showcased Victoire de Castellane's exquisite craftsmanship. The opening in Geneva of an exceptional store designed by architect Christian de Portzamparc was a highlight of the half-year period. Following the success of the leather goods *Triomphe* line designed by Hedi Slimane, Celine benefited from growing demand for its accessories. Loewe launched its first major exhibition in Shanghai, commissioned by Jonathan Anderson, as a tribute to the Maison's Spanish heritage and its commitment to craftsmanship. Fendi launched the *Pequin* line, reinterpreting the Maison's signature stripe. Loro Piana and Rimowa confirmed their excellent momentum. Berluti experienced a good start to the year.

Perfumes & Cosmetics: Solid momentum in fragrances and makeup; selective distribution strategy maintained

The **Perfumes & Cosmetics** business group recorded organic revenue growth of 6% in the first half of 2024 thanks to the ongoing success of its flagship lines, combined with powerful innovative momentum and a selective distribution policy. Profit from recurring operations remained stable. Parfums Christian Dior turned in a solid performance in all product categories and reinforced its leadership position in its strategic markets. *Sauvage* confirmed its position as the world's leading fragrance, while the Maison's iconic women's perfume *J'adore* saw ongoing success. The new *Miss Dior Parfum* edition achieved strong growth. Makeup and skincare also contributed to the Maison's good results, in particular *Rouge Dior* and *Capture Totale*. Guerlain enjoyed the strong performance of its fragrance innovations, in particular *Néroli Plein Sud* in its *L'Art et la Matière* collection of exceptional fragrances. Givenchy continued to see growth, driven by its *L'Interdit* fragrance. Benefit added new brow products to its *Precisely, My Brow* collection while Fenty Beauty launched a new range of haircare products and expanded its retail presence in China.

Watches & Jewelry: Sustained innovation in jewelry and watches; ongoing store renovation program, in particular at Tiffany & Co.

The **Watches & Jewelry** business group saw a revenue decline (-3% organic) in the first half of 2024. Profit from recurring operations was down 19%, heavily affected by exchange rate fluctuations. Tiffany & Co. continued to showcase its iconic lines through initiatives including a new campaign that received an excellent welcome. The new *Tiffany Titan by Pharrell Williams* collection generated an exceptional level of interest. *Céleste* – the 2024 *Blue Book* high jewelry line, unveiled in Beverly Hills in May – drew inspiration from the boundless imagination of Jean Schlumberger. Bulgari celebrated its 140th anniversary with the “Eternally Reborn” campaign, and presented the new *Aeterna* high jewelry collection in Rome, which achieved record-breaking revenue. Chaumet unveiled the medals for the Paris 2024 Olympic and Paralympic Games, created by its design studio. In watches, TAG Heuer strengthened its ties with sports, particularly motor sports with the successful relaunch of its historic *Formula 1* collection. Hublot reaffirmed its pioneering role in the art world with a pocket watch designed in collaboration with Daniel Arsham. LVMH Watch Week – now a leading event on the international watch scene – was a major success. LVMH announced the acquisition of prestigious high-end Swiss clock manufacturer L’Epée 1839.

Selective Retailing: Remarkable performance by Sephora; DFS still held back by prevailing international conditions

In **Selective Retailing**, organic revenue growth was 8% in the first half of 2024. Profit from recurring operations was up 7%. Sephora achieved remarkable growth and continued to gain market share, reaffirming the brand’s strength and the powerful draw of its unique approach within the prestige beauty market, as well as its position as the world’s leading fragrance and cosmetics retailer. North America, Europe and the Middle East continued to see strong growth. DFS saw business activity remain below its 2019 pre-Covid level, with marked differences in tourist traffic between its various destinations. Le Bon Marché continued to achieve growth, driven by the department store’s differentiation strategy, with its continuously renewed selection of products and services and unique slate of events.

2024 Outlook

In an uncertain geopolitical and economic environment, the Christian Dior group remains confident and will maintain a strategy focused on continuously enhancing the desirability of its brands, drawing on the exceptional quality of its products and excellence in retail. 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 2024.

An interim dividend of €5.50 will be paid on Wednesday, December 4, 2024.

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.”

APPENDIX

The condensed consolidated financial statements for the first half of 2024 are included in the PDF version of the press release.

Christian Dior – Revenue by business group and by quarter

Revenue for 2024 (in millions of euros)

2024	Wines & Spirits	Fashion & Leather Goods	Perfumes & Cosmetics	Watches & Jewelry	Selective Retailing	Other activities and eliminations	Total
First quarter	1 417	10 490	2 182	2 466	4 175	(36)	20 694
Second quarter	1 391	10 281	1 953	2 685	4 457	216	20 983
First half	2 807	20 771	4 136	5 150	8 632	181	41 677

Revenue for 2024 (organic growth versus same period in 2023)

2024	Wines & Spirits	Fashion & Leather Goods	Perfumes & Cosmetics	Watches & Jewelry	Selective Retailing	Other activities and eliminations	Total
First quarter	-12%	+2%	+7%	-2%	+11%	-	+3%
Second quarter	-5%	+1%	+4%	-4%	+5%	-	+1%
First half	-9%	+1%	+6%	-3%	+8%	-	+2%

Revenue for 2023 (in millions of euros)

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

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 1.22 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: 2023 Annual Report

This document is a free translation into English of the original French financial release dated July 23rd, 2024. 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, 2024	Dec. 31, 2023	June 30, 2023
Revenue	41,677	86,153	42,240
Cost of sales	(12,984)	(26,876)	(12,923)
Gross margin	28,693	59,277	29,317
Marketing and selling expenses	(14,998)	(30,767)	(14,914)
General and administrative expenses	(3,039)	(5,721)	(2,827)
Income/(loss) from joint ventures and associates	(6)	7	(5)
Profit from recurring operations	10,649	22,796	11,571
Other operating income and expenses	(29)	(242)	(10)
Operating profit	10,620	22,554	11,560
Cost of net financial debt	(231)	(363)	(168)
Interest on lease liabilities	(241)	(393)	(160)
Other financial income and expenses	221	(170)	794
Net financial income/(expense)	(252)	(926)	466
Income taxes	(2,826)	(5,707)	(3,147)
Net profit before minority interests	7,543	15,921	8,879
Minority interests	4,520	9,617	5,367
Net profit, Group share	3,023	6,304	3,512
Basic Group share of net earnings per share (EUR)	16.76	34.94	19.47
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)	16.74	34.93	19.45
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, 2024	Dec. 31, 2023	June 30, 2023
Net profit before minority interests	7,543	15,921	8,879
Translation adjustments	502	(1,083)	(829)
Amounts transferred to income statement	(20)	(21)	(9)
Tax impact	-	-	-
	482	(1,104)	(838)
Change in value of hedges of future foreign currency cash flows	15	477	457
Amounts transferred to income statement	(139)	(523)	(131)
Tax impact	28	13	(74)
	(97)	(33)	253
Change in value of the ineffective portion of hedging instruments (including cost of hedging)	(348)	(237)	(182)
Amounts transferred to income statement	283	362	142
Tax impact	16	(29)	(3)
	(50)	96	(42)
Gains and losses recognized in equity, transferable to income statement	336	(1,041)	(628)
Change in value of vineyard land	-	53	3
Amounts transferred to consolidated reserves	-	-	-
Tax impact	-	(11)	(1)
	-	41	2
Employee benefit obligations: change in value resulting from actuarial gains and losses	36	30	(31)
Tax impact	(9)	(7)	8
	26	23	(23)
Gains and losses recognized in equity, not transferable to income statement	26	64	(22)
Gains and losses recognized in equity	361	(977)	(650)
Comprehensive income	7,904	14,944	8,229
Minority interests	4,741	9,036	4,978
Comprehensive income, Group share	3,163	5,908	3,251

3. Consolidated balance sheet

Assets

<i>(EUR millions)</i>	June 30, 2024	Dec. 31, 2023	June 30, 2023
Brands and other intangible assets	25,031	24,724	24,453
Goodwill	19,848	22,492	23,570
Property, plant and equipment	27,902	26,697	24,338
Right-of-use assets	16,054	15,673	14,636
Investments in joint ventures and associates	1,388	991	1,074
Non-current available for sale financial assets	1,146	1,363	1,394
Other non-current assets	1,032	1,017	1,102
Deferred tax	4,094	3,992	3,769
Non-current assets	96,494	96,950	94,336
Inventories and work in progress	24,295	22,952	22,638
Trade accounts receivable	4,448	4,728	4,173
Income taxes	733	533	507
Other current assets	8,361	7,790	8,597
Cash and cash equivalents	7,184	7,921	6,266
Current assets	45,021	43,923	42,181
Total assets	141,515	140,873	136,517

Liabilities and equity

<i>(EUR millions)</i>	June 30, 2024	Dec. 31, 2023	June 30, 2023
Equity, Group share	23,049	21,527	20,097
Minority interests	40,908	38,766	36,908
Equity	63,957	60,293	57,005
Long-term borrowings	11,555	11,227	8,923
Non-current lease liabilities	14,226	13,810	12,899
Non-current provisions and other liabilities	3,653	3,844	3,871
Deferred tax	6,806	6,616	6,801
Purchase commitments for minority interests' shares	8,789	11,919	12,710
Non-current liabilities	45,029	47,416	45,204
Short-term borrowings	11,770	10,696	13,794
Current lease liabilities	2,819	2,728	2,558
Trade accounts payable	8,211	9,049	8,224
Income taxes	1,466	1,150	1,331
Current provisions and other liabilities	8,263	9,541	8,401
Current liabilities	32,529	33,164	34,308
Total liabilities and equity	141,515	140,873	136,517

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, 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					(441)	-	24	13	8	-	(396)	(581)	(977)
Net profit										6,304	6,304	9,617	15,921
Comprehensive income					(441)	-	24	13	8	6,304	5,908	9,036	14,944
Bonus share plan-related expenses										47	47	70	117
(Acquisition)/disposal of Christian Dior shares										-	-	-	-
Capital increase in subsidiaries										-	-	19	19
Interim and final dividends paid										(2,255)	(2,255)	(4,153)	(6,408)
Changes in control of consolidated entities										-	-	10	10
(Acquisition)/ disposal of minority interests' shares					6	-	-	2	-	(970)	(962)	(1,073)	(2,035)
Purchase commitments for minority interests' shares										(249)	(249)	(419)	(668)
As of Dec. 31, 2023	180,507,516	361	194	(17)	652	-	28	483	83	19,743	21,527	38,766	60,293
Gains and losses recognized in equity					184	-	(56)	-	12	-	140	221	361
Net profit										3,023	3,023	4,520	7,543
Comprehensive income					184	-	(56)	-	12	3,023	3,163	4,741	7,904
Bonus share plan-related expenses										28	28	41	69
(Acquisition)/disposal of Christian Dior shares										-	-	-	-
Capital increase in subsidiaries										-	-	2	2
Interim and final dividends paid										(1,353)	(1,353)	(2,575)	(3,928)
Changes in control of consolidated entities										-	-	50	50
(Acquisition)/ disposal of minority interests' shares					1	-	-	1	-	(297)	(294)	(121)	(415)
Purchase commitments for minority interests' shares										(22)	(22)	5	(17)
As of June 30, 2024	180,507,516	361	194	(17)	837	-	(28)	484	95	21,122	23,049	40,908	63,957
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
Bonus share plan-related expenses										29	29	42	71
(Acquisition)/disposal of Christian Dior 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

5. Consolidated cash flow statement

<i>(EUR millions)</i>	June 30, 2024	Dec. 31, 2023	June 30, 2023
I. OPERATING ACTIVITIES			
Operating profit	10,620	22,554	11,560
(Income)/loss and dividends received from joint ventures and associates	9	42	5
Net increase in depreciation, amortization and provisions	1,691	4,144	1,599
Depreciation of right-of-use assets	1,549	3,031	1,480
Other adjustments and computed expenses	(79)	(260)	(140)
Cash from operations before changes in working capital	13,790	29,511	14,504
Cost of net financial debt: interest paid	(186)	(453)	(325)
Lease liabilities: interest paid	(230)	(356)	(144)
Tax paid	(2,581)	(5,729)	(2,812)
Change in working capital	(3,511)	(4,577)	(4,472)
Net cash from/(used in) operating activities	7,282	18,397	6,751
II. INVESTING ACTIVITIES			
Operating investments	(2,728)	(7,478)	(3,564)
Purchase and proceeds from sale of consolidated investments	(400)	(721)	(441)
Dividends received	2	5	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	(38)	(116)	(92)
Net cash from/(used in) investing activities	(3,164)	(8,310)	(4,095)
III. FINANCING ACTIVITIES			
Interim and final dividends paid	(4,018)	(6,849)	(3,934)
Purchase and proceeds from sale of minority interests	(421)	(2,051)	(1,712)
Other equity-related transactions	2	15	2
Proceeds from borrowings	3,587	5,990	5,209
Repayment of borrowings	(2,784)	(3,968)	(2,493)
Repayment of lease liabilities	(1,426)	(2,818)	(1,389)
Purchase and proceeds from sale of current available for sale financial assets	-	144	137
Net cash from/(used in) financing activities	(5,061)	(9,536)	(4,180)
IV. EFFECT OF EXCHANGE RATE CHANGES	18	(273)	(234)
Net increase (decrease) in cash and cash equivalents (I+II+III+IV)	(924)	278	(1,758)
Cash and cash equivalents at beginning of period	7,666	7,388	7,388
Cash and cash equivalents at end of period	6,742	7,666	5,630
Total tax paid	(2,720)	(6,150)	(3,067)

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, 2024	Dec. 31, 2023	June 30, 2023
Net cash from operating activities	7,282	18,397	6,751
Operating investments	(2,728)	(7,478)	(3,564)
Repayment of lease liabilities	(1,426)	(2,818)	(1,389)
Operating free cash flow^(a)	3,128	8,101	1,798

(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”.