

# LVMH

TRANSLATION OF THE FRENCH  
INTERIM FINANCIAL REPORT  
SIX-MONTH PERIOD ENDED JUNE 30, 2022

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*As table totals are based on unrounded figures, there may be discrepancies between these totals and the sum of their rounded component figures.*

This document is a free translation into English of the original French “Rapport financier semestriel – 30 juin 2022”, hereafter referred to as the “Interim Financial Report”. 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.

# EXECUTIVE AND SUPERVISORY BODIES; STATUTORY AUDITORS AS OF JUNE 30, 2022

## Board of Directors

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Bernard Arnault  
*Chairman and Chief Executive Officer*

Antonio Belloni  
*Group Managing Director*

Antoine Arnault

Delphine Arnault

Dominique Aumont  
*Director representing the employees*

Nicolas Bazire

Marie-Véronique Belloeil-Melkin  
*Director representing the employees*

Sophie Chassat<sup>(1)</sup>

Charles de Croisset<sup>(1)</sup>  
*Lead Director*

Diego Della Valle

Clara Gaymard<sup>(1)</sup>

Marie-Josée Kravis<sup>(1)</sup>

Marie-Laure Sauty de Chalon<sup>(1)</sup>

Yves-Thibault de Silguy<sup>(1)</sup>

Natacha Valla<sup>(1)</sup>

Hubert Védérine<sup>(1)</sup>

## Advisory Board members

Yann Arthus-Bertrand

Lord Powell of Bayswater

## Executive Committee

---

Bernard Arnault  
*Chairman and Chief Executive Officer*

Antonio Belloni  
*Group Managing Director*

Delphine Arnault  
*Louis Vuitton Products*

Nicolas Bazire  
*Development and Acquisitions*

Pietro Beccari  
*Christian Dior Couture*

Stéphane Bianchi  
*Watches and Jewelry*

Michael Burke  
*Louis Vuitton & Tiffany*

Chantal Gaemperle  
*Human Resources and Synergies*

Jean-Jacques Guiony  
*Finance*

Christopher de Lapuente  
*Selective Retailing & Beauty*

Philippe Schaus  
*Wines and Spirits*

Sidney Toledano  
*Fashion Group*

Jean-Baptiste Voisin  
*Strategy*

## General Secretary

Marc-Antoine Jamet

## Performance Audit Committee

---

Clara Gaymard<sup>(1)</sup>  
*Chairman*

Yves-Thibault de Silguy<sup>(1)</sup>

Charles de Croisset<sup>(1)</sup>

Marie-Laure Sauty de Chalon<sup>(1)</sup>

## Nomination and Compensation Committee

---

Marie-Josée Kravis<sup>(1)</sup>  
*Chairman*

Sophie Chassat<sup>(1)</sup>

Charles de Croisset<sup>(1)</sup>

Yves-Thibault de Silguy<sup>(1)</sup>

## Ethics and Sustainable Development Committee

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Yves-Thibault de Silguy<sup>(1)</sup>  
*Chairman*

Delphine Arnault

Marie-Laure Sauty de Chalon<sup>(1)</sup>

Hubert Védérine<sup>(1)</sup>

## Statutory Auditors

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Deloitte & Associés  
*represented by Guillaume Troussicot  
and Bénédicte Sabadie*

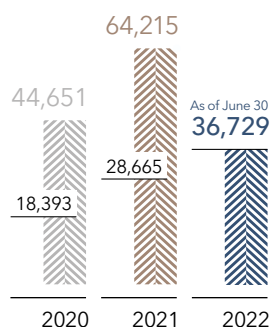
Mazars  
*represented by Isabelle Sapet  
and Simon Beillevaire*

(1) Independent Director.

# FINANCIAL HIGHLIGHTS

## Revenue

(EUR millions)



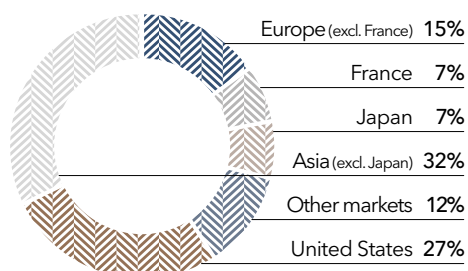
## Change in revenue by business group

(EUR millions and percentage)

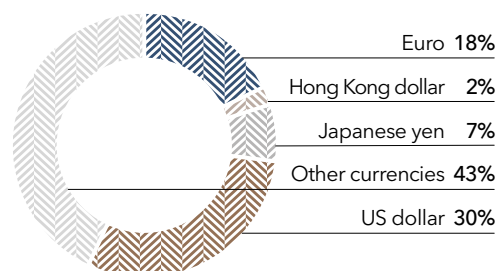
	June 30, 2022	June 30, 2021	Change	
			Published	Organic <sup>(a)</sup>
Wines and Spirits	3,327	2,705	23%	14%
Fashion and Leather Goods	18,136	13,863	31%	24%
Perfumes and Cosmetics	3,618	3,025	20%	13%
Watches and Jewelry	4,909	4,023	22%	16%
Selective Retailing	6,630	5,085	30%	22%
Other activities and eliminations	109	(36)	-	-
<b>Total</b>	<b>36,729</b>	<b>28,665</b>	<b>28%</b>	<b>21%</b>

(a) On a constant consolidation scope and currency basis. The net impact of exchange rate fluctuations on Group revenue was 7% and the net impact of changes in the scope of consolidation was nil. The principles used to determine the net impact of exchange rate fluctuations on the revenue of entities reporting in foreign currencies and the net impact of changes in the scope of consolidation are described on page 9.

## Revenue by geographic region of delivery

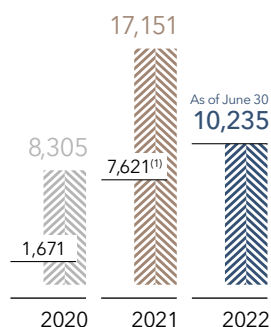


## Revenue by invoicing currency



## Profit from recurring operations

(EUR millions)



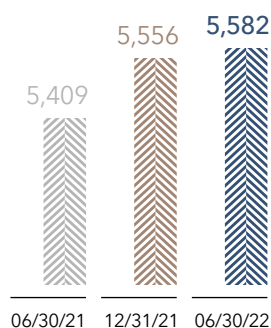
## Profit from recurring operations by business group

(EUR millions)

	June 30, 2022	Dec. 31, 2021	June 30, 2021 <sup>(1)</sup>
Wines and Spirits	1,154	1,863	924
Fashion and Leather Goods	7,509	12,842	5,660
Perfumes and Cosmetics	388	684	393
Watches and Jewelry	987	1,679	783
Selective Retailing	367	534	131
Other activities and eliminations	(170)	(451)	(270)
<b>Total</b>	<b>10,235</b>	<b>17,151</b>	<b>7,621</b>

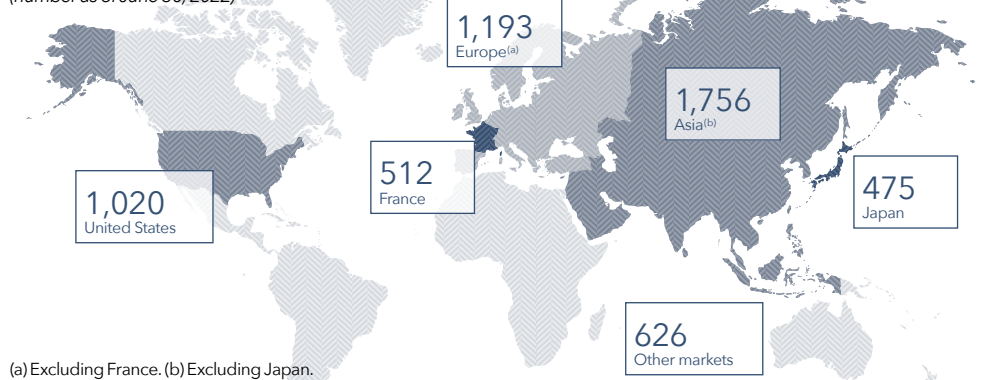
## Stores

(number)



## Geographic breakdown of stores

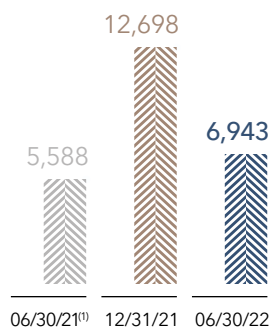
(number as of June 30, 2022)



(a) Excluding France. (b) Excluding Japan.

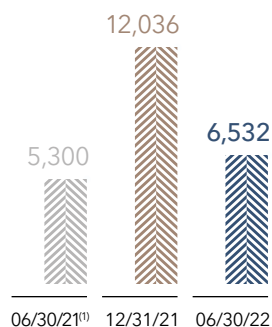
### Net profit

(EUR millions)



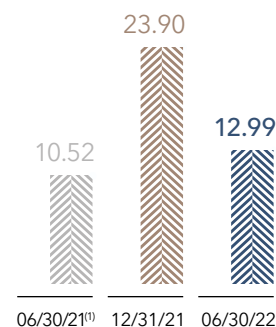
### Net profit, Group share

(EUR millions)



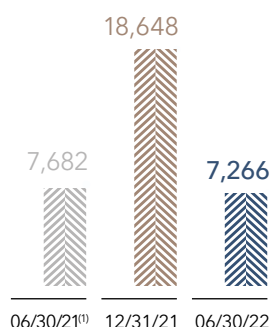
### Basic Group share of net earnings per share

(EUR)



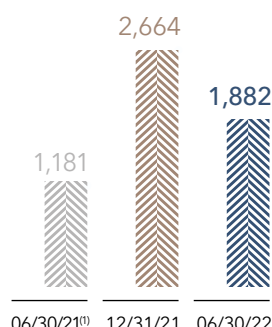
### Net cash from operating activities

(EUR millions)



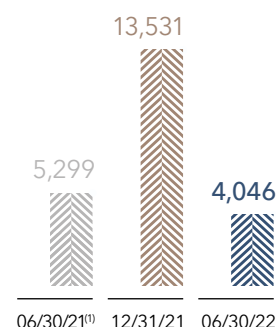
### Operating investments

(EUR millions)



### Operating free cash flow<sup>(a)</sup>

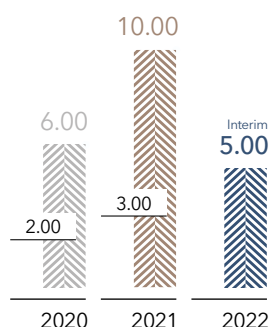
(EUR millions)



(a) See the consolidated cash flow statement on p. 26 for definition of Operating free cash flow.

### Dividend per share<sup>(a)</sup>

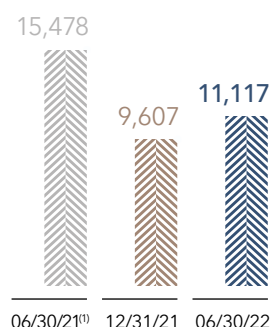
(EUR)



(a) Gross amount paid for the fiscal year, excluding the impact of tax regulations applicable to the recipient.

### Net financial debt<sup>(a)</sup>

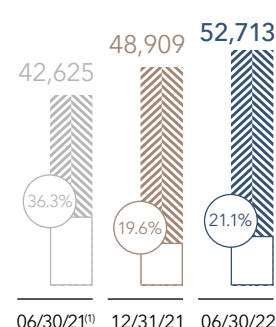
(EUR millions)



(a) Excluding Lease liabilities and Purchase commitments for minority interests. See Note 19.1 to the condensed consolidated financial statements for definition of net financial debt.

### Equity and Net financial debt/Equity ratio

(EUR millions and percentage)



(1) 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. See Note 2 to the condensed consolidated financial statements.

## HIGHLIGHTS

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 euros.

## SHARE CAPITAL AND VOTING RIGHTS

	Number of shares	Number of voting rights <sup>(a)</sup>	% of share capital	% of voting rights
Arnault Family Group	242,246,689	466,826,285	47.99	63.73
Other	262,510,650 <sup>(b)</sup>	265,702,595	52.01 <sup>(b)</sup>	36.27
<b>Total</b>	<b>504,757,339</b>	<b>732,528,880</b>	<b>100.00</b>	<b>100.00</b>

(a) Total number of voting rights that may be exercised at Shareholders' Meetings.

(b) Including 2,682,510 treasury shares, i.e. 0.53% of the share capital.

# BUSINESS REVIEW AND COMMENTS ON THE CONSOLIDATED FINANCIAL STATEMENTS OF LVMH GROUP

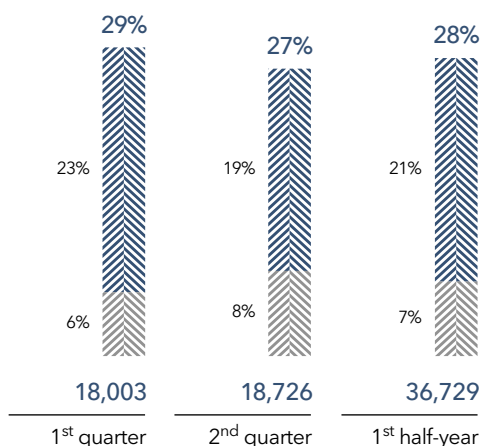
1.	COMMENTS ON THE CONSOLIDATED INCOME STATEMENT	6
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# 1. COMMENTS ON THE CONSOLIDATED INCOME STATEMENT

## 1.1 Breakdown of revenue

### Change in revenue per quarter

(EUR millions and as %)



■ Organic growth

■ Changes in the scope of consolidation (a)(b)

■ Exchange rate fluctuations (a)

(a) The principles used to determine the impact of exchange rate fluctuations on the revenue of entities reporting in foreign currencies and the impact of changes in the scope of consolidation are described on page 9.

(b) 0% for the first half-year 2022.

Consolidated revenue for the period ended June 30, 2022 was 36,729 million euros, up 28% from the first half of 2021, which had already seen strong growth in business activity. Revenue was boosted by the Group's main invoicing currencies strengthening against the euro, in particular the US dollar, which appreciated by 9%, and the Chinese yuan.

The following changes to the Group's consolidation scope took place after January 1, 2021: in the Wines and Spirits business group, the consolidation of Armand de Brignac as of May 28, 2021; in the Fashion and Leather Goods business group, the consolidation of Off-White in June 2021; these changes in the scope of consolidation had little effect on half-year revenue growth.

On a constant consolidation scope and currency basis, revenue increased by 21%.

### Revenue by invoicing currency

(as %)	June 30, 2022	Dec. 31, 2021	June 30, 2021
Euro	18	17	15
US dollar	30	28	28
Japanese yen	7	7	7
Hong Kong dollar	2	3	3
Other currencies	43	45	47
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>

The breakdown of revenue by invoicing currency changed appreciably with respect to the first half of 2021: the contributions of the euro and the US dollar rose by 3 points and 2 points, respectively, to 18% and 30%, while those of the Hong Kong dollar and "Other currencies" fell by 1 point and 4 points, respectively, to 2% and 43%. The contribution of the Japanese yen remained stable at 7%.

### Revenue by geographic region of delivery

(as %)	June 30, 2022	Dec. 31, 2021	June 30, 2021
France	7	6	5
Europe (excl. France)	15	15	14
United States	27	26	25
Japan	7	7	7
Asia (excl. Japan)	32	35	38
Other markets	12	11	11
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>

By geographic region of delivery, the relative contribution of Asia (excluding Japan) to Group revenue fell by 6 points to 32% as a result of partial lockdowns during the first half of 2022, especially in China. The relative contributions of France and the United States rose by 2 points each to 7% and 27%, respectively, while those of Europe (excluding France) and "Other markets" grew by 1 point, reaching 15% and 12%, respectively. The relative contribution of Japan remained stable at 7%.

### Revenue by business group

(EUR millions)	June 30, 2022	Dec. 31, 2021	June 30, 2021
Wines and Spirits	3,327	5,974	2,705
Fashion and Leather Goods	18,136	30,896	13,863
Perfumes and Cosmetics	3,618	6,608	3,025
Watches and Jewelry	4,909	8,964	4,023
Selective Retailing	6,630	11,754	5,085
Other activities and eliminations	109	19	(36)
<b>Total</b>	<b>36,729</b>	<b>64,215</b>	<b>28,665</b>

By business group, the breakdown of Group revenue changed appreciably. The contribution of Fashion and Leather Goods increased by 1 point to 49%, while the contribution of Perfumes and Cosmetics and that of Watches and Jewelry decreased by 1 point each to 10% and 13%, respectively. The contribution of Wines and Spirits and that of Selective Retailing both remained stable at 9% and 18%, respectively.

Revenue for Wines and Spirits increased by 23% based on published figures. Boosted by a positive 7-point exchange rate impact and a positive 2-point impact of changes in scope arising



from the consolidation of Armand de Brignac, revenue for this business group was up 14% on a constant consolidation scope and currency basis. Champagnes and wines were up 33% based on published figures and 24% on a constant consolidation scope and currency basis. Cognac and spirits were up 16% based on published figures and 7% on a constant consolidation scope and currency basis. This performance was driven in equal parts by an increase in sales volumes and in prices. Demand remained high in the United States, despite being hampered early in the year by recurring supply chain issues and supply constraints, whereas sales declined in Asia (excluding Japan) owing to the public health situation in China. Europe saw very strong growth in the first half.

Revenue for Fashion and Leather Goods increased by 24% in terms of organic growth and by 31% based on published figures. Europe, the United States and Japan delivered an excellent performance, while Asia (excluding Japan) saw more moderate

growth. Louis Vuitton, Christian Dior Couture and Celine all achieved outstanding results.

Revenue for Perfumes and Cosmetics increased by 13% in terms of organic growth and by 20% based on published figures. All the brands turned in a solid performance. The United States, Japan and Europe were the regions where revenue increased the most.

Revenue for Watches and Jewelry increased by 16% in terms of organic growth and by 22% based on published figures. All the business group's brands performed very well. The United States and Europe were the most dynamic regions.

Revenue for Selective Retailing increased by 22% on a constant consolidation scope and currency basis, and by 30% based on published figures. Asia remained the region most heavily affected by the lack of recovery in international travel and the partial closure of the store network in certain regions.

## 1.2 Profit from recurring operations

(EUR millions)	June 30, 2022	Dec. 31, 2021	June 30, 2021 <sup>(1)</sup>
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	(12,701)	(22,308)	(9,808)
General and administrative expenses	(2,378)	(4,414)	(2,108)
Income/(loss) from joint ventures and associates	3	13	(21)
<b>Profit from recurring operations</b>	<b>10,235</b>	<b>17,151</b>	<b>7,621</b>
<b>Operating margin (%)</b>	<b>27.9</b>	<b>26.7</b>	<b>26.6</b>

The Group's gross margin came to 25,311 million euros, up 29% compared with the first half of 2021; as a percentage of revenue, the gross margin was 69%, up 1 point.

Marketing and selling expenses totaled 12,701 million euros, up 29% based on published figures and up 23% on a constant consolidation scope and currency basis compared to June 30, 2021. The level of these expenses expressed as a percentage of revenue came to 35%, up 1 point from the first half of 2021.

This increase in marketing and selling expenses was mainly due to higher communications investments as well as the development of retail networks. Among these marketing and selling expenses, advertising and promotion costs amounted to 11% of revenue, increasing by 30% on a constant consolidation scope and currency basis.

The geographic breakdown of stores is as follows:

(number)	June 30, 2022	Dec. 31, 2021	June 30, 2021
France	512	522	523
Europe (excl. France)	1,193	1,203	1,204
United States	1,020	1,014	998
Japan	475	477	480
Asia (excl. Japan)	1,756	1,746	1,634
Other markets	626	594	570
<b>Total</b>	<b>5,582</b>	<b>5,556</b>	<b>5,409</b>

General and administrative expenses totaled 2,378 million euros, up 13% based on published figures and up 9% on a constant consolidation scope and currency basis. They amounted to 6% of revenue.

## Profit from recurring operations by business group

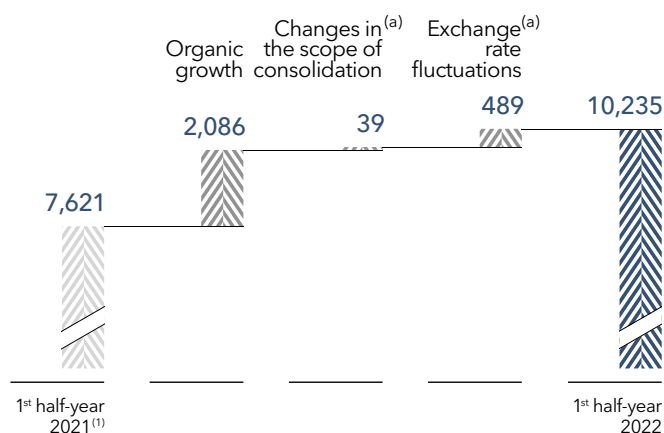
(EUR millions)	June 30, 2022	Dec. 31, 2021	June 30, 2021 <sup>(1)</sup>
Wines and Spirits	1,154	1,863	924
Fashion and Leather Goods	7,509	12,842	5,660
Perfumes and Cosmetics	388	684	393
Watches and Jewelry	987	1,679	783
Selective Retailing	367	534	131
Other activities and eliminations	(170)	(451)	(270)
<b>Total</b>	<b>10,235</b>	<b>17,151</b>	<b>7,621</b>

The Group's profit from recurring operations was 10,235 million euros, up 34% relative to June 30, 2021. The Group's operating margin as a percentage of revenue was 27.9%, up 1.3 points with respect to the same period the previous year.

(1) 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. See Note 2 to the condensed consolidated financial statements.

**Change in profit from recurring operations**

(EUR millions)



(a) The principles used to determine the impact of exchange rate fluctuations on the profit from recurring operations of entities reporting in foreign currencies and the impact of changes in the scope of consolidation are described on page 9.

Overall, exchange rate fluctuations had a positive 489 million euro impact on profit from recurring operations compared to the previous fiscal year. This total comprises the following three items: (i) the impact of exchange rate fluctuations on export and import sales and purchases by Group companies, (ii) the change in the net impact of the Group's policy of hedging its commercial exposure to various currencies, and (iii) the impact of exchange rate fluctuations on the consolidation of profit from recurring operations of subsidiaries outside the eurozone.

**Wines and Spirits**

	June 30, 2022	Dec. 31, 2021	June 30, 2021
Revenue (EUR millions)	3,327	5,974	2,705
Profit from recurring operations (EUR millions)	1,154	1,863	924
Operating margin (%)	34.7	31.2	34.2

Profit from recurring operations for Wines and Spirits was 1,154 million euros, up 25% relative to June 30, 2021. Champagne and wines contributed 447 million euros, while cognacs and spirits accounted for 707 million euros. The business group's operating margin as a percentage of revenue grew by 0.5 points to 34.7%.

**Fashion and Leather Goods**

	June 30, 2022	Dec. 31, 2021	June 30, 2021
Revenue (EUR millions)	18,136	30,896	13,863
Profit from recurring operations (EUR millions)	7,509	12,842	5,660
Operating margin (%)	41.4	41.6	40.8

Fashion and Leather Goods posted profit from recurring operations of 7,509 million euros, up 33% relative to June 30, 2021. Amid the recovery following the emergence of the Covid-19 pandemic, Louis Vuitton and Christian Dior Couture achieved an exceptional level of profitability. All the brands showed improved operating profit despite the impact of partial store closures in certain regions, particularly in China. The business group's operating margin as a percentage of revenue grew by 0.6 points to 41.4%.

**Perfumes and Cosmetics**

	June 30, 2022	Dec. 31, 2021	June 30, 2021
Revenue (EUR millions)	3,618	6,608	3,025
Profit from recurring operations (EUR millions)	388	684	393
Operating margin (%)	10.7	10.4	13.0

Profit from recurring operations for Perfumes and Cosmetics was 388 million euros, down 1% relative to June 30, 2021. The business group's operating margin as a percentage of revenue fell by 2.3 points to 10.7%.

**Watches and Jewelry**

	June 30, 2022	Dec. 31, 2021	June 30, 2021 <sup>(1)</sup>
Revenue (EUR millions)	4,909	8,964	4,023
Profit from recurring operations (EUR millions)	987	1,679	783
Operating margin (%)	20.1	18.7	19.5

Profit from recurring operations for Watches and Jewelry was 987 million euros, up 26% relative to June 30, 2021. The business group's operating margin as a percentage of revenue rose by 0.6 points to 20.1%.

**Selective Retailing**

	June 30, 2022	Dec. 31, 2021	June 30, 2021
Revenue (EUR millions)	6,630	11,754	5,085
Profit from recurring operations (EUR millions)	367	534	131
Operating margin (%)	5.5	4.5	2.6

Profit from recurring operations for Selective Retailing was 367 million euros, compared with 131 million euros in the first half of 2021. The business group's operating margin as a percentage of revenue improved by 2.9 points to 5.5%.

(1) 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. See Note 2 to the condensed consolidated financial statements.

## Other activities

The loss from recurring operations of “Other activities and eliminations” was 170 million euros, compared with a loss of 270 million euros as of June 30, 2021. This improvement mainly

reflected the impact of hotel reopenings in the first half of 2022 compared with the first half of 2021. In addition to headquarters expenses, this heading includes the results of the hotel and media divisions, Royal Van Lent yachts, and the Group’s real estate activities.

## 1.3 Other income statement items

(EUR millions)	June 30, 2022	Dec. 31, 2021	June 30, 2021 <sup>(1)</sup>
Profit from recurring operations	10,235	17,151	7,621
Other operating income and expenses	(108)	4	(34)
Operating profit	10,127	17,155	7,587
Net financial income/(expense)	(798)	53	12
Income taxes	(2,385)	(4,510)	(2,012)
<b>Net profit before minority interests</b>	<b>6,944</b>	<b>12,698</b>	<b>5,587</b>
Minority interests	(412)	(662)	(287)
<b>Net profit, Group share</b>	<b>6,532</b>	<b>12,036</b>	<b>5,300</b>

“Other operating income and expenses” amounted to a net expense of 108 million euros, compared with a net expense of 34 million euros in the first half of 2021. As of June 30, 2022, this item mainly included depreciation, amortization and impairment charges for brands, goodwill and real estate assets, particularly those of Sephora in Russia, given the disposal announced in July 2022.

The Group’s operating profit was 10,127 million euros, up 34% from the first half of 2021.

“Net financial income/(expense)” amounted to a net expense of 798 million euros as of June 30, 2022, compared with net income of 12 million euros as of June 30, 2021. This item comprised the following:

- the aggregate cost of net financial debt, which amounted to income of 2 million euros, versus income of 22 million euros as of June 30, 2021, representing a decrease of 20 million euros;

- interest on lease liabilities recognized under IFRS 16, which amounted to an expense of 116 million euros, compared with an expense of 127 million euros a year earlier;
- other financial income and expenses, which amounted to a net expense of 684 million euros, compared to net income of 117 million euros in the first half of 2021. Included in this amount was the expense related to the cost of foreign exchange derivatives, 98 million euros, versus an expense of 97 million euros a year earlier. In addition, fair value adjustments of available for sale financial assets reflected the deterioration in stock markets and amounted to a net expense of 564 million euros, compared to a net expense of 235 million euros in the first half of 2021.

The Group’s effective tax rate as of June 30, 2022 was 25.6%, down 0.9 points from the first half of 2021, mainly due to the lower effective tax rate in France.

Profit attributable to minority interests totaled 412 million euros, compared to 287 million euros in the first half of 2021; this total mainly includes profit attributable to minority interests in Moët Hennessy.

The Group’s share of net profit was 6,532 million euros, up 23% compared with the first half of 2021, when it totaled 5,300 million euros. This represented 18% of revenue in the first half of 2022, compared to 19% a year earlier.

### Comments on the determination of the impact of exchange rate fluctuations and changes in the scope of consolidation

The impact of exchange rate fluctuations is determined by translating the financial statements for the fiscal year of entities with a functional currency other than the euro at the prior fiscal year’s exchange rates, without any other restatements.

The impact of changes in the scope of consolidation is determined as follows:

- for the fiscal year’s acquisitions, by deducting from revenue for the fiscal year the amount of revenue generated during that fiscal year by the acquired entities, as of their initial consolidation;
- for the prior fiscal year’s acquisitions, by deducting from revenue for the fiscal year the amount of revenue generated over the months during which the acquired entities were not consolidated in the prior fiscal year;
- for the fiscal year’s disposals, by adding to revenue for the fiscal year the amount of revenue generated by the divested entities in the prior fiscal year over the months during which those entities were no longer consolidated in the current fiscal year;
- for the prior fiscal year’s disposals, by adding to revenue for the fiscal year the amount of revenue generated in the prior fiscal year by the divested entities.

Profit from recurring operations is restated in accordance with the same principles.

(1) 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. See Note 2 to the condensed consolidated financial statements.

## 2. WINES AND SPIRITS

	June 30, 2022	Dec. 31, 2021	June 30, 2021
<b>Revenue (EUR millions)</b>	<b>3,327</b>	<b>5,974</b>	<b>2,705</b>
Of which: Champagne and wines	1,504	2,793	1,129
Cognac and spirits	1,823	3,181	1,576
<b>Sales volume (millions of bottles)</b>			
Champagne	31.1	66.8	26.6
Cognac	52.5	102.6	53.6
Other spirits	11.8	20.8	9.0
Still and sparkling wines	28.7	51.5	24.9
<b>Revenue by geographic region of delivery (%)</b>			
France	6	6	5
Europe (excl. France)	17	18	16
United States	39	38	40
Japan	5	5	4
Asia (excl. Japan)	20	21	23
Other markets	13	12	12
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>
<b>Profit from recurring operations (EUR millions)</b>	<b>1,154</b>	<b>1,863</b>	<b>924</b>
<b>Operating margin (%)</b>	<b>34.7</b>	<b>31.2</b>	<b>34.2</b>

### Highlights

Amid a recovery in revenue as the pandemic showed signs of easing and considerable macroeconomic volatility, the Wines and Spirits business group performed very well, building on its powerful brand appeal, its balanced geographic presence and its value creation strategy. Revenue picked up strongly in the second quarter due to order levels catching up on their backlogs following supply constraints in the first quarter. Demand remained high in the United States, despite being hampered early in the year by recurring logistical issues, whereas China was affected by the public health situation. Europe and Japan saw strong growth in the first half. Moët Hennessy held the World Living Soils Forum in Arles, aimed at developing and sharing knowledge about regenerating soil and combating climate change.

Confronted by high demand tied to the early start of the summer season, champagne volumes were up 16% compared with the first half of 2021, leading to growing supply pressures. **Moët & Chandon**, the champagne selected for Queen Elizabeth II's Jubilee celebrations in England, achieved record performance in the first half of the year. The Maison took part in ambitious sustainable and responsible development projects for its region,

focused in particular on protecting biodiversity. **Dom Pérignon** maintained its value creation strategy, as evidenced by *Dom Pérignon Plénitude 2*, whose *Vintage 2003* revealed the expressive harmony made possible by 18 years of maturation, and the Maison's culinary partnership with 23 of the world's leading chefs. **Veuve Clicquot**, which celebrated 250 years of excellence in 2022, confirmed its solid growth momentum and enjoyed wide media coverage, with a global advertising campaign, a traveling exhibition entitled *Solaire Culture*, and a special train journey aboard the legendary Venice Simplon-Orient-Express. **Krug** maintained its value-enhancing strategy and unveiled *Krug Grande Cuvée 170<sup>e</sup> Edition* while continuing its annual fine dining program. **Ruinart** maintained its momentum, with highlights of the first half including its collaboration with Danish artist Jeppe Hein as part of the Carte Blanche program and the launch of *Dom Ruinart 2010* and its sustainably designed case. **Armand de Brignac** strengthened its position on the high-energy club scene and continued its integration within the Moët Hennessy distribution network.

**Estates & Wines** saw strong demand, driven mainly by Cloudy Bay (New Zealand) and Terrazas de los Andes (Argentina). The Provence-based rosé estates continued their successful development: **Château d'Esclans** further accelerated its international expansion and, after three years spent regenerating its soils and restoring biodiversity, **Château Galoupet** set new standards in environmental responsibility with the launches of *Château Galoupet Cru Classé* and *Galoupet Nomade*. After revamping its communications platform and its packaging in 2021, **Chandon** pursued growth through the expanded rollout of its highly promising all-natural product, *Chandon Garden Spritz*.

Moët Hennessy strengthened its worldwide portfolio of exceptional wines with the signing of an agreement to acquire **Joseph Phelps Vineyards**, one of the most acclaimed wine estates in Napa Valley, California.

**Hennessy's** volumes were down slightly in the first half of the year. The impact of lockdowns in China and of supply constraints and logistical disruptions in the United States was partly offset by the strong upswing seen in the second quarter related to delivery levels catching up on their backlogs in the United States. The Maison maintained its proactive value creation strategy, with a firm price increase policy in all regions. The worldwide partnership between Hennessy and the NBA, signed at the end of 2020, continued its rollout in all markets with high-impact initiatives. Reaffirming its commitment to sustainable development, Hennessy unveiled the three pillars of its action plan: protecting living soils and biodiversity, reducing its carbon footprint, and demonstrating its strong commitment to society in its region as well as its key markets.

The strong results achieved by **Glenmorangie** and **Ardbeg** whiskies were driven by a fresh communications approach, launches of exceptional products such as Glenmorangie's *18 Years Old Azuma Makoto* and *Ardbeg Fermutation*, and by private sales of rare casks brokered through the Moët Hennessy Private Client and Prestige Sales teams. The San Francisco World Spirits Competition and International Spirits Challenge saw them win 25 gold medals.

**Belvedere** vodka turned in an excellent performance and benefited from enthusiasm among consumers, particularly at high-energy clubs, and from its bold innovation strategy.

**Woodinville** continued its expansion in the United States, accompanied by investments to increase its production capacity. **Volcán de mi Tierra** capitalized on strong growth in the tequila market and stepped up its expansion thanks to the launch of a new ultra-premium product, *Volcán X.A.*, in clubs. **Eminente** further consolidated its position in the ultra-premium rum market.

## Outlook

In a persistently volatile economic and public health environment, the Wines and Spirits business group will approach the second half of the year with confidence and determination. Its unequaled portfolio of prestigious brands and its balanced geographic presence are powerful assets, all the more so in turbulent periods. Maintaining exceptional quality, moving the product mix further upmarket, and crafting ever richer and more innovative experiences remain central to the value creation strategy pursued by each and every Maison, guided by the ambition to continue increasing market share everywhere their products are enjoyed. Openings of dedicated stores in Europe and China will help forge closer ties with customers, in line with Moët Hennessy's mission: "Crafting Experiences". Lastly, all of the Maisons will resolutely focus on a sustainable future, stepping up their commitments to protect the environment and implement innovative solutions in their regions and beyond.

## 3. FASHION AND LEATHER GOODS

	June 30, 2022	Dec. 31, 2021	June 30, 2021
<b>Revenue (EUR millions)</b>	<b>18,136</b>	<b>30,896</b>	<b>13,863</b>
<b>Revenue by geographic region of delivery (%)</b>			
France	6	5	4
Europe (excl. France)	16	16	15
United States	21	21	20
Japan	9	9	8
Asia (excl. Japan)	38	41	44
Other markets	10	8	9
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>
<b>Type of revenue (as % of total revenue)</b>			
Retail	94	94	94
Wholesale	6	6	6
Licenses	-	-	-
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>
<b>Profit from recurring operations (EUR millions)</b>	<b>7,509</b>	<b>12,842</b>	<b>5,660</b>
<b>Operating margin (%)</b>	<b>41.4</b>	<b>41.6</b>	<b>40.8</b>

### Highlights

The Fashion and Leather Goods business group delivered an outstanding performance, buoyed by strong demand from local customers and the gradual resumption of travel. Key drivers of

this momentum included powerful product appeal, continued enhancements to the customer experience and new digital inroads. The business group continued to proactively develop centers of excellence for craftsmanship.

**Louis Vuitton** had an excellent half-year, once again buoyed by its exceptional creativity and cultural dimension. Always on the lookout for unique locations for his fashion shows, Nicolas Ghesquière broke new ground by presenting his Women's Fall/Winter 2022 collection at the Musée d'Orsay, and chose the Salk Institute in San Diego, California, for his 2023 Cruise show. In a tribute to Virgil Abloh, who passed away in November 2021, *Louis Dreamhouse*, his final Men's Fall/Winter 2022 collection, was shown in Paris and Bangkok, while the *Coming of Age* exhibition at the Fondation Louis Vuitton paid homage to the designer's world and his unique vision. Highlighting its commitment to grow its footprint in France and champion excellent craftsmanship and manufacturing, the Maison opened two new workshops in France, including one for precious leathers at Trinity Abbey, a historic monument in Vendôme. Between them, the two workshops will eventually employ 400 leatherworkers. As part of a continued quest for excellence in its retail network, in France, Louis Vuitton relocated its Lille store into the iconic Huitrière, a former Art Deco restaurant listed as a historic monument. A new Louis Vuitton Maison store was inaugurated in Chengdu, China, on a site that typifies the historic architecture of Sichuan, and opened a flagship store in Kobe whose decor is heavily influenced by Japanese art and design. After a first stop at the founder's historic family home in Asnières, the *200 Trunks, 200 Visionaries* traveling exhibition opened in Singapore in April.



**Christian Dior** continued to deliver remarkable growth across all product categories. A highlight was the reopening of its iconic 30 Montaigne location after three years of renovation. This historic site now includes the original Dior store, an art gallery, Haute Couture workshops and salons, a restaurant, gardens and many more new experiences where the Maison shares its history and showcases the excellence of its expertise and Monsieur Dior's passion for the art of living. Dior's fashion shows were truly unique experiences drawing on a wealth of inspiration. For its Haute Couture collection, Maria Grazia Chiuri blended art and craftsmanship using the language of embroidery. For Fall 2022, she brought together iconic Dior designs such as the *Bar* jacket and innovative new textiles from an Italian startup. In Seville, her Cruise show paid tribute to Andalusian craftsmanship. For the Dior Homme Summer 2023 collection showing in Venice Beach, Kim Jones invited young designer Eli Russell Linnetz to work with him to reinterpret the Maison's hallmarks through the lens of California pop culture. *Rose Dior*, a jewelry collection inspired by one of Monsieur Dior's favorite flowers, was launched in January with actress Elizabeth Debicki as its ambassador. The *Christian Dior: Designer of Dreams* exhibition was shown in New York, then in Doha and Qatar. The first-ever Dior Earth Days brought together employees worldwide for initiatives focused on the Maison's approach to the environment.

Momentum at **Fendi** was buoyed by the popularity of collections developed by Kim Jones and Silvia Venturini Fendi. The *Fendace* capsule collection, a collaboration between Fendi and fellow fashion house Versace, generated major media coverage and commercial success, with its best-selling products selling out in the space of a few days. Underscoring the Maison's efforts to support the work and expertise of Italian craftspeople, two new manufacturing sites opened: one, for leather goods and accessories, in the Tuscan hills near Florence, and the other, for footwear, in Fermo in the Marche region.

After a record year, **Celine** continued to deliver strong growth, demonstrating its powerful appeal across all product categories. Ready-to-wear sales gained momentum thanks to the success of the collections designed by Hedi Slimane and the audiences attracted by the Maison's digital shows. The Maison continued to add to its range of leather goods, particularly its iconic *Triomphe* and *16* models in its high-end leather goods line. Buoyant growth in its high perfumery collection also contributed to Celine's solid progress.

**Loro Piana** was boosted by the success of its Spring/Summer 2022 collection and the capsule collections designed for Ramadan and the Lunar New Year. The brand's marketing focused on the excellence of vicuña wool and the Maison's work to protect this precious species, as well as its collection of caps and the launch of its summer line, *La Dolce Vita by Loro Piana*.

**Loewe** mastered the art of surprise with collections infused with Jonathan Anderson's bold creativity and highly modern vision. The Women's Fall/Winter 2022 show illustrated this avant-garde approach, mixing classic cuts with unexpected details and

tongue-in-cheek twists. After several months of renovations, two "Casa Loewe" stores were inaugurated in Barcelona and Hong Kong.

**Marc Jacobs** confirmed its fresh momentum, with an impressive surge in online sales and new stores opened in the United States and Europe. Buoyed by high levels of social media engagement, the Maison continued to promote its best-selling *Tote Bag* and *Snapshot* as well as investing in its *Heaven* line.

At **Givenchy**, Matthew Williams' first menswear show was held in Paris. The Maison opened new directly operated stores in the Middle East and the United States.

At **Kenzo**, the first collection designed by Nigo – unveiled at the iconic Galerie Vivienne in Paris, where the Maison's story began more than 50 years ago – received a very warm welcome.

**Berluti** drove business by focusing on its iconic lines, in particular its *Alessandro* and *Andy* shoes and the *Un Jour* leather goods line. Its new "Live Iconic" marketing campaign channeled historic style icons Marcello Mastroianni and Andy Warhol. The Maison entered into a high-profile partnership with the BWT Alpine F1 team.

**Rimowa** stepped up its performance considerably as borders reopened around the world. Its *Never Still* bag collection, launched in 2020, continued to grow. Its successful collaboration with Porsche highlighted its powerful brand appeal.

**Pucci** unveiled Camille Miceli's first collection at a presentation in Capri that adopted a bold new format.

## Outlook

With the vigilance required by the current geopolitical context, the Fashion and Leather Goods Maisons will continue investing for ever more appealing designs, unique experiences and further progress in corporate social responsibility. **Louis Vuitton** will spur momentum over the months ahead by focusing on the quest for perfection and creativity that runs through all its professions. The Maison will continue to anchor its growth in the constant reinvention of its iconic product lines and the quality-driven development of its retail network and its manufacturing sites. It will actively pursue its commitment to promoting and passing on excellence in craftsmanship, sales and design professions. **Christian Dior** will aim to maintain its remarkable pace of growth. To this end, the Maison will continue to showcase the values that provide an endless source of inspiration for its designers, and the unique heritage whose timeless modernity they reveal season after season. The months ahead will feature a number of exceptional shows, openings and events worldwide. **Fendi** will open new flagship stores enabling its customers to discover the full scope of its brand, and in July will unveil its very first high jewelry collection. In response to strong demand for their products, **Celine** and **Loewe**, along with all the other Maisons, will focus on selectively expanding and cultivating excellence in their retail networks.

## 4. PERFUMES AND COSMETICS

	June 30, 2022	Dec. 31, 2021	June 30, 2021
<b>Revenue (EUR millions)</b>	<b>3,618</b>	<b>6,608</b>	<b>3,025</b>
<b>Revenue by geographic region of delivery (%)</b>			
France	8	9	7
Europe (excl. France)	18	19	17
United States	18	16	16
Japan	5	4	5
Asia (excl. Japan)	38	42	45
Other markets	13	10	10
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>
<b>Profit from recurring operations (EUR millions)</b>	<b>388</b>	<b>684</b>	<b>393</b>
<b>Operating margin (%)</b>	<b>10.7</b>	<b>10.3</b>	<b>13.0</b>

### Highlights

The Perfumes and Cosmetics business group demonstrated excellent momentum, driven by steady growth for fragrances and the recovery in makeup, particularly in the United States. Innovation played a key role in the progress made by LVMH's Maisons.

**Parfums Christian Dior** delivered outstanding performance, reinforcing its leadership position across all its key markets in Europe, Japan and the Middle East, accompanied by a strong upswing in activity in the United States, South Korea and Japan, outpacing the market. In China, following the slowdown tied to pandemic-related restrictions at the start of the second quarter, the Maison turned in an encouraging performance amid the recovery. Momentum was driven by fragrances, with *Sauvage* consolidating its position as the world's best-selling fragrance and the continued success of *Miss Dior*. It was further buoyed by strong growth for makeup, especially the *Dior Addict* line and the *Forever* foundation. Strong advances were also made in skincare, thanks to the successful launch of *La Mousse Off/On* facial cleanser and the steady expansion of the *Prestige* line. Implementation of the Maison's selective development strategy for online sales continued through its directly operated websites and digital activities, seamlessly complementing its rapidly growing network of physical stores. This ecosystem helped the Maison connect directly with new types of clientele, offering them an unmatched customer experience. Championing its core commitments, the Maison accentuated its initiatives to promote responsible beauty products with the unveiling of its "Parfums Christian Dior: Beauty as a Legacy 2030" sustainability strategy.

**Guerlain** continued its growth, buoyed by skincare and its flagship *Abeille Royale* line as well as good momentum for fragrances,

now its second-strongest growth driver thanks to several key collections: *L'Art et la Matière* embodies the Maison's excellence in high perfumery while the *Aqua Allegoria* line – completely revamped as the spearhead for Guerlain's commitment to sustainability and promoted by a marketing campaign shot by Yann Arthus-Bertrand – was a major success. The Maison celebrated 15 years of sustainable innovation by expanding its efforts, particularly in the area of bee protection through two initiatives: the second "Women for Bees" initiative, held in Cambodia, and the launch of *Cryptobees* NFTs to raise funds for the "Jardin des Partages", a permaculture garden in the Vallée de la Millière.

**Parfums Givenchy** performed very well in the first half of the year, with double-digit growth for its iconic fragrances, and gained market share thanks to its robust innovation program. *L'Interdit* confirmed its success, while *Irresistible* made further headway with its new *Eau de Toilette Fraîche* version and *Gentleman* broke ground with *Réserve Privée*, a bold collaboration with whisky distillery Glenmorangie celebrating the expert craftsmanship of these two Maisons. **Benefit** saw further growth in revenue thanks to the success of the products in its star lines *The POREfessional: Lite Primer*, *BADgal BANG! Waterproof Mascara*, and *They're Real! Xtreme Precision Liner*, together with the launch of a collection of silky-soft powder blushes bursting with color. The Maison continued to innovate in brow beauty, adding a new service that was an instant hit with customers. **Fresh's** iconic *Kombucha* and *Crème Ancienne* lines drove its ongoing growth, while the launch of its *Floral Recovery Calming Mask* strengthened its leading position in face masks. For **Make Up For Ever**, the highlight of the half-year period was the successful launch of its new undetectable foundation *HD Skin*, the fruit of several years of research and development in collaboration with its community of professional makeup artists. Strong growth at **Kenzo Parfums** was driven by its innovation program focusing on *Flower by Kenzo*, the Maison's star line, and the continuing revamp of the men's fragrance *Kenzo Homme*. **Maison Francis Kurkdjian** maintained its strong momentum both in France and around the world, supported in particular by *Gentle Fluidity*, *OUÏ satin mood*, *Grand Soir*, and *Baccarat Rouge 540*. The Maison partnered with the Palace of Versailles for a patronage project to create a "perfumer's garden". **Acqua di Parma** benefited from the great success achieved by its *Signatures of the Sun* collection and its new fragrance *Colonia C.L.U.B.* among younger customers. A collaboration with Italian brand forte\_forte inspired the *Blu Mediterraneo* collection. **Perfumes Loewe** launched a new version of its *Paula's Ibiza* fragrance and opened its first store in China. **Officine Universelle Buly**, which joined LVMH in 2021, opened two new stores in Europe (Milan and Munich), as well as two stores in Japan (Nagoya and Osaka). The Maison unveiled a novel approach to scent diffusion with the launch of its *Fragrant Lantern*.

## Outlook

LVMH's Maisons are well positioned to deliver further market share gains. While remaining vigilant, as called for by the considerable uncertainty of the current environment, they will continue to invest selectively in their strengths: brand appeal; bold, accelerated innovation; product excellence; and a selective approach to their retail networks. Drawing on its heritage rooted in the world of couture and fashion, **Parfums Christian Dior** will step up its development with a continued focus on innovation. The Maison will renew its iconic lines over the coming months, in particular *La Collection Privée*. Powerful

initiatives will also be launched for the *Rouge Dior* and *Dior Prestige La Crème* lines as well as the star fragrance *J'Adore*. **Guerlain** will also see a flurry of exciting developments, with the reinvention of its star product *Abeille Royale Double R* serum as well as large-scale initiatives focusing on its two key fragrance collections and the launch of the *Butterfly* collection designed by Violette, the Maison's Creative Director of Makeup. **Parfums Givenchy** will relaunch its eau de toilette *L'Interdit* and its emblematic *Le Rouge* lipstick line. **Maison Francis Kurkdjian** will unveil its new opus, *724*, which will celebrate the energy and rhythm of major cities, while making its debut in China. **Fresh** will launch *Tea Elixir*, a new initiative in the serum category.

## 5. WATCHES AND JEWELRY

	June 30, 2022	Dec. 31, 2021	June 30, 2021 <sup>(1)</sup>
<b>Revenue (EUR millions)</b>	<b>4,909</b>	<b>8,964</b>	<b>4,023</b>
<b>Revenue by geographic region of delivery (%)</b>			
France	3	2	2
Europe (excl. France)	14	15	14
United States	26	25	22
Japan	10	11	10
Asia (excl. Japan)	34	36	41
Other markets	13	11	11
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>
<b>Profit from recurring operations (EUR millions)</b>	<b>987</b>	<b>1,679</b>	<b>783</b>
<b>Operating margin (%)</b>	<b>20.1</b>	<b>18.7</b>	<b>19.5</b>

## Highlights

The first half of the year confirmed the business group's growth in sales of both jewelry and watches. The strong momentum of the jewelry Maisons was driven by their powerful brand appeal and the ongoing reinvention of their iconic collections. The third edition of LVMH Watch Week and the Watches & Wonder show in Geneva highlighted the buoyancy and innovative strength of the watchmaking Maisons, showcasing pieces that demonstrate exceptional craftsmanship.

Building on the record results of 2021, **Tiffany** experienced an excellent first half. The *Knot* collection, previewed in the United States in 2021, began its global rollout and enjoyed a promising welcome from young customers. Marketing investments dedicated to the Maison's iconic lines continued, featuring its global brand ambassadors: Rosé, the singer of South Korean band

Blackpink, became the face of the second campaign promoting the *HardWear* collection, and celebrity model and entrepreneur Hailey Bieber became the face of the new campaign for the *Tiffany T* line. The first half of the year also saw record sales for the *Blue Book* high jewelry collection, promoted by events in Miami, Hong Kong and London and, for the first time, a campaign featuring the Maison's ambassador Gal Gadot. Tiffany continued its tradition of crafting prestigious sports trophies, notably for the Super Bowl football championship held in Los Angeles and the NBA's 75th anniversary. The US-based Maison paid tribute to its friendship with Europe, celebrating its long-standing ties with France and Great Britain: a pop-up store was opened on Avenue Montaigne, offering an immersive experience retracing the history of Tiffany's love affair with Paris, while the prestigious Saatchi Gallery hosted a major exhibition entitled *Vision & Virtuosity* celebrating the Maison's 185th anniversary and its 150-year presence in London.

**Bulgari** continued to post good growth despite the impact of pandemic-related restrictions introduced in China in the last quarter. Highlighting its unique expertise in arranging the world's most beautiful gems, the Maison presented the exceptionally dazzling array of new designs from its *Eden: The Garden of Wonders* high jewelry and high-end watchmaking collection in Paris. The *B.zero1* collection's iconic design was enriched with a new diamond decor. In watchmaking, the first half of the year saw the launch of the *Octo Finissimo Ultra*, for which Bulgari set a new record for the thinnest watch at 1.80 mm, and which became the first watch to offer a connection with two blockchains via a unique QR code engraved on its barrel. The new Bulgari campaign, filmed by Paolo Sorrentino and Chris Colls, featured the Maison's world-famous muses, Anne Hathaway and Zendaya. At the Viva Tech trade show in Paris, the Maison unveiled its NFT creations – contemporary works of digital art inspired by its high jewelry designs – and previewed its metaverse concept, inviting the audience to a highly innovative and immersive experience.

(1) 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. See Note 2 to the condensed consolidated financial statements.



**TAG Heuer** capitalized on its capacity for innovation, demonstrated by the new generation of its smartwatch, the *TAG Heuer Connected Calibre E4*, which includes a display feature that lets users view their NFT collections. Continuing the Web3 theme, payment by cryptocurrency was made available to customers in the United States. The half-year period also featured the launch of the *Carrera Plasma* timepiece, an avant-garde fusion of watchmaking and lab-grown diamonds, as well as the creation of TAG Heuer's first solar-powered watch in the *Aquaracer* collection. Actor Jacob Elordi also became an ambassador for the Maison.

**Hublot** achieved strong growth. The *Classic Fusion Takashi Murakami Sapphire Rainbow* and the *Big Bang Integral Time Only* watches, launched at LVMH Watch Week, and the new *Square Bang Unico* collection, unveiled at the Watches & Wonders show, were just a few examples of the Maison's innovative momentum. The Maison also launched two NFTs with Takashi Murakami. It welcomed two new brand ambassadors – Chinese pop star Lay Zhang and Swiss skipper Alan Roura – and entered into a partnership with artist Samuel Ross. As part of its Hublot Xplorations program, Hublot partnered with explorer Jean-Louis Etienne and his eco-friendly vessel Polar Pod.

**Zenith** continued its excellent momentum and achieved a record number of orders at watch shows. Launches included the *Defy Skyline*, the *Chronomaster Sport Gold* and the *Chronomaster Open*. The Maison unveiled its “Zenith Horizon” CSR program and, in partnership with Nona Source – LVMH's circular design and recycling platform – launched a collection of watch straps available online.

In January, **Chaumet** revealed the *Déferlante* high jewelry collection, inspired by water and waves – a perennial theme throughout its creative heritage. The Maison also continued to enrich its iconic *Joséphine*, *Bee My Love* and *Liens* collections, as well as its solitaire range. The half-year's two main highlights were the *Tiara Dream* exhibition in Riyadh and the large-scale *Végétal* exhibition at the Palais des Beaux-Arts in Paris, a groundbreaking event featuring artists from all disciplines to celebrate nature through 400 works loaned by more than 90 museums, institutions and private collections, including around a hundred works owned by the Maison.

**Fred's** impressive revenue growth was driven by its new “Live the Joy” campaign. The Maison rounded out its *Force 10* collection with a new *XL* model featuring an oversized shackle clasp. Its latest innovation – offering customizable versions of select *Force 10* models – was also showcased at the VivaTech trade fair, with 3D visuals of customized bracelets and a virtual try-on feature. Building on the Maison's commitment to promoting diversity and inclusion, Fred launched new rainbow-colored designs during Pride Month, including the *Pretty Woman Hypnotic Rainbow* necklace in its high jewelry range.

## Outlook

After demonstrating great resilience during the public health crisis, LVMH's Maisons will aim to keep gaining market share. Given the challenges that may arise in the months ahead, they will continue to manage costs and remain highly selective in their investments. The business group's strategy will focus more than ever on excellence in craftsmanship, retail, sustainability and responsibility, particularly in terms of traceability for gems and precious metals. All the Maisons will continue to focus on innovating, selectively developing their networks of directly operated stores and seizing the numerous opportunities unlocked by their rapidly expanding digital presence. **Tiffany** will launch its first unisex jewelry collection in North America and, ahead of a global rollout planned for early 2023, will continue to develop its new store concept with openings in key markets. In particular, the Maison is preparing to reopen its Fifth Avenue flagship store in New York. **Bulgari** will continue to add to its core collections, showcasing its exceptional expertise in high jewelry and high-end watchmaking while continuing to develop its digital presence. In preparation for future growth, projects will be launched in late 2022 to extend the Valenza watch manufacturing facility and the high jewelry lab in Rome. **TAG Heuer** will continue to nurture its key partnerships. **Hublot** will act as Official Timekeeper of the 2022 Soccer World Cup. **Zenith** will kick off a groundbreaking collaboration with a sports brand. **Chaumet** will present the new *Ondes et Merveilles* (Waves and Wonders) high jewelry collection, which draws inspiration from the sea. **Fred's** highlights will include its first retrospective exhibition at the Palais de Tokyo in Paris.

## 6. SELECTIVE RETAILING

	June 30, 2022	Dec. 31, 2021	June 30, 2021
<b>Revenue (EUR millions)</b>	<b>6,630</b>	<b>11,754</b>	<b>5,085</b>
<b>Revenue by geographic region of delivery (%)</b>			
France	11	12	10
Europe (excl. France)	8	9	8
United States	43	39	38
Japan	1	-	-
Asia (excl. Japan)	20	24	28
Other markets	17	16	16
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>
<b>Profit from recurring operations (EUR millions)</b>	<b>367</b>	<b>534</b>	<b>131</b>
<b>Operating margin (%)</b>	<b>5.5</b>	<b>4.5</b>	<b>2.6</b>

### Highlights

The Selective Retailing business group saw solid growth despite new pandemic-related restrictions for Chinese customers during the half-year period, as well as the current geopolitical context, marked by the conflict in Ukraine. The Maisons demonstrated flexibility and agility, focusing their efforts on the markets where recovery was the strongest and stepping up the pace of their digital inroads.

**Sephora** achieved excellent performance in the first half of 2022, growing at double digits compared to last year and 2019 (pre-Covid), with a strong rebound in its store performances. This was despite China's regional Covid lockdowns and its Russia business being temporarily closed. Momentum was particularly strong in North America, France and the Middle East, with customers returning to stores in substantial numbers. Growth was notably driven by fragrances, haircare and the comeback of makeup and very dynamic initiatives such as Valentine's Day, Ramadan, spring campaigns and Mother's Day. The Maison continued to invest in its omnichannel strategy to keep elevating customer experience across all channels and gained market share in all its core markets. Sephora opened over 250 new locations in the first half of 2022 in the US through its partnership with Kohl's and in Qatar opened a new iconic flagship in the Place Vendôme mall, combining a new architectural statement and exclusive services. Sephora also continued to develop its responsible range of products and brands ("Clean at Sephora" in the US, "Good for" in Europe and the Middle East) and pursued its efforts to advance diversity, equity and inclusion and to reduce its carbon footprint globally.

**DFS** remained severely hampered by the public health situation in China during the half-year period. At the beginning of the year, with borders remaining closed for its Chinese clientele, DFS focused its efforts on domestic vacation destinations: Macao, where the "Masters of Time" event made its successful debut, and the island of Hainan, where the store operated in partnership with Shenzhen Duty Free Group turned in a good performance for Chinese New Year. As international travel resumed elsewhere in the world, locations were gradually reopened, particularly in Australia, the Middle East and North America. The Maison celebrated the 50th anniversary of its locations in Guam and at San Francisco Airport, where renovated stores and new interactive and digital services are now available. New pandemic-related restrictions in China in the second quarter led to the virtual closure of Hong Kong and Macao as travel destinations. In Paris, La Samaritaine Pont-Neuf reaffirmed its appeal among Parisians and tourists alike. DFS quickened the pace of its digital transformation, with shopping guides posted online and a move into the metaverse. The Maison stepped up its commitment to society through a partnership with the World Health Organization to combat unequal access to vaccines.

**Starboard Cruise Services** was boosted by the recovery in the cruise sector. A substantial share of the ships on board which the Maison operates are once again in service, with a steadily growing occupancy rate. During the half-year period, efforts were focused on optimizing and boosting business at points of sale as well as hiring top talent.

**Le Bon Marché** achieved revenue comparable to 2019 in the first half of the year. The department store's business was boosted by a very full roster of events and activities. The beginning of the year featured the *Su* exhibition by artist Mehmet Ali Uysal, an installation with a powerful message questioning contemporary climate priorities. Next, the *X* exhibition showcased collaborations between historic Maisons and up-and-coming young designers, with participants including Philippe Katerine, who staged the store's decorations. The 30th anniversary of the Vieilles Charrues music festival held in May rounded out this highly eventful program. The launch of a digital platform for services and experiences was another highlight of the half-year period. La Grande Épicerie de Paris continued its growth, marked in particular by the *Le Portugal, Quel Régime !* exhibition.

### Outlook

Offering customers the best, most innovative shopping experience possible across all channels remains the goal shared by all the Maisons. In 2022, **Sephora** will continue to reinforce its position in key markets such as North America – where the partnership with Kohl's continues to be expanded – France and the Middle East, while mitigating the effects of the pandemic in

China. Sephora will also deploy its plans in the promising UK market after the acquisition of Feelunique. An agreement was signed by Sephora to sell 100% of the shares in its Russia-based subsidiary to its local Managing Director, with the aim of ensuring continuity for employees. The Maison will continue to innovate, investing in its omnichannel strategy to bring both convenience and qualitative advice at each step of the customer journey, combined with a selective store openings strategy. In terms of product offerings, Sephora will accelerate the growth of rising categories such as haircare, self-care, clean brands and products, and brands founded by people of color as part of its Accelerate program in the US. The Maison will continue to reinforce its sense of Purpose and Corporate and Social Responsibility, in

particular through initiatives aiming at supporting women's empowerment, and reducing its environmental impact. DFS will continue reopening its stores around the world while adding new locations to promote and prepare for the return of travelers. The Maison will inaugurate its eighth store in Macao and expand its presence in Hainan in parallel with its plans to open a second *T Galleria* in Queenstown, New Zealand, a very popular vacation destination. **Le Bon Marché** will continue to capitalize on its unique position as an integral part of the Parisian scene. A fall highlight will be the celebration of its 170th anniversary and the launch of an unprecedented experience: an immersive theater performance inspired by Émile Zola's novel *Au Bonheur des Dames*.

## 7. COMMENTS ON THE CONSOLIDATED BALANCE SHEET

(EUR millions)	June 30, 2022	Dec. 31, 2021	Change
Intangible assets	50,980	50,455	524
Property, plant and equipment	21,141	20,193	947
Right-of-use assets	14,555	13,705	850
Other non-current assets	7,342	6,657	686
<b>Non-current assets</b>	<b>94,018</b>	<b>91,010</b>	<b>3,007</b>
Inventories	18,920	16,549	2,371
Cash and cash equivalents	7,899	8,021	(122)
Other current assets	10,473	9,731	741
<b>Current assets</b>	<b>37,291</b>	<b>34,301</b>	<b>2,990</b>
<b>Assets</b>	<b>131,309</b>	<b>125,311</b>	<b>5,998</b>

LVMH's consolidated balance sheet totaled 131.3 billion euros as of end-June 2022, up 6.0 billion euros from December 31, 2021.

Intangible assets totaled 51.0 billion euros, up 0.5 billion euros from year-end 2021. The negative 1.2 billion euro impact on goodwill of the revaluation of purchase commitments for minority interests was more than offset by the positive 1.6 billion euro impact of exchange rate fluctuations on the intangible assets of entities outside the eurozone. This mainly arose from the US dollar, which appreciated strongly against the euro between January 1 and June 30.

Property, plant and equipment were up 0.9 billion euros and totaled 21.1 billion euros as of the period-end. This increase resulted from investments in the first half of 2022, net of depreciation charges, which amounted to 0.5 billion euros (the comments on the cash flow statement provide further information on investments), as well as the positive 0.4 billion euro impact of exchange rate fluctuations.

(EUR millions)	June 30, 2022	Dec. 31, 2021	Change
Equity	52,713	48,909	3,804
Long-term borrowings	10,520	12,165	(1,646)
Non-current lease liabilities	12,612	11,887	724
Other non-current liabilities	23,531	24,361	(830)
<b>Equity and non-current liabilities</b>	<b>99,376</b>	<b>97,322</b>	<b>2,052</b>
Short-term borrowings	11,024	8,075	2,949
Current lease liabilities	2,659	2,387	271
Other current liabilities	18,251	17,526	725
<b>Current liabilities</b>	<b>31,934</b>	<b>27,989</b>	<b>3,945</b>
<b>Liabilities and equity</b>	<b>131,309</b>	<b>125,311</b>	<b>5,998</b>

Right-of-use assets totaled 14.6 billion euros, up 0.8 billion euros from 13.7 billion euros as of year-end 2021. Exchange rate fluctuations generated an increase of 0.6 billion euros. The impact of leases entered into was 0.3 billion euros more than depreciation for the half-year period. Store leases represented the majority of right-of-use assets, for a total of 11.0 billion euros.

Other non-current assets increased by 0.7 billion euros, amounting to 7.3 billion euros, mainly due to the 0.6 billion euro increase in deferred tax assets.

Inventories were up 2.4 billion euros, of which 2.1 billion euros resulted from business activity during the half-year period, and 0.5 billion euros resulted from the impact of exchange rate fluctuations on the value of inventories, mainly with regard to the US dollar. This increase was slightly offset by the 0.2 billion euro charge to provisions for impairment, net of reversals. See also the "Comments on the consolidated cash flow statement" section. Excluding inventories, current assets increased by 0.6 billion euros, of which 0.3 billion euros resulted from the increase in trade accounts receivable and 0.3 billion euros from the increase in tax receivables.

Lease liabilities arising from the application of IFRS 16 were up 1.0 billion euros, including 0.4 billion euros related to the net increase in leases entered into and 0.6 billion euros related to exchange rate fluctuations.

Other non-current liabilities totaled 23.5 billion euros, down 0.8 billion euros from 24.4 billion euros as of year-end 2021, 0.9 billion euros of which resulted from the decrease in the liability in respect of purchase commitments for minority interests' shares, which amounted to 12.8 billion euros, following changes in the metrics used to measure these commitments. It also included the 0.3 billion euro impact of the decrease in provisions. These impacts were partially offset by the 0.3 billion euro increase in deferred tax liabilities.

Lastly, other current liabilities increased by 0.7 billion euros, amounting to 18.3 billion euros, driven in particular by the 0.5 billion euro increase in the amount remaining to be paid in respect of the LVMH share repurchase programs in effect as of the period-end. As of June 30, 2022, 0.7 billion euros were still to be paid under the 1.0 billion euro share repurchase program initiated in May 2022, compared with 0.2 billion euros that had yet to be paid under the program in effect as of year-end 2021. In addition, there was a 0.5 billion euro increase in trade accounts payable and a 0.4 billion euro increase in foreign exchange hedging instruments. Conversely, social security liabilities fell by 0.3 billion euros, as did other operating liabilities.

### Net financial debt and equity

(EUR millions or as %)	June 30, 2022	Dec. 31, 2021	Change
Long-term borrowings	10,520	12,165	(1,645)
Short-term borrowings and derivatives	10,994	8,007	2,987
<b>Gross borrowings after derivatives</b>	<b>21,514</b>	<b>20,172</b>	<b>1,342</b>
Cash, cash equivalents and current available for sale financial assets	(10,397)	(10,565)	168
<b>Net financial debt</b>	<b>11,117</b>	<b>9,607</b>	<b>1,510</b>
<b>Equity</b>	<b>52,713</b>	<b>48,909</b>	<b>3,804</b>
<b>Net financial debt/Equity ratio</b>	<b>21.1%</b>	<b>19.6%</b>	<b>1.5 pts</b>

Total equity amounted to 52.7 billion euros as of end-June 2022, up 3.8 billion euros from year-end 2021. Net profit for the half-year period, after the distribution of dividends, contributed 3.1 billion euros to this increase. It also included the 2.3 billion euro increase in gains and losses recognized in equity, related to the 2.2 billion euro impact of exchange rate fluctuations, particularly with regard to the US dollar, as well as the 0.3 billion euro decrease in provisions for pensions and other benefit commitments due to higher interest rates moderated by a decline in the market value of the investments backing these commitments; these positive effects were slightly offset by a 0.2 billion euro decline in the market value of hedging instruments. Conversely, transactions in LVMH shares had a negative impact of 1.4 billion euros, mainly due to the launch of a new 1.0 billion euro share repurchase program during the half-year period.

As of end-June 2022, net financial debt was equal to 21.1% of total equity, compared to 19.6% as of year-end 2021, up 1.5 points.

As Gross borrowings after derivatives totaled 21.5 billion euros as of end-June 2022, up 1.3 billion euros compared with year-end 2021. This increase arose from two opposing effects. The first was the repayment of 3.1 billion euros in several bonds maturing during the half-year period (1.8 billion euro bond issued in 2020; 0.8 billion euro bond and 0.4 billion pound sterling bond issued in 2017). The second was the 4.4 billion euro increase in euro- and US dollar-denominated commercial paper (ECP and USCP) outstanding. Cash, cash equivalents, and current available for sale financial assets totaled 10.4 billion euros as of end-June 2022, remaining relatively stable with respect to their 10.6 billion euro level as of year-end 2021. Net financial debt thus increased by 1.5 billion euros during the half-year period.

As of end-June 2022, the Group's undrawn confirmed credit lines amounted to 13.5 billion euros. This amount exceeded the outstanding portion of its euro- and US dollar-denominated commercial paper (ECP and USCP) programs, which came to 8.5 billion euros as of end-June 2022.

## 8. COMMENTS ON THE CONSOLIDATED CASH FLOW STATEMENT

(EUR millions)	June 30, 2022	June 30, 2021 <sup>(1)</sup>	Change
<b>Cash from operations before changes in working capital</b>	<b>12,932</b>	<b>10,137</b>	<b>2,795</b>
Cost of net financial debt: interest paid	(24)	39	(64)
Lease liabilities: interest paid	(113)	(118)	6
Tax paid	(2,638)	(1,593)	(1,045)
Change in working capital	(2,891)	(783)	(2,108)
<b>Net cash from operating activities</b>	<b>7,266</b>	<b>7,682</b>	<b>(416)</b>
Operating investments	(1,882)	(1,181)	(700)
Repayment of lease liabilities	(1,338)	(1,202)	(136)
<b>Operating free cash flow <sup>(2)</sup></b>	<b>4,046</b>	<b>5,299</b>	<b>(1,253)</b>
<b>Financial investments and purchase and sale of consolidated investments</b>	<b>(162)</b>	<b>(12,803)</b>	<b>12,641</b>
<b>Equity-related transactions</b>	<b>(5,166)</b>	<b>(2,874)</b>	<b>(2,292)</b>
<b>Change in cash before financing activities</b>	<b>(1,282)</b>	<b>(10,378)</b>	<b>9,096</b>

Cash from operations before changes in working capital totaled 12,932 million euros for the half-year period, up 2,795 million euros from 10,137 million euros a year earlier, mainly due to the increase in operating profit.

After tax and interest paid on net financial debt and lease liabilities, and after the change in working capital, net cash from operating activities amounted to 7,266 million euros, down 416 million euros from the first half of 2021.

Interest paid on net financial debt amounted to a net cash outflow of 24 million euros, compared to a net inflow of 39 million euros a year earlier. The adverse effect of the increase in interest rates during the half-year period slightly exceeded the favorable effect of the decrease in average net financial debt compared to the first half of 2021.

Tax paid came to 2,638 million euros, 1,045 million euros more than the 1,593 million euros paid in the first half of 2021, in connection with the increase in business activity and profit.

The change in working capital (a requirement of 2,891 million euros) was 2,108 million euros higher than in the first half of 2021, during which the change in working capital generated a requirement of 783 million euros. The high working capital requirement in the first half of 2022 primarily arose from the increase in inventories (2,084 million euros), the decrease in tax and social security liabilities (810 million euros), and the increase in trade accounts receivable (210 million euros); conversely,

trade accounts payable had a positive 257 million euro impact. The Fashion and Leather Goods, Perfumes and Cosmetics, and Watches and Jewelry business groups were the main drivers of these increases. All of these changes arose from the surge in business activity during the half-year period and in anticipation of future sales growth.

Operating investments net of disposals resulted in an outflow of 1,882 million euros in the first half of 2022, up 700 million euros compared to the outflow of 1,181 million euros in the first half of 2021. Purchases of property, plant and equipment mainly include investments by the Group's brands – notably Louis Vuitton, Christian Dior, Sephora and Tiffany – in their retail networks. They also included investments by the champagne brands, Hennessy and Louis Vuitton in their production equipment, as well as investments relating to the Group's hotel activities.

Repayment of lease liabilities totaled 1,338 million euros as of end-June 2022, close to the 1,202 million euros recorded as of end-June 2021.

As of end-June 2022, "Operating free cash flow" <sup>(2)</sup> amounted to a net inflow of 4,046 million euros, down by 1,253 million euros relative to end-June 2021, mainly due to the substantial increase in operating investments, tax paid and the working capital requirement.

During the half-year period, financial investments accounted for an outflow of 162 million euros.

(1) 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. See Note 2 to the condensed consolidated financial statements.

(2) "Operating free cash flow" is defined in the consolidated cash flow statement. In addition to net cash from operating activities, it includes operating investments and repayment of lease liabilities, both of which the Group considers as components of its operating activities.

Equity-related transactions generated an outflow of 5,166 million euros. A portion of this amount, 3,519 million euros, arose from dividends paid during the half-year period by LVMH SE, excluding the amount attributable to treasury shares, as well as tax related to dividends paid between Group companies for 242 million euros. Transactions in LVMH shares generated an additional outflow of 919 million euros. Lastly, net cash used in purchases of minority interests' shares and dividends paid to minority interests came to 489 million euros.

The financing requirement after all transactions relating to operating activities, investing activities and equity-related transactions thus totaled 1,282 million euros. The increase in net debt contributed 670 million euros to this financing requirement. After the positive 294 million euro impact of exchange rate fluctuations on cash balances, the period-end cash balance was down 318 million euros compared to year-end 2021. It totaled 7,499 million euros as of the period-end.

# CONDENSED HALF-YEAR CONSOLIDATED FINANCIAL STATEMENTS

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*As table totals are based on unrounded figures, there may be discrepancies  
between these totals and the sum of their rounded component figures.*



## CONSOLIDATED INCOME STATEMENT

<i>(EUR millions, except for earnings per share)</i>	Notes	June 30, 2022	Dec. 31, 2021	June 30, 2021 <sup>(1)</sup>
<b>Revenue</b>	24	<b>36,729</b>	<b>64,215</b>	<b>28,665</b>
Cost of sales		(11,418)	(20,355)	(9,107)
<b>Gross margin</b>		<b>25,311</b>	<b>43,860</b>	<b>19,558</b>
Marketing and selling expenses		(12,701)	(22,308)	(9,808)
General and administrative expenses		(2,378)	(4,414)	(2,108)
Income/(Loss) from joint ventures and associates	8	3	13	(21)
<b>Profit from recurring operations</b>	24	<b>10,235</b>	<b>17,151</b>	<b>7,621</b>
Other operating income and expenses	25	(108)	4	(34)
<b>Operating profit</b>		<b>10,127</b>	<b>17,155</b>	<b>7,587</b>
Cost of net financial debt		2	41	22
Interest on lease liabilities		(116)	(242)	(127)
Other financial income and expenses		(684)	254	117
<b>Net financial income/(expense)</b>	26	<b>(798)</b>	<b>53</b>	<b>12</b>
Income taxes	27	(2,385)	(4,510)	(2,012)
<b>Net profit before minority interests</b>		<b>6,944</b>	<b>12,698</b>	<b>5,587</b>
Minority interests	18	(412)	(662)	(287)
<b>Net profit, Group share</b>		<b>6,532</b>	<b>12,036</b>	<b>5,300</b>
<b>Basic Group share of net earnings per share (EUR)</b>	28	<b>12.99</b>	<b>23.90</b>	<b>10.52</b>
Number of shares on which the calculation is based		502,671,209	503,627,708	503,791,062
<b>Diluted Group share of net earnings per share (EUR)</b>	28	<b>12.99</b>	<b>23.89</b>	<b>10.52</b>
Number of shares on which the calculation is based		503,023,246	503,895,592	504,030,160

(1) 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. See Note 2.



## CONSOLIDATED STATEMENT OF COMPREHENSIVE GAINS AND LOSSES

(EUR millions)	Notes	June 30, 2022	Dec. 31, 2021	June 30, 2021 <sup>(1)</sup>
<b>Net profit before minority interests</b>		<b>6,944</b>	<b>12,698</b>	<b>5,587</b>
Translation adjustments		2,198	2,177	692
Amounts transferred to income statement		(2)	(4)	-
Tax impact		(4)	17	1
	16.5, 18	<b>2,192</b>	<b>2,190</b>	<b>693</b>
Change in value of hedges of future foreign currency cash flows <sup>(a)</sup>		(220)	281	397
Amounts transferred to income statement		87	(303)	(229)
Tax impact		31	127	89
		<b>(102)</b>	<b>105</b>	<b>257</b>
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
		<b>(78)</b>	<b>(105)</b>	<b>(61)</b>
<b>Gains and losses recognized in equity, transferable to income statement</b>		<b>2,012</b>	<b>2,190</b>	<b>889</b>
Change in value of vineyard land	6	-	52	-
Amounts transferred to consolidated reserves		-	-	-
Tax impact		-	(12)	-
		<b>-</b>	<b>40</b>	<b>-</b>
Employee benefit obligations: Change in value resulting from actuarial gains and losses		375	251	100
Tax impact		(93)	(58)	(23)
		<b>282</b>	<b>193</b>	<b>76</b>
<b>Gains and losses recognized in equity, not transferable to income statement</b>		<b>282</b>	<b>233</b>	<b>76</b>
<b>Total gains and losses recognized in equity</b>		<b>2,294</b>	<b>2,423</b>	<b>965</b>
<b>Comprehensive income</b>		<b>9,238</b>	<b>15,121</b>	<b>6,553</b>
Minority interests		(546)	(762)	(313)
<b>Comprehensive income, Group share</b>		<b>8,692</b>	<b>14,359</b>	<b>6,239</b>

(a) As of December 31, 2021, this amount included 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 statements.

(1) 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. See Note 2.

## CONSOLIDATED BALANCE SHEET

<b>Assets (EUR millions)</b>	Notes	<b>June 30, 2022</b>	<b>Dec. 31, 2021</b>	<b>June 30, 2021 <sup>(1)</sup></b>
Brands and other intangible assets	3	25,429	24,551	23,345
Goodwill	4	25,551	25,904	25,629
Property, plant and equipment	6	21,141	20,193	19,399
Right-of-use assets	7	14,555	13,705	13,897
Investments in joint ventures and associates	8	1,133	1,084	974
Non-current available for sale financial assets	9	1,320	1,363	980
Other non-current assets	10	1,168	1,054	967
Deferred tax		3,721	3,156	2,899
<b>Non-current assets</b>		<b>94,018</b>	<b>91,010</b>	<b>88,090</b>
Inventories and work in progress	11	18,920	16,549	15,832
Trade accounts receivable	12	4,078	3,787	2,951
Income taxes		536	338	355
Other current assets	13	5,858	5,606	4,067
Cash and cash equivalents	15	7,899	8,021	7,230
<b>Current assets</b>		<b>37,291</b>	<b>34,301</b>	<b>30,435</b>
<b>Total assets</b>		<b>131,309</b>	<b>125,311</b>	<b>118,525</b>

<b>Liabilities and equity (EUR millions)</b>	Notes	<b>June 30, 2022</b>	<b>Dec. 31, 2021</b>	<b>June 30, 2021 <sup>(1)</sup></b>
Equity, Group share	16.1	50,754	47,119	41,194
Minority interests	18	1,959	1,790	1,431
<b>Equity</b>		<b>52,713</b>	<b>48,909</b>	<b>42,625</b>
Long-term borrowings	19	10,520	12,165	12,147
Non-current lease liabilities	7	12,612	11,887	11,998
Non-current provisions and other liabilities	20	3,770	3,980	3,652
Deferred tax		6,982	6,704	7,196
Purchase commitments for minority interests' shares	21	12,778	13,677	12,987
<b>Non-current liabilities</b>		<b>46,662</b>	<b>48,413</b>	<b>47,980</b>
Short-term borrowings	19	11,024	8,075	12,111
Current lease liabilities	7	2,659	2,387	2,381
Trade accounts payable	22.1	7,569	7,086	5,661
Income taxes		1,396	1,267	979
Current provisions and other liabilities	22.2	9,286	9,174	6,788
<b>Current liabilities</b>		<b>31,934</b>	<b>27,989</b>	<b>27,920</b>
<b>Total liabilities and equity</b>		<b>131,309</b>	<b>125,311</b>	<b>118,525</b>

(1) 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. See Note 2.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(EUR millions)	Number of shares	Share capital	Share premium account	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
Notes		16.2	16.2	16.3	16.5							18	
<b>As of Dec. 31, 2020</b>	<b>504,757,339</b>	<b>152</b>	<b>2,225</b>	<b>(260)</b>	<b>(692)</b>	<b>-</b>	<b>(283)</b>	<b>1,139</b>	<b>(231)</b>	<b>35,363</b>	<b>37,412</b>	<b>1,417</b>	<b>38,829</b>
Gains and losses recognized in equity					2,073		43	29	178		2,323	101	2,423
Net profit										12,036	12,036	662	12,698
<b>Comprehensive income</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>2,073</b>	<b>-</b>	<b>43</b>	<b>29</b>	<b>178</b>	<b>12,036</b>	<b>14,359</b>	<b>763</b>	<b>15,122</b>
Stock option plan-related expenses										126	126	6	132
(Acquisition)/disposal of LVMH shares				(652)						(92)	(744)	-	(744)
Retirement of LVMH shares										-	-	-	-
Capital increase in subsidiaries										-	-	12	12
Interim and final dividends paid										(3,527)	(3,527)	(428)	(3,956)
Changes in control of consolidated entities										(42)	(42)	397	355
Acquisition and disposal of minority interests' shares										(443)	(443)	(211)	(654)
Purchase commitments for minority interests' shares										(22)	(22)	(166)	(188)
<b>As of Dec. 31, 2021</b>	<b>504,757,339</b>	<b>152</b>	<b>2,225</b>	<b>(912)</b>	<b>1,380</b>	<b>-</b>	<b>(239)</b>	<b>1,167</b>	<b>(53)</b>	<b>43,399</b>	<b>47,119</b>	<b>1,790</b>	<b>48,909</b>
Gains and losses recognized in equity					2,050		(159)		270		2,161	134	2,295
Net profit										6,532	6,532	412	6,943
<b>Comprehensive income</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>2,050</b>	<b>-</b>	<b>(159)</b>	<b>-</b>	<b>270</b>	<b>6,532</b>	<b>8,693</b>	<b>546</b>	<b>9,238</b>
Bonus share plan-related expenses										60	60	3	63
(Acquisition)/disposal of LVMH shares				(1,358)						(30)	(1,388)	-	(1,388)
Retirement of LVMH shares										-	-	-	-
Capital increase in subsidiaries										2	2	3	5
Interim and final dividends paid										(3,519)	(3,519)	(294)	(3,813)
Changes in control of consolidated entities										1	1	-	1
Acquisition and disposal of minority interests' shares										(45)	(45)	(2)	(47)
Purchase commitments for minority interests' shares										(168)	(168)	(86)	(254)
<b>As of June 30, 2022</b>	<b>504,757,339</b>	<b>152</b>	<b>2,225</b>	<b>(2,270)</b>	<b>3,430</b>	<b>-</b>	<b>(398)</b>	<b>1,167</b>	<b>217</b>	<b>46,232</b>	<b>50,754</b>	<b>1,959</b>	<b>52,713</b>
<b>As of Dec. 31, 2020</b>	<b>504,757,339</b>	<b>152</b>	<b>2,225</b>	<b>(260)</b>	<b>(692)</b>	<b>-</b>	<b>(283)</b>	<b>1,139</b>	<b>(231)</b>	<b>35,357</b>	<b>37,412</b>	<b>1,417</b>	<b>38,829</b>
Gains and losses recognized in equity					650		222		68		940	26	965
Net profit										5,300	5,300	287	5,588
<b>Comprehensive income</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>650</b>	<b>-</b>	<b>222</b>	<b>-</b>	<b>68</b>	<b>5,300</b>	<b>6,240</b>	<b>313</b>	<b>6,553</b>
Stock option plan-related expenses										70	70	3	73
(Acquisition)/disposal of LVMH shares				(233)						(94)	(327)	-	(327)
Retirement of LVMH shares										-	-	-	-
Capital increase in subsidiaries										-	-	11	11
Interim and final dividends paid										(2,016)	(2,016)	(361)	(2,377)
Changes in control of consolidated entities										20	20	24	44
Acquisition and disposal of minority interests' shares										(199)	(199)	(126)	(325)
Purchase commitments for minority interests' shares										(6)	(6)	150	144
<b>As of June 30, 2021 <sup>(1)</sup></b>	<b>504,757,339</b>	<b>152</b>	<b>2,225</b>	<b>(493)</b>	<b>(43)</b>	<b>-</b>	<b>(60)</b>	<b>1,139</b>	<b>(163)</b>	<b>38,438</b>	<b>41,194</b>	<b>1,431</b>	<b>42,625</b>

(1) 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. See Note 2.

## CONSOLIDATED CASH FLOW STATEMENT

(EUR millions)	Notes	June 30, 2022	Dec. 31, 2021	June 30, 2021 <sup>(1)</sup>
<b>I. OPERATING ACTIVITIES</b>				
Operating profit		10,127	17,155	7,587
(Income)/loss and dividends received from joint ventures and associates	8	1	41	26
Net increase in depreciation, amortization and provisions		1,556	3,139	1,381
Depreciation of right-of-use assets	7.1	1,450	2,691	1,321
Other adjustments and computed expenses		(202)	(405)	(178)
<b>Cash from operations before changes in working capital</b>		<b>12,932</b>	<b>22,621</b>	<b>10,137</b>
Cost of net financial debt: interest paid		(24)	71	39
Lease liabilities: interest paid		(113)	(231)	(118)
Tax paid		(2,638)	(4,239)	(1,593)
Change in working capital	15.2	(2,891)	426	(783)
<b>Net cash from/(used in) operating activities</b>		<b>7,266</b>	<b>18,648</b>	<b>7,682</b>
<b>II. INVESTING ACTIVITIES</b>				
Operating investments	15.3	(1,882)	(2,664)	(1,181)
Purchase and proceeds from sale of consolidated investments	2	(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	9	(125)	(99)	(84)
<b>Net cash from/(used in) investing activities</b>		<b>(2,044)</b>	<b>(15,979)</b>	<b>(13,984)</b>
<b>III. FINANCING ACTIVITIES</b>				
Interim and final dividends paid	15.4	(4,039)	(4,161)	(2,436)
Purchase and proceeds from sale of minority interests		(211)	(435)	(76)
Other equity-related transactions	15.4	(916)	(552)	(362)
Proceeds from borrowings	19	4,323	251	168
Repayment of borrowings	19	(3,267)	(6,413)	(2,204)
Repayment of lease liabilities	7.2	(1,338)	(2,453)	(1,202)
Purchase and proceeds from sale of current available for sale financial assets	14	(386)	(1,393)	(605)
<b>Net cash from/(used in) financing activities</b>		<b>(5,834)</b>	<b>(15,156)</b>	<b>(6,717)</b>
<b>IV. EFFECT OF EXCHANGE RATE CHANGES</b>				
		<b>294</b>	<b>498</b>	<b>125</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (I+II+III+IV)</b>		<b>(318)</b>	<b>(11,989)</b>	<b>(12,894)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	15.1	<b>7,817</b>	<b>19,806</b>	<b>19,806</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	15.1	<b>7,499</b>	<b>7,817</b>	<b>6,912</b>
<b>TOTAL TAX PAID</b>		<b>(2,880)</b>	<b>(4,464)</b>	<b>(1,660)</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, 2022	Dec. 31, 2021	June 30, 2021 <sup>(1)</sup>
Net cash from operating activities	7,266	18,648	7,682
Operating investments	(1,882)	(2,664)	(1,181)
Repayment of lease liabilities	(1,338)	(2,453)	(1,202)
<b>Operating free cash flow <sup>(a)</sup></b>	<b>4,046</b>	<b>13,531</b>	<b>5,299</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”.

(1) 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. See Note 2.

## NOTES TO THE CONDENSED HALF-YEAR CONSOLIDATED FINANCIAL STATEMENTS

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## 1. ACCOUNTING POLICIES

### 1.1 General framework and environment

The consolidated financial statements for the first half of 2022 were established in accordance with the international accounting standards and interpretations (IAS/IFRS) adopted by the European Union and applicable on June 30, 2022. These standards and interpretations have been applied consistently to the periods presented. The consolidated financial statements for the first half of 2022 were approved by the Board of Directors on July 26, 2022. The consolidated financial statements presented are “condensed”, which means that they only include notes that are significant or facilitate understanding of changes in the Group’s business activity and financial position during the period.

The interim financial statements are prepared according to the same rules and methods as those used to prepare the annual financial statements, with the exception of the determination of the income tax rate, calculated based on a forecast for the fiscal year. In addition, the comparability of the interim and annual financial statements may be affected by the seasonal nature of the Group’s business activities, which generally see a higher volume of business in the second half of the year than in the first half (see Note 24, “Segment information”).

### 1.2 Changes in the accounting framework applicable to LVMH

The Group started analyzing the impact of the IFRIC agenda decision issued in 2021 on accounting for the costs of installing software under a Software as a Service (SaaS) contract. As the impact of this decision on the amounts of software capitalized in

the balance sheet as of December 31, 2021 is non-material, equity at the beginning of the period and for comparable periods will not be restated as of December 31, 2022.

### 1.3 Impact of the Russia-Ukraine conflict on the consolidated financial statements

LVMH’s operations in Russia have been partially suspended since March 2022, due to the conflict between Russia and Ukraine. As such, LVMH’s stores in Russia were closed, with employees continuing to be paid. Assets held by LVMH in Russia and Ukraine primarily relate to fixtures and fittings at stores (mainly Sephora) and right-of-use assets under store leases. These assets comprise non-material amounts with respect to the Group’s total assets.

The consequences of the conflict on LVMH’s business activities in the first half of 2022 were not material, in terms of the direct impact in the affected countries and the impact of sanctions imposed by the international community on Russia and certain Russian nationals, as well as sanctions imposed by Russia in response. Inventories and right-of-use assets under store leases were reviewed as of June 30, 2022 to take into account the context arising from the crisis, and resulted in the recognition of partial impairment for non-significant amounts.

## 2. CHANGES IN OWNERSHIP INTERESTS IN CONSOLIDATED ENTITIES

### Tiffany

The consolidated financial statements as of June 30, 2021 have been restated to reflect the impact of the final allocation of the purchase price of Tiffany, which took place in the second half of 2021. The main impact of these adjustments concerned the

balance sheet, which recorded in particular the final value of the brand and goodwill. The impact on profit from recurring operations and cash flow as of June 30, 2021 was negligible.

### 3. BRANDS, TRADE NAMES AND OTHER INTANGIBLE ASSETS

(EUR millions)	June 30, 2022			Dec. 31, 2021	June 30, 2021
	Gross	Amortization and impairment	Net	Net	Net
Brands	22,372	(795)	21,577	20,873	19,870
Trade names	4,215	(1,747)	2,468	2,285	2,190
License rights	118	(92)	26	53	54
Software, websites	3,411	(2,569)	843	849	783
Other	1,215	(699)	516	490	447
<b>Total</b>	<b>31,331</b>	<b>(5,902)</b>	<b>25,429</b>	<b>24,551</b>	<b>23,345</b>

The net amounts of brands, trade names and other intangible assets changed as follows during the six-month period:

Gross value (EUR millions)	Brands	Trade names	Software, websites	Other intangible assets	Total
<b>As of December 31, 2021</b>	<b>21,645</b>	<b>3,889</b>	<b>3,143</b>	<b>1,259</b>	<b>29,936</b>
Acquisitions	-	-	75	178	254
Disposals and retirements	-	-	(6)	(34)	(39)
Changes in the scope of consolidation	-	-	2	24	25
Translation adjustment	726	326	114	24	1,190
Reclassifications	-	-	83	(119)	(36)
<b>As of June 30, 2022</b>	<b>22,372</b>	<b>4,215</b>	<b>3,411</b>	<b>1,333</b>	<b>31,331</b>

Amortization and impairment (EUR millions)	Brands	Trade names	Software, websites	Other intangible assets	Total
<b>As of December 31, 2021</b>	<b>(772)</b>	<b>(1,604)</b>	<b>(2,294)</b>	<b>(715)</b>	<b>(5,385)</b>
Amortization expense	(3)	-	(197)	(75)	(275)
Impairment expense	-	-	-	-	-
Disposals and retirements	-	-	6	33	38
Changes in the scope of consolidation	-	-	(1)	(20)	(22)
Translation adjustment	(19)	(143)	(82)	(12)	(257)
Reclassifications	-	-	-	(1)	(1)
<b>As of June 30, 2022</b>	<b>(795)</b>	<b>(1,747)</b>	<b>(2,569)</b>	<b>(791)</b>	<b>(5,902)</b>
<b>Carrying amount as of June 30, 2022</b>	<b>21,577</b>	<b>2,468</b>	<b>843</b>	<b>541</b>	<b>25,429</b>

The impact of translation adjustment mainly arose from brands and trade names recognized in US dollars due to the change in the US dollar-to-euro exchange rate between January 1 and June 30, 2022.

## 4. GOODWILL

(EUR millions)	June 30, 2022			Dec. 31, 2021	June 30, 2021
	Gross	Impairment	Net	Net	Net
Goodwill arising on consolidated investments	19,809	(2,113)	17,696	16,834	16,753
Goodwill arising on purchase commitments for minority interests' shares	7,856	-	7,856	9,070	8,877
<b>Total</b>	<b>27,665</b>	<b>(2,113)</b>	<b>25,551</b>	<b>25,904</b>	<b>25,629</b>

Changes in net goodwill during the periods presented break down as follows:

(EUR millions)	June 30, 2022			Dec. 31, 2021	June 30, 2021
	Gross	Impairment	Net	Net	Net
<b>As of January 1</b>	<b>27,869</b>	<b>(1,965)</b>	<b>25,904</b>	<b>16,042</b>	<b>16,042</b>
Changes in the scope of consolidation	180	-	180	6,879	7,024
Changes in purchase commitments for minority interests' shares	(1,216)	-	(1,216)	2,467	2,343
Changes in impairment	-	(24)	(24)	(78)	(7)
Translation adjustment	831	(124)	707	595	227
<b>As of period-end</b>	<b>27,665</b>	<b>(2,113)</b>	<b>25,551</b>	<b>25,904</b>	<b>25,629</b>

See Note 21 for goodwill arising on purchase commitments for minority interests' shares.

The impact of translation adjustment mainly arose from goodwill recognized in US dollars due to the change in the US dollar-to-euro exchange rate between January 1 and June 30, 2022.

## 5. IMPAIRMENT TESTING OF INTANGIBLE ASSETS WITH INDEFINITE USEFUL LIVES

Brands, trade names and other intangible assets with indefinite useful lives as well as the goodwill arising on acquisition were subject to annual impairment testing as of December 31, 2021. The assumptions used as the basis for impairment testing as of December 31, 2021 were not called into question by the events

of the half-year period, in particular as regards the anticipated timing of a return to a level of business activity equivalent to 2019. No significant impairment expenses were recognized during the first half of 2022, as no events likely to lead to significant impairment took place during the period.



## 6. PROPERTY, PLANT AND EQUIPMENT

(EUR millions)	June 30, 2022			Dec. 31, 2021	June 30, 2021
	Gross	Depreciation and impairment	Net	Net	Net
Land	5,094	(21)	5,074	4,804	4,649
Vineyard land and producing vineyards <sup>(a)</sup>	2,753	(120)	2,633	2,623	2,554
Buildings	7,083	(2,794)	4,289	4,145	4,088
Investment property	366	(41)	325	321	309
Leasehold improvements, machinery and equipment	18,845	(13,530)	5,315	5,114	4,903
Assets in progress	1,549	(1)	1,548	1,302	1,055
Other property, plant and equipment	2,547	(589)	1,957	1,886	1,840
<b>Total</b>	<b>38,236</b>	<b>(17,095)</b>	<b>21,141</b>	<b>20,193</b>	<b>19,399</b>
<i>Of which: Historical cost of vineyard land</i>	<i>611</i>	<i>-</i>	<i>611</i>	<i>608</i>	<i>604</i>

(a) Almost all of the carrying amount of "Vineyard land and producing vineyards" corresponds to vineyard land.

Changes in property, plant and equipment during the six-month period broke down as follows:

Gross value (EUR millions)	Vineyard land and producing vineyards	Land and buildings	Investment property	Leasehold improvements, machinery and equipment			Assets in progress	Other property, plant and equipment	Total
				Stores and hotels	Production, logistics	Other			
<b>As of December 31, 2021</b>	<b>2,739</b>	<b>11,526</b>	<b>358</b>	<b>11,972</b>	<b>3,598</b>	<b>2,039</b>	<b>1,303</b>	<b>2,432</b>	<b>35,969</b>
Acquisitions	1	257	-	240	66	44	847	60	1,515
Change in the market value of vineyard land	-	-	-	-	-	-	-	-	-
Disposals and retirements	-	(16)	-	(217)	(17)	(26)	(3)	(5)	(286)
Changes in the scope of consolidation	-	3	-	26	1	1	-	2	33
Translation adjustment	13	243	7	512	51	81	51	38	995
Other movements, including transfers	1	165	-	398	52	24	(649)	20	10
<b>As of June 30, 2022</b>	<b>2,753</b>	<b>12,177</b>	<b>366</b>	<b>12,930</b>	<b>3,752</b>	<b>2,163</b>	<b>1,549</b>	<b>2,547</b>	<b>38,236</b>

Depreciation and impairment (EUR millions)	Vineyard land and producing vineyards	Land and buildings	Investment property	Leasehold improvements, machinery and equipment			Assets in progress	Other property, plant and equipment	Total
				Stores and hotels	Production, logistics	Other			
<b>As of December 31, 2021</b>	<b>(117)</b>	<b>(2,577)</b>	<b>(37)</b>	<b>(8,573)</b>	<b>(2,447)</b>	<b>(1,476)</b>	<b>(1)</b>	<b>(547)</b>	<b>(15,775)</b>
Depreciation expense	(3)	(144)	(3)	(607)	(111)	(80)	-	(31)	(979)
Impairment expense	-	(32)	-	(7)	-	-	(1)	-	(40)
Disposals and retirements	-	16	-	217	16	25	1	6	281
Changes in the scope of consolidation	-	(1)	-	(15)	(1)	-	-	(2)	(19)
Translation adjustment	(1)	(73)	(1)	(375)	(35)	(69)	-	(15)	(568)
Other movements, including transfers	-	(3)	-	5	(1)	4	-	-	5
<b>As of June 30, 2022</b>	<b>(120)</b>	<b>(2,815)</b>	<b>(41)</b>	<b>(9,355)</b>	<b>(2,579)</b>	<b>(1,595)</b>	<b>(1)</b>	<b>(589)</b>	<b>(17,095)</b>
<b>Carrying amount as of June 30, 2022</b>	<b>2,633</b>	<b>9,362</b>	<b>325</b>	<b>3,575</b>	<b>1,172</b>	<b>567</b>	<b>1,548</b>	<b>1,957</b>	<b>21,141</b>

“Other property, plant and equipment” includes in particular the works of art owned by the Group.

Purchases of property, plant and equipment mainly include investments by the Maisons – notably Louis Vuitton, Christian Dior, Sephora and Tiffany – in their retail networks. They also included investments by the champagne Maisons, Hennessy and

Louis Vuitton in their production equipment, as well as investments relating to the Group’s hotel activities.

The impact of currency fluctuations on property, plant and equipment mainly arose from fixed assets recognized in US dollars due to the change in the US dollar-to-euro exchange rate between January 1 and June 30, 2022.

## 7. LEASES

### 7.1 Right-of-use assets

Right-of-use assets break down as follows, by type of underlying asset:

(EUR millions)	June 30, 2022			Dec. 31, 2021	June 30, 2021
	Gross	Depreciation and impairment	Net	Net	Net
Stores	17,574	(6,524)	11,050	10,636	10,830
Offices	3,275	(886)	2,389	1,991	1,995
Other	1,147	(312)	835	771	742
<b>Capitalized fixed lease payments</b>	<b>21,996</b>	<b>(7,722)</b>	<b>14,273</b>	<b>13,398</b>	<b>13,567</b>
Leasehold rights	839	(557)	281	307	329
<b>Total</b>	<b>22,834</b>	<b>(8,280)</b>	<b>14,555</b>	<b>13,705</b>	<b>13,897</b>

The net amounts of right-of-use assets changed as follows during the six-month period:

Gross value (EUR millions)	Capitalized fixed lease payments				Leasehold rights	Total
	Stores	Offices	Other	Total		
<b>As of December 31, 2021</b>	<b>16,065</b>	<b>2,762</b>	<b>1,046</b>	<b>19,873</b>	<b>841</b>	<b>20,714</b>
New leases entered into	1,083	552	111	1,745	7	1,753
Changes in assumptions	67	(27)	10	50	-	50
Leases ended or canceled	(451)	(95)	(40)	(586)	(14)	(599)
Changes in the scope of consolidation	1	2	1	5	-	5
Translation adjustment	812	79	31	923	10	933
Other movements, including transfers	(2)	1	(13)	(14)	(7)	(20)
<b>As of June 30, 2022</b>	<b>17,574</b>	<b>3,275</b>	<b>1,147</b>	<b>21,996</b>	<b>839</b>	<b>22,834</b>

Depreciation and impairment (EUR millions)	Capitalized fixed lease payments				Leasehold rights	Total
	Stores	Offices	Other	Total		
<b>As of December 31, 2021</b>	<b>(5,428)</b>	<b>(772)</b>	<b>(275)</b>	<b>(6,475)</b>	<b>(534)</b>	<b>(7,009)</b>
Depreciation expense	(1,169)	(173)	(70)	(1,412)	(33)	(1,446)
Impairment expense	(6)	-	-	(6)	2	(4)
Leases ended or canceled	401	87	39	527	15	542
Changes in the scope of consolidation	(1)	(1)	(1)	(3)	-	(3)
Translation adjustment	(326)	(23)	(9)	(358)	(7)	(365)
Other movements, including transfers	4	(4)	5	5	-	5
<b>As of June 30, 2022</b>	<b>(6,524)</b>	<b>(886)</b>	<b>(312)</b>	<b>(7,722)</b>	<b>(557)</b>	<b>(8,280)</b>
<b>Carrying amount as of June 30, 2022</b>	<b>11,050</b>	<b>2,389</b>	<b>835</b>	<b>14,274</b>	<b>282</b>	<b>14,554</b>

“New leases entered into” involved store leases, in particular for Tiffany, Christian Dior Couture, Sephora, DFS and Louis Vuitton. They also included leases of office space, mainly for Tiffany and the holdings. Changes in assumptions mainly resulted from changes to the terms of leases of office space. These two types

of changes led to corresponding increases in right-of-use assets and lease liabilities.

The impact of translation adjustment mainly arose from leases recognized in US dollars due to the change in the US dollar-to-euro exchange rate between January 1 and June 30, 2022.

## 7.2 Lease liabilities

Lease liabilities break down as follows:

(EUR millions)	June 30, 2022	Dec. 31, 2021	June 30, 2021
Non-current lease liabilities	12,612	11,887	11,998
Current lease liabilities	2,659	2,387	2,381
<b>Total</b>	<b>15,270</b>	<b>14,275</b>	<b>14,380</b>

The change in lease liabilities during the six-month period breaks down as follows:

(EUR millions)	Stores	Offices	Other	Total
<b>As of December 31, 2021</b>	<b>11,309</b>	<b>2,198</b>	<b>768</b>	<b>14,275</b>
New leases entered into	1,060	545	102	1,708
Principal repayments	(1,108)	(146)	(60)	(1,314)
Change in accrued interest	3	(1)	1	3
Leases ended or canceled	(52)	(7)	(1)	(60)
Changes in assumptions	63	(27)	10	46
Changes in the scope of consolidation	1	1	-	2
Translation adjustment	520	65	29	615
Other movements, including transfers	(3)	(1)	-	(4)
<b>As of June 30, 2022</b>	<b>11,793</b>	<b>2,628</b>	<b>849</b>	<b>15,270</b>

## 7.3 Breakdown of lease expense

The lease expense for the period breaks down as follows:

(EUR millions)	June 30, 2022	Dec. 31, 2021	June 30, 2021
Depreciation and impairment of capitalized fixed leased payments	1,419	2,634	1,298
Interest on lease liabilities	116	242	127
<b>Capitalized fixed lease expense</b>	<b>1,535</b>	<b>2,876</b>	<b>1,424</b>
Variable lease payments	1,074	1,702	733
Short-term leases and/or low-value leases	209	506	175
<b>Other lease expenses</b>	<b>1,283</b>	<b>2,208</b>	<b>908</b>
<b>Total</b>	<b>2,818</b>	<b>5,084</b>	<b>2,332</b>

In certain countries, leases for stores entail the payment of both minimum amounts and variable amounts, especially for stores with lease payments indexed to revenue. As required by IFRS 16, only the minimum fixed lease payments are capitalized. “Other lease expenses” mainly relate to variable lease payments.

For leases not required to be capitalized, there is little difference between the expense recognized and the payments made.

## 8. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES

(EUR millions)	June 30, 2022				Dec. 31, 2021		June 30, 2021	
	Gross	Impairment	Net	Of which: Joint arrangements	Net	Of which: Joint arrangements	Net	Of which: Joint arrangements
<b>Share of net assets of joint ventures and associates as of January 1</b>	<b>1,084</b>	<b>-</b>	<b>1,084</b>	<b>432</b>	<b>990</b>	<b>426</b>	<b>990</b>	<b>426</b>
Share of net profit/(loss) for the period	3	-	3	7	14	1	(21)	-
Dividends paid	(6)	-	(6)	-	(54)	(9)	(5)	-
Changes in the scope of consolidation	(1)	-	(1)	-	95	-	(4)	-
Capital increases subscribed	10	-	10	8	3	2	1	1
Translation adjustment	37	-	37	14	36	11	9	5
Other, including transfers	6	-	6	5	-	-	3	2
<b>Share of net assets of joint ventures and associates as of period-end</b>	<b>1,133</b>	<b>-</b>	<b>1,133</b>	<b>465</b>	<b>1,084</b>	<b>432</b>	<b>974</b>	<b>433</b>

## 9. NON-CURRENT AVAILABLE FOR SALE FINANCIAL ASSETS

(EUR millions)	June 30, 2022	Dec. 31, 2021	June 30, 2021
<b>As of January 1</b>	<b>1,363</b>	<b>739</b>	<b>739</b>
Acquisitions	202	569	110
Disposals at net realized value	(77)	(107)	(27)
Changes in market value <sup>(a)</sup>	(41)	153	136
Changes in the scope of consolidation	(143)	(3)	31
Translation adjustment	16	12	4
Reclassifications	-	-	(14)
<b>As of period-end</b>	<b>1,320</b>	<b>1,363</b>	<b>980</b>

(a) Recognized within "Net financial income/(expense)" and, in 2021, partly within "Other operating income and expenses" (see Note 25).

In the first half of 2022, changes in the scope of consolidation related to the initial consolidation of various acquisitions made previously but not yet consolidated due to their low materiality.

## 10. OTHER NON-CURRENT ASSETS

(EUR millions)	June 30, 2022	Dec. 31, 2021	June 30, 2021
Warranty deposits	513	482	467
Derivatives <sup>(a)</sup>	93	55	95
Loans and receivables	463	413	363
Other	98	103	43
<b>Total</b>	<b>1,168</b>	<b>1,054</b>	<b>967</b>

(a) See Note 23.

## 11. INVENTORIES AND WORK IN PROGRESS

(EUR millions)	June 30, 2022			Dec. 31, 2021	June 30, 2021
	Gross	Impairment	Net	Net	Net
Wines and <i>eaux-de-vie</i> in the process of aging	5,557	(21)	5,536	5,433	5,377
Other raw materials and work in progress	4,512	(730)	3,782	2,885	2,560
	<b>10,069</b>	<b>(751)</b>	<b>9,318</b>	<b>8,319</b>	<b>7,936</b>
Goods purchased for resale	2,670	(275)	2,395	1,951	1,865
Finished products	8,888	(1,682)	7,207	6,279	6,031
	<b>11,558</b>	<b>(1,957)</b>	<b>9,602</b>	<b>8,230</b>	<b>7,896</b>
<b>Total</b>	<b>21,627</b>	<b>(2,707)</b>	<b>18,920</b>	<b>16,549</b>	<b>15,832</b>

The change in net inventories for the periods presented breaks down as follows:

(EUR millions)	June 30, 2022			Dec. 31, 2021	June 30, 2021
	Gross	Impairment	Net	Net	Net
<b>As of January 1</b>	<b>19,075</b>	<b>(2,526)</b>	<b>16,549</b>	<b>13,016</b>	<b>13,016</b>
Change in gross inventories	2,084	-	2,084	1,567	1,044
Impact of provision for returns <sup>(a)</sup>	-	-	-	34	(5)
Impact of marking harvests to market	6	-	6	(35)	(6)
Changes in provision for impairment	-	(244)	(244)	(447)	(228)
Changes in the scope of consolidation	17	(2)	15	1,808	1,803
Translation adjustment	624	(101)	523	605	209
Other, including reclassifications	(178)	165	(13)	1	-
<b>As of period-end</b>	<b>21,627</b>	<b>(2,707)</b>	<b>18,920</b>	<b>16,549</b>	<b>15,832</b>

(a) See Note 1.28 to the 2021 consolidated financial statements.

The impact of marking harvests to market on Wines and Spirits' cost of sales and value of inventory is as follows:

(EUR millions)	June 30, 2022	Dec. 31, 2021	June 30, 2021
Impact of marking the period's harvest to market	13	(12)	3
Impact of inventory sold during the period	(7)	(23)	(10)
<b>Net impact on cost of sales for the period</b>	<b>6</b>	<b>(35)</b>	<b>(6)</b>

See Notes 1.11 and 1.19 to the 2021 consolidated financial statements on the method of marking harvests to market.

## 12. TRADE ACCOUNTS RECEIVABLE

(EUR millions)	June 30, 2022	Dec. 31, 2021	June 30, 2021
Trade accounts receivable, nominal amount	4,212	3,914	3,079
Provision for impairment	(134)	(127)	(128)
<b>Net amount</b>	<b>4,078</b>	<b>3,787</b>	<b>2,951</b>

The change in trade accounts receivable for the periods presented breaks down as follows:

(EUR millions)	June 30, 2022			Dec. 31, 2021	June 30, 2021
	Gross	Impairment	Net	Net	Net
<b>As of January 1</b>	<b>3,914</b>	<b>(127)</b>	<b>3,787</b>	<b>2,756</b>	<b>2,756</b>
Changes in gross receivables	182	-	182	613	(102)
Changes in provision for impairment	-	(7)	(7)	(16)	(1)
Changes in the scope of consolidation	7	-	7	254	244
Translation adjustment	122	(4)	117	164	53
Reclassifications	(13)	4	(9)	16	-
<b>As of period-end</b>	<b>4,212</b>	<b>(134)</b>	<b>4,078</b>	<b>3,787</b>	<b>2,951</b>

The trade accounts receivable balance is comprised essentially of receivables from wholesalers or agents, who are limited in number and with whom the Group maintains long-term relationships.

### 13. OTHER CURRENT ASSETS

(EUR millions)	June 30, 2022	Dec. 31, 2021	June 30, 2021
Current available for sale financial assets <sup>(a)</sup>	2,498	2,544	1,469
Derivatives <sup>(b)</sup>	391	258	427
Tax accounts receivable, excluding income taxes	1,361	1,210	938
Advances and payments on account to vendors	264	315	172
Prepaid expenses	681	503	479
Other receivables	664	777	583
<b>Total</b>	<b>5,858</b>	<b>5,606</b>	<b>4,067</b>

(a) See Note 14.

(b) See Note 23.

### 14. CURRENT AVAILABLE FOR SALE FINANCIAL ASSETS

The net value of current available for sale financial assets changed as follows during the periods presented:

(EUR millions)	June 30, 2022	Dec. 31, 2021	June 30, 2021
<b>As of January 1</b>	<b>2,544</b>	<b>752</b>	<b>752</b>
Acquisitions	747	1,692	837
Disposals at net realized value	(360)	(296)	(230)
Changes in market value <sup>(a)</sup>	(433)	394	108
Changes in the scope of consolidation	-	-	-
Translation adjustment	-	2	1
Reclassifications	-	-	-
<b>As of period-end</b>	<b>2,498</b>	<b>2,544</b>	<b>1,469</b>
<i>Of which: Historical cost of current available for sale financial assets</i>	<i>2,498</i>	<i>2,117</i>	<i>1,327</i>

(a) Recognized within "Net financial income/(expense)".

See also Note 9.

## 15. CASH AND CHANGE IN CASH

### 15.1 Cash and cash equivalents

(EUR millions)	June 30, 2022	Dec. 31, 2021	June 30, 2021
Term deposits (less than 3 months)	1,404	1,828	1,669
SICAV and FCP funds	308	477	445
Ordinary bank accounts	6,187	5,717	5,116
<b>Cash and cash equivalents per balance sheet</b>	<b>7,899</b>	<b>8,021</b>	<b>7,230</b>

The reconciliation between cash and cash equivalents as shown in the balance sheet and net cash and cash equivalents appearing in the cash flow statement is as follows:

(EUR millions)	June 30, 2022	Dec. 31, 2021	June 30, 2021
Cash and cash equivalents	7,899	8,021	7,230
Bank overdrafts	(400)	(204)	(318)
<b>Net cash and cash equivalents per cash flow statement</b>	<b>7,499</b>	<b>7,817</b>	<b>6,912</b>

### 15.2 Change in working capital

The change in working capital breaks down as follows for the periods presented:

(EUR millions)	Notes	June 30, 2022	Dec. 31, 2021	June 30, 2021
Change in inventories and work in progress	11	(2,084)	(1,567)	(1,044)
Change in trade accounts receivable	12	(182)	(613)	102
Change in balance of amounts owed to customers	22.1	(24)	27	(18)
Change in trade accounts payable	22.1	257	1,576	263
Change in other receivables and payables		(855)	1,002	(87)
<b>Change in working capital<sup>(a)</sup></b>		<b>(2,891)</b>	<b>426</b>	<b>(783)</b>

(a) Increase/(Decrease) in cash and cash equivalents.

### 15.3 Operating investments

Operating investments comprise the following elements for the periods presented:

(EUR millions)	Notes	June 30, 2022	Dec. 31, 2021	June 30, 2021
Purchase of intangible assets	3	(254)	(580)	(192)
Purchase of property, plant and equipment	6	(1,514)	(2,675)	(949)
Change in accounts payable related to fixed asset purchases		(99)	221	(1)
Initial direct costs	7	(2)	(37)	(35)
<b>Net cash used in purchases of fixed assets</b>		<b>(1,869)</b>	<b>(3,071)</b>	<b>(1,176)</b>
Net cash from fixed asset disposals		4	444	18
Guarantee deposits paid and other cash flows related to operating investments		(16)	(37)	(23)
<b>Operating investments<sup>(a)</sup></b>		<b>(1,882)</b>	<b>(2,664)</b>	<b>(1,181)</b>

(a) Increase/(Decrease) in cash and cash equivalents.

## 15.4 Interim and final dividends paid and other equity-related transactions

Interim and final dividends paid comprise the following elements for the periods presented:

(EUR millions)	June 30, 2022	Dec. 31, 2021	June 30, 2021
Interim and final dividends paid by LVMH SE	(3,519)	(3,527)	(2,016)
Interim and final dividends paid to minority interests in consolidated subsidiaries	(278)	(408)	(352)
Tax paid related to interim and final dividends paid	(242)	(226)	(67)
<b>Interim and final dividends paid</b>	<b>(4,039)</b>	<b>(4,161)</b>	<b>(2,436)</b>

Other equity-related transactions comprise the following elements for the periods presented:

(EUR millions)	Notes	June 30, 2022	Dec. 31, 2021	June 30, 2021
Capital increases of LVMH SE	16.2	-	-	-
Capital increases of subsidiaries subscribed by minority interests		3	4	2
Acquisition and disposal of LVMH shares	16.3	(919)	(556)	(364)
<b>Other equity-related transactions</b>		<b>(916)</b>	<b>(552)</b>	<b>(362)</b>

## 16. EQUITY

### 16.1 Equity

(EUR millions)	Notes	June 30, 2022	Dec. 31, 2021	June 30, 2021
Share capital	16.2	152	152	152
Share premium account	16.2	2,225	2,225	2,225
LVMH shares	16.3	(2,270)	(912)	(493)
Cumulative translation adjustment	16.5	3,430	1,380	(43)
Revaluation reserves		986	875	915
Other reserves		39,700	31,363	33,138
Net profit, Group share		6,532	12,036	5,300
<b>Equity, Group share</b>		<b>50,754</b>	<b>47,119</b>	<b>41,194</b>

### 16.2 Share capital and share premium account

As of June 30, 2022, the share capital consisted of 504,757,339 fully paid-up shares (unchanged since June 30 and December 31, 2021), with a par value of 0.30 euros per share, including 230,454,051 shares with double voting rights (238,140,651 as of

December 31, 2021 and 237,290,890 as of June 30, 2021). Double voting rights are attached to registered shares held for more than three years.



Changes in the share capital and share premium account, in value and in terms of number of shares, break down as follows:

(EUR millions)	June 30, 2022			Dec. 31, 2021	June 30, 2021
	Number	Amount		Amount	Amount
		Share capital	Share premium account		
<b>As of January 1</b>	<b>504,757,339</b>	<b>152</b>	<b>2,225</b>	<b>2,376</b>	<b>2,376</b>
Exercise of share subscription options	-	-	-	-	-
Retirement of LVMH shares	-	-	-	-	-
<b>As of period-end</b>	<b>504,757,339</b>	<b>152</b>	<b>2,225</b>	<b>2,376</b>	<b>2,376</b>

### 16.3 LVMH shares

The portfolio of LVMH shares is allocated as follows:

(EUR millions)	June 30, 2022		Dec. 31, 2021	June 30, 2021
	Number	Amount	Amount	Amount
Share subscription option plans	-	-	-	-
Bonus share plans	1,052,646	557	597	479
<b>Shares held for bonus share and similar plans<sup>(a)</sup></b>	<b>1,052,646</b>	<b>557</b>	<b>597</b>	<b>479</b>
Liquidity contract	30,000	17	15	14
Shares pending retirement	2,811,695	1,695	300	-
<b>LVMH shares</b>	<b>3,894,341</b>	<b>2,270</b>	<b>912</b>	<b>493</b>

(a) See Note 17 regarding bonus share and similar plans.

(b) Of which, as of June 30, 2022, 1,211,831 shares totaling 705 million euros related to shares to be acquired in 2022 in respect of the share repurchase program in effect as of the period-end.

The market value of LVMH shares held under the liquidity contract as of June 30, 2022 amounted to 17 million euros.

In December 2021, LVMH announced the implementation of a share repurchase program aimed at acquiring its own shares for a maximum amount of 300 million euros over a period beginning on December 21, 2021 and potentially extending until February 15, 2022. The program ended on January 14, 2022 following the acquisition of 417,261 shares, all of which are to be retired.

In May 2022, a new share repurchase program was launched by LVMH aimed at acquiring its own shares for a maximum amount of 1 billion euros over a period beginning on May 17 and ending on November 15, 2022. As of June 30, 2022, 515,975 shares totaling 295 million euros had been acquired. The value of shares remaining to be acquired under this program was recognized within the portfolio of LVMH shares pending retirement, offset against "Other current liabilities". It came to 705 million euros, corresponding to 1,211,831 shares on the basis of the closing share price on June 30, 2022. See Note 22.

The portfolio movements of LVMH shares during the period were as follows:

(number of shares or EUR millions)	Number	Amount	Impact on cash
<b>As of December 31, 2021</b>	<b>1,566,220</b>	<b>912</b>	
Share purchases <sup>(a)</sup>	2,673,391	1,571	(1,090)
Vested bonus shares	(74,313)	(40)	-
Retirement of LVMH shares	-	-	-
Disposals at net realized value	(270,957)	(171)	171
Gain/(loss) on disposal	-	(3)	-
<b>As of June 30, 2022</b>	<b>3,894,341</b>	<b>2,270</b>	<b>(919)</b>

(a) Of which 1,211,831 shares totaling 705 million euros related to shares to be acquired in 2022 in respect of the share repurchase program in effect as of the period-end.

## 16.4 Dividends paid by the parent company LVMH SE

(EUR millions)	June 30, 2022	Dec. 31, 2021	June 30, 2021
Interim dividend for the current fiscal year (2021: 3.00 euros)	-	1,514	-
Impact of treasury shares	-	(3)	-
<b>Gross amount disbursed for the period</b>	<b>-</b>	<b>1,511</b>	<b>-</b>
Final dividend for the previous fiscal year (2021: 7.00 euros; 2020: 4.00 euros)	3,533	2,019	2,019
Impact of treasury shares	(14)	(3)	(3)
<b>Gross amount disbursed for the previous fiscal year</b>	<b>3,519</b>	<b>2,016</b>	<b>2,016</b>
<b>Total gross amount disbursed during the period<sup>(a)</sup></b>	<b>3,519</b>	<b>3,527</b>	<b>2,016</b>

(a) Excluding the impact of tax regulations applicable to the recipient.

The final dividend for fiscal year 2021 was distributed on April 28, 2022, in accordance with the resolutions of the Shareholders' Meeting of April 21, 2022.

At its meeting on July 26, 2022, the Board of Directors approved the payment, on December 5, 2022 of an interim dividend of 5.00 euros per share in respect of fiscal year 2022.

## 16.5 Cumulative translation adjustment

The change in "Cumulative translation adjustment" recognized within "Equity, Group share", net of hedging effects of net assets denominated in foreign currency, breaks down as follows by currency:

(EUR millions)	June 30, 2022	Change	Dec. 31, 2021	June 30, 2021
US dollar	2,382	1,635	747	1,315
Swiss franc	1,008	80	928	870
Japanese yen	(32)	(103)	71	40
Hong Kong dollar	736	204	532	480
Pound sterling	(62)	(87)	25	38
Other currencies	(404)	212	(616)	(2,522)
Foreign currency net investment hedges <sup>(a)</sup>	(198)	108	(307)	(264)
<b>Total, Group share</b>	<b>3,430</b>	<b>2,050</b>	<b>1,380</b>	<b>(43)</b>

(a) Including: -144 million euros with respect to the US dollar (-145 million euros as of December 31, 2021 and -132 million euros as of June 30, 2021), -118 million euros with respect to the Hong Kong dollar (-117 million euros as of December 31, 2021 and June 30, 2021), and -223 million euros with respect to the Swiss franc (-228 million euros as of December 31, 2021 and -203 million euros as of June 30, 2021). These amounts include the tax impact.

## 17. BONUS SHARE AND SIMILAR PLANS

### 17.1 Share subscription option plans

No share subscription option plans were in effect during the periods presented.

### 17.2 Bonus share plans

The number of provisional allocations of shares awarded changed as follows during the periods presented:

(number of shares)	June 30, 2022	Dec. 31, 2021	June 30, 2021
<b>Provisional allocations as of January 1</b>	<b>666,515</b>	<b>824,733</b>	<b>824,733</b>
Provisional allocations for the period	12,098	397,377	164,187
Shares vested during the period	(74,313)	(544,706)	(534,152)
Shares expired during the period	(3,629)	(10,889)	(11,545)
<b>Provisional allocations as of period-end</b>	<b>600,671</b>	<b>666,515</b>	<b>443,223</b>

Two bonus share plans were set up during the period. The main characteristics of these plans are as follows:

Plan commencement date	Number of shares awarded initially	Of which: Performance shares	Vesting period of rights	LVMH share price the day before the grant date	Unit value of provisional allocations
January 27, 2022	10,790	10,790	1 year	683.6	673.4
January 27, 2022	1,308	1,308	3 years	683.6	635.2
<b>Total</b>	<b>12,098</b>	<b>12,098</b>			

Vested share allocations were settled in existing shares held.

### 17.3 Expense for the fiscal year

(EUR millions)	June 30, 2022	Dec. 31, 2021	June 30, 2021
Expense for the period for bonus share plans	63	132	73

## 18. MINORITY INTERESTS

(EUR millions)	June 30, 2022	Dec. 31, 2021	June 30, 2021
<b>As of January 1</b>	<b>1,790</b>	<b>1,417</b>	<b>1,417</b>
Minority interests' share of net profit	412	662	287
Dividends paid to minority interests	(294)	(428)	(361)
Impact of changes in control of consolidated entities	-	397	24
Impact of acquisition and disposal of minority interests' shares	(2)	(211)	(126)
Capital increases subscribed by minority interests	3	12	11
Minority interests' share in gains and losses recognized in equity	134	101	26
Minority interests' share in stock option plan related expenses	3	6	3
Impact of changes in minority interests with purchase commitments	(86)	(166)	150
<b>As of period-end</b>	<b>1,959</b>	<b>1,790</b>	<b>1,431</b>

The change in minority interests' share in gains and losses recognized in equity breaks down as follows:

(EUR millions)	Cumulative translation adjustment	Hedges of future foreign currency cash flows and cost of hedging	Vineyard land	Employee benefit commitments	Minority interests' share in cumulative translation adjustment and revaluation reserves
<b>As of December 31, 2021</b>	<b>140</b>	<b>(24)</b>	<b>278</b>	<b>(39)</b>	<b>355</b>
Changes during the period	142	(20)	-	12	134
<b>As of June 30, 2022</b>	<b>282</b>	<b>(45)</b>	<b>278</b>	<b>(26)</b>	<b>489</b>

Minority interests are composed primarily of Diageo's 34% stake in Moët Hennessy SAS and Moët Hennessy International SAS ("Moët Hennessy") and the 39% stake held by Mari-Cha Group Ltd in DFS. Since the 34% stake held by Diageo in Moët Hennessy is subject to a purchase commitment, it is reclassified at the period-end within "Purchase commitments for minority interests' shares" under "Other non-current liabilities" and is therefore excluded from the total amount of minority interests at

the period-end. See Note 1.14 to the 2021 consolidated financial statements and Note 21 below.

Dividends paid to Diageo during the first half of fiscal year 2022 amounted to 217 million euros in respect of fiscal year 2021. Net profit attributable to Diageo for the first half of 2022 was 280 million euros, and its share in accumulated minority interests (before recognition of the purchase commitment granted to Diageo) came to 3,839 million euros as of June 30, 2022.

No dividends were paid to Mari-Cha Group Ltd during the first half of 2022. Net profit attributable to Mari-Cha Group Ltd for the first half of 2022 was a loss of (30) million euros, and its

share in accumulated minority interests as of June 30, 2022 came to 1,352 million euros.

## 19. BORROWINGS

### 19.1 Net financial debt

(EUR millions)	June 30, 2022	Dec. 31, 2021	June 30, 2021
Bonds and Euro Medium-Term Notes (EMTNs)	10,312	11,872	11,877
Bank borrowings	207	293	269
<b>Long-term borrowings</b>	<b>10,520</b>	<b>12,165</b>	<b>12,147</b>
Bonds and Euro Medium-Term Notes (EMTNs)	1,555	3,072	3,021
Current bank borrowings	325	377	322
Euro- and US dollar-denominated commercial paper	8,547	4,172	8,035
Other borrowings and credit facilities	159	191	383
Bank overdrafts	400	203	318
Accrued interest	38	61	32
<b>Short-term borrowings</b>	<b>11,024</b>	<b>8,075</b>	<b>12,111</b>
<b>Gross borrowings</b>	<b>21,544</b>	<b>20,241</b>	<b>24,258</b>
Interest rate risk derivatives	94	(6)	(21)
Foreign exchange risk derivatives	(124)	(63)	(60)
<b>Gross borrowings after derivatives</b>	<b>21,514</b>	<b>20,172</b>	<b>24,176</b>
Current available for sale financial assets <sup>(a)</sup>	(2,498)	(2,544)	(1,469)
Cash and cash equivalents <sup>(b)</sup>	(7,899)	(8,021)	(7,230)
<b>Net financial debt</b>	<b>11,117</b>	<b>9,607</b>	<b>15,478</b>

(a) See Note 14.

(b) See Note 15.1.

Net financial debt does not include purchase commitments for minority interests' shares (see Note 21) or lease liabilities (see Note 7).

The change in gross borrowings after derivatives during the period breaks down as follows:

(EUR millions)	December 31, 2021	Impact on cash <sup>(a)</sup>	Translation adjustment	Impact of market value changes	Changes in the scope of consolidation	Reclassifications and Other	June 30, 2022
Long-term borrowings	12,165	(54)	43	(82)	-	(1,552)	10,520
Short-term borrowings	8,075	1,305	96	(5)	18	1,535	11,024
<b>Gross borrowings</b>	<b>20,241</b>	<b>1,250</b>	<b>139</b>	<b>(87)</b>	<b>18</b>	<b>(17)</b>	<b>21,544</b>
Derivatives	(69)	12	(3)	29	-	-	(30)
<b>Gross borrowings after derivatives</b>	<b>20,172</b>	<b>1,263</b>	<b>136</b>	<b>(58)</b>	<b>18</b>	<b>(17)</b>	<b>21,514</b>

(a) Including a positive impact of 4,323 million euros in respect of proceeds from borrowings and a negative impact of 3,267 million euros in respect of repayment of borrowings and a positive impact of 192 million euros due to increase in bank overdrafts.

During the half-year period, LVMH repaid the 1,750 million euro bond issued in 2020, as well as the 800 million euro bond and the 400 million pound bond both issued in 2017. The associated hedging swaps were unwound on redemption.

## 19.2 Breakdown of gross borrowings by payment date and type of interest rate

(EUR millions)		Gross borrowings			Impact of derivatives			Gross borrowings after derivatives		
		Fixed rate	Floating rate	Total	Fixed rate	Floating rate	Total	Fixed rate	Floating rate	Total
Maturity:	June 30, 2023	2,478	8,547	11,024	(823)	735	(88)	1,655	9,282	10,937
	June 30, 2024	2,571	-	2,571	(315)	301	(13)	2,257	301	2,558
	June 30, 2025	1,790	-	1,790	-	-	-	1,790	-	1,790
	June 30, 2026	1,264	-	1,264	(17)	-	(17)	1,247	-	1,247
	June 30, 2027	991	-	991	(902)	991	88	89	991	1,079
	June 30, 2028	1,807	-	1,807	-	-	-	1,807	-	1,807
	Thereafter	2,096	-	2,096	-	-	-	2,096	-	2,096
<b>Total</b>		<b>12,997</b>	<b>8,547</b>	<b>21,544</b>	<b>(2,057)</b>	<b>2,027</b>	<b>(30)</b>	<b>10,940</b>	<b>10,574</b>	<b>21,514</b>

See Note 23.3 regarding the market value of interest rate risk derivatives.

## 19.3 Breakdown of gross borrowings by currency after derivatives

The purpose of foreign currency borrowings is to finance the development of the Group's activities outside the eurozone, as well as the Group's assets denominated in foreign currency.

(EUR millions)	June 30, 2022	Dec. 31, 2021	June 30, 2021
Euro	19,125	17,576	22,913
US dollar	3,236	2,846	2,338
Swiss franc	330	588	360
Japanese yen	385	453	632
Other currencies	(1,563)	(1,290)	(2,066)
<b>Total<sup>(a)</sup></b>	<b>21,514</b>	<b>20,172</b>	<b>24,176</b>

(a) The amounts presented above include the impact of swaps to convert Group-level financing into subsidiaries' functional currencies, whether these subsidiaries are borrowers or lenders in the currency concerned.

## 19.4 Undrawn confirmed credit lines and covenants

As of June 30, 2022, undrawn confirmed credit lines came to 13.5 billion euros. This amount exceeded the outstanding portion of the euro- and US dollar-denominated commercial paper (ECP and USCP) programs, which totaled 8.5 billion euros

as of June 30, 2022. In connection with certain credit lines, the Group may undertake to maintain certain financial ratios. As of June 30, 2022, no significant credit lines were concerned by these provisions.

# 20. PROVISIONS AND OTHER NON-CURRENT LIABILITIES

Non-current provisions and other liabilities comprise the following:

(EUR millions)	June 30, 2022	Dec. 31, 2021	June 30, 2021
Non-current provisions	1,499	1,771	1,706
Uncertain tax positions	1,411	1,404	1,209
Derivatives <sup>(a)</sup>	116	45	41
Employee profit sharing	91	105	82
Other liabilities	653	656	614
<b>Non-current provisions and other liabilities</b>	<b>3,770</b>	<b>3,980</b>	<b>3,652</b>

(a) See Note 23.

Provisions concern the following types of contingencies and losses:

(EUR millions)	June 30, 2022	Dec. 31, 2021	June 30, 2021
Provisions for pensions, medical costs and similar commitments	583	915	1,004
Provisions for contingencies and losses	916	856	702
<b>Non-current provisions</b>	<b>1,499</b>	<b>1,771</b>	<b>1,706</b>
Provisions for pensions, medical costs and similar commitments	19	17	16
Provisions for contingencies and losses	646	582	551
<b>Current provisions</b>	<b>665</b>	<b>598</b>	<b>567</b>
<b>Total</b>	<b>2,164</b>	<b>2,369</b>	<b>2,273</b>

Provisions changed as follows during the period:

(EUR millions)	As of December 31, 2021	Increases	Amounts used	Amounts released	Changes in the scope of consolidation	Other <sup>(a)</sup>	At closing
Provisions for pensions, medical costs and similar commitments	932	54	(46)	-	-	(338)	602
Provisions for contingencies and losses	1,438	226	(118)	(35)	5	45	1,561
<b>Total</b>	<b>2,369</b>	<b>280</b>	<b>(163)</b>	<b>(35)</b>	<b>5</b>	<b>(293)</b>	<b>2,164</b>

(a) Including the impact of translation adjustment and change in revaluation reserves. See Note 29 regarding "Provisions for pensions, medical costs and similar commitments".

Provisions for contingencies and losses correspond to the estimate of the impact on assets and liabilities of risks, disputes (see Note 31), or actual or probable litigation arising from the Group's activities; such activities are carried out worldwide, within what is often an imprecise regulatory framework that is different for each country, changes over time and applies to areas ranging from product composition and packaging to relations with the Group's partners (distributors, suppliers, shareholders in subsidiaries, etc.).

Non-current liabilities related to uncertain tax positions include an estimate of the risks, disputes, and actual or probable litigation related to the income tax computation. The Group's entities in France and abroad may be subject to tax inspections and, in certain cases, to rectification claims from local administrations. A liability is recognized for these rectification claims, together with any uncertain tax positions that have been identified but not yet officially notified, the amount of which is regularly reviewed in accordance with the criteria of the application of IFRIC 23 Uncertainty over Income Tax Treatments.

## 21. PURCHASE COMMITMENTS FOR MINORITY INTERESTS' SHARES

As of June 30, 2022, purchase commitments for minority interests' shares mainly included the put option granted by LVMH to Diageo plc for its 34% share in Moët Hennessy for 80% of the fair value of Moët Hennessy at the exercise date of the option. This option may be exercised at any time subject to a six-month notice period. The fair value of this commitment was calculated by applying the share price multiples of comparable firms to Moët Hennessy's consolidated operating results.

Moët Hennessy SAS and Moët Hennessy International SAS ("Moët Hennessy") hold the LVMH group's investments in the Wines and Spirits businesses, with the exception of the equity investments in Château d'Yquem, Château Cheval Blanc, Clos des Lambrays and Colgin Cellars, and excluding certain champagne vineyards.

Purchase commitments for minority interests' shares also include commitments relating to minority shareholders in Loro Piana (15%) and distribution subsidiaries in various countries, mainly in the Middle East.

## 22. TRADE ACCOUNTS PAYABLE AND OTHER CURRENT LIABILITIES

### 22.1 Trade accounts payable

The change in trade accounts payable for the periods presented breaks down as follows:

(EUR millions)	June 30, 2022	Dec. 31, 2021	June 30, 2021
<b>As of January 1</b>	<b>7,086</b>	<b>5,098</b>	<b>5,098</b>
Changes in trade accounts payable	256	1,576	263
Changes in amounts owed to customers	(24)	27	(18)
Changes in the scope of consolidation	35	243	240
Translation adjustment	213	226	79
Reclassifications	3	(85)	(1)
<b>As of period-end</b>	<b>7,569</b>	<b>7,086</b>	<b>5,661</b>

### 22.2 Current provisions and other liabilities

(EUR millions)	June 30, 2022	Dec. 31, 2021	June 30, 2021
Current provisions <sup>(a)</sup>	665	598	567
Derivatives <sup>(b)</sup>	572	195	100
Employees and social security	1,901	2,244	1,609
Employee profit sharing	137	226	104
Taxes other than income taxes	966	1,101	714
Advances and payments on account from customers	1,162	1,079	789
Provision for product returns <sup>(c)</sup>	632	648	493
Deferred payment for non-current assets	602	907	730
Deferred income	423	396	373
Other liabilities	2,225	1,779	1,308
<b>Total</b>	<b>9,286</b>	<b>9,174</b>	<b>6,788</b>

(a) See Note 20.

(b) See Note 23.

(c) See Note 1.28. to the 2021 consolidated financial statements.

Other liabilities included 705 million euros relating to LVMH's share repurchase program underway as of June 30, 2022 (see Note 16.3).

## 23. FINANCIAL INSTRUMENTS AND MARKET RISK MANAGEMENT

### 23.1 Organization of foreign exchange, interest rate and equity market risk management

Financial instruments are mainly used by the Group to hedge risks arising from Group activity and protect its assets.

The management of foreign exchange and interest rate risk, in addition to transactions involving shares and financial instruments, is centralized.

The Group has implemented a stringent policy and rigorous management guidelines to manage, measure and monitor these market risks.

These activities are organized based on a segregation of duties between risk measurement (middle office), hedging (front office), administration (back office) and financial control.

The backbone of this organization is an integrated information system that allows transactions to be checked quickly.

The Group's hedging strategy is presented to the Audit Committee. Hedging decisions are made according to an established process that includes regular presentations to the Group's Executive Committee and detailed documentation.

Counterparties are selected based on their rating and in accordance with the Group's risk diversification strategy.

## 23.2 Summary of derivatives

Derivatives are recorded in the balance sheet for the amounts and in the captions detailed as follows:

(EUR millions)			Notes	June 30, 2022	Dec. 31, 2021	June 30, 2021
<b>Interest rate risk</b>	Assets:	Non-current		-	4	15
		Current		16	31	23
	Liabilities:	Non-current		(87)	(25)	(7)
		Current		(23)	(5)	(10)
			23.3	<b>(94)</b>	<b>6</b>	<b>21</b>
<b>Foreign exchange risk</b>	Assets:	Non-current		93	51	80
		Current		361	218	397
	Liabilities:	Non-current		(29)	(20)	(33)
		Current		(474)	(182)	(79)
			23.4	<b>(48)</b>	<b>68</b>	<b>365</b>
<b>Other risks</b>	Assets:	Non-current		-	-	-
		Current		13	9	7
	Liabilities:	Non-current		(1)	-	(2)
		Current		(75)	(8)	(11)
			23.5	<b>(62)</b>	<b>1</b>	<b>(5)</b>
<b>Total</b>	Assets:	Non-current	10	93	55	95
		Current	13	391	258	427
	Liabilities:	Non-current	20	(116)	(45)	(41)
		Current	22	(572)	(195)	(100)
				<b>(204)</b>	<b>74</b>	<b>381</b>

## 23.3 Derivatives used to manage interest rate risk

The aim of the Group's debt management policy is to adapt the debt maturity profile to the characteristics of the assets held and its repayment capacity, to curb borrowing costs, and to protect net profit from the impact of significant changes in interest rates.

For these purposes, the Group uses interest rate swaps and options.

Derivatives used to manage interest rate risk outstanding as of June 30, 2022 break down as follows:

(EUR millions)	Nominal amounts by maturity				Market value <sup>(a)(b)</sup>			
	Less than 1 year	From 1 to 5 years	More than 5 years	Total	Future cash flow hedges	Fair value hedges	Not allocated	Total
Interest rate swaps, floating-rate payer	816	1,290	-	2,106	-	(91)	-	(91)
Interest rate swaps, fixed-rate payer	-	-	-	-	-	-	-	-
Foreign currency swaps, euro-rate payer	816	990	-	1,806	-	-	6	6
Foreign currency swaps, euro-rate receiver	133	-	-	133	-	-	(1)	(1)
Interest rate swaptions	200	-	-	200	-	-	(8)	(8)
<b>Total</b>					<b>-</b>	<b>(91)</b>	<b>(3)</b>	<b>(94)</b>

(a) Gain/(Loss).

(b) See Note 1.11 to the 2021 consolidated financial statements regarding the methodology used for market value measurement.



## 23.4 Derivatives used to manage foreign exchange risk

A significant portion of Group companies' sales to customers and to their own distribution subsidiaries as well as certain purchases are denominated in currencies other than their functional currency; the majority of these foreign currency-denominated cash flows are intra-Group cash flows. Hedging instruments are used to reduce the foreign exchange risks arising from the fluctuations of currencies against the exporting and importing companies' functional currencies, and are allocated to either trade receivables or payables (fair value hedges) for the fiscal year, or to transactions anticipated for future periods (hedges of future cash flows).

Future foreign currency-denominated cash flows are broken down as part of the budget preparation process and are hedged

progressively over a period not exceeding one year unless a longer period is justified by probable commitments. As such, and according to market trends, identified foreign exchange risks are hedged using forward contracts or options.

In addition, the Group is exposed to foreign exchange risk with respect to the Group's net assets, as it owns assets denominated in currencies other than the euro. This foreign exchange risk may be hedged through foreign currency borrowings or by hedging the net worth of subsidiaries outside the eurozone, using appropriate financial instruments with the aim of limiting the impact of foreign currency fluctuations against the euro on consolidated equity.

Derivatives used to manage foreign exchange risk outstanding as of June 30, 2022 break down as follows:

(EUR millions)	Nominal amounts by fiscal year of allocation <sup>(a)</sup>				Market value <sup>(b)(c)</sup>				
	2022	2023	Thereafter	Total	Future cash flow hedges	Fair value hedges	Foreign currency net investment hedges	Not allocated	Total
<b>Options purchased</b>									
Call USD	574	63	-	637	2	1	-	-	3
Put JPY	17	-	-	17	1	1	-	-	2
Put CNY	302	-	-	302	1	-	-	-	1
Other	48	-	-	48	1	-	-	-	1
	<b>941</b>	<b>63</b>	<b>-</b>	<b>1,004</b>	<b>4</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>6</b>
<b>Collars</b>									
Written USD	3,737	4,149	-	7,886	(181)	(49)	-	-	(231)
Written JPY	637	842	-	1,479	113	10	-	-	123
Written GBP	334	288	-	622	16	1	-	-	17
Written HKD	256	274	-	530	(13)	(6)	-	-	(19)
Written CNY	2,239	2,682	-	4,922	(77)	(15)	-	-	(93)
	<b>7,204</b>	<b>8,236</b>	<b>-</b>	<b>15,440</b>	<b>(142)</b>	<b>(60)</b>	<b>-</b>	<b>-</b>	<b>(202)</b>
<b>Forward exchange contracts</b>									
USD	(114)	(54)	-	(168)	12	4	-	-	16
JPY	-	64	-	64	11	-	-	-	11
KRW	-	30	-	30	-	2	-	-	2
BRL	67	61	-	128	-	(11)	-	-	(11)
Other	61	59	-	121	-	2	-	-	2
	<b>15</b>	<b>160</b>	<b>-</b>	<b>175</b>	<b>23</b>	<b>(2)</b>	<b>-</b>	<b>-</b>	<b>21</b>
<b>Foreign exchange swaps</b>									
USD	(2,406)	-	-	(2,406)	(2)	66	-	-	64
GBP	60	(743)	(719)	(1,402)	-	(25)	-	-	(25)
JPY	162	127	193	482	-	49	-	-	49
CNY	(139)	16	-	(123)	-	(4)	-	-	(4)
HKD	(2,125)	-	-	(2,125)	-	54	-	-	54
Other	524	24	-	548	-	(11)	-	-	(11)
	<b>(3,925)</b>	<b>(576)</b>	<b>(526)</b>	<b>(5,027)</b>	<b>(2)</b>	<b>129</b>	<b>-</b>	<b>-</b>	<b>127</b>
<b>Total</b>	<b>4,235</b>	<b>7,883</b>	<b>(526)</b>	<b>11,592</b>	<b>(117)</b>	<b>69</b>	<b>-</b>	<b>-</b>	<b>(48)</b>

(a) Sale/(Purchase).

(b) See Note 1.11 to the 2021 consolidated financial statements regarding the methodology used for market value measurement.

(c) Gain/(Loss).

## 23.5 Financial instruments used to manage other risks

The Group's investment policy is designed to take advantage of a long-term investment horizon. Occasionally, the Group may invest in equity-based financial instruments with the aim of enhancing the dynamic management of its investment portfolio.

The Group is exposed to risks of share price changes either directly (as a result of its holding of subsidiaries, equity investments and current available for sale financial assets) or indirectly (as a result of its holding of funds, which are themselves partially invested in shares).

The Group may also use equity-based derivatives to synthetically create an economic exposure to certain assets, to hedge cash-settled compensation plans index-linked to the LVMH share price, or to hedge certain risks related to changes in the LVMH share price. As of June 30, 2022, equity-based derivatives with a nominal amount of 261 million euros maturing in 2022 were recognized for a negative value of 68 million euros.

The Group – mainly through its Watches and Jewelry business group – may be exposed to changes in the prices of certain precious metals, such as silver, gold and platinum. In certain cases, in order to ensure visibility with regard to production costs, hedges may be implemented. This is achieved either by negotiating the forecast price of future deliveries of alloys with precious metal refiners, or the price of semi-finished products with producers; or directly by purchasing hedges from top-ranking banks. In the latter case, precious metals may be purchased from banks, or future and/or options contracts may be taken out with a physical delivery of these metals. Derivatives outstanding relating to the hedging of precious metal prices as of June 30, 2022 have a market value of 6 million euros. Considering nominal values of 269 million euros for those financial instruments, a uniform 1% change in their underlying assets' prices as of June 30, 2022 would have a net impact on the Group's consolidated reserves of 3 million euros. These instruments will mature in 2022 and 2023.

## 24. SEGMENT INFORMATION

The Group's brands and trade names are organized into six business groups. Four business groups – Wines and Spirits, Fashion and Leather Goods, Perfumes and Cosmetics, and Watches and Jewelry – comprise brands dealing with the same category of products that use similar production and distribution processes. Information on Louis Vuitton, Bulgari and Tiffany is presented according to the brand's main business, namely the Fashion and Leather Goods business group for Louis Vuitton

and the Watches and Jewelry business group for Bulgari and Tiffany. The Selective Retailing business group comprises the Group's own-label retailing activities. The "Other and holding companies" business group comprises brands and businesses that are not associated with any of the above-mentioned business groups, particularly the media division, the Dutch luxury yacht maker Royal Van Lent, hotel operations and holding or real estate companies.

## 24.1 Information by business group

### First half 2022

(EUR millions)	Wines and Spirits	Fashion and Leather Goods	Perfumes and Cosmetics	Watches and Jewelry	Selective Retailing	Other and holding companies	Eliminations and not allocated <sup>(a)</sup>	Total
Sales outside the Group	3,321	18,106	3,144	4,866	6,590	702	-	36,729
Intra-Group sales	6	30	474	43	40	21	(614)	-
<b>Total revenue</b>	<b>3,327</b>	<b>18,136</b>	<b>3,618</b>	<b>4,909</b>	<b>6,630</b>	<b>723</b>	<b>(614)</b>	<b>36,729</b>
Profit from recurring operations	1,154	7,509	388	987	367	(162)	(8)	10,235
Other operating income and expenses	18	2	(2)	(2)	(104)	(20)	-	(108)
Depreciation, amortization and impairment expenses	(115)	(1,159)	(222)	(489)	(705)	(131)	51	(2,769)
Of which: Right-of-use assets	(16)	(685)	(75)	(255)	(422)	(49)	51	(1,450)
Other	(98)	(474)	(147)	(234)	(284)	(82)	-	(1,319)
Intangible assets and goodwill <sup>(b)</sup>	9,528	13,597	1,456	20,971	3,650	1,778	-	50,980
Right-of-use assets	254	6,943	624	2,209	4,305	957	(736)	14,555
Property, plant and equipment	3,523	4,943	774	1,859	1,665	8,385	(8)	21,141
Inventories and work in progress	6,513	4,152	996	4,731	2,839	53	(362)	18,920
Other operating assets <sup>(c)</sup>	1,581	2,992	1,467	1,600	709	1,290	16,075	25,714
<b>Total assets</b>	<b>21,400</b>	<b>32,626</b>	<b>5,317</b>	<b>31,369</b>	<b>13,167</b>	<b>12,462</b>	<b>14,969</b>	<b>131,309</b>
Equity	-	-	-	-	-	-	52,713	52,713
Lease liabilities	272	7,150	667	2,289	4,555	1,065	(728)	15,270
Other liabilities <sup>(d)</sup>	1,935	7,068	2,577	2,563	3,289	2,529	43,365	63,326
<b>Total liabilities and equity</b>	<b>2,207</b>	<b>14,218</b>	<b>3,244</b>	<b>4,852</b>	<b>7,844</b>	<b>3,594</b>	<b>95,349</b>	<b>131,309</b>
Operating investments <sup>(e)</sup>	(165)	(873)	(179)	(249)	(177)	(239)	2	(1,882)

## CONDENSED HALF-YEAR CONSOLIDATED FINANCIAL STATEMENTS

Notes to the condensed half-year consolidated financial statements

### Fiscal year 2021

(EUR millions)	Wines and Spirits	Fashion and Leather Goods	Perfumes and Cosmetics	Watches and Jewelry	Selective Retailing	Other and holding companies	Eliminations and not allocated <sup>(a)</sup>	Total
Sales outside the Group	5,965	30,844	5,711	8,872	11,680	1,142	-	64,215
Intra-Group sales	9	52	897	92	74	27	(1,150)	-
<b>Total revenue</b>	<b>5,974</b>	<b>30,896</b>	<b>6,608</b>	<b>8,964</b>	<b>11,754</b>	<b>1,169</b>	<b>(1,150)</b>	<b>64,215</b>
Profit from recurring operations	1,863	12,842	684	1,679	534	(436)	(15)	17,151
Other operating income and expenses	(26)	(47)	(17)	(4)	(53)	151	-	4
Depreciation, amortization and impairment expenses	(228)	(2,142)	(443)	(860)	(1,399)	(294)	113	(5,253)
<i>Of which: Right-of-use assets</i>	<i>(32)</i>	<i>(1,291)</i>	<i>(149)</i>	<i>(410)</i>	<i>(836)</i>	<i>(89)</i>	<i>110</i>	<i>(2,698)</i>
<i>Other</i>	<i>(196)</i>	<i>(851)</i>	<i>(294)</i>	<i>(449)</i>	<i>(563)</i>	<i>(205)</i>	<i>3</i>	<i>(2,555)</i>
Intangible assets and goodwill <sup>(b)</sup>	10,688	13,510	1,417	19,726	3,348	1,766	-	50,455
Right-of-use assets	153	6,755	556	1,922	4,142	841	(665)	13,705
Property, plant and equipment	3,450	4,569	752	1,730	1,667	8,032	(8)	20,193
Inventories and work in progress	6,278	3,374	831	3,949	2,410	41	(335)	16,549
Other operating assets <sup>(c)</sup>	1,597	2,807	1,281	1,409	747	1,060	15,508	24,409
<b>Total assets</b>	<b>22,167</b>	<b>31,016</b>	<b>4,838</b>	<b>28,737</b>	<b>12,313</b>	<b>11,741</b>	<b>14,500</b>	<b>125,311</b>
Equity	-	-	-	-	-	-	48,909	48,909
Lease liabilities	164	6,894	594	1,985	4,362	931	(656)	14,275
Other liabilities <sup>(d)</sup>	1,843	6,800	2,770	2,471	3,050	1,992	43,202	62,128
<b>Total liabilities and equity</b>	<b>2,007</b>	<b>13,694</b>	<b>3,364</b>	<b>4,456</b>	<b>7,412</b>	<b>2,923</b>	<b>91,454</b>	<b>125,311</b>
Operating investments <sup>(e)</sup>	(328)	(1,131)	(290)	(458)	(370)	(89)	1	(2,664)

## First half 2021

(EUR millions)	Wines and Spirits	Fashion and Leather Goods	Perfumes and Cosmetics	Watches and Jewelry	Selective Retailing	Other and holding companies	Eliminations and not allocated <sup>(a)</sup>	Total
Sales outside the Group	2,701	13,839	2,616	3,972	5,053	484	-	28,665
Intra-Group sales	4	24	409	51	32	12	(532)	-
<b>Total revenue</b>	<b>2,705</b>	<b>13,863</b>	<b>3,025</b>	<b>4,023</b>	<b>5,085</b>	<b>496</b>	<b>(532)</b>	<b>28,665</b>
Profit from recurring operations	924	5,660	393	783	131	(256)	(14)	7,621
Other operating income and expenses	(1)	(22)	(3)	-	-	(8)	-	(34)
Depreciation, amortization and impairment expenses	(106)	(1,007)	(208)	(423)	(682)	(127)	53	(2,500)
Of which: Right-of-use assets	(16)	(617)	(70)	(198)	(431)	(44)	53	(1,323)
Other	(90)	(390)	(138)	(225)	(250)	(83)	-	(1,176)
Intangible assets and goodwill <sup>(b)</sup>	10,399	13,148	1,330	18,994	3,213	1,890	-	48,974
Right-of-use assets	157	6,489	463	1,895	4,655	858	(621)	13,897
Property, plant and equipment	3,281	4,223	685	1,571	1,677	7,971	(7)	19,399
Inventories and work in progress	6,239	3,116	780	3,661	2,323	41	(328)	15,832
Other operating assets <sup>(c)</sup>	1,238	1,992	1,176	1,169	591	1,280	12,978	20,424
<b>Total assets</b>	<b>21,314</b>	<b>28,968</b>	<b>4,434</b>	<b>27,290</b>	<b>12,459</b>	<b>12,040</b>	<b>12,021</b>	<b>118,525</b>
Equity	-	-	-	-	-	-	42,625	42,625
Lease liabilities	172	6,550	485	1,944	4,900	943	(614)	14,380
Other liabilities <sup>(d)</sup>	1,754	5,315	2,094	2,038	2,386	1,521	46,413	61,521
<b>Total liabilities and equity</b>	<b>1,926</b>	<b>11,865</b>	<b>2,579</b>	<b>3,982</b>	<b>7,286</b>	<b>2,464</b>	<b>88,424</b>	<b>118,525</b>
Operating investments <sup>(e)</sup>	(115)	(450)	(113)	(163)	(174)	(166)	-	(1,181)

(a) Eliminations correspond to sales between business groups; these generally consist of sales to Selective Retailing from other business groups. Selling prices between the different business groups correspond to the prices applied in the normal course of business for sales transactions to wholesalers or distributors outside the Group.

(b) Intangible assets and goodwill correspond to the carrying amounts shown in Notes 3 and 4.

(c) Assets not allocated include available for sale financial assets, other financial assets, and current and deferred tax assets.

(d) Liabilities not allocated include financial debt, current and deferred tax liabilities, and liabilities related to purchase commitments for minority interests' shares.

(e) Increase/(Decrease) in cash and cash equivalents.

## 24.2 Information by geographic region

Revenue by geographic region of delivery breaks down as follows:

(EUR millions)	June 30, 2022	Dec. 31, 2021	June 30, 2021
France	2,587	4,111	1,542
Europe (excl. France)	5,479	9,860	3,978
United States	9,931	16,591	7,248
Japan	2,434	4,384	1,883
Asia (excl. Japan)	11,880	22,365	10,935
Other countries	4,418	6,904	3,079
<b>Revenue</b>	<b>36,729</b>	<b>64,215</b>	<b>28,665</b>

Operating investments by geographic region are as follows:

(EUR millions)	June 30, 2022	Dec. 31, 2021	June 30, 2021
France	580	1,054	497
Europe (excl. France)	493	520	171
United States	381	313	222
Japan	50	82	39
Asia (excl. Japan)	278	488	181
Other countries	100	207	71
<b>Operating investments</b>	<b>1,882</b>	<b>2,664</b>	<b>1,181</b>

No geographic breakdown of segment assets is provided since a significant portion of these assets consists of brands and goodwill, which must be analyzed on the basis of the revenue

generated by these assets in each region, and not in relation to the region of their legal ownership.

## 24.3 Quarterly information

Quarterly revenue by business group breaks down as follows:

(EUR millions)	Wines and Spirits	Fashion and Leather Goods	Perfumes and Cosmetics	Watches and Jewelry	Selective Retailing	Other and holding companies	Eliminations	Total
First quarter	1,638	9,123	1,905	2,338	3,040	282	(322)	18,003
Second quarter	1,689	9,013	1,714	2,570	3,591	441	(291)	18,726
<b>Total for first half 2022</b>	<b>3,327</b>	<b>18,136</b>	<b>3,618</b>	<b>4,909</b>	<b>6,630</b>	<b>723</b>	<b>(614)</b>	<b>36,729</b>
First quarter	1,510	6,738	1,550	1,883	2,337	215	(274)	13,959
Second quarter	1,195	7,125	1,475	2,140	2,748	280	(257)	14,706
<b>Total for first half 2021</b>	<b>2,705</b>	<b>13,863</b>	<b>3,025</b>	<b>4,023</b>	<b>5,085</b>	<b>496</b>	<b>(532)</b>	<b>28,665</b>
Third quarter	1,546	7,452	1,642	2,137	2,710	330	(305)	15,512
Fourth quarter	1,723	9,581	1,941	2,804	3,959	344	(314)	20,038
<b>Total for second half 2021</b>	<b>3,269</b>	<b>17,033</b>	<b>3,583</b>	<b>4,941</b>	<b>6,669</b>	<b>673</b>	<b>(619)</b>	<b>35,550</b>
<b>Total for 2021</b>	<b>5,974</b>	<b>30,896</b>	<b>6,608</b>	<b>8,964</b>	<b>11,754</b>	<b>1,169</b>	<b>(1,150)</b>	<b>64,215</b>

## 25. OTHER OPERATING INCOME AND EXPENSES

(EUR millions)	June 30, 2022	Dec. 31, 2021	June 30, 2021
Net gains/(losses) on disposals	(2)	9	(14)
Restructuring costs	2	-	-
Remeasurement of shares acquired prior to their initial consolidation	-	119	-
Transaction costs relating to the acquisition of consolidated companies	(1)	(18)	(9)
Impairment or amortization of brands, trade names, goodwill and other fixed assets	(107)	(89)	(11)
Other items, net	-	(16)	-
<b>Other operating income and expenses</b>	<b>(108)</b>	<b>4</b>	<b>(34)</b>

Impairment and amortization expenses recorded in the first half of 2022 mainly concerned Sephora's assets in Russia in connection with the disposal announced in July 2022.

## 26. NET FINANCIAL INCOME/(EXPENSE)

(EUR millions)	June 30, 2022	Dec. 31, 2021	June 30, 2021
Borrowing costs	(15)	4	5
Income from cash, cash equivalents and current available for sale financial assets	20	40	13
Fair value adjustment of borrowings and interest rate hedges	(3)	(3)	4
<b>Cost of net financial debt</b>	<b>2</b>	<b>41</b>	<b>22</b>
<b>Interest on lease liabilities</b>	<b>(116)</b>	<b>(242)</b>	<b>(127)</b>
Dividends received from non-current available for sale financial assets	2	10	2
Cost of foreign exchange derivatives	(98)	(206)	(97)
Fair value adjustment of available for sale financial assets	(564)	499	235
Other items, net	(24)	(49)	(22)
<b>Other financial income and expenses</b>	<b>(684)</b>	<b>254</b>	<b>117</b>
<b>Net financial income/(expense)</b>	<b>(798)</b>	<b>53</b>	<b>12</b>

Income from cash, cash equivalents and current available for sale financial assets comprises the following items:

(EUR millions)	June 30, 2022	Dec. 31, 2021	June 30, 2021
Income from cash and cash equivalents	16	27	12
Income from current available for sale financial assets	4	13	1
<b>Income from cash, cash equivalents and current available for sale financial assets</b>	<b>20</b>	<b>40</b>	<b>13</b>

The fair value adjustment of borrowings and interest rate hedges is attributable to the following items:

(EUR millions)	June 30, 2022	Dec. 31, 2021	June 30, 2021
Hedged financial debt	79	82	44
Hedging instruments	(75)	(80)	(42)
Unallocated derivatives	(8)	(5)	1
<b>Fair value adjustment of borrowings and interest rate hedges</b>	<b>(3)</b>	<b>(3)</b>	<b>4</b>

The cost of foreign exchange derivatives breaks down as follows:

(EUR millions)	June 30, 2022	Dec. 31, 2021	June 30, 2021
Cost of commercial foreign exchange derivatives	(106)	(196)	(98)
Cost of foreign exchange derivatives related to net investments denominated in foreign currency	2	3	3
Cost and other items related to other foreign exchange derivatives	6	(13)	(2)
<b>Cost of foreign exchange derivatives</b>	<b>(98)</b>	<b>(206)</b>	<b>(97)</b>

## 27. INCOME TAXES

(EUR millions)	June 30, 2022	Dec. 31, 2021	June 30, 2021
Total tax expense per income statement	(2,385)	(4,510)	(2,012)
Tax on items recognized in equity	(51)	89	85

The effective tax rate is as follows:

(EUR millions)	June 30, 2022	Dec. 31, 2021	June 30, 2021
Profit before tax	9,329	17,208	7,599
Total tax expense	(2,385)	(4,510)	(2,012)
<b>Effective tax rate</b>	<b>25.6%</b>	<b>26.2%</b>	<b>26.5%</b>

The effective tax rate used as of June 30 is the forecast effective tax rate for the fiscal year.

The Group's effective tax rate as of June 30, 2022 was 25.6%, down 0.9 points from the first half of 2021, mainly due to the lower applicable tax rate in France.

## 28. EARNINGS PER SHARE

	June 30, 2022	Dec. 31, 2021	June 30, 2021
<b>Net profit, Group share (EUR millions)</b>	<b>6,532</b>	<b>12,036</b>	<b>5,300</b>
Average number of shares outstanding during the period	504,757,339	504,757,339	504,757,339
Average number of treasury shares owned during the period	(2,086,130)	(1,129,631)	(966,277)
<b>Average number of shares on which the calculation before dilution is based</b>	<b>502,671,209</b>	<b>503,627,708</b>	<b>503,791,062</b>
<b>Basic earnings per share (EUR)</b>	<b>12.99</b>	<b>23.90</b>	<b>10.52</b>
Average number of shares outstanding on which the above calculation is based	502,671,209	503,627,708	503,791,062
Dilutive effect of stock option and bonus share plans	352,037	267,884	239,098
Other dilutive effects	-	-	-
<b>Average number of shares on which the calculation after dilution is based</b>	<b>503,023,246</b>	<b>503,895,592</b>	<b>504,030,160</b>
<b>Diluted earnings per share (EUR)</b>	<b>12.99</b>	<b>23.89</b>	<b>10.52</b>

The LVMH share repurchase program that began on December 21, 2021 ended on January 14, 2022, and a new share repurchase program was launched on May 17, 2022 (see Note 16.3); the LVMH shares actually acquired under these programs are taken into account in calculating earnings per share before dilution. Shares remaining to be acquired are not taken into account

in calculating diluted earnings per share, in respect of "Other dilutive effects".

No other events occurred between June 30, 2022 and the date at which the financial statements were approved for publication that would have significantly affected the number of shares outstanding or the potential number of shares.



## 29. PROVISIONS FOR PENSIONS, CONTRIBUTION TO MEDICAL COSTS AND OTHER EMPLOYEE BENEFIT COMMITMENTS

Provisions for pensions and other benefit commitments were revalued as of June 30, 2022 to take into account the increase in interest rates and the downturn in financial markets. These two factors led to a decrease in commitments of 676 million euros, and a decrease in the value of assets of 307 million euros,

i.e. a positive net impact of 279 million euros, recorded within "Gains and losses recognized in equity".

No other significant events concerning provisions for pensions and other benefit commitments occurred during the period.

## 30. OFF-BALANCE SHEET COMMITMENTS

The Group's off-balance sheet commitments totaled 5.8 billion euros as of December 31, 2021. During the first half of 2022, they increased by 1.8 billion euros. Aside from the impact of growth in business activity on commitments to purchase grapes, *eaux-de-vie*

and property, plant and equipment, as well as the signing of leases that are not yet legally binding, this increase included the commitment made in late June 2022 to acquire Joseph Phelps Vineyards.

## 31. EXCEPTIONAL EVENTS AND LITIGATION

No significant exceptional events or litigation occurred during the six-month period.

## 32. RELATED-PARTY TRANSACTIONS

No significant related-party transactions occurred during the period.

## 33. SUBSEQUENT EVENTS

No significant subsequent events occurred between June 30, 2022 and July 26, 2022, the date at which the financial statements were approved for publication by the Board of Directors.



# STATUTORY AUDITORS' REPORT ON THE HALF-YEAR FINANCIAL INFORMATION

To the shareholders of LVMH Moët Hennessy Louis Vuitton SE,

In compliance with the assignment entrusted to us by your Shareholders' Meeting and in accordance with the requirements of Article L. 451-I-2 III of the French Monetary and Financial Code (*Code monétaire et financier*), we hereby report to you on:

- the limited review of the accompanying condensed half-year consolidated financial statements of LVMH Moët Hennessy Louis Vuitton SE, for the period from January 1 to June 30, 2022;
- the verification of the information presented in the half-year Management Report.

These condensed half-year consolidated financial statements were prepared under your Board of Directors' responsibility. Our role is to express a conclusion on these financial statements based on our limited review.

## 1. Conclusion on the financial statements

We conducted our limited review in accordance with professional standards applicable in France.

A limited review of interim financial information consists primarily of making inquiries of persons responsible for financial and accounting matters, and applying analytical review procedures. A limited review is substantially lesser in scope than an audit conducted in accordance with the professional standards applicable in France and consequently does not enable us to obtain assurance that the financial statements, taken as a whole, are free from material misstatements, as we may not become aware of all significant matters that might be identified in an audit.

Based on our limited review, nothing has come to our attention that causes us to believe that the accompanying condensed half-year consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34, one of the IFRSs as adopted by the European Union applicable to interim financial information.

## 2. Specific verification

We have also verified the information presented in the half-year Management Report on the condensed half-year consolidated financial statements subject to our limited review.

We have no matters to report as to its fair presentation and consistency with the condensed half-year consolidated financial statements.

Courbevoie and Paris-La Défense, July 26, 2022

The Statutory Auditors

French original signed by

Mazars

Simon Beillevaire

Isabelle Sapet

Deloitte & Associés

Guillaume Troussicot Bénédict Sabadie

This is a free translation into English of the Statutory Auditors' report on the half-year financial information issued in French and is provided solely for the convenience of English-speaking users. This report includes information relating to the specific verification of information provided in the Group's half-year Management Report.

This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.



# STATEMENT BY THE PERSON RESPONSIBLE FOR THE INTERIM FINANCIAL REPORT

We declare that, to the best of our knowledge, the condensed interim consolidated financial statements have been prepared in accordance with applicable accounting standards and provide a true and fair view of the assets, liabilities, financial position and profit or loss of the parent company and of all consolidated companies, and that the interim Management Report presented on page 5 gives a true and fair picture of the significant events during the first six months of the fiscal year and their impact on the financial statements, and the main related party transactions, as well as a description of the main risks and uncertainties for the remaining six months of the fiscal year.

Paris, July 26, 2022

Under delegation from the Chairman and Chief Executive Officer

Jean-Jacques GUIONY

Chief Financial Officer, Member of the Executive Committee





# LVMH

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