

Christian Dior

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CHRISTIAN DIOR shows good resilience in the first quarter of 2020

The Christian Dior group recorded revenue of 10.6 billion Euros for the first quarter of 2020, down 15% compared to the same period in 2019 and down 17% on an organic* basis. The Group has proven its ability to be resilient in an economic environment disrupted by a serious health crisis that has led to the closure of stores and manufacturing sites in most countries in recent weeks, as well as the suspension of international travel. Christian Dior's priority is to ensure the safety of its employees and customers. The Group's teams have demonstrated their strong commitment and agility in facing this unprecedented situation, and efforts to adapt to the current environment are actively underway in order to control costs and ensure a more selective investment policy.

The Group has also organized the business to support the collective efforts being undertaken to combat Covid-19. Numerous solidarity initiatives have been rolled out by the Group's Maisons around the world to support health authorities and medical staff.

Revenue by business group:

In million euros	Q1 2020	Q1 2019	% Change Q1 2020 / Q1 2019	
			Reported	Organic*
Wines & Spirits	1 175	1 349	-13%	-14%
Fashion & Leather Goods	4 643	5 111	-9%	-10%
Perfumes & Cosmetics	1 382	1 687	-18%	-19%
Watches & Jewelry	792	1 046	-24%	-26%
Selective Retailing	2 626	3 510	-25%	-26%
Other activities and eliminations	(22)	(165)	-	-
Total	10 596	12 538	-15%	-17%

* with comparable structure and exchange rates. The currency effect for the Group was +1 % and the structural impact was +1%.

In **Wines & Spirits**, the positive currency effect and the firm price increase policy partially offset the decline in volumes. Revenue was down 14% on an organic basis in the first quarter of 2020. The US market demonstrated its good resilience over the period, supported by advance orders from distributors. Hennessy cognac slowed down in China given lower demand linked to the epidemic and to the timing of 2020 Chinese New Year.

The **Fashion & Leather Goods** business group recorded a decline in organic revenue of 10% in the first quarter of 2020 in a market environment defined by store closures in several regions around the world. Online sales saw rapid growth. Louis Vuitton and Christian Dior, in particular, continued to show creative momentum, as illustrated by the latest runway shows and continuous enhancements to their iconic products. The other brands continued the efforts to strengthen their resilience. Manufacturing sites of the Group's Maisons are preparing to reopen with maximum safety conditions for employees following the suspension of activity in mid-March.

In **Perfumes & Cosmetics**, organic revenue decreased 19% in the first quarter of 2020. The major brands demonstrated their resilience as retailers reduced their inventory levels given the current crisis. Online sales grew rapidly.

The **Watches & Jewelry** business group recorded a 26% drop in organic revenue in the first quarter of 2020. Bvlgari experienced a decline in its activity due to the closure of its stores, in Asia in particular. After a good start to the year, TAG Heuer and Hublot were affected by the reduction of orders by retailers. One of the major innovations of the quarter was the very successful launch of TAG Heuer's new smart watch.

In **Selective Retailing**, organic revenue was down 26% in the first quarter of 2020. While all the Sephora stores were closed in China for a major part of the quarter, those located in Europe and the United States have been closed since mid-March. Online revenue significantly increased over this period. Shopping in stores has gradually picked up in China since early April. DFS experienced a significant decline in activity in most destinations as a result of the suspension of international travel.

In a very turbulent context, the Group will maintain a strategy focused on preserving the value of its brands, based on the exceptional quality of its products and the responsiveness of its teams. In the current situation, the Group will further strengthen its policy of controlling costs and being selective in its investments. The closures of the Group's manufacturing sites and stores in most of the world's countries in the first half will have an impact on the annual revenue and results. This impact cannot be precisely evaluated at this stage without knowing the timetable for a return to normal business in the different areas where the Group operates. We can only hope that the recovery happens gradually from May or June after a second quarter which will still be very affected by the crisis, in particular in Europe and the US. The Christian Dior group relies on the talent and motivation of its teams, the diversification of its businesses and the geographical diversity of its revenue to reinforce, once again in 2020, its global leadership position in high-quality goods.

At a meeting on April 15th, 2020, the Christian Dior Board of Directors assessed the economic situation resulting from the Covid-19 pandemic and, in light of current events and governmental recommendations, decided to propose a reduction in the dividend announced on January 28th for Shareholders' approval at the AGM on June 30th, 2020. Thus, the balance of the dividend to be distributed will amount to €2.60 per share and will be paid on July 9th, 2020.

In addition, the Board was informed of the decision taken by Sidney Toledano, Chief Executive Officer of Christian Dior, to give up its remuneration within the Group for the months of April and May 2020 as well as any variable remuneration relating to 2020, a decision similar to the decision taken by the Executive Board members of LVMH. Finally, the Board members of the Company took the decision to reduce their attendance fees by 30% for 2020.

*This document is a free translation into English of the original French financial release dated April 16, 2020.
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.*

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