

# CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT	22
CONSOLIDATED STATEMENT OF COMPREHENSIVE GAINS AND LOSSES	23
CONSOLIDATED BALANCE SHEET	24
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	25
CONSOLIDATED CASH FLOW STATEMENT	26
SELECTED NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS	27

*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	2022	2021	2020
<b>Revenue</b>	24	<b>79,184</b>	<b>64,215</b>	<b>44,651</b>
Cost of sales		(24,988)	(20,355)	(15,871)
<b>Gross margin</b>		<b>54,196</b>	<b>43,860</b>	<b>28,780</b>
Marketing and selling expenses		(28,151)	(22,308)	(16,792)
General and administrative expenses		(5,027)	(4,414)	(3,641)
Income/(Loss) from joint ventures and associates	8	37	13	(42)
<b>Profit from recurring operations</b>	24	<b>21,055</b>	<b>17,151</b>	<b>8,305</b>
Other operating income and expenses	25	(54)	4	(333)
<b>Operating profit</b>		<b>21,001</b>	<b>17,155</b>	<b>7,972</b>
Cost of net financial debt		(17)	41	(35)
Interest on lease liabilities		(254)	(242)	(281)
Other financial income and expenses		(617)	254	(292)
<b>Net financial income/(expense)</b>	26	<b>(888)</b>	<b>53</b>	<b>(608)</b>
Income taxes	27	(5,362)	(4,510)	(2,409)
<b>Net profit before minority interests</b>		<b>14,751</b>	<b>12,698</b>	<b>4,955</b>
Minority interests	18	(667)	(662)	(253)
<b>Net profit, Group share</b>		<b>14,084</b>	<b>12,036</b>	<b>4,702</b>
<b>Basic Group share of net earnings per share (EUR)</b>	28	<b>28.05</b>	<b>23.90</b>	<b>9.33</b>
Number of shares on which the calculation is based		502,120,694	503,627,708	503,679,272
<b>Diluted Group share of net earnings per share (EUR)</b>	28	<b>28.03</b>	<b>23.89</b>	<b>9.32</b>
Number of shares on which the calculation is based		502,480,100	503,895,592	504,210,133

## CONSOLIDATED STATEMENT OF COMPREHENSIVE GAINS AND LOSSES

(EUR millions)	Notes	2022	2021	2020
<b>Net profit before minority interests</b>		<b>14,751</b>	<b>12,698</b>	<b>4,955</b>
Translation adjustments		1,303	2,177	(1,650)
Amounts transferred to income statement		(32)	(4)	(11)
Tax impact		(4)	17	(10)
	16.5, 18	<b>1,267</b>	<b>2,190</b>	<b>(1,671)</b>
Change in value of hedges of future foreign currency cash flows <sup>(a)</sup>		28	281	73
Amounts transferred to income statement		290	(303)	(123)
Tax impact		(73)	127	(112)
		<b>245</b>	<b>105</b>	<b>(162)</b>
Change in value of the ineffective portion of hedging instruments		(309)	(375)	(209)
Amounts transferred to income statement		340	237	232
Tax impact		(11)	33	(9)
		<b>21</b>	<b>(105)</b>	<b>14</b>
<b>Gains and losses recognized in equity, transferable to income statement</b>		<b>1,534</b>	<b>2,190</b>	<b>(1,819)</b>
Change in value of vineyard land	6	(72)	52	(3)
Amounts transferred to consolidated reserves		-	-	-
Tax impact		18	(12)	3
		<b>(53)</b>	<b>40</b>	<b>-</b>
Employee benefit obligations: Change in value resulting from actuarial gains and losses		301	251	(20)
Tax impact		(77)	(58)	6
		<b>223</b>	<b>193</b>	<b>(14)</b>
<b>Gains and losses recognized in equity, not transferable to income statement</b>		<b>170</b>	<b>233</b>	<b>(14)</b>
<b>Total gains and losses recognized in equity</b>		<b>1,705</b>	<b>2,423</b>	<b>(1,833)</b>
<b>Comprehensive income</b>		<b>16,456</b>	<b>15,121</b>	<b>3,122</b>
Minority interests		(755)	(762)	(162)
<b>Comprehensive income, Group share</b>		<b>15,701</b>	<b>14,359</b>	<b>2,960</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.

## CONSOLIDATED BALANCE SHEET

<b>Assets (EUR millions)</b>	Notes	<b>2022</b>	<b>2021</b>	<b>2020</b>
Brands and other intangible assets	3	25,432	24,551	17,012
Goodwill	4	24,782	25,904	16,042
Property, plant and equipment	6	23,055	20,193	18,224
Right-of-use assets	7	14,615	13,705	12,521
Investments in joint ventures and associates	8	1,066	1,084	990
Non-current available for sale financial assets	9	1,109	1,363	739
Other non-current assets	10	1,186	1,054	845
Deferred tax		3,661	3,156	2,325
<b>Non-current assets</b>		<b>94,906</b>	<b>91,010</b>	<b>68,698</b>
Inventories and work in progress	11	20,319	16,549	13,016
Trade accounts receivable	12	4,258	3,787	2,756
Income taxes		375	338	392
Other current assets	13	7,488	5,606	3,846
Cash and cash equivalents	15	7,300	8,021	19,963
<b>Current assets</b>		<b>39,740</b>	<b>34,301</b>	<b>39,973</b>
<b>Total assets</b>		<b>134,646</b>	<b>125,311</b>	<b>108,671</b>

  

<b>Liabilities and equity (EUR millions)</b>	Notes	<b>2022</b>	<b>2021</b>	<b>2020</b>
Equity, Group share	16	55,111	47,119	37,412
Minority interests	18	1,493	1,790	1,417
<b>Equity</b>		<b>56,604</b>	<b>48,909</b>	<b>38,829</b>
Long-term borrowings	19	10,380	12,165	14,065
Non-current lease liabilities	7	12,776	11,887	10,665
Non-current provisions and other liabilities	20	3,902	3,980	3,322
Deferred tax		6,952	6,704	5,481
Purchase commitments for minority interests' shares	21	12,489	13,677	10,991
<b>Non-current liabilities</b>		<b>46,498</b>	<b>48,413</b>	<b>44,524</b>
Short-term borrowings	19	9,359	8,075	10,638
Current lease liabilities	7	2,632	2,387	2,163
Trade accounts payable	22	8,788	7,086	5,098
Income taxes		1,211	1,267	721
Current provisions and other liabilities	22	9,553	9,174	6,698
<b>Current liabilities</b>		<b>31,543</b>	<b>27,989</b>	<b>25,318</b>
<b>Total liabilities and equity</b>		<b>134,646</b>	<b>125,311</b>	<b>108,671</b>

## 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 December 31, 2019</b>	<b>505,431,285</b>	<b>152</b>	<b>2,319</b>	<b>(403)</b>	<b>862</b>	<b>-</b>	<b>(107)</b>	<b>1,139</b>	<b>(220)</b>	<b>32,844</b>	<b>36,586</b>	<b>1,779</b>	<b>38,365</b>
Gains and losses recognized in equity					(1,554)		(176)		(11)		(1,742)	(91)	(1,833)
Net profit										4,702	4,702	253	4,955
<b>Comprehensive income</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,554)</b>	<b>-</b>	<b>(176)</b>	<b>-</b>	<b>(11)</b>	<b>4,702</b>	<b>2,960</b>	<b>162</b>	<b>3,122</b>
Bonus share plan-related expenses										60	60	3	63
(Acquisition)/disposal of LVMH shares				49						(42)	7	-	7
Exercise of LVMH share subscription options											-	-	-
Retirement of LVMH shares	(673,946)		(94)	94							-	-	-
Capital increase in subsidiaries											-	54	54
Interim and final dividends paid										(2,317)	(2,317)	(376)	(2,693)
Changes in control of consolidated entities										(30)	(30)	7	(23)
Acquisition and disposal of minority interests' shares										(49)	(49)	8	(41)
Purchase commitments for minority interests' shares										193	193	(220)	(27)
<b>As of December 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 December 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					1,206		249	(43)	204		1,617	88	1,705
Net profit										14,084	14,084	667	14,752
<b>Comprehensive income</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>1,206</b>	<b>-</b>	<b>249</b>	<b>(43)</b>	<b>204</b>	<b>14,084</b>	<b>15,701</b>	<b>755</b>	<b>16,456</b>
Bonus share plan-related expenses										127	127	5	132
(Acquisition)/disposal of LVMH shares										(54)	(1,370)	-	(1,370)
Retirement of LVMH shares	(1,500,000)		(936)	936							-	-	-
Capital increase in subsidiaries											-	28	28
Interim and final dividends paid										(6,024)	(6,024)	(382)	(6,406)
Changes in control of consolidated entities										7	7	6	13
Acquisition and disposal of minority interests' shares										(48)	(48)	(138)	(186)
Purchase commitments for minority interests' shares										(399)	(399)	(571)	(970)
<b>As of December 31, 2022</b>	<b>503,257,339</b>	<b>151</b>	<b>1,289</b>	<b>(1,293)</b>	<b>2,586</b>	<b>-</b>	<b>9</b>	<b>1,125</b>	<b>151</b>	<b>51,092</b>	<b>55,111</b>	<b>1,493</b>	<b>56,604</b>

## CONSOLIDATED CASH FLOW STATEMENT

(EUR millions)	Notes	2022	2021	2020
<b>I. OPERATING ACTIVITIES</b>				
Operating profit		21,001	17,155	7,972
(Income)/loss and dividends received from joint ventures and associates	8	26	41	64
Net increase in depreciation, amortization and provisions		3,219	3,139	3,478
Depreciation of right-of-use assets	7.1	3,007	2,691	2,572
Other adjustments and computed expenses		(483)	(405)	(89)
<b>Cash from operations before changes in working capital</b>		<b>26,770</b>	<b>22,621</b>	<b>13,997</b>
Cost of net financial debt: interest paid		(74)	71	(58)
Lease liabilities: interest paid		(240)	(231)	(290)
Tax paid		(5,604)	(4,239)	(2,385)
Change in working capital	15.2	(3,019)	426	(367)
<b>Net cash from/(used in) operating activities</b>		<b>17,833</b>	<b>18,648</b>	<b>10,897</b>
<b>II. INVESTING ACTIVITIES</b>				
Operating investments	15.3	(4,969)	(2,664)	(2,478)
Purchase and proceeds from sale of consolidated investments	2	(809)	(13,226)	(536)
Dividends received		7	10	12
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	(149)	(99)	63
<b>Net cash from/(used in) investing activities</b>		<b>(5,920)</b>	<b>(15,979)</b>	<b>(2,939)</b>
<b>III. FINANCING ACTIVITIES</b>				
Interim and final dividends paid	15.4	(6,774)	(4,161)	(2,799)
Purchase and proceeds from sale of minority interests		(351)	(435)	(67)
Other equity-related transactions	15.4	(1,604)	(552)	27
Proceeds from borrowings	19	3,774	251	17,499
Repayment of borrowings	19	(3,891)	(6,413)	(5,024)
Repayment of lease liabilities	7.2	(2,751)	(2,453)	(2,302)
Purchase and proceeds from sale of current available for sale financial assets	14	(1,088)	(1,393)	69
<b>Net cash from/(used in) financing activities</b>		<b>(12,685)</b>	<b>(15,156)</b>	<b>7,403</b>
<b>IV. EFFECT OF EXCHANGE RATE CHANGES</b>		<b>55</b>	<b>498</b>	<b>(1,052)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (I+II+III+IV)</b>		<b>(717)</b>	<b>(11,989)</b>	<b>14,309</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	15.1	<b>7,817</b>	<b>19,806</b>	<b>5,497</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	15.1	<b>7,100</b>	<b>7,817</b>	<b>19,806</b>
<b>TOTAL TAX PAID</b>		<b>(5,933)</b>	<b>(4,464)</b>	<b>(2,501)</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)	2022	2021	2020
Net cash from operating activities	17,833	18,648	10,897
Operating investments	(4,969)	(2,664)	(2,478)
Repayment of lease liabilities	(2,751)	(2,453)	(2,302)
<b>Operating free cash flow<sup>(a)</sup></b>	<b>10,113</b>	<b>13,531</b>	<b>6,117</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”.