

2017 ANNUAL RESULTS

JANUARY 25, 2018

LVMH
MOËT HENNESSY • LOUIS VUITTON



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BERNARD ARNAULT

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ANOTHER RECORD YEAR

2017 HIGHLIGHTS

| Buoyant market despite troubled geopolitical context

| Solid growth in the US, Europe and Asia

| Record revenue and profit from recurring operations

- Revenue: €42.6 bn, +13% (+12% organic)
- Profit from recurring operations: €8.3 bn, +18%

| Group share of net profit up 29%

| Healthy financial position

- Free cash flow: €4.8 bn, + 20%
- Net debt to equity ratio of 24%



WINES & SPIRITS

2017 HIGHLIGHTS

Confirmed recovery in China and strong momentum in the US despite supply constraints

| CHAMPAGNE & WINES

- Champagne: volumes + 4%
- Solid growth in all regions
- Good performance of prestige cuvées
- Continued development of Estates & Wines

| COGNAC & SPIRITS

- Hennessy: volumes +8% with all qualities contributing
- Strong momentum in the US despite supply constraints in second half of year
- Confirmed progress in China
- Destocking of Glenmorangie at distributors in Asia
- Acquisition of American whiskey, Woodinville, and exceptional Californian winery, Colgin Cellars



FASHION & LEATHER GOODS

2017 HIGHLIGHTS

Success of new products for Louis Vuitton and strengthening of other brands

| LOUIS VUITTON

- Success of iconic lines and new products, especially those from artistic collaborations
- Opening of Maison Louis Vuitton Vendôme in Paris
- Launch of first connected watch *Tambour Horizon*

| CHRISTIAN DIOR

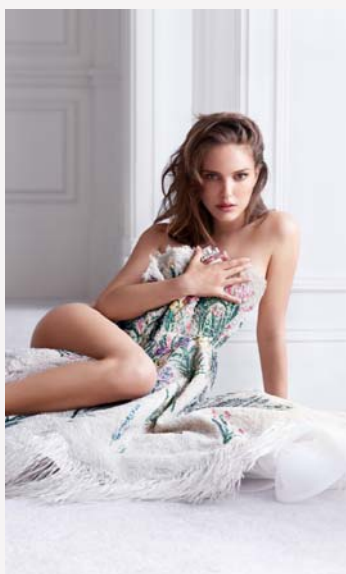
- Growth of the brand; historic success of exhibition «Christian Dior, Designer of Dreams» in Paris celebrating the fashion house's 70th anniversary

| FENDI

- Continued growth

| OTHER BRANDS

- Loro Piana: acceleration thanks to its high quality innovative products
- Céline: new creator Hedi Slimane
- Solid growth of Kenzo, Loewe and Berluti
- New creative director at Givenchy
- Continued repositioning of Marc Jacobs' collections
- Integration of Rimowa for the first year



PERFUMES & COSMETICS

2017 HIGHLIGHTS

Sustained growth and market share gains

| PARFUMS CHRISTIAN DIOR

- Vitality of iconic lines *J'adore* and *Miss Dior*; confirmed success of *Savage*
- Good momentum of makeup with *Rouge Dior Liquid* and *Dior Addict Lip Tattoo*
- Rapid growth of *Prestige* skincare

| GUERLAIN

- Success of *Mon Guerlain*; good growth of skincare, especially *Abeille Royale*

| OTHER BRANDS

- Benefit: strengthening of its *Brow Collection*
- Sustained growth of makeup lines with *Le Rouge* for Parfums Givenchy
- International roll out of *Kenzo World*
- Massive popularity of Fenty Beauty by Rihanna
- Rapid development of Fresh and its skincare products based on natural ingredients
- Acquisition of high-end perfumery, Maison Francis Kurkdjian



WATCHES & JEWELRY

2017 HIGHLIGHTS

Rapid momentum in jewelry and solid gains in the watch business despite challenging market

| BVLGARI

- Excellent year, market share gains
- Enhancement of lines *Serpenti*, *B.Zero1*, *Diva*, *Octo*; success of new watch *Serpenti Twists*
- Inaugurations of New York store on 5th Avenue and Bvlgari Hotels in Beijing and Dubai

| TAG HEUER

- Strengthening of iconic lines *Carrera*, *Aquaracer* and *Formula 1*
- Launch of a next-generation smartwatch
- Improvements in retail network; openings in Melbourne, Las Vegas and London

| HUBLOT

- Sustained growth of *Classic Fusion* and *Big Bang* collections; roll out of *Spirit of Big Bang*
- New stores in Kyoto, Cannes and Las Vegas

| CHAUMET

- Success of *Liens* and *Joséphine* lines, expansion of new concept store
- Good performance in Asia, major success of *Imperial Splendours* exhibition in Beijing



SELECTIVE RETAILING

2017 HIGHLIGHTS

Good performance of Sephora and recovery of sales at DFS

| SEPHORA

- Continued double-digit growth in revenue and profit
- Market share gains
- Strong comparable store revenue growth in North America and Asia
- Excellent momentum of online sales in all regions
- Inauguration of iconic stores in New York (34th Street/5th Avenue) and Dubai (Mirdif)

| DFS

- Confirmed recovery of sales in Hong Kong and Macao
- Expiration of loss-making concession at Hong Kong International Airport at end 2017
- Continuous improvements in offer and in digital initiatives to better serve travelers
- Renewal of concession at San Francisco International Airport

| LE BON MARCHÉ

- Inauguration of La Grande Epicerie de Paris Rive Droite



CAUTIOUSLY CONFIDENT FOR 2018

| Despite a supportive global economy at the start of this year, increasing vigilance in an uncertain geopolitical and monetary context

| Sustaining creative momentum at our brands, with careful attention to the quality of our products and services

| Taking advantage of the increasing digitization of our activities to enrich the experience offered to our customers

| Encouraging entrepreneurial spirit

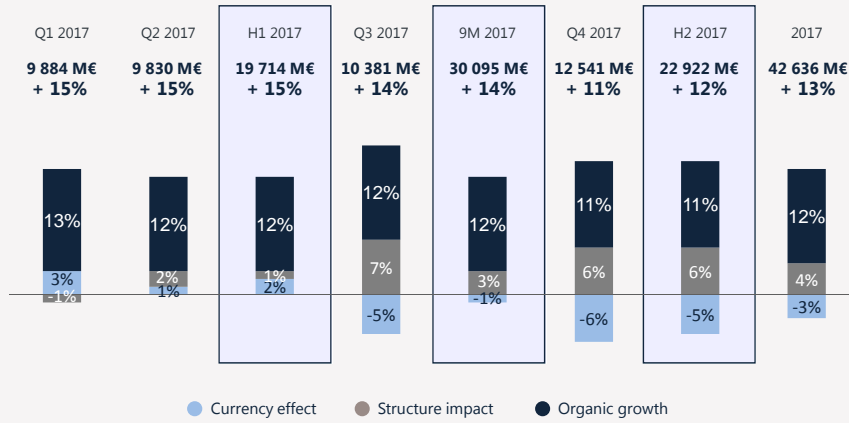
- Agility of our organization
- Commitment and involvement of our teams

REINFORCE GLOBAL LEADERSHIP POSITION OF LVMH IN LUXURY GOODS



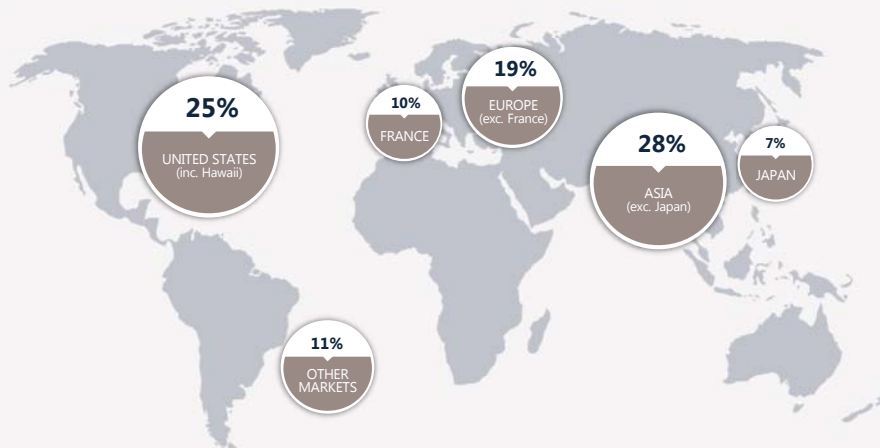
JEAN-JACQUES GUIONY

QUARTERLY EVOLUTION OF 2017 REVENUE



2017 REVENUE BY REGION

In % of total revenue



REVENUE CHANGE BY REGION

Organic growth versus same period of 2016	9 months 2017	Q4 2017	2017
UNITED STATES*	+ 7%	+ 13%	+ 9%
JAPAN	+ 11%	+ 14%	+ 12%
ASIA (EXCLUDING JAPAN)	+ 19%	+ 12%	+ 17%
EUROPE	+ 12%	+ 7%	+ 10%

* Exc Hawaii.

REVENUE BY BUSINESS GROUP

In millions of euros	2016	2017	Reported growth	Organic growth*
WINES & SPIRITS	4 835	5 084	+ 5%	+ 7%
Champagne & Wines	2 288	2 406	+ 5%	+ 7%
Cognac & Spirits	2 547	2 679	+ 5%	+ 7%
FASHION & LEATHER GOODS	12 775	15 472	+ 21%	+ 13%
PERFUMES & COSMETICS	4 953	5 560	+ 12%	+ 14%
WATCHES & JEWELRY	3 468	3 805	+ 10%	+ 12%
SELECTIVE RETAILING	11 973	13 311	+ 11%	+ 13%
OTHERS AND ELIMINATIONS	(404)	(596)	-	-
TOTAL LVMH	37 600	42 636	+ 13%	+ 12%

* With comparable structure and constant exchange rates.

ORGANIC REVENUE GROWTH BY BUSINESS GROUP

Organic growth versus same period of 2016	H1 2017	Q3 2017	Q4 2017	2017
WINES & SPIRITS	+ 10%	+ 4%	+ 6%	+ 7%
FASHION & LEATHER GOODS	+ 14%	+ 13%	+ 10%	+ 13%
PERFUMES & COSMETICS	+ 12%	+ 17%	+ 14%	+ 14%
WATCHES & JEWELRY	+ 13%	+ 14%	+ 9%	+ 12%
SELECTIVE RETAILING	+ 12%	+ 14%	+ 14%	+ 13%
TOTAL LVMH	+ 12%	+ 12%	+ 11%	+ 12%

INCOME STATEMENT SUMMARIZED

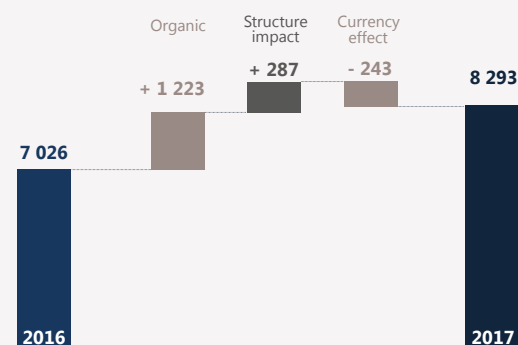
In millions of euros	2016	2017	% Change
REVENUE	37 600	42 636	+ 13%
GROSS MARGIN	24 561	27 853	+ 13%
Marketing and selling expenses	(14 607)	(16 395)	+ 12%
General and administrative expenses	(2 931)	(3 162)	+ 8%
Equity investment income	3	(3)	
PROFIT FROM RECURRING OPERATIONS	7 026	8 293	+ 18%
Other operating income and expenses	(122)	(180)	
OPERATING PROFIT	6 904	8 113	+ 18%
Net financial income (expense)	(432)	(179)	
Income taxes	(2 109)	(2 318)	
NET PROFIT BEFORE MINORITY INTERESTS	4 363	5 616	+ 29%
Minority interests	(382)	(487)	
GROUP SHARE OF NET PROFIT	3 981	5 129	+ 29%

PROFIT FROM RECURRING OPERATIONS BY BUSINESS GROUP

In millions of euros	2016	2017	% Change
WINES & SPIRITS	1 504	1 558	+ 4%
Champagne & Wines	658	674	+ 2%
Cognac & Spirits	846	884	+ 4%
FASHION & LEATHER GOODS	3 873	4 905	+ 27%
PERFUMES & COSMETICS	551	600	+ 9%
WATCHES & JEWELRY	458	512	+ 12%
SELECTIVE RETAILING	919	1 075	+ 17%
OTHERS AND ELIMINATIONS	(279)	(357)	ns
TOTAL LVMH	7 026	8 293	+ 18%

INCREASE IN PROFIT FROM RECURRING OPERATIONS

In millions of euros



CHANGE IN NET FINANCIAL INCOME (EXPENSE)

In millions of euros	2016	2017	Change (M€)
COST OF NET FINANCIAL DEBT	(83)	(62)	+ 21
INEFFECTIVE PORTION OF FOREIGN CURRENCY HEDGES	(330)	(124)	+ 206
NET GAIN/(LOSS) RELATING TO AFS* ASSETS AND OTHER FINANCIAL INSTRUMENTS, DIVIDENDS RECEIVED	12	38	+ 26
OTHER ITEMS - NET	(31)	(31)	-
NET FINANCIAL INCOME (EXPENSE)	(432)	(179)	+ 253

* AFS: Available For Sale

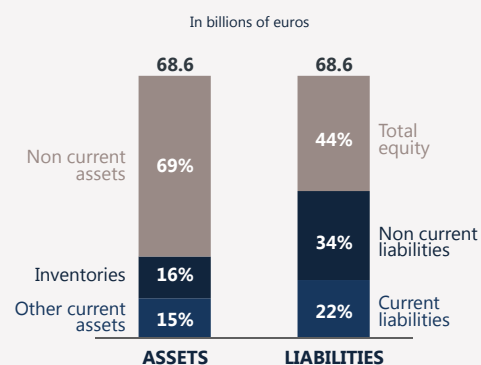
SOUND FINANCIAL STRUCTURE

| Increased total equity primarily linked to strong results and change in revaluation reserves partly offset by negative currency impacts

| Increased net debt following notably Christian Dior Couture and Rimowa acquisitions

| Rise in non current assets due primarily to Christian Dior Couture and Rimowa acquisitions, investments in the year and revaluation of purchase commitments for minority interests

| Increase in inventories resulting from growth in Group's businesses



Dec 31, 2017

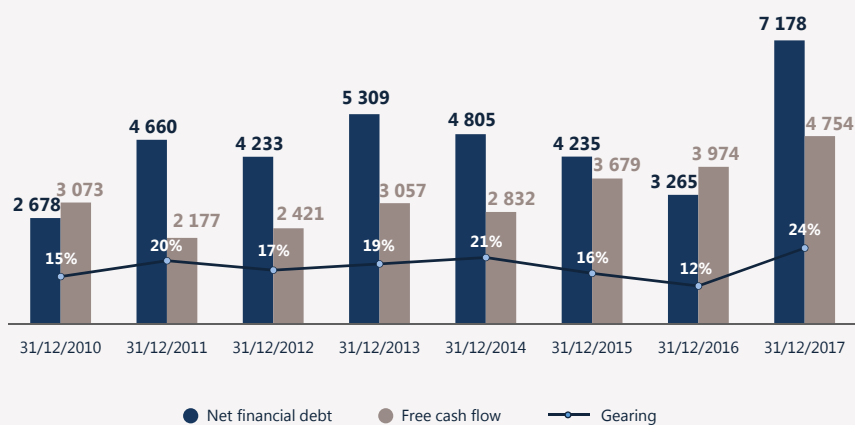
ANALYSIS OF CASH FLOW FROM OPERATIONS

In millions of euros	2016	2017	Change (M€)
CASH FROM OPERATIONS BEFORE CHANGES IN WORKING CAPITAL	8 733	10 404	+ 1 671
Net interest paid	(59)	(70)	- 11
Income taxes paid	(1 923)	(2 790)	- 867
NET CASH FROM OPERATIONS BEFORE CHANGES IN WORKING CAPITAL	6 751	7 544	+ 793
Working capital requirements	(512)	(514)	- 2
Operating investments	(2 265)	(2 276)	- 11
FREE CASH FLOW*	3 974	4 754	+ 780

* Before available for sale financial assets and investments, transactions relating to equity and financing activities.

NET FINANCIAL DEBT AND FREE CASH FLOW

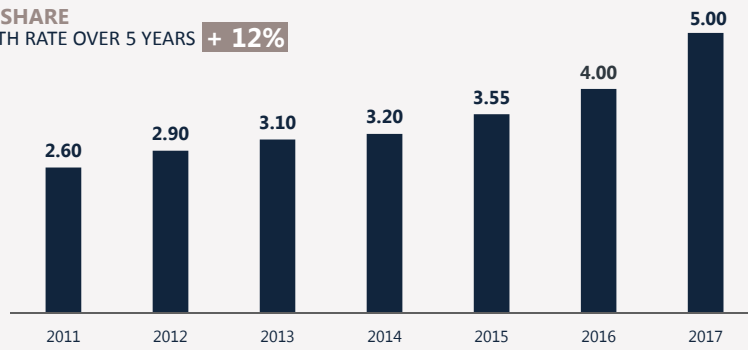
In millions of euros



2017 DIVIDEND UP 25%

In euros

GROSS DIVIDEND PER SHARE
AVERAGE ANNUAL GROWTH RATE OVER 5 YEARS **+ 12%**



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