

FIRST HALF
2018
RESULTS

JULY 24, 2018

LVMH
MOËT HENNESSY · LOUIS VUITTON



DISCLAIMER

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EXCELLENT FIRST HALF FOR LVMH

- | Double-digit increases in revenue and profit from recurring operations
- | Strong growth in Asia and the United States
- | Good start to the year for Wines and Spirits
- | Outstanding momentum at Louis Vuitton; profitability remains at exceptional level
- | Success of new products at Christian Dior both in Couture and Perfumes & Cosmetics
- | New creative talent at several fashion brands
- | Excellent performance of Bvlgari and good performance of watch brands
- | Strong revenue growth at Sephora in stores and online
- | Rebound of profitability at DFS

BUSINESS GROUPS REVIEW





FIRST HALF 2018 RESULTS

WINES &
SPIRITS

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FIRST HALF 2018 RESULTS

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WINES & SPIRITS
KEY FIGURES

In millions of euros

■ Champagne and Wines ■ Cognac and Spirits

• REVENUE

- 1%

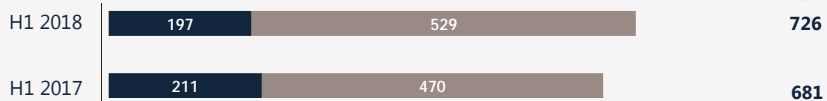
Organic growth

+ 7%



• PROFIT FROM RECURRING OPERATIONS

+ 7%



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WINES & SPIRITS

H1 2018 HIGHLIGHTS

Strong momentum in China, and good progress in the US and Europe, despite supply constraints

| CHAMPAGNE & WINES

- Champagne: volumes -1 %
- New launches and success of prestige cuvées
- Solid growth in Europe and Japan; delay in US shipments
- Performance of Estates & Wines mainly driven by price effects

| COGNAC & SPIRITS

- Hennessy: volumes +3 %
- Further progress in the US in context of tight supply
- Continued strong momentum in China
- Rebound of Glenmorangie after destocking in Asia in 2017

WINES & SPIRITS

2018 OUTLOOK

- | Maintain value creation strategy in context of tight supply
- | Product innovation and new ways to consume supported by innovative and digital communication
- | Enhance brands' image in the distribution
- | Develop production facilities to support future growth
- | Integrate new brands Woodinville Whiskey, Tequila Volcán de Mi Tierra and exceptional winery, Colgin Cellars

FIRST HALF 2018 RESULTS

FASHION &
LEATHER GOODS

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FIRST HALF 2018 RESULTS

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FASHION & LEATHER GOODS
KEY FIGURES

In millions of euros

• REVENUE

+ 25%*

Organic growth

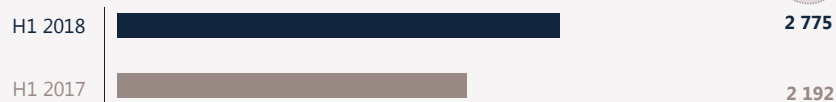
+ 15%



* Including a positive structure impact of 17 points resulting from the integration of Christian Dior Couture

• PROFIT FROM RECURRING OPERATIONS

+ 27%



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FASHION & LEATHER GOODS

H1 2018 HIGHLIGHTS

- | Strong growth in Asia and the US, solid progress in Europe
- | Louis Vuitton: excellent creative momentum, combining modernity and tradition
 - Success of iconic lines and new designs
 - Very well received Women's Cruise collection at Fondation Maeght in Saint-Paul-de-Vence
 - Significant media impact of Virgil Abloh's first fashion show as Men's Creative Director
- | Christian Dior Couture: strong progress in all product categories; arrival of Kim Jones as Men's Creative Director
- | Fendi: robust progress of Ready-To-Wear and Menswear collections
- | Loro Piana: special focus on premium Womenswear; strength in Asia
- | Céline: continued momentum in leather goods, new Creative Director Hedi Slimane
- | Marc Jacobs: continued evolution of product lines; success of *Snapshot* bag
- | Rimowa: qualitative development of distribution, successful Supreme collaboration
- | Kenzo, Loewe and Berluti: sustained growth

FASHION & LEATHER GOODS

2018 OUTLOOK

- | Maintain creative momentum at Louis Vuitton
 - Sustain innovation in all product categories
 - Continue qualitative development of retail network
 - Increase production capacity to respond to demand
- | Christian Dior Couture: focus on creativity and "savoir-faire" excellence
- | Fendi: opening of first store in Spain, in Barcelona
- | Céline: Hedi Slimane's highly anticipated first runway show
- | Givenchy: new expanded location of store in Dubai Mall
- | Kenzo: take over distribution in China, openings in Las Vegas and Florence
- | Continue to reinforce creative talent and to invest in the other brands

FIRST HALF 2018 RESULTS

PERFUMES &
 COSMETICS



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FIRST HALF 2018 RESULTS

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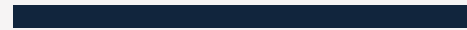
PERFUMES & COSMETICS
 KEY FIGURES

In millions of euros

• REVENUE

Organic growth

H1 2018



H1 2017



+ 8%

+ 16%

2 877

2 670

• PROFIT FROM RECURRING OPERATIONS

H1 2018



H1 2017



+ 25%

364

292

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PERFUMES & COSMETICS

H1 2018 HIGHLIGHTS

| Parfums Christian Dior: excellent momentum in all regions

- Vitality of perfumes *J'Adore* and *Miss Dior*; strong appeal of *Sauvage*
- International rollout of *Rouge Dior*; very promising start for *Dior Backstage*
- Strong growth of skincare line *Prestige*, especially in Asia

| Guerlain: outstanding performance of lipstick *Rouge G*; launch of *Mon Guerlain Eau de Parfum Florale*; success of skincare line *Abeille Royale*

| Benefit: successful launch of mascara *BADgal BANG*

| Givenchy: strong progress of lipsticks and *Prisme Libre* line

| Fresh: rapid development of skincare lines *Rose* and *Black Tea*, especially in Asia

| Acqua di Parma: strong progress driven by *Colonia Pura*, *Blu Mediterraneo* and new communication plan

| Maison Francis Kurkdjian: continued qualitative development

PERFUMES & COSMETICS

2018 OUTLOOK

| Continue strong innovative and creative momentum in a favorable environment

| Parfums Christian Dior: sustained media investments for iconic and new products

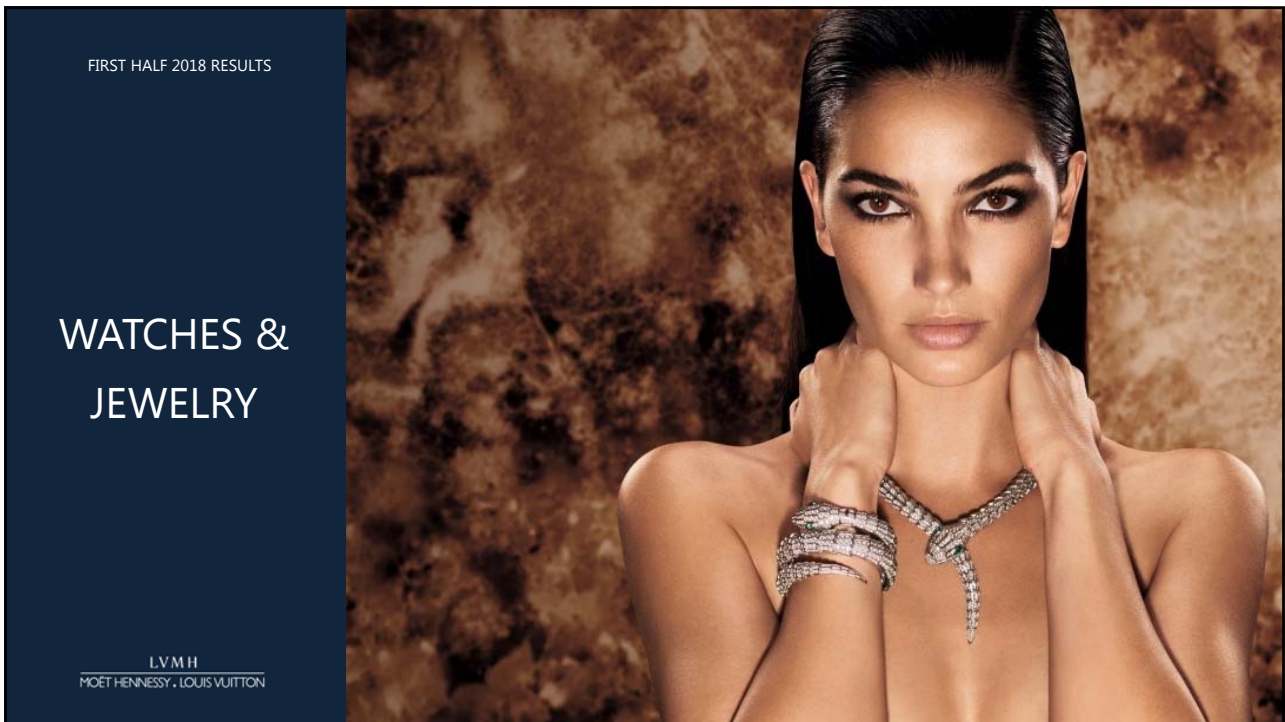
- Launch of new women's fragrance with actress Jennifer Lawrence as its muse
- Continued rollout of *Dior Backstage*

| Guerlain: launch of skincare serum *Double R Abeille Royale*

| Givenchy: new women's fragrance with actress Rooney Mara as its muse

| Kenzo: rollout of *Kenzo World* in China

| Fenty Beauty by Rihanna: first anniversary and enrich product range



FIRST HALF 2018 RESULTS		18
WATCHES & JEWELRY		
KEY FIGURES		
In millions of euros		
<ul style="list-style-type: none"> • REVENUE 		<div style="border: 1px solid gray; border-radius: 50%; width: 40px; height: 40px; display: flex; align-items: center; justify-content: center; margin: 0 auto;">+ 8%</div>
<ul style="list-style-type: none"> <ul style="list-style-type: none"> Organic growth 		<div style="border: 1px solid gray; border-radius: 50%; width: 40px; height: 40px; display: flex; align-items: center; justify-content: center; margin: 0 auto;">+ 16%</div>
H1 2018		1 978
H1 2017		1 838
<ul style="list-style-type: none"> • PROFIT FROM RECURRING OPERATIONS 		<div style="border: 1px solid gray; border-radius: 50%; width: 40px; height: 40px; display: flex; align-items: center; justify-content: center; margin: 0 auto;">+ 46%</div>
H1 2018		342
H1 2017		234
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WATCHES & JEWELRY

H1 2018 HIGHLIGHTS

- | Rapid progress in Jewelry and growth for Watches driven by strength of iconic lines
- | Bvlgari: excellent momentum and market share gain
 - Success of iconic lines *Serpenti*, *B.Zero 1*, *Diva*, *Lycea* and *Octo*, supported by new product lines
 - Excellent response to High Jewelry collection *Wild Pop*
- | TAG Heuer: good response to *Carrera Calibre Heuer 02 Tourbillon* and *Monaco Bamford* models at Baselworld; opening of iconic stores in New York and Tokyo
- | Hublot: solid growth, notably in the US and China, driven by *Classic Fusion* and *Big Bang* and by the development of *Spirit of Big Bang*; strong visibility as Official Timekeeper of 2018 FIFA World Cup
- | Chaumet: success of *Liens* and *Joséphine* lines, new collection *Les Mondes de Chaumet*

WATCHES & JEWELRY

2018 OUTLOOK

- | Continue programs dedicated to enhancing quality and productivity of distribution
- | Target investments, in particular online
- | New store in Lee Gardens, Hong Kong for Bvlgari
- | Inauguration of exhibition dedicated to Chaumet's history in Tokyo, and renovate Ginza store
- | International rollout of *Defy* line at Zenith

FIRST HALF 2018 RESULTS

SELECTIVE DISTRIBUTION

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FIRST HALF 2018 RESULTS

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SELECTIVE RETAILING KEY FIGURES

In millions of euros

• REVENUE

Organic growth



* + 15 % excluding the termination of Hong Kong International Airport concessions.

+ 1%

+ 9%*

• PROFIT FROM RECURRING OPERATIONS



+ 39%

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SELECTIVE RETAILING

H1 2018 HIGHLIGHTS

| SEPHORA

- Strong growth in revenue and market share gains in all key regions
- Rapid progress of online sales and expansion in all geographies
- Reopened store at Paris Saint-Lazare train station, with innovative concept

| DFS

- Significant recovery of sales in Hong Kong, Macao and Japan
- Success of *Gallerias* recently opened in Cambodia and Venice
- Reopened and good start for *Galleria* in Sydney
- Rebound of profitability

| LE BON MARCHÉ

- Continued beautification and animation of store
- Added Jewelry to 24 Sèvres e-commerce site

SELECTIVE RETAILING

2018 OUTLOOK

| SEPHORA

- Innovate in products and develop exclusive new services
- Continue to renovate worldwide retail network
- Open new local Studios in the United States
- Pursue omni-channel integration and loyalty programs

| DFS

- Ongoing renovation of iconic flagship stores in Canton Road, Hong Kong and at San Francisco International Airport
- Develop actions to enhance customer relations and digital marketing

| LE BON MARCHÉ

- Open renovated children's department
- Organize exhibition dedicated to Los Angeles after the summer holidays

CONSOLIDATED
 KEY FIGURES
 H1 2018



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H1 2018 REVENUE
 BY BUSINESS GROUP

In millions of euros	H1 2017	H1 2018	Reported growth	Organic growth*
WINES & SPIRITS	2 294	2 271	- 1%	+ 7%
FASHION & LEATHER GOODS	6 899	8 594	+ 25%	+ 15%
PERFUMES & COSMETICS	2 670	2 877	+ 8%	+ 16%
WATCHES & JEWELRY	1 838	1 978	+ 8%	+ 16%
SELECTIVE RETAILING	6 280	6 325	+ 1%	+ 9%**
OTHERS & ELIMINATIONS	(267)	(295)	-	-
TOTAL LVMH	19 714	21 750	+ 10%	+ 12%

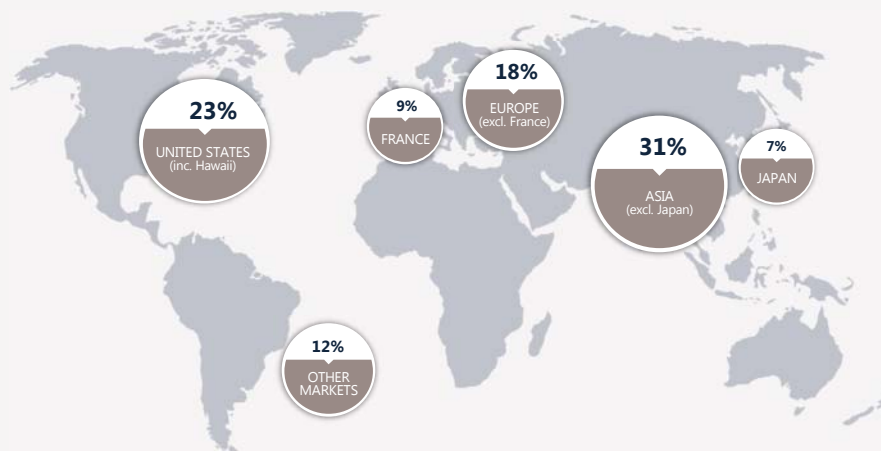
* With comparable structure and exchange rates. The exchange rate impact for the Group is -8% and the structural impact is +6%.
 ** + 15 % excluding the termination of Hong Kong International Airport concessions.

H1 2018 REVENUE BY QUARTER BY BUSINESS GROUP

Organic growth versus same period of 2017	Q1 2018	Q2 2018	H1 2018
WINES & SPIRITS	+ 10%	+ 3%	+ 7%
FASHION & LEATHER GOODS	+ 16%	+ 13%	+ 15%
PERFUMES & COSMETICS	+ 17%	+ 14%	+ 16%
WATCHES & JEWELRY	+ 20%	+ 12%	+ 16%
SELECTIVE RETAILING	+ 9%	+ 9%	+ 9%
TOTAL LVMH	+ 13%	+ 11%	+ 12%

H1 2018 REVENUE BREAKDOWN BY REGION

In % of total revenue



REVENUE EVOLUTION BY REGION

Organic growth versus same period of 2017	Q1 2018	Q2 2018	H1 2018
UNITED STATES*	+ 10%	+ 11%	+ 10%
JAPAN	+ 18%	+ 16%	+ 17%
ASIA (EXCL. JAPAN)	+ 21%	+ 15%	+ 18%
EUROPE	+ 6%	+ 4%	+ 5%

* Excl. Hawaii.

INCOME STATEMENT SUMMARIZED

In millions of euros	H1 2017*	H1 2018	% Change
REVENUE	19 714	21 750	+ 10%
GROSS MARGIN	12 833	14 620	+ 14%
Marketing and selling expenses	(7 704)	(8 305)	+ 8%
General and administrative expenses	(1 488)	(1 679)	+ 13%
Equity investment income	(1)	12	
PROFIT FROM RECURRING OPERATIONS	3 640	4 648	+ 28%
Other operating income and expenses	(95)	(70)	
OPERATING PROFIT	3 545	4 578	+ 29%
Net financial income (expense)	(19)	(22)	
Income taxes	(1 185)	(1 264)	
NET PROFIT BEFORE MINORITY INTERESTS	2 341	3 292	+ 41%
Minority interests	(214)	(288)	
GROUP SHARE OF NET PROFIT	2 127	3 004	+ 41%

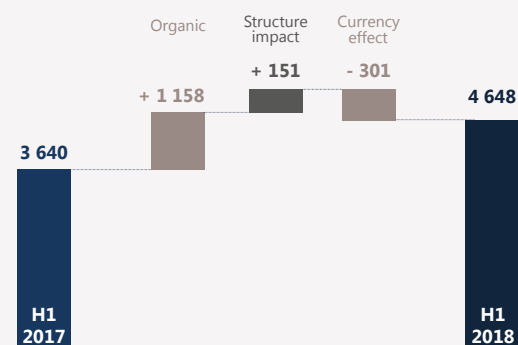
* Restated to reflect the application of IFRS 9 Financial instruments

PROFIT FROM RECURRING OPERATIONS BY BUSINESS GROUP

In millions of euros	H1 2017	H1 2018	% Change
WINES & SPIRITS	681	726	+ 7%
FASHION & LEATHER GOODS	2 192	2 775	+ 27%
PERFUMES & COSMETICS	292	364	+ 25%
WATCHES & JEWELRY	234	342	+ 46%
SELECTIVE RETAILING	441	612	+ 39%
OTHERS AND ELIMINATIONS	(200)	(171)	Ns
TOTAL LVMH	3 640	4 648	+ 28%

INCREASE IN PROFIT FROM RECURRING OPERATIONS

In millions of euros



CHANGE IN NET FINANCIAL INCOME (EXPENSE)

In millions of euros	H1 2017*	H1 2018	Change (M€)
COST OF NET FINANCIAL DEBT	(62)	(56)	+ 6
INEFFECTIVE PORTION OF FOREIGN CURRENCY HEDGES	(74)	(68)	+ 6
NET GAIN/(LOSS) RELATING TO AFS** ASSETS AND OTHER FINANCIAL INSTRUMENTS, DIVIDENDS RECEIVED	131	113	- 18
OTHER ITEMS - NET	(14)	(11)	+ 3
NET FINANCIAL INCOME (EXPENSE)	(19)	(22)	- 3

* Restated to reflect the application of IFRS 9 Financial instruments

** AFS: Available For Sale

SOUND FINANCIAL STRUCTURE

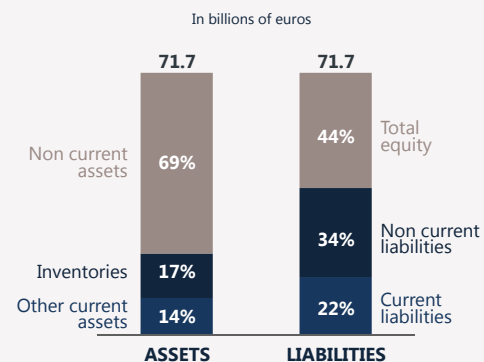
Changes versus December 2017

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

| Slight increase of net debt

| Rise in non current assets primarily due to impact on revaluation of purchase commitments for minority interests

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



June 30, 2018

ANALYSIS OF CASH FLOW FROM OPERATIONS

In millions of euros	H1 2017*	H1 2018	Change (M€)
CASH FROM OPERATIONS BEFORE CHANGES IN WORKING CAPITAL	4 501	5 464	+ 963
Net interest paid	(51)	(73)	- 22
Income taxes paid	(1 068)	(907)	+ 161
NET CASH FROM OPERATIONS BEFORE CHANGES IN WORKING CAPITAL	3 382	4 484	+ 1 102
Working capital requirements	(1 130)	(1 323)	- 193
Operating investments	(988)	(1 204)	- 216
FREE CASH FLOW**	1 264	1 957	+ 693

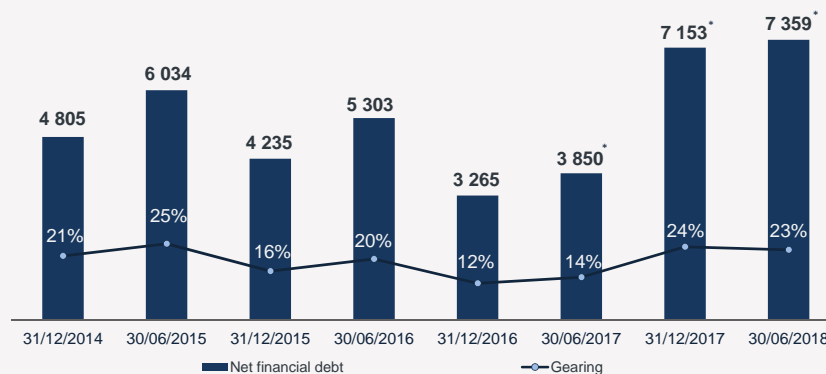
* Restated to reflect the application of IFRS 9 Financial instruments

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

An interim dividend of €2 per share to be paid on December 6th 2018

NET FINANCIAL DEBT

In millions of euros



* Restated to reflect the application of IFRS 9 Financial instruments

CONCLUSION

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CAUTIOUSLY CONFIDENT FOR 2018 SECOND HALF

| Strong global demand, but monetary and geopolitical uncertainties

| Continue creative momentum of brands

| Focus on digitalization of our activities

| Emphasis on entrepreneurial spirit

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

Objective of LVMH

**REINFORCE OUR LEADERSHIP POSITION
IN GLOBAL LUXURY GOODS MARKET**

FIRST HALF
2018
RESULTS

JULY 24, 2018

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