

LVMH



**LVMH reaches an agreement with Belmond**  
to increase its presence  
in the ultimate hospitality world

DECEMBER 14, 2018

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DISCLAIMER

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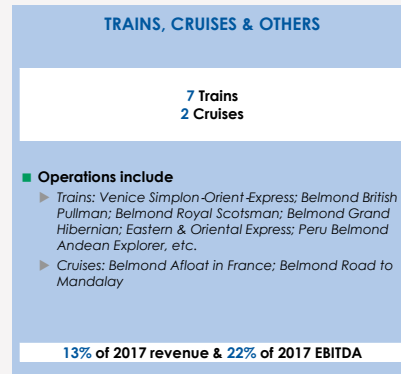
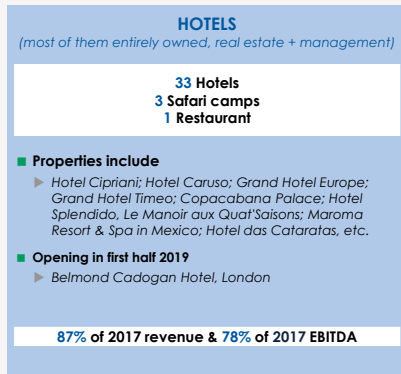
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## BELMOND: THE ULTIMATE TRAVEL CONNOISSEUR

### CREATING EXCEPTIONAL EXPERIENCES WORLDWIDE

| Founded in 1976 and formerly named Orient Express Hotels, the Belmond Group is a luxury hotel and travel operator listed on the New York Stock Exchange

| Operating in 24 countries, Belmond has interests in 46 hospitality offerings which all have a unique and distinctive brand identity

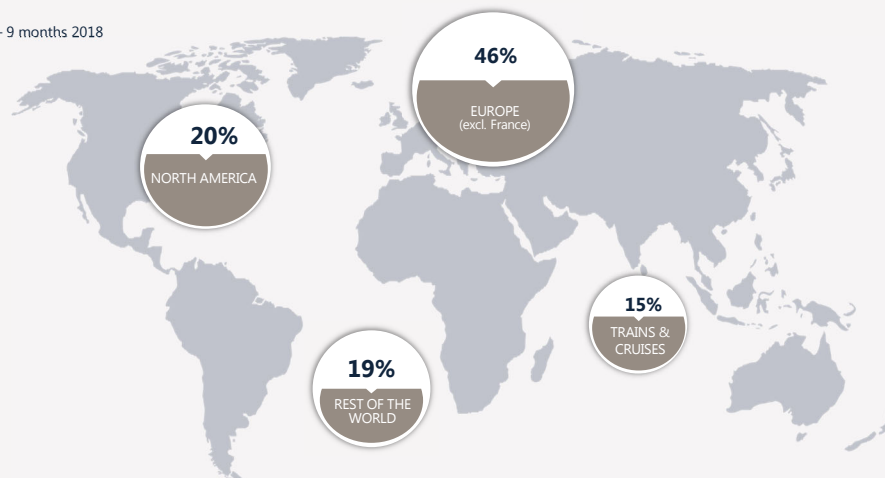


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## BELMOND: A GLOBAL FOOTPRINT WITH A STRONG FOCUS IN EUROPE

### REVENUE BREAKDOWN BY REGION


In % of total revenue – 9 months 2018



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## ICONIC, IRREPLACEABLE PORTFOLIO OF TROPHY ASSETS

**HOTELS**



- **33 hotels in EMEA, North America, Asia and South America**
  - ▶ City landmarks such as Hotel Cipriani, Hotel Splendido, Grand Hotel Europe and Copacabana Place
  - ▶ Rejuvenating sanctuaries & natural wonders such as Hotel das Cataratas and Sanctuary Lodge
  - ▶ Heritage palaces such as Hotel Monasterio and Villa San Michele
- **Owned Iconic '21' Club restaurant in New York**
- **3 luxury safari lodges in Botswana**

**TRAINS & CRUISES**



- **4 owned trains across Europe, 2 Belmond branded luxury trains in Peru through a JV, 1 JV luxury train in Southeast Asia and 2 owned river cruises**
- **Trains provide an outstanding platform to establish the Belmond brand in new markets**
- **No other luxury hospitality company with such an extensive portfolio of owned one-of-a-kind assets**
- **Best-in-class capabilities to manage trains & river cruises**
- **Unrivalled development opportunities leveraging Belmond's portfolio and management capabilities**

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## BELMOND KEY FIGURES

| **3,100** hotel rooms ; **62 %** occupancy rate YTD Sept. 2018

| YTD Sept. 2018: **ADR = US\$ 563 ; RevPAR = US\$ 347**

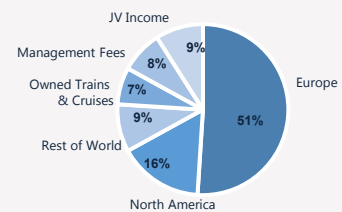
| 12 months **Revenue** to end Sept. 2018 = **US\$ 572 million**

| 12 months **Adjusted EBITDA** to end Sept. 2018 = **US\$ 140 million**

| Ratio **Adjusted EBITDA to revenue** = 24 %

### Adjusted EBITDA by region

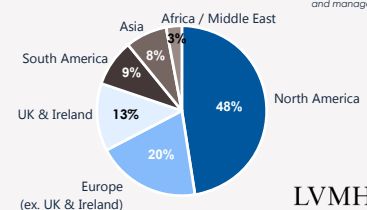
% of total – 9 months to Sept. 2018



### Global customer base

% of total – 2017 Guest origin (1)

(1) Calculated using room nights sold for the year ended December 31, 2017 of owned, part-owned, and managed hotels



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## KEY STRENGTHS AND GROWTH OPPORTUNITIES

### STRENGTHS

- | **Iconic and legendary assets** all around the world
- | Ownership of the **real estate**
- | Reach **critical mass in the ultimate luxury hotel world** with one single acquisition
- | **Globally-diverse**, highly refined **customer base**
- | Recognized brand and **ideal complement to the Cheval Blanc maisons**
- | **Seasoned management team** with deep industry knowledge

### OPPORTUNITIES

- | Asian and Middle East clientele underpenetrated
- | Strong Hotel Management Agreements opportunities
- | Complements other LVMH Group's activities
- | Implementation of yield management enabling better RevPar levels; strong bookings already in place

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## BELMOND, AN IDEAL COMPLEMENT TO CHEVAL BLANC MAISONS

**Maintain two distinctive brands** with different resonance:

| The Belmond brand synonymous with history, heritage and timeless experiences such as:

- Adventures and natural wonders (e.g. Cataratas, Machu Picchu)
- Cultural hubs (e.g. Portofino, Cipriani, Copacabana)
- Rejuvenating sanctuaries (e.g. Cap Juluca, La Residence d'Angkor)
- Unforgettable journeys (e.g. Venice Simplon-Orient-Express)

| Cheval Blanc synonymous with ultimate luxury, service, architecture and unique gastronomy

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## TRANSACTION DESCRIPTION

### AT A GLANCE

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| **Definitive agreement** for the acquisition of Belmond Ltd (NYSE: BEL)

| LVMH proposes **\$25 per share to acquire Class A shares** of Belmond Ltd

- **Equity value** of \$2.6 billion
- **100% Enterprise value** of \$3.2 billion

#### | **Next steps**

- Transaction subject to the approval of Belmond Ltd.'s shareholders and the clearance by the relevant competition authorities
  - Belmond shareholder approval expected in Q1 2019
  - Clearance of anti-trust expected mid-2019
- Closing of the transaction expected after anti-trust clearances

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## TRANSACTION FINANCING AND IMPACT ON LVMH

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| Total equity value of the transaction: **\$ 2.6 billion**

| Limited impact on LVMH's debt profile

| 2018 EPS accretion before synergies: estimated 0.1%

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## CONCLUSION

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| Unique collection of exceptional hotel and luxury travel adventures  
in some of the world's most inspiring destinations

| Complementary to our own Cheval Blanc maisons and Bvlgari hotel activity

| Opportunity to significantly increase LVMH's presence in the ultimate hospitality world