

LVMH

2019
ANNUAL GENERAL
MEETING

APRIL 18, 2019

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2019 ANNUAL GENERAL MEETING

BERNARD
ARNAULT

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EXCELLENT PERFORMANCE FOR LVMH IN 2018

| Buoyant market despite troubled monetary and geopolitical context

| Good progress in Asia, Europe and the US

| Another record year with double-digit increases in revenue and profit from recurring operations

- Revenue: **€46.8** bn, +10% (+11% organic)
- Profit from recurring operations: **€10** bn, +21%

| Healthy financial position

- Free cash flow: **€5.5** bn, +16%
- Adjusted net debt to equity ratio of 16%

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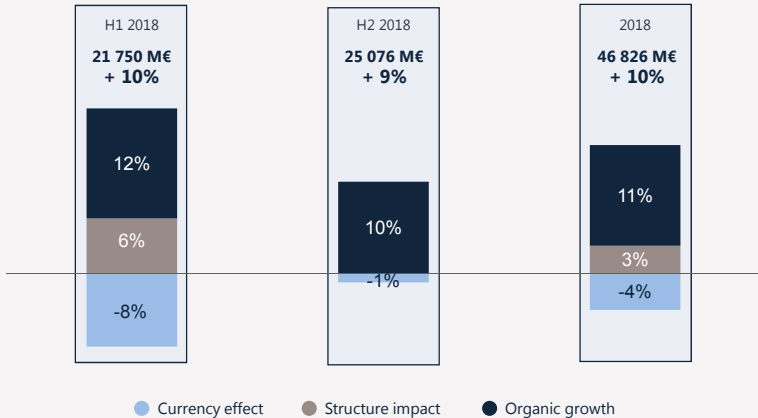


2019 ANNUAL GENERAL MEETING

JEAN-JACQUES GUIONY

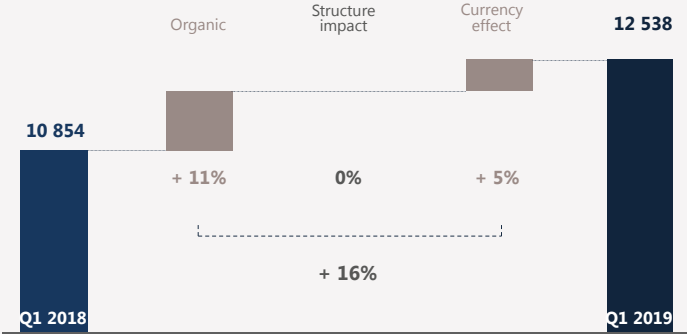
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HALF YEAR EVOLUTION OF 2018 REVENUE



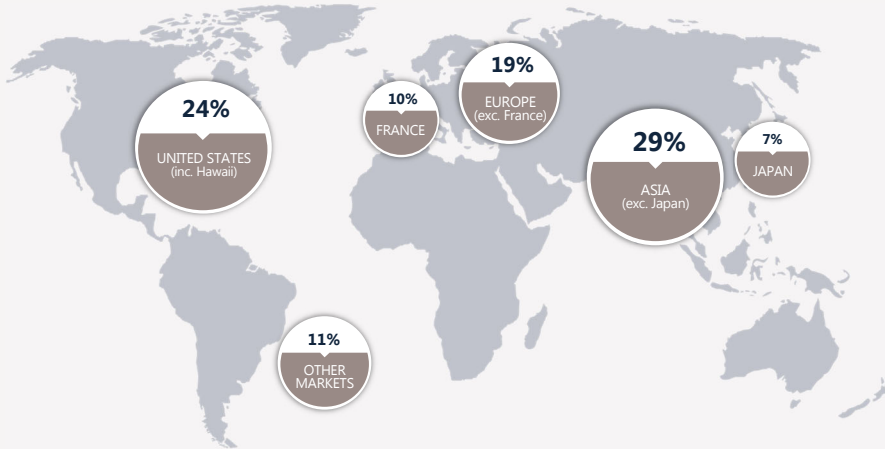
Q1 2019 REVENUE

In millions of euros



2018 REVENUE BY REGION

In % of total revenue



REVENUE CHANGE BY REGION

Organic growth versus same period of 2017	9 months 2018	Q4 2018	2018
UNITED STATES*	+ 10%	+ 5%	+ 8%
JAPAN	+ 14%	+ 15%	+ 15%
ASIA (EXCLUDING JAPAN)	+ 16%	+ 15%	+ 15%
EUROPE	+ 7%	+ 8%	+ 7%

* Exc Hawaii.

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REVENUE BY BUSINESS GROUP

In millions of euros	2017	2018	Reported growth	Organic growth*
WINES & SPIRITS	5 084	5 143	+ 1%	+ 5%
Champagne & Wines	2 406	2 369	- 2%	+ 3%
Cognac & Spirits	2 679	2 774	+ 4%	+ 7%
FASHION & LEATHER GOODS	15 472	18 455	+ 19%	+ 15%
PERFUMES & COSMETICS	5 560	6 092	+ 10%	+ 14%
WATCHES & JEWELRY	3 805	4 123	+ 8%	+ 12%
SELECTIVE RETAILING	13 311	13 646	+ 3%	+ 6%
OTHERS AND ELIMINATIONS	(596)	(633)	-	-
TOTAL LVMH	42 636	46 826	+ 10%	+ 11%

* With comparable structure and constant exchange rates.

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INCOME STATEMENT

SUMMARIZED

In millions of euros	2017*	2018	% Change
REVENUE	42 636	46 826	+ 10%
GROSS MARGIN	27 853	31 201	+ 12%
Marketing and selling expenses	(16 395)	(17 755)	+ 8%
General and administrative expenses	(3 162)	(3 466)	+ 10%
Equity investment income	(3)	23	
PROFIT FROM RECURRING OPERATIONS	8 293	10 003	+ 21%
Other operating income and expenses	(180)	(126)	
Operating profit	8 113	9 877	+ 22%
Net financial income (expense)	(59)	(388)	
Income taxes	(2 214)	(2 499)	
NET PROFIT BEFORE MINORITY INTERESTS	5 840	6 990	+ 20%
Minority interests	(475)	(636)	
GROUP SHARE OF NET PROFIT	5 365	6 354	+ 18%

* Restated to reflect the application of IFRS 9 Financial instruments.

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PROFIT FROM RECURRING OPERATIONS

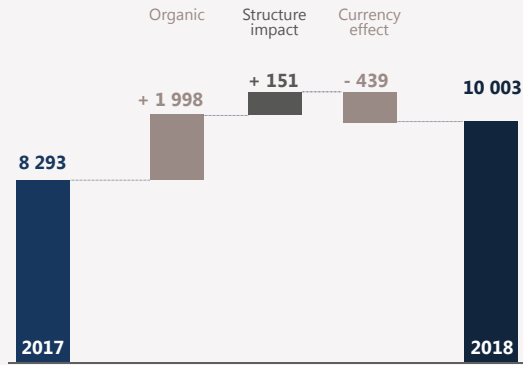
BY BUSINESS GROUP

In millions of euros	2017	2018	% Change
WINES & SPIRITS	1 558	1 629	+ 5%
Champagne & Wines	674	649	- 4%
Cognac & Spirits	884	980	+ 11%
FASHION & LEATHER GOODS	4 905	5 943	+ 21%
PERFUMES & COSMETICS	600	676	+ 13%
WATCHES & JEWELRY	512	703	+ 37%
SELECTIVE RETAILING	1 075	1 382	+ 29%
OTHERS AND ELIMINATIONS	(357)	(330)	ns
TOTAL LVMH	8 293	10 003	+ 21%

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INCREASE IN PROFIT FROM RECURRING OPERATIONS

In millions of euros



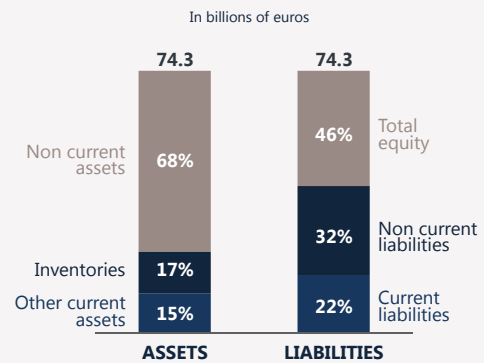
SOUND FINANCIAL STRUCTURE

| Increased total equity primarily linked to strong results

| Decreased net financial debt

| Rise in non current assets due primarily to operating and financial investments (Belmond shares)

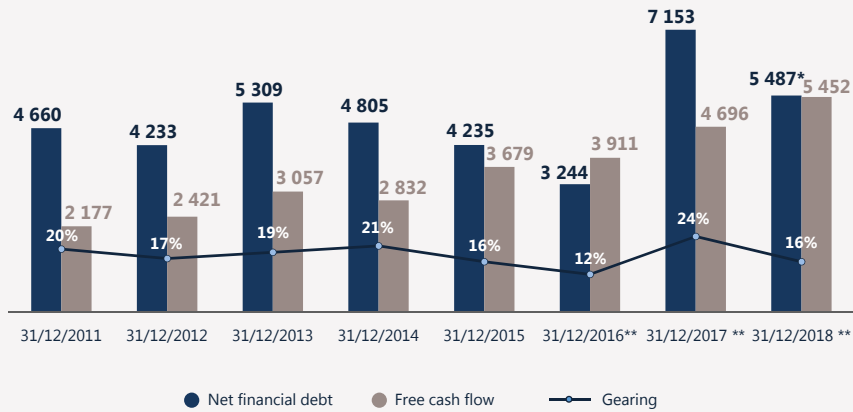
| Increase in inventories resulting from growth in Group's businesses



Dec 31, 2018

NET FINANCIAL DEBT AND FREE CASH FLOW

In millions of euros



* Belmond shares deducted from net financial debt (€274m).

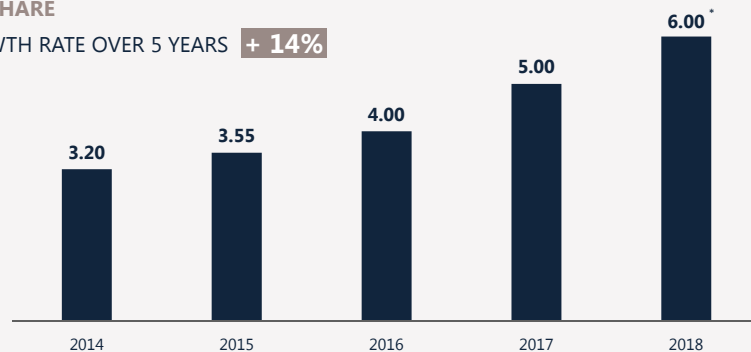
** Restated to reflect the application of IFRS 9 Financial instruments. Previous years are presented without restatement.

2018 DIVIDEND UP 20%

In euros

GROSS DIVIDEND PER SHARE

AVERAGE ANNUAL GROWTH RATE OVER 5 YEARS **+ 14%**



* Amount proposed at the Annual General Meeting of April 18, 2019.

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2018 HIGHLIGHTS

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2018 KEY HIGHLIGHTS

- | Excellent performance in Wines and Spirits and exceptional grape harvests
- | Success of both iconic and new products at Louis Vuitton, whose profitability remains at an exceptional level
- | Very good first year for Christian Dior Couture within LVMH
- | Creative renewal at several Maisons
- | Strong growth at the flagship brands of Perfumes and Cosmetics
- | Excellent year for Bvlgari and good development of Hublot and TAG Heuer
- | Growth at Sephora, which strengthened its positions in all its markets and in digital
- | Agreement to acquire Belmond, present in the ultimate hospitality world

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STRATEGY AND OUTLOOK

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CAUTIOUSLY CONFIDENT FOR 2019

| Despite a supportive market at start of year, maintain vigilance in an uncertain geopolitical and monetary context

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

| Enrich customer experience in our stores and online

| Entrepreneurial spirit

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

REINFORCE GLOBAL LEADERSHIP POSITION OF LVMH IN LUXURY GOODS

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PERFORMANCE AND RESPONSIBILITY

| Promote **professional development** of all our employees by valuing diversity and human potential

| Ensure that our professions endure by **handing down expertise** and strengthening employment, wherever we operate

| **Engage in society** for major causes with support of our employees

| **25 years of commitment** towards **protecting the environment**

| Continue roll-out of **4 ambitious objectives** for 2020

- Inspire creativity through **eco-design**
- Ensure **responsible supply chain**
- Combating **climate change**
- Improving **environmental performance of sites and stores**

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AUDITORS' REPORTS TO THE COMBINED SHAREHOLDERS' MEETING

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STATUTORY AUDITORS' REPORTS

| Ordinary Annual Shareholders' Meeting

- Report on the parent company financial statements
- Report on the consolidated financial statements
- Special report on regulated related party agreements and commitments

| Extraordinary Annual Shareholders' Meeting

- 4 special reports related to transactions on the capital

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REPORTS ON LVMH PARENT COMPANY

(1st RESOLUTION)

|Pages 275 to 278 of the translation of the French “document de référence”

|Key audit matters

- Valuation of equity investments
- Provisions for contingencies and losses

|In our opinion, the parent company financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as of December 31, 2018 and of the results of its operations for the fiscal year then ended in accordance with French accounting principles.

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REPORTS ON THE CONSOLIDATED FINANCIAL STATEMENTS

(2nd RESOLUTION)

|Pages 244 to 248 of the translation of the French “document de référence”

|Key audit matters

- Allocation of the Christian Dior Couture purchase price
- Valuation of fixed assets, in particular intangible assets
- Valuation of inventories and work in progress
- Provision for contingencies and losses

|In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as of December 31, 2018, and of the results of its operations for the fiscal year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

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SPECIAL REPORT ON REGULATED RELATED PARTY AGREEMENTS AND COMMITMENTS

(4th RESOLUTION)

| Pages 279 and 280 of the translation of the French “document de référence”

| The new regulated related party agreement entered into and authorized by your Board of Directors during the year relate to an amendment to the assistance agreement with Groupe Arnault.

| The other agreements and commitments authorized in prior years and which remained in force in 2018 are also presented in our special report.

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SPECIAL REPORTS REGARDING TRANSACTIONS ON THE CAPITAL

| Authorizations granted to the Board of Directors

Authorization to reduce the share capital	Resolution 17
Authorization to decide on the issue of shares and/or marketable securities with retention or waiver of preferential subscription rights	Resolutions 19, 20, 21, 22, 23, 24, 25 and 28
Authorization to grant share subscription or purchase option to employees and/or senior executive officers of the Company and affiliated entities without exceeding 1% of the Company's share capital	Resolution 26
Authorization to decide on the issue of ordinary shares and/or marketable securities reserved for employees who are members of a company savings plan without exceeding 1% of the Company's share capital	Resolution 27

| We have nothing to report on these transactions, which comply with the conditions provided by the French Commercial Code.

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