

LVMH

LETTER TO SHAREHOLDERS AUGUST 2019



EXCELLENT FIRST HALF FOR LVMH

Bernard Arnault, Chairman and CEO of LVMH, said: "LVMH has made an excellent start to the year. These results once again illustrate the effectiveness of our strategy and the exceptional desirability of our Maisons, whose products transcend time. Their constant demand for quality and their consistently refreshed creativity are key to LVMH's success, always guided by a long-term vision, combining exemplarity and responsibility in all the Company's actions. Despite buoyant demand, we will continue to manage costs and remain vigilant into the second half of the year. We are therefore entering the second half of the year with confidence and count on the talent of our teams and their shared entrepreneurial passion to further increase, once again in 2019, our leadership in the world of high-quality products."

Highlights of the first half of 2019 include:

- Further double-digit increases in revenue and profit from recurring operations,
- Strong growth in Asia, the United States and Europe, particularly in France, which saw a rebound in the second quarter,
- Good start to the year for Wines and Spirits,
- Remarkable momentum at Louis Vuitton where profitability remains at an exceptional level,
- Remarkable performance of Christian Dior Couture,
- Rapid progress of LVMH's Perfumes and Cosmetics flagship brands,
- Good progress in jewelry, in particular for Bvlgari,
- Sephora's strong revenue growth in stores and online,
- Solid progress of DFS, particularly in Europe, benefiting from the rise in international travelers,
- The completion in April of the acquisition of the Belmond hotel group, whose activity will be consolidated in the third quarter of 2019,
- Announcement of the agreement with Stella McCartney House.

LVMH Moët Hennessy - Louis Vuitton, the world's leading luxury products group, recorded revenue of 25.1 billion euros in the first half of 2019, up 15%. Organic revenue growth was 12% compared to the same period in 2018.

In the second quarter, revenue increased by 15% compared to the same period in 2018. Organic revenue growth was 12%, a performance in line with the trends of the beginning of the year. The United States, Asia and Europe saw good growth with, in particular, a rebound in France in the second quarter.

Profit from recurring operations was €5,295 million for the first half of 2019, an increase of 14%. Operating margin reached 21.1%, broadly in-line with the first half of 2018. Group share of net profit amounted to €3,268 million, an increase of 9%.

2019 OUTLOOK

In the buoyant environment of the beginning of this year, albeit marked by geopolitical uncertainties, LVMH will continue to pursue gains in market share through the numerous product launches planned before the end of the year and its geographic expansion in promising markets, while continuing to manage costs.

Our strategy of focusing on the highest quality across all our activities, combined with the dynamism and unparalleled creativity of our teams, will enable us to reinforce LVMH's global leadership position in luxury goods once again in 2019.

REVENUE

€25,082m
+12%⁽¹⁾

PROFIT FROM RECURRING OPERATIONS

€5,295m
+14%

OPERATING MARGIN

21.1%

GROUP SHARE OF NET PROFIT

€3,268m
+9%

CASH FROM OPERATIONS BEFORE CHANGES IN WORKING CAPITAL

€7,399m⁽²⁾

NET FINANCIAL DEBT/ EQUITY RATIO

24.5%

INTERIM DIVIDEND PER SHARE

€2.20⁽³⁾

All documentation related to the 2019 half-year results can be found on the LVMH website (www.lvmh.com) under Investors/Events/Results.

The financial statements as of June 30, 2019 incorporate for the first time the effects of the application of IFRS 16 Leases. In accordance with the standard, data for fiscal year 2018 was not restated. The impact of applying IFRS 16 on profit from recurring operations and net profit is not significant.

(1) With comparable structure and constant exchange rates. On a reported basis, revenue growth was 15%, including a currency effect of +3%.

(2) Non comparable to cash from operations before changes in working capital for first-half 2018.

(3) Payable on December 10, 2019.

WINES & SPIRITS

STRONG MOMENTUM IN CHINA AND THE UNITED STATES



Hennessy

The Wines & Spirits business group recorded organic revenue growth of 6%. Profit from recurring operations increased by 6%.

The business group pursued its value strategy based on a strong policy of innovation and targeted investments in communication. The momentum was particularly strong in the United States, Asia and emerging markets. In the Champagne business, prestige vintages saw strong growth, while the price increase policy continued throughout the range. Hennessy cognac, which recorded solid growth, became the leading international premium spirits brand. The acquisition of Château du Galoupet, a prestige Côtes-de-Provence classified vintage wine, marks LVMH's entry into quality rosé wines.

REVENUE

€2,486m
+6%⁽¹⁾

PROFIT FROM
RECURRING
OPERATIONS

€772m
+6%

OPERATING
MARGIN

31.1%

(1) With comparable structure and constant exchange rates.
On a reported basis, revenue growth was 9%.

FASHION & LEATHER GOODS

EXCEPTIONAL PERFORMANCES AT LOUIS VUITTON AND CHRISTIAN DIOR



Louis Vuitton

The Fashion & Leather Goods business group recorded organic revenue growth of 18%. Profit from recurring operations was up 17%.

Louis Vuitton achieved remarkable growth in all its businesses and in all regions. The iconic lines and new creations equally contributed to the continued revenue growth. Of note during the first half were the Men's and Women's fashion shows which were enthusiastically received. Christian Dior had a remarkable performance during the first half. The new line, *30 Montaigne*, which is a great success, illustrates the timeless elegance and savoir-faire of the Maison. An exceptional new store on the Champs-Élysées in Paris has temporarily taken over from the historic address of Avenue Montaigne, which is undergoing major renovations. Fendi celebrated Karl Lagerfeld's 54 years with the Maison and the Fendi family at several fashion shows which paid tribute to the designer. Celine is beginning to roll out its new store concept. The fashion shows presented in the first half, which were very well received, reflected the new identity of the Maison. Loro Piana recorded steady growth with, in particular, the success of a new personalized shoe service and a temporary boutique in New York. Loewe had an excellent performance, driven in particular by the success of its new collections. Rimowa had a very good start to the year. The other Maisons were further strengthened.

REVENUE
€10,425m
+18%⁽¹⁾

PROFIT FROM
RECURRING
OPERATIONS
€3,248m
+17%

OPERATING
MARGIN
31.2%

(1) With comparable structure and constant exchange rates. On a reported basis, revenue growth was 21%.

PERFUMES & COSMETICS

EXCELLENT GROWTH OF FLAGSHIP BRANDS AND RAPID PROGRESS IN ASIA



Parfums Christian Dior

The Perfumes & Cosmetics business group recorded organic revenue growth of 9%, mainly driven by the performance of flagship brands. Profit from recurring operations was up 6%.

Parfums Christian Dior maintained strong momentum, driven by the vitality of its iconic perfumes and the rapid progress of its makeup and skincare lines. Guerlain had an excellent start to the year. Its iconic *Rouge G* lipstick and *Abeille Royale* skincare line were particularly strong. Guerlain's launch of the first digital transparency and product traceability platform was a highlight of the first half. Parfums Givenchy benefited from its rapid progress in makeup and the good performance of its *L'Interdit* perfume. Benefit continued to grow its Eyebrow collection while Fresh continued its expansion in China.

REVENUE

€3,236m
+9%⁽¹⁾

PROFIT FROM
RECURRING
OPERATIONS

€387m
+6%

OPERATING
MARGIN

12%

(1) With comparable structure and constant exchange rates. On a reported basis, revenue growth was 12%.

WATCHES & JEWELRY

GOOD GROWTH OF BVLGARI AND FURTHER REPOSITIONING OF TAG HEUER



Bvlgari

The Watches & Jewelry business recorded organic revenue growth of 4%, driven by jewelry. Profit from recurring operations was up 5%.

Bvlgari made good progress in its stores and continued to gain market share. The iconic lines *Serpenti*, *B.Zero1*, *Diva* and *Fiorever* contributed to this performance. Its new high-end jewelry collection, *Cinematica*, presented in June in Capri, was very well received. At Chaumet, the success of its *Bee My Love* collection and its iconic *Liens* and *Joséphine* lines were the main growth drivers of the Maison. TAG Heuer continued to focus on its flagship lines, while Hublot continued to actively grow and develop its store network. The organisation of the first exhibition of the LVMH Swiss watch Maisons was announced for January 2020 in Dubai.

REVENUE

€2,135m
+4%⁽¹⁾

PROFIT FROM
RECURRING
OPERATIONS

€357m
+5%

OPERATING
MARGIN

16.7%

(1) With comparable structure and constant exchange rates. On a reported basis, revenue growth was 8%.

SELECTIVE RETAILING

STRONG GROWTH AT SEPHORA AND SUSTAINED DEVELOPMENT OF DFS IN EUROPE



Sephora

The Selective Retailing business group achieved organic revenue growth of 8%. Profit from recurring operations was up 17%.

Sephora recorded strong revenue growth and gained market share in all of its locations. Already present in 34 countries, the brand continued to expand its store network while online sales advanced rapidly. Le Bon Marché continued to cultivate its unique identity and the exclusivity of its product offering. DFS performed very well in the Venice Galleria, its first European location. Although a slowdown in demand has been observed in Hong Kong and Macao over the past few months, DFS's performance in these markets was good in the first half.

REVENUE

€7,098m
+8%⁽¹⁾

PROFIT FROM
RECURRING
OPERATIONS

€714m
+17%

OPERATING
MARGIN

10.1%

(1) With comparable structure and constant exchange rates. On a reported basis, revenue growth was 12%.

FOCUS

GUERLAIN UNVEILS BEE RESPECT – A PLATFORM PROMOTING THE TRANSPARENCY AND TRACEABILITY OF ITS CREATIONS

Guerlain has reaffirmed its commitment to sustainable innovation by unveiling BEE RESPECT, a groundbreaking platform to promote the transparency and traceability of its creations.

BEE RESPECT provides behind the scenes access to the Maison's creations, from their ingredients and production sites through to their end-of-life recycling. This innovative tool, available to all, demonstrates Guerlain's commitment to constantly improve the environmental and social impact of its products, while also meeting the expectations its customers are entitled to have with regard to transparency.



Laurent Boillot, Guerlain's Chairman and CEO, explains: "Committing to a more sustainable world is an opportunity to combine and refine a culture of beauty and goodness – the source and cornerstone of our success – and pass down a valuable heritage to future generations, in a spirit of full transparency. BEE RESPECT is a highly effective tool that helps us meet our own traceability needs as well as those that our customers are entitled to expect when it comes to transparency, by offering clear, reliable, accessible information. It's also a stepping stone toward further progress. We plan to achieve other ambitious, high-impact goals in 2019, as part of our steadfast dedication to continuous improvement. As I see it, we might not be able to save the planet on our own, but we're determined and proud to do our part, and a bit extra too."

BEE RESPECT is currently available in France for Guerlain's skincare and makeup ranges, with the aim of rapidly expanding coverage to its perfume range and other geographic areas.

Get behind-the-scenes insights into Guerlain's creations on the website www.guerlain.com via product QR codes or via guerlain.respect-code.org.

In the Name of Beauty: Guerlain is committed to and acts to help create a more sustainable world

As a pioneer, with 12 years of environmental and social commitment under the motto "In the Name of Beauty", Guerlain's commitments and actions are based on four key priorities:

- Biodiversity: Preserving and protecting the beauty the world has to offer, and in particular bees, a sentinel species for the environment and the emblem of our Maison;
- Sustainable design: Reinventing luxury in a more sustainable and responsible way;
- Climate: Leaving the smallest environmental footprint possible on our planet by targeting carbon neutrality by 2028;
- Support: Empowering women and promoting self-esteem.

A word from Laurent Boillot, Guerlain's Chairman and CEO:

"Our commitment to sustainability, which has been at the heart of our strategy and the initiatives we've taken over the last 12 years, has been such an inspiration for us that we wanted it to be enshrined in Guerlain's mission. It's what gives meaning to what we do, it forms the framework within which we establish each of our initiatives and the way we intend to contribute to the common good by looking beyond our own interests, in order to do our part – and a bit extra too – to make the world more beautiful and sustainable. This vocation has deep roots in our heritage: it gave wing to our sustainability commitment, becoming an issue that involves the entire Maison and, it goes without saying, is supported by all our teams. It is extremely inspiring and challenging, and we are very happy to share it with you today:

"We have been creating exceptional Fragrance and Beauty products since 1828.

We strive to preserve, develop and pass on this unique heritage to future generations.

**WE COMMIT AND ACT
IN THE NAME OF BEAUTY OF OUR CLIENTS,
IN THE NAME OF BEAUTY OF OUR CREATIONS
AND IN THE NAME OF BEAUTY OF THE PLANET.**

We involve and unite (clients, partners, companies that share the same vision) in order to imagine and shape a more beautiful and responsible world together."

LOUIS VUITTON FOR UNICEF: A PARTNERSHIP FOR CHILDREN

Helping vulnerable children in emergencies

In the three and a half years since the launch of its international partnership with UNICEF, the United Nations Children's Fund, Louis Vuitton has raised nearly 8 million euros through its global network of stores and customers to support UNICEF programs and help the world's most vulnerable children.



From devastating natural disasters to violent conflict and epidemics, nearly 250 million children worldwide are faced with crises that have dire humanitarian consequences. By supporting UNICEF, Louis Vuitton promises to give these vulnerable children hope for a better life.

Among the initiatives taken under this partnership, Louis Vuitton launched the *Silver Lockit* jewelry line, specially designed to raise funds for UNICEF. For each *Silver Lockit* pendant (600 euros) or bracelet (250 or 500 euros) purchased, up to 200 euros is donated to UNICEF. Inspired by the tumbler lock invented by Georges Vuitton in 1890 to protect customers' most precious belongings, the *Silver Lockit* is a symbol of protection. It was chosen as a symbol of sealing Louis Vuitton's promise to help children in urgent need.

Vital support

Worldwide, approximately half of the people who live without sanitation and safe drinking water are in countries affected by conflict. Every day, UNICEF works in 190 countries to defend children's rights and meet their basic needs, in order to ensure that every child is safe, protected and gets an education. The funds raised by Louis Vuitton and UNICEF have helped provide emergency support to children in countries including Syria, Jordan, Bangladesh, Mozambique, Zimbabwe and Malawi.

The Syrian crisis is one of the biggest humanitarian crises of our time. More than 6 million people have been displaced within the country and more than 5 million Syrians (including 2.5 million children) are living as refugees in Turkey, Lebanon, Jordan, Iraq and Egypt. As part of the humanitarian response to this crisis, Louis Vuitton supports UNICEF's programs to help Syrian refugee children. In 2018, thanks to Louis Vuitton's support, UNICEF was able to vaccinate nearly 3.5 million children under the age of five against polio, and improve access to drinking water for some 4.6 million people.

In Cox's Bazar, Bangladesh, the Rohingya refugee crisis continues to endanger the lives of hundreds of thousands of children and their families. In 2018, UNICEF field workers vaccinated around 1.2 million people against cholera and provided almost 350,000 Rohingya refugees with access to drinking water.

Louis Vuitton employees get involved on the ground

Since the partnership was launched, three to five Louis Vuitton employees have taken part in UNICEF's emergency programs every year, traveling as "LV for UNICEF Reporters" to see UNICEF in action. These employee volunteers witness firsthand how children's aid programs are run and how, thanks to the funds raised, UNICEF helps the world's most vulnerable children. When they come home, they share their experiences with colleagues, friends and family to raise awareness of the important work being done with support from Louis Vuitton.



To support UNICEF and make a donation to help the world's most vulnerable children, visit support.unicef.org/lvforunicef. For more information on this partnership, visit louisvuitton.com/lvforunicef

UNICEF does not endorse any company, brand, product or service.

THE LVMH SHARE

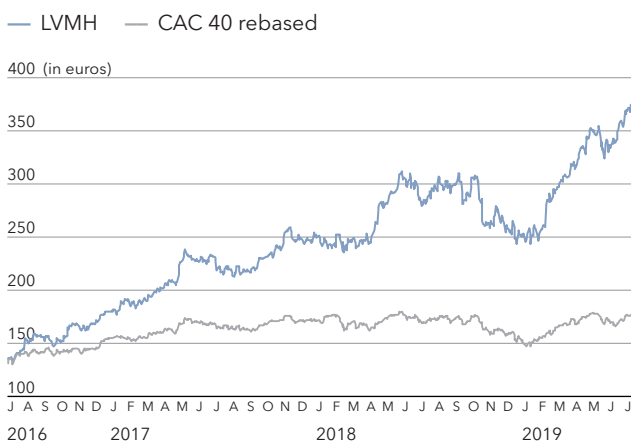
CHANGES IN THE LVMH SHARE PRICE

The main stock market indices performed very well in the first half of 2019, marking a strong rebound from a particularly challenging fourth quarter in 2018. After initially anticipating increases in key interest rates, the markets eventually reversed their predictions, in response to the conciliatory tone adopted first by the Federal Reserve and then by the ECB, with inflation remaining low. However, this rally in equity markets still seems fragile given the geopolitical uncertainties surrounding Brexit, US-China relations and renewed tensions in the Persian Gulf. Against this backdrop, and despite the solid performance delivered by companies as well as globally positive trends in indicators, investors have maintained their cautious stance on the global economic outlook, as evidenced by the recent increase in the price of gold.

The CAC 40 and Euro Stoxx 50 indices ended the half-year period up 17% and 16%, respectively. The LVMH share price was up 45%, at €374.30, after reaching its all-time record high of €375.25 during trading on June 26, 2019. With a market capitalization of €189 billion as of end-June, LVMH is the largest company on the Paris stock exchange.

LVMH is included in the main French and European indices used by fund managers: the CAC 40, DJ-Euro Stoxx 50, MSCI Europe and the FTSE Eurotop 100, as well as the Global Dow and the FTSE4Good, one of the key indices for socially responsible investing.

Comparison between the LVMH share price and the CAC 40 since July 1, 2016



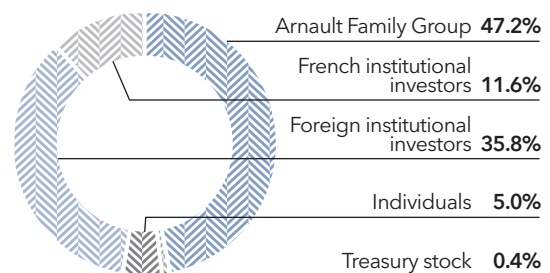
TOTAL SHAREHOLDER RETURN

An LVMH shareholder who invested €1,000 on July 1, 2014 would have a capital of €3,240 on June 30, 2019, based on reinvested dividends. This represents a 224% gain, translating to a compound annual growth rate of around 27% over five years.

INTERIM DIVIDEND

The Board of Directors approved the payment, on December 10, 2019, of an interim dividend of €2.20.

LVMH shareholder structure ⁽¹⁾ (December 2018)



(1) Breakdown of voting rights: Arnault Family Group 63.3%; Other 36.7%.

SHAREHOLDER RELATIONS

SHAREHOLDERS' CLUB

The LVMH Shareholders' Club was set up in 1994 to give individual shareholders who are particularly interested in the life of the Group a better understanding of LVMH, its businesses and its brands.

Latest news about our Maisons

We send Club members several publications, such as the twice-yearly Letter to Shareholders and the annual issue of *Apartés*, our Club magazine.

Exclusive offers for the Group's products

In addition to special offers on a selection of the Group's Wines and Spirits, Club members can purchase discounted subscriptions to Group media publications – *Les Échos*, *Investir* and *Connaissance des Arts* – and order priority-access tickets for the Fondation Louis Vuitton. Delivery can only be made in France.

Dedicated website

Once they have activated their account, Club members can access exclusive offers for the Group's Wines and Spirits as well as the program of visits of our Maisons, using a private online space: www.clublvmh-actionnaires.fr.

Visits to exceptional sites

Club members can visit exceptional sites where they receive an especially warm welcome: from Hennessy's centuries-old cellars to the magnificent Crayères at Veuve Clicquot. They also get the opportunity to discover our Maisons at unique locations such as the Louis Vuitton workshops in Asnières, the Maison du Projet La Samaritaine showroom or the Guerlain 68, Champs-Élysées boutique.

WEBSITE

The LVMH website (www.lvmh.com) gives access to a wide range of regularly updated information on the Group and its Maisons. A section specially aimed at the financial community and LVMH shareholders features the share price in real time, its chart relative to the CAC 40, the events schedule, press releases and presentations, in particular the Shareholders' Meeting, which can be watched live or on replay.

Communications media can be viewed in the Publications section along with the Annual Report and Reference Document. A form is available online to request copies by mail. LVMH also sends out Group news by email to web users who sign up for Press Release alerts. A Shareholders alert lets users know when the latest letter to shareholders has been released. Lastly, a Calendar alert is available for those wishing to be advised of updates to this section and receive an email reminder the day before an event.

2018 Annual Report

Discover the interactive version of the Annual Report, featuring enriched content, at www.lvmh.com in the Investors/Publications section.

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Photographs: Dom Pérignon, Lenny Kravitz - Jas Hennessy & Co - Louis Vuitton Malletier, Patrick Demarchelier - Christian Dior Parfums - Bvlgari - Sephora - Guerlain - Louis Vuitton, Arnaud Garni - Picture libraries of LVMH and the Group's Maisons.

E-accessible version: Ipedis.
Design and production: Agence Marc Praquin.

AGENDA

Wednesday, July 24, 2019

2019 half-year results

October 2019

2019 third-quarter revenue

Tuesday, December 10, 2019

Payment of interim dividend

January 2020

2019 annual results

April 2020

Shareholders' Meeting

LVMH

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Dom Pérignon

