

LVMH – Revenue by business group and by quarter

2019 Revenue (Euro millions)

2019	Wines & Spirits	Fashion & Leather Goods	Perfumes & Cosmetics	Watches & Jewelry	Selective retailing	Other activities & eliminations	Total
First Quarter	1 349	5 111	1 687	1 046	3 510	(165)	12 538
Second Quarter	1 137	5 314	1 549	1 089	3 588	(133)	12 544
Total First Half	2 486	10 425	3 236	2 135	7 098	(298)	25 082
Third Quarter	1 433	5 448	1 676	1 126	3 457	176*	13 316
Nine months	3 919	15 873	4 912	3 261	10 555	(122)	38 398
Fourth Quarter	1 657	6 364	1 923	1 144	4 236	(52)	15 272
Total 2019	5 576	22 237	6 835	4 405	14 791	(174)	53 670

* Includes all Belmond revenue for the period April to September 2019.

2019 Revenue (Organic growth versus same period of 2018)

2019	Wines & Spirits	Fashion & Leather Goods	Perfumes & Cosmetics	Watches & Jewelry	Selective retailing	Other activities & eliminations	Total
First Quarter	+9%	+15%	+9%	+4%	+8%	-	+11%
Second Quarter	+4%	+20%	+10%	+4%	+7%	-	+12%
Total First Half	+6%	+18%	+9%	+4%	+8%	-	+12%
Third Quarter	+8%	+19%	+7%	+5%	+4%	-	+11%
Nine months	+7%	+18%	+8%	+4%	+6%	-	+11%
Fourth Quarter	+3%	+15%	+12%	+1%	+1%	-	+8%
Total 2019	+6%	+17%	+9%	+3%	+5%	-	+10%

2018 Revenue (Euro millions)

2018	Wines & Spirits	Fashion & Leather Goods	Perfumes & Cosmetics	Watches & Jewelry	Selective retailing	Other activities & eliminations	Total
First Quarter	1 195	4 270	1 500	959	3 104	(174)	10 854
Second Quarter	1 076	4 324	1 377	1 019	3 221	(121)	10 896
Total First Half	2 271	8 594	2 877	1 978	6 325	(295)	21 750
Third Quarter	1 294	4 458	1 533	1 043	3 219	(168)	11 379
Nine months	3 565	13 052	4 410	3 021	9 544	(463)	33 129
Fourth Quarter	1 578	5 403	1 682	1 102	4 102	(170)	13 697
Total 2018	5 143	18 455	6 092	4 123	13 646	(633)	46 826

Impact of the application of IFRS 16 on the Group's financial statements as of December 31, 2019

Income statement

- Profit from recurring operations benefited from a positive contribution of 155 million,
- Net financial income/expense recorded a negative 290 million euro impact of interest on lease liabilities,
- There was a positive 40 million euro tax impact on profit and on minority interests, yielding a negative 95 million euro impact on the Group share of net profit.

Balance sheet

- The recognition of right-of-use assets increased non-current assets by 12.0 billion euros,
- The recognition of lease liabilities increased total liabilities by 12.0 billion euros, including 10.0 billion euros in non-current lease liabilities and 2.0 billion euros in current lease liabilities.

The liability for capitalized leases is excluded from the definition of net financial debt.

Cash flow statement

- There was a favorable 2 169 million euro impact on net cash flow from operating activities, including the positive 2 408 million euro impact of the depreciation of right-of-use assets (with no cash impact) and a negative 239 million euro impact of interest on lease liabilities,
- Net cash from/(used in) financing operations was negatively affected by the repayment of lease liabilities for 2 187 million euros.

Since the application of IFRS 16 had a significant impact of on the cash flow statement given the importance of fixed lease payments to the Group's activities, specific indicators are used for internal performance monitoring requirements and financial communication purposes in order to present consistent performance indicators, independently of the fixed or variable nature of the lease payments. One such Alternative Performance Indicator is "Operating free cash flow", which is calculated by deducting capitalized fixed lease payments in their entirety from cash flow. The reconciliation between "Net cash from operating activities" and "Operating free cash flow" as of December 31, 2019 and 2018:

<i>(Euro millions)</i>	2019	2018
Change in cash flow from operating activities	11 648	8 490
Operating investments	(3 294)	(3 038)
Repayments of rental debts	(2 187)	-
Free operating cash flow	6 167	5 452

See also Note 1.2 to the condensed consolidated financial statements for more detailed information on the first application of IFRS 16.

LVMH

LVMH Moët Hennessy Louis Vuitton is represented in Wines and Spirits by a portfolio of brands that includes Moët & Chandon, Dom Pérignon, Veuve Clicquot Ponsardin, Krug, Ruinart, Mercier, Château d'Yquem, Domaine du Clos des Lambrays, Château Cheval Blanc, Colgin Cellars, Hennessy, Glenmorangie, Ardbeg, Belvedere, Woodinville, Volcán de Mi Tierra, Chandon, Cloudy Bay, Terrazas de los Andes, Cheval des Andes, Cape Mentelle, Newton, Bodega Numanthia and Ao Yun. Its Fashion and Leather Goods division includes Louis Vuitton, Christian Dior Couture, Celine, Loewe, Kenzo, Givenchy, Pink Shirtmaker, Fendi, Emilio Pucci, Marc Jacobs, Berluti, Nicholas Kirkwood, Loro Piana, RIMOWA, Patou and Fenty. LVMH is present in the Perfumes and Cosmetics sector with Parfums Christian Dior, Guerlain, Parfums Givenchy, Kenzo Parfums, Perfumes Loewe, Benefit Cosmetics, Make Up For Ever, Acqua di Parma, Fresh, Fenty Beauty by Rihanna and Maison Francis Kurkdjian. LVMH's Watches and Jewelry division comprises Bvlgari, TAG Heuer, Chaumet, Dior Watches, Zenith, Fred and Hublot. LVMH is also active in selective retailing as well as in other activities through DFS, Sephora, Le Bon Marché, La Samaritaine, Groupe Les Echos, Cova, Le Jardin d'Acclimatation, Royal Van Lent, Belmond and Cheval Blanc hotels.

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