

## *LVMH shows good resilience in the first half of 2020*

Paris, July 27, 2020

LVMH Moët Hennessy Louis Vuitton, the world's leading high-quality products group, recorded revenue of 18.4 billion euros in the first half of 2020, down 27%. On an organic\* basis, revenue declined 28% compared to the same period in 2019. LVMH has proven its ability to be resilient in an economic environment severely disrupted by the serious health crisis that has led to the suspension of international travel and the closure of the Group's stores and manufacturing sites in most countries over a period of several months. The Group's priority has been and remains the safety of its employees and customers. The LVMH teams have demonstrated their strong commitment in dealing with this unprecedented situation while efforts to adapt to the current environment are actively underway in order to control costs and ensure a more selective investment policy.

In the second quarter, revenue was down 38% on an organic basis compared to the same period in 2019. Although there were encouraging signs of recovery in June across several of the Group's activities, revenue was notably down in the United States and Europe during the quarter. Asia, however, has seen a marked improvement in trends, with a strong rebound in China in particular.

Profit from recurring operations amounted to 1 671 million euros for the first half of 2020 and operating margin stood at 9%. The profitability of Louis Vuitton, Christian Dior and Moët Hennessy remained at a high level. Group share of net profit amounted to 522 million euros.

Bernard Arnault, Chairman and CEO of LVMH, said: "LVMH showed exceptional resilience to the serious health crisis the world experienced in the first half of 2020. Our Maisons have shown remarkable agility in implementing measures to adapt their costs and accelerate the growth of online sales. While we have observed strong signs of an upturn in activity since June, we remain very vigilant for the rest of the year. We continue to be driven by a long-term vision, a deep sense of responsibility and a strong commitment to environmental protection, inclusion and solidarity. In the current context, we remain even more firmly dedicated to showing continuous progress in these areas. Thanks to the strength of our brands and the responsiveness of our organization, we are confident that LVMH is in an excellent position to take advantage of the recovery, which we hope will be confirmed in the second half of the year, and to strengthen our lead in the global luxury market in 2020."

Highlights of the first half of 2020 include:

- Good resilience, notably from the major brands, in an economic environment disrupted by the global health crisis,
- Absolute priority placed on the health and safety of our employees and customers,
- Direct support in the fight against the epidemic,
- Impact of the crisis on revenue worldwide, with however a strong recovery in the second quarter in China,
- Significant acceleration in online sales, only partially offsetting the impact on revenue of several months of store closures,
- Destocking by retailers for Perfumes & Cosmetics and Watches,
- Suspension of international travel, severely penalizing travel retail and hotel activities.

## Key figures

<i>Euro millions</i>	<b>First half 2019</b>	<b>First half 2020</b>	<b>% change</b>
Revenue	25 082	18 393	- 27 %
Profit from recurring operations	5 295	1 671	- 68 %
Group share of net profit	3 268	522	- 84 %
Cash from operations before changes in working capital	7 399	4 421	- 40 %
Net cash from operating activities	4 189	850	- 80%
Net Financial debt	8 684	8 230	- 5 %
Total equity	35 390	37 532	+ 6%

## Revenue by business group:

<i>Euro millions</i>	<b>First half 2019</b>	<b>First half 2020</b>	<b>% change</b>	
			<b>Reported</b>	<b>Organic*</b>
Wines & Spirits	2 486	1 985	- 20 %	- 23 %
Fashion & Leather Goods	10 425	7 989	- 23 %	- 24 %
Perfumes & Cosmetics	3 236	2 304	- 29 %	- 29 %
Watches & Jewelry	2 135	1 319	- 38 %	- 39 %
Selective Retailing	7 098	4 844	- 32 %	- 33 %
Other activities and eliminations	(298)	(48)	-	-
<b>Total LVMH</b>	<b>25 082</b>	<b>18 393</b>	<b>- 27 %</b>	<b>- 28 %</b>

\* With comparable structure and constant exchange rates. The currency effect for the Group was + 1% and the structural impact was almost zero.

## Profit from recurring operations by business group:

<i>Euro millions</i>	<b>First half 2019</b>	<b>First half 2020</b>	<b>% change</b>
Wines & Spirits	772	551	- 29 %
Fashion & Leather Goods	3 248	1 769	- 46 %
Perfumes & Cosmetics	387	(30)	-
Watches & Jewelry	357	(17)	-
Selective Retailing	714	(308)	-
Other activities and eliminations	(183)	(294)	-
<b>Total LVMH</b>	<b>5 295</b>	<b>1 671</b>	<b>- 68 %</b>

## **Wines & Spirits: good resilience in the United States and encouraging recovery in China**

The **Wines & Spirits** business group saw its organic revenue decline by 23% in the first half of 2020. Profit from recurring operations was down 29%. Despite recent improvement, the decline in volumes was noticeable in the second quarter, particularly for the Champagne business. After a start to the year supported by advance orders from distributors, the United States showed good resilience in the second quarter thanks to Hennessy cognac, which saw a strong rebound in June in this market as well as in China. The Château d'Esclans and Château du Galoupet acquisitions, made in 2019, were integrated in the first half of the year, strengthening Moët Hennessy's position in the growing market for high-end rosé wines.

## **Fashion & Leather Goods: remarkable resilience from Louis Vuitton and Christian Dior**

The **Fashion & Leather Goods** business group recorded a 24% decline in organic revenue in the first half of 2020 in an environment marked by the closure of stores in many regions across the world. China recorded a very strong recovery in revenue in the second quarter and there has been a gradual improvement since May in Europe and the United States. The brands' strict cost management made it possible to limit the decline in profit from recurring operations to 46%. Louis Vuitton illustrated its creative force more than ever through its many new products. The Maison is strengthening its ties with its customers through several digital initiatives and maintained its profitability at an exceptional level. Christian Dior, which showed remarkable resistance, has just inaugurated a new boutique on rue Saint-Honoré in Paris. New collections were unveiled online through a portrait by a Ghanaian artist who inspired the Men's Spring-Summer 2021 collection, and a Cruise 2021 show behind closed doors in Lecce, Italy, showcasing the ancestral know-how of local artisans and artists. The other fashion brands, which have been more impacted, continue to strengthen their creativity in order to take advantage of the gradual return to normal.

## **Perfumes & Cosmetics: pursuing innovation and rapid growth in online sales**

The **Perfumes & Cosmetics** business group recorded a 29% decline in organic revenue in the first half of 2020. Profit from recurring operations amounted to (30) million euros. The big brands showed good resistance and high reactivity in a sector marked by the decline in makeup, the reduction in retailer stock levels and by a strong increase in parallel distribution channels in which our brands did not wish to participate. Online sales are growing steadily. Parfums Christian Dior maintained strong momentum for innovation with the very promising launches of *Miss Dior Rose N'Roses* and the new edition of *Dior Homme*, as well as the success of *Capture Totale* anti-aging skincare. Guerlain continued its rapid growth in skincare, thanks to *Abeille Royale*, which is celebrating its 10th anniversary, and *Orchidée Impériale*. The emblematic lines of Parfums Givenchy have been resilient. The Fresh skincare brand is enjoying strong momentum in China.

## **Watches & Jewelry: rebound in China and growth of e-commerce**

The **Watches & Jewelry** business group saw its organic revenue decline by 39% in the first half of 2020. Profit from recurring operations came to (17) million euros. Confronted in January with the decline of the Chinese market, then with the closure of other markets from mid-March, Bvlgari quickly took advantage of the recovery in China in the second quarter. After the launch of the *B.Zero1 Rock* collection, the Maison unveiled a new line of *Barocko* fine jewelry through an augmented reality experience. After a year of renovation, Chaumet inaugurated its historic address on Place Vendôme in Paris and strengthened its presence in China. After a good start to the year, TAG Heuer and Hublot were impacted by the decline in orders from retailers. The new TAG Heuer smartwatch, which was one of the major innovations of the first half, has been a great success.

## **Selective Retailing: Sephora market share gains and strong impact of the suspension of international travel on DFS**

In **Selective Retailing**, revenue declined 33% on an organic basis in the first half of 2020. Profit from recurring operations amounted to (308) million euros. Sephora has demonstrated good resistance during the health crisis, which led to the closure of almost all of its stores around the world for nearly two months. Sephora gained market share in its main countries, illustrating its inventiveness and the effectiveness of its omnichannel strategy. Online sales grew very strongly over the period. DFS saw a significant decline in its activity in most destinations due to the suspension of international travel. A series of cost reduction measures have been undertaken. Its digital strategy has strengthened the relationship with its customers, particularly in China.

## **Outlook 2020**

In a very turbulent context, the Group will maintain a strategy focused on preserving the value of its brands, based on the exceptional quality of its products and the responsiveness of its teams. In the current situation, the Group will further strengthen its policy of controlling costs and being selective in its investments. The impact of the epidemic on revenue and annual results cannot be precisely assessed at this stage without knowing the timetable for the return to normal business in the different areas where the Group operates. After a second quarter severely affected by the crisis, we can hope that the recovery will materialize gradually in the second half.

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 2020.

The closing date of the planned acquisition of Tiffany & Co depends on the receipt of the final regulatory approvals.

The decision to pay an interim dividend will be discussed by the Board of Directors in October and announced, as appropriate, at that time.

*Regulated information related to this press release, the half-year results presentation and the half-year financial statement are available on our internet site [www.lvmh.com](http://www.lvmh.com).*

*Limited review procedures have been carried out, the related report will be issued following the Board meeting.*

## ANNEX

The condensed consolidated financial statements for the first half of 2020 are included in the PDF version of the press release.

## LVMH – Revenue by business group and by quarter

**Revenue first half 2020 (Euro millions)**

<i>2020</i>	Wines & Spirits	Fashion & Leather Goods	Perfumes & Cosmetics	Watches & Jewelry	Selective Retailing	Other activities and eliminations	<b>Total</b>
First quarter	1 175	4 643	1 382	792	2 626	(22)	<b>10 596</b>
Second quarter	810	3 346	922	527	2 218	(26)	<b>7 797</b>
<b>First half</b>	<b>1 985</b>	<b>7 989</b>	<b>2 304</b>	<b>1 319</b>	<b>4 844</b>	<b>(48)</b>	<b>18 393</b>

**Revenue first half 2020 (organic growth compared to the first half of 2019)**

<i>2020</i>	Wines & Spirits	Fashion & Leather Goods	Perfumes & Cosmetics	Watches & Jewelry	Selective Retailing	Other activities and eliminations	<b>Total</b>
First quarter	-14%	-10%	-19%	-26%	-26%	-	<b>-17%</b>
Second quarter	-33%	-37%	-40%	-52%	-38%	-	<b>-38%</b>
<b>First half</b>	<b>-23%</b>	<b>-24%</b>	<b>-29%</b>	<b>-39%</b>	<b>-33%</b>	<b>-</b>	<b>-28%</b>

**Revenue first half 2019 (Euro millions)**

<i>2019</i>	Wines & Spirits	Fashion & Leather Goods	Perfumes & Cosmetics	Watches & Jewelry	Selective Retailing	Other activities and eliminations	<b>Total</b>
First quarter	1 349	5 111	1 687	1 046	3 510	(165)	<b>12 538</b>
Second quarter	1 137	5 314	1 549	1 089	3 588	(133)	<b>12 544</b>
<b>First half</b>	<b>2 486</b>	<b>10 425</b>	<b>3 236</b>	<b>2 135</b>	<b>7 098</b>	<b>(298)</b>	<b>25 082</b>

# LVMH - APPENDIX

The notes to consolidated accounts are included in 2020 Interim Financial Report, available on our Internet site [www.lvmh.com](http://www.lvmh.com)

## CONSOLIDATED INCOME STATEMENT

<i>(EUR millions, except for earnings per share)</i>	Notes	June 30, 2020	Dec. 31, 2019	June 30, 2019
<b>Revenue</b>	24	<b>18,393</b>	<b>53,670</b>	<b>25,082</b>
Cost of sales		(7,002)	(18,123)	(8,447)
<b>Gross margin</b>		<b>11,391</b>	<b>35,547</b>	<b>16,635</b>
Marketing and selling expenses		(8,000)	(20,207)	(9,563)
General and administrative expenses		(1,699)	(3,864)	(1,789)
Income/(loss) from joint ventures and associates	8	(21)	28	12
<b>Profit from recurring operations</b>	24	<b>1,671</b>	<b>11,504</b>	<b>5,295</b>
Other operating income and expenses	25	(154)	(231)	(54)
<b>Operating profit</b>		<b>1,517</b>	<b>11,273</b>	<b>5,241</b>
Cost of net financial debt		(46)	(107)	(51)
Interest on lease liabilities		(149)	(290)	(145)
Other financial income and expenses		(267)	(162)	(9)
<b>Net financial income/(expense)</b>	26	<b>(462)</b>	<b>(559)</b>	<b>(205)</b>
Income taxes	27	(511)	(2,932)	(1,431)
<b>Net profit before minority interests</b>		<b>544</b>	<b>7,782</b>	<b>3,605</b>
Minority interests	18	(22)	(611)	(337)
<b>Net profit, Group share</b>		<b>522</b>	<b>7,171</b>	<b>3,268</b>
<b>Basic Group share of net earnings per share (EUR)</b>	28	<b>1.04</b>	<b>14.25</b>	<b>6.49</b>
Number of shares on which the calculation is based		503,625,126	503,218,851	503,611,097
<b>Diluted Group share of net earnings per share (EUR)</b>	28	<b>1.04</b>	<b>14.23</b>	<b>6.48</b>
Number of shares on which the calculation is based		504,357,270	503,839,542	504,554,724

## CONSOLIDATED STATEMENT OF COMPREHENSIVE GAINS AND LOSSES

<i>(EUR millions)</i>	Notes	June 30, 2020	Dec. 31, 2019	June 30, 2019
<b>Net profit before minority interests</b>		<b>544</b>	<b>7,782</b>	<b>3,605</b>
Translation adjustments		(150)	299	101
Amounts transferred to income statement		-	1	1
Tax impact		4	11	4
	16.5, 18	<b>(145)</b>	<b>311</b>	<b>106</b>
Change in value of hedges of future foreign currency cash flows		(39)	(16)	(12)
Amounts transferred to income statement		(7)	25	25
Tax impact		11	(3)	(3)
		<b>(35)</b>	<b>6</b>	<b>10</b>
Change in value of the ineffective portion of hedging instruments		(51)	(211)	(81)
Amounts transferred to income statement		119	241	109
Tax impact		(26)	(7)	(8)
		<b>42</b>	<b>23</b>	<b>20</b>
<b>Gains and losses recognized in equity, transferable to income statement</b>		<b>(138)</b>	<b>340</b>	<b>136</b>
Change in value of vineyard land	6	-	42	-
Amounts transferred to consolidated reserves		-	-	-
Tax impact		-	(11)	-
		<b>-</b>	<b>31</b>	<b>-</b>
Employee benefit obligations: change in value resulting from actuarial gains and losses		5	(167)	(78)
Tax impact		-	39	25
		<b>5</b>	<b>(128)</b>	<b>(53)</b>
<b>Gains and losses recognized in equity, not transferable to income statement</b>		<b>5</b>	<b>(97)</b>	<b>(53)</b>
<b>Comprehensive income</b>		<b>411</b>	<b>8,025</b>	<b>3,688</b>
Minority interests		(30)	(628)	(338)
<b>Comprehensive income, Group share</b>		<b>381</b>	<b>7,397</b>	<b>3,350</b>

## CONSOLIDATED BALANCE SHEET

<b>ASSETS</b>	Notes	<b>June 30, 2020</b>	<b>Dec. 31, 2019</b>	<b>June 30, 2019</b>
<i>(EUR millions)</i>				
Brands and other intangible assets	3	17,189	17,212	16,893
Goodwill	4	13,486	16,034	16,406
Property, plant and equipment	6	18,543	18,533	16,225
Right-of-use assets	7	13,236	12,409	12,138
Investments in joint ventures and associates	8	1,053	1,074	715
Non-current available for sale financial assets	9	789	915	910
Other non-current assets	10	934	1,546	1,454
Deferred tax		2,332	2,274	2,077
<b>Non-current assets</b>		<b>67,562</b>	<b>69,997</b>	<b>66,818</b>
Inventories and work in progress	11	14,078	13,717	13,561
Trade accounts receivable	12	2,378	3,450	3,004
Income taxes		1,038	406	334
Other current assets	13	4,161	3,264	3,208
Cash and cash equivalents	15	14,426	5,673	3,999
<b>Current assets</b>		<b>36,081</b>	<b>26,510</b>	<b>24,106</b>
<b>Total assets</b>		<b>103,643</b>	<b>96,507</b>	<b>90,924</b>
<b>LIABILITIES AND EQUITY</b>				
<i>(EUR millions)</i>				
Equity, Group share	16.1	35,811	36,586	33,678
Minority interests	18	1,721	1,779	1,712
<b>Equity</b>		<b>37,532</b>	<b>38,365</b>	<b>35,390</b>
Long-term borrowings	19	14,842	5,101	5,588
Non-current lease liabilities	7	11,159	10,373	10,139
Non-current provisions and other liabilities	20	3,253	3,812	3,647
Deferred tax		5,452	5,498	5,123
Purchase commitments for minority interests' shares	21	8,197	10,735	9,989
<b>Non-current liabilities</b>		<b>42,903</b>	<b>35,519</b>	<b>34,486</b>
Short-term borrowings	19	8,655	7,610	7,890
Current lease liabilities	7	2,337	2,172	2,029
Trade accounts payable	22.1	4,200	5,814	5,163
Income taxes		566	722	800
Current provisions and other liabilities	22.2	7,450	6,305	5,166
<b>Current liabilities</b>		<b>23,208</b>	<b>22,623</b>	<b>21,048</b>
<b>Total liabilities and equity</b>		<b>103,643</b>	<b>96,507</b>	<b>90,924</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(EUR millions)	Number of shares	Share capital	Share premium account	Treasury shares	Cumulative translation adjustment	Available for sale financial assets	Hedges of future foreign currency cash flows and cost of hedging	Revaluation reserves		Net profit and other reserves	Total equity		
								Vineyard land	Employee benefit commitments		Group share	Minority interests	Total
<b>Notes</b>		<b>16.1</b>	<b>16.1</b>	<b>16.3</b>	<b>16.5</b>					<b>18</b>			
<b>As of Jan. 1, 2019<sup>(a)</sup></b>	<b>505,029,495</b>	<b>152</b>	<b>2,298</b>	<b>(421)</b>	<b>573</b>	<b>-</b>	<b>(129)</b>	<b>1,117</b>	<b>(113)</b>	<b>28,787</b>	<b>32,264</b>	<b>1,664</b>	<b>33,928</b>
Gains and losses recognized in equity					289	-	22	22	(107)		226	17	242
Net profit										7,171	7,171	611	7,783
<b>Comprehensive income</b>					<b>289</b>	<b>-</b>	<b>22</b>	<b>22</b>	<b>(107)</b>	<b>7,171</b>	<b>7,397</b>	<b>628</b>	<b>8,025</b>
Stock option plan-related expenses										69	69	3	72
(Acquisition)/disposal of treasury shares				18						(44)	(26)	-	(26)
Exercise of LVMH share subscription options	403,946		21								21		21
Retirement of LVMH shares	(2,156)												
Capital increase in subsidiaries												95	95
Interim and final dividends paid										(3,119)	(3,119)	(433)	(3,552)
Changes in control of consolidated entities										2	2	25	27
Acquisition and disposal of minority interests' shares										(17)	(17)	-	(17)
Purchase commitments for minority interests' shares										(5)	(5)	(203)	(208)
<b>As of Dec. 31, 2019</b>	<b>505,431,285</b>	<b>152</b>	<b>2,319</b>	<b>(403)</b>	<b>862</b>	<b>-</b>	<b>(107)</b>	<b>1,139</b>	<b>(220)</b>	<b>32,844</b>	<b>36,586</b>	<b>1,779</b>	<b>38,365</b>
Gains and losses recognized in equity					(149)	-	5	-	3		(141)	8	(133)
Net profit										522	522	22	544
<b>Comprehensive income</b>					<b>(149)</b>	<b>-</b>	<b>5</b>	<b>-</b>	<b>3</b>	<b>522</b>	<b>381</b>	<b>30</b>	<b>411</b>
Stock option plan-related expenses										37	37	2	39
(Acquisition)/disposal of treasury shares				(10)						(2)	(13)	-	(13)
Exercise of LVMH share subscription options													
Retirement of LVMH shares	(403,946)		(20)	20									
Capital increase in subsidiaries												28	28
Interim and final dividends paid										(1,310)	(1,310)	(15)	(1,325)
Changes in control of consolidated entities												(2)	(2)
Acquisition and disposal of minority interests' shares										(17)	(17)	7	(10)
Purchase commitments for minority interests' shares										146	146	(108)	38
<b>As of June 30, 2020</b>	<b>505,027,339</b>	<b>152</b>	<b>2,299</b>	<b>(394)</b>	<b>713</b>	<b>-</b>	<b>(102)</b>	<b>1,140</b>	<b>(217)</b>	<b>32,220</b>	<b>35,811</b>	<b>1,721</b>	<b>37,532</b>
<b>As of January 1, 2019<sup>(a)</sup></b>	<b>505,029,495</b>	<b>152</b>	<b>2,298</b>	<b>(421)</b>	<b>573</b>	<b>-</b>	<b>(129)</b>	<b>1,117</b>	<b>(113)</b>	<b>28,787</b>	<b>32,264</b>	<b>1,664</b>	<b>33,928</b>
Gains and losses recognized in equity					102	-	27	-	(48)		81	1	82
Net profit										3,268	3,268	337	3,605
<b>Comprehensive income</b>					<b>102</b>	<b>-</b>	<b>27</b>	<b>-</b>	<b>(48)</b>	<b>3,268</b>	<b>3,349</b>	<b>338</b>	<b>3,687</b>
Stock option plan-related expenses										34	34	2	36
(Acquisition)/disposal of treasury shares				10						4	14	-	14
Exercise of LVMH share subscription options	403,946		21								21	-	21
Retirement of LVMH shares	(2,156)												
Capital increase in subsidiaries												49	49
Interim and final dividends paid										(2,012)	(2,012)	(360)	(2,372)
Changes in control of consolidated entities										4	4	2	6
Acquisition and disposal of minority interests' shares										(6)	(6)	2	(4)
Purchase commitments for minority interests' shares										10	10	15	25
<b>As of June 30, 2019</b>	<b>505,431,285</b>	<b>152</b>	<b>2,319</b>	<b>(411)</b>	<b>675</b>	<b>-</b>	<b>(102)</b>	<b>1,117</b>	<b>(161)</b>	<b>30,089</b>	<b>33,678</b>	<b>1,712</b>	<b>35,390</b>

(a) After the application of IFRS 16. See Note 1.2 to the 2019 consolidated financial statements.

## CONSOLIDATED CASH FLOW STATEMENT

<i>(EUR millions)</i>	Notes	June 30, 2020	Dec. 31, 2019	June 30, 2019
<b>I. OPERATING ACTIVITIES</b>				
Operating profit		1,517	11,273	5,241
(Income)/loss and dividends received from joint ventures and associates	8	25	(10)	(9)
Net increase in depreciation, amortization and provisions		1,636	2,700	1,193
Depreciation of right-of-use assets	7.1	1,294	2,408	1,171
Other adjustments and computed expenses		(51)	(266)	(197)
<b>Cash from operations before changes in working capital</b>		<b>4,421</b>	<b>16,105</b>	<b>7,399</b>
Cost of net financial debt: interest paid		(42)	(124)	(37)
Lease liabilities: interest paid		(142)	(239)	(109)
Tax paid		(1,382)	(2,940)	(1,191)
Change in working capital	15.2	(2,005)	(1,154)	(1,873)
<b>Net cash from operating activities</b>		<b>850</b>	<b>11,648</b>	<b>4,189</b>
<b>II. INVESTING ACTIVITIES</b>				
Operating investments	15.3	(1,414)	(3,294)	(1,423)
Purchase and proceeds from sale of consolidated investments	2	(45)	(2,478)	(1,885)
Dividends received		1	8	1
Tax paid related to non-current available for sale financial assets and consolidated investments		-	(1)	-
Purchase and proceeds from sale of non-current available for sale financial assets	9	(33)	(104)	(81)
<b>Net cash from (used in) investing activities</b>		<b>(1,491)</b>	<b>(5,869)</b>	<b>(3,388)</b>
<b>III. FINANCING ACTIVITIES</b>				
Interim and final dividends paid	15.4	(46)	(3,678)	(2,412)
Purchase and proceeds from sale of minority interests		(36)	(21)	(9)
Other equity-related transactions	15.4	1	54	82
Proceeds from borrowings	19	13,543	2,837	2,988
Repayment of borrowings	19	(2,712)	(1,810)	(956)
Repayment of lease liabilities	7.2	(1,157)	(2,187)	(1,071)
Purchase and proceeds from sale of current available for sale financial assets	14	(188)	71	-
<b>Net cash from/(used in) financing activities</b>		<b>9,405</b>	<b>(4,734)</b>	<b>(1,378)</b>
<b>IV. EFFECT OF EXCHANGE RATE CHANGES</b>				
		<b>31</b>	<b>39</b>	<b>15</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (I+II+III+IV)</b>		<b>8,795</b>	<b>1,084</b>	<b>(562)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	15.1	<b>5,497</b>	<b>4,413</b>	<b>4,413</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	15.1	<b>14,292</b>	<b>5,497</b>	<b>3,851</b>
<b>TOTAL TAX PAID</b>		<b>(1,422)</b>	<b>(3,070)</b>	<b>(1,256)</b>

## Alternative performance measure

The following table presents the reconciliation between “Net cash from operating activities” and “Operating free cash flow” for the periods presented:

<i>(EUR millions)</i>	June 30, 2020	Dec. 31, 2019	June 30, 2019
Net cash from operating activities	850	11,648	4,189
Operating investments	(1,414)	(3,294)	(1,423)
Repayment of lease liabilities	(1,157)	(2,187)	(1,071)
<b>Operating free cash flow<sup>(a)</sup></b>	<b>(1,721)</b>	<b>6,167</b>	<b>1,695</b>

(a) Under IFRS 16, fixed lease payments are treated partly as interest payments and partly as principal repayments. For its own operational management purposes, the Group treats all lease payments as components of its “Operating free cash flow”, whether the lease payments made are fixed or variable. In addition, for its own operational management purposes, the Group treats operating investments as components of its “Operating free cash flow”.

## 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, Ao Yun, Château d'Esclans and Château du Galoupet. 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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