LVMH SHOWS GOOD RESILIENCE IN THE FIRST HALF OF 2020

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 and Cosmetics and Watches;
- suspension of international travel, severely penalizing travel retail and hotel activities.

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.

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.
FINANCIAL AND STOCK MARKET PERFORMANCE MEASURES

THE LVMH SHARE

The first half of 2020 was impacted in particular by the health and economic consequences of the Covid-19 pandemic, which disrupted all markets considerably. With each new outbreak, stocks traded on the major exchanges plunged drastically, first in China, followed by Europe, the United States, and the rest of the world. The strict lockdown measures introduced in most countries weighed considerably on the global economy, which decelerated for several weeks, with some sectors brought to a standstill.

However, the massive stimulus plans enacted by governments and central banks helped reassure investors, giving rise to an equally spectacular rebound in the main indices, further aided by the diminishing spread of the virus and the move out of lockdown. However, this recovery remains fragile in the absence of a vaccine and the virus is still active in many countries.

The CAC 40 and Eurostoxx 50 indices ended the first half with declines of 17% and 14% respectively, whereas the Nasdaq was up 12%, buoyed by tech stocks. Against this backdrop, the LVMH share fell 6% to 390.50 euros, after reaching a record high of 439.05 euros in trading on January 17, 2020. With a market capitalization of 197 billion euros as of June 30, 2020, LVMH is the largest company on the Paris stock exchange.

Total shareholder return

An LVMH shareholder who invested 1,000 euros on July 1, 2015 would have a capital of 2,696 euros on June 30, 2020, based on reinvested dividends. This represents a 170% gain, translating to a compound annual growth rate of around 22% over five years.

Comparison between the LVMH share price and the CAC 40 since July 3, 2017

<table>
<thead>
<tr>
<th>Year</th>
<th>LVMH (in euros)</th>
<th>CAC 40 rebased</th>
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</thead>
<tbody>
<tr>
<td>2017</td>
<td>150</td>
<td>200</td>
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<tr>
<td>2018</td>
<td>200</td>
<td>250</td>
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<td>2019</td>
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<td>2020</td>
<td>300</td>
<td>350</td>
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All documentation related to the 2020 half-year results can be found on the LVMH website (www.lvmh.com) under Investors/Events/Results.

(1) With comparable structure and constant exchange rates. Revenue is down 27% based on published figures, including currency effect of +1% and structural impact of almost zero.
WINES AND SPIRITS

GOOD RESILIENCE IN THE UNITED STATES AND ENCOURAGING RECOVERY IN CHINA

The Wines and 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.

Dom Pérignon

REVENUE
€1,985m
-23% (1)

PROFIT FROM RECURRING OPERATIONS
€551m
-29%

OPERATING MARGIN
27.7%

(1) With comparable structure and constant exchange rates. Revenue is down 20% based on published figures.
The Fashion and 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.

<table>
<thead>
<tr>
<th>REVENUE</th>
<th>€7,989m</th>
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<tbody>
<tr>
<td>PROFIT FROM RECURRING OPERATIONS</td>
<td>€1,769m</td>
</tr>
<tr>
<td>OPERATING MARGIN</td>
<td>22.1%</td>
</tr>
</tbody>
</table>

(1) With comparable structure and constant exchange rates. Revenue is down 23% based on published figures.
The Perfumes and 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.

<table>
<thead>
<tr>
<th>REVENUE</th>
<th>€2,304m</th>
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<tr>
<td>PROFIT FROM RECURRING OPERATIONS</td>
<td>(30)m</td>
</tr>
<tr>
<td>OPERATING MARGIN</td>
<td>-1.3%</td>
</tr>
</tbody>
</table>

(1) With comparable structure and constant exchange rates. Revenue is down 29% based on published figures.
WATCHES AND JEWELRY

REBOUND IN CHINA
AND GROWTH
OF E-COMMERCE

The Watches and 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.

REVENUE
€1,319m
-39%\(^{(1)}\)

PROFIT FROM RECURRING OPERATIONS
€(17)m

OPERATING MARGIN
-1.3%

\(^{(1)}\) With comparable structure and constant exchange rates. Revenue is down 38% based on published figures.
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.

REVENUE
€4,844m
-33%(1)

PROFIT FROM RECURRING OPERATIONS
€(308)m

OPERATING MARGIN
-6.4%

(1) With comparable structure and constant exchange rates. Revenue is down 32% based on published figures.
PROTECTING BIODIVERSITY

"Man and the Biosphere" (MAB) is the name of a UNESCO intergovernmental scientific program, which LVMH joined as a partner in 2019. Launched in 1971, the MAB program is one of UNESCO’s most important initiatives. The program provides a unique platform for international cooperation to protect biodiversity by addressing the ecological, social and economic dimensions of biodiversity. It encourages interactions between actors at many different levels of society and has established a worldwide network of biosphere reserves, currently numbering 701 sites across 124 countries, considered as “learning places for sustainable development”. LVMH and its Maisons will be drawing on this network as well as UNESCO’s scientific expertise to advance their sustainable sourcing strategies, which offer social and economic benefits to the populations involved.

Achieving the highest level of certification is another way of promoting biodiversity. In Wines and Spirits, all of the Group’s winegrowers in the Champagne region will be operating without using chemical weedkillers by the end of 2020. Moët Hennessy works with its winegrower partners to help them become certified sustainable. €20 million will also be invested to develop a research center in Champagne to promote sustainable winegrowing. A University of Living Soils will be set up to spur innovation as well as the sharing of knowledge and best practices.

PLAYING A PART IN THE GLOBAL CLIMATE EFFORT

In 2019, the Group met its LIFE 2020 target of reducing energy-related CO₂ emissions by 25%. To do so, the Group initially focused its attentions on the environmental profiles of its stores. A comprehensive approach to energy management has been put in place for the stores, with the rollout of smart metering systems that allow for precise analysis and actions at each consumption point. The installation of LED lighting is an effective way to reduce energy consumption as it uses 30% less electricity, on average, while meeting high standards for light quality and reliability. At end-2019, 60% of the Group’s retail floor space was covered by LED lighting.

RECONCILING CIRCULARITY AND LONGEVITY

The Maisons of the LVMH Group approach product sustainability from three angles: products are eco-designed and manufactured with respect for precious natural resources, using time-honored processes; each of their components is carefully selected, giving preference to natural materials; and they are associated with specially developed services to ensure a long lifespan. The Group’s Maisons aim to adhere to circular economy principles by encouraging selective waste collection and specific recycling processes. In this area, CEDRE (Centre Environnemental de Déconditionnement et Recyclage Écologique), an environmental recycling specialist, is a key partner for the Group. In 2019, CEDRE recovered 62% of the waste it received from LVMH, by selling it on to specialized recycling centers. Initially used by four LVMH Perfumes and Cosmetics Maisons, CEDRE now works with a total of 11 Maisons and also handles Fashion and Leather Goods items, recycling 100% of natural materials like linen and cotton, for example.

Read and download the 2019 Environmental Responsibility Report.
ENGAGING WITH LOCAL COMMUNITIES

As a leading company in the global economy, LVMH feels a strong sense of responsibility to its host regions and communities. The Group maintains close relations with its stakeholders in every country in which it is present and is committed to creating jobs locally, preserving and passing on unique expertise, and kindling new or neglected aspirations relating to its professions. LVMH also helps to boost the attractiveness of regions for investment and tourism by placing orders to support a network of small and medium-sized enterprises championing excellence and preserving or fostering an exceptional cultural heritage.

As an example of this commitment, LVMH encourages its Maisons to develop their relationships with companies specifically employing people with temporary or permanent severe disabilities, and provide them with special facilities and support (known as the “secteur protégé et adapté” in French). To support such initiatives, the Group organizes the Disability, Employment and Responsible Purchasing trade fair, which is open to the general public. The fourth such trade fair drew 4,500 visitors. In addition, the Group has been engaged for the past nine years in a partnership with Clichy-sous-Bois and Montfermeil, two northern suburbs of Paris, aimed at facilitating employment for young people from underprivileged neighborhoods, thus contributing to social cohesion. In addition, since 2011, the Group has sponsored Montfermeil’s Défilé Cultures et Création, a fashion show that shines the spotlight on creative talent far away from the fashion industry.

PERPETUATING ANCESTRAL KNOW-HOW

LVMH is committed to passing on its ancestral know-how and supporting creativity, with the aim of preserving craftsmanship and contributing to the enrichment of cultural heritage. The schools and apprenticeship programs operated by the Group and its Maisons and the support extended to young designers are key initiatives along these lines.

In 2014, as part of its efforts to pass on its unique expertise in craftsmanship, design and sales, LVMH founded the Institut des Métiers d’Excellence (IME), a vocational training program for young people to improve their employment prospects. Also an important pillar of the Group’s apprenticeship policy, the IME has been rolled out to date in France, Switzerland, Italy and Spain. Since its first year of operation, a total of 800 apprentices, including 300 in 2019, have benefited from the program.

Its work-study placements, designed in partnership with 21 highly renowned schools and universities, offer a combination of practical and theoretical instruction provided by these institutions, supplemented by on-the-job training within the Group’s Maisons under paid professional training contracts. In 2019, the IME developed eight new training programs to respond to the need for specific skills in its 35 partner Maisons.

RESPECTING THE UNIQUENESS OF OUR EMPLOYEES

The Group believes strongly in building an inclusive organization, one that makes every employee and every job applicant feel valued and appreciated. As the shared ethical framework for the Group and its Maisons, the LVMH Code of Conduct guides the actions of all staff, including the fight against discrimination in all its forms, such as that based on race, ethnicity, gender or sexual orientation.

Among actions to promote an inclusive organization, the Inclusion Index is designed to stimulate diversity throughout the Group by recognizing, measuring and celebrating the initiatives implemented by the Maisons in this area year after year. Some 135 initiatives were in place in 2019, among them many actions to promote gender equality, representing an 85% increase from the previous year. Furthermore, the Inclusion Index was expanded in 2019 to cover initiatives promoting LGBTI inclusiveness. Fenty Beauty and its pioneering vision of inclusive beauty stand as another example of the Group’s diversity. Launched by Rihanna in partnership with LVMH, the brand distributed by Sephora was developed with the clear intention that absolutely no one was to be excluded.

Read and download the 2019 Social Responsibility Report.
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 Annual Report, the Letter to Shareholders and the annual issue of Apartés, our Club magazine.

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.

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.

A website dedicated to Club members

The detailed program of the Club’s visits, as well as the exclusive offer of Wines and Spirits, subscriptions to the Group’s newspapers and magazines and tickets to the Fondation Louis Vuitton are available via the Club’s website at www.clublvmh-actionnaires.fr. This private online space, dedicated to Club members, can be accessed once you have activated your account.

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, the Environmental Responsibility Report and the Social Responsibility Report. LVMH also sends out Group news by email to web users who sign up for Press Release and Letter to Shareholders alerts. 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.

Subscribe to our Newsletters.

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AGENDA

July 27, 2020
2020 half-year results

October 2020
2020 third-quarter revenue

January 2021
2020 annual results

April 15, 2021
Shareholders’ Meeting