

# LVMH



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## DISCLAIMER

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This document may contain certain forward looking statements which are based on estimations and forecasts. By their nature, these forward looking statements are subject to important risks and uncertainties and factors beyond our control or ability to predict, in particular those described in LVMH's Universal Registration Document which is available on the website ([www.lvmh.com](http://www.lvmh.com)). These forward looking statements should not be considered as a guarantee of future performance, the actual results could differ materially from those expressed or implied by them. The forward looking statements only reflect LVMH's views as of the date of this document, and LVMH does not undertake to revise or update these forward looking statements. The forward looking statements should be used with caution and circumspection and in no event can LVMH and its Management be held responsible for any investment or other decision based upon such statements. The information in this document does not constitute an offer to sell or an invitation to buy shares in LVMH or an invitation or inducement to engage in any other investment activities.

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Christian Dior Couture

## GOOD RESILIENCE OF LVMH IN 2020

| Highest priority placed on the **health and safety of our employees and customers** and providing direct **support** in the **fight against the pandemic**,

| **Good resilience**, notably from **major brands**, in an economic environment disrupted by the global health crisis,

| Impact of crisis on revenue worldwide; however, second half marked by a **strong recovery in Asia**, with double-digit growth, and significant **improvement** in trends in the **US** and **Japan**,

| Double-digit organic revenue growth for **Fashion & Leather Goods** in each of last two quarters of 2020 and remarkable resilience of **Cognac**,

| Strong **acceleration in online sales**,

| Suspension of **international travel**, severely penalizing travel retail and hotel activities,

| **Exceptional level of operating free cash flow**, equivalent to 2019 level,

| Finalization of agreement with iconic American jewelry **Tiffany**.

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BUSINESS  
GROUP  
REVIEW

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Louis Vuitton

## WINES & SPIRITS KEY FIGURES

In millions of euros

■ Champagne & Wines ■ Cognac & Spirits

### • REVENUE

- 15%

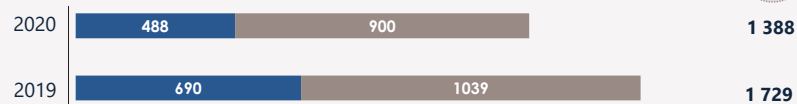
Organic change

- 14%



### • PROFIT FROM RECURRING OPERATIONS

- 20%



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Hennessy

## WINES & SPIRITS 2020 HIGHLIGHTS

**Strong recovery in the US in the second half and improved trends in China**

### | CHAMPAGNE & WINES

- Champagne: volumes -19 %
- Significant negative impact on consumption, especially in restaurants and night clubs
- Improved trends in Europe and return to growth in the US in second half
- Integration of Château d'Esclans, high-end rosé wine acquired at the end of 2019

### | COGNAC & SPIRITS

- Hennessy: volumes -4 %; back to growth in the second semester driven by V.S quality
- Strong rebound in the US, helped by exceptional measures taken to support consumption
- Improvement in trends in China
- Launch in Europe of high-end rum Eminente

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## FASHION & LEATHER GOODS

### KEY FIGURES

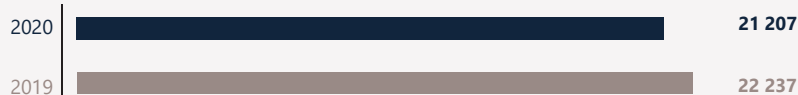
In millions of euros

#### • REVENUE

- 5%

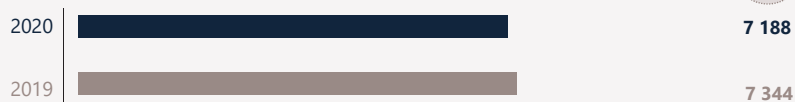
Organic change

- 3%



#### • PROFIT FROM RECURRING OPERATIONS

- 2%



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## FASHION & LEATHER GOODS

### 2020 HIGHLIGHTS

**Outstanding resilience of Louis Vuitton and Christian Dior; double-digit organic revenue growth in each of the last two quarters**

#### | LOUIS VUITTON

- Agility in the crisis and exceptional creativity (*Pont 9* line, *1854* canvas, physical runway shows in Shanghai, Tokyo, Miami...)
- Continued enhancement of qualitative and efficient digital service
- Strong commitment to responsible creativity supported by high quality and sustainable craftsmanship
- Opened iconic store in Japan, Maison Louis Vuitton Osaka Midosuji

#### | CHRISTIAN DIOR

- Outstanding momentum and market share gains in all regions
- Successful launch of new products (*Bobby* bag in leather goods, *Dior chez Moi* in Ready-To-Wear...)
- Spectacular show in Lecce ; success of « Christian Dior, Couturier du Rêve » exhibition in Shanghai
- New flagship store in Paris, rue Saint-Honoré

| FENDI: good resilience; musical collaboration with *Anima Mundi* project in several cities

| LORO PIANA: opened flagship store in Ginza Tokyo

| CELINE: strong recovery in the last quarter, supported by Asian clientele

| LOEWE: excellent reception to unique « Show-in-a-box » and « Show-on-the-wall »

| MARC JACOBS: continued development of accessories and success of digital

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## PERFUMES & COSMETICS

### KEY FIGURES

In millions of euros

#### • REVENUE

- 23%

Organic change

- 22%



#### • PROFIT FROM RECURRING OPERATIONS

- 88%



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## PERFUMES & COSMETICS

### 2020 HIGHLIGHTS

**Across the industry, sharp reduction in purchases by international travelers and in makeup; maintained selective distribution and limited promotions; development of skincare and progress of online sales**

#### | PARFUMS CHRISTIAN DIOR

- Good resilience thanks to iconic lines and strength of innovations
- Improved Q4 especially in China, Japan and the US
- Strong acceleration of online sales, especially in China
- Successful launches of *Miss Dior Roses N'Roses*, *J'adore Infinissime* and new *Rouge Dior*

#### | GUERLAIN

- Outstanding performance in skincare, especially in China
- Continued exceptional growth of *Abeille Royale* and *Orchidée Impériale* lines
- Success of *Aqua Allegoria* collection in perfumes

#### | OTHER BRANDS

- Good performance of makeup *Prisme Libre* for Parfums Givenchy
- Benefit particularly impacted by suspension of services in stores
- Development of digital communication and online sales for Fresh
- Launch of Fenty Skin



Parfums Christian Dior

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## WATCHES & JEWELRY KEY FIGURES

In millions of euros

### • REVENUE

- 24%

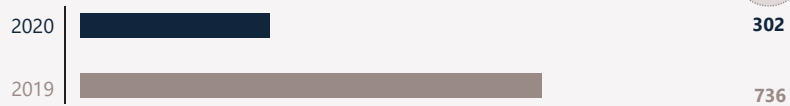
Organic change

- 23%



### • PROFIT FROM RECURRING OPERATIONS

- 59%



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Bvlgari

## WATCHES & JEWELRY 2020 HIGHLIGHTS

### Finalized Tiffany & Co acquisition Strong recovery of Bvlgari in China and good resilience of TAG Heuer

#### | BVLGARI

- Strong recovery in China in the second half
- Launch of *Serpenti Viper* and *B.Zero1 « Rock »* lines and high-end jewelry collection *Barocko*
- Excellent reception to new watch *Bvlgari Aluminium* and 6<sup>th</sup> world record for *Octo Finissimo*

#### | TAG HEUER

- Launched third generation of Connected Watch in New York
- Celebrated brand's 160th anniversary with launch of limited editions

#### | HUBLOT

- Launched new products such as *Big Bang Integral* and *Spirit of Big Bang Meca-10*
- Official Timekeeper of English football Premier League for 2020-2021 season

#### | CHAUMET

- Reopened at historic Place Vendôme site in Paris and strengthened footprint in China
- Presented high-end jewelry collection *Perspectives* in Monaco and China

#### | FRED

- Development of *Force 10* line and launched *Chance Infinie*
- Expansion in China; reinforced digital presence

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## SELECTIVE RETAILING KEY FIGURES

In millions of euros

### • REVENUE

- 31%

Organic change

- 30%



### • PROFIT FROM RECURRING OPERATIONS

ns



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Sephora

## SELECTIVE RETAILING 2020 HIGHLIGHTS

### Good adaptability of Sephora; significant impact of the crisis on DFS

#### | SEPHORA

- Traffic in stores penalized by the health crisis
- Record levels of online sales, grew sharply
- Success of « Virtual Sephora Day » presenting beauty trends in China
- Continued development of skincare, growing success of Sephora Collection « Good For »

#### | DFS

- Major impact of suspension of international travel
- Improved activity in Macao at the end of year
- Launched new services geared towards local clienteles and strengthened online sales

#### | LE BON MARCHÉ

- Maintained close relationship with customers thanks to its unique positioning
- Strong revenue growth for the digital platform 24S

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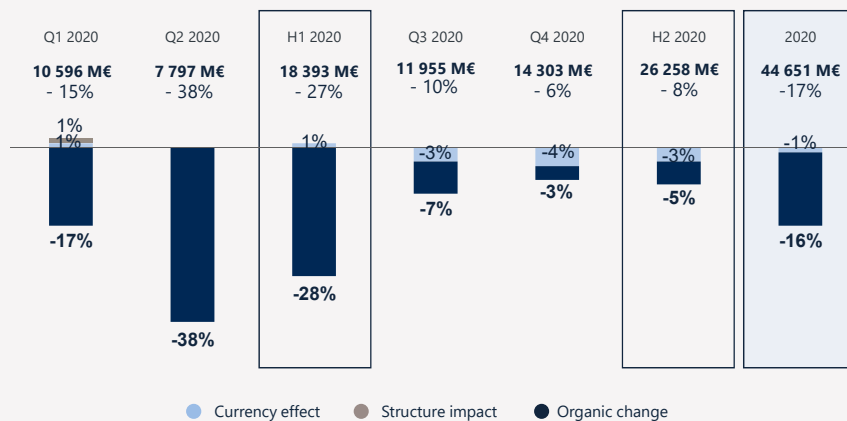
## CONSOLIDATED KEY FIGURES FY 2020

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Louis Vuitton



### QUARTERLY EVOLUTION OF 2020 REVENUE



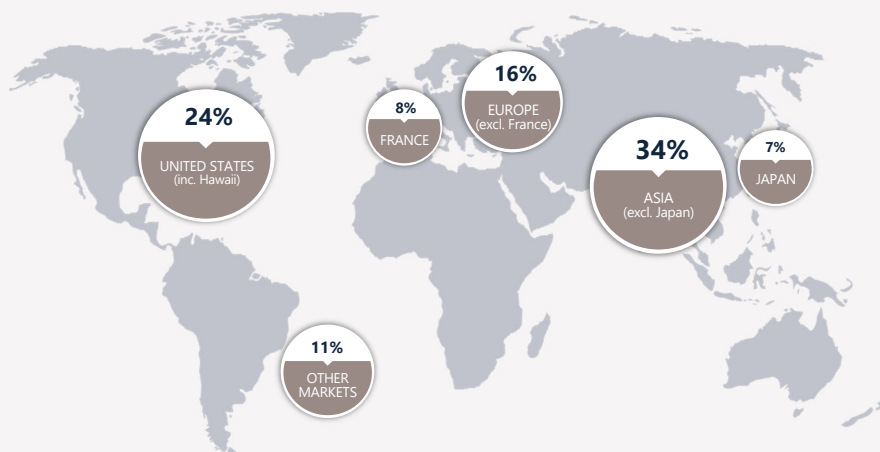
The principles used to determine the net impact of exchange rate fluctuations on the revenue of entities reporting in foreign currencies and the net impact of changes in the scope of consolidation are described on page 11 of the Financial Documents 2020.

As table totals are calculated based on unrounded figures, there may be slight discrepancies between these totals and the sum of their component figures.



## 2020 REVENUE BREAKDOWN BY REGION

In % of total revenue



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## REVENUE CHANGE BY REGION

Organic change versus same period of 2019	H1 2020	Q3 2020	Q4 2020	2020
UNITED STATES	- 24%	- 4%	- 2%	- 13%
JAPAN	- 32%	- 17%	+ 5%	- 19%
ASIA (EXCL. JAPAN)	- 24%	+ 13%	+ 21%	- 4%
EUROPE	- 33%	- 24%	- 24%	- 28%

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## ORGANIC REVENUE CHANGE BY BUSINESS GROUP

Organic change versus same period of 2019	H1 2020	Q3 2020	Q4 2020	2020
WINES & SPIRITS	- 23%	- 3%	- 11%	- 14%
FASHION & LEATHER GOODS	- 24%	+ 12%	+ 18%	- 3%
PERFUMES & COSMETICS	- 29%	- 16%	- 15%	- 22%
WATCHES & JEWELRY	- 39%	- 14%	- 2%	- 23%
SELECTIVE RETAILING	- 33%	- 29%	- 26%	- 30%
<b>TOTAL LVMH</b>	<b>- 28%</b>	<b>- 7%</b>	<b>- 3%</b>	<b>- 16%</b>

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## REVENUE BY BUSINESS GROUP

In millions of euros	2019	2020	Reported change	Organic change*
WINES & SPIRITS	5 576	4 755	- 15%	- 14%
Champagne & Wines	2 507	2 119	- 15%	- 16%
Cognac & Spirits	3 069	2 636	- 14%	- 12%
FASHION & LEATHER GOODS	22 237	21 207	- 5%	- 3%
PERFUMES & COSMETICS	6 835	5 248	- 23%	- 22%
WATCHES & JEWELRY	4 405	3 356	- 24%	- 23%
SELECTIVE RETAILING	14 791	10 155	- 31%	- 30%
OTHERS & ELIMINATIONS	(174)	(70)	-	-
<b>TOTAL LVMH</b>	<b>53 670</b>	<b>44 651</b>	<b>- 17%</b>	<b>- 16%</b>

\* With comparable structure and exchange rates.

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## INCOME STATEMENT SUMMARIZED

In millions of euros	2019	2020	% Change
<b>REVENUE</b>	<b>53 670</b>	<b>44 651</b>	<b>- 17%</b>
<b>GROSS MARGIN</b>	<b>35 547</b>	<b>28 780</b>	<b>- 19%</b>
Marketing and selling expenses	(20 207)	(16 792)	- 17%
General and administrative expenses	(3 864)	(3 641)	- 6%
Equity investment income	28	(42)	
<b>PROFIT FROM RECURRING OPERATIONS</b>	<b>11 504</b>	<b>8 305*</b>	<b>- 28%</b>
Other operating income and expenses	(231)	(333)	
<b>OPERATING PROFIT</b>	<b>11 273</b>	<b>7 972</b>	<b>- 29%</b>
Net financial income (expense)	(559)	(608)	
Income taxes	(2 932)	(2 409)	
<b>NET PROFIT BEFORE MINORITY INTERESTS</b>	<b>7 782</b>	<b>4 955</b>	<b>- 36%</b>
Minority interests	(611)	(253)	
<b>GROUP SHARE OF NET PROFIT</b>	<b>7 171</b>	<b>4 702</b>	<b>- 34%</b>

\* Including a negative currency effect of 175 ME.

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## HALF-YEAR CHANGES OF PROFIT FROM RECURRING OPERATIONS BY BUSINESS GROUP

Evolution versus same period of 2019	H1 2020	H2 2020	2020
WINES & SPIRITS	- 29%	- 13%	- 20%
FASHION & LEATHER GOODS	- 46%	+ 32%	- 2%
PERFUMES & COSMETICS	ns	- 63%	- 88%
WATCHES & JEWELRY	ns	- 16%	- 59%
SELECTIVE RETAILING	ns	- 85%	ns
<b>TOTAL LVMH</b>	<b>- 68%</b>	<b>+ 7%</b>	<b>- 28%</b>

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## PROFIT FROM RECURRING OPERATIONS BY BUSINESS GROUP

In millions of euros	2019	2020	% Change
<b>WINES &amp; SPIRITS</b>	<b>1 729</b>	<b>1 388</b>	<b>- 20%</b>
Champagne & Wines	690	488	- 29%
Cognac & Spirits	1 039	900	- 13%
<b>FASHION &amp; LEATHER GOODS</b>	<b>7 344</b>	<b>7 188</b>	<b>- 2%</b>
<b>PERFUMES &amp; COSMETICS</b>	<b>683</b>	<b>80</b>	<b>- 88%</b>
<b>WATCHES &amp; JEWELRY</b>	<b>736</b>	<b>302</b>	<b>- 59%</b>
<b>SELECTIVE RETAILING</b>	<b>1 395</b>	<b>(203)</b>	<b>ns</b>
<b>OTHERS AND ELIMINATIONS</b>	<b>(383)</b>	<b>(450)</b>	<b>ns</b>
<b>TOTAL LVMH</b>	<b>11 504</b>	<b>8 305</b>	<b>- 28%</b>

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## CHANGE IN NET FINANCIAL RESULT

In millions of euros	2019	2020	Change (M€)
<b>COST OF NET FINANCIAL DEBT</b>	<b>(107)</b>	<b>(35)</b>	<b>+ 72</b>
<b>INTEREST ON LEASE LIABILITIES</b>	<b>(290)</b>	<b>(281)</b>	<b>+ 9</b>
<b>COST OF CURRENCY DERIVATIVES</b>	<b>(230)</b>	<b>(262)</b>	<b>- 32</b>
<b>FAIR VALUE ADJUSTMENT OF AVAILABLE FOR SALE FINANCIAL ASSETS</b>	<b>82</b>	<b>(4)</b>	<b>- 86</b>
<b>OTHER ITEMS - NET</b>	<b>(14)</b>	<b>(26)</b>	<b>- 12</b>
<b>NET FINANCIAL RESULT</b>	<b>(559)</b>	<b>(608)</b>	<b>- 49</b>

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## VERY SOUND FINANCIAL STRUCTURE

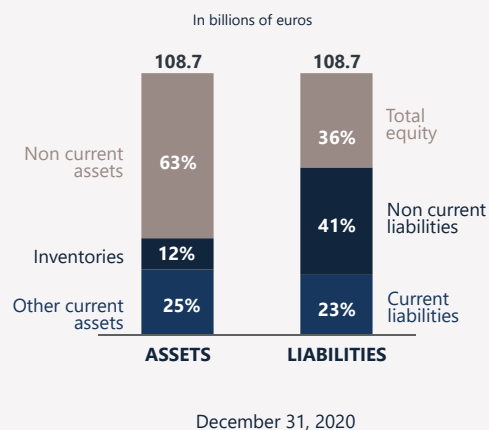
Changes compared to December 31, 2019

| Slight decline in intangible and tangible fixed assets due to limited capital investments during the pandemic

| Reduced inventories mainly resulting from unfavorable currency change

| Slight increase in total equity primarily linked to net result less dividends compensated in part by currency change

| Compensating increases in debt and current assets in preparation for the Tiffany acquisition which closed on January 7th, 2021



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## ANALYSIS OF CASH FLOW FROM OPERATIONS

In millions of euros	2019	2020	Variation (M€)
<b>CASH FROM OPERATIONS BEFORE CHANGES IN WORKING CAPITAL</b>	<b>16 105</b>	<b>13 997</b>	<b>- 2 108</b>
Cost of net financial debt: interest paid	(124)	(58)	+ 66
Lease liabilities: interest paid	(239)	(290)	- 51
Tax paid	(2 940)	(2 385)	+ 555
Change in working capital	(1 154)	(367)	+ 787
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>11 648</b>	<b>10 897</b>	<b>- 751</b>
Operating investments	(3 294)	(2 478)	+ 816
Repayment of lease liabilities	(2 187)	(2 302)	- 115
<b>OPERATING FREE CASH FLOW *</b>	<b>6 167</b>	<b>6 117</b>	<b>- 50</b>

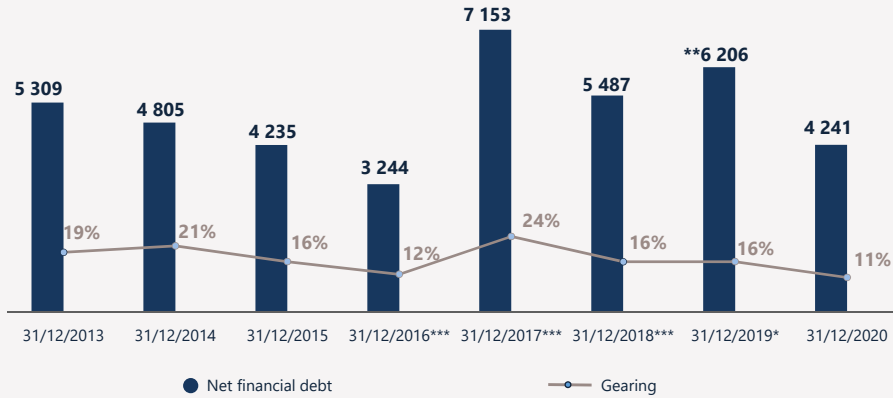
\* Before available for sale financial assets and investments, transactions relating to equity and financing activities.

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## NET FINANCIAL DEBT

In millions of euros



\* Incorporating for the first time the effects of the application of IFRS 16 Leases.

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

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

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## 2020 DIVIDEND

In euros

### GROSS DIVIDEND PER SHARE

AVERAGE ANNUAL GROWTH RATE OVER 5 YEARS **+ 11%**



\* Will be proposed to the Annual General Meeting of April 15, 2021

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## CONCLUSION

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Louis Vuitton

## GETTING READY FOR THE RECOVERY IN 2021

- | Maintain **vigilance** in an economic environment disrupted by major global health crisis
- | Remain focused on **preserving value of our brands, quality of our products** and their **distribution**
- | Ensure rapid integration of **Tiffany** within the Group
- | Pursue **digitalization** of our Maisons to enrich customers' experience both online and in stores
- | Accentuate Group's **commitment to preserve the environment** and **corporate responsibility**
- | Build upon **entrepreneurship** and **agility** of our organization

**REINFORCE LVMH'S GLOBAL LEADERSHIP POSITION IN LUXURY GOODS IN 2021**

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