

LVMH

LVMH delivers record first half performance

Paris, July 26, 2021

LVMH Moët Hennessy Louis Vuitton, the world's leading high-quality products group, recorded revenue of 28.7 billion euros in the first half of 2021, up 56% compared to the same period in 2020. Organic revenue growth was 53% compared to 2020 and 11% compared to 2019. This performance reflects accelerated growth in the second quarter of 2021, which saw organic revenue increase by 14% compared to 8% in the first quarter.

The first half of this year marks a return to strong growth momentum after a severely disrupted year in 2020 resulting from the global pandemic. The largest business group, Fashion & Leather Goods, achieved record levels of revenue with organic growth of 81% compared to 2020, and 38% compared to 2019. The United States and Asia are up sharply since the start of the year while Europe is experiencing a gradual recovery.

Profit from recurring operations was €7 632 million for the first half of 2021, up 44% compared to the first half of 2019 and more than four times higher than that of 2020. Operating margin reached 26.6%, up 5.5 points compared to 2019. Profit from recurring operations for the Fashion & Leather Goods business group stood at €5 660 million for the first half, more than three times that of 2020, and up 74% compared to 2019. Group share of net profit amounted to €5 289 million, up 62% compared to 2019 and 10 times higher than 2020. Operating free cash flow exceeded €5 billion, more than three times that of 2019.

Bernard Arnault, Chairman and CEO of LVMH, said: "LVMH has enjoyed an excellent half-year and is reaping the benefits of having continued to innovate and invest in its businesses throughout the pandemic despite being in the midst of a global crisis. The creativity, the high-quality and enduring nature of our products and the sense of responsibility that drives us, have been critical in enabling us to successfully withstand the effects of the pandemic; they will remain firmly embedded in all our Maisons, thereby ensuring their continued desirability. Highlights from the first half include the integration of the Maison Tiffany and the inauguration of La Samaritaine after an ambitious renovation program. Within the current context, as we emerge from the health crisis and see a recovery in the global economy, I believe that LVMH is in an excellent position to continue to grow and further strengthen our lead in the global luxury market in 2021. As France is the principal recruitment area and the country of origin of many of our products, the growth of LVMH benefits the country today, and even more tomorrow, with all our Maisons being proud to make their contributions."

Highlights of the first half of 2021 include:

- Excellent start to the year, in particular for the largest brands, during a period marked by the first signs of an exit from the current health crisis yet also by a continued lack of return to international travel,
- Remarkable performance by the Fashion & Leather Goods business group, particularly Louis Vuitton, Christian Dior, Fendi, Loewe and Celine which are gaining market share across all geographies and achieving record levels of revenue and profitability,
- Sustained revenue growth in Asia and the United States and a gradual recovery in Europe,
- Successful integration of Tiffany, which has performed extremely well since its acquisition,
- Strong growth in direct sales to customers, both in-store and remotely,
- Travel retail and hotel activities still held back by the limited recovery in international travel,
- Remarkable operating free cash flow.

Key figures

<i>Euro millions</i>	First half 2020	First half 2021	% change 2021/2020	% change 2021/2019
Revenue	18 393	28 665	+ 56 %	+ 14 %
Profit from recurring operations	1 671	7 632	x 4.6	+ 44 %
Group share of net profit	522	5 289	x 10.1	+ 62 %
Operating free cash flow	(1 721)	5 288	-	x 3.1
Net Financial debt	8 230	15 265	x 1.9	x 1.8
Total equity	37 532	42 624	+ 14 %	+ 21 %

Revenue by business group:

<i>Euro millions</i>	First half 2020	First half 2021	% change First half 2021/2020		% change First half 2021/2019 Organic
			Reported	Organic*	
Wines & Spirits	1 985	2 705	+ 36 %	+ 44 %	+ 12 %
Fashion & Leather Goods	7 989	13 863	+ 74 %	+ 81 %	+ 38 %
Perfumes & Cosmetics	2 304	3 025	+ 31 %	+ 37 %	- 3 %
Watches & Jewelry	1 319	4 023	x 3.1	+ 71 %	+ 5 %
Selective Retailing	4 844	5 085	+ 5 %	+ 12 %	- 25 %
Other activities and eliminations	(48)	(36)	-	-	-
Total LVMH	18 393	28 665	+ 56 %	+ 53 %	+ 11 %

* With comparable structure and constant exchange rates. The structural impact for the Group compared to the first half of 2020 was +10% linked entirely to the consolidation of Tiffany & Co. for the first time. The currency effect was - 7 %.

Profit from recurring operations by business group:

<i>Euro millions</i>	First half 2020	First half 2021	% change 2021/2020	% change 2021/2019
Wines & Spirits	551	924	+ 68 %	+ 20 %
Fashion & Leather Goods	1 769	5 660	x 3.2	+ 74 %
Perfumes & Cosmetics	(30)	393	-	+ 1 %
Watches & Jewelry	(17)	794*	-	x 2.2
Selective Retailing	(308)	131	-	- 82 %
Other activities and eliminations	(294)	(270)	-	-
Total LVMH	1 671	7 632	x 4.6	+ 44 %

* incomparable structural impact.

Wines & Spirits: sustained demand in the United States and strong rebound in China

The **Wines & Spirits** business group recorded organic revenue growth of 44% in the first half of 2021 compared to the same period of 2020 and 12% compared to that of 2019. Profit from recurring operations was up 20% compared to the first half of 2019. Champagne volumes rose 10% compared to the first half of 2019, driven by the good momentum in Europe and the United States. Hennessy cognac volumes increased by 6% compared to 2019, limited by supply constraints. China, which was the first market to have been impacted by the pandemic in early 2020, experienced a strong rebound over the first half of this year. Demand in the United States held up well. LVMH took a 50% equity stake in the Champagne Maison Armand de Brignac.

Fashion & Leather Goods: remarkable performances at Louis Vuitton, Christian Dior, Fendi, Loewe and Celine.

The **Fashion & Leather Goods** business group recorded organic revenue growth of 81% in the first half of 2021 compared to the same period of 2020. Organic revenue growth compared to the first half of 2019 was 38%. Profit from recurring operations was up 74% compared to the first half of 2019 and represents more than three times that of 2020. Louis Vuitton, driven as always by its creativity and the artisanal excellence of its products, delivered a remarkable performance and maintained its profitability at an exceptional level. Due to the desirability of its iconic designs, purchases of many are subject to a waiting list. The Maison continues to offer its customers a unique experience, whether in its stores or through its many original initiatives. Christian Dior had an excellent first half with strong growth among local customers across all its product categories. Several innovations were unveiled during the first half. Celine's ready-to-wear and leather goods collections created by Hedi Slimane were hugely successful. Loewe continues to surprise with its innovative digital concepts in connection with the new collections created by J.W. Anderson. Fendi presented a ready-to-wear capsule by Kim Jones, the first collections of which debuted in July. Marc Jacobs performed very well over the period.

Perfumes & Cosmetics: rapid growth in direct sales and continued selective distribution

The **Perfumes & Cosmetics** business group recorded organic revenue growth of 37% in the first half of 2021 compared to the same period of 2020. Organic revenue was down 3% compared to the first half of 2019. Profit from recurring operations was up 1% compared to the first half of 2019. The Group's major brands have maintained a policy of selective distribution unlike many competitors who have increased their proportion of discounted sales or sales in parallel networks, as a means of supporting their revenues. Our brands are benefiting from continued growth in online sales, partially offsetting the impact of the suspension of international travel and the closure of many points of sale. Parfums Christian Dior enjoyed a strong acceleration in its business with local customers, extending the recovery that began at the end of 2020. The continued success in iconic perfumes *Sauvage*, *Miss Dior* and *J'Adore*, the roll-out of *Rouge Dior* lipstick and the rapid progress of skincare lines *Prestige* and *Capture* contributed to the excellent performance of the Maison. Guerlain showed very positive momentum, driven by skincare, thanks to the exceptional vitality of *Abeille Royale* and *Orchidée Impériale*. Parfums Givenchy is gaining market share due to the success of *L'Interdit* perfume and the promising relaunch of the *Irresistible* collection. Fresh confirmed its presence in ultra-premium skincare and Maison Francis Kurkdjian continues to post remarkable growth.

Watches & Jewelry: strong rebound in own stores and integration of Tiffany

The **Watches & Jewelry** business group recorded organic revenue growth of 71% in the first half of 2021 compared to the same period in 2020 and 5% compared to that in 2019 (excluding Tiffany). Profit from recurring operations was up 122% compared to the first half of 2019 and 27% excluding the effect of the integration of Tiffany. The first half saw the integration for the first time of iconic jewelry Maison Tiffany, which has benefited from the new team's focus on its iconic products. Honouring its long-standing tradition of expressing love and diversity, the Maison has successfully launched its first engagement ring for men, the *Charles Tiffany Setting*. Bvlgari saw good growth in jewelry, in particular in its network of own stores. The new *Magnifica* high-end jewelry collection was unveiled in June. Chaumet inaugurated its new exhibition “Joséphine et Napoléon” at its recently restored historic address at 12 place Vendôme. In watchmaking, TAG Heuer signed a major partnership with Porsche and launched the *Carrera Porsche* chronograph to mark the occasion. Official watch for the Euro 2020, Hublot enjoyed high visibility during the second quarter.

Selective Retailing: good performance from Sephora; DFS still held back by a limited recovery in international travel

In **Selective Retailing**, organic revenue was up 12% compared to the first half of 2020 and down 25% compared to the first half of 2019. Profit from recurring operations was once again positive but was down 82% compared to the first half of 2019. Sephora achieved a good level of performance in a commercial environment which was impacted by store closures in several countries in Europe. Online sales continue to progress all over the world. A strategic partnership has been signed with Zalando, which is expected to launch in Germany by the end of the year. DFS continued to be impacted by the lack of recovery in international travel to most destinations. Following an ambitious renovation program, faithful to the history of this flagship store and maintaining high environmental standards, the reopening of La Samaritaine on June 23 was an historic success.

Outlook 2021

Within the context of emerging from the health crisis, the Group will maintain a strategy focused on continuously strengthening the desirability of its brands, by relying on the exceptional quality of its products and the excellence of their distribution.

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 2021.

An interim dividend of 3 Euros will be paid on Thursday December 2, 2021.

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.

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 2021 are included in the PDF version of the press release.

LVMH – Revenue by business group and by quarter

Revenue first half 2021 (Euro millions)

2021	Wines & Spirits	Fashion & Leather Goods	Perfumes & Cosmetics	Watches & Jewelry	Selective Retailing	Other activities and eliminations	Total
First quarter	1 510	6 738	1 550	1 883	2 337	(59)	13 959
Second quarter	1 195	7 125	1 475	2 140	2 748	23	14 706
First half	2 705	13 863	3 025	4 023	5 085	(36)	28 665

Revenue first half 2021 (organic growth compared to the first half of 2020)

2021	Wines & Spirits	Fashion & Leather Goods	Perfumes & Cosmetics	Watches & Jewelry	Selective Retailing	Other activities and eliminations	Total
First quarter	+ 36 %	+ 52 %	+ 18 %	+ 35 %	- 5 %	-	+ 30 %
Second quarter	+ 55 %	x 2.2	+ 67 %	x 2.2	+ 31 %	-	+ 84 %
First half	+ 44 %	+ 81 %	+ 37 %	+ 71 %	+ 12 %	-	+ 53 %

Revenue first half 2021 (organic growth compared to the first half of 2019)

2021	Wines & Spirits	Fashion & Leather Goods	Perfumes & Cosmetics	Watches & Jewelry	Selective Retailing	Other activities and eliminations	Total
First quarter	+ 17 %	+ 37 %	- 4 %	+ 1 %	- 30 %	-	+ 8 %
Second quarter	+ 7 %	+ 40 %	- 1 %	+ 9 %	- 19 %	-	+ 14 %
First half	+ 12 %	+ 38 %	- 3 %	+ 5%	- 25 %	-	+ 11 %

Revenue first half 2020 (Euro millions)

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

Revenue first half 2019 (Euro millions)

2019	Wines & Spirits	Fashion & Leather Goods	Perfumes & Cosmetics	Watches & Jewelry	Selective Retailing	Other activities and 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
First half	2 486	10 425	3 236	2 135	7 098	(298)	25 082

Alternative performance indicators

For the purposes of its financial communication, in addition to the accounting aggregates defined by IAS/IFRS, LVMH uses alternative performance indicators established in accordance with AMF position DOC-2015-12.

The table below lists these indicators and the reference to their definition and their reconciliation with the aggregates defined by IAS/IFRS standards, in the published documents.

Indicators	Reference to published documents
Free operating cash flow	URD (consolidated accounts, consolidated cash flow statement)
Net Financial debt	URD (notes 1.22 and 19 of the appendix to the consolidated accounts)
Gearing	URD (part 2, Comments on the consolidated balance sheet)
Organic Growth	URD (part 1, Comments on the consolidated income statement)

URD: Universal Registration Document as at 31 December 2020

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The notes to consolidated accounts are included in 2021 Interim Financial Report, available on our Internet site www.lvmh.com

CONSOLIDATED INCOME STATEMENT

<i>(EUR millions, except for earnings per share)</i>	Notes	June 30, 2021	Dec. 31, 2020	June 30, 2020
Revenue	24	28,665	44,651	18,393
Cost of sales		(9,109)	(15,871)	(7,002)
Gross margin		19,556	28,780	11,391
Marketing and selling expenses		(9,804)	(16,792)	(8,000)
General and administrative expenses		(2,099)	(3,641)	(1,699)
Income/(Loss) from joint ventures and associates	8	(21)	(42)	(21)
Profit from recurring operations	24	7,632	8,305	1,671
Other operating income and expenses	25	(34)	(333)	(154)
Operating profit		7,598	7,972	1,517
Cost of net financial debt		11	(35)	(46)
Interest on lease liabilities		(140)	(281)	(149)
Other financial income and expenses		117	(292)	(267)
Net financial income/(expense)	26	(12)	(608)	(462)
Income taxes	27	(2,010)	(2,409)	(511)
Net profit before minority interests		5,576	4,955	544
Minority interests	18	(287)	(253)	(22)
Net profit, Group share		5,289	4,702	522
Basic Group share of net earnings per share (EUR)	28	10.50	9.33	1.04
Number of shares on which the calculation is based		503,791,062	503,679,272	503,625,126
Diluted Group share of net earnings per share (EUR)	28	10.49	9.32	1.04
Number of shares on which the calculation is based		504,030,160	504,210,133	504,357,270

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CONSOLIDATED STATEMENT OF COMPREHENSIVE GAINS AND LOSSES

<i>(EUR millions)</i>	Notes	June 30, 2021	Dec. 31, 2020	June 30, 2020
Net profit before minority interests		5,576	4,955	544
Translation adjustments		690	(1,650)	(150)
Amounts transferred to income statement		-	(11)	-
Tax impact		1	(10)	4
	16.5, 18	691	(1,671)	(145)
Change in value of hedges of future foreign currency cash flows		392	73	(39)
Amounts transferred to income statement		(229)	(123)	(7)
Tax impact		90	(112)	11
		253	(162)	(35)
Change in value of the ineffective portion of hedging instruments		(185)	(209)	(51)
Amounts transferred to income statement		104	232	119
Tax impact		20	(9)	(26)
		(61)	14	42
Gains and losses recognized in equity, transferable to income statement		883	(1,819)	(138)
Change in value of vineyard land	6	-	(3)	-
Amounts transferred to consolidated reserves		-	-	-
Tax impact		-	3	-
		-	-	-
Employee benefit obligations: Change in value resulting from actuarial gains and losses		108	(20)	5
Tax impact		(25)	6	-
		83	(14)	5
Gains and losses recognized in equity, not transferable to income statement		83	(14)	5
Comprehensive income		6,542	3,122	411
Minority interests		(313)	(162)	(30)
Comprehensive income, Group share		6,229	2,960	381

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CONSOLIDATED BALANCE SHEET

ASSETS	Notes	June 30, 2021	Dec. 31, 2020	June 30, 2020
<i>(EUR millions)</i>				
Brands and other intangible assets	3	17,214	17,012	17,189
Goodwill	4	29,928	16,042	13,486
Property, plant and equipment	6	19,197	18,224	18,543
Right-of-use assets	7	13,998	12,521	13,236
Investments in joint ventures and associates	8	974	990	1,053
Non-current available for sale financial assets	9	980	739	789
Other non-current assets	10	966	845	934
Deferred tax		2,715	2,325	2,332
Non-current assets		85,972	68,698	67,562
Inventories and work in progress	11	16,054	13,016	14,078
Trade accounts receivable	12	2,950	2,756	2,378
Income taxes		357	392	1,038
Other current assets	13	4,022	3,846	4,161
Cash and cash equivalents	15	7,231	19,963	14,426
Current assets		30,614	39,973	36,081
Total assets		116,586	108,671	103,643
LIABILITIES AND EQUITY				
<i>(EUR millions)</i>				
Equity, Group share	16.1	41,183	37,412	35,811
Minority interests	18	1,441	1,417	1,721
Equity		42,624	38,829	37,532
Long-term borrowings	19	11,937	14,065	14,842
Non-current lease liabilities	7	12,045	10,665	11,159
Non-current provisions and other liabilities	20	3,573	3,322	3,253
Deferred tax		5,491	5,481	5,452
Purchase commitments for minority interests' shares	21	12,987	10,991	8,197
Non-current liabilities		46,033	44,524	42,903
Short-term borrowings	19	12,109	10,638	8,655
Current lease liabilities	7	2,440	2,163	2,337
Trade accounts payable	22.1	5,662	5,098	4,200
Income taxes		981	721	566
Current provisions and other liabilities	22.2	6,737	6,698	7,450
Current liabilities		27,929	25,318	23,208
Total liabilities and equity		116,586	108,671	103,643

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(EUR millions)	Number of shares	Share capital	Share premium account	LVMH shares	Cumulative translation adjustment	Revaluation reserves				Net profit and other reserves	Total equity		
						Available for sale financial assets	Hedges of future foreign currency cash flows and cost of hedging	Vineyard land	Employee benefit commitments		Group share	Minority interests	Total
Notes			16.2	16.2	16.3	16.5						18	
As of Dec. 31 2019	505,431,285	152	2,319	(403)	862	-	(107)	1,139	(220)	32,844	36,586	1,779	38,365
Gains and losses recognized in equity					(1,554)	-	(176)	-	(11)		(1,742)	(91)	(1,833)
Income / Loss								-	-	4,702	4,702	253	4,955
Comprehensive income					(1,554)	-	(176)	-	(11)	4,702	2,960	162	3,122
Stock option plan-related expenses										60	60	3	63
(Acquisition)/disposal of LVMH shares				49						(42)	7	-	7
Exercise of LVMH share subscription options													
Retirement of LVMH shares	(673,946)		(94)	94									
Capital increase in subsidiaries												54	54
Interim and final dividends paid										(2,317)	(2,317)	(376)	(2,693)
Changes in control of consolidated entities										(30)	(30)	7	(23)
Acquisition and disposal of minority interests' shares										(49)	(49)	8	(41)
Purchase commitments for minority interests' shares										193	193	(220)	(27)
As of Dec. 31, 2020	504,757,339	152	2,225	(260)	(692)	-	(283)	1,139	(231)	35,363	37,412	1,417	38,829
Gains and losses recognized in equity					647	-	218	-	75		940	26	966
Net profit										5,289	5,289	287	5,576
Comprehensive income					647	-	218	-	75	5,289	6,229	313	6,542
Bonus share plan-related expenses										70	70	3	73
(Acquisition)/disposal of LVMH shares				(233)						(94)	(327)	-	(327)
Exercise of LVMH share subscription options													
Retirement of LVMH shares													
Capital increase in subsidiaries												11	11
Interim and final dividends paid										(2,016)	(2,016)	(361)	(2,377)
Changes in control of consolidated entities										20	20	34	54
Acquisition and disposal of minority interests' shares										(199)	(199)	(126)	(325)
Purchase commitments for minority interests' shares										(6)	(6)	150	144
As of June 30, 2021	504,757,339	152	2,225	(493)	(45)	-	(64)	1,139	(157)	38,427	41,183	1,441	42,624
As of Dec. 31 2019	505,431,285	152	2,319	(403)	862	-	(107)	1,139	(220)	32,844	36,586	1,779	38,365
Gains and losses recognized in equity					(149)	-	5	-	3		(141)	8	(133)
Income / Loss										522	522	22	544
Comprehensive income					(149)	-	5	-	3	522	381	30	411
Stock option plan-related expenses										37	37	2	39
(Acquisition)/disposal of LVMH 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
As of June 30, 2020	505,027,339	152	2,299	(394)	713	-	(102)	1,140	(217)	32,220	35,811	1,721	37,532

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CONSOLIDATED CASH FLOW STATEMENT

<i>(EUR millions)</i>	Notes	June 30, 2021	Dec. 31, 2020	June 30, 2020
I. OPERATING ACTIVITIES				
Operating profit		7,598	7,972	1,517
(Income)/loss and dividends received from joint ventures and associates	8	26	64	25
Net increase in depreciation, amortization and provisions		1,386	3,478	1,636
Depreciation of right-of-use assets	7.1	1,358	2,572	1,294
Other adjustments and computed expenses		(199)	(89)	(51)
Cash from operations before changes in working capital		10,169	13,997	4,421
Cost of net financial debt: interest paid		40	(58)	(42)
Lease liabilities: interest paid		(132)	(290)	(142)
Tax paid		(1,590)	(2,385)	(1,382)
Change in working capital	15.2	(765)	(367)	(2,005)
Net cash from/(used in) operating activities		7,722	10,897	850
II. INVESTING ACTIVITIES				
Operating investments	15.3	(1,191)	(2,478)	(1,414)
Purchase and proceeds from sale of consolidated investments	2	(12,696)	(536)	(45)
Dividends received		2	12	1
Tax paid related to non-current available for sale financial assets and consolidated		-	-	-
Purchase and proceeds from sale of non-current available for sale financial assets	9	(84)	63	(33)
Net cash from (used in) investing activities		(13,969)	(2,939)	(1,491)
III. FINANCING ACTIVITIES				
Interim and final dividends paid	15.4	(2,436)	(2,799)	(46)
Purchase and proceeds from sale of minority interests		(76)	(67)	(36)
Other equity-related transactions	15.4	(362)	27	1
Proceeds from borrowings	19	167	17,499	13,543
Repayment of borrowings	19	(2,204)	(5,024)	(2,712)
Repayment of lease liabilities	7.2	(1,243)	(2,302)	(1,157)
Purchase and proceeds from sale of current available for sale financial assets	14	(605)	69	(188)
Net cash from/(used in) financing activities		(6,759)	7,403	9,405
IV. EFFECT OF EXCHANGE RATE CHANGES		115	(1,052)	31
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (I+II+III+IV)		(12,891)	14,309	8,795
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	15.1	19,806	5,497	5,497
CASH AND CASH EQUIVALENTS AT END OF PERIOD	15.1	6,915	19,806	14,292
TOTAL TAX PAID		(1,658)	(2,501)	(1,422)

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, 2021	Dec. 31, 2020	June 30, 2020
Net cash from operating activities	7,722	10,897	850
Operating investments	(1,191)	(2,478)	(1,414)
Repayment of lease liabilities	(1,243)	(2,302)	(1,157)
Operating free cash flow ^(a)	5,288	6,117	(1,721)

(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”.

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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, Fendi, Emilio Pucci, Marc Jacobs, Berluti, Loro Piana, RIMOWA, Patou. 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, Tiffany & Co, 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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