

LVMH

LVMH showed good resilience against the pandemic crisis in 2020

Paris, January 26th, 2021

LVMH Moët Hennessy Louis Vuitton, the world's leading luxury products group, recorded revenue of 44.7 billion euros in 2020, down 17%. Organic revenue declined 16% compared to 2019. LVMH showed good resilience in 2020 in an economic environment severely disrupted by the serious health crisis that 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.

With an organic revenue decline of only 3% in the fourth quarter, the Group saw a significant improvement in trends in all its activities compared to the first nine months of 2020. Fashion & Leather Goods in particular, enjoyed a remarkable performance, with double-digit growth in both the third and fourth quarters. While Europe is still affected by the crisis, the United States saw a good recovery and Asia grew strongly.

Profit from recurring operations, which amounted to 8.3 billion euros in 2020, declined only 28% over the year due to a return to growth in the second half, which was up 7%. Operating margin reached 18.6% in 2020. Group share of net profit amounted to 4.7 billion euros, down 34%.

Bernard Arnault, Chairman and Chief Executive Officer of LVMH, said: "LVMH showed remarkable resilience against the unprecedented health crisis the world experienced in 2020. Our priority has been to protect the health and safety of our employees and our clients and we have provided direct support in the fight against the pandemic. Our Maisons have shown great agility and creative energy in continuing to bring to life our customers' dreams through a unique digital experience thereby further strengthening their desirability. Our focus on dynamic innovation was accompanied by strong commitments to the environment, sustainability and inclusion. We are starting 2021 with the pleasure of welcoming the iconic jewelry Maison Tiffany and its teams to our Group. In a context that remains uncertain, even with the hope of vaccination giving us a glimpse of an end to the pandemic, we are confident that LVMH is in an excellent position to build upon the recovery for which the world wishes in 2021 and to further strengthen our lead in the global luxury market."

Key highlights from 2020 include:

- Highest priority given to the health and safety of our employees and our customers,
- Direct support in the fight against the pandemic,
- Good resilience, notably from the major brands, in an economic environment disrupted by the health crisis,
- Impact of the crisis on revenue trends around the world, with however, a second half marked by a strong recovery in Asia, which saw double-digit growth, and a significant improvement in trends in the United States and Japan,
- Double-digit organic revenue growth at Louis Vuitton and Christian Dior over the last two quarters of 2020,
- Success of both iconic and new products at Louis Vuitton, whose profitability remains at an exceptional level,
- Remarkable resilience of Cognac,
- Sharp acceleration in online sales, partially offsetting the effect on revenue caused by the closure of the Group's stores for several months,
- Suspension of international travel, severely penalizing hotel and travel retail activities,
- Operating free cash flow equivalent to that of 2019,
- The completion of the agreement with the iconic American jewelry Maison Tiffany.

Key figures

Euro millions	2019	2020	% change
Revenue	53 670	44 651	- 17 %
Profit from recurring operations	11 504	8 305	- 28 %
Group share of net profit	7 171	4 702	- 34 %
Operating free cash flow	6 167	6 117	- 1 %
Net Financial debt	6 206	4 241	- 32 %
Total equity	38 365	38 829	+ 1 %

Revenue by business group:

Euro millions	2019	2020	Change 2020 / 2019		Change Q4 2020 / Q4 2019 Organic*
			Reported	Organic*	
Wines & Spirits	5 576	4 755	- 15 %	- 14 %	- 11%
Fashion & Leather Goods	22 237	21 207	- 5 %	- 3 %	+ 18%
Perfumes & Cosmetics	6 835	5 248	- 23 %	- 22 %	- 15%
Watches & Jewelry	4 405	3 356	- 24 %	- 23 %	- 2%
Selective Retailing	14 791	10 155	- 31 %	- 30 %	- 26%
Other activities and eliminations	(174)	(70)	-	-	-
Total LVMH	53 670	44 651	- 17 %	- 16 %	- 3%

* With comparable structure and constant exchange rates. For 2020, the currency effect was -1% and the structural impact was almost zero. For the fourth quarter of 2020, the currency effect was -4% and the structural impact was almost zero.

Profit from recurring operations by business group:

Euro millions	2019	2020	% change
Wines & Spirits	1 729	1 388	- 20 %
Fashion & Leather Goods	7 344	7 188	- 2 %
Perfumes & Cosmetics	683	80	- 88 %
Watches & Jewelry	736	302	- 59 %
Selective Retailing	1 395	(203)	-
Other activities and eliminations	(383)	(450)	-
Total LVMH	11 504	8 305	- 28 %

Wines & Spirits: strong recovery in the United States in the second half of the year and improvement in trends in China

The **Wines & Spirits** business group saw its organic revenue decline by 14% in 2020. Profit from recurring operations was down 20%. All Maisons showed great resilience and gained market share. After a significant drop in volumes in the second quarter, the Champagne business experienced improved trends in the second half, particularly in the United States. Beginning in June, Hennessy cognac recorded a strong recovery, driven notably by demand in the United States. 2020 saw the integration of the 2019 acquisitions Château d'Esclans and Château du Galoupet for the first time over a full year, establishing a strong position for Moët Hennessy in the growing market for high-end rosé wines. A new high-end rum, Eminente launched in the third quarter.

Fashion & Leather Goods: remarkable resilience

In 2020, the **Fashion & Leather Goods**, business group recorded a decrease in organic revenue of only 3% in an environment marked by the closure of stores over a period of several months. The second half saw a noteworthy rebound in activity, with double-digit organic revenue growth in both quarters. China recorded a strong recovery in revenue beginning in April and the United States in July. The brands' strict cost management made it possible to limit the decline in profit from recurring operations to 2%. Louis Vuitton, always driven by exceptional dynamism and creativity, was able very quickly to transform and revitalize its customer relations with a high quality and efficient digital service. Many innovations were unveiled throughout the year, such as the *Pont 9* range and the *1854* canvas. The Maison's commitment to high quality craftsmanship and sustainability continues in the form of responsible creativity. A new workshop opened at Vendôme in France. Christian Dior demonstrated remarkable momentum and gained market share in all regions thanks to its exceptional creativity. The *Lady Dior* bag has become a global icon, the women's collections of Maria Grazia Chiuri and the men's runway shows of Kim Jones were a huge success. The other fashion brands showed solid resilience during the year, notably Loewe with the creations of J. W. Anderson, Celine with the creations of Hedi Slimane, Fendi and Marc Jacobs.

Perfumes & Cosmetics: continuous innovation and rapid growth in online sales

The **Perfumes & Cosmetics** business group recorded a 22% decline in organic revenue in 2020. Profit from recurring operations was down 88%. In a sector suffering from the decline in international traveller spend and makeup, LVMH's major brands chose to be selective in their distribution and, unlike certain competitors, limited promotions and refused to sell indirectly to the Chinese parallel market, which presents major risks to the medium term desirability for brands that follow that route. The Perfumes and Cosmetics brands are showing good resilience resulting from the growth of skincare and online sales, particularly in Asia. Christian Dior saw a gradual improvement in the second half of the year, underpinned by the success of its new products *Miss Dior Roses N'Roses* and *J'adore Infinissime* in perfume, and *Rouge Dior* in makeup. Guerlain benefited from the remarkably dynamic skincare market, with the continued success of *Abeille Royale* and *Orchidée Impériale*. The new skincare brand Fenty Skin, developed by Rihanna, is off to a very promising start.

Watches & Jewelry: strong rebound in China in the second half of the year

The **Watches & Jewelry** business group saw its organic revenue decline by 23% in 2020, with a strong improvement in trends in the fourth quarter, which fell only 2%. Profit from recurring operations was down 59%. Bvlgari was very responsive and quickly capitalized on the strong recovery in China. The Maison maintained a high pace of jewelry innovation with the successful launches of its *Serpenti Viper*, *B.Zero1 Rock* and *Barocko* collections. Chaumet inaugurated its new store at its historic address on Place Vendôme in Paris at the start of 2020 and strengthened its presence in China. In the watch sector, TAG Heuer celebrated its 160th anniversary with several limited editions in the *Carrera* collection and launched the third generation of its smartwatch in New York. The year 2021 marks the welcome to the Group of the prestigious American jeweler Tiffany.

Selective retailing: good resilience at Sephora and strong impact of the suspension of international travel on DFS

The **Selective Retailing** business group saw organic revenue decline by 30% in 2020. Profit from recurring operations amounted to (203) million euros. Sephora demonstrated good resilience during the health crisis, which, nonetheless, led to the closure of most of its stores for several months. The commitment and agility of its teams have enabled an acceleration of online sales, which reached historic levels in all markets, and the development of services such as Click & Collect and Live Shopping. Sephora has also strengthened its offering with new skincare and hair products. A new partnership has been signed with the American retailer Kohl's, whose stores are expected to accommodate 200 beauty spaces dedicated to Sephora in 2021. DFS saw a significant decline in its activity in most destinations due to the total suspension of international travel. While Hong Kong continues to feel the impact of the pandemic strongly, Macau saw improved trends in the latter part of the year. New services are being developed for its local customers and online sales have strengthened.

Cautious confidence for 2021

In a very turbulent context, LVMH is well-equipped to build upon the hoped-for recovery in 2021 and regain growth momentum for all its businesses. The Group will continue to pursue its strategy focused on developing its brands by building on strong innovation and investments as well as a constant quest for quality in their products and their distribution.

Driven by the agility of its teams, their entrepreneurial spirit and its well diversified presence across its activities and the geographic areas in which it operates, LVMH enters 2021 with cautious confidence and once again, sets an objective of reinforcing its global leadership position in luxury goods.

Dividend 2020

At the Annual General Meeting of April 15, 2021, LVMH will propose a dividend of 6 euros per share. An interim dividend of 2 euros per share was paid on December 3 of last year. The balance of 4 euros will be paid on April 22, 2021.

The Board of Directors met on January 26th to approve the financial statements for 2020. Audit procedures have been carried out and the audit report is being issued.

The regulated information related to this press release as well as the presentation of annual results and the "Financial documents" report are available on the website www.lvmh.com.

APPENDIX

Condensed consolidated accounts for 2020 are included in the PDF version of the press release.

LVMH - Revenue by business group and by quarter

2020 Revenue (Euro millions)

2020	Wines & Spirits	Fashion & Leather Goods	Perfumes & Cosmetics	Watches & Jewelry	Selective retailing	Other activities & 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
Total First Half	1 985	7 989	2 304	1 319	4 844	(48)	18 393
Third Quarter	1 364	5 945	1 370	947	2 332	(3)	11 955
Nine months	3 349	13 934	3 674	2 266	7 176	(51)	30 348
Fourth Quarter	1 406	7 273	1 574	1 090	2 979	(19)	14 303
Total 2020	4 755	21 207	5 248	3 356	10 155	(70)	44 651

2020 Revenue (Organic change versus same period of 2019)

2020	Wines & Spirits	Fashion & Leather Goods	Perfumes & Cosmetics	Watches & Jewelry	Selective retailing	Other activities & eliminations	Total
First Quarter	-14%	-10%	-19%	-26%	-26%	-	-17%
Second Quarter	-33%	-37%	-40%	-52%	-38%	-	-38%
Total First Half	-23%	-24%	-29%	-39%	-33%	-	-28%
Third Quarter	-3%	+12%	-16%	-14%	-29%	-	-7%
Nine months	-15%	-11%	-25%	-30%	-31%	-	-21%
Fourth Quarter	-11%	+18%	-15%	-2%	-26%	-	-3%
Total 2020	-14%	-3%	-22%	-23%	-30%	-	-16%

2019 Revenue (Euro millions)

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

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

Alternative performance measures

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

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

Measures	Reference to published documents
Operating free cash flow	FD (condensed consolidated financial statements, consolidated cash flow statement)
Net financial debt	FD (Notes 1.22 and 19 of the appendix to the consolidated financial statements)
Gearing	FD (Part 7, Comments on Consolidated Balance Sheet)
Organic growth	FD (Part 1, Comments on the Consolidated Income Statement)

FD: Financial documents as of December 31, 2020

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The notes to consolidated accounts are included in 2020 Financial documents, available on our Internet site www.lvmh.com

CONSOLIDATED INCOME STATEMENT

<i>(EUR millions, except for earnings per share)</i>	Notes	2020	2019	2018 ^(a)
Revenue	24	44,651	53,670	46,826
Cost of sales		(15,871)	(18,123)	(15,625)
Gross margin		28,780	35,547	31,201
Marketing and selling expenses		(16,792)	(20,207)	(17,755)
General and administrative expenses		(3,641)	(3,864)	(3,466)
Income/(loss) from joint ventures and associates	8	(42)	28	23
Profit from recurring operations	24	8,305	11,504	10,003
Other operating income and expenses	26	(333)	(231)	(126)
Operating profit		7,972	11,273	9,877
Cost of net financial debt		(35)	(107)	(117)
Interest on lease liabilities		(281)	(290)	-
Other financial income and expenses		(292)	(162)	(271)
Net financial income/(expense)	27	(608)	(559)	(388)
Income taxes	28	(2,409)	(2,932)	(2,499)
Net profit before minority interests		4,955	7,782	6,990
Minority interests	18	(253)	(611)	(636)
Net profit, Group share		4,702	7,171	6,354
Basic Group share of net earnings per share (EUR)	29	9.33	14.25	12.64
Number of shares on which the calculation is based		503,679,272	503,218,851	502,825,461
Diluted Group share of net earnings per share (EUR)	29	9.32	14.23	12.61
Number of shares on which the calculation is based		504,210,133	503,839,542	503,918,140

(a) The financial statements as of December 31, 2018 have not been restated to reflect the application of IFRS 16 Leases. See Note 1.2 to the 2019 consolidated financial statements regarding the impact of the application of IFRS 16.

CONDENSED CONSOLIDATED FINANCIAL STATEMENTSThe notes to consolidated accounts are included in 2020 Financial documents, available on our Internet site www.lvmh.com**CONSOLIDATED STATEMENT OF COMPREHENSIVE GAINS AND LOSSES**

<i>(EUR millions)</i>	Notes	2020	2019	2018
Net profit before minority interests		4,955	7,782	6,990
Translation adjustments		(1,650)	299	274
Amounts transferred to income statement		(11)	1	(1)
Tax impact		(10)	11	15
	16.5, 18	(1,671)	311	288
Change in value of hedges of future foreign currency cash flows		73	(16)	3
Amounts transferred to income statement		(123)	25	(279)
Tax impact		(112)	(3)	79
		(162)	6	(197)
Change in value of the ineffective portion of hedging instruments		(209)	(211)	(271)
Amounts transferred to income statement		232	241	148
Tax impact		(9)	(7)	31
		14	23	(92)
Gains and losses recognized in equity, transferable to income statement		(1,819)	340	(1)
Change in value of vineyard land	6	(3)	42	8
Amounts transferred to consolidated reserves		-	-	-
Tax impact		3	(11)	(2)
		-	31	6
Employee benefit obligations: change in value resulting from actuarial gains and losses		(20)	(167)	28
Tax impact		6	39	(5)
		(14)	(128)	23
Gains and losses recognized in equity, not transferable to income statement		(14)	(97)	29
Comprehensive income		3,122	8,025	7,018
Minority interests		(162)	(628)	(681)
Comprehensive income, Group share		2,960	7,397	6,337

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The notes to consolidated accounts are included in 2020 Financial documents, available on our Internet site www.lvmh.com

CONSOLIDATED BALANCE SHEET

ASSETS	Notes	2020	2019	2018 ^(a)
<i>(EUR millions)</i>				
Brands and other intangible assets	3	17,012	17,212	17,254
Goodwill	4	16,042	16,034	13,727
Property, plant and equipment	6	18,224	18,533	15,112
Right-of-use assets	7	12,521	12,409	-
Investments in joint ventures and associates	8	990	1,074	638
Non-current available for sale financial assets	9	739	915	1,100
Other non-current assets	10	845	1,546	986
Deferred tax		2,325	2,274	1,932
Non-current assets		68,698	69,997	50,749
Inventories and work in progress	11	13,016	13,717	12,485
Trade accounts receivable	12	2,756	3,450	3,222
Income taxes		392	406	366
Other current assets	13	3,846	3,264	2,868
Cash and cash equivalents	15	19,963	5,673	4,610
Current assets		39,973	26,510	23,551
Total assets		108,671	96,507	74,300
LIABILITIES AND EQUITY				
<i>(EUR millions)</i>				
Equity, Group share	16.1	37,412	36,586	32,293
Minority interests	18	1,417	1,779	1,664
Equity		38,829	38,365	33,957
Long-term borrowings	19	14,065	5,101	6,005
Non-current lease liabilities	7	10,665	10,373	-
Non-current provisions and other liabilities	20	3,322	3,812	3,188
Deferred tax		5,481	5,498	5,036
Purchase commitments for minority interests' shares	21	10,991	10,735	9,281
Non-current liabilities		44,524	35,519	23,510
Short-term borrowings	19	10,638	7,610	5,027
Current lease liabilities	7	2,163	2,172	-
Trade accounts payable	22.1	5,098	5,814	5,314
Income taxes		721	722	538
Current provisions and other liabilities	22.2	6,698	6,305	5,954
Current liabilities		25,318	22,623	16,833
Total liabilities and equity		108,671	96,507	74,300

(a) The financial statements as of December 31, 2018 have not been restated to reflect the application of IFRS 16 Leases. See Note 1.2 to the 2019 consolidated financial statements regarding the impact of the application of IFRS 16.

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The notes to consolidated accounts are included in 2020 Financial documents, available on our Internet site www.lvmh.com

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(EUR millions)	Number of shares	Share capital	Share premium account	Treasury 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, 2017	507,042,596	152	2,614	(530)	354	-	130	1,114	(133)	25,268	28,969	1,408	30,377
Gains and losses recognized in equity					219	-	(259)	3	20	-	(17)	45	28
Net profit										6,354	6,354	636	6,990
Comprehensive income		-	-	-	219	-	(259)	3	20	6,354	6,337	681	7,018
Stock option plan-related expenses										78	78	4	82
(Acquisition)/disposal of treasury shares				(256)						(26)	(282)	-	(282)
Exercise of LVMH share subscription options	762,851		49								49	-	49
Retirement of LVMH shares	(2,775,952)		(365)	365							-	-	-
Capital increase in subsidiaries											-	50	50
Interim and final dividends paid										(2,715)	(2,715)	(345)	(3,060)
Changes in control of consolidated entities										(9)	(9)	41	32
Acquisition and disposal of minority interests' shares										(22)	(22)	(19)	(41)
Purchase commitments for minority interests' shares										(112)	(112)	(156)	(268)
As of Dec. 31, 2018	505,029,495	152	2,298	(421)	573	-	(129)	1,117	(113)	28,816	32,293	1,664	33,957
Impact of changes in accounting standards (a)										(29)	(29)	-	(29)
As of Jan. 1, 2019	505,029,495	152	2,298	(421)	573	-	(129)	1,117	(113)	28,787	32,264	1,664	33,928
Gains and losses recognized in equity					289	-	22	22	(107)		226	17	242
Net profit										7,171	7,171	611	7,783
Comprehensive income		-	-	-	289	-	22	22	(107)	7,171	7,397	628	8,025
Bonus share 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)
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)
Net profit										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 treasury 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 December 31, 2020	504,757,339	152	2,225	(260)	(692)	-	(283)	1,139	(231)	35,363	37,412	1,417	38,829

(a) The impact of changes in accounting standards arose from the application of IFRS 16 Leases as of January 1, 2019. See Note 1.2 to the 2019 consolidated financial statements.

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The notes to consolidated accounts are included in 2020 Financial documents, available on our Internet site www.lvmh.com

CONSOLIDATED CASH FLOW STATEMENT

<i>(EUR millions)</i>	Notes	2020	2019	2018 ^(a)
I. OPERATING ACTIVITIES				
Operating profit		7,972	11,273	9,877
(Income)/loss and dividends received from joint ventures and associates	8	64	(10)	5
Net increase in depreciation, amortization and provisions		3,478	2,700	2,302
Depreciation of right-of-use assets	7.1	2,572	2,408	-
Other adjustments and computed expenses		(89)	(266)	(219)
Cash from operations before changes in working capital		13,997	16,105	11,965
Cost of net financial debt: interest paid		(58)	(124)	(113)
Lease liabilities: interest paid		(290)	(239)	-
Tax paid		(2,385)	(2,940)	(2,275)
Change in working capital	15.2	(367)	(1,154)	(1,087)
Net cash from operating activities		10,897	11,648	8,490
II. INVESTING ACTIVITIES				
Operating investments	15.3	(2,478)	(3,294)	(3,038)
Purchase and proceeds from sale of consolidated investments		(536)	(2,478)	(17)
Dividends received		12	8	18
Tax paid related to non-current available for sale financial assets and consolidated investments		-	(1)	(2)
Purchase and proceeds from sale of non-current available for sale financial assets	9	63	(104)	(400)
Net cash from (used in) investing activities		(2,939)	(5,869)	(3,439)
III. FINANCING ACTIVITIES				
Interim and final dividends paid	15.4	(2,799)	(3,678)	(3,090)
Purchase and proceeds from sale of minority interests		(67)	(21)	(236)
Other equity-related transactions	15.4	27	54	(205)
Proceeds from borrowings	19	17,499	2,837	1,529
Repayment of borrowings	19	(5,024)	(1,810)	(2,174)
Repayment of lease liabilities	7.2	(2,302)	(2,187)	-
Purchase and proceeds from sale of current available for sale financial assets	14	69	71	(147)
Net cash from/(used in) financing activities		7,403	(4,734)	(4,323)
IV. EFFECT OF EXCHANGE RATE CHANGES				
		(1,052)	39	67
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (I+II+III+IV)		14,309	1,084	795
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	15.1	5,497	4,413	3,618
CASH AND CASH EQUIVALENTS AT END OF PERIOD	15.1	19,806	5,497	4,413
TOTAL TAX PAID		(2,501)	(3,070)	(2,314)

(a) The financial statements as of December 31, 2018 have not been restated to reflect the application of IFRS 16 Leases. See Note 1.2 to the 2019 consolidated financial statements regarding the impact of the application of IFRS 16.

Alternative performance measure

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

<i>(EUR millions)</i>	2020	2019	2018
Net cash from operating activities	10,897	11,648	8,490
Operating investments	(2,478)	(3,294)	(3,038)
Repayment of lease liabilities	(2,302)	(2,187)	-
Operating free cash flow ^(a)	6,117	6,167	5,452

(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, Fendi, Emilio Pucci, Marc Jacobs, Berluti, 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, 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.

"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). 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."

LVMH CONTACTS

Analysts and investors Chris Hollis LVMH + 33 1 44 13 21 22	Media Jean-Charles Tréhan LVMH + 33 1 44 13 26 20
---	---

MEDIA CONTACTS

France Aymeric Granet Brune Diricq / Charlotte Mariné Publicis Consultants + 33 1 44 82 47 20	France Michel Calzaroni / Olivier Labesse / Hugues Schmitt / Thomas Roborel de Climens DGM Conseil + 33 1 40 70 11 89
Italy Michele Calcaterra, Matteo Steinbach SEC and Partners + 39 02 6249991	UK Hugh Morrison, Charlotte McMullen Montfort Communications + 44 7921 881 800
US James Fingeroth, Molly Morse, Anntal Silver Kekst & Company + 1 212 521 4800	China Daniel Jeffreys Deluxewords +44 772 212 6562 +86 21 80 36 04 48