

# LVMH

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

Paris, April 16<sup>th</sup>, 2020

LVMH Moët Hennessy Louis Vuitton, the world's leading high-quality products group, recorded revenue of 10.6 billion Euros for the first quarter of 2020, down 15% compared to the same period in 2019 and down 17% on an organic\* basis. LVMH has proven its ability to be resilient in an economic environment disrupted by a serious health crisis that has led to the closure of stores and manufacturing sites in most countries in recent weeks, as well as the suspension of international travel. The Group's priority is to ensure the safety of its employees and customers. The LVMH teams have demonstrated their strong commitment and agility in facing this unprecedented situation, and efforts to adapt to the current environment are actively underway in order to control costs and ensure a more selective investment policy. LVMH has also organized the business to support the collective efforts being undertaken to combat Covid-19. Numerous solidarity initiatives have been rolled out by the Group's Maisons around the world to support health authorities and medical staff.

Bernard Arnault, Chairman and Chief Executive Officer of LVMH, said: "In this unprecedented context, I would first like to thank our teams around the world, who have mobilized to help caregivers and participate in the collective effort by making hydroalcoholic gel for hand sanitizers, by facilitating the movement or by producing medical masks or even by sourcing critical equipment for hospitals. The health and safety of our employees and customers must remain our top priority. On a global scale, the Group works closely with the teams of each of our Maisons to provide them with all the resources they need.

Thanks to everyone's commitment and the strength of its brands, the LVMH group maintains good resilience in the face of this worldwide challenge.

For several weeks, our teams have once again demonstrated that excellence, creativity and responsiveness will allow us not only to overcome this crisis but, above all, to emerge even stronger when it fades."

## Revenue by business group:

In million euros	Q1 2020	Q1 2019	% Change Q1 2020 /Q1 2019	
			Reported	Organic*
Wines & Spirits	1 175	1 349	- 13 %	- 14 %
Fashion & Leather Goods	4 643	5 111	- 9 %	- 10 %
Perfumes & Cosmetics	1 382	1 687	- 18 %	- 19 %
Watches & Jewelry	792	1 046	- 24 %	- 26 %
Selective Retailing	2 626	3 510	- 25 %	- 26 %
Other activities and eliminations	(22)	(165)	-	-
Total LVMH	10 596	12 538	-15 %	-17 %

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

In **Wines & Spirits**, the positive currency effect and the firm price increase policy partially offset the decline in volumes. Revenue was down 14% on an organic basis in the first quarter of 2020. The US market demonstrated its good resilience over the period, supported by advance orders from distributors. Hennessy cognac slowed down in China given lower demand linked to the epidemic and to the timing of 2020 Chinese New Year.

The **Fashion & Leather Goods** business group recorded a decline in organic revenue of 10% in the first quarter of 2020 in a market environment defined by store closures in several regions around the world. Online sales saw rapid growth. Louis Vuitton and Christian Dior, in particular, continued to show creative momentum, as illustrated by the latest runway shows and continuous enhancements to their iconic products. The other brands continued the efforts to strengthen their resilience. Manufacturing sites of the Group's Maisons are preparing to reopen with maximum safety conditions for employees following the suspension of activity in mid-March.

In **Perfumes & Cosmetics**, organic revenue decreased 19% in the first quarter of 2020. The major brands demonstrated their resilience as retailers reduced their inventory levels given the current crisis. Online sales grew rapidly.

The **Watches & Jewelry** business group recorded a 26% drop in organic revenue in the first quarter of 2020. Bvlgari experienced a decline in its activity due to the closure of its stores, in Asia in particular. After a good start to the year, TAG Heuer and Hublot were affected by the reduction of orders by retailers. One of the major innovations of the quarter was the very successful launch of TAG Heuer's new smart watch.

In **Selective Retailing**, organic revenue was down 26% in the first quarter of 2020. While all the Sephora stores were closed in China for a major part of the quarter, those located in Europe and the United States have been closed since mid-March. Online revenue significantly increased over this period. Shopping in stores has gradually picked up in China since early April. DFS experienced a significant decline in activity in most destinations as a result of the suspension of international travel.

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 closures of the Group's manufacturing sites and stores in most of the world's countries in the first half will have an impact on the annual revenue and results. This impact cannot be precisely evaluated at this stage without knowing the timetable for a return to normal business in the different areas where the Group operates. We can only hope that the recovery happens gradually from May or June after a second quarter which will still be very affected by the crisis, in particular in Europe and the US. LVMH relies on the talent and motivation of its teams, the diversification of its businesses and the geographical diversity of its revenue to reinforce, once again in 2020, its global leadership position in high-quality goods.

At a meeting on April 15<sup>th</sup>, 2020, the LVMH Board of Directors assessed the economic situation resulting from the Covid-19 pandemic and, in light of current events and governmental recommendations, decided to propose a 30% reduction in the dividend announced on January 28<sup>th</sup> for Shareholders' approval at the AGM on June 30<sup>th</sup>, 2020. The dividend for 2019 will therefore be €4.80 per share and, given the interim dividend paid on December 10<sup>th</sup>, 2019, the balance of €2.60 per share will be paid on July 9<sup>th</sup>, 2020.

In addition, the Board was informed of the decision taken by Bernard Arnault, as Chairman and Chief Executive Officer, and by each of the other Executive Board members to give up their remuneration for the months of April and May 2020 as well as all the variable remuneration relating to 2020.

Finally, the Board members of the Company took the decision to reduce their attendance fees by 30% for 2020.

*Regulated information linked to this press release and presentation available on [www.lvmh.com](http://www.lvmh.com)*

## 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 and Ao Yun. Its Fashion and Leather Goods division includes Louis Vuitton, Christian Dior Couture, Celine, Loewe, Kenzo, Givenchy, Pink Shirtmaker, Fendi, Emilio Pucci, Marc Jacobs, Berluti, Nicholas Kirkwood, Loro Piana, RIMOWA, Patou and Fenty. LVMH is present in the Perfumes and Cosmetics sector with Parfums Christian Dior, Guerlain, Parfums Givenchy, Kenzo Parfums, Perfumes Loewe, Benefit Cosmetics, Make Up For Ever, Acqua di Parma, Fresh, Fenty Beauty by Rihanna and Maison Francis Kurkdjian. LVMH's Watches and Jewelry division comprises Bvlgari, TAG Heuer, Chaumet, Dior Watches, Zenith, Fred and Hublot. LVMH is also active in selective retailing as well as in other activities through DFS, Sephora, Le Bon Marché, La Samaritaine, Groupe Les Echos, Cova, Le Jardin d'Acclimatation, Royal Van Lent, Belmond and Cheval Blanc hotels.*

*"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 Reference 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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