

# New records for LVMH in 2021

JANUARY 27, 2022

## Doubled operating profit

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LVMH Moët Hennessy Louis Vuitton, the world's leading luxury goods group, recorded revenue of 64.2 billion euros in 2021, up 44% compared to 2020 and up 20% compared to 2019. Organic revenue growth was 36% compared to 2020 and 14% compared to 2019. The performance for the year confirms a return to strong growth momentum following the severe disruption to the first half of 2020 resulting from the global pandemic.

The Group's organic revenue growth of 22% in the fourth quarter compared to 2019 reflects the accelerated growth of its activities. Fashion & Leather Goods notably reached record levels over the period, recording organic revenue growth of 51% compared to 2019. The United States and Asia rose sharply over the course of the year, while Europe, which is experiencing a gradual recovery, returned to growth in the fourth quarter compared to 2019.

Profit from recurring operations stood at €17 151 million for 2021, more than double 2020, and up 49% compared to 2019. Operating margin reached 26.7%, up 8 points compared to 2020 and 5 points compared to 2019. Group share of net profit amounted to €12 036 million, up 156% compared to 2020 and up 68% compared to 2019. Operating free cash flow, which exceeded €13 billion, was more than twice that of both 2020 and 2019.

Bernard Arnault, Chairman and CEO of LVMH, said: "LVMH enjoyed a remarkable performance in 2021 against the backdrop of a gradual recovery from the health crisis. The Group's record results could not have been achieved without the efficiency and exceptional ability of our teams to adapt and notably to remain connected to our customers, continuing to inspire dreams, despite the crisis. 2021 was also a year in which LVMH was deeply moved by the tragic passing of Virgil Abloh, whose creative genius I would like to applaud. His immense visionary talent and his great wisdom will forever be embedded within the history of our Group. Our objective to strive for solid financial performance and our relentless quest for excellence remind us of our daily commitment to act in such a way as to make the world a better place. The Group and its Maisons carried out numerous actions in 2021 to promote biodiversity, protect nature and to preserve skills and craftsmanship, and will continue to do so in the years to come. Despite the uncertainties that remain at the start of this new year, which continues to be disrupted by health concerns, we approach 2022 with confidence and are convinced that LVMH is in an excellent position to further strengthen its lead in the global luxury market."

Highlights of 2021 include:

- A record year, especially for the major brands,
- Major success of champagne and cognac,

Exceptional performance by the Fashion & Leather Goods business group, in particular Louis Vuitton, Christian Dior, Fendi, Celine and Loewe, which achieved record levels of revenue and profitability,  
 Worldwide success of Christian Dior's Sauvage fragrance,  
 Strong revenue growth in Asia and the United States and a gradual recovery in Europe,  
 Successful integration, in its first year in the Group, of Tiffany, which produced a record performance,  
 Good performance of the other Watches & Jewelry Maisons,  
 Continued growth in online sales,  
 Strong rebound of Sephora,  
 Travel retail activities still held back by international travel,  
 A record level of operating free cash flow,  
 Gross capital expenditures over €3 billion.

### Key figures

| Euro Millions                    | 2020   | 2021   | Change<br>2021/2020 | Change<br>2021/2019 |
|----------------------------------|--------|--------|---------------------|---------------------|
| Revenue                          | 44 651 | 64 215 | + 44 %              | + 20 %              |
| Profit from recurring operations | 8 305  | 17 151 | + 107 %             | + 49 %              |
| Group share of net profit        | 4 702  | 12 036 | + 156 %             | + 68 %              |
| Operating free cash flow         | 6 117  | 13 531 | + 121 %             | + 119 %             |
| Net financial debt               | 4 241  | 9 607  | + 127 %             | + 54 %              |
| Total equity                     | 38 829 | 48 909 | + 26 %              | + 27 %              |

### Revenue by business group:

| Euro Millions                     | 2020   | 2021   | Change<br>2021/2020 |          | Change<br>2021/2019 |
|-----------------------------------|--------|--------|---------------------|----------|---------------------|
|                                   |        |        | Reported            | Organic* | Organic             |
| Wines & Spirits                   | 4 755  | 5 974  | + 26 %              | + 26 %   | + 9 %               |
| Fashion & Leather Goods           | 21 207 | 30 896 | + 46 %              | + 47 %   | + 42 %              |
| Perfumes & Cosmetics              | 5 248  | 6 608  | + 26 %              | + 27 %   | - 1 %               |
| Watches & Jewelry                 | 3 356  | 8 964  | + 167 %             | + 40 %   | + 7 %               |
| Selective Retailing               | 10 155 | 11 754 | + 16 %              | + 18 %   | - 18 %              |
| Other activities and eliminations | (70)   | 19     | -                   | -        | -                   |
| Total LVMH                        | 44 651 | 64 215 | + 44 %              | + 36 %   | + 14 %              |

\* with comparable structure and constant exchange rates. The structural impact for the Group compared to 2020 was +10% mainly related to the consolidation of Tiffany & Co. for the first time. The currency effect was -2%.

### Profit from recurring operations by business group:

| <b>Euro Millions</b>              | <b>2020</b>  | <b>2021</b>   | <b>Change<br/>2021/2020</b> | <b>Change<br/>2021/2019</b> |
|-----------------------------------|--------------|---------------|-----------------------------|-----------------------------|
| Wines & Spirits                   | <b>1 388</b> | <b>1 863</b>  | <b>+ 34 %</b>               | <b>+ 8 %</b>                |
| Fashion & Leather Goods           | <b>7 188</b> | <b>12 842</b> | <b>+ 79 %</b>               | <b>+ 75 %</b>               |
| Perfumes & Cosmetics              | <b>80</b>    | <b>684</b>    | <b>x 8.6</b>                | <b>0 %</b>                  |
| Watches & Jewelry                 | <b>302</b>   | <b>1 679*</b> | <b>x 5.6</b>                | <b>+ 128 %</b>              |
| Selective Retailing               | <b>(203)</b> | <b>534</b>    | <b>na</b>                   | <b>- 62 %</b>               |
| Other activities and eliminations | <b>(450)</b> | <b>(451)</b>  | <b>-</b>                    | <b>-</b>                    |
| Total LVMH                        | <b>8 305</b> | <b>17 151</b> | <b>+ 107 %</b>              | <b>+ 49 %</b>               |

\* non-comparable structure.

### **Wines & Spirits: very strong demand in the United States, in Asia and rebound in Europe**

The **Wines & Spirits** business group recorded organic revenue growth of 26% in 2021 compared to 2020 and 9% compared to 2019. Profit from recurring operations was up 34% compared to 2020. The rebound in consumption, in an environment which was already seeing supply constraints, brought further impetus to the strategy of value creation. Champagne volumes were up compared to 2019. Growth was particularly strong in the United States and Europe, which benefited from the reopening of restaurants and the gradual recovery in regional tourism. The year marked the integration, from the third quarter onwards, of the prestigious Champagne House Armand de Brignac, in which LVMH holds a 50% stake. Hennessy cognac performed well with an increase in volumes compared to 2019, despite supply constraints. China and the United States experienced a strong rebound. Within the flourishing market for high-end rosé wines, Château d'Esclans enjoyed rapid growth and Château Galoupet continued its conversion to organic viticulture.

### **Fashion & Leather Goods: exceptional performances from Louis Vuitton, Christian Dior, Fendi, Celine and Loewe**

The **Fashion & Leather Goods** business group recorded organic revenue growth of 47% in 2021 compared to 2020 and 42% compared to 2019. With organic revenue growth of 51% compared to 2019, the fourth quarter showed a sharp rise compared to previous quarters. Profit from recurring operations was up 79% compared to 2020 and 75% compared to 2019. The end of the year has been marked by the premature passing of Virgil Abloh, Men's Artistic Director of Louis Vuitton since March 2018. The Maison paid tribute to the life and legacy of this creative genius with the Miami fashion show, "Virgil Was Here". Louis Vuitton, which celebrated the 200<sup>th</sup> anniversary of the birth of its founder, enjoyed a remarkable performance, driven by the success of Nicolas Ghesquière's creations for the feminine universe of the Maison. Christian Dior Couture had an excellent year with exceptional growth in all its product categories among local customers. The latest fashion shows in Athens and Paris, highlighting the inspiring collections of Maria Grazia Chiuri and Kim Jones, received a tremendous reception. Following its huge success in Paris, London and Shanghai, the Christian Dior, Designer of Dreams exhibition was inaugurated in New York. Celine, thanks to Hedi Slimane and to the success of his collections, and Fendi, driven by the success of Kim Jones collections, had a record year. Loewe, energized by the talent of JW Anderson, and Marc Jacobs also performed particularly well.

### **Perfumes & Cosmetics: policy of selective distribution maintained, strong rebound in perfumes and rapid progress in skincare**

The **Perfumes & Cosmetics** business group recorded organic revenue growth of 27% in 2021 compared to 2020. Organic revenue was stable compared to 2019. Profit from recurring operations was nearly nine times higher than 2020 and returned to 2019 levels. In an environment marked by a limited recovery in international travel and the closure of many points of sale over a period of several months, LVMH's major brands chose to maintain a policy of selective distribution, limiting promotions and growing online sales on their own website. Christian Dior benefited from the enormous success of Miss Dior and Sauvage. In 2021, Sauvage became the highest selling fragrance in the world (women's and men's lines included) which is a worldwide first for a male fragrance. The continued growth of the Collection Privée and the skincare lines Prestige, Capture Totale and L'Or de Vie also contributed to the progress of the Maison. Guerlain recorded excellent performance, driven by its Abeille Royale and Orchidée Impériale skincare lines. Maison Francis Kurkdjian continued to enjoy rapid growth momentum thanks to the ongoing success of Rouge 540, particularly in the United States. Officine Universelle Buly, which differentiates itself through its range of valuable, effective, and authentic products, joined LVMH.

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

The **Watches & Jewelry** business group recorded revenue growth of 167% in 2021 compared to 2020 thanks to Tiffany, consolidated for the first time. Profit from recurring operations was almost six times higher than in 2020 and up 128% compared to 2019. For its first year in the Group, Tiffany saw record performance in terms of revenue, profits and cash flow, and increased its global attractivity as a result of its high impact innovations and collaborations. High-end Jewelry sales in particular reached an all-time high with the huge success of its annual High-End Jewelry Blue Book collection. Honouring its long tradition of expressing love and diversity, a global "About Love" campaign featuring Beyoncé and Jay-Z was launched. The revenue and profits achieved a sharp increase compared to 2019. Bvlgari enjoyed good momentum, driven by the growth of the iconic lines in its own stores. The Maison accelerated the selectivity of its multi-brand network distribution and expanded its own boutiques. Chaumet unveiled an exclusive diamond cut, the Taille Impératrice, and showcased its unique heritage through the "Joséphine and Napoléon" exhibition at the heart of the Maison's iconic 12 place Vendôme address in Paris. In watchmaking, TAG Heuer inaugurated a major partnership with Porsche and successfully launched a Super Mario limited edition of its smartwatch for gaming enthusiasts. Hublot had an excellent performance, particularly in the United States and China. Fred continued its strong growth. The new products at Zenith have been highly successful.

#### **Selective Retailing: good performance of Sephora; DFS still impacted by limited recovery in international travel**

In **Selective Retailing**, organic revenue was up 18% compared to 2020 and down 18% compared to 2019 due to the impact of travel retail. Profit from recurring operations was back in positive territory in 2021. Sephora surpassed its 2019 level of activity, benefiting from the strong rebound in its stores and the continued momentum of its online sales. The expansion of its store network continued, mainly in China and the United States, notably following on from its major partnership with the American retailer Kohl's. In addition to signing a partnership with the European online platform Zalando, Sephora acquired the British online distributor Feelunique, which specialises in prestige beauty. The health crisis continued to weigh on the activities of DFS due to the persistent weakness in the numbers of travelers. The T Galleria's in Macau nevertheless performed well thanks to growing demand from local customers and DFS launched operations in Hainan. La Samaritaine, which reopened in Paris in June after an ambitious renovation, saw an encouraging level of customer traffic. Le Bon Marché continued to develop innovative concepts and benefited

from the return of a loyal French customer base. The 24S digital platform recorded strong growth, driven by the unique nature of its selection process and its Parisian market positioning.

### Confident outlook for 2022

Within the context of a gradual recovery from the health crisis, LVMH is confident in its ability to maintain its current growth momentum. The Group will continue to pursue a strategy focused on developing its brands building on strong innovation and investments as well as a constant quest for quality of their products, of their desirability and of 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 2022 with confidence and, once again, sets an objective of reinforcing its global leadership position in luxury goods.

### Dividend 2021

At the Annual General Meeting on April 21, 2022, LVMH will propose a dividend of 10 euros per share. An interim dividend of 3 euros per share was paid on December 2 of last year. The balance of 7 euros will be paid on April 28, 2022.

The Board of Directors met on January 27<sup>th</sup> to approve the financial statements for 2021. 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 [www.lvmh.com](http://www.lvmh.com).

### Appendix

Condensed consolidated accounts for 2021 are included in the PDF version of the press release.

### LVMH – Revenue by business group and by quarter

#### 2021 Revenue (Euro millions)

| Year                    | Wines<br>&<br>Spirits | Fashion<br>&<br>Leather<br>Goods | Perfumes<br>&<br>Cosmetics | Watches<br>&<br>Jewelry | Selective<br>retailing | Other<br>activities<br>and<br>eliminations | Total  |
|-------------------------|-----------------------|----------------------------------|----------------------------|-------------------------|------------------------|--|--------|
| 2021                    |                       |                                  |                            |                         |                        |  |        |
| First<br>quarter        | 1 510                 | 6 738                            | 1 550                      | 1 883                   | 2 337                  | (59)                                       | 13 959 |
| Second<br>quarter       | 1 195                 | 7 125                            | 1 475                      | 2 140                   | 2 748                  | 23   | 14 706 |
| First<br>half           | 2 705                 | 13 863                           | 3 025                      | 4 023                   | 5 085                  | (36)                                       | 28 665 |
| Third<br>quarter        | 1 546                 | 7 452                            | 1 642                      | 2 137                   | 2 710                  | 25   | 15 512 |
| First<br>nine<br>months | 4 251                 | 21 315                           | 4 668                      | 6 160                   | 7 795                  | (12)                                       | 44 177 |

|                |       |        |       |       |        |    |        |
|----------------|-------|--------|-------|-------|--------|----|--------|
| Fourth quarter | 1 723 | 9 581  | 1 941 | 2 804 | 3 959  | 30 | 20 038 |
| Total 2021     | 5 974 | 30 896 | 6 608 | 8 964 | 11 754 | 19 | 64 215 |

**2021 Revenue (Organic change verses same period of 2020)**

| Year 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 % |
| Third quarter     | + 10 %          | + 24 %                  | + 19 %               | + 18 %            | + 15 %              | –                                 | + 20 % |
| First nine months | + 30 %          | + 57 %                  | + 30 %               | + 49 %            | + 13 %              | –                                 | + 40 % |
| Fourth quarter    | + 18 %          | + 28 %                  | + 20 %               | + 21 %            | + 30 %              | –                                 | + 27 % |
| Total 2021        | + 26 %          | + 47 %                  | + 27 %               | + 40 %            | + 18 %              | –                                 | + 36 % |

**2021 Revenue (Organic change verses same period of 2019)**

| Year 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 % |
| Third quarter     | + 7 %           | + 38 %                  | 0 %                  | + 1 %             | – 19 %              | –                                 | + 11 % |
| First nine months | + 10 %          | + 38 %                  | – 2 %                | + 4 %             | – 23 %              | –                                 | + 11 % |
| Fourth quarter    | + 4 %           | + 51 %                  | + 1 %                | + 18 %            | – 5 %               | –                                 | + 22 % |

|       |              |               |              |              |               |          |               |
|-------|--------------|---------------|--------------|--------------|---------------|----------|---------------|
| Total |              |               |              |              |               |          |               |
| 2021  | <b>+ 9 %</b> | <b>+ 42 %</b> | <b>– 1 %</b> | <b>+ 7 %</b> | <b>– 18 %</b> | <b>–</b> | <b>+ 14 %</b> |

#### 2020 Revenue (Euro millions)

| Year<br>2020           | Wines<br>&<br>Spirits | Fashion<br>&<br>Leather<br>Goods | Perfumes<br>&<br>Cosmetics | Watches<br>&<br>Jewelry | Selective<br>retailing | Other<br>activities<br>and<br>eliminations | Total  |
|------------------------|-----------------------|----------------------------------|----------------------------|-------------------------|------------------------|--|--------|
| First<br>quarter       | 1 175                 | 4 643                            | 1 382                      | 792                     | 2 626                  | (22)                                       | 10 596 |
| Second<br>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 |
| Troisième<br>trimestre | 1 364                 | 5 945                            | 1 370                      | 947                     | 2 332                  | (3)  | 11 955 |
| Third<br>quarter       | 3 349                 | 13 934                           | 3 674                      | 2 266                   | 7 176                  | (51)                                       | 30 348 |
| First nine<br>months   | 1 406                 | 7 273                            | 1 574                      | 1 090                   | 2 979                  | (19)                                       | 14 303 |
| Total<br>2020          | 4 755                 | 21 207                           | 5 248                      | 3 356                   | 10 155                 | (70)                                       | 44 651 |

#### 2019 Revenue (Euro millions)

| Year<br>2019         | Wines &<br>Spirits | Fashion &<br>Leather<br>Goods | Perfumes<br>&<br>Cosmetics | Watches<br>&<br>Jewelry | Selective<br>retailing | Other<br>activities<br>and<br>eliminations | Total  |
|----------------------|--------------------|-------------------------------|----------------------------|-------------------------|------------------------|--|--------|
| First<br>quarter     | 1 349              | 5 111                         | 1 687                      | 1 046                   | 3 510                  | (165)                                      | 12 538 |
| Second<br>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 |
| Third<br>quarter     | 1 433              | 5 448                         | 1 676                      | 1 126                   | 3 457                  | 176*                                       | 13 316 |
| First nine<br>months | 3 919              | 15 873                        | 4 912                      | 3 261                   | 10 555                 | (122)                                      | 38 398 |
| Fourth<br>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 from April to September 2019.

#### Alternative performance measures

For the purposes of its financial communication, in addition to the accounting aggregates defined by the IAS/IFRS standards, LVMH uses alternative performance measures established in accordance with 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 the IAS/IFRS in the 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 1.23 and 19 of the appendix to the consolidated financial statements)    |
| Gearing                  | FD (Part 7, Comments on the Consolidated Balance Sheet)                            |
| Organic growth           | FD (Part 1, Comments on the Consolidated Income Statement)                         |

DF : Financial documents as at December 31, 2021