

COMMERCE

LVMH confident for year to come after positive 2015

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Louis Vuitton Series 4

By STAFF REPORTS

French luxury conglomerate LVMH has reported a 16 percent revenue increase from the year-ago, with recorded revenue for the group being \$38.9 billion for 2015.

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Overall for 2015, the group saw organic revenue growth of 6 percent as momentum in Europe, the United States and Japan continued, despite a slowdown in other Asian markets. In terms of fourth quarter results, revenue increased by 12 percent from the year-ago period with organic growth of 5 percent.

Revenue rehash

LVMH also saw profits across sectors, with all business groups contributing, for an increase of 16 percent or \$7.2 million. The group share of net profit was \$3.9 million, excluding the capital gain realized following the 2014 distribution of Hermès shares ([see story](#)).

The positive results from 2015 were impacted by exchange rates and strong process in the European, United States and Japan markets.

LVMH's fashion and leather goods sector saw strong creative momentum, especially at Louis Vuitton. Other brands such as Fendi, Celine, Givenchy and Kenzo also saw progress. Overall the fashion and leather goods sector recorded organic revenue growth of 4 percent for 2015.



Fendi, fall/winter 2015

Also, LVMH perfumes and cosmetics saw an organic revenue growth of 7 percent and profits from recurring operations increased by 26 percent. Of brands in this sector, Dior was most notable due to its continued success in fragrances such as J'adore, Miss Dior and the new men's cologne, Sauvage.

While consumers have been more cautious when purchasing watches and jewelry, the sector saw good growth despite changes in behavior. Brands in LVMH's stable reported organic revenue growth of 8 percent and revenue growth of 19 percent. Bulgari, Hublot and Tag Heuer were drivers for the sector's successes.



Tag Heuer Connected smartwatch

LVMH's wines and spirits businesses also excelled in 2015 with organic revenue of 7 percent and a reported basis,

a revenue growth of 16 percent. LVMH's Champagne houses saw good growth in 2015 as did Hennessy.

"The 2015 results confirm the capacity for LVMH to progress and gain market share despite economic and geopolitical uncertainty," said Bernard Arnault, chairman and CEO of LVMH, in a statement. "Revenue and operating profit reached new record levels. Commitment to excellence, a passion for quality and our capacity to innovate underpin our growth momentum and are all values epitomized by the Fondation Louis Vuitton and its emblematic building that welcomed over one million visitors in 2015 ([see story](#)).

"By adapting their strategies to global changes and by continuing to evolve, they have shown the creativity and entrepreneurship that drive them forward," he said. "In an uncertain economic environment, we can rely on the desirability of our brand and the agility of our teams to further strengthen in 2016 our leadership in the world of high quality products."

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