

FINANCIAL SERVICES

## LVMH to buy back \$320M in shares

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*Image courtesy of LVMH*

By STAFF REPORTS

French luxury conglomerate Mot Hennessy Louis Vuitton has announced a share buyback program amounting to 300 million euros, or \$320 million at current exchange.

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LVMH, the owner of brands such as Louis Vuitton, Dior and Guerlain, granted a Nov. 16 mandate to an investment service provider with the intention to reacquire shares of its company. Regaining control of a large amount of its stocks from the public and private investors may assist LVMH boost its financial results in the future.

### Buy backs

Based on the mandate, LVMH plans to buy back a variable number of shares at market price. The conglomerate will purchase shares from current stakeholders on a daily basis until the 300 million euros, or \$320 million, is reached.

LVMH will hold its share buyback program between Nov. 17 and Dec. 30.

Based on the Annual General Meeting held April 14, the price of shares repurchased by LVMH may not exceed 300 euros per share, or \$320 at current exchange rate.



*Image courtesy of LVMH*

Once shares are acquired, the conglomerate intends to cancel the stocks.

Although rebuying stocks held by private individuals and investors may seem counterintuitive for LVMH, the conglomerate is likely working to consolidate ownership, combat undervaluation and boost its financial earnings.

Despite the challenging luxury climate, conglomerate Mot Hennessy Louis Vuitton's revenue grew 4 percent in the first nine months of 2016.

Perfumes and cosmetics outperformed the category, rising 6 percent, while leather goods had a mild increase of 1 percent. Looking ahead, the group plans to harness innovation and expand geographically as it looks for growth amid economic and geopolitical uncertainty.

When measured with constant exchange rates, LVMH's 26.3 billion euros, or \$29.3 billion, in revenue for the first nine months of the year was 5 percent greater than the same period of 2015 ([see story](#)).

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