

APPAREL AND ACCESSORIES

LVMH sees 41pc jump in net profit for H1

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LVMH sees strong first half of 2018. Image credit: LVMH

By STAFF REPORTS

Luxury conglomerate LVMH saw a strong first half of 2018 with a 10 percent revenue lift, pushed by leather goods and fashion.

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The group saw a total revenue of 21.8 billion euros, \$25 billion at current exchange, while organic growth jumped 12 percent compared to the same time period last year. The United States, Asia and Europe were the markets leading LVMH's growth.

LVMH results

The group's second quarter revenue saw an increase of 11 percent compared to last year with organic growth also at 11 percent.

In the first half, LVMH also accrued 4.6 million euros, \$5.4 million at current exchange, in profits from recurring operations. This was a year-over-year increase of 28 percent.

The group's operating margin increased 2.9 percentage points to 21.4 percent and saw a group share of net profit at 3 million euros, or \$3.5 million, a jump of 41 percent.

"The excellent results of the first half of the year attest to the strong desirability of our brands and the effectiveness of our strategy," said Bernard Arnault, chairman and CEO of LVMH. "The performance of the first half is even more remarkable given the unfavorable currency environment.

"The standards of quality and creativity required from our maisons, which combine both modernity and tradition, are key to LVMH's success, always driven by a long-term vision," he said. "Despite buoyant global demand, monetary and geopolitical uncertainties remain.

"In this context, we will stay vigilant and rely on the talent of our teams and the shared entrepreneurial passion to further increase our leadership in the world of high quality products in 2018."

Key figures

Euro millions	First half 2017*	First half 2018	% change
Revenue	19 714	21 750	+ 10 %
Profit from recurring operations	3 640	4 648	+ 28 %
Group share of net profit	2 127	3 004	+ 41 %
Cash from operations**	4 501	5 464	+ 21 %
Net Financial Debt	3 850	7 359	+ 91 %
Total equity	28 282	31 482	+ 11 %

* Restated for the effects of the application of IFRS 9 Financial Instruments.

** Before changes in working capital.

LVMH's important results in chart. Image credit: LVMH

The luxury conglomerate's revenue was up 15 percent in the first quarter of last year as well. All of LVMH's categories saw a sales bump of at least 14 percent over 2016's figures, when Europe was still reeling from the 2015 Paris terror attacks and sales took a hit ([see story](#)).

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