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LVMH revenues jump 15pc in H1

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Louis Vuitton recently transformed its heritage luggage division. Image credit: Louis Vuitton

By STAFF REPORTS

Luxury conglomerate LVMH Mot Hennessy Louis Vuitton's revenues were up 15 percent in the first half of 2019, propelled by its fashion and leather goods brands.

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Solid growth was recorded in the United States, Asia and Europe, with France rebounding in the second quarter. Despite an economic slowdown in China and Hong Kong, the group is optimistic about geographic expansion for the latter half of 2019.

"LVMH has made an excellent start to the year," said Bernad Arnault, chairman/CEO of LVMH, in a statement. "These results once again illustrate the effectiveness of our strategy and the exceptional desirability of our maisons, whose products transcend time.

"Despite buoyant demand, we will continue to manage costs and remain vigilant into the second half of the year," he said. "We are therefore entering the second half of the year with confidence and count on the talent of our teams and their shared entrepreneurial passion to further increase, once again in 2019, our leadership in the world of high-quality products."

Continued growth

LVMH's total revenues for the first half were 25.1 billion euros, or \$27.9 billion at current exchange, up from 21.7 billion euros in 2018.

Organic growth was 12 percent, while reported growth was 15 percent.

The group's fashion and leather goods business led the way with 18 percent organic revenue growth, followed by perfumes and cosmetics at 9 percent.

Louis Vuitton saw growth in all regions, while Fendi paid tribute to the late Karl Lagerfeld at several fashion shows.



Fendi's fall/winter 2019 runway show. Image credit: Fendi

Christian Dior's fragrances, in addition to its makeup and skincare lines, added to the momentum for the beauty group. Another strong performer was Guerlain, which introduced a product traceability platform.

Wines and spirits and watch and jewelry brands experienced more modest organic growth, at 6 and 4 percent respectively.

The U.S., China and emerging markets were key for LVMH's wine and spirits sales. The group also entered the rosé wine category with the acquisition of Chteau du Galoupet.

Italian jeweler Bulgari continues to gain market share. The label recently introduced Cinemagia, a new high-end jewelry collection ([see story](#)).

Watchmakers Hublot and Tag Heuer have retained a focus on their flagship lines and physical retail locations.

LVMH's selective retailing category achieved 8 percent organic growth. Beauty retailer Sephora, which is present in 34 countries, has further expanded its physical footprint while seeing more ecommerce growth.

Le Bon Marché and duty-free retailer DFS also continue to perform well.

In 2018, LVMH saw a record-breaking year of growth, which was pushed by Chinese luxury shoppers despite slowdown concerns.

LVMH states that it saw double-digit growth in revenue thanks to recurring operations reaching record levels. Excluding the impact of the closure of the Hong Kong airport concessions at the end of 2017, organic revenue grew by 12 percent and the company's total revenue in 2018 was 10 percent higher than the previous year ([see story](#)).