

APPAREL AND ACCESSORIES

## LVMH's fashion and leather goods sector hints at recovery in Q3 2020 results

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*Louis Vuitton's cruise 2021 collection. Image courtesy of Louis Vuitton*

By LUXURY DAILY NEWS SERVICE

French luxury conglomerate LVMH Mot Hennessy has recorded revenue of 30.3 billion euro, or \$35.5 billion at current exchange, in the first nine months of 2020 down 21 percent on an organic basis from its record revenue in 2019.

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Although the coronavirus pandemic led to months of closures for the group's stores and manufacturing sites, as well as dramatically reduced international tourism, revenue was down 7 percent in the third quarter indicating a rebound. The most encouraging sign for LVMH was a return to growth during Q3 2020 in the fashion and leather goods sector.

Rebound begins

LVMH's fashion and leather goods category, which includes French fashion labels Louis Vuitton and Christian Dior, experienced revenue growth of 12 percent year-over-year in the third quarter. Fendi, Loewe and Celine also saw some improvements during Q3 2020.

However, through the first nine months of the year, revenues are down 11 percent on an organic basis compared to the first nine months of 2019 from 15.8 billion euro to 13.3 billion euro, or a fall from \$18.5 billion to \$15.6 billion at current exchange.



*Globally, consumers are drinking more at home than ever before. Image credit: Hennessy*

The Champagne and Cognac business also had a stronger third quarter, with Hennessy especially showing a solid recovery. Year-over-year, the wine and spirits sector saw its organic revenue decline by 15 percent over the first nine months of 2020 and by 3 percent in Q3.

For the first nine months of 2020, organic revenues for the perfumes and cosmetics group and watches and jewelry group fell by 25 and 30 percent, perspective. Although revenues were still down in the third quarter, year-over-year, there was improvement for both groups due to online growth and increased activity in China.

Selective retailing has seen organic revenue plunge 31 percent in the first nine months of 2020. While beauty retailer Sephora has gained market share, the lack of international travel continues to hurt this category which saw revenue decline 29 percent from Q3 2019 to Q3 2020.

Heading into the important fourth quarter, the picture is less grim than after the first half, when LVMH's revenues plunged 28 percent year-over-year ([see story](#)).

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