

APPAREL AND ACCESSORIES

LVMH returns to growth after strong start to 2021

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LVMH's Dior performed well in fashion and leathers goods, as well as fragrances and cosmetics. Image credit: Dior

By LUXURY DAILY NEWS SERVICE

French luxury goods conglomerate LVMH Mot Hennessy Louis Vuitton saw its revenues during the first quarter of 2021 jump 30 percent on an organic basis year-over-year, returning to growth after a turbulent 2020.

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Most notably, LVMH built off its strong performance from Q1 2019 ([see story](#)), with 8 percent growth from that period nearly a year before the start of the COVID-19 pandemic. The group's Q1 2021 revenues totaled almost \$13.96 billion euros, or \$16.68 billion at current exchange, with the fashion and leather goods category achieving record revenue.

Back to growth

With strong growth in nearly every business group with the exception of selective retail, LVMH improved on its Q1 2020 revenues of 10.59 billion euros, or \$12.65 billion at current exchange ([see story](#)). The United States and Asia have continued the recovery from the latter half of 2020, while Europe is still impacted by lockdowns and limited travel.

LVMH revenues topped 44.7 billion euros, or \$53.4 billion at current exchange, in 2020 down 17 percent from a record 2019 ([see story](#)).

On an organic basis, fashion and leather goods saw Q1 2021 revenues increase by 52 percent y-o-y, and 37 percent from Q1 2019 to 6.74 billion euros, or \$8.05 billion. Strong performers in the category included French houses Louis Vuitton and Christian Dior, as well as Fendi, Celine and Loewe.



As Europe continues to struggle, the U.S. and Asia saw solid growth. Image courtesy of Louis Vuitton

Perfumes and cosmetics saw 18 percent organic growth from Q1 2020, but was down 4 percent from Q1 2019 with revenue of 1.55 billion euro, or \$1.85 billion. Ecommerce helped offset store closures, with Dior fragrances and makeup doing well while France's Guerlain saw success with its Abeille Royale skincare line.

With sustained demand for wines and spirits, particularly in the U.S. and China, the business group recorded revenue of 1.51 billion euros, or \$1.80 billion, for 36 percent growth from Q1 2020 and 17 percent growth from Q1 2019 on an organic basis. Champagne volumes were up 22 percent y-o-y, while Hennessy Cognac volume increased by 28 percent.

The watches and jewelry group, which welcomed U.S. jeweler Tiffany & Co. at the start of 2021 ([see story](#)), saw organic revenue increase 35 percent y-o-y and 1 percent from Q1 2019 to 1.88 billion euros, or \$2.25 billion. Bulgari, Chaumet and Fred each unveiled new high jewelry collections, while Swiss watchmaker Tag Heuer introduced a collaboration with German automaker Porsche.

Finally, selective retail continues to slip with organic revenue falling 5 percent from Q1 2020 and 30 percent from Q1 2019 to 2.34 billion euros, or \$2.79 billion. Cosmetics retailer Sephora is performing well amid continued store closures in Europe, while DFS is especially hampered by the absence of international tourism.

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