

COMMERCE

Fashion and beauty bounce back from Q2 losses as physical retail slows at LVMH

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The globe's most profitable luxury group reported today that Q3 revenues are up 19 percent. Image credit: LVMH

By LUXURY DAILY NEWS SERVICE

French luxury conglomerate **LVMH Mot Hennessy Louis Vuitton**'s newly-released Q3 2022 earnings report reflects strong organic growth.

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Global tourism resurgence and China's pandemic policy lifts aided the conglomerate's near-final fiscal this year. Nearly all divisions saw double-digit organic growth, suggesting that strategic initiatives across categories may be responsible for elevated bottom lines.

Strategy stands out as sales sustain

LVMH's latest fiscal win is determined by an overall revenue growth figure of 19 percent from July to September 2022.

Sales proved strong in Europe, the U.S. and Japan, while Asia saw an increase in Q3, following Q2 figures which reflected limitations impacted by China's health restrictions.

Fashion & leather goods, watches & jewelry and perfumes & cosmetics drove revenue forward as the group's top three highest-grossing categories, according to its latest fiscal presentation.

The luxury giant saw revenues of 9.68 billion euros, or \$9.44 billion, 2.66 billion euros, or \$2.59 billion and 1.95 billion euros or \$1.90 billion, respectively. All conversions are listed at current exchange.

Conversely, selective retailing lagged behind.

Retail locations placed a drag on sales, going from 3.59 billion euros, or \$3.5 billion in revenue in Q2 2022, down to 3.46 billion euros, or \$3.37 billion in revenue for the latest reported quarter. Houses Sephora, DFS, Le Bon Marché, Rive Gauche, Starboard Cruise Services and La Grande Épicerie de Paris comprise the category.



Loyalty programs are crucial, and Sephora is lauded for its own. Image credit: Sephora's Weibo

Notably, though, organic growth soared.

The measure, which identifies gains garnered by LVMH's own resources and means as opposed to mergers and acquisitions, arguably carried third-quarter sales this year and could signal that salient internal strategic initiatives and categorical innovation are driving impact.

While Fendi's 25th-anniversary Baguette bag fashion show in New York generated buzz and drove sales for LVMH's fashion and Leather goods division ([see story](#)), a company presentation makes note of the Beyonc effect, which has taken hold at Tiffany & Co ([see story](#)).

The brand's gender-neutral "Lock" release is also responsible for a portion of reported revenue growth ([see story](#)).



An overview slide from LVMH's Q3 2022 revenue presentation highlights standout initiatives YTD. Image credit: LVMH

LVMH's Champagne Maisons, as well as regional jumps in Europe, the United States and Japan drove wine and spirits growth, while Louis Vuitton's Tambour Twenty collector's timepiece which enjoyed a push from campaign star and actor Bradley Cooper ([see story](#)) sold out almost immediately, in another win for the group's watches and jewelry sector.

The conglomerate, which recorded revenue of 36.7 billion euros, or \$37.1 billion, in the first half of 2022 ([see story](#)), also worked to convert customers this quarter by way of innovative new launches ([see story](#)).