

COMMERCE

## LVMH reports 15pc revenue growth for first half of 2023

July 25, 2023



*During the first half of the year, the group's revenue sits at 42.2 billion euros, or about \$46.6 billion by current exchange. Image credit: LVMH*

By LUXURY DAILY NEWS SERVICE

French luxury conglomerate LVMH is out with the company's latest earnings report.

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Though the Group's wines and spirits category struggled, all other categories saw growth during the first half of the year. According to the company, total revenues are up 15 percent and total profits have increased by 13 percent, both as compared to the first six months of 2022.

"LVMH achieved outstanding results during a six-month period of ongoing economic and geopolitical uncertainty," said Bernard Arnault, chairman and CEO of **LVMH**, in a statement.

"The strong creative momentum and excellent distribution of our maisons continued to inspire dreams, as demonstrated by the enthusiastic reception given to Pharrell Williams' first fashion show for Louis Vuitton as well as the reopening of the New York Landmark' of Tiffany & Co.," Mr. Arnault said. "We continued to see progress relating to our environmental, social and societal commitments, most notably in the recent announcement of an ambitious water sobriety plan intended to reduce our overall water consumption footprint by 30 percent by 2030.

"Thanks to the desirability of our brands, we approach the second half of the year with confidence and optimism but will remain vigilant within the current environment and count on the agility and talent of our teams to further strengthen our global leadership position in luxury goods in 2023."

Looking up

During the first half of the year, LVMH Mot Hennessy Louis Vuitton's revenue sits at 42.2 billion euros, or \$46.7 billion at current exchange rates.

Nearly all of the corporation's maisons experienced double-digit revenue growth, aside from wines and spirits, which saw a sales decrease of 4 percent from H1 2022.

Selective retailing beauty shop Sephora and luxury travel stop DFS Group are counted among this segment saw the biggest increase in revenue by business group, up 26 percent from 2022's first half.

Fashion and leather goods sales grew by 17 percent since the first six months of 2022.

Houses such as French fashion house Louis Vuitton, Spanish fashion label Loewe (see story) and "quiet luxury" champion Loro Piana were among the strongest performers, gaining market share globally. Live presentations, social media-streamed shows, new store openings and exhibitions are all credited with making this success possible.

Revenue by business group:

Euro millions	First half 2022	First half 2023	% change	
			Reported	Organic*
Wines & Spirits	3 327	3 181	- 4 %	- 3 %
Fashion & Leather Goods	18 136	21 162	+ 17 %	+ 20 %
Perfumes & Cosmetics	3 618	4 028	+ 11 %	+ 13 %
Watches & Jewelry	4 909	5 427	+ 11 %	+ 13 %
Selective Retailing	6 630	8 355	+ 26 %	+ 26 %
Other activities and eliminations	109	87	-	-
<b>Total LVMH</b>	<b>36 729</b>	<b>42 240</b>	<b>+ 15 %</b>	<b>+ 17 %</b>

\* With comparable structure and constant exchange rates. The structural impact for the Group compared to the first half of 2022 was zero and the currency effect was -2%.

When compared to H1 2022, all of LVMH's categories saw double-digit growth in revenues, save one. Image credit: LVMH

Profits from recurring operations for watches and jewelry were up by 10 percent year-over-year in the first half of 2023 couture collections saw "impressive growth" amid milestone flagship unveilings and events like Watch Week, according to the conglomerate while the perfumes and cosmetics category and fashion and leather goods each grew 15 percent and 14 percent, respectively, in this segment.

Wines and spirits recurring operations profits dipped, as did revenues, with a 9 percent reported decrease listed, as compared to the category's performance during the same period last year.

Here, however, selective retailing is shining.

[.@Sephora](#) unveiled its first store of the future in Shanghai, marking a milestone in prestige beauty retail in China.

Learn More: <https://t.co/2gBO3JFgUz#LVMH #Sephora pic.twitter.com/WSoO3Dg4cG>

LVMH (@LVMH) July 20, 2023

Reporting a 100 percent increase in profits year over year, LVMH's key networks doubled profit from recurring operations from last year's first six months, hitting 734 million euros, or just over \$810 million, during the year's first half.

LVMH singles out upscale beauty subsidiary Sephora for its performance, which continued a steady climb after posting favorable first quarter results (see story). North America, Europe and the Middle East are specified as the regions that brought the retailer the most momentum.

Though brands within the wine and spirits selection did not weather the market as well, Champagne products are touted by LVMH as a strong suit this season. Executives revealed an increase in revenue that the company attributes to "value-based" strategies.

Cognac products in particular were affected by economic turbulence in the United States. LVMH is reporting solid growth across Europe and Asia, as performance in the U.S. struggled across the board.