

COMMERCE

LVMH averts luxury slowdown, revenues up 9pc in 2023

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The company shares that double-digit organic growth occurred in Europe and Asia over the course of the full year. Image credit: LVMH

By LUXURY DAILY NEWS SERVICE

French luxury conglomerate LVMH has a few particular divisions to thank for a solid full-year fiscal performance.

Despite the overall slowdown hitting the luxury market, the company's revenues jumped 9 percent year-over-year on a reported basis in 2023, totaling 86.2 billion euros, or \$93.4 billion at current exchange. Every area of the business except wines and spirits saw gains, while fashion and leather goods carried the French conglomerate's bottom lines.

"Our performance in 2023 illustrates the exceptional appeal of our maisons and their ability to spark desire, despite a year affected by economic and geopolitical challenges," said Bernard Arnault, chairman and CEO of LVMH, in a statement.

"The group once again recorded significant growth in revenue and profits," Mr. Arnault said. "Our growth strategy, based on the complementary nature of our businesses, as well as their geographic diversity, encourages innovation, high-quality design and retail excellence, and adds a cultural and historical dimension thanks to the heritage of our maisons.

"While remaining vigilant in the current context, we enter 2024 with confidence, backed by our highly desirable brands and our agile teams."

Growth against the odds

By region, Europe, excluding France, and Asia, excluding Japan, comprised 17 percent and 31 percent of total revenues in 2023, respectively.

Sales in the United States made up 25 percent of totals garnered during this period. Japan and France saw more modest leaps, respectively delivering 7 and 8 percent of FY23 sales totals.

By division, the group's fashion and leather goods division brought in the most revenue last year, totaling 42.2 billion euros, or \$45.7 billion at current exchange. This represents a 9 percent reported increase y-o-y.

Made possible by individual successes from the likes of Louis Vuitton and Christian Dior, as well as Celine, Fendi, Loro Piana, Loewe and Marc Jacobs, LVMH states that these houses "gained market share worldwide and achieved record levels of revenue and profits."



LVMH's fashion division led the way in 2023 as far as revenues go. Image credit: Louis Vuitton

Selective retailing, which earned 17.9 billion euros, or \$19.4 billion at current exchange, saw the most annual growth of any division, following in the footsteps of the last yearly report ([see story](#)). On a reported basis, this part of LVMH's business grew 20 percent y-o-y.

Growing 3 percent y-o-y, watches and jewelry achieved the third highest revenues of the divisions, raking in 10.9 billion euros, or \$11.8 billion at current exchange. Perfume and cosmetics earned 8.3 billion euros in revenue, or \$9 billion at current exchange, representing a 7 percent y-o-y increase.

The wines and spirits category remained the outlier, with reported revenues dipping 7 percent y-o-y. The sector earned 6.6 billion euros, or \$7.2 billion at current exchange, with LVMH attributing this loss to the business facing a "high basis of comparison and high inventory levels."

At LVMH, a strong beginning of 2023 ([see story](#)) was followed by slow third-quarter sales in Q3 ([see story](#)).

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