

LVMH reports excellent first half of 2023, with a return to profit for DFS Group

LVMH

Luxury goods group [LVMH](#) Moët Hennessy Louis Vuitton has announced that it recorded revenue of €42.2 billion (US\$46.7 billion) in the first half of 2023, up 15%. Organic revenue growth was 17% compared to the same period in 2022.

All business groups achieved double-digit organic revenue growth over the half year, except for Wines & Spirits, which faced a high basis of comparison. Among the highlights was a return to profit for DFS Group (co-owned by LVMH and DFS Co-Founder Robert Miller) as international travel recovered; rapid growth in perfume, makeup, and skincare; and "exceptional performance" by Sephora.

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

"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% 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.”

Highlights of the first half of 2023 include:

- An excellent first half despite a disrupted environment
- Significant revenue growth across all business groups except Wines & Spirits, which faced a high basis of comparison
- Strong growth in business in Europe and Asia
- Solid performance by champagne thanks to its value-based strategy, and a contraction in cognac compared to the first half of 2022 which benefited from the significant impact of inventory rebuilding among distributors
- Outstanding performance by the Fashion & Leather Goods business group, in particular Louis Vuitton, Christian Dior, Celine, Loro Piana, Loewe and all the other brands which gained market share worldwide
- Rapid growth in perfume, makeup, and skincare
- Impressive growth in high jewelry, and strong creative momentum among all Watches and Jewelry Maisons, in particular Tiffany, Bulgari, and TAG Heuer
- Exceptional performance by Sephora, confirming its position as world leader in beauty retail
- Return to profit for DFS, which benefited from the recovery in international travel
- Operating free cash flow halved due to major investments in exceptional real estate and in operational inventories, notably in high jewelry



Revenue by business group. Source: LVMH

The **Wines & Spirits** business group recorded a slight revenue decline (3% organic) in the first half of 2023, when compared to a particularly strong first half of 2022. Profit from recurring operations was down 9%. The Champagne business recorded an increase in revenue over the half year, driven by its value-based strategy. Hennessy cognac was impacted by the economic environment in the United States and by the continued high stock level of its retailers.

The **Fashion & Leather Goods** business group recorded organic revenue growth of 20% in the first half of 2023. Profit from recurring operations was up 14%. Louis Vuitton had an excellent first half, still driven by its exceptional creativity, the quality of its products and its strong links with art and culture. A new chapter opened with the arrival of Pharrell Williams as Men’s Creative Director. Christian Dior continued to enjoy remarkable growth in all its product categories. The success of Hedi Slimane’s creations and fashion shows has continued to increase the desirability of Celine. Driven by the bold creativity of J.W. Anderson, Loewe continued to strengthen its distribution network, most notably with the opening of Casa Dubai. Fendi opened new stores in Seoul and Tokyo. Loro Piana, Rimowa, Marc Jacobs and Berluti enjoyed an excellent start to the year.

The **Perfumes & Cosmetics** business group recorded organic revenue growth of 13% in the first half of 2023 thanks to strong momentum achieved through innovation, combined with a highly selective distribution policy. Profit from recurring operations was up 15%. Christian Dior enjoyed a remarkable performance, strengthening its leadership in its strategic markets. Sauvage confirmed its position as the world’s leading perfume, while the iconic women’s fragrances J’adore and Miss Dior saw continued success. Makeup also contributed to the strong set of results from the Maison, particularly Dior Addict Lip Maximizer and Forever Skin Correct foundation. Finally, skincare had an excellent performance, particularly in the premium segment in Asia with its iconic Prestige range.

The **Watches & Jewelry** business group achieved organic revenue growth of 13% in the first half of

2023. Profit from recurring operations was up 10%. In jewelry, Tiffany enjoyed excellent momentum with the exceptional success of the reopening of the “Landmark” in New York. Bulgari, which experienced strong growth, celebrated the 75th anniversary of its iconic Serpenti collection. Its high jewelry, with notably the launch of the Mediterraneo collection, saw outstanding performance. Chaumet and Fred experienced strong growth over the first half. TAG Heuer celebrated 60 years of its Carrera collection. The LVMH watchmaking Maisons TAG Heuer, Hublot and Zenith unveiled many new products during LVMH Watch Week and the Watches & Wonders trade show.

In **Selective Retailing**, organic revenue growth was 26% in the first half of 2023. Profit from recurring operations was up 100%. Sephora performed exceptionally well and continued to gain market share thanks to its distinct and innovative product and service offering. Momentum was particularly strong in North America, Europe and the Middle East. Its distribution network continued to expand, particularly in the United Kingdom where its first store opening proved a huge success. DFS benefited from the gradual recovery in international travel and, in particular, from the return of tourists to the flagship destinations of Hong Kong and Macau.

 Key figures. Source: LVMH

Outlook 2023

In an uncertain geopolitical and economic environment, the Group will maintain a strategy focused on continuously strengthening the desirability of its brands, by relying on the exceptional quality of its products and the excellence of their distribution. Our strategy of focusing on the highest quality across all of our activities, combined with the energy and unparalleled creativity of our teams, will enable us to reinforce LVMH’s global leadership position in luxury goods once again in 2023, said the company.