



LVMH (ENXTPA: MC) 1Q17 Results: Standout Quarterly Sales

MOËT HENNESSY · LOUIS VUITTON

- LVMH Moët Hennessy Louis Vuitton increased its revenues by 15% year over year in 1Q17, to €9,884 million, ahead of the consensus estimate of €9,521 million. Revenues jumped 13% year over year on an organic basis.
- The Asia, Europe and US markets all achieved positive sales growth in the quarter.
- The very strong results were driven by standout sales growth across all five business segments. The Fashion & Leather Goods and Wines & Spirits segments saw the strongest organic sales growth, at 15% and 13%, respectively.

1Q17 Results

LVMH reported that 1Q17 revenues increased by 15% year over year, to €9,884 million, ahead of the consensus estimate of €9,521 million. Revenues jumped 13% year over year on an organic basis.

Performance by Segment

In the company's Wines & Spirits business, organic revenues increased by 13% year over year in the quarter. Champagne volumes increased by 7% year over year and Hennessy cognac volumes increased significantly.

In Fashion & Leather Goods, total organic revenues increased by 15% year over year. Louis Vuitton and Fendi achieved a good start to the year, and Céline, Kenzo, Loewe and Berluti showed progress.

In the Perfume & Cosmetics business, organic revenues increased by 12% year over year. Parfums Christian Dior reported good growth and Guerlain launched a new women's fragrance called Mon Guerlain during the quarter. Parfums Givenchy benefited from the success of lipstick lines, which saw rapid development in Asia. In addition, the Kat Von D brand launched exclusively in January 2017 at Sephora in France.

In Watches & Jewelry, organic revenues increased by 11% year over year. Bulgari continued to gain market share and TAG Heuer successfully launched its new Connected Modular 45 watch.

In Selective Retailing, organic revenues increased by 11%. Sephora continued to gain market share globally and recorded double-digit revenue and profit growth for the quarter.

Guidance

The company did not provide specific numerical guidance for FY17.

Analysts estimate that LVMH will generate €40,276 million in net sales in FY17, along with €7,722 million in EBIT and EPS of €9.15. Consensus estimates imply FY17 year-over-year revenue growth of 7.1%, EBIT growth of 9.9% and EPS growth of 13.7%.



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