



FLASH REPORT

LVMH (ENXTPA: MC) 3Q17 Trading Results: Maintaining Very Strong Revenue Momentum

- LVMH Moët Hennessy Louis Vuitton increased revenues by 14% year over year in 3Q17, to €10,381 million, ahead of the consensus estimate of €10,059 million. Revenues jumped 12% year over year on an organic basis.
- The very strong results were driven by standout sales growth across Perfumes & Cosmetics, Watches & Jewelry, and Selective Distribution, which saw organic sales grow by 17%, 14% and 14%, respectively.

3Q17 Results

LVMH grew 3Q17 revenue by 14% year over year, to €10,381 million, beating the consensus estimate of €10,059 million. Revenues jumped 12% year over year on an organic basis.

Performance by Segment

In LVMH's Wines & Spirits business, 3Q17 organic revenues increased by only 4% year over year due to supply constraints limiting sales growth.

In Fashion & Leather Goods, total organic revenues increased by 13% year over year. Christian Dior Couture, whose business was consolidated into LVMH results for the first time in 3Q17, achieved excellent performance. Fendi is opening several new stores in the US, and Loro Piana, Céline and Loewe are making good progress.

In the Perfumes & Cosmetics business, organic revenues increased by 17% year over year. Parfums Christian Dior continued its strong performance. Guerlain rolled out its new Mon Guerlain fragrance internationally. Fenty Beauty by Rihanna, distributed exclusively at Sephora, experienced an exceptional start.

In Watches & Jewelry, organic revenues increased by 14% year over year. Bulgari achieved a remarkable performance following rapid growth of three signature jewelry collections, Serpenti, Diva and B.Zero1. TAG Heuer and Hublot continued to grow.

In the Selective Retailing business, organic revenues increased by 14%. Sephora launched its new store concept in Spain with two new innovatively designed flagship stores. DFS is experiencing sustained growth, particularly in Hong Kong and Macao. The T Galleria stores in Cambodia and Venice have also developed well.

Guidance

The company did not provide specific numerical guidance for FY17.

Analysts estimate that LVMH will generate €41,756.1 million in net sales in FY17, along with €8,101.7 million in EBIT and EPS of €9.69. Consensus estimates imply FY17 year-over-year revenue growth of 11.1%, an EBIT margin of 19.4% and EPS growth of 20.3%.



FLASH REPORT

Deborah Weinswig, CPA

Managing Director
FGRT
New York: 917.655.6790
Hong Kong: 852.6119.1779
China: 86.186.1420.3016
deborahweinswig@fung1937.com

Eva Kubicka
Senior Research Associate

Hong Kong:

2nd Floor, Hong Kong Spinners Industrial Building Phase 1&2
800 Cheung Sha Wan Road, Kowloon
Hong Kong
Tel: 852 2300 4406

London:

242–246 Marylebone Road
London, NW1 6JQ
United Kingdom
Tel: 44 (0)20 7616 8988

New York:

1359 Broadway, 18th Floor
New York, NY 10018
Tel: 646 839 7017

FungGlobalRetailTech.com