Ad Age

Marketer Profile

Apparel

LVMH MOËT HENNESSY LOUIS VUITTON

Worldwide advertising spending
$6.52 billion

Ad Age World's Largest Advertisers 2019 Report by Ad Age Datacenter

CRAIN

LVMH
Moët Hennessey Louis Vuitton

LVMH Moet Hennessy Louis Vuitton, also known as LVMH Group, is a global marketer of luxury goods.

The company markets products in more than 160 countries, according to its annual report.

LVMH in November 2019 signed a deal to buy Tiffany & Co.

Business segments and operations

LVMH's business groups are wines and spirits; fashion and leather goods; perfumes and cosmetics; watches and jewelry; selective retailing; and other activities.

LVMH owns most of its fashion/leather goods, perfumes/cosmetics, watches/jewelry and retail businesses outright. LVMH, though, only owns 66 percent of Moet Hennessy, the holding company for LVMH Group's wines and spirits businesses; Diageo (and predecessor Guinness) has owned 34 percent of Moet Hennessy since 1994.

LVMH's portfolio includes:

- Wines and spirits: LVMH produces champagne, wine, cognac and spirits, focusing on high-end segments of the global wine and spirits market.
- Fashion and leather goods: Louis Vuitton, Christian Dior Couture, Celine, Loewe, Kenzo, Givenchy, Pink Shirtmaker, Fendi, Emilio Pucci, Marc Jacobs, Berluti, Nicholas Kirkwood, Loro Piana and Rimowa.
- Perfumes and cosmetics: Benefit, Fresh, Acqua di Parma, Christian Dior, Guerlain, Givenchy and Kenzo, Parfums Loewe, Make Up For Ever, Maison Francis Kurkdjian, Fenty Beauty by Rihanna, Kat Von D and Marc Jacobs Beauty.
- Watches and jewelry: Bulgari, Chaumet, Fred, TAG Heuer, Hublot, Zenith and Dior Montres. LVMH and the De Beers group in 2001 launched a joint-venture retail chain, De Beers Diamond Jewellers.
- Selective retailing: travel retail (the sale of luxury products to international travelers through DFS, which began as duty-free stores, and Starboard Cruise Services, which sells duty-free luxury items on cruise ships); selective retail concepts (Sephora, Paris department store Le Bon Marche).
- Other activities: media division and Royal Van Lent, a builder of luxury mega-yachts (under the Feadship brand) that LVMH bought in 2008.

Sales and earnings

U.S. revenue: The U.S. accounted for about 24 percent in 2018; 25 percent in 2017; 27 percent of revenue in 2016; 26 percent in 2015; 24 percent in 2014; 23 percent in 2013; 23 percent in 2012; 22 percent in 2011; 23 percent in 2010; 23 percent in 2009; 23 percent in 2008; 25 percent in 2007; and 26 percent in 2006.

LVMH has seen robust top-line growth in the U.S., in part through acquisitions. The company's U.S. revenue in 2018 of 11.207 billion euros ($13.241 billion) was far above its pre-recession (2007) level of 4.124 billion euros ($5.636 billion).

U.S. store count: The company operated 783 U.S. stores in 2018; 754 in 2017; 703 in 2016; 732 in 2015; 708 in 2014; 669 in 2013; 644 in 2012; 621 in 2011; 570 in 2010; 531 in 2009 and 2008; 463 in 2007; and 394 in 2006.

Marketing spending

U.S. ad spending: Total U.S. advertising spending shown in the Ad Age Leading National Advertisers report and Marketer Trees database is an Ad Age Datacenter estimate of LVMH's advertising and promotion expenses.

Worldwide ad spending: Total worldwide

LVMH

#8

2019 Ad Age World's Largest Advertiser Rank

LVMH
Moet Hennessy Louis Vuitton
22, avenue Montaigne, Paris, France 75008

Phone
+33 1 44 13 22 22.

URL
http://www.lvmh.com

Twitter
@LVMH

Ticker
EPA MC

2018 Worldwide Ad Spend
$6.52 Billion

Stock
LVMH's stock is listed on Euronext Paris.

The Arnault Family Group as of Dec. 31, 2017, directly or indirectly owned a 46.84 percent stake in LVMH and 63.13 percent of LVMH voting rights.

History
Paris-based LVMH was formed by the 1987 merger of Louis Vuitton and Moet Hennessy.

The company's roots extend back hundreds of years. Claude Moet began producing champagne in the 1700s. Louis Vuitton began making luggage in the 1800s.

advertising spending figures shown in the Ad Age World's Largest Advertisers report and related database are stated worldwide "advertising and promotion" expenses (sometimes previously referred to as "communication and promotion" expenses) converted to dollars at average exchange rates by Ad Age Datacenter.

In its reference document for calendar 2018, LVMH said: "Advertising and promotion expenses include the costs of producing advertising media, purchasing media space, manufacturing samples and publishing catalogs, and in general, the cost of all activities designed to promote the Group's brands and products."

That reference document said: "Advertising and promotion expenses mainly consist of the cost of media campaigns and point- of- sale advertising, and also include personnel costs dedicated to this function."

In its reference document for calendar 2018, LVMH said advertising and promotion expenses "mainly correspond to advertising campaign costs, especially for the launch of new products, public relations and promotional events, and expenses incurred by marketing teams responsible for all of these activities."

LVMH's stated worldwide advertising and promotion costs exclude money LVMH gives to retailers for cooperative advertising. LVMH deducts cooperative advertising costs from revenue before reporting net revenue.

The reference document for calendar 2018 said: "Revenue is presented net of all forms of discount. In particular, payments made in order to have products referenced or, in accordance with agreements, to participate in advertising campaigns with the distributors, are deducted from related revenue."

Tiffany

LVMH in November 2019 signed a deal to buy Tiffany & Co. Tiffany reported the following worldwide "net sales"; "advertising, marketing and public and media relations costs"; and "advertising, marketing and public and media relations costs" as percent of "net sales":

Fiscal 2018 (year ended Jan. 31, 2019): $4.442 billion; $394.1 million (8.9 percent)

Fiscal 2017 (year ended Jan. 31, 2018): $4.170 billion; $314.9 million (7.6 percent)

Fiscal 2016 (year ended Jan. 31, 2017): $4.002 billion; $299.0 million (7.5 percent)

Deals and strategic moves

LVMH in November 2019 signed a deal to buy Tiffany & Co., a New York-based jewelry retailer, in an all-cash deal with an equity value of about 14.7 billion euros or $16.2 billion. LVMH expected to complete the deal in mid-2020.

LVMH in April 2019 bought Bermuda-based Belmond, a global owner and manager of luxury hotel, restaurant, train and river cruise properties, in a deal with an enterprise value of $3.2 billion. Belmond disclosed worldwide revenue of $576.836 million in 2018; $560.999 million in 2017; and $549.824 million in 2016; and marketing costs (including advertising and other marketing activities) of $45.020 million in 2018; $41.590 million in 2017; and $38.361 million in 2016.

LVMH in 2018 acquired the remaining 20 percent stake in Fresh, giving it 100 percent ownership.

LVMH in July 2017 bought 100 percent of Christian Dior Couture from Christian Dior for 6 billion euros ($6.9 billion). LVMH already owned 100 percent of Parfums Christian Dior, a fragrance and beauty care brand.

Moet Hennessy in July 2017 bought Woodinville Whiskey Co., a marketer of craft whiskeys based in Washington state and founded in 2010. Price tag wasn't disclosed.

LVMH in January 2017 bought an 80 percent stake in Rimowa, a luggage marketer based in Germany, for 640 million euros ($685 million). Rimowa's revenue for 2016 was expected to exceed 400 million euros ($443 million).

LVMH in December 2016 sold Donna Karan International to G-III Apparel Group in a transaction with an enterprise value of $650 million (and a sale price of $542 million after adjustments and deducting Donna Karan's borrowings with LVMH). Donna Karan International, acquired by LVMH in 2001 for $643 million, is the parent of the Donna Karan and DKNY brands. G-III is a designer, manufacturer and marketer of branded apparel and accessories under licensed brands, its own brands and private-label brands.

LVMH in October 2015 bought 100 percent of the daily newspaper Le Parisien (The Parisian)/Aujourd'hui en France (Today in France), including the weekly Le Parisien Magazine.

Sephora in July 2015 bought a 95 percent equity interest in Luxola, an e-commerce site operating in nine countries in Southeast Asia.

LVMH and Hermes International, a rival French marketer of luxury goods, in December 2014 completed a settlement resolving an extended legal battle. Under terms of the settlement, LVMH distributed its minority equity stake in Hermes to LVMH shareholders. As part of the settlement, Christian Dior--which owned 40.9 percent of LVMH through Financiere Jean Goujon--distributed the Hermes shares it received from LVMH to its own shareholders. Following these transactions, LVMH, Financiere Jean Goujon and Christian Dior no longer hold any Hermes stock with the exception of Hermes shares representing rights to fractional interests or non-distributed shares; those shares will be sold no later than September 2015. LVMH had owned a 23.1 percent stake in Hermes at year-end 2013. LVMH in October 2010 had disclosed its initial purchase of Hermes shares. As of Dec. 31, 2015, LVMH no longer held any Hermes shares.

LVMH in December 2013 bought 80 percent of Loro Piana, a marketer of luxury products including clothing (such as cashmere goods) and accessories, for 1.982 billion euros ($2.714 billion). LVMH bought an additional 4.8 percent stake in February 2017, boosting its holding to 84.8 percent.

LVMH in October 2013 bought 52 percent of Nicholas Kirkwood, a British luxury footwear company.

The company in September 2013 acquired Hotel Saint Barth Isle de France.

LVMH in June 2013 bought 80 percent of Cova, a Milan-based pastry business.

LVMH in October 2012 acquired the remaining 20 percent stake in Benefit, giving it

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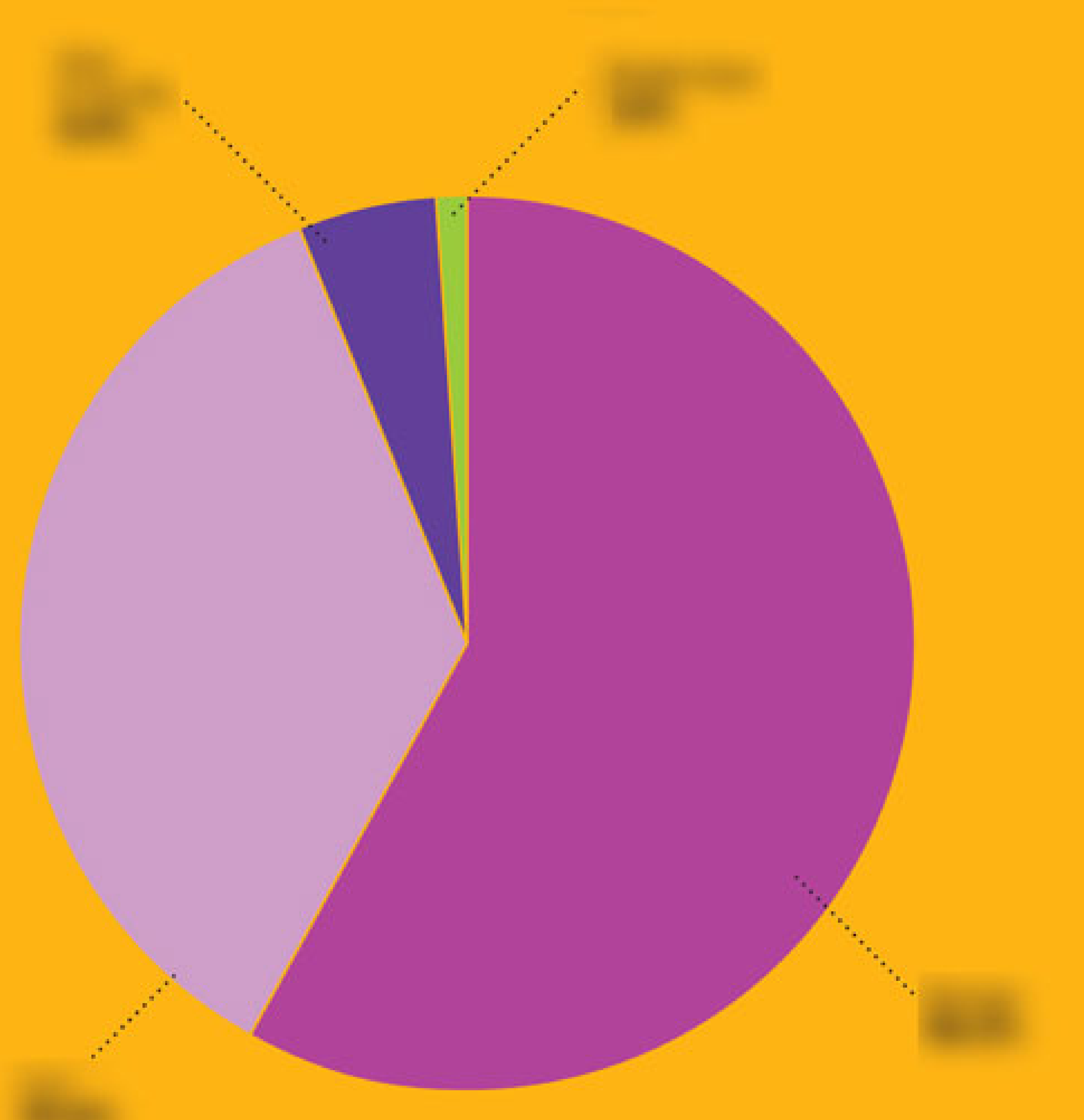
LVMH
Moët Hennessey Louis Vuitton

Worldwide ad spending (as a percent of sales), 2012–2018

Stated worldwide “advertising and promotion expenses.” (Euros in billions)	
2018	[illegible]
2017	[illegible]
2016	[illegible]
2015	[illegible]
2014	[illegible]
2013	[illegible]
2012	[illegible]

Measured-media spending by region, 2018



Measured media by region ($ in millions)	2018	2017	% chg
Africa	[illegible]	[illegible]	[illegible]
Asia & Pacific	[illegible]	[illegible]	[illegible]
Europe	[illegible]	[illegible]	[illegible]
Latin America	[illegible]	[illegible]	[illegible]
Middle East	[illegible]	[illegible]	[illegible]
Canada	[illegible]	[illegible]	[illegible]
Subtotal media outside U.S.	[illegible]	[illegible]	[illegible]
U.S. media spending	[illegible]	[illegible]	[illegible]
Worldwide measured media	[illegible]	[illegible]	[illegible]

AD AGE 2019 WORLD'S 100 LARGEST ADVERTISERS

Total worldwide advertising spending in 2018. Figures in millions of U.S. dollars. This ranking is part of Ad Age World's Largest Advertisers 2019 report. The report includes profiles of 100 spenders (companies below link to profiles), rankings of the top 10 advertisers by country and extensive source links.

Rank	Marketer	Headquarters	Total worldwide advertising spending 2018	Total worldwide advertising spending 2017	Percent Change	Category
8	LVMH Moet Hennessy Louis Vuitton	Paris	$[illegible]	$[illegible]	[illegible]	[illegible]

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	Ad Age 2019 World's Largest Advertisers: Top 100		$[illegible]	$[illegible]	[illegible]	