LVMH

The Family-Controlled Global Champion

Combined print edition of the Baratelli Practitioner Case Memo

Case memo (69 pp) + Financial model (11 tabs) + Practitioner deck (16 slides)

THIS COMBINED EDITION CONTAINS

SECTION I

The Case Study

Six operating groups, seventy-five maisons, EUR 80.8B revenue FY2025 (EUR 84.7B FY2024). The Arnault architecture through Financiere Agache (French SA since 2018). Real estate as hidden asset. Five children in five seats. Miami Design District. Manufacturing footprint and tariff exposure. Estate tax protection stack. Five-year cash flow. The Tiffany transaction from November 2019 through the December 2024 727 Fifth Avenue fire. The Nicolas Puech shares scandal at Hermes.

What LVMH is, and what this case argues

LVMH Moet Hennessy Louis Vuitton is the largest luxury goods company in the world by revenue, by market capitalization, and by profit pool. Fiscal year 2025 revenue was €80.8 billion (versus €84.7 billion in fiscal 2024) across six reportable segments (Wines & Spirits, Fashion & Leather Goods, Perfumes & Cosmetics, Watches & Jewelry, Selective Retailing, and Other Activities), spanning roughly 75 maisons including Louis Vuitton, Christian Dior Couture, Hennessy, Moet & Chandon, Krug, Dom Perignon, Tiffany & Co., Bulgari, Chaumet, Fred, TAG Heuer, Hublot, Zenith, Sephora, DFS, Le Bon Marche, La Samaritaine, Cheval Blanc, Bulgari Hotels & Resorts, and Belmond. FY2025 was a –5% reported / –1% organic year (currency drag of –3%), with H2 2025 inflecting to +1% organic growth after a –3% H1 — the trough was the first half and the recovery signal began in H2. Profit from recurring operations was €17.8 billion (versus €19.6 billion in FY2024), a 22.0% operating margin (versus 23.1%). Operating free cash flow was €11.3 billion, up 8% year over year despite the P&L compression, driven by better working capital and lower cash tax. Net debt fell to €6.9 billion at 12/31/2025 (versus €9.2 billion at 12/31/2024), a 9.9% gearing ratio — among the strongest balance sheets in the CAC 40. The dividend was maintained at €13 per share. Bernard Arnault, Chairman and CEO, controls the group through Groupe Arnault to Financière Agache (historically Belgian-domiciled through 2018; re-domiciled to France in 2018) to Christian Dior SE (Paris listed, roughly 96% Arnault-controlled) to LVMH SE. Voting rights at LVMH SE run approximately 65% for the Arnault family through Christian Dior SE and other directly held stakes. Five Arnault children hold operating seats across the group: Delphine (born 1975), Antoine (1977), Alexandre (1992), Frederic (1994), and Jean (1998).

This case argues three things a practitioner reader needs to see clearly. First, the real estate footprint — ultra-prime retail on the Champs-Elysees, Avenue Montaigne, Fifth Avenue, Bond Street, Ginza, and Nanjing Road, plus the hospitality portfolio (Cheval Blanc, Bulgari Hotels & Resorts, Belmond) — is carried at historical cost across roughly 40 to 60 flagship locations and is worth on the order of $15–25 billion above book at current market. LVMH does not disclose a real-estate segment. The market does not price it as one. Second, the Arnault succession architecture — five children in operating seats, a French holding company (with a Belgian legacy that shaped the multi-decade planning stack) chosen for governance permanence, a 2022 shareholder vote (April 21, 2022) that raised the mandatory-retirement age for the CEO from 75 to 80, and the deliberate distribution of division leadership across both marriages — is the most sophisticated multi-generational family-control structure any listed European champion has ever built. It is worth studying whether you are a Family Office CFO, a private-bank succession adviser, or a Berkshire-adjacent capital allocator watching how a founder in his seventies compounds control alongside compounding capital. Third, and this is the frame the Institute holds most firmly: **LVMH is architecturally closer to Berkshire Hathaway than to any other CAC 40 or Fortune 500 champion.** Bernard is not optimizing for quarterly EPS. He is optimizing for a century company, generational family control, durability of the brand portfolio through economic cycles, and selective acquisitions of one-of-one luxury properties as they become available. Every serious European family-office practitioner should have LVMH's architecture on the shelf. This memo is that shelf reference.

Reader map — how the 19 sections track

This memo runs long — 19 sections and 35 numbered tables — because the architecture demands it. To help the reader navigate, the map below names each section and the specific practitioner argument it carries. Sections 2 through 4 are the standard financial-and-valuation setup (scale, segments, Asia audience, EV/EBITDA against the peer set, and the intrinsic-value SOTP). Section 5 is the practitioner center of the case — the real-estate footprint the market does not price as a segment. Section 6 walks the Miami Design District as the case history in luxury-led gentrification. Section 7 walks the manufacturing footprint and the US tariff-cycle exposure that connects to the Ranch Alma hedge (which itself connects back to the real-estate-plus-manufacturing frame of Section 5). Section 8 walks the five-year annual cash-flow build. Section 9 walks the November 2019 Tiffany announcement through the Delaware Chancery litigation and the December 2024 727 Fifth Avenue fire. Section 10 walks the five Arnault children and their operating seats (Table 19). Section 11 walks the April 21, 2022 shareholder vote that raised the CEO retirement age from 75 to 80. **Section 12 walks the Financière Agache architecture — the reference architecture for practitioner-grade multi-generational family-office design.** Section 13 walks the French estate-tax stack (Pacte Dutreil, Loi Florange, usufruct / nue-propriété transfers, cross-jurisdiction planning). Section 14 walks the 1984-2024 acquisition record. Section 15 walks the address-level property portfolio (Table 28). Section 16 walks the Kering / Richemont / Hermes / Roche comparison plus the Puech / Freymond subsection. Section 17 walks what Bernard is optimizing for. Section 18 walks the bear cases and risks. Section 19 is the Institute's editorial position. Read in that order or read to the section that matches the reader's practice; the tables are cross-referenced.

The one-line frame. LVMH is not a fashion company. It is a family-controlled compounder of scarce assets — brands, real estate, and hospitality — whose holding architecture is designed for a hundred years and whose CEO succession is being staged in public across five children while the Chairman writes the checks. Read it that way and every other detail falls into place.

Six operating groups, roughly 75 maisons, one family at the top

Every dollar figure in this section sources to the LVMH 2025 Full-Year Results (press release dated January 27, 2026), the LVMH 2024 Universal Registration Document (URD), and the Christian Dior SE 2024 URD (all filed with the Autorite des Marches Financiers or its French equivalent). Revenue and recurring operating profit are reported by six segments. Fashion & Leather Goods carries roughly 47% of revenue and 74% of recurring operating profit in FY2025. Louis Vuitton and Christian Dior Couture inside that segment together generate the substantial majority of both. Every other segment is a portfolio of durable premium brands whose economics are strong but structurally smaller. Tables 1 and 2 lay it out on a FY2024/FY2025 comparison basis so the reader can see both the level and the trajectory.

Table 1 — LVMH revenue by operating group, FY2024 vs. FY2025 (€ billions)

Operating group	FY2024	FY2025	FY25 % of total	Organic growth	Institute note
Fashion & Leather Goods	€41.1	€37.8	47%	–5%	Louis Vuitton, Christian Dior Couture, Celine, Loewe, Fendi, Loro Piana, Berluti, Rimowa. The profit engine. Trough H1, improving trends H2.
Selective Retailing	€18.3	€18.3	23%	+4%	Sephora crushing it (+4% organic revenue, +28% recurring operating profit). DFS improving; Greater China business under disposal to China Tourism Group Duty Free.
Watches & Jewelry	€10.6	€10.5	13%	+3%	Tiffany, Bulgari, Chaumet, Fred, TAG Heuer, Hublot, Zenith. Best-performing segment on organic basis; hard-luxury holding up while F&LG cyclical.
Perfumes & Cosmetics	€8.4	€8.2	10%	0%	Parfums Christian Dior, Guerlain, Givenchy Parfums, Kenzo Parfums, Fresh, Fenty Beauty. Flat on selective-retail discipline (no volume push at expense of brand equity).
Wines & Spirits	€5.9	€5.4	7%	–5%	Cognac (Hennessy) weighed by US-China trade tensions (–12% cognac). Champagne stable (0%). Ardbeg, Glenmorangie, Belvedere, Eminente supporting.
Other Activities & Eliminations	€0.5	€0.7	n/m	n/m	Cheval Blanc, Bulgari Hotels & Resorts, Belmond, Les Echos, Le Parisien, Royal Van Lent yachts, Jardin d'Acclimatation, plus intercompany eliminations.
LVMH consolidated revenue	€84.7	€80.8	100%	–1%	Reported –5% (currency drag –3%). H1 –3% organic, H2 +1% organic, Q4 +1% — H1 was the trough, recovery signal began H2.

Source. LVMH 2025 Full-Year Results, January 27, 2026, appendix quarterly revenue tables. LVMH 2024 URD, Financial Documents, Note on Segment Information (prior-year comparison).

Table 2 — LVMH recurring operating profit by group, FY2024 vs. FY2025 (€ billions)

Operating group	FY2024	FY2025	FY25 margin	YoY change	Institute note
Fashion & Leather Goods	€15.2	€13.2	35.0%	−13%	Margin compressed from 37.1% to 35.0% — roughly 200 bps of deleverage on the revenue drop. LV and Dior Couture materially higher inside the mix.
Selective Retailing	€1.4	€1.8	9.7%	+28%	The standout of the year. Sephora market-share gains plus DFS structural improvement. Margin lifted ~250 bps.
Watches & Jewelry	€1.5	€1.5	14.4%	−2%	Tiffany integration continuing; margin held despite mix shift. Bulgari Serpenti and Polychroma high-jewelry successes.
Perfumes & Cosmetics	€0.7	€0.7	8.9%	+8%	Margin expanded on selective-retail discipline. Dior J'adore, Sauvage, Miss Dior driving.
Wines & Spirits	€1.4	€1.0	19.0%	−25%	Cognac weakness drops the segment margin ~350 bps. Champagne stable. Tariff overhang continues.
Other Activities	(€0.6)	(€0.5)	n/m	n/m	Corporate costs, hospitality operating losses on new-build ramp, media losses. Improved YoY.
LVMH group recurring operating profit	€19.6	€17.8	22.0%	−9%	Structural group operating margin has run 22% to 27% through cycle. FY2025 sits at the low end on China cycle plus currency drag; H2 inflection suggests trough was H1.

Source. LVMH 2025 Full-Year Results, January 27, 2026 — Profit from Recurring Operations by Business Group. Segment margins computed by dividing segment profit by segment revenue.

What Tables 1 and 2 say in one paragraph. Fashion & Leather Goods is 47% of FY2025 revenue and 74% of FY2025 recurring operating profit — concentration is real but is coming down at the margin as Selective Retailing (Sephora) compounds and Watches & Jewelry (Tiffany, Bulgari) grows through the cycle. Louis Vuitton and Christian Dior Couture inside F&LG carry the profit pool. Every other segment is a supporting portfolio of durable premium brands that individually would rank as strong standalone businesses but which the market prices as a mix add-on to LV / Dior. The practitioner takeaway: LVMH is not a diversified conglomerate, but it is progressively becoming a two-engine (F&LG + Selective Retailing) plus a portfolio of scarce heritage assets rather than a one-engine story. That is a subtle but real change in the mix.

Why LVMH is architecturally an Asian story as much as a European one

The founder's framing on this case — that LVMH is the perfect global case in part because the products are revered in Asia — sits at the center of any serious practitioner reading. The revenue mix disclosed in the LVMH 2025 full-year results makes the point in numbers, and shows the mainland-China cycle now visible in reported share. Asia-Pacific ex-Japan was 26% of FY2025 consolidated revenue (down from 28% in FY2024), the largest single regional exposure LVMH carries but no longer the majority of a decade ago. Japan was 8% (down from 9%), Europe 26% (up from 25%), the United States 26% (up from 25%), and Other markets 14% (up from 13%). Read against those numbers, LVMH's revenue base has re-balanced during the 2024–2025 Asia luxury cycle: US, Europe, and Other markets each picked up a percentage point of mix as Asia ex-Japan and Japan gave up three points combined. That is exactly the pattern a diversified global luxury champion should show through a regional cycle — the base flexes toward the strong regions and away from the weak ones without the group aggregate collapsing. It is a global champion whose plurality of demand originates in Asia and whose brand-equity anchor tenants (Louis Vuitton, Christian Dior, Bulgari, Tiffany) command aspirational status in Asian markets that in some respects exceeds their status in the West.

The Chinese luxury consumer, in particular, sits at the top of the practitioner risk-and-reward stack. Three distinct consumer bases drive the mainland number the sell-side tracks: mainland-China domestic purchases inside the People's Republic; Chinese overseas purchases (Hong Kong, Japan, Korea, Europe, especially Paris and Milan) — the luxury-tourism channel that historically ran 25% to 40% of total Chinese luxury demand pre-COVID; and the ethnic-Chinese diaspora across Southeast Asia, North America, and Australia. Each of the three has its own cycle, its own currency exposure, and its own political overlay. The 2024–2025 mainland-China luxury slowdown compressed reported LVMH Fashion & Leather Goods growth in the segment but did not degrade the brand equity itself. That distinction — between a cycle of demand and a shift in aspirational hierarchy — is the specific one the Institute holds firmly. Cycles come and go. Brand-equity position at the top of the aspirational hierarchy in the world’s largest luxury market is not lost in one down-cycle. The position was earned over 30 years of physical flagship presence, cultural sponsorship, and the deliberate positioning of Louis Vuitton and Dior in Asia as premium aspirational icons rather than the entry-luxury tier they sometimes occupy in the West.

The reason that positioning holds is architectural. In the United States, an accessible-luxury tier — Coach, Michael Kors, Tory Burch, Kate Spade — sits below the true-luxury tier and provides a step-up ladder. In Asia, that accessible-luxury tier does not exist the way it does in the US. The entry-luxury Western brand in Asia becomes the aspirational premium purchase — the first Louis Vuitton bag, the first Dior handbag, the first Tiffany box — and once acquired it holds premium status in a way that is materially harder to displace than in Western markets. This is the specific reason Louis Vuitton and Dior brand equity in China, Korea, Japan, and Southeast Asia is arguably higher than in any Western market. A practitioner reader working on Asia exposure should hold that architectural fact firmly.

Table 3 — LVMH revenue by geographic region, FY2024 vs. FY2025 (%)

Region (LVMH reported buckets)	FY2024	FY2025	Change (pp)	Institute note
United States	25%	26%	+1	Gained a point of mix. Sephora and Tiffany over-index vs. the group mix; Sephora market-share gains and Tiffany high-jewelry continue to compound.
Europe	25%	26%	+1	Gained a point of mix. Italy, Germany, UK, Switzerland, Spain, Nordics, France. Luxury-tourism component from Middle East and Chinese visitors embedded here.
Asia (ex-Japan)	28%	26%	–2	Gave back two points. China domestic, Hong Kong, Korea, Taiwan, Southeast Asia. Q4 2025 Asia ex-Japan was –12% (still negative), but trend improved sequentially from Q1's –11% and Q2's –28%.
Japan	9%	8%	–1	Gave back a point after Japan's blockbuster 2024 (which had benefited from weak yen and Chinese tourist inflow). Q4 2025 Japan was –4% after –13% in Q3.
Other markets	13%	14%	+1	Middle East, Latin America, Africa, Oceania. Dubai, Riyadh, Doha, Sao Paulo, Mexico City. Emerging luxury markets picking up share as Asia cyclically compresses.
LVMH consolidated revenue	100%	2024 URD, revenue by geographic region.		

Source. LVMH 2024 Universal Registration Document, Revenue by Geographic Region. Percentages are approximate ranges; the exact reported mix moves 100 to 200 basis points year on year with currency and China cycle.

Table 4 — LVMH real estate footprint anchors (property, type, ownership, scale)

Property	Type	City	Ownership	Approximate size	Illustrative uplift / note
Louis Vuitton Champs-Elysees (101 Avenue des Champs-Elysees)	Retail flagship	Paris	Owned / long lease	2,000–3,000 sqm across multiple floors	Highest-productivity luxury retail address on earth.
22 Avenue Montaigne (LVMH SE HQ + LV flagship)	Mixed HQ + retail	Paris	Owned	5,000+ sqm	Group corporate seat; 8th arrondissement anchor.
30 Avenue Montaigne (Christian Dior maison)	Retail flagship	Paris	Owned	10,000 sqm (reopened post -renovation)	Rebuilt Dior maison; multi-year gut renovation.
Le Bon Marche (24 Rue de Sevres)	Departm ent store	Paris	Owned	48,000 sqm	Historic 7th arrondissement land value.
La Samaritaine / Cheval Blanc Paris (8 Quai du Louvre)	Mixed hotel + retail	Paris	Owned	Cheval Blanc Paris: 72 rooms & suites	Reopened 2021 after multi-year redevelopment.
Louis Vuitton 5th Avenue (New tower)	Retail flagship	New York	Long lease / development	Approximatel y 2,000 sqm (new tower)	Multi-year tower project underway.
Tiffany "The Landmark" (727 Fifth Avenue)	Retail flagship	New York	Owned (Tiffany since 1940)	15,850 sqm / 170,000 sq ft, 10 stories	Reopened April 2023 post $500M renovation.
Bulgari Hotel Milano	Hotel	Milan	Owned	58 rooms & suites	Via Montenapoleone-a djacent; Bulgari Hotels flagship.
Cheval Blanc Courchevel	Hotel (m ountain)	Courchev el	Owned	36 rooms & suites	Alpine ultra-luxury; brand founding property (2006).
Belmond Copacabana Palace	Hotel	Rio de Janeiro	Owned (via Belmond, 2019)	239 rooms & suites	Landmark Rio hotel.

Property	Type	City	Ownership	Approximate size	Illustrative uplift / note
Belmond Charleston Place	Hotel	Charleston, SC	Owned (via Belmond, 2019)	434 rooms & suites	US South heritage hotel.
Belmond Hotel Cipriani	Hotel	Venice	Owned (via Belmond, 2019)	96 rooms & suites (reported)	Iconic Giudecca-island Venice hotel.
DFS T Galleria Hong Kong	Duty-free retail	Hong Kong	Long lease / concession	7,500 sqm (reported)	DFS travel-retail anchor.
Louis Vuitton Ginza flagship (Ginza 6-4-1)	Retail flagship	Tokyo	Long lease / reported owned	Multi-floor flagship (reported)	Reference Japan flagship.
Louis Vuitton Landmark (Central)	Retail flagship	Hong Kong	Long lease	Multi-floor flagship (reported)	Historically the single highest-productivity HK luxury address.
LV / Dior / Bulgari / Tiffany, Cheongdam-dong	Retail flagships	Seoul	Mixed	Multi-property cluster (reported)	Reference Korean luxury district.
Louis Vuitton / Bulgari / Fendi, Via Montenapoleone	Retail flagship cluster	Milan	Mixed owned / long lease	Multi-building cluster (reported)	Quadrilatero della Moda anchor.

Source. Institute reconstruction using publicly disclosed LVMH investor communications, real-estate press coverage of specific transactions, and standard industry references on flagship footprint. Sizes marked "reported" derive from trade-press rather than LVMH direct disclosure.

The Asia frame in one paragraph. Roughly one dollar in four of LVMH revenue originates in Asia-Pacific ex-Japan (down from ~28% in FY2024 to 26% in FY2025); another dollar in twelve originates in Japan itself; and the brand-equity anchor is arguably stronger in Asia than in any Western market because the accessible-luxury tier that sits below true-luxury in the West does not exist in Asia the same way. The 2024–2025 China slowdown is a cyclical revenue compression, not a structural brand-equity impairment — and by Q4 2025 the Asia ex-Japan reported number had improved to −12% from −28% in Q2, evidence of a trough process rather than a structural break. That distinction — between a cycle of demand and a shift in aspirational hierarchy — is the specific one the Institute holds firmly.

Multiple frame and intrinsic-value frame, walked side by side

LVMH trades in the public equity market at a market capitalization that varies with the luxury cycle. Section 4 puts LVMH in two frames — the industry-standard EV/EBITDA multiple against the direct luxury comp set (Kering, Compagnie Financiere Richemont, Hermes International, Estee Lauder, Prada, and Ferrari as the closest analog for scarcity-priced luxury) and the intrinsic-value frame that a Buffett-tradition acquirer or a family-office long-term holder would use (owner earnings on the brand portfolio, real estate at market, hospitality at replacement, net cash / debt). Both matter. The multiple frame is what a credit committee, an M&A adviser, and every public-equity investor runs. The intrinsic-value frame is what Bernard runs. This memo publishes both.

Table 5 — Luxury peer-set EV/EBITDA benchmarks (FY2024 basis)

Company	Ticker	Category	EV/EBITDA	Institute note
LVMH SE	MC.PA	Diversified luxury conglomerate	14–16x	Subject company; cycle-dependent
Hermes International	RMS.PA	Ultra-luxury leather & silk	28–32x	The reference premium. Family-controlled, deliberately supply-constrained.
Kering	KER.PA	Diversified luxury (Gucci, Saint Laurent, Bottega, Balenciaga)	10–13x	Discount reflects Gucci turnaround uncertainty; closest architectural comp.
Compagnie Financiere Richemont	CFR.SW	Hard luxury (Cartier, Van Cleef, IWC, Panerai)	12–14x	Rupert family-controlled; hard-luxury pure play post YNAP exit.
Estee Lauder	EL	Prestige beauty	14–18x	Family-controlled (Lauder). Beauty pure play; travel-retail exposed.
Prada	1913.HK	Premium fashion (Prada, Miu Miu)	14–17x	Prada family-controlled. Hong Kong listing.
Ferrari	RACE	Scarcity-priced ultra-luxury	24–28x	The nearest scarcity-anchored analog. Agnelli / Exor-controlled.

Company	Ticker	Category	EV/EBITDA	Institute note
Peer-set median (ex-LVMH)	—	—	~15x	LVMH sits at the median. Hermes and Ferrari command the scarcity premium LVMH does not.

What Table 5 says. LVMH trades in the middle of its luxury peer set on the multiple frame. Hermes and Ferrari command a scarcity premium the market awards specifically to family-controlled, deliberately supply-constrained ultra-luxury pure plays. LVMH does not get that premium because it is diversified and because Fashion & Leather Goods, though structurally excellent, includes segments (perfumes, retail) that pull the multiple toward the mid-teens. Kering trades at a discount to LVMH on Gucci turnaround risk. Richemont trades in line. The takeaway: LVMH is not multiple-mispriced. It is fairly priced against its peer set on the standard frame.

Table 6 — LVMH intrinsic-value sum-of-the-parts (illustrative, USD billions)

Line item	Low	Central	High
Fashion & Leather Goods, owner earnings capitalized at 18x	$220	$255	$290
Watches & Jewelry (Tiffany, Bulgari, Chaumet, TAG, Hublot), capitalized at 16x	$28	$34	$40
Wines & Spirits, capitalized at 18x	$27	$32	$37
Perfumes & Cosmetics, capitalized at 15x	$11	$13	$16
Selective Retailing (Sephora + DFS), capitalized at 14x	$21	$26	$31
Prime retail real estate at market (per Table 9)	$18	$24	$32
Hospitality portfolio at market (per Table 10)	$10	$14	$18
Net cash / (debt) — approximate, 2024 URD	($8)	($8)	($8)
Memo: less real-estate carrying value included in operating segments	($6)	($8)	($10)
SOTP intrinsic value (USD)	$321	$382	$446
Memo: LVMH equity market cap (illustrative, mid-2026 band)	$330	$360	$400
Intrinsic-value gap vs. market cap	($9)	+$22	+$46

Reading Table 6. On the intrinsic-value frame, the central case lands at approximately $382 billion — roughly $22 billion above the illustrative market capitalization at the middle of the mid-2026 trading band. The gap is not a deep mispricing. It is the specific amount the real estate and hospitality footprint contribute that the multiple frame does not price. That is the case the rest of this memo builds. Prime retail alone — carried at historical cost and largely unmarked — is the single largest below-book asset on the balance sheet. Add the hospitality portfolio at replacement, and the intrinsic-value uplift versus book runs $15 to $25 billion, depending on where the reader anchors the real estate mark.

The Ferrari and Hermes analog for scarcity anchoring. The single sharpest multiple observation in Table 5 is the 25 to 30x band that Hermes and Ferrari command versus the mid-teens where LVMH sits. Those multiples are earned specifically by family-controlled ultra-luxury pure plays that supply-constrain their production — Hermes deliberately limits Birkin allocation; Ferrari deliberately caps annual production. LVMH does not run that playbook at the group level because its scale and portfolio breadth preclude it. But inside the LVMH portfolio, individual brands (Louis Vuitton hard-sided leather, Christian Dior Couture, Krug, Dom Perignon, Cheval Blanc hospitality) already operate at Hermes-adjacent supply discipline. That is the compounding runway that the group-level multiple does not fully price.

Table 7 — Flagship sales-density anchor (illustrative, per prime flagship location)

Flagship location tier	Estimated annual sales	Implied economics
Louis Vuitton Champs-Elysees	€400–500M	Highest-productivity luxury retail address on earth.
Louis Vuitton Fifth Avenue / Ginza	€300–400M	Global trophy flagships.
Christian Dior 30 Avenue Montaigne	€300–400M	10,000 sqm reopened Dior maison.
Top 20 LV / Dior flagships (per Institute reconstruction)	€200–500M each	Sales density that no landlord walks away from at renewal.
Second-tier flagships (roughly 30–40 locations)	€50–200M each	Regional and category flagships.

Source. Institute reconstruction using publicly cited LVMH investor-day flagship-productivity commentary and industry retail-analyst estimates.

The hidden asset the market does not price as a segment

Section 5 is the practitioner center of this case. LVMH does not disclose a real-estate segment. It is not classified as a real-estate operating company. But it owns, or holds ultra-long-dated leases on, most of the highest-value retail addresses in the world plus a hospitality portfolio spanning Cheval Blanc, Bulgari Hotels & Resorts, and Belmond. Read against the balance sheet, this footprint is carried at historical cost. Read against arms-length transactions in the same markets, it is worth materially more — on the order of $15 to $25 billion above book at central case.

Prime retail — the flagship footprint

LVMH's Fashion & Leather Goods maisons run the highest-productivity flagship stores in luxury retail. A single Louis Vuitton flagship on Champs-Elysees, Avenue Montaigne, Fifth Avenue, or Ginza can generate on the order of €300 to €500 million of sales per year — sales density that no landlord can walk away from at renewal. Rather than pay renewing landlord rent through the cycle, LVMH has spent two decades quietly buying the buildings, or taking ultra-long-dated leases (50-plus year, sometimes 99-year) that behave economically like ownership. A partial list of the flagship addresses that fall under this footprint follows in Table 8; a much more comprehensive city-by-city inventory appears in Section 15.

Table 8 — LVMH prime retail flagship footprint (partial illustrative list with scale)

City	Street / building	Ownership status	Approximate scale	Notes
Paris	22 Avenue Montaigne (LVMH global headquarters + LV flagship)	Owned	5,000+ sqm	The group's corporate seat.
Paris	24 Rue de Sevres (Le Bon Marche + LVMH flagship district)	Owned	~48,000 sqm	Historic 7th arrondissement land value.
Paris	101 Avenue des Champs-Elysees (LV flagship)	Owned / long lease	2,000–3,000 sqm across floors	Highest-traffic luxury address globally.
Paris	La Samaritaine (department store + Cheval Blanc Paris)	Owned	~26,000 sqm retail + 72-room hotel	Reopened 2021; mixed hospitality + retail.
Paris	30 Avenue Montaigne (Christian Dior maison)	Owned	10,000 sqm	Reopened as the Dior flagship.
New York	1 East 57th Street (LV / Tiffany flagship district)	Owned / long lease	New tower ~2,000 sqm (LV)	Tiffany "The Landmark" reopened 2023.
New York	727 Fifth Avenue (Tiffany "The Landmark")	Owned	15,850 sqm / 170,000 sq ft, 10 stories	$500M renovation; December 2024 fire on 10th floor.
New York	Louis Vuitton Fifth Avenue	Long lease	~1,800 sqm	New tower project underway.
Beverly Hills	Rodeo Drive flagship district	Owned / long lease	Multi-property cluster (reported)	Multiple maisons.
London	10 New Bond Street (Louis Vuitton)	Long lease / freehold	Multi-floor flagship (reported)	Bond Street cluster of LVMH maisons.
Tokyo	Ginza flagship district	Owned / long lease	Multi-building cluster (reported)	Multiple LVMH maisons cluster.

City	Street / building	Ownership status	Approximate scale	Notes
Shanghai	Nanjing Road / Plaza 66	Long lease	Multi-floor cluster (reported)	Highest-productivity China flagships.
Hong Kong	DFS T Galleria (Canton Road) / Landmark	Long lease	DFS T Galleria ~7,500 sqm	Duty-free proximity boost.
Milan	Via Montenapoleone flagship cluster	Owned / long lease	Multi-building cluster (reported)	Quadrilatero della Moda anchor.
Seoul, Singapore, Dubai, Riyadh, Sydney, Mexico City, Sao Paulo	Regional flagships	Mixed	Approximately 40–60 flagship-tier locations globally	Sizes vary by market.

Table 9 — Prime retail real estate valuation build-up (illustrative, USD billions)

Basis	Low	Central	High
Number of flagship locations (Institute count)	40	50	60
Estimated market value per flagship, USD millions	$50	$75	$100
Aggregate flagship footprint value at market	$2.0	$3.75	$6.0
Plus: HQ, La Samaritaine, 22 Montaigne, 30 Montaigne, 24 Sevres, ancillary Paris + London + NY real estate	$8	$10	$12
Plus: Champs-Elysees, Fifth Avenue, Ginza, Bond Street trophy assets premium (top-tier)	$8	$10	$14
Prime retail real estate at market (USD)	$18	$24	$32
Memo: less real estate carried inside operating segments (est.)	($6)	($8)	($10)
Real estate uplift vs. book (retail only)	$12	$16	$22

Method. Institute practitioner reconstruction. Anchor is the observed rule of thumb that a Louis Vuitton or Dior global flagship generates approximately €300 to €500 million of annual sales, which supports market valuations of $50 to $100 million per building at flagship-tier addresses on standard capitalization rates for prime retail. LVMH does not disclose real-estate market value.

Hospitality — Cheval Blanc, Bulgari Hotels, Belmond

The hospitality footprint is the second half of the real-estate story. Cheval Blanc is LVMH's owned ultra-luxury hotel brand: Cheval Blanc Courchevel (opened 2006), Cheval Blanc St-Barth Isle de France, Cheval Blanc Randheli (Maldives), Cheval Blanc Paris (opened 2021 in La Samaritaine), Cheval Blanc Beverly Hills (opening in the former Cheval Blanc project on Rodeo Drive), Cheval Blanc Seychelles. Bulgari Hotels & Resorts (owned via Bulgari, acquired 2011) operates a growing global portfolio of 9-plus properties including Milan, London, Bali, Dubai, Beijing, Shanghai, Paris, Rome, Tokyo. Belmond, acquired by LVMH in December 2018 (announced) and closed in

2019 for $3.2 billion, brought the Copacabana Palace Rio, the Hotel Cipriani Venice, Charleston Place, the Belmond Grand Hotel Europe St. Petersburg, the Venice Simplon-Orient-Express, the Royal Scotsman, and river cruises. The Belmond acquisition alone put LVMH into the trophy-hospitality tier at a discount to replacement.

Table 10 — Hospitality portfolio valuation build-up (illustrative, USD billions)

Line item	Low	Central	High
Belmond — acquired 2019 for $3.2B; renovation and repositioning uplift since	$3.5	$4.5	$5.5
Bulgari Hotels & Resorts — 9-plus properties, Milan / London / Bali / Dubai / Beijing / Shanghai / Paris / Rome / Tokyo	$2.5	$4.0	$5.0
Cheval Blanc — Courchevel / St-Barth / Randheli / Paris / Beverly Hills / Seychelles	$3.0	$4.5	$6.0
Ancillary hospitality (Royal Van Lent yachts, Le Cheval Blanc, hospitality real estate)	$1.0	$1.0	$1.5
Hospitality portfolio at market (USD)	$10	$14	$18

Basis. Belmond December 2018 announcement / 2019 close at $3.2B (LVMH press release). Bulgari acquisition 2011 for $5.2B (of which the hotels business was an early-stage growth vehicle). Cheval Blanc portfolio Institute reconstruction on comparable ultra-luxury hospitality transactions.

DFS Group — long-dated exclusive concession rights (not real-estate uplift)

DFS Group runs airport duty-free concessions at Hong Kong International, Singapore Changi, Los Angeles LAX, Auckland, Macau, San Francisco, and other major hubs. These are long-dated exclusive concession contracts, not owned real estate, and it is important to hold that distinction precisely. Concessions are contract rights with fixed termination dates — they do not carry a real-estate mark-up in the way an owned flagship does. The correct practitioner framing is: DFS holds long-dated exclusive concession-right value that adds a going-concern uplift over book on a discounted-cash-flow basis, but that uplift is properly categorized as an intangible concession-right value, not a real-estate SOTP line. DFS is currently under pressure from the 2024 to 2026 slowdown in Chinese outbound travel and duty-free demand, which suppresses the reported segment margin. Under-cycle, DFS should reprice; the concessions themselves do not go away. Table 30 categorizes the DFS uplift separately from the real-estate uplift to preserve this distinction.

The real-estate case in one paragraph. None of the prime retail footprint and none of the hospitality footprint is disclosed as a segment in the LVMH 2024 URD. Much of it was acquired at land prices or transaction prices materially below current market — La Samaritaine at 2001 land value, Belmond at cycle-trough 2019 price, Bulgari Hotels at 2011 growth-stage entry, Cheval Blanc Courchevel at 2006 mountain-resort prices. Practitioner-grade real-estate intrinsic-value uplift versus book runs $15 to $25 billion. That is not on the analyst spreadsheet. It is not on the sell-side model. It is the specific reason a family-office reader should hold this case on the shelf, because it is a template for how a durable operating champion buries its balance-sheet ballast inside the operating footprint until it is time to unlock it.

LVMH as a gentrification anchor tenant — deploying real-estate capital as a market-maker

The Miami Design District is one of the sharpest real-estate practitioner cases in the LVMH record, and it fits the Institute's editorial voice on luxury-led gentrification specifically. The neighborhood — roughly bounded by North 36th to 43rd Streets and Biscayne Boulevard to the FEC Railway — was historically an underdeveloped light-industrial area of central Miami. Beginning in the mid-2000s, developer Craig Robins (through his real-estate vehicle Dacra) began quietly acquiring buildings and repositioning the district around design showrooms, art-fair-adjacent tenants, and high-end restaurants. The transformation was already underway when LVMH stepped in as the strategic capital partner that anchored the neighborhood's pivot to a luxury retail destination.

In 2013, LVMH partnered with Dacra through a joint venture (structured via L Real Estate, LVMH's dedicated real-estate arm) to develop the Miami Design District as a luxury retail neighborhood. The Miami Design District Associates joint venture invested reported hundreds of millions of dollars in property acquisitions, redevelopment, public-realm improvements, and the district's architectural signature. The move was a landmark real-estate transaction in Miami's modern retail history. Louis Vuitton opened a flagship at 140 NE 39th Street (later moved to 149 NE 39th Street). Christian Dior, Fendi, Bulgari, Berluti, Loro Piana, Loewe, Celine, Marc Jacobs, Kenzo, Hublot, TAG Heuer, and Chaumet all followed inside the LVMH portfolio. Other luxury tenants including Hermes, Cartier, Rolex, Prada, and Balenciaga joined once the district had established itself as a defensible luxury address.

The gentrification analysis, in the Institute's editorial voice. The Miami Design District is a textbook practitioner case in luxury-led gentrification. LVMH deployed real-estate capital as a strategic anchor investment — not as a rent-seeking landlord, but as a market-maker for the retail environment its own maisons would occupy. The comparable case histories are instructive. Louis Vuitton's presence in Ginza in the 1970s and 1980s catalyzed Ginza's evolution into a global luxury capital. The Champs-Elysees story in Paris follows the same pattern — LVMH ownership at the anchor address changes the character of every adjacent block. Miami Design District is the same play run in a US-market context. LVMH does not merely occupy whatever locations landlords offer; it acquires, develops, and shapes the retail environment its own brands will trade in. Few consumer-brand conglomerates practice this at scale. Berkshire Hathaway's BNSF acquisition follows a related logic in a different industry (own the rail rather than rent the freight capacity). LVMH does it in luxury retail.

Practitioner takeaway. This is the Institute's kind of case — a family-controlled operator that deploys real estate as a strategic asset to shape the retail environment for its own brands rather than merely renting from whichever landlord will accept a signed lease. The Miami Design District case belongs on the shelf next to the Institute's Gentrification tools and the Family Office Guide chapters on real-estate strategy. It is also the strongest US-market illustration of the broader LVMH real-estate posture developed at address-level detail in Section 5 and revisited city-by-city in the property portfolio later in this memo.

Table 11 — Miami Design District LVMH investment sequence

Year	Property / development	Deal type	Approximate scale	Notes
Mid-2000s	Dacra (Craig Robins) begins district assemblage	Pre-LVMH developer acquisitions	Multi-block assemblage	The neighborhood is repositioned around design tenants and art-fair-adjacent uses.
2013	LVMH joint venture with Dacra (via L Real Estate)	Real-estate JV	Reported hundreds of millions in commitment	Miami Design District Associates JV formed to develop the district as a luxury retail neighborhood.
2014–2016	Louis Vuitton flagship opens at 140 NE 39th Street	Retail flagship	Multi-floor flagship	Anchor retail address; later moved to 149 NE 39th Street.
2014–2018	Christian Dior, Fendi, Bulgari, Berluti flagships open	Retail rollout	Cluster of anchor tenants	Second-wave LVMH maisons follow the LV anchor.
2015–2020	Loro Piana, Loewe, Celine, Marc Jacobs, Kenzo, Hublot, TAG Heuer, Chaumet	Retail rollout	Full LVMH portfolio presence	The district hosts LVMH group brand rollout across categories.
2015–present	Non-LVMH luxury tenants join	Third-party luxury tenants	Hermes, Cartier, Rolex, Prada, Balenciaga	The district becomes a defensible destination once the anchor investment is proven.
2018–present	Public realm and Palm Court expansion	Placemaking / infrastructure	Buckminster Fuller-inspired Fly's Eye Dome anchor	Signature architectural elements support the luxury positioning.
2020–present	Continued tenant additions and expansion	Ongoing	~70+ luxury brands reported	The district is now among the highest-productivity luxury retail addresses in the United States by sales-per-square-foot.

Source. Miami Design District Associates public releases, LVMH real-estate press coverage on the 2013 Dacra joint venture, and industry reporting on the district's luxury-retail transformation.

LVMH does not disclose the joint venture’s capital commitment as a segment; scale figures are Institute reconstruction from trade-press reporting.

Reading Section 6. A family-controlled global champion that deploys real-estate capital as a strategic anchor tenant is running a fundamentally different operating philosophy than a brand conglomerate that occupies whichever landlord-offered space will fit its trade. LVMH runs the first playbook. It is one of the specific reasons Bernard’s LVMH belongs on the practitioner shelf next to Berkshire — both principals treat physical assets as through-cycle ballast that funds the operating business rather than as a rent-line to be minimized every renewal.

Where LVMH actually makes what it sells — and what the US tariff cycle means for it

Bridge from Section 6. Section 5 walked the retail real-estate footprint and Section 6 walked Miami Design District as the case history in luxury-led gentrification. Both sections argued that LVMH deploys physical capital as strategic asset, not as rent-minimized cost line. Section 7 is the parallel argument on the production side: LVMH does not simply market luxury; it owns the ateliers where the goods are made. The manufacturing map that follows is the supply-side counterpart to the retail-side map in Section 5, and the two maps interlock — each anchors the brand-authenticity claim, and each carries a different exposure to the US tariff-cycle overlay of the mid-2020s. The specific US manufacturing hedges named in Table 14 (Ranch Alma in Texas, the California Louis Vuitton facility, Tiffany's New York and Rhode Island workshops, Fenty US contract production) are the operating-side analog to the Miami Design District real-estate hedge in Section 6. Read the two together and the frame emerges — Bernard is quietly building a US-side supply and retail footprint that reduces cross-border exposure over the next decade without diluting the French, Italian, and Swiss heritage that anchors the brand story.

LVMH is often read as a marketing conglomerate. It is more accurately read as a manufacturer of scarce heritage goods that carries a marketing budget on top. Every serious practitioner reader of the group should hold a clear picture of where each of the six operating groups actually manufactures — the physical atelier network is the foundation of the brand-authenticity claim, and it is the specific exposure that sits under the US tariff-cycle overlay of the mid-2020s. Section 7 walks the manufacturing footprint by group and geography, then reads the tariff exposure the practitioner reader should hold against it.

Fashion & Leather Goods. Louis Vuitton operates roughly 20 ateliers globally. The historic Vuitton family workshop at Asnieres-sur-Seine near Paris remains active, joined by regional French sites at Saint-Pourcain, Marsaz, Beaulieu, Cergy, Fiesso d’Artico, and other locations. Spain contributes ateliers at Valencia and Barbera del Valles near Barcelona. Italy contributes at Fiesso d’Artico near Venice and other regional workshops. The United States is served by Ranch Alma, a Louis Vuitton facility that opened in 2019 in Alvarado, Texas — the first Louis Vuitton manufacturing outside Europe at scale, joining an earlier California facility. Switzerland (La Chaux-de-Fonds) handles watches. Christian Dior manufactures leather goods and ready-to-wear primarily in France (Paris ateliers plus regional). Fendi is Rome-headquartered with Italian manufacturing in Florence, Prato, and other regional Italian centers. Loro Piana operates mills in Quarona and Roccapietra in the Piedmont region. Loewe manufactures in Getafe (Madrid) and other Spanish workshops. Celine, Givenchy, Kenzo, Marc Jacobs, and Berluti manufacture primarily in France and Italy.

Perfumes & Cosmetics. Guerlain manufactures in Chartres, France. Christian Dior perfumes are French-manufactured. Fenty Beauty and Fenty Skin are US-manufactured contract-produced. Grasse in Provence supplies raw materials and formulation for many LVMH fragrances — a geographic anchor for the industry that has held since the 17th century.

Watches & Jewelry. Bulgari jewelry is manufactured in Valenza and Alessandria in Piedmont. Tiffany jewelry is produced in New York with Cumberland, Rhode Island handling high jewelry, plus international workshops. TAG Heuer, Hublot, and Zenith manufacture in Switzerland (La Chaux-de-Fonds, Le Locle, Nyon). Chaumet manufactures in France.

Wines & Spirits. Moet & Chandon, Krug, Ruinart, Dom Perignon, and Veuve Clicquot are all produced in the Champagne AOC (Reims and surrounding). Hennessy cognac is produced in Cognac, France. Chateau d'Yquem is in Sauternes; Chateau Cheval Blanc in Saint-Emilion. The New World portfolio adds Newton (California), Cloudy Bay (New Zealand), and Cape Mentelle (Australia).

Selective Retailing. Sephora and DFS operate as retail-only. No manufacturing footprint.

Table 12 — LVMH manufacturing footprint by group and country

Group	Country	Cities / regions	Notes
Fashion & Leather Goods	France	Asnieres-sur-Seine, Saint-Pourcain, Marsaz, Beaulieu, Cergy, Paris ateliers	Louis Vuitton historic family workshop plus Dior, Celine, Givenchy, Kenzo, Marc Jacobs, Berluti ateliers.
Fashion & Leather Goods	Italy	Fiesso d'Artico (Venice), Florence, Prato, Piedmont mills (Quarona, Roccapietra)	Fendi Roman origin plus regional Italian manufacturing. Loro Piana Piedmont mills.
Fashion & Leather Goods	Spain	Valencia, Barbera del Valles (Barcelona), Getafe (Madrid)	Louis Vuitton Spanish ateliers. Loewe manufacturing centered on Getafe.
Fashion & Leather Goods	United States	Alvarado, TX (Ranch Alma); California	Louis Vuitton US atelier footprint. See Table 14 for the tariff-hedge reading.
Fashion & Leather Goods	Switzerland	La Chaux-de-Fonds	Louis Vuitton watch manufacturing.
Perfumes & Cosmetics	France	Chartres, Grasse (Provence), Paris	Guerlain in Chartres; Dior perfumes in France; Grasse raw material and formulation supply.
Perfumes & Cosmetics	United States	Contract-manufacturing sites	Fenty Beauty and Fenty Skin US contract production.
Watches & Jewelry	Italy	Valenza, Alessandria (Piedmont)	Bulgari jewelry manufacturing.
Watches & Jewelry	Switzerland	La Chaux-de-Fonds, Le Locle, Nyon	TAG Heuer, Hublot, Zenith watch manufacturing.
Watches & Jewelry	United States	New York; Cumberland, RI	Tiffany jewelry and high jewelry.
Watches & Jewelry	France	Paris	Chaumet.
Wines & Spirits	France	Reims / Champagne AOC, Cognac, Sauternes, Saint-Emilion	Moet, Krug, Ruinart, Dom Perignon, Veuve Clicquot, Hennessy, Chateau d'Yquem, Cheval Blanc.

Group	Country	Cities / regions	Notes
Wines & Spirits	United States	Napa Valley (California)	Newton.
Wines & Spirits	New Zealand	Marlborough	Cloudy Bay.
Wines & Spirits	Australia	Margaret River	Cape Mentelle.
Selective Retailing	—	Retail-only; no manufacturing footprint	Sephora and DFS.

Source. LVMH 2024 Universal Registration Document, maison-level manufacturing disclosures, and industry reporting on individual atelier locations. Some regional site lists are illustrative rather than exhaustive.

Tariff exposure — the practitioner's read. The United States is approximately 25 percent of LVMH group revenue, the single largest country market. Yet LVMH manufacturing is heavily concentrated in France, Italy, Spain, and Switzerland — that is, in jurisdictions subject to US-EU or US-Swiss tariff frameworks. When the US imposed or threatened tariffs on EU luxury goods during the 2018-2020 period (Section 301 tariffs tied to the European aircraft-subsidy dispute) and again during the 2025 reciprocal-tariff cycle, LVMH's US import cost structure was materially affected. Table 13 walks the exposure by product category.

Table 13 — US tariff exposure by product category

Product category	Primary manufacturing origin	US tariff exposure	Practitioner note
Louis Vuitton leather goods (EU-made)	France, Italy, Spain	EU tariff schedule at US border	Direct exposure. Price-elasticity of true luxury allows partial pass-through without volume loss.
Louis Vuitton leather goods (US-made)	Alvarado, TX (Ranch Alma) and California	None — domestic production	The tariff hedge. Ranch Alma allocation can shift US-market demand to US production.
Dior, Celine, Loewe, Fendi, Loro Piana ready-to-wear and leather	France, Italy, Spain	EU tariff schedule at US border	Direct exposure. Higher unit price than LV leather permits stronger pass-through.
Swiss watches (TAG Heuer, Hublot, Zenith)	Switzerland	Swiss-specific US tariff schedule	Different treatment from EU-origin. Rates evolved through 2025 diplomatic cycle.
Bulgari watches vs. Bulgari jewelry	Switzerland vs. Italy	Split treatment	Same maison, two tariff schedules depending on category and origin.
Tiffany jewelry	New York; Cumberland, RI	None — domestic production	Structurally protected. Tiffany’s US manufacturing footprint is a tariff-cycle asset.
Champagne (Moet, Krug, Ruinart, Dom Perignon, Veuve Clicquot)	Champagne AOC, France	EU tariff schedule; wine and spirits historically hit hard	Structurally thin margins; pass-through less feasible without volume loss.
Cognac (Hennessy)	Cognac, France	EU tariff schedule; disproportionate 2019-2020 headline exposure	The 25% French wine and spirits tariff in 2019-2020 hit Hennessy US import cost materially.
Perfumes (Guerlain, Dior)	Chartres and other France	EU tariff schedule	Category margin absorbs some pass-through; volume-sensitive at accessible-luxury price points.
Fenty Beauty / Fenty Skin	US contract manufacturing	None — domestic production	Structural tariff hedge inside the Perfumes & Cosmetics segment.

Product category	Primary manufacturing origin	US tariff exposure	Practitioner note
DFS duty-free retail	International airport concessions	Tax and duty-advantaged by design	Not a tariff exposure so much as a tariff-adjacent hedge. Captures Chinese and Asia-Pacific luxury spend outside home-market tariff regimes.

Source. Institute reconstruction from published US Trade Representative tariff schedules covering the 2018-2020 Section 301 dispute, 2025 reciprocal-tariff announcements, and Swiss-US tariff correspondence. Individual product treatment evolves with each diplomatic cycle; the exposure map above is directional, not a legal opinion.

Specific practitioner points on tariffs and LVMH bear naming. On **April 2, 2025**, the US announced reciprocal tariffs on EU imports at a 20 percent baseline. Rates were subsequently modified through diplomatic negotiations. Swiss watch imports were subject to a separate tariff schedule; final rates continued to evolve. Louis Vuitton opened the Ranch Alma facility in Alvarado, Texas in 2019 — the first Louis Vuitton manufacturing outside Europe at scale. Bernard Arnault attended the Trump inauguration in January 2025 and subsequently announced additional US expansion. This is not incidental to tariff planning. It is a hedge against exactly the tariff exposure LVMH faces.

The product-mix effect is direct. Louis Vuitton leather goods manufactured in the US via Ranch Alma face no US import tariff at the border. Louis Vuitton leather goods manufactured in France do. Over time, the US manufacturing footprint gives LVMH the option to shift US-market allocation to US production and reduce tariff exposure without cannibalizing brand-heritage marketing built on the French origin story. Swiss watches (TAG Heuer, Hublot, Zenith) face Swiss-specific US tariff dynamics that differ from EU-origin exposure. Bulgari watches sourced from Switzerland face different treatment than Bulgari jewelry sourced from Italy. Champagne and cognac are heavily exposed — Hennessy cognac accounted for a disproportionate share of the 2019-2020 tariff-dispute headlines because the 25 percent tariff on French wines and spirits at that time hit Hennessy's US import cost hard. Wine and spirits margins are structurally thinner than leather goods margins, so tariff pass-through is less feasible without volume loss. Duty-free retail (DFS Group) is a partial tariff hedge in a different sense: airport concession stores at international borders can be positioned as tax and duty-free relative to home-market luxury purchases, capturing Chinese and other Asia-Pacific consumer luxury spending outside home-market tariff regimes.

Table 14 — LVMH US-side manufacturing hedges

Facility	Location	Year opened	Maison served	Notes
Ranch Alma	Alvarado, TX	2019	Louis Vuitton	First LV manufacturing at scale outside Europe. Bernard Arnault attended opening. Signature US hedge.
California LV facility	California	Pre-2019	Louis Vuitton	Earlier US atelier presence, smaller scale than Ranch Alma.
Tiffany New York workshops	New York, NY	Legacy	Tiffany & Co.	Tiffany manufacturing footprint predates the 2021 LVMH acquisition; retained and expanded.
Tiffany Cumberland	Cumberland, RI	Legacy	Tiffany & Co. (high jewelry)	High-jewelry workshop. Rhode Island jewelry-craft tradition.
Fenty Beauty / Fenty Skin	US contract sites	2017–2020	Fenty Beauty; Fenty Skin	Contract-manufactured in the US since brand launch. Structural cosmetics-segment hedge.
Newton Vineyard	Napa Valley, CA	Legacy (LVMH since 2001)	Newton	US wines segment presence.
Additional LV US expansion (announced 2025)	US location TBD	Announced 2025	Louis Vuitton	Follows Ranch Alma. Signal that LVMH expects US-EU trade friction to persist rather than resolve.

Source. Louis Vuitton and LVMH press releases on US manufacturing footprint, Tiffany historical manufacturing disclosures, Fenty Beauty and Fenty Skin operating disclosures, and public reporting on the January 2025 Bernard Arnault US visit and subsequent US expansion announcement.

Practitioner takeaway. LVMH's manufacturing footprint has been shaped by two forces over four decades: preservation of French, Italian, and Swiss atelier heritage for brand-authenticity purposes, and selective US-side manufacturing investment as a tariff hedge. The tariff-cycle exposure is real and material, but LVMH is the best-positioned European luxury conglomerate to absorb it because the price-elasticity of true luxury goods is low. The practitioner reading: watch the US manufacturing footprint expansion as an indicator of Bernard Arnault's tariff-cycle expectations. If Ranch Alma is followed by additional US facilities across other maisons, it is a signal that LVMH expects US-EU trade friction to persist rather than resolve.

Reading Section 7. The tariff-cycle debate is not a headline overlay on top of a marketing conglomerate. It is a supply-chain and country-of-origin question that runs through every segment of the LVMH portfolio in different ways — EU-origin leather and champagne, Swiss-origin watches, US-origin jewelry and cosmetics, French-origin spirits, Italian-origin jewelry inside a Roman maison. A practitioner reader who holds the manufacturing map cold can read each new tariff announcement against the specific product lines it hits, rather than treating the group as a single monolithic exposure. That granularity is the difference between a practitioner reading and a sell-side headline.

Five-year annual build of operating cash generation, capex, and net cash after uses

Bridge from Section 7. Section 7 argued that Bernard is optimizing a manufacturing footprint across four decades of country-of-origin choices. Section 8 makes the parallel argument on the cash side: the compounded operating cash-flow engine is what funds every architectural decision described elsewhere in this memo — the flagship-real-estate purchases that anchor Section 5, the Miami Design District co-investment in Section 6, the US manufacturing expansion in Section 7, the Bulgari / Belmond / Tiffany acquisitions walked in Sections 9 and 14, and the dividend and buyback flows that discipline capital return without ever forcing balance-sheet leverage.

The Institute's standard practitioner cash-flow frame is a multi-year walk of operating cash flow, capex, free cash flow, dividends, share repurchases, and net cash after uses. LVMH reports full P&L and cash flow semi-annually (H1 and H2), with revenue disclosed quarterly by operating group. Table 15 presents the five-year annual walk from FY2022 through FY2026e, with FY2024 and FY2025 now tied to the LVMH 2025 Full-Year Results press release (January 27, 2026) rather than estimated. The intra-year read is directional: H1 2025 was the trough (organic –3%) and H2 2025 was the inflection (organic +1%); the annual cash-flow figure captures both halves rolled up.

Table 15 — LVMH five-year operating cash flow, uses, and net cash after uses (illustrative, EUR billions)

Fiscal year	Operating cash flow	Capex	Free cash flow	Dividends	Share repurchases	Net cash after uses
FY2022	17.7	(4.4)	13.3	(6.0)	(1.5)	+5.8
FY2023	19.3	(5.7)	13.6	(6.5)	(2.0)	+5.1
FY2024 actual	18.9	(5.5)	13.4	(6.5)	(1.4)	+5.5
FY2025 actual	18.9	(4.6)	14.3	(6.5)	(1.4)	+6.4
FY2026e	19.5	(5.0)	14.5	(6.5)	(1.4)	+6.6
Five-year total	94.3	(25.2)	69.1	(32.0)	(7.7)	+29.4

Method. FY2024 and FY2025 reconciled to LVMH 2025 Full-Year Results (January 27, 2026): OCF ties to Net cash from operating activities; capex ties to Operating investments; dividends held at declared €13/share on ~500M shares outstanding; buybacks estimated from prior-year cadence. FY2022–FY2023 from prior LVMH URDs. FY2026e is illustrative and consistent with H2 2025 inflection commentary and 2026 outlook. Annual dividends are paid in a single H1 tranche in France (AGM-declared, April 23, 2026 for FY2025); share repurchases run at cadence across the year; capex is smoothed.

What Table 15 says in one paragraph. LVMH generated more free cash flow in FY2025 than in FY2024 despite revenue falling –5% and recurring operating profit falling –9%. Free cash flow rose from €13.4B to €14.3B (using OCF minus capex; LVMH's own definition subtracting lease repayments moves the base but not the direction). The three drivers were: working capital consumed €1.3B less cash (better inventory discipline through the cycle); cash tax paid fell €0.9B (lower profit before tax and better cash-tax timing); and capex was cut €0.9B (deferring non-essential capacity while flagship and property capex continued). Net debt fell by €2.4B during the year, driving gearing from 13% to 9.9%. This is the specific pattern a Buffett-quality operator delivers in a soft-cycle year: revenue softens but cash flow discipline strengthens, the balance sheet gets stronger not weaker, and the dividend is held flat. Read Table 15 alongside Section 17 (what Bernard is optimizing for) and the frame becomes clear: soft cycle in Asia is not the story to remember about FY2025 — the story is that the family compounded cash on the balance sheet through it.

Intra-year seasonality memo (H1/H2 split, EUR billions). LVMH reports full cash-flow semi-annually. For FY2024, operating cash flow split approximately H1 €8.0B / H2 €10.0B; free cash flow H1 €5.0B / H2 €6.7B. Dividends of €6.5B are paid in a single H1 tranche following the AGM. For FY2025 the interim split runs approximately H1 €8.2B / H2 €10.5B on operating cash flow. The H2 skew reflects the luxury retail Q4 cycle. Readers used to quarterly disclosures (US-listed peers such as Ferrari and Estee Lauder) should note that European semi-annual reporting produces a lumpier read on cash-flow timing than the underlying operating cadence would suggest.

The five-year cash-flow reading in one paragraph. LVMH generates approximately €18-20B of annual operating cash flow at cycle-average pace, of which roughly €12-14B converts to free cash flow after capex. Annual dividends absorb approximately €6.5-7.0B; share repurchases run at approximately €1.0-2.0B per year. The residual builds cash on the balance sheet or funds acquisitions. The five-year total shows approximately €24B of net cash accumulation across the window — consistent with the Institute's frame that Bernard funds trophy acquisitions (Belmond, Tiffany, Cheval Blanc openings) out of compounded operating cash flow rather than balance-sheet leverage.

A case study in modern M&A drama — the Delaware Chancery, the MAC, and the $425 million settlement discount

The 2019–2021 Tiffany transaction is the single richest M&A case study of the last decade for a practitioner reader. It is the case study of the decade in Delaware Court of Chancery merger-agreement enforcement. It is the case in which LVMH — a strategic acquirer with an unbroken track record of clean deal execution — publicly attempted to walk from a signed transaction, invoked a Material Adverse Change (MAC) clause and a French government letter as its cover, faced a specific-performance suit in Vice Chancellor Slights's courtroom, and recut the deal at a $425 million discount rather than face a bench trial it was widely expected to lose. Every line of the sequence is instructive. And every line matters because Bernard Arnault does not typically negotiate publicly. The 2020 sequence was uncharacteristic in a way that a serious practitioner reader should study carefully.

The transaction in narrative

On **November 25, 2019**, LVMH announced an agreement to acquire Tiffany & Co. for $135 per share, or approximately $16.2 billion. It was the largest luxury acquisition in history at the time. The strategic rationale was clean: Tiffany was the last independent-listed prestige jewelry brand of comparable heritage to Cartier or Bulgari, and the acquisition would move LVMH's Watches & Jewelry segment from a distant number two behind Richemont into direct pole position. The deal was signed at a full price and the market accepted it.

Then **March 2020** arrived. COVID-19 lockdowns closed Tiffany stores globally. First-quarter and second-quarter Tiffany revenues collapsed. Every luxury peer suffered the same shock. LVMH's own Fashion & Leather Goods segment declined comparably. The pandemic was a systemic hit, not a Tiffany-specific hit.

On **September 9, 2020**, LVMH announced it would not close the transaction on the contractually scheduled date. The company cited a letter it said had been received from the French Minister of Europe and Foreign Affairs, Jean-Yves Le Drian, requesting a delay of the closing to January 6, 2021 due to threatened US tariffs on French goods. LVMH also invoked the Material Adverse Change (MAC) clause of the merger agreement, arguing that the pandemic had inflicted long-term damage on Tiffany's business that qualified as an MAC.

Tiffany filed suit in the Delaware Court of Chancery the same day, seeking specific performance. Tiffany's complaint made three arguments that the M&A bar read as devastating. First, the merger agreement's MAC definition explicitly excluded pandemics and their effects — a standard carve-out in post-2003 merger contracts. Second, LVMH's own luxury operating businesses had declined comparably to Tiffany's during the same period, undercutting the argument that Tiffany had suffered a disproportionate hit. Third, the French government letter was not what LVMH had publicly characterized it as; it did not, on its face, direct LVMH to abandon or delay the transaction, and its status as a binding instruction was widely disputed. On **September 28, 2020**, LVMH filed a countersuit alleging Tiffany had mismanaged the business during the pandemic. The counter was widely read by observers as a bargaining posture rather than a defensible legal position.

The Delaware trial was scheduled for early January 2021. Vice Chancellor Joseph Slights III of the Court of Chancery was assigned. In the two-plus decades of modern Delaware Chancery MAC jurisprudence, only one case (Akorn v. Fresenius, 2018) had ever found a valid MAC excusing a buyer's obligation to close. The bar consensus was that LVMH would lose. By late October 2020, with trial less than three months away, the parties re-cut the deal.

On **October 29, 2020**, a revised deal was announced at $131.50 per share, approximately $15.8 billion — a $425 million discount to the original price, approximately 2.6% off. Both sides dropped litigation. On **January 7, 2021**, the transaction closed and Tiffany was delisted from the NYSE. In the same month, **Alexandre Arnault** (Bernard's third child, first from the second marriage, then age 28) was named Executive Vice President of Products and Communications at Tiffany — the family's operating seat at the newly acquired maison and, in retrospect, the specific reason Tiffany matters to the Arnault succession architecture in a way no other LVMH acquisition does.

The subsequent operating chapter has been substantial. Tiffany closed "The Landmark" flagship at 727 Fifth Avenue in New York for a roughly four-year gut renovation. In **April 2023**, following an approximately $500 million renovation program, the flagship reopened as ten stories, 27 windows, personalized experiences by appointment, and the "Blue Box Cafe" on the upper floor. Then on **December 15, 2024**, a fire broke out on the 10th floor of the Landmark during evening hours. The

New York Fire Department responded; the fire was contained to the upper floors; no serious injuries were reported. The flagship closed temporarily for damage assessment. The event was widely covered internationally and was read by the trade press as a strange coda to a strange chapter.

Table 16 — Tiffany transaction timeline

Date	Event	Financial impact
November 25, 2019	LVMH announces agreement to acquire Tiffany & Co. at $135 per share.	$16.2B enterprise value. Largest luxury acquisition in history at signing.
March 2020	COVID-19 lockdowns close Tiffany stores globally. Q1/Q2 revenues collapse across luxury.	Systemic revenue decline; comparable across peers.
September 9, 2020	LVMH announces it will not close the transaction. Cites (a) letter allegedly from French Minister Le Drian requesting delay to January 6, 2021 due to threatened US tariffs, and (b) MAC clause based on pandemic damage.	Deal at risk. Tiffany share price falls.
September 9, 2020	Tiffany files suit in Delaware Court of Chancery seeking specific performance. Arguments: (i) no valid MAC because pandemic explicitly excluded from MAC definition, (ii) LVMH’s own luxury businesses declined comparably, (iii) the French government letter was not what LVMH represented.	Litigation initiated.
September 28, 2020	LVMH files countersuit alleging Tiffany mismanaged the business during the pandemic.	Reciprocal claim.
Late October 2020	Delaware trial scheduled for early January 2021 before Vice Chancellor Slights. Parties re-cut deal ahead of trial.	Settlement negotiation.
October 29, 2020	Revised deal announced at $131.50 per share, approximately $15.8B. Both sides drop litigation.	$425M discount from original price (~2.6%).
January 7, 2021	Transaction closes. Tiffany delisted from NYSE.	Deal completed at revised terms.
January 2021	Alexandre Arnault named EVP Products and Communications at Tiffany & Co.	Family operating seat installed.
April 2023	“The Landmark” (Tiffany flagship, 727 Fifth Avenue) reopens after nearly four-year gut renovation. Ten stories, 27 windows, Blue Box Cafe.	$500M renovation cost.
December 15, 2024	Fire on 10th floor of the Landmark during evening hours. Contained to upper floors, no serious injuries.	Temporary flagship closure for damage assessment.

Source. LVMH and Tiffany public filings, Delaware Court of Chancery docket for Tiffany & Co. v. LVMH Moet Hennessy Louis Vuitton SE et al., and contemporaneous reporting in the Wall

Street Journal, Financial Times, and Bloomberg. Fire event: New York Fire Department reporting and international press coverage, December 2024.

The comparability point — how badly did Tiffany actually decline versus its peers

The single strongest Tiffany argument in the Delaware complaint was that LVMH's own luxury businesses had declined comparably to Tiffany's. If the MAC required a disproportionate hit to Tiffany specifically, and LVMH's own segments were down as much or more, then no MAC applied. Table 17 captures the observed Q2 2020 decline percentages that were on the record when the litigation was filed.

Table 17 — Q2 2020 revenue decline, luxury peer comparison

Company / segment	Q2 2020 revenue decline	Institute note
Tiffany & Co. (full company)	(29)%	Defendant's alleged MAC target. Materially better than most Western luxury peers.
LVMH Fashion & Leather Goods segment	(37)%	LVMH's own crown-jewel segment declined worse than Tiffany in the same quarter.
LVMH consolidated revenue	(38)%	The group as a whole declined worse than the target.
Kering (full group)	(44)%	Gucci-heavy mix; sharper decline than LVMH or Tiffany.
Compagnie Financiere Richemont (full group)	(47)%	Hard-luxury peer; sharper decline than the target.
Hermes International	(25)%	Single luxury champion that materially outperformed. Structural supply discipline in Kelly / Birkin held up.

Source. Publicly reported Q2 2020 (three months ended June 30, 2020) revenue disclosures for LVMH, Kering, Richemont (three-month period ended June 30, 2020 or nearest comparable), Hermes International, and Tiffany & Co. Q2 2020 (three months ended July 31, 2020 on Tiffany's retail calendar).

What Table 17 says. Tiffany declined less than LVMH itself, and less than Kering, and less than Richemont. That is the specific fact pattern that made the MAC defense untenable. Tiffany’s Delaware complaint would have marched this table into evidence and asked Vice Chancellor Slights the obvious rhetorical question: if a 29% decline at Tiffany is a Material Adverse Change, what is a 37% decline at LVMH’s own Fashion & Leather Goods? Bernard’s deal team read the table. The recut followed.

Practitioner assessment

The Institute’s reading of the Tiffany saga is direct. LVMH’s MAC and French-government defense was widely viewed by the M&A bar as pretextual. Vice Chancellor Slights was expected to rule for Tiffany at the January 2021 bench trial. The $425 million discount is roughly the cost of the settlement discount LVMH negotiated to avoid an adverse ruling in open court. In practitioner terms: LVMH got a modest discount but paid for it in reputational cost with the acquisitions bar and with the Delaware court. That reputational cost is not visible on the LVMH balance sheet or in the URD. It is visible in every future major merger agreement LVMH signs, in which the counterparty’s counsel is now three notches more careful on MAC drafting, French-government carve-outs, and specific-performance remedies. Bernard Arnault does not typically negotiate publicly, and he does not typically leave litigation-driven marks on the record. The 2020 Tiffany sequence was uncharacteristic. A serious practitioner reader should note that it happened, understand why it happened (the pandemic reset the strategic math on the $16.2 billion price tag inside a signed contract that offered no clean exit), and understand what it cost (the $425 million discount plus a reputational cost the balance sheet does not price). The transaction ultimately closed on strategic terms LVMH could live with, and Tiffany has since delivered the operating results that the acquisition strategy required. But the case study on how it got there is the sharpest lesson in modern strategic-deal drafting the last decade has produced.

Real estate as brand — the Tiffany Landmark fire and what it says

The December 15, 2024 fire at Tiffany’s 727 Fifth Avenue flagship deserves more than the timeline entry it received above. The event is the single sharpest illustration in the LVMH record of the specific proposition that LVMH treats flagship real estate not as a rented store but as brand-equity capital. A practitioner reader who understands why the fire matters understands why LVMH invests in flagship real estate at scale no rent-paying tenant ever would.

The Landmark building. Tiffany has owned 727 Fifth Avenue since 1940. The Fifth Avenue and 57th Street corner is one of the most valuable retail addresses on earth. The building is 10 stories, roughly 170,000 square feet (15,850 square meters) of retail space. Under a landmark preservation designation from the New York City Landmarks Preservation Commission, the exterior facade is protected.

The $500 million renovation. LVMH funded a complete interior renovation from 2019 through 2023, one of the largest single retail-property investments in New York City history. Design was by OMA / Shohei Shigematsu with landmark-preservation compliance. The renovation added The Blue Box Cafe on the fourth floor, a two-story addition atop the historic building (a new glass and steel volume housing private client rooms), expanded high-jewelry retail, and digital and experiential elements. The building reopened in April 2023 under the branded name “The Landmark.”

The December 15, 2024 fire. A fire broke out on the 10th floor during evening hours. The New York Fire Department responded and contained the fire to the upper floors. No serious injuries were reported. The event was widely covered internationally — luxury retail fires at flagship buildings are rare and generate significant news attention. The flagship closed temporarily for damage assessment and repair. The underinsured value at risk was material given the $500 million renovation investment made less than two years earlier.

Table 18 — Tiffany Landmark 727 Fifth Avenue investment history

Year	Event	Approximate cost / value
1940	Tiffany acquires 727 Fifth Avenue building. Fifth Avenue and 57th Street corner.	Historic acquisition; carried at cost through subsequent decades.
1978	New York City Landmarks Preservation Commission protection extends to exterior facade in broader Midtown East designation.	Facade preserved; interior modifications permitted subject to landmark review.
Late 20th century	Building operates as Tiffany global flagship. 10 stories, roughly 170,000 sq ft (15,850 sqm).	Site of the Audrey Hepburn 1961 “Breakfast at Tiffany’s” opening sequence.
January 2021	LVMH acquires Tiffany & Co. Building becomes part of the LVMH real-estate footprint.	$15.8B transaction (recut deal). Real estate embedded, not separately marked.
2019–2023	Complete interior gut renovation. OMA / Shohei Shigematsu design. Two-story addition atop the historic building. Blue Box Cafe on fourth floor. Private-client rooms.	Approximately $500 million renovation cost. Among the largest single retail-property investments in NYC history.
April 2023	Reopens as “The Landmark.” Ten stories, 27 windows, personalized appointment-based experience.	Post-renovation reopening. Marketing anchor of the LVMH-era Tiffany brand relaunch.
December 15, 2024	Fire on 10th floor during evening hours. Contained by NYFD to upper floors. No serious injuries. Flagship closes for damage assessment.	Underinsured value at risk material. Cost of interruption not quantified on the record.
2025 onward	Repair and reopening sequence. LVMH does not disclose flagship-property carrying value as a segment.	Building carried on the LVMH balance sheet at historical cost basis; market value materially higher (see Section 5).

Source. Tiffany & Co. historical property records, New York City Landmarks Preservation Commission designation records, LVMH press coverage of the 2019-2023 renovation, and New York Fire Department reporting on the December 15, 2024 fire.

What it says about LVMH’s real-estate-as-brand philosophy. A luxury flagship is not just retail space. It is the largest single expression of brand identity that the maison can control. Louis Vuitton on Champs-Elysees, Tiffany at 727 Fifth Avenue, Fendi in Palazzo Fendi Rome, Bulgari on Via Condotti in Rome, Dior at 30 Avenue Montaigne — these are not incidental retail leases. They are the physical embodiment of the brand at scale. LVMH invests in these buildings at a scale that a rent-paying tenant never would. That investment is a form of brand-equity capital expenditure. When Tiffany suffered a fire less than two years after a $500 million renovation, the loss was not measured in square feet or in temporary revenue; it was measured in the interruption of the brand's largest single physical statement.

The practitioner reading. LVMH does not treat flagship real estate as a cost center. It treats flagship real estate as brand-equity capital. The economic case for owning versus leasing at scale differs materially from other retailers: the reduction of landlord-risk-of-lease-termination alone is worth a substantial premium. But beyond that, LVMH-owned flagships are built to a specification only the brand owner would fund. This is why the SOTP framing in Section 4 of this memo values LVMH real estate at market rather than at book — the real economic value is the brand-owner's control of the physical statement, not the rent-yield of the building.

Cross-reference. See also Section 6 (Miami Design District) for LVMH's real-estate-as-strategic-asset philosophy applied at the district scale, and Section 15 (property portfolio, city by city) for the address-level inventory that the Landmark building sits inside.

Reading the Landmark fire. The event itself was contained and injuries avoided. What matters for the practitioner reader is the underlying frame it exposes: LVMH's largest single US retail address suffered a fire less than two years after a $500 million renovation, and the loss LVMH is exposed to is not primarily a leased-store-inventory loss but a brand-equity-capital-interruption loss. That is the specific reason a serious practitioner reader values LVMH real estate at market rather than at book. The building is not a rented shell. It is the brand.

Bernard, the two marriages, and the five children in operating seats

Bernard Arnault was born March 5, 1949, in Roubaix, France, into an industrial family (Ferret-Savinel construction and public works). He is a graduate of the Ecole Polytechnique. In 1984 he executed the transaction that launched the modern LVMH: the acquisition of Financiere Agache, the holding company that controlled Boussac (a bankrupt textile group holding Christian Dior). Bernard paid a nominal price for the group, kept Dior, and sold off the rest. That transaction is the founding act. From Dior he built to Louis Vuitton (control acquired through the 1988-1990 LVMH merger battle), and from that base he compounded into the current group.

Bernard has been married twice. His first marriage to Anne Dewavrin produced Delphine (born 1975) and Antoine (born 1977). His second marriage to Helene Mercier (Canadian concert pianist) produced Alexandre (born 1992), Frederic (born 1994), and Jean (born 1998). All five children are currently in operating seats inside the group, deliberately distributed across divisions. That distribution is not accidental. It is the succession architecture.

Table 19 — The five Arnault children and their operating seats

Child	Born	Mother	Current operating seat	Career arc
Delphine	1975	Anne Dewavrin	CEO, Christian Dior Couture (since February 2023). Board member, LVMH SE.	Eldest child. Previously EVP Louis Vuitton. HEC + LSE.
Antoine	1977	Anne Dewavrin	Chairman, Christian Dior SE (holding). CEO, Berluti. Head of Communications, Image and Environment for LVMH.	Second child. Married to Natalia Vodianova. HEC + INSEAD.
Alexandre	1992	Helene Mercier	EVP Products & Communications, Tiffany & Co. (January 2021 to present).	Third child, first from second marriage. Previously CEO Rimowa (acquired 2016). Ecole Polytechnique.
Frederic	1994	Helene Mercier	CEO, LVMH Watches division (from 2024). Previously CEO TAG Heuer (2020–2023).	Fourth child. Ecole Polytechnique. Concert-pianist background.
Jean	1998	Helene Mercier	Director of Marketing & Development, Louis Vuitton Watches (from 2021).	Youngest. MIT + Imperial College. Watch enthusiast; positioned inside LV's watch strategy.

The architecture behind Table 19. Read the seats. Delphine runs Christian Dior Couture (the group's second-most-valuable maison). Antoine chairs Christian Dior SE (the holding vehicle that sits directly above LVMH SE). Alexandre runs product and communications at Tiffany & Co. (the largest single acquisition in LVMH's history). Frederic runs the entire watches division. Jean is positioned inside Louis Vuitton (the crown jewel maison) with a watch specialization. Every operating child has a distinct fiefdom. No two children share a maison. First-marriage children (Delphine, Antoine) sit at the top of the holding architecture (Antoine chairs Christian Dior SE) and at the top of the second-largest maison (Delphine runs Dior). Second-marriage children (Alexandre, Frederic, Jean) sit inside operating seats of increasing seniority as they age into the roles. This is not accidental. It is deliberate distribution designed to avoid the classic dynastic problem of two children fighting over the same seat.

Table 20 — Arnault-family board seats at LVMH SE (as of 2024 URD)

Family member	Board seat	Notes
Bernard Arnault	Chairman & CEO, LVMH SE	Term extended past 75 by April 2022 shareholder vote raising CEO age limit to 80.
Delphine Arnault	Board member; CEO Christian Dior Couture	First child, first marriage.
Antoine Arnault	Board member; Chairman Christian Dior SE; CEO Berluti	Second child, first marriage.
Alexandre Arnault	Board member; EVP Tiffany & Co.	Third child, first from second marriage.
Frederic Arnault	Board member; CEO LVMH Watches	Fourth child.
Jean Arnault (operating role at LV; not yet on LVMH SE board)	—	Youngest; positioned to age into a board seat.

Source. LVMH SE Board composition, 2024 Universal Registration Document.

How Bernard bought himself another five years

On April 21, 2022, at the LVMH SE annual general meeting, shareholders voted to raise the mandatory-retirement age for the CEO from 75 to 80. Bernard was 73 at the time. Every practitioner reader understood immediately what had happened: Bernard had bought himself five more years at the top. Under the previous statute, Bernard would have been forced to step down as CEO in 2024. Under the amended statute, he can remain CEO through March 2029 at the earliest. If a similar vote is passed later, he could remain in seat beyond that.

What the vote changed procedurally

The LVMH SE bylaws (statuts) previously included an age limit of 75 years for the CEO role. The April 21, 2022 shareholder vote amended the bylaws to raise that ceiling to 80. The change was passed by an overwhelming majority. It was not contested. It required no regulatory approval beyond the standard AMF-supervised shareholder-vote process. The mechanism is procedurally unremarkable; the intent is what mattered.

Why the vote was uncontested

Three reasons. First, family control: with Christian Dior SE (Arnault-controlled) holding approximately 41% of the LVMH SE share capital and approximately 57% of the voting rights, plus other directly held family stakes, the Arnault side of the register controlled the outcome before the vote was called. Second, long-term-holder alignment: the balance of the register is dominated by long-duration institutional holders (BlackRock, Vanguard, family-office allocations, sovereign wealth) who back Bernard's operating track record. Third, the alternative was worse: the CEO succession question at LVMH is architecturally difficult (five children, two marriages, no clean single heir), and every long-term holder benefits from Bernard having additional time to stage the transition rather than being forced by statute into a premature handover.

Table 21 — Bernard Arnault CEO tenure horizon (post-2022 vote)

Milestone	Date	Age	Note
Bernard Arnault born	March 5, 1949	0	Roubaix, France.
Financiere Agache / Christian Dior acquired	1984	35	The founding transaction.
Named LVMH Chairman & CEO	Jan 1989	39	Following the 1988–1990 LVMH battle.
Would have been forced to retire under old bylaws	March 2024	75	Under the pre-April-2022 statute.
April 21, 2022 shareholder vote raises CEO age limit to 80	April 21, 2022	73	Bought Bernard 5 additional years.
New statutory ceiling under current bylaws	March 2029	80	Bernard could remain CEO through this date under existing bylaws.
Institute base case — possible further extension	Beyond 2029	80+	A subsequent vote could raise the ceiling further. This is the Berkshire-adjacent frame.

Reading Table 21. Bernard is signaling to the market that he intends to remain in seat well beyond the age at which most CAC 40 CEOs are pushed out. The April 21, 2022 vote is the specific procedural evidence. A serious practitioner reader does not need to speculate about Bernard's timing; the vote is the timing. He will remain CEO through at least March 2029 (age 80) and likely longer if the bylaws are amended again. The transition to a next-generation CEO is not imminent. It is being staged.

The holding structure above LVMH, from Belgian era to French re-domiciliation, and why it was built that way

Section 12 walks the holding architecture that sits above LVMH SE. This is the piece of the LVMH case that a Family Office reader should study cold. The architecture has been engineered for governance permanence and for tax efficiency, and it is the single most sophisticated multi-generational family-control structure any listed European champion has ever built. The structure is public. It is disclosed in the Christian Dior SE 2024 URD. The reason it is not more widely understood is that most practitioners stop reading at "LVMH is Arnault-controlled" without walking the layers.

Table 22 — The Arnault control chain, top to bottom

Layer	Entity	Jurisdiction	Approx. stake held	Purpose
Top — Family holding	Groupe Arnault SEDCS	France	100% Arnault family	Ultimate family vehicle.
Second layer — Family holding	Financière Agache SA	France (Belgian 1988–2018)	Groupe Arnault 100%	Governance permanence; historically Belgian; re-domiciled to France 2018 as part of the Christian Dior consolidation.
Sub-holding	Semyrhamis SA	France	Family-controlled	Sub-holding vehicle for various family interests; sits below Financière Agache.
Third layer — Listed holding	Christian Dior SE (CDI.PA)	France (listed)	Financière Agache ~97%	Publicly listed but Arnault-controlled.
Fourth layer — Operating company	LVMH SE (MC.PA)	France (listed)	Christian Dior SE ~41% capital / ~57% votes	The operating group holding the maisons.

Source. Christian Dior SE 2024 URD, Ownership Structure disclosures; LVMH 2024 URD, Shareholding disclosures.

The Belgian era (1988–2018) and the 2018 re-domiciliation to France. Financière Agache was historically Belgian-domiciled from the late 1980s through 2018, when it was re-domiciled to France as part of the Christian Dior consolidation announced in 2017 and completed in 2018. The Belgian era shaped the multi-decade Arnault planning stack in several material ways: (i) the Belgian holding-company regime through the 1990s and 2000s provided more favorable treatment of dividends and inter-corporate flows than the French regime for the specific case of holding listed equity in a French champion; (ii) the SCA (société en commandite par actions / partnership limited by shares) governance form used historically in Belgium separated managing partners (who make control decisions) from limited partners (who hold economic interests) — architecturally similar to a private-equity general-partner / limited-partner split at the family-holding-company level; and (iii) the Belgian regional inheritance-tax regimes were historically more favorable than the French regime on family-business transfers. Bernard Arnault and family were the managing partners of the historical Belgian SCA. That control could not be diluted by a hostile takeover of the underlying limited partnership interests.

Why re-domicile to France in 2018. The 2017–2018 Christian Dior consolidation was the specific transaction that triggered the re-domiciliation. In April 2017, Groupe Arnault and family launched a simplified tender offer to buy the outstanding minority shares of the historical Christian Dior SA and to merge Christian Dior Couture (previously held at Christian Dior SA level) into LVMH SE. That consolidation simplified the group from five layers to four and eliminated a longstanding sum-of-the-parts arbitrage at Christian Dior SA. In connection with that transaction, the Belgian Financière Agache SCA was re-organized and re-domiciled to France (as Financière Agache SA), a change that (a) reflected substantive French tax-regime improvements in the 2010s that had narrowed the historical Belgium-France gap and (b) simplified the French estate-tax planning stack under the Pacte Dutreil, which is a specifically French mechanism (see Section 13). The re-domiciliation is on the public record and the current position is that Financière Agache is a French SA operating within the French Pacte Dutreil framework.

What the current position means for practitioners. Because Financière Agache is now a French SA (not a Belgian SCA), the Pacte Dutreil French mechanism becomes even more central to the Arnault estate-tax planning stack than it would have been under continued Belgian domicile. The historical Belgian era shaped four decades of planning — it is why the LVMH acquisitions ledger before 2018 was executed with a Belgian holding upstream of the French listed intermediary — and it left architectural artifacts (the SCA-style managing-partner / limited-partner separation, cross-border tax planning muscle) that remain part of the family's operating vocabulary. But the current position, in 2026, is that the reference architecture is French: Groupe Arnault (France) → Financière Agache SA (France, re-domiciled from Belgium in 2018) → Christian Dior SE (France, listed) → LVMH SE (France, listed). Read that way, the Pacte Dutreil mechanism becomes the central planning instrument, not a peripheral one.

Compare to Kering / Pinault and to Hermes

Every French luxury family champion has an equivalent holding vehicle. The three architectures are not identical, and the differences are instructive.

Table 23 — The three French luxury family-holding architectures, side by side

Family	Top-of-chain family vehicle	Jurisdiction	Listed operating company	Institute note
Arnault	Groupe Arnault to Financière Agache SA (French; Belgian 1988–2018)	France (with historical Belgian era)	Christian Dior SE to LVMH SE	Two-layer listed intermediary; historically Belgian SCA, re-domiciled to France 2018.
Pinault	Artemis SAS	France	Kering SA	Single-layer holding. Artemis also holds Christie's, Puma, Chateau Latour.
Hermes	H51 SAS (family holding pact)	France	Hermes International	Family pact structure. Built specifically to defend against the 2010–2014 LVMH stealth attempt.

What Table 23 says. The Arnault architecture is materially more elaborate than the Pinault or Hermes architectures. Pinault runs a single-layer holding (Artemis SAS) that owns Kering directly plus other family assets. Hermes runs a family-pact holding (H51) specifically engineered to defend voting control after the 2010 LVMH stealth accumulation. Arnault runs a two-layer chain (Groupe Arnault to Financière Agache to Christian Dior to LVMH) that puts a listed intermediary (Christian Dior SE) in the middle of the chain. Why bother? Because Christian Dior SE is a publicly listed vehicle that trades separately from LVMH SE, and its listing creates a second source of capital-market liquidity for the family without requiring a sale of LVMH SE shares. Bernard can raise capital through Christian Dior SE if he ever needs to, or unwind at Christian Dior SE if a next-generation succession event demands liquidity, without disturbing the LVMH SE share register. This is architecture engineered for options a hundred years out.

The Family Office CFO takeaway. If you are advising a European industrial family building a multi-generational holding structure, Financière Agache is your reference architecture. The historical Belgian SCA era (1988–2018), the 2018 re-domiciliation to France, the two-layer chain with a publicly listed intermediary, the domicile choices made for tax and governance rather than convenience — these are the specific engineering decisions worth studying. The Institute publishes the LVMH case in part because most practitioner literature does not walk this architecture at operational detail. It should.

French estate tax exposure and the practitioner's read on family-control longevity

The Financiere Agache architecture answered part of the multi-generational-control question in Section 12. The other part is French estate tax exposure. This is the tax dimension of the Arnault architecture and it is the specific reason a serious practitioner reader should understand cold that family-control durability in France is not the same as family-control durability in the United States or Switzerland. The mechanics matter, and the tax planning around them matters more.

French wealth transfer tax on residents

The French wealth-transfer tax (droits de succession) on residents applies at progressive rates that reach 45% for direct descendants (children) on estate transfers above the top band, with higher marginal rates for more distant relations (up to 60% for unrelated beneficiaries). The rates are per beneficiary per parent (each child receives an independent bracketing) with an initial exempt allowance of €100,000 per child per parent. The rate bands for direct descendants are as follows.

Table 24 — French inheritance tax rate bands for direct descendants (children per parent, per beneficiary)

Bracket	Marginal rate	Note
Up to €8,072	5%	Applied after the €100,000 per-child-per-parent allowance.
€8,072 to €12,109	10%	Progressive band.
€12,109 to €15,932	15%	Progressive band.
€15,932 to €552,324	20%	The middle-class working band.
€552,324 to €902,838	30%	Upper-middle-class transfer band.
€902,838 to €1,805,677	40%	Wealth-transfer band.
Above €1,805,677	45%	The band that binds on family-holding transfers.

Source. French General Tax Code (Code général des impôts) Article 777, direct-descendant rate schedule. Rates apply per beneficiary per parent.

The sizing point. On a family holding stake at approximately €400 billion in equity value (a serviceable order of magnitude for what an Arnault-controlled composite of Christian Dior SE and LVMH SE is worth in a full-cycle market environment), French estate tax at the 45% marginal rate on Bernard's death without planning would represent a potential tens-of-billions-of-euros claim on the Arnault family. That single number alone would force a Christian Dior SE or LVMH share sale on a timeline that would end multi-generational family control. Every serious European family-holding architecture must therefore be built to survive that arithmetic. Bernard's has been.

The Pacte Dutreil — the operative French tax shelter for family-business transfers

The mechanism that makes the arithmetic survivable is the Pacte Dutreil (French Commercial Code Article 787 B). It is the French statutory mechanism that reduces the taxable base on family-business shares transferred by inheritance or gift by 75%, subject to three commitments. First, a collective holding commitment (engagement collectif de conservation) of at least 2 years pre-transfer, at specified thresholds that differ for listed and unlisted issuers: for **listed companies** (LVMH SE and Christian Dior SE both fall in this category), the collective commitment must cover at least **10% of financial rights and 20% of voting rights**; for **unlisted companies**

(Financière Agache SA is an unlisted French company after the 2018 re-domiciliation), the collective commitment must cover at least **17% of financial rights and 34% of voting rights**. Second, an individual holding commitment of 4 years post-transfer by each heir. Third, one family member (a signatory to the collective commitment or an heir) must actively hold a management function (as a director or executive officer) for at least 3 years post-transfer. When those conditions are met, the taxable base on family-business shares is reduced from 100% to 25%, which drives the effective inheritance tax rate on the family-business share transfer from a nominal 45% to an effective 11.25% (0.25 × 45%). Additional lifetime-transfer discounts stack: the age-based reduction on lifetime gifts is 50% if the donor is under 70 or 30% if between 70 and 80, which combined with the Pacte Dutreil 75% base reduction can drive the effective rate on a lifetime gift with Pacte Dutreil in place to as low as approximately **5.6% (0.25 × 0.5 × 45%)**. That is the specific arithmetic that makes the multi-generational transfer of a €180B family stake survivable at family-control level.

The historical Belgian holding structure (1988–2018)

Financière Agache was Belgian-domiciled from the late 1980s through 2018 (see Section 12). Belgium had historically offered more favorable inheritance and holding-company treatment than France for family holding-company vehicles, and Belgian regional tax regimes (Brussels, Flanders, Wallonia) continue to offer differing family-business exemption regimes today. Family-controlled operating companies can qualify for reduced Belgian inheritance-transfer rates under specific conditions. The Belgian era of Financière Agache (1988–2018) contributed to the Arnault architecture by (a) placing the family holding vehicle inside a jurisdiction that was historically more favorable on inheritance transfer than France through the 1990s and 2000s, and (b) using the SCA (société en commandite par actions) governance form to lock managing-partner control at the family level. The Belgian domicile was a governance and tax choice; it was not a residence choice for Bernard personally, who has been a French tax resident throughout. Following the 2018 re-domiciliation to France, the current planning stack relies on French mechanisms — specifically the Pacte Dutreil — rather than on the Belgian regime. The historical Belgian era shaped four decades of muscle memory; it is not the current architecture.

The Florange Law double-voting-rights mechanism

The 2014 Florange Law (Loi Florange) introduced double voting rights as the default treatment for shares held in registered form for at least 2 years by French listed companies, unless the bylaws provide otherwise. Christian Dior SE and LVMH SE both apply the double-voting-rights mechanism. That means the Arnault family, holding shares registered for many years, receives double voting rights that structurally protect family control even after some economic dilution from inheritance-driven share transfers. Even if a portion of family capital is eventually sold to satisfy estate tax obligations, the remaining family-held shares retain double voting rights, sustaining voting control disproportionate to the diluted economic stake.

Usufruct / nue-propriété lifetime transfers

The final piece of the architecture is the deliberate use of usufruct (usufruit) and bare ownership (nue-propriété) transfers during Bernard's lifetime. Under French civil law, an asset can be split between usufruct (right to use, receive income) and bare ownership (right to eventual full ownership). Transferring bare ownership to children during the parent's lifetime crystallises the tax value at that date (typically at a discount to full-ownership value using the usufruct-valuation table), and when the parent later dies the usufruct reunifies with the bare ownership at no additional inheritance tax. This is a widely used French wealth-transfer planning technique and is architecturally likely to be part of the Arnault plan across the five children.

Table 25 — Estate tax protection stack for the Arnault family

Mechanism	Jurisdiction	What it protects
Pacte Dutreil (CGI Art. 787 B) election on French holdings	France	Reduces taxable base on family-business share transfers by 75% subject to 2-year collective / 4-year individual holding commitments and 3-year family-manager role. Listed thresholds: 10% financial / 20% voting; unlisted: 17% / 34%.
Financière Agache SA family holding (French since 2018; Belgian SCA 1988–2018)	France (with Belgian era)	Historical Belgian SCA governance-permanence form (managing-partner / limited-partner separation) shaped four decades of planning; 2018 re-domiciliation places the vehicle inside the French Pacte Dutreil framework going forward.
Double-voting-rights mechanism (Loi Florange, 2014)	France	Retains family voting control even after some economic dilution from inheritance-driven share transfers.
Usufruct / nue-propriété lifetime transfers to children	France	Crystallises transfer value at a discount during Bernard's lifetime; usufruct reunifies at no additional tax on death.
Two-layer listed holding chain (Christian Dior SE above LVMH SE)	France	Separates capital-markets liquidity at the intermediary level so estate-driven monetization does not force LVMH SE share sale.
Deliberate distribution of operating seats across five children	Cross-jurisdiction	Ensures the Pacte Dutreil family-manager condition is durably met across generations.

Source. French Code général des impôts Article 777 (inheritance tax rate schedule); French Commercial Code Article 787 B (Pacte Dutreil); Loi Florange (2014) on double voting rights; Belgian regional tax regimes (Brussels, Flanders, Wallonia) on family-business inheritance treatment; contemporaneous coverage in Le Monde, Le Figaro, and Les Echos on the Arnault family holding architecture.

Comparison to US estate tax

US federal estate tax applies at 40% marginal above a $13.99 million (2025) per-person exemption. There is no US equivalent to the Pacte Dutreil rate reduction. Section 6166 of the Internal Revenue Code allows deferred payment of federal estate tax attributable to a closely-held business over up to 14 years, but Section 6166 is procedural (a payment-timing benefit) not a rate reduction. A comparable US billionaire family would rely on a different planning stack: (a) grantor retained annuity trusts (GRATs) to freeze the taxable value of appreciating assets at the grantor's date-of-transfer level; (b) intentionally defective grantor trusts (IDGTs) to shift future appreciation outside the estate while the grantor continues to pay the trust's income tax as a further gift-tax-free transfer; (c) beneficiary defective inheritor's trusts (BDITs) as a variant on the IDGT theme; (d) charitable lead annuity trusts and family limited partnerships with valuation discounts (though the IRS scrutiny on the last is heavy). In addition, state-level estate tax adds approximately 5% to 16% depending on residency (Washington, Oregon, Massachusetts, New York, and Vermont are at the higher end; most Southern and Mountain states impose no state-level estate tax). As a result, a comparable US billionaire family would face 40% federal estate tax plus up to 16% state, with a planning stack (GRAT / IDGT / BDIT) that operates on freeze-and-transfer rather than on the Pacte Dutreil-style base-reduction mechanism. The Arnault architecture is more structurally protected than a comparable US billionaire family's would be under US estate law — the Pacte Dutreil 75% base reduction is a rate advantage without a direct US analog.

The practitioner takeaway. The combination of (a) Pacte Dutreil election on French holdings at listed-company thresholds (10% financial / 20% voting), (b) Financière Agache SA now French-domiciled after the 2018 re-domiciliation from Belgium (with the historical Belgian SCA era shaping the governance vocabulary), (c) double-voting-rights mechanism at Christian Dior SE and LVMH SE under Loi Florange (2014), and (d) careful use of usufruct / nue-propriété transfers to children during Bernard's lifetime is what makes Arnault-family control durable across generations. Each piece alone is insufficient. Together they are the reference stack. Every European Family Office CFO advising a family holding of comparable scale should have this stack on the shelf as the operational template.

Four decades of transactions, walked in order

Every serious practitioner reader of LVMH should have the acquisition record on the shelf as a single walkable table. Bernard Arnault's four-decade record begins with the 1984 Boussac / Christian Dior recap, runs through the 1987 formation of LVMH itself and Bernard's 1988–1990 accumulation of majority control, and continues through the sequential bolt-ons that built the current group: Kenzo, Guerlain, Loewe, Celine, Sephora, Marc Jacobs, TAG Heuer, Chaumet, Fendi, DFS, Bulgari, Loro Piana, Christian Dior Couture consolidation, Belmond, Tiffany. Table 26 walks the record. Table 27 shows the same record aggregated by decade so a reader can see the cadence at which Bernard has deployed capital across the cycle.

Table 26 — The Arnault acquisition record, 1984 to 2024 (reverse chronological)

Year	Target	Deal type	Approx. cost	Category	Strategic rationale
2024	Announced acquisitions and expansions	Bolt-ons and openings	reported	Multiple	Cheval Blanc Beverly Hills, Seychelles openings; continuing Bulgari Hotels rollout; Tiffany Landmark post-fire reset.
2023	Various bolt-ons	Bolt-ons	reported	Multiple	Continuing bolt-on program across Wines & Spirits, hospitality, and cultural-relevance targets.
2021	Tiffany & Co.	Public tender (recut)	$15.8B	Watches & Jewelry	Largest luxury acquisition ever. Recut from $16.2B after the pandemic-driven MAC dispute. Closed January 7, 2021. See Section 9.
2021	Off-White (majority) / cultural collaborations	Bolt-ons and collabs	reported	Fashion / cultural	Cultural-relevance positioning for the streetwear-adjacent luxury tier.
2020–2021	Cheval Blanc Paris opens (La Samaritaine)	Development, not acquisition	n/a	Hospitality	La Samaritaine site reopens 2021 including Cheval Blanc Paris hotel.
2019	Belmond	Public tender	$3.2B	Hospitality	54 properties, including 8 iconic hotels (Copacabana Palace, Cipriani, Splendido, Grand Hotel Timeo, Villa San Michele, Charleston Place, Grand Hotel Europe, Hotel das Cataratas) plus 3 luxury trains. Trophy-hospitality entry at cycle-trough price.
2019	Chateau du Galoupet, Colgin Cellars (majority), Chateau d’Esclans	Bolt-ons	reported	Wines & Spirits	Provence rose and Napa Valley wine bolt-ons broadening Wines & Spirits.

Year	Target	Deal type	Approx. cost	Category	Strategic rationale
2017	Christian Dior Couture consolidation	Family restructuring	EUR 12.1B	Structural / Fashion	Consolidation of the Christian Dior chain; Arnault-controlled Christian Dior SE acquires Christian Dior Couture from Groupe Arnault. Simplified the control chain.
2016	Rimowa	80% acquisition	EUR 640M	Fashion / travel goods	German premium luggage maison. Alexandre Arnault initially installed as co-CEO.
2013	Loro Piana	80% acquisition	$2.6B	Fashion / cashmere	Italian family cashmere and vicuna maison. Ultra-luxury materials verticality.
2011	Bulgari	Stock deal	$5.2B	Watches & Jewelry	Landmark Italian jewelry maison. Family-negotiated transaction; installed the Bulgari family as long-term LVMH shareholders.
2001	Fendi	Acquisition	$970M	Fashion	Roman fur and leather maison; increased to control from a Prada joint venture.
2001	DFS Group	Acquisition of 61%	$2.5B	Selective retailing / travel	Airport duty-free concessions. Travel-retail exposure.
1999	TAG Heuer	Acquisition	$739M	Watches	Inaugural Watches acquisition; foundation of Watches & Jewelry segment.
1999	Ebel and Chaumet	Acquisitions	reported	Watches / Jewelry	Watches (Ebel) and Paris jewelry (Chaumet).
1997	Sephora	Acquisition	$290M	Selective retailing	Global specialty beauty retail. Compounder inside Selective Retailing.
1997	Marc Jacobs	Acquisition	reported	Fashion	American designer maison.
1996	Loewe	Acquisition	reported	Fashion / leather	Spain-based family maison. Leather-goods depth.
1996	Celine	Acquisition	FRF 2.5B	Fashion	Paris ready-to-wear maison.

Year	Target	Deal type	Approx. cost	Category	Strategic rationale
1994	Guerlain	Acquisition	FRF 3.4B	Perfumes & Cosmetics	Historic French perfume maison. Anchor of Perfumes & Cosmetics segment.
1993	Berluti	Acquisition	reported	Fashion / footwear	Italian leather-shoe maison; first-marriage-child seat (Antoine) later installed as CEO.
1993	Kenzo	Acquisition	FRF 500M	Fashion	Japanese-founded Paris maison. Fashion + Perfumes expansion.
1988–1990	LVMH SE control	Open-market accumulation	reported	Structural	Bernard becomes majority shareholder of LVMH through the Christian Dior control chain.
1987	LVMH formation	Merger	n/a	Structural	Merger of Louis Vuitton with Moet Hennessy creates the group.
1984	Boussac / Christian Dior	Recap and takeover	FRF 400M	Fashion	Bernard's first control transaction. Base of the empire. Kept Dior; sold the rest of Boussac.

Source. LVMH press releases and 10-K/URD historical disclosures for each named transaction; contemporaneous reporting in the Wall Street Journal, Financial Times, Bloomberg, and Reuters. Amounts marked "reported" are figures cited in the trade press without an explicit LVMH-disclosed number. FRF = French francs (pre-euro).

Table 27 — Cumulative capital deployed to acquisitions, by decade (illustrative, USD billions)

Decade	Approx. capital deployed	Institute note
1984–1994	$0.5–1.0B	The founding decade. Boussac / Dior recap, Berluti, Kenzo, Guerlain. Bernard building the base of the empire on modest cheque sizes.
1995–2004	$5–7B	The category-expansion decade. Loewe, Celine, Sephora, Marc Jacobs, TAG Heuer, Ebel, Chaumet, Fendi, DFS. Every operating group takes shape.
2005–2014	$10–13B	The hard-luxury and consolidation decade. Bulgari (2011, $5.2B), Loro Piana (2013, $2.6B), plus various bolt-ons.
2015–2024	$35–40B	The trophy-transaction decade. Rimowa, Christian Dior Couture consolidation (~EUR 12.1B), Belmond ($3.2B), Tiffany ($15.8B), plus continuing bolt-ons.
Aggregate, 1984–2024	$50–60B	Illustrative aggregate at approximate USD equivalent at deal date. Excludes internal capital investment, real-estate acquisitions, and hospitality build-out capex.

Source. Institute reconstruction from the transactions in Table 26 above, converted to USD at approximate deal-date exchange rates. Not a formal capital-deployment audit; illustrative for practitioner sizing.

Reading the acquisition record. The cadence is instructive. Bernard's cheque size has increased by roughly an order of magnitude each decade — from small-fashion bolt-ons in the 1980s to structural category anchors in the 1990s and 2000s to trophy transactions in the 2010s and 2020s. That escalation tracks LVMH's own free-cash-flow growth. Bernard has never paid trophy-transaction prices out of leverage; he has paid them out of the group's compounded cash generation. That is the Buffett-adjacent capital-allocation posture the Institute holds firmly.

The real-estate footprint at address-level detail

Section 5 argued that the LVMH real-estate footprint is a hidden asset the market does not price as a segment. Section 15 makes that argument concrete at address-level detail. The tables below list the specific buildings, streets, and hospitality properties that make up the footprint. Ownership status is stated where confirmed on the record; other addresses are noted as reported and marked accordingly. A practitioner reader can walk this list against arms-length prime retail comparables in each market and arrive at the same $18 to $32 billion aggregate market value that appears in Table 9.

Table 28 — Prime flagship footprint by city (partial address-level list)

City	Address	Brand / tenant	Ownership status	Notes
Paris	22 Avenue Montaigne	LVMH SE headquarters	Owned	Group corporate seat.
Paris	101 Avenue des Champs-Elysees	Louis Vuitton flagship	Owned or long-lease	Highest-productivity luxury retail address on earth.
Paris	24 Rue de Sevres	Le Bon Marche + 24 Sevres department store	Owned	Historic 7th arrondissement department-store block.
Paris	30 Avenue Montaigne	Christian Dior maison	Owned	Reopened as the 10,000 sqm Dior flagship after multi-year renovation.
Paris	66 Avenue des Champs-Elysees	Sephora flagship	Leased	Global Sephora anchor address.
Paris	400 Rue Saint-Honore area	Various maisons	Mixed	Rue Saint-Honore luxury corridor cluster.
Paris	8 Quai du Louvre (La Samaritaine)	Cheval Blanc Paris + DFS + Samaritaine	Owned via LVMH Hotel Management	Reopened 2021 after multi-year redevelopment.
New York	1 East 57th Street	Louis Vuitton flagship	Long lease at 57th and Fifth	New tower project underway.
New York	6 East 57th Street	Bulgari flagship	Reported	Bulgari US flagship location.
New York	727 Fifth Avenue	Tiffany & Co. “The Landmark”	Owned since 1940 by Tiffany; now LVMH via Tiffany	Reopened April 2023 post $500M renovation; December 2024 fire on 10th floor.
New York	693 Fifth Avenue	Fendi flagship	Reported	Fendi US anchor.

City	Address	Brand / tenant	Ownership status	Notes
New York	611 Fifth Avenue	Louis Vuitton nearby	Reported	Fifth Avenue LVMH cluster.
New York	665 Fifth Avenue	Sephora flagship	Reported	Midtown Sephora anchor.
Beverly Hills	Rodeo Drive	Louis Vuitton, Tiffany, Bulgari, Dior flagships	Mixed owned / long lease	Rodeo Drive luxury corridor cluster.
London	10 New Bond Street	Louis Vuitton flagship	Reported (long lease / freehold)	Bond Street LVMH anchor.
London	175 Old Bond Street	Tiffany flagship	Reported	Tiffany UK flagship.
London	179 Sloane Street	Christian Dior flagship	Reported	Sloane Street Dior anchor.
Milan	Via Montenapoleone	Louis Vuitton, Bulgari, Fendi flagships	Mixed owned / long lease	Quadrilatero della Moda LVMH cluster; multiple properties along the street.
Tokyo	Ginza 6-4-1 area	Louis Vuitton flagship	Reported (long lease / owned)	Reference Ginza LV flagship.
Tokyo	Ginza Chuo-ku	Tiffany flagship	Reported	Ginza Tiffany anchor.
Tokyo	Omotesando	Multiple LVMH group brand flagships	Mixed	Aoyama corridor cluster.
Shanghai	Nanjing West Road	Multiple LVMH group flagships	Long lease	Highest-productivity mainland-China flagships.
Shanghai	The Bund area	Flagship stores	Long lease	Waterfront heritage-address cluster.

City	Address	Brand / tenant	Ownership status	Notes
Hong Kong	Central Landmark building	Multiple LVMH flagships	Long lease	Historically the single highest-productivity Hong Kong luxury address.
Hong Kong	Tsim Sha Tsui (Canton Road)	Multiple LVMH flagships	Long lease	Kowloon-side luxury corridor.
Hong Kong	Times Square Causeway Bay	LVMH group brands	Long lease	Cross-harbour retail anchor.
Seoul	Cheongdam-dong “luxury row”	Louis Vuitton, Dior, Tiffany, Bulgari flagships	Mixed	Reference Korean luxury district.
Seoul	Gangnam, Myeong-dong	LVMH group brand flagships	Mixed	Secondary Seoul flagship cluster.
Singapore	Marina Bay Sands	Multiple LVMH group flagships	Long-lease concession	Anchor luxury-tourism cluster.
Singapore	ION Orchard	LVMH group flagships	Long lease	Orchard Road corridor.

Source. Institute reconstruction using publicly disclosed LVMH investor communications, real-estate press coverage of specific transactions (La Samaritaine, 22 Montaigne, 30 Montaigne, 24 Sevres, 727 Fifth Avenue Tiffany Landmark), and industry retail sources for each city cluster. Ownership status marked “reported” is based on trade-press reporting rather than LVMH direct disclosure.

Table 29 — Hospitality portfolio (owned properties)

Brand	Property	Location	Acquisition / opening date	Segment / note
Cheval Blanc	Cheval Blanc Courchevel	Courchevel, French Alps	2006 opened	Alpine ultra-luxury; flagship of the brand.
Cheval Blanc	Cheval Blanc St-Barth Isle de France	St-Barth, Caribbean	Acquired	Beach ultra-luxury.
Cheval Blanc	Cheval Blanc Randheli	Maldives	Opened	Overwater villa ultra-luxury.
Cheval Blanc	Cheval Blanc Paris	8 Quai du Louvre, La Samaritaine site, Paris	2021 opened	Urban ultra-luxury; anchor of the La Samaritaine redevelopment.
Cheval Blanc	Cheval Blanc Beverly Hills	Beverly Hills, California	Opening	Rodeo Drive-adjacent site.
Cheval Blanc	Cheval Blanc Seychelles	Seychelles	Opening	Indian Ocean ultra-luxury.
Cheval Blanc	Cheval Blanc Los Angeles	Los Angeles	Planned	Announced project.
Bulgari Hotels & Resorts	Bulgari Hotel Milano	Milan	Opened	Bulgari Hotels flagship; Via Montenapoleone-adjacent.
Bulgari Hotels & Resorts	Bulgari Hotel London	Knightsbridge, London	Opened	London property.
Bulgari Hotels & Resorts	Bulgari Resort Bali	Bali, Indonesia	Opened	Cliffside resort.
Bulgari Hotels & Resorts	Bulgari Hotel Beijing	Beijing	Opened	Mainland-China anchor.
Bulgari Hotels & Resorts	Bulgari Hotel Shanghai	Shanghai	Opened	Mainland-China secondary anchor.

Brand	Property	Location	Acquisition / opening date	Segment / note
Bulgari Hotels & Resorts	Bulgari Resort Dubai	Dubai, UAE	Opened	Jumeirah Bay island property.
Bulgari Hotels & Resorts	Bulgari Hotel Tokyo	Tokyo	Opened	Yaesu-district tower property.
Bulgari Hotels & Resorts	Bulgari Hotel Paris	Paris	Opened	Avenue George V-adjacent.
Bulgari Hotels & Resorts	Bulgari Hotel Roma	Rome	Opened	Piazza Augusto Imperatore.
Belmond	Copacabana Palace	Rio de Janeiro, Brazil	Belmond legacy; LVMH 2019	Landmark Rio hotel.
Belmond	Hotel Cipriani	Venice, Italy	Belmond legacy; LVMH 2019	Iconic Venice hotel.
Belmond	Grand Hotel Europe	St Petersburg, Russia	Belmond legacy; LVMH 2019	Historic Russian hotel.
Belmond	Charleston Place	Charleston, South Carolina	Belmond legacy; LVMH 2019	US South heritage hotel.
Belmond	Splendido	Portofino, Italy	Belmond legacy; LVMH 2019	Ligurian coastal hotel.
Belmond	Grand Hotel Timeo	Taormina, Sicily	Belmond legacy; LVMH 2019	Sicilian coastal hotel.
Belmond	Hotel das Cataratas	Iguazu, Brazil	Belmond legacy; LVMH 2019	Waterfalls property.
Belmond	Villa San Michele	Fiesole, Florence area, Italy	Belmond legacy; LVMH 2019	Tuscan hillside property.

Brand	Property	Location	Acquisition / opening date	Segment / note
Belmond — Trains	Venice Simplon-Orient-Express	Europe	Belmond legacy; LVMH 2019	Iconic luxury train.
Belmond — Trains	Belmond Royal Scotsman	Scotland	Belmond legacy; LVMH 2019	UK luxury train.
Belmond — Trains	Belmond Andean Explorer	Peru	Belmond legacy; LVMH 2019	South American luxury train.
Belmond — River cruises	Belmond River Cruises	Europe, Asia	Belmond legacy; LVMH 2019	River cruise operations.
Belmond — other	Approx. 46 additional Belmond properties	Global	Belmond legacy; LVMH 2019	Total Belmond footprint of 54 properties globally.

Source. LVMH hospitality-portfolio disclosures and Belmond property-portfolio public listings following the 2018 announcement and 2019 close.

Table 30 — Illustrative valuation gap by asset category, market vs. book (USD billions)

Asset category	Approx. book carrying value	Approx. market value	Uplift vs. book
Prime retail flagship real estate	$8	$24	$16
Hospitality portfolio (Cheval Blanc, Bulgari Hotels, Belmond)	$7	$14	$7
DFS airport duty-free concessions (rights, not real estate)	$1	$3	$2
Ancillary real estate (media, corporate, non-flagship retail)	$1	$2	$1
Aggregate real-estate + hospitality uplift	$17	$43	$26

Method. Institute practitioner reconstruction. Book carrying value is illustrative based on LVMH 2024 URD balance-sheet disclosures across property, plant, and equipment plus right-of-use assets attributable to retail and hospitality. Market value uses the arms-length prime-retail and ultra-luxury hospitality comparables that inform Tables 9 and 10. Aggregate uplift bracket is $15 to $25 billion at central case; the $26B figure above sits at the high end of that bracket and is illustrative for practitioner sizing only.

Reading Section 15. The point of walking the addresses is not to publish a real-estate appraisal. It is to make the case that a practitioner reader can hold a specific mental picture of the LVMH balance-sheet ballast — not an abstraction, not a bucket, but a walkable list of buildings on Champs-Elysees, Fifth Avenue, Bond Street, Via Montenapoleone, Ginza, Nanjing Road, Cheongdam-dong, and the corresponding hospitality properties from Courchevel to Copacabana Palace — and can defend the $15 to $25 billion aggregate uplift versus book with reference to specific addresses. That is the level of specificity the Institute publishes at.

Where LVMH sits in the family-controlled global-champion cohort

Bernard's LVMH is not the only family-controlled global champion in the modern era. It is the most successful. Section 16 puts LVMH into the cohort of comparable structures, so the practitioner reader can see what LVMH does that the others do not, and vice versa.

Kering (Pinault family)

Kering is architecturally the closest comp. Family-controlled French luxury conglomerate, publicly listed, house of maisons (Gucci, Saint Laurent, Bottega Veneta, Balenciaga, Alexander McQueen, Boucheron, Pomellato). But Kering has struggled operationally: Gucci, the group's dominant profit engine, has been in creative-director transition since 2023 and has lost double-digit percentages of revenue in successive quarters. Kering trades at a discount to LVMH on the multiple frame specifically because the market is pricing execution risk on the Gucci recovery. LVMH's operational execution has been materially better through the same cycle. Same architecture; different execution outcome.

Richemont (Rupert family)

Compagnie Financiere Richemont is Swiss-listed, family-controlled by Johann Rupert and the Rupert family, focused on hard luxury (Cartier, Van Cleef & Arpels, IWC, Panerai, Piaget, Vacheron Constantin, Jaeger-LeCoultre, Montblanc). The 2023 exit of YNAP (Yoox Net-a-Porter) narrowed the group back to hard-luxury pure play. Richemont is the closest architectural comp among hard-luxury groups but is materially smaller than LVMH and more concentrated on the jewelry / watches vertical.

Hermes (Dumas and family)

Hermes International is the case study in family-governance defense. Between 2010 and 2014, LVMH accumulated a stake of approximately 23% in Hermes through equity derivatives, in what was widely read as a stealth accumulation aimed at eventual control. The Hermes family responded by forming H51 SAS, a family-pact holding vehicle that pooled roughly 50% of Hermes voting rights under a lock-up. That single defensive move ended LVMH’s ability to build to a controlling stake. LVMH ultimately distributed its Hermes position out to LVMH shareholders in 2014 as part of a settlement with the AMF. The lesson: if your family champion is not already inside a lock-up holding vehicle, it can be attacked. Hermes built the defense; LVMH built the attack; the defense won. That case study alone justifies the H51 architecture as reference reading.

Roche-Hoffmann (perpetual foundation)

Roche Holding AG (Basel) is controlled through a family pool (Hoffmann and Oeri families) that holds approximately 50% of voting rights via a shareholder pooling agreement, backed by a foundation architecture designed for permanence beyond any single generation. Roche is the reference case for the perpetual-foundation model — a family champion structured so that no individual generation can voluntarily sell control. This is architecturally different from the LVMH / Arnault model, which retains generational optionality (Bernard’s descendants could in principle vote to sell or wind down at some future date). Roche removes even that option.

Table 31 — Family-controlled global champions, comparison

Company	Family	Control vehicle	Listed	Architecture note
LVMH	Arnault	Groupe Arnault to Financière Agache SA to Christian Dior SE	Yes (Paris)	Two-layer listed intermediary chain. French SA holding (Belgian SCA 1988–2018). Deliberate multi-generational optionality.
Kering	Pinault	Artemis SAS	Yes (Paris)	Single-layer holding. Same architecture family; different execution outcome.
Richemont	Rupert	Compagnie Financiere Rupert (holding)	Yes (Zurich)	Dual-class share structure; family voting control via A/B shares.
Hermes	Dumas / Hermes family	H51 SAS (family pact)	Yes (Paris)	Family lock-up built 2010–2011 to defend against the LVMH stealth accumulation.
Roche	Hoffmann / Oeri	Family pool + foundation (~50% voting)	Yes (Zurich)	Perpetual-foundation architecture; no generational sale optionality.
Berkshire Hathaway	Buffett	Personal + charitable pledge (public)	Yes (NYSE)	Not family-controlled architecturally; controlled by Buffett personally and being distributed to charity. The Berkshire operating philosophy is the closest comp for LVMH's compounding logic despite the different family-vs-founder frame.

The Nicolas Puech shares scandal — an active fiduciary-breach case with LVMH implications

No comparison of LVMH to the Hermes governance defense is complete without the Nicolas Puech story. Puech is a great-great-grandson of Thierry Hermes (the maison's founder, 1837) and was historically one of the single largest non-active-family Hermes shareholders. His reported holdings were approximately 5.7% of Hermes International shares — a stake valued at approximately €12 billion at 2024 valuations and one of the single largest reported blocks outside the H51 family holding structure. His fortune has been managed for decades by Swiss-based wealth manager Eric Freymond and associated fiduciary advisors. Beginning in 2011, Puech alleged in Swiss criminal complaints that Freymond had wrongfully transferred a substantial portion of his Hermes shares between 2008 and 2013 — some of them allegedly to LVMH during the specific window in which LVMH was quietly accumulating its Hermes position.

That LVMH accumulation is on the record. Between approximately 2001 and 2010, LVMH built a stake of roughly 17% of Hermes International through equity swap contracts — derivative instruments that did not require disclosure of the underlying long position until they were settled. In October 2010, LVMH disclosed a 14.2% stake in Hermes. The Hermes family responded by forming H51 SAS in December 2010 — a 51% family lock-up holding structure that removed roughly half of Hermes shares from any potential open-market takeover. In July 2013, the AMF fined LVMH €8 million for failing to disclose the accumulation on the timeline the market-abuse rules required. In 2014, LVMH agreed to distribute its Hermes stake to LVMH and Christian Dior shareholders — effectively unwinding the position. That is the official public record of the 2001–2014 LVMH-Hermes chapter.

The Puech complaint alleges his shares moved through fiduciary channels to LVMH during that accumulation window without his authorized consent. Multiple Swiss and French legal proceedings have been active on the Freymond fiduciary question for over a decade. In 2023, Puech disclosed publicly that he intends to disinherit his family and leave his entire fortune — his Hermes shares included — to his longtime Moroccan gardener, whom he intends to adopt legally as his son. The announcement attracted enormous international press attention. Some legal observers have interpreted the disinheritance announcement as pressure applied to the ongoing Freymond litigation. The unresolved question — where those shares actually went, whether they moved through Freymond's custody without proper authorization, and whether LVMH knew or should have known if they did — remains one of the most closely watched fiduciary cases in European private wealth.

The Institute's read. Whatever the ultimate legal resolution of the Freymond matter, the Puech case illustrates the risk of concentrated single-family holdings held via long-tenure fiduciary structures without independent controls. It is also a piece of the LVMH-Hermes 2010–2014 story that has never fully resolved and is worth watching for practitioner reasons. The outcome could affect governance thinking across every large European family holding for the next generation. The Institute publishes this subsection not to prejudge the litigation — the Freymond side is entitled to its defense and the LVMH side has consistently maintained it acquired its Hermes stake through proper channels — but to place the case on the shelf of any serious European family-office practitioner reading LVMH as an architecture.

Table 32 — The Puech / Freymond / LVMH / Hermes timeline

Year	Event	Legal status
2001–2010	LVMH builds a stake in Hermes International through equity swap contracts — derivative instruments that do not require immediate disclosure of underlying long positions.	Accumulation not disclosed until 2010.
2008–2013	Alleged period during which shares of Nicolas Puech (great-great-grandson of Thierry Hermes) are allegedly transferred out of his custody by Swiss-based wealth manager Eric Freymond, per Puech's subsequent criminal complaints.	Facts disputed; subject of Swiss and French proceedings.
October 2010	LVMH discloses a 14.2% stake in Hermes International, subsequently reported to have reached approximately 17% through further derivative settlement.	Public disclosure filed.
December 2010	Hermes family forms H51 SAS — a 51% family lock-up holding structure that removes roughly half of Hermes shares from any potential open-market takeover.	Defensive structure established.
2011	Puech files first Swiss criminal complaint alleging fiduciary breaches by Freymond regarding the disposition of his Hermes shares.	Swiss criminal proceedings initiated.
July 2013	AMF (Autorite des Marches Financiers, French market regulator) fines LVMH €8 million for failure to timely disclose the Hermes accumulation.	Regulatory penalty imposed and paid.
2014	LVMH agrees to distribute its Hermes stake to LVMH and Christian Dior shareholders — effectively unwinding the position.	Settlement with AMF and market.
2014–2023	Multiple Swiss and French legal proceedings on the Freymond fiduciary question remain active on parallel tracks.	Litigation ongoing.
2023	Puech discloses publicly that he intends to disinherit his family and leave his entire fortune to his longtime Moroccan gardener, whom he intends to adopt as his son.	Personal-estate announcement; not a court ruling.
2024–present	Freymond fiduciary matter continues in Swiss and French proceedings. The disinheritance / adoption process reportedly ongoing. Public press coverage sustained.	Unresolved.

Source. Contemporaneous coverage in Le Monde, Le Figaro, Financial Times, Bloomberg, and the Swiss press for each event; AMF public sanction release, July 2013. The Freymond side has consistently disputed the fiduciary-breach allegations; LVMH has consistently maintained it acquired its Hermes stake through proper channels.

Important note. The Puech / Freymond matter remains under active litigat

Educational reference. Not tax, legal, or investment advice. Consult a qualified professional for your specific situation.

SECTION II

The Financial Model

The 11-tab LVMH_Arnault_Model.xlsx workbook rendered to PDF.
For live formulas open the .xlsx directly.

Tabs: Cover · Income_Statement · Balance_Sheet · Cash_Flow · Segment_Analysis · Real_Estate_SOTP · Valuation_Multiples · Family_Control_Structure · Assumptions · Estate_Tax_Framework · Sources.

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LVMH — Practitioner Financial Model

The Family-Controlled Global Champion

Practitioner Case Study - July 2026

TABS IN THIS WORKBOOK

Cover	This tab
Income_Statement	3-year historical P&L (FY2022-FY2024, EUR millions) by business group
Balance_Sheet	3-year historical balance sheet - assets, equity, liabilities
Cash_Flow	Operating, investing, financing cash flows and free cash flow
Segment_Analysis	Six operating groups by three years: revenue, ROP, ROP margin
Real_Estate_SOTP	Central practitioner argument: real estate hidden value SOTP
Valuation_Multiples	LVMH vs. Kering, Richemont, Hermes, Estee Lauder, Prada, Ferrari, Moncler, L'Oreal
Family_Control_Structure	Ownership chain: Groupe Arnault -> Financiere Agache -> Christian Dior SE -> LVMH SE
Assumptions	Every input tagged VERIFIED / REPORTED / RECON
Estate_Tax_Framework	French droits de succession, Pacte Dutreil mechanism, historical Belgian era, worked ex
Sources	LVMH 2024 URD, Christian Dior SE 2024, AMF disclosures, court filings

HYPOTHETICAL - Not investment advice. Practitioner case study only. All figures illustrative and reconciled to publicly disclosed 2024 data where avail

LVMH Consolidated Income Statement (EUR millions)

Line item	FY2022	FY2023	FY2024
Revenue - Wines & Spirits	7,099	6,602	5,859
Revenue - Fashion & Leather Goods	38,648	42,169	41,061
Revenue - Perfumes & Cosmetics	7,722	8,271	8,171
Revenue - Watches & Jewelry	10,581	10,902	10,537
Revenue - Selective Retailing	14,852	17,885	18,313
Revenue - Other Activities & Elim.	(696)	(1,146)	(1,258)
Total Revenue	**79,184**	**86,153**	**84,683**
Cost of sales	(25,236)	(28,927)	(28,956)
Gross profit	**53,948**	**57,226**	**55,727**
Marketing & selling expenses	(22,308)	(24,433)	(24,880)
General & administrative expenses	(6,987)	(7,734)	(7,737)
Income from JVs and associates	(2)	14	62
Recurring operating profit	**21,055**	**22,802**	**19,571**
Other operating income & expenses	(54)	(239)	(351)
Operating profit	**21,001**	**22,563**	**19,220**
Cost of net financial debt	(139)	(344)	(549)
Other financial income & expenses	(83)	(519)	(324)
Net financial income (expense)	**(222)**	**(863)**	**(873)**
Income tax	(5,350)	(5,673)	(4,460)
Net profit before minority interests	**14,418**	**16,027**	**13,936**
Minority interests	(1,274)	(1,523)	(1,386)
Group share of net profit	**13,144**	**15,174**	**12,550**
Diluted EPS (EUR)	26	30	25

Note: EPS in EUR (not millions). FY2024 revenue softness reflects Wines & Spirits + China slowdown.

LVMH Consolidated Balance Sheet (EUR millions)

Line item	FY2022	FY2023	FY2024
ASSETS			
Brands and trade names	24,390	25,020	25,150
Goodwill	24,422	25,916	26,680
Other intangible assets	3,657	3,861	4,020
Property, plant & equipment (incl. RE)	23,732	27,886	30,112
Right-of-use assets	14,554	16,017	16,580
Investments in JVs and associates	1,084	1,136	1,210
Non-current available-for-sale financial assets	1,301	1,218	1,189
Other non-current assets	1,030	1,063	1,125
Deferred tax assets	2,735	2,795	2,880
Total non-current assets	**96,905**	**104,912**	**108,946**
Inventories & work in progress	22,712	23,413	24,140
Trade accounts receivable	3,542	4,571	4,390
Income tax receivable	805	646	720
Other current assets	4,885	5,455	5,680
Cash and cash equivalents	7,300	6,721	4,370
Total current assets	**39,244**	**40,806**	**39,300**
TOTAL ASSETS	**136,147**	**145,718**	**148,246**
EQUITY AND LIABILITIES			
Share capital	151	151	151
Share premium account	2,544	2,542	2,540
Treasury shares	(725)	(848)	(1,180)
Cumulative translation adjustment	1,613	640	720
Revaluation reserves	1,096	1,180	1,240
Other reserves	34,690	40,950	46,900
Net profit - group share	13,144	15,174	12,550
Equity - group share	52,513	59,789	62,921
Minority interests	1,911	2,151	2,380
Total equity	**54,424**	**61,940**	**65,301**
Long-term borrowings	11,460	10,651	10,420
Non-current lease liabilities	12,281	13,432	13,850

Line item	FY2022	FY2023	FY2024
Non-current provisions & other liabilities	4,222	4,491	4,640
Deferred tax liabilities	5,240	5,407	5,480
Other non-current liabilities	10,683	10,914	11,150
Total non-current liabilities	**43,886**	**44,895**	**45,540**
Short-term borrowings	9,713	10,154	10,890
Trade accounts payable	7,448	8,081	8,250
Current lease liabilities	2,632	2,894	3,020
Income tax payable	1,224	1,078	1,120
Current provisions	2,412	2,664	2,760
Other current liabilities	14,408	14,012	11,365
Total current liabilities	**37,837**	**38,883**	**37,405**
TOTAL EQUITY AND LIABILITIES	**136,147**	**145,718**	**148,246**

Highlight: PPE line carries prime retail real estate, Cheval Blanc/Belmond/Bulgari hotels, Champagne terroir - historical cost, materially belov

LVMH Consolidated Cash Flow Statement (EUR millions)

Line item	FY2022	FY2023	FY2024
Net profit before minority interests	14,418	16,027	13,936
Depreciation and amortization	5,087	5,629	6,100
Depreciation of right-of-use lease assets	2,643	3,033	3,220
Other non-cash items and gains/losses	(87)	348	240
Change in inventories	(2,871)	(1,233)	(890)
Change in trade receivables	(672)	(1,013)	180
Change in trade payables	1,027	553	220
Change in other working capital	(1,289)	(430)	(650)
Interest paid net of interest received	(105)	(299)	(520)
Income tax paid	(4,128)	(5,432)	(4,180)
Net cash from operating activities	**13,980**	**17,183**	**17,656**
Capital expenditures (net)	(4,933)	(6,511)	(6,820)
Free cash flow	**9,047**	**10,672**	**10,836**
Purchase of consolidated investments (net)	(1,276)	(1,000)	(900)
Purchase of non-consolidated investments	(195)	(104)	(140)
Other investing activities	43	149	100
Net cash from investing activities	**(6,361)**	**(7,466)**	**(7,760)**
Dividends paid to LVMH shareholders	(5,837)	(6,076)	(6,551)
Dividends paid to minority interests	(762)	(893)	(940)
Purchase and sale of treasury shares	(474)	(913)	(1,350)
Proceeds from / (repayment of) borrowings	1,123	(1,145)	(300)
Repayment of lease liabilities	(2,685)	(3,081)	(3,260)
Other financing activities	(60)	1,247	(220)
Net cash from financing activities	**(8,695)**	**(10,861)**	**(12,621)**
Effect of exchange rate changes	317	(435)	374
Net change in cash and cash equivalents	**(759)**	**(1,579)**	**(2,351)**
Cash and equivalents - beginning of period	8,059	7,300	6,721
Cash and equivalents - end of period	**7,300**	**6,721**	**4,370**

LVMH Segment Analysis - Six Operating Groups (EUR millions)

Group	Metric	FY2022	FY2023	FY2024	% Rev FY24	% ROP FY24
Wines & Spirits	Revenue	7,099	6,602	5,859	6.9%	
Wines & Spirits	Recurring op. profit	2,155	2,109	1,440		7.4%
Wines & Spirits	ROP margin	30.4%	31.9%	24.6%		
Fashion & Leather Goods	Revenue	38,648	42,169	41,061	48.5%	
Fashion & Leather Goods	Recurring op. profit	15,709	16,836	15,218		77.8%
Fashion & Leather Goods	ROP margin	40.6%	39.9%	37.1%		
Perfumes & Cosmetics	Revenue	7,722	8,271	8,171	9.7%	
Perfumes & Cosmetics	Recurring op. profit	660	713	638		3.3%
Perfumes & Cosmetics	ROP margin	8.5%	8.6%	7.8%		
Watches & Jewelry	Revenue	10,581	10,902	10,537	12.4%	
Watches & Jewelry	Recurring op. profit	2,017	2,162	1,571		8.0%
Watches & Jewelry	ROP margin	19.1%	19.8%	14.9%		
Selective Retailing	Revenue	14,852	17,885	18,313	21.6%	
Selective Retailing	Recurring op. profit	788	1,391	1,364		7.0%
Selective Retailing	ROP margin	5.3%	7.8%	7.4%		
Other Activities & Elim.	Revenue	(696)	(1,146)	(1,258)	-1.5%	
Other Activities & Elim.	Recurring op. profit	(274)	(409)	(660)		-3.4%
Other Activities & Elim.	ROP margin					
TOTAL LVMH	**Revenue**	**79,184**	**86,153**	**84,683**	**100.0%**	
TOTAL LVMH	**Recurring op. profit**	**21,055**	**22,802**	**19,571**		**100.0%**
TOTAL LVMH	**ROP margin**	**26.6%**	**26.5%**	**23.1%**		

Fashion & Leather Goods = ~48-49% of revenue but ~78% of recurring operating profit - the economic engine (Louis Vuitton + Dior + Loro Piana + Celine + Fendi + Loewe). Gr

Real Estate Sum-of-the-Parts - Illustrative Hidden Value (EUR millions)

Asset category	Book value (approx.)	Illustrative market value	Uplift	Methodology note
Prime retail flagships (owned)	5,000	12,000	7,000	~50 owned flagships globally; Champs-Elysees, Fifth Ave, Ginza, Bond St, Via Montenapoleone, Cheongdam-dong. Institute reconstruction.
Trophy flagships premium (top-tier)	2,000	6,500	4,500	Top-tier trophy premium: Champs-Elysees, 727 Fifth Ave (Tiffany), 22/30 Ave Montaigne, La Samaritaine, Ginza flagships.
Cheval Blanc hotels (6 properties)	1,800	3,000	1,200	6 properties (Courchevel, St-Barth, Randheli, Paris, Beverly Hills opening, Seychelles); EUR 400-600M each. NO St-Tropez.
Belmond portfolio (acquired 2019)	3,000	4,500	1,500	USD 3.2B 2018 announcement / 2019 close; ~5% p.a. RE appreciation + operating value + brand uplift on 54 properties.
Bulgari Hotels (9 properties)	1,200	2,700	1,500	Milan, London, Bali, Beijing, Shanghai, Dubai, Paris, Tokyo, Roma. EUR 150-500M each (Milan/London/Paris higher tail).
Champagne terroir (Reims region)	400	3,500	3,100	Moet, Krug, Ruinart, Veuve Clicquot, Mercier, Dom Perignon land - held at historical cost from 1980s-90s.
Cognac estates (Hennessy region)	300	1,200	900	Grande Champagne and Petite Champagne AOC vineyards; irreplaceable terroir.
Napa/Argentina/other estates	200	700	500	Chandon Napa, Chandon Argentina, Cape Mentelle, Cloudy Bay, Newton, Numanthia.
Owned office HQ + logistics	900	1,500	600	22 Ave Montaigne (Paris HQ), owned distribution centres and workshops.
Subtotal - Real estate + hospitality + terroir	**14,800**	**35,600**	**20,800**	**FORMULA (SUM of above rows). This is the practitioner real-estate uplift bracket.**
Memo: DFS long-dated concession-right value (not RE)	800	2,000	1,200	Long-dated exclusive concession rights (HKG, SIN, LAX, Macau, Sydney). Concession rights, NOT real estate; shown separately.
TOTAL including DFS concession-right memo	**15,600**	**37,600**	**22,000**	**FORMULA (subtotal + DFS memo). Ties to memo Table 30 aggregate.**

LIVE SOTP: yellow cells = assumption inputs; white cells = formulas. Practitioner reconstruction; LVMH does not separately disclose RE fair values. PPE line on B/S includes RE at historical cos

LVMH vs. Peer Set - Valuation Multiples (illustrative July 2026)

Company	Market cap (EUR B)	Net debt (EUR B)	EV (EUR B)	EV / Sales 24	EV / EBITDA 24	P/E 24
LVMH	**375.0**	**12.0**	**387.0**	**4.6x**	**15.5x**	**30.0x**
Hermes	240.0	-8.0	232.0	15.5x	33.0x	55.0x
Kering	32.0	15.5	47.5	2.7x	10.5x	17.0x
Richemont (CFR)	95.0	-6.0	89.0	4.2x	15.0x	27.0x
Prada	22.0	-0.5	21.5	4.1x	13.5x	23.0x
Moncler	14.5	-1.2	13.3	4.7x	12.5x	22.0x
Ferrari (RACE)	75.0	2.0	77.0	12.5x	24.0x	45.0x
Estee Lauder	35.0	7.0	42.0	2.8x	15.5x	30.0x
L'Oreal	210.0	4.0	214.0	4.7x	17.5x	32.0x
Peer median (ex-LVMH)				**4.4x**	**15.3x**	**28.5x**

LVMH trades at ~15.5x EV/EBITDA on 2024 - in line with peer median but below Hermes (33x) and Ferrari (24x). SOTP argument: RE uplift not reflected in the mul

Arnault Family Control Structure - LVMH SE (approximate)

Entity	Entity type	Jurisdiction	Economic %	Notes
Groupe Arnault SEDCS	Societe en commandite	France	Family	Ultimate family holding vehicle - Bernard Arnault + five children as partners.
Financiere Agache SA	Public LTD, non-listed	France (Belgian 1988-2018)	Family	Belgian SCA from 1988 through 2018; re-domiciled to France in 2018 as part of the Christian Dior consolidation. Controls Christian Dior SE. Current French Pacte Dutreil framework applies.
Semyrhamis SA	SA holding	France	Family	Sub-holding vehicle for various family interests. Held below Financiere Agache.
Christian Dior SE	European Company (SE)	France (listed)	~97%	Financiere Agache and family hold ~97% of Dior SE. Listed on Euronext Paris.
Christian Dior SE -> LVMH SE	Ownership stake	-	~41%	Dior SE owns ~41% of LVMH SE economic capital and ~57% of voting rights. (URD 2024.)
LVMH SE - voting rights via Dior SE + double-voting	Double voting rights	France	~57%	Long-hold shares carry double voting rights (French Loi Florange 2014). Family effective control.
Family direct + insider	Various vehicles	France	~7-8%	Additional family shares held directly and through insider-held tranches.
Total family economic	**Sum**	**-**	**~48%**	**Approx. combined economic interest in LVMH SE via Dior SE + direct.**
Total family voting	**Sum**	**-**	**~64%**	**Approx. combined voting interest via double-voting-rights mechanism.**

Key mechanism: French double-voting-rights (Loi Florange, 2014) - long-held registered shares receive 2 votes per share automatically after 2 years. Compounds family control.

Institute Assumptions - VERIFIED / REPORTED / RECON

Assumption	Value	Tag	Basis / Source
LVMH FY2024 total revenue	EUR 84.7B	**VERIFIED**	LVMH 2024 Universal Registration Document (URD), consolidated income statement.
LVMH FY2024 recurring operating profit	EUR 19.6B	**VERIFIED**	LVMH 2024 URD.
LVMH FY2024 group share of net profit	EUR 12.5B	**VERIFIED**	LVMH 2024 URD, consolidated income statement.
LVMH FY2024 total assets	EUR 148.2B	**VERIFIED**	LVMH 2024 URD, consolidated balance sheet.
Fashion & Leather Goods share of ROP	~78%	**VERIFIED**	LVMH 2024 URD segment reporting.
Belmond acquisition - 2019	USD 3.2B all cash	**REPORTED**	LVMH press release Dec 2018; closed 2019. AMF Form.
Bulgari acquisition - 2011	EUR 3.7B (USD 5.2B stock)	**REPORTED**	LVMH press release Mar 2011; acquired via share exchange.
Tiffany acquisition - 2021	USD 15.8B all cash (revised from 16.2B)	**REPORTED**	LVMH-Tiffany merger agreement; Delaware Chancery litigation Nov 2020; closed Jan 2021.
Loro Piana acquisition - 2013	EUR 2.0B (USD 2.6B)	**REPORTED**	LVMH press release Jul 2013; 80% acquisition, family retained 20%.
Fendi full acquisition - 2001	EUR ~1.1B (USD ~970M)	**REPORTED**	LVMH acquired Prada's 25.5% stake + prior holdings; became 100% owner in phases.
Cheval Blanc - 6 owned properties	EUR 400-600M each	***RECON***	Institute reconstruction from published hotel sales comparables.
Bulgari Hotels - 9 properties	EUR 200-400M each	***RECON***	Institute reconstruction from luxury hotel real estate benchmarks.
Prime retail flagships - count	~40-60 owned sites	***RECON***	Institute count from LVMH property portfolio disclosures and industry reporting.
Champagne terroir book vs. market	EUR 400M book, EUR 3.5B market	***RECON***	Historical cost accounting under IFRS 41 for vineyards; market from Champagne AOC transactions.
Dior SE holding of LVMH	~41% economic	**VERIFIED**	Christian Dior SE 2024 annual report and AMF disclosures.
Arnault family voting control	~64%	**REPORTED**	Christian Dior SE 2024 annual report; double voting rights per Loi Florange 2014.
LVMH market cap illustrative July 2026	EUR 375B	**REPORTED**	Euronext Paris trading data; illustrative snapshot.
Estate tax - France direct descendant top rate	45%	**VERIFIED**	Code general des impots article 777 - droits de succession.
Pacte Dutreil - reduction on family-business shares	75%	**VERIFIED**	Code general des impots article 787 B; 2-year collective + 4-year individual + 3-year management commitment. Listed thresholds: 10% financial / 20% voting (LVMH SE, Christian Dior SE). Unlisted thresholds: 17% financial / 34% voting (Financiere Agache SA post-2018).
Financiere Agache jurisdictional history	Belgian SCA 1988-2018; French SA 2018-present	**VERIFIED**	Re-domiciled from Belgium to France in 2018 as part of the Christian Dior consolidation. Documented in Christian Dior SE 2018-2019 URDs and contemporaneous press.
Christian Dior SE economic stake in LVMH SE	~41%	**VERIFIED**	Christian Dior SE 2024 URD ownership disclosure. Deck and memo tied to this number.

Assumption	Value	Tag	Basis / Source
Christian Dior SE voting stake in LVMH SE	~57%	**VERIFIED**	Christian Dior SE 2024 URD; double-voting rights under Loi Florange 2014 amplify long-hold registered shares.

Arnault Family Estate Tax Framework - Illustrative Scenarios

Scenario / regime	Taxable base (EUR B)	Effective rate	Tax due (EUR B)	Note
French residency - no planning	180.0	45.0%	81.0	Droits de succession up to 45% for direct descendants; nominal application to family LVMH stake. Bernard is a French tax resident.
French residency - Pacte Dutreil (inheritance)	45.0	45.0%	20.3	75% reduction of taxable base on qualifying family-business shares (CGI art. 787 B). Effective ~11.25% rate.
Financiere Agache Belgian holding era - historical	180.0	3.0%	5.4	HISTORICAL. Belgian holding-company era (1988-2018) shaped four decades of planning; NOT Bernard's personal residency. Re-domiciled to France 2018.
French residency - Pacte Dutreil + lifetime gifts (donor <70)	22.5	45.0%	10.1	Stacking Dutreil (75% base cut) with 50% lifetime-gift discount for donors under 70. Effective rate ~5.6%.
French residency - all-planning stack + demembrement + 15-yr abatement	20.0	35.0%	7.0	Institute lower-bound: Dutreil + demembrement (usufruct / nue-propriete split) + long-hold voting-right compounding.
Pacte Dutreil worked example - Bernard's ~EUR 180B family stake				WORKED EXAMPLE. Inputs (yellow): stake=180.0; Pacte Dutreil base-reduction=0.75; effective rate on 25% base=0.45; result: 180 * 0.25 * 0.45 = ~20.3 EUR B unmitigated Dutreil-only outcome.
Illustrative range (Institute)				Between ~EUR 7B (all-planning stack) and ~EUR 20B (Dutreil only) on ~EUR 180B family LVMH stake - depending on pact compliance + timing + lifetime-gift cadence.

Pacte Dutreil requires: (i) 2-year collective commitment to hold >=10% financial + 20% voting (LISTED, applies to LVMH SE and Christian Dior SE) or >=17% financial + 34% voting (UNLISTED, applies to Fin

Sources

Source	Used for
LVMH SE - 2024 Universal Registration Document (URD)	Consolidated P&L, balance sheet, cash flow, segment data
LVMH SE - 2023 and 2022 Universal Registration Documents	Prior year comparative data (FY2022, FY2023)
LVMH SE - Interim / half-year financial reports 2024 and 2025	Segment ROP margin composition, geographic split, H1/H2 seasonality
Christian Dior SE - 2024 annual report and 2018-2019 URDs	Ownership structure, Financiere Agache holding, family stakes, 2018 re-domiciliation from Belgium
Autorite des Marches Financiers (AMF) - Threshold disclosures	Ownership chain, voting rights, insider positions; July 2013 EUR 8M sanction on 2001-2010 Hermes accumulation
Delaware Court of Chancery - Tiffany & Co. v. LVMH filings (Sep-Nov 2020)	Tiffany suit for specific performance; October 2020 deal re-cut to $131.50/share ($15.8B)
Code general des impots (CGI) - Article 777 (droits de succession)	French inheritance-tax rate schedule; 45% top rate for direct descendants
Code de commerce - Article 787 B (Pacte Dutreil)	French family-business succession mechanism; 75% base reduction; listed 10%/20% thresholds; unlisted 17%/34%
Loi Florange (2014)	Double-voting-rights default for French listed shares held >= 2 years in registered form
LVMH press releases - 2001, 2011, 2013, 2018, 2019, 2020, 2021	Fendi, DFS, Bulgari, Loro Piana, Belmond, Tiffany deal announcements
L Real Estate press releases and disclosures	Miami Design District Associates JV with Dacra (2013); L Catterton and L Real Estate structure
Individual maison press disclosures - Bulgari, Belmond, Tiffany	Maison-level operating and property portfolio disclosures
Cheval Blanc property portfolio - LVMH hospitality disclosures	Courchevel, St-Barth, Randheli, Paris, Beverly Hills, Seychelles portfolio (no St-Tropez)
Miami Design District Associates public filings	Miami Design District Associates JV disclosures and neighborhood transformation history
Financial Times, Bloomberg, Le Monde, Les Echos, WSJ - 2011-2026	Deal context, market reaction, competitive positioning, Puech / Freymond coverage
Swiss and French court filings - Puech / Freymond proceedings	Nicolas Puech fiduciary complaints on Hermes shares; Freymond disputed; matter unresolved
Champagne Bureau - Regional AOC land transaction data	Champagne terroir market value benchmarks vs. book
Institute reconstruction files	Real estate SOTP, hotel property benchmarks, retail flagship counts, cross-jurisdiction estate-tax planning

SECTION III

The Practitioner Deck

The 16-slide landscape practitioner deck.
Companion to the case study and the financial model.
One big message per slide. Suitable for boardroom, classroom, or client use. Every slide carries the case's editorial voice and traces figures to the LVMH 2025 Full-Year Results (January 27, 2026), the 2024 URD, and public disclosures.

LVMH

The Family-Controlled Global Champion

A Baratelli Practitioner Case Memo · July 2026

The single most successful family-controlled global champion of the modern era.
Read the architecture, not the products.

Reference structure for practitioner-grade multi-generational family-office design.

The Setup in Five Bullets

SECTION I · EXECUTIVE SUMMARY

Item	The Institute's read
1. Scale	€80.8B revenue FY2025 (vs €84.7B FY2024, -1% organic), 6 operating groups, 75+ maisons. F&LG dominates group profitability.
2. Real-estate hidden asset	~€15-25B illustrative uplift above book across prime retail, hospitality (Cheval Blanc, Belmond, Bulgari), and DFS long-dated concession rights, plus champagne terroir.
3. Family control	Bernard Arnault (77) via Financière Agache SA (French; Belgian 1988-2018) → Christian Dior SE → LVMH SE, ~57% voting.
4. Succession	Five Arnault children already seated at operating maisons; 2022 shareholder vote raised CEO retirement age from 75 to 80.
5. Global reach	Asia Pacific ex-Japan 26% FY25 (28% FY24), US 26%, Europe 26%, Japan 8%, Other 14%. Global compounder, cyclically re-mixing.

Verdict: the architecture is the case study. Products are the surface; the holding chain is the machine.

The Institute's Editorial Position

SECTION II · WHY LVMH BELONGS ON THIS LIST

LVMH is the single most successful family-controlled global champion of the modern era, and Financière Agache is the reference structure for practitioner-grade multi-generational family-office design.

Three architectural precedents this deck reads alongside:

- Berkshire Hathaway — century-company philosophy; permanent capital; owner-operator ethos.
- Hermès / H51 — family defense structure built specifically to repel Arnault's 2001-2010 stealth accumulation.
- Roche — Hoffmann / Oeri perpetual-foundation model preserving family voting control across generations.

LVMH belongs on this list. Financière Agache is what a practitioner studies when the goal is a control structure that survives the founder.

Scale, in Numbers — LVMH FY2024 vs FY2025 Headline Financials

SECTION III · THE SIZE OF THE THING

Line item	FY2024	FY2025
Revenue	€84.7B	€80.8B
Recurring operating profit	€19.6B	€17.8B
Recurring operating margin	23.1%	22.0%
Net profit (group share)	€12.6B	€10.9B
Operating free cash flow	€10.5B	€11.3B (+8%)
Net debt (year-end)	€9.2B	€6.9B
Gearing ratio	13%	9.9%
Dividend per share	€13.00	€13.00
Employees / maisons / groups	~213,000 / 75+ / 6	

Source: LVMH 2025 Full-Year Results, January 27, 2026. Trough was H1 2025 (-3% organic); H2 inflected to +1%.
The FY2025 story in one line: revenue softened -5% reported / -1% organic, but free cash flow rose 8% and net debt fell €2.3B. Cash discipline strengthened through the cycle — a Buffett-quality operating pattern.

The Six Operating Groups — FY2024 vs FY2025 Segment Detail

SECTION III · GROUP-LEVEL BREAKDOWN

Operating group	FY24 rev	FY25 rev	Organic	FY25 op margin
Fashion & Leather Goods	€41.1B	€37.8B	-5%	35.0%
Selective Retailing (Sephora, DFS)	€18.3B	€18.3B	+4%	9.7%
Watches & Jewelry	€10.6B	€10.5B	+3%	14.4%
Perfumes & Cosmetics	€8.4B	€8.2B	0%	8.9%
Wines & Spirits	€5.9B	€5.4B	-5%	19.0%
Other activities & eliminations	€0.5B	€0.7B	n/m	n/m
Consolidated total	€84.7B	€80.8B	-1%	22.0%

F&LG still ~47% of FY25 revenue and ~74% of recurring operating profit — but Selective Retailing (Sephora +4% organic, +28% profit) is compounding fast enough to progressively rebalance the mix.

Source: LVMH 2025 Full-Year Results, January 27, 2026 — segment revenue and profit from recurring operations tables.

The Real Estate Hidden Asset — ~€15-25B Illustrative Uplift Above Boo

SECTION IV · THE PRACTITIONER ARGUMENT

This is the central practitioner argument. LVMH's balance sheet carries prime real estate at historical cost, not market value. The delta is the hidden asset most sell-side coverage does not price.

Category	Illustrative footprint	Illustrative uplift vs. book (€B)
Prime retail (flagship boutiques, owned buildings)	Champs-Élysées, 5th Avenue, Bond Street, Ginza, +	~€6-10B
Hospitality — Cheval Blanc, Bulgari Hotels	~15 owned or ground-leased trophy properties	~€2-4B
Hospitality — Belmond (2019 acquisition)	54 hotels, trains, river cruises worldwide	~€2-3B
DFS concessions & travel retail	Airport / downtown duty-free concessions	~€1-2B
Champagne terroir (Reims / Épernay)	~1,700 hectares Grand/Premier Cru vineyard	~€3-5B
Cognac terroir (Hennessy)	~1,400 hectares + inventory aging value	~€1-2B
Total illustrative uplift	—	~€15-25B

Book-value carry is the accounting convention; market value is the practitioner underwrite.

The Prime Retail Footprint — Owned vs. Long-Lease

SECTION IV · FLAGSHIP GEOGRAPHY

City	Sample flagship address(es)	Ownership posture
Paris	Champs-Élysées + Avenue Montaigne	Substantial owned + long-lease
New York	5th Avenue + 57th Street (incl. 727 Fifth Ave)	Owned + long-lease
London	New Bond Street	Long-lease dominant
Milan	Via Montenapoleone	Long-lease + selective owned
Tokyo	Ginza + Omotesando	Long-lease dominant
Shanghai	Nanjing Road + IFC Pudong	Long-lease
Hong Kong	Central + Canton Road, Tsim Sha Tsui	Long-lease
Seoul	Cheongdam-dong + Apgujeong	Long-lease
Singapore	Marina Bay Sands + Orchard Road	Long-lease

727 Fifth Avenue (Tiffany flagship / The Landmark) is the single most-cited owned trophy asset in the portfolio.

The Hospitality Portfolio — Cheval Blanc, Bulgari, Belmond

SECTION IV · THE TROPHY-ASSET LAYER

Brand	Properties	Notes
Cheval Blanc	6 properties	Ultra-luxury flag. Paris, Courchevel, St-Barth, Randheli (Maldives), Seychelles, Beverly Hills (opening). Los Angeles announced.
Bulgari Hotels & Resorts	9 properties	Milan, London, Bali, Beijing, Dubai, Shanghai, Paris, Tokyo, Rome. Growing pipeline.
Belmond	54 properties	Acquired 2018/2019 for ~$3.2B in cash. Hotels (Copacabana Palace, Cipriani, Charleston Place), luxury trains (Venice Simplon-Orient-Express), river cruises, safari lodges.

The hospitality layer is the newest architectural move: extend the luxury franchise from ownership of the object to ownership of the experience. Real estate as a durable moat, not a rented backdrop.

The Arnault Architecture — The Holding Chain

SECTION V · HOW CONTROL IS ENGINEERED

Layer	Entity	Role
1	Bernard Arnault + family	Ultimate beneficial owners. Bernard 77; five children seated at operating maisons.
2	Groupe Arnault SEDCS (France)	French family-holding vehicle. Consolidates family stakes.
3	Financière Agache SA (France; Belgian SCA 1988-2018)	Family holding, re-domiciled to France in 2018 as part of the Christian Dior consolidation.
4	Christian Dior SE (listed, Paris)	Holds ~41% economic / ~57% voting interest in LVMH SE. Intermediate listed layer.
5	LVMH SE (listed, Paris)	Operating group. Arnault family control ~48% economic / ~64% voting via Dior SE + direct + double-votin

Reference structures for comparison:

- Kering — Pinault family via Artémis SAS (French). • Hermès — H51 family defense holding (built 2011). • Roche — Hoffmann / Oeri perpetual foundation.

The Five Arnault Children, Already Seated

SECTION VI · SUCCESSION IN MOTION

Name (birth year, mother)	Current operating seat
Delphine Arnault (1975, Anne Dewavrin)	CEO, Christian Dior Couture (since February 2023).
Antoine Arnault (1977, Anne Dewavrin)	CEO Berluti; Chairman Christian Dior SE.
Alexandre Arnault (1992, Hélène Mercier)	EVP Products & Communications, Tiffany & Co. (since January 2021).
Frédéric Arnault (1994, Hélène Mercier)	CEO, LVMH Watches (since 2024). Previously CEO TAG Heuer.
Jean Arnault (1998, Hélène Mercier)	Director of Marketing & Development, Louis Vuitton Watches.

The 2022 shareholder vote raised the CEO retirement age from 75 to 80.

Bernard has a runway to age 80 (2029) with all five children already inside the operating perimeter.

None crowned. All apprenticed. That is a specific practitioner design choice.

The Tiffany Transaction — Timeline

SECTION VII · THE LARGEST DEAL

Date	Event
Nov 25, 2019	Deal announced at $135/share (~$16.2B). Largest luxury acquisition on record at that time.
Sep 9, 2020	LVMH attempts to walk away citing MAC clause and a letter from the French Foreign Ministry.
Sep 9, 2020	Tiffany sues in Delaware Chancery Court to enforce the merger agreement.
Oct 29, 2020	Deal re-cut at $131.50/share — a ~$425M price concession.
Jan 7, 2021	Transaction closes. Alexandre Arnault takes EVP Products & Communications seat.
Apr 2023	The Landmark at 727 Fifth Avenue reopens after ~$500M renovation.
Dec 15, 2024	Fire on 10th floor of 727 Fifth Avenue; no serious injuries; store reopens shortly after.

The Tiffany transaction is the case study within the case study: brand, real estate, and family seat all in one deal.

The $425M price re-cut is the practitioner tell — even Bernard renegotiates when the counterparty has Chancery leverage.

The Nicolas Puech Shares Scandal — The Hermès Thread

SECTION VIII · THE STEALTH ACCUMULATION LEGACY

- Nicolas Puech is a great-great-grandson of Thierry Hermès. Historically ~5.7% shareholder, ~€12B implied at 2024 Hermès valuations.
- Fortune managed for decades by Swiss wealth manager Eric Freymond.
- Since 2011, Puech alleges Freymond wrongfully transferred shares between 2008 and 2013 — some allegedly to LVMH during the 2001-2010 stealth accumulation.
- LVMH fined €8M by the AMF in July 2013 for failure to disclose equity-swap positions.
- 2023: Puech announces plan to disinherit family and leave his fortune to his Moroccan gardener, whom he intends to adopt as his son.
- Complaints still active in Swiss and French courts.

The Hermès / H51 defense structure was built specifically in response to this episode.

The Puech thread is why practitioner deck reads LVMH's architecture and Hermès' architecture together.

Acquisition Record 1984-2024 — Bernard's Capital-Allocation Ledger

SECTION IX · 40 YEARS OF DEALS

Year(s)	Target	Consideration	Note
2019 / 2021	Tiffany & Co.	~$15.8B (re-cut from $16.2B)	Largest luxury acquisition on record.
2018 / 2019	Belmond	~$3.2B cash	54 hotels, trains, river cruises.
2013	Loro Piana	~$2.6B (80%)	Italian cashmere / textile maison.
2011	Bulgari	~$5.2B (stock)	Italian jewelry + hotels platform.
2001	Fendi	~$970M (stake buildup)	Roman fur / leather maison.
2001	DFS Group	~$2.5B (61% stake)	Duty-free travel-retail platform.
1999	TAG Heuer	~$739M	Foundation of the LVMH watch platform.
1984	Boussac (incl. Christian Dior)	~FF400M + assumption of debt	The original transaction. Bernard's entry.

40 years of capital allocation. This is Bernard's actual record — the products, prices, and dates.

Estate Tax and Long-Term Family Control

SECTION X · HOW THE ARCHITECTURE SURVIVES SUCCESSION

Four mechanisms the Arnault architecture uses to survive the founder's estate:

1. French droits de succession — direct-descendant estate tax scales to 45% on the top bracket. Unmitigated, this alone would force sale of family shares to pay tax.
2. Financière Agache SA (French since 2018; Belgian SCA 1988-2018) — historical Belgian tax and governance benefits shaped four decades of planning; re-domiciled to France in 2018.
3. Pacte Dutreil (French mechanism) — 75% base reduction on family-business shares subject to 2-year collective + 4-year individual holding + 3-year management. Listed threshold: 10% financial / 20% voting. Stacks with age-based gift discount to ~5.6% effective on lifetime transfer.
4. Multi-generational structure — five children already seated inside the operating perimeter, so control passes to insiders, not to a probate court.

The purpose of the architecture is not tax minimization for its own sake — it is family control that survives every generational transition. Tax planning is a byproduct.

What Bernard Is Optimizing For

SECTION XI · THE ONE-LINE READING

Bernard has explicitly stated LVMH is designed to be a "century company."

Not quarterly EPS. Not short-term share price. Not the next analyst upgrade.

Optimizing for:

- Multi-generational family control — the architecture is the primary product.
- Brand durability through cycles — centuries of accumulated goodwill are the moat.
- Selective acquisition of one-of-one luxury properties — Tiffany, Bulgari, Loro Piana, Belmond.
- Real estate as balance-sheet ballast — hidden asset that compounds without appearing on the P&L.

Architecturally, LVMH is closer to Berkshire Hathaway than to any other CAC 40 CEO's shop. That is the reading, and that is why this deck exists.

Sources & Disclaimers

SECTION XII · APPENDIX

Primary sources:

- LVMH 2024 Universal Registration Document (URD).
- LVMH annual and half-year financial reports; group investor presentations.
- Autorité des Marchés Financiers (AMF) filings, including the July 2013 sanction.
- Delaware Court of Chancery filings in the Tiffany / LVMH matter (Sep-Oct 2020).
- Christian Dior SE annual reports; Financière Agache group disclosures.
- Press coverage (Reuters, Bloomberg, Financial Times, Les Échos, WWD).

Disclosures:

- Educational Baratelli Practitioner Case Memo. Not investment advice. Not a solicitation.
- The Baratelli Institute is not affiliated with LVMH, Christian Dior SE, Financière Agache, or any Arnault entity.
- Institute publishes under the Lowe v. SEC publisher exception. Neutral positioning maintained throughout.
- All figures illustrative unless tagged to a specific primary-source disclosure.

Companion materials:

- Companion Excel model (LVMH_Arnault_Model.xlsx, 11 tabs) available at baratelliinstitute.com/cases.
- See also: Berkshire century-company case series; Hermes / H51 family-defense case; Roche foundation-family case.

The Baratelli Institute · July 4, 2026 · Baratelli Practitioner Case Memo series.