

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 Book

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-voting

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.