

# LVMH

DECEMBER 31, 2021  
CONSOLIDATED FINANCIAL STATEMENTS



# CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT	2
CONSOLIDATED STATEMENT OF COMPREHENSIVE GAINS AND LOSSES	3
CONSOLIDATED BALANCE SHEET	4
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	5
CONSOLIDATED CASH FLOW STATEMENT	6
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	7
CONSOLIDATED COMPANIES	68
COMPANIES NOT INCLUDED IN THE SCOPE OF CONSOLIDATION	76
STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS	77

*As table totals are based on unrounded figures, there may be discrepancies  
between these totals and the sum of their rounded component figures.*

This document is a free translation into English of the original French “Comptes consolidés – 31 décembre 2021”, hereafter referred to as the “Consolidated financial statements”. It is not a binding document. In the event of a conflict in interpretation, reference should be made to the French version, which is the authentic text.

## CONSOLIDATED INCOME STATEMENT

<i>(EUR millions, except for earnings per share)</i>	Notes	2021	2020	2019
<b>Revenue</b>	24-25	<b>64,215</b>	<b>44,651</b>	<b>53,670</b>
Cost of sales		(20,355)	(15,871)	(18,123)
<b>Gross margin</b>		<b>43,860</b>	<b>28,780</b>	<b>35,547</b>
Marketing and selling expenses		(22,308)	(16,792)	(20,207)
General and administrative expenses		(4,414)	(3,641)	(3,864)
Income/(loss) from joint ventures and associates	8	13	(42)	28
<b>Profit from recurring operations</b>	24-25	<b>17,151</b>	<b>8,305</b>	<b>11,504</b>
Other operating income and expenses	26	4	(333)	(231)
<b>Operating profit</b>		<b>17,155</b>	<b>7,972</b>	<b>11,273</b>
Cost of net financial debt		41	(35)	(107)
Interest on lease liabilities		(242)	(281)	(290)
Other financial income and expenses		254	(292)	(162)
<b>Net financial income/(expense)</b>	27	<b>53</b>	<b>(608)</b>	<b>(559)</b>
Income taxes	28	(4,510)	(2,409)	(2,932)
<b>Net profit before minority interests</b>		<b>12,698</b>	<b>4,955</b>	<b>7,782</b>
Minority interests	18	(662)	(253)	(611)
<b>Net profit, Group share</b>		<b>12,036</b>	<b>4,702</b>	<b>7,171</b>
<b>Basic Group share of net earnings per share (EUR)</b>	29	<b>23.90</b>	<b>9.33</b>	<b>14.25</b>
Number of shares on which the calculation is based		503,627,708	503,679,272	503,218,851
<b>Diluted Group share of net earnings per share (EUR)</b>	29	<b>23.89</b>	<b>9.32</b>	<b>14.23</b>
Number of shares on which the calculation is based		503,895,592	504,210,133	503,839,542

## CONSOLIDATED STATEMENT OF COMPREHENSIVE GAINS AND LOSSES

<i>(EUR millions)</i>	Notes	2021	2020	2019
<b>Net profit before minority interests</b>		<b>12,698</b>	<b>4,955</b>	<b>7,782</b>
Translation adjustments		2,177	(1,650)	299
Amounts transferred to income statement		(4)	(11)	1
Tax impact		17	(10)	11
	16.5, 18	<b>2,190</b>	<b>(1,671)</b>	<b>311</b>
Change in value of hedges of future foreign currency cash flows <sup>(a)</sup>		281	73	(16)
Amounts transferred to income statement		(303)	(123)	25
Tax impact		127	(112)	(3)
		<b>105</b>	<b>(162)</b>	<b>6</b>
Change in value of the ineffective portion of hedging instruments		(375)	(209)	(211)
Amounts transferred to income statement		237	232	241
Tax impact		33	(9)	(7)
		<b>(105)</b>	<b>14</b>	<b>23</b>
<b>Gains and losses recognized in equity, transferable to income statement</b>		<b>2,190</b>	<b>(1,819)</b>	<b>340</b>
Change in value of vineyard land	6	52	(3)	42
Amounts transferred to consolidated reserves		-	-	-
Tax impact		(12)	3	(11)
		<b>40</b>	<b>-</b>	<b>31</b>
Employee benefit obligations: change in value resulting from actuarial gains and losses		251	(20)	(167)
Tax impact		(58)	6	39
		<b>193</b>	<b>(14)</b>	<b>(128)</b>
<b>Gains and losses recognized in equity, not transferable to income statement</b>		<b>233</b>	<b>(14)</b>	<b>(97)</b>
<b>Comprehensive income</b>		<b>15,121</b>	<b>3,122</b>	<b>8,025</b>
Minority interests		(762)	(162)	(628)
<b>Comprehensive income, Group share</b>		<b>14,359</b>	<b>2,960</b>	<b>7,397</b>

(a) In 2021, this amount includes 477 million euros relating to foreign exchange hedges implemented in anticipation of the acquisition of Tiffany shares and included in the value of the investment; see Note 2.

## CONSOLIDATED BALANCE SHEET

<i>Assets (EUR millions)</i>	Notes	2021	2020	2019
Brands and other intangible assets	3	24,551	17,012	17,212
Goodwill	4	25,904	16,042	16,034
Property, plant and equipment	6	20,193	18,224	18,533
Right-of-use assets	7	13,705	12,521	12,409
Investments in joint ventures and associates	8	1,084	990	1,074
Non-current available for sale financial assets	9	1,363	739	915
Other non-current assets	10	1,054	845	1,546
Deferred tax	28	3,156	2,325	2,274
<b>Non-current assets</b>		<b>91,010</b>	<b>68,698</b>	<b>69,997</b>
Inventories and work in progress	11	16,549	13,016	13,717
Trade accounts receivable	12	3,787	2,756	3,450
Income taxes		338	392	406
Other current assets	13	5,606	3,846	3,264
Cash and cash equivalents	15	8,021	19,963	5,673
<b>Current assets</b>		<b>34,301</b>	<b>39,973</b>	<b>26,510</b>
<b>Total assets</b>		<b>125,311</b>	<b>108,671</b>	<b>96,507</b>
<i>Liabilities and equity (EUR millions)</i>	Notes	2021	2020	2019
Equity, Group share	16.1	47,119	37,412	36,586
Minority interests	18	1,790	1,417	1,779
<b>Equity</b>		<b>48,909</b>	<b>38,829</b>	<b>38,365</b>
Long-term borrowings	19	12,165	14,065	5,101
Non-current lease liabilities	7	11,887	10,665	10,373
Non-current provisions and other liabilities	20	3,980	3,322	3,812
Deferred tax	28	6,704	5,481	5,498
Purchase commitments for minority interests' shares	21	13,677	10,991	10,735
<b>Non-current liabilities</b>		<b>48,413</b>	<b>44,524</b>	<b>35,519</b>
Short-term borrowings	19	8,075	10,638	7,610
Current lease liabilities	7	2,387	2,163	2,172
Trade accounts payable	22.1	7,086	5,098	5,814
Income taxes		1,267	721	722
Current provisions and other liabilities	22.2	9,174	6,698	6,305
<b>Current liabilities</b>		<b>27,989</b>	<b>25,318</b>	<b>22,623</b>
<b>Total liabilities and equity</b>		<b>125,311</b>	<b>108,671</b>	<b>96,507</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(EUR millions)	Number of shares	Share capital	Share premium account	Treasury shares	Cumulative translation adjustment	Revaluation reserves				Net profit and other reserves	Total equity		
						Available for sale financial assets	Hedges of future foreign currency cash flows and cost of hedging	Vineyard land	Employee benefit commitments		Group share	Minority interests	Total
Notes		16.2	16.2	16.3	16.5							18	
<b>As of January 1, 2019</b>	<b>505,029,495</b>	<b>152</b>	<b>2,298</b>	<b>(421)</b>	<b>573</b>	<b>-</b>	<b>(129)</b>	<b>1,117</b>	<b>(113)</b>	<b>28,787</b>	<b>32,264</b>	<b>1,664</b>	<b>33,928</b>
Gains and losses recognized in equity					289		22	22	(107)		226	17	242
Net profit										7,171	7,171	611	7,783
<b>Comprehensive income</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>289</b>	<b>-</b>	<b>22</b>	<b>22</b>	<b>(107)</b>	<b>7,171</b>	<b>7,397</b>	<b>628</b>	<b>8,025</b>
Bonus share plan-related expenses										69	69	3	72
(Acquisition)/disposal of LVMH shares				18						(44)	(26)	-	(26)
Exercise of LVMH share subscription options	403,946		21								21	-	21
Retirement of LVMH shares	(2,156)										-	-	-
Capital increase in subsidiaries											-	95	95
Interim and final dividends paid										(3,119)	(3,119)	(433)	(3,552)
Changes in control of consolidated entities										2	2	25	27
Acquisition and disposal of minority interests' shares										(17)	(17)	-	(17)
Purchase commitments for minority interests' shares										(5)	(5)	(203)	(208)
<b>As of December 31, 2019</b>	<b>505,431,285</b>	<b>152</b>	<b>2,319</b>	<b>(403)</b>	<b>862</b>	<b>-</b>	<b>(107)</b>	<b>1,139</b>	<b>(220)</b>	<b>32,844</b>	<b>36,586</b>	<b>1,779</b>	<b>38,365</b>
Gains and losses recognized in equity					(1,554)		(176)	-	(11)		(1,742)	(91)	(1,833)
Net profit										4,702	4,702	253	4,955
<b>Comprehensive income</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,554)</b>	<b>-</b>	<b>(176)</b>	<b>-</b>	<b>(11)</b>	<b>4,702</b>	<b>2,960</b>	<b>162</b>	<b>3,122</b>
Stock option plan-related expenses										60	60	3	63
(Acquisition)/disposal of LVMH shares				49						(42)	7	-	7
Retirement of LVMH shares	(673,946)		(94)	94							-	-	-
Capital increase in subsidiaries											-	54	54
Interim and final dividends paid										(2,317)	(2,317)	(376)	(2,693)
Changes in control of consolidated entities										(30)	(30)	7	(23)
Acquisition and disposal of minority interests' shares										(49)	(49)	8	(41)
Purchase commitments for minority interests' shares										193	193	(220)	(27)
<b>As of December 31, 2020</b>	<b>504,757,339</b>	<b>152</b>	<b>2,225</b>	<b>(260)</b>	<b>(692)</b>	<b>-</b>	<b>(283)</b>	<b>1,139</b>	<b>(231)</b>	<b>35,363</b>	<b>37,412</b>	<b>1,417</b>	<b>38,829</b>
Gains and losses recognized in equity					2,073		43	29	178		2,323	101	2,423
Net profit										12,036	12,036	662	12,698
<b>Comprehensive income</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>2,073</b>	<b>-</b>	<b>43</b>	<b>29</b>	<b>178</b>	<b>12,036</b>	<b>14,359</b>	<b>763</b>	<b>15,122</b>
Bonus share plan-related expenses										126	126	6	132
(Acquisition)/disposal of LVMH shares				(652)						(92)	(744)	-	(744)
Retirement of LVMH shares											-	-	-
Capital increase in subsidiaries											-	12	12
Interim and final dividends paid										(3,527)	(3,527)	(428)	(3,956)
Changes in control of consolidated entities										(42)	(42)	397	355
Acquisition and disposal of minority interests' shares										(443)	(443)	(211)	(654)
Purchase commitments for minority interests' shares										(22)	(22)	(166)	(188)
<b>As of December 31, 2021</b>	<b>504,757,339</b>	<b>152</b>	<b>2,225</b>	<b>(912)</b>	<b>1,380</b>	<b>-</b>	<b>(239)</b>	<b>1,167</b>	<b>(53)</b>	<b>43,399</b>	<b>47,119</b>	<b>1,790</b>	<b>48,909</b>

## CONSOLIDATED CASH FLOW STATEMENT

<i>(EUR millions)</i>	Notes	2021	2020	2019
<b>I. OPERATING ACTIVITIES</b>				
Operating profit		17,155	7,972	11,273
(Income)/loss and dividends received from joint ventures and associates	8	41	64	(10)
Net increase in depreciation, amortization and provisions		3,139	3,478	2,700
Depreciation of right-of-use assets	7.1	2,691	2,572	2,408
Other adjustments and computed expenses		(405)	(89)	(266)
<b>Cash from operations before changes in working capital</b>		<b>22,621</b>	<b>13,997</b>	<b>16,105</b>
Cost of net financial debt: interest paid		71	(58)	(124)
Lease liabilities: interest paid		(231)	(290)	(239)
Tax paid		(4,239)	(2,385)	(2,940)
Change in working capital	15.2	426	(367)	(1,154)
<b>Net cash from/(used in) operating activities</b>		<b>18,648</b>	<b>10,897</b>	<b>11,648</b>
<b>II. INVESTING ACTIVITIES</b>				
Operating investments	15.3	(2,664)	(2,478)	(3,294)
Purchase and proceeds from sale of consolidated investments	2	(13,226)	(536)	(2,478)
Dividends received		10	12	8
Tax paid related to non-current available for sale financial assets and consolidated investments		-	-	(1)
Purchase and proceeds from sale of non-current available for sale financial assets	9	(99)	63	(104)
<b>Net cash from/(used in) investing activities</b>		<b>(15,979)</b>	<b>(2,939)</b>	<b>(5,869)</b>
<b>III. FINANCING ACTIVITIES</b>				
Interim and final dividends paid	15.4	(4,161)	(2,799)	(3,678)
Purchase and proceeds from sale of minority interests		(435)	(67)	(21)
Other equity-related transactions	15.4	(552)	27	54
Proceeds from borrowings	19	251	17,499	2,837
Repayment of borrowings	19	(6,413)	(5,024)	(1,810)
Repayment of lease liabilities	7.2	(2,453)	(2,302)	(2,187)
Purchase and proceeds from sale of current available for sale financial assets	14	(1,393)	69	71
<b>Net cash from/(used in) financing activities</b>		<b>(15,156)</b>	<b>7,403</b>	<b>(4,734)</b>
<b>IV. EFFECT OF EXCHANGE RATE CHANGES</b>				
		<b>498</b>	<b>(1,052)</b>	<b>39</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (I+II+III+IV)</b>		<b>(11,989)</b>	<b>14,309</b>	<b>1,084</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	15.1	<b>19,806</b>	<b>5,497</b>	<b>4,413</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	15.1	<b>7,817</b>	<b>19,806</b>	<b>5,497</b>
<b>TOTAL TAX PAID</b>		<b>(4,464)</b>	<b>(2,501)</b>	<b>(3,070)</b>

### Alternative performance measure

The following table presents the reconciliation between “Net cash from operating activities” and “Operating free cash flow” for the fiscal years presented:

<i>(EUR millions)</i>	2021	2020	2019
Net cash from operating activities	18,648	10,897	11,648
Operating investments	(2,664)	(2,478)	(3,294)
Repayment of lease liabilities	(2,453)	(2,302)	(2,187)
<b>Operating free cash flow<sup>(a)</sup></b>	<b>13,531</b>	<b>6,117</b>	<b>6,167</b>

(a) Under IFRS 16, fixed lease payments are treated partly as interest payments and partly as principal repayments. For its own operational management purposes, the Group treats all lease payments as components of its “Operating free cash flow”, whether the lease payments made are fixed or variable. In addition, for its own operational management purposes, the Group treats operating investments as components of its “Operating free cash flow”.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1.	ACCOUNTING POLICIES	8
2.	CHANGES IN OWNERSHIP INTERESTS IN CONSOLIDATED ENTITIES	16
3.	BRANDS, TRADE NAMES AND OTHER INTANGIBLE ASSETS	19
4.	GOODWILL	21
5.	IMPAIRMENT TESTING OF INTANGIBLE ASSETS WITH INDEFINITE USEFUL LIVES	22
6.	PROPERTY, PLANT AND EQUIPMENT	23
7.	LEASES	25
8.	INVESTMENTS IN JOINT VENTURES AND ASSOCIATES	30
9.	NON-CURRENT AVAILABLE FOR SALE FINANCIAL ASSETS	30
10.	OTHER NON-CURRENT ASSETS	31
11.	INVENTORIES AND WORK IN PROGRESS	31
12.	TRADE ACCOUNTS RECEIVABLE	32
13.	OTHER CURRENT ASSETS	33
14.	CURRENT AVAILABLE FOR SALE FINANCIAL ASSETS	33
15.	CASH AND CHANGE IN CASH	33
16.	EQUITY	35
17.	BONUS SHARE AND SIMILAR PLANS	38
18.	MINORITY INTERESTS	41
19.	BORROWINGS	42
20.	PROVISIONS AND OTHER NON-CURRENT LIABILITIES	45
21.	PURCHASE COMMITMENTS FOR MINORITY INTERESTS' SHARES	46
22.	TRADE ACCOUNTS PAYABLE AND OTHER CURRENT LIABILITIES	46
23.	FINANCIAL INSTRUMENTS AND MARKET RISK MANAGEMENT	47
24.	SEGMENT INFORMATION	53
25.	REVENUE AND EXPENSES BY NATURE	57
26.	OTHER OPERATING INCOME AND EXPENSES	58
27.	NET FINANCIAL INCOME/(EXPENSE)	59
28.	INCOME TAXES	60
29.	EARNINGS PER SHARE	62
30.	PROVISIONS FOR PENSIONS, CONTRIBUTION TO MEDICAL COSTS AND OTHER EMPLOYEE BENEFIT COMMITMENTS	62
31.	OFF-BALANCE SHEET COMMITMENTS	65
32.	EXCEPTIONAL EVENTS AND LITIGATION	66
33.	RELATED-PARTY TRANSACTIONS	66
34.	SUBSEQUENT EVENTS	67

## 1. ACCOUNTING POLICIES

### 1.1 General framework and environment

The consolidated financial statements for fiscal year 2021 were established in accordance with the international accounting standards and interpretations (IAS/IFRS) adopted by the European Union and applicable on December 31, 2021. These standards and interpretations have been applied consistently to the fiscal years presented. The consolidated financial statements for fiscal year 2021 were approved by the Board of Directors on January 27, 2022.

### 1.2 Changes in the accounting framework applicable to LVMH

Since January 1, 2021, the Group has applied Phase 2 of the amendments to IFRS 9, IAS 39 and IFRS 7 on financial instruments, in connection with the reform of benchmark interest rates. Phase 1 of these amendments was applied starting in 2019. The process of transitioning to the replacement rates has been finalized and the transition will take effect on January 1, 2022, at which date the current benchmark rates will cease to apply. This transition has no impact on the financial statements as of December 31, 2021.

The amendment to IFRS 16 on the recognition of rent concessions granted by lessors after June 30, 2021 in connection with the Covid-19 pandemic has been applied since January 1, 2021 (see Note 7.3).

The Group has taken into account the impact of the IFRIC agenda decision issued in April 2021 when measuring employee benefit obligations. This decision relates to attributing benefits to periods of service and the caps on such benefits. The impact as of December 31, 2021 represents a non-material decrease in this commitment, recognized within “Actuarial gains and losses” for fiscal year 2021 (see Note 30).

### 1.3 Impact of the Covid-19 pandemic on the consolidated financial statements

Fiscal year 2021 saw a return to growth in business activity, and a context in which the approval of the financial statements did not require any special review of the usual assumptions and estimates, in contrast with the 2020 fiscal year, during which the Covid-19 pandemic and the measures taken by various governments severely disrupted LVMH’s operations, significantly affecting the financial statements.

In 2020, the assumptions and estimates used as a basis for measuring certain balance sheet and income statement items were updated in light of the crisis, as regards the following:

- valuation of intangible assets;
- renegotiation of leases;
- valuation of purchase commitments for minority interests’ shares;
- costs arising from lower activity levels;
- provisions for inventory impairment;
- provisions for impairment of trade accounts receivable;
- payments received or receivable from social security systems or government agencies in respect of measures to safeguard the economy;
- the portfolio of derivatives used to hedge commercial transactions and the hedging policy;
- valuation of deferred tax assets on tax losses.

See Note 1.3 to the 2020 consolidated financial statements for further details.

### 1.4 Taking into account climate, water supply and biodiversity risks

The Group’s current exposure to the consequences of climate change is limited. As such, at this stage, the impact of climate change on the financial statements is not material.

As part of the LIFE 360 program, which puts the Group’s environmental strategy into practice, LVMH has launched a plan to transform its value chains.

The implementation of this program is reflected in LVMH’s financial statements in the form of operating investments, research and development expenses and corporate philanthropy expenses. In addition, profit from recurring operations will be affected by changes in raw material prices; production, transport and distribution costs; and costs related to the end-of-life phase of its products.

The short-term effects have been incorporated into the Group’s strategic plans, which form the basis for conducting impairment tests on intangible assets with indefinite useful lives (see Note 5). The long-term effects of these changes are not quantifiable at this stage.

## 1.5 First-time adoption of IFRS

The first accounts prepared by the Group in accordance with IFRS were the financial statements for the year ended December 31, 2005, with a transition date of January 1, 2004. IFRS 1 allowed for exceptions to the retrospective application of IFRS at the transition date. The procedures implemented by the Group with respect to these exceptions include the following:

- business combinations: the exemption from retrospective application was not applied. The recognition of the merger of Moët Hennessy and Louis Vuitton in 1987 and all subsequent acquisitions were restated in accordance with IFRS 3; IAS 36 Impairment of Assets and IAS 38 Intangible Assets were applied retrospectively as of that date;
- foreign currency translation of the financial statements of subsidiaries outside the eurozone: translation reserves relating to the consolidation of subsidiaries that prepare their accounts in foreign currency were reset to zero as of January 1, 2004 and offset against “Other reserves”.

## 1.6 Presentation of the financial statements

### Definitions of “Profit from recurring operations” and “Other operating income and expenses”

The Group’s main business is the management and development of its brands and trade names. “Profit from recurring operations” is derived from these activities, whether they are recurring or non-recurring, core or incidental transactions.

“Other operating income and expenses” comprises income statement items, which – due to their nature, amount or frequency – may not be considered inherent to the Group’s recurring operations or its profit from recurring operations. This caption reflects in particular the impact of changes in the scope of consolidation, the impairment of goodwill and the impairment and amortization of brands and trade names. It also includes any significant amounts relating to the impact of certain unusual transactions, such as gains or losses arising on the disposal of fixed assets, restructuring costs, costs in respect of disputes, or any other non-recurring income or expense that may otherwise distort the comparability of profit from recurring operations from one period to the next.

### Cash flow statement

Net cash from operating activities is determined on the basis of operating profit, adjusted for non-cash transactions. In addition:

- dividends received are presented according to the nature of the underlying investments, thus in “Net cash from operating activities” for dividends from joint ventures and associates and in “Net cash from financial investments” for dividends from other unconsolidated entities;
- tax paid is presented according to the nature of the transaction from which it arises, thus in “Net cash from operating activities” for the portion attributable to operating transactions; in “Net

cash from financial investments” for the portion attributable to transactions in available for sale financial assets, notably tax paid on gains from their sale; and in “Net cash from transactions relating to equity” for the portion attributable to transactions in equity, notably distribution taxes arising on the payment of dividends.

## 1.7 Use of estimates

For the purpose of preparing the consolidated financial statements, the measurement of certain balance sheet and income statement items requires the use of hypotheses, estimates or other forms of judgment. This is particularly true of the valuation of intangible assets (see Note 5); the measurement of leases (see Note 7) and purchase commitments for minority interests’ shares (see Notes 1.14 and 21); the determination of the amount of provisions for contingencies and losses, and uncertain tax positions (see Note 20) or for impairment of inventories (see Notes 1.19 and 11); and, if applicable, deferred tax assets (see Note 28). Such hypotheses estimates or other forms of judgment made on the basis of the information available or the situation prevailing at the date at which the financial statements are prepared may subsequently prove different from actual events.

## 1.8 Methods of consolidation

The subsidiaries in which the Group holds a direct or indirect *de facto* or *de jure* controlling interest are fully consolidated.

Jointly controlled companies and companies where the Group has significant influence but no controlling interest are accounted for using the equity method. Although jointly controlled, those entities are fully integrated within the Group’s operating activities. LVMH discloses their net profit, as well as that of entities using the equity method (see Note 8), on a separate line, which forms part of profit from recurring operations.

When an investment in a joint venture or associate accounted for using the equity method involves a payment tied to meeting specific performance targets, known as an earn-out payment, the estimated amount of this payment is included in the initial purchase price recorded in the balance sheet, with an offsetting entry under financial liabilities. Any difference between the initial estimate and the actual payment made is recorded as part of the value of investments in joint ventures and associates, without any impact on the income statement.

The assets, liabilities, income and expenses of the Wines and Spirits distribution subsidiaries held jointly with the Diageo group are consolidated only in proportion to the LVMH group’s share of operations (see Note 1.28).

The consolidation on an individual or collective basis of companies that are not consolidated (see “Companies not included in the scope of consolidation”) would not have a significant impact on the Group’s main aggregates.

## 1.9 Foreign currency translation of the financial statements of entities outside the eurozone

The consolidated financial statements are presented in euros; the financial statements of entities presented in a different functional currency are translated into euros:

- at the period-end exchange rates for balance sheet items;
- at the average rates for the period for income statement items.

Translation adjustments arising from the application of these rates are recorded in equity under “Cumulative translation adjustment”.

## 1.10 Foreign currency transactions and hedging of exchange rate risks

Transactions of consolidated companies denominated in a currency other than their functional currencies are translated to their functional currencies at the exchange rates prevailing at the transaction dates.

Accounts receivable, accounts payable and debts denominated in currencies other than the entities’ functional currencies are translated at the applicable exchange rates at the fiscal year-end. Gains and losses resulting from this translation are recognized:

- within “Cost of sales” for commercial transactions;
- within “Net financial income/(expense)” for financial transactions.

Foreign exchange gains and losses arising from the translation or elimination of intra-Group transactions or receivables and payables denominated in currencies other than the entity’s functional currency are recorded in the income statement unless they relate to long-term intra-Group financing transactions, which can be considered equity-related transactions. In the latter case, translation adjustments are recorded in equity under “Cumulative translation adjustment”.

Derivatives used to hedge commercial, financial or investment transactions are recognized in the balance sheet at their market value (see Note 1.11) at the balance sheet date. Changes in the value of the effective portions of these derivatives are recognized as follows:

- for hedges that are commercial in nature:
  - within “Cost of sales” for hedges of receivables and payables recognized in the balance sheet at the end of the period,

- within equity under “Revaluation reserves” for hedges of future cash flows; this amount is transferred to cost of sales upon recognition of the hedged trade receivables and payables;
- for hedges relating to the acquisition of fixed assets: within equity under “Revaluation reserves” for hedges of future cash flows; this amount is transferred to the asset side of the balance sheet, as part of the initial cost of the hedged item when accounting for the latter, and then to the income statement in the event of the disposal or impairment of the hedged item;
- for hedges that are tied to the Group’s investment portfolio (hedging the net worth of subsidiaries whose functional currency is not the euro): within equity under “Cumulative translation adjustment”; this amount is transferred to the income statement upon the sale or liquidation (whether partial or total) of the subsidiary whose net worth is hedged;
- for hedges that are financial in nature: within “Net financial income/(expense)”, under “Other financial income and expenses”.

Changes in the value of these derivatives related to forward points associated with forward contracts, as well as in the time value component of options, are recognized as follows:

- for hedges that are commercial in nature: within equity under “Revaluation reserves”. The cost of the forward contracts (forward points) and of the options (premiums) is transferred to “Other financial income and expenses” upon realization of the hedged transaction;
- for hedges that are tied to the Group’s investment portfolio or financial in nature: expenses and income arising from discounts or premiums are recognized in “Borrowing costs” on a pro rata basis over the term of the hedging instruments. The difference between the amounts recognized in “Net financial income/(expense)” and the change in the value of forward points is recognized in equity under “Revaluation reserves”.

Market value changes of derivatives not designated as hedges are recorded within “Net financial income/(expense)”.

See also Note 1.23 for the definition of the concepts of effective and ineffective portions.

## 1.11 Fair value measurement

Fair value (or market value) is the price that would be obtained from the sale of an asset or paid to transfer a liability in an orderly transaction between market participants.

The assets and liabilities measured at fair value in the balance sheet are as follows:

	<b>Approaches to determining fair value</b>	<b>Amounts recorded at balance sheet date</b>
Vineyard land	Based on recent transactions in similar assets. See Note 1.15.	Note 6
Grape harvests	Based on purchase prices for equivalent grapes. See Note 1.19.	Note 11
Derivatives	Based on market data and according to commonly used valuation models. See Note 1.24.	Note 23
Borrowings hedged against changes in value due to interest rate fluctuations	Based on market data and according to commonly used valuation models. See Note 1.23.	Note 19
Liabilities in respect of purchase commitments for minority interests' shares priced according to fair value	Generally based on the market multiples of comparable companies. See Note 1.14.	Note 21
Available for sale financial assets	Quoted investments: price quotations at the close of trading on the balance sheet date. Unquoted investments: estimated net realizable value, either according to formulas based on market data or based on private quotations. See Note 1.18.	Note 9, Note 14
Cash and cash equivalents (SICAV and FCP funds)	Based on the liquidation value at the balance sheet date. See Note 1.21.	Note 15

No other assets or liabilities have been remeasured at market value at the balance sheet date.

## 1.12 Brands and other intangible assets

Only acquired brands and trade names that are well known and individually identifiable are recorded as assets based on their market values at their dates of acquisition.

Brands and trade names are chiefly valued using the forecast discounted cash flow method, or based on comparable transactions (i.e. using the revenue and net profit coefficients employed for recent transactions involving similar brands) or stock market multiples observed for related businesses. Other complementary methods may also be employed: the relief from royalty method, involving equating a brand's value with the present value of the royalties required to be paid for its use; the margin differential method, applicable when a measurable difference can be identified in the amount of revenue generated by a branded product in comparison with a similar unbranded product; and finally the equivalent brand reconstitution method involving, in particular, estimation of the amount of advertising and promotion expenses required to generate a similar brand.

Costs incurred in creating a new brand or developing an existing brand are expensed.

Brands, trade names and other intangible assets with finite useful lives are amortized over their estimated useful lives. The classification of a brand or trade name as an asset of finite or indefinite useful life is generally based on the following criteria:

- the brand or trade name's overall positioning in its market expressed in terms of volume of activity, international presence and reputation;
- its expected long-term profitability;
- its degree of exposure to changes in the economic environment;
- any major event within its business segment liable to compromise its future development;
- its age.

Amortizable lives of brands and trade names with finite useful lives range from 5 to 20 years, depending on their anticipated period of use.

Impairment tests are carried out for brands, trade names and other intangible assets using the methodology described in Note 1.17.

Research expenditure is not capitalized. New product development expenditure is not capitalized unless the final decision has been made to launch the product.

Intangible assets other than brands and trade names are amortized over the following periods:

- rights attached to sponsorship agreements and media partnerships are amortized over the life of the agreements, depending on how the rights are used;
- development expenditure is amortized over 3 years at most;
- software and websites are amortized over 1 to 5 years.

### 1.13 Changes in ownership interests in consolidated entities

When the Group takes *de jure* or *de facto* control of a business, its assets, liabilities and contingent liabilities are estimated at their market value as of the date when control is obtained; the difference between the cost of taking control and the Group's share of the market value of those assets, liabilities and contingent liabilities is recognized as goodwill.

The cost of taking control is the price paid by the Group in the context of an acquisition, or an estimate of this price if the transaction is carried out without any payment of cash, excluding acquisition costs, which are disclosed under "Other operating income and expenses".

The difference between the carrying amount of minority interests purchased after control is obtained and the price paid for their acquisition is deducted from equity.

Goodwill is accounted for in the functional currency of the acquired entity.

Goodwill is not amortized but is subject to annual impairment testing using the methodology described in Note 1.17. Any impairment expense recognized is included within "Other operating income and expenses".

### 1.14 Purchase commitments for minority interests' shares

The Group has granted put options to minority shareholders of certain fully consolidated subsidiaries.

Pending specific guidance from IFRSs regarding this issue, the Group recognizes these commitments as follows:

- the value of the commitment at the balance sheet date appears in "Purchase commitments for minority interests' shares", as a liability on its balance sheet;
- the corresponding minority interests are canceled;
- for commitments granted prior to January 1, 2010, the difference between the amount of the commitments and canceled minority interests is maintained as an asset on the balance sheet under goodwill, as are subsequent changes in this difference. For commitments granted as from January 1, 2010, the difference between the amount of the commitments and minority interests is recorded in equity, under "Other reserves".

This recognition method has no effect on the presentation of minority interests within the income statement.

### 1.15 Property, plant and equipment

With the exception of vineyard land, the gross value of property, plant and equipment is stated at acquisition cost. Any borrowing costs incurred prior to the placed-in-service date or during the construction period of assets are capitalized.

Vineyard land is recognized at the market value at the balance sheet date. This valuation is based on official published data for recent transactions in the same region. Any difference compared to historical cost is recognized within equity in "Revaluation reserves". If the market value falls below the acquisition cost, the resulting impairment is charged to the income statement.

Buildings mostly occupied by third parties are reported as investment property, at acquisition cost. Investment property is thus not remeasured at market value.

The depreciable amount of property, plant and equipment comprises the acquisition cost of their components less residual value, which corresponds to the estimated disposal price of the asset at the end of its useful life.

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives. For leased assets, the depreciation period cannot be longer than that used for the calculation of the lease liability.

The estimated useful lives are as follows:

- buildings including investment property 20 to 100 years;
- machinery and equipment 3 to 25 years;
- leasehold improvements 3 to 10 years;
- producing vineyards 18 to 25 years.

Expenses for maintenance and repairs are charged to the income statement as incurred.

### 1.16 Leases

The Group has applied IFRS 16 Leases since January 1, 2019. The initial application was carried out using the "modified retrospective" approach to transition. See Note 1.2 to the 2019 consolidated financial statements for details of this initial application procedure for IFRS 16 and the impact of its initial application on the 2019 financial statements.

When entering into a lease, a liability is recognized in the balance sheet, measured at the discounted present value of future payments of the fixed portion of lease payments and offset against a right-of-use asset depreciated over the lease term. The amount of the liability depends to a large degree on the assumptions used for the lease term and, to a lesser extent, the discount rate. The Group's extensive geographic coverage means it encounters a wide range of different legal conditions when entering into contracts.

The lease term generally used to calculate the liability is the term of the initially negotiated lease, not taking into account any early termination options, except in special circumstances. When leases contain extension options, the term used for the calculation of the liability may include these periods, mainly

when the anticipated period of use of the fixed assets, whether under a new or existing lease, is greater than the initial contractual lease term.

The lease term to be used in accounting for lease liabilities when the underlying assets are capitalized even though the obligation to make lease payments covers a period of less than twelve months is consistent with the anticipated period of use of the invested assets. Most often, this involves leases for retail locations that are automatically renewable on an annual basis.

The standard requires that the discount rate be determined for each lease using the incremental borrowing rate of the subsidiary entering into the lease. In practice, given the structure of the Group's financing – virtually all of which is held or guaranteed by LVMH SE – this incremental borrowing rate is generally the total of the risk-free rate for the currency of the lease, with reference to its term, and the Group's credit risk for this same currency and over the same term.

Leasehold rights and property, plant and equipment related to restoration obligations for leased facilities are presented within "Right-of-use assets" and subject to depreciation under the same principles as those described above.

The Group has implemented a dedicated IT solution to gather lease data and run the calculations required by the standard.

Since the application of IFRS 16 had a significant impact on the cash flow statement given the importance of fixed lease payments to the Group's activities, specific indicators are used for internal performance monitoring requirements and financial communication purposes in order to present consistent performance indicators, independently of the fixed or variable nature of lease payments. One such alternative performance measure is "Operating free cash flow", which is calculated by deducting capitalized fixed lease payments in their entirety from cash flow. The reconciliation between "Net cash from operating activities" and "Operating free cash flow" is presented in the cash flow statement.

### 1.17 Impairment testing of fixed assets

Property, plant and equipment, intangible assets, and all leased fixed assets are subject to impairment testing whenever there is any indication that an asset may be impaired (particularly following major changes in the asset's operating conditions), and in any event at least annually in the case of intangible assets with indefinite useful lives (mainly brands, trade names and goodwill). When the carrying amount of assets with indefinite useful lives is greater than the higher of their value in use or market value, the resulting impairment loss is recognized within "Other operating income and expenses", allocated on a priority basis to any existing goodwill.

Value in use is based on the present value of the cash flows expected to be generated by these assets. Market value is estimated by comparison with recent similar transactions or on the basis of valuations performed by independent experts for the purposes of a disposal transaction.

Cash flows are forecast at Group level for each business segment, defined as one or several brands or trade names under the responsibility of a dedicated management team. Smaller-scale cash-generating units, such as a group of stores, may be distinguished within a particular business segment.

The forecast data required for the discounted cash flow method is based on annual budgets and multi-year business plans prepared by the management of the business segments concerned. Detailed forecasts cover a five-year period, which may be extended for brands undergoing strategic repositioning or whose production cycle exceeds five years. An estimated terminal value is added to the value resulting from discounted forecast cash flows, which corresponds to the capitalization in perpetuity of cash flows most often arising from the last year of the plan. Discount rates are set for each business group with reference to companies engaged in comparable businesses. Forecast cash flows are discounted on the basis of the rate of return to be expected by an investor in the applicable business and an assessment of the risk premium associated with that business. When several forecast scenarios are developed, the probability of occurrence of each scenario is assessed.

### 1.18 Available for sale financial assets

Available for sale financial assets are classified as current or non-current based on their type.

Non-current available for sale financial assets comprise strategic and non-strategic investments whose estimated period and form of ownership justify such classification.

Current available for sale financial assets (presented in "Other current assets"; see Note 13) include temporary investments in shares, shares of SICAVs, FCPs and other mutual funds, excluding investments made as part of day-to-day cash management, which are accounted for as "Cash and cash equivalents" (see Note 1.21).

Available for sale financial assets are measured at their listed value at the fiscal year-end date in the case of quoted investments, and in the case of unquoted investments at their estimated net realizable value, assessed either according to formulas based on market data or based on private quotations at the fiscal year-end date.

Positive or negative changes in value are recognized under "Net financial income/(expense)" (within "Other financial income and expenses") for all shares held in the portfolio during the reported periods.

### 1.19 Inventories and work in progress

Inventories other than wine produced by the Group are recorded at the lower of cost (excluding interest expense) and net realizable value; cost comprises manufacturing cost (finished goods) or purchase price, plus incidental costs (raw materials, merchandise).

Wine produced by the Group, including champagne, is measured on the basis of the applicable harvest market value, which is determined by reference to the average purchase price of equivalent grapes, as if the grapes harvested had been purchased from third parties. Until the date of the harvest, the value of grapes is calculated on a pro rata basis, in line with the estimated yield and market value.

Inventories are valued using either the weighted average cost or the FIFO method, depending on the type of business.

Due to the length of the aging process required for champagne and spirits (cognac, whisky), the holding period for these inventories generally exceeds one year. However, in accordance with industry practices, these inventories are classified as current assets.

Provisions for impairment of inventories are chiefly recognized for businesses other than Wines and Spirits. They are generally required because of product obsolescence (end of season or collection, expiration date approaching, etc.) or lack of sales prospects.

## 1.20 Trade accounts receivable, loans and other receivables

Trade accounts receivable, loans and other receivables are recorded at amortized cost, which corresponds to their face value. Impairment is recognized for the portion of loans and receivables not covered by credit insurance when such receivables are recorded, in the amount of the losses expected upon maturity. This reflects the probability of counterparty default and the expected loss rate, measured using historical statistical data, information provided by credit bureaus, or ratings by credit rating agencies, depending on the specific case.

The amount of long-term loans and receivables (i.e. those falling due in more than one year) is subject to discounting, the effects of which are recognized under “Net financial income/(expense)”, using the effective interest method.

## 1.21 Cash and cash equivalents

Cash and cash equivalents comprise cash and highly liquid money-market investments subject to an insignificant risk of changes in value over time.

Money-market investments are measured at their market value, based on price quotations at the close of trading and on the exchange rate prevailing at the fiscal year-end date, with any changes in value recognized as part of “Net financial income/(expense)”.

## 1.22 Provisions

A provision is recognized whenever an obligation exists towards a third party resulting in a probable disbursement for the Group, the amount of which may be reliably estimated. See also Notes 1.26 and 20.

If the date at which this obligation is to be discharged is in more than one year, the provision amount is discounted, the effects of

which are recognized in “Net financial income/(expense)” using the effective interest method.

## 1.23 Borrowings

Borrowings are measured at amortized cost, i.e. nominal value net of issue premiums and issuance costs, which are charged over time to “Net financial income/(expense)” using the effective interest method.

In the case of hedging against fluctuations in the value of borrowings resulting from changes in interest rates, both the hedged amount of borrowings and the related hedging instruments are measured at their market value at the balance sheet date, with any changes in those values recognized within net financial income/(expense), under “Fair value adjustment of borrowings and interest rate hedges”. See Note 1.11 regarding the measurement of hedged borrowings at market value. Interest income and expenses related to hedging instruments are recognized within “Net financial income/(expense)”, under “Borrowing costs”.

In the case of hedging against fluctuations in future interest payments, the related borrowings remain measured at their amortized cost while any changes in value of the effective hedge portions are taken to equity as part of “Revaluation reserves”.

Changes in value of non-hedging derivatives, and of the ineffective portions of hedges, are recognized within net financial income/(expense).

Net financial debt comprises short- and long-term borrowings, the market value at the balance sheet date of interest rate derivatives, less the amount at the balance sheet date of non-current available for sale financial assets used to hedge financial debt, current available for sale financial assets, cash and cash equivalents, in addition to the market value at that date of foreign exchange derivatives related to any of the aforementioned items.

## 1.24 Derivatives

The Group enters into derivative transactions as part of its strategy for hedging foreign exchange, interest rate and precious metal price risks.

To hedge against commercial, financial and investment foreign exchange risk, the Group uses options, forward contracts, foreign exchange swaps and cross-currency swaps. The time value of options, the forward point component of forward contracts and foreign exchange swaps, as well as the foreign currency basis spread component of cross-currency swaps are systematically excluded from the hedge relation. Consequently, only the intrinsic value of the instruments is considered a hedging instrument. Regarding hedged items (future foreign currency cash flows, commercial or financial liabilities and accounts receivable in foreign currencies, subsidiaries' equity denominated in a functional currency other than the euro), only their change in value in respect of foreign exchange risk is considered a hedged item. As such, aligning the hedging instruments' main features (nominal values, currencies, maturities) with those of the hedged items makes it possible to perfectly offset changes in value.

Derivatives are recognized in the balance sheet at their market value at the balance sheet date. Changes in their value are accounted for as described in Note 1.10 in the case of foreign exchange hedges and as described in Note 1.23 in the case of interest rate hedges.

Market value is based on market data and commonly used valuation models.

Derivatives with maturities in excess of 12 months are disclosed as non-current assets and liabilities.

### 1.25 Treasury shares

LVMH shares held by the Group are measured at their acquisition cost and recognized as a deduction from consolidated equity, irrespective of the purpose for which they are held.

In the event of disposal, the cost of the shares disposed of is determined by allocation category (see Note 16.3) using the FIFO method, with the exception of shares held under stock option plans, for which the calculation is performed for each plan using the weighted average cost method. Gains and losses on disposal, net of income taxes, are taken directly to equity.

### 1.26 Pensions, contribution to medical costs and other employee benefit commitments

When plans related to retirement bonuses, pensions, contributions to medical costs, or other employee benefit commitments entail the payment by the Group of contributions to third-party organizations that assume sole responsibility for subsequently paying such retirement bonuses, pensions or contributions to medical costs, these contributions are expensed in the fiscal year in which they fall due, with no liability recorded on the balance sheet.

When the payment of retirement bonuses, pensions, contributions to medical costs, or other employee benefit commitments is to be borne by the Group, a provision is recorded in the balance sheet in the amount of the corresponding actuarial commitment. Changes in this provision are recognized as follows:

- the portion related to the cost of services rendered by employees and net interest for the fiscal year is recognized in profit from recurring operations for the fiscal year;
- the portion related to changes in actuarial assumptions and to differences between projected and actual data (experience adjustments) is recognized in gains and losses taken to equity.

If this commitment is partially or fully funded by payments made by the Group to external financial organizations, these dedicated funds are deducted from the actuarial commitment recorded in the balance sheet.

The actuarial commitment is calculated based on assessments that are specifically designed for the country and the Group company concerned. In particular, these assessments include assumptions regarding discount rates, salary increases, inflation, life expectancy and staff turnover, as well as the conditions under which benefits vest, in particular with regard to periods of service or caps on such benefits.

### 1.27 Current and deferred tax

The tax expense comprises current tax payable by consolidated companies and deferred tax resulting from temporary differences as well as the change in uncertain tax positions.

Deferred tax is recognized in respect of temporary differences arising between the value of assets and liabilities for purposes of consolidation and the value resulting from the application of tax regulations.

Deferred tax is measured on the basis of the income tax rates enacted at the balance sheet date; the effect of changes in rates is recognized during the periods in which changes are enacted.

Future tax savings from tax losses carried forward are recorded as deferred tax assets on the balance sheet, which are impaired if they are deemed not recoverable; only amounts for which future use is deemed probable are recognized.

Deferred tax assets and liabilities are not discounted.

Taxes payable in respect of the distribution of retained earnings of subsidiaries give rise to provisions if distribution is deemed probable.

### 1.28 Revenue recognition

#### Definition of revenue

Revenue mainly comprises retail sales within the Group's store network (including e-commerce websites) and wholesale sales through agents and distributors. Sales made in stores owned by third parties are treated as retail transactions if the risks and rewards of ownership of the inventories are retained by the Group.

Direct sales to customers are mostly made through retail stores in Fashion and Leather Goods and Selective Retailing, as well as certain Watches and Jewelry and Perfumes and Cosmetics brands. These sales are recognized at the time of purchase by retail customers.

Wholesale sales mainly concern the Wines and Spirits businesses, as well as certain Perfumes and Cosmetics and Watches and Jewelry brands. The Group recognizes revenue when title transfers to third-party customers.

Revenue includes shipment and transportation costs re-billed to customers only when these costs are included in products' selling prices as a lump sum.

Sales of services, mainly involved in the Group's "Other activities" segment, are recognized as the services are provided.

Revenue is presented net of all forms of discount. In particular, payments made in order to have products referenced or, in accordance with agreements, to participate in advertising campaigns with the distributors, are deducted from related revenue.

#### Provisions for product returns

Perfumes and Cosmetics companies and, to a lesser extent, Fashion and Leather Goods and Watches and Jewelry companies may accept the return of unsold or outdated products from their

customers and distributors. Retail sales, and in particular online sales, also result in product returns from customers.

Where these practices are applied, revenue is reduced by the estimated amount of such returns, and a provision is recognized within “Other current liabilities” (see Note 22.2), along with a corresponding entry made to inventories. The estimated rate of returns is based on historical statistical data.

### Businesses undertaken in partnership with Diageo

A significant proportion of revenue for the Group’s Wines and Spirits businesses is generated within the framework of distribution agreements with Diageo, generally taking the form of shared entities which sell and deliver both groups’ products to customers; the income statement and balance sheet of these entities is apportioned between LVMH and Diageo based on distribution agreements. According to those agreements, the assets, liabilities, income, and expenses of such entities are consolidated only in proportion to the Group’s share of operations.

## 1.29 Advertising and promotion expenses

Advertising and promotion expenses include the costs of producing advertising media, purchasing media space, manufacturing samples, publishing catalogs and, in general, the cost of all activities designed to promote the Group’s brands and products.

Advertising and promotion expenses are recorded within marketing and selling expenses upon receipt or production of goods or upon completion of services rendered.

## 1.30 Bonus share and similar plans

Share purchase and subscription option plans give rise to the recognition of an expense based on the amortization of the expected gain for the recipients calculated according to the Black & Scholes method on the basis of the closing share price on the day before the Board of Directors’ meeting at which the plan is instituted.

For bonus share plans, the expected gain is calculated on the basis of the closing share price on the day before the Board of Directors’ meeting at which the plan is instituted, less the amount of dividends expected to accrue during the vesting period. A discount may be applied to the value of the bonus shares thus calculated to account for a period of non-transferability, where applicable. For any bonus share plans subject to performance conditions, the expense for the fiscal year includes provisional allocations for which the conditions are deemed likely to be met.

For all plans, the amortization expense is apportioned on a straight-line basis in the income statement over the vesting period, with a corresponding impact on reserves in the balance sheet.

For any cash-settled compensation plans index-linked to the change in the LVMH share price, the gain over the vesting period is estimated at each balance sheet date based on the LVMH share price at that date and is charged to the income statement on a pro rata basis over the vesting period, with a corresponding balance sheet impact on provisions. Between that date and the settlement date, the change in the expected gain resulting from the change in the LVMH share price is recorded in the income statement.

## 1.31 Earnings per share

Earnings per share are calculated based on the weighted average number of shares outstanding during the fiscal year, excluding treasury shares.

Diluted earnings per share are calculated based on the weighted average number of shares before dilution and adding the weighted average number of shares that would result from the exercise of existing subscription options during the period or any other diluting instrument. It is assumed for the purposes of this calculation that the funds received from the exercise of options, plus the amount not yet expensed for stock option and similar plans (see Note 1.30), would be employed to repurchase LVMH shares at a price corresponding to their average trading price over the fiscal year.

# 2. CHANGES IN OWNERSHIP INTERESTS IN CONSOLIDATED ENTITIES

## 2.1 Fiscal year 2021

### Tiffany

On January 7, 2021, LVMH acquired all of the shares in Tiffany & Co. (“Tiffany”), in accordance with the agreement signed in November 2019, amended in October 2020 and approved at Tiffany’s Shareholders’ Meeting on December 30, 2020. The acquisition was completed at the price of 131.50 US dollars per share, for a total of 16.1 billion US dollars, paid in cash, equivalent

to 13.1 billion euros as of the acquisition date. Tiffany has been consolidated since January 2021.

The acquisition of Tiffany reinforces LVMH’s position in high jewelry and further expands its presence in the United States. The integration of this iconic American brand profoundly transforms LVMH’s Watches and Jewelry business group.

The following table details the final allocation of the purchase price paid by LVMH on January 7, 2021, the date of acquisition of the controlling interest:

<i>(EUR millions)</i>	<b>Final purchase price allocation</b>
Brand and other intangible assets	6,124
Property, plant and equipment	1,002
Right-of-use assets	860
Inventories and work in progress	1,788
Deferred tax	(1,199)
Lease liabilities	(927)
Net financial debt	(345)
Other current and non-current assets and liabilities	(479)
Minority interests	-
<b>Net assets acquired</b>	<b>6,824</b>
Goodwill	6,750
<b>Carrying amount of shares held as of January 7, 2021</b>	<b>13,574</b>

The amounts presented in the table above are taken from Tiffany's financial statements at the date of acquisition of the controlling interest, prepared and presented in accordance with the accounting policies applied by LVMH; they have undergone specific audit procedures. As of December 31, 2021, the purchase price allocation was final.

The main revaluation of the assets and liabilities acquired was related to the brand. This was measured primarily using the relief-from-royalty method and secondarily using the excess earnings method. The value determined, i.e. 7,300 million US dollars (5,949 million euros), is the average of the value ranges obtained. Final goodwill, amounting to 8,283 million US dollars (6,750 million euros), reflects Tiffany's specific expertise in the development and production of high-quality jewelry products, as well as its access to a high-quality directly operated distribution network; this goodwill also reflects the synergies that will result from the inclusion of Tiffany in the LVMH group.

The carrying amount of shares held as of the date of acquisition of the controlling interest includes the impact of foreign exchange hedges implemented in anticipation of the acquisition for 477 million euros.

During the fiscal year, the Tiffany acquisition generated an outflow of 12.5 billion euros, net of cash acquired in the amount of 0.6 billion euros. The transaction was funded through a number of bond issues in 2020, for a total amount of 10.7 billion euros, together with US dollar-denominated commercial paper for the remainder (see Note 19 to the 2020 consolidated financial statements).

The acquisition costs for Tiffany were recognized in "Other operating income and expenses" and totaled 4 million euros, 35 million euros and 39 million euros for fiscal years 2021, 2020 and 2019, respectively.

For fiscal year 2021, Tiffany generated consolidated revenue of 4,321 million euros and profit from recurring operations of 778 million euros.

### Château d'Esclans

In May 2021, LVMH acquired an additional 45% stake in Château d'Esclans, bringing its ownership interest to 100%.

### Armand de Brignac

In May 2021, LVMH acquired a 50% stake in Armand de Brignac, a major purveyor of prestige champagne. The price paid was mainly allocated to the Armand de Brignac brand for an amount of 390 million US dollars (318 million euros), with the final goodwill totaling 112 million euros.

### Rimowa

In June 2021, the minority shareholder holding 20% of the share capital of Rimowa exercised its put option for all of its shares. Payment took place in July 2021. Following this transaction, LVMH now holds all the shares in Rimowa.

### Off-White

On September 1, 2021, LVMH acquired an additional 25% stake in Off-White LLC, bringing its ownership interest to 60%. Off-White LLC owns the Off-White fashion brand founded by Virgil Abloh. Off-White LLC has been fully consolidated since that date; the price paid was mainly allocated to the Off-White brand for an amount of 291 million US dollars (236 million euros). See also Note 26.

### Feelunique

In September 2021, Sephora fully acquired Feelunique, a leading online beauty retailer in the United Kingdom. This acquisition represents the first step in establishing Sephora's presence in the United Kingdom. This investment will be consolidated in 2022.

### Officine Universelle Buly

In October 2021, the Group fully acquired Officine Universelle Buly, a Parisian brand specializing in perfumes and cosmetics that was founded in the 19th century and relaunched in 2014. This equity investment will be consolidated in 2022. See also Note 26.

### Thélios

In December 2021, LVMH acquired an additional 49% stake in Thélios, a company specializing in eyewear, bringing its ownership interest to 100%.

## 2.2 Fiscal year 2020

There were no significant changes in ownership interests in consolidated entities during the fiscal year.

## 2.3 Fiscal year 2019

### Belmond

On April 17, 2019, pursuant to the transaction agreement announced on December 14, 2018 and approved by Belmond's shareholders on February 14, 2019, LVMH acquired, for cash, all the Class A shares of Belmond Ltd at a unit price of 25 US dollars, for a total of 2.2 billion US dollars. After taking into account the shares acquired on the market in December 2018, the carrying amount of Belmond shares held came to 2.3 billion euros. Following this acquisition, Belmond's Class A shares were no longer listed on the New York Stock Exchange.

Belmond, which has locations in 24 countries, owns and operates an exceptional portfolio of very high-end hotels and travel experiences in the world's most desirable, prestigious destinations.

The following table details the allocation of the purchase price paid by LVMH on April 17, 2019, the date of acquisition of the controlling interest:

<i>(EUR millions)</i>	<b>Final allocation as of June 30, 2020</b>
Brand and other intangible assets	147
Property, plant and equipment	2,312
Other current and non-current assets	338
Net financial debt	(604)
Deferred tax	(430)
Current and non-current liabilities	(409)
Minority interests	(1)
<b>Net assets acquired</b>	<b>1,353</b>
Goodwill	900
<b>Carrying amount of shares held as of April 17, 2019</b>	<b>2,253</b>

The amounts presented in the table above are taken from Belmond's unaudited financial statements at the date of acquisition of the controlling interest. The main revaluations concern real estate assets, for 1,193 million euros, and the Belmond brand, for 140 million euros.

The carrying amount of shares held as of the date of acquisition of the controlling interest includes shares acquired in 2018 for 274 million euros.

### Stella McCartney

Under the agreement announced in July 2019 to speed up the Stella McCartney brand's expansion plans, LVMH acquired a 49% stake in this fashion house in November 2019, which is accounted for using the equity method (see Note 8).

### Château du Galoupet

In June 2019, the Group acquired the entire share capital of Château du Galoupet, a Côtes de Provence estate awarded Cru Classé status in 1955. This property, located in La Londe-les-Maures (France), extends over 68 contiguous hectares and mainly produces rosé wines.

### Château d'Esclans

In late November 2019, the Group acquired 55% of the share capital of Château d'Esclans. This property is located in La Motte (France), exclusively produces world-renowned rosé wines, in particular the *Garrus* and *Whispering Angel* cuvées.

## 2.4 Impact on net cash and cash equivalents of changes in ownership interests in consolidated entities

<i>(EUR millions)</i>	<b>2021</b>	<b>2020</b>	<b>2019</b>
Purchase price of consolidated investments and of minority interests' shares	(14,294)	(585)	(2,604)
Positive cash balance/(net overdraft) of companies acquired	658	-	107
Proceeds from sale of consolidated investments	7	-	-
(Positive cash balance)/net overdraft of companies sold	(32)	(18)	(2)
<b>Impact of changes in ownership interests in consolidated entities on net cash and cash equivalents</b>	<b>(13,661)</b>	<b>(603)</b>	<b>(2,499)</b>
<i>Of which: Purchase and proceeds from sale of consolidated investments</i>	<i>(13,226)</i>	<i>(536)</i>	<i>(2,478)</i>
<i>Purchase and proceeds from sale of minority interests</i>	<i>(435)</i>	<i>(67)</i>	<i>(21)</i>

In 2021, the impact on net cash and cash equivalents of changes in ownership interests in consolidated entities mainly arose from the acquisition of Tiffany.

In 2020, the impact on net cash and cash equivalents of changes in ownership interests in consolidated entities mainly arose from foreign exchange hedges implemented in anticipation of the acquisition of Tiffany.

In 2019, the impact on net cash and cash equivalents of changes in ownership interests in consolidated entities mainly arose from the acquisition of Belmond and of a 49% stake in Stella McCartney and a 55% stake in Château d'Esclans.

### 3. BRANDS, TRADE NAMES AND OTHER INTANGIBLE ASSETS

(EUR millions)	2021			2020	2019
	Gross	Amortization and impairment	Net	Net	Net
Brands	21,645	(772)	20,873	13,737	13,736
Trade names	3,889	(1,604)	2,285	2,130	2,303
License rights	144	(90)	53	55	45
Software, websites	3,143	(2,294)	849	665	650
Other	1,115	(625)	490	425	479
<b>Total</b>	<b>29,936</b>	<b>(5,385)</b>	<b>24,551</b>	<b>17,012</b>	<b>17,212</b>

The net amounts of brands, trade names and other intangible assets changed as follows during the fiscal year:

Gross value (EUR millions)	Brands	Trade names	Software, websites	Other intangible assets	Total
<b>As of December 31, 2020</b>	<b>14,513</b>	<b>3,614</b>	<b>2,388</b>	<b>1,121</b>	<b>21,636</b>
Acquisitions	-	-	244	337	581
Disposals and retirements	-	-	(96)	(116)	(212)
Changes in the scope of consolidation	6,474	-	361	46	6,880
Translation adjustment	658	275	100	29	1,062
Reclassifications	-	-	148	(158)	(11)
<b>As of December 31, 2021</b>	<b>21,645</b>	<b>3,889</b>	<b>3,143</b>	<b>1,259</b>	<b>29,936</b>

Amortization and impairment (EUR millions)	Brands	Trade names	Software, websites	Other intangible assets	Total
<b>As of December 31, 2020</b>	<b>(777)</b>	<b>(1,484)</b>	<b>(1,722)</b>	<b>(641)</b>	<b>(4,623)</b>
Amortization expense	(9)	-	(372)	(148)	(529)
Impairment expense	1	-	(1)	(13)	(13)
Disposals and retirements	-	-	90	116	206
Changes in the scope of consolidation	29	-	(214)	(18)	(202)
Translation adjustment	(18)	(120)	(67)	(13)	(217)
Reclassifications	-	-	(7)	1	(6)
<b>As of December 31, 2021</b>	<b>(772)</b>	<b>(1,604)</b>	<b>(2,294)</b>	<b>(715)</b>	<b>(5,385)</b>
<b>Carrying amount as of December 31, 2021</b>	<b>20,873</b>	<b>2,285</b>	<b>849</b>	<b>544</b>	<b>24,551</b>

Changes in the scope of consolidation mainly resulted from the acquisition of Tiffany. See Note 2.

The net amounts of brands, trade names and other intangible assets changed as follows during the fiscal year:

Carrying amount (EUR millions)	Brands	Trade names	Software, websites	Other intangible assets	Total
<b>As of January 1, 2019</b>	<b>13,596</b>	<b>2,265</b>	<b>544</b>	<b>470</b>	<b>16,875</b>
Acquisitions	-	-	225	303	528
Disposals and retirements	-	-	(2)	-	(2)
Changes in the scope of consolidation	140	-	-	44	184
Amortization expense	(17)	(1)	(267)	(138)	(422)
Impairment expense	(54)	-	-	4	(50)
Translation adjustment	70	39	5	6	119
Reclassifications	-	-	144	(165)	(21)
<b>As of December 31, 2019</b>	<b>13,736</b>	<b>2,303</b>	<b>650</b>	<b>524</b>	<b>17,212</b>
Acquisitions	-	-	194	286	480
Disposals and retirements	-	-	2	(3)	(1)
Changes in the scope of consolidation	14	-	-	2	16
Amortization expense	(24)	(1)	(329)	(131)	(485)
Impairment expense	(32)	-	-	(1)	(33)
Translation adjustment	(25)	(172)	(21)	(9)	(228)
Reclassifications	68	-	170	(187)	51
<b>As of December 31, 2020</b>	<b>13,737</b>	<b>2,130</b>	<b>665</b>	<b>481</b>	<b>17,012</b>

The breakdown of brands and trade names by business group is as follows:

(EUR millions)	2021		2020	2019
	Gross	Amortization and impairment	Net	Net
Wines and Spirits	1,283	(139)	1,144	732
Fashion and Leather Goods	9,033	(335)	8,698	8,474
Perfumes and Cosmetics	699	(77)	622	622
Watches and Jewelry	10,215	(96)	10,119	3,606
Selective Retailing	3,842	(1,557)	2,285	2,130
Other activities	462	(172)	290	292
<b>Total</b>	<b>25,534</b>	<b>(2,376)</b>	<b>23,158</b>	<b>15,866</b>

The brands and trade names recognized are those that the Group has acquired. As of December 31, 2021, the principal acquired brands and trade names were:

- Wines and Spirits: Veuve Clicquot, Krug, Château d'Yquem, Belvedere, Glenmorangie, Newton Vineyards, Bodega Numanthia, Château d'Esclans and Armand de Brignac;
- Fashion and Leather Goods: Louis Vuitton, Fendi, Celine, Loewe, Givenchy, Kenzo, Berluti, Pucci, Loro Piana, Rimowa, Christian Dior Couture and Off-White;
- Perfumes and Cosmetics: Parfums Christian Dior, Guerlain, Parfums Givenchy, Make Up For Ever, Benefit Cosmetics,

Fresh, Acqua di Parma, KVD Vegan Beauty, Fenty, Ole Henriksen and Maison Francis Kurkdjian;

- Watches and Jewelry: Tiffany, Bvlgari, TAG Heuer, Zenith, Hublot, Chaumet and Fred;
- Selective Retailing: DFS Galleria, Sephora, Le Bon Marché and Ile de Beauté;
- Other activities: the publications of the media group Les Echos-Investir, the daily newspaper Le Parisien-Aujourd'hui en France, the Royal Van Lent-Feodship brand, La Samaritaine, the hotel group Belmond and the Cova pastry shop brand.

These brands and trade names are recognized in the balance sheet at their value determined as of the date of their acquisition by the Group, which may be much less than their value in use or their market value as of the closing date for the Group's consolidated financial statements. This is notably the case for the brands Louis Vuitton, Veuve Clicquot and Parfums Christian

Dior, and the trade name Sephora, with the understanding that this list must not be considered exhaustive.

See also Note 5 for the impairment testing of brands, trade names and other intangible assets with indefinite useful lives.

## 4. GOODWILL

<i>(EUR millions)</i>	2021			2020	2019
	Gross	Impairment	Net	Net	Net
Goodwill arising on consolidated investments	18,799	(1,965)	16,834	9,445	9,722
Goodwill arising on purchase commitments for minority interests' shares	9,070	-	9,070	6,597	6,312
<b>Total</b>	<b>27,869</b>	<b>(1,965)</b>	<b>25,904</b>	<b>16,042</b>	<b>16,034</b>

Changes in net goodwill during the fiscal years presented break down as follows:

<i>(EUR millions)</i>	2021			2020	2019
	Gross	Impairment	Net	Net	Net
<b>As of January 1</b>	<b>17,856</b>	<b>(1,814)</b>	<b>16,042</b>	<b>16,034</b>	<b>13,727</b>
Changes in the scope of consolidation	6,878	1	6,879	(27)	1,033
Changes in purchase commitments for minority interests' shares	2,467	-	2,467	278	1,247
Changes in impairment	-	(78)	(78)	(178)	(22)
Translation adjustment	669	(74)	595	(67)	50
<b>As of December 31</b>	<b>27,869</b>	<b>(1,965)</b>	<b>25,904</b>	<b>16,042</b>	<b>16,034</b>

See Note 21 for goodwill arising on purchase commitments for minority interests' shares.

Changes in the scope of consolidation mainly resulted from the acquisition of Tiffany. See Note 2.

Changes in the scope of consolidation during fiscal year 2019 mainly resulted from the acquisition of Belmond. See Note 2.

## 5. IMPAIRMENT TESTING OF INTANGIBLE ASSETS WITH INDEFINITE USEFUL LIVES

Brands, trade names, and other intangible assets with indefinite useful lives as well as the goodwill arising on acquisition were subject to annual impairment testing. No significant impairment expense was recognized in respect of these items during the course of fiscal year 2021.

As described in Note 1.17, these assets are generally valued on the basis of the present value of forecast cash flows determined in the

context of multi-year business plans drawn up each fiscal year. The consequences of the Covid-19 pandemic continue to disrupt the commercial operations of certain Maisons, particularly due to the decrease in business travel and tourist numbers. However, the Group believes that these Maisons' operations will not be significantly affected over the long term, with business activity expected to return to its 2019 level between 2022 and 2024.

The main assumptions used to determine these forecast cash flows are as follows:

(as %)	2021				2020			2019		
	Discount rate		Annual growth rate for revenue during the plan period	Growth rate for the period after the plan	Discount rate post-tax	Annual growth rate for revenue during the plan period	Growth rate for the period after the plan	Discount rate post-tax	Annual growth rate for revenue during the plan period	Growth rate for the period after the plan
	Post-tax	Pre-tax								
Wines and Spirits	6.7 to 11.6	9.1 to 15.7	7.4	2.0	6.0 to 10.8	5.8	2.0	6.0 to 10.8	5.8	2.0
Fashion and Leather Goods	7.4 to 10.2	10.0 to 13.8	10.6	2.0	7.1 to 9.6	10.5	2.0	7.1 to 9.6	10.4	2.0
Perfumes and Cosmetics	7.3	9.9	12.2	2.0	6.5 to 9.2	9.1	2.0	6.5 to 9.2	9.1	2.0
Watches and Jewelry	8.2	11.1	10.1	2.0	7.5 to 8.9	9.4	2.0	7.5 to 8.9	9.2	2.0
Selective Retailing	8.6	11.6	11.5	2.0	7.0 to 8.9	8.0	2.0	7.0 to 8.8	8.2	2.0
Other	6.6 to 9.0	8.9 to 12.2	7.6	2.0	6.0 to 9.0	6.6	2.0	6.0 to 7.5	2.3	2.0

Plans generally cover a five-year period, but may be prolonged up to ten years in the case of brands for which the production cycle exceeds five years or brands undergoing strategic repositioning.

Annual growth rates applied for the period not covered by the plans are based on market estimates for the business groups concerned.

As of December 31, 2021, the intangible assets with indefinite useful lives that are the most significant in terms of their carrying amounts and the criteria used for impairment testing are as follows:

(EUR millions)	Brands and trade names	Goodwill	Total	Post-tax discount rate (as %)	Growth rate for the period after the plan (as %)	Period covered by the forecast cash flows
Christian Dior	3,500	2,179	5,679	9.0	2.0	5 years
Louis Vuitton	2,059	532	2,591	7.4	2.0	5 years
Loro Piana	1,300	1,048	2,348	9.0	2.0	5 years
Fendi	713	405	1,118	9.0	2.0	5 years
Tiffany	6,445	7,274	13,719	N/A	N/A	N/A
Bulgari	2,100	1,547	3,647	8.2	2.0	5 years
TAG Heuer	1,201	228	1,429	8.2	2.0	5 years
DFS	2,021	-	2,021	8.6	2.0	5 years
Belmond	126	771	897	9.0	2.0	10 years

N/A: Not applicable.

As of December 31, 2021, two business segments disclosed intangible assets with a carrying amount close to their recoverable amount (including one for which the net carrying amount of intangible assets with indefinite useful lives is significant). Impairment tests relating to intangible assets with indefinite useful lives in these business segments have been carried out based on value in use. The amount of these intangible assets as

of December 31, 2021 and the impairment loss that would result from a 1.0-point change in the post-tax discount rate or in the growth rate for the period not covered by the plans, or from a 4-point decrease in the compound annual growth rate for revenue compared to rates used as of December 31, 2021, break down as follows:

(EUR millions)	Amount of intangible assets concerned as of 12/31/2021	Amount of impairment if:		
		Post-tax discount rate increases by 1.0 point	Annual growth rate for revenue decreases by 4 points	Growth rate for the period after the plan decreases by 1.0 point
Other activities	1,095	(127)	(320)	(74)
<b>Total</b>	<b>1,095</b>	<b>(127)</b>	<b>(320)</b>	<b>(74)</b>

The Group considers that changes in excess of the limits mentioned above would entail assumptions at a level not deemed relevant in view of the current economic environment and medium- to long-term growth prospects for the business segments concerned.

As of December 31, 2021, the gross and net values of brands, trade names and goodwill giving rise to amortization and/or

impairment charges in 2021 were 1,087 million euros and 931 million euros, respectively (1,831 million and 1,328 million euros as of December 31, 2020).

Impairment expenses recognized during fiscal year 2021 came to 89 million euros. See Note 26.

## 6. PROPERTY, PLANT AND EQUIPMENT

(EUR millions)	2021			2020	2019
	Gross	Depreciation and impairment	Net	Net	Net
Land	4,824	(20)	4,804	4,480	4,411
Vineyard land and producing vineyards <sup>(a)</sup>	2,739	(117)	2,623	2,551	2,537
Buildings	6,702	(2,557)	4,145	3,503	3,218
Investment property	358	(37)	321	316	319
Leasehold improvements, machinery and equipment	17,610	(12,496)	5,114	4,459	4,717
Assets in progress	1,303	(1)	1,302	1,176	1,650
Other property, plant and equipment	2,432	(547)	1,886	1,740	1,682
<b>Total</b>	<b>35,969</b>	<b>(15,775)</b>	<b>20,193</b>	<b>18,224</b>	<b>18,533</b>
<i>Of which: Historical cost of vineyard land</i>	<i>608</i>	<i>-</i>	<i>608</i>	<i>601</i>	<i>587</i>

(a) Almost all of the carrying amount of "Vineyard land and producing vineyards" corresponds to vineyard land.

Changes in property, plant and equipment during the fiscal year broke down as follows:

Gross value (EUR millions)	Vineyard land and producing vineyards	Land and buildings	Investment property	Leasehold improvements, machinery and equipment			Assets in progress	Other property, plant and equipment	Total
				Stores and hotels	Production, logistics	Other			
<b>As of December 31, 2020</b>	<b>2,668</b>	<b>10,236</b>	<b>350</b>	<b>9,767</b>	<b>3,098</b>	<b>1,566</b>	<b>1,181</b>	<b>2,295</b>	<b>31,161</b>
Acquisitions	11	398	7	679	159	106	1,162	150	2,672
Change in the market value of vineyard land	52	-	-	-	-	-	-	-	52
Disposals and retirements	(12)	(350)	-	(626)	(64)	(121)	(35)	(71)	(1,279)
Changes in the scope of consolidation	-	445	-	1,201	211	345	112	52	2,365
Translation adjustment	12	264	6	551	58	77	39	33	1,040
Other movements, including transfers	8	534	(5)	400	136	67	(1,157)	(26)	(43)
<b>As of December 31, 2021</b>	<b>2,739</b>	<b>11,526</b>	<b>358</b>	<b>11,972</b>	<b>3,598</b>	<b>2,039</b>	<b>1,303</b>	<b>2,432</b>	<b>35,969</b>

Depreciation and impairment (EUR millions)	Vineyard land and producing vineyards	Land and buildings	Investment property	Leasehold improvements, machinery and equipment			Assets in progress	Other property, plant and equipment	Total
				Stores and hotels	Production, logistics	Other			
<b>As of December 31, 2020</b>	<b>(117)</b>	<b>(2,253)</b>	<b>(34)</b>	<b>(6,810)</b>	<b>(2,087)</b>	<b>(1,076)</b>	<b>(5)</b>	<b>(555)</b>	<b>(12,937)</b>
Depreciation expense	(6)	(282)	(3)	(1,141)	(224)	(174)	-	(64)	(1,894)
Impairment expense	-	(7)	(2)	(8)	(1)	-	(21)	(1)	(41)
Disposals and retirements	8	119	-	618	58	118	24	59	1,004
Changes in the scope of consolidation	-	(60)	-	(851)	(153)	(286)	-	-	(1,349)
Translation adjustment	(1)	(69)	-	(399)	(39)	(63)	-	(15)	(586)
Other movements, including transfers	-	(26)	2	17	(1)	5	1	30	27
<b>As of December 31, 2021</b>	<b>(117)</b>	<b>(2,577)</b>	<b>(37)</b>	<b>(8,573)</b>	<b>(2,447)</b>	<b>(1,476)</b>	<b>(1)</b>	<b>(547)</b>	<b>(15,775)</b>
<b>Carrying amount as of December 31, 2021</b>	<b>2,623</b>	<b>8,949</b>	<b>321</b>	<b>3,398</b>	<b>1,152</b>	<b>564</b>	<b>1,302</b>	<b>1,886</b>	<b>20,193</b>

“Other property, plant and equipment” includes in particular the works of art owned by the Group.

Purchases of property, plant and equipment mainly include investments by the Maisons – notably Louis Vuitton, Christian Dior, Sephora and Tiffany – in their retail networks. They also included investments by the champagne Maisons, Hennessy and Louis Vuitton in their production equipment, as well as investments relating to the Group’s hotel activities.

Disposals of property, plant and equipment mainly included the sale of the Belmond Charleston hotel.

Changes in the scope of consolidation mainly resulted from the acquisition of Tiffany. See Note 2.

The market value of investment property, according to appraisals by independent third parties, was at least 0.6 billion euros as of December 31, 2021. The valuation methods used are based on market data.

Changes in property, plant and equipment during prior fiscal years broke down as follows:

Carrying amount (EUR millions)	Vineyard land and producing vineyards	Land and buildings	Investment property	Leasehold improvements, machinery and equipment			Assets in progress	Other property, plant and equipment	Total
				Stores	Production, logistics	Other			
<b>As of January 1, 2019</b>	<b>2,473</b>	<b>4,870</b>	<b>602</b>	<b>2,664</b>	<b>924</b>	<b>398</b>	<b>1,233</b>	<b>1,593</b>	<b>14,757</b>
Acquisitions	11	225	12	806	165	143	1,375	124	2,860
Disposals and retirements	-	(8)	(23)	(1)	(1)	(2)	(8)	8	(35)
Depreciation expense	(6)	(213)	(4)	(1,030)	(189)	(144)	-	(68)	(1,655)
Impairment expense	-	62	(1)	(5)	(2)	-	(16)	-	38
Change in the market value of vineyard land	42	-	-	-	-	-	-	-	42
Changes in the scope of consolidation	15	2,117	-	218	8	-	22	8	2,388
Translation adjustment	2	69	8	53	5	4	8	4	151
Other movements, including transfers	1	506	(274)	512	106	87	(964)	13	(13)
<b>As of December 31, 2019</b>	<b>2,537</b>	<b>7,628</b>	<b>319</b>	<b>3,216</b>	<b>1,015</b>	<b>486</b>	<b>1,650</b>	<b>1,682</b>	<b>18,533</b>
Acquisitions	19	295	1	464	135	91	911	67	1,984
Disposals and retirements	(2)	(12)	(4)	(6)	(8)	(2)	(4)	1	(37)
Depreciation expense	(6)	(238)	(2)	(1,024)	(211)	(149)	-	(75)	(1,706)
Impairment expense	(2)	(10)	-	(3)	(2)	-	(5)	(3)	(26)
Change in the market value of vineyard land	(3)	-	-	-	-	-	-	-	(3)
Changes in the scope of consolidation	-	-	-	-	-	-	-	-	-
Translation adjustment	(13)	(245)	(6)	(156)	(16)	(13)	(31)	(15)	(496)
Other movements, including transfers	21	565	8	466	100	77	(1,344)	83	(25)
<b>As of December 31, 2020</b>	<b>2,551</b>	<b>7,983</b>	<b>316</b>	<b>2,957</b>	<b>1,012</b>	<b>490</b>	<b>1,176</b>	<b>1,740</b>	<b>18,224</b>

Purchases of property, plant and equipment in fiscal years 2020 and 2019 mainly included investments by the Group's brands in their retail networks and investments by the champagne houses,

Hennessy, Louis Vuitton and Parfums Christian Dior in their production equipment. They also included investments related to the La Samaritaine project.

## 7. LEASES

### 7.1 Right-of-use assets

Right-of-use assets break down as follows, by type of underlying asset:

(EUR millions)	2021			2020	2019
	Gross	Depreciation and impairment	Net	Net	Net
Stores	16,065	(5,428)	10,636	10,053	9,861
Offices	2,762	(772)	1,991	1,433	1,436
Other	1,046	(275)	771	721	749
<b>Capitalized fixed lease payments</b>	<b>19,873</b>	<b>(6,475)</b>	<b>13,398</b>	<b>12,207</b>	<b>12,046</b>
Leasehold rights	841	(534)	307	314	363
<b>Total</b>	<b>20,714</b>	<b>(7,009)</b>	<b>13,705</b>	<b>12,521</b>	<b>12,409</b>

The net amounts of right-of-use assets changed as follows during the fiscal year:

Gross value (EUR millions)	Capitalized fixed lease payments				Leasehold rights	Total
	Stores	Offices	Other	Total		
<b>As of December 31, 2020</b>	<b>13,577</b>	<b>1,931</b>	<b>922</b>	<b>16,429</b>	<b>783</b>	<b>17,213</b>
New leases entered into	1,924	683	78	2,685	45	2,730
Changes in assumptions	(274)	34	38	(202)	-	(202)
Leases ended or canceled	(588)	(111)	(45)	(744)	(9)	(753)
Changes in the scope of consolidation	678	160	21	860	2	862
Translation adjustment	749	68	33	850	9	859
Other movements, including transfers	(1)	(4)	-	(6)	11	6
<b>As of December 31, 2021</b>	<b>16,065</b>	<b>2,762</b>	<b>1,046</b>	<b>19,873</b>	<b>841</b>	<b>20,714</b>

Depreciation and impairment (EUR millions)	Capitalized fixed lease payments				Leasehold rights	Total
	Stores	Offices	Other	Total		
<b>As of December 31, 2020</b>	<b>(3,523)</b>	<b>(498)</b>	<b>(200)</b>	<b>(4,222)</b>	<b>(470)</b>	<b>(4,691)</b>
Depreciation expense	(2,177)	(342)	(116)	(2,634)	(50)	(2,684)
Impairment expense	-	-	-	-	(7)	(7)
Leases ended or canceled	514	95	45	654	6	660
Changes in the scope of consolidation	(3)	(2)	2	(3)	(1)	(4)
Translation adjustment	(238)	(20)	(8)	(265)	(5)	(270)
Other movements, including transfers	(1)	(6)	2	(4)	(8)	(12)
<b>As of December 31, 2021</b>	<b>(5,428)</b>	<b>(772)</b>	<b>(275)</b>	<b>(6,475)</b>	<b>(534)</b>	<b>(7,009)</b>
<b>Carrying amount as of December 31, 2021</b>	<b>10,637</b>	<b>1,990</b>	<b>771</b>	<b>13,398</b>	<b>307</b>	<b>13,705</b>

“New leases entered into” involved store leases, in particular for Christian Dior Couture, Sephora, Louis Vuitton, and Fendi. They also included leases of office space, mainly for Christian Dior Couture and Loro Piana. Changes in the scope of consolidation

mainly resulted from the consolidation of Tiffany (see Note 2). These two types of changes led to corresponding increases in right-of-use assets and lease liabilities. Changes in assumptions mainly resulted from rent concessions, in particular for DFS.

## 7.2 Lease liabilities

Lease liabilities break down as follows:

(EUR millions)	2021	2020	2019
Non-current lease liabilities	11,887	10,665	10,373
Current lease liabilities	2,387	2,163	2,172
<b>Total</b>	<b>14,275</b>	<b>12,828</b>	<b>12,545</b>

The change in lease liabilities during the fiscal year breaks down as follows:

<i>(EUR millions)</i>	Stores	Offices	Other	Total
<b>As of December 31, 2020</b>	<b>10,556</b>	<b>1,555</b>	<b>718</b>	<b>12,829</b>
New leases entered into	1,875	686	73	2,634
Principal repayments	(2,039)	(276)	(112)	(2,426)
Change in accrued interest	7	4	1	12
Leases ended or canceled	(83)	(13)	(1)	(97)
Changes in assumptions	(303)	33	38	(232)
Changes in the scope of consolidation	744	157	23	924
Translation adjustment	554	55	27	636
Other movements, including transfers	(3)	(4)	2	(5)
<b>As of December 31, 2021</b>	<b>11,309</b>	<b>2,198</b>	<b>768</b>	<b>14,275</b>

Changes in the scope of consolidation mainly resulted from the acquisition of Tiffany. See Note 2.

The following table presents the contractual schedule of disbursements for lease liabilities as of December 31, 2021:

<i>(EUR millions)</i>	<b>As of December 31, 2021</b>
	<b>Total minimum future payments</b>
Maturity: 2022	2,648
2023	2,236
2024	1,958
2025	1,646
2026	1,392
Between 2027 and 2031	3,703
Between 2032 and 2036	932
Thereafter	1,293
<b>Total minimum future payments</b>	<b>15,808</b>
Impact of discounting	(1,533)
<b>Total lease liability</b>	<b>14,275</b>

### 7.3 Breakdown of lease expense

The lease expense for the period breaks down as follows:

<i>(EUR millions)</i>	2021	2020	2019
Depreciation and impairment of right-of-use assets	2,634	2,572	2,407
Interest on lease liabilities	242	281	290
<b>Capitalized fixed lease expense</b>	<b>2,876</b>	<b>2,853</b>	<b>2,697</b>
Variable lease payments	1,702	755	1,595
Short-term leases and/or low-value leases	506	320	376
<b>Other lease expenses</b>	<b>2,208</b>	<b>1,075</b>	<b>1,971</b>
<b>Total</b>	<b>5,084</b>	<b>3,928</b>	<b>4,668</b>

In certain countries, leases for stores entail the payment of both minimum amounts and variable amounts, especially for stores with lease payments indexed to revenue. As required by IFRS 16,

only the minimum fixed lease payments are capitalized. "Other lease expenses" mainly relate to variable lease payments.

In fiscal year 2021, the impact of rent concessions from lessors was not material. They were recorded within expenses for variable lease payments, in accordance with the provisions set out in the amendment to IFRS 16 adopted in 2020 (see Note 1.2).

In 2020, the impact of rent concessions from lessors amounted to 548 million euros.

For leases not required to be capitalized, there is little difference between the expense recognized and the payments made.

## 7.4 Changes during prior fiscal years

The change in right-of-use assets during the previous fiscal years breaks down as follows, by type of underlying asset:

Carrying amount (EUR millions)	Capitalized fixed lease payments				Leasehold rights	Total
	Stores	Offices	Other	Total		
<b>As of January 1, 2019</b>	<b>9,471</b>	<b>1,331</b>	<b>718</b>	<b>11,520</b>	<b>344</b>	<b>11,864</b>
New leases entered into	1,862	386	94	2,342	64	2,406
Changes in assumptions	411	13	2	426	-	426
Leases ended or canceled	(138)	(6)	(9)	(153)	(12)	(165)
Depreciation expense	(1,970)	(274)	(108)	(2,352)	(53)	(2,405)
Impairment expense	-	(7)	-	(7)	5	(2)
Changes in the scope of consolidation	22	5	36	64	(4)	61
Translation adjustment	194	16	12	222	4	226
Other movements, including transfers	9	(27)	3	(15)	13	(2)
<b>As of December 31, 2019</b>	<b>9,861</b>	<b>1,436</b>	<b>749</b>	<b>12,047</b>	<b>362</b>	<b>12,409</b>
New leases entered into	2,112	417	115	2,643	7	2,650
Changes in assumptions	931	(84)	11	858	-	858
Leases ended or canceled	(131)	(12)	(17)	(160)	(1)	(161)
Depreciation expense	(2,111)	(286)	(117)	(2,514)	(54)	(2,568)
Impairment expense	1	(2)	-	(1)	(3)	(4)
Changes in the scope of consolidation	-	-	-	-	-	-
Translation adjustment	(600)	(41)	(37)	(678)	(6)	(684)
Other movements, including transfers	(11)	5	19	13	9	22
<b>As of December 31, 2020</b>	<b>10,054</b>	<b>1,433</b>	<b>722</b>	<b>12,207</b>	<b>313</b>	<b>12,522</b>

The change in lease liabilities during the previous fiscal years breaks down as follows:

(EUR millions)	Stores	Offices	Other	Total
<b>As of January 1, 2019</b>	<b>9,692</b>	<b>1,420</b>	<b>716</b>	<b>11,828</b>
New leases entered into	1,834	373	94	2,302
Principal repayments	(1,828)	(238)	(101)	(2,166)
Change in accrued interest	40	5	5	50
Leases ended or canceled	(138)	(6)	(8)	(152)
Changes in assumptions	403	11	2	415
Changes in the scope of consolidation	26	-	30	56
Translation adjustment	198	17	12	228
Other movements, including transfers	36	(50)	-	(13)
<b>As of December 31, 2019</b>	<b>10,264</b>	<b>1,532</b>	<b>749</b>	<b>12,545</b>
New leases entered into	2,082	405	112	2,600
Principal repayments	(1,911)	(250)	(113)	(2,275)
Change in accrued interest	(12)	2	2	(8)
Leases ended or canceled	(138)	(10)	(9)	(158)
Changes in assumptions	911	(84)	11	837
Changes in the scope of consolidation	-	-	-	-
Translation adjustment	(629)	(46)	(33)	(708)
Other movements, including transfers	(13)	7	1	(5)
<b>As of December 31, 2020</b>	<b>10,556</b>	<b>1,555</b>	<b>718</b>	<b>12,829</b>

## 7.5 Off-balance sheet commitments

Off-balance sheet commitments relating to leases with fixed lease payments break down as follows:

<i>(EUR millions)</i>	2021	2020	2019
Contracts commencing after the balance sheet date	459	1,324	1,592
Low-value leases and short-term leases	167	180	195
<b>Total undiscounted future payments</b>	<b>626</b>	<b>1,504</b>	<b>1,787</b>

As part of the active management of its retail network, the Group negotiates and enters into leases with commencement dates after the balance sheet date. Obligations to make payments under these leases are reported as off-balance sheet commitments rather than being recognized as lease liabilities.

In addition, the Group may enter into leases or concession contracts that have variable guaranteed amounts, which are not reflected in the commitments above.

## 7.6 Discount rates

The average discount rate for lease liabilities breaks down as follows for leases in effect as of December 31, 2021:

<i>(as %)</i>	Average rate for leases in effect as of December 31, 2021	Average rate for leases entered into in 2021
Euro	0.5	0.6
US dollar	2.9	1.0
Japanese yen	0.5	0.2
Hong Kong dollar	1.6	0.9
Other currencies	2.0	1.7
<b>Average rate for the Group</b>	<b>1.7</b>	<b>0.9</b>

## 7.7 Termination and renewal options

The term used to calculate the lease liability is generally the contractual term of the lease. Special cases may exist where an early termination option or a renewal option is reasonably certain

to be exercised, and as such the lease term used to calculate the lease liability is reduced or extended, respectively.

The table below presents the impact of these assumptions on lease liabilities recognized as of December 31, 2021:

<i>(EUR millions)</i>	As of December 31, 2021				
	Lease liabilities	Of which:		Impact of options not taken into account <sup>(a)</sup>	
		<i>Impact of early termination options</i>	<i>Impact of renewal options</i>	Renewal options	Early termination options
Lease liabilities related to contracts:					
– with options	6,299	(111)	1,475	2,516	(951)
– without options	7,976				
<b>Total</b>	<b>14,275</b>	<b>(111)</b>	<b>1,475</b>	<b>2,516</b>	<b>(951)</b>

(a) The impact of options not taken into account presented in the table above was calculated by discounting future lease payments on the basis of the last known contractual term.

## 8. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES

(EUR millions)	2021				2020		2019	
	Gross	Impairment	Net	Of which: Joint arrangements	Net	Of which: Joint arrangements	Net	Of which: Joint arrangements
<b>Share of net assets of joint ventures and associates as of January 1</b>	<b>990</b>	-	<b>990</b>	<b>426</b>	<b>1,074</b>	<b>448</b>	<b>638</b>	<b>278</b>
Share of net profit/(loss) for the period	14	-	14	1	(42)	(13)	28	11
Dividends paid	(54)	-	(54)	(9)	(24)	(12)	(20)	(9)
Changes in the scope of consolidation	95	-	95	-	-	-	415	163
Capital increases subscribed	3	-	3	2	10	7	5	2
Translation adjustment	36	-	36	11	(34)	(14)	5	-
Other, including transfers	-	-	-	-	5	9	3	3
<b>Share of net assets of joint ventures and associates as of December 31</b>	<b>1,084</b>	-	<b>1,084</b>	<b>432</b>	<b>990</b>	<b>426</b>	<b>1,074</b>	<b>448</b>

As of December 31, 2021, investments in joint ventures and associates consisted primarily of the following:

- for joint arrangements:
  - a 50% stake in the Château Cheval Blanc wine estate (Gironde, France), which produces the eponymous Saint-Émilion Grand Cru Classé A,
  - a 50% stake in hotel and rail transport activities operated by Belmond in Peru;
- for other companies:
  - a 40% stake in Mongoual SA, the real estate company that owns the office building in Paris (France) that serves as the headquarters of LVMH Moët Hennessy Louis Vuitton,

- a 40% stake in L Catterton Management, an investment fund management company created in December 2015 in partnership with Catterton,
- a 49% stake in Stella McCartney, a London-based ready-to-wear brand.

Changes in the scope of consolidation in fiscal year 2021 mainly resulted from the acquisition of a stake in Off-White Srl via Off-White LLC. See Note 2.

Changes in the scope of consolidation in fiscal year 2019 mainly resulted from the acquisition of a stake in Stella McCartney and the acquisition of Belmond. See Note 2.

## 9. NON-CURRENT AVAILABLE FOR SALE FINANCIAL ASSETS

(EUR millions)	2021	2020	2019
<b>As of January 1</b>	<b>739</b>	<b>915</b>	<b>1,100</b>
Acquisitions	569	159	146
Disposals at net realized value	(107)	(213)	(45)
Changes in market value <sup>(a)</sup>	153	24	(16)
Changes in the scope of consolidation	(3)	-	-
Translation adjustment	12	(13)	7
Reclassifications <sup>(b)</sup>	-	(133)	(276)
<b>As of December 31</b>	<b>1,363</b>	<b>739</b>	<b>915</b>

(a) Recognized within "Net financial income/(expense)" and, in 2021, partly within "Other operating income and expenses" (see Note 26).

(b) See Note 14.

Acquisitions in fiscal year 2021 included the acquisition of an additional 6.8% stake in Tod's SpA, for 74 million euros, bringing LVMH's ownership interest in Tod's SpA to 10%. Acquisitions also included several equity investments that will be consolidated in 2022 (see Note 2).

Acquisitions in fiscal years 2020 and 2019 included, for 90 and 110 million euros respectively, the impact of subscription of securities in investment funds.

## 10. OTHER NON-CURRENT ASSETS

(EUR millions)	2021	2020	2019
Warranty deposits	482	409	429
Derivatives <sup>(a)</sup>	55	110	782
Loans and receivables	413	280	291
Other	103	46	45
<b>Total</b>	<b>1,054</b>	<b>845</b>	<b>1,546</b>

(a) See Note 23.

## 11. INVENTORIES AND WORK IN PROGRESS

(EUR millions)	2021			2020	2019
	Gross	Impairment	Net	Net	Net
Wines and <i>eaux-de-vie</i> in the process of aging	5,456	(23)	5,433	5,313	5,017
Other raw materials and work in progress	3,604	(719)	2,885	1,732	1,900
	<b>9,061</b>	<b>(742)</b>	<b>8,319</b>	<b>7,046</b>	<b>6,917</b>
Goods purchased for resale	2,189	(238)	1,951	1,706	2,189
Finished products	7,825	(1,546)	6,279	4,264	4,611
	<b>10,014</b>	<b>(1,784)</b>	<b>8,230</b>	<b>5,970</b>	<b>6,800</b>
<b>Total</b>	<b>19,075</b>	<b>(2,526)</b>	<b>16,549</b>	<b>13,016</b>	<b>13,717</b>

The change in net inventories for the fiscal years presented breaks down as follows:

(EUR millions)	2021			2020	2019
	Gross	Impairment	Net	Net	Net
<b>As of January 1</b>	<b>15,158</b>	<b>(2,142)</b>	<b>13,016</b>	<b>13,717</b>	<b>12,485</b>
Change in gross inventories	1,567	-	1,567	562	1,604
Impact of provision for returns <sup>(a)</sup>	34	-	34	12	2
Impact of marking harvests to market	(35)	-	(35)	(27)	(6)
Changes in provision for impairment	-	(447)	(447)	(797)	(559)
Changes in the scope of consolidation	2,099	(291)	1,808	-	36
Translation adjustment	718	(113)	605	(457)	153
Other, including reclassifications	(466)	466	1	7	-
<b>As of December 31</b>	<b>19,075</b>	<b>(2,526)</b>	<b>16,549</b>	<b>13,016</b>	<b>13,717</b>

(a) See Note 1.28.

Changes in the scope of consolidation mainly resulted from the acquisition of Tiffany. See Note 2.

The impact of marking harvests to market on Wines and Spirits' cost of sales and value of inventory is as follows:

<i>(EUR millions)</i>	2021	2020	2019
Impact of marking the period's harvest to market	(12)	(7)	14
Impact of inventory sold during the period	(23)	(20)	(20)
<b>Net impact on cost of sales for the period</b>	<b>(35)</b>	<b>(27)</b>	<b>(6)</b>
<b>Net impact on the value of inventory as of December 31</b>	<b>58</b>	<b>93</b>	<b>120</b>

See Notes 1.11 and 1.19 on the method of marking harvests to market.

## 12. TRADE ACCOUNTS RECEIVABLE

<i>(EUR millions)</i>	2021	2020	2019
Trade accounts receivable, nominal amount	3,914	2,880	3,539
Provision for impairment	(127)	(124)	(89)
<b>Net amount</b>	<b>3,787</b>	<b>2,756</b>	<b>3,450</b>

The change in trade accounts receivable for the fiscal years presented breaks down as follows:

<i>(EUR millions)</i>	2021			2020		2019
	Gross	Impairment	Net	Net	Net	
<b>As of January 1</b>	<b>2,880</b>	<b>(124)</b>	<b>2,756</b>	<b>3,450</b>	<b>3,222</b>	
Changes in gross receivables	613	-	613	(528)	121	
Changes in provision for impairment	-	(16)	(16)	(41)	(10)	
Changes in the scope of consolidation	260	(6)	254	1	50	
Translation adjustment	167	(3)	164	(148)	72	
Reclassifications	(6)	22	16	22	(5)	
<b>As of December 31</b>	<b>3,914</b>	<b>(127)</b>	<b>3,787</b>	<b>2,756</b>	<b>3,450</b>	

The trade accounts receivable balance is comprised essentially of receivables from wholesalers or agents, who are limited in number and with whom the Group maintains long-term relationships.

Changes in the scope of consolidation mainly resulted from the acquisition of Tiffany. See Note 2.

As of December 31, 2021, the breakdown of the nominal amount of trade accounts receivable and of provisions for impairment by age was as follows:

<i>(EUR millions)</i>	Nominal amount of receivables	Impairment	Net amount of receivables
Not due:			
– less than 3 months	3,400	(39)	3,361
– more than 3 months	154	(13)	141
	<b>3,554</b>	<b>(52)</b>	<b>3,502</b>
Overdue:			
– less than 3 months	238	(10)	228
– more than 3 months	122	(65)	58
	<b>360</b>	<b>(75)</b>	<b>286</b>
<b>Total</b>	<b>3,914</b>	<b>(127)</b>	<b>3,787</b>

The present value of trade accounts receivable is identical to their carrying amount.

## 13. OTHER CURRENT ASSETS

<i>(EUR millions)</i>	2021	2020	2019
Current available for sale financial assets <sup>(a)</sup>	2,544	752	733
Derivatives <sup>(b)</sup>	258	968	180
Tax accounts receivable, excluding income taxes	1,210	956	1,055
Advances and payments on account to vendors	315	209	254
Prepaid expenses	503	387	454
Other receivables	777	574	589
<b>Total</b>	<b>5,606</b>	<b>3,846</b>	<b>3,264</b>

(a) See Note 14.

(b) See Note 23.

## 14. CURRENT AVAILABLE FOR SALE FINANCIAL ASSETS

The net value of current available for sale financial assets changed as follows during the fiscal years presented:

<i>(EUR millions)</i>	2021	2020	2019
<b>As of January 1</b>	<b>752</b>	<b>733</b>	<b>666</b>
Acquisitions	1,692	576	50
Disposals at net realized value	(296)	(653)	(121)
Changes in market value <sup>(a)</sup>	394	(34)	138
Changes in the scope of consolidation	-	-	-
Translation adjustment	2	-	-
Reclassifications	-	130	-
<b>As of December 31</b>	<b>2,544</b>	<b>752</b>	<b>733</b>
<i>Of which: Historical cost of current available for sale financial assets</i>	<i>2,117</i>	<i>719</i>	<i>538</i>

(a) Recognized within "Net financial income/(expense)".

See also Note 9.

## 15. CASH AND CHANGE IN CASH

### 15.1 Cash and cash equivalents

<i>(EUR millions)</i>	2021	2020	2019
Term deposits (less than 3 months)	1,828	13,546	879
SICAV and FCP funds	477	1,943	147
Ordinary bank accounts	5,717	4,474	4,647
<b>Cash and cash equivalents per balance sheet</b>	<b>8,021</b>	<b>19,963</b>	<b>5,673</b>

The reconciliation between cash and cash equivalents as shown in the balance sheet and net cash and cash equivalents appearing in the cash flow statement is as follows:

<i>(EUR millions)</i>	<b>2021</b>	<b>2020</b>	<b>2019</b>
Cash and cash equivalents	8,021	19,963	5,673
Bank overdrafts	(203)	(156)	(176)
<b>Net cash and cash equivalents per cash flow statement</b>	<b>7,817</b>	<b>19,806</b>	<b>5,497</b>

## 15.2 Change in working capital

The change in working capital breaks down as follows for the fiscal years presented:

<i>(EUR millions)</i>	Notes	<b>2021</b>	<b>2020</b>	<b>2019</b>
Change in inventories and work in progress	11	(1,567)	(562)	(1,604)
Change in trade accounts receivable	12	(613)	528	(121)
Change in balance of amounts owed to customers	22.1	27	(10)	9
Change in trade accounts payable	22.1	1,576	(559)	463
Change in other receivables and payables		1,002	237	98
<b>Change in working capital<sup>(a)</sup></b>		<b>426</b>	<b>(367)</b>	<b>(1,154)</b>

(a) Increase/(Decrease) in cash and cash equivalents.

## 15.3 Operating investments

Operating investments comprise the following elements for the fiscal years presented:

<i>(EUR millions)</i>	Notes	<b>2021</b>	<b>2020</b>	<b>2019</b>
Purchase of intangible assets	3	(580)	(481)	(528)
Purchase of property, plant and equipment	6	(2,675)	(1,984)	(2,860)
Change in accounts payable related to fixed asset purchases		221	(55)	163
Initial direct costs	7	(37)	(7)	(62)
<b>Net cash used in purchases of fixed assets</b>		<b>(3,071)</b>	<b>(2,526)</b>	<b>(3,287)</b>
Net cash from fixed asset disposals		444	51	29
Guarantee deposits paid and other cash flows related to operating investments		(37)	(3)	(36)
<b>Operating investments<sup>(a)</sup></b>		<b>(2,664)</b>	<b>(2,478)</b>	<b>(3,294)</b>

(a) Increase/(Decrease) in cash and cash equivalents.

## 15.4 Interim and final dividends paid and other equity-related transactions

Interim and final dividends paid comprise the following elements for the fiscal years presented:

<i>(EUR millions)</i>	<b>2021</b>	<b>2020</b>	<b>2019</b>
Interim and final dividends paid by LVMH SE	(3,527)	(2,317)	(3,119)
Interim and final dividends paid to minority interests in consolidated subsidiaries	(408)	(365)	(429)
Tax paid related to interim and final dividends paid	(226)	(117)	(130)
<b>Interim and final dividends paid</b>	<b>(4,161)</b>	<b>(2,799)</b>	<b>(3,678)</b>

Other equity-related transactions comprise the following elements for the fiscal years presented:

<i>(EUR millions)</i>	Notes	2021	2020	2019
Capital increases of LVMH SE	16.2	-	-	21
Capital increases of subsidiaries subscribed by minority interests		4	39	82
Acquisition and disposal of LVMH shares	16.3	(556)	(12)	(49)
<b>Other equity-related transactions</b>		<b>(552)</b>	<b>27</b>	<b>54</b>

## 16. EQUITY

### 16.1 Equity

<i>(EUR millions)</i>	Notes	2021	2020	2019
Share capital	16.2	152	152	152
Share premium account	16.2	2,225	2,225	2,319
LVMH shares	16.3	(912)	(260)	(403)
Cumulative translation adjustment	16.5	1,380	(692)	862
Revaluation reserves		875	625	813
Other reserves		31,363	30,661	25,672
Net profit, Group share		12,036	4,702	7,171
<b>Equity, Group share</b>		<b>47,119</b>	<b>37,412</b>	<b>36,586</b>

### 16.2 Share capital and share premium account

As of December 31, 2021, the share capital consisted of 504,757,339 fully paid-up shares (504,757,339 as of December 31, 2020 and 505,431,285 as of December 31, 2019), with a par value of 0.30 euros per share, including 238,140,651 shares with double

voting rights (232,538,911 as of December 31, 2020 and 232,293,143 as of December 31, 2019). Double voting rights are attached to registered shares held for more than three years.

Changes in the share capital and share premium account, in value and in terms of number of shares, break down as follows:

<i>(EUR millions)</i>				2021	2020	2019
	Number	Amount		Amount	Amount	
		Share capital	Share premium account			Total
<b>As of January 1</b>	<b>504,757,339</b>	<b>152</b>	<b>2,225</b>	<b>2,376</b>	<b>2,470</b>	<b>2,450</b>
Exercise of share subscription options	-	-	-	-	-	21
Retirement of LVMH shares	-	-	-	-	(94)	-
<b>As of period-end</b>	<b>504,757,339</b>	<b>152</b>	<b>2,225</b>	<b>2,376</b>	<b>2,376</b>	<b>2,470</b>

### 16.3 LVMH shares

The portfolio of LVMH shares is allocated as follows:

(EUR millions)	2021		2020	2019
	Number	Amount	Amount	Amount
Share subscription option plans	-	-	-	20
Bonus share plans	1,126,959	597	242	294
<b>Shares held for bonus share and similar plans<sup>(a)</sup></b>	<b>1,126,959</b>	<b>597</b>	<b>242</b>	<b>314</b>
Liquidity contract	22,000	15	17	15
Shares pending retirement <sup>(b)</sup>	417,261	300	-	74
<b>LVMH shares</b>	<b>1,566,220</b>	<b>912</b>	<b>260</b>	<b>403</b>

(a) See Note 17 regarding bonus share and similar plans.

(b) Of which 313,610 shares totaling 226 million euros related to shares to be acquired in 2022 in respect of the share repurchase program in effect as of the period-end.

The market value of LVMH shares held under the liquidity contract as of December 31, 2021 amounted to 16 million euros.

In December 2021, LVMH announced the implementation of a share repurchase program aimed at acquiring its own shares

for a maximum amount of 300 million euros over a period beginning on December 21, 2021 and potentially extending until February 15, 2022. The program ended on January 14, 2022 following the acquisition of 417,261 shares, all of which are to be retired.

The portfolio movements of LVMH shares during the fiscal year were as follows:

(number of shares or EUR millions)	Number	Amount	Impact on cash
<b>As of December 31, 2020</b>	<b>861,456</b>	<b>260</b>	-
Share purchases <sup>(a)</sup>	1,596,561	1,024	(787)
Vested bonus shares	(544,706)	(148)	-
Retirement of LVMH shares	-	-	-
Disposals at net realized value	(347,091)	(231)	231
Gain/(loss) on disposal	-	7	-
<b>As of December 31, 2021</b>	<b>1,566,220</b>	<b>912</b>	<b>(556)</b>

(a) Of which 313,610 shares totaling 226 million euros related to shares to be acquired in 2022 in respect of the share repurchase program in effect as of the period-end.

### 16.4 Dividends paid by the parent company LVMH SE

In accordance with French regulations, dividends are taken from the profit for the fiscal year and the distributable reserves of the parent company, after deducting applicable withholding tax and the value attributable to treasury shares.

As of December 31, 2021, the distributable amount was 18,139 million euros; after taking into account the proposed dividend distribution in respect of the 2021 fiscal year, it was 14,606 million euros.

(EUR millions)	2021	2020	2019
Interim dividend for the current fiscal year (2021: 3.00 euros; 2020: 2.00 euros; 2019: 2.20 euros)	1,514	1,010	1,112
Impact of treasury shares	(3)	(2)	(4)
<b>Gross amount disbursed for the fiscal year</b>	<b>1,511</b>	<b>1,008</b>	<b>1,108</b>
Final dividend for the previous fiscal year (2020: 4.00 euros; 2019: 2.60 euros; 2018: 4.00 euros)	2,019	1,314	2,020
Impact of treasury shares	(3)	(5)	(8)
<b>Gross amount disbursed for the previous fiscal year</b>	<b>2,016</b>	<b>1,309</b>	<b>2,012</b>
<b>Total gross amount disbursed during the period<sup>(a)</sup></b>	<b>3,527</b>	<b>2,317</b>	<b>3,119</b>

(a) Excluding the impact of tax regulations applicable to the recipient.

The final dividend for fiscal year 2021, as proposed at the Shareholders' Meeting of April 21, 2022, is 7.00 euros per share, representing a total of 3,533 million euros before deduction of the amount attributable to treasury shares held at the ex-dividend date.

## 16.5 Cumulative translation adjustment

The change in "Cumulative translation adjustment" recognized within "Equity, Group share", net of hedging effects of net assets denominated in foreign currency, breaks down as follows by currency:

(EUR millions)	2021	Change	2020	2019
US dollar	747	1,579	(832)	364
Swiss franc	928	150	778	761
Japanese yen	71	(26)	97	125
Hong Kong dollar	532	247	285	388
Pound sterling	25	138	(113)	(75)
Other currencies	(616)	(158)	(458)	(230)
Foreign currency net investment hedges <sup>(a)</sup>	(307)	142	(449)	(471)
<b>Total, Group share</b>	<b>1,380</b>	<b>2,073</b>	<b>(692)</b>	<b>862</b>

(a) Including: -145 million euros with respect to the US dollar (-125 million euros as of December 31, 2020 and -146 million euros as of December 31, 2019), -117 million euros with respect to the Hong Kong dollar (-117 million euros as of December 31, 2020 and 2019), and -228 million euros with respect to the Swiss franc (-210 million euros as of December 31, 2020 and -208 million euros as of December 31, 2019). These amounts include the tax impact.

## 16.6 Strategy relating to the Group's financial structure

The Group believes that the management of its financial structure, together with the development of the companies it owns and the management of its brand portfolio, helps create value for its shareholders. Maintaining a suitable-quality credit rating is a core objective for the Group, ensuring good access to markets under favorable conditions, allowing it to seize opportunities and procure the resources it needs to develop its business.

To this end, the Group monitors a certain number of financial ratios and aggregate measures of financial risk, including:

- net financial debt (see Note 19) to equity;
- cash from operations before changes in working capital to net financial debt;
- net cash from operating activities;
- operating free cash flow (see the consolidated cash flow statement);

- long-term resources to fixed assets;
- proportion of long-term debt in net financial debt.

Long-term resources are understood to correspond to the sum of equity and non-current liabilities.

Where applicable, these indicators are adjusted to reflect the Group's off-balance sheet financial commitments.

The Group also promotes financial flexibility by maintaining numerous and varied banking relationships, through frequent recourse to several negotiable debt markets (both short- and long-term), by holding a large amount of cash and cash equivalents, and through the existence of sizable amounts of undrawn confirmed credit lines, intended to largely exceed the outstanding portion of its commercial paper program, while continuing to represent a reasonable cost for the Group.

## 17. BONUS SHARE AND SIMILAR PLANS

### 17.1 Bonus share plans

#### 17.1.1 General characteristics of plans

At the Shareholders' Meeting of June 30, 2020, the shareholders renewed the authorization given to the Board of Directors, for a period of twenty-six months expiring in August 2022, to grant existing or newly issued shares as bonus shares to Group company employees or senior executives, on one or more occasions, in an amount not to exceed 1% of the Company's share capital on the date of this authorization.

Except in special cases, (i) the vesting of bonus shares granted by the Board of Directors is subject to continued service and performance conditions being met, (ii) the vesting period is three years, and (iii) shares are not subject to any holding requirement once their vesting period is complete.

Performance conditions generally concern the scope of the Group, but in certain cases may concern targets to be met at the level of a subsidiary or business group. The criteria set by the Board of Directors are mainly financial in nature but may also concern non-financial factors. Performance is most often measured over two fiscal years, and for certain plans over a longer period of time.

#### 17.1.2 Shares granted during the fiscal year under review

##### Provisional allocations

Under the terms of the resolution passed on June 30, 2020, the Board of Directors set up four bonus share plans in 2021, with the vesting of shares under most of these plans subject to a continued service condition and performance conditions. These performance conditions mainly concern either an improvement in the Group's financial performance or the achievement of profit targets by Group subsidiaries.

The plan set up on October 28, 2021 for around 1,200 of the Group's managers and senior executives provides that bonus shares shall only vest under the following conditions: (i) for 90% of shares, if LVMH's consolidated financial statements for 2022 and 2023 show a positive change compared to the previous fiscal year in one or more of the following indicators: the Group's

profit from recurring operations, operating free cash flow and current operating margin; and (ii) for 10% of shares, if certain non-financial targets related to the Group's environmental and social responsibility are met. The vesting period for bonus shares is three years and shares may be sold once they have vested.

It is specified that financial performance shall be measured at constant scope, such that acquisitions made over the course of a year shall not be taken into account in assessing performance with respect to the previous fiscal year, and that, similarly, the impact of disposals shall be neutralized, with only material transactions (for more than 300 million euros) restated in the accounts.

Some of the bonus shares granted on January 26, April 15, July 26 and October 28, 2021 are subject to conditions specifically related to the performance of subsidiaries, which are based on the subsidiaries' consolidated profit from recurring operations and partly (for some subsidiaries) on qualitative criteria.

##### Shares vested

The bonus shares provisionally granted by the Board of Directors on January 25, 2018, April 12, 2018 and October 25, 2018, as well as the shares provisionally granted on July 26, 2017 and October 25, 2017, which were still in their vesting period as of January 1, 2021, vested to their recipients in fiscal year 2021, it being specified that on April 15, 2021, the Board of Directors decided that the shares under the plans set up on July 26, 2017, October 25, 2017, January 25, 2018 and April 12, 2018, subject to conditions specifically related to the performance of a subsidiary, were to vest early.

Since the performance conditions applicable to the bonus shares granted on October 24, 2019 were met in 2021, in accordance with the Board of Directors' decision on October 22, 2020, a definitive award equal to 50% of the provisional allocation will vest with grantees on October 24, 2022, provided that the continued service condition is met.

The performance condition applicable to shares granted under the plan set up on October 22, 2020 was met in 2021.

### 17.1.3 Plans subject to financial performance conditions

Financial performance conditions concern the following plans and fiscal years:

Plan commencement date	Type of plan	Shares awarded if there is a positive change in one of the indicators between fiscal years
October 25, 2017	Bonus shares	2017 and 2018; 2017 and 2019
April 12, 2018	"	2018 and 2019; 2018 and 2020
October 25, 2018	"	2018 and 2019; 2018 and 2020
October 24, 2019	"	2019 and 2020; 2019 and 2021
October 22, 2020	"	2020 and 2021; 2020 and 2022
October 28, 2021	"	2021 and 2022; 2022 and 2023 <sup>(a)</sup>

(a) Financial performance conditions apply to the vesting of 90% of the bonus shares. For 10% of the bonus shares, vesting is subject to a non-financial performance condition related to the LIFE 360 program being met.

### 17.2 Bonus share plans

The following table presents the main characteristics of the bonus share plans and any changes that occurred during the fiscal year:

Plan commencement date	Number of shares awarded initially	Of which: Performance shares <sup>(a)</sup>	Conditions satisfied?	Vesting period of rights	Shares expired in 2021	Shares vested in 2021	Provisional allocations as of Dec. 31, 2021
July 26, 2017	21,700	21,700	yes	(c)	-	(21,700)	-
October 25, 2017	76,165	76,165	yes	(c)	-	(76,165)	-
January 25, 2018	72,804	-	-	-	-	(72,804)	-
January 25, 2018	47,884	47,884	yes	(c)	-	(47,884)	-
April 12, 2018	238,695	238,695	yes	3 years	(4,085)	(224,088)	-
April 12, 2018	93,421	93,421	yes	(c)	-	(93,421)	-
October 25, 2018	9,477	9,477	yes	3 years	(519)	(8,644)	-
October 24, 2019	200,077	200,077	Not satisfied in 2020; satisfied in 2021 <sup>(g)</sup>	3 years	(2,925)	-	95,464
October 22, 2020	177,034	177,034	(b)	3 years	(3,360)	-	173,674
January 26, 2021	124,187	40,000	(b)	(d)	-	-	124,187
April 15, 2021	40,000	40,000	(b)	2 years	-	-	40,000
July 26, 2021	44,225	40,000	(b)	(e)	-	-	44,225
October 28, 2021	188,965	184,291	(b)	(f)	-	-	188,965
<b>Total</b>	<b>1,334,634</b>	<b>1,168,744</b>			<b>(10,889)</b>	<b>(544,706)</b>	<b>666,515</b>

(a) See Note 17.1.1 "General characteristics of plans".

(b) The performance conditions were considered to have been met for the purpose of determining the expense for fiscal year 2021, on the basis of budget data.

(c) At its meeting on April 15, 2021, the Board of Directors decided with immediate effect that the shares under the plans set up on July 26, 2017, October 25, 2017, January 25, 2018 and April 12, 2018, subject to conditions specifically related to the performance of a subsidiary, were to vest early.

(d) Of which: 44,187 shares with a one-year vesting period not subject to any conditions, 30,000 bonus shares with a one-year vesting period and 50,000 bonus shares with a two-year vesting period.

(e) Of which: 4,225 shares with a one-year vesting period not subject to any conditions and 40,000 bonus shares with a two-year vesting period.

(f) Of which: 4,674 shares with a one-year vesting period not subject to any conditions, 30,000 bonus shares with an 18-month vesting period and 154,291 bonus shares with a three-year vesting period.

(g) Since the performance conditions for the plan set up on October 24, 2019 were not met in 2020, given the exceptional circumstances related to the Covid-19 pandemic, in accordance with the Board of Directors' decision on October 22, 2020, a definitive award equal to 50% of the provisional allocation will vest with grantees on October 24, 2022, provided that the continued service condition is met.

The number of provisional allocations of shares awarded changed as follows during the fiscal years presented:

<i>(number of shares)</i>	2021	2020	2019
<b>Provisional allocations as of January 1</b>	<b>824,733</b>	<b>1,052,718</b>	<b>1,351,978</b>
Provisional allocations for the period	397,377	177,034	200,077
Shares vested during the period	(544,706)	(288,482)	(477,837)
Shares expired during the period	(10,889)	(116,537)	(21,500)
<b>Provisional allocations as of period-end</b>	<b>666,515</b>	<b>824,733</b>	<b>1,052,718</b>

### 17.3 Share purchase and subscription option plans

At the Shareholders' Meeting of April 15, 2021, the shareholders renewed the authorization given to the Board of Directors, for a period of twenty-six months expiring in June 2023, to grant share subscription or purchase options to Group company employees or senior executives, on one or more occasions, in an amount not to exceed 1% of the Company's share capital.

As of December 31, 2021, this authorization had not been used by the Board of Directors.

No share purchase or subscription option plans have been set up since 2010.

No share purchase or subscription option plans were in effect as of December 31, 2021.

The number of unexercised share subscription options and the weighted average exercise price changed as follows during the fiscal years presented:

	2021		2020		2019	
	Number	Weighted average exercise price (EUR)	Number	Weighted average exercise price (EUR)	Number	Weighted average exercise price (EUR)
<b>Share subscription options outstanding as of January 1</b>	-	-	-	-	411,088	50.86
Options expired	-	-	-	-	(7,142)	50.86
Options exercised	-	-	-	-	(403,946)	50.86
<b>Share subscription options outstanding as of period-end</b>	-	-	-	-	-	-

### 17.4 Expense for the fiscal year

<i>(EUR millions)</i>	2021	2020	2019
Expense for the period for bonus share plans	132	63	72

The following table presents the LVMH closing share price the day before the grant date of the 2021 plans and the average unit value of provisionally allocated bonus shares in fiscal year 2021:

Plan commencement date	LVMH closing share price the day before the grant date of the plans	Average unit value of provisionally allocated bonus shares
January 26, 2021	501.9	493.0
April 15, 2021	611.8	598.9
July 26, 2021	674.0	661.7
October 28, 2021	664.3	637.9

## 18. MINORITY INTERESTS

<i>(EUR millions)</i>	2021	2020	2019
<b>As of January 1</b>	<b>1,417</b>	<b>1,779</b>	<b>1,664</b>
Minority interests' share of net profit	662	253	611
Dividends paid to minority interests	(428)	(376)	(433)
Impact of changes in control of consolidated entities	397	7	25
Impact of acquisition and disposal of minority interests' shares	(211)	8	-
Capital increases subscribed by minority interests	12	54	95
Minority interests' share in gains and losses recognized in equity	101	(91)	17
Minority interests' share in stock option plan-related expenses	6	3	3
Impact of changes in minority interests with purchase commitments	(166)	(220)	(203)
<b>As of December 31</b>	<b>1,790</b>	<b>1,417</b>	<b>1,779</b>

The change in minority interests' share in gains and losses recognized in equity breaks down as follows:

<i>(EUR millions)</i>	Cumulative translation adjustment	Hedges of future foreign currency cash flows and cost of hedging	Vineyard land	Employee benefit commitments	Minority interests' share in cumulative translation adjustment and revaluation reserves
<b>As of December 31, 2018</b>	<b>115</b>	<b>(14)</b>	<b>260</b>	<b>(33)</b>	<b>328</b>
Changes during the fiscal year	23	4	6	(17)	17
<b>As of December 31, 2019</b>	<b>138</b>	<b>(10)</b>	<b>266</b>	<b>(50)</b>	<b>345</b>
Changes during the fiscal year	(116)	28	1	(3)	(91)
<b>As of December 31, 2020</b>	<b>22</b>	<b>18</b>	<b>267</b>	<b>(53)</b>	<b>254</b>
Changes during the fiscal year	118	(43)	11	14	101
<b>As of December 31, 2021</b>	<b>140</b>	<b>(24)</b>	<b>278</b>	<b>(39)</b>	<b>355</b>

Minority interests are composed primarily of Diageo's 34% stake in Moët Hennessy SAS and Moët Hennessy International SAS ("Moët Hennessy") and the 39% stake held by Mari-Cha Group Ltd in DFS. Since the 34% stake held by Diageo in Moët Hennessy is subject to a purchase commitment, it is reclassified

at the period-end within "Purchase commitments for minority interests' shares" under "Other non-current liabilities" and is therefore excluded from the total amount of minority interests at the period-end. See Notes 1.14 and 21.

Dividends paid to Diageo during fiscal year 2021 amounted to 143 million euros in respect of fiscal year 2020. Net profit attributable to Diageo for fiscal year 2021 was 432 million euros, and its share in accumulated minority interests (before recognition of the purchase commitment granted to Diageo) came to 3,775 million euros as of December 31, 2021. As of that date, the condensed consolidated balance sheet of Moët Hennessy was as follows:

<i>(EUR billions)</i>	2021
Property, plant and equipment and intangible assets	5.0
Other non-current assets	0.9
<b>Non-current assets</b>	<b>5.9</b>
Inventories and work in progress	6.2
Other current assets	1.5
Cash and cash equivalents	2.2
<b>Current assets</b>	<b>9.9</b>
<b>Total assets</b>	<b>15.8</b>

<i>(EUR billions)</i>	2021
Equity	11.0
Non-current liabilities	1.8
<b>Equity and non-current liabilities</b>	<b>12.8</b>
Short-term borrowings	0.9
Other current liabilities	2.1
<b>Current liabilities</b>	<b>3.0</b>
<b>Total liabilities and equity</b>	<b>15.8</b>

Dividends paid to Mari-Cha Group Ltd during the fiscal year amounted to 64 million euros. Net profit attributable to Mari-Cha Group Ltd for fiscal year 2021 was a loss of 33 million euros, and

its share in accumulated minority interests as of December 31, 2021 came to 1,275 million euros.

## 19. BORROWINGS

### 19.1 Net financial debt

<i>(EUR millions)</i>	2021	2020	2019
Bonds and Euro Medium-Term Notes (EMTNs)	11,872	13,866	4,791
Bank borrowings	293	199	310
<b>Long-term borrowings</b>	<b>12,165</b>	<b>14,065</b>	<b>5,101</b>
Bonds and Euro Medium-Term Notes (EMTNs)	3,072	1,094	1,854
Current bank borrowings	377	346	262
Euro- and US dollar-denominated commercial paper	4,172	8,575	4,868
Other borrowings and credit facilities	191	418	430
Bank overdrafts	203	156	176
Accrued interest	61	49	21
<b>Short-term borrowings</b>	<b>8,075</b>	<b>10,638</b>	<b>7,610</b>
<b>Gross borrowings</b>	<b>20,241</b>	<b>24,703</b>	<b>12,711</b>
Interest rate risk derivatives	(6)	(68)	(16)
Foreign exchange risk derivatives	(63)	321	47
<b>Gross borrowings after derivatives</b>	<b>20,172</b>	<b>24,956</b>	<b>12,742</b>
Current available for sale financial assets <sup>(a)</sup>	(2,544)	(752)	(733)
Non-current available for sale financial assets used to hedge financial debt	-	-	(130)
Cash and cash equivalents <sup>(b)</sup>	(8,021)	(19,963)	(5,673)
<b>Net financial debt</b>	<b>9,607</b>	<b>4,241</b>	<b>6,206</b>

(a) See Note 14.

(b) See Note 15.1.

Net financial debt does not include purchase commitments for minority interests' shares (see Note 21) or lease liabilities (see Note 7).

The change in gross borrowings after derivatives during the fiscal year breaks down as follows:

<i>(EUR millions)</i>	As of December 31, 2020	Impact on cash <sup>(a)</sup>	Translation adjustment	Impact of market value changes	Changes in the scope of consolidation	Reclassifications and Other	As of December 31, 2021
Long-term borrowings	14,065	113	208	(95)	960	(3,086)	12,165
Short-term borrowings	10,638	(6,518)	612	(6)	239	3,111	8,075
<b>Gross borrowings</b>	<b>24,703</b>	<b>(6,405)</b>	<b>820</b>	<b>(101)</b>	<b>1,199</b>	<b>25</b>	<b>20,241</b>
Derivatives	253	(4)	-	(318)	-	-	(69)
<b>Gross borrowings after derivatives</b>	<b>24,956</b>	<b>(6,409)</b>	<b>820</b>	<b>(419)</b>	<b>1,199</b>	<b>25</b>	<b>20,172</b>

(a) Including 251 million euros in respect of proceeds from borrowings and 6,413 million euros in respect of repayment of borrowings.

During the fiscal year, LVMH repaid the 300 million euro bond issued in 2019. The remaining cash-settled convertible bonds issued in 2016, with an initial face value of 750 million US dollars, were also redeemed, in the amount of 156 million US dollars. An amount of 594 million US dollars was redeemed early at the end of 2020, following the exercise of the conversion clause by bondholders. See Note 19 to the 2020 consolidated financial statements for details on the repayment of these bonds. Lastly, LVMH completed the redemption of the 650 million euro bond issued in 2014. The associated hedging swaps were unwound on redemption.

Tiffany's bond debt was recognized at its market value at the date of consolidation, i.e. 940 million euros. It comprised four issues in US dollars for a total nominal amount of 800 million US dollars, and an issue of 10 billion Japanese yen.

In February and April 2020, LVMH completed eight bond issues totaling 10.7 billion euros to finance in particular the acquisition of Tiffany, which was completed on January 7, 2021. See Note 19.2 below for details on these bond issues.

In February 2019, LVMH completed two fixed-rate bond issues totaling 1.0 billion euros, comprised of 300 million euros in bonds maturing in 2021 and 700 million euros in bonds maturing in 2023.

In 2019, LVMH repaid the 300 million euro bond issued in 2014, the 600 million euro bond issued in 2013 and the 150 million Australian dollar bond issued in 2014.

The market value of gross borrowings, based on market data and commonly used valuation models, was 19,442 million euros as of December 31, 2021 (25,132 million euros as of December 31, 2020 and 12,770 million euros as of December 31, 2019), including 8,035 million euros in short-term borrowings (10,603 million euros as of December 31, 2020 and 7,618 million euros as of December 31, 2019) and 11,407 million euros in long-term borrowings (14,529 million euros as of December 31, 2020 and 5,151 million euros as of December 31, 2019).

As of December 31, 2021, 2020 and 2019, no financial debt was recognized using the fair value option. See Note 1.23.

## 19.2 Bonds and EMTNs

Nominal amount (in currency)	Year issued	Maturity	Initial effective interest rate <sup>(a)</sup> (%)	2021 (EUR millions)	2020 (EUR millions)	2019 (EUR millions)
GBP 850,000,000	2020	2027	1.125	984	970	-
EUR 1,250,000,000	2020	2024	-	1,251	1,251	-
EUR 1,250,000,000	2020	2026	-	1,245	1,244	-
EUR 1,750,000,000	2020	2028	0.125	1,737	1,734	-
EUR 1,500,000,000	2020	2031	0.375	1,488	1,487	-
GBP 700,000,000	2020	2023	1.000	832	788	-
EUR 1,500,000,000	2020	2025	0.375	1,496	1,494	-
EUR 1,750,000,000	2020	2022	Floating	1,750	1,754	-
EUR 700,000,000	2019	2023	0.260	699	698	697
EUR 300,000,000	2019	2021	0.030	-	300	300
EUR 1,200,000,000	2017	2024	0.82	1,202	1,206	1,203
EUR 800,000,000	2017	2022	0.46	800	801	800
GBP 400,000,000	2017	2022	1.09	477	449	469
EUR 1,250,000,000	2017	2020	0.13	-	-	1,249
USD 750,000,000 <sup>(b)</sup>	2016	2021	1.92	-	127	659
EUR 650,000,000	2014	2021	1.12	-	656	662
EUR 600,000,000	2013	2020	1.89	-	-	605
Other				984	-	-
<b>Total bonds and EMTNs</b>				<b>14,944</b>	<b>14,959</b>	<b>6,645</b>

(a) Before the impact of interest-rate hedges implemented when or after the bonds were issued.

(b) Cumulative amounts and weighted average initial effective interest rate based on a 600 million US dollar bond issued in February 2016 at an initial effective interest rate of 1.96% and a 150 million US dollar tap issue carried out in April 2016 at an effective interest rate of 1.74%. These yields were determined excluding the option component.

### 19.3 Breakdown of gross borrowings by payment date and type of interest rate

(EUR millions)		Gross borrowings			Impact of derivatives			Gross borrowings after derivatives		
		Fixed rate	Floating rate	Total	Fixed rate	Floating rate	Total	Fixed rate	Floating rate	Total
Maturity:	December 31, 2022	2,153	5,922	8,076	(685)	628	(57)	1,468	6,551	8,019
	December 31, 2023	1,654	-	1,654	(836)	823	(13)	818	823	1,641
	December 31, 2024	2,784	-	2,784	(300)	296	(5)	2,483	296	2,779
	December 31, 2025	1,530	-	1,530	-	-	-	1,530	-	1,530
	December 31, 2026	1,354	-	1,354	4	-	4	1,358	-	1,358
	December 31, 2027	1,053	-	1,053	(985)	987	2	68	987	1,055
	Thereafter	3,791	-	3,791	-	-	-	3,791	-	3,791
<b>Total</b>		<b>14,318</b>	<b>5,922</b>	<b>20,240</b>	<b>(2,802)</b>	<b>2,734</b>	<b>(68)</b>	<b>11,516</b>	<b>8,656</b>	<b>20,172</b>

See Note 23.3 regarding the market value of interest rate risk derivatives.

The breakdown by quarter of gross borrowings falling due in 2022 is as follows:

(EUR millions)	Falling due in 2022
First quarter	6,432
Second quarter	1,533
Third quarter	59
Fourth quarter	52
<b>Total</b>	<b>8,076</b>

### 19.4 Breakdown of gross borrowings by currency after derivatives

The purpose of foreign currency borrowings is to finance the development of the Group's activities outside the eurozone, as well as the Group's assets denominated in foreign currency.

(EUR millions)	2021	2020	2019
Euro	17,576	21,281	7,849
US dollar	2,846	3,120	3,457
Swiss franc	588	80	-
Japanese yen	453	762	622
Other currencies	(1,290)	(287)	814
<b>Total<sup>(a)</sup></b>	<b>20,172</b>	<b>24,956</b>	<b>12,742</b>

(a) The amounts presented above include the impact of swaps to convert Group-level financing into subsidiaries' functional currencies, whether these subsidiaries are borrowers or lenders in the currency concerned.

### 19.5 Undrawn confirmed credit lines and covenants

As of December 31, 2021, undrawn confirmed credit lines came to 13.1 billion euros. This amount exceeded the outstanding portion of the euro- and US dollar-denominated commercial paper (ECP and USCP) programs, which totaled 4.2 billion euros

as of December 31, 2021. In connection with certain credit lines, the Group may undertake to maintain certain financial ratios. As of December 31, 2021, no significant credit lines were concerned by these provisions.

## 19.6 Sensitivity

On the basis of debt as of December 31, 2021:

- an instantaneous 1 point increase in the yield curves of the Group's debt currencies would raise the cost of net financial debt by 90 million euros after hedging, and would lower the market value of gross fixed-rate borrowings by 410 million euros after hedging;
- an instantaneous 1 point decrease in these same yield curves would lower the cost of net financial debt by 90 million euros after hedging, and would raise the market value of gross fixed-rate borrowings by 410 million euros after hedging.

## 19.7 Guarantees and collateral

As of December 31, 2021, borrowings secured by collateral were less than 350 million euros.

## 20. PROVISIONS AND OTHER NON-CURRENT LIABILITIES

Non-current provisions and other liabilities comprise the following:

(EUR millions)	2021	2020	2019
Non-current provisions	1,771	1,472	1,457
Uncertain tax positions	1,404	1,180	1,172
Derivatives <sup>(a)</sup>	45	146	712
Employee profit sharing	105	86	96
Other liabilities	656	438	375
<b>Non-current provisions and other liabilities</b>	<b>3,980</b>	<b>3,322</b>	<b>3,812</b>

(a) See Note 23.

Provisions concern the following types of contingencies and losses:

(EUR millions)	2021	2020	2019
Provisions for pensions, medical costs and similar commitments	915	784	812
Provisions for contingencies and losses	856	688	646
<b>Non-current provisions</b>	<b>1,771</b>	<b>1,472</b>	<b>1,457</b>
Provisions for pensions, medical costs and similar commitments	17	9	8
Provisions for contingencies and losses	582	503	406
<b>Current provisions</b>	<b>598</b>	<b>512</b>	<b>414</b>
<b>Total</b>	<b>2,369</b>	<b>1,984</b>	<b>1,872</b>

Provisions changed as follows during the fiscal year:

(EUR millions)	As of December 31, 2020	Increases	Amounts used	Amounts released	Changes in the scope of consolidation	Other <sup>(a)</sup>	As of December 31, 2021
Provisions for pensions, medical costs and similar commitments	793	130	(137)	(3)	304	(155)	932
Provisions for contingencies and losses	1,191	629	(297)	(160)	19	55	1,438
<b>Total</b>	<b>1,984</b>	<b>759</b>	<b>(434)</b>	<b>(163)</b>	<b>323</b>	<b>(100)</b>	<b>2,369</b>

(a) Including the impact of translation adjustment and change in revaluation reserves.

Changes in the scope of consolidation mainly resulted from the acquisition of Tiffany. See Note 2.

Provisions for contingencies and losses correspond to the estimate of the impact on assets and liabilities of risks, disputes (see Note 32), or actual or probable litigation arising from the Group's activities; such activities are carried out worldwide, within what is often an imprecise regulatory framework that is different for each country, changes over time and applies to areas ranging from product composition and packaging to relations with the Group's partners (distributors, suppliers, shareholders in subsidiaries, etc.).

Non-current liabilities related to uncertain tax positions include an estimate of the risks, disputes, and actual or probable litigation related to the income tax computation. The Group's entities in France and abroad may be subject to tax inspections and, in certain cases, to rectification claims from local administrations. A liability is recognized for these rectification claims, together with any uncertain tax positions that have been identified but not yet officially notified, the amount of which is regularly reviewed in accordance with the criteria of the application of IFRIC 23 Uncertainty over Income Tax Treatments.

## 21. PURCHASE COMMITMENTS FOR MINORITY INTERESTS' SHARES

As of December 31, 2021, purchase commitments for minority interests' shares mainly included the put option granted by LVMH to Diageo for its 34% share in Moët Hennessy for 80% of the fair value of Moët Hennessy at the exercise date of the option. This option may be exercised at any time subject to a six-month notice period. The fair value of this commitment was calculated by applying the share price multiples of comparable firms to Moët Hennessy's consolidated operating results.

Moët Hennessy SAS and Moët Hennessy International SAS ("Moët Hennessy") hold the LVMH group's investments in the Wines and Spirits businesses, with the exception of the equity investments in Château d'Yquem, Château Cheval Blanc, Clos des Lambrays and Colgin Cellars, and excluding certain champagne vineyards.

Purchase commitments for minority interests' shares also include commitments relating to minority shareholders in Loro Piana (15%), and distribution subsidiaries in various countries, mainly in the Middle East.

## 22. TRADE ACCOUNTS PAYABLE AND OTHER CURRENT LIABILITIES

### 22.1 Trade accounts payable

The change in trade accounts payable for the fiscal years presented breaks down as follows:

<i>(EUR millions)</i>	2021	2020	2019
<b>As of January 1</b>	<b>5,098</b>	<b>5,814</b>	<b>5,206</b>
Changes in trade accounts payable	1,576	(560)	335
Changes in amounts owed to customers	27	(10)	9
Changes in the scope of consolidation	243	-	216
Translation adjustment	226	(159)	56
Reclassifications	(85)	14	(8)
<b>As of December 31</b>	<b>7,086</b>	<b>5,098</b>	<b>5,814</b>

Changes in the scope of consolidation mainly resulted from the acquisition of Tiffany. See Note 2.

## 22.2 Current provisions and other liabilities

<i>(EUR millions)</i>	2021	2020	2019
Current provisions <sup>(a)</sup>	598	512	414
Derivatives <sup>(b)</sup>	195	604	138
Employees and social security	2,244	1,530	1,786
Employee profit sharing	226	116	123
Taxes other than income taxes	1,101	823	752
Advances and payments on account from customers	1,079	723	559
Provision for product returns <sup>(c)</sup>	648	463	399
Deferred payment for non-current assets	907	538	769
Deferred income	396	353	273
Other liabilities	1,779	1,035	1,093
<b>Total</b>	<b>9,174</b>	<b>6,698</b>	<b>6,305</b>

(a) See Note 20.

(b) See Note 23.

(c) See Note 1.28.

## 23. FINANCIAL INSTRUMENTS AND MARKET RISK MANAGEMENT

### 23.1 Organization of foreign exchange, interest rate and equity market risk management

Financial instruments are mainly used by the Group to hedge risks arising from Group activity and protect its assets.

The management of foreign exchange and interest rate risk, in addition to transactions involving shares and financial instruments, is centralized.

The Group has implemented a stringent policy and rigorous management guidelines to manage, measure and monitor these market risks.

These activities are organized based on a segregation of duties between risk measurement (middle office), hedging (front office), administration (back office) and financial control.

The backbone of this organization is an integrated information system that allows transactions to be checked quickly.

The Group's hedging strategy is presented to the Audit Committee. Hedging decisions are made according to an established process that includes regular presentations to the Group's Executive Committee and detailed documentation.

Counterparties are selected based on their rating and in accordance with the Group's risk diversification strategy.

## 23.2 Summary of derivatives

Derivatives are recorded in the balance sheet for the amounts and in the captions detailed as follows:

(EUR millions)			Notes	2021	2020	2019
<b>Interest rate risk</b>	Assets:	Non-current		4	57	20
		Current		31	33	12
	Liabilities:	Non-current		(25)	(10)	(3)
		Current		(5)	(12)	(14)
			23.3	<b>6</b>	<b>68</b>	<b>16</b>
<b>Foreign exchange risk</b>	Assets:	Non-current		51	52	68
		Current		218	670	165
	Liabilities:	Non-current		(20)	(136)	(15)
		Current		(182)	(330)	(124)
			23.4	<b>68</b>	<b>257</b>	<b>93</b>
<b>Other risks</b>	Assets:	Non-current		-	-	694
		Current		9	266	3
	Liabilities:	Non-current		-	-	(694)
		Current		(8)	(263)	-
			23.5	<b>1</b>	<b>3</b>	<b>2</b>
<b>Total</b>	Assets:	Non-current	10	55	110	782
		Current	13	258	968	180
	Liabilities:	Non-current	20	(45)	(146)	(712)
		Current	22	(195)	(604)	(138)
				<b>74</b>	<b>328</b>	<b>112</b>

## 23.3 Derivatives used to manage interest rate risk

The aim of the Group's debt management policy is to adapt the debt maturity profile to the characteristics of the assets held, to contain borrowing costs, and to protect net profit from the impact of significant changes in interest rates.

For these purposes, the Group uses interest rate swaps and options.

Derivatives used to manage interest rate risk outstanding as of December 31, 2021 break down as follows:

(EUR millions)	Nominal amounts by maturity				Market value <sup>(a)</sup> / <sup>(b)</sup>			
	Less than 1 year	From 1 to 5 years	More than 5 years	Total	Future cash flow hedges	Fair value hedges	Not allocated	Total
Interest rate swaps, floating-rate payer	676	2,145	-	2,821	-	-	-	-
Interest rate swaps, fixed-rate payer	343	-	-	343	-	-	(2)	(2)
Foreign currency swaps, euro-rate payer	476	1,845	-	2,321	-	-	9	9
Foreign currency swaps, euro-rate receiver	14	133	-	147	-	-	(1)	(1)
<b>Total</b>					-	-	<b>6</b>	<b>6</b>

(a) Gain/(Loss).

(b) See Note 1.11 regarding the methodology used for market value measurement.

## 23.4 Derivatives used to manage foreign exchange risk

A significant portion of Group companies' sales to customers and to their own distribution subsidiaries as well as certain purchases are denominated in currencies other than their functional currency; the majority of these foreign currency-denominated cash flows are intra-Group cash flows. Hedging instruments are used to reduce the foreign exchange risks arising from the fluctuations of currencies against the exporting and importing companies' functional currencies, and are allocated to either trade receivables or payables (fair value hedges) for the fiscal year, or to transactions anticipated for future periods (hedges of future cash flows).

Future foreign currency-denominated cash flows are broken down as part of the budget preparation process and are hedged

progressively over a period not exceeding one year unless a longer period is justified by probable commitments. As such, and according to market trends, identified foreign exchange risks are hedged using forward contracts or options.

In addition, the Group is exposed to foreign exchange risk with respect to the Group's net assets, as it owns assets denominated in currencies other than the euro. This foreign exchange risk may be hedged either partially or in full through foreign currency borrowings or by hedging the net worth of subsidiaries outside the eurozone, using appropriate financial instruments with the aim of limiting the impact of foreign currency fluctuations against the euro on consolidated equity.

Derivatives used to manage foreign exchange risk outstanding as of December 31, 2021 break down as follows:

(EUR millions)	Nominal amounts by fiscal year of allocation <sup>(a)</sup>				Market value <sup>(b)(c)</sup>				
	2021	2022	Thereafter	Total	Future cash flow hedges	Fair value hedges	Foreign currency net investment hedges	Not allocated	Total
<b>Options purchased</b>									
Call USD	56	570	-	626	7	-	-	-	7
Put JPY	-	39	-	39	1	-	-	-	1
Put CNY	96	566	-	662	-	-	-	-	-
Other	-	83	-	83	8	-	-	-	8
	<b>152</b>	<b>1,258</b>	<b>-</b>	<b>1,409</b>	<b>16</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16</b>
<b>Collars</b>									
Written USD	153	5,152	343	5,648	(5)	-	-	-	(5)
Written JPY	19	1,198	74	1,291	38	1	-	-	39
Written GBP	22	509	27	559	3	-	-	-	3
Written HKD	-	290	23	312	-	-	-	-	-
Written CNY	146	3,536	255	3,938	(50)	(5)	-	-	(55)
	<b>340</b>	<b>10,685</b>	<b>722</b>	<b>11,747</b>	<b>(15)</b>	<b>(4)</b>	<b>-</b>	<b>-</b>	<b>(19)</b>
<b>Forward exchange contracts</b>									
USD	82	(104)	-	(22)	7	-	-	-	7
ZAR	2	-	-	2	-	-	-	-	-
MYR	-	21	-	21	-	(1)	-	-	(1)
BRL	14	57	-	72	-	(1)	-	-	(1)
Other	9	283	-	292	7	(6)	-	-	1
	<b>108</b>	<b>257</b>	<b>-</b>	<b>364</b>	<b>14</b>	<b>(7)</b>	<b>-</b>	<b>-</b>	<b>7</b>
<b>Foreign exchange swaps</b>									
USD	41	(1,497)	-	(1,456)	-	65	(7)	-	57
GBP	25	(235)	(1,567)	(1,777)	-	13	-	-	13
JPY	38	179	347	565	-	13	-	-	13
CNY	5	(1,204)	9	(1,190)	-	9	-	-	9
Other	13	(340)	21	(306)	-	(10)	(18)	-	(28)
	<b>123</b>	<b>(3,097)</b>	<b>(1,190)</b>	<b>(4,164)</b>	<b>-</b>	<b>89</b>	<b>(26)</b>	<b>-</b>	<b>64</b>
<b>Total</b>	<b>723</b>	<b>9,103</b>	<b>(468)</b>	<b>9,357</b>	<b>15</b>	<b>78</b>	<b>(26)</b>	<b>-</b>	<b>68</b>

(a) Sale/(Purchase).

(b) See Note 1.11 regarding the methodology used for market value measurement.

(c) Gain/(Loss).

## 23.5 Financial instruments used to manage other risks

The Group's investment policy is designed to take advantage of a long-term investment horizon. Occasionally, the Group may invest in equity-based financial instruments with the aim of enhancing the dynamic management of its investment portfolio.

The Group is exposed to risks of share price changes either directly (as a result of its holding of subsidiaries, equity investments and current available for sale financial assets) or indirectly (as a result of its holding of funds, which are themselves partially invested in shares).

The Group may also use equity-based derivatives to synthetically create an economic exposure to certain assets, to hedge cash-settled compensation plans index-linked to the LVMH share price, or to hedge certain risks related to changes in the LVMH share price. In connection with the convertible bonds issued in 2016 (see Note 19 above as well as Note 18 to the 2016 consolidated financial statements), LVMH subscribed to financial instruments enabling it to fully hedge the exposure to any positive or negative changes in the LVMH share price. The last of these instruments matured during the fiscal year, as the convertible bonds they had backed were redeemed during the fiscal year. See also Note 19.

As of December 31, 2021, equity-based derivatives with a nominal amount of 256 million euros maturing in 2022 were recognized for a positive value of 1 million euros.

The Group – mainly through its Watches and Jewelry business group – may be exposed to changes in the prices of certain precious metals, such as silver, gold and platinum. In certain cases, in order to ensure visibility with regard to production costs, hedges may be implemented. This is achieved either by negotiating the forecast price of future deliveries of alloys with precious metal refiners, or the price of semi-finished products with producers; or directly by purchasing hedges from top-ranking banks. In the latter case, precious metals may be purchased from banks, or future and/or options contracts may be taken out with a physical delivery of these metals. Derivatives outstanding relating to the hedging of precious metal prices as of December 31, 2021 have a market value of 1 million euros. Considering nominal values of 370 million euros for those financial instruments, a uniform 1% change in their underlying assets' prices as of December 31, 2021 would have a net impact on the Group's consolidated reserves of 3 million euros. These instruments will mature in 2022 and 2023.

## 23.6 Financial assets and liabilities recognized at fair value by measurement method

(EUR millions)	2021			2020			2019		
	Available for sale financial assets	Derivatives	Cash and cash equivalents (SICAV and FCP money market funds)	Available for sale financial assets	Derivatives	Cash and cash equivalents (SICAV and FCP money market funds)	Available for sale financial assets	Derivatives	Cash and cash equivalents (SICAV and FCP money market funds)
Valuation based on: <sup>(a)</sup>									
Published price quotations	2,427	-	8,021	804	-	19,963	945	-	5,673
Valuation model based on market data	96	314	-	100	1,078	-	381	962	-
Private quotations	1,384	-	-	587	-	-	322	-	-
<b>Assets</b>	<b>3,907</b>	<b>314</b>	<b>8,021</b>	<b>1,491</b>	<b>1,078</b>	<b>19,963</b>	<b>1,648</b>	<b>962</b>	<b>5,673</b>
Valuation based on: <sup>(a)</sup>									
Published price quotations	-	-	-	-	-	-	-	-	-
Valuation model based on market data	-	240	-	-	751	-	-	850	-
Private quotations	-	-	-	-	-	-	-	-	-
<b>Liabilities</b>	<b>-</b>	<b>240</b>	<b>-</b>	<b>-</b>	<b>751</b>	<b>-</b>	<b>-</b>	<b>850</b>	<b>-</b>

(a) See Note 1.11 for information on the valuation approaches used.

Derivatives used by the Group are measured at fair value according to commonly used valuation models and based on market data. The counterparty risk associated with these derivatives (i.e. the credit valuation adjustment) is assessed on the basis of credit spreads from observable market data, as well as on the basis of the

derivatives' market value adjusted by flat-rate add-ons depending on the type of underlying and the maturity of the derivative. It was not significant as of December 31, 2021, December 31, 2020 and December 31, 2019.

The amount of financial assets valued on the basis of private quotations changed as follows in 2021:

<i>(EUR millions)</i>	<b>2021</b>
<b>As of January 1</b>	<b>587</b>
Acquisitions	826
Disposals (at net realized value)	(96)
Gains and losses recognized in income statement	90
Translation adjustment	12
Reclassifications	(35)
<b>As of December 31</b>	<b>1,384</b>

## 23.7 Impact of financial instruments on the consolidated statement of comprehensive gains and losses

The impact of financial instruments on the consolidated statement of comprehensive gains and losses for the fiscal year breaks down as follows:

<i>(EUR millions)</i>	Revaluation of effective portions, of which:				Foreign exchange risk <sup>(a)</sup>		Interest rate risk <sup>(b)</sup>			Total <sup>(c)</sup>
	Hedges of future foreign currency cash flows	Fair value hedges	Foreign currency net investment hedges	Total	Revaluation of cost of hedging	Total	Revaluation of effective portions	Ineffective portion	Total	
Changes in the income statement	-	856	-	856	-	856	39	(3)	36	892
Changes in consolidated gains and losses	(512)	-	(59)	(571)	(143)	(714)	11	2	13	(701)

(a) See Notes 1.10 and 1.24 on the principles of fair value adjustments to foreign exchange risk hedging instruments.

(b) See Notes 1.23 and 1.24 on the principles of fair value adjustments to interest rate risk derivatives.

(c) Gain/(Loss).

Since fair value adjustments to hedged items recognized in the balance sheet offset the effective portions of fair value hedging instruments (see Note 1.22), no ineffective portions of exchange rate hedges were recognized during the fiscal year.

## 23.8 Sensitivity analysis

The impact on the income statement of gains and losses on hedges of future cash flows, as well as the future cash flows hedged using these instruments, will mainly be recognized in 2022; the amount will depend on exchange rates at that date. The impact on net profit for fiscal year 2021 of a 10% change in the value

of the US dollar, the Japanese yen, the Swiss franc and the Hong Kong dollar against the euro, including impact of foreign exchange derivatives outstanding during the period, compared with the rates applying to transactions in 2021, would have been as follows:

<i>(EUR millions)</i>	US dollar		Japanese yen		Swiss franc		Hong Kong dollar	
	+10%	-10%	+10%	-10%	+10%	-10%	+10%	-10%
Impact of:								
– change in exchange rates of cash receipts in respect of foreign currency-denominated sales	134	(14)	20	-	-	-	6	(1)
– conversion of net profit of entities outside the eurozone	240	(240)	37	(37)	19	(19)	34	(34)
<b>Impact on net profit</b>	<b>374</b>	<b>(254)</b>	<b>57</b>	<b>(37)</b>	<b>19</b>	<b>(19)</b>	<b>40</b>	<b>(35)</b>

The data presented in the table above should be assessed on the basis of the characteristics of the hedging instruments outstanding in fiscal year 2021, mainly comprising options and collars.

As of December 31, 2021, forecast cash collections for 2022 in US dollars and Japanese yen were 80% and 81% hedged, respectively. For the hedged portion, due to the optional nature of the hedging instruments, the exchange rate upon sale will be more favorable than 1.19 EUR/USD for the US dollar and 129 EUR/JPY for the Japanese yen.

The Group's net equity (excluding net profit) exposure to foreign currency fluctuations as of December 31, 2021 can be assessed by measuring the impact of a 10% change in the value of the US

dollar, the Japanese yen, the Swiss franc and the Hong Kong dollar against the euro compared to the rates applying as of the same date:

(EUR millions)	US dollar		Japanese yen		Swiss franc		Hong Kong dollar	
	+10%	-10%	+10%	-10%	+10%	-10%	+10%	-10%
Conversion of foreign currency-denominated net assets	1,614	(1,614)	79	(79)	340	(340)	(1)	1
Change in market value of net investment hedges, after tax	(314)	195	(11)	73	(52)	43	(19)	13
<b>Net impact on equity, excluding net profit</b>	<b>1,300</b>	<b>(1,419)</b>	<b>68</b>	<b>(6)</b>	<b>288</b>	<b>(297)</b>	<b>(20)</b>	<b>14</b>

## 23.9 Liquidity risk

In addition to local liquidity risks, which are generally immaterial, the Group's exposure to liquidity risk can be assessed in relation to the amount of its short-term borrowings excluding derivatives, i.e. 8.1 billion euros, lower than the 10.6 billion euro balance of cash and cash equivalents, and current available for sale financial assets; or in relation to the outstanding amount of its commercial paper program, i.e. 4.2 billion euros. Should any of

these borrowing facilities not be renewed, the Group has access to undrawn confirmed credit lines totaling 13.1 billion euros.

The Group's liquidity is based on the amount of its investments, its capacity to raise long-term borrowings, the diversity of its investor base (short-term paper and bonds), and the quality of its banking relationships, whether evidenced or not by confirmed lines of credit.

The following table presents the contractual schedule of disbursements for financial liabilities (excluding derivatives) recognized as of December 31, 2021, at nominal value and with interest, excluding discounting effects:

(EUR millions)	2022	2023	2024	2025	2026	More than 5 years	Total
Bonds	3,132	1,618	2,728	1,537	1,352	4,819	15,186
Bank borrowings	384	76	94	23	22	69	669
Other borrowings and credit facilities	192	-	-	-	-	-	192
Commercial paper (ECP and USCP)	4,172	-	-	-	-	-	4,172
Bank overdrafts	203	-	-	-	-	-	203
<b>Gross borrowings</b>	<b>8,084</b>	<b>1,694</b>	<b>2,822</b>	<b>1,560</b>	<b>1,374</b>	<b>4,888</b>	<b>20,422</b>
Other current and non-current liabilities <sup>(a)</sup>	7,986	129	69	37	137	52	8,410
Trade accounts payable	7,086	-	-	-	-	-	7,086
<b>Other financial liabilities</b>	<b>15,072</b>	<b>129</b>	<b>69</b>	<b>37</b>	<b>137</b>	<b>52</b>	<b>15,496</b>
<b>Total financial liabilities</b>	<b>23,156</b>	<b>1,823</b>	<b>2,891</b>	<b>1,597</b>	<b>1,511</b>	<b>4,940</b>	<b>35,918</b>

(a) Corresponds to "Other current liabilities" (excluding derivatives and deferred income) for 7,986 million euros and to "Other non-current liabilities" for 425 million euros (excluding derivatives and deferred income of 396 million euros as of December 31, 2021).

See also Note 7 for the schedule of lease payments.

See Note 31.2 regarding contractual maturity dates of collateral and other guarantee commitments, Notes 19.4 and 23.4 regarding foreign exchange derivatives, and Note 23.3 regarding interest rate risk derivatives.

## 24. SEGMENT INFORMATION

The Group's brands and trade names are organized into six business groups. Four business groups – Wines and Spirits, Fashion and Leather Goods, Perfumes and Cosmetics, and Watches and Jewelry – comprise brands dealing with the same category of products that use similar production and distribution processes. Information on Louis Vuitton, Bvlgari and Tiffany is presented according to the brand's main business, namely the Fashion and Leather Goods business group for Louis Vuitton and the Watches and Jewelry business group for Bvlgari and Tiffany.

The Selective Retailing business group comprises the Group's own-label retailing activities. The "Other and holding companies" business group comprises brands and businesses that are not associated with any of the above-mentioned business groups, particularly the media division, the Dutch luxury yacht maker Royal Van Lent, hotel operations and holding or real estate companies.

Tiffany has been consolidated within the Watches and Jewelry business group since the date of acquisition of the controlling interest in January 2021.

### 24.1 Information by business group

#### Fiscal year 2021

(EUR millions)	Wines and Spirits	Fashion and Leather Goods	Perfumes and Cosmetics	Watches and Jewelry	Selective Retailing	Other and holding companies	Eliminations and not allocated <sup>(a)</sup>	Total
Sales outside the Group	5,965	30,844	5,711	8,872	11,680	1,142	-	64,215
Intra-Group sales	9	52	897	92	74	27	(1,150)	-
<b>Total revenue</b>	<b>5,974</b>	<b>30,896</b>	<b>6,608</b>	<b>8,964</b>	<b>11,754</b>	<b>1,169</b>	<b>(1,150)</b>	<b>64,215</b>
Profit from recurring operations	1,863	12,842	684	1,679	534	(436)	(15)	17,151
Other operating income and expenses	(26)	(47)	(17)	(4)	(53)	151	-	4
Depreciation, amortization and impairment expenses	(228)	(2,142)	(443)	(860)	(1,399)	(294)	113	(5,253)
Of which: Right-of-use assets	(32)	(1,291)	(149)	(410)	(836)	(89)	110	(2,698)
Other	(196)	(851)	(294)	(449)	(563)	(205)	3	(2,555)
Intangible assets and goodwill <sup>(b)</sup>	10,688	13,510	1,417	19,726	3,348	1,766	-	50,455
Right-of-use assets	153	6,755	556	1,922	4,142	841	(665)	13,705
Property, plant and equipment	3,450	4,569	752	1,730	1,667	8,032	(8)	20,193
Inventories and work in progress	6,278	3,374	831	3,949	2,410	41	(335)	16,549
Other operating assets <sup>(c)</sup>	1,597	2,807	1,281	1,409	747	1,060	15,508	24,409
<b>Total assets</b>	<b>22,167</b>	<b>31,016</b>	<b>4,838</b>	<b>28,737</b>	<b>12,313</b>	<b>11,741</b>	<b>14,500</b>	<b>125,311</b>
Equity	-	-	-	-	-	-	48,909	48,909
Lease liabilities	164	6,894	594	1,985	4,362	931	(656)	14,275
Other liabilities <sup>(d)</sup>	1,843	6,800	2,770	2,471	3,050	1,992	43,202	62,128
<b>Total liabilities and equity</b>	<b>2,007</b>	<b>13,694</b>	<b>3,364</b>	<b>4,456</b>	<b>7,412</b>	<b>2,923</b>	<b>91,454</b>	<b>125,311</b>
Operating investments <sup>(e)</sup>	(328)	(1,131)	(290)	(458)	(370)	(89)	1	(2,664)

**Fiscal year 2020**

<i>(EUR millions)</i>	<b>Wines and Spirits</b>	<b>Fashion and Leather Goods</b>	<b>Perfumes and Cosmetics</b>	<b>Watches and Jewelry</b>	<b>Selective Retailing</b>	<b>Other and holding companies</b>	<b>Eliminations and not allocated<sup>(a)</sup></b>	<b>Total</b>
Sales outside the Group	4,744	21,172	4,456	3,315	10,115	849	-	44,651
Intra-Group sales	11	35	792	41	40	19	(938)	-
<b>Total revenue</b>	<b>4,755</b>	<b>21,207</b>	<b>5,248</b>	<b>3,356</b>	<b>10,155</b>	<b>868</b>	<b>(938)</b>	<b>44,651</b>
Profit from recurring operations	1,388	7,188	80	302	(203)	(521)	71	8,305
Other operating income and expenses	(43)	(68)	(20)	(3)	(87)	(112)	-	(333)
Depreciation, amortization and impairment expenses	(254)	(2,069)	(460)	(475)	(1,549)	(313)	117	(5,003)
<i>Of which: Right-of-use assets</i>	<i>(34)</i>	<i>(1,226)</i>	<i>(145)</i>	<i>(254)</i>	<i>(941)</i>	<i>(93)</i>	<i>117</i>	<i>(2,575)</i>
<i>Other</i>	<i>(220)</i>	<i>(843)</i>	<i>(315)</i>	<i>(221)</i>	<i>(608)</i>	<i>(220)</i>	<i>-</i>	<i>(2,428)</i>
Intangible assets and goodwill <sup>(b)</sup>	7,860	13,059	1,340	5,752	3,153	1,890	-	33,054
Right-of-use assets	162	5,736	503	1,151	4,699	888	(618)	12,521
Property, plant and equipment	3,232	4,157	709	577	1,723	7,833	(8)	18,224
Inventories and work in progress	6,040	2,726	742	1,641	2,111	37	(281)	13,016
Other operating assets <sup>(c)</sup>	1,306	1,919	1,151	672	696	1,615	24,497	31,856
<b>Total assets</b>	<b>18,600</b>	<b>27,597</b>	<b>4,445</b>	<b>9,793</b>	<b>12,383</b>	<b>12,263</b>	<b>23,590</b>	<b>108,671</b>
Equity	-	-	-	-	-	-	38,829	38,829
Lease liabilities	170	5,766	516	1,117	4,912	959	(611)	12,828
Other liabilities <sup>(d)</sup>	1,608	4,885	2,164	1,252	2,338	1,673	43,094	57,014
<b>Total liabilities and equity</b>	<b>1,778</b>	<b>10,651</b>	<b>2,680</b>	<b>2,369</b>	<b>7,250</b>	<b>2,632</b>	<b>81,312</b>	<b>108,671</b>
Operating investments <sup>(e)</sup>	(320)	(827)	(280)	(210)	(410)	(431)	-	(2,478)

**Fiscal year 2019**

<i>(EUR millions)</i>	<b>Wines and Spirits</b>	<b>Fashion and Leather Goods</b>	<b>Perfumes and Cosmetics</b>	<b>Watches and Jewelry</b>	<b>Selective Retailing</b>	<b>Other and holding companies</b>	<b>Eliminations and not allocated<sup>(a)</sup></b>	<b>Total</b>
Sales outside the Group	5,547	22,164	5,738	4,286	14,737	1,199	-	53,670
Intra-Group sales	28	73	1,097	120	54	16	(1,388)	-
<b>Total revenue</b>	<b>5,576</b>	<b>22,237</b>	<b>6,835</b>	<b>4,405</b>	<b>14,791</b>	<b>1,214</b>	<b>(1,388)</b>	<b>53,670</b>
Profit from recurring operations	1,729	7,344	683	736	1,395	(351)	(32)	11,504
Other operating income and expenses	(7)	(20)	(27)	(28)	(15)	(135)	-	(231)
Depreciation, amortization and impairment expenses	(191)	(1,856)	(431)	(477)	(1,409)	(253)	98	(4,519)
<i>Of which: Right-of-use assets</i>	<i>(31)</i>	<i>(1,146)</i>	<i>(141)</i>	<i>(230)</i>	<i>(872)</i>	<i>(85)</i>	<i>98</i>	<i>(2,408)</i>
<i>Other</i>	<i>(160)</i>	<i>(710)</i>	<i>(290)</i>	<i>(247)</i>	<i>(536)</i>	<i>(168)</i>	<i>-</i>	<i>(2,111)</i>
Intangible assets and goodwill <sup>(b)</sup>	7,582	13,120	1,401	5,723	3,470	1,950	-	33,246
Right-of-use assets	116	5,239	487	1,196	5,012	824	(465)	12,409
Property, plant and equipment	3,142	4,308	773	610	1,919	7,788	(7)	18,533
Inventories and work in progress	5,818	2,884	830	1,823	2,691	44	(375)	13,717
Other operating assets <sup>(c)</sup>	1,547	2,028	1,518	740	895	1,317	10,558	18,603
<b>Total assets</b>	<b>18,205</b>	<b>27,581</b>	<b>5,009</b>	<b>10,092</b>	<b>13,987</b>	<b>11,923</b>	<b>9,711</b>	<b>96,507</b>
Equity	-	-	-	-	-	-	38,365	38,365
Lease liabilities	118	5,191	481	1,141	5,160	888	(434)	12,545
Other liabilities <sup>(d)</sup>	1,727	4,719	2,321	1,046	2,938	1,674	31,172	45,597
<b>Total liabilities and equity</b>	<b>1,845</b>	<b>9,910</b>	<b>2,802</b>	<b>2,187</b>	<b>8,098</b>	<b>2,562</b>	<b>69,104</b>	<b>96,507</b>
Operating investments <sup>(e)</sup>	(325)	(1,199)	(378)	(296)	(659)	(436)	-	(3,294)

(a) Eliminations correspond to sales between business groups; these generally consist of sales to Selective Retailing from other business groups. Selling prices between the different business groups correspond to the prices applied in the normal course of business for sales transactions to wholesalers or distributors outside the Group.

(b) Intangible assets and goodwill correspond to the carrying amounts shown in Notes 3 and 4.

(c) Assets not allocated include available for sale financial assets, other financial assets, and current and deferred tax assets.

(d) Liabilities not allocated include financial debt, current and deferred tax liabilities, and liabilities related to purchase commitments for minority interests' shares.

(e) Increase/(Decrease) in cash and cash equivalents.

## 24.2 Information by geographic region

Revenue by geographic region of delivery breaks down as follows:

<i>(EUR millions)</i>	<b>2021</b>	<b>2020</b>	<b>2019</b>
France	4,111	3,333	4,725
Europe (excl. France)	9,860	7,337	10,203
United States	16,591	10,647	12,613
Japan	4,384	3,164	3,878
Asia (excl. Japan)	22,365	15,366	16,189
Other countries	6,904	4,804	6,062
<b>Revenue</b>	<b>64,215</b>	<b>44,651</b>	<b>53,670</b>

Operating investments by geographic region are as follows:

<i>(EUR millions)</i>	2021	2020	2019
France	1,054	1,002	1,239
Europe (excl. France)	520	444	687
United States	313	336	453
Japan	82	134	133
Asia (excl. Japan)	488	342	534
Other countries	207	220	248
<b>Operating investments</b>	<b>2,664</b>	<b>2,478</b>	<b>3,294</b>

No geographic breakdown of segment assets is provided since a significant portion of these assets consists of brands and goodwill, which must be analyzed on the basis of the revenue

generated by these assets in each region, and not in relation to the region of their legal ownership.

### 24.3 Quarterly information

Quarterly revenue by business group breaks down as follows:

<i>(EUR millions)</i>	Wines and Spirits	Fashion and Leather Goods	Perfumes and Cosmetics	Watches and Jewelry	Selective Retailing	Other and holding companies	Eliminations	Total
First quarter	1,510	6,738	1,550	1,883	2,337	215	(274)	13,959
Second quarter	1,195	7,125	1,475	2,140	2,748	280	(257)	14,706
Third quarter	1,546	7,452	1,642	2,137	2,710	330	(305)	15,512
Fourth quarter	1,723	9,581	1,941	2,804	3,959	344	(314)	20,038
<b>Total for 2021</b>	<b>5,974</b>	<b>30,896</b>	<b>6,608</b>	<b>8,964</b>	<b>11,754</b>	<b>1,169</b>	<b>(1,150)</b>	<b>64,215</b>
First quarter	1,175	4,643	1,382	792	2,626	251	(273)	10,596
Second quarter	810	3,346	922	527	2,218	153	(179)	7,797
Third quarter	1,364	5,945	1,370	947	2,332	232	(235)	11,955
Fourth quarter	1,406	7,273	1,574	1,090	2,979	232	(251)	14,303
<b>Total for 2020</b>	<b>4,755</b>	<b>21,207</b>	<b>5,248</b>	<b>3,356</b>	<b>10,155</b>	<b>868</b>	<b>(938)</b>	<b>44,651</b>
First quarter	1,349	5,111	1,687	1,046	3,510	187	(352)	12,538
Second quarter	1,137	5,314	1,549	1,089	3,588	193	(326)	12,544
Third quarter	1,433	5,448	1,676	1,126	3,457	511 <sup>(a)</sup>	(335)	13,316
Fourth quarter	1,657	6,364	1,923	1,144	4,236	323	(375)	15,272
<b>Total for 2019</b>	<b>5,576</b>	<b>22,237</b>	<b>6,835</b>	<b>4,405</b>	<b>14,791</b>	<b>1,214</b>	<b>(1,388)</b>	<b>53,670</b>

(a) Including the entire revenue of Belmond for the period from April to September 2019.

## 25. REVENUE AND EXPENSES BY NATURE

### 25.1 Breakdown of revenue

Revenue consists of the following:

<i>(EUR millions)</i>	2021	2020	2019
Revenue generated by brands and trade names	63,920	44,421	53,302
Royalties and license revenue	105	96	110
Income from investment property	15	14	20
Other revenue	175	119	238
<b>Total</b>	<b>64,215</b>	<b>44,651</b>	<b>53,670</b>

The portion of total revenue generated by the Group at its own stores, including sales through e-commerce websites, was approximately 74% in 2021 (70% in 2020 and 2019),

i.e. 47,624 million euros in 2021 (31,461 million euros in 2020 and 37,356 million euros in 2019).

### 25.2 Expenses by nature

Profit from recurring operations includes the following expenses:

<i>(EUR millions)</i>	2021	2020	2019
Advertising and promotion expenses	7,291	4,869	6,265
Personnel costs	10,541	8,537	9,419
Research and development expenses	147	139	140

See also Note 7 regarding the breakdown of lease expenses.

Advertising and promotion expenses mainly consist of the cost of media campaigns and point-of-sale advertising, they also

include the personnel costs dedicated to this function. As of December 31, 2021, a total of 5,556 stores were operated by the Group worldwide (5,003 in 2020, 4,915 in 2019), particularly by Fashion and Leather Goods and Selective Retailing.

Personnel costs consist of the following elements:

<i>(EUR millions)</i>	2021	2020	2019
Salaries and social security contributions	10,264	8,408	9,180
Pensions, contribution to medical costs and expenses in respect of defined-benefit plans <sup>(a)</sup>	145	66	167
Expenses related to stock option and similar plans <sup>(b)</sup>	132	63	72
<b>Personnel costs</b>	<b>10,541</b>	<b>8,537</b>	<b>9,419</b>

(a) See Note 30.

(b) See Note 17.4.

In 2021, the average full-time equivalent workforce broke down as follows by professional category:

<i>(in number and as %)</i>	2021	%	2020	%	2019	%
Executives and managers	35,875	23%	33,297	22%	30,883	21%
Technicians and supervisors	15,688	10%	14,760	10%	14,774	10%
Administrative and sales staff	78,297	50%	76,197	51%	81,376	55%
Production workers	28,093	18%	24,089	16%	20,682	14%
<b>Total</b>	<b>157,953</b>	<b>100%</b>	<b>148,343</b>	<b>100%</b>	<b>147,715</b>	<b>100%</b>

## 25.3 Statutory Auditors' fees

The amount of fees paid to the Statutory Auditors of LVMH SE and members of their networks recorded in the consolidated income statement for the 2021 fiscal year breaks down as follows:

			2021
	ERNST & YOUNG Audit	MAZARS	Total
<b>Audit-related fees</b>	<b>10</b>	<b>12</b>	<b>22</b>
Tax services	2	NS	2
Other	4	NS	4
<b>Non-audit-related fees</b>	<b>6</b>	<b>NS</b>	<b>6</b>
<b>Total</b>	<b>16</b>	<b>12</b>	<b>28</b>

NS: Not significant.

Audit-related fees include other services related to the certification of the consolidated and parent company financial statements, for non-material amounts.

In addition to tax services, which are mainly performed outside France to ensure that the Group's subsidiaries and expatriates

meet their local tax filing obligations, non-audit-related services include various types of certifications, mainly those required by landlords concerning the revenue of certain stores, and specific checks run at the Group's request, mainly in countries where statutory audit is not required.

## 26. OTHER OPERATING INCOME AND EXPENSES

(EUR millions)	2021	2020	2019
Net gains/(losses) on disposals	9	(22)	-
Restructuring costs	-	(6)	(57)
Remeasurement of shares acquired prior to their initial consolidation	119	-	-
Transaction costs relating to the acquisition of consolidated companies	(18)	(35)	(45)
Impairment or amortization of brands, trade names, goodwill and other fixed assets	(89)	(235)	(26)
Other items, net	(16)	(35)	(104)
<b>Other operating income and expenses</b>	<b>4</b>	<b>(333)</b>	<b>(231)</b>

Shares acquired prior to their initial consolidation were remeasured following the additional stakes acquired leading to the acquisition of a controlling interest in Off-White and Buly. See Note 2.

Impairment and amortization expenses recorded are mostly for brands and goodwill. In 2020 and 2019, "Transaction costs relating to the acquisition of consolidated companies" mainly related to the acquisition of Tiffany (see Note 2).

## 27. NET FINANCIAL INCOME/(EXPENSE)

<i>(EUR millions)</i>	2021	2020	2019
Borrowing costs	4	(85)	(156)
Income from cash, cash equivalents and current available for sale financial assets	40	46	50
Fair value adjustment of borrowings and interest rate hedges	(3)	4	(1)
<b>Cost of net financial debt</b>	<b>41</b>	<b>(35)</b>	<b>(107)</b>
<b>Interest on lease liabilities</b>	<b>(242)</b>	<b>(281)</b>	<b>(290)</b>
Dividends received from non-current available for sale financial assets	10	12	8
Cost of foreign exchange derivatives	(206)	(262)	(230)
Fair value adjustment of available for sale financial assets	499	(4)	82
Other items, net	(49)	(38)	(22)
<b>Other financial income and expenses</b>	<b>254</b>	<b>(291)</b>	<b>(162)</b>
<b>Net financial income/(expense)</b>	<b>53</b>	<b>(608)</b>	<b>(559)</b>

Income from cash, cash equivalents and current available for sale financial assets comprises the following items:

<i>(EUR millions)</i>	2021	2020	2019
Income from cash and cash equivalents	27	38	36
Income from current available for sale financial assets	13	8	14
<b>Income from cash, cash equivalents and current available for sale financial assets</b>	<b>40</b>	<b>46</b>	<b>50</b>

The fair value adjustment of borrowings and interest rate hedges is attributable to the following items:

<i>(EUR millions)</i>	2021	2020	2019
Hedged financial debt	82	(39)	(3)
Hedging instruments	(80)	40	4
Unallocated derivatives	(5)	3	(1)
<b>Fair value adjustment of borrowings and interest rate hedges</b>	<b>(3)</b>	<b>4</b>	<b>(1)</b>

The cost of foreign exchange derivatives breaks down as follows:

<i>(EUR millions)</i>	2021	2020	2019
Cost of commercial foreign exchange derivatives	(196)	(234)	(230)
Cost of foreign exchange derivatives related to net investments denominated in foreign currency	3	(20)	5
Cost and other items related to other foreign exchange derivatives	(13)	(8)	(5)
<b>Cost of foreign exchange derivatives</b>	<b>(206)</b>	<b>(262)</b>	<b>(230)</b>

## 28. INCOME TAXES

### 28.1 Breakdown of the income tax expense

(EUR millions)	2021	2020	2019
Current income taxes for the fiscal year	(5,316)	(2,608)	(3,234)
Current income taxes relating to previous fiscal years	(20)	(13)	12
<b>Current income taxes</b>	<b>(5,336)</b>	<b>(2,620)</b>	<b>(3,222)</b>
Change in deferred income taxes	913	297	300
Impact of changes in tax rates on deferred income taxes	(87)	(85)	(10)
<b>Deferred income taxes</b>	<b>826</b>	<b>212</b>	<b>290</b>
<b>Total tax expense per income statement</b>	<b>(4,510)</b>	<b>(2,409)</b>	<b>(2,932)</b>
<b>Tax on items recognized in equity</b>	<b>89</b>	<b>(111)</b>	<b>28</b>

### 28.2 Breakdown of the net deferred tax asset/(liability)

The net deferred tax asset/(liability) broke down as follows:

(EUR millions)	2021	2020	2019
Deferred tax assets	3,156	2,325	2,274
Deferred tax liabilities	(6,704)	(5,481)	(5,498)
<b>Net deferred tax asset/(liability)</b>	<b>(3,549)</b>	<b>(3,156)</b>	<b>(3,224)</b>

### 28.3 Breakdown of the difference between statutory and effective tax rates

The effective tax rate is as follows:

(EUR millions)	2021	2020	2019
Profit before tax	17,208	7,364	10,714
Total tax expense	(4,510)	(2,409)	(2,932)
<b>Effective tax rate</b>	<b>26.2%</b>	<b>32.7%</b>	<b>27.4%</b>

The statutory tax rate – which is the rate applicable by law to the Group's French companies, including the 3.3% social security contribution – may be reconciled as follows to the effective tax rate disclosed in the consolidated financial statements:

(as % of income before tax)	2021	2020	2019
<b>French statutory tax rate</b>	<b>28.4</b>	<b>32.0</b>	<b>34.4</b>
Changes in tax rates	0.5	1.1	(0.1)
Differences in tax rates for foreign companies	(3.0)	(6.0)	(8.7)
Tax losses and tax loss carryforwards, and other changes in deferred tax	(3.2)	0.9	(0.2)
Differences between consolidated and taxable income, and income taxable at reduced rates	2.2	2.9	0.8
Tax on distribution <sup>(a)</sup>	1.3	1.8	1.2
<b>Effective tax rate of the Group</b>	<b>26.2</b>	<b>32.7</b>	<b>27.4</b>

(a) Tax on distribution is mainly related to intra-Group dividends.

The Group's effective tax rate was 26.2% in 2021, compared with 32.7% in 2020 and 27.4% in 2019. Aside from exceptional, non-recurring items in 2020 related to the Covid-19 pandemic, in fiscal year 2021 the Group recorded positive non-recurring effects

related to changes in deferred tax, mainly in connection with LVMH's application of specific tax measures in Italy. An Italian law made it possible to revalue fixed assets at the company's discretion in exchange for the payment of a 3% tax on the

revalued amount for certain assets, and without any tax due for hotel-sector assets; the deferred tax liabilities historically recognized in connection with these revalued assets were taken to the income statement.

As of December 31, 2020, the effective tax rate (32.7%) resulted from the unusual situation arising from the Covid-19 pandemic, with the accounting expenses that did not give rise to a deduction in the income tax computation remaining stable, while business performance was much lower.

## 28.4 Sources of deferred tax

### In the income statement<sup>(a)</sup>

<i>(EUR millions)</i>	2021	2020	2019
Valuation of brands	350	(6)	32
Other revaluation adjustments	245	17	11
Gains and losses on available for sale financial assets	(125)	47	(15)
Gains and losses on hedges of future foreign currency cash flows	(9)	3	-
Provisions for contingencies and losses	121	43	99
Intra-Group margin included in inventories	120	(101)	118
Other consolidation adjustments	157	144	9
Losses carried forward	(30)	65	36
<b>Total</b>	<b>826</b>	<b>212</b>	<b>290</b>

(a) Income/(Expenses).

### In equity<sup>(a)</sup>

<i>(EUR millions)</i>	2021	2020	2019
Fair value adjustment of vineyard land	(13)	4	(11)
Gains and losses on available for sale financial assets	-	-	-
Gains and losses on hedges of future foreign currency cash flows	161	(121)	(11)
Gains and losses on employee benefit commitments	(59)	6	39
<b>Total</b>	<b>89</b>	<b>(111)</b>	<b>17</b>

(a) Gains/(Losses).

### In the balance sheet<sup>(a)</sup>

<i>(EUR millions)</i>	2021	2020	2019
Valuation of brands	(5,326)	(3,871)	(3,913)
Fair value adjustment of vineyard land	(595)	(580)	(585)
Other revaluation adjustments	(615)	(893)	(898)
Gains and losses on available for sale financial assets	(144)	(18)	(65)
Gains and losses on hedges of future foreign currency cash flows	77	(78)	40
Provisions for contingencies and losses	945	719	693
Intra-Group margin included in inventories	936	802	921
Other consolidation adjustments	1,051	614	506
Losses carried forward	122	148	77
<b>Total</b>	<b>(3,549)</b>	<b>(3,156)</b>	<b>(3,224)</b>

(a) Asset/(Liability).

## 28.5 Losses carried forward

As of December 31, 2021, unused tax loss carryforwards and tax credits for which no assets were recognized (deferred tax assets or receivables) represented potential tax savings of 416 million euros (440 million euros in 2020 and 456 million euros in 2019).

## 28.6 Tax consolidation

France's tax consolidation system allows virtually all of the Group's French companies to combine their taxable profits to calculate the overall tax expense for which only the parent company is liable. This tax consolidation system generated a decrease in the current tax expense of 91 million euros in 2021 (decrease of 251 million euros in 2020 and of 138 million euros in 2019).

The other tax consolidation systems in place, notably in the United States, generated current tax savings of 36 million euros in 2021 (93 million euros in 2020 and 61 million euros in 2019).

## 29. EARNINGS PER SHARE

	2021	2020	2019
<b>Net profit, Group share (EUR millions)</b>	<b>12,036</b>	<b>4,702</b>	<b>7,171</b>
Average number of shares outstanding during the fiscal year	504,757,339	505,000,128	505,281,934
Average number of treasury shares owned during the fiscal year	(1,129,631)	(1,320,856)	(2,063,083)
<b>Average number of shares on which the calculation before dilution is based</b>	<b>503,627,708</b>	<b>503,679,272</b>	<b>503,218,851</b>
<b>Basic earnings per share (EUR)</b>	<b>23.90</b>	<b>9.33</b>	<b>14.25</b>
Average number of shares outstanding on which the above calculation is based	503,627,708	503,679,272	503,218,851
Dilutive effect of stock option and bonus share plans	267,884	530,861	620,691
Other dilutive effects	-	-	-
<b>Average number of shares on which the calculation after dilution is based</b>	<b>503,895,592</b>	<b>504,210,133</b>	<b>503,839,542</b>
<b>Diluted earnings per share (EUR)</b>	<b>23.89</b>	<b>9.32</b>	<b>14.23</b>

The LVMH share repurchase program that began on December 21, 2021 ended on January 14, 2022 (see Note 16.3); the LVMH shares acquired under this program are taken into account in the table above. No other events occurred between December 31, 2021

and the date at which the financial statements were approved for publication that would have significantly affected the number of shares outstanding or the potential number of shares.

## 30. PROVISIONS FOR PENSIONS, CONTRIBUTION TO MEDICAL COSTS AND OTHER EMPLOYEE BENEFIT COMMITMENTS

### 30.1 Expense for the fiscal year

The expense recognized in the fiscal years presented for provisions for pensions, contribution to medical costs and other employee benefit commitments is as follows:

(EUR millions)	2021	2020	2019
Service cost	130	106	112
Net interest cost	15	8	12
Actuarial gains and losses	-	-	(2)
Changes in plans	(1)	(48)	46
<b>Total expense for the fiscal year for defined-benefit plans</b>	<b>145</b>	<b>66</b>	<b>167</b>

No significant events concerning provisions for pensions and other benefit commitments occurred during the fiscal year, aside from the impact of the integration of Tiffany, which led to an additional net recognized commitment of 315 million euros in

respect of defined-benefit pension plans in force in the United States. See also Note 1.2 on the effect of the April 2021 IFRIC agenda decision on attributing benefits to periods of service.

### 30.2 Net recognized commitment

(EUR millions)	Notes	2021	2020	2019
Benefits covered by plan assets		2,656	1,894	1,867
Benefits not covered by plan assets		472	250	250
<b>Defined-benefit obligation</b>		<b>3,128</b>	<b>2,144</b>	<b>2,117</b>
<b>Market value of plan assets</b>		<b>(2,299)</b>	<b>(1,397)</b>	<b>(1,340)</b>
<b>Net recognized commitment</b>		<b>829</b>	<b>747</b>	<b>777</b>
<i>Of which: Non-current provisions</i>	20	915	784	812
<i>Current provisions</i>	20	17	9	8
<i>Other assets</i>		(103)	(45)	(43)
<b>Total</b>		<b>829</b>	<b>747</b>	<b>777</b>

### 30.3 Breakdown of the change in the net recognized commitment

(EUR millions)	Defined benefit obligation	Market value of plan assets	Net recognized commitment
<b>As of December 31, 2020</b>	<b>2,144</b>	<b>(1,397)</b>	<b>747</b>
Service cost	130	-	130
Net interest cost	49	(34)	15
Payments to recipients	(140)	101	(40)
Contributions to plan assets	-	(111)	(111)
Employee contributions	10	(10)	-
Changes in scope and reclassifications	958	(644)	314
Changes in plans	(1)	-	(1)
Actuarial gains and losses	(140)	(112)	(252)
<i>Of which: Experience adjustments<sup>(a)</sup></i>	<i>(64)</i>	<i>(112)</i>	<i>(176)</i>
<i>Changes in demographic assumptions</i>	<i>2</i>	<i>-</i>	<i>2</i>
<i>Changes in financial assumptions</i>	<i>(78)</i>	<i>-</i>	<i>(78)</i>
Translation adjustment	118	(91)	27
<b>As of December 31, 2021</b>	<b>3,128</b>	<b>(2,299)</b>	<b>829</b>

(a) (Gain)/Loss.

Actuarial gains and losses resulting from experience adjustments related to fiscal years 2017 to 2020 were as follows:

(EUR millions)	2017	2018	2019	2020
Experience adjustments on the defined-benefit obligation	4	4	31	(12)
Experience adjustments on the market value of plan assets	(49)	41	(82)	(67)
<b>Actuarial gains and losses resulting from experience adjustments<sup>(a)</sup></b>	<b>(45)</b>	<b>45</b>	<b>(51)</b>	<b>(79)</b>

(a) (Gain)/Loss.

The actuarial assumptions applied to estimate commitments in the main countries concerned were as follows:

(as %)	2021					2020					2019				
	France	United States	United Kingdom	Japan	Switzerland	France	United States	United Kingdom	Japan	Switzerland	France	United States	United Kingdom	Japan	Switzerland
Discount rate <sup>(a)</sup>	0.70	2.89	1.74	1.00	0.06	0.44	2.49	1.43	1.00	0.05	0.46	2.99	2.05	0.50	0.10
Future salary	1.96	3.59	N/A	2.07	1.75	2.75	4.10	N/A	2.00	1.69	2.75	4.39	N/A	1.87	1.79

(a) Discount rates were determined with reference to market yields of AA-rated corporate bonds at the period-end in the countries concerned. Bonds with maturities comparable to those of the commitments were used.

N/A: Not applicable.

The assumed rate of increase of medical expenses in the United States is 6.50% for 2022, after which it is assumed to decline progressively to reach 4.75% in 2025.

A 0.5-point increase in the discount rate would result in a 250 million euro reduction in the amount of the defined-benefit obligation as of December 31, 2021; a 0.5-point decrease in the discount rate would result in a 255 million euro increase.

### 30.4 Breakdown of benefit obligations

The breakdown of the defined-benefit obligation by type of benefit plan is as follows:

(EUR millions)	2021	2020	2019
Supplementary pensions	2,601	1,627	1,597
Retirement bonuses and similar benefits	351	432	427
Medical costs of retirees	133	45	54
Long-service awards	33	33	32
Other	10	7	6
<b>Defined-benefit obligation</b>	<b>3,128</b>	<b>2,144</b>	<b>2,116</b>

The geographic breakdown of the defined-benefit obligation is as follows:

(EUR millions)	2021	2020	2019
France	746	833	886
Europe (excl. France)	647	614	581
United States	1,514	506	454
Japan	164	137	144
Asia (excl. Japan)	49	47	44
Other countries	8	7	7
<b>Defined-benefit obligation</b>	<b>3,128</b>	<b>2,144</b>	<b>2,116</b>

The main components of the Group's net commitment for retirement and other defined-benefit obligations as of December 31, 2021 are as follows:

- in France:
  - these commitments include the commitment to the Group's senior executives and members of the Executive Committee, who were covered by a supplementary pension plan after a certain number of years of service, the amount of which was determined on the basis of the average of their three highest amounts of annual compensation. Pursuant to the Order of July 3, 2019, this supplementary pension plan has been closed, and the rights frozen as of December 31, 2019,
  - they also include end-of-career bonuses and long-service awards, the payment of which is determined by French law and collective bargaining agreements, respectively upon retirement or after a certain number of years of service;
- in Europe (excluding France), commitments concern defined-benefit pension plans set up in the United Kingdom by certain Group companies; participation by Group companies in Switzerland in the mandatory Swiss occupational pension plan, the LPP (*Loi pour la Prévoyance Professionnelle*); and in Italy the TFR (*Trattamento di Fine Rapporto*), a legally required end-of-service allowance, paid regardless of the reason for the employee's departure from the company;
- in the United States, the commitment relates to defined-benefit pension plans or retiree healthcare coverage set up by certain Group companies, especially Tiffany. Most of the commitment concerns qualified pension plans as defined in the United States Internal Revenue Code.

## 30.5 Breakdown of related plan assets

The breakdown of the market value of plan assets by type of investment is as follows:

<i>(as % of market value of related plan assets)</i>	2021	2020	2019
Shares	30	22	19
Bonds			
– Private issues	28	32	35
– Public issues	13	9	8
Cash, investment funds, real estate and other assets	29	37	38
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>

These assets do not include debt securities issued by Group companies, or any LVMH shares for significant amounts. The Group plans to increase the related plan assets in 2022 by paying in approximately 111 million euros.

## 31. OFF-BALANCE SHEET COMMITMENTS

### 31.1 Purchase commitments

<i>(EUR millions)</i>	2021	2020	2019
Grapes, wines and <i>eaux-de-vie</i>	2,843	2,725	2,840
Other purchase commitments for raw materials	759	250	211
Industrial and commercial fixed assets	715	428	674
Investments in joint venture shares and non-current available for sale financial assets	317	13,237	14,761

Some Wines and Spirits companies have contractual purchase arrangements with various local producers for the future supply of grapes, still wines and *eaux-de-vie*. These commitments are valued, depending on the nature of the purchases, on the basis of the contractual terms or known fiscal year-end prices and estimated production yields.

As of December 31, 2020 and December 31, 2019, share purchase commitments included the impact of LVMH's commitment to acquire, for cash, all the shares of Tiffany & Co. ("Tiffany"), for a total of 16.1 billion US dollars. The acquisition was completed on January 7, 2021. See also Note 2.1.

As of December 31, 2021, the maturity schedule of these commitments was as follows:

<i>(EUR millions)</i>	Less than 1 year	From 1 to 5 years	More than 5 years	Total
Grapes, wines and <i>eaux-de-vie</i>	833	1,759	252	2,843
Other purchase commitments for raw materials	564	195	-	759
Industrial and commercial fixed assets	369	191	155	715
Investments in joint venture shares and non-current available for sale financial assets	317	-	-	317

### 31.2 Collateral and other guarantees

As of December 31, 2021, these commitments broke down as follows:

<i>(EUR millions)</i>	2021	2020	2019
Securities and deposits	415	444	371
Other guarantees	162	169	163
<b>Guarantees given</b>	<b>577</b>	<b>613</b>	<b>534</b>
<b>Guarantees received</b>	<b>(65)</b>	<b>(47)</b>	<b>(53)</b>

The maturity dates of these commitments are as follows:

<i>(EUR millions)</i>	Less than 1 year	From 1 to 5 years	More than 5 years	Total
Securities and deposits	402	5	8	415
Other guarantees	84	71	7	162
<b>Guarantees given</b>	<b>486</b>	<b>77</b>	<b>14</b>	<b>577</b>
<b>Guarantees received</b>	<b>(37)</b>	<b>(26)</b>	<b>(2)</b>	<b>(65)</b>

### 31.3 Other commitments

The Group is not aware of any significant off-balance sheet commitments other than those described above.

## 32. EXCEPTIONAL EVENTS AND LITIGATION

As part of its day-to-day management, the Group may be party to various legal proceedings concerning trademark rights, personal data protection, the protection of intellectual property rights, the protection of selective retailing networks, consumer protection, licensing agreements, employee relations, tax audits, and any other matters inherent to its business. The Group believes that the provisions recorded in the balance sheet in respect of these risks, litigation proceedings and disputes that are in progress

and any others of which it is aware at the year-end, are sufficient to avoid its consolidated financial position being materially impacted in the event of an unfavorable outcome.

To the best of the Company's knowledge, there are no pending or impending administrative, judicial or arbitration procedures that are likely to have, or have had over the twelve-month period under review, any significant impact on the Group's financial position or profitability.

## 33. RELATED-PARTY TRANSACTIONS

### 33.1 Relations of LVMH with Christian Dior and Agache

The LVMH group is consolidated in the accounts of Christian Dior SE, a public company listed on the Eurolist by Euronext Paris and controlled by Agache SE (formerly known as Groupe Arnault SE) via its subsidiary Financière Agache SA.

Agache SE, which has specialist teams, provides assistance to the LVMH group, primarily in the areas of financial engineering,

strategy, development, and corporate and real estate law. Agache SE also leases office premises to the LVMH group.

Conversely, the LVMH group provides various administrative and operational services and leases real estate and movable property assets to Agache SE and some of its subsidiaries.

Transactions between LVMH and Agache and its subsidiaries may be summarized as follows:

<i>(EUR millions)</i>	2021	2020	2019
Amounts billed by Agache, Financière Agache and Christian Dior to LVMH	(2)	(2)	(2)
Amount payable outstanding as of December 31	-	-	-
Amounts billed by LVMH to Agache, Financière Agache and Christian Dior	9	9	6
Amount receivable outstanding as of December 31	3	2	-

### 33.2 Relations with Diageo

Moët Hennessy SAS and Moët Hennessy International SAS (hereinafter referred to as “Moët Hennessy”) hold the LVMH group’s investments in the Wines and Spirits business group, with the exception of Château d’Yquem, Château Cheval Blanc, Domaine du Clos des Lambrays, Colgin Cellars and certain champagne vineyards. Diageo holds a 34% stake in Moët Hennessy. When that holding was acquired in 1994, an agreement was entered into between Diageo and LVMH for the

apportionment of shared holding company costs between Moët Hennessy and the other holding companies of the LVMH group.

Under this agreement, Moët Hennessy assumed 13% of shared costs in 2021 (14% in 2020 and 2019), and accordingly re-invoiced the excess costs incurred to LVMH SE. After re-invoicing, the amount of shared costs assumed by Moët Hennessy came to 19 million euros for 2021 (22 million euros in 2020 and 25 million euros in 2019).

### 33.3 Relations with the Fondation Louis Vuitton

In October 2014, the Fondation Louis Vuitton opened a modern and contemporary art museum in Paris. The LVMH group finances the Fondation as part of its cultural sponsorship initiatives. Its net contributions to this project are included in

“Property, plant and equipment” and are depreciated from the time the museum opened (October 2014) over the remaining duration of the public property use agreement awarded by the City of Paris.

### 33.4 Executive bodies

The total compensation paid to the members of the Executive Committee and the Board of Directors, in respect of their functions within the Group, breaks down as follows:

<i>(EUR millions)</i>	2021	2020	2019
Gross compensation, employer social security contributions and benefits in kind	78	72	79
Post-employment benefits	-	(20)	59
Other long-term benefits	(5)	22	24
End-of-contract bonuses	-	-	-
Cost of stock option and similar plans	97	25	29
<b>Total</b>	<b>170</b>	<b>99</b>	<b>191</b>

The commitment recognized as of December 31, 2021 for post-employment benefits net of related financial assets was 71 million euros (96 million euros as of December 31, 2020 and 115 million euros as of December 31, 2019).

## 34. SUBSEQUENT EVENTS

No significant subsequent events occurred between December 31, 2021 and January 27, 2022, the date at which the financial statements were approved for publication by the Board of Directors.

Consolidated companies

## CONSOLIDATED COMPANIES

Companies	Registered office	Method of consolidation	Ownership interest
<b>WINES AND SPIRITS</b>			
MHCS	Épernay, France	FC	66%
Moët Hennessy Italia SpA	Milan, Italy	FC	66%
Société Civile des Crus de Champagne	Reims, France	FC	66%
Moët Hennessy UK	London, United Kingdom	FC	66%
Moët Hennessy España	Barcelona, Spain	FC	66%
Moët Hennessy Portugal	Lisbon, Portugal	FC	66%
Moët Hennessy (Suisse)	Geneva, Switzerland	FC	66%
Moët Hennessy Deutschland GmbH	Munich, Germany	FC	66%
Moët Hennessy Entreprise Adaptée	Épernay, France	FC	66%
Champagne Des Moutiers	Épernay, France	FC	66%
Moët Hennessy de Mexico	Mexico City, Mexico	FC	66%
Chamfipar	Épernay, France	FC	66%
Société Viticole de Reims	Épernay, France	FC	66%
Compagnie Française du Champagne et du Luxe	Épernay, France	FC	66%
Champagne Bernard Breuzon	Colombé-le-Sec, France	FC	66%
Moët Hennessy Belux	Brussels, Belgium	FC	66%
Champagne De Mansin	Gyé-sur-Seine, France	FC	66%
Moët Hennessy Österreich	Vienna, Austria	FC	66%
Moët Hennessy Polska	Warsaw, Poland	FC	66%
Moët Hennessy Suomi	Helsinki, Finland	FC	66%
Moët Hennessy Czech Republic	Prague, Czech Republic	FC	66%
Moët Hennessy Sverige	Stockholm, Sweden	FC	66%
Moët Hennessy Norge	Sandvika, Norway	FC	66%
Moët Hennessy Danmark	Copenhagen, Denmark	FC	66%
Moët Hennessy Services UK	London, United Kingdom	FC	66%
Moët Hennessy Turkey	Istanbul, Turkey	FC	66%
Moët Hennessy South Africa Pty Ltd	Johannesburg, South Africa	FC	66%
SCEV 4F	Épernay, France	FC	66%
Moët Hennessy Nigeria	Lagos, Nigeria	FC	66%
SAS Champagne Manuel Janisson	Verzenay, France	FC	66%
SCI JVIGNOBLES	Verzenay, France	FC	66%
Moët Hennessy Nederland	Baarn, Netherlands	FC	66%
Moët Hennessy USA	New York, USA	FC	66%
MHD Moët Hennessy Diageo	Courbevoie, France	JV	66%
SA Du Château d'Yquem	Sauternes, France	FC	96%
SC Du Château d'Yquem	Sauternes, France	FC	96%
Société Civile Cheval Blanc (SCCB)	Saint-Émilion, France	EM	50%
Société du Domaine des Lambrays	Morey-Saint-Denis, France	FC	100%
Colgin Cellars	California, USA	FC	60%
Chandon International	Paris, France	FC	66%
Domaine Chandon, Inc.	California, USA	FC	66%
Dioniso Srl	Sesto San Giovanni, Italy	JV	33%
Moët Hennessy do Brasil - Vinhos E Destilados	São Paulo, Brazil	FC	66%
Bodegas Chandon Argentina	Buenos Aires, Argentina	FC	66%
Domaine Chandon Australia Pty	Coldstream, Victoria, Australia	FC	66%
Domaine Chandon (Ningxia)	Yinchuan, China	FC	66%
Moët Hennessy Co. Ltd			
Moët Hennessy Chandon (Ningxia) Vineyards Co. Ltd	Yinchuan, China	FC	40%
Esclans Estate	La Motte, France	FC	66%
Ace of Spades Holdings LLC	New York, USA	FC	33%
Cheval des Andes	Buenos Aires, Argentina	EM	33%
Cape Mentelle Vineyards Ltd	Margaret River, Australia	FC	66%
Veuve Clicquot Pties Pty Ltd	Margaret River, Australia	FC	66%
Cloudy Bay Vineyards Ltd	Blenheim, New Zealand	FC	66%
Moët Hennessy Shangri-La (Deqin) Winery Company	Deqin, China	FC	53%
Newton Vineyard LLC	California, USA	FC	66%
Château du Galoupet	La Londe-les-Maures, France	FC	66%
Jas Hennessy & Co.	Cognac, France	FC	65%
Distillerie de la Groie	Cognac, France	FC	65%
SICA de Bagnolet	Cognac, France	FC	4%
Sodepa	Cognac, France	FC	65%
Diageo Moët Hennessy BV	Amsterdam, Netherlands	JV	66%
Hennessy Dublin	Dublin, Ireland	FC	66%
Edward Dillon & Co. Ltd	Dublin, Ireland	EM	26%
Hennessy Far East	Hong Kong, China	FC	65%
Moët Hennessy Diageo Hong Kong	Hong Kong, China	JV	66%
Riche Monde (China)	Hong Kong, China	JV	66%
Moët Hennessy Diageo Macau	Macao, China	JV	66%
Moët Hennessy Diageo Singapore Pte	Singapore	JV	66%
Moët Hennessy Diageo Malaysia Sdn. Bhd.	Kuala Lumpur, Malaysia	JV	66%
Moët Hennessy Cambodia Co.	Phnom Penh, Cambodia	FC	34%
Moët Hennessy Philippines	Makati, Philippines	FC	49%
Diageo Moët Hennessy Thailand	Bangkok, Thailand	JV	66%

Companies	Registered office	Method of consolidation	Ownership interest
Moët Hennessy Shanghai	Shanghai, China	FC	66%
Moët Hennessy India	Mumbai, India	FC	66%
Jas Hennessy Taiwan	Taipei, Taiwan	FC	65%
Moët Hennessy Diageo China Company	Shanghai, China	JV	66%
Moët Hennessy Distribution Russia	Moscow, Russia	FC	66%
Moët Hennessy Vietnam Importation Co.	Ho Chi Minh City, Vietnam	FC	65%
Moët Hennessy Vietnam Distribution Shareholding Co.	Ho Chi Minh City, Vietnam	FC	33%
Moët Hennessy Russia	Moscow, Russia	FC	66%
MH Champagnes and Wines Korea Ltd	Icheon, South Korea	FC	66%
MHD Moët Hennessy Diageo	Tokyo, Japan	JV	66%
Moët Hennessy Asia Pacific Pte Ltd	Singapore	FC	65%
Moët Hennessy Australia	Mascot, Australia	FC	65%
Polmos Zyrardow Sp. z o.o.	Zyrardow, Poland	FC	66%
The Glenmorangie Company	Edinburgh, United Kingdom	FC	66%
Macdonald & Muir Ltd	Edinburgh, United Kingdom	FC	66%
Ardbeg Distillery Limited	Edinburgh, United Kingdom	FC	66%
Glenmorangie Distillery Co. Ltd	Edinburgh, United Kingdom	FC	66%
James Martin & Company Ltd	Edinburgh, United Kingdom	FC	66%
Nicol Anderson & Co. Ltd	Edinburgh, United Kingdom	FC	66%
Woodinville Whiskey Company LLC	Washington, USA	FC	66%
RUM Entreprise	Paris, France	FC	66%
Agrotequilera de Jalisco	Mexico City, Mexico	EM	33%
SAS Château d'Esclans	La Motte, France	FC	66%
Cave d'Esclans	La Motte, France	FC	66%
G2I	La Motte, France	FC	66%
<b>FASHION AND LEATHER GOODS</b>			
Manufacture de Souliers Louis Vuitton	Fiesso d'Artico, Italy	FC	100%
Louis Vuitton Malletier	Paris, France	FC	100%
Louis Vuitton Saint-Barthélemy	Saint-Barthélemy, French Antilles	FC	100%
Louis Vuitton Cantacilik Ticaret	Istanbul, Turkey	FC	100%
Louis Vuitton Editeur	Paris, France	FC	100%
Louis Vuitton International	Paris, France	FC	100%
Société des Ateliers Louis Vuitton	Paris, France	FC	100%
Les Ateliers Joailliers Louis Vuitton	Paris, France	FC	100%
Manufacture des Accessoires Louis Vuitton	Fiesso d'Artico, Italy	FC	100%
Louis Vuitton Bahrain WLL	Manama, Bahrain	FC	75%
Société Louis Vuitton Services	Paris, France	FC	100%
Louis Vuitton Qatar LLC	Doha, Qatar	FC	73%
Société des Magasins Louis Vuitton France	Paris, France	FC	100%
Off-White Operating Srl	Milan, Italy	EM	25%
Belle Jardinière	Paris, France	FC	100%
La Fabrique du Temps Louis Vuitton	Meyrin, Switzerland	FC	100%
Louis Vuitton Monaco	Monte Carlo, Monaco	FC	100%
ELV	Paris, France	FC	100%
Louis Vuitton Services Europe	Brussels, Belgium	FC	100%
Louis Vuitton UK	London, United Kingdom	FC	100%
Louis Vuitton Ireland	Dublin, Ireland	FC	100%
Louis Vuitton Deutschland	Munich, Germany	FC	100%
Louis Vuitton Ukraine	Kiev, Ukraine	FC	100%
Manufacture de Maroquinerie et Accessoires Louis Vuitton	Barcelona, Spain	FC	100%
Atepli - Ateliers des Ponte de Lima	Calvelo, Portugal	FC	100%
Louis Vuitton Netherlands	Amsterdam, Netherlands	FC	100%
Louis Vuitton Belgium	Brussels, Belgium	FC	100%
Louis Vuitton Luxembourg	Luxembourg	FC	100%
Louis Vuitton Hellas	Athens, Greece	FC	100%
Louis Vuitton Portugal Maleiro	Lisbon, Portugal	FC	100%
Louis Vuitton Israel	Tel Aviv, Israel	FC	100%
Louis Vuitton Danmark	Copenhagen, Denmark	FC	100%
Louis Vuitton Aktiebolag	Stockholm, Sweden	FC	100%
Louis Vuitton Suisse	Meyrin, Switzerland	FC	100%
Louis Vuitton Polska Sp. z o.o.	Warsaw, Poland	FC	100%
Louis Vuitton Ceska	Prague, Czech Republic	FC	100%
Louis Vuitton Österreich	Vienna, Austria	FC	100%
Louis Vuitton Kazakhstan	Almaty, Kazakhstan	FC	100%
Louis Vuitton US Manufacturing, Inc.	California, USA	FC	100%
Somarest	Sibiu, Romania	FC	100%
Louis Vuitton Hawaii, Inc.	Hawaii, USA	FC	100%
Louis Vuitton Guam, Inc.	Tamuning, Guam	FC	100%
Louis Vuitton Saipan Inc.	Saipan, Northern Mariana Islands	FC	100%
Louis Vuitton Norge	Oslo, Norway	FC	100%
San Dimas Luggage Company	California, USA	FC	100%
Louis Vuitton North America, Inc.	New York, USA	FC	100%
Louis Vuitton USA, Inc.	New York, USA	FC	100%

Companies	Registered office	Method of consolidation	Ownership interest	Companies	Registered office	Method of consolidation	Ownership interest
Louis Vuitton Liban Retail SAL	Beirut, Lebanon	FC	95%	Berluti LLC	New York, USA	FC	100%
Louis Vuitton Vietnam Company Limited	Hanoi, Vietnam	FC	100%	Berluti UK Limited (Company)	London, United Kingdom	FC	100%
Louis Vuitton Suomi	Helsinki, Finland	FC	100%	Berluti Deutschland GmbH	Munich, Germany	FC	100%
Louis Vuitton Romania Srl	Bucharest, Romania	FC	100%	Berluti Macau Company Limited	Macao, China	FC	100%
LVMH Fashion Group Brasil Ltda	São Paulo, Brazil	FC	100%	Berluti Singapore Private Ltd	Singapore	FC	100%
Louis Vuitton Panama, Inc.	Panama City, Panama	FC	100%	Berluti (Shanghai) Company Limited	Shanghai, China	FC	100%
Louis Vuitton Mexico	Mexico City, Mexico	FC	100%	Berluti Taiwan Ltd	Taipei, Taiwan	FC	100%
Louis Vuitton Chile Spa	Santiago de Chile, Chile	FC	100%	Berluti Hong Kong Company Limited	Hong Kong, China	FC	100%
Louis Vuitton (Aruba)	Oranjestad, Aruba	FC	100%	Berluti Orient FZ LLC	Ras Al Khaimah, United Arab Emirates	FC	65%
Louis Vuitton Republica Dominicana	Santo Domingo, Dominican Republic	FC	100%	Berluti EAU LLC	Dubai, United Arab Emirates	FC	65%
Louis Vuitton Argentina	Buenos Aires, Argentina	FC	100%	Berluti Korea Company Ltd	Seoul, South Korea	FC	65%
Louis Vuitton Peru SRL	Lima, Peru	FC	100%	Berluti Australia	Sydney, Australia	FC	100%
Louis Vuitton Pacific	Hong Kong, China	FC	100%	Berluti Japan KK	Tokyo, Japan	FC	99%
Louis Vuitton Hong Kong Limited	Hong Kong, China	FC	100%	Berluti Italia Srl	Milan, Italy	FC	100%
Louis Vuitton (Philippines) Inc.	Makati, Philippines	FC	100%	Rossimoda	Vigonza, Italy	FC	100%
Louis Vuitton Singapore Pte Ltd	Singapore	FC	100%	Rossimoda Romania	Cluj-Napoca, Romania	FC	100%
LV Information & Operation Services Pte Ltd	Singapore	FC	100%	LVMH Fashion Group Services	Paris, France	FC	100%
PT Louis Vuitton Indonesia	Jakarta, Indonesia	FC	98%	Interlux Company	Hong Kong, China	FC	100%
Louis Vuitton (Malaysia) Sdn. Bhd.	Kuala Lumpur, Malaysia	FC	100%	John Galliano SA	Paris, France	FC	100%
Louis Vuitton (Thailand) Société Anonyme	Bangkok, Thailand	FC	100%	Loro Piana	Quaronara, Italy	FC	85%
Louis Vuitton Taiwan Ltd	Taipei, Taiwan	FC	100%	Loro Piana Switzerland	Lugano, Switzerland	FC	85%
Louis Vuitton Australia Pty Ltd	Sydney, Australia	FC	100%	Loro Piana France	Paris, France	FC	85%
Louis Vuitton (China) Co. Ltd	Shanghai, China	FC	100%	Loro Piana	Munich, Germany	FC	85%
Louis Vuitton New Zealand	Auckland, New Zealand	FC	100%	Loro Piana GB	London, United Kingdom	FC	85%
Louis Vuitton Kuwait WLL	Kuwait City, Kuwait	FC	37%	LG Distribution LLC	Delaware, USA	FC	85%
Louis Vuitton India Retail Private Limited	Gurugram, India	FC	100%	Warren Corporation	Connecticut, USA	FC	85%
Louis Vuitton EAU LLC	Dubai, United Arab Emirates	FC	75%	Loro Piana & C.	New York, USA	FC	85%
Louis Vuitton Saudi Arabia Ltd	Jeddah, Saudi Arabia	FC	75%	Loro Piana USA	New York, USA	FC	85%
Louis Vuitton Middle East	Dubai, United Arab Emirates	FC	75%	Loro Piana (HK)	Hong Kong, China	FC	85%
Louis Vuitton - Jordan PSC	Amman, Jordan	FC	95%	Loro Piana (Shanghai) Commercial Co.	Shanghai, China	FC	85%
Louis Vuitton Orient LLC	Ras Al Khaimah, United Arab Emirates	FC	75%	Loro Piana (Shanghai) Textile Trading Co.	Shanghai, China	FC	85%
L.D. Manufacture Srl	Sant'Antimo, Italy	FC	90%	Loro Piana Mongolia	Ulaanbaatar, Mongolia	FC	85%
Microedge Sàrl	Vernier, Switzerland	FC	100%	Loro Piana Korea Co.	Seoul, South Korea	FC	85%
Louis Vuitton Korea Ltd	Seoul, South Korea	FC	100%	Loro Piana (Macao)	Macao, China	FC	85%
LVMH Fashion Group Trading Korea Ltd	Seoul, South Korea	FC	100%	Loro Piana Monaco	Monte Carlo, Monaco	FC	85%
Louis Vuitton Hungaria Kft.	Budapest, Hungary	FC	100%	Loro Piana España	Madrid, Spain	FC	85%
Louis Vuitton Vostok	Moscow, Russia	FC	100%	Loro Piana Japan Co.	Tokyo, Japan	FC	85%
LV Colombia SAS	Santa Fé de Bogota, Colombia	FC	100%	Loro Piana Far East	Singapore	FC	85%
Louis Vuitton Maroc	Casablanca, Morocco	FC	100%	Loro Piana Peru	Lucanas, Peru	FC	85%
Louis Vuitton South Africa	Johannesburg, South Africa	FC	100%	Manifattura Loro Piana	Sillavengo, Italy	FC	85%
Louis Vuitton Macau Company Limited	Macao, China	FC	100%	Loro Piana Osterreich	Vienna, Austria	FC	85%
Louis Vuitton Japan KK	Tokyo, Japan	FC	99%	Loro Piana Czech Republic	Prague, Czech Republic	FC	85%
Louis Vuitton Services KK	Tokyo, Japan	FC	99%	Loro Piana Canada	Toronto, Canada	FC	85%
Louis Vuitton Canada, Inc.	Toronto, Canada	FC	100%	Cashmere Lifestyle Luxury Trading LLC	Dubai, United Arab Emirates	FC	51%
Louis Vuitton Italia Srl	Milan, Italy	FC	100%	Loro Piana Mexico SA de CV	Naucalpan, Mexico	FC	85%
Marc Jacobs International	New York, USA	FC	80%	Vicuna Trading WLL	Doha, Qatar	FC	51%
Marc Jacobs International (UK)	London, United Kingdom	FC	80%	HLI Holding Pte Ltd	Singapore	FC	100%
Marc Jacobs Trademarks	New York, USA	FC	80%	Heng Long International Ltd	Singapore	FC	100%
Marc Jacobs Japan	Tokyo, Japan	FC	80%	Heng Long Leather Co. (Pte) Ltd	Singapore	FC	100%
Marc Jacobs International France	Paris, France	FC	80%	Heng Long Leather (Guangzhou) Co. Ltd	Guangzhou, China	FC	100%
Marc Jacobs Commercial and Trading (Shanghai) Co.	Shanghai, China	FC	80%	HL Australia Proprietary Ltd	Sydney, Australia	FC	100%
Marc Jacobs Hong Kong	Hong Kong, China	FC	80%	Starke Holding	Florida, USA	FC	100%
Marc Jacobs Holdings	New York, USA	FC	80%	Cypress Creek Farms	Florida, USA	FC	100%
Marc Jacobs Hong Kong Distribution Company	Hong Kong, China	FC	80%	The Florida Alligator Company	Florida, USA	FC	100%
Marc Jacobs Macau Distribution Company	Macao, China	FC	80%	Pellefina	Florida, USA	FC	100%
Marc Jacobs Canada	Toronto, Canada	FC	80%	Sofpar 126	Paris, France	FC	100%
Loewe	Madrid, Spain	FC	100%	Sofpar 128	Bourg-de-Péage, France	FC	72%
Loewe Hermanos	Madrid, Spain	FC	100%	LVMH Métiers d'Art	Paris, France	FC	100%
Manufacturas Loewe	Madrid, Spain	FC	100%	Taneries Roux	Romans-sur-Isère, France	FC	100%
LVMH Fashion Group France	Paris, France	FC	100%	Off-White LLC	New York, USA	FC	60%
Loewe Hermanos UK	London, United Kingdom	FC	100%	Jean Patou SAS	Paris, France	FC	70%
Loewe Hong Kong	Hong Kong, China	FC	100%	Rimowa GmbH	Cologne, Germany	FC	100%
Loewe Commercial and Trading (Shanghai) Co.	Shanghai, China	FC	100%	Rimowa GmbH & Co. Distribution KG	Cologne, Germany	FC	100%
Loewe Fashion	Singapore	FC	100%	Rimowa Electronic Tag GmbH	Cologne, Germany	FC	100%
Loewe Taiwan	Taipei, Taiwan	FC	100%	Rimowa CZ spol. s r.o.	Pelhrimov, Czech Republic	FC	100%
Loewe Macau Company	Macao, China	FC	100%	Rimowa America Do Sul Malas De Viagem Ltda	São Paulo, Brazil	FC	100%
Loewe Alemania	Frankfurt, Germany	FC	100%	Rimowa North America Inc.	Cambridge, Canada	FC	100%
Loewe Italy	Milan, Italy	FC	100%	Rimowa Inc.	New York, USA	FC	100%
Loewe LLC	New York, USA	FC	100%	Rimowa Distribution Inc.	New York, USA	FC	100%
Loewe Australia	Sydney, Australia	FC	100%	Rimowa Far East Limited	Hong Kong, China	FC	100%
Loewe Korea Ltd	Seoul, South Korea	FC	100%	Rimowa Macau Limited	Macao, China	FC	100%
Loewe JV Middle East WLL	Dubai, United Arab Emirates	FC	65%	Rimowa Japan Co. Ltd	Tokyo, Japan	FC	100%
Loewe UAE WLL	Dubai, United Arab Emirates	FC	42%	Rimowa France SARL	Paris, France	FC	100%
Loewe Kuwait WLL	Kuwait City, Kuwait	FC	42%	Rimowa Italy Srl	Milan, Italy	FC	100%
LVMH Fashion Group Support	Paris, France	FC	100%	Rimowa Netherlands BV	Amsterdam, Netherlands	FC	100%
Qatar Luxury Co. WLL - Loewe Division	Doha, Qatar	FC	42%	Rimowa Spain SLU	Madrid, Spain	FC	100%
Berluti SA	Paris, France	FC	100%	Rimowa Great Britain Limited	London, United Kingdom	FC	100%
Berluti Monaco	Monte Carlo, Monaco	FC	100%	Rimowa Austria GmbH	Innsbruck, Austria	FC	100%
Manifattura Berluti Srl	Ferrara, Italy	FC	100%	Rimowa Schweiz AG	Dübendorf, Switzerland	FC	100%
				110 Vondrau Holdings Inc.	Cambridge, Canada	FC	100%
				Rimowa China	Shanghai, China	FC	100%
				Rimowa International	Paris, France	FC	100%

## CONSOLIDATED FINANCIAL STATEMENTS

### Consolidated companies

Companies	Registered office	Method of consolidation	Ownership interest	Companies	Registered office	Method of consolidation	Ownership interest
Rimowa Group Services	Paris, France	FC	100%	Christian Dior Couture Kazakhstan	Almaty, Kazakhstan	FC	100%
Rimowa Middle East FZ-LLC	Dubai, United Arab Emirates	FC	100%	Christian Dior Austria GmbH	Vienna, Austria	FC	100%
Rimowa Korea Ltd	Seoul, South Korea	FC	100%	Manufactures Dior Srl	Milan, Italy	FC	100%
Rimowa Orient Trading-LLC	Dubai, United Arab Emirates	FC	100%	Christian Dior Couture Azerbaijan	Baku, Azerbaijan	FC	100%
Rimowa Singapore	Singapore	FC	100%	Draupnir SA	Luxembourg	FC	100%
Rimowa Australia	Sydney, Australia	FC	100%	Myolnir SA	Luxembourg	FC	100%
Rimowa Group GmbH	Cologne, Germany	FC	100%	CD Philippines	Makati, Philippines	FC	100%
Rimowa Malaysia Sdn. Bhd.	Kuala Lumpur, Malaysia	FC	100%	Christian Dior Couture Luxembourg SA	Luxembourg	FC	100%
Anin Star Holding Limited	London, United Kingdom	EM	49%	Les Ateliers Horlogers Dior	La Chaux-de-Fonds, Switzerland	FC	100%
Stella McCartney Limited	London, United Kingdom	EM	49%	Dior Montres	Paris, France	FC	100%
Stella McCartney America, Inc.	Delaware, USA	EM	49%	Christian Dior Couture Canada Inc.	Toronto, Canada	FC	100%
Stella McCartney France SAS	Paris, France	EM	49%	Christian Dior Couture Panama Inc.	Panama City, Panama	FC	100%
Stella McCartney Spain SL	Barcelona, Spain	EM	49%	IDMC Manufacture	Limoges, France	FC	90%
Stella McCartney Italia Srl a socio unico	Milan, Italy	EM	49%	GINZA SA	Luxembourg	FC	100%
Stella McCartney (Shanghai) Trading Limited	Shanghai, China	EM	49%	GFEC. Srl	Casoria, Italy	FC	100%
Stella McCartney Japan Limited	Tokyo, Japan	EM	49%	CDC Kuwait Fashion Accessories	Kuwait City, Kuwait	FC	85%
Stella McCartney Hong Kong Limited	Harbour City, China	EM	49%	with limited liability			
Stella McCartney Taiwan Limited	Taipei, Taiwan	EM	49%	Aurelia Solutions Srl	Milan, Italy	FC	100%
Luxury Fashion (L.F.) SA	Candempino, Switzerland	EM	49%	Lemanus	Luxembourg	FC	100%
Thélios	Longarone, Italy	FC	100%	LikeABee	Lisbon, Portugal	FC	100%
Thélios France	Paris, France	FC	100%	CD Norway AS	Oslo, Norway	FC	100%
Thélios USA Inc.	New Jersey, USA	FC	100%	Cador	Florence, Italy	FC	100%
Thélios Asia Pacific Limited	Harbour City, China	FC	100%	Christian Dior Couture Ireland	Dublin, Ireland	FC	100%
Thélios Deutschland GmbH	Cologne, Germany	FC	100%	CD Montenegro	Podgorica, Montenegro	FC	100%
Thélios Switzerland GmbH	Zurich, Switzerland	FC	100%	Christian Dior Couture Saint Barthelemy	Saint-Barthélemy, French Antilles	FC	100%
Thélios Iberian Peninsula SL	Barcelona, Spain	FC	100%	Ultraparum Srl	Milan, Italy	EM	45%
Thélios Portugal, Unipessoal Lda.	Lisbon, Portugal	FC	100%	JW Anderson Limited	London, United Kingdom	EM	46%
Thélios UK	London, United Kingdom	FC	100%	JW Anderson China	Shanghai, China	EM	46%
Thélios Eyewear (Shanghai) Co., Ltd	Shanghai, China	FC	100%	Celine SA	Paris, France	FC	100%
Thélios Nordics AB	Stockholm, Sweden	FC	100%	Avenue M International SCA	Paris, France	FC	100%
Thélios Australia Pty Ltd	Brisbane, Australia	FC	100%	Enilec Gestion SARL	Paris, France	FC	100%
Christian Dior Couture Korea Ltd	Seoul, South Korea	FC	100%	Celine Montaigne SAS	Paris, France	FC	100%
Christian Dior KK	Tokyo, Japan	FC	100%	Celine Monte- Carlo SA	Monte Carlo, Monaco	FC	100%
Christian Dior Inc.	New York, USA	FC	100%	Celine Germany GmbH	Berlin, Germany	FC	100%
Christian Dior Far East Ltd	Hong Kong, China	FC	100%	Celine Production Srl	Florence, Italy	FC	100%
Christian Dior Hong Kong Ltd	Hong Kong, China	FC	100%	Celine Suisse SA	Geneva, Switzerland	FC	100%
Christian Dior Fashion (Malaysia) Sdn. Bhd.	Kuala Lumpur, Malaysia	FC	100%	Celine UK Ltd	London, United Kingdom	FC	100%
Christian Dior Singapore Pte Ltd	Singapore	FC	100%	Celine Inc.	New York, USA	FC	100%
Christian Dior Australia Pty Ltd	Sydney, Australia	FC	100%	Celine (Hong Kong) Limited	Hong Kong, China	FC	100%
Christian Dior New Zealand Ltd	Auckland, New Zealand	FC	100%	Celine Commercial and Trading (Shanghai) Co. Ltd	Shanghai, China	FC	100%
Christian Dior Taiwan Limited	Taipei, Taiwan	FC	100%	Celine Distribution Singapore	Singapore	FC	100%
Christian Dior (Thailand) Co. Ltd	Bangkok, Thailand	FC	100%	Celine Boutique Taiwan Co. Ltd	Taipei, Taiwan	FC	100%
Christian Dior Saipan Ltd	Saipan, Northern Mariana Islands	FC	100%	CPC Macau Company Limited	Macao, China	FC	100%
Christian Dior Guam Ltd	Tumon Bay, Guam	FC	100%	LVMH FG Services UK	London, United Kingdom	FC	100%
Christian Dior Espanola	Madrid, Spain	FC	100%	Celine Distribution Spain S.L.U.	Madrid, Spain	FC	100%
Christian Dior UK Limited	London, United Kingdom	FC	100%	RC Diffusion Rive Droite SARL	Paris, France	FC	100%
Christian Dior Italia Srl	Milan, Italy	FC	100%	Celine EAU LLC	Dubai, United Arab Emirates	FC	52%
Christian Dior Suisse SA	Geneva, Switzerland	FC	100%	Celine Qatar	Doha, Qatar	FC	65%
Christian Dior GmbH	Pforzheim, Germany	FC	100%	Celine Netherlands BV	Baarn, Netherlands	FC	100%
Christian Dior Fourrure M.C.	Monte Carlo, Monaco	FC	100%	Celine Australia Ltd Co.	Sydney, Australia	FC	100%
PT Christian Dior Indonesia	Jakarta, Indonesia	FC	80%	Celine Sweden AB	Stockholm, Sweden	FC	100%
Christian Dior do Brasil Ltda	São Paulo, Brazil	FC	100%	Celine Czech Republic	Prague, Czech Republic	FC	100%
Christian Dior Belgique	Brussels, Belgium	FC	100%	Celine Middle East	Dubai, United Arab Emirates	FC	65%
Bopel	Lugagnano Val d'Arda, Italy	FC	100%	Celine Canada	Toronto, Canada	FC	100%
Christian Dior Couture CZ	Prague, Czech Republic	FC	100%	Celine Thailand	Bangkok, Thailand	FC	100%
Ateliers AS	Pierre-Bénite, France	EM	25%	Celine Philippines	Makati, Philippines	FC	100%
Christian Dior Couture	Paris, France	FC	100%	Celine Denmark	Copenhagen, Denmark	FC	100%
Christian Dior Couture FZE	Dubai, United Arab Emirates	FC	100%	LMP LLC	New York, USA	FC	100%
Christian Dior Couture Maroc	Casablanca, Morocco	FC	100%	Celine Korea Ltd	Seoul, South Korea	FC	100%
Christian Dior Macau Single Shareholder Company Limited	Macao, China	FC	100%	Celine Italia	Milan, Italy	FC	100%
Christian Dior S. de R.L. de C.V.	Mexico City, Mexico	FC	100%	Phoebe Philo Ltd	London, United Kingdom	EM	30%
Les Ateliers Bijoux GmbH	Pforzheim, Germany	FC	100%	Givenchy SA	Paris, France	FC	100%
Christian Dior Commercial (Shanghai) Co. Ltd	Shanghai, China	FC	100%	Givenchy Corporation	New York, USA	FC	100%
Christian Dior Trading India Private Limited	Mumbai, India	FC	100%	Givenchy China Co.	Hong Kong, China	FC	100%
Christian Dior Couture Stoleshnikov	Moscow, Russia	FC	100%	Givenchy Couture Ltd	London, United Kingdom	FC	100%
CDCH SA	Luxembourg	FC	85%	Givenchy (Shanghai) Commercial and Trading Co.	Shanghai, China	FC	100%
CDC Abu-Dhabi LLC Couture	Abu Dhabi, United Arab Emirates	FC	85%	GCCL Macau Co.	Macao, China	FC	100%
Dior Grèce Société Anonyme Garments Trading	Athens, Greece	FC	100%	Givenchy Italia Srl	Florence, Italy	FC	100%
CDC General Trading LLC	Dubai, United Arab Emirates	FC	80%	Givenchy Germany	Cologne, Germany	FC	100%
Christian Dior Istanbul Magazacilik Anonim Sirketi	Istanbul, Turkey	FC	100%	LVMH Fashion Group Japan KK	Tokyo, Japan	FC	99%
Christian Dior Couture Qatar LLC	Doha, Qatar	FC	82%	Givenchy Taiwan	Taipei, Taiwan	FC	100%
Christian Dior Couture Bahrain WLL	Manama, Bahrain	FC	84%	Givenchy Trading WLL	Doha, Qatar	FC	56%
PT Fashion Indonesia Trading Company	Jakarta, Indonesia	FC	100%	Givenchy Middle-East FZ LLC	Dubai, United Arab Emirates	FC	70%
Christian Dior Couture Ukraine	Kiev, Ukraine	FC	100%	George V EAU LLC	Dubai, United Arab Emirates	FC	56%
CDG FZCO	Dubai, United Arab Emirates	FC	85%	Givenchy Saudi	Jeddah, Saudi Arabia	FC	52%
COU.BO Srl	Arzano, Italy	FC	100%	For Trading Company			
Christian Dior Netherlands BV	Amsterdam, Netherlands	FC	100%	Givenchy Singapore	Singapore	FC	100%
Christian Dior Vietnam Limited Liability Company	Hanoi, Vietnam	FC	100%	Givenchy Korea Ltd	Seoul, South Korea	FC	100%
Vermont	Paris, France	FC	100%	Kenzo SA	Paris, France	FC	100%
				Kenzo Belgique SA	Brussels, Belgium	FC	100%
				Kenzo Paris Netherlands	Amsterdam, Netherlands	FC	100%

Companies	Registered office	Method of consolidation	Ownership interest	Companies	Registered office	Method of consolidation	Ownership interest
Kenzo UK Limited	London, United Kingdom	FC	100%	Parfums Christian Dior Orient Co.	Dubai, United Arab Emirates	FC	60%
Kenzo Italia Srl	Milan, Italy	FC	100%	Parfums Christian Dior Emirates	Dubai, United Arab Emirates	FC	48%
Kenzo Paris Singapore	Singapore	FC	100%	OOO Seldico	Moscow, Russia	FC	100%
Kenzo Paris Japan KK	Tokyo, Japan	FC	100%	DP Seldico	Kiev, Ukraine	FC	100%
Kenzo Paris Hong Kong Company	Hong Kong, China	FC	100%	LVMH Cosmetics	Tokyo, Japan	FC	100%
Kenzo Paris USA LLC	New York, USA	FC	100%	Parfums Christian Dior Arabia	Jeddah, Saudi Arabia	FC	60%
Kenzo Paris Macau Company Ltd	Macao, China	FC	100%	EPCD	Warsaw, Poland	FC	100%
Holding Kenzo Asia	Hong Kong, China	FC	51%	EPCD CZ & SK	Prague, Czech Republic	FC	100%
Kenzo Paris Shanghai	Shanghai, China	FC	51%	EPCD RO Distribution	Bucharest, Romania	FC	100%
LVMH Fashion Group Malaysia	Kuala Lumpur, Malaysia	FC	100%	EPCD Hungaria	Budapest, Hungary	FC	100%
Outshine Mexico S. de R.L. de C.V.	Mexico City, Mexico	FC	100%	LVMH P&C Kazakhstan	Almaty, Kazakhstan	FC	100%
Fendi Timepieces SA	Neuchâtel, Switzerland	FC	100%	LVMH Perfumes e Cosmética	Lisbon, Portugal	FC	100%
Support Retail Mexico S. de R.L. de C.V.	Mexico City, Mexico	FC	100%	L Beauty Pte	Singapore	FC	51%
Fendi Prague s.r.o.	Prague, Czech Republic	FC	100%	PT L Beauty Brands	Jakarta, Indonesia	FC	51%
Luxury Kuwait for Ready Wear Company WLL	Kuwait City, Kuwait	FC	62%	L Beauty Luxury Asia	Taguig City, Philippines	FC	51%
Fun Fashion Qatar LLC	Doha, Qatar	FC	80%	SCI Annabell	Paris, France	FC	100%
Fendi Netherlands BV	Baarn, Netherlands	FC	100%	Parfums Christian Dior UK	London, United Kingdom	FC	100%
Fendi Australia Pty Ltd	Sydney, Australia	FC	100%	L Beauty Vietnam	Ho Chi Minh City, Vietnam	FC	51%
Fendi Brasil- Comercio de Artigos de Luxo	São Paulo, Brazil	FC	100%	SCI Rose Blue	Paris, France	FC	100%
Fendi RU LLC	Moscow, Russia	FC	100%	PCD St Honoré	Paris, France	FC	100%
Fendi Canada Inc.	Toronto, Canada	FC	100%	LVMH Perfumes and Cosmetics Macau	Macao, China	FC	100%
Fendi International SAS	Paris, France	FC	100%	PCD Dubai General Trading	Dubai, United Arab Emirates	FC	48%
Fendi Private Suites Srl	Rome, Italy	FC	100%	PCD Doha Perfumes and Cosmetics	Doha, Qatar	FC	47%
Fendi Doha LLC	Doha, Qatar	FC	49%	Cristale	Paris, France	FC	100%
Fendi Denmark ApS	Copenhagen, Denmark	FC	100%	Parfums Christian Dior	Rotterdam, Netherlands	FC	100%
Fendi Spain SL	Madrid, Spain	FC	100%	SAS Iparkos	Paris, France	FC	100%
Fendi Monaco S.A.M.	Monte Carlo, Monaco	FC	100%	Parfums Christian Dior S.A.B.	Brussels, Belgium	FC	100%
Fun Fashion Emirates LLC	Dubai, United Arab Emirates	FC	62%	LVMH P&C Luxembourg	Luxembourg	FC	100%
Borgo Srl	Pienza, Italy	EM	30%	Parfums Christian Dior (Ireland)	Dublin, Ireland	FC	100%
Fashion Furniture Design SpA	Milan, Italy	EM	20%	Parfums Christian Dior Hellas	Athens, Greece	FC	100%
Fun Fashion Bahrain Co. WLL	Manama, Bahrain	FC	62%	Parfums Christian Dior	Zurich, Switzerland	FC	100%
Fendi Srl	Rome, Italy	FC	100%	Christian Dior Perfumes	New York, USA	FC	100%
Fendi Dis Ticaret Ltd Sti	Istanbul, Turkey	FC	100%	Parfums Christian Dior Canada	Montreal, Canada	FC	100%
Fendi Philippines Corp.	Makati, Philippines	FC	100%	LVMH P&C de Mexico	Mexico City, Mexico	FC	100%
Fendi Italia Srl	Rome, Italy	FC	100%	Parfums Christian Dior Japon	Tokyo, Japan	FC	100%
Fendi UK Ltd	London, United Kingdom	FC	100%	Parfums Christian Dior (Singapore)	Singapore	FC	100%
Fendi France SAS	Paris, France	FC	100%	Inalux	Paris, France	FC	100%
Fendi North America Inc.	New York, USA	FC	100%	LVMH P&C Asia Pacific	Hong Kong, China	FC	100%
Fendi (Thailand) Company Limited	Bangkok, Thailand	FC	100%	Fa Hua Frag. & Cosm. Taiwan	Taipei, Taiwan	FC	100%
Fendi Asia Pacific Limited	Hong Kong, China	FC	100%	P&C (Shanghai)	Shanghai, China	FC	100%
Fendi Korea Ltd	Seoul, South Korea	FC	100%	LVMH P&C Korea	Seoul, South Korea	FC	100%
Fendi Taiwan Ltd	Taipei, Taiwan	FC	100%	Parfums Christian Dior Hong Kong	Hong Kong, China	FC	100%
Fendi Hong Kong Limited	Hong Kong, China	FC	100%	LVMH P&C Malaysia Sdn. Berhad	Petaling Jaya, Malaysia	FC	100%
Fendi China Boutiques Limited	Hong Kong, China	FC	100%	Fa Hua Fragrance & Cosmetic Co.	Hong Kong, China	FC	100%
Fendi (Singapore) Pte Ltd	Singapore	FC	100%	Pardior	Mexico City, Mexico	FC	100%
Fendi Fashion (Malaysia) Sdn. Bhd.	Kuala Lumpur, Malaysia	FC	100%	Parfums Christian Dior Denmark	Copenhagen, Denmark	FC	100%
Fendi Switzerland SA	Mendrisio, Switzerland	FC	100%	LVMH Perfumes and Cosmetics Group	Sydney, Australia	FC	100%
Fun Fashion FZCO	Dubai, United Arab Emirates	FC	77%	Parfums Christian Dior	Sandvika, Norway	FC	100%
Fendi Macau Company Limited	Macao, China	FC	100%	Parfums Christian Dior	Stockholm, Sweden	FC	100%
Fendi Germany GmbH	Munich, Germany	FC	100%	LVMH Perfumes and Cosmetics (New Zealand)	Auckland, New Zealand	FC	100%
Fendi Austria GmbH	Vienna, Austria	FC	100%	Parfums Christian Dior Austria	Vienna, Austria	FC	100%
Fendi (Shanghai) Co. Ltd	Shanghai, China	FC	100%	LVMH Profumi e Cosmetici Italia Srl	Milan, Italy	FC	100%
Fendi Saudi for Trading LLC	Jeddah, Saudi Arabia	FC	73%	Cosmetics of France	Florida, USA	FC	100%
Fun Fashion India Private Ltd	Mumbai, India	FC	77%	LVMH Fragrance Brands Singapore	Singapore	FC	100%
Interservices & Trading SA	Mendrisio, Switzerland	FC	100%	LVMH Fragrance Brands	Levallois-Perret, France	FC	100%
Fendi Japan KK	Tokyo, Japan	FC	99%	LVMH Fragrance Brands	London, United Kingdom	FC	100%
Emilio Pucci Srl	Florence, Italy	FC	100%	LVMH Fragrance Brands	Düsseldorf, Germany	FC	100%
Emilio Pucci International	Baarn, Netherlands	FC	100%	LVMH Fragrance Brands	New York, USA	FC	100%
Emilio Pucci Ltd	New York, USA	FC	100%	LVMH Fragrance Brands Canada	Toronto, Canada	FC	100%
Emilio Pucci Hong Kong Company Limited	Hong Kong, China	FC	100%	LVMH Fragrance Brands	Tokyo, Japan	FC	100%
Emilio Pucci UK Limited	London, United Kingdom	FC	100%	LVMH Fragrance Brands WHD	Florida, USA	FC	100%
Emilio Pucci France SAS	Paris, France	FC	100%	LVMH Fragrance Brands Hong Kong	Hong Kong, China	FC	100%
Fashion Florence International Srl	Milan, Italy	FC	100%	Parfums Francis Kurkdjian SAS	Paris, France	FC	71%
Emilio Pucci International Srl	Milan, Italy	FC	100%	Parfums Francis Kurkdjian LLC	New York, USA	FC	71%
				Benefit Cosmetics LLC	California, USA	FC	100%
				Benefit Cosmetics Ireland Ltd	Dublin, Ireland	FC	100%
				Benefit Cosmetics UK Ltd	Chelmsford, United Kingdom	FC	100%
				Benefit Cosmetics Services Canada Inc.	Toronto, Canada	FC	100%
				Benefit Cosmetics Korea	Seoul, South Korea	FC	100%
				Benefit Cosmetics SAS	Paris, France	FC	100%
				Benefit Cosmetics Hong Kong Ltd	Hong Kong, China	FC	100%
				Fresh Canada	Montreal, Canada	FC	100%
				Fresh	New York, USA	FC	100%
				Fresh	Neuilly-sur-Seine, France	FC	100%
				Fresh Cosmetics	London, United Kingdom	FC	100%
				Fresh Hong Kong	Hong Kong, China	FC	100%
				Fresh Korea	Seoul, South Korea	FC	100%
				L Beauty Sdn. Bhd.	Kuala Lumpur, Malaysia	FC	51%
				L Beauty (Thailand) Co. Ltd	Bangkok, Thailand	FC	48%
				Guerlain SA	Paris, France	FC	100%
				LVMH Parfums & Kosmetik	Düsseldorf, Germany	FC	100%
				Deutschland GmbH			
				Guerlain GmbH	Vienna, Austria	FC	100%

PERFUMES AND COSMETICS

Perfumes Loewe SA	Madrid, Spain	FC	100%
Parfums Christian Dior	Paris, France	FC	100%
LVMH Perfumes and Cosmetics (Thailand) Ltd	Bangkok, Thailand	FC	49%
LVMH P&C Do Brasil	São Paulo, Brazil	FC	100%
France Argentine Cosmetic	Buenos Aires, Argentina	FC	100%
LVMH P&C Commercial & Trade (Shanghai)	Shanghai, China	FC	100%
LVMH P&C (Shanghai) Co.	Shanghai, China	FC	100%
Shang Pu Ecommerce (Shanghai)	Shanghai, China	FC	100%
Parfums Christian Dior Finland	Helsinki, Finland	FC	100%
LVMH Recherche	Saint-Jean-de-Braye, France	FC	100%
PCIS	Neuilly-sur-Seine, France	FC	100%
SNC du 33 Avenue Hoche	Paris, France	FC	100%
LVMH Fragrances and Cosmetics (Singapore)	Singapore	FC	100%

## CONSOLIDATED FINANCIAL STATEMENTS

### Consolidated companies

Companies	Registered office	Method of consolidation	Ownership interest	Companies	Registered office	Method of consolidation	Ownership interest
Guerlain Benelux SA	Brussels, Belgium	FC	100%	LVMH Watch & Jewelry Macau Company	Macao, China	FC	100%
Guerlain Ltd	London, United Kingdom	FC	100%	Chaumet Iberia SL	Madrid, Spain	FC	100%
PC Parfums Cosmétiques SA	Zurich, Switzerland	FC	100%	BMC SpA	Valenza, Italy	FC	60%
Guerlain Inc.	New York, USA	FC	100%	LVMH Swiss Manufactures	La Chaux-de-Fonds, Switzerland	FC	100%
Guerlain (Canada) Ltd	Saint-Jean, Canada	FC	100%	Zenith Time Company (GB) Ltd	Manchester, United Kingdom	FC	100%
Guerlain de Mexico	Mexico City, Mexico	FC	100%	LVMH Watch & Jewelry Italy SpA	Milan, Italy	FC	100%
Guerlain (Asia Pacific) Limited	Hong Kong, China	FC	100%	Delano	La Chaux-de-Fonds, Switzerland	FC	100%
Guerlain KK	Tokyo, Japan	FC	100%	Hublot	Nyon, Switzerland	FC	100%
Guerlain Oceania Australia Pty Ltd	Botany, Australia	FC	100%	Bentim International SA	Nyon, Switzerland	FC	100%
PT Guerlain Cosmetics Indonesia	Jakarta, Indonesia	FC	51%	Hublot SA Genève	Geneva, Switzerland	FC	100%
Guerlain KSA SAS	Levallois-Perret, France	FC	80%	Hublot of America	Florida, USA	FC	100%
Guerlain Orient DMCC	Dubai, United Arab Emirates	FC	100%	Benoit de Gorski SA	Geneva, Switzerland	FC	100%
Guerlain Saudi Limited	Jeddah, Saudi Arabia	FC	60%	Hublot Boutique Monaco	Monte Carlo, Monaco	FC	100%
Acqua di Parma	Milan, Italy	FC	100%	Hublot Canada	Toronto, Canada	FC	100%
Acqua di Parma	New York, USA	FC	100%	Bulgari SpA	Rome, Italy	FC	100%
Acqua di Parma Canada Inc.	Toronto, Canada	FC	100%	Bulgari Italia	Rome, Italy	FC	100%
Acqua di Parma	London, United Kingdom	FC	100%	Bulgari Gioielli	Valenza, Italy	FC	100%
Acqua di Parma Srl (Paris Branch)	Paris, France	FC	100%	Bulgari International Corporation (BIC)	Amsterdam, Netherlands	FC	100%
Make Up For Ever	Paris, France	FC	100%	Bulgari Corporation of America	New York, USA	FC	100%
SCI Edison	Paris, France	FC	100%	Bulgari Horlogerie	Neuchâtel, Switzerland	FC	100%
Make Up For Ever Academy China	Shanghai, China	FC	100%	Bulgari Japan	Tokyo, Japan	FC	100%
Make Up For Ever	New York, USA	FC	100%	Bulgari (Deutschland)	Munich, Germany	FC	100%
Make Up For Ever Canada	Montreal, Canada	FC	100%	Bulgari France	Paris, France	FC	100%
Make Up For Ever UK Limited	London, United Kingdom	FC	100%	Bulgari Montecarlo	Monte Carlo, Monaco	FC	100%
Sofpar 131 SAS	Paris, France	FC	100%	Bulgari España	Madrid, Spain	FC	100%
Kendo Holdings Inc.	California, USA	FC	100%	Bulgari SA	Geneva, Switzerland	FC	100%
Fenty Skin LLC	California, USA	FC	50%	Bulgari South Asian Operations	Singapore	FC	100%
Ole Henriksen of Denmark Inc.	California, USA	FC	100%	Bulgari (UK) Ltd	London, United Kingdom	FC	100%
SLF USA Inc.	California, USA	FC	100%	Bulgari Belgium	Brussels, Belgium	FC	100%
Susanne Lang Fragrance	Toronto, Canada	FC	100%	Bulgari Australia	Sydney, Australia	FC	100%
BHUS Inc.	California, USA	FC	100%	Bulgari (Malaysia)	Kuala Lumpur, Malaysia	FC	100%
KVD Beauty LLC	California, USA	FC	100%	Bulgari Global Operations	Neuchâtel, Switzerland	FC	100%
Fenty Beauty LLC	California, USA	FC	50%	Bulgari Denmark	Copenhagen, Denmark	FC	100%
Kendo Brands Ltd	Bicester, United Kingdom	FC	100%	Bulgari Asia Pacific	Hong Kong, China	FC	100%
Kendo Brands SAS	Boulogne-Billancourt, France	FC	100%	Bulgari (Taiwan)	Taipei, Taiwan	FC	100%
Kendo Hong Kong Limited	Hong Kong, China	FC	100%	Bulgari Korea	Seoul, South Korea	FC	100%
				Bulgari Saint Barth	Saint-Barthélemy, French Antilles	FC	100%
				Bulgari Commercial (Shanghai) Co.	Shanghai, China	FC	100%
				Bulgari Accessori	Florence, Italy	FC	100%
				Bulgari Holding (Thailand)	Bangkok, Thailand	FC	100%
				Bulgari (Thailand)	Bangkok, Thailand	FC	100%
				Bulgari Qatar	Doha, Qatar	FC	49%
				Gulf Luxury Trading	Dubai, United Arab Emirates	FC	51%
				Bulgari do Brazil	São Paulo, Brazil	FC	100%
				Bulgari Ireland	Dublin, Ireland	FC	100%
				Bulgari Turkey Lüks Ürün Ticareti	Istanbul, Turkey	FC	100%
				Lux Jewels Kuwait for Trading In Gold Jewelry and Precious Stones	Kuwait City, Kuwait	FC	80%
				Lux Jewels Bahrain	Manama, Bahrain	FC	80%
				India Luxco Retail	New Delhi, India	FC	100%
				BK for Jewelry and Precious Metals and Stones Co.	Kuwait City, Kuwait	FC	80%
				Bulgari Canada	Montreal, Canada	FC	100%
				Bulgari Commercial Mexico	Mexico City, Mexico	FC	100%
				Bulgari Russia	Moscow, Russia	FC	100%
				Bulgari Prague	Prague, Czech Republic	FC	100%
				Bulgari Portugal	Lisbon, Portugal	FC	100%
				Bulgari Philippines	Makati, Philippines	FC	100%
				Bulgari Vietnam	Ho Chi Minh City, Vietnam	FC	100%
				Bulgari New Zealand	Auckland, New Zealand	FC	100%
				Bulgari Saudi for Trading LLC	Riyadh, Saudi Arabia	FC	70%
				Bulgari Distribuzione Srl	Florence, Italy	FC	100%
				Bulgari Roma	Rome, Italy	FC	100%
				Bulgari Hotels and Resorts Milano Srl	Rome, Italy	EM	50%
				Repossi	Paris, France	FC	85%
				Laurelton Sourcing, LLC	Delaware, USA	FC	100%
				Laurelton Diamonds, Inc.	Delaware, USA	FC	100%
				Tiffany & Co.	Delaware, USA	FC	100%
				Tiffany and Company	New York, USA	FC	100%
				Tiffany & Co. International	Delaware, USA	FC	100%
				Tiffany Distribution Company LLC	Delaware, USA	FC	100%
				Tiffany and Company U.S. Sales, LLC	Delaware, USA	FC	100%
				East Pond Holdings, Inc.	Delaware, USA	FC	100%
				LCT Insurance Company	New York, USA	FC	100%
				T. Risk Holdings, Inc.	New York, USA	FC	100%
				TRM Investments, LLC	New Jersey, USA	FC	100%
				Tiffany Atlantic City, Inc.	New Jersey, USA	FC	100%
				Tiffany & Co. Luxembourg SARL	Luxembourg	FC	100%
				Tiffany & Co. Holding I LLC	Delaware, USA	FC	100%
				Tiffany & Co. Holding II LLC	Delaware, USA	FC	100%
				Tiffany & Co. Asia Holdings LLC	Delaware, USA	FC	100%
				Tiffany & Co. Limited	London, United Kingdom	FC	100%
				Tiffany & Co. (GB)	London, United Kingdom	FC	100%

### WATCHES AND JEWELRY

Fred Paris	Neuilly-sur-Seine, France	FC	100%
Joaillerie de Monaco	Monte Carlo, Monaco	FC	100%
Fred	New York, USA	FC	100%
Fred Londres	Manchester, United Kingdom	FC	100%
Fred Jewellery Trading LLC	Dubai, United Arab Emirates	FC	100%
TAG Heuer International	La Chaux-de-Fonds, Switzerland	FC	100%
LVMH W&J FZ LLC	Dubai, United Arab Emirates	FC	100%
LVMH Relojería y Joyería España SA	Madrid, Spain	FC	100%
LVMH Montres & Joaillerie France	Paris, France	FC	100%
Timecrown	Manchester, United Kingdom	FC	100%
LVMH Watch & Jewelry UK	Manchester, United Kingdom	FC	100%
Duvatec Limited	Manchester, United Kingdom	FC	100%
Heuer Ltd	Manchester, United Kingdom	FC	100%
TAG Heuer Limited	Manchester, United Kingdom	FC	100%
Duval Ltd	Manchester, United Kingdom	FC	100%
LVMH Watch & Jewelry Canada	Richmond, Canada	FC	100%
LVMH Watch & Jewelry Far East	Hong Kong, China	FC	100%
LVMH Watch & Jewelry Singapore	Singapore	FC	100%
LVMH Watch & Jewelry Malaysia	Kuala Lumpur, Malaysia	FC	100%
LVMH Watch & Jewelry Japan	Tokyo, Japan	FC	100%
LVMH Watch & Jewelry Australia Pty Ltd	Melbourne, Australia	FC	100%
LVMH Watch & Jewelry Hong Kong	Hong Kong, China	FC	100%
LVMH Watch & Jewelry Taiwan	Taipei, Taiwan	FC	100%
TAG Heuer Connected	Besançon, France	FC	100%
LVMH Watch & Jewelry India	New Delhi, India	FC	100%
LVMH Watch & Jewelry USA	Illinois, USA	FC	100%
LVMH Watch & Jewelry Central Europe	Oberursel, Germany	FC	100%
Tag Heuer Boutique Outlet Store Roermond	Oberursel, Germany	FC	100%
LVMH Watch & Jewelry (Shanghai) Commercial Co.	Shanghai, China	FC	100%
LVMH Watch & Jewelry Russia LLC	Moscow, Russia	FC	100%
Artotec	Tramelan, Switzerland	FC	100%
Alpha Time Corp.	Hong Kong, China	FC	100%
Golfcoders	Paris, France	FC	100%
LVMH W&J Trading LLC	Dubai, United Arab Emirates	FC	100%
Chaumet International	Paris, France	FC	100%
Chaumet London	London, United Kingdom	FC	100%
Chaumet Horlogerie	Nyon, Switzerland	FC	100%
Chaumet Korea Yuhan Hoesa	Seoul, South Korea	FC	100%
Chaumet Australia	Sydney, Australia	FC	100%
Chaumet Monaco	Monte Carlo, Monaco	FC	100%
Chaumet Middle East	Dubai, United Arab Emirates	FC	60%
Chaumet UAE	Dubai, United Arab Emirates	FC	60%
Farouk Trading	Jeddah, Saudi Arabia	FC	60%

Companies	Registered office	Method of consolidation	Ownership interest	Companies	Registered office	Method of consolidation	Ownership interest
Tiffany & Co. (UK) Holdings Limited	London, United Kingdom	FC	100%	LAX Duty Free Joint Venture 2000	California, USA	FC	46%
Tiffany and Company (Germany Branch)	Munich, Germany	FC	100%	JFK Terminal 4 Joint Venture 2001	New York, USA	FC	49%
Tiffany and Company (Zurich Branch)	Zurich, Switzerland	FC	100%	SFO Duty Free & Luxury Store Joint Venture	California, USA	FC	46%
Tiffany & Co. (Switzerland) Jewelers SARL	Geneva, Switzerland	FC	100%	SFOIT Specialty Retail Joint Venture	California, USA	FC	46%
Tiffany Switzerland Watch Company SAGL	Chiasso, Switzerland	FC	100%	DFS Merchandising Limited	Delaware, USA	FC	61%
Tiffany & Co. Swiss Watches SAGL	Chiasso, Switzerland	FC	100%	DFS Group LP	Delaware, USA	FC	61%
TIF Watch Holdings Sagl	Chiasso, Switzerland	FC	100%	DFS Korea Limited	Seoul, South Korea	FC	61%
TIF Swiss Holdings GmbH	Chiasso, Switzerland	FC	100%	DFS Cotai Limitada	Macao, China	FC	61%
Tiffany & Co. Italia SpA	Milan, Italy	FC	100%	DFS New Zealand Limited	Auckland, New Zealand	FC	61%
Tiffany & Co.	Paris, France	FC	100%	DFS Australia Pty Limited	Sydney, Australia	FC	61%
Tiffany & Co. (FR) Holdings SAS	Paris, France	FC	100%	DFS Group Limited - USA	Delaware, USA	FC	61%
Laurelton Diamonds Belgium BVBA	Antwerp, Belgium	FC	100%	DFS Venture Singapore (Pte) Limited	Singapore	FC	61%
Tiffany and Company (Austria Branch)	Vienna, Austria	FC	100%	DFS Vietnam (S) Pte Ltd	Singapore	FC	43%
Tiffany & Co. Netherlands BV	Amsterdam, Netherlands	FC	100%	New Asia Wave International (S) Pte Ltd	Singapore	FC	43%
Tiffany & Co. (CR) s.r.o.	Prague, Czech Republic	FC	100%	Ipp Group (S) Pte Ltd	Singapore	FC	43%
Tiffany & Co. Denmark ApS	Copenhagen, Denmark	FC	100%	DFS Van Don LLC	Van Don, Vietnam	FC	61%
TCO (NL) Logistics BV	Amsterdam, Netherlands	FC	100%	DFS Vietnam Limited Liability Company	Ho Chi Minh City, Vietnam	FC	61%
Tiffany & Co. Sweden AB	Sundsvall, Sweden	FC	100%	DFS Venture Vietnam Company Limited	Ho Chi Minh City, Vietnam	FC	61%
Tiffany & Co. of New York Limited	Hong Kong, China	FC	100%	DFS (Cambodia) Limited	Phnom Penh, Cambodia	FC	43%
Tiffany & Co. Hong Kong Holding LLC	Delaware, USA	FC	100%	DFS Singapore (Pte) Limited	Singapore	FC	61%
Tiffany & Co. Pte Ltd	Singapore	FC	100%	DFS Middle East LLC	Abu Dhabi, United Arab Emirates	FC	61%
Tiffany & Co. International (Taiwan Branch)	Taipei, Taiwan	FC	100%	DFS France SAS	Paris, France	FC	61%
Tiffany Korea Ltd	Seoul, South Korea	FC	100%	DFS Italia Srl	Venice, Italy	FC	61%
Tiffany & Co. Korea Holding LLC	Delaware, USA	FC	100%	DFS Holdings Limited	Hamilton, Bermuda	FC	61%
Tiffany & Co. (Australia) Pty Ltd	Sydney, Australia	FC	100%	DFS Okinawa KK	Okinawa, Japan	FC	61%
Tiffany & Co. (NZ) Limited	Auckland, New Zealand	FC	100%	DFS Saipan Limited	Saipan, Northern Mariana Islands	FC	61%
Tiffany & Co. Asia Pacific Limited	Hong Kong, China	FC	100%	Commonwealth Investment Company Inc.	Saipan, Northern Mariana Islands	FC	58%
Uptown Alliance (M) Sdn. Bhd.	Kuala Lumpur, Malaysia	FC	100%	Kinkai Saipan LP	Saipan, Northern Mariana Islands	FC	61%
Tiffany & Co. Pte Ltd (Malaysia Branch)	Kuala Lumpur, Malaysia	FC	100%	DFS Liquor Retailing Limited	Delaware, USA	FC	61%
TCO Macau Limited	Macao, China	FC	100%	Twenty-Seven Twenty Eight Corp.	Delaware, USA	FC	61%
Tiffany & Co. (Shanghai)	Shanghai, China	FC	100%	DFS Group Limited - HK	Hong Kong, China	FC	61%
Commercial Company Limited				DFS Retail (Hainan) Company Limited	Haikou, China	FC	61%
Tiffany & Co. Jewelers (Thailand) Company Limited	Bangkok, Thailand	FC	100%	DFS Management Consulting (Shenzhen) Company Limited	Shenzhen, China	FC	61%
Tiffany & Co. Canada	Halifax, Canada	FC	100%	DFS Business Consulting (Shanghai) Co. Ltd	Shanghai, China	FC	61%
Tiffany & Co. (Canada) LP	Winnipeg, Canada	FC	100%	JAL/DFS Co. Ltd	Chiba, Japan	EM	25%
Tiffany & Co. Mexico, SA de CV	Mexico City, Mexico	FC	100%	PT Sona Topas Tourism industry Tbk	Jakarta, Indonesia	EM	28%
Tiffany-Brasil Ltda.	São Paulo, Brazil	FC	100%	Central DFS Co., Ltd	Bangkok, Thailand	EM	30%
Tiffany Importacao E Comercio de Joias Ltda.	São Paulo, Brazil	FC	100%	Shenzhen DFG E-Commerce Co. Ltd	Shenzhen, China	EM	13%
Tiffany & Co. Belgium SPRL	Brussels, Belgium	FC	100%	Sephora Greece SA	Athens, Greece	FC	100%
Tiffany & Co. (Jewelers) Limited	Dublin, Ireland	FC	100%	Sephora Cosmetics Romania SA	Bucharest, Romania	FC	100%
Tiffany of New York (Spain) S.L.U.	Madrid, Spain	FC	100%	Sephora Cyprus Limited	Nicosia, Cyprus	FC	100%
Tiffany & Co. Chile SpA	Santiago de Chile, Chile	FC	100%	Sephora Cosmetics Ltd (Serbia)	Belgrade, Serbia	FC	100%
Tiffany and Company (Dubai Branch)	Dubai, United Arab Emirates	FC	100%	Sephora Bulgaria EOOD	Sofia, Bulgaria	FC	100%
TCO Damas Associates LLC	Dubai, United Arab Emirates	FC	75%	Sephora Danmark ApS	Copenhagen, Denmark	FC	100%
TCO Holdings Limited	Dubai, United Arab Emirates	FC	100%	Sephora Sweden AB	Copenhagen, Denmark	FC	100%
Tiffany Russia LLC	Moscow, Russia	FC	100%	Sephora Switzerland SA	Geneva, Switzerland	FC	100%
TCO Saudi for Trade	Jeddah, Saudi Arabia	FC	75%	Sephora Germany GmbH	Düsseldorf, Germany	FC	100%
TCO KSA Holdings BV	Amsterdam, Netherlands	FC	100%	Sephora Luxembourg SARL	Luxembourg	FC	100%
Tiffany Japan	Tokyo, Japan	FC	100%	LVMH Iberia SL	Madrid, Spain	FC	100%
Tiffany & Co. Overseas Finance BV	Amsterdam, Netherlands	FC	100%	Sephora Italia Srl	Milan, Italy	FC	100%
Tiffany NJ LLC	New Jersey, USA	FC	100%	Sephora Portugal Perfumaria Lda	Lisbon, Portugal	FC	100%
Iridesse, Inc.	Delaware, USA	FC	100%	Sephora Polska Sp. z o.o.	Warsaw, Poland	FC	100%
MVTCO, Inc.	Delaware, USA	FC	100%	Sephora Sro (Republique Tchèque)	Prague, Czech Republic	FC	100%
DPPH Co. Ltd	Tortola, British Virgin Islands	FC	100%	Sephora Monaco SAM	Monte Carlo, Monaco	FC	99%
Tiffco Investment Vehicle, Inc.	Tortola, British Virgin Islands	FC	100%	Sephora Cosmetics España S.L.	Madrid, Spain	EM	50%
NHC, LLC	Delaware, USA	FC	100%	Sephora Kozmetik AS (Turkey)	Istanbul, Turkey	FC	100%
Laurelton Diamonds South Africa (Proprietary) Limited	Johannesburg, South Africa	FC	100%	Joint Stock Company "Ile De Beauté"	Moscow, Russia	FC	100%
Laurelton Diamonds Vietnam, LLC	Hai Duong, Vietnam	FC	100%	Sephora (Shanghai) Cosmetics Co. Ltd	Shanghai, China	FC	81%
Laurelton Diamonds (Mauritius) Limited	Port Louis, Mauritius	FC	100%	Sephora (Beijing) Cosmetics Co. Ltd	Beijing, China	FC	81%
BWHC, LLC	Delaware, USA	FC	100%	Sephora Xiangyang (Shanghai) Cosmetics Co. Ltd	Shanghai, China	FC	81%
Laurelton Diamonds Botswana (Proprietary) Limited	Gaborone, Botswana	FC	80%	Sephora Hong Kong Limited	Hong Kong, China	FC	100%
Laurelton Gems (Thailand) Ltd	Bangkok, Thailand	FC	100%	Le Bon Marché	Paris, France	FC	100%
Laurelton Jewelry, SRL	Bajos de Haina, Dominican Republic	FC	100%	SEGEF	Paris, France	FC	100%
TCORD Holding Company LLC	Delaware, USA	FC	100%	Franck & Fils	Paris, France	FC	100%
Tiffany Thailand Holdings I LLC	Delaware, USA	FC	100%	STB Servizi Tecnici Per Bordo	Florence, Italy	FC	100%
Tiffany Thailand Holdings II LLC	Delaware, USA	FC	100%	Starboard Holdings	Florida, USA	FC	100%
Laurelton-Reign Diamonds (Pty) Ltd	Windhoek, Namibia	FC	100%	On-Board Media Inc.	Florida, USA	FC	100%
Laurelton Diamonds (Cambodia) Co., Ltd	Phnom Penh, Cambodia	FC	100%	Cruise Line Holdings Co.	Florida, USA	FC	100%
				International Cruise Shops Ltd	Cayman Islands	FC	100%
				Sephora Moyen-Orient SA	Fribourg, Switzerland	FC	70%
				Sephora Middle East FZE	Dubai, United Arab Emirates	FC	70%
				Sephora Emirates LLC	Dubai, United Arab Emirates	FC	70%
				Sephora Bahrain WLL	Manama, Bahrain	FC	52%
				Sephora Qatar WLL	Doha, Qatar	FC	63%
				Sephora Arabia Limited	Jeddah, Saudi Arabia	FC	70%
				Sephora Kuwait Co. WLL	Kuwait City, Kuwait	FC	59%
				Sephora Holding South Asia	Singapore	FC	100%
				Sephora Singapore Pte Ltd	Singapore	FC	100%
				Beauty In Motion Sdn. Bhd.	Kuala Lumpur, Malaysia	FC	100%
				Sephora Cosmetics Private Limited (India)	New Delhi, India	FC	100%
				PT Sephora Indonesia	Jakarta, Indonesia	FC	100%
				Sephora (Thailand) Company (Limited)	Bangkok, Thailand	FC	100%

**SELECTIVE RETAILING**

Sephora SAS	Neuilly-sur-Seine, France	FC	100%
Tumon Entertainment LLC	Tamuning, Guam	FC	100%
Comete Guam Inc.	Tamuning, Guam	FC	100%
Tumon Aquarium LLC	Tamuning, Guam	FC	100%
Tumon Games LLC	Tamuning, Guam	FC	100%
Comete Saipan Inc.	Saipan, Northern Mariana Islands	FC	100%
DFS Guam L.P.	Tamuning, Guam	FC	61%

## CONSOLIDATED FINANCIAL STATEMENTS

### Consolidated companies

Companies	Registered office	Method of consolidation	Ownership interest	Companies	Registered office	Method of consolidation	Ownership interest
Sephora Australia Pty Ltd	Sydney, Australia	FC	100%	Breakfast Holdings Acquisition	New York, USA	FC	100%
Sephora Digital Pte Ltd	Singapore	FC	100%	L Catterton Management	London, United Kingdom	EM	20%
Sephora Digital (Thailand) Ltd	Bangkok, Thailand	FC	100%	449 North Beverly Drive	New York, USA	FC	100%
LX Services Pte Ltd	Singapore	FC	100%	Moët Hennessy	Paris, France	FC	66%
PT MU and SC Trading (Indonesia)	Jakarta, Indonesia	FC	100%	LV Group	Paris, France	FC	100%
Luxola Sdn. Bhd. (Malaysia)	Kuala Lumpur, Malaysia	FC	100%	Moët Hennessy International	Paris, France	FC	66%
Sephora Services Philippines (Branch)	Manila, Philippines	FC	100%	Osaka Fudosan Company	Tokyo, Japan	FC	100%
Sephora New Zealand Limited	Wellington, New Zealand	FC	100%	Moët Hennessy Inc.	New York, USA	FC	66%
Sephora Korea Ltd	Seoul, South Korea	FC	100%	One East 57th Street LLC	New York, USA	FC	100%
24 Sèvres	Paris, France	FC	100%	Creare	Luxembourg	FC	100%
Sephora USA Inc.	California, USA	FC	100%	LVMH Moët Hennessy Louis Vuitton KK	Tokyo, Japan	FC	100%
LGCS Inc.	New York, USA	FC	100%	Mongoual SA	Paris, France	EM	40%
Sephora Beauty Canada Inc.	Toronto, Canada	FC	100%	Société Montaigne Jean Goujon	Paris, France	FC	100%
Sephora Puerto Rico LLC	California, USA	FC	100%	LVMH EU	Luxembourg	FC	100%
S+ SAS	Neuilly-sur-Seine, France	FC	100%	Marithé	Luxembourg	FC	100%
Sephora Mexico S. de R.L. de C.V.	Mexico City, Mexico	FC	100%	Delphine	Paris, France	FC	100%
Servicios Ziphorah S. de R.L. de C.V.	Mexico City, Mexico	FC	100%	Meadowland Florida LLC	New York, USA	FC	100%
Dotcom Group Comércio de Presentes SA	Rio de Janeiro, Brazil	FC	100%	461 North Beverly Drive	New York, USA	FC	100%
Avenue Hoche Varejista Limitada	São Paulo, Brazil	FC	100%	GIE CAPI13	Paris, France	FC	100%
				LVMH Finance	Paris, France	FC	100%
				Sofidiv UK Limited	London, United Kingdom	FC	100%
				Prima	Paris, France	FC	100%
				LVMH Asia Pacific	Hong Kong, China	FC	100%
				LVMH Canada	Toronto, Canada	FC	100%
				LVMH Perfumes and Cosmetics Inc.	New York, USA	FC	100%
				LVMH Moët Hennessy Louis Vuitton Inc.	New York, USA	FC	100%
				Lafayette Art I LLC	New York, USA	FC	100%
				Island Cay Inc	New York, USA	FC	100%
				Halls Pond Exuma Ltd	Nassau, Bahamas	FC	100%
				598 Madison Leasing Corp.	New York, USA	FC	100%
				Eutrope	Paris, France	FC	100%
				468 North Rodeo Drive	New York, USA	FC	100%
				Flavius Investissements	Paris, France	FC	100%
				LVMH BH Holdings LLC	New York, USA	FC	100%
				Rodeo Partners LLC	New York, USA	FC	100%
				LBD Holding	Paris, France	FC	100%
				LVMH MJ Holdings Inc.	New York, USA	FC	100%
				Arbelos Insurance Inc.	New York, USA	FC	100%
				1896 Corp.	New York, USA	FC	100%
				313-317 N. Rodeo LLC	New York, USA	FC	100%
				319-323 N. Rodeo LLC	New York, USA	FC	100%
				420 N. Rodeo LLC	New York, USA	FC	100%
				456 North Rodeo Drive	New York, USA	FC	100%
				LVMH Services Limited	London, United Kingdom	FC	100%
				Moët Hennessy Investissements	Paris, France	FC	66%
				LVMH Moët Hennessy Louis Vuitton BV	Baarn, Netherlands	FC	100%
				LVMH Italia SpA	Milan, Italy	FC	100%
				Investir Publications	Paris, France	FC	100%
				Les Echos Solutions	Paris, France	FC	100%
				Les Echos Publishing	Paris, France	FC	100%
				Editio	Paris, France	FC	100%
				LVMH Hotel Management	Paris, France	FC	100%
				Société d'Exploitation Hôtelière de la Samaritaine	Paris, France	FC	100%
				Société d'Exploitation Hôtelière Isle de France	Saint-Barthélemy, French Antilles	FC	56%
				Société d'Investissement Cheval Blanc Saint Barth Isle de France	Saint-Barthélemy, French Antilles	FC	56%
				Société Cheval Blanc Saint-Tropez	Saint-Tropez, France	FC	100%
				Villa Jacquemone	Saint-Tropez, France	FC	100%
				33 Hoche	Paris, France	FC	100%
				Royal Van Lent Shipyard BV	Kaag, Netherlands	FC	100%
				Tower Holding BV	Kaag, Netherlands	FC	100%
				Green Bell BV	Kaag, Netherlands	FC	100%
				Gebr. Olie Beheer BV	Waddinxveen, Netherlands	FC	100%
				Van der Loo Yachtinteriors BV	Waddinxveen, Netherlands	FC	100%
				Red Bell BV	Kaag, Netherlands	FC	100%
				De Voogt Naval Architects BV	Haarlem, Netherlands	EM	49%
				Feadship Holland BV	Amsterdam, Netherlands	EM	49%
				Feadship America Inc.	Florida, USA	EM	49%
				OGMNL BV	Nieuw-Lekkerland, Netherlands	EM	49%
				Firstship BV	Amsterdam, Netherlands	EM	49%
				RVL Holding BV	Kaag, Netherlands	FC	100%
				Le Jardin d'Acclimatation	Paris, France	FC	80%
				Palladios Overseas Holding	London, United Kingdom	FC	100%
				75 Sloane Street Services Limited	London, United Kingdom	FC	100%
				Belmond (UK) Limited	London, United Kingdom	FC	100%
				Belmond Dollar Treasury Limited	London, United Kingdom	FC	100%
				Belmond Finance Services Limited	London, United Kingdom	FC	100%
				Belmond Management Limited	London, United Kingdom	FC	100%
				Belmond Sterling Treasury Limited	London, United Kingdom	FC	100%
				Blanc Restaurants Limited	London, United Kingdom	FC	100%
				European Cruises Limited	London, United Kingdom	FC	100%

### OTHER ACTIVITIES

Pasticceria Confetteria Cova	Milan, Italy	FC	80%
Cova Montenapoleone	Milan, Italy	FC	80%
Cova France SAS	Paris, France	FC	80%
Groupe Les Echos	Paris, France	FC	100%
Museec	Paris, France	FC	50%
Change Now	Vincennes, France	FC	55%
Les Echos Management	Paris, France	FC	100%
Radio Classique	Paris, France	FC	100%
Mezzo	Paris, France	FC	50%
Les Echos Medias	Paris, France	FC	100%
SFFA	Paris, France	FC	100%
Dematis	Paris, France	FC	100%
Les Echos Légal	Paris, France	FC	100%
Les Echos	Paris, France	FC	100%
Pelham Media Ltd	London, United Kingdom	FC	99%
WordAppeal	Paris, France	FC	99%
Pelham Media SARL	Paris, France	FC	99%
L'Eclairer	Paris, France	FC	99%
KCO Events	Paris, France	FC	99%
Pelham Media Production	Paris, France	FC	99%
Alto International SARL	Paris, France	FC	59%
Happeningco SAS	Paris, France	FC	79%
LVMH Moët Hennessy Louis Vuitton Bayard (Shanghai) Investment and Consultancy Co. Ltd	Paris, France	Parent company	
	Shanghai, China	FC	100%
LVMH (Shanghai) Management & Consultancy Co. Ltd	Shanghai, China	FC	100%
LVMH Korea Ltd	Seoul, South Korea	FC	100%
LVMH South & South East Asia Pte Ltd	Singapore	FC	100%
Alderande	Paris, France	FC	56%
LVMH Finance Belgique	Brussels, Belgium	FC	100%
Sofidiv Art Trading Company	New York, USA	FC	100%
Sofidiv Inc.	New York, USA	FC	100%
Probinvest	Paris, France	FC	100%
LVMH Publica	Brussels, Belgium	FC	100%
Glacea	Luxembourg	FC	100%
Naxara	Luxembourg	FC	100%
Ufipar	Paris, France	FC	100%
Pronos	Luxembourg	FC	100%
EUPALINOS 1850	Paris, France	FC	100%
L. Courtagé Réassurance	Paris, France	FC	100%
Villa Foscarini Srl	Milan, Italy	FC	100%
Vicuna Holding	Milan, Italy	FC	100%
Gorgias	Luxembourg	FC	100%
LC Investissements	Paris, France	FC	51%
LVMH Representações Ltda	São Paulo, Brazil	FC	100%
LVMH Investissements	Paris, France	FC	100%
Ufinvest	Paris, France	FC	100%
White 1921 Courchevel	Courchevel, France	FC	100%
Société d'Exploitation Hôtelière Delta	Paris, France	FC	100%
Société Immobilière Paris Savoie Les Tovets	Courchevel, France	FC	100%
Investissement Hôtelière Saint Barth Plage des Flamands	Saint-Barthélemy, French Antilles	FC	56%
P&C International	Paris, France	FC	100%
Dajbog SA	Luxembourg	FC	100%
LVMH Participations BV	Baarn, Netherlands	FC	100%
LVMH Services BV	Baarn, Netherlands	FC	100%
2181 Kalakaua Holdings LLC	Texas, USA	EM	50%
2181 Kalakaua LLC	Texas, USA	EM	50%
LVMH Services	Paris, France	FC	85%

Companies	Registered office	Method of consolidation	Ownership interest	Companies	Registered office	Method of consolidation	Ownership interest
Great Scottish and Western Railway Holdings Limited	London, United Kingdom	FC	100%	Belmond Ltd	Hamilton, Bermuda	FC	100%
The Great Scottish and Western Railway Company Limited	London, United Kingdom	FC	100%	Gametrackers (Botswana) (Pty) Ltd	Maun, Botswana	FC	100%
Horatio Properties Limited	London, United Kingdom	FC	100%	Game Viewers (Pty) Ltd	Maun, Botswana	FC	100%
Island Hotel (Madeira) Limited	London, United Kingdom	FC	100%	Xaxaba Camp (Pty) Ltd	Gaborone, Botswana	FC	100%
Mount Nelson Hotel Limited	London, United Kingdom	FC	100%	Elysee Spa	Marigot, Saint Martin	FC	100%
La Residencia Limited	London, United Kingdom	FC	100%	Phoenix Argente SAS	Marigot, Saint Martin	FC	100%
LuxuryTravel.Com UK Limited	London, United Kingdom	FC	100%	Societe d'Exploitation Résidence La Samanna SAS	Marigot, Saint Martin	FC	100%
Reid's Hotel Madeira Limited	London, United Kingdom	FC	100%	CSN Inmobiliaria SA de CV	San Miguel de Allende, Mexico	FC	100%
VSOE Holdings Limited	London, United Kingdom	FC	100%	OEH Operadora San Miguel SA de CV	San Miguel de Allende, Mexico	FC	100%
Venice Simplon-Orient-Express Limited	London, United Kingdom	FC	100%	CSN Real Estate 1 SA de CV	San Miguel de Allende, Mexico	FC	100%
Belmond CJ Dollar Limited	London, United Kingdom	FC	100%	OEH Servicios San Miguel SA de CV	San Miguel de Allende, Mexico	FC	100%
Croisieres Ores SAS	Saint-Usage, France	FC	100%	Miraflores Ventures Ltd SA de CV	Riviera Maya, Mexico	FC	99%
VSOE Voyages SA	Paris, France	FC	100%	Belmond Brasil Hoteis SA	Foz do Iguaçu, Brazil	FC	100%
VSOE Deutschland GmbH	Cologne, Germany	FC	100%	Companhia Hoteis Palace SA	Rio de Janeiro, Brazil	FC	98%
Ireland Luxury Rail Tours Ltd	Dublin, Ireland	FC	100%	Iguassu Experiences Agencia de Turismo Ltda	Foz do Iguaçu, Brazil	FC	100%
Villa Margherita SpA	Florence, Italy	FC	100%	Belmond Brasil Servicos Hoteleiros SA	Rio de Janeiro, Brazil	FC	100%
Charleston Partners Inc.	South Carolina, USA	FC	100%	Robisi Empreendimentos e Participacoes SA	Rio de Janeiro, Brazil	EM	50%
La Samanna SAS	Marigot, Saint Martin	FC	100%	Signature Boutique Ltda	Rio de Janeiro, Brazil	FC	100%
Operadora de Hoteles Rivera Maya SA de CV	Riviera Maya, Mexico	FC	100%	CSN (San Miguel) Holdings Ltd	Tortola, British Virgin Islands	FC	100%
Plan Costa Maya SA de CV	Riviera Maya, Mexico	FC	100%	Equimax Overseas Co. Ltd	Road Town, British Virgin Islands	FC	100%
Spa Residencial SA de CV	Riviera Maya, Mexico	FC	99%	Grupo Conceptos SA	Road Town, British Virgin Islands	FC	100%
Società Agricola SGG Srl	Fiesole, Italy	FC	100%	Miraflores Ventures Ltd	Road Town, British Virgin Islands	FC	100%
Luxury Trains Switzerland AG	Zurich, Switzerland	FC	100%	Novato Universal Ltd	Road Town, British Virgin Islands	FC	100%
Gambetta SAS	Paris, France	FC	85%	Belmond Peru Management SA	Lima, Peru	FC	100%
Belmond (Shanghai) Management & Consultancy Co., Ltd	Shanghai, China	FC	100%	Belmond Peru SA	Lima, Peru	FC	100%
360 N. Rodeo Drive LLC	Illinois, USA	FC	100%	Ferrocarril Transandino SA	Lima, Peru	EM	50%
Belmond Sicily SpA	Florence, Italy	FC	100%	Perurail SA	Lima, Peru	EM	50%
Belmond Italia SpA	Genoa, Italy	FC	100%	Peru Belmond Hotels SA	Lima, Peru	EM	50%
Hotel Caruso SpA	Florence, Italy	FC	100%	Peru Experiences Belmond SA	Lima, Peru	EM	50%
Hotel Cipriani SpA	Venice, Italy	FC	100%	Belmond Japan Ltd	Tokyo, Japan	FC	100%
Hotel Splendido SpA	Portofino, Italy	FC	100%	Belmond Pacific Ltd	Hong Kong, China	FC	100%
Villa San Michele SpA	Florence, Italy	FC	100%	Belmond China Ltd	Hong Kong, China	FC	100%
Luxury Trains Servizi Srl	Venice, Italy	FC	100%	Belmond Hong Kong Ltd	Hong Kong, China	FC	100%
Castello di Casole SpA	Querceto, Italy	FC	100%	Hosia Company Ltd	Hong Kong, China	FC	100%
Castello di Casole Agricoltura SpA	Querceto, Italy	FC	100%	Belmond Hotels Singapore Pte Ltd	Singapore	FC	100%
Belmond Spanish Holdings SL	Madrid, Spain	FC	100%	E&O Services (Singapore) Pte Ltd	Singapore	EM	25%
Nomis Mallorcan Investments SA	Madrid, Spain	FC	100%	Belmond (Thailand) Company Ltd	Bangkok, Thailand	FC	100%
Son Moragues SA	Deià, Spain	FC	100%	E&O Services (Thailand) Pte Ltd	Bangkok, Thailand	EM	25%
Reid's Hoteis Lda	Funchal, Portugal	FC	100%	Fine Resorts Co. Ltd	Bangkok, Thailand	FC	100%
Europe Hotel LLC	Saint Petersburg, Russia	FC	100%	Samui Island Resort Co. Ltd	Koh Samui, Thailand	FC	100%
Belmond USA Inc	Delaware, USA	FC	100%	Khmer Angkor Hotel Co. Ltd	Siem Reap, Cambodia	FC	99%
21 Club Inc	New York, USA	FC	100%	Société Hotelière de Pho Vao	Luang Prabang, Laos	FC	69%
Belmond Pacific Inc	Delaware, USA	FC	100%	Myanmar Cruises Ltd	Yangon, Myanmar	FC	100%
Belmond Reservation Services Inc	Delaware, USA	FC	100%	Myanmar Hotels & Cruises Ltd	Yangon, Myanmar	FC	100%
Charleston Centre LLC	South Carolina, USA	FC	100%	Myanmar Shwe Kyet Yet Tours Ltd	Yangon, Myanmar	FC	100%
Charleston Place Holdings Inc	South Carolina, USA	FC	100%	PRA-FMI Pansea Hotel Development Co. Ltd	Yangon, Myanmar	FC	100%
El Encanto Inc	Delaware, USA	FC	100%	PT Bali Resort & Leisure Co. Ltd	Bali, Indonesia	FC	100%
Inn at Perry Cabin Corporation	Maryland, USA	FC	100%	Belmond Australia Pty Ltd	Melbourne, Australia	FC	100%
Mountbay Holdings Inc	Delaware, USA	FC	100%	Exclusive Destinations (Pty) Ltd	Cape Town, South Africa	FC	100%
Venice Simplon Orient Express Inc	Delaware, USA	FC	100%	Fraser's Helmsley Properties (Pty) Ltd	Cape Town, South Africa	FC	100%
Windsor Court Hotel Inc.	Delaware, USA	FC	100%	Mount Nelson Commerical Properties (Pty) Ltd	Cape Town, South Africa	FC	100%
Windsor Court Hotel LP	Delaware, USA	FC	100%	Mount Nelson Residential Properties (Pty) Ltd	Cape Town, South Africa	FC	100%
Windsor Great Park Inc	Delaware, USA	FC	100%	LVMH Client Services	Paris, France	FC	100%
Belmond Cap Juluca Limited	Anguilla	FC	100%	LVMH Happening SAS	Paris, France	FC	100%
Belmond Holdings 1 Ltd	Hamilton, Bermuda	FC	100%	LVMH Happening LLC	New York, USA	FC	100%
Belmond Peru Ltd	Hamilton, Bermuda	FC	100%	Le Parisien Libéré	Saint-Ouen, France	FC	100%
Eastern & Oriental Express Ltd	Hamilton, Bermuda	EM	25%	Team Diffusion	Saint-Ouen, France	FC	100%
Leisure Holdings Asia Ltd	Hamilton, Bermuda	FC	100%	Team Media	Paris, France	FC	100%
Vessel Holdings 2 Ltd	Hamilton, Bermuda	FC	100%	Société Nouvelle SICAVIC	Paris, France	FC	100%
Belmond Anguilla Holdings LLC	Hamilton, Bermuda	FC	100%	L.P.M.	Paris, France	FC	100%
Belmond Anguilla Member LLC	Hamilton, Bermuda	FC	100%	LP Management	Paris, France	FC	100%
Belmond Anguilla Owner LLC	Hamilton, Bermuda	FC	100%	Magasins de la Samaritaine	Paris, France	FC	99%
Belmond Interfin Ltd	Hamilton, Bermuda	FC	100%				

FC: Fully consolidated.

EM: Accounted for using the equity method.

JV: Joint venture company with Diageo: only the Moët Hennessy activity is consolidated. See also Notes 1.7 and 1.27 for the revenue recognition policy for these companies.

Companies not included in the scope of consolidation

## COMPANIES NOT INCLUDED IN THE SCOPE OF CONSOLIDATION

Companies	Registered office	Ownership interest	Companies	Registered office	Ownership interest
Société d'Exploitation Hôtelière de Saint-Tropez	Paris, France	100%	Sofpar 142	Paris, France	100%
Société Nouvelle de Libraire et de l'Édition	Paris, France	100%	Sofpar 144	Paris, France	100%
Samos 1850	Paris, France	100%	Sofpar 145	Paris, France	100%
BRN Invest NV	Baarn, Netherlands	100%	Sofpar 146	Paris, France	100%
Toiltech	Paris, France	90%	Sofpar 147	Paris, France	100%
Sephora Macau Limited	Macao, China	100%	Sofpar 148	Paris, France	100%
Parfumerie Amicale	Paris, France	100%	Sofpar 149	Paris, France	100%
Les Beaux Monts	Paris, France	90%	LVMH Holdings Inc.	New York, USA	100%
Sofpar 116	Paris, France	100%	Prolepsis Investment Ltd	Paris, France	100%
Sofpar 125	Paris, France	100%	Innovación en Marcas de Prestigio SA	Paris, France	65%
Tina	Paris, France	100%	Feelunique Holding Limited	St. Helier, Jersey	100%
Sofpar 132	Paris, France	100%	MS 33 Expansion	Paris, France	100%
Nona Source	Paris, France	100%	Shinsegae International Co. Ltd LLC	Paris, France	51%
Sofpar 135	Paris, France	100%	Crystal Pumpkin	Florence, Italy	99%
Sofpar 136	Paris, France	100%	Jade Creaction	Albergaria-a-Velha, Portugal	55%
Sofpar 137	Paris, France	100%	Groupement Forestier des Bois de la Celle	Cognac, France	65%
Sofpar 138	Paris, France	100%	Augesco	Paris, France	50%
Sofpar 139	Paris, France	100%	Hugo	Paris, France	100%
Sofpar 141	Paris, France	100%	Folio St. Barths	New York, USA	100%

The companies which are not included in the scope of consolidation are either entities that are inactive and/or being liquidated, or entities whose individual or collective consolidation would not have a significant impact on the Group's main aggregates.

# STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders' Meeting of LVMH Moët Hennessy Louis Vuitton,

## 1. Opinion

In compliance with the engagement entrusted to us by your Shareholders' Meeting, we have audited the accompanying consolidated financial statements of LVMH Moët Hennessy Louis Vuitton for the fiscal year ended December 31, 2021.

In our opinion, the consolidated financial statements give a true and fair view of the Group's assets, liabilities and financial position as of December 31, 2021 and of the results of its operations for the fiscal year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Performance Audit Committee.

## 2. Basis for our opinion

### Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the section of our report entitled "Statutory Auditors' responsibilities for the audit of the consolidated financial statements".

### Independence

We conducted our audit engagement in compliance with the independence rules provided by the French Commercial Code (*Code de commerce*) and the French Code of Ethics (*Code de déontologie*) for Statutory Auditors, for the period from January 1, 2021 to the date of our report. We did not provide any prohibited non-audit services referred to in Article 5 (1) of Regulation (EU) No. 537/2014.

## 3. Justification of assessments - Key audit matters

The global crisis arising from the Covid-19 pandemic imposed particular conditions on the preparation and audit of the financial statements for this fiscal year. The crisis and the exceptional measures taken in response to the public health emergency had wide-ranging consequences on companies, especially on their business activity and financing, and heightened uncertainty regarding their outlook for the future. Some of these measures, such as travel restrictions and remote working, also had an impact on the internal organization of companies and on the conditions under which audits were run.

Within this complex, changing context, in accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement which, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the fiscal year, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon. We do not provide a separate opinion on specific items of the consolidated financial statements.

## Valuation of fixed assets, in particular intangible assets

### Risk identified

As of December 31, 2021, the value of the Group's fixed assets totaled 84.4 billion euros. These fixed assets mainly comprise brands, trade names and goodwill recognized on external growth transactions; property, plant and equipment (land, vineyard land, buildings, and fixtures and fittings at stores and hotels in particular); and right-of-use assets.

We considered the valuation of these fixed assets – intangible assets in particular – to be a key audit matter, due to their significance in the Group's financial statements and because the determination of their recoverable amount, which is usually based on discounted forecast cash flows, requires the use of assumptions, estimates and other forms of judgment, as specified in Note 1.7 to the consolidated financial statements, while the Covid-19 pandemic continues to affect some of the Group's operations and makes it more difficult to assess their outlook, in particular due to the decrease in business travel and tourism, as detailed in Note 5.

### Our response

The Group tests these assets for impairment, as described in Notes 1.17 and 5 to the consolidated financial statements. In this context, we assessed the methods used to perform these impairment tests and focused our work primarily on the Maisons most affected by the negative changes in the current business environment, or where the carrying amount of intangible assets represents a high multiple of profit from recurring operations.

We assessed the data and assumptions that served as the basis for the main estimates used, in particular forecast cash flows; assumptions regarding a return to 2019 business levels, expected between 2022 and 2024, where applicable; long-term growth rates; and the discount rates applied.

We also analyzed the consistency of forecasts with past performance and market outlook, and conducted impairment test sensitivity analyses. In addition, where the recoverable amount is estimated by comparison with recent similar transactions, we corroborated the analyses provided with available market data. All of these analyses were carried out with our valuation experts.

Lastly, we assessed the appropriateness of the information disclosed in the notes to the consolidated financial statements.

## Valuation of inventories and work in progress

### Risk identified

The success of the Group's products depends among other factors on its ability to identify new trends as well as changes in behaviors and tastes, enabling it to offer products that meet consumers' expectations. The Group determines the amount of impairment of inventories and work in progress on the basis of sales prospects in its various markets or due to product obsolescence, as specified in Note 1.19 to the consolidated financial statements.

We considered the valuation of inventories and work in progress to constitute a key audit matter since the aforementioned projections and any resulting impairment are intrinsically dependent on assumptions, estimates and other forms of judgment made by the Group, as indicated in Note 1.7 to the consolidated financial statements. Furthermore, inventories are present at a large number of subsidiaries, and determining this impairment depends in particular on estimated returns and on the monitoring of internal margins, which are eliminated in the consolidated financial statements unless and until inventories are sold to non-Group clients.

### Our response

As part of our procedures, we analyzed sales prospects as estimated by the Group in light of past performance and the most recent budgets in order to assess the resulting impairment amounts. Where applicable, we assessed the assumptions made for the recognition of non-recurring impairment.

We also assessed the consistency of internal margins eliminated in the consolidated financial statements, by assessing in particular the margins generated with the various distribution subsidiaries and comparing them to the elimination percentage applied.

## Provisions for contingencies, losses and uncertain tax positions

### Risk identified

The Group's activities are carried out worldwide, within what is often an imprecise regulatory framework that is different for each country, changes over time and applies to areas ranging from product composition and packaging to the income tax computation and relations with the Group's partners (distributors, suppliers, shareholders in subsidiaries, etc.). Within this context, the Group's activities may give rise to risks, disputes or litigation, and the Group's entities in France and abroad may be subject to tax inspections and, in certain cases, to rectification claims from local administrations.

As indicated in Notes 1.22 and 20 to the consolidated financial statements:

- provisions for contingencies and losses correspond to the estimate of the impact on assets and liabilities of risks, disputes, or actual or probable litigation arising from the Group's activities;
- non-current liabilities related to uncertain tax positions include an estimate of the risks, disputes and actual or probable litigation related to the income tax computation, in accordance with IFRIC 23.

We considered provisions for contingencies, losses and uncertain tax positions to constitute a key audit matter due to the significance of the amounts concerned and the level of judgment required to monitor ongoing regulatory changes and evaluate these provisions in the context of a constantly evolving international regulatory environment.

### Our response

In the context of our audit of the consolidated financial statements, our work consisted in particular in:

- assessing the procedures implemented by the Group to identify and catalogue all risks, disputes, litigation and uncertain tax positions;
- obtaining an understanding of the risk analysis performed by the Group and the corresponding documentation and, where applicable, reviewing written confirmations from external advisors;
- assessing – with our experts, tax specialists in particular – the main risks identified and assessing the assumptions made by Group management to estimate the amount of the provisions and of liabilities related to uncertain tax positions;
- carrying out a critical review of analyses relating to the use of provisions for contingencies and losses, and of liabilities related to uncertain tax positions, prepared by the Group;
- assessing – with our tax specialists – the evaluations drawn up by the Group's Tax Department relating to the consequences of changes in tax laws;
- assessing the appropriateness of information relating to these risks, disputes, litigation and uncertain tax positions disclosed in the notes to the financial statements.

## Acquisition of Tiffany

### Risk identified

On January 7, 2021, LVMH acquired Tiffany & Co. ("Tiffany"), under the terms set out in Note 2.1 to the consolidated financial statements. The acquisition was completed at the price of 131.50 US dollars per share, for a total of 16.1 billion US dollars, paid in cash, equivalent to 13.1 billion euros as of the acquisition date. The transaction was funded through a number of bond issues in 2020, for a total amount of 10.7 billion euros, together with US dollar-denominated commercial paper for the remainder.

In accordance with IFRS 3, the Group identified and revalued the assets acquired and liabilities assumed, in particular the Tiffany brand in the amount of 5.9 billion euros, measured primarily using the relief-from-royalty method and secondarily using the excess earnings method. This acquisition resulted in the recognition of 6.8 billion euros in net assets acquired and final goodwill of 6.8 billion euros.

We considered the allocation of the purchase price paid for Tiffany to constitute a key audit matter due to:

- the significant amount of the assets and liabilities recognized in the consolidated financial statements, and of the resulting goodwill;
- the level of judgment required to identify the assets acquired and the liabilities assumed and the estimates used to measure their fair value.

## Our response

In the context of our audit, our work consisted in particular in:

- assessing the reasonableness of the method used to identify the assets acquired and liabilities assumed;
- performing specific audit procedures on the significant accounts of the opening balance sheet covering the main entities of the Tiffany group;
- assessing the revaluations of assets and liabilities from Tiffany's financial statements at the date of acquisition of the controlling interest, prepared and presented in accordance with the accounting policies applied by LVMH;
- analyzing the measurement methods used by LVMH to determine the fair value of the assets acquired and liabilities assumed, with our valuation experts, in particular:
  - assessing the key assumptions of the methods used to measure the brand, as described in Note 2.1 to the consolidated financial statements, by comparing them with source data and market data,
  - assessing the assumptions used to measure assets and liabilities at their fair value,
  - running arithmetic checks on the various measurements made of the assets acquired and liabilities assumed;
- analyzing the overall consistency of the final purchase price allocation and the remaining amount arising from it.

Lastly, we assessed the appropriateness of the information disclosed in the notes to the consolidated financial statements.

## 4. Specific verifications

In accordance with professional standards applicable in France, we also performed the specific verifications required by laws and regulations of the information concerning the Group provided in the *Management Report of the Board of Directors*.

We have no matters to report as to this information's fair presentation and its consistency with the consolidated financial statements.

We attest that the consolidated statement of non-financial performance provided for by Article L. 225-102-1 of the French Commercial Code (*Code de commerce*) is included in the information concerning the Group provided in the Management Report, with the proviso that, in accordance with the provisions of Article L. 823-10 of said code, we have verified neither the fair presentation nor the consistency with the consolidated financial statements of the information contained in this statement, which must be subject to a report by an independent third party.

## 5. Other verifications or information required by laws and regulations

### Presentation format for the consolidated financial statements to be included in the Annual Financial Report

In accordance with the professional standards governing the procedures to be carried out by the Statutory Auditor on annual consolidated financial statements presented in the European Single Electronic Format, we also checked compliance with this format as defined by Commission Delegated Regulation (EU) 2019/815 of December 17, 2018 in the presentation of the consolidated financial statements to be included in the Annual Financial Report mentioned in Article L. 451-1-2-I of the French Monetary and Financial Code (*Code monétaire et financier*), prepared under the responsibility of the Chief Financial Officer, a member of the Executive Committee, under delegation from the Chairman and Chief Executive Officer. As this concerned consolidated financial statements, our work included checking the compliance of the tags used for these accounts with the format defined by the aforementioned regulation.

On the basis of our work, we concluded that the presentation of the consolidated financial statements to be included in the Annual Financial Report complies, in all material respects, with the European Single Electronic Format.

It is not our responsibility to check that the consolidated financial statements actually included by your Company in the Annual Financial Report filed with the AMF correspond to those on which we performed our work.

### Appointment of the Statutory Auditors

Our audit firms were appointed as Statutory Auditors of LVMH Moët Hennessy Louis Vuitton by your Shareholders' Meeting held on April 14, 2016.

As of December 31, 2021, our audit firms were in the sixth consecutive year of their engagement, it being specified that ERNST & YOUNG et Autres and ERNST & YOUNG Audit, members of the international EY network, were respectively Statutory Auditors from 2010 to 2015 and from 1988 to 2009.

## 6. Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, for disclosing any matters related to going concern, and for using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Performance Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and where applicable, internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements have been approved by the Board of Directors.

## 7. Statutory Auditors' responsibilities for the audit of the consolidated financial statements

### Objectives and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance as to whether the consolidated financial statements taken as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code (*Code de commerce*), our statutory audit does not include assurance on the viability or the quality of management of your Company.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditor exercises professional judgment throughout the audit and furthermore:

- identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error; designs and performs audit procedures responsive to those risks; and obtains audit evidence considered to be sufficient and appropriate to provide a basis for its opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or overriding internal control;
- obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control;
- assesses the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements;
- assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of its audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the Statutory Auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to issue a qualified or adverse audit opinion;
- assesses the overall presentation of the consolidated financial statements and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtains sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the scope of consolidation to express an opinion on the consolidated financial statements. The Statutory Auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these financial statements.

## Report to the Performance Audit Committee

We submit a report to the Performance Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report any significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Performance Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements for the fiscal year and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Performance Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set out in particular by Articles L. 822-10 to L. 822-14 of the French Commercial Code (*Code de commerce*) and in the French Code of Ethics (*Code de déontologie*) for Statutory Auditors. We discuss any risks that may reasonably be thought to bear on our independence, and the related safeguards, with the Performance Audit Committee.

Courbevoie and Paris-La Défense, February 9, 2022

The Statutory Auditors

French original signed by

MAZARS

Isabelle Sapet

Loïc Wallaert

ERNST & YOUNG Audit

Gilles Cohen

This is a free translation into English of the Statutory Auditors' report on the consolidated financial statements of the Company issued in French. It is provided solely for the convenience of English-speaking users. This Statutory Auditors' report includes information required under European regulations and French law, such as information about the appointment of the Statutory Auditors and the verification of information concerning the Group presented in the Management Report. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.



# LVMH

For further information:

LVMH, 22 avenue Montaigne - 75008 Paris - France  
Tel. +33 1 44 13 22 22 - Fax +33 1 44 13 21 19

[www.lvmh.com](http://www.lvmh.com)