VSF

LVMH

Rating: 1 | 2 | 3 | **4** | 5

LVMH continues to benefit from strong brand equity and resilient pricing power, but much of this strength already appears priced into the stock. With luxury demand normalizing and limited near-term upside, we view the shares as undervalued and maintain a Buy rating.

52 Week Price Range	Market Capitalization	Price as of 11/8/25	Annual Dividend Rate	Industry
€ 436.55 - € 762.70	**€ 306.267 Billion**	**€ 603.20**	**€ 13.00**	**Consumer Goods**

Recommendation Summary: Buy

VSF Target Price: ***€ 665.23***

(8.80% Upside)

Consumer Goods Industry performance is POSITIVE

The global consumer goods is expected to amount to **$4.64 trillion in 2025** and is projected to grow at a 1.39% **CAGR**, driven by its diversified portfolio, 70+ fashion stores, such as Louiss Vuitton and Dior, and certain competitive advantages such as supply chain control. The luxury goods market, a ~$390 billion market, benefits from high consumer demand, with LVMH being one of the biggest companies on the market. They face risks from competitors such as Kering and Hermes, as well as the recent slowdowns in the luxury market due to economic pressures.

LVMH operates in a highly specialized segment at the intersection of fashion, perfumes, cosmetics, watches, jewelry, wines and selective retail. Its **diversified portfolio,** including many different iconic brands, gives it a unique competitive edge, so comparable peers must be chosen not only by size but by **innovation and dominance in the luxury goods market.**

For this analysis, we selected **Estee Lauder (EL)** for its dominance in the cosmetics department, **Hermes (RMS)** for its impact in the handbag and clothing sales, **Kering (KER.PA)** for its diversified portfolio of luxury companies, such as Gucci and YSL, and **Richemont (CFR.SW)** for its focus on jewelry and watches. Together, these peers provide a comprehensive benchmark to evaluate LVMH's valuation and performance within the broader luxury goods market.

Ticker	Company	Share Price (€)	Shares Outstanding	Equity Value	EV / Revenue	EV / EBITDA	P / E
LVMH	Moët Hennessy Louiss Vuitton SE	612.4	496.54	304,081.10	3.65	11.83	22.57
ELAA.f	Estee Lauder	79.2	234.82	18,597.74	2.69	263.94	44.05
RMS.PA	Hermes	2102	104.84	220,373.68	13.9	28.73	42.92
KER.PA	Kering S.A.	304.8	122.62	37,374.58	3.28	13.21	30.58
CFR.SW	Richemont	158	534.18	84,400.44	4.4	14.43	28.01

YTD: The stock opened the year in the mid-€600s but trended sharply lower through the first half of 2025, falling into the mid- €400s by June as softness in global luxury spending weighed on investor sentiment. After bottoming in early summer, the shares began a steady recovery, gaining momentum in September and October and climbing back above €600, signaling renewed confidence in a potential rebound in high-end consumer demand.

LVMH's Top Brand Portfolio :

Approximate market share by brand (estimates)

Brand	Approximate share of LVMH revenue
Louis Vuitton	28%
Dior	12%
Sephora	10%
Moët & Chandon	4%
TAG Heuer	2%
Guerlain	1%

DIOR

LOUIS VUITTON

GUERLAIN PARIS

TAG HEUER

FRANCE 1743 MOËT & CHANDON CHAMPAGNE

SEPHORA

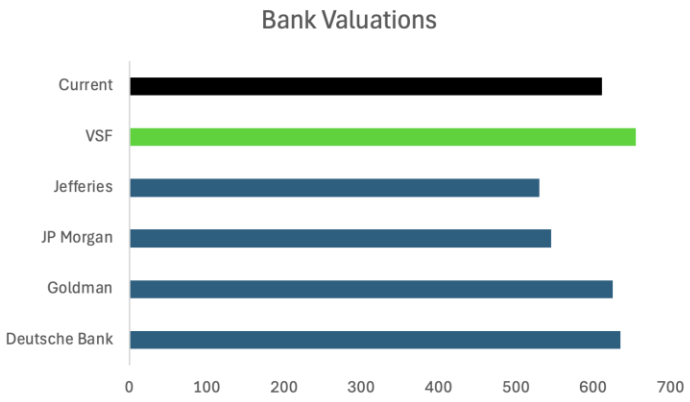
In Billions of Dollars

Fiscal Year End	2021	2022	2023	2024	TTM
Revenue ($B)	64.21	79.18	86.15	84.68	82.82
Net Income ($B)	12.04	14.08	15.17	12.55	10.98
Free Cash Flow ($B)	15.39	12.75	10.59	13.37	14.36
Cash Balance ($B)	7.82	7.1	7.52	9.27	7.87

Fiscal Year End	2021	2022	2023	2024	TTM
EPS Growth (%)	17.4	8.2	-17.2	-12.4	--
Gross Margin (%)	68.3	68.4	68.8	67.1	--
Operating Margin (%)	26.7	26.5	26.4	23.1	--
FCF Margin	15.39	12.75	10.59	13.37	--

Category	Risks	Mitigants
Luxury Market Cyclicality	Demand for luxury goods fluctuates due to global economic conditions which impact consumer confidence and spending. Economic strains such as inflation or recession could lead customers to spend less on non-essential luxury items.	LVMH's six business sectors, including, Fashion and Leather Goods, Wines and Spirits, Watches and Jewelry, and widespread international presence, which is seen with their 6,300 stores across 80 countries. As the company has an impact across many different brands and industries, it leverages its diversified portfolio to make an impact in the luxury goods market.
Counterfitting and Parallel Trade	There is a large market of fake goods from different LVMH brands being sold. This occurrence then leads to brand dilution, loss of exclusivity and a potential erasure of profit margins. Then this can lead to a loss of consumer confidence needed for continued purchases.	LVMH combats this by having strong intellectual property protections through global trademark registrations and a department designated to find these fake goods. The department directly collaborates with the authorities and customs to seize these goods. It recently won $584M in a counterfeit case in the US. This represents a major victory, underscoring the effectiveness in these efforts.
Market Concentration	A significant portion of LVMH's revenue is tied to key geographic markets (for example 28% comes from Asia, excluding Japan) which creates a reliance on these areas. Additionally, shifts in consumer demographics pose risks to growth.	Partnerships and investments in expanding retail networks and anchor stability in core markets while also expanding into new ones such as Japan. Additionally, with the strong focus on marketing, with notable products such as the Lady Dior, which in turn makes the brand's products instantly recognizable and desirable to the respective customers.

Comparables Analysis is POSITIVE
We derived a blended target price by applying a weighted average across the three median valuation methods, assigning 20% to EV/Revenue, 40% to EV/EBITDA, and 40% to P/E to balance growth and profitability metrics. Multiplying each median price target by its respective weight and summing the results produced an implied **target price of €665.23 per share.**

Comps Summary			
Price Targets	EV / Revenue	EV / EBITDA	P / E
Maximum	13.9	263.94	44.05
75th Percentile	4.4	28.73	42.92
Average	5.58	66.43	33.63
Median	3.65	14.43	30.58
25th Percentile	3.28	13.21	28.01
Low	2.69	11.83	22.57

Relative valuation is POSITIVE
This chart compares LVMH's current stock price with recent bank valuations, highlighting a range of analyst expectations. Jefferies remains the most conservative at **€530** citing concerns over lower yearly earnings, however positive quarterly growth could lead to a higher target price in 2026. JP Morgan held moderately at a target of **€545** riding the favorable consumer backdrop, improvements across nationalities, categories and price points, culminating in positive quarterly earnings. Goldman and Deutsche Bank, hold high targets at **€625** and **€635**, demonstrates Analysts at Goldman mention the arrival of Jonathan Anderson at Dior and Louiss Vuitton expansion into beauty as potential growth drivers for the business. Deutsche Bank believes that the European luxury market is regaining traction, and in this market, LVMH is a large part of it.