

LVMH

TIFFANY & Co.

LVMH reaches an agreement to acquire Tiffany & Co.

November 25, 2019

DISCLAIMER

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Forward-looking statements reflect the views and assumptions of management as of the date of this communication with respect to future events. The Company does not undertake, and hereby disclaims, any obligation, unless required to do so by applicable securities laws, to update any forward-looking statements as a result of new information, future events or other factors. The inclusion of any statement in this communication does not constitute an admission by the Company or any other person that the events or circumstances described in such statement are material.

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TRANSACTION DESCRIPTION

AT A GLANCE

| **LVMH** reaches an **agreement** for the **acquisition** of **Tiffany & Co.** (NYSE: TIF)

| LVMH and the Board of Tiffany agreed on a price of **\$135 per share in cash to acquire all outstanding shares of Tiffany & Co.**

- **Equity value** of \$16.2 billion (i.e. c. €14.7 billion)
- **Total Enterprise value** of c. \$16.9 billion (16.6x 2018A EBITDA *as of January 31, 2019*)

| Transaction subject to the approval of Tiffany's shareholders and the clearance by the relevant regulatory authorities

| **Closing of the transaction expected after anti-trust clearances**

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TIFFANY KEY FIGURES

A GLOBAL JEWELLER

| 2018 **Sales** = US\$4,442 million

| 2018 **EBITDA** = US\$1,019m (22.9% margin)

| 2018 **EBIT** = US\$790m (17.8% margin)

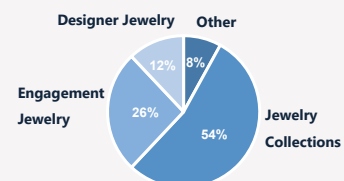
| 14,200 employees

| E-commerce representing 7% of total sales

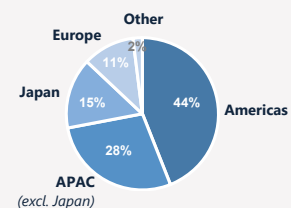
| **321 company-operated stores in more than 20 countries**

* For FY2018 ended January 31, 2019

2018 NET SALES BY CATEGORY



2018 NET SALES BY REGION



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TIFFANY: ICONIC GLOBAL JEWELRY BRAND SYNONYMOUS WITH AMERICAN LUXURY

| *Founded in 1837, when Charles Lewis Tiffany opened a store in downtown Manhattan*



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1) LEGENDARY AMERICAN BRAND ROOTED IN HISTORY



*In 1961, the film *Breakfast at Tiffany's* is released after the Truman Capote novel published in 1958 and has been since synonymous with New-York luxury.*



Tiffany & Co. is perceived as more than a jewelry house - it has become a destination for timeless designs and unparalleled craftsmanship.

The Blue Box is a structural part of Tiffany's identity, having been used since it sold its first diamond rings in 1886.

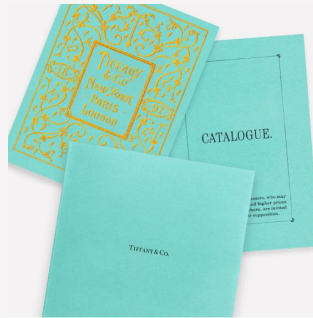


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2) RICH & GLAMOROUS CULTURAL HERITAGE



In 1887, Charles Louis Tiffany purchased the French Crown Jewels then set in a necklace sold to Mr. J.P. Morgan.



Tiffany's blue book is published in January, and is a display of the most high end jewels, one of a kind creations handcrafted by artisans in Tiffany's workshop above the 5th Avenue flagship store.

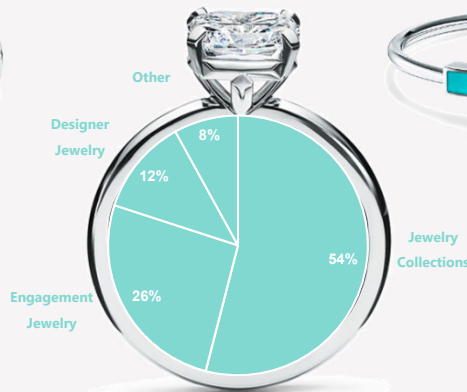
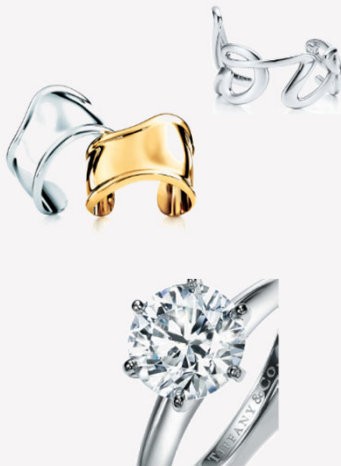


Tiffany-made trophies have been at the center of American sports since 1860 with the creation of a horse racing trophy.

In 1967, the National Football League awarded the first Super Bowl trophy, designed by Tiffany.

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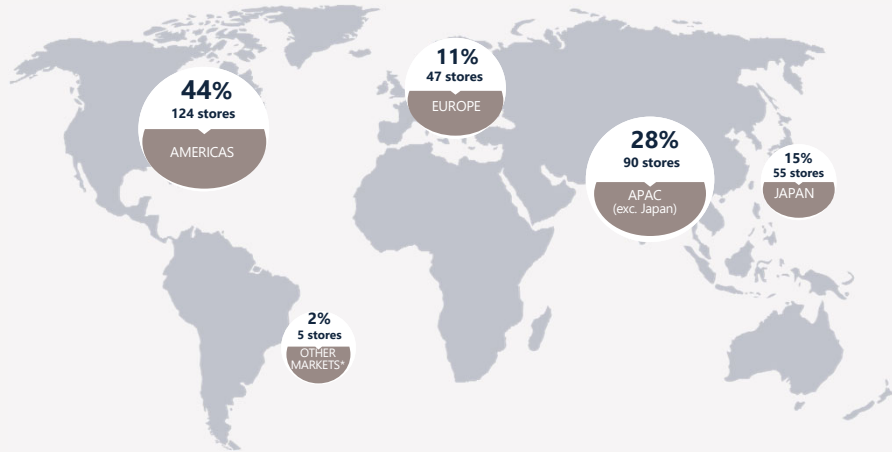
3) A MULTIFACETED BRAND WITH A BALANCED PORTFOLIO ACROSS HIGH JEWELRY, ENGAGEMENT, AND OTHER BELOVED COLLECTIONS



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4) GLOBAL REACH, TIGHTLY CONTROLLED DISTRIBUTION

321 STORES IN PRESTIGIOUS LOCATIONS, GLOBALLY



% of total sales as at end FY 2018
* Incl Middle East and wholesale diamond sales

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5) VERTICALLY INTEGRATED WITH ADVANCED SUSTAINABILITY PRACTICES



The majority of diamonds and raw precious metals are obtained through direct sourcing relationships and from known mines and sources which operate in environmentally and socially responsible ways

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TIFFANY: A PROMISING OPPORTUNITY FOR LVMH

| Leverage **Tiffany's iconic heritage and brand awareness**



| Iconic **collections**



| **Sustainable sourcing** and Traceable provenance

| **Long term opportunity for non-jewelry items**

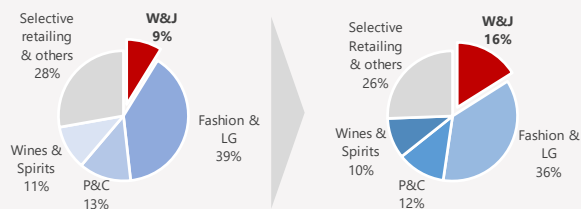


| **Ability to accelerate ongoing Tiffany strategy as part of LVMH**

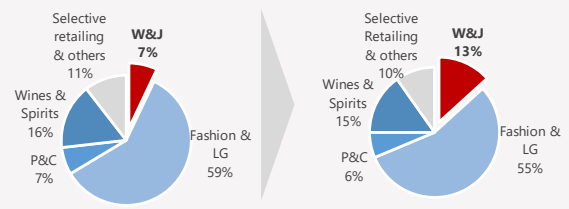
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TIFFANY, A TRANSFORMING ACQUISITION FOR LVMH WATCHES & JEWELRY DIVISION

BREAKDOWN OF SALES



BREAKDOWN OF OPERATING PROFIT



| **LVMH would become a global player in fine jewelry**

* Note: Estimates based on FY2018 results of LVMH and Tiffany and an USD/EUR exchange rate of 1.10

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FINANCING AND IMPACT ON LVMH

| Total equity value of the transaction: **\$16.2 billion** (i.e. c. €14.7 billion)

| 2020E Net income accretion: estimated around 5%

| Acquisition financing secured through (i) a \$8.5bn bridge, (ii) a \$5.75bn CP back-up line and (iii) a €2.5bn RCF, to be refinanced on bond markets

| Impact on LVMH's leverage limited to +1.6x Net Debt/EBITDA in 2020E

| **Tiffany's quarterly dividend payment of 0.58\$/share maintained** before closing

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NEXT STEPS

Transaction **subject to** approval of Tiffany & Co. shareholders and customary regulatory approvals

- Preliminary **proxy statement** to be filed and reviewed by SEC (approx. 3 weeks)
- **Tiffany Shareholders' meeting** to vote on transaction (est. 2 to 3 months)
- **Regulatory approvals** including anti-trust

Closing expected following anti-trust clearances (est. mid 2020)

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CONCLUSION

| Iconic global luxury brand with storied history

| Further balances LVMH's leading luxury portfolio across product and geography

| Reinforces LVMH's position within Watches & Jewelry

| Significant growth opportunities globally

| Perfectly aligned with LVMH's objective to combine tradition and modernity