



LVMH shares rise after mixed bag results with 'glimmers of hope'

PARIS, July 25 (Reuters) - Shares in French luxury group LVMH (LVMH.PA) , opens new tab rose on Friday after the group reported quarterly results, with analysts pointing to hopes on the horizon as the group said it saw some signs of recovery in the key Chinese market.

LVMH's quarterly sales for products like Louis Vuitton handbags, Dior dresses and Moët & Chandon champagne came in slightly below expectations , at 19.5 billion euros (\$22.88 billion), down 4% year-on-year, with a 9% sales drop at the group's core leather and fashion division.

After an initial dip at market open as investors grappled to get a reading of what Citi analysts called a "mixed bag" of results, LVMH shares steadily reversed course, trading 3.5% up midday and lifting sector peers Kering and Hermes.

HSBC analysts said in a note that higher-than-expected profit margins were a sign the group has become more pragmatic and efficient under the leadership of CFO Cecile Cabanis, who was appointed at the end of 2024.

Deutsche Bank analyst Adam Cochrane said that while the second-quarter results were not "stellar", there were some "glimmers of hope".

"Investors have been waiting for an opportunity to revisit this stock and the conference call highlighted a number of factors which may encourage a tangible recovery in China, market share gains in key brands and potential for structural efficiencies as well as ongoing tight cost management", he wrote in a note.

LVMH's finance chief on Thursday said the company saw some "tangible improvement" in China, where a real estate crisis has dampened appetite for luxury goods.

French luxury heavyweights have been facing prolonged downturn as brands also face the threat of U.S. import tariffs.

(\$1 = 0.8522 euros)

