

Sujet traité : Comment Bernard Arnault est devenu l'un des hommes les plus riches au monde /  
How Bernard Arnault became one of the richest person in the world

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**Businessweek** | The Big Take

# The HOUSE of ARNAUT

His company, LVMH, bought up many of the world's major luxury brands. And he's not finished shopping.

BY BRAD STONE AND ANGELINA RASCOUET

PHOTOGRAPHS BY RUVEN AFANADOR


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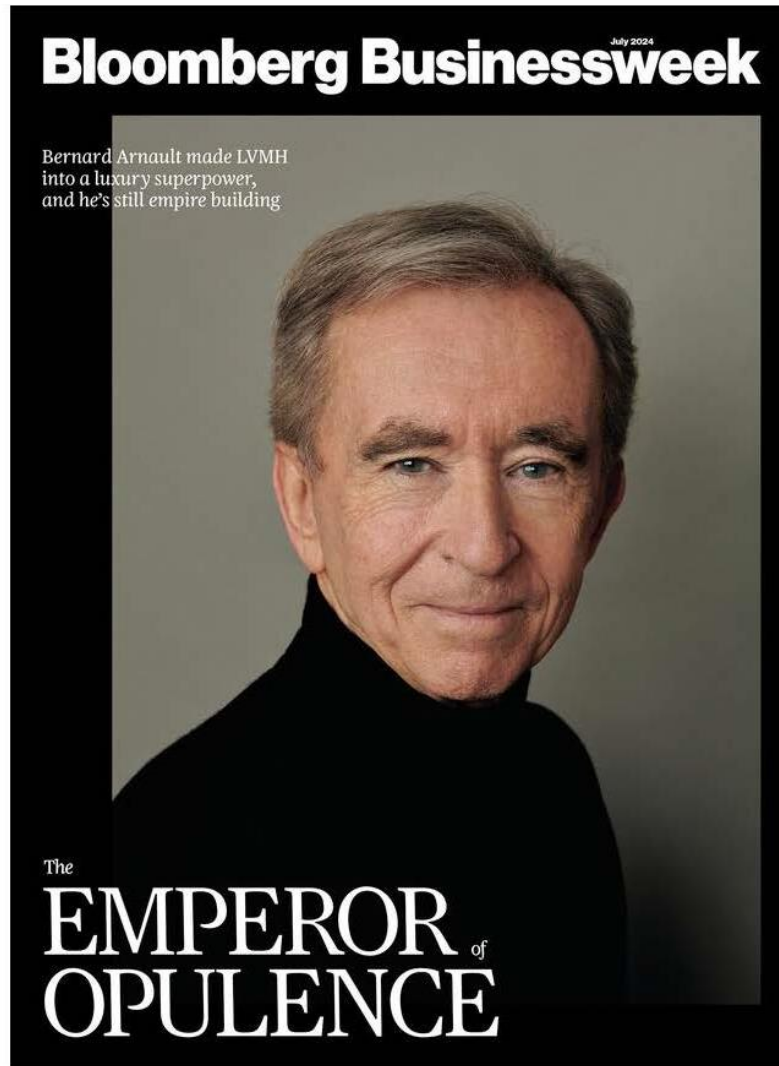
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Every Saturday morning, accompanied by a rotating entourage of deputies, bodyguards and offspring, Bernard Arnault spends a few hours checking in on his temples devoted to handbags, couture, jewelry and exorbitantly priced watches.

*Retrouvez l'article en français ici.*

The 75-year-old chairman and chief executive officer of LVMH Moët Hennessy Louis Vuitton SE is not there to shop. With a strict sensibility refined over decades of sitting front row at fashion shows as he developed Christian Dior, Bulgari, Celine, Fendi and Louis Vuitton stores, Arnault spots any incongruities that might disrupt the aura of opulence he has carefully

constructed. Then he reels off texts and emails to his senior executives describing any perceived deficiencies in bullet points of obsessive detail.



Featured in *Bloomberg Businessweek*, July 2024. [Subscribe now.](#) PHOTOGRAPHER: *RUVEN AFANADOR FOR BLOOMBERG BUSINESSWEEK*

Antoine Arnault, his eldest son and the head of communications and image at LVMH, recalls one such missive from his father in April, critiquing a counter at a Berluti store in Tokyo. “He loved the first concept I did at Berluti with an architect 12 years ago,” Antoine says. “He comes back to me

with, ‘Do you remember the patinated bar you had in that store? Try to put it in here.’”

Alexandre, Antoine’s younger half-brother, and the executive vice president for product and communications at another LVMH house, Tiffany & Co., has a similar story from his father’s recent visit to Dubai. “He made a bunch of comments that were very, very detail-oriented,” Alexandre says, about “the chairs in the store and the shoes the salespeople were wearing. Things that you wouldn’t typically notice, but once you’ve seen tens of thousands of stores over the years, I think it’s what comes to your mind immediately.”

Hang on—their shoes? When asked, Bernard Arnault recalls the complaint immediately. “The guy had, I don’t know, Nike shoes or something,” he explains with an unapologetic smile, noting that they were not the Air Force 1s produced in a collaboration between Nike and Tiffany, which sold for \$400. “Our sales attendants should be wearing [LVMH] clothes.”



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Over the past 40 years, Arnault has assembled the world’s largest luxury conglomerate and globalized a sector once constrained by the limited ambitions of family-owned European companies encrusted in tradition. He didn’t invent conspicuous consumption, of course. But thanks almost exclusively to him, luxury is now the universal obsession of shoppers on Shanghai’s Nanjing Road, Milan’s Via Monte Napoleone and Rodeo Drive in Beverly Hills and of the tourists who flock to LVMH stores on the Champs-Élysées in Paris and Fifth Avenue in New York City. Arnault has dressed royals and presidents, supermodels and celebrities. Perhaps more than anyone else, he’s made the clothes and accessories that signify status among the global elite—and project a bit of their insecurity, too.

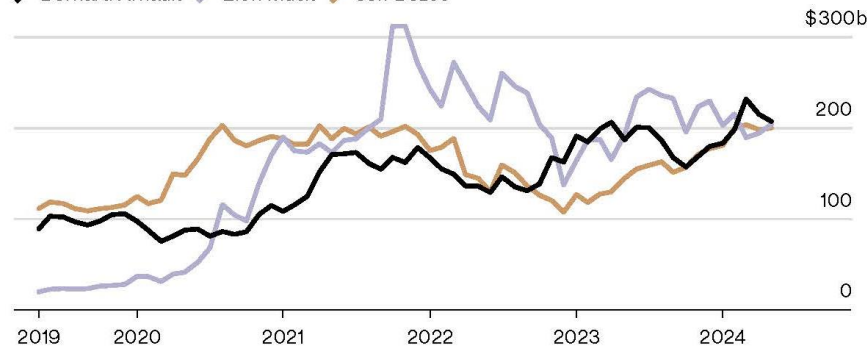
For that, he’s the wealthiest person in the world. Or very close to it, depending on the day. (And on French politics, which lately has been turbulent and deleterious to LVMH share price.) As of mid-June he has a net worth of around \$200 billion, as estimated by the Bloomberg Billionaires

Index. His fortune, built on the most analog of industries, is only comparable to the digital riches of a few titans who built their affluence on expanding access to things like software, cloud computing and electric vehicles. Jeff Bezos, Elon Musk and Bill Gates, often criticized for their social and sartorial tastes, have invented our future. Arnault, the embodiment of taste, yoked together the nouveau-riche brands that symbolized Europe's postwar influence and exported them all around the world.

#### HOW ARNAULT'S WEALTH STACKS UP

Net worth

■ Bernard Arnault ■ Elon Musk ■ Jeff Bezos



SOURCE: BLOOMBERG BILLIONAIRES INDEX

Which makes it even more remarkable that this is more Arnault's moment than those other centibillionaires'. In July the world's attention will alight on Paris for the Summer Olympics. After cutting a check for €150 million (about \$160 million), LVMH is one of the Games' premium sponsors. Visitors to Paris will find that Arnault and his 75 luxury houses, spanning fashion, jewelry, handbags, Champagne, spirits and high-end hotels, are everywhere. LVMH billboards, stores and Arnault-backed museums dot the French capital, including the Frank Gehry-designed Fondation Louis Vuitton on the city's western edge. Even Notre-Dame cathedral, hollowed out by fire in 2019, is on track to reopen later this year thanks in large part to a €200 million donation from Arnault and LVMH.

Arnault greets reporters from *Bloomberg Businessweek* in the conference room adjoining his office at LVMH headquarters on Avenue Montaigne, a block from the Seine. He's tall (6-foot-1) and slim, impeccably dressed in a Dior navy blazer, a black turtleneck, dark slacks and Berluti loafers and wearing a silver Louis Vuitton Tambour watch, for which he easily recites the price (€18,500). On the walls are three paintings by Andy Warhol; a

framed Picasso leans in the corner, waiting to be hung. Outside: the spires and clustered rooftops of the 8th arrondissement.

**“I have five members of the family working in the group. Let’s see if one of them has the capacity to take over”**

In luxury and fashion circles, Arnault has a reputation as a bully; an aggressive warrior-capitalist who laid off thousands of workers after acquisitions, then tried and failed to snap up rivals Gucci and Hermès through hostile takeovers considered *trop américaines* in the gentlemanly world of European business. “The wolf in cashmere,” a member of the Hermès family once memorably called him.

In person, Arnault is affable and speaks in heavily accented English. He talks of family, of LVMH as a company that’s welcoming to its employees, and hints at the highly public succession drama over who will ultimately take his place at the helm of the conglomerate. The candidates include his own five adult children from two marriages: Delphine, 49, CEO of Christian Dior Couture; her brother Antoine, 47; and the three children from Arnault’s second marriage to concert pianist Hélène Mercier: Alexandre, 32; Frédéric, 29, CEO of LVMH’s watch brands; and Jean, 25, the director of watches at Louis Vuitton.



Frédéric, Delphine, Antoine, Bernard, Hélène and Alexandre. PHOTOGRAPHER: CHRISTOPHE ARCHAMBAULT/AFP/GETTY IMAGES

Arnault brings up that subject unprompted and frames it almost like a French version of *Succession*: “As for the future, I have five members of the family working in the group. Let’s see if one of them has the capacity to take over;” he says merrily. He also gives the impression that he’s not even close to being done and is untroubled by the recent decline in spending on luxury products. “Maybe the economy will be not as good in ’24 than it was in ’23,” he says. “What I have in mind is 2030. Every one of our plans are aimed to this.”

**ARNAULT STARTS WORKDAYS AT 8 A.M. AND ENDS THEM AT 8:30 p.m.**, sticking to that schedule not because of residual ambition from his decades-long romp through the luxury industry but because, he claims, “every morning I have fun when I arrive.”

Fun is not a word many of his underlings use. Meetings begin punctually, perhaps befitting the owner of Tag Heuer and Hublot. Deputies say they must prepare thoroughly and show consistency in their positions, as the boss has a preternatural ability to recall past decisions. He’s willing to speak English to his foreign executives but insists they learn French, the sooner

the better. He sends so many emails, all day and every day, that his staff shares triage tips.

Many longtime and former employees as well as outsiders who've worked with him over the years seem both awed by and afraid of him. One remarks that when Arnault enters the room, the temperature drops about 8 degrees. Another says that he abhors complacency so much, the worst way to start a meeting is to tell him that sales are robust: "That would get you killed." Arnault occasionally plays off this reputation for aloofness. "Maybe I'm a bit less, how would I say, warm," he said in April at the annual shareholders' meeting, in the presence of his now former deputy, the amiable Antonio Belloni.

To explain his serious demeanor, colleagues point to Arnault's upbringing in Roubaix, a northern provincial town. Locals are known as diligent, industrious and private. Arnault's mother, a pharmacist, wore a fragrance, Diorissimo, from the brand founded in 1946 that started postwar fashion's New Look. His father ran a construction company that belonged to his wife's family.

Arnault trained as a classical pianist but determined he wasn't good enough to make it a career. He got an engineering degree at the École Polytechnique, then joined the family business and persuaded his father to focus on real estate. At first the company developed vacation homes in the south of France and Florida condos. But he credits a random conversation in the US with sparking his curiosity about France's historic luxury brands. When Arnault asked a New York cab driver in the early '70s if he knew the current French president, the driver said he only knew one French name: Christian Dior.

By 1984 the consumer goods and manufacturing conglomerate that owned Dior was bankrupt. With the backing of the investment bank Lazard Frères, Arnault persuaded France's socialist government to sell it to him, then he pared away almost everything and kept Dior and the Left Bank department store Le Bon Marché, firing thousands of workers. France was not prepared for this bare-knuckle, American-style capitalism; the French press called him "the terminator." But Dior had three stores and the equivalent of €90 million in sales back then; it has 439 stores and had about €9.5 billion in sales last year.

A few years after the Dior acquisition, Arnault again exploited circumstance – a struggle for control between factions in the newly formed suitcase and

spirits group, LVMH. Using cash from the Dior operation and again with the support of Lazard as well as another French bank, Arnault acquired a decisive block of shares. Then he ousted his putative ally in the struggle, Henry Racamier, head of Louis Vuitton, and eventually maneuvered to get himself elected chairman and CEO. The corporate brawl transfixed the fussy world of old luxury, which had never seen anything quite like it.

Arnault believed that luxury brands could be larger than anyone at the time imagined. He also understood that this was a business of selling not just physical things—monogrammed trunks, gold pendants, alligator-skin purses—but names and logos ornamented with history, as well as an implicit promise that the buyer is gaining access to an exclusive club. A €1,500 Louis Vuitton canvas handbag sells for about 10 times the cost of making it. Even after renting the store, paying sales associates (who are presumably wearing company shoes and not Nikes) and generating buzz with ads and events, that still leaves a generous profit. A hit can take years, and the only thing worse than a dud is being so successful that you saturate the market and your brand becomes *démodée*.



Arnault in 1995. PHOTOGRAPHER: GUIS PATRICK PRODUCTIONS/GAMMA

But if you put various luxury brands together, Arnault reasoned, they can reinforce one another. The stronger brands compensate for the weaker ones and give them time to establish an identity and grow, while the entire group shares back-end office functions and becomes a magnet for attracting and keeping talented executives. It was “an idea I had after having bought Dior.”



he says. “I saw how the luxury market was made up of many medium-sized companies that, taken together, could be much stronger in a group composed of several brands.” Combining these divisions—which LVMH execs solemnly refer to as *maisons*, or houses—would “let them be completely autonomous and independent when it came to crafting their image, designing their products and having their own management, but it would provide them with scale benefits such as when buying ad space and finding a good retail location.”

Acquisitions tend to be disruptive. At LVMH, Arnault more often than not made them work, spotting family-owned European brands with potential. Sometimes they were public companies strangled by the quarterly demands of their investors. Arnault pulled them into the safe embrace of LVMH’s ample balance sheet. He bought French perfume and cosmetics brand Guerlain in 1994, ready-to-wear fashion and leather goods maker Celine in 1996 and beauty retailer Sephora in 1997—among many others. “His ambition was concentrating in his portfolio all the crown jewels of the luxury market in a variety of industries,” says Thomai Serdari, director of the Fashion & Luxury MBA at NYU’s Leonard N. Stern School of Business.



Princess Diana with a Dior purse in Argentina. PHOTOGRAPHER: TIM GRAHAM PHOTO LIBRARY/GETTY IMAGES

At Dior, Arnault decided to go after Chanel with a new upscale handbag. On a visit to Argentina in 1995, Princess Diana was photographed carrying a Dior black lambskin purse with metallic charms dangling from the straps. Arnault exploited the ensuing frenzy, renaming it Lady Dior and selling hundreds of thousands of bags. The geysers of cash put Dior on firmer financial footing and allowed Arnault to cancel its licenses with third parties that churned out products like Dior-labeled purses and dresses at discounted prices, which were diluting the brand. That let him control quality and raise prices, making his products slightly less obtainable but more desirable, and claim more profit for himself.

He also persuaded reluctant executives at Louis Vuitton, then just a bag and luggage brand, to add a ready-to-wear line, handpicking American designer Marc Jacobs to develop it. Ready-to-wear now generates 10% of sales at Vuitton, but the perpetually debuting seasonal collections, fashion shows and ad campaigns create a drumbeat of attention for the entire brand, which is now responsible for about a quarter of LVMH's overall revenue and half its profit.



Photographer Steven Meisel with Naomi Campbell and Marc Jacobs at the Louis Vuitton opening in New York in 1998. PHOTOGRAPHER: ROSE HARTMAN/ARCHIVE PHOTOS/GETTY IMAGES

In the early '90s, over the concerns of his senior executives, Arnault hired British designer John Galliano, first as creative director of Givenchy and then of Dior. "I understood the guy was incredible when I spoke to him," Arnault says. "He was in my office, hair almost to the knees, with dreadlocks. He took a block of paper and, in an hour, designed 30 or 40 dresses."

Galliano was a magnet for press and the affections of younger shoppers, with designs that mixed classic feminine elegance with avant-garde risk. "His intuition was that these ladies needed to rock a little," Antoine Arnault says of his father gambling on the erratic designer. "You could not do again what you did the season before with just a little bit different, especially not in fashion brands. These maisons needed to have a little twist."

The bet paid off until 2011, when Galliano, beset by drug problems, was fired from Dior following an antisemitic rant that was caught on video. LVMH execs still bring it up today, perhaps as a cautionary tale. "Unfortunately, he became a little crazy and said unacceptable things about Hitler," Arnault says. But the Galliano years reinforced for Arnault the potential of harnessing those few artists and celebrities who push boundaries while tapping into the zeitgeist. Rapper-songwriter Pharrell Williams, now the men's creative director of Louis Vuitton, has brought camouflaged shirts, monogrammed biker jackets and a flood of curious customers into Vuitton stores. Arnault is "clever enough to realize when someone is an extremely creative personality that you need to give the horse room to run, and then back up that talent with strong LVMH management," says architect Peter Marino, a longtime Arnault collaborator who's designed many of the company's flagship stores. "It all seems obvious, but it's really not."



Pharrell. PHOTOGRAPHER: ARNOLD JEROCKI/GETTY IMAGES

Today scores of celebrities shill for Arnault's companies. Charlize Theron, Zendaya, Natalie Portman, Anya Taylor-Joy and many others bathe their personal brands, and social media accounts, in the Arnault ethos of elegance and exclusivity. LVMH ads often strive to inject products right into the cultural bloodstream. Rafael Nadal and his longtime tennis rival Roger Federer recently climbed the snow-capped Dolomites for a Vuitton campaign. Even Mikhail Gorbachev, the last leader of the Soviet Union, once

appeared in an ad, sitting in the back of a car passing the ruins of the Berlin Wall, a monogrammed Louis Vuitton bag on the seat beside him.

ARNAULT VISITED ANOTHER COMMUNIST COUNTRY, CHINA, FOR the first time in 1992, for the opening of a Louis Vuitton store in the basement of what was then Beijing's Palace Hotel. "When I arrived, there were no cars, no buildings," he recalls. "There wasn't even hot water in the hotel." He observed that most people on the street were dressed identically in Mao suits. "I remember calling the CEO of Vuitton and saying, 'Are you sure we're going to sell something?'"

The answer was a resounding yes, which is another reason Arnault looms over the business landscape: He harnessed the world's biggest economic success story of the past 100 years. LVMH was early among its peers to obtain a retail license to own its stores in China, and it rode the country's historic economic growth and wealth creation into the subsequent demand for European luxury. It was also quick to hire Chinese musicians and actors as brand ambassadors, stage fashion shows in places like the Great Wall and absorb elements from contemporary local artists into the designs of new collections. It developed stores with local touches. The giant Louis Vuitton flagship that opened in Chengdu in 2022—the Year of the Tiger—featured a giant fabric tiger tail spiraling through the store.

China, according to an estimate by HSBC, was LVMH's second-largest country by sales last year, behind the US. There are 54 Louis Vuitton stores alone on the mainland, and 23 different LVMH brands opened 58 stores in 2023—a staggering rate of expansion. When Arnault visited the country again last year and toured stores with an entourage that included Delphine and Jean, throngs of people turned out to see him. Local social media was filled with details about what he ordered at a Cantonese restaurant in Shanghai and photos of him walking with local executives, whose own style choices were endlessly parsed. A few people asked him to bless their babies. "It was a little strange for me," he says.



The Louis Vuitton store in Chengdu, China. PHOTOGRAPHER: YUAN KEJIA/VCG/GETTY IMAGES

The rise of China wasn't the only economic force that lifted LVMH. There were more than 2,500 billionaires on Earth last year, versus 420 in 1995, according to UBS, plus scads of new millionaires. The continued enrichment of the global elite—and the widening gap between the haves and have-nots—sells a lot of pricey watches and monogrammed bags. “You have people all over the world, in countries plugging into the global economy, making a lot of money, getting significantly richer and needing reassurances that they are now in a better position,” says Luca Solca, an analyst at Bernstein. “This is the deep-seated insecurity that luxury is trying to address.”

Social media has also propelled Arnault. TikTok makeup tutorials have sent countless teenagers through the doors of the beauty retailer Sephora, LVMH's second-largest brand by sales. As for the Arnault family's own use of social media, all the children, save for Delphine, have public Instagram accounts chronicling their accomplishments, adventures and celebrity encounters. The paterfamilias, however, is reluctant. They almost persuaded him to start a Twitter account before the pandemic snuffed out the idea, Antoine says, adding that his father nevertheless “knows all the platforms by heart and uses them.”

In other words, Arnault is a lurker.

OVER THE PAST FEW YEARS, LVMH HAS DEPLOYED ALL THE moves in the Arnault playbook—combative acquisition, counterintuitive

pricing, celebrity alliances—in its takeover of the oldest and largest luxury brand in the US.

Tiffany & Co. is an American icon. Founded in 1837 as a stationery maker, it has counted nearly every US president since Lincoln as a customer. It redesigned the Great Seal of the United States, which is on the dollar bill, and its turquoise blue boxes convey a good portion of the country's engagement, wedding and anniversary gifts.

Arnault long wanted to bolster his jewelry division, one of the few weaknesses in his portfolio, and lamented the success of Cartier, owned by the Swiss luxury group Cie Financière Richemont SA. Absorbing Tiffany, an independent, public company with global reach, could help close the gap. He presented a surprise takeover offer in 2019. But after months of talks, Covid appeared, luxury sales fell, and he tried to back out of the deal.

Tiffany sued, accusing LVMH of trying to “run out the clock” on the merger agreement, according to court documents. Arnault countersued, accusing Tiffany executives of rewarding themselves with generous dividends despite the economic gloom. Like his unsolicited attempt to buy Gucci in the late '90s and Hermès in the early 2010s, the acquisition played out daily in the pages of the fashion and business press. A curious letter from the French foreign minister argued the deal would interfere with French-US trade negotiations. Observers speculated that the politically connected Arnault, close to French President Emmanuel Macron, encouraged the ministry to intervene, something LVMH denied.

**“I’m very confident about Tiffany, but it takes time.  
You cannot do things instantly, you know?”**

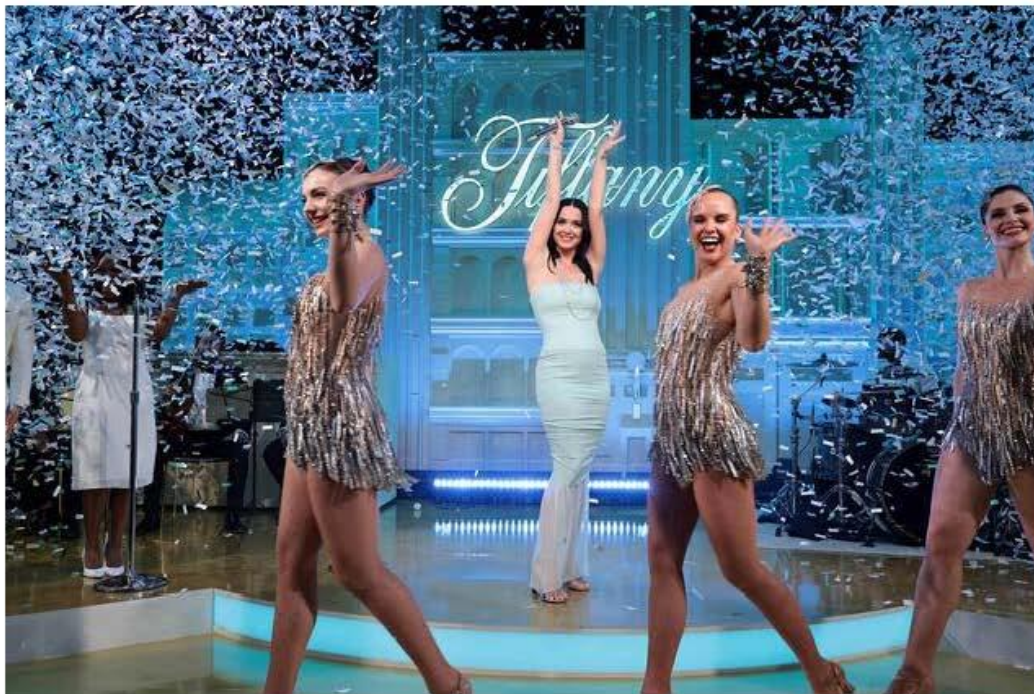
After that initial legal volley, LVMH negotiated a roughly \$425 million discount on the original price, about the amount of the dividend payments Arnault found so objectionable, while avoiding a trial. The sale was completed, and Arnault went to work.

He moved an executive from Louis Vuitton to take over as CEO and installed his son Alexandre alongside him. Alexandre hired America's first couple—that's Beyoncé and Jay-Z—for a splashy marketing campaign to revitalize the



brand's image and appeal to younger shoppers. More celebrity ads followed, with Gal Gadot, Zoë Kravitz, the Chinese actress Elaine Zhong and K-pop megastar Jimin. Before the acquisition, Tiffany couldn't have afforded such deals. Now its social media mentions soared.

LVMH also invested about \$350 million to revamp Tiffany's 10-floor New York flagship, on Fifth Avenue and 57th Street. Arnault and his family are avid art collectors, and Alexandre secured a painting by Neo-Expressionist Jean-Michel Basquiat, in a color that resembles Tiffany blue, and hung it on the ground floor. The company suggested the late street artist intended a deliberate reference to the jeweler, which many in the art world found both implausible and distasteful. The resulting controversy was covered in newspapers all over the world, including the New York Times. Arnault clearly believes that success in luxury is about drawing attention, shamelessly and repeatedly.



Katy Perry and the Rockettes at the Tiffany & Co. reopening in New York. PHOTOGRAPHER: JAMIE MCCARTHY/GETTY IMAGES FOR TIFFANY & CO

There were quieter elements of the strategy, too. LVMH plugged Tiffany into its supply chain, allowing it to step up manufacturing of high-end jewelry. The company raised prices as usual. A small pendant in the shape of a bean, a Tiffany classic, has nearly doubled in price, to \$290. The gold T wire

bracelet increased from \$2,100 to \$2,700. The company added other expensive products—more of them in gold than in cheaper silver—including complex pieces loaded with gemstones. And Tiffany hired Cartier’s longtime head jewelry designer, known for “high jewelry,” pieces priced from \$75,000 and up into the millions.

According to internal estimates shared with staff, Tiffany’s US customers now spend \$2,000 on average, versus around \$500 before the acquisition. But analysts remain divided over whether the deal can yet be declared a success. Some see higher sales, profitability and increased attention from young consumers, particularly in the US and South Korea. Others say inflation and economic fears are hurting the brand, which is still exposed to middle-class discretionary spending and is growing more slowly than its rivals Cartier and Van Cleef & Arpels. They wonder if the vaunted Arnault playbook really works with jewelry, where it’s much harder to display a logo that lets customers humblebrag.

Either way, only one opinion really matters. “What’s key is that we attract high-end consumers and sell a lot of high-end jewelry, which was not the case before we bought the company,” Arnault says. “I’m very confident about Tiffany, but it takes time. You cannot do things instantly, you know?”

**ARNAULT ONCE COMPETED ON EVEN GROUND WITH PEERS LIKE** François Pinault, Kering’s retired founder, who famously outmaneuvered him to buy Gucci 23 years ago. Their rivalry was so intense it could apparently drive Arnault to distraction. One banker who regularly played tennis with him says the only way to get him off his game for a few points was to mention the name Pinault.

#### THE BRANDS OF LVMH

By date acquired or founded by LVMH

SOURCES: BLOOMBERG, LVMH, NEWS REPORTS

Now LVMH dwarfs its peers. It had 213,000 employees at the end of last year (for contrast: Apple Inc. had about 160,000), and its market value touched €368 billion—more than seven times the size of Kering, which owns Gucci, Yves Saint Laurent and other labels, and five times the size of Richemont. Only Hermès International SCA, the French maker of the wildly popular Birkin bag, comes close to LVMH's size.

Arnault exploits this imbalance in a few ways, namely through real estate. His private equity arm, L Catterton, owns properties worth billions of dollars, including premier retail locations and office buildings in most major cities, and it's taken advantage of cheap borrowing costs to accelerate the pace of acquisitions. Last year, LVMH spent €2.45 billion on real estate acquisitions, a record for Arnault's group. He makes money from his own stores, from leasing space to rivals—and from the appreciation of premium real estate.

When LVMH buys a building, it takes the best storefronts for its own brands and often asks rivals to move out when their leases expire. Companies such as Kering and Prada have tried to keep up, buying their own properties. Kering's recent €1.3 billion building purchase in Milan, coupled with the struggles at its main label, Gucci, even hurt its credit rating. "It's just a clever way to distract competitors and make them sweat more," says Solca, the Bernstein analyst. "It's very difficult for anyone to keep pace."

Arnault has gradually become even more ambitious with real estate. In Miami, L Catterton teamed up with a developer to transform an area of empty warehouses and litter-strewn lots into a new luxury shopping neighborhood called the Design District. Arnault waded into the details, including decisions about architecture, landscaping and which tenants

could move in. With its latest project, called Royalmount, L Catterton is rehabbing a light industrial district in Montreal. A luxury retail and dining destination with various LVMH brands will anchor the \$5.1 billion development, which will be connected to a metro station by a \$37 million pedestrian walkway.

For rivals, all this creates an intolerable imbalance of power. They are either at the whim of property owners desperate to score a Dior or Vuitton store—or LVMH itself is their landlord. Either way, they're likely to get bumped from the best locations. One rival luxury brand CEO, who asked not to be identified because he works with LVMH in multiple ways, was apoplectic. "Luxury is a disaster. There is no competition. It's not a game for everyone, it's just them," this person says. "Everywhere you go, they try to kick you out."

Arnault does not have a lot of sympathy for that sentiment. "We have good and efficient competitors, and you see the result, and we have competitors that are not as good. Usually, the ones who complain are the ones who are not the best," he says. "They need excuses."

LVMH'S 2023 REVENUE

SOURCE: STIFEL ANALYST ROGERIO FUJIMORI

There are signs that governments are starting to look at consolidated power in the industry. In April the US Federal Trade Commission sued to block the acquisition of Capri, the owner of Versace and Jimmy Choo, by Tapestry, which owns Kate Spade and Coach, a downstream segment of the market known in the retail trade as "affordable luxury."

A more serious danger to Arnault's empire would be a widespread rejection of luxury—a moral shift away from ostentatious handbags, designer dresses

and hundred-thousand-dollar watches. On the afternoon after his interview with *Businessweek*, Arnault flew to Barcelona with his son Frédéric for a tour of his stores there and to mingle with celebrities like Ana de Armas and Pharrell at the Louis Vuitton Cruise fashion show in the city's famous Park Güell. A few blocks away, angry residents gathered to protest the company's use of the park, carrying signs with phrases like "your luxury is our misery." A scuffle ensued; police said seven officers were injured.

Avoiding such condemnation and fostering good will is one reason Arnault is sponsoring the Olympics. It's not altruism. LVMH is France's most visible company, and Arnault says he feels like an ambassador whenever he's abroad. LVMH brands are designing the medals, dressing French athletes for the opening ceremony and supplying Moët & Chandon at victory celebrations.

Antoine says his father was initially reluctant to write the check before warming to the idea that LVMH, the standard bearer for French culture around the world, had a responsibility to make the Games a success. Now Arnault is asking his children what events he should attend in person and apparently drawing parallels between his endurance and that of world-class competitors. "Managing a startup or even a bigger company is not very different than the life of athletes at the highest level," he says.

Arnault says he has no plans to retire and intends to keep visiting stores every Saturday as long as he can. Alexandre, who's based in New York, says his father calls him at all hours to discuss business; Antoine says flatly, "I don't think he'll ever stop." Sidney Toledano, a longtime executive, says, "I don't think it's for money. He has a responsibility now that he built something, and he wants to transmit it. The next step for him is to make the right decisions for his family and the new executives, so that LVMH will continue."



At the LVMH offices in Paris. PHOTOGRAPHER: RUVEN AFANADOR FOR BLOOMBERG BUSINESSWEEK

Speculation over the succession could last a while. Arnault himself notes that he recently raised the CEO retirement age at LVMH from 75 to 80. Afterward he got a letter from Warren Buffett, a nonagenarian, telling him he made a mistake by setting the new age limit so low. Arnault recently nominated Frédéric to be the No. 2 at one of his holding companies, which some observers interpreted as an endorsement of that son's prospects. Arnault's daughter Delphine is the only other family member on LVMH's executive committee, which suggests that Arnault is still assessing whether the rest of his offspring are truly up to the task.

And when asked if he's done buying up maisons, whether the wolf in cashmere still hunts, Arnault can't help himself. "We have ideas for the future, but obviously I cannot tell you," he answers. "We don't need to do it. But I know several brands would fit very well, and I know that the owners would be very happy."

He offers no more clues. But people familiar with LVMH's strategy say the conglomerate would definitely take a look if these companies came up for sale: Richemont, Armani or Prada, as well as watchmakers Patek Philippe and Audemars Piguet. Not that there's any indication their owners are

willing sellers now. A spokesperson for LVMH declined to comment. But Arnault has said he admires the South African billionaire Johann Rupert, who controls Richemont; and people close to Arnault say he's built a small personal stake in Richemont. In January, Arnault also publicly said that if Rupert "needs support to maintain his independence, I will be there." In other words: Let the games begin. –*With Jeannette Neumann, Natalie Wong, Daniela Wei and Shirley Zhao*

*Read more: [How to Do Succession the Right Way](#)*