



Furnishing the Future: An Analysis of the proposed Acquisition of Roche Bobois by LVMH

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Abstract

This thesis analyzes the potential acquisition of Roche Bobois by the luxury brand conglomerate LVMH. The group follows a diversification strategy and continuously seeks new opportunities both within and beyond its existing core segments.

The study examines the premium furniture market, identifying strong growth drivers and a favorable environment for future acquisitions. A closer look at LVMH reveals that some portfolio segments have recently underperformed in terms of returns and growth, justifying the potential inclusion of a new market. Roche Bobois is identified as a potential target within the luxury furniture segment due to its market position, brand recognition, and stable financials.

With a target share price of €52.8, the valuation analysis suggests Roche Bobois is slightly undervalued, making this an opportune time for LVMH to enter the luxury furniture market. Although synergies are not the primary rationale for the deal, several cost and revenue synergies are expected to materialize in the years following the transaction.

The analysis recommends offering a 36% acquisition premium to acquire Roche Bobois via an all-cash transaction. Post-acquisition, focus should shift to successful integration within the group. If integration proves effective, further acquisitions in this segment could follow, unlocking additional synergies and enhancing LVMH's portfolio.

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Resumo

Esta tese analisa a potencial aquisição da Roche Bobois pelo conglomerado de marcas de luxo LVMH. O grupo segue uma estratégia de diversificação e procura continuamente novas oportunidades, tanto dentro como fora dos seus segmentos principais actuais.

O estudo examina o mercado do mobiliário de luxo, identificando fortes factores de crescimento e um ambiente favorável a futuras aquisições. Um olhar mais atento à LVMH revela que alguns segmentos da carteira tiveram recentemente um desempenho inferior em termos de rentabilidade e crescimento, justificando a potencial inclusão de um novo mercado. A Roche Bobois é identificada como um alvo potencial no segmento do mobiliário de luxo devido à sua posição no mercado, ao reconhecimento da marca e à estabilidade das suas finanças.

Com um preço-objetivo das acções de €52,8, a análise de avaliação sugere que a Roche Bobois está ligeiramente subavaliada, o que torna este momento oportuno para a LVMH entrar no mercado do mobiliário de luxo. Embora as sinergias não sejam a principal razão para o negócio, prevê-se que várias sinergias de custos e receitas se materializem nos anos seguintes à transação.

A análise recomenda que se ofereça um prémio de aquisição de 36% para adquirir a Roche Bobois através de uma transação em numerário. Após a aquisição, a atenção deverá centrar-se numa integração bem sucedida no grupo. Se a integração se revelar eficaz, poderão seguir-se outras aquisições neste segmento, desbloqueando sinergias adicionais e melhorando a carteira da LVMH.

Título: Mobilar o futuro: Uma análise da proposta de aquisição da Roche Bobois pela LVMH

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Palavras-chave: Fusões e Aquisições, Avaliação, Diversificação, Mercado do Mobiliário de Luxo

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Abbreviations

B2B.....	Business-to-Business
B2C.....	Business-to-Consumer
BCG.....	Boston Consulting Group
bn.....	Billion
CAGR.....	Compound Annual Growth Rate
Capex.....	Capital Expenditures
CAPM.....	Capital Asset Pricing Model
CCA.....	Comparable Companies Analysis
CTA.....	Comparable Transaction Analysis
COGS	Cost of Goods Sold
COVID	Coronavirus Disease 2019
D&A	Depreciation & Amortization
DCF	Discounted Cashflow
DIO.....	Days Inventory Outstanding
DPO.....	Days Payable Outstanding
DSO.....	Days Sales Outstanding
e.g.....	exempli gratia
EBIT	Earnings before Interest & Taxes
EBITDA	Earnings before Interest, Taxes and Depreciation
EBT	Earnings before Tax
EPS	Earnings per Share
EV.....	Enterprise Value
FC	Forecast
FCFF.....	Free Cashflow to the Firm
FY.....	Financial Year
GDP.....	Gross Domestic Product
LT	Long Term
LTM	Last Twelve Months
LVMH.....	LVMH Moët Hennessy Louis Vuitton SE
m.....	Million
M&A	Mergers & Acquisitions

NOPAT.....	Net Operating Profit after TAX
NTM.....	Next Twelve Months
NWC.....	Net Working Capital
P/E.....	Price/Earnings
PPE.....	Property, Plant and Equipment
RoW.....	Rest of World
SG&A.....	Selling, General, and Administrative Expenses
SMEs.....	Small and Medium-sized Enterprises
ST.....	Short Term
US.....	United States
WACC.....	Weighted Average Cost of Capital

1. Introduction

In the dynamic landscape of the global luxury industry, leading conglomerates continuously seek new avenues for growth and diversification to sustain their competitive advantage. LVMH Moët Hennessy Louis Vuitton SE, the world's largest luxury goods group, has consistently pursued strategic acquisitions to expand its brand portfolio and reinforce its market leadership. While many of LVMH's divisions have demonstrated robust performance, recent developments – particularly within its Wines & Spirits segment – reveal emerging challenges. This division has faced stagnating growth, attributed to rising input costs and an aggressive expansion strategy that has not yielded the expected returns (Financial Times, 2025).

In light of these internal pressures, LVMH may consider expanding into adjacent sectors that offer stronger long-term growth potential. One such opportunity lies in the luxury home furnishings market. Roche Bobois, a French firm established in 1960 and known for its high-end furniture and designer collaborations, operates over 300 showrooms across 56 countries (Roche Bobois, 2025a). The company's international presence and reputation for quality products, position it as a compelling acquisition target for LVMH, especially as the home and interior sector experiences rising demand within the luxury consumer base.

This thesis investigates the strategic and financial rationale for a potential acquisition of Roche Bobois by LVMH, assessing whether such a transaction aligns with LVMH's broader diversification goals. Following the introduction, the second chapter provides a comprehensive literature review that outlines the theoretical foundations of mergers and acquisitions, as well as valuation methodologies, which serve as the analytical basis for the study. Subsequently the luxury furniture market is analyzed, identifying its key dynamics, growth prospects, and relevance within the broader luxury goods sector. Then the analysis focuses on both the target market and the two companies involved in the transaction, with the objective of identifying strategic opportunities, potential risks, and areas of complementarity. The sixth chapter presents the core valuation analysis, including both standalone valuations of each firm and a combined valuation of the post-acquisition entity, with particular emphasis on estimating the potential synergies that could be realized. Finally, the conclusion summarizes the main findings of the

thesis and delivers a well-founded recommendation regarding the strategic viability of the proposed acquisition from LVMH's perspective.

2. Literature Review

2.1 Mergers & Acquisitions

2.1.1 M&A Definition

In an increasingly globalized world, the number of mergers and acquisitions has steadily risen in recent decades (Boston Consulting Group, 2024). According to Piesse et al. (2022), a merger combines at least two firms into a new legal entity, while an acquisition occurs when one firm gains control over the majority of another. Rosenbaum and Pearl (2009) further distinguish between stock and asset sales. In stock sales, the acquirer purchases a majority of the target's shares, while in asset sales, specific assets are acquired instead.

Acquisitions are more common than mergers and often play a key role in business growth and continuity. A distinction is made between vertical and horizontal transactions, as well as conglomerates. According to DePamphilis (2018), a vertical transaction involves the acquisition of a firm within the same industry as the acquirer, often including direct competitors. In a horizontal transaction, companies from the upstream or downstream stage of the value chain are acquired. A conglomerate is a corporate that offers products or services of multiple unrelated industries (Jacoby, 1970).

2.1.2 M&A Motives & Risks

Acquisitions are driven by multiple factors, and Rabier (2017) suggests that the pursuit of synergies is a core motive. Synergies refer to the combined company generating greater profits than the sum of the individual firms (Damodaran, 2012), with examples discussed later in this thesis. Succession is another significant driver, particularly in SMEs, which dominate economies such as Germany's (Freiling & Grossmann, 2014). Many owner-managed firms encounter succession issues upon retirement, prompting acquisitions by strategic or financial investors who either provide new leadership or integrate the businesses into their operations. A further motive for an acquisition is diversification, which can be observed in conglomerates (Piesse et al., 2022). Damodaran (2012) shows that by buying a firm from a completely different business area, companies can minimize firm-specific risk. An M&A transaction can also have

a strategic background, such as the acquisition of key employees. Especially in industries where highly qualified employees are needed and these are rare, this is often a reason that contributes to the transaction (Irwin et al., 2025). However Nguyen et al. (2012) show, that an M&A transaction cannot be broken down to one motive, but there are several reasons that favor the purchase of a company.

A transaction not only presents opportunities but also carries various risks that should be assessed at each stage of the project. According to García-Nieto et al. (2024), there are three primary risks to consider when planning a deal: financial risk, which involves funding the acquisition without adequate financial metrics and potentially threatening the credit rating; operational risk, which stems from the possibility of mismanaging the acquired company; and valuation risk, referring to the danger of overpaying and facing adverse long-term consequences. During the acquisition and towards closing, it is essential to identify the right post-merger risk factors. This relates in particular to the efficient organizational integration of the acquired company, which is an important factor to realize synergies (Finkelstein and Larsson, 1999). In addition accurate financial information is also crucial at this stage, as it forms the basis for precisely calculating the earnout (Battauz et al., 2021). Accordingly, conflicts can arise between the buyer and seller due to incorrect metrics (Dahlen et al., 2024).

2.1.3 Value Creation

Alhenawi and Stilwell (2017) define value creation in M&A as occurring when the target company holds greater value as part of the acquiring firm than it did as an independent entity prior to the transaction, and emphasize the synergistic nature of value creation in M&A deals. Alexandridis et al. (2017) show that the trend of acquiring companies destroying value for their shareholders was largely reversed after 2009. Both acquisition gains and associated synergistic gains have increased, indicating overall value creation through M&A on a large scale. Synergistic effects arise when the combined value of two companies exceeds the sum of their individual values (Damodaran, 2012):

$$V(AB) > V(A) + V(B)$$

Where :

V (AB) = Value of the combined firm

V (A) = Value of the individual firm A

V (B) = Value of the individual firm B

Chaturvedi and Weigelt (2024) distinguish between revenue and cost synergies. Revenue synergies refer to the increase in a company's sales that results from a merger or acquisition. This can include strategies like product expansion through up-selling or cross-selling, where customers are encouraged to purchase higher-priced items or complementary products. Increased market share or geographical expansion would also be considered revenue synergies. On the cost side, merging several companies usually leads to savings in personnel or the combined use of production space, which in turn reduces fixed costs (*Appendix 1*).

A common perception in the past has been that corporate diversification destroys value and that conglomerates can be priced at discount. Graham et al. (2002) contradict this statement and show that diversification does not reduce the excess value of a group. Finkelstein and Larsson (1999) show that in addition to synergy potential, post-merger integration is a key success factor for M&A transactions. This becomes apparent from the fact that organizational integration was identified as the strongest predictor for the realization of synergies. The sole existence of synergy potential is therefore not enough – rather, targeted structural and procedural measures must be taken to realize these synergies. M&A transactions with a high synergy potential are significantly more successful if they are associated with intensive organizational integration. Companies that rely on weak integration after a takeover, on the other hand, can miss out on potential synergy effects.

2.1.4 Payment Methods

Company acquisitions can be executed through various payment methods, most commonly cash, stock, or a combination of both. The preferred method often depends on strategic objectives and shareholder priorities. As outlined by Rosenbaum and Pearl (2009), all-cash transactions involve the buyer purchasing shares for cash, offering simplicity in equity value calculation and greatest certainty in terms of value for all shareholders. However, they typically involve immediate tax liabilities, unlike stock-based deals where taxation occurs upon share

sale. In stock-for-stock transactions, the seller receives shares in the acquiring company. These are structured using either a fixed or floating exchange ratio. The fixed ratio – most common in practice – specifies the number of acquirer shares per target share. In contrast, a floating ratio ensures a fixed value to target shareholders by adjusting the number of acquirer shares. This method allows sellers to retain ownership in the combined entity and benefit from future growth. A hybrid structure combining cash and stock components, using either ratio format, is also possible.

When parties cannot agree on a firm valuation, an earnout mechanism may be used to complete the transaction. These help to mitigate contracting costs associated with valuation uncertainty and moral hazards in acquisitions (Cain et al., 2011) by linking part of the payment to post-acquisition performance. These contingent payments are typically tied to sales or earnings milestones achieved after the deal closes.

2.2 Firm Valuation

2.2.1 Introduction

When determining the value of a company, reference is often made to enterprise value. It corresponds to the total value of the firm, including debt lenders and other obligations (Pignataro, 2013). Essentially, it captures the full value of the company's core operations, independent of its capital structure. In practice, two main methods are generally applied to determine the enterprise value, the discounted cash flow analysis and multiples (relative valuation). An additional valuation approach is leveraged buyout modeling, however, as this method is predominantly used in private equity transactions, this paper will focus primarily on the two core valuation methods.

2.2.2 Discounted-Cashflow-Analysis

2.2.2.1 Free-Cashflow-to-Firm

The discounted cash flow analysis values a company on the basis of its future cash flows. These cash flows are forecasted over a certain period of time, discounted using the cost of capital and, together with the terminal value, form the value of the company. According to Rosenbaum and Pearl (2009), cash flows are generally projected for a period of five to ten years in order to predict an accurate company value. For mature companies, a shorter time frame is often adequate, as it typically encompasses a full business cycle and allows enough time to execute planned initiatives. For early stage targets, a longer period would be chosen to allow the target

to reach its steady state of cash flow. To calculate the enterprise value of a company, the free cash flow to the firm must be used, as this corresponds to the cash flow attributable to both shareholders and lenders. The FCFF is calculated as follows (Rosenbaum and Pearl, 2009):

$$FCFF = EBIT * (1 - tax\ rate) + D\&A - Capex - \Delta NWC$$

Where D&A are depreciation and amortization, Capex are the capital expenditures that occurred within the fiscal year, and ΔNWC is the change net working capital. These are the main components that need to be planned for the forecast period.

2.2.2.2 Weighted-Average-Cost-of-Capitalization

To determine the enterprise value using the DCF method, the projected cash flows and terminal value must be discounted back to their present value using the cost of capital. As the value of the company is calculated for both equity and debt investors, the WACC must be used, as it represents the costs of both parties (Rosenbaum and Pearl, 2009):

$$WACC = r_e * \left(\frac{E}{E + D} \right) + r_d * \left(\frac{D}{E + D} \right) * (1 - tax\ rate)$$

Where E is the market value of equity, D is the market value of debt, r_e is the cost of equity and r_d is the cost of debt.

For listed companies, the market value of equity can be calculated on a diluted basis by multiplying the number of shares outstanding with the current share price. The calculation of publicly traded debt follows a different methodology. Companies usually hold a combination of non-publicly traded bank debt and bonds. The bonds are considered the market value of debt and the non-publicly traded bank debt is considered the book value. In order to convert the book value of non-publicly traded debt into its market value, it should be treated as a coupon bond, where the coupon reflects the total interest payments on the debt and the maturity is based on the average remaining term of the debt (Damodaran, 2012).

According to Rosenbaum and Pearl (2009), the cost of equity is calculated using the Capital Asset Pricing Model (CAPM), based on Sharpe (1964):

$$CAPM: r_e = r_f + (r_m - r_f) * \beta_l$$

Where r_f is the risk-free rate, r_m is the market risk and β_l is the levered beta.

The formula implies that the cost of equity is equal to the sum of the risk-free rate of return and the market risk premium. To approximate the risk-free return, the long-term government bond of the US government, or a similar bond with virtually no risk, is used to calculate the risk-free return. The reason for making this assumption is that these bonds are backed by the government and therefore come close to a risk-free investment. The market risk premium represents the return premium that is obtained by investing in a company rather than in a risk-free bond. The premium is determined by the difference between the market return and the risk-free return, multiplied by the company-specific beta. The market return usually corresponds to the average return of the market in which the company is located. The market risk premium must then be multiplied by the company-specific beta. The levered beta represents the covariance of the company's return with the market return. Depending on whether the beta is greater or less than one (beta of the market), a company is said to be cyclical or non-cyclical (Rosenbaum and Pearl, 2009). The levered beta of a company can be determined in different approaches. For publicly listed companies, databases like Refinitiv Workspace are commonly used, as they provide pre-calculated beta values. However, in the case of private companies, betas are typically derived from comparable publicly traded peers. The levered betas of these peer companies must first be unlevered to remove the effects of their capital structures. The resulting unlevered beta is then re-levered to reflect the target company's specific capital structure, following the methodology outlined by Pignataro (2013):

$$\beta_u = \frac{\beta_l}{1 + (1 - \text{tax rate}) * \frac{D}{E}}$$

$$\beta_l = \beta_u * (1 + (1 - \text{tax rate}) * \frac{D}{E})$$

Where β_u is the unlevered beta, β_l is the levered beta, D is the market value of debt and E is the market value of equity.

The cost of debt depends on a company's default risk and is reflected in its default spread. This spread is derived from the credit rating assigned by rating agencies. Based on this, the cost of debt can be calculated as follows (Damodaran, 2012):

$$\text{Cost of debt} = \text{risk free rate} + \text{default spread}$$

The proportional borrowing costs are adjusted by multiplying them with (1 - tax rate), reflecting their tax-deductible nature (Pignataro, 2013). This tax benefit, known as the tax shield, effectively reduces the overall cost of borrowing.

2.2.2.3 Terminal Value

The WACC is used to discount the forecasted free cash flows. In addition it is necessary to calculate the value of the company for the period after the forecast horizon, as this typically accounts for a substantial amount of a company's value, sometimes as much as three-quarters or more (Rosenbaum and Pearl, 2009). Two methods are predominantly recognised for calculating the terminal value, the exit multiple and the perpetuity growth method. The exit multiple calculates the value of the company after the forecast period based on a multiple multiplied with the last forecast value of a key figure. According to Rosenbaum and Pearl (2009), the perpetuity growth method estimates terminal value by assuming that the company's free cash flow in the final projected year will continue to grow at a constant rate indefinitely:

$$\text{Terminal Value} = FCF_n * \frac{(1 + g)}{(WACC - g)}$$

Where FCF_n is the cash flow of the last forecast period and g is an assumed growth rate. The growth rate g can be based on a long-term and conservative growth rate, such as GDP growth (Pignataro, 2013).

The advantage of the DCF method is that it provides a high degree of flexibility and can be customised to the different aspects of the company. In addition, the method provides a more fundamental approach to company valuation than multiples if the forecasts about the company's financial future are correct (Rosenbaum and Pearl, 2009). As the DCF analysis is based on several assumptions, each of which can have a major influence on the final valuation of the company, sensitivity analysis is used to account for the varying nature of key assumptions. By

simulating different values for critical inputs, such as WACC, exit multiple and perpetuity growth rate, it generates a valuation range that reflects where the company's value is likely to fall with a high degree of confidence (Rosenbaum and Pearl, 2009).

2.2.3 Relative Valuation

2.2.3.1 Comparable-Companies-Analysis

In relative valuation, the value of a firm is estimated by applying valuation multiples derived from comparable companies or transactions. This involves identifying an appropriate multiple and multiplying it by the relevant financial metric. Depending on the metric used, the equity or enterprise value can be calculated. Typical multiples which lead to the enterprise value are EV/Revenue, EV/EBITDA or EV/EBIT (Rosenbaum and Pearl, 2009). This approach serves as an alternative to the DCF method and is commonly used to estimate enterprise value using a limited set of key financial metrics.

When companies are valued using multiples of comparable companies, the multiples are calculated based on listed companies. These firms should be comparable to the target company in as many aspects as possible. According to Rosenbaum and Pearl (2009), comparable aspects can, but are not limited to, industry the company works in, product or service, key company financials, location of the headquarters, and growth rates. Ideally the corporations identified should have similar profitability to the target, as multiples can vary greatly depending on margins, even for companies in the same sector. After identifying a group of comparable companies, databases can be used to calculate the multiples. Alternatively, the multiples can also be determined manually, as all the necessary financial ratios are published by the listed company. In a CCA, the analysis can be based on current, historical (LTM) or forward-looking (NTM) data. Liu et al. (2002) show that forward-looking multiples perform better than multiples based on historical data. This is also in line with practice, where multiples based on forecast ratios are also usually preferred, as the future value of the company is of relevance.

2.2.3.2 Comparable-Transaction-Analysis

Valuing companies using comparable transactions involves analyzing completed deals with similar businesses. According to Rosenbaum and Pearl (2009), it is also essential with this method that the company involved in the past transaction is as comparable as possible to the target firm in various aspects. In practice, databases such as Mergermarket, Pitchbook or Refinitiv Workspace are usually used to filter for suitable past transactions. The challenge with

this method lies in identifying a sufficient number of comparable transactions where the company's valuation is known, as the enterprise value is often not publicly disclosed (Rosenbaum and Pearl, 2009). In general, multiples based on past transactions are higher than multiples from a CCA, as a control premium is included in the enterprise value. This premium arises as, during a transaction, potential buyers drive up the price as part of a bidding process and, when acquiring an entire company, buyers are willing to pay slightly more per share than each share is actually worth in order to maintain control of the company and develop synergies (Bradley et al., 1988).

3. Luxury Furniture Segment

The following provides an industry overview of the luxury furniture sector, as it reflects the industry in which the target company operates. This overview aims to offer a solid understanding of the current state of the industry, as well as to highlight potential opportunities and risks associated with investing in a company within this sector.

3.1. Key Characteristics

The luxury furniture market distinguishes itself from the mass-market furniture sector through several key characteristics. Identifying how this segment diverges from the broader furniture market helps to clarify its strategic positioning as these points can have an influence on many aspects, such as customers, distribution channels, and prices.

A key feature of the luxury furniture market is its exceptional **craftsmanship**. Brands such as Rolf Benz, Minotti, and B&B Italia emphasize artisanal techniques, producing durable pieces that are also unique works of art. Attention to detail in joinery, upholstery, and finishing distinguishes luxury furniture from mass-market alternatives. **High-quality materials** are another hallmark of luxury furniture. Finest woods, metals, leathers, fabrics, are commonly found in luxury collections. These materials not only contribute to the visual appeal of the pieces but also enhance their longevity and value (Research and Markets, 2024). **Design and aesthetic appeal** are also central to the luxury furniture market, with many pieces created by renowned designers or brands like Poltrona Frau, Poliform, and Boca do Lobo. These designs reflect contemporary interior trends or reinterpret classic styles. Many companies in the industry have in-house design teams, however, it is also common for these teams to collaborate

with external designers on specific pieces or entire collections. Another defining aspect is **exclusivity and customization**. Luxury furniture is rarely mass-produced. Many brands as e.g. Roche Bobois offer bespoke services, allowing clients to personalize furniture pieces in terms of size, material, color, and finishes. This customization ensures that customers receive unique items that fit perfectly into their specific environments and reflect their individual taste. **Brand prestige and heritage** play a crucial role in consumer decision-making within the luxury market as a strong brand heritage positively impacts brand equity and contributes significantly to a brand’s success in this sector (Wuestfeld et al., 2012).

3.2 Market Overview

As of 2022, the global luxury furniture market was valued at \$31.9 billion, representing only a small portion of the total furniture market (Technavio, 2022). It is projected to grow at a compound annual growth rate (CAGR) of 5.2% from 2022 to 2027, driven by factors such as rising disposable incomes, increasing urbanization, and a growing consumer preference for durable, long-lasting products. Europe held the largest market share in 2022, accounting for 39%, followed by North America at 26% and the Asia-Pacific region at 23% (Figure 1).

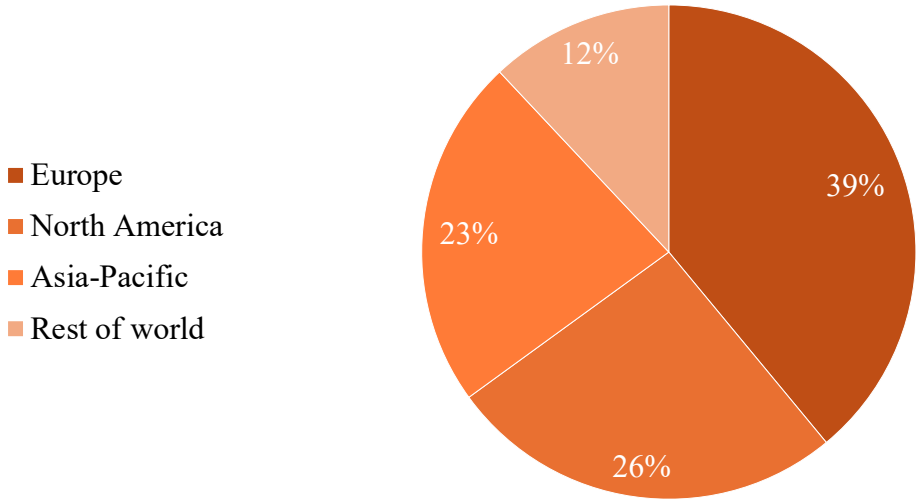


Figure 1: Luxury furniture market share by region 2022

Source: Technavio, 2022

The distribution channels in the luxury furniture market are pivotal in shaping consumer experiences and influencing purchasing decisions. Primarily, these channels are categorized into offline and online platforms. Offline channels have traditionally dominated the luxury

furniture market and accounted for approximately 77% of the market share in 2022 (Technavio, 2022). This preference is largely due to the tangible experience they offer; consumers can physically interact with products, assessing quality, craftsmanship, and comfort before making a purchase. High-end showrooms, exclusive boutiques, and luxury department stores are typical examples of offline channels that provide personalized services, fostering trust and enhancing the overall shopping experience. However, online channels have been steadily gaining momentum. In 2022, online platforms generated around 23% of total market revenues (Technavio, 2022), supported by innovations such as virtual showrooms and augmented reality features that simulate the in-store shopping experience. This digital transformation caters to a tech-savvy clientele seeking efficiency without compromising on luxury (Custom Market Insights, 2025).

The global luxury furniture market serves two main end-user segments: residential consumers and commercial enterprises, each with distinct purchasing behaviors and design needs. The residential sector dominates the market, accounting for approximately 76% of global revenue in 2022 (Technavio, 2022), driven by consumer demand for personalized and aesthetically refined living spaces. Homeowners typically seek furniture that expresses individuality, lifestyle, and an appreciation for design and craftsmanship. The commercial segment, representing 24% of the market, includes luxury hotels, boutique resorts, upscale restaurants, private clubs, and high-end corporate offices. These clients prioritize sophisticated furnishings to enhance guest experiences and project exclusivity and status. For instance, the hospitality industry emphasizes premium aesthetics and comfort in guest-facing spaces, while corporate clients outfit executive areas with custom-designed furniture to reinforce brand image (KBV Research, 2024). Companies like B&B Italia have furnished numerous prestigious spaces, including offices for Goldman Sachs, Deloitte, and Accenture, as well as luxury hotels from groups such as Four Seasons and Kempinski (B&B Italia, 2025).

3.3 Competitive Landscape

The luxury furniture market is fragmented, with most players having their roots in Europe and the United States (Roche Bobois, 2025a). Roche Bobois faces competition across these same regions, including US-based companies such as MillerKnoll and Restoration Hardware, as well as European brands like Minotti, the Molteni Group, and B&B Italia (*Appendix 2*). A defining feature of this fragmented market is the large number of small to medium-sized enterprises. In

fact, only two competitors can be identified with annual revenues exceeding €1 billion. At the same time these are the only competitors based in the United States and, along with Roche Bobois, publicly listed on the stock exchange. This highlights a key characteristic of the market being predominantly shaped by mid-sized European companies that are privately held. Most other competitors generate less revenue than Roche Bobois. Nearly all major competitors operate internationally rather than focusing solely on domestic markets. Distribution strategies across the industry are similar, with products sold through both company-owned stores and third-party retailers or franchisees, allowing for global reach without the need for extensive direct retail expansion. Roche Bobois ranks among the highest-revenue luxury furniture brands in Europe. It is the only publicly listed company in its revenue range within this segment, granting it direct access to capital markets. Its online sales platform further enhances its international presence and competitiveness, particularly in an increasingly digitalized market.

3.4 Market Dynamics

The global luxury furniture market is experiencing strong growth, driven by increasing global wealth, shifting consumer preferences, and urbanization. UBS (2024) projects a continuing rise in millionaire households across most markets, with particularly high growth in the Asia-Pacific region. This expansion of affluent consumer classes is significantly fueling demand for premium furniture (Roche Bobois, 2024). Urbanization is another key growth driver, with BCG (2023) projecting that 70% of the global population will live in cities by 2050, thereby increasing demand for furniture through urban expansion and real estate development (Roche Bobois, 2024). Consumers increasingly favor furniture that combines sophisticated design with durable, high-quality materials – reflecting a shift toward sustainability, longevity, and value. Premium furniture is thus viewed not only as a style choice but also as a responsible investment (Persistence Market Research, 2025). The high-end furniture sector is also benefiting from the expansion of retail and distribution networks in emerging economies. In China, for example, a growing number of retailers are offering premium and ultra-premium products, helping to educate the market while building retail infrastructures to meet the rising demand for luxury furniture in these regions (Roche Bobois, 2024).

Alongside positive developments, the luxury furniture market faces challenges, particularly amid current economic uncertainty, which leads households to reduce non-essential spending like purchases of luxury furniture. Elevated interest rates in Europe and North America, coupled with rising energy prices, have negatively impacted consumer confidence and purchasing power, weakening demand for luxury goods. Additionally, increased production costs driven by volatile energy markets and higher labor expenses are placing further pressure on the sector. Since the onset of the Ukraine conflict in 2022, energy-intensive suppliers, especially in Italy and Portugal, have been affected by fluctuations in electricity and gas prices, impacting raw materials such as glass, ceramics, and surface treatments. Furniture retailers also face higher energy costs for heating and cooling, reducing store profitability. At the same time, rising wages in key production countries, driven by inflation and policy changes, such as Portugal’s minimum wage increase in January 2025, are also pushing up production costs. These trends are expected to continue in 2025, further contributing to product price increases. Future supply shortages or sustained high raw material costs, due to geopolitical events or resource depletion, could lead to longer delivery times and persistently higher product prices for companies in the luxury furniture segment (Roche Bobois, 2024).

3.5 Market Outlook

With worldwide sales reaching \$31.9 billion, the luxury furniture segment is projected to grow at an average annual rate of 5.2% between 2022 and 2027. Specifically, it is expected to grow by 4.7% from 2022 to 2023, followed by a higher annual growth rate of 5.7% from 2023 to 2027, ultimately reaching \$41.1 billion (Figure 2).

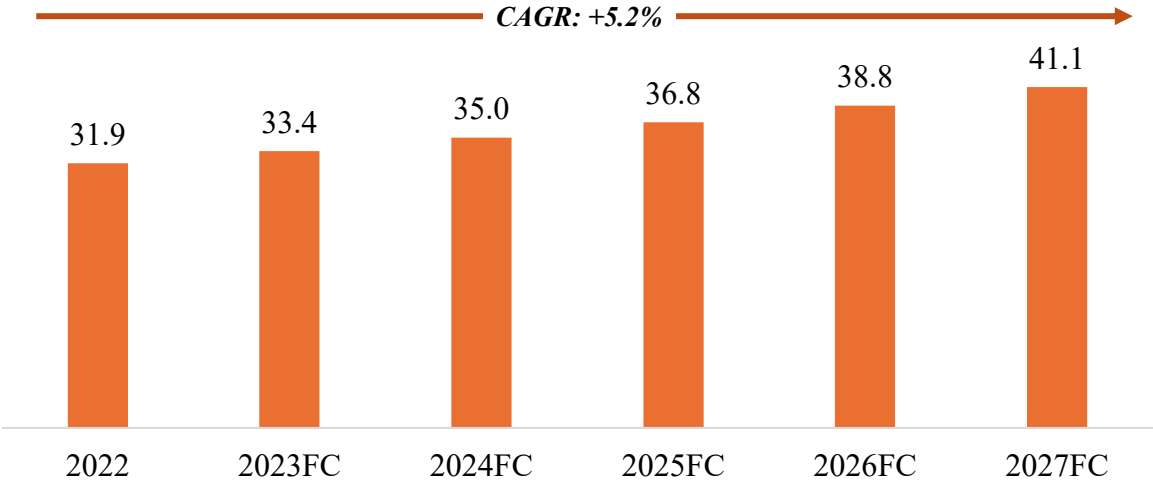


Figure 2: Luxury furniture market size forecast 2022 – 2027 (in \$bn)

Source: Technavio, 2022

Within this premium segment, 76% of sales in 2022 came from the B2C market, while the remaining 24% were generated by the B2B segment, which includes office furniture, contract projects, hospitality, and the restaurant sector. The B2C segment is expected to experience the fastest annual growth, with an estimated rate of 5.4% per year between 2022 and 2027. As a result, it is projected to contribute 79% of the total growth in the premium market over this period (Technavio, 2022). Another point to consider is that the online share of sales, projected at \$10.7 billion in 2027, remains smaller than the offline share at \$30.4 billion. However, it is expected to grow at a significantly higher annual rate of 7.9% over the forecast period (Figure 3). This underscores the growing importance of having a strong online presence in today’s increasingly digital world.

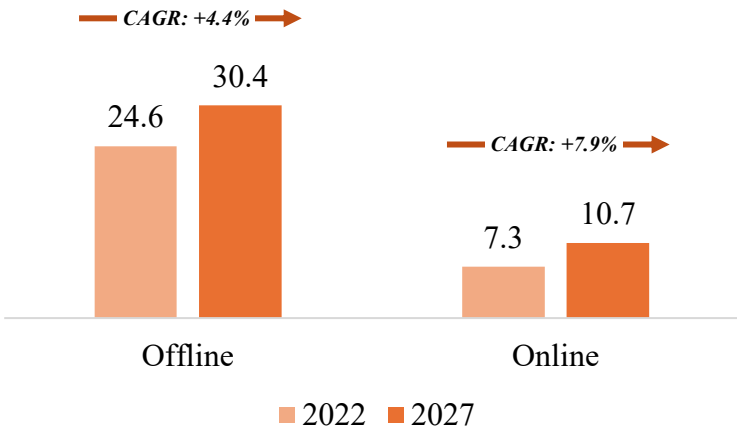


Figure 3: Luxury furniture revenue by distribution channel forecast (in \$bn)

Source: Technavio, 2022

4. Buyer and Target Profile

4.1. LVMH Company Profile

LVMH Moët Hennessy Louis Vuitton SE is the world’s leading luxury goods conglomerate, headquartered in Paris, France. The company was established in 1987 through the merger of fashion house Louis Vuitton and beverage producer Moët Hennessy. Today, LVMH owns a portfolio of 75 prestigious brands, known as "Maisons," spanning a broad array of luxury sectors including fashion, cosmetics, perfumes, watches, jewelry, wines, spirits, selective retailing, and hospitality. As of 2024, LVMH employs over 215,000 people globally and operates in 81 countries with more than 6,300 stores, many of which are self-owned, as LVMH does not often work with franchise (LVMH, 2025a). LVMH's ascent to the top of the luxury

industry has been marked by strategic acquisitions and a strong commitment to craftsmanship, innovation, and brand identity. Since it was established, the group acquired over 30 companies. Notable acquisitions include Givenchy, Fendi, Sephora, Bulgari, Belmond, Rimowa and more recently, Tiffany & Co., which joined the group in 2021.

LVMH operates through five primary business segments, each housing a diverse set of globally recognized Maisons. These segments form the backbone of the group’s value creation and reflect the company's commitment to craftsmanship, innovation, and heritage. In 2024, these business groups collectively generated €84.7 billion in revenue, with varying degrees of contribution and profitability (LVMH, 2025a).

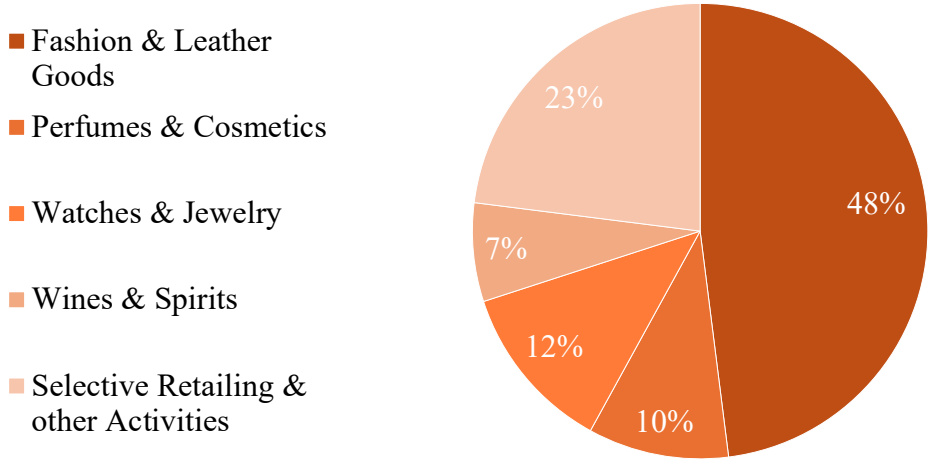


Figure 4: LVMH revenue by segment in 2024
Source: LVMH (2025a)

Fashion & Leather Goods

Fashion & Leather Goods is LVMH’s most significant division, generating €41.1 billion in revenue in 2024, which equates to around 48% of the group's total sales (Figure 4) . The segment's operating margin is a standout at 37.1%, underlining its central role in driving profitability. This group includes the iconic Louis Vuitton, Dior, Fendi, Loewe, Celine, Givenchy, and other. Louis Vuitton remains the world’s most valuable luxury brand, renowned for its timeless monogram canvas and leather craftsmanship (Kantar Brandz, 2024). The strength of this division lies in its unmatched brand equity, vertical integration, and creative renewal (LVMH, 2025a).

Selective Retailing

The second-largest business group, Selective Retailing, accounted for approximately 23% of group revenue. This segment includes Sephora – the world’s leading beauty retailer – DFS Group, and Le Bon Marché, the Parisian department store. Sephora has experienced significant growth, partly by consolidating its leadership position in North America, its largest market. In contrast, DFS has faced challenges due to the economic slowdown and its resulting impact on customer buying behavior. Nonetheless, LVMH continues to invest in this segment, including digital transformation, geographic expansion, and experiential retail concepts (LVMH, 2025a).

Watches & Jewelry

With €10.6 billion in revenue, or approximately 12% of group sales in 2024, the Watches & Jewelry segment has seen substantial growth, notably after the acquisition of Tiffany & Co. in 2021. Other key Maisons include Bulgari, TAG Heuer, Hublot and Zenith. This segment remains resilient, supported by strong brand identities and continued investment in innovation, expansion of retail networks, and partnerships with artists. Tiffany’s flagship store in New York, “The Landmark,” was revitalized in 2024 and is now positioned as the world’s leading luxury goods store, reaffirming LVMH’s ambitions in the American jewelry market (LVMH, 2025a).

Perfumes & Cosmetics

Contributing €8.4 billion in revenue, this segment combines strong heritage with contemporary innovation. Maisons include Parfums Christian Dior, Guerlain, Acqua di Parma, and Fenty Beauty by Rihanna, among others. Dior’s Sauvage is consistently dominating the worldwide fragrances market. The segment also focuses on ethical formulations and sustainability, with brands like Parfums Christian Dior, Givenchy and Kenzo launching a joint program aimed at reducing the environmental impact of the beet crops in France that are used to produce alcohol for perfume-making (LVMH, 2025a).

Wines & Spirits

Although the smallest in terms of revenue, the Wines & Spirits division remains vital to LVMH’s luxury ethos. It includes brands like Moët & Chandon, Hennessy, Dom Pérignon, and Veuve Clicquot. Hennessy continues to be the global leader in cognac (Drinks International, 2024), performing particularly strong in US and Chinese markets. However, this segment has

recently experienced stagnating growth, primarily due to rising input costs and an aggressive expansion strategy that has not delivered the anticipated returns. This resulted in a 36% year-over-year decline in operating profit for the segment (LVMH, 2025a).

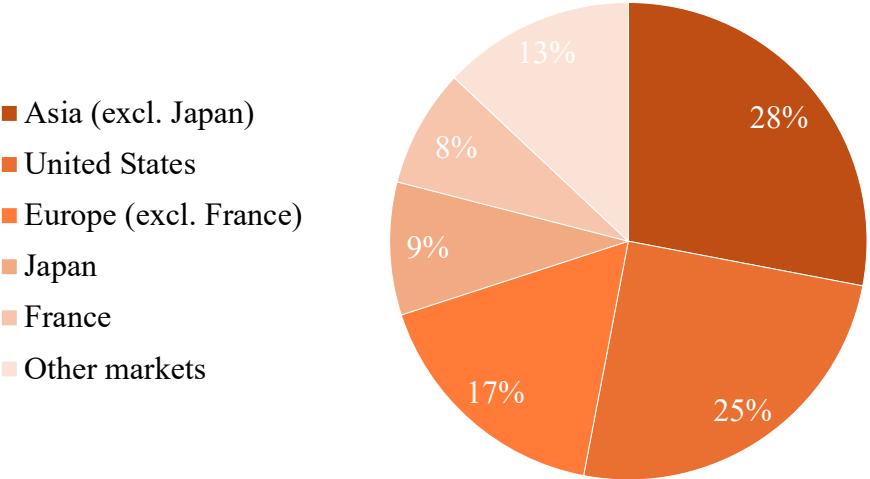


Figure 5: LVMH revenue by region in 2024

Source: LVMH (2025a)

LVMH’s success as the world’s leading luxury conglomerate is not only driven by its portfolio of powerful brands but also by its highly strategic and balanced global presence. The group’s revenue distribution and extensive retail network reflect a deliberate geographic diversification, enabling it to weather regional economic fluctuations and remain close to its customer base. As of December 31, 2024, LVMH operated a global network of 6,307 stores across 81 countries, staffed by over 215,000 employees of more than 190 nationalities. This retail infrastructure is integral to the group’s vertical integration strategy, offering full control over the customer experience from design to point of sale (LVMH, 2025a).

According to Figure 5, Asia (excluding Japan) continued to be LVMH’s largest market, generating €23.2 billion or 28% of total revenue in 2024. This region also accounted for the highest number of stores, with 2,019 boutiques and 48,719 employees. The Asian market is particularly vital for the Fashion & Leather Goods and Watches & Jewelry segments, driven by strong consumer demand. Notably, LVMH has invested in exhibitions and luxury store expansions across key cities such as Shanghai and Seoul (LVMH, 2025a). The United States represented LVMH’s second-largest market, contributing €21.6 billion or 25% of total revenue. The group operated 1,193 stores in the US employing around 44,870 people. This market has

shown strong performance, driven in part by the success of Sephora and Tiffany. Europe (excluding France) accounted for 17% of the total revenue. The region hosted 1,254 stores and 48,736 employees. Countries like France, Italy, the United Kingdom, and Germany remain important markets, especially for heritage brands such as Fendi, Loewe, and Bulgari. Besides domestic luxury consumption, France benefits from global tourism, which resumed strongly in 2024, particularly in Paris. The group leveraged this with strategic investments in historical locations like La Samaritaine and Dior’s 30 Avenue Montaigne flagship. The presence in France is additionally supported by selective retailing via e.g. Le Bon Marché in Paris (LVMH, 2025a).

LVMH’s strategic geographic spread and strong retail presence form the foundation of its resilience and global dominance. This integrated approach ensures that the group can serve a diverse clientele while responding to regional trends and market dynamics.

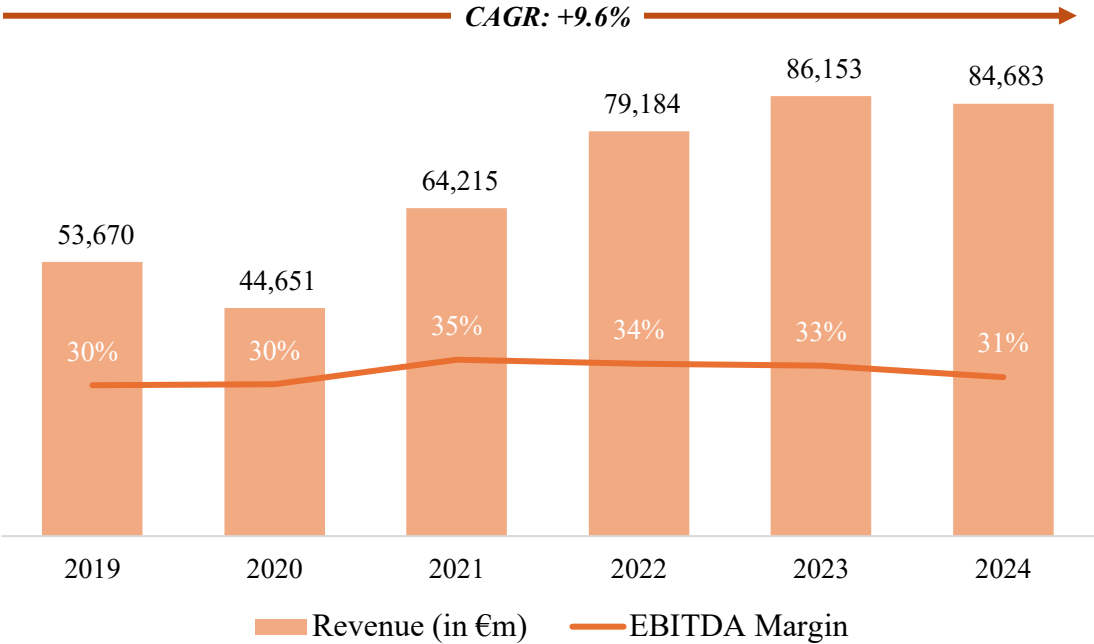


Figure 6: LVMH key financials 2019 – 2024

Source: LVMH (2025a)

Over the past few years, LVMH has experienced significant growth and made a strong recovery from the pandemic-related downturn in 2020 (Figure 6). In the years that followed, both revenue and EBITDA margin increased substantially. This was driven in part by accumulated consumer demand following lockdowns, a low-interest rate environment, and other factors that boosted consumer spending. However, in 2024, both revenue and margin saw a slight decline. LVMH attributed this to persistent geopolitical tensions throughout the year and unfavorable

exchange rates that negatively impacted both revenue and profitability. This normalization in consumer demand also affected other companies in the luxury sector, e.g. Kering reported a 12% year-over-year drop in revenue. Nevertheless, LVMH achieved a CAGR of 9.6% in revenue over the past several years, which is strong compared to similar companies of this size. The company stands out for its strong profitability, particularly in contrast to the industry median (*Appendix 3*). Furthermore, LVMH exhibits a relatively low debt-to-equity ratio of 0.6, which underscores its prudent financial management and highlights the sustainability of its business model.

LVMH’s strong performance in terms of both revenue growth and profitability has also been reflected in its share price. Over the past several years, the company’s stock has more than tripled at times and currently trades at approximately twice the value it held at the end of 2018. In recent months, however, the share price has declined by approximately 20%, largely due to slowing market demand and resulting pressure on profit margins. Nevertheless, LVMH has consistently outperformed the broader market over the long term, as illustrated in *Figure 7*, where the Global Luxury Goods Index has been indexed against LVMH’s share price for comparative purposes.

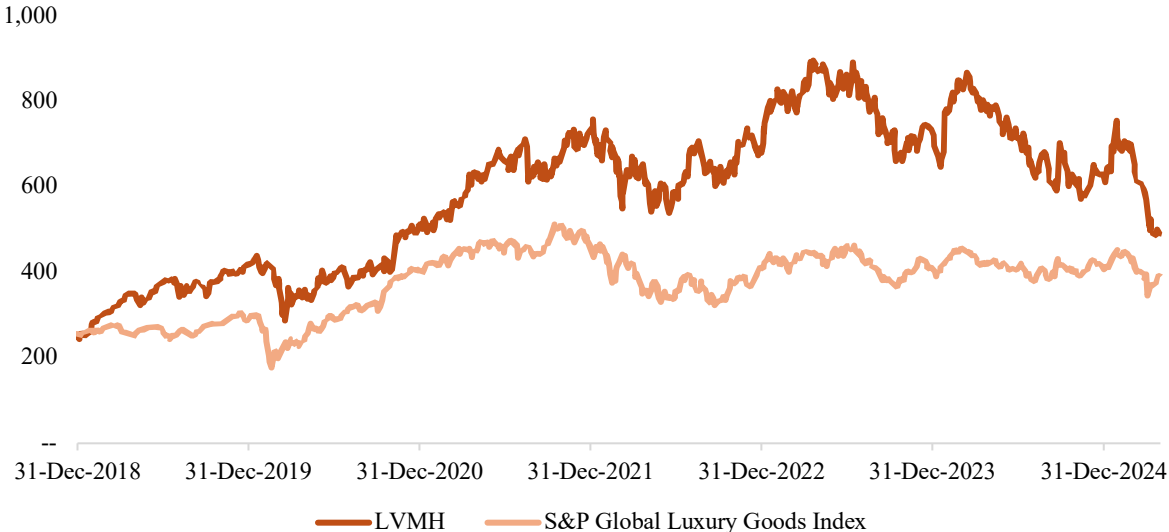


Figure 7: LVMH stock price performance (in €)

Source: Refinitiv Workspace

LVMH is listed on Euronext Paris and had a market capitalization of €318 billion as of December 31, 2024, making it the largest publicly traded company on the exchange. As of the same date, there were 500,341,700 shares outstanding. As shown in *Figure 8*, the

shareholder structure is primarily composed of the Arnault family and institutional investors. However, in terms of voting rights, the Arnault family maintains a controlling majority with 64.8%. Moody's has assigned LVMH a credit rating of Aa3, while S&P has rated the conglomerate AA-. These strong investment-grade ratings make LVMH an attractive option for a wide range of investors.

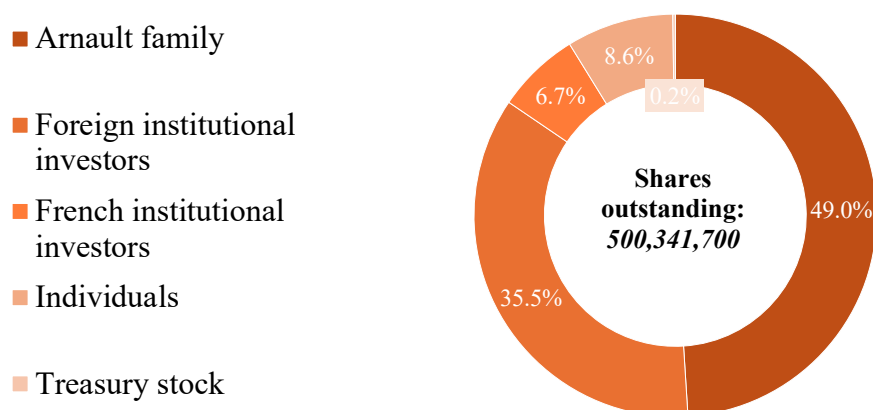


Figure 8: LVMH shareholder structure as of 31.12.2024

Source: LVMH (2025a)

4.2 Roche Bobois Company Profile

Founded in 1960 by the Roche and Chouchan families, Roche Bobois Group has become a globally recognized player in the premium furniture industry. The company operates two complementary brands: Roche Bobois, an international leader in high-end, design-forward furniture, and Cuir Center, a French brand focused on mid-range sofas and seating solutions. In 2024, the group achieved a total revenue of €414.0 million, with around €368.9 million generated by the Roche Bobois brand, the group's main value driver, and €41.3 million by Cuir Center (*Appendix 4*). This performance was delivered through a network of 339 stores in 56 countries. Over the past four years, Roche Bobois has significantly increased its revenue, from approximately €266 million to over €400 million, representing a CAGR of 11.6% (*Figure 9*). This growth has been driven not only by favorable macroeconomic conditions but also by the brand's successful expansion, particularly in North America and China. During this period, the EBITDA margin remained relatively stable at around 20%. However, like many other luxury brands, Roche Bobois experienced a slight decline in revenue in 2024. The EBITDA margin

also saw a modest decline that year, primarily due to the gradual ramp-up in profitability of newly opened or recently integrated stores (Roche Bobois, 2025b).

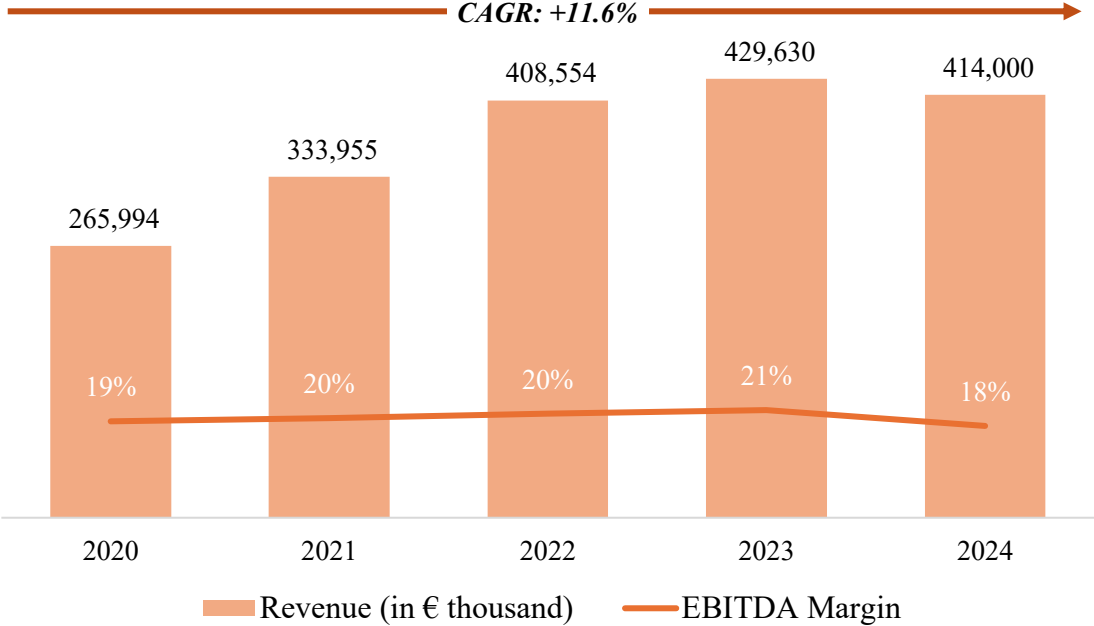


Figure 9: Roche Bobois key financials 2020 – 2024

Source: Roche Bobois (2024, 2025a)

The US and Canada now represent Roche Bobois' largest market in terms of both revenue and EBITDA. This is followed by a strong presence in Europe, particularly in its home market of France, which alone contributes approximately one-third of the group's total revenue (Figure 10).

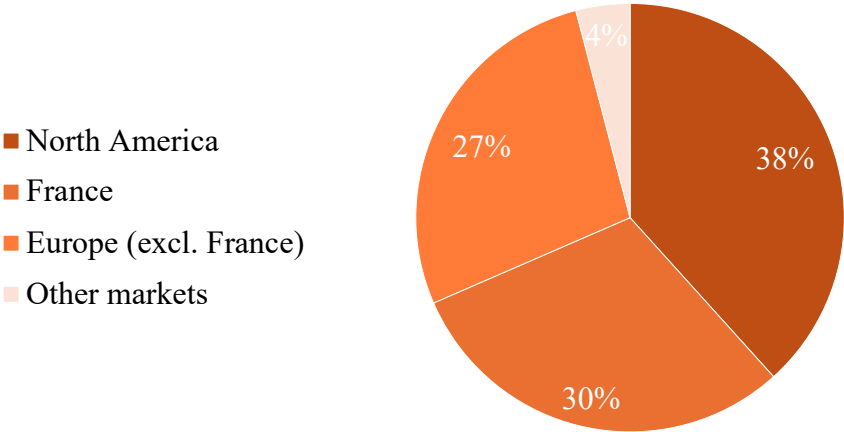


Figure 10: Roche Bobois (excl. Cuir Centre and other) revenue by region in 2024

Source: Roche Bobois (2025a)

The Roche Bobois brand operates a network of 266 stores, including 75 in France and 191 in international markets (Table 1). In France, the brand maintains a strong retail presence, with the majority of locations being company-owned. Franchise stores are primarily used to expand the brand’s reach beyond its geographic and product-focused core markets. Notably, around 65% of these franchise stores are located outside the key regions of Europe and North America. Additionally, Cuir Center, which is not part of the group’s core business, also distributes its products predominantly through franchise stores. In total, 44% of the group’s stores are company-operated, while 56% are franchised. Despite being fewer in number, company-owned stores generated 61% of total revenue, reflecting their higher average sales volumes compared to franchised locations.

Store network	Own stores	Franchise	Total
France	46	29	75
North America	41	3	44
Europe (excl. France)	37	17	54
Other markets	3	90	93
Total Roche Bobois	127	139	266
Cuir Centre	22	51	73
Total	149	190	339

Table 1: Roche Bobois network of stores as of 31.12.2024

Source: Roche Bobois (2025a)

In addition to physical stores, Roche Bobois operates an online platform featuring over 1,400 furniture items and 1,220 accessories. While full online purchases are possible, the company adopts a 'drive-to-store' strategy. This model allows customers to configure products online but encourages them to finalize their purchase in-store in order to benefit from personalized consultation (Roche Bobois, 2024).

The product range includes sofas, armchairs, tables, beds, wardrobes, and outdoor furniture, with prices typically between €1,500 and €20,000. Historically, the average basket size was approximately €4,900. Over the decades, Roche Bobois has developed a distinctive offering in the premium furniture space partnering with renowned designers such as Sacha Lakic, Jean Paul Gaultier, Marcel Wanders, and Ora Ito (Roche Bobois, 2024).

As Roche Bobois outsources its manufacturing, the company relies on a strong and well-established network of external producers. In case of the Roche Bobois brand products, all of

these manufacturers are located in Europe. Approximately three-quarters of the production volume is supplied by producers in Italy, while the remaining products come from manufacturers in France, Portugal, Sweden, Spain, and Belgium. While accounting for more than half of the production volume of its partner manufacturers on average, Roche Bobois maintains low dependency on any single supplier. Many manufacturing relationships span over 25 years, reflecting both the quality and trust that underpin these partnerships (Roche Bobois, 2024).

The Roche Bobois group operates much of its international store network through a franchising model, which is central to its global expansion strategy. Independent franchisees operate under the Roche Bobois or Cuir Center banners through formal agreements that grant them rights to sell branded products, access proprietary tools and services, and participate in the group's marketing initiatives. In return, they benefit from strong brand recognition, structured support, and a performance-focused business model. Franchise contracts typically span three years with automatic renewals unless terminated with one year's notice. Each agreement includes exclusive territorial rights, varying in size. Franchisees pay monthly royalties based on net order volume – rates differ by country and contract duration – and contribute to a joint advertising fund. Combined, these payments represent roughly 5% of their net sales. Franchisees must follow strict brand and operational standards, including exclusive sale of group collections, procurement from approved suppliers, and consistent store presentation. Non-compliance may result in contract termination. This model ensures brand consistency, operational control, and premium customer experience (Roche Bobois, 2024).

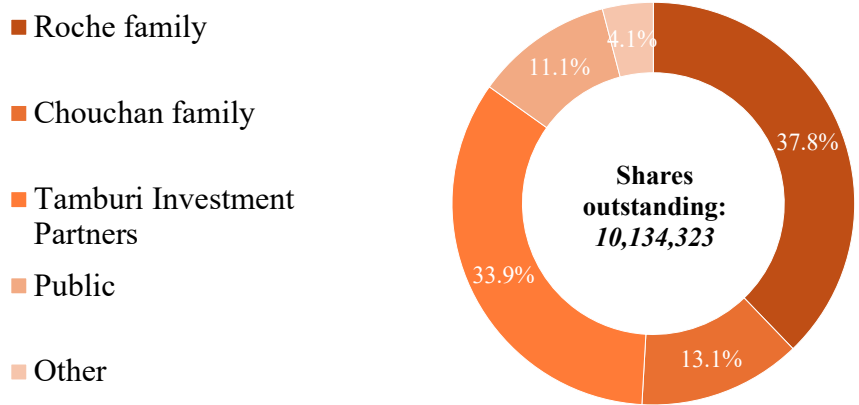


Figure 11: Roche Bobois shareholder structure as of 31.12.2024

Source: Roche Bobois, 2025

Roche Bobois has been listed on Euronext Paris since July 11, 2018, and has a market capitalization of approximately €375 million as of April 23, 2025. The company has a total of 10,134,323 shares outstanding. Roughly one-third of these shares are held by Tamburi Investment Partners, through a subsidiary (TXR S.r.l.). Tamburi Investment Partners is a Milan-based private equity firm specializing in minority investments in public and listed European companies. Around 50% of the shares are held by the Roche and Chouchan families, descendants of the two founders of Roche Bobois and around 11% of the shares are publicly traded (Figure 11).

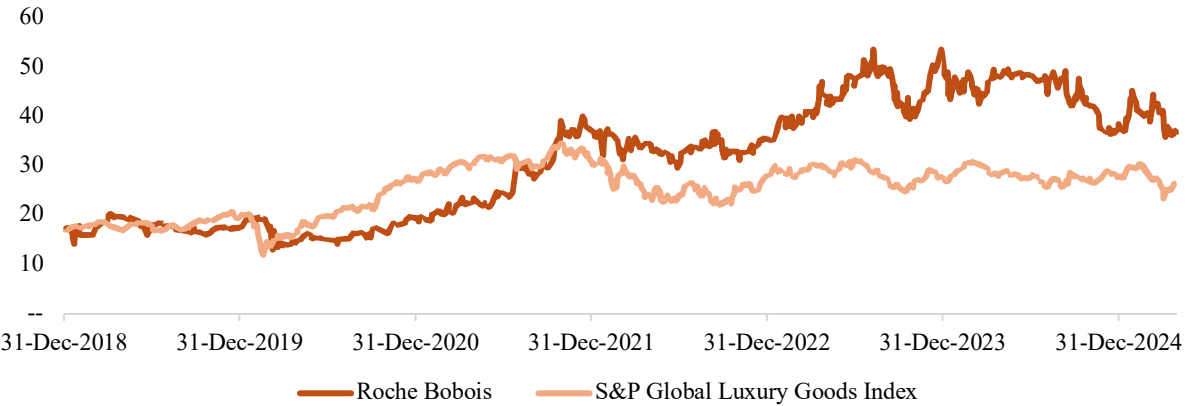


Figure 12: Roche Bobois stock price performance (in €)

Source: Refinitiv Workspace

A comparison with the broader market shows that Roche Bobois performed in line with market benchmarks up until the end of 2021. However, over the past three years, the company has clearly outperformed the market (*Figure 12*). As of today, its share price is approximately twice as high as it was at the end of 2018. This upward trajectory may be attributed to its successful geographical expansion and a significant increase in net margin, particularly between 2021 and 2023 (*Appendix 5*). Furthermore, Roche Bobois has consistently maintained stable liquidity ratios over the years, which reflects the company's strong financial foundation and operational resilience.

5. Deal Rationale

LVMH is a globally diversified luxury conglomerate operating across five key sectors: Fashion & Leather Goods, Wines & Spirits, Watches & Jewelry, Perfumes & Cosmetics, and Selective Retailing. Its strategy centers on diversification within the luxury market. However, underperformance in segments such as Wines & Spirits supports the case for expansion into new areas. The acquisition of the luxury hotel group Belmond in 2019 illustrates LVMH's ongoing efforts to expand beyond its traditional core sectors. Over time, the company has also begun to take initial steps into the luxury furniture market, for instance through ventures like Fendi Casa.

As outlined in section 3, the luxury furniture market is highly attractive and expected to grow in importance. Within this context, Roche Bobois represents an ideal entry point for LVMH into the high-end interior design segment. The company combines strong brand recognition, a broad international footprint, and a solid financial foundation. Acquiring Roche Bobois would provide LVMH with a strategic platform to establish a new business pillar aligned with its high-end clientele and ongoing **diversification strategy**, thereby offsetting underperformance in certain existing segments. As a mid-sized firm, Roche Bobois would be relatively straightforward to integrate and would allow LVMH to gain initial exposure and assess long-term opportunities in the luxury furniture segment. In the long-term the market also holds further acquisition potential, with several publicly and privately held firms presenting future targets that could enhance strategic and operational synergies. Moreover, as a French family-

owned business, Roche Bobois embodies the heritage and values that align closely with LVMH's brand philosophy, making it a culturally and strategically fitting addition to the group.

Given the strategic nature of the transaction, the realization of **synergies** is anticipated – particularly through value creation from cross-selling opportunities, such as the integration of Roche Bobois products into LVMH hotels and boutiques, as well as through cost and revenue synergies resulting from shared logistics and administrative infrastructure. Roche Bobois is currently at a critical juncture, with ambitions to accelerate its global expansion. LVMH's extensive expertise in international growth strategies could play a pivotal role in supporting this next phase, particularly in Asia, where Roche Bobois has limited market penetration, while LVMH holds a well-established presence.

The composition of Roche Bobois's ownership structure would allow for a full acquisition by LVMH. The company is currently held by a mix of private individuals and public investors. In addition, a private equity fund has owned approximately one-third of the company's shares since 2018 and may view the proposed transaction as a viable exit opportunity. Therefore, it is recommended that LVMH pursue the acquisition of 100% of Roche Bobois's shares, effective January 1, 2026.

6. Valuation

This chapter first presents a standalone valuation of both the buyer, LVMH, and the target, Roche Bobois, as of the anticipated acquisition date January 1, 2026, using the valuation methodologies outlined in section 2.2. In the following step, the value of the combined entity post-acquisition is assessed. This includes two scenarios: one without synergies and one incorporating synergies, with a detailed explanation of the underlying synergy assumptions.

6.1 LVMH Valuation

6.1.1 DCF Analysis

The DCF analysis is based on a company's projected future cash flows. Accordingly, the three main financial statements of LVMH were forecasted (*Appendix 6 – 8*). Given that LVMH is a

mature company, a standard five-year forecast period was used. The projections are based on several key assumptions, which are described and explained in the following section.

Due to LVMH's diversified product portfolio, the revenue forecast was broken down into its five main product segments (*Appendix 9*). Historical financial statements (*Appendix 10 – 12*) and current market expectations were analyzed to derive future growth. For the conglomerate's largest segment, Fashion & Leather Goods market growth is forecasted at 3.1% – 4.5% (Statista, 2025a and Statista, 2025b). However, Louis Vuitton's strong global brand equity and pricing power have historically driven above-market growth. With recurring buyers drawn to the company, revenue volatility is assumed to be limited, despite a shift in customer behavior (LVMH, 2025a). Accordingly, a growth rate nearly double the market average was assumed, yet remaining conservative relative to past performance.

In the Perfumes & Cosmetics segment, LVMH's growth is expected to be in line with the broader market. This is due to comparatively lower brand equity in some of its brands and is consistent with the segment's historical revenue growth trends (Statista, 2025e). LVMH has seen significant historical revenue growth in its Watches & Jewelry segment, primarily driven by the acquisition and successful integration of Tiffany & Co. in 2021. While the growth rate has moderated since then, it still outpaces the overall market. With Tiffany holding a strong position in North America and Bulgari in Asia, the segment is expected to grow slightly above the market at an estimated rate of 6.3% (Statista, 2025f). The Wines & Spirits segment is expected to grow 1.7% – 2.4% annually (Statista, 2025c and Statista, 2025d). Given LVMH's premium positioning and brand strength in premium niches, slight outperformance is projected. The Selective Retailing segment, which was heavily impacted by COVID, is now expected to rebound. This recovery is supported by increased consumer activity and LVMH's strategic investments in this area, including geographic expansion and experiential retail concepts. As a result, this segment is projected to grow at approximately 4.3% over the coming years. Combining these assumptions, LVMH's total revenue is expected to grow at an average annual rate of 5.3% over the next five years.

Operating expenses were projected based on historical margin data, with adjustments made to account for anticipated efficiency improvements. In addition, LVMH has experienced a reduction in its cost of goods sold (COGS) in recent years, a trend primarily driven by increased vertical integration through supplier acquisitions and the stabilization of raw material prices. This development is projected to persist over the coming years. Simultaneously, the group's ongoing digitalization strategy is expected to enhance operational efficiency and lower

administrative costs. Consequently, the EBITDA margin is projected to reach 33.5% between 2025 and 2027, rising to approximately 37.5% from 2028 to 2030.

Depreciation and amortization were projected based on their historical percentages relative to property, plant and equipment (PPE) and intangible assets, respectively, as these ratios have remained stable in recent years. Accordingly, forecasts for PPE and intangible assets were developed as part of the balance sheet projection. This approach resulted in an estimated annual depreciation rate of 13.2% and an amortization rate of 2.8% through 2030.

Capital expenditures were forecasted based on the annual change in gross PPE, reflecting a moderate increase. This anticipated rise is primarily driven by planned investments in store renovations and the development of experiential retail concepts.

To forecast changes in net working capital, balance sheet components were projected individually. Accounts receivables were based on 2024 DSO, which has remained stable due to LVMH's direct distribution control and immediate payment typical of luxury transactions. Inventories and accounts payable were projected using historical DIO and DPO respectively, reflecting consistent supplier terms due to long-term relationships. Other current assets and liabilities were forecasted based on the historical average of their percentage share relative to operating expenses or revenues, respectively, as these ratios have demonstrated consistency over time. Based on these key assumptions, the Free Cash Flows to the Firm for LVMH were calculated for the period 2025 to 2030 (*Table 2*).

€ millions	2025FC	2026FC	2027FC	2028FC	2029FC	2030FC
EBIT	22,588	23,789	25,057	30,545	32,181	33,908
- Tax Expenses	(5,922)	(6,237)	(6,569)	(8,040)	(8,470)	(8,925)
NOPAT	16,666	17,552	18,488	22,505	23,710	24,983
+ Depreciation & Amortization	7,140	7,520	7,921	8,344	8,791	9,263
- Capital Expenditures	(8,560)	(9,239)	(9,737)	(10,264)	(10,821)	(11,409)
- Δ Net Working Capital	348	747	347	(1,289)	(560)	(771)
Free Cashflow to Firm (FCFF)	15,594	16,581	17,018	19,296	21,120	22,065
Discount Factor		1.09	1.18	1.29	1.40	1.52
Present Value FCFF		15,242	14,381	14,989	15,081	14,484

Table 2: LVMH Free Cash Flow Forecast (2025 – 2030)

Source: Own calculations

In the subsequent step, the company's WACC was determined. As outlined in chapter 2.2, this was calculated based on the cost of equity, derived using the Capital Asset Pricing Model, and the cost of debt. To estimate the risk-free rate, the yield of the 10-year German government bond was used. In addition, the cost of equity was determined using the equity risk premium of

France published by Damodaran and the levered beta of LVMH. This levered beta was obtained by first calculating an unlevered beta based on a selected peer group and then relevering it, using LVMH’s capital structure. Based on these inputs, the cost of equity was calculated at 9.1%. To calculate the cost of debt, the credit rating provided by S&P was referenced, and the corresponding default spread was applied. This results in an estimated cost of debt of 3.1%. Using these figures, along with the applicable tax rate and the market values of equity and debt, the WACC was computed to be 8.8% (*Appendix 14*). Using the previously derived components, the present values of LVMH’s projected free cash flows for the years 2026 to 2030 were calculated (*Table 2*).

The terminal value was determined using the perpetuity growth method, under the assumption that the company’s cash flows will grow at the forecasted 2026 French inflation rate of 1.8%, which serves as the terminal growth rate (Trading Economics, 2025b). The sum of the discounted cash flows and the terminal value yields to the enterprise value of €285.3 billion for LVMH. By adjusting this figure for net debt and other components of the EV-to-equity bridge, the equity value of LVMH is obtained. Dividing the equity value by the total number of shares outstanding results in an implied target share price off €511.9, as derived from the DCF analysis (*Table 3*).

€ millions	
Sum Present Value FCFF	74,177
Present Value Terminal Value	211,123
Enterprise Value	285,300
- Debt Items	(43,837)
- Minority Interests	(2,553)
+ Cash and Equivalents	16,881
Equity Value	255,791
Shares Outstanding (in millions)	499.7
Price per Share (in €)	511.9

Table 3: LVMH share price calculation based on DCF analysis

Source: Own calculations

To illustrate the sensitivity of the enterprise value and share price to changes in key assumptions, a sensitivity analysis was conducted (*Appendix 15 – 16*). Specifically, variations in the WACC and the terminal growth rate were examined. The results indicate that, based on the assumed WACC of 8.8%, the target share price may vary within a range of €487.5 to €539.3.

6.1.2 Relative Valuation

As outlined in chapter 2.2, in addition to the discounted cash flow analysis, a relative valuation was conducted using both a Comparable Companies Analysis (CCA) and a Comparable Transaction Analysis (CTA). The CCA for LVMH was based on a selection of peer companies, consisting primarily of large conglomerates and major players in the fashion industry (*Appendix 17*). Due to the limited availability of sufficiently comparable firms, a segment-by-segment analysis was not performed. However, since the selected peer group consists of companies with strong market positions operating in the same geographic and sectoral markets as LVMH – exposed to similar risks and growth drivers – it is assumed that a high degree of comparability is maintained. For the valuation of LVMH, only LTM multiples were used, as these are also consistently available in transaction-based valuations, thus ensuring maximum methodological consistency across approaches. The multiples considered in the analysis included EV/Revenue, EV/EBITDA, EV/EBIT, and Price/Earnings (P/E) ratios, in order to provide a comprehensive valuation perspective. Based on these assumptions, the CCA yielded an average implied share price ranging from €485.7 to €713.7 (*Table 4*).

€ millions	EV /			Price /
	LTM Revenue	LTM EBITDA	LTM EBIT	LTM EPS
Key Metric	88,773	29,728	22,588	30
Multiple	3.1x	11.0x	17.1x	19.6x
Enterprise Value	272,179	328,350	386,122	
- Debt Items	(43,837)	(43,837)	(43,837)	
- Minority Interests	(2,553)	(2,553)	(2,553)	
+ Cash and Equivalents	16,881	16,881	16,881	
Equity Value	242,670	298,841	356,613	
Shares Outstanding (in millions)	499.7	499.7	499.7	
Price per Share (in €)	485.7	598.1	713.7	598.2

Table 4: LVMH share price calculation based on average CCA multiples

Source: Refinitiv Workspace, own calculations

The Comparable Transaction Analysis (CTA) is based on acquisitions of companies operating in the same segments as LVMH. These do not necessarily need to be conglomerates covering all of LVMH’s business areas, as transactions involving companies active in a single relevant segment were also considered (*Appendix 18*). To ensure both a sufficient number of relevant transactions and the inclusion of valuation multiples reflective of the market environment, transactions from the past ten years were analyzed. For this analysis cash flow based LTM valuation multiples – specifically EV/Revenue, EV/EBITDA, and EV/EBIT – were used to

derive an implied valuation range. Based on this methodology, the CTA yielded an average estimated share price for LVMH between €576.5 and €809.3 (*Appendix 19*).

6.1.3 Valuation Summary

The overall valuation results for LVMH, as presented in *Figure 13*, indicate that the relative valuation ranges derived from the CCA and CTA largely validate the share price range estimated by the DCF analysis. Moreover, EV/EBITDA and EV/EBIT multiples from comparable transactions tend to result in higher valuations. This is likely due to the inclusion of control premiums and expected synergies in transaction pricing as described in section 2.2 , which accordingly lead to elevated multiples compared to those derived from publicly traded peers. The target share price obtained from the DCF analysis is €511.9, which aligns closely with the current market price of €494.0, reflecting a premium of approximately 3.6%.

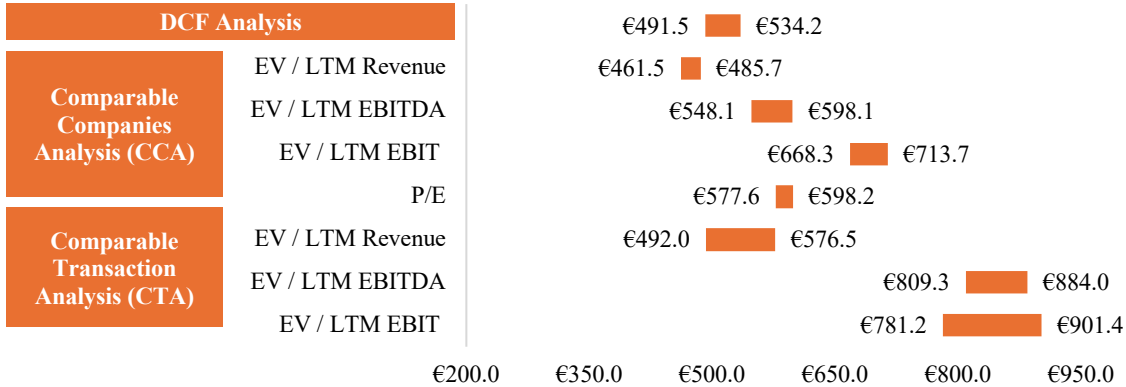


Figure 13: LVMH valuation overview
Source: Refinitiv Workspace, own calculations

6.2 Roche Bobois Valuation

6.2.1 DCF Analysis

As the DCF analysis is based on the Free Cash Flows to the Firm, the three financial statements of Roche Bobois were forecasted over a five-year period (*Appendix 20 – 22*). This time horizon was selected due to the company’s mid-size profile and historically stable growth trajectory. The financial projections are underpinned by assumptions regarding several key operational and market drivers.

Revenue projections were derived from historical growth trends (*Appendix 23 – 25*) and the outlook for the luxury furniture market. Roche Bobois experienced strong revenue growth during COVID; however, this is assumed to normalize in the coming years. Notably, the

company reported negative revenue growth in 2024. Considering the company's current market position and prevailing industry forecasts, revenue is expected to grow at an average annual rate of 3.2% over the next two years. Between 2027 and 2030, revenue growth is projected to increase to 4.5% annually, driven by improved market conditions and ongoing international expansion.

Operating expenses are projected to remain relatively stable over the next three years, followed by a slight decline. This anticipated reduction is primarily attributed to a normalization of product purchase prices and improved supply availability, leading to a decrease in the cost of goods sold. Additionally, Roche Bobois has secured a three-year fixed-rate electricity contract for all of its facilities and stores in France (Roche Bobois, 2025a), which is expected to provide short-term cost stability within selling, general, and administrative expenses (SG&A). Furthermore, as the group continues to expand, it plans to strengthen its operational control systems and logistics infrastructure. These developments are expected to contribute to efficiency gains, resulting in an EBITDA margin of approximately 16.7% for the period 2025–2027, increasing to around 17.7% from 2028 to 2030.

Depreciation and amortization for the forecast period were estimated based on historical averages as a percentage of PPE and intangible assets, respectively. For amortization, the years 2020 and 2021 were excluded from the calculation due to the abnormally high amortization rates observed during COVID, which are assumed to represent non-recurring effects. Capex were projected by applying historical percentages of capital investment relative to PPE in each respective year. A slight increase in capital expenditures compared to 2024 is anticipated, primarily driven by planned investments in the opening of three new stores in the United States and France, as well as the renovation of several existing stores worldwide (Roche Bobois, 2025a).

As with the LVMH valuation, the projected change in net working capital for Roche Bobois is based on forecasted current assets and liabilities, primarily informed by historical trends in DSO, DIO, and DPO. Reflecting the brand's focus on a high-end clientele with low price sensitivity DSO is expected to remain stable. DIO is also projected to stay constant, supported by normalized inventory levels post-COVID and the absence of significant supply chain disruptions. Underpinned by a well-diversified supplier base and minimal concentration risk DPO is assumed to stay at historical stage.

Based on the aforementioned assumptions, the FCFF for the period 2025 to 2030 were projected (*Table 5*). To calculate the present value of these cash flows, the weighted average cost of

capital was determined, incorporating both the cost of equity and the cost of debt for Roche Bobois. The cost of equity was estimated using the CAPM. Consistent with the methodology applied for LVMH, the yield of the 10-year German government bonds served as the risk-free rate, while the equity risk premium for France was implemented. The company-specific beta for Roche Bobois was derived through the unlevering and relevering of betas from a selected peer group, resulting in a levered beta of 2.2. This results in an estimated cost of equity of 13.5%. As Roche Bobois does not have any outstanding bonds, the cost of debt was calculated using a default spread approach. Since the company is not rated by a major credit rating agency, the credit rating assigned by Refinitiv Workspace of BB+ was used as a proxy. According to Damodaran (2025b), this rating corresponds to a default spread of 1.6%. Adding this spread to the risk-free rate yields a cost of debt of 4.0% for Roche Bobois. Using the cost of equity, cost of debt, the applicable tax rate, and the respective values of equity and debt, the WACC was calculated to be 9.9% (*Appendix 27*).

€ millions	2025FC	2026FC	2027FC	2028FC	2029FC	2030FC
EBIT	27.0	27.9	29.1	35.3	36.9	38.5
- Tax Expenses	(6.4)	(6.6)	(6.9)	(8.6)	(9.0)	(9.4)
NOPAT	20.6	21.2	22.2	26.7	27.9	29.2
+ Depreciation & Amortization	44.4	45.9	48.0	50.1	52.4	54.8
- Capital Expenditures	(13.0)	(13.4)	(14.0)	(14.6)	(15.3)	(16.0)
- Δ Net Working Capital	(3.3)	(2.3)	(4.9)	(2.4)	(3.1)	(3.3)
Free Cashflow to Firm (FCFF)	48.7	51.4	51.2	59.8	62.0	64.7
Discount Factor		1.10	1.21	1.33	1.46	1.60
Present Value FCFF		46.8	42.4	45.0	42.5	40.3

Table 5: Roche Bobois Free Cash Flow Forecast (2025 – 2030)

Source: Own calculations

Using the weighted average cost of capital, the present value of the projected free cash flows was calculated (*Table 5*), along with the terminal value of the firm. The terminal value was estimated using the perpetuity growth method, applying a long-term growth rate of 1.8% (Trading Economics, 2025a), which corresponds to the forecasted inflation rate of France. This results in an enterprise value of approximately €723.4 million. After accounting for the different equity-bridge positions, this corresponds to an equity value of €534.9 million and an implied share price of €52.8 (*Table 6*).

€ millions	
Sum Present Value FCFF	217.0
Present Value Terminal Value	506.4
Enterprise Value	723.4
- Debt Items	(229.3)
- Minority Interests	(3.5)
+ Cash and Equivalents	44.3
Equity Value	534.9
Shares Outstanding (in millions)	10.1
Price per Share (in €)	52.8

Table 6: Roche Bobois share price calculation based on DCF analysis

Source: Own calculations

A sensitivity analysis was conducted to assess the impact of varying perpetuity growth rates and WACC assumptions on the share price (*Appendix 28 – 29*). The analysis produced a share price range of €50.7 to €55.1, closely aligning with the calculated target share price.

6.2.2 Relative Valuation

The relative valuation of Roche Bobois was conducted using a Comparable Companies Analysis and a Comparable Transaction Analysis. For the CCA, a peer group of publicly listed companies operating in the luxury furniture segment was identified (*Appendix 30*). These peers were selected based on their operational similarity and market positioning relative to Roche Bobois and include direct competitors such as Restoration Hardware and MillerKnoll. The valuation was based on LTM multiples, specifically EV/Revenue, EV/EBITDA, EV/EBIT, and P/E ratios.

The use of LTM data ensures maximum comparability across valuation methodologies, including alignment with the approach applied to LVMH. The CCA yielded an implied average share price range of €21.5 to €58.2, with only the EV/EBIT multiples resulting in lower share prices. (*Table 7*).

€ millions	EV /			Price /
	LTM Revenue	LTM EBITDA	LTM EBIT	LTM EPS
Key Metric	427.4	71.4	27.0	1.7
Multiple	1.8x	9.7x	15.0x	27.3x
Enterprise Value	777.9	695.2	406.0	
- Debt Items	(229.3)	(229.3)	(229.3)	
- Minority Interests	(3.5)	(3.5)	(3.5)	
+ Cash and Equivalents	44.3	44.3	44.3	
Equity Value	589.4	506.7	217.5	
Shares Outstanding (in millions)	10.1	10.1	10.1	
Price per Share (in €)	58.2	50.0	21.5	45.8

Table 7: Roche Bobois share price calculation based on average CCA multiples

Source: Refinitiv Workspace, own calculations

The CTA was based on selected transactions from the past ten years in the high-end furniture segment (*Appendix 31*). Five relevant transactions with available valuation multiples were identified, including the acquisition of BoConcept by private equity firm 3i (Layout Bidco) in 2016. As with the CCA, the CTA was based on LTM EV/Revenue, EV/EBITDA, and EV/EBIT multiples. This analysis produced a narrower share price range of €44.0 to €57.4, reflecting consistency across the observed transactions (*Appendix 32*).

6.2.3 Valuation Summary

As illustrated in *Figure 14*, the valuation ranges derived from the various models cluster around the DCF target share price of €52.8. This target price represents a premium of 36% relative to the current market price of €38.8 and may indicate a current undervaluation of the company. Consistent with the findings from the LVMH valuation, the results of the relative valuation support the outcomes of the DCF analysis. In particular the EV/EBITDA multiples, which are commonly used in corporate valuation, yield a similar range of implied share prices.

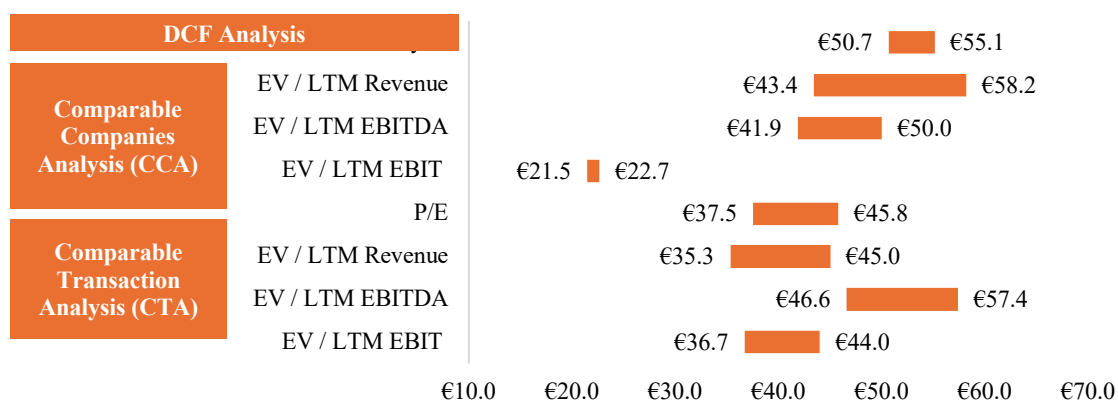


Figure 14: Roche Bobois valuation overview

Source: Refinitiv Workspace, own calculations

6.3 Combined Firm Valuation

6.3.1 Valuation without Synergies

To value the combined firm without considering synergies, the three primary financial statements were constructed by aggregating the standalone financials of the two individual companies. Based on these consolidated projections, the future FCFF were calculated (*Appendix 33*).

For the purpose of discounting cash flows in the DCF analysis, a WACC was calculated to represent the capital costs of the combined firm. This was done by weighting the standalone WACCs of LVMH and Roche Bobois according to their respective standalone enterprise values, as detailed below. The resulting cost of capital for the combined entity is 8.8%.

$$WACC_{Combined} = \frac{WACC_{LVMH}}{EV_{LVMH} + EV_{RB}} + \frac{WACC_{RB}}{EV_{LVMH} + EV_{RB}}$$

As the transaction is structured as an all-cash deal, the number of LVMH shares outstanding remains unchanged at 499.7 million. This results in a target share price of €513.0, excluding transaction costs and potential synergies (*Table 8*).

€ millions	
Sum Present Value FCFF	74,395
Present Value Terminal Value	211,628
Enterprise Value	286,023
- Debt Items	(44,066)
- Minority Interests	(2,557)
+ Cash and Equivalents	16,926
Equity Value	256,326
Shares Outstanding (in millions)	499.7
Price per Share (in €)	513.0

Table 8: Combined entity share price calculation

Source: Own calculations

6.3.2 Valuation with Synergies

6.3.2.1 Synergy Assessment

While not the primary motive for the transaction, both revenue and cost synergies are expected due to overlapping customer bases, complementary expertise, and potential efficiencies in shared administrative functions. To assess the synergies resulting from this transaction, they were disaggregated into their underlying drivers. It is likely that the acquisition will generate both revenue and cost synergies. Given the significant differences in revenue and operating expense structures between the buyer and the target, synergy assumptions were formulated separately for each company and expressed as percentages relative to their respective financial metrics. These individual effects were then weighted to estimate their overall impact on the combined entity (*Appendix 34*).

Substantial synergies are unlikely to be fully realized in the first year post-acquisition due to necessary integration efforts, operational alignment, and cultural adaptation. However, benefits are expected to materialize from the second year onward. Roche Bobois is particularly well-positioned to leverage LVMH's expertise in international expansion, accelerating its global growth strategy. This is especially relevant in Asia, where Roche Bobois currently holds a limited presence, but LVMH maintains a strong regional footprint. Additionally, LVMH may leverage its existing hospitality partnerships to incorporate Roche Bobois furniture into its hotel properties, thereby creating cross-selling opportunities and enhancing brand visibility. This would likely have a positive impact on Roche Bobois's revenue growth and elevate its brand recognition and positioning within the luxury furniture segment. On the cost side, substantial administrative efficiencies are anticipated through the integration and standardization of functions such as IT, HR, finance, and controlling. These efficiencies are expected to result in

meaningful reductions in SG&A expenses. Furthermore, it is assumed that LVMH's sophisticated logistics infrastructure and global distribution network, along with the improved bargaining power associated with the new ownership structure, will be leveraged to reduce the cost of goods sold of Roche Bobois.

6.3.2.2 Valuation Overview

Based on the synergy assumptions outlined above, the FCFF for the combined entity were recalculated to include the effects of anticipated synergies (*Appendix 36*). Using the WACC for the combined entity as determined in section 6.3.1, a revised enterprise value was computed. The difference between the enterprise values with and without synergies allows for a quantification of the synergy effects, as discussed in section 6.3.2.1, amounting to approximately €1.6 billion. This results in an implied target share price of €516.2, excluding transaction costs (*Table 9*).

€ millions	
Sum Present Value FCFF	74,710
Present Value Terminal Value	212,936
Enterprise Value	287,646
- Debt Items	(44,066)
- Minority Interests	(2,557)
+ Cash and Equivalents	16,926
Equity Value	257,948
Shares Outstanding (in millions)	499.7
Price per Share (in €)	516.2

Table 9: Combined entity share price calculation incl. synergies

Source: Own calculations

6.3.3 Transaction Summary

The acquisition price of Roche Bobois, as implied by the target share price from the DCF analysis, would amount to €52.8. As noted in section 6.2.3, this represents a premium of approximately 36% over the current share price. According to Bradley et al. (1988), acquisition premiums typically range between 30% and 40%. The premium implied for Roche Bobois thus falls in the upper part of this range, making it both plausible and potentially effective in incentivizing shareholders to approve the transaction. Furthermore, the enterprise value derived from the DCF analysis is consistent with the valuation multiples observed in the relative valuation approaches, providing an additional layer of validation for the estimated value of the company.

Acquisitions are typically associated with various costs, primarily transaction-related expenses and integration costs. Transaction costs generally include advisory fees for legal and financial consultants, as well as due diligence expenses, and typically range from 1% to 4% of the total deal value, depending on factors such as deal size, complexity, and the scope of required services (EY Parthenon, 2024). Given that the acquisition of Roche Bobois represents a standard mid-sized transaction with no extraordinary complexity, transaction costs are conservatively estimated at 3.0% of the transaction value. LVMH has extensive experience in acquiring and integrating companies into its conglomerate structure. Due to this expertise and LVMH’s strategic approach of allowing acquired companies to retain their operational independence, integration costs are expected to remain moderate, estimated at approximately 2.5% of the transaction value. This results in total M&A transaction and integration costs of approximately €39.8 million, representing 5.5% of the total deal value of €723 million, thereby reducing the enterprise value of the combined firm (*Figure 15*)

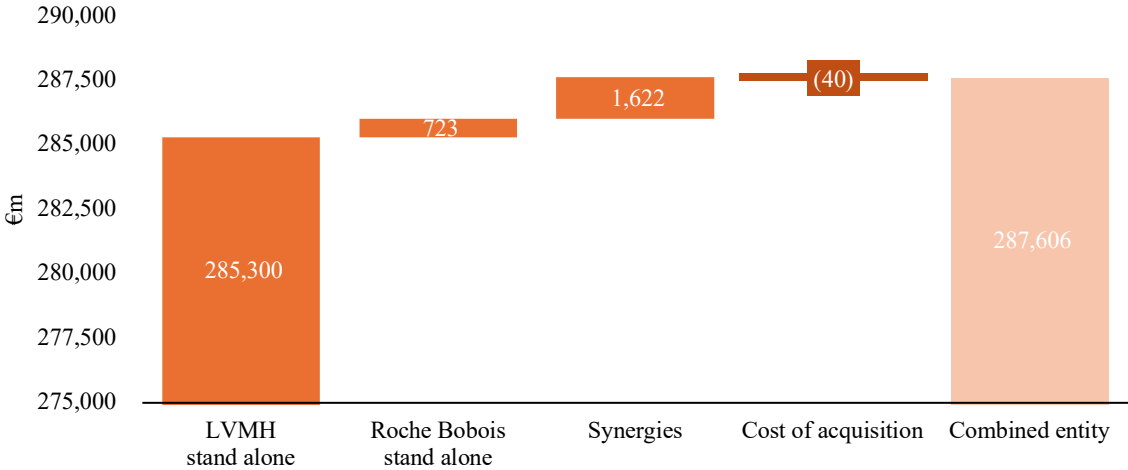


Figure 15: Combined entity enterprise value generation

Source: Own calculations

These acquisition-related costs reduce the EV calculated in section 6.3.2.2 from €287,646 million to €287,606 million. This corresponds to a target share price of €516.1 (*Table 10*), representing a premium of 0.8% over LVMH’s standalone valuation.

€ millions	
Sum Present Value FCFF	74,710
Present Value Terminal Value	212,936
Enterprise Value	287,646
- Cost of Acquisition	(40)
Enterprise Value after CoA	287,606
- Debt Items	(44,066)
- Minority Interests	(2,557)
+ Cash and Equivalents	16,926
Equity Value	257,908
Shares Outstanding (in millions)	499.7
Price per Share (in €)	516.1

Table 10: Combined entity share price calculation incl. synergies and acquisition costs

Source: Own calculations

7. Conclusion

This study has examined the strategic rationale for LVMH to expand its existing portfolio by entering the high-end furniture segment and evaluated whether Roche Bobois represents a suitable acquisition target. In line with LVMH's long-standing diversification strategy, the attractiveness of the luxury furniture market was assessed, and Roche Bobois was identified as a compelling candidate due to its strong market position and solid financial performance.

The two companies operate within the broader luxury segment and offer complementary product portfolios. Roche Bobois would likely benefit from LVMH's experience in international expansion, particularly in accessing the Asian market, an area where LVMH has a strong presence, but Roche Bobois remains underrepresented. Moreover, the integration into LVMH's established logistics and distribution networks, as well as access to its global customer base, could offer significant strategic advantages. For LVMH, the acquisition represents an entry into a new, promising segment and provides an opportunity to further diversify its business, countering current stagnation in e.g. the Wines & Spirits division. Should the integration of Roche Bobois prove successful, the high-end furniture sector, characterized by attractive margins, robust growth drivers, and a wide pool of potential future targets, could emerge as a valuable long-term pillar within LVMH's portfolio.

Although secondary, notable synergy realization potential exists due to overlapping customer bases and similar business models. These synergies are expected to be meaningful in enhancing operational efficiency and revenue growth over time. Valuation analyses, incorporating both DCF and relative valuation methodologies, suggest that Roche Bobois is currently undervalued. The company's market capitalization stands at approximately €364.8 million, while its intrinsic value, as derived from the DCF analysis, is estimated at €534.9 million. This valuation gap indicates that the timing of a potential acquisition is strategically advantageous. The proposed acquisition price of €52.8 per share implies a premium of 36% over the current share price. Although significant, this premium will increase the probability of Roche Bobois shareholders accepting the offer and can be justified by the anticipated realization of post-merger synergies and the strategic benefits associated with LVMH's broader diversification objectives. As the standalone valuation of LVMH does not indicate any substantial undervaluation, a stock or mixed transaction would not offer additional benefits from the company's perspective. Given the significant size difference between the two firms and LVMH's strong cash position, an all-cash transaction is therefore recommended. This structure simplifies the acquisition process, prevents dilution of existing shareholders, and preserves LVMH's current ownership structure.

Appendix

Synergy Type	Corresponding Reference
<i>Revenue synergies</i>	
Increase in market share	Rabier (2017)
Product offering expansion	Lee and Lieberman (2010)
Geographical expansion	Walter and Barney (1990)
<i>Cost synergies</i>	
Economies of scale	Gopinath (2003)
Gains of firm bargaining power	Angwin (2007)
Reallocation of resources	Li et al. (2018)

Appendix 1: Synergistic financial impacts in M&A and corresponding references

Source: Own research

	Roche Bobois	Haworth ¹	Minotti	Molteni Group	B&B Italia	Groupe Roset	MillerKnoll	RH
HQ country	France	Italy	Italy	Italy	Italy	France	US	US
Revenue as of	31.12.2024	31.12.2020	31.12.2022	31.12.2022	31.12.2023	30.09.2021	01.06.2024	03.02.2024
Revenue	€414m	€425m	€242m	€327m	€267m	€267m	\$3,628m	\$3,029m
Distribution channels	Own stores / franchise	Own stores / retailer	Franchise / retailer	Own stores / retailer	Own stores / retailer	Own stores / retailer	Own stores / retailer	Own stores / retailer
Online sales	Yes	Only via Interni	No	In USA since 11.2020	Yes	Yes	Yes	Yes
Geographic presence	Europe, US, RoW	Europe, US, RoW	Europe, US, RoW	Europe, US, RoW	Europe, US, RoW	Europe, US, RoW	US, Canada, Mexico	US

Appendix 2: Competitor landscape of the luxury furniture market

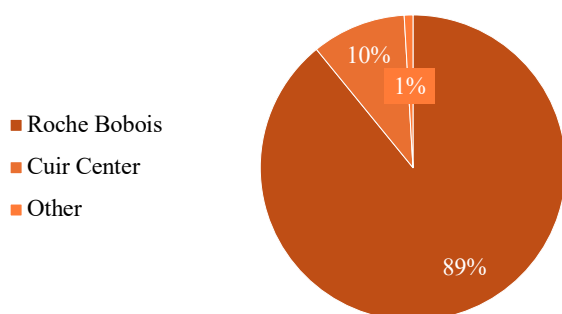
Source: Roche Bobois (2024, 2025a), RH (2024), MillerKnoll (2024), International Design Group (2023)

¹ Only including Poltrona Frau, Cassina and Interni

Financial Ratios	2019	2020	2021	2022	2023	2024	Industry Median
Profitability							
Gross Margin	69.8%	69.0%	71.7%	71.5%	71.8%	70.4%	50.5%
EBITDA Margin	29.5%	29.7%	34.6%	33.8%	33.4%	31.1%	12.5%
Operating Margin	21.2%	19.0%	26.7%	26.6%	26.5%	23.3%	4.9%
Net Margin	14.5%	11.1%	19.8%	18.6%	18.5%	15.3%	2.9%
Leverage							
Debt / Equity	0.7	1.0	0.7	0.6	0.6	0.6	
Debt / Total Capital	0.4	0.5	0.4	0.4	0.4	0.4	
Debt / Total Assets	0.3	0.3	0.3	0.3	0.3	0.3	
Liquidity							
Current Ratio	1.2	1.6	1.2	1.3	1.3	1.4	
Quick Ratio	0.6	1.1	0.6	0.6	0.6	0.7	
Net Working Capital	7,242.4	6,692.3	6,148.3	9,276.3	12,749.3	13,960.3	

Appendix 3: LVMH historical Financial Metrics Overview

Source: Refinitiv Workspace, own calculations



Appendix 4: Roche Bobois revenue by business chain in 2024

Source: Roche Bobois (2025a)

Financial Ratios	2019	2020	2021	2022	2023	2024	Industry Median
Profitability							
Gross Margin	58.9%	57.7%	59.6%	60.1%	60.1%	59.6%	43.4%
EBITDA Margin	16.0%	18.4%	18.4%	19.8%	20.4%	17.7%	11.1%
Operating Margin	5.8%	6.6%	8.4%	10.8%	10.8%	6.4%	6.4%
Net Margin	3.5%	3.8%	5.6%	7.7%	7.3%	3.8%	2.4%
Leverage							
Debt / Equity	2.2	2.7	2.1	1.8	2.0	2.3	
Debt / Total Capital	0.7	0.7	0.7	0.6	0.7	0.7	
Debt / Total Assets	0.5	0.5	0.4	0.4	0.5	0.5	
Liquidity							
Current Ratio	1.0	1.0	1.1	1.1	1.0	1.0	
Quick Ratio	0.5	0.6	0.6	0.6	0.5	0.5	
Net Working Capital	0.5	-12.4	-39.7	-34.4	-9.5	-4.0	

Appendix 5: Roche Bobois historical Financial Metrics Overview

Source: Refinitiv Workspace, own calculations

Income Statement (€ millions)	2025FC	2026FC	2027FC	2028FC	2029FC	2030FC
Revenue	88,773	93,492	98,475	103,736	109,292	115,159
<i>Growth %</i>	5%	5%	5%	5%	5%	5%
COGS	25,257	26,600	28,018	27,440	28,909	30,461
<i>% of Revenue</i>	28%	28%	28%	26%	26%	26%
Gross Profit	63,516	66,892	70,457	76,296	80,382	84,698
<i>Gross Margin</i>	72%	72%	72%	74%	74%	74%
SG&A	33,863	35,663	37,564	37,496	39,504	41,625
<i>% of Revenue</i>	38%	38%	38%	36%	36%	36%
Other Operating Expense	(75)	(79)	(84)	(88)	(93)	(98)
EBITDA	29,728	31,309	32,977	38,889	40,971	43,171
<i>EBITDA Margin</i>	33%	33%	33%	37%	37%	37%
Depreciation	6,344	6,681	7,037	7,413	7,810	8,229
Amortization	796	839	883	931	981	1,033
Operating Income (EBIT)	22,588	23,789	25,057	30,545	32,181	33,908
<i>Operating Margin</i>	25%	25%	25%	29%	29%	29%
Net Financial Income	(650)	(684)	(721)	(759)	(800)	(843)
Other Non-Operating Income	5	5	5	5	6	6
Pre-Tax Inc. excl. Non-Rec.	21,943	23,109	24,341	29,791	31,386	33,071
Non-Recurring Income	0	0	0	0	0	0
Pre-Tax Income (EBT)	21,943	23,109	24,341	29,791	31,386	33,071
<i>Pre-Tax Income Margin</i>	25%	25%	25%	29%	29%	29%
Income Tax Expense	5,922	6,237	6,569	8,040	8,470	8,925
<i>% of Pre-Tax Income</i>	27%	27%	27%	27%	27%	27%
Net Income	16,021	16,873	17,772	21,751	22,916	24,146
<i>Net Income Margin</i>	18%	18%	18%	21%	21%	21%
Attributable to Common Shares	15,238	16,048	16,903	20,688	21,795	22,966
Attributable to Minorities	783	825	869	1,064	1,121	1,181
<i>Shares Outstanding (in m.)</i>	500	500	500	500	500	500
Earnings per Share	30.49	32.12	33.83	41.40	43.62	45.96
<i>EPS Growth %</i>	21%	5%	5%	22%	5%	5%

Appendix 6: LVMH Income Statement Forecast (2025 – 2030)

Source: Own calculations

Balance Sheet (€ millions)	2025FC	2026FC	2027FC	2028FC	2029FC	2030FC
ASSETS						
Cash And Equivalents	16,881	18,022	18,997	22,868	23,644	23,908
Short Term Investments	3,456	2,956	2,456	1,956	1,456	956
Total Cash & ST Inv.	20,337	20,978	21,453	24,824	25,100	24,864
Accounts Receivable	4,958	5,222	5,500	5,794	6,105	6,432
Other Receivables	3,530	3,717	3,916	4,125	4,346	4,579
Total Receivables	8,488	8,940	9,416	9,919	10,450	11,011
Inventory	23,499	24,748	26,067	25,313	26,669	28,101
Other Current Assets	1,750	1,843	1,941	1,945	2,050	2,160
Total Current Assets	54,074	56,507	58,877	62,002	64,268	66,135
Gross Property, Plant & Equipment	86,527	95,766	105,504	115,768	126,589	137,998
Accumulated Depreciation	38,417	45,098	52,135	59,548	67,358	75,587
Net Property, Plant & Equipment	48,111	50,668	53,369	56,220	59,231	62,411
Long-term Investments	2,782	3,030	3,302	3,597	3,919	4,270
Goodwill	20,307	20,307	20,307	20,307	20,307	20,307
Intang. Assets excl. Goodwill	28,113	29,608	31,186	32,852	34,611	36,469
Other Non-Current Assets	1,781	1,875	1,975	2,081	2,192	2,310
Deferred Tax Assets, LT	4,674	4,674	4,674	4,674	4,674	4,674
Total Non-Current Assets	105,767	110,163	114,812	119,731	124,935	130,441
Total Assets	159,841	166,670	173,689	181,732	189,203	196,576
LIABILITIES						
Accounts Payable	12,804	14,956	16,786	15,130	16,119	16,984
Short-term Borrowings	8,807	9,247	9,809	10,445	11,171	11,972
Curr. Port. of LT Debt/Leases	6,219	6,530	6,927	7,376	7,888	8,454
Curr. Income Taxes Payable	1,812	1,909	2,010	2,118	2,231	2,351
Other Current Liabilities	5,507	5,800	6,109	6,124	6,452	6,798
Total Current Liabilities	35,149	38,442	41,642	41,192	43,861	46,559
Long-Term Debt	28,811	30,252	32,092	34,170	36,546	39,166
Deferred Tax Liabilities, LT	7,782	8,246	8,737	9,258	9,810	10,395
Other Non-Current Liabilities	11,445	10,997	10,566	10,152	9,754	9,372
Total Non-Curr. Liabilities	48,038	49,494	51,395	53,580	56,110	58,932
Total Liabilities	83,188	87,936	93,037	94,772	99,971	105,491
Common Stock	150	150	150	150	150	150
Additional Paid In Capital	53	53	53	53	53	53
Retained Earnings	12,315	18,702	25,596	30,251	40,086	50,517
Treasury Stock	(603)	(603)	(603)	(603)	(603)	(603)
Other Reserves & Comprehensive Income	62,184	57,054	51,208	51,798	43,114	33,355
Total Equity to Shareholders	74,100	75,356	76,404	81,649	82,800	83,472
Minority Interests	2,553	3,379	4,248	5,311	6,432	7,613
Total Equity	76,653	78,734	80,652	86,960	89,232	91,085
Total Liabilities and Equity	159,841	166,670	173,689	181,732	189,203	196,576

Appendix 7: LVMH Balance Sheet Forecast (2025 – 2030)

Source: Own calculations

Cash Flow Statement (€ millions)	2025FC	2026FC	2027FC	2028FC	2029FC	2030FC
Net Income	16,021	16,873	17,772	21,751	22,916	24,146
Depreciation & Amorization	7,140	7,520	7,921	8,344	8,791	9,263
Other Items	294	310	327	344	362	382
Cash Flow from Operations	23,456	24,703	26,019	30,439	32,069	33,791
- Δ Working Capital	348	747	347	(1,289)	(560)	(771)
Net Cash Flow from Operating Activities	23,804	25,450	26,367	29,150	31,509	33,020
Capex	(8,560)	(9,239)	(9,737)	(10,264)	(10,821)	(11,409)
Other Investing Cash Flow	1,331	1,338	1,449	1,567	1,693	1,827
Cash Flow from Investing Activities	(7,229)	(7,900)	(8,288)	(8,697)	(9,128)	(9,583)
Dividends	(15,472)	(9,661)	(10,009)	(16,033)	(11,961)	(12,534)
Net Change in Equity	7,601	(4,306)	(4,976)	1,653	(7,563)	(8,578)
Net Change in Debt	(1,896)	(2,446)	(2,171)	(2,309)	(2,240)	(2,274)
Other Financing Cash Flows	552	112	162	214	268	322
Cash Flows from Financing Activities	(9,215)	(16,301)	(16,994)	(16,474)	(21,496)	(23,064)
Exchange Rate Effects	(109)	(109)	(109)	(109)	(109)	(109)
Net Change in Cash	7,250	1,140	976	3,871	775	264

Appendix 8: LVMH Cash Flow Statement Forecast (2025 – 2030)

Source: Own calculations

€ millions	2025FC	2026FC	2027FC	2028FC	2029FC	2030FC
Fashion & Leather Goods	43,598	46,292	49,153	52,190	55,416	58,840
<i>Growth %</i>	6%	6%	6%	6%	6%	6%
Wines & Spirits	6,014	6,170	6,330	6,495	6,663	6,836
<i>Growth %</i>	3%	3%	3%	3%	3%	3%
Perfumes & Cosmetics	8,744	9,083	9,435	9,801	10,181	10,576
<i>Growth %</i>	4%	4%	4%	4%	4%	4%
Watches & Jewelry	11,238	11,941	12,688	13,481	14,324	15,220
<i>Growth %</i>	6%	6%	6%	6%	6%	6%
Selective Retailing	19,048	19,869	20,724	21,617	22,548	23,518
<i>Growth %</i>	4%	4%	4%	4%	4%	4%
Others & Eliminations	131	137	145	153	161	169
<i>% of Revenue (excl. Other & Eliminations)</i>	0%	0%	0%	0%	0%	0%
Total Revenue	88,773	93,492	98,475	103,736	109,292	115,159
<i>Growth %</i>	5%	5%	5%	5%	5%	5%

Appendix 9: LVMH Revenue per Segment Forecast (2025 – 2030)

Source: Own calculations

Income Statement (€ millions)	2019	2020	2021	2022	2023	2024
Revenue	53,670	44,651	64,215	79,184	86,153	84,683
<i>Growth %</i>		(17%)	44%	23%	9%	(2%)
COGS	16,198	13,827	18,161	22,551	24,314	25,088
<i>% of Revenue</i>	30%	31%	28%	28%	28%	30%
Gross Profit	37,472	30,824	46,054	56,633	61,839	59,595
<i>Gross Margin</i>	70%	69%	72%	72%	72%	70%
SG&A	21,514	17,718	23,809	29,943	33,080	33,465
<i>% of Revenue</i>	40%	40%	37%	38%	38%	40%
Other Operating Expense	103	(155)	17	(66)	(31)	(221)
EBITDA	15,855	13,261	22,228	26,756	28,790	26,351
<i>EBITDA Margin</i>	30%	30%	35%	34%	33%	31%
Depreciation	4,007	4,220	4,528	5,006	5,189	5,717
Amortization	475	539	579	666	775	870
Operating Income (EBIT)	11,373	8,502	17,121	21,084	22,826	19,764
<i>Operating Margin</i>	21%	19%	27%	27%	26%	23%
Net Financial Income	(410)	(346)	(237)	(303)	(800)	(993)
Other Non-Operating Income	28	(64)	22	37	7	28
Pre-Tax Inc. excl. Non-Rec.	10,991	8,092	16,906	20,818	22,033	18,799
Non-Recurring Income	(277)	(728)	302	(705)	(408)	(684)
Pre-Tax Income (EBT)	10,714	7,364	17,208	20,113	21,625	18,115
<i>Pre-Tax Income Margin</i>	20%	16%	27%	25%	25%	21%
Income Tax Expense	2,932	2,409	4,510	5,362	5,673	5,157
<i>% of Pre-Tax Income</i>	27%	33%	26%	27%	26%	28%
Net Income	7,782	4,955	12,698	14,751	15,952	12,958
<i>Net Income Margin</i>	14%	11%	20%	19%	19%	15%
Attributable to Common Shares	7,171	4,702	12,036	14,084	15,174	12,550
Attributable to Minorities	611	253	662	667	778	408
<i>Shares Outstanding (in m.)</i>	504	504	504	502	500	500
Earnings per Share	14.23	9.33	23.89	28.03	30.33	25.12
<i>EPS Growth %</i>		(34%)	156%	17%	8%	(17%)

Appendix 10: LVMH historical Income Statement (2019 – 2024)

Source: Refinitiv Workspace, own calculations

Balance Sheet (€ millions)	2019	2020	2021	2022	2023	2024
ASSETS						
Cash And Equivalents	5,673	19,963	8,021	7,300	7,774	9,631
Short Term Investments	733	752	2,544	3,552	3,490	3,956
Total Cash & ST Inv.	6,406	20,715	10,565	10,852	11,264	13,587
Accounts Receivable	3,450	2,756	3,787	4,258	4,728	4,730
Other Receivables	2,050	1,922	2,325	2,852	3,216	4,046
Total Receivables	5,500	4,678	6,112	7,110	7,944	8,776
Inventory	13,717	13,016	16,549	20,319	22,952	23,669
Other Current Assets	887	1,564	1,075	1,459	1,550	1,439
Total Current Assets	26,510	39,973	34,301	39,740	43,710	47,471
Gross Property, Plant & Equipment	44,932	47,239	55,481	62,628	70,166	77,967
Accumulated Depreciation	14,671	17,124	22,211	25,675	27,796	32,073
Net Property, Plant & Equipment	30,261	30,115	33,270	36,953	42,370	45,894
Long-term Investments	1,663	1,464	2,166	2,097	2,256	2,553
Goodwill	16,034	16,042	25,904	24,782	24,022	20,307
Intang. Assets excl. Goodwill	17,574	17,325	24,858	25,715	25,912	26,572
Other Non-Current Assets	2,147	1,380	1,552	1,607	1,333	1,719
Deferred Tax Assets, LT	2,318	2,372	3,260	3,752	4,091	4,674
Total Non-Current Assets	69,997	68,698	91,010	94,906	99,984	101,719
Total Assets	96,507	108,671	125,311	134,646	143,694	149,190
LIABILITIES						
Accounts Payable	8,475	7,567	10,657	12,763	13,430	13,322
Short-term Borrowings	5,473	9,149	4,565	7,591	7,697	7,964
Curr. Port. of LT Debt/Leases	4,288	3,603	5,836	4,340	5,751	5,808
Curr. Income Taxes Payable	722	721	1,267	1,211	1,148	1,231
Other Current Liabilities	3,665	4,278	5,664	5,638	5,119	5,371
Total Current Liabilities	22,623	25,318	27,989	31,543	33,145	33,696
Long-Term Debt	15,474	24,730	24,052	23,156	25,037	26,951
Deferred Tax Liabilities, LT	5,498	5,481	6,704	6,952	7,012	7,344
Other Non-Current Liabilities	14,547	14,313	17,657	16,391	15,799	11,912
Total Non-Curr. Liabilities	35,519	44,524	48,413	46,499	47,848	46,207
Total Liabilities	58,142	69,842	76,402	78,042	80,993	79,903
Common Stock	152	152	152	151	151	150
Additional Paid In Capital	2,319	2,225	2,225	1,289	530	53
Retained Earnings	7,171	4,702	12,036	0	15,174	12,550
Treasury Stock	(403)	(260)	(912)	(1,293)	(1,953)	(603)
Other Reserves & Comprehensive Income	27,347	30,593	33,618	54,964	47,115	55,367
Total Equity to Shareholders	36,586	37,412	47,119	55,111	61,017	67,517
Minority Interests	1,779	1,417	1,790	1,493	1,684	1,770
Total Equity	38,365	38,829	48,909	56,604	62,701	69,287
Total Liabilities and Equity	96,507	108,671	125,311	134,646	143,694	149,190

Appendix 11: LVMH historical Balance Sheet (2019 – 2024)

Source: Refinitiv Workspace, own calculations

Cash Flow Statement (€ millions)	2019	2020	2021	2022	2023	2024
Net Income	7,782	4,955	12,698	14,751	15,952	12,958
Depreciation & Amorization	4,482	4,759	5,107	5,672	5,964	6,587
Other Items	184	645	309	545	(38)	599
Cash Flow from Operations	12,448	10,359	18,114	20,968	21,878	20,144
- Δ Working Capital	(792)	550	544	(3,128)	(3,473)	(1,211)
Net Cash Flow from Operating Activities	11,656	10,909	18,658	17,840	18,405	18,933
Capex	(3,359)	(2,413)	(2,664)	(5,009)	(7,671)	(5,531)
Other Investing Cash Flow	(2,518)	(538)	(13,325)	(918)	(644)	(1,017)
Cash Flow from Investing Activities	(5,877)	(2,951)	(15,989)	(5,927)	(8,315)	(6,548)
Dividends	(3,249)	(2,434)	(4,161)	(6,353)	(6,627)	(6,751)
Net Change in Equity	54	27	(552)	(1,604)	(1,569)	(224)
Net Change in Debt	(1,160)	10,173	(8,615)	(2,868)	(796)	(2,996)
Other Financing Cash Flows	(379)	(363)	(1,828)	(1,860)	(405)	(745)
Cash Flows from Financing Activities	(4,734)	7,403	(15,156)	(12,685)	(9,397)	(10,716)
Exchange Rate Effects	39	(1,052)	498	55	(273)	80
Net Change in Cash	1,084	14,309	(11,989)	(717)	420	1,749

Appendix 12: LVMH historical Cash Flow Statement (2019 – 2024)

Source: Refinitiv Workspace, own calculations

€ millions	2019	2020	2021	2022	2023	2024
EBIT	11,373	8,502	17,121	21,084	22,826	19,764
- Tax Expenses	(2,932)	(2,409)	(4,510)	(5,362)	(5,673)	(5,157)
NOPAT	8,441	6,093	12,611	15,722	17,153	14,607
+ Depreciation & Amortization	4,482	4,759	5,107	5,672	5,964	6,587
- Capital Expenditures	(3,359)	(2,413)	(2,664)	(5,009)	(7,671)	(5,531)
- Δ Net Working Capital	(792)	550	544	(3,128)	(3,473)	(1,211)
Free Cashflow to Firm (FCFF)	8,772	8,989	15,598	13,257	11,973	14,452

Appendix 13: LVMH historical Free Cash Flows (2019 – 2024)

Source: Refinitiv Workspace, own calculations

WACC components	
German 10Y Government bond yield	2.4%
Equity risk premium France	5.1%
Levered beta	1.3
Cost of equity	9.1%
German 10Y Government bond yield	2.4%
Default spread	0.7%
Cost of debt	3.1%
Market value equity	244,019
Market value debt	13,188
Tax rate	27.0%
WACC	8.8%

Appendix 14: LVMH WACC components

Source: Own calculations, Damodaran (2025a), Damodaran (2025b), Refinitiv Workspace, Trading Economics (2025a)

		Terminal Growth Rate				
EV in €m		1.40%	1.60%	1.80%	2.00%	2.20%
WACC	8.58%	280,915	287,243	293,943	301,050	308,603
	8.68%	276,943	283,073	289,559	296,433	303,731
	8.78%	273,079	279,019	285,300	291,952	299,007
	8.88%	269,318	275,078	281,163	287,601	294,425
	8.98%	265,657	271,243	277,140	283,375	289,978

Appendix 15: LVMH Enterprise Value Sensitivity Analysis

Source: Own calculations

		Terminal Growth Rate				
Price in €		1.40%	1.60%	1.80%	2.00%	2.20%
WACC	8.58%	503.1	515.8	529.2	543.4	558.5
	8.68%	495.2	507.5	520.4	534.2	548.8
	8.78%	487.5	499.3	511.9	525.2	539.3
	8.88%	479.9	491.5	503.6	516.5	530.2
	8.98%	472.6	483.8	495.6	508.1	521.3

Appendix 16: LVMH Share Price Sensitivity Analysis

Source: Own calculations

Peer Companies	EV /									Price /		
	LTM Revenue	FY24 Revenue	NTM Revenue	LTM EBITDA	FY24 EBITDA	NTM EBITDA	LTM EBIT	FY24 EBIT	NTM EBIT	LTM EPS	FY24 EPS	NTM EPS
Kering SA	2.2x	2.2x	2.4x	8.4x	8.2x	9.3x	15.4x	18.5x	17.4x	18.9x	25.8x	18.8x
Richemont SA	4.0x	3.9x	3.6x	15.9x	10.6x	12.2x	18.6x	16.4x	15.6x	n.m.	21.6x	21.7x
Burberry Group PLC	1.5x	1.3x	1.6x	n.m.	5.0x	7.9x	23.1x	12.6x	25.0x	n.m.	16.5x	30.8x
Moncler SpA	4.7x	4.7x	4.5x	12.1x	14.2x	11.4x	16.1x	14.5x	15.1x	23.1x	21.6x	21.8x
Prada SpA	2.9x	2.9x	2.5x	7.8x	7.9x	6.9x	12.3x	16.2x	10.6x	16.9x	22.8x	14.2x
Average	3.1x	3.0x	2.9x	11.0x	9.2x	9.5x	17.1x	15.6x	16.7x	19.6x	21.7x	21.5x
Median	2.9x	2.9x	2.5x	10.2x	8.2x	9.3x	16.1x	16.2x	15.6x	18.9x	21.6x	21.7x
Min	1.5x	1.3x	1.6x	7.8x	5.0x	6.9x	12.3x	12.6x	10.6x	16.9x	16.5x	14.2x
Max	4.7x	4.7x	4.5x	15.9x	14.2x	12.2x	23.1x	18.5x	25.0x	23.1x	25.8x	30.8x

Appendix 17: LVMH Comparable Companies Analysis

Source: Refinitiv Workspace, own calculations

Date Announced	Target	Target Country	Acquiror	EV (€ m.)	EV /		
					LTM Revenue	LTM EBITDA	LTM EBIT
10. Feb 24	Tod's SpA	Italy	Investor Group	2,036	n.m.	8.0x	21.2x
21. Jun 23	Pandora A/S	Denmark	Pandora A/S	10,294	2.9x	8.8x	11.4x
28. Jul 21	Moschino SpA	Italy	Aeffe SpA	210	3.3x	n.m.	n.a.
22. Apr 21	Tod's SpA	Italy	Delphine SAS /LVMH	1,617	2.5x	n.m.	n.m.
04. May 20	Victoria's Secret Inc	United States	Shareholders	3,644	n.m.	16.0x	n.m.
28. Oct 19	Tiffany & Co	United States	LVMH SE	14,694	4.7x	28.4x	n.m.
13. Jan 19	Elemis Ltd	United Kingdom	L'Occitane SA	783	7.9x	n.m.	n.m.
16. Sep 18	Ernest Borel Ltd	Switzerland	VGB Ltd	91	3.8x	n.m.	n.m.
02. Jun 17	Baccarat SA	France	Fortune Legend Ltd	200	n.m.	15.7x	32.6x
05. Jan 17	Ernest Borel Ltd	Switzerland	Phoenix Green Ltd	115	3.8x	n.m.	n.m.
04. Oct 16	RIMOWA GmbH	Germany	LVMH SE	817	2.3x	16.7x	21.4x
29. Jul 16	Ernest Borel Ltd	Switzerland	Top One Global Ltd	104	2.5x	n.m.	n.m.
01. Jun 16	Michael Kors Ltd	United States	Michael Kors Ltd	6,626	n.m.	5.5x	6.4x
18. Apr 16	Ernest Borel Ltd	Switzerland	Sense Control Ltd	101	2.1x	17.7x	n.m.
Average				2,952	3.6x	14.6x	18.6x
Median				800	3.1x	15.9x	21.2x
Min				91	2.1x	5.5x	6.4x
Max				14,694	7.9x	28.4x	32.6x

Appendix 18: LVMH Comparable Transactions Analysis

Source: Refinitiv Workspace, own calculations

€ millions	EV /		
	LTM Revenue	LTM EBITDA	LTM EBIT
Key Metric	88,773	29,728	22,588
Multiple	3.6x	14.6x	18.6x
Enterprise Value	317,585	433,912	419,865
- Debt Items	(43,837)	(43,837)	(43,837)
- Minority Interests	(2,553)	(2,553)	(2,553)
+ Cash and Equivalents	16,881	16,881	16,881
Equity Value	288,076	404,403	390,356
Shares Outstanding (in millions)	499.7	499.7	499.7
Price per Share (in €)	576.5	809.3	781.2

Appendix 19: LVMH share price calculation based on average CTA multiples

Source: Refinitiv Workspace, own calculations

Income Statement (€ millions)	2025FC	2026FC	2027FC	2028FC	2029FC	2030FC
Revenue	427.4	441.3	461.3	482.2	504.0	526.9
<i>Growth %</i>	3%	3%	5%	5%	5%	5%
COGS	173.6	179.3	187.4	191.1	199.7	208.8
<i>% of Revenue</i>	41%	41%	41%	40%	40%	40%
Gross Profit	253.8	262.0	273.9	291.1	304.3	318.1
<i>Gross Margin</i>	59%	59%	59%	60%	60%	60%
SG&A	181.0	186.9	195.3	204.2	213.4	223.1
<i>% of Revenue</i>	42%	42%	42%	42%	42%	42%
Other Operating Expense	1.4	1.4	1.5	1.5	1.6	1.7
EBITDA	71.4	73.7	77.1	85.4	89.3	93.3
<i>EBITDA Margin</i>	17%	17%	17%	18%	18%	18%
Depreciation	44.4	45.8	47.9	50.0	52.3	54.7
Amortization	0.1	0.1	0.1	0.1	0.1	0.1
Operating Income (EBIT)	27.0	27.9	29.1	35.3	36.9	38.5
<i>Operating Margin</i>	6%	6%	6%	7%	7%	7%
Net Financial Income	(3.5)	(3.6)	(3.7)	(3.9)	(4.1)	(4.3)
Other Non-Operating Income	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Pre-Tax Inc. excl. Non-Rec.	23.5	24.3	25.4	31.4	32.8	34.3
Non-Recurring Income	0.0	0.0	0.0	0.0	0.0	0.0
Pre-Tax Income (EBT)	23.5	24.3	25.4	31.4	32.8	34.3
<i>Pre-Tax Income Margin</i>	6%	6%	6%	7%	7%	7%
Income Tax Expense	6.4	6.6	6.9	8.6	9.0	9.4
<i>% of Pre-Tax Income</i>	27%	27%	27%	27%	27%	27%
Net Income	17.1	17.6	18.4	22.8	23.8	24.9
<i>Net Income Margin</i>	4%	4%	4%	5%	5%	5%
Attributable to Common Shares	17.0	17.5	18.3	22.6	23.6	24.7
Attributable to Minorities	0.1	0.1	0.1	0.2	0.2	0.2
<i>Shares Outstanding (in m.)</i>	10.1	10.1	10.1	10.1	10.1	10.1
Earnings per Share	1.7	1.7	1.8	2.2	2.3	2.4
<i>EPS Growth %</i>	9%	3%	5%	24%	5%	5%

Appendix 20: Roche Bobois Income Statement Forecast (2025 – 2030)

Source: Own calculations

€ millions	2025FC	2026FC	2027FC	2028FC	2029FC	2030FC
ASSETS						
Cash And Equivalents	44.3	42.9	41.4	53.9	55.7	55.9
Short Term Investments	0.0	0.0	0.0	0.0	0.0	0.0
Total Cash & ST Inv.	44.3	42.9	41.4	53.9	55.7	55.9
Accounts Receivable	21.8	22.5	23.5	24.6	25.7	26.9
Other Receivables	7.5	7.8	8.1	8.5	8.9	9.3
Total Receivables	29.3	30.3	31.7	33.1	34.6	36.2
Inventory	104.2	107.6	112.4	115.0	120.2	125.6
Other Current Assets	7.5	7.8	8.1	8.4	8.8	9.2
Total Current Assets	185.3	188.5	193.6	210.4	219.3	226.8
Net Property, Plant & Equipment	226.9	234.3	244.9	256.0	267.6	279.7
Long-term Investments	6.4	6.9	7.4	8.0	8.6	9.3
Goodwill	42.6	42.6	42.6	42.6	42.6	42.6
Intangible Assets excl. Goodwill	0.4	0.4	0.4	0.4	0.4	0.5
Other Non-Current Assets	0.2	0.2	0.2	0.2	0.2	0.2
Deferred Tax Assets, LT	8.7	8.7	8.7	8.7	8.7	8.7
Total Non-Current Assets	285.1	293.0	304.1	315.8	328.1	340.9
Total Assets	470.4	481.4	497.7	526.2	547.4	567.8
LIABILITIES						
Accounts Payable	56.3	58.2	60.8	62.2	65.0	67.9
Short-term Borrowings	0.5	0.5	0.6	0.6	0.6	0.7
Curr. Port. of LT Debt/Leases	57.6	59.4	62.4	65.8	69.3	72.5
Curr. Income Taxes Payable	1.3	1.3	1.3	1.3	1.3	1.3
Other Current Liabilities	84.2	84.6	83.6	84.1	85.3	86.5
Total Current Liabilities	199.9	203.9	208.6	213.9	221.5	228.8
Long-Term Debt	171.2	176.5	185.5	195.7	206.0	215.5
Deferred Tax Liabilities, LT	0.3	0.3	0.3	0.3	0.3	0.3
Other Non-Current Liabilities	7.7	7.9	8.3	8.7	9.1	9.5
Total Non-Current Liabilities	179.2	184.7	194.0	204.6	215.3	225.3
Total Liabilities	379.0	388.6	402.7	418.6	436.8	454.1
Common Stock	50.7	50.7	50.7	50.7	50.7	50.7
Other Reserves & Comprehensive Income	37.2	38.6	40.6	53.1	55.9	58.7
Total Equity to Shareholders	87.9	89.2	91.3	103.8	106.5	109.4
Minority Interests	3.5	3.6	3.7	3.9	4.1	4.2
Total Equity	91.4	92.8	95.1	107.7	110.6	113.7
Total Liabilities and Equity	470.4	481.4	497.7	526.2	547.4	567.8

Appendix 21: Roche Bobois Balance Sheet Forecast (2025 – 2030)

Source: Own calculations

Cash Flow Statement (€ millions)	2025FC	2026FC	2027FC	2028FC	2029FC	2030FC
Net Income	17.1	17.6	18.4	22.8	23.8	24.9
Depreciation & Amorization	44.4	45.9	48.0	50.1	52.4	54.8
Other Items	(12.7)	(15.3)	(18.3)	(21.6)	(25.1)	(28.8)
Cash Flow from Operations	48.8	48.2	48.1	51.3	51.2	50.8
- Δ Working Capital	(3.3)	(2.3)	(4.9)	(2.4)	(3.1)	(3.3)
Net Cash Flow from Operating Activities	45.5	45.9	43.1	48.9	48.1	47.5
Capex	(13.0)	(13.4)	(14.0)	(14.6)	(15.3)	(16.0)
Other Investing Cash Flow	0.7	0.5	0.6	0.6	0.7	0.7
Cash Flow from Investing Activities	(12.3)	(12.9)	(13.4)	(14.0)	(14.6)	(15.3)
Dividends	(12.9)	(13.2)	(13.4)	(13.7)	(14.0)	(14.2)
Net Change in Equity	(6.5)	1.5	2.2	12.6	2.9	3.1
Net Change in Debt	(18.1)	(23.4)	(20.8)	(22.1)	(21.4)	(21.8)
Other Financing Cash Flows	(6.8)	0.2	0.4	0.4	0.4	0.4
Cash Flows from Financing Activities	(44.3)	(34.9)	(31.6)	(22.8)	(32.1)	(32.5)
Exchange Rate Effects	0.4	0.4	0.4	0.4	0.4	0.4
Net Change in Cash	(10.6)	(1.4)	(1.5)	12.5	1.8	0.1

Appendix 22: Roche Bobois Cash Flow Statement Forecast (2025 – 2030)

Source: Own calculations

Income Statement (€ millions)	2019	2020	2021	2022	2023	2024
Revenue	274.7	266.0	334.0	408.6	429.6	414.0
<i>Growth %</i>		(3%)	26%	22%	5%	(4%)
COGS	112.9	112.5	134.9	162.8	171.4	167.3
<i>% of Revenue</i>	41%	42%	40%	40%	40%	40%
Gross Profit	161.8	153.5	199.0	245.7	258.3	246.7
<i>Gross Margin</i>	59%	58%	60%	60%	60%	60%
SG&A	116.6	102.6	136.3	163.3	171.3	173.0
<i>% of Revenue</i>	42%	39%	41%	40%	40%	42%
Other Operating Expense	1.4	1.8	1.4	1.6	(0.7)	0.4
EBITDA	43.8	49.0	61.3	80.8	87.7	73.3
<i>EBITDA Margin</i>	16%	18%	18%	20%	20%	18%
Depreciation	27.9	31.1	32.9	36.6	41.3	47.0
Amortization	0.2	0.4	0.5	0.1	0.1	0.1
Operating Income (EBIT)	15.8	17.6	28.0	44.1	46.3	26.3
<i>Operating Margin</i>	6%	7%	8%	11%	11%	6%
Net Financial Income	(2.1)	(3.0)	(1.8)	(1.7)	(3.8)	(4.7)
Other Non-Operating Income	0.0	(25.5)	0.2	(0.2)	(0.0)	(0.2)
Pre-Tax Inc. excl. Non-Rec.	13.8	(10.9)	26.4	42.2	42.5	21.5
Non-Recurring Income	(0.0)	24.7	0.0	0.0	0.0	0.0
Pre-Tax Income (EBT)	13.8	13.8	26.4	42.2	42.5	21.5
<i>Pre-Tax Income Margin</i>	5%	5%	8%	10%	10%	5%
Income Tax Expense	4.2	3.7	7.6	10.9	11.1	5.7
<i>% of Pre-Tax Income</i>	30%	27%	29%	26%	26%	26%
Net Income	9.6	10.1	18.8	31.3	31.4	15.8
<i>Net Income Margin</i>	3%	4%	6%	8%	7%	4%
Attributable to Common Shares	9.3	10.0	18.7	31.3	31.3	15.6
Attributable to Minorities	0.3	0.1	0.1	0.1	0.1	0.2
<i>Shares Outstanding (in m.)</i>	9.6	9.8	9.9	10.0	10.1	10.1
Earnings per Share	1.0	1.0	1.9	3.1	3.1	1.5
<i>EPS Growth %</i>		5%	85%	65%	(0%)	(51%)

Appendix 23: Roche Bobois historical Income Statement (2019 – 2024)

Source: Refinitiv Workspace, own calculations

€ millions	2019	2020	2021	2022	2023	2024
ASSETS						
Cash And Equivalents	31.1	73.3	84.3	76.0	65.6	54.9
Short Term Investments	0.0	0.0	0.0	0.0	0.0	0.0
Total Cash & ST Inv.	31.1	73.3	84.3	76.0	65.6	54.9
Accounts Receivable	16.4	15.6	15.6	17.4	17.4	21.1
Other Receivables	5.0	4.7	4.6	6.5	8.5	8.5
Total Receivables	21.4	20.3	20.2	23.9	25.9	29.6
Inventory	66.8	67.3	77.3	91.5	93.6	101.5
Other Current Assets	4.9	4.0	4.6	5.7	7.1	11.3
Total Current Assets	124.2	165.0	186.4	197.1	192.2	197.2
Net Property, Plant & Equipment	146.3	164.6	191.5	190.0	217.5	229.9
Long-term Investments	4.1	5.8	4.4	4.8	5.6	5.9
Goodwill	6.1	14.1	14.1	22.7	28.6	42.6
Intangible Assets excl. Goodwill	0.8	0.8	0.6	0.4	0.3	0.3
Other Non-Current Assets	0.4	0.3	0.0	0.0	0.0	0.0
Deferred Tax Assets, LT	5.5	5.9	6.4	5.8	6.8	8.7
Total Non-Current Assets	163.1	191.3	217.0	223.8	258.8	287.4
Total Assets	287.3	356.3	403.4	420.9	451.0	484.7
LIABILITIES						
Accounts Payable	39.8	42.1	47.2	53.7	52.4	57.1
Short-term Borrowings	0.6	0.8	0.2	0.2	0.3	0.3
Curr. Port. of LT Debt/Leases	31.6	67.5	28.5	29.1	58.8	59.2
Curr. Income Taxes Payable	1.4	1.5	2.1	0.5	2.1	1.3
Other Current Liabilities	51.4	60.5	92.5	101.3	81.6	88.1
Total Current Liabilities	124.8	172.3	170.5	184.8	195.1	205.9
Long-Term Debt	97.3	112.3	144.3	136.8	146.0	166.2
Deferred Tax Liabilities, LT	0.4	0.7	0.5	0.3	0.4	0.2
Other Non-Current Liabilities	5.7	4.4	4.7	4.2	4.8	14.6
Total Non-Current Liabilities	103.3	117.4	149.5	141.4	151.1	181.0
Total Liabilities	228.1	289.7	320.0	326.1	346.2	386.8
Common Stock	49.4	49.4	49.6	50.0	50.2	50.7
Other Reserves & Comprehensive Income	7.7	15.4	32.2	43.0	52.6	43.8
Total Equity to Shareholders	57.1	64.8	81.8	93.0	102.9	94.5
Minority Interests	2.1	1.9	1.6	1.8	1.9	3.4
Total Equity	59.1	66.6	83.4	94.7	104.8	97.8
Total Liabilities and Equity	287.3	356.3	403.4	420.9	451.0	484.7

Appendix 24: Roche Bobois historical Balance Sheet (2019 – 2024)

Source: Refinitiv Workspace, own calculations

Cash Flow Statement (€ millions)	2019	2020	2021	2022	2023	2024
Net Income	9.6	10.1	18.8	31.3	31.4	15.8
Depreciation & Amorization	28.0	31.4	33.3	36.7	41.4	47.0
Other Items	(2.3)	3.5	1.3	0.4	(0.9)	(10.2)
Cash Flow from Operations	35.3	45.0	53.4	68.4	71.9	52.6
- Δ Working Capital	13.9	12.9	27.3	(5.3)	(24.9)	(5.4)
Net Cash Flow from Operating Activities	49.1	57.9	80.7	63.0	47.0	47.1
Capex	(7.6)	(6.0)	(10.5)	(10.0)	(23.5)	(8.9)
Other Investing Cash Flow	(0.4)	(12.3)	1.4	(10.8)	(4.0)	(8.1)
Cash Flow from Investing Activities	(8.0)	(18.2)	(9.1)	(20.8)	(27.5)	(17.0)
Dividends	(2.8)	(1.0)	(4.9)	(19.8)	(22.5)	(12.7)
Net Change in Equity	0.0	0.0	0.0	0.0	0.0	0.0
Net Change in Debt	(20.7)	5.9	(55.6)	(31.4)	(7.5)	(28.8)
Other Financing Cash Flows	(0.7)	(1.7)	(1.3)	0.0	0.0	0.0
Cash Flows from Financing Activities	(24.1)	3.2	(61.8)	(51.2)	(30.0)	(41.4)
Exchange Rate Effects	0.3	(0.8)	1.7	0.8	0.0	0.6
Net Change in Cash	17.3	42.1	11.5	(8.3)	(10.5)	(10.7)

Appendix 25: Roche Bobois historical Cash Flow Statement (2019 – 2024)

Source: Refinitiv Workspace, own calculations

€ millions	2019	2020	2021	2022	2023	2024
EBIT	15.8	17.6	28.0	44.1	46.3	26.3
- Tax Expenses	(4.2)	(3.7)	(7.6)	(10.9)	(11.1)	(5.7)
NOPAT	11.6	13.9	20.4	33.2	35.2	20.6
+ Depreciation & Amortization	28.0	31.4	33.3	36.7	41.4	47.0
- Capital Expenditures	(7.6)	(6.0)	(10.5)	(10.0)	(23.5)	(8.9)
- Δ Net Working Capital	13.9	12.9	27.3	(5.3)	(24.9)	(5.4)
Free Cashflow to Firm (FCFF)	45.9	52.2	70.6	54.5	28.1	53.3
Discount Factor						
Present Value FCFF						

Appendix 26: Roche Bobois historical Free Cash Flows (2019 – 2024)

Source: Refinitiv Workspace, own calculations

WACC components	
German 10Y Government bond yield	2.4%
Equity risk premium France	5.1%
Levered beta	2.2
Cost of equity	13.5%
German 10Y Government bond yield	2.4%
Default spread	1.6%
Cost of debt	4.0%
Markt value equity	364.8
Markt value debt	186.5
Tax rate	27.4%
WACC	9.9%

Appendix 27: Roche Bobois WACC components

Source: Own calculations, Damodaran (2025a), Damodaran (2025b), Refinitiv Workspace, Trading Economics (2025a)

		Terminal Growth Rate				
EV in €m		1.40%	1.60%	1.80%	2.00%	2.20%
WACC	9.70%	715.0	728.2	742.2	756.8	772.3
	9.80%	706.3	719.2	732.7	746.9	761.9
	9.90%	697.7	710.3	723.4	737.3	751.8
	10.00%	689.4	701.6	714.4	727.9	742.0
	10.10%	681.3	693.2	705.6	718.7	732.4

Appendix 28: Roche Bobois Enterprise Value Sensitivity Analysis

Source: Own calculations

		Terminal Growth Rate				
Price in €		1.40%	1.60%	1.80%	2.00%	2.20%
WACC	9.70%	52.0	53.3	54.7	56.1	57.6
	9.80%	51.1	52.4	53.7	55.1	56.6
	9.90%	50.3	51.5	52.8	54.2	55.6
	10.00%	49.4	50.7	51.9	53.2	54.6
	10.10%	48.6	49.8	51.0	52.3	53.7

Appendix 29: Roche Bobois Share Price Sensitivity Analysis

Source: Own calculations

Peer Companies	EV /									Price /		
	LTM Revenue	FY24 Revenue	NTM Revenue	LTM EBITDA	FY24 EBITDA	NTM EBITDA	LTM EBIT	FY24 EBIT	NTM EBIT	LTM EPS	FY24 EPS	NTM EPS
RH	2.0x	2.0x	1.8x	13.4x	12.1x	9.3x	18.4x	31.3x	12.7x	48.4x	115.7x	15.4x
MillerKnoll Inc	n.m.	0.6x	0.6x	6.2x	6.1x	6.5x	n.m.	13.1x	9.7x	38.1x	24.8x	8.8x
Ethan Allen Inc	0.9x	0.9x	0.9x	6.4x	6.0x	5.9x	n.m.	6.9x	7.2x	11.6x	11.1x	11.0x
Bassett Furniture Inc	n.m.	0.3x	0.3x	15.7x	n.a.	n.a.	n.a.	n.a.	10.4x	n.a.	n.a.	18.4x
Arhaus Inc	0.8x	0.8x	0.7x	5.9x	7.3x	6.3x	11.3x	13.7x	10.1x	16.2x	19.3x	15.4x
Nick Scali Ltd	3.6x	3.8x	3.2x	10.8x	10.2x	9.7x	15.5x	10.7x	14.3x	22.4x	14.0x	20.5x
Average	1.8x	1.4x	1.2x	9.7x	8.3x	7.5x	15.0x	15.2x	10.7x	27.3x	37.0x	14.9x
Median	1.5x	0.8x	0.8x	8.6x	7.3x	6.5x	15.5x	13.1x	10.2x	22.4x	19.3x	15.4x
Min	0.8x	0.3x	0.3x	5.9x	6.0x	5.9x	11.3x	6.9x	7.2x	11.6x	11.1x	8.8x
Max	3.6x	3.8x	3.2x	15.7x	12.1x	9.7x	18.4x	31.3x	14.3x	48.4x	115.7x	20.5x

Appendix 30: Roche Bobois Comparable Companies Analysis

Source: Refinitiv Workspace, own calculations

Date Announced	Target	Target Country	Acquiror	EV (€ m.)	EV /		
					LTM Revenue	LTM EBITDA	LTM EBIT
27. Mar 18	Nick Scali Ltd	Australia	Jason Furniture Ltd	353	2.2x	9.0x	n.m.
08. Jan 18	OKA Direct Ltd	United Kingdom	Investindustrial SpA	42	1.3x	15.6x	20.8x
04. May 17	RH	United States	RH	2,508	1.2x	n.m.	38.3x
02. Jun 16	BoConcept A/S	Denmark	Layout Bidco A/S	188	1.1x	9.2x	11.5x
23. Mar 16	Nick Scali Ltd	Australia	Anthony Scali	203	1.7x	9.2x	n.m.
Average				659	1.5x	10.8x	23.5x
Median				203	1.3x	9.2x	20.8x
Min				42	1.1x	9.0x	11.5x
Max				2,508	2.2x	15.6x	38.3x

Appendix 31: Roche Bobois Comparable Transactions Analysis

Source: Refinitiv Workspace, own calculations

€ millions	EV /		
	LTM Revenue	LTM EBITDA	LTM EBIT
Key Metric	427.4	71.4	27.0
Multiple	1.5x	10.8x	23.5x
Enterprise Value	644.5	769.6	634.2
- Debt Items	(229.3)	(229.3)	(229.3)
- Minority Interests	(3.5)	(3.5)	(3.5)
+ Cash and Equivalents	44.3	44.3	44.3
Equity Value	456.0	581.1	445.6
Shares Outstanding (in millions)	10.1	10.1	10.1
Price per Share (in €)	45.0	57.4	44.0

Appendix 32: Roche Bobois share price calculation based on average CTA multiples

Source: Refinitiv Workspace, own calculations

€ millions	2025FC	2026FC	2027FC	2028FC	2029FC	2030FC
EBIT	22,615	23,817	25,086	30,580	32,218	33,947
- Tax Expenses	(5,928)	(6,243)	(6,576)	(8,048)	(8,479)	(8,934)
NOPAT	16,687	17,574	18,510	22,532	23,738	25,013
+ Depreciation & Amortization	7,185	7,566	7,969	8,394	8,843	9,317
- Capital Expenditures	(8,573)	(9,252)	(9,751)	(10,279)	(10,836)	(11,425)
- Δ Net Working Capital	344	745	342	(1,291)	(563)	(775)
Free Cashflow to Firm (FCFF)	15,643	16,632	17,070	19,356	21,182	22,130
Discount Factor		1.09	1.18	1.29	1.40	1.52
Present Value FCFF		15,289	14,423	15,034	15,124	14,525

Appendix 33: Combined Entity excl. Synergies Free Cash Flow Forecast (2025 – 2030)

Source: Own calculations

	2026FC	2027FC	2028FC	2029FC	2030FC
Revenue Synergies	0.00%	0.05%	0.08%	0.09%	0.09%
Market Share Expansion	0.00%	0.02%	0.04%	0.04%	0.04%
<i>Roche Bobois</i>	0.00%	1.50%	3.00%	3.00%	3.00%
<i>LVMH</i>	0.00%	0.02%	0.03%	0.03%	0.03%
Geographic Expansion	0.00%	0.01%	0.02%	0.02%	0.02%
<i>Roche Bobois</i>	0.00%	3.00%	5.00%	5.00%	5.00%
<i>LVMH</i>	0.00%	0.00%	0.00%	0.00%	0.00%
Cross-Selling	0.00%	0.01%	0.01%	0.02%	0.02%
<i>Roche Bobois</i>	0.00%	2.00%	2.00%	3.00%	3.00%
<i>LVMH</i>	0.00%	0.01%	0.01%	0.01%	0.01%
Cost Synergies	0.00%	0.03%	0.09%	0.10%	0.11%
Reduction COGS	0.00%	0.01%	0.06%	0.07%	0.07%
<i>Roche Bobois</i>	0.00%	2.00%	2.00%	3.00%	3.00%
<i>LVMH</i>	0.00%	0.00%	0.05%	0.05%	0.05%
Reduction SG&A	0.00%	0.02%	0.03%	0.03%	0.04%
<i>Roche Bobois</i>	0.00%	3.00%	5.00%	5.00%	7.00%
<i>LVMH</i>	0.00%	0.00%	0.00%	0.00%	0.00%

Appendix 34: Combined Entity Synergy Assumptions (2026 – 2030)

Source: Own calculations

€ millions	2025FC	2026FC	2027FC	2028FC	2029FC	2030FC
Revenue pre Synergies	89,201	93,934	98,936	104,218	109,796	115,686
Growth %		5.3%	5.3%	5.3%	5.4%	5.4%
Synergies	0	0	51	81	94	99
% of Revenue	0.00%	0.00%	0.05%	0.08%	0.09%	0.09%
Revenue	89,201	93,934	98,987	104,300	109,890	115,786
Growth %		5.3%	5.4%	5.4%	5.4%	5.4%
COGS pre Synergies	25,431	26,779	28,205	27,631	29,109	30,670
% of Revenue	28.5%	28.5%	28.5%	26.5%	26.5%	26.5%
Synergies	0	0	(4)	(18)	(20)	(22)
% of COGS	0.00%	0.00%	0.01%	0.06%	0.07%	0.07%
COGS	25,431	26,779	28,201	27,613	29,089	30,649
% of Revenue	28.5%	28.5%	28.5%	26.5%	26.5%	26.5%
Gross Profit	63,770	67,154	70,786	76,686	80,802	85,137
Gross Margin	71.5%	71.5%	71.5%	73.5%	73.5%	73.5%
SG&A pre Synergies	34,044	35,850	37,759	37,700	39,717	41,848
% of Revenue	38.2%	38.2%	38.2%	36.2%	36.2%	36.2%
Synergies	0	0	(6)	(10)	(11)	(16)
% of SG&A	0.00%	0.00%	0.02%	0.03%	0.03%	0.04%
SG&A	34,044	35,850	37,753	37,690	39,707	41,832
% of Revenue	38.2%	38.2%	38.1%	36.1%	36.1%	36.1%
Other Operating Income	(74)	(78)	(82)	(86)	(91)	(96)
EBITDA	29,800	31,383	33,115	39,083	41,186	43,401
EBITDA Margin	33.4%	33.4%	33.5%	37.5%	37.5%	37.5%

Appendix 35: Quantification of Synergy Assumptions (2025 – 2030)

Source: Own calculations

€ millions	2025FC	2026FC	2027FC	2028FC	2029FC	2030FC
EBIT	22,615	23,817	25,147	30,689	32,343	34,084
- Tax Expenses	(5,928)	(6,243)	(6,576)	(8,048)	(8,479)	(8,934)
NOPAT	16,687	17,574	18,571	22,641	23,864	25,149
+ Depreciation & Amortization	7,185	7,566	7,969	8,394	8,843	9,317
- Capital Expenditures	(8,573)	(9,252)	(9,751)	(10,279)	(10,836)	(11,425)
- Δ Net Working Capital	344	745	342	(1,291)	(563)	(775)
Free Cashflow to Firm (FCFF)	15,643	16,632	17,130	19,465	21,307	22,267
Discount Factor		1.09	1.18	1.29	1.40	1.52
Present Value FCFF		15,289	14,475	15,119	15,213	14,614

Appendix 36: Combined Entity incl. Synergies Free Cash Flow Forecast (2025 – 2030)

Source: Own calculations

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Declaration

I acknowledge the use of Artificial Intelligence to improve the text quality and reduce the word count. The AI tool was employed for language refinement, including improving clarity as well as for translation purposes. All content was reviewed and edited to ensure accuracy and adherence to academic standards.