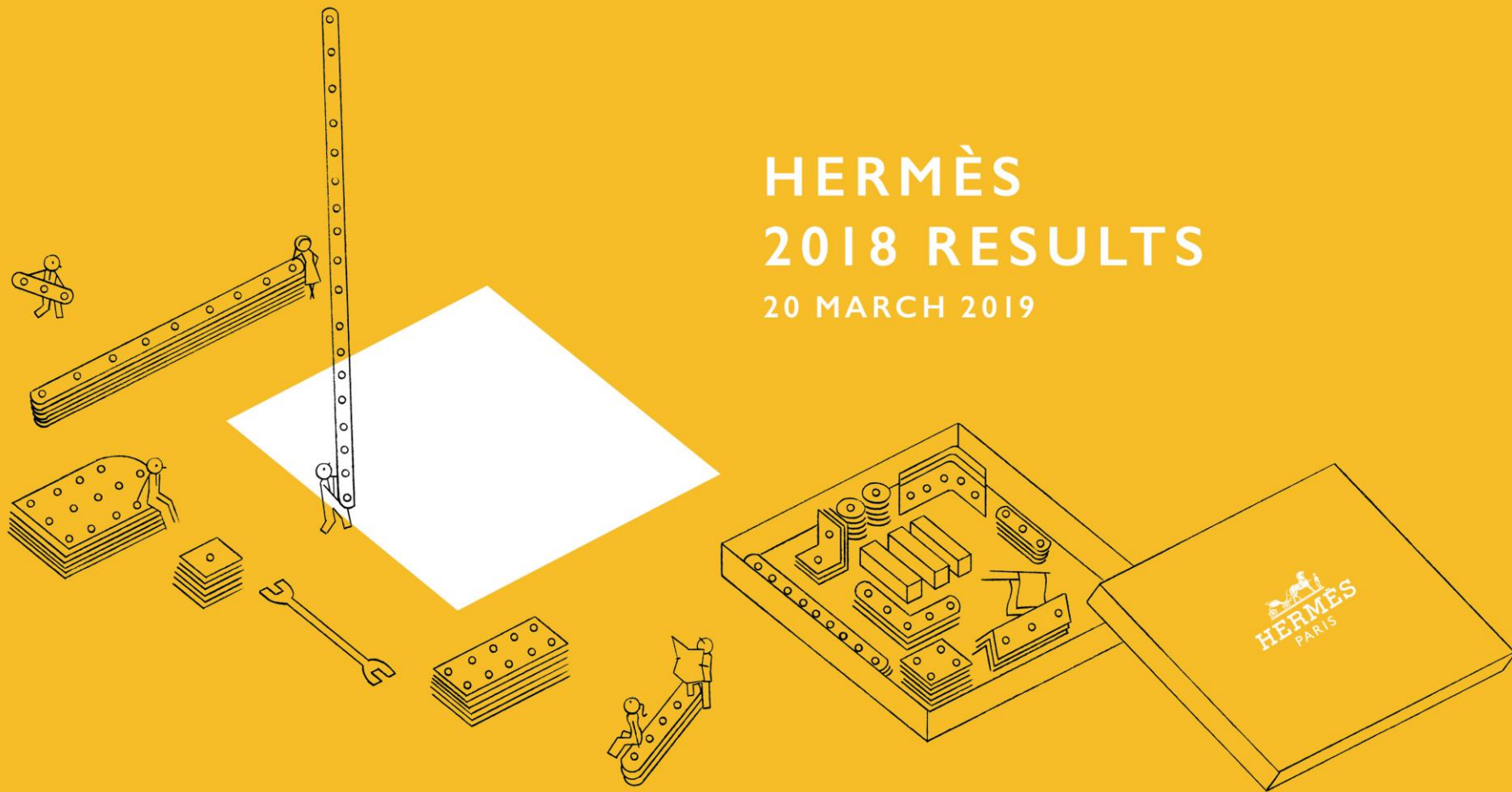


HERMÈS

2018 RESULTS

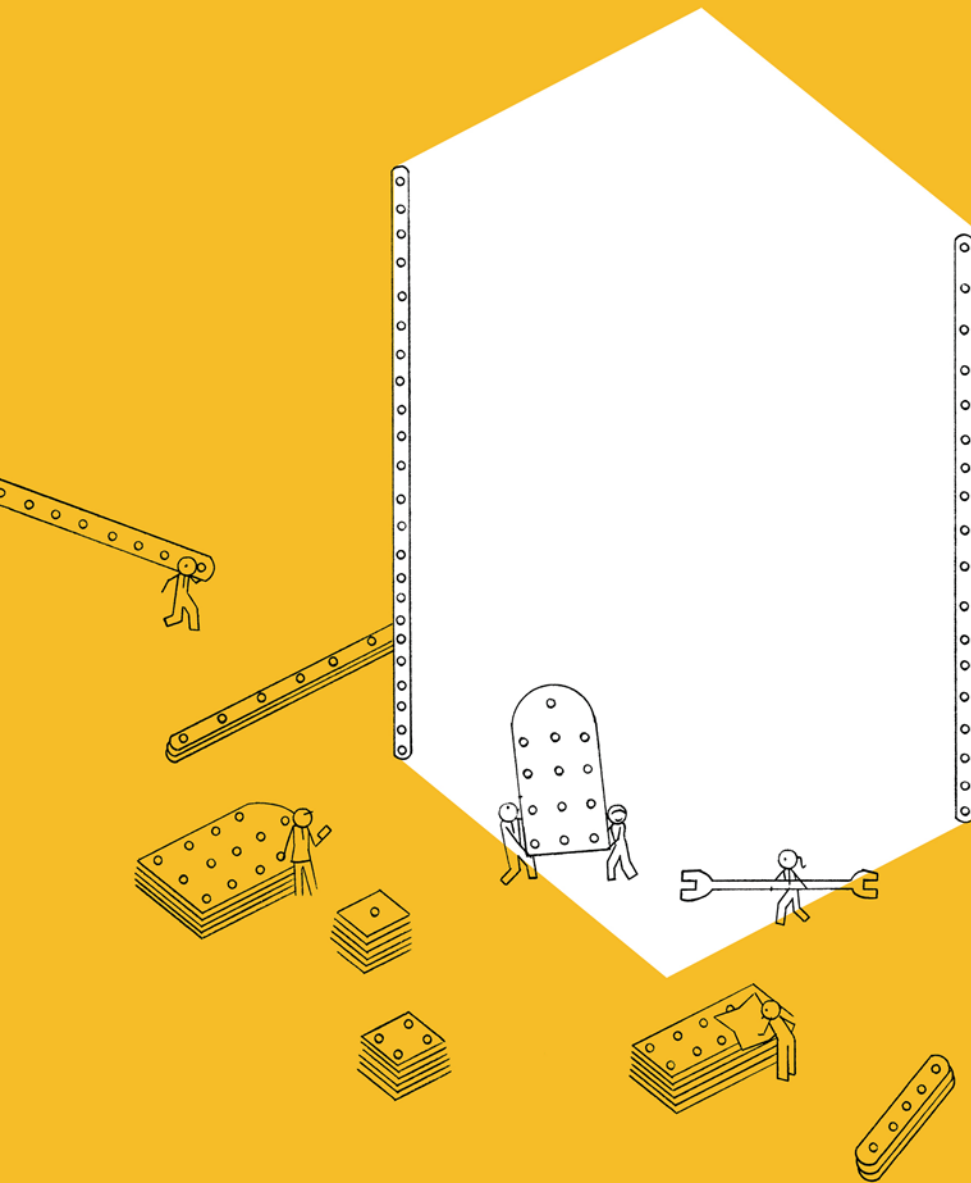
20 MARCH 2019





LET'S PLAY!

- A corporate vision stamped with a spirit of independence around quality of know-how, innovation, ever-renewed creativity and the outstanding commitment of Hermès' teams
- Commitment to a model in which dynamic craftsmanship drives sustainable, profitable growth
- Contemporary design and creation through our 15 *Métiers*
- A network of unique and complementary stores geared to new buying practices and behaviours



HIGHLIGHTS



ACTIVITY

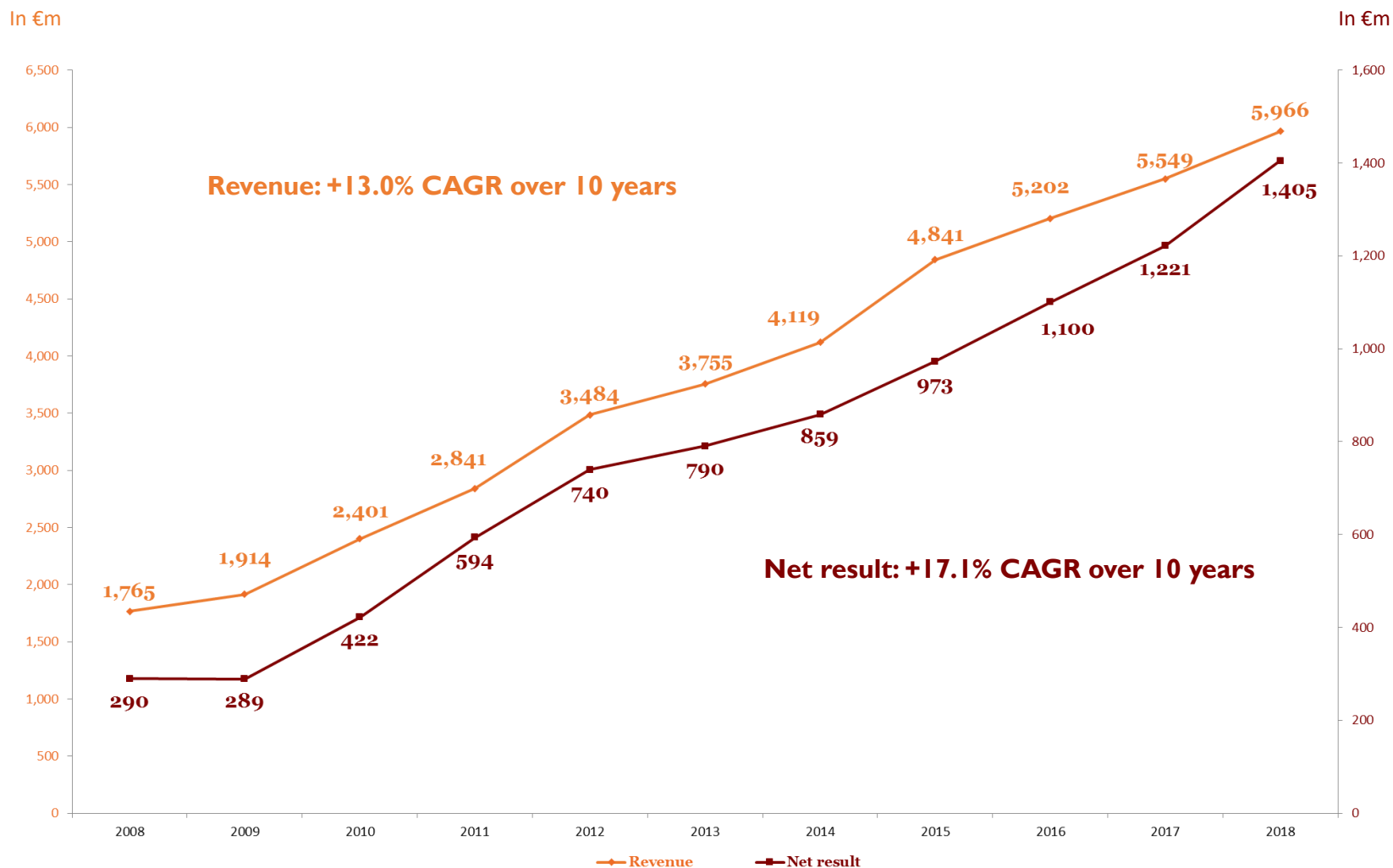
- 2018 revenue amounted to **€5,966** million, up **10%** at constant exchange rates.
- **Particularly healthy and balanced growth**, primarily based on a volume increase.
- Strong sales growth of **11%** at constant exchange rates in Group stores, with all the geographical areas posting an increase.



RESULTS

- Recurring operating income up **6%** to **€2,045 million**, and recurring operating profitability reached **34.3%** of sales, close to the outstanding level achieved in 2017.
- After inclusion of the €53 million net capital gain from the Galleria disposal in Hong Kong, operating income increased 9% to €2,098 million, representing 35.2% of sales.
- Consolidated net profit (Group share) increased **15%** to **€1,4 billion**.

REVENUE AND NET RESULT





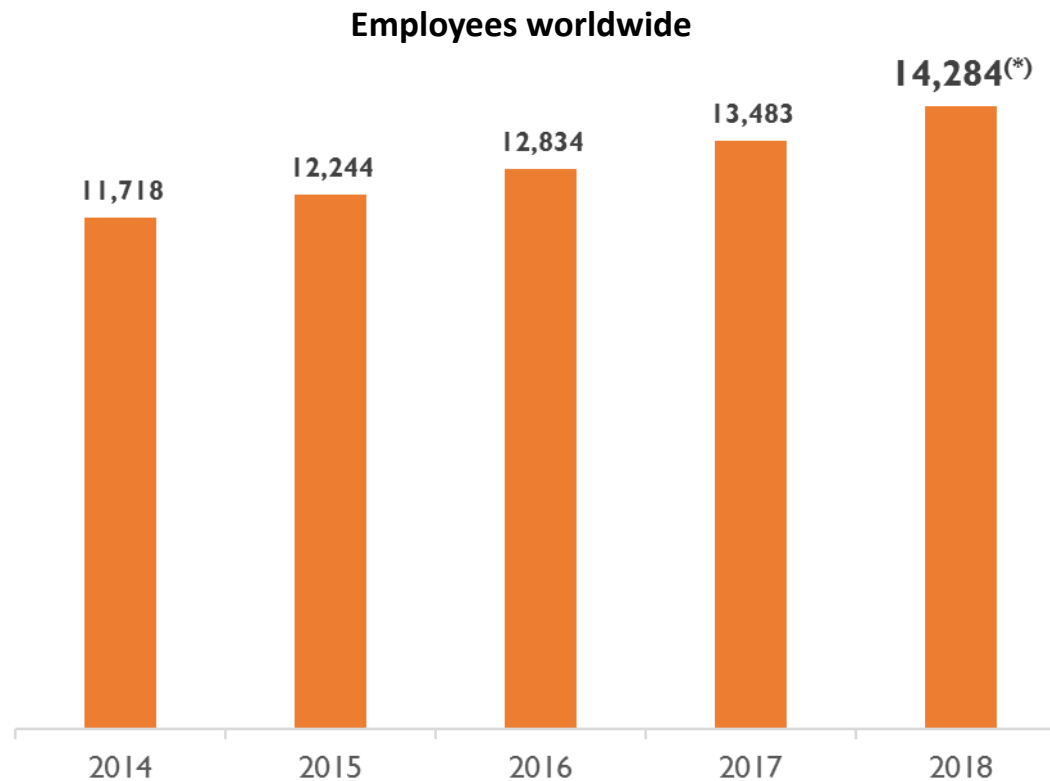
TREASURY

- Free cash flow amounted to **€1,4 billion**, up **8%**.
- Net cash gained €553 million to reach **€3,5 billion** as at 31 December 2018 after payment of the ordinary dividend (€428 million) and an extraordinary dividend (€521 million).

WOMEN AND MEN

WOMEN AND MEN

+800 new hires in 2018 with more than 500 people in France,
mainly in production and sales



() of which 8,846 in France*



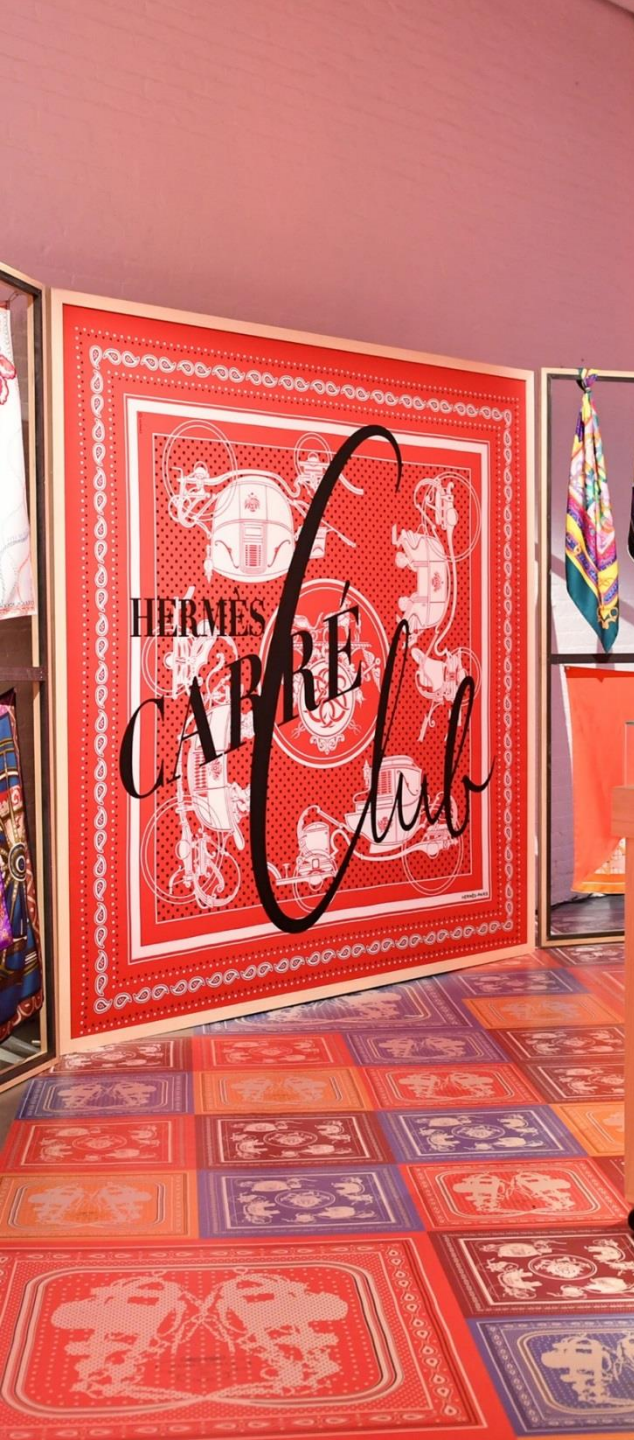
PRODUCTION

- Ramp-up of the leather workshops in *Normandy* and *Saint-Junien*.
- Opening of the *Maroquinerie de l'Allan* in April.
- Start of work on the *Guyenne* and *Montereau* workshops, scheduled for completion in 2020.
- A new workshop will be built in *Louviers* by 2021, ultimately creating 250 jobs.



CREATION

- Men's and women's ready-to-wear collections met with great success.
- New bag and luggage collection with the *Mosaïque au 24* bag, and enhancement of the classic *Kelly*, *Birkin* and *Constance* lines.
- With spirit and lightness for Silk, with *Jeu de soie*, designed by Gianpaolo Pagni and the work of Pierre Charpin, *La Serpentine*, around the equestrian figure.
- Custom objects inspired by the world of sliding at Hermès Horizons.
- New olfactory variation with *Terre d'Hermès Eau intense vétiver*.



COMMUNICATION

Hermès rolls out its different languages in the course of its events :

- *Fast Forward Men* for the men's universe in Shanghai and *Avec elle* for the women's universe in Tokyo
- *Hermès Carré Club* in New York, Toronto, Singapore, Los Angeles and Milan for Silk
- *Enchaînements libres* for high jewellery at Faubourg Saint Honoré Store

And asserts its singularity at key corporate occasions:

- 9th Saut Hermès at the Grand Palais in Paris
- *Hermès hors les murs* festival in Melbourne, Lyon and Moscow enhanced with the *Footsteps across the world* collection
- *Hermès Heritage* exhibition in Los Angeles and Shanghai, and petit h in Lisbon and Hong Kong



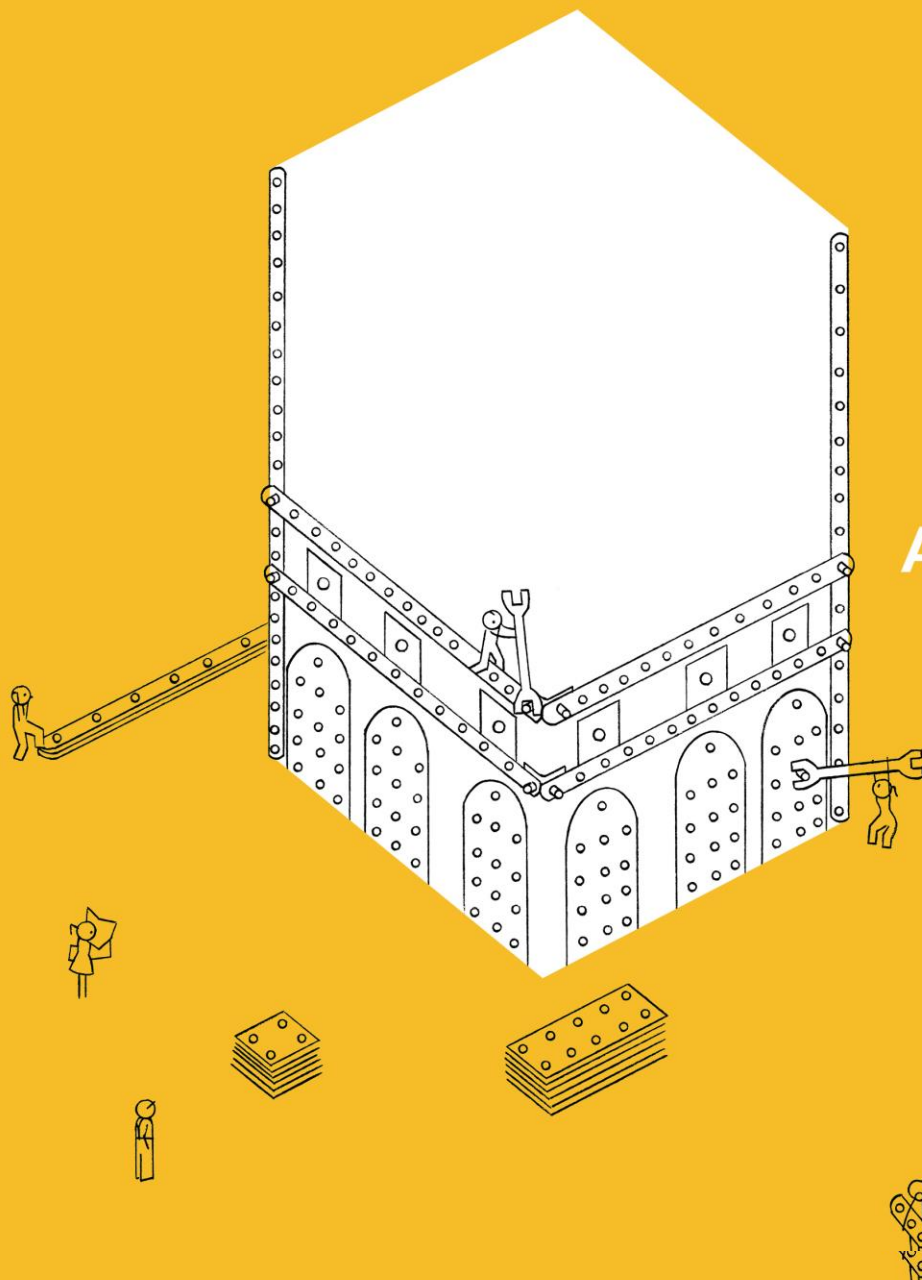
DISTRIBUTION NETWORK

- Store openings in Hong Kong, Palo Alto, Changsha, Istanbul Emaar, Cancun, Artz Pedregal, Xi'an, Chadstone in Australia and Icon Siam in Bangkok
- Some twenty stores reopened after extension, namely:
 - Monaco, Nice, and Avenue George V in Paris
 - London Selfridges, Venice, Capri, Gstaad in Europe
 - Busan in Korea, Harbin and Shanghai IFC in China, and Marina Bays in Singapore.



DISTRIBUTION NETWORK

- Launch of the new *hermes.com* digital platform in Europe and Australia in H1 2018.
- Successful launch of *hermes.cn* in China at the end of October, opening online sales across the country.



ACTIVITY



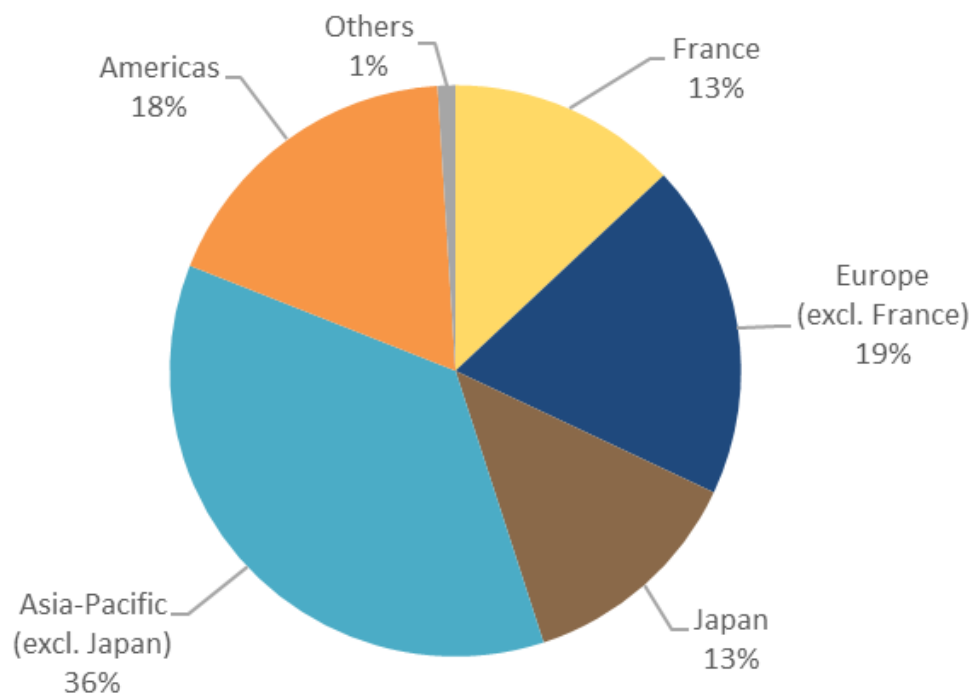
EVENUE BY GEOGRAPHICAL AREA



REVENUE BY GEOGRAPHICAL AREA

in €M	2018	Change at constant rates
France	802	6.3%
Europe (excl. France)	1,106	7.5%
EUROPE	1,909	7.0%
Japan	748	7.5%
Asia-Pacific (excl. Japan)	2,142	13.7%
ASIA	2,891	12.0%
Americas	1,059	11.5%
Others	108	17.8%
TOTAL	5,966	10.4%

REVENUE BY GEOGRAPHICAL AREA



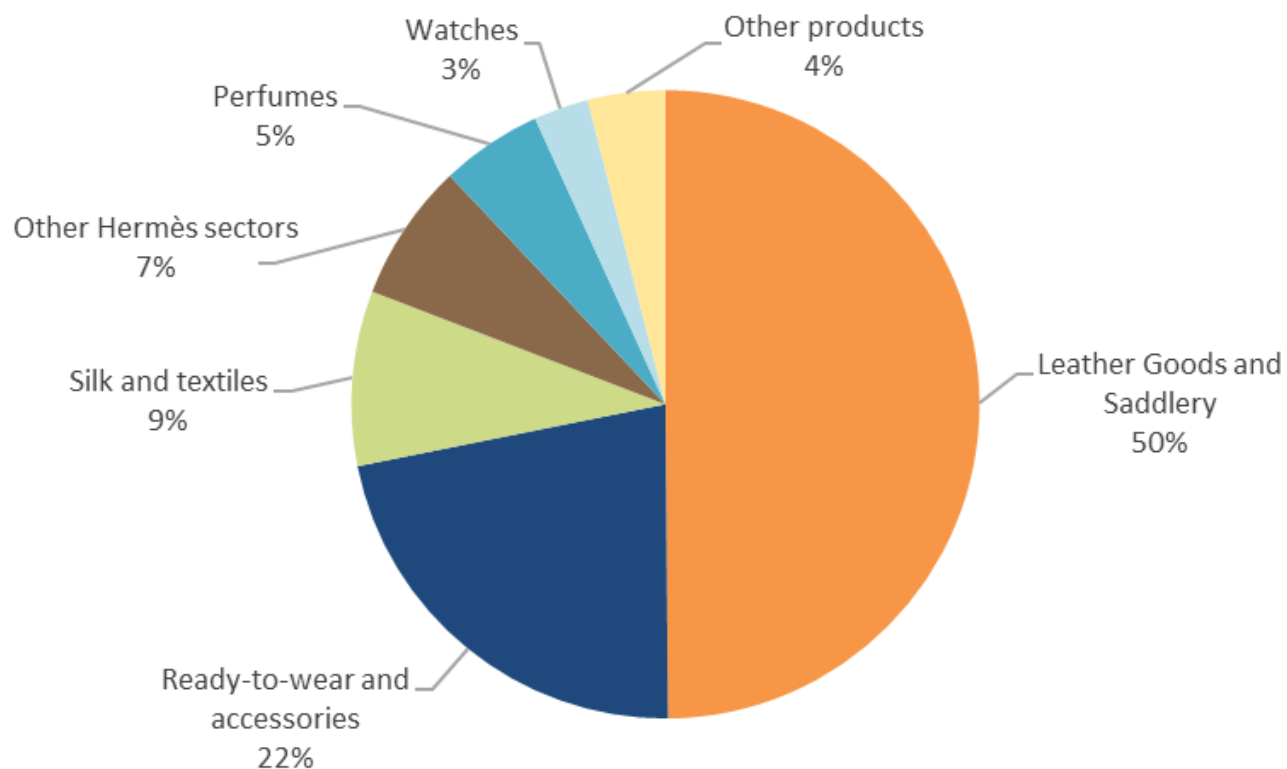
REVENUE BY ECTOR

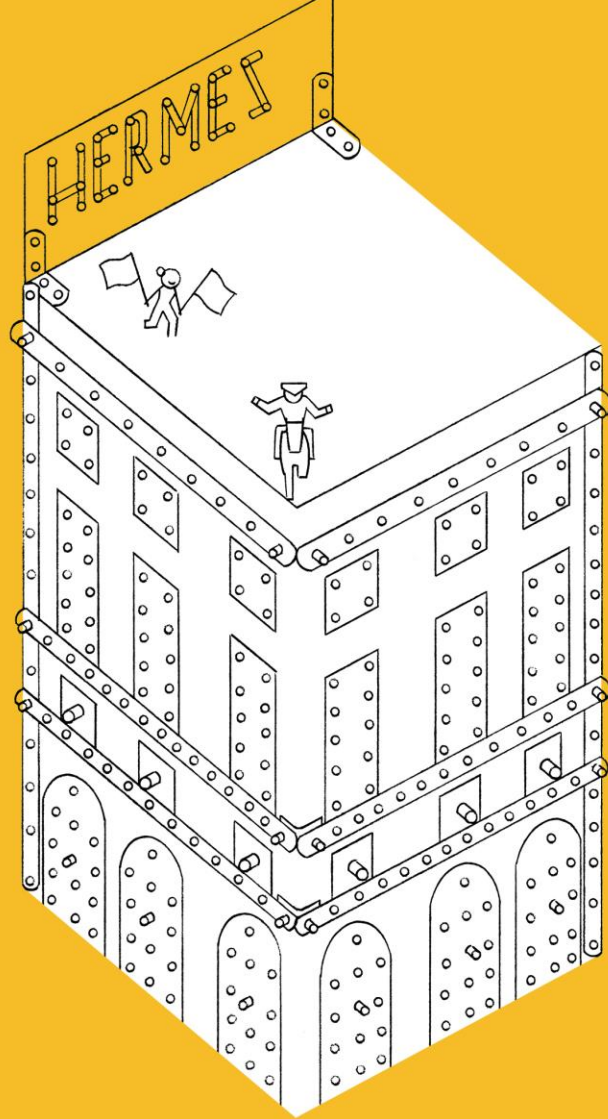


REVENUE BY SECTOR

in €M	2018	Change at constant rates
Leather Goods and Saddlery	2,976	9.4%
Ready-to-wear and accessories	1,310	14.1%
Silk and textiles	537	3.2%
Other Hermès sectors	425	19.6%
Perfumes	312	8.9%
Watches	169	9.9%
Other products	238	7.9%
TOTAL	5,966	10.4%

REVENUE BY SECTOR





RESULTS

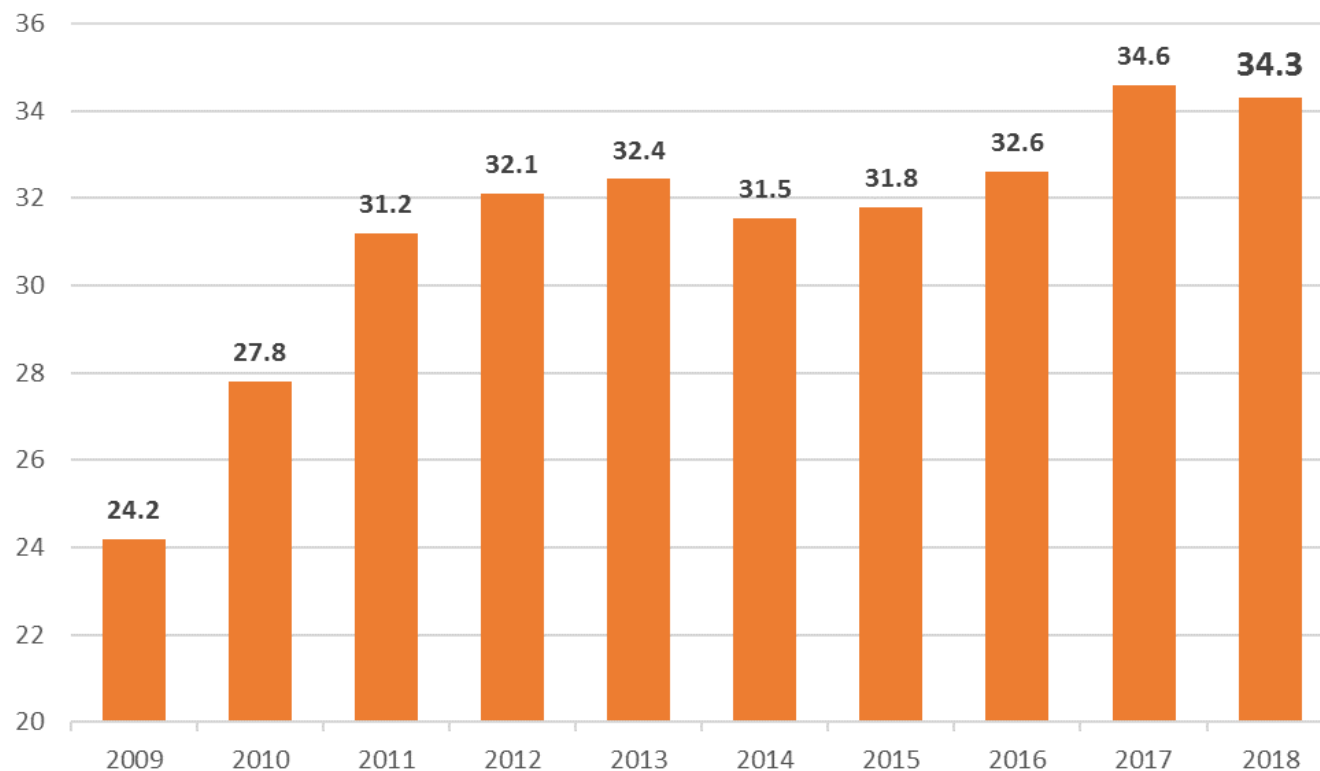
INCOME STATEMENT

CONSOLIDATED INCOME STATEMENT

in €M	2018	% revenue	2017	% revenue
Revenue	5,966		5,549	
Cost of sales	(1,791)		(1,659)	
Gross margin	4,175	70.0%	3,890	70.1%
Communication	(298)	(5.0)%	(275)	(5.0)%
Other selling, marketing and administrative expenses	(1,473)	(24.7)%	(1,381)	(24.9)%
Other income and expenses	(359)	(6.0)%	(312)	(5.6)%
Recurring operating income	2,045	34.3%	1,922	34.6%
Other non-recurring income and expenses	53		-	
OPERATING INCOME	2,098	35.2%	1,922	34.6%
<i>Change</i>	<i>+9.1%</i>			

RECURRING OPERATING PROFITABILITY

In % of Revenue

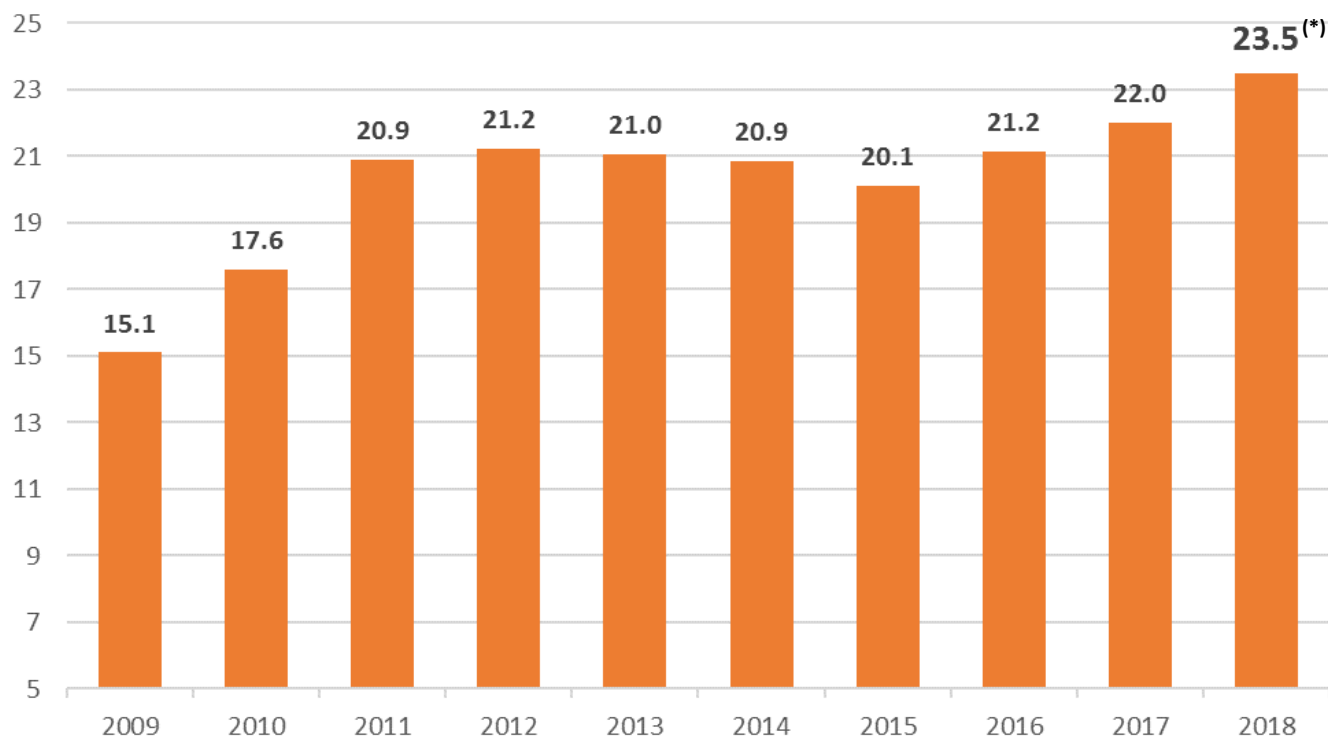


CONSOLIDATED INCOME STATEMENT

in €M	2018	% revenue	2017	% revenue
OPERATING INCOME	2,098	35.2%	1,922	34.6%
Net financial income	(35)		(32)	
Income tax	(670)		(669)	
	<i>In % of income before tax</i>		<i>In % of income before tax</i>	
	32.5%		35.4%	
Net income from associates	17		5	
Net income attributable to non-controlling interests	(5)		(4)	
NET INCOME ATTRIBUTABLE TO OWNERS OF THE PARENT	1,405	23.5%	1,221	22.0%
<i>Change</i>	<i>+15.0%</i>			

NET PROFITABILITY

In % of Revenue



^(*) 22.7% restated from capital gain on the sale of the former Galleria store premises in Hong Kong



OPERATING INVESTMENTS

in €M	2018
Stores and distribution	151
Production and divisions	77
Real estate and Group projects	84
Operating investments	312

RESTATED CASH FLOW STATEMENT

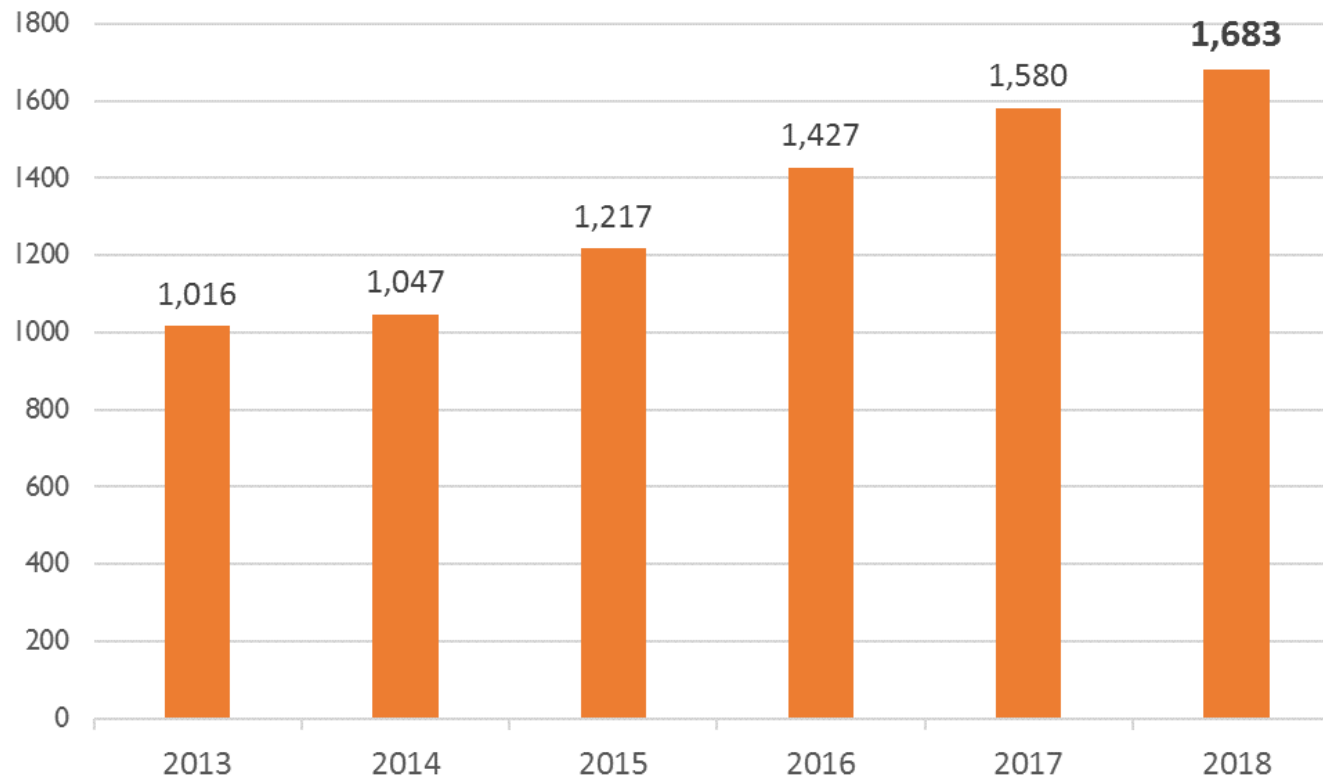
in €M	2018	2017
Operating cash flows	1,683	1,580
Change in working capital	77	25
Cash flows related to operating activities	1,759	1,606
Operating investments	(312)	(265)
Free Cash Flow	1,447	1,340
Net financial investments	(8)	(5)
Dividends paid	(958)	(402)
Treasury share buybacks net of disposals	(60)	(188)
Sale of property	69	-
Other changes	75	(41)
Change in net cash position	565	705
Closing restated Net cash position	3,615	3,050
Opening restated Net cash position	3,050	2,345

IFRS CASH FLOW STATEMENT

in €M	2018	2017
Operating cash flows	1,683	1,580
Change in working capital	77	25
Cash flows related to operating activities	1,759	1,606
Operating investments	(312)	(265)
Free Cash Flow	1,447	1,340
Net financial investments	(19)	(137)
Dividends paid	(958)	(402)
Treasury share buybacks net of disposals	(60)	(188)
Sale of property	69	-
Other changes	74	(22)
Change in net cash position	553	592
Closing IFRS Net cash position	3,465	2,912
Opening IFRS Net cash position	2,912	2,320

EVOLUTION OF THE OPERATING CASH FLOWS

In €m



EVOLUTION OF DIVIDEND PER SHARE

Exceptional dividend

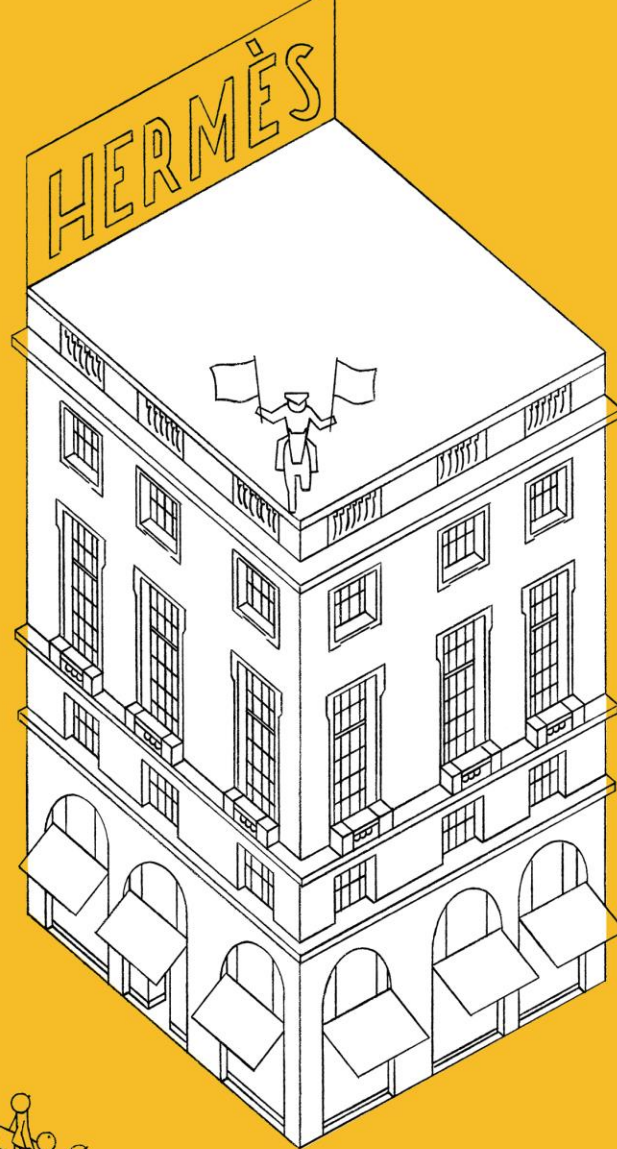
In € per share

Ordinary dividend

for the period

In € per share





OUTLOOK





OUTLOOK

- Thanks to its unique business model, Hermès is pursuing its long-term development strategy based on creativity, maintaining control over know-how and singular communication.
- In the medium-term, despite growing economic, geopolitical and monetary uncertainties around the world, the Group confirms an ambitious goal for revenue growth at constant exchange rates.
- 2019 follows on from the past years, reasserting and strengthening the company's craftsmanship model, centred on creative freedom and innovation.

2019 WILL BE THE YEAR FOR PURSUING DREAMS

- In 2019, Hermès is celebrating dreams, our ability to unleash our imagination.
- Hermès has already unveiled the new perfume *Un Jardin sur la Lagune* by Christine Nagel and the *Arceau L'heure de la lune* watch, reflecting its watch-making expertise, at the SIHH in Geneva.
- The Women's 2019 autumn-winter ready-to-wear collection by Nadège Vanhee Cybulski has just been revealed and the next Men's ready-to-wear collection by Véronique Nichanian will be presented in Paris in June.
- The new home collections will be presented in Milan in April.



2019 WILL BE THE YEAR FOR *PURSuing DREAMS*



- Hermès continues to open e-commerce platforms, in Japan at the end of H1 2019 and in Asia.
- The network will grow in 2019 with stores in Orlando, in New York's Meatpacking district, Xiamen in China and reopenings in Amsterdam, Waikiki, Vancouver and Stoleshnikov.
- 2019 will also be the year of Hermès in Poland with the opening of the Warsaw store.
- This year, Hermès will be staging the 10th Saut Hermès, and continues to celebrate its collections through singular events, including *Step into the frame*, devoted to the men's universe.



QUESTIONS AND ANSWERS



