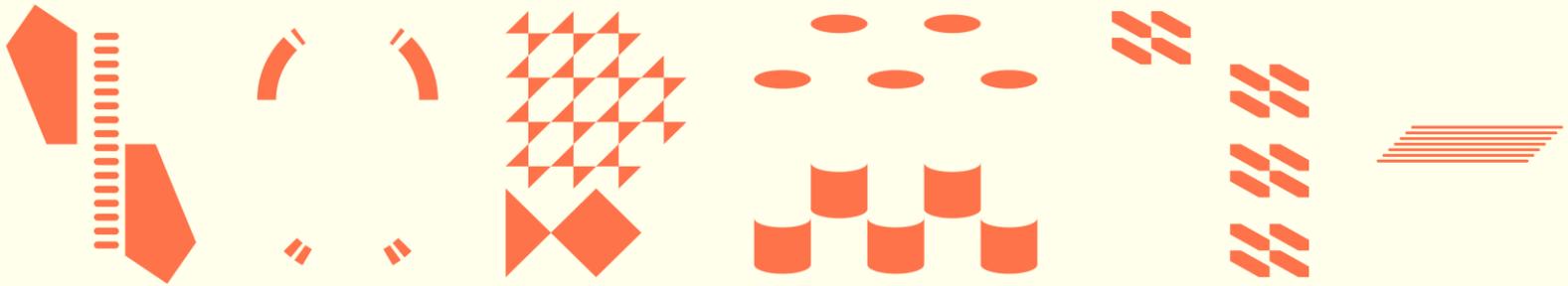


*2020
First Half
Results*

30 July 2020



Highlights



COVID-19: UNITED AND RESPONSIBLE

- Facing an unprecedented health and economic crisis, Hermès remains true to its humanist culture and commitments as a responsible employer:
 - Maintaining jobs and basic salaries for the 15,700 employees
 - Without having recourse to any government subsidies
 - Donation of €20 million to the AP-HP (Assistance Publique – Hôpitaux de Paris) and local support provided to health services by subsidiaries worldwide (donation to the Soon Ching Ling foundation in China, to the Red Cross in Korea, Italy, Germany and Benelux)
 - Production of hand sanitizer by the Hermès Perfume site in Le Vaudreuil and of masks
 - Decision by the Executive Chairmen to waive the increases in their compensation due in 2020 for 2019
 - Reduction of the 2020 dividend to the same amount paid in 2019





ACTIVITY

- Despite the gradual improvement which began in June, revenues for the first half 2020 are down 24% at current exchange rates and 25% at constant exchange rates, penalised by store closures
- All geographical areas were affected by the health crisis that intensified in the second quarter
- Revenue in the group's store, was down 22% at constant exchange rates, are gradually recovering





*Revenue
by geographical
area*



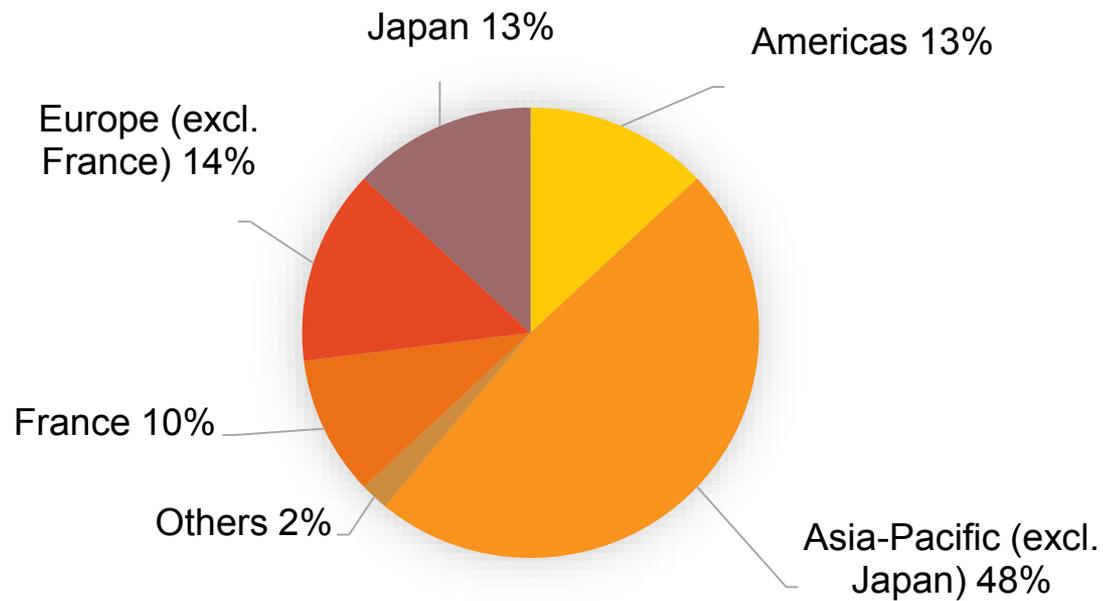
REVENUE BY GEOGRAPHICAL AREA



in €M	June 2020	Change at constant rates
France	252	(37.8)%
Europe (excl. France)	349	(36.2)%
EUROPE	601	(36.9)%
Japan	322	(22.8)%
Asia-Pacific (excl. Japan)	1,184	(9.1)%
ASIA	1,506	(12.3)%
Americas	337	(41.7)%
Others	44	(31.7)%
TOTAL	2,488	(24.9)%



REVENUE BY GEOGRAPHICAL AREA





Revenue by sector



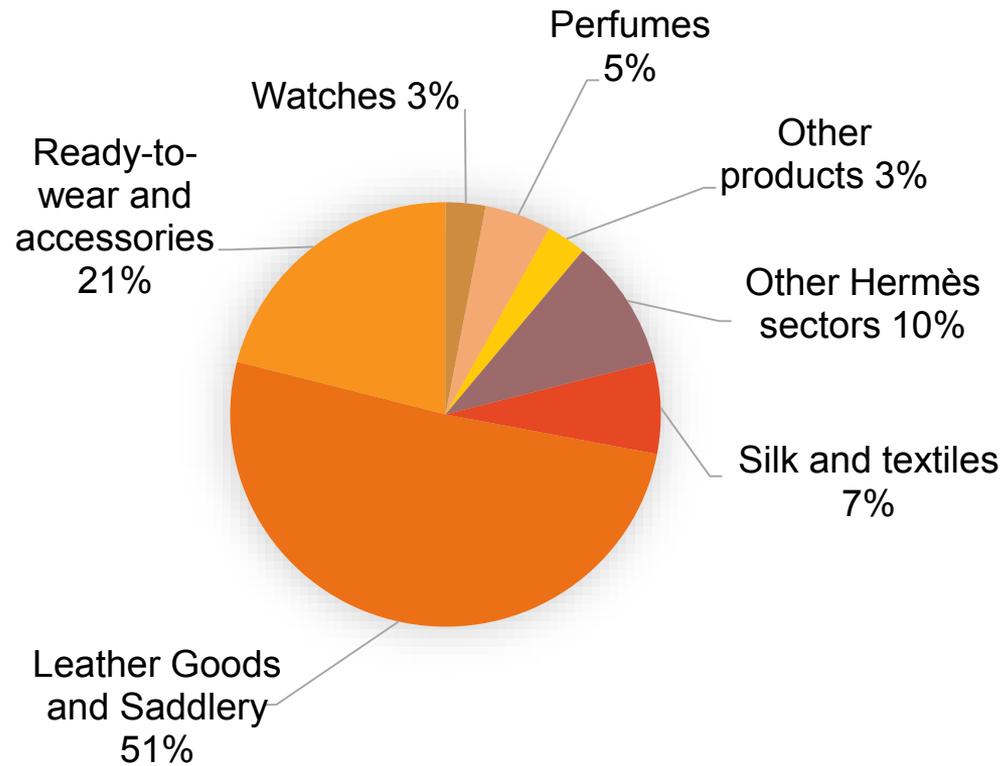
REVENUE BY SECTOR



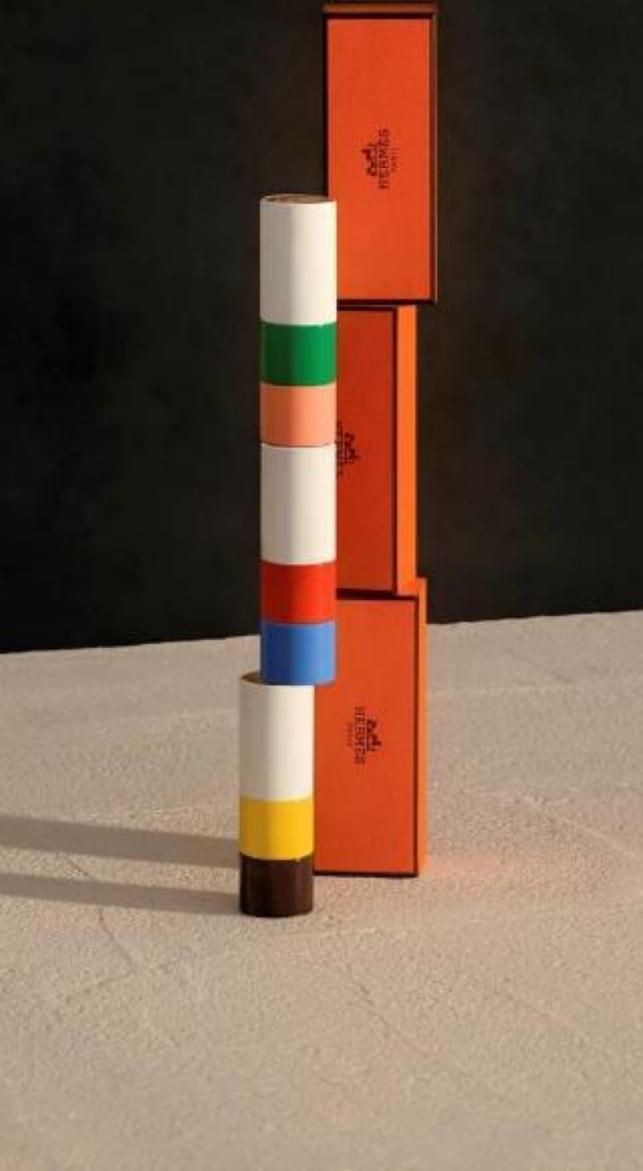
in €M	June 2020	Change at constant rates
Leather Goods and Saddlery	1,280	(23.3)%
Ready-to-wear and accessories	537	(29.3)%
Silk and textiles	165	(38.5)%
Other Hermès sectors	239	(4.2)%
Perfumes	113	(29.0)%
Watches	74	(18.5)%
Other products	79	(30.8)%
TOTAL	2,488	(24.9)%



REVENUE BY SECTOR



CREATION



- Successful launch of Hermès' 16th *métier*: Beauty with the lipstick, ***Rouge Hermès***
- Major technical innovations: the **double-sided scarf** and the line of **anodised aluminium cuff bracelets**
- Launch of a new tableware service **Passifolia**
- Presentation of men's and women's **ready-to-wear** collections
- Leather goods collections enriched with **Chaîne d'ancre**, **Birkin 35 cargo** and the **Bolide 1923-30 rainbow** and **racing**





COMMUNICATION

- Presentation of the theme of the year in New York (USA): *Innovation in the making* in February
- Launch of Hermès' Beauty supported by a media campaign
- Autumn-winter 2020 and spring-summer 2021 shows
- Petit h in Moscow (Russia)
- Release of the *Monde d'Hermès*, delivered to our clients during lockdown



DISTRIBUTION NETWORK



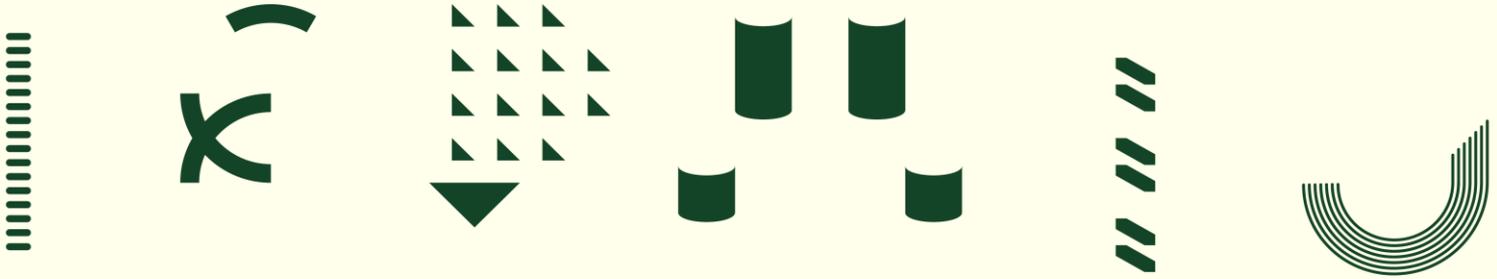
- Continued successful deployment of the new Internet platform in Hong Kong, Macao and Korea, in a context of strong online sales growth
- Opening of a new flagship in Sydney (Australia) in June
- Stores expansion and renovation in Kuwait, in Lugano (Switzerland), in Guangzhou (China), in Taipei (Taiwan) and in Montreal (Canada)



PRODUCTION

- Temporary closure for four weeks in the 2nd quarter of the production sites in France and in Europe to protect all our employees. Gradual reopening after implementation of sanitary measures
- Maintaining investments in new production capacities with the Guyenne, Montereau and Louviers leather goods workshops and in the Ardennes region
- Extension works of the Pierre-Bénite site for textile continuing





Results



*Income
statement*



CONSOLIDATED INCOME STATEMENT

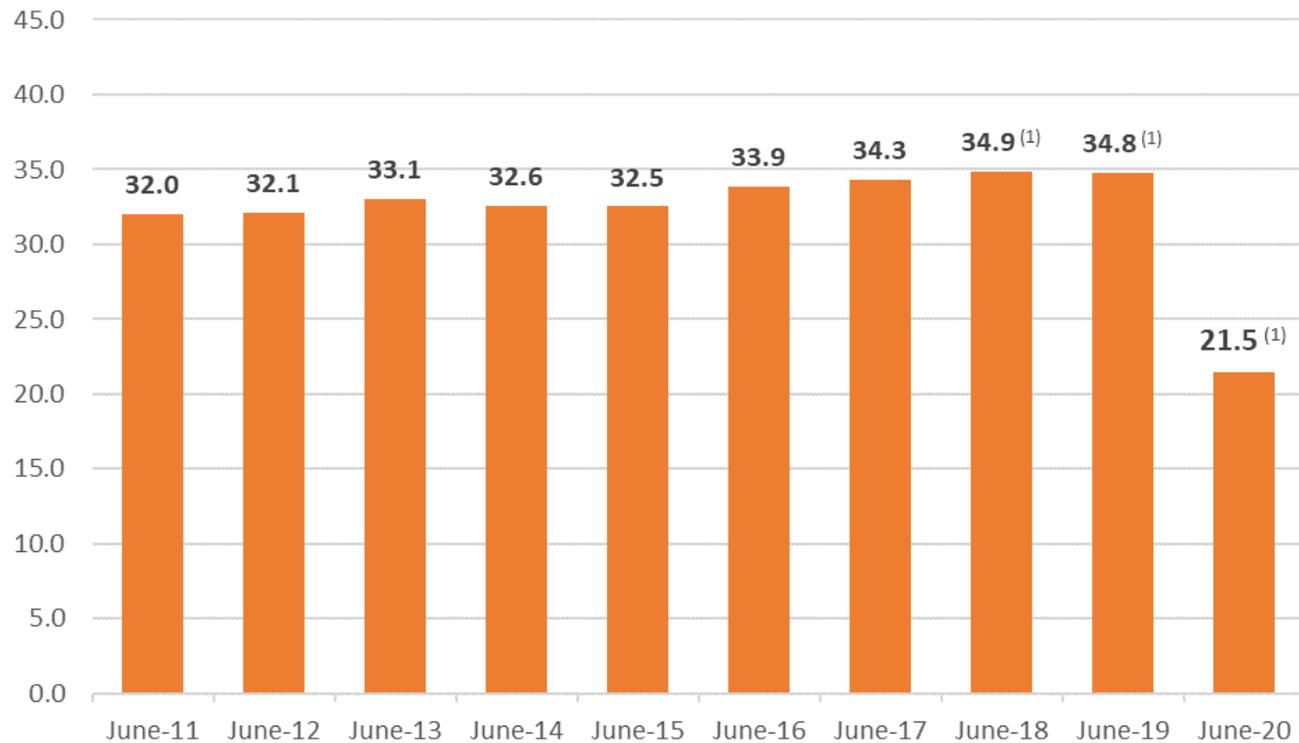
in €M	June 2020	% revenue	June 2019	% revenue
Revenue	2,488		3,284	
Cost of sales	(871)		(1,029)	
Gross margin	1,617	65.0%	2,255	68.7%
Communication	(106)	(4.3)%	(145)	(4.4)%
Selling, marketing and administrative expenses	(662)	(26.6)%	(697)	(21.2)%
Other income and expenses	(314)	(12.6)%	(269)	(8.2)%
Recurring operating income	535	21.5%	1,144	34.8%
Other non-recurring income and expenses				
Operating income	535	21.5%	1,144	34.8%
<i>Change</i>		-53%		

The recurring operating profitability reached 21.5% of sales at the end of June



HALF YEAR RECURRING OPERATING PROFITABILITY

In % of revenue



(1) Recurring operating profitability after application of IFRS 16



CONSOLIDATED INCOME STATEMENT



in €M	June 2020	% revenue	June 2019	% revenue
Operating income	535	21.5%	1,144	34.8%
Net financial income	(43)		(16)	
Income tax	(161)		(383)	
	<i>In % of income before tax</i>	<i>32.7%</i>	<i>34.0%</i>	
Net income from associates	3		13	
Net income attributable to non-controlling interests	1		(3)	
Net income attributable to owners of the parent	335	13.5%	754	23.0%
<i>Change</i>		<i>-56%</i>		





*Investments
and cash flow*



OPERATING INVESTMENTS



in €M

June 2020

Stores and distribution	68
Production and divisions	44
Real estate and Group projects	50
Operating investments	162

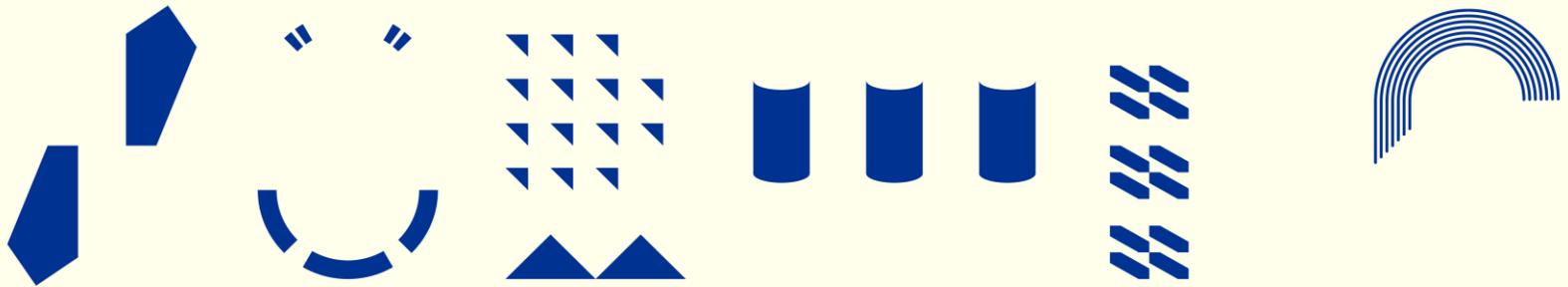


RESTATED NET CASH FLOW STATEMENT



in €M	June 2020	June 2019
Operating cash flows	634	971
Change in working capital	(325)	(88)
Cash flows related to operating activities	309	882
Operating investments	(162)	(170)
Repayment of lease liabilities	(120)	(95)
Free Cash Flow	27	618
Net financial investments	(9)	(1)
Dividends paid	(490)	(486)
Treasury share buybacks net of disposals	(123)	(33)
Sale of property	-	-
Other changes	(45)	27
Change in net cash position	(640)	125
Closing restated net cash position	3,922	3,740
Opening restated net cash position	4,562	3,615





Outlook

OUTLOOK

- For 2020, the impacts of the Covid-19 pandemic remain difficult to assess due to ongoing changes in the various geographical areas
- 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
- Thanks to its unique business model, Hermès is pursuing its long-term development strategy based on creativity, maintaining control over know-how and its transmission, and ever best quality



THE SADDLER'S SPIRIT



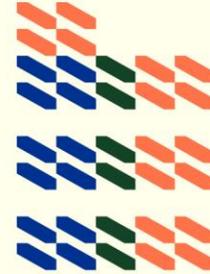
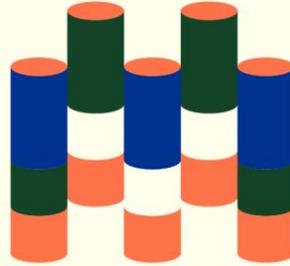
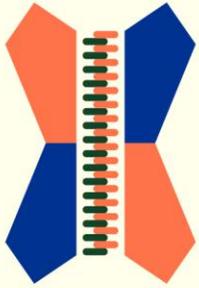
- In the second half 2020, Hermès will continue its development and operating investments:
 - Pursuing works for the leather goods workshops of Guyenne and Montereau, laying of the first stone in Louviers and project in the Ardennes region
 - Opening and expansion of 14 stores, notably in America in Denver and Las Vegas (USA), in Asia in Tokyo and Osaka (Japan), in Dalian (China), in Europe in Madrid (Spain), Moscow (Russia) and Stockholm (Sweden)
 - Launch of the new high-end jewellery collection during Paris fashion week and women's ready-to-wear collection show on 3 October ; petit h in Taiwan
 - Release in the fall of the new internet website "Finance and governance" including an enriched ESG component





*Questions
and answers*





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