

HERMÈS

Quarterly information report as at the end of March 2021

**Robust sales growth in the first quarter:
+44% vs 2020 and +33% vs 2019 at constant exchange rates**

Paris, 22 April 2021

In the first quarter of 2021, the group's consolidated revenue amounted to €2,084 million (+44% at constant exchange rates and +38% at current exchange rates), thanks to an outstanding performance in Asia and Japan, the upturn in America and a good resistance in Europe. The organic revenue growth was +33% compared to the first quarter of 2019.

Axel Dumas, Executive Chairman of Hermès, said: *"I would like to thank our employees who, for a year now, have been showing great courage and unfailing commitment. In a still unstable context, our strong sales growth confirms the robustness of our sustainable artisanal model and the desirability of our collections to our customers all over the world."*

Sales by geographical area at the end of March *(at constant exchange rates unless otherwise indicated)*

The first quarter of 2021 confirmed the acceleration in sales in the group's stores, with a strong growth of +51% compared to 2020, and of +41% compared to the first quarter of 2019. The network continued to develop with the openings and extensions of stores, and thanks to growing online sales worldwide. Wholesale activities (-2%) remain penalised particularly by travel retail.

- Asia excluding Japan (+94%) achieved an excellent performance throughout the geographical area, driven by highly dynamic activity in Greater China and sustained activity in Korea, Thailand, Singapore and Australia. The event around the men's universe, organised in Shanghai late March, revealed to our clients the backstage of the 2021 Spring/Summer collection.
- Japan (+20%) confirmed again a sound growth notably due to the loyalty of local customers despite the sanitary state-of-emergency measures. A new store was successfully opened in Tokyo in February on Omotesando Avenue, a new neighbourhood for the house.
- America (+23%) returned to growth which started at the end of 2020 and completed a good first quarter despite local constraints.
- Europe excluding France (-1%) and France (-9%) are still penalised by new restrictions during the first quarter and by store closures in several countries, especially in the United Kingdom, Germany and Switzerland. The drop in tourist traffic was partly offset by the loyalty of local customers and strong growth in online sales. The Lyon store reopened in February after renovation, followed early March by the store on rue de Sèvres in an unusual space, the former swimming pool of the Lutetia hotel in Paris.

Sales by business line at the end of March

(at constant exchange rates unless otherwise indicated)

At the end of March 2021, all the business lines returned to growth, with a remarkable increase in the Ready-to-Wear and Accessories division, Watches and Other Hermès Business Lines.

In the Leather Goods and Saddlery division (+34%), sales accelerated in the first quarter, driven by the strong deliveries made at year end. The Victoria bag, combining leather and canvas with an innovative material, Sylvania, made out of Fine Mycelium, completed the collections. The increase in production capacities continues, with the opening of the sites in Guyenne (Gironde) and Montereau (Seine-et-Marne) this year, the Louviers site (Eure) scheduled for 2022, the new site in Ardennes for 2023 and the second production site in Auvergne for 2024. Hermès continues to strengthen its local presence in France and job creation.

The Ready-to-Wear and Accessories division (+51%) pursued its strong dynamic, thanks to the success of the ready-to-wear and fashion accessories collections. The women's Autumn-Winter 2021 fashion show was staged in digital format in three acts from New York, Paris and Shanghai in March and The fashion show was met with great appreciation from the public, as well as the men's collection unveiled in January.

The Silk and Textiles business line (+34%) progressed well, thanks to the diversity of creations, materials and formats that have met with great success with our customers, particularly in Asia.

Perfumes and Beauty (+21%) posted growth and benefited from the launch in February of the new men's perfume *H24*. The lipstick range continued to develop, with the Spring-Summer 2021 limited edition.

Watches (+96%) performed exceedingly well in the first quarter, reflecting the house's technical watch-making expertise and creativity of the collections. The new men's watch *H08*, with a sporty design and geometrical lines, was presented at the *Watches and Wonders* international fair in Geneva in April.

The Other Hermès business lines (+93%) confirmed their momentum, thanks to Homeware and Jewellery. The new high jewellery collection *Lignes sensibles* was unveiled at the Faubourg Saint Honoré store at the beginning of the year.

Other highlights

At the end of March 2021, currency fluctuations represented a negative impact on revenue of €79 million.

Outlook

For 2021, the impacts of the Covid-19 epidemic are currently difficult to assess, as the scale, duration and geographic extent of the crisis evolve every day. Our highly integrated craftsmanship model and balanced distribution network, as well as the creativity of our collections and our customers' loyalty, give us confidence in the future. The Group remains highly engaged and active, by gradually adapting measures to those taken by health and public authorities.

In the medium-term, despite the economic, geopolitical and monetary uncertainties around the world, the Group confirms an ambitious goal for revenue growth at constant exchange rates.

The odyssey is be the theme in 2021 as Hermès continues its journey with confidence, braving the uncertainties of the world, ever true to its identity.

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.

*The press release on Revenue at the end of March 2021 is available on the Group's website:
<https://finance.hermes.com>.*

Upcoming events:

- 4 May 2021: General Meeting of Shareholders
- 30 July 2021: H1 2021 results publication
- 21 October 2021: Q3 2021 revenue publication

REVENUE BY GEOGRAPHICAL AREA ^(a)

<i>In millions of euros</i>	1 st quarter		Evolutions /2020		Evolutions /2019
	2021	2020	Published	At constant exchange rates	At constant exchange rates
France	153.1	168.9	(9.3)%	(9.3)%	(17.2)%
Europe (excl. France)	227.9	234.7	(2.9)%	(0.8)%	(11.6)%
Total Europe	381.0	403.5	(5.6)%	(4.4)%	(13.9)%
Japan	241.1	213.6	12.9%	20.0%	20.6%
Asia-Pacific (excl. Japan)	1,130.1	600.9	88.1%	93.6%	76.4%
Total Asia	1,371.3	814.5	68.4%	74.3%	63.2%
Americas	290.9	258.5	12.6%	22.6%	14.7%
Other	40.6	29.0	39.7%	40.1%	20.9%
TOTAL	2,083.7	1,505.5	38.4%	43.7%	32.8%

(a) Sales by destination.

INFORMATIONS PAR METIER

<i>In millions of euros</i>	1 st quarter		Evolutions /2020		Evolutions /2019
	2021	2020	Published	At constant exchange rates	At constant exchange rates
Leather Goods and Saddlery ¹	987.9	771.1	28.1%	33.6%	25.7%
Ready-to-Wear and Accessories ²	473.4	325.8	45.3%	50.9%	35.1%
Silk and Textiles	148.4	115.0	29.0%	33.9%	8.5%
Other Hermès sectors ³	228.3	122.9	85.8%	92.8%	100.6%
Perfumes and Beauty	98.9	82.1	20.5%	21.4%	17.5%
Watches	78.1	41.0	90.3%	96.5%	83.8%
Other products ⁴	68.7	47.7	44.0%	46.4%	23.3%
TOTAL	2,083.7	1,505.5	38.4%	43.7%	32.8%

¹ The “Leather Goods and Saddlery” business line includes bags, riding, diaries and small leather goods.

² The “Ready-to-wear and Accessories” business line includes Hermès Ready-to-wear for men and women, belts, costume jewellery, gloves, hats and shoes.

³ The “Other Hermès business lines” include Jewellery and Hermès home products (Art of Living and Hermès Tableware).

⁴ The “Other products” include the production activities carried out on behalf of non-group brands (textile printing, tanning...), as well as the John Lobb, Saint-Louis and Puiforcat.

REMINDER – KEY FIGURES

<i>In millions of euros</i>	2020	2019
Revenue	6,389	6,883
<i>Growth at current exchange rates vs. n-1</i>	-7.2 %	15.4 %
<i>Growth at constant exchange rates vs. n-1 ⁽¹⁾</i>	-6.0 %	12.4 %
Recurring operating income ⁽²⁾	1,981	2,339
<i>As a % of revenue</i>	31.0 %	34.0 %
Operating income	2,073	2,339
<i>As a % of revenue</i>	32.4 %	34.0 %
Net profit – Group share	1,385	1,528
<i>As a % of revenue</i>	21.7 %	22.2 %
Operating cash flows	1,993	2,063
Investments (excluding financial investments)	448	478
Adjusted free cash flow ⁽³⁾	995	1,406
Equity – Group share	7,380	6,568
Net cash position ⁽⁴⁾	4,717	4,372
Restated net cash position ⁽⁵⁾	4,904	4,562
Workforce (number of employees)	16,600	15,417

⁽¹⁾ *Growth at constant exchange rates is calculated by applying the average exchange rates of the previous period to the current period's revenue, for each currency.*

⁽²⁾ *Recurring operating income is one of the main performance indicators monitored by the group's General Management. It corresponds to the operating income excluding non-recurring items having a significant impact likely to affect the understanding of the group's economic performance.*

⁽³⁾ *Adjusted free cash flow corresponds to the sum of operating cash flows and change in working capital requirement, less operating investments and repayment of lease liabilities, as per IFRS cash flow statement.*

⁽⁴⁾ *The net cash position includes cash and cash equivalents on the asset side of the balance sheet, less bank overdrafts presented within the short-term borrowings and financial liabilities on the liability side of the balance sheet. It does not include lease liabilities recognised in accordance with IFRS 16.*

⁽⁵⁾ *The restated net cash position corresponds to the net cash position, plus cash investments that do not meet IFRS criteria for cash equivalents as a result of their original maturity of more than three months, minus borrowings and financial liabilities.*

*The press release and the presentation of the 2020 results are available on the group's website:
<https://finance.hermes.com>*

The complete consolidated financial statements are available at <https://finance.hermes.com> and on the AMF website: www.amf-france.org.