

HERMÈS

Quarterly information report as at the end of September 2021

**Continuation of an outstanding growth in the 3rd quarter
+40% compared to 2019 and +31% compared to 2020 at constant exchange rates**

Paris, 21 October 2021

The Group's consolidated revenue amounted to €6,602 million at the end of September 2021, up 57% at constant exchange rates and 54% at current exchange rates compared to the same period in 2020. This increase is of 35% over two years.

In the third quarter, the Group's consolidated revenue reached €2,367 million. Sales growth was outstanding at +31% at constant exchange rates compared to 2020 and reached +40% over two years. The activity benefited from an upturn in sales in Europe, an acceleration in America and a sustained dynamic in Asia.

Axel Dumas, Executive Chairman of Hermès, said: *"The performance of the third quarter reflects an atypical year, during which we continue our strategic investments and accelerate job creations. In a world that remains unstable, the balance between our sixteen métiers and between our locations around the world, allows us to move forward with optimism and caution, while continuing to create beautiful, high quality, sustainable objects."*

Sales by geographical area at the end of September

(at comparable exchange rates, unless otherwise indicated)

At the end of September 2021, all the geographical areas confirmed their strong growth, with each one posting double-digit growth in the third quarter compared to 2019. Over the first nine months of the year, sales in the Group's stores increased 60% at constant exchange rates compared to last year, and 43% compared to 2019. The network continued to develop with store openings and extensions, and online sales increased worldwide. Wholesale activities remain penalised particularly by travel retail.

- Asia excluding Japan (+63% and +69% over two years) continued to see sustained activity, driven by an excellent third quarter (+29% and +67% over two years). It gained from a remarkable performance in Greater China and other countries in Asia, despite new restrictions in Australia, Thailand and Malaysia in the third quarter. In September, Hermès unveiled a second store in Shenzhen, our 28th address in mainland China.
- Japan (+35% and +20% over two years) confirmed its solid growth, thanks to the loyalty of local customers, despite restrictions due to the health state of emergency.
- America (+85% and +30% over two years) accelerated significantly at the end of September, driven by an outstanding performance in the third quarter (+48% and +40% over two years). A new store opened in Florida's Aventura Mall on October 1st.
- Europe excluding France (+45% and +7% over two years), and France (+40% and -6% over two years), strongly recovered in the third quarter, with double-digit growth compared to 2019 (+23% and +13% respectively). They benefitted from the support of local customers, growing online sales and the partial return of tourist traffic. The store in Milan reopened in July after renovation and extension work, boasting two extra floors. In September, *petit h* moved into the rue de Sèvres store in Paris in a location designed to reflect the dialogue created by the *métier* between sustainability, the creation of objects and the reuse of materials.

Sales by business line at the end of September

(at comparable exchange rates, unless otherwise indicated)

At the end of September 2021, all the business lines posted double-digit growth, both compared to 2019 and 2020, with an excellent performance over the third quarter and an outstanding increase in Ready-to-wear and Accessories, Watches and Other Hermès Business Lines (Jewellery and Homeware).

Sales in the Leather Goods and Saddlery division (+46% and +27% over two years) benefitted from significant deliveries over the third quarter and sustained demand. The maroquinerie de Guyenne (Gironde), the 19th leather goods workshop of the house, opened in September, reasserting our local presence in France and the creation of jobs. The increase in production capacities continues, with the Louviers site (Eure) planned for 2022, the Sormonne site (Ardennes) for 2023 and a new site in Riom (Puy-de-Dôme) for 2024. In September, faithful to our commitments to know-how transmission and education, Hermès opened the *École Hermès des savoir-faire* (Hermès school of know-how), which is accredited by the French Education Department and will award a State-approved diploma in leatherworking expertise.

The Ready-to-wear and Accessories business line (+71% and +43% over two years) pursued its dynamic growth, thanks to the success of the ready-to-wear, fashion accessories and footwear collections. The Women's Spring-Summer 2022 fashion show, unveiled early October, revealed a solar collection with aerial silhouettes, after the Men's collection early July, around an artistic performance filmed in real time.

The Silk and Textiles business line (+63% and +10% over two years) performed well. A new printing line has been inaugurated as part of the development of the production site in Lyon to meet demand.

Perfume and Beauty (+51% and +18% over two years) benefitted from the successful launches of the *H24* Perfume for Men and *Twilly Eau Ginger*, from the development of the Beauty line, with the sustainable, refillable limited edition of *Rouge Hermès Éclat de la nuit*. After the launch of Beauty in China in July, the métier continues its deployment to expand with hand care products this fall.

The Watches business line (+92% and +77% over two years) confirmed its excellent performance, reflecting the technical watch-making expertise and creativity of the collections, with the success of the men's watch *Hermès H08* and other classics of the house.

The Other Hermès business lines (+77% and +98% over two years) confirmed their momentum, thanks to Homeware and Jewellery.

A responsible, sustainable model

In September, the MSCI ESG rating index published an "A" rating in its analysis of the house's resilience to environmental, social and governance risks.

Hermès was ranked second best Textiles and Clothing company out of 174 firms in the Sustainalytics ranking, with "low" exposure to ESG risks.

Lastly, the group has been included in the CAC 40 ESG index, after entering the V.E (Vigeo-Eiris) "Advanced" category.

These results reflect the sustainable dimension of Hermès' craftsmanship model, and our ongoing efforts to improve our social and environmental performance.

Highlights

At the end of September, currency fluctuations represented a negative impact on revenue of €139 million.

Over the first nine months, Hermès International redeemed 142,131 shares for €162 million, excluding transactions completed within the framework of the liquidity contract.

Outlook

In a context of gradual improvement in the health situation, the group is continuing its investments and accelerates job creations. Despite a high comparison base in the 4th Quarter, the group is approaching the end of the year with confidence.

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.

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.

2021 is marked by the *Odyssey*, we continue our journey remaining confident in the future, facing the uncertainties of the world whilst remaining true to who we are.

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 September 2021 is available on the Group's website:
<https://finance.hermes.com>.*

Upcoming events:

- 18 February 2022: publication of the 2021 annual results
- 14 April 2022: Q1 2022 revenue publication
- 20 April 2022: General meeting of Shareholders 2022

INFORMATION BY GEOGRAPHICAL ZONE ^(a)

In millions of Euros	As of Sept. 30 th		Evolution /2020		Evolution /2019
	2021	2020	Published	At constant exchange rates	At constant exchange rates
France	587.3	420.0	39.8%	39.8%	(5.8)%
Europe (excl. France)	904.4	629.3	43.7%	44.8%	6.7%
Total Europe	1,491.7	1,049.3	42.2%	42.8%	1.5%
Japan	709.9	566.5	25.3%	34.6%	19.9%
Asia-Pacific (excl. Japan)	3,225.9	1,994.6	61.7%	62.7%	68.6%
Total Asia	3,935.7	2,561.1	53.7%	56.5%	56.7%
Americas	1,060.7	606.5	74.9%	84.7%	30.4%
Other	114.0	71.4	59.8%	60.1%	26.6%
TOTAL	6,602.1	4,288.3	54.0%	57.2%	35.3%

In millions of Euros	3 rd quarter		Evolution /2020		Evolution /2019
	2021	2020	Published	At constant exchange rates	At constant exchange rates
France	246.1	167.8	46.7%	46.7%	13.2%
Europe (excl. France)	382.5	280.4	36.4%	36.4%	23.1%
Total Europe	628.6	448.1	40.3%	40.3%	19.0%
Japan	240.9	244.3	(1.4)%	4.0%	15.5%
Asia-Pacific (excl. Japan)	1,072.9	810.8	32.3%	29.3%	66.8%
Total Asia	1,313.8	1,055.2	24.5%	23.4%	53.8%
Americas	392.9	269.8	45.6%	48.4%	40.3%
Other	31.7	27.2	16.5%	16.7%	24.3%
TOTAL	2,367.0	1,800.3	31.5%	31.2%	40.3%

^(a) Sales by destination.

INFORMATION BY SECTOR

In millions of Euros	As of Sept. 30 th		Evolution /2020		Evolution /2019
	2021	2020	Published	At constant exchange rates	At constant exchange rates
Leather Goods and Saddlery ⁽¹⁾	3,076.4	2,159.9	42.4%	45.9%	27.2%
Ready-to-wear and Accessories ⁽²⁾	1,634.8	974.4	67.8%	71.2%	43.1%
Silk and Textiles	432.8	271.0	59.7%	62.7%	10.1%
Other Hermès sectors ⁽³⁾	735.5	424.2	73.4%	76.9%	98.3%
Perfume and Beauty	288.1	191.2	50.7%	51.3%	17.8%
Watches	241.5	127.6	89.2%	92.0%	77.3%
Other products ⁽⁴⁾	193.0	140.0	37.9%	39.5%	11.0%
TOTAL	6,602.1	4,288.3	54.0%	57.2%	35.3%

In millions of Euros	3 rd quarter		Evolution /2020		Evolution /2019
	2021	2020	Published	At constant exchange rates	At constant exchange rates
Leather Goods and Saddlery ⁽¹⁾	1,077.2	879.8	22.4%	22.2%	31.7%
Ready-to-wear and Accessories ⁽²⁾	609.7	437.4	39.4%	39.4%	48.8%
Silk and Textiles	158.9	105.8	50.2%	49.2%	18.5%
Other Hermès sectors ⁽³⁾	273.2	184.9	47.8%	47.5%	110.0%
Perfume and Beauty	104.0	78.3	32.8%	32.5%	19.6%
Watches	82.7	53.4	54.9%	53.7%	73.4%
Other products ⁽⁴⁾	61.4	60.7	1.1%	1.2%	0.0%
TOTAL	2,367.0	1,800.3	31.5%	31.2%	40.3%

⁽¹⁾ The “Leather Goods and Saddlery” business line includes bags, riding, memory holders 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 John Lobb, Saint-Louis and Puiforcat.

REMINDER OF PREVIOUS PUBLICATIONS

INFORMATION BY GEOGRAPHICAL ZONE ^(a)

In millions of Euros	First half		Evolution /2020		Evolution /2019
	2021	2020	Published	At constant exchange rates	At constant exchange rates
France	341.2	252.2	35.3%	35.3%	(16.0)%
Europe (excl. France)	521.9	348.9	49.6%	51.8%	(2.8)%
Total Europe	863.1	601.2	43.6%	44.9%	(8.4)%
Japan	469.0	322.2	45.6%	58.5%	22.2%
Asia-Pacific (excl. Japan)	2,153.0	1,183.7	81.9%	86.5%	69.7%
Total Asia	2,621.9	1,505.9	74.1%	80.5%	58.5%
Americas	667.9	336.8	98.3%	115.1%	25.3%
Other	82.3	44.1	86.4%	87.0%	27.5%
TOTAL	4,235.1	2,488.0	70.2%	76.7%	32.8%

^(a) Sales by destination.

INFORMATION BY SECTOR

In millions of Euros	First half		Evolution /2020		Evolution /2019
	2021	2020	Published	At constant exchange rates	At constant exchange rates
Leather Goods and Saddlery ⁽¹⁾	1,999.3	1,280.1	56.2%	62.9%	24.9%
Ready-to-wear and Accessories ⁽²⁾	1,025.1	537.0	90.9%	98.0%	40.1%
Silk and Textiles	273.9	165.2	65.8%	71.9%	5.8%
Other Hermès sectors ⁽³⁾	462.3	239.2	93.2%	100.4%	92.1%
Perfume and Beauty	184.1	112.9	63.1%	64.5%	16.9%
Watches	158.8	74.2	113.9%	120.6%	79.7%
Other products ⁽⁴⁾	131.6	79.3	66.1%	69.2%	16.9%
TOTAL	4,235.1	2,488.0	70.2%	76.7%	32.8%

⁽¹⁾ The “Leather Goods and Saddlery” business line includes bags, riding, memory holders 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.

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REMINDER

FIRST HALF 2021 KEY FIGURES

<i>In millions of euros</i>	H1 2021	FY 2020	H1 2020	H1 2019
Revenue	4,235	6,389	2,488	3,284
<i>Growth at current exchange rates vs. n-1</i>	70.2%	(7.2)%	(24.2)%	15.1%
<i>Growth at constant exchange rates vs. n-1</i> ⁽¹⁾	76.7%	(6.0)%	(24.9)%	12.0%
Recurring operating income ⁽²⁾	1,722	1,981	535	1,144
<i>As a % of revenue</i>	40.7%	31.0%	21.5%	34.8%
Operating income	1,722	2,073	535	1,144
<i>As a % of revenue</i>	40.7%	32.4%	21.5%	34.8%
Net profit – Group share	1,174	1,385	335	754
<i>As a % of revenue</i>	27.7 %	21.7%	13.5%	23.0%
Operating cash flows	1,487	1,993	634	971
Investments (excluding financial investments)	214	448	162	170
Adjusted free cash flow ⁽³⁾	1,236	995	27	618
Equity – Group share	8,024	7,380	6,340	5,763
Net cash position ⁽⁴⁾	5,326	4,717	3,742	3,532
Restated net cash position ⁽⁵⁾	5,521	4,904	3,922	3,740
Workforce (number of employees)	16,966	16,600	15,698	14,751

⁽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.*