

HERMÈS

Quarterly information report as at 31 March 2019

Acceleration in sales in the first quarter 2019

Paris, 25 April 2019

In the first quarter 2019, the Group's consolidated revenue amounted to €1,610 million, up +16% at current exchange rates and +12% at constant exchange rates, thanks to dynamic sales growth in Group stores (+13% at constant exchange rates).

Axel Dumas, Executive Chairman of Hermès, said: "*Driven by the success of its collections among all its customers, Hermès achieved an acceleration of its sales over the first quarter, which shows the continuation of a dynamic trend, particularly in China.*"

Sales by geographical area at the end of March

(at constant exchange rates unless otherwise indicated)

Over the first quarter 2019, all geographical areas recorded sustained growth:

- Asia excluding Japan (+17%) achieved an outstanding performance, with extremely good sales growth driven by mainland China and two-digits growth in all other countries of the area. The Group benefited from the success of the store extensions completed in 2018, in particular on the Shanghai IFC and Singapore Marina Bay Sands. A new store opened in Phuket Floresta, Thailand, in March. Hermès is continuing the roll-out of the new digital platform in Asia, launched in China last October.
- Japan (+10%) posted remarkable growth, despite a high comparison basis.
- America (+10%) pursued its development with the opening of the 35th Hermès store in Orlando in March and the inauguration of a new store in New York's Meatpacking district early April. Finally, the Group announced the future location of the new Maison Hermès at 706 Madison Avenue in New York.
- Europe excluding France (+9.5%) achieved a sound performance, driven particularly by the United Kingdom. France (+1%), negatively impacted by events which continued at the start of the year, hosted successfully the 10th *Saut Hermès* event at the Grand Palais.

Sales by business line at the end of March

(at constant exchange rates unless otherwise indicated)

All business lines recorded growth with a remarkable performance of the Ready-to-Wear and Accessories division.

The growth of the Leather Goods and Saddlery business line (+12.5%), driven by sustained deliveries at the start of the year and benefitting from a favourable comparison basis, was particularly strong in the first quarter 2019. Production capacities increased in order to meet the high demand, both for the re-invented classics and other models such as the *Mosaique* and *24/24* bags. Development projects continued with the ramp-up of the Manufacture de l'Allan workshop, the launch of the Guyenne and Montereau workshops,

which are expected to be completed by 2020, and the announcement of a new workshop in Louviers by 2021. Hermès is continuing to strengthen its territorial roots and the development of employment in France.

The Ready-to-Wear and Accessories division (+13%) confirmed its dynamic activity, driven by the success of the ready-to-wear collections, as well as fashion accessories, particularly shoes. The men's universe was highlighted in March in an event in London, unveiling a collection carried by a contemporary style that combines a sophisticated simplicity with the sensuality of materials. Femininity and the assertive style of women's ready-to-wear collections, using exceptional know-how, were very well received in January and March.

The Silk and Textiles business line recorded an increase (+2.5%) with collections that combine diversity of materials with creative design.

Perfumes (+3%) posted an increase, driven by the success of *Terre d'Hermès*, despite a high comparison basis at the beginning of last year following the new fragrance launches, *Twilly d'Hermès*, and *Eau de Citron noir*. *Un Jardin sur la lagune* fragrance was presented in March.

The Watches business line (+22%) recorded a strong performance, reflecting the creativity of the collections and driven by the launch of the new women's watch *Galop d'Hermès*. The *Arceau L'heure de la lune* watch was very well received at the International Salon of Haute Horlogerie (SIHH) in Geneva last January.

Other Hermès business lines (+18%) recorded strong development over the quarter, both in Jewellery and in Hermès home products.

Highlights

At the end of March 2019, currency fluctuations represented a positive impact on revenue of €54 million.

During the first quarter, Hermès International redeemed 11,131 shares for €6.3 million, excluding transactions completed within the framework of the liquidity contract.

Outlook

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.

In the pursuit of dreams is the theme for the year 2019. Celebrating the dream of Hermès means affirming the need to dare to look further and open up the sphere of imagination that stimulates creation.

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 quarterly revenue as at 31 March 2019 is available on the Group's website:
<https://finance.hermes.com>.

Upcoming events:

- 4 June 2019: Shareholders' General Meeting
- 23 July 2019: Q2 2019 Revenue publication
- 11 September 2019: H1 2019 Results publication

INFORMATION BY GEOGRAPHICAL ZONE ^(a)

In millions of Euros	1st quarter		Evolutions	
	2019	2018	Published	At constant exchange rates
France	184.8	182.2	1.4%	1.4%
Europe (excl. France)	261.6	239.3	9.3%	9.5%
Total Europe	446.4	421.5	5.9%	6.0%
Japan	204.2	174.9	16.7%	9.7%
Asia Pacific (excl. Japan)	655.9	539.8	21.5%	16.9%
Total Asia	860.1	714.7	20.3%	15.1%
Americas	269.7	230.2	17.1%	9.8%
Other	33.5	27.4	22.3%	22.2%
TOTAL	1,609.7	1,393.8	15.5%	11.6%

(a) Sales by destination.

INFORMATION BY SECTOR

In millions of Euros	1st quarter		Evolutions	
	2019	2018	Published	At constant exchange rates
Leather Goods and Saddlery ⁽¹⁾	808.2	691.3	16.9%	12.5%
Ready-to-wear and Fashion accessories ⁽²⁾	360.2	306.6	17.5%	13.4%
Silk and Textiles	140.4	132.4	6.0%	2.5%
Other Hermès sectors ⁽³⁾	116.7	95.6	22.1%	18.0%
Perfumes	84.6	81.9	3.3%	3.0%
Watches	43.4	34.2	26.9%	22.3%
Other products ⁽⁴⁾	56.2	51.8	8.5%	6.8%
TOTAL	1,609.7	1,393.8	15.5%	11.6%

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

(2) The “Ready-to-wear and Accessories” division includes Hermès Ready-to-wear for men and women, belts, fashion accessories, 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, Puiforcat and Shang Xia products.

REMINDER – 2018 KEY FIGURES

<i>In € million</i>	FY 2018	FY 2017
Revenue	5,966	5,549
<i>Growth at current exchange rates vs. n-1</i>	7.5%	6.7%
<i>Growth at constant exchange rates vs. n-1 ⁽¹⁾</i>	10.4%	8.6%
Recurring operating income ⁽²⁾	2,045	1,922
<i>in % of revenue</i>	34.3%	34.6%
Operating income	2,098	1,922
<i>in % of revenue</i>	35.2%	34.6%
Net profit – Group share	1,405	1,221
<i>in % of revenue</i>	23.5%	22.0%
Operating cash flows	1,683	1,580
Free cash flow ⁽³⁾	1,447	1,340
Operating investments	312	265
Equity – Group share	5,503	5,039
Net cash position IFRS	3,465	2,912
Restated net cash position ⁽⁴⁾	3,615	3,050
Workforce (number of employees)	14,284	13,483

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

(2) Recurring operating income is one of the main performance indicators followed by the Group's management. It excludes non-recurring items having a significant impact that could affect understanding of the Group's economic performance.

(3) Free cash flow = operating cash flows + change in working capital requirement – operating investments.

(4) Restated net cash includes cash investments that do not meet IFRS cash equivalents criteria as a result of their original maturity of more than three months.

The press release and the presentation of the 2018 Results are available on the Group's website:
<https://finance.hermes.com>

At the Supervisory Board meeting on 19 March 2019, Executive Management presented the audited financial statements for 2018. The complete consolidated financial statements are available at <http://finance.hermes.com> and on the AMF website (www.amf-france.org).