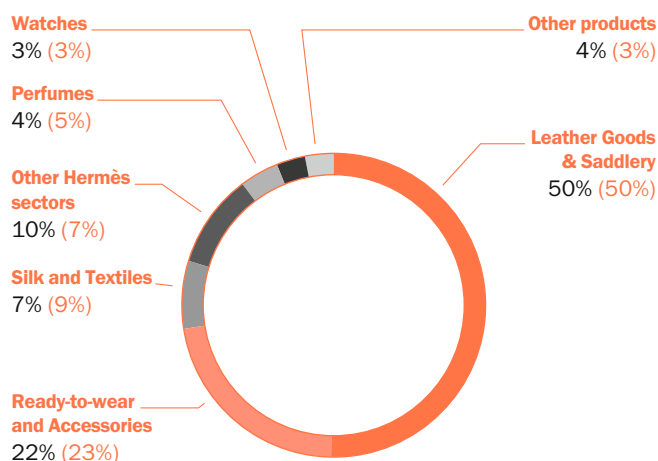
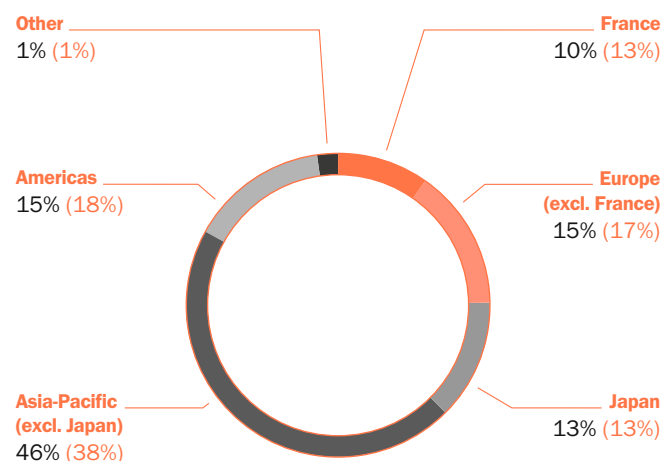


## AFR 1.5 KEY FINANCIAL FIGURES

### 1.5.1 REVENUE BY SECTOR IN 2020 VS. 2019



### 1.5.2 BREAKDOWN OF REVENUE BY GEOGRAPHICAL AREA 2020 VS. 2019



### 1.5.3 KEY CONSOLIDATED DATA

In millions of euros	2020	2019	2018 Restated *	2017	2016
Revenue	6,389	6,883	5,966	5,549	5,202
Growth at current exchange rates vs. n-1	(7.2)%	15.4%	7.5%	6.7%	7.5%
Growth at constant exchange rates vs. n-1 <sup>1</sup>	(6.0)%	12.4%	10.4%	8.6%	7.4%
Recurring operating income <sup>2</sup>	1,981	2,339	2,075	1,922	1,697
In % of revenue	31.0%	34.0%	34.8%	34.6%	32.6%
Operating income	2,073	2,339	2,128	1,922	1,697
In % of revenue	32.4%	34.0%	35.7%	34.6%	32.6%
Net income attributable to owners of the parent	1,385	1,528	1,405	1,221	1,100
In % of revenue	21.7%	22.2%	23.6%	22.0%	21.2%
Operating cash flows	1,993	2,063	1,863	1,580	1,427
Operating investments	448	478	312	265	262
Adjusted free cash flow <sup>3</sup>	995	1,406	1,447	1,340	1,212
Equity attributable to owners of the parent	7,380	6,568	5,470	5,039	4,383
Net cash position <sup>4</sup>	4,717	4,372	3,465	2,912	2,320
Restated net cash position <sup>5</sup>	4,904	4,562	3,615	3,050	2,345
Workforce (number of employees)	16,600	15,417	14,284	13,483	12,834

\* Including the impact of IFRS 16 on leases. In accordance with IAS 8, Hermès has applied the new standard on a full retrospective basis, and has restated the financial statements for the period ended 31 December 2018.

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

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

(3) Adjusted free cash flow is the sum of cash flows related to operating activities, less operating investments and repayment of lease liabilities recognised in accordance with IFRS 16 (aggregates in the consolidated statement of cash flows).

(4) Net cash position includes cash and cash equivalents presented under balance sheet assets, less bank overdrafts which appear under short-term borrowings and financial liabilities on the liabilities side. Net cash position does not include lease liabilities recognised in accordance with IFRS 16.

(5) The restated net cash position corresponds to net cash position plus cash investments that do not meet the IFRS criteria for cash equivalents due in particular to their original maturity of more than three months, less borrowings and financial liabilities.

### 1.6.8.3 BETTINA

Hermès holds a 40% share in the capital of Bettina, a long-time partner of the Group. The company specialises in the production of *twillaine*, a unique blend of knit and silk, and operates in the ready-to-wear sector, as well as in silk, textiles and the art of living.

### 1.6.8.4 MAISON PIERRE HARDY

Hermès has held a minority stake (33%) since 2016 in the capital of Maison Pierre Hardy, a French shoe and fashion accessory design company directed by Mr Pierre Hardy, its founder and Artistic Director.

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## 1.7 REVENUE AND ACTIVITY BY GEOGRAPHICAL AREA

	2020 Revenue in millions of euros	2020 mix in %	2019 Revenue in millions of euros	2019 mix in %	Change	
					at current exchange rates	at constant exchange rates
Europe	1,573	25%	2,069	30%	(24.0)%	(23.6)%
♦ France	620	10%	867	13%	(28.6)%	(28.6)%
♦ Europe (excl. France)	953	15%	1,202	17%	(20.7)%	(20.0)%
Asia-Pacific	3,749	59%	3,454	51%	8.6%	9.9%
♦ Japan	834	13%	864	13%	(3.5)%	(3.7)%
♦ Asia-Pacific (excl. Japan)	2,915	46%	2,590	38%	12.6%	14.4%
Americas	959	15%	1,241	18%	(22.7)%	(20.5)%
Other	108	1%	120	1%	(9.8)%	(9.9)%
<b>CONSOLIDATED REVENUE</b>	<b>6,389</b>	<b>100%</b>	<b>6,883</b>	<b>100%</b>	<b>(7.2)%</b>	<b>(6.0)%</b>

### 1.7.1 EUROPE

In France, the store located since 2010 on the site of the former swimming pool of the Hotel Lutetia on rue de Sèvres in Paris, devoted the year to a makeover in order to expand and renovate its unusual space. During the renovation, customers were able to continue to access the House's different universes in two temporary stores opened nearby. The petit h objects were welcomed in the heart of the Faubourg Saint-Honoré store.

Paris was also the setting for significant events for several *métiers*. In January, Tableware took over La Gaité Lyrique to present to the press the new *Passifolia* porcelain tableware, whose exuberant floral and foliage decoration achieves the technical feat of combining up to 32 colours.

In February, Hermès caused a stir by announcing the birth of its sixteenth *métier*, Beauty. During a dinner organised in a private mansion in the 16th *arrondissement*, the press was able to get a sneak peek at the *Rouge Hermès* ritual, dedicated to the beauty of lips, and launched on 4 March in a selection of stores in 35 countries.

The ready-to-wear collections once again paraded in legendary venues, the Republican Guard and the Paris Tennis Club for women's fashion, and the Mobilier National for the men's fall-winter 2020 collection. As for the men's summer 2021 collection, faced with the constraints imposed by the health crisis, in early July it was decided to replace its fashion

show with an artistic performance broadcast live on hermes.com, brought together with the collaboration of the director Cyril Teste.

In September, La Gaité Lyrique was the setting for the presentation of *Lignes Sensibles*, the new Hermès *Haute Joaillerie* collection. The scenography in a play of light spotlighted the pieces of this intimate and sensual collection, conceived as a caress with jewels that fit as closely as possible to the body and illuminate the skin with the reflections of pink, white or yellow gold and the soft sparkle of the stones.

In Switzerland, the store in Lugano reopened at the beginning of March after a major makeover. Located for 60 years on Via Nassa, the pedestrian artery of the historic city centre, it covers a completely renovated area of 200 m<sup>2</sup> and is now larger and brighter, with innovative architecture preserving the characteristic charm of this city with its Italian influences. All the collections are presented here in a warm and intimate atmosphere.

In Spain, a new store opened in Madrid on 1 October, confirming the close and lasting relationship that Hermès has with this country. Located on the ground floor of the listed building housing the brand new and prestigious Galeria Canalejas, at the corner of the avenues Calle de Alcalá et Calle de Sevilla, this 230 m<sup>2</sup> store stands out for its harmonious balance between historic architecture and contemporary design. With its high ceilings and airy windows, the light is beautiful and fluid pathways are conducive to discovering Hermès' 16 *métiers*.

## AFR 1.6 REVENUE AND ACTIVITY BY MÉTIER

	2020	2020	2019	2019	Change	
	Revenue in millions of euros	mix in %	Revenue in millions of euros	mix in %	at current exchange rates	at constant exchange rates
Leather Goods & Saddlery	3,209	50%	3,414	50%	(6.0)%	(4.8)%
Ready-to-wear and Accessories	1,409	22%	1,574	23%	(10.5)%	(9.2)%
Silk and Textiles	452	7%	592	9%	(23.7)%	(22.8)%
Other Hermès sectors	643	10%	525	7%	22.4%	23.9%
Perfumes	263	4%	326	5%	(19.2)%	(19.0)%
Watches	196	3%	193	3%	1.3%	2.3%
Other products	218	4%	258	3%	(15.7)%	(15.3)%
<b>CONSOLIDATED REVENUE</b>	<b>6,389</b>	<b>100%</b>	<b>6,883</b>	<b>100%</b>	<b>(7.2)%</b>	<b>(6.0)%</b>

### 1.6.1 LEATHER GOODS & SADDLERY

Leather Goods & Saddlery, Hermès' original *métier*, encompasses bags for men and women, clutches, briefcases, luggage, small leather goods, diaries and writing objects, saddles, bridles and a full range of equestrian products and clothing.

The Leather Goods & Saddlery métier represents 50% of consolidated sales. In 2020, it generated €3,209 million in revenue.

Hermès saddlery and leather goods articles are born of an alchemy of authentic materials, selected according to rigorous standards, and the skilled hands of the saddler-leather workers, who apply traditional *savoir-faire* passed down from generation to generation. The care taken by the craftpeople each day patiently crafting and fashioning the raw leather gives these unique objects a distinctive additional measure of personality.

Today, they are made by over 4,089 saddler-leather craftpeople in 17 production units and workshops spread over Paris, Pantin and six regions across France. To meet continued high demand, Hermès will inaugurate three new leather goods workshops, in Gironde and Seine-et-Marne in 2021, and in Eure in 2022. Hermès also opened a temporary workshop in Charleville-Mézières (Ardennes) in March, the first step ahead of the construction of a new leather goods workshop planned for 2023, as well as in Riom (Puy-de-Dôme) in October, in anticipation of the opening of a new leather goods workshop in 2024. These openings were prepared in close collaboration with the various local stakeholders and regional administrative and economic development bodies. In this way, Hermès reaffirms its commitment to regions with a strong manufacturing *savoir-faire*, and its will to provide high-quality jobs.

The House is also continuing to perfect the skills and *savoir-faire* of its craftpeople through a range of training and professional qualification programmes. These programmes are delivered within the dedicated in-house Hermès academy, and through a range of partnerships with training structures in the regions concerned.

#### 1.6.1.1 WOMEN'S BAGS

Driven by the annual theme "Innovation in the Making", the collections of bags and luggage showcase the House's creativity, brandishing the finest materials and displaying its unique *savoir-faire*.

Women's bags collections, always exhibiting an abundance of creativity, offer new items that explore a variety of writings and uses.

New looks appear, the result of ingenious construction. The *Hermès Della Cavalleria* bag is thus distinguished by its astonishing assembly, highlighting the work in following a curve, and by its horse bit-shaped clasp, a new equestrian-inspired signature whose forms perfectly match the gentle curves of the leather. The *New Drag* bag, inspired by a travel bag with its wide shoulder strap, introduces a new spirit to a feminine bag combining refinement and sport-chic allure. Unexpected, the *Chaîne d'Ancre* bag is a small tote bag carried by hand, made up of a farandole of intertwined leather links to create an openwork space in which a silk pouch is placed. For a day-to-day look, the *Cabassellier* is a light new signature tote bag, with clean lines, giving pride of place to its material.

The great classics continue to adapt to current uses with new approaches, such as the *Birkin Cargo* with an adventurous look, transformed by the addition of numerous exterior pockets and the use of a supple and light Goéland fabric.

New ways of carrying respond to a constant search for freedom of movement. The *In the Loop* belt bag, whose soft fabric conjures up the quilted link of a *Chaîne d'Ancre*, can be carried in a variety of ways with its clever adjustable and removable shoulder strap. The mixed *Émile Hermès* bag, a small travel bag with a long format that can be worn across the back or on the shoulder, is a contemporary illustration of Hermès' travel culture. Buoyed by its success, the 24/24 line accommodates a small format whose shoulder strap system allows it to be carried on the shoulder, across the body, at the waist and even on the back.

Elsewhere, the evening offer opens up a new chapter with two creations. The small, refined *Hermès Minuit au Faubourg* bag is crafted around a clasp with a remarkable mechanism, inspired by the techniques of watchmaking.