

Quarterly information report as at the end of September 2023

Solid sales growth at the end of September
+22% at constant exchange rates and +17% at current exchange rates

Paris, 24 October 2023

The group's consolidated revenue amounted to €10,063 million at the end of September 2023, up 22% at constant exchange rates and 17% at current exchange rates compared to the same period in 2022.

In the third quarter, sales continued their increase and reached €3,365 million, up 16% at constant exchange rates, despite a particularly high comparison base in Asia.

Axel Dumas, Executive Chairman of Hermès, said: *"The solid performance in the third quarter reflects the desirability of our collections all over the world, with still a sustained momentum in Asia and in the Americas. More than ever, in an uncertain global environment, we are reinforcing our investments and our teams to support growth."*

Sales by geographical area at the end of September
(at comparable exchange rates, unless otherwise indicated)

At the end of September 2023, all the geographical areas posted solid performances, with growth above 20%, despite a particularly high comparison basis in the third quarter of 2022 in Asia. Activity increased both in the group's stores (+22%), which benefitted from the strong desirability of the collections and the strengthening of the exclusive distribution network, and in wholesale activities (+23%).

- Asia excluding Japan (+21%) continued its strong momentum. Sales were robust in Greater China, Singapore, Thailand, Australia and Korea. As a reminder, the third quarter in 2022 was exceptional following the lifting of health measures in China. A new store opened in July in the city of Tianjin in northern China and petit h stopped over at the Beijing China World store in September.
- Japan (+25%) confirmed its solid growth thanks to its local customers. Hermès Japan greeted this great performance by celebrating its 40 years in September.
- The Americas (+20%) continued to rise in the third quarter, similarly to the two previous quarters. In the United States, a new store was inaugurated in Topanga, Los Angeles, in July, the 6th in California, after the store openings in Naples in the Gulf of Mexico in February, and in Aspen, Colorado, in June.
- Sales in Europe excluding France (+20%) and France (+22%) were particularly robust thanks to the loyalty of local clients and the dynamics of tourist flows. The store in Vienna, Austria, reopened in September after renovation and extension work. The *Hermès in the Making* event, an opportunity for the public to meet the craftsmen, made a stopover in Lille in July.

Sales by business line at the end of September

(at comparable exchange rates, unless otherwise indicated)

At the end of September 2023, all the business lines confirmed their solid momentum, underlining the tremendous attractiveness of the house.

The Leather Goods and Saddlery business line (+19%) benefitted from a very sustained demand and high desirability. Two new models, *Kelly Messenger* and *Maxi Kelly*, are attracting over our customers. The new models, *Hermès Geta* or the *R.M.S.* suitcase with a high degree of know-how, are meeting with great success. The increase in production capacities continues, with four new leather workshop projects planned over the next four years: Riom (Puy-de-Dôme) in 2024, L'Isle-d'Espagnac (Charente) in 2025, Loupes (Gironde) in 2026 and Charleville-Mézières (Ardennes) scheduled for 2027. Hermès thus continues to strengthen its local anchoring in France and to create jobs.

The Ready-to-Wear and Accessories business line (+29%) achieved robust growth, thanks to the success of the ready-to-wear, fashion accessories and footwear collections. The men's spring-summer 2024 fashion show, unveiled at the Palais d'Iéna in June, was very well received, as was the women's spring-summer 2024 collection, presented at the end of September at the Garde républicaine. The fashion accessories and footwear express the richness of the house's know-how.

The Silk and Textiles business line (+17%) recorded solid growth, supported by exceptional materials, the diversity of formats and the reinforcement of production capacities following the expansion of the Pierre-Bénite site in Lyon, which has been expanded with a new printing line.

Perfume and Beauty (+8%) benefitted from the successful launches of the company's latest creations and classics. The *Twilly d'Hermès* line welcomed the *Tutti Twilly* perfume at the beginning of September. Beauty was enriched by a fifth chapter, the *Regard Hermès*, launched at the end of September, inspired by the house's emblematic colours.

The Watches business line (+24%) confirmed its strong performance thanks to the development of pieces combining creativity and exceptional watch-making *savoir-faire*, both for the complication models and Hermès' classic models, *Cape Cod* and *Heure H*. The *Hermès H08* line, which includes several new products this year, is meeting with great success.

The Other Hermès business lines (+26%) continued their strong growth, both in Homeware and Jewellery, with creative and unique collections.

A responsible, sustainable model

True to its commitment to quality and the development of sustainable materials for its 16 business lines, Hermès is pursuing its certification process for its 44 sectors by 2024. The men's ready-to-wear workshops in Pantin earned GOTS (Global Organic Textile Standard) certification in July. This certification guarantees the use of organic fibres, compliance with environmental and social standards, and our commitment to traceability, from the harvesting of raw materials to the finished product.

The group is strengthening its environmental ambitions, in particular with the finalisation of the first stages of the Science Based Targets for Nature (SBTN) process by the end of 2023, to set scientific targets for nature, in particular regarding biodiversity, fresh water, forests, soils and oceans. Hermès is part of the 120 companies which launched this approach on a global scale.

Recruitments further accelerated in the third quarter in all the business lines, while promoting commitments to inclusion and diversity. An agreement aimed at supporting caregivers and worklife balance was signed in July. In accordance with its role as a responsible employer, and

in order to involve all employees in its development and success, the group deployed a 6th free share plan in July, enabling all employees around the world to become shareholders.

Other highlights

At the end of September 2023, currency fluctuations represented a negative impact of €420 million on revenue.

During the first nine months, Hermès International redeemed 38,812 shares for €72 million, excluding transactions completed within the framework of the liquidity contract.

Outlook

The group continues the year 2023 with confidence, thanks to the highly integrated artisanal model, the balanced distribution network, the creativity of collections and the loyalty of clients.

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.

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.

Inspiration of the creation at Hermès, *Astonishment* is the theme of the year. The ability to be surprised is a constant source of innovation and dynamism for the house, which will continue to accompany clients with enthusiasm and creativity.

The press release on Revenue at the end of September 2023 is available on the group's website: <https://finance.hermes.com>.

Upcoming events:

- 9 February 2024: 2023 full-year results publication
- 25 April 2024: Q1 2024 revenue publication
- 30 April 2024: General Meeting of Shareholders

REVENUE BY GEOGRAPHICAL AREA ^(a)

<i>In €m</i>	At the end of September		Evolution /2022	
	2023	2022	Published	At constant exchange rates
France	916	753	21.6%	21.6%
Europe (excl. France)	1,327	1,123	18.2%	20.0%
Total Europe	2,243	1,876	19.5%	20.7%
Japan	939	822	14.3%	25.4%
Asia-Pacific (excl. Japan)	4,872	4,242	14.8%	21.2%
Total Asia	5,811	5,064	14.8%	21.9%
Americas	1,785	1,518	17.6%	20.1%
Other	223	153	46.1%	45.7%
TOTAL	10,063	8,611	16.9%	21.7%

<i>In €m</i>	3 rd quarter		Evolution /2022	
	2023	2022	Published	At constant exchange rates
France	323	273	18.3%	18.3%
Europe (excl. France)	492	427	15.2%	18.1%
Total Europe	814	700	16.4%	18.1%
Japan	304	276	10.0%	24.1%
Asia-Pacific (excl. Japan)	1,575	1,577	(0.1%)	10.2%
Total Asia	1,879	1,853	1.4%	12.3%
Americas	600	536	11.9%	20.4%
Other	72	47	53.2%	53.1%
TOTAL	3,365	3,136	7.3%	15.6%

^(a) Sales by destination.

REVENUE BY SECTOR

<i>In €m</i>	At the end of September		Evolution /2022	
	2023	2022	Published	At constant exchange rates
Leather Goods and Saddlery ⁽¹⁾	4,176	3,663	14.0%	19.0%
Ready-to-Wear and Accessories ⁽²⁾	2,934	2,377	23.4%	28.5%
Silk and Textiles	648	579	11.8%	16.7%
Other Hermès sectors ⁽³⁾	1,239	1,023	21.1%	26.4%
Perfume and Beauty	367	344	6.7%	8.4%
Watches	473	401	17.9%	23.5%
Other products ⁽⁴⁾	226	224	1.0%	3.9%
TOTAL	10,063	8,611	16.9%	21.7%

<i>In €m</i>	3 rd quarter		Evolution /2022	
	2023	2022	Published	At constant exchange rates
Leather Goods and Saddlery ⁽¹⁾	1,396	1,305	7.0%	15.8%
Ready-to-Wear and Accessories ⁽²⁾	1,012	919	10.2%	18.3%
Silk and Textiles	204	208	(1.7%)	6.3%
Other Hermès sectors ⁽³⁾	403	375	7.5%	16.5%
Perfume and Beauty	117	113	3.5%	6.3%
Watches	155	139	12.1%	22.0%
Other products ⁽⁴⁾	76	77	(1.4%)	3.4%
TOTAL	3,365	3,136	7.3%	15.6%

⁽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 – FIRST HALF 2023 KEY FIGURES

<i>In millions of euros</i>	H1 2023	2022	H1 2022
Revenue	6,698	11,602	5,475
<i>Growth at current exchange rates vs. n-1</i>	22.3%	29.2%	29.3%
<i>Growth at constant exchange rates vs. n-1</i> ⁽¹⁾	25.2%	23.4%	23.2%
Recurring operating income ⁽²⁾	2,947	4,697	2,304
<i>As a % of revenue</i>	44.0%	40.5%	42.1%
Operating income	2,947	4,697	2,304
<i>As a % of revenue</i>	44.0%	40.5%	42.1%
Net profit – Group share	2,226	3,367	1,641
<i>As a % of revenue</i>	33.2%	29.0%	30.0%
Operating cash flows	2,615	4,111	2,001
Investments (excluding financial investments)	249	518	190
Adjusted free cash flow ⁽³⁾	1,720	3,405	1,421
Equity – Group share	13,249	12,440	10,259
Net cash position ⁽⁴⁾	9,326	9,223	7,280
Restated net cash position ⁽⁵⁾	9,848	9,742	7,685
Workforce (number of employees)	20,607	19,686	18,428

⁽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.