

HERMÈS

Quarterly information report as at the end of March 2022

**Strong sales momentum across all business lines
in all geographical areas
(+33% at current exchanges rates)**

Paris, 14 April 2022

The group's consolidated revenue reached €2,765 million in the first quarter of 2022, up 33% at current exchange rates and 27% at constant exchange rates. Sales were particularly dynamic in group stores, especially in America and Europe, driven by the acceleration in all the business lines and the sustained growth in Leather Goods.

Axel Dumas, Executive Chairman of Hermès, said: *“The strong growth in sales at the beginning of this year reflects the desirability of our collections and the confidence of our customers in our artisanal and responsible approach. Despite a still uncertain context, the group is accelerating its strategic investments, recruitments and training to support the growth of all the métiers of the house.”*

Sales by geographical area at the end of March

(at constant exchange rates unless otherwise indicated)

At the end of March 2022, all the geographical areas posted strong growth. Sales accelerated in group stores with a 28% increase compared to 2021. The network continued to develop with store openings and extensions, and the strengthening of online sales worldwide.

- Asia excluding Japan (+20%) benefitted at the beginning of the year from a very good Chinese New Year and from sustained activity, especially in Thailand, Singapore, and Australia. Since mid-March, Greater China has been penalised by new health restrictions and some store closures, particularly in Shanghai and Shenyang. The stores *Pacific Place* in Hong Kong and *One Central* in Macao reopened in January and February respectively after renovation. A new store opened in Zhengzhou at the end of March, the first store for Hermès in the Chinese province of Henan. In March, the *HermèsFit* event was held in Bangkok, Thailand, around fashion accessories on the theme of sport, after New York and Paris.
- Japan (+17%) pursued its sustained increase, which relied on the loyalty of local customers and the success of the collections.
- Americas (+44%) recorded a strong acceleration at the end of March, thanks to a good momentum in the United States. The South Coast Plaza store reopened on the Californian coast in Costa Mesa near Los Angeles, after renovation and extension.
- Europe excluding France (+44%) and France (+40%) benefitted from favourable comparison basis and achieved a sustained growth particularly in the UK, Germany, Italy and Spain. In France, the 12th Saut Hermès edition was successfully held for the first time at the Grand Palais Éphémère at the Champ-de-Mars in Paris, while preserving its authenticity in a sporting and joyful atmosphere.

Sales by business line at the end of March

(at constant exchange rates unless otherwise indicated)

At the end of March 2022, all businesses confirmed strong momentum and benefitted from the acceleration of the Ready-to-Wear and Accessories division, Watches and Other Hermès Business Lines (Jewellery and Homeware).

Growth in Leather Goods and Saddlery (+16%) was based on the increase in production capacity and sustained demand. Two new workshops have been announced for 2025 and 2026, in L'Isle-d'Espagnac (Charente) and Loupes (Gironde), the 23rd and 24th leather goods production sites and will eventually employ 500 craftsmen. They will come in addition to the three sites under construction in Louviers (Eure) in 2022, La Sormonne (Ardennes) in 2023 and Riom (Puy-de-Dôme) by 2024.

The Ready-to-Wear and Accessories business line (+44%) confirmed a remarkable growth, driven by the success of the ready-to-wear, fashion accessories and footwear collections. The women's fall-winter 2022 fashion show held in March at the *Garde républicaine* in Paris met with great success, after that of the men's collection revealed at the *Mobilier national* in January.

The Silk and Textiles business line (+27%) performed well, benefitting from an enriched offer by new uses and new know-how in terms of materials and formats.

Perfume and Beauty (+18%) are driven by the house's creations and olfactory proposals. The Hermès Beauty line launched a fourth chapter in March with a new approach to the complexion *Hermès Plein Air*.

Watches (+62%) achieved an outstanding performance, reflecting the technical watch-making expertise and creativity of the collections. The new *Arceau, Le temps voyageur* watch, revealing a unique presentation of different times around the world, met with great success at the international *Watches and Wonders* exhibition in Geneva at the end of March.

Other Hermès business lines (+37%) confirmed their momentum, thanks to Homeware and Jewellery. The *Soleil d'Hermès* tableware collection, with geometric designs of sunshine, will be presented in June in Milan.

A responsible, sustainable model

To support the strong growth of their activity, while passing on their know-how of excellence, all the regional leather goods centres are gradually opening their *École Hermès des savoir-faire*, which issues a diploma in leather working (CAP) recognised by French National Education authority. After the one of Fitiieu last autumn, the Ardennes centre opened its *École Hermès des savoir-faire* in February.

Hermès is stepping up its investments and recruitments, thereby strengthening its role as a social actor and responsible employer.

Other highlights

At the end of March 2022, currency fluctuations represented a positive impact of €116 million on revenue.

During the first quarter, Hermès International redeemed 51,890 shares for €61 million, excluding transactions completed within the framework of the liquidity contract.

Effective 1 March 2022, Sharon MacBeath, Group Human Resources Director and Agnès de Villers, Chairman and CEO of Hermès Perfume and Beauty, joined the Executive Committee.

Outlook

For 2022, the impacts of the health context are still difficult to assess. Our highly integrated craftsmanship model and balanced distribution network, as well as the creativity of our collections and our customers' loyalty allow us to look to the future with confidence.

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.

*The press release on Revenue at the end of March 2022 is available on the Group's website:
<https://finance.hermes.com>.*

Upcoming events:

- 20 April 2022: General Meeting of Shareholders
- 29 July 2022: publication of H1 2022 results
- 20 October 2022: Q3 2022 revenue publication

INFORMATION BY GEOGRAPHICAL ZONE ^(a)

<i>In millions of euros</i>	1 st quarter		Evolution /2021	
	2022	2021	Published	At constant exchange rates
France	214	153	39.7%	39.7%
Europe (excl. France)	327	228	43.4%	43.9%
Total Europe	541	381	41.9%	42.2%
Japan	277	241	15.0%	17.4%
Asia-Pacific (excl. Japan)	1,447	1,130	28.0%	19.8%
Total Asia	1,724	1,371	25.7%	19.3%
Americas	449	291	54.3%	44.2%
Other	51	41	25.2%	24.7%
TOTAL	2,765	2,084	32.7%	27.1%

^(a) Sales by destination.

INFORMATION BY SECTOR

<i>In millions of euros</i>	1 st quarter		Evolution /2021	
	2022	2021	Published	At constant exchange rates
Leather Goods and Saddlery ⁽¹⁾	1,197	988	21.1%	15.8%
Ready-to-wear and Accessories ⁽²⁾	710	473	50.1%	44.1%
Silk and Textiles	198	148	33.3%	27.3%
Other Hermès sectors ⁽³⁾	330	228	44.4%	37.4%
Perfume and Beauty	119	99	20.0%	18.4%
Watches	134	78	71.5%	62.0%
Other products ⁽⁴⁾	77	69	12.8%	10.9%
TOTAL	2,765	2,084	32.7%	27.1%

⁽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 Homeware (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 - 2021 KEY FIGURES

<i>In millions of euros</i>	2021	2020	2019
Revenue	8,982	6,389	6,883
<i>Growth at current exchange rates vs. n-1</i>	40.6%	(7.2)%	15.4%
<i>Growth at constant exchange rates vs. n-1</i> ⁽¹⁾	41.8%	(6.0)%	12.4%
Recurring operating income ⁽²⁾	3,530	1,981	2,339
<i>As a % of revenue</i>	39.3%	31.0%	34.0%
Operating income	3,530	2,073	2,339
<i>As a % of revenue</i>	39.3%	32.4%	34.0%
Net profit – Group share	2,445	1,385	1,528
<i>As a % of revenue</i>	27.2 %	21.7%	22.2%
Operating cash flows	3,060	1,993	2,063
Investments (excluding financial investments)	532	448	478
Adjusted free cash flow ⁽³⁾	2,661	995	1,406
Equity – Group share	9,400	7,380	6,568
Net cash position ⁽⁴⁾	6,695	4,717	4,372
Restated net cash position ⁽⁵⁾	7,070	4,904	4,562
Workforce (number of employees)	17,595	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 releases and the presentations of the results are available on the group's website: <https://finance.hermes.com>

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