

# HERMÈS

*Quarterly information report as at the end of September 2022*

**A very good sales momentum continues in the 3<sup>rd</sup> quarter  
(+32.5% at current exchanges rates and +24% at constant exchange rates)**

Paris, 20 October 2022

The group's consolidated revenue amounted to €8,611 million at the end of September 2022, up 30% at current exchange rates and 24% at constant exchange rates compared to the same period in 2021.

In the third quarter, sales reached €3,136 million, up 32.5% at current exchanges rates and 24% at constant exchange rates, with strong growth in all the business lines.

Axel Dumas, Executive Chairman of Hermès, said: *“The strong performance in the third quarter reflects the desirability of our collections all around the world and the relevance of our values. We move forward with confidence and caution while continuing to bolster our integrated model, rooted in France and committed to job creation. Our success lies in that of our teams, whom I would like to sincerely thank.”*

## **Sales by geographical area at the end of September**

*(at comparable exchange rates, unless otherwise indicated)*

At the end of September 2022, all the geographical areas posted very strong performances. Sales in group's stores (+23%) benefitted from the reinforcement of our exclusive distribution network and online sales. Wholesale activities growth (+26%) reflected the resumption of travel retail.

- Asia excluding Japan (+21%) continued its strong momentum, thanks to an excellent 3<sup>rd</sup> quarter (+34%). Sales in Greater China picked up strongly, despite temporary closures due to sanitary measures mainly in Macau, Chengdu and Dalian in July and August. Sales were particularly sustained in Singapore, Australia, Thailand and Korea. After the Pacific Place store in Hong Kong and One Central store in Macau at the beginning of the year, the Greenbelt Mall store in Manilla and Wuhan store in China reopened after renovation and extension in July.
- Japan (+21%) confirmed the regularity and solidity of its growth, thanks to the loyalty of local clients. In Ginza, the Men's universe floor re-opened in September after renovation. In June, the *La Fabrique de la légèreté* exhibition, featuring the theme of the year, was very well received in Tokyo.
- Americas (+28%) continued on an upward trend in the 3<sup>rd</sup> quarter. In the United States, after the opening of a new store in Austin in April, a new Maison was inaugurated at 706 Madison Avenue in New York at the end of September. This store offers a unique experience: the private salons recreate a sense of intimacy and exclusivity within a large welcoming space enhancing the collections. The House reiterated its commitment to objects' sustainability with a floor dedicated to repairs by Hermès artisans. The *HermèsFit* event was held in Los Angeles in July, highlighting silk, shoes, small leather goods and fashion accessories collections.
- Europe excluding France (+25%) and France (+28%), supported by the loyalty of local customers, benefitted from the recovery in tourist flows, especially in France, the United Kingdom and Italy. In July, the Faubourg Saint-Honoré store in Paris presented the seventh jewellery collection *Les jeux de l'ombre*, which was very well received.

## Sales by business line at the end of September

(at comparable exchange rates, unless otherwise indicated)

At the end of September 2022, all the business lines confirmed their high levels of sales, with Ready-to-wear and Accessories, Watches and Other Hermès business lines posting a remarkable increase in the third quarter, confirming Hermès' great attractiveness.

The growth of the Leather Goods and Saddlery division (+13%) benefitted from the strong rebound in Greater China in Q3 and very sustained demand. The increase in production capacities continues, with five leather workshops projects. The first stone of the site in the former *manufacture des Tabacs* of Riom (Puy-de-Dôme) was laid in September. It is part of an industrial rehabilitation to reduce the project's carbon footprint and will constitute, with the Sayat leather goods workshop, the second site of the Auvergne regional hub. Hermès thus continues to strengthen its local presence in France and to create jobs.

The Ready-to-Wear and Accessories division (+38%) pursued its strong momentum, thanks to the success of the ready-to-wear, fashion accessories and footwear collections. The women's spring-summer 2023 fashion show presented in early October unveiled a collection inspired by a sporting spirit. It received a very warm welcome, like that of the men's collection in June. The fashion accessories have met with great success, around creations combining multiple know-how.

The Silk and Textiles business line (+27%) achieved a great performance, supported by new production capacities at the Pierre-Bénite site in Lyon and collections deployed around a diversity of materials, formats and exceptional pieces.

Perfume and Beauty (+18%) benefitted from the success of the latest launches such as the *eau de parfum H24*, with a new vegetal intensity. The Beauty collection launched the new Fall-Winter 2022 limited editions with three lipsticks and two nail polishes in flamboyant colours.

The Watches business line (+55%) confirmed its remarkable performance thanks to the development of pieces with exceptional know-how such as the *Arceau, Le temps voyageur* watch and the success of the new *H08* watch and its pillar lines such as *Cape Cod* and *Heure H*, around a watch collection where technique echoes aesthetics.

Other Hermès sectors (+31%) pursued their highly dynamic growth, both in Homeware and Jewellery, with creative and inventive collections.

## A responsible, sustainable model

True to its values as a responsible employer, Hermès accelerates its recruitment in the second half of the year. After the gross monthly increase of €100 in January in France to limit the effects of inflation, in addition to the annual increases, and the exceptional bonus of €3,000 paid to all group employees in February, the group again increased by €100 gross monthly all salaries in Europe from July.

The *École Hermès des savoir-faire*, accredited by the French Education Ministry, has already trained more than 150 artisans since its foundation in June 2021 and continues to develop in all the regional leather goods workshops across the country in Fiti lieu, in the Ardennes, and then soon in the Normandy, South-West and Auvergne hubs.

Attached to its artisanal production model and its spirit of innovation, Hermès continues to grow while controlling its energy footprint. The industrial energy intensity of the house has halved in ten years. In line with its commitment to a trajectory below 1.5°C, validated by the Science Based Target initiative (SBTi), the House has stepped up since 2020 its actions to fight against climate change, in particular through the exclusive supply of electricity green, produced on the national territory, of all the sites located in France.

Thanks to its *Fondation d'entreprise*, Hermès is expanding its sponsoring activities through artistic creation, education and transmission, solidarity and the preservation of biodiversity. As such, the five-year commitment for the fourth term will be formalised by the end of 2022.

## Highlights

At the end of September 2022, currency fluctuations represented a positive impact of €451 million on revenue.

During the first nine months, Hermès International bought back 104,269 shares for €116 million, excluding transactions completed within the framework of the liquidity contract.

## Outlook

For 2022, the impacts of the sanitary, economic and geopolitical context are still difficult to assess. Our highly integrated craftsmanship model and balanced distribution network, as well as the creativity of the collections and clients' 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 September 2022 is available on the Group's website:  
<https://finance.hermes.com>.*

## Upcoming events:

- 17 February 2023: 2022 full-year results publication
- 14 April 2023: Q1 2023 revenue publication
- 20 April 2023: General Meeting of Shareholders

**REVENUE BY GEOGRAPHICAL AREA <sup>(a)</sup>**

<i>In millions of euros</i>	As of Sept. 30 <sup>th</sup>		Evolution /2021	
	2022	2021	Published	At constant exchange rates
France	753	587	28.2%	28.2%
Europe (excl. France)	1,123	904	24.2%	24.6%
<b>Total Europe</b>	<b>1,876</b>	<b>1,492</b>	<b>25.8%</b>	<b>26.1%</b>
Japan	822	710	15.8%	21.2%
Asia-Pacific (excl. Japan)	4,242	3,226	31.5%	21.1%
<b>Total Asia</b>	<b>5,064</b>	<b>3,936</b>	<b>28.7%</b>	<b>21.1%</b>
Americas	1,518	1,061	43.1%	28.3%
Other	153	114	33.9%	32.9%
<b>TOTAL</b>	<b>8,611</b>	<b>6,602</b>	<b>30.4%</b>	<b>23.6%</b>

<i>In millions of euros</i>	3 <sup>rd</sup> quarter		Evolution /2021	
	2022	2021	Published	At constant exchange rates
France	273	246	10.9%	10.9%
Europe (excl. France)	427	382	11.6%	12.2%
<b>Total Europe</b>	<b>700</b>	<b>629</b>	<b>11.3%</b>	<b>11.7%</b>
Japan	276	241	14.6%	22.7%
Asia-Pacific (excl. Japan)	1,577	1,073	47.0%	33.7%
<b>Total Asia</b>	<b>1,853</b>	<b>1,314</b>	<b>41.1%</b>	<b>31.7%</b>
Americas	536	393	36.4%	18.1%
Other	47	32	47.5%	45.8%
<b>TOTAL</b>	<b>3,136</b>	<b>2,367</b>	<b>32.5%</b>	<b>24.3%</b>

<sup>(a)</sup> Sales by destination.

## REVENUE BY SECTOR

<i>In millions of euros</i>	As of Sept. 30 <sup>th</sup>		Evolution /2021	
	2022	2021	Published	At constant exchange rates
Leather Goods and Saddlery <sup>(1)</sup>	3,663	3,076	19.1%	12.5%
Ready-to-wear and Accessories <sup>(2)</sup>	2,377	1,635	45.4%	38.1%
Silk and Textiles	579	433	33.8%	26.7%
Other Hermès sectors <sup>(3)</sup>	1,023	736	39.1%	30.5%
Perfume and Beauty	344	288	19.3%	17.5%
Watches	401	242	66.0%	55.3%
Other products <sup>(4)</sup>	224	193	15.9%	13.4%
<b>TOTAL</b>	<b>8,611</b>	<b>6,602</b>	<b>30.4%</b>	<b>23.6%</b>

<i>In millions of euros</i>	3 <sup>rd</sup> quarter		Evolution /2021	
	2022	2021	Published	At constant exchange rates
Leather Goods and Saddlery <sup>(1)</sup>	1,305	1,077	21.1%	13.2%
Ready-to-wear and Accessories <sup>(2)</sup>	919	610	50.7%	42.0%
Silk and Textiles	208	159	30.7%	22.9%
Other Hermès sectors <sup>(3)</sup>	375	273	37.3%	27.1%
Perfume and Beauty	113	104	9.2%	7.4%
Watches	139	83	67.7%	55.2%
Other products <sup>(4)</sup>	77	61	25.9%	22.8%
<b>TOTAL</b>	<b>3,136</b>	<b>2,367</b>	<b>32.5%</b>	<b>24.3%</b>

<sup>(1)</sup> The “Leather Goods and Saddlery” business line includes bags, riding, memory holders and small leather goods.

<sup>(2)</sup> The “Ready-to-wear and Accessories” business line includes Hermès Ready-to-wear for men and women, belts, costume jewellery, gloves, hats and shoes.

<sup>(3)</sup> The “Other Hermès sectors” include Jewellery and Hermès home products (Art of Living and Hermès Tableware).

<sup>(4)</sup> 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 – PREVIOUS PUBLICATION**

**REVENUE BY GEOGRAPHICAL ZONE <sup>(a)</sup>**

<i>In millions of euros</i>	First half		Evolution /2021	
	2022	2021	Published	At constant exchange rates
France	480	341	40.7%	40.7%
Europe (excl. France)	696	522	33.4%	33.8%
<b>Total Europe</b>	<b>1,176</b>	<b>863</b>	<b>36.3%</b>	<b>36.5%</b>
Japan	546	469	16.4%	20.4%
Asia-Pacific (excl. Japan)	2,665	2,153	23.8%	14.9%
<b>Total Asia</b>	<b>3,211</b>	<b>2,622</b>	<b>22.5%</b>	<b>15.9%</b>
Americas	982	668	47.0%	34.1%
Other	106	82	28.7%	28.0%
<b>TOTAL</b>	<b>5,475</b>	<b>4,235</b>	<b>29.3%</b>	<b>23.2%</b>

<sup>(a)</sup> Sales by destination.

**REVENUE BY SECTOR**

<i>In millions of euros</i>	First half		Evolution /2021	
	2022	2021	Published	At constant exchange rates
Leather Goods and Saddlery <sup>(1)</sup>	2,358	1,999	18.0%	12.1%
Ready-to-wear and Accessories <sup>(2)</sup>	1,458	1,025	42.3%	35.9%
Silk and Textiles	372	274	35.6%	29.0%
Other Hermès sectors <sup>(3)</sup>	648	462	40.2%	32.5%
Perfume and Beauty	230	184	24.9%	23.3%
Watches	262	159	65.2%	55.3%
Other products <sup>(4)</sup>	146	132	11.1%	9.1%
<b>TOTAL</b>	<b>5,475</b>	<b>4,235</b>	<b>29.3%</b>	<b>23.2%</b>

<sup>(1)</sup> The “Leather Goods and Saddlery” business line includes bags, riding, memory holders and small leather goods.

<sup>(2)</sup> The “Ready-to-wear and Accessories” business line includes Hermès Ready-to-wear for men and women, belts, costume jewellery, gloves, hats and shoes.

<sup>(3)</sup> The “Other Hermès sectors” include Jewellery and Hermès home products (Art of Living and Hermès Tableware).

<sup>(4)</sup> 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 2022 KEY FIGURES

<i>In millions of euros</i>	<b>H1 2022</b>	<b>FY 2021</b>	<b>H1 2021</b>
<b>Revenue</b>	<b>5,475</b>	<b>8,982</b>	<b>4,235</b>
<i>Growth at current exchange rates vs. n-1</i>	29.3%	40.6%	70.2%
<i>Growth at constant exchange rates vs. n-1</i> <sup>(1)</sup>	23.2%	41.8%	76.7%
<b>Recurring operating income</b> <sup>(2)</sup>	<b>2,304</b>	<b>3,530</b>	<b>1,722</b>
<i>As a % of revenue</i>	42.1%	39.3%	40.7%
<b>Operating income</b>	<b>2,304</b>	<b>3,530</b>	<b>1,722</b>
<i>As a % of revenue</i>	42.1%	39.3%	40.7%
<b>Net profit – Group share</b>	<b>1,641</b>	<b>2,445</b>	<b>1,174</b>
<i>As a % of revenue</i>	30.0%	27.2%	27.7%
Operating cash flows	2,001	3,060	1,487
Investments (excluding financial investments)	190	532	214
Adjusted free cash flow <sup>(3)</sup>	1,421	2,661	1,236
Equity – Group share	10,259	9,400	8,024
Net cash position <sup>(4)</sup>	7,293	6,695	5,326
Restated net cash position <sup>(5)</sup>	7,685	7,070	5,521
Workforce (number of employees)	18,428	17,595	16,966

<sup>(1)</sup> *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.*

<sup>(2)</sup> *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.*

<sup>(3)</sup> *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.*

<sup>(4)</sup> *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.*

<sup>(5)</sup> *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.*