



2022 Full Year Results

17 February 2023



A RESPONSIBLE CRAFTSMANSHIP BUSINESS MODEL



INTEGRATION AND EXCLUSIVITY

Strong vertical integration

55% of objects made in in-house and exclusive workshops

Local anchoring

78% of objects produced in France

Exclusive distribution

300 stores in **45** countries



QUALITY AND DURABILITY

Repairs in workshops

202,000

Craftspeople

> 6,000 over 19,700 employees



CREATIVITY AND SAVOIR-FAIRE

Abundant creativity

A unique style

> 50,000 references

Unique know-how

Creation of an apprentice training centre (CFA)

30 Best Craftspeople in France

7 Living Heritage Companies

JOB CREATION AND RESPONSIBILITY

Job creation

Workforce **2x** in **10** years / **63%** in France

Regional regeneration

52 production sites in France

Value-sharing

Exceptional bonus of **€4,000**

12,000 shareholder employees

Certifications

Objective of certification of all sectors by 2024

Abstract graphic elements on the left side of the slide, including a thick orange diagonal bar, a yellow curved line, a red short segment, and several light blue and purple wavy lines. Five pairs of orange double slashes are placed along these lines, acting as markers or highlights.

Highlights



ABUNDANT CREATIVITY AND UNIQUE KNOW-HOW



- Enrichment of the leather goods collection with the suitcase **R.M.S**, the models **Kelly en désordre**, **Haut à Courroies rock** and **Getta**
- Successful **women's and men's Ready-to-Wear** collections
- The **Arceau, Le temps voyageur** watch won two awards at the Grand Prix d'Horlogerie de Genève
- Launch of the 4th chapter of Beauty, **Hermès Plein Air**
- New high-end jewellery collection, **Les jeux de l'ombre**
- Successful launch of the **H24** perfume



INTEGRATION : DEVELOPMENT OF PRODUCTION CAPACITIES



- Five new leather goods workshops will reinforce our nine regional centres of expertise:
 - › Louviers (Eure) and la Sormonne (Ardennes) in 2023
 - › Riom (Puy-de-Dôme), scheduled in 2024
 - › L'Isle-d'Espagnac (Charente), scheduled in 2025
 - › Loupes (Gironde), scheduled in 2026
- Strengthening of capacity investments in all *métiers*, notably:
 - › Finalisation of building work in the Lyon Textile division of the Pierre-Bénite site
 - › Development of J3L company, specialised in metal pieces
 - › Extension of the perfume site of Le Vaudreuil



EXCLUSIVITY: AN INTEGRATED AND OMNICHANNEL DISTRIBUTION NETWORK (1/2)



- Opening of new stores:
 - › Madison 706 flagship in New York and Austin (United States)
 - › Zhengzhou and Shanghai Qiantan (Mainland China)
 - › Pangyo (Korea)
- Expansion and renovation of stores, notably:
 - › Strasbourg (France) and Barcelona (Spain)
 - › South Coast Plaza (United States) and Guadalajara (Mexico)
 - › Doha Vendôme (Qatar) and Dubai (United Arab Emirates)
 - › Hong Kong Pacific Place et Wuhan (Greater China)



EXCLUSIVITY: AN INTEGRATED AND OMNICHANNEL DISTRIBUTION NETWORK (2/2)



- Strong increase of travel retail and reopening in November of the Hong Kong International Airport store
- A sustained performance of the digital platform worldwide:
 - › Extension to new customers (70%)
 - › New omnichannel services
- Strengthening of supply chain in all geographical areas



A SINGULAR COMMUNICATION



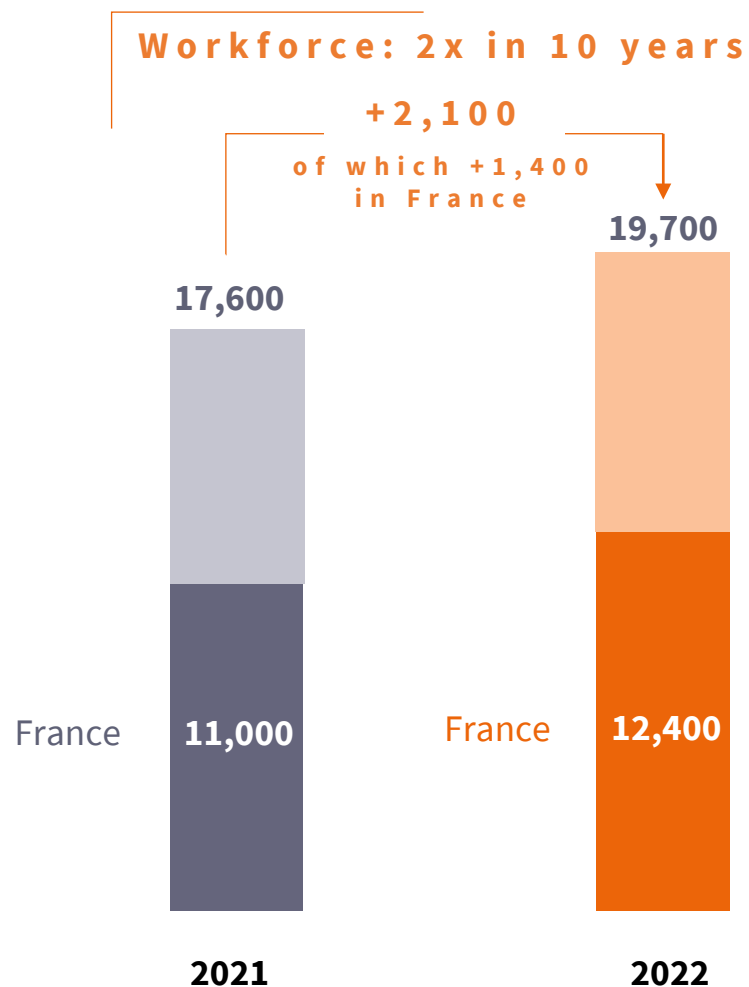
- Promoting creativity, know-how and the Hermès universe:
 - ***La Fabrique de la légèreté*** in Tokyo and Paris La Villette
 - ***Hermès in the Making*** in Singapore, Austin and Kyoto
 - ***HermèsFit*** in Los Angeles, Hong Kong and Sydney
 - ***Le Kiosque du Monde d'Hermès*** in London, Dubai and Toronto
- Rediscovering our 16 *métiers*:
 - **Jewellery: *Les jeux de l'ombre*** in Paris and New York
 - **Silk: *Kite Festival*** in Jakarta
 - **Beauty: *Plein Air***
 - **petit h** stopovers in Dubai and Bangkok



Responsible and Sustainable Development



JOB CREATION AND SHARING OF THE VALUE



- Responsible employer:
 - › **19,700 employees** (+2,100 people, of which +1,400 in France in a logic of regional centres of expertise)
 - › Payment of an exceptional bonus of **€4,000** to all employees
- Transmission of know-how and training:
 - › Further development of the *École Hermès des savoir-faire*: Charleville-Mézières (Ardennes)
 - › Launch of the *École des artisans de la vente*
- Promotion and inclusion of diversity:
 - › **#1** “Diversity Leaders” 2022 of the *Financial Times*
 - › Network of Diversity & Inclusion referents covering **100%** of employees



COMMITTED FOR THE ENVIRONMENT



- Deployment of the decarbonation plan on scopes 1, 2 and 3:
 - › In line with the climate commitments for a trajectory below **1.5°C** validated by the Science Based Target initiative (SBTi)
- Responsible management of the real estate portfolio:
 - › Creation and certification of a demanding responsible construction reference system by an independent third party
 - › Louviers, designed as the 1st positive energy leather goods workshop
- Protection of biodiversity:
 - › **75%** of leather goods workshops evaluated in 2022 according to the five factors of the IPBES*
 - › A diagnosis of **100%** of industrial sites will be carried out in 2023

* *Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services*



RECOGNITION OF THE EXCELLENCE OF THE ARTISANAL MODEL



GLOBAL EVALUATIONS

MSCI

AA

SUSTAINALYTICS

**#1 Textiles
and Apparel
#1 Luxury**



PART OF
Moody's ESG Solutions

Advanced

THEMATIC EVALUATIONS



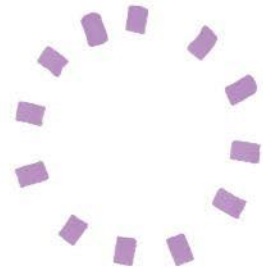
"A List"
Climate : A-
Water : A
Forest : A-, B



Top 3

"Diversity Leaders"
FINANCIAL TIMES

#1



Activity





ACTIVITY



- 2022 revenue reached **€11.6 billion**, up 29% at current exchange rates and 23% at constant exchange rates
- Remarkable sales growth in all the geographical areas
- Strong increase of wholesale activity (+26% at constant exchange rates) driven by the recovery in travel retail
- Sales in the 4th quarter amounted to **€3.0 billion** (+26% at current exchange rates and +23% at constant exchange rates)

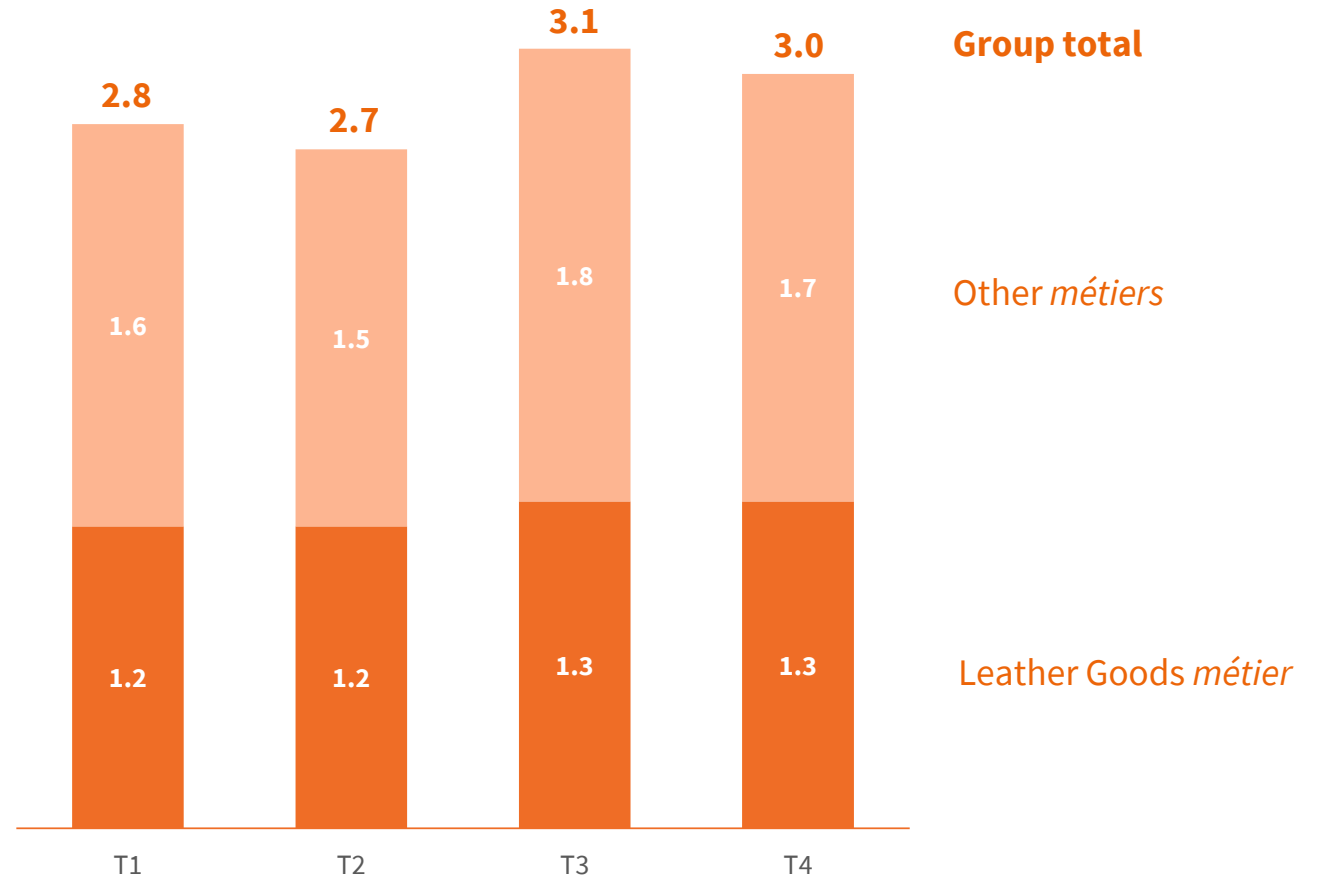
<i>Change at constant rates</i>	Q1	Q2	Q3	Q4	2022
Sales growth	+27%	+20%	+24%	+23%	+23%



SOLIDITY AND REGULARITY OF SALES

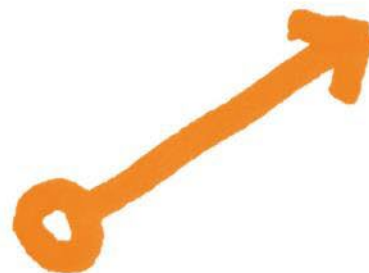


In €bn





Revenue
by Geographical Area



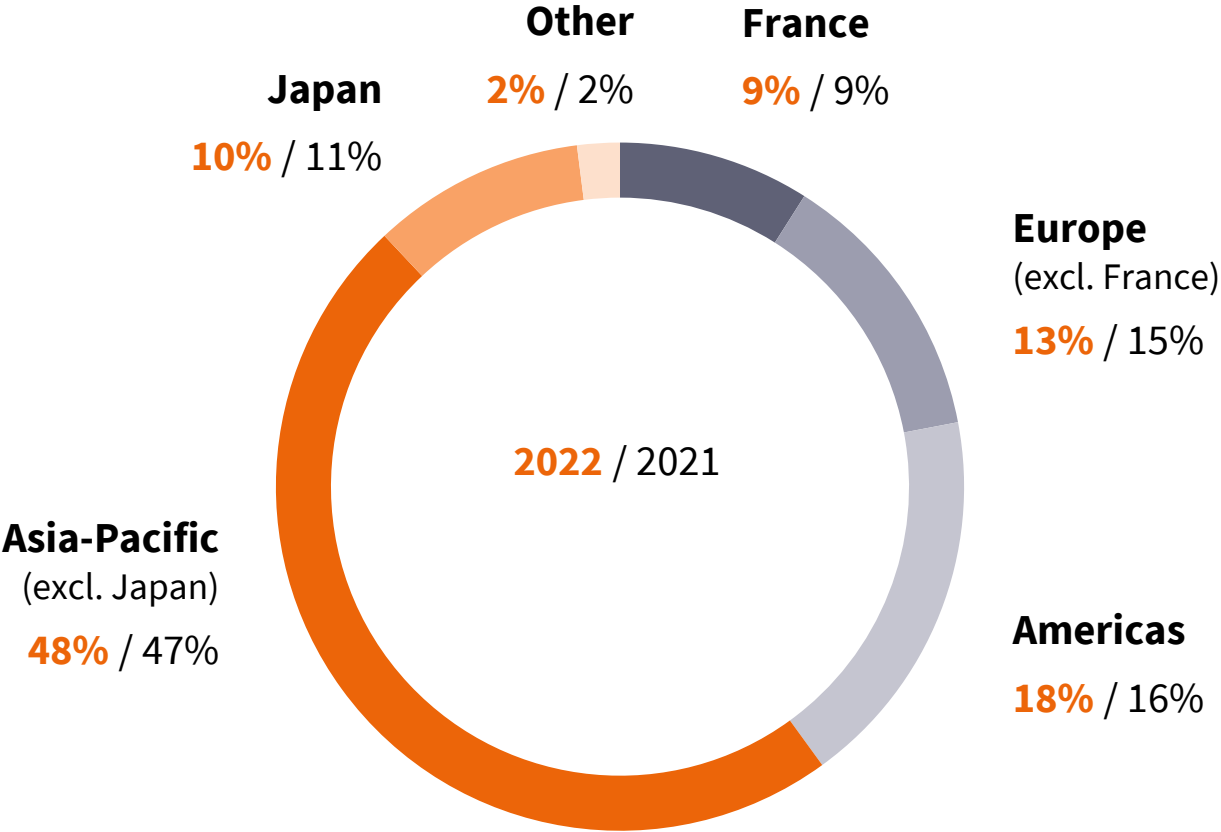


REVENUE BY GEOGRAPHICAL AREA



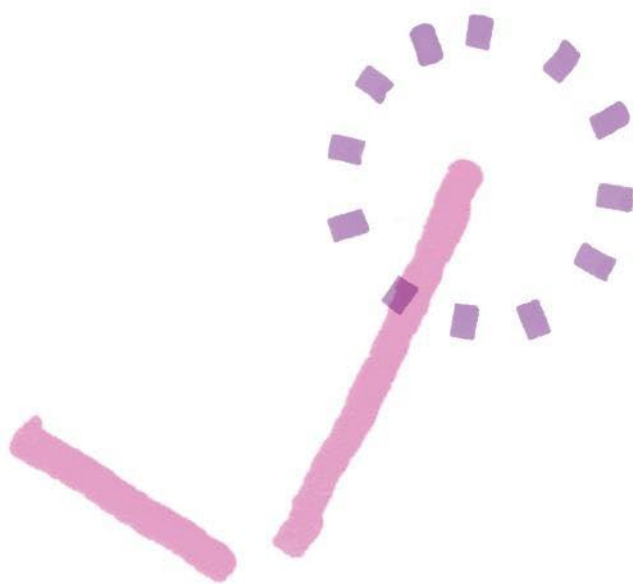
in €M	2022	Change at constant rates
France	1,064	27%
Europe (excl. France)	1,536	18%
EUROPE	2,600	22%
Japan	1,101	20%
Asia-Pacific (excl. Japan)	5,556	22%
ASIA	6,657	22%
Americas	2,138	32%
Others	207	32%
TOTAL	11,602	23%

REVENUE BY GEOGRAPHICAL AREA





Revenue by Sector



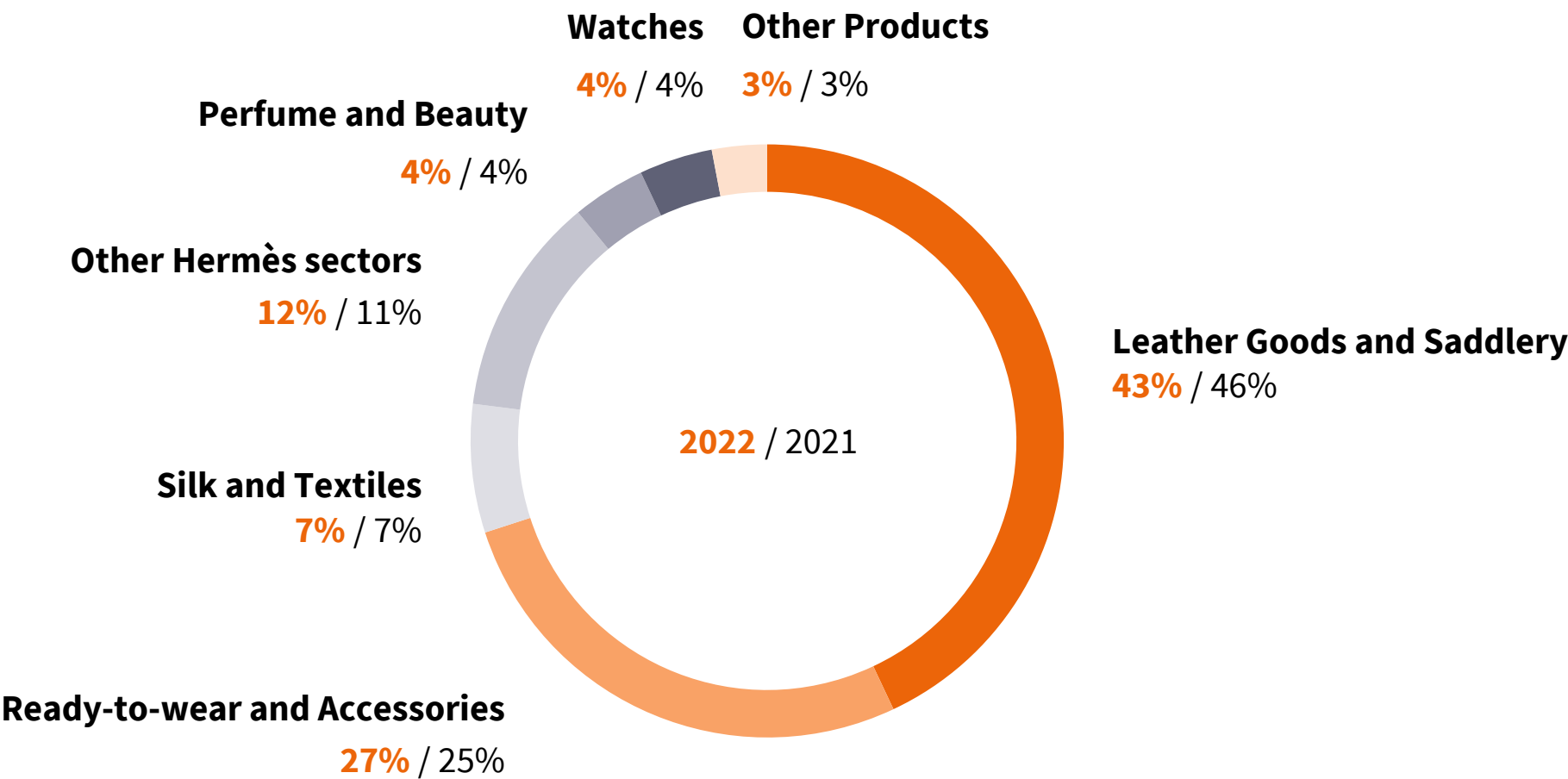


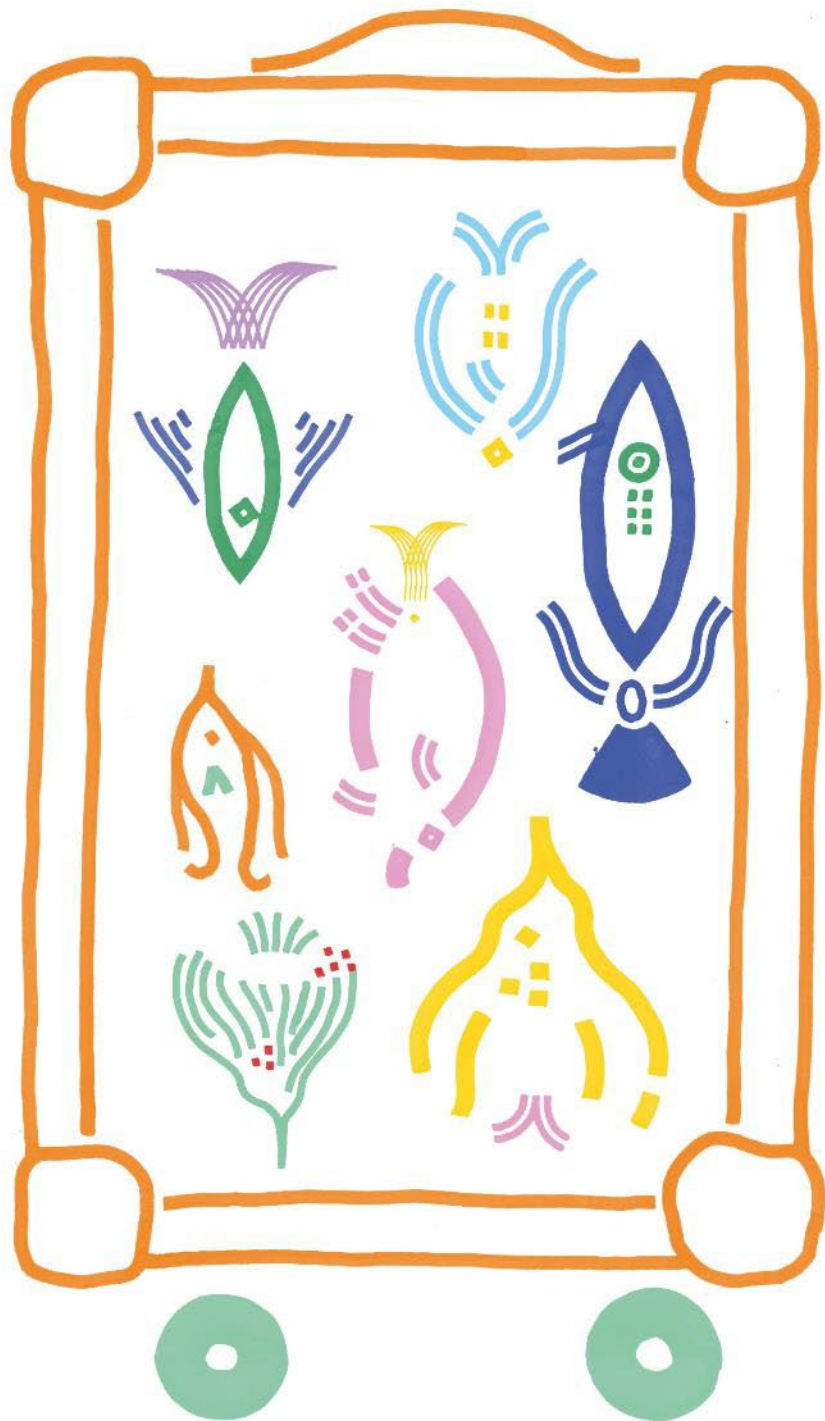
REVENUE BY SECTOR



in €M	2022	Change at constant rates
Leather Goods and Saddlery	4,963	16%
Ready-to-wear and accessories	3,152	36%
Silk and textiles	842	20%
Other Hermès sectors	1,371	30%
Perfume and Beauty	448	15%
Watches	519	46%
Other products	306	8%
TOTAL	11,602	23%

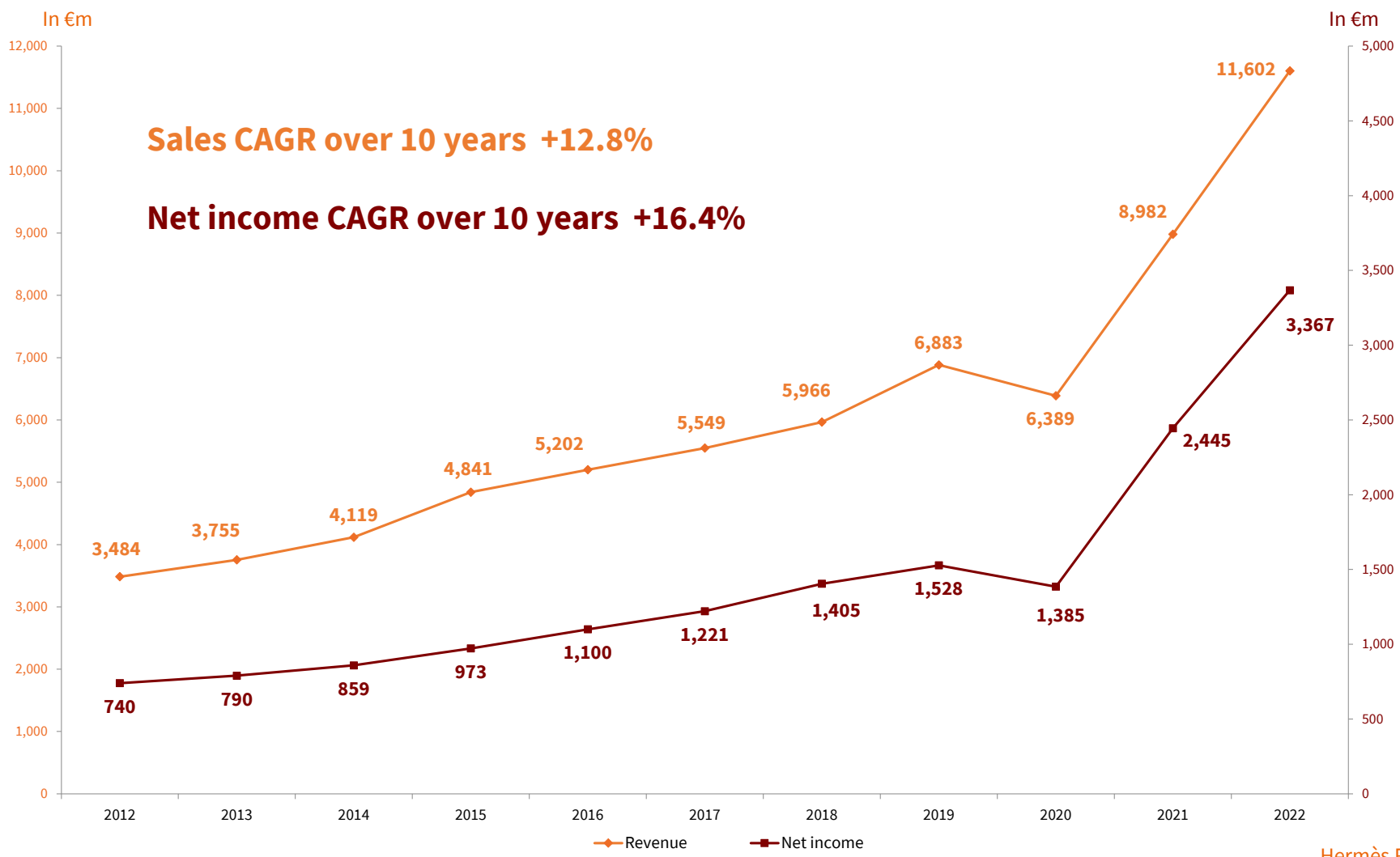
REVENUE BY SECTOR

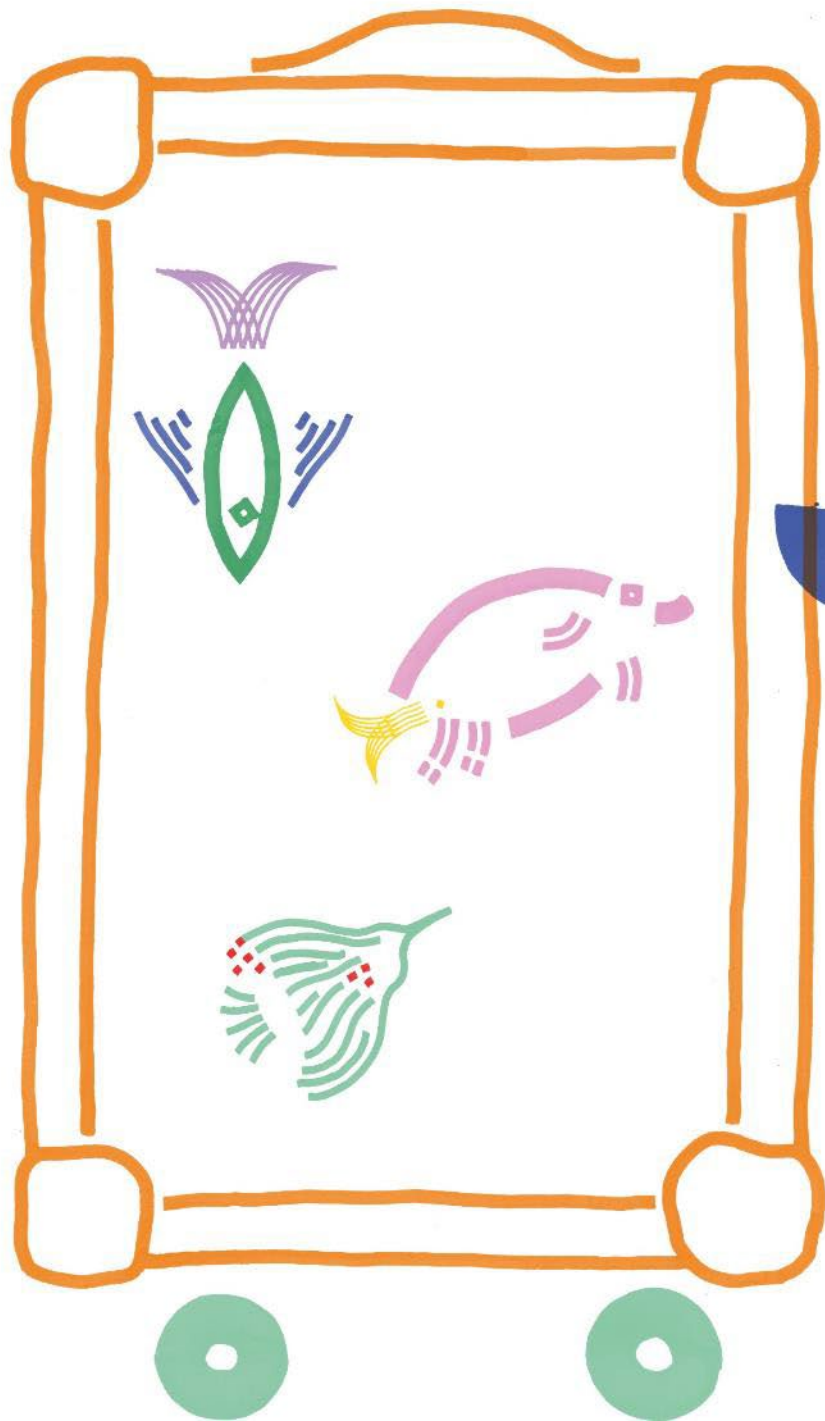




Results

ROBUST SALES AND RESULTS IN 2022





Income Statement





CONSOLIDATED INCOME STATEMENT

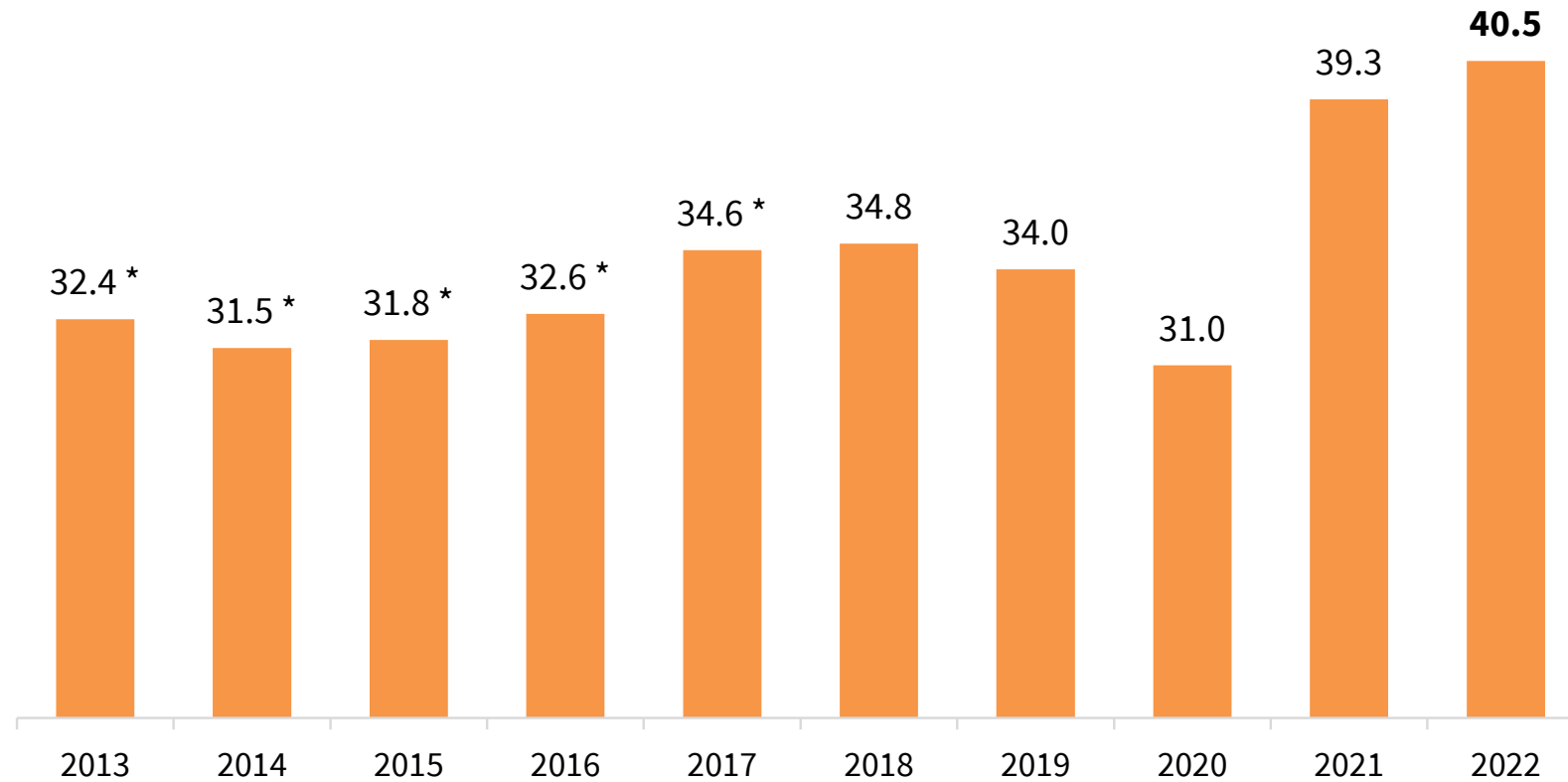


in €M	2022 revenue	% revenue	2021 revenue	% revenue
Revenue	11,602		8,982	
Cost of sales	(3,389)		(2,580)	
Gross margin	8,213	70.8%	6,402	71.3%
Communication	(525)	(4.5)%	(422)	(4.7)%
Other sales and administrative expenses	(2,155)	(18.6)%	(1,716)	(19.1)%
Other income and expenses	(836)	(7.2)%	(734)	(8.2)%
Recurring operating income	4,697	40.5%	3,530	39.3%
Other non-recurring income and expenses				
Operating Income	4,697	40.5%	3,530	39.3%
<i>Change y-o-y</i>	+33%			

RECURRING OPERATING PROFITABILITY EVOLUTION



in % of revenue



* Before IFRS16



CONSOLIDATED INCOME STATEMENT

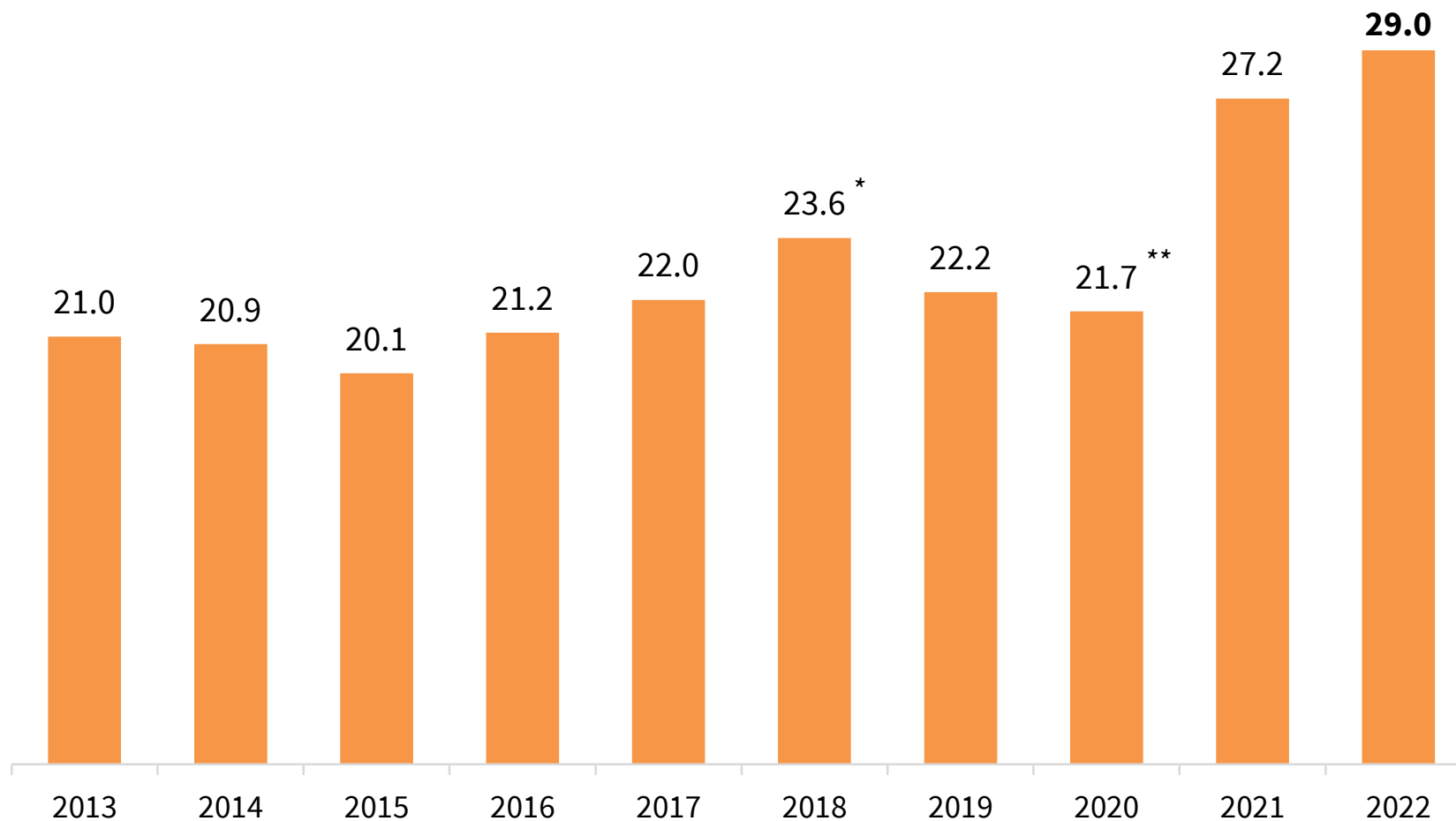


in €M	2022	% revenue	2021	% revenue
Operating income	4,697	40.5%	3,530	39.3%
Net financial income	(62)		(96)	
Income tax	(1,305)		(1,015)	
	<i>In % of income before tax</i>		<i>In % of income before tax</i>	
Net income from associates	50		34	
Net income attributable to non-controlling interests	(13)		(8)	
Net income attributable to owners of the parent	3,367	29.0%	2,445	27.2%
<i>Change y-o-y</i>	+38%			

NET PROFITABILITY EVOLUTION

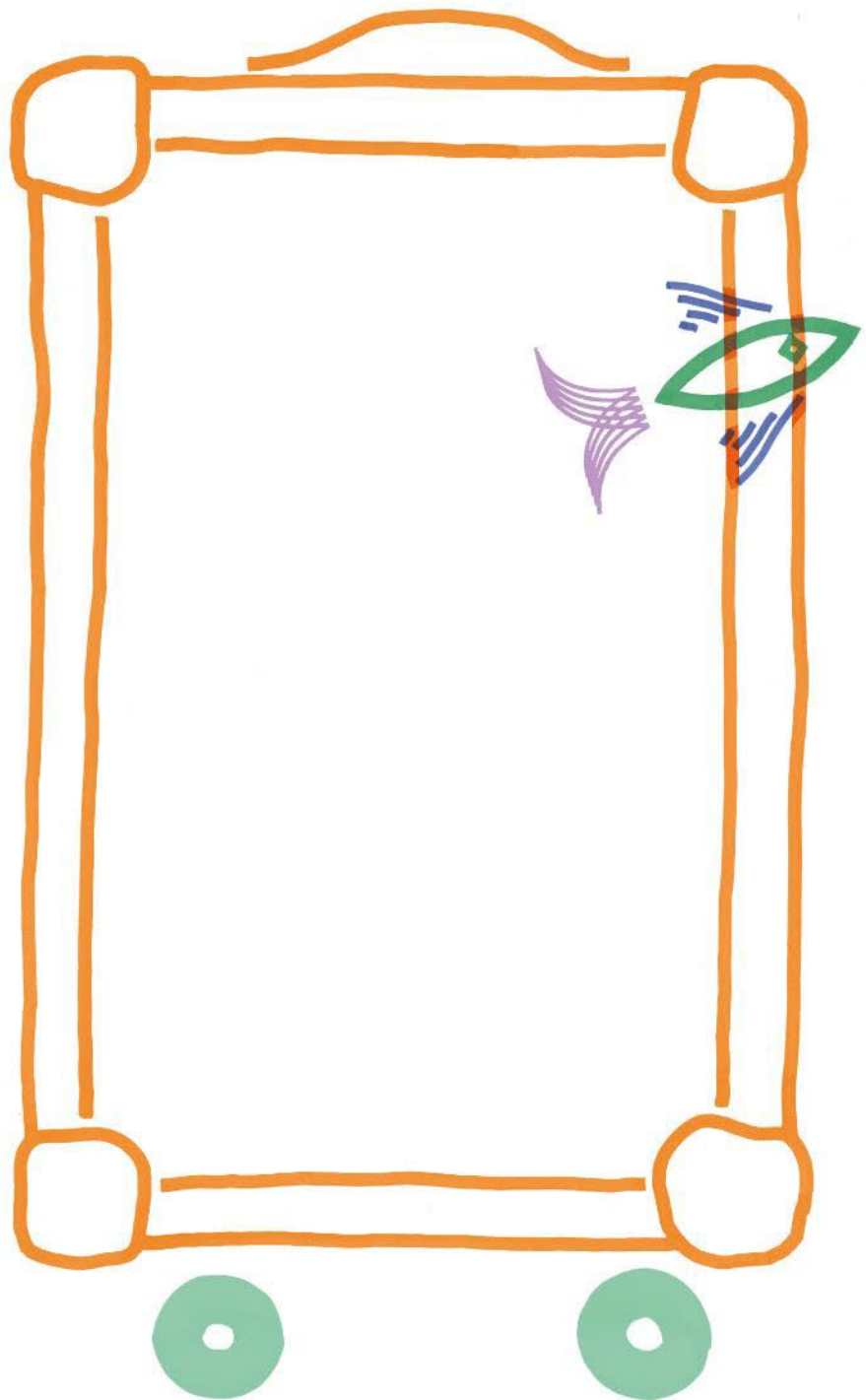


in % of revenue



* 22,7% after restatement from the capital gains from the sale of the Galleria store in Hong-Kong in 2018

** 20,3% after restatement from the non-recurring profit related to the deconsolidation of Shang Xia in 2020

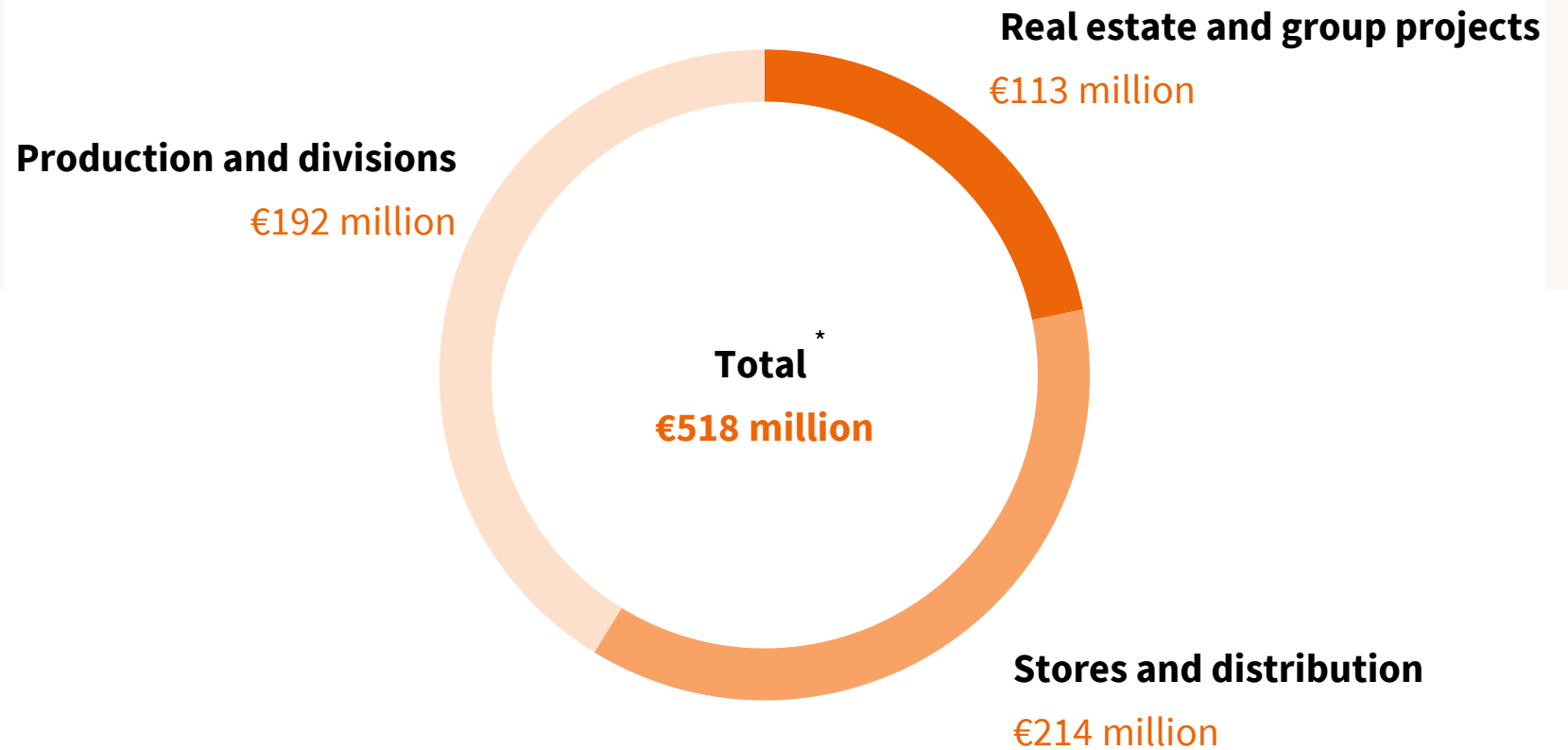


Investments and Cash Flow





OPERATING INVESTMENTS



** €568 million, restated of the application of the IFRIC decision relating to software in SaaS mode*



RESTATED CASH FLOW STATEMENT



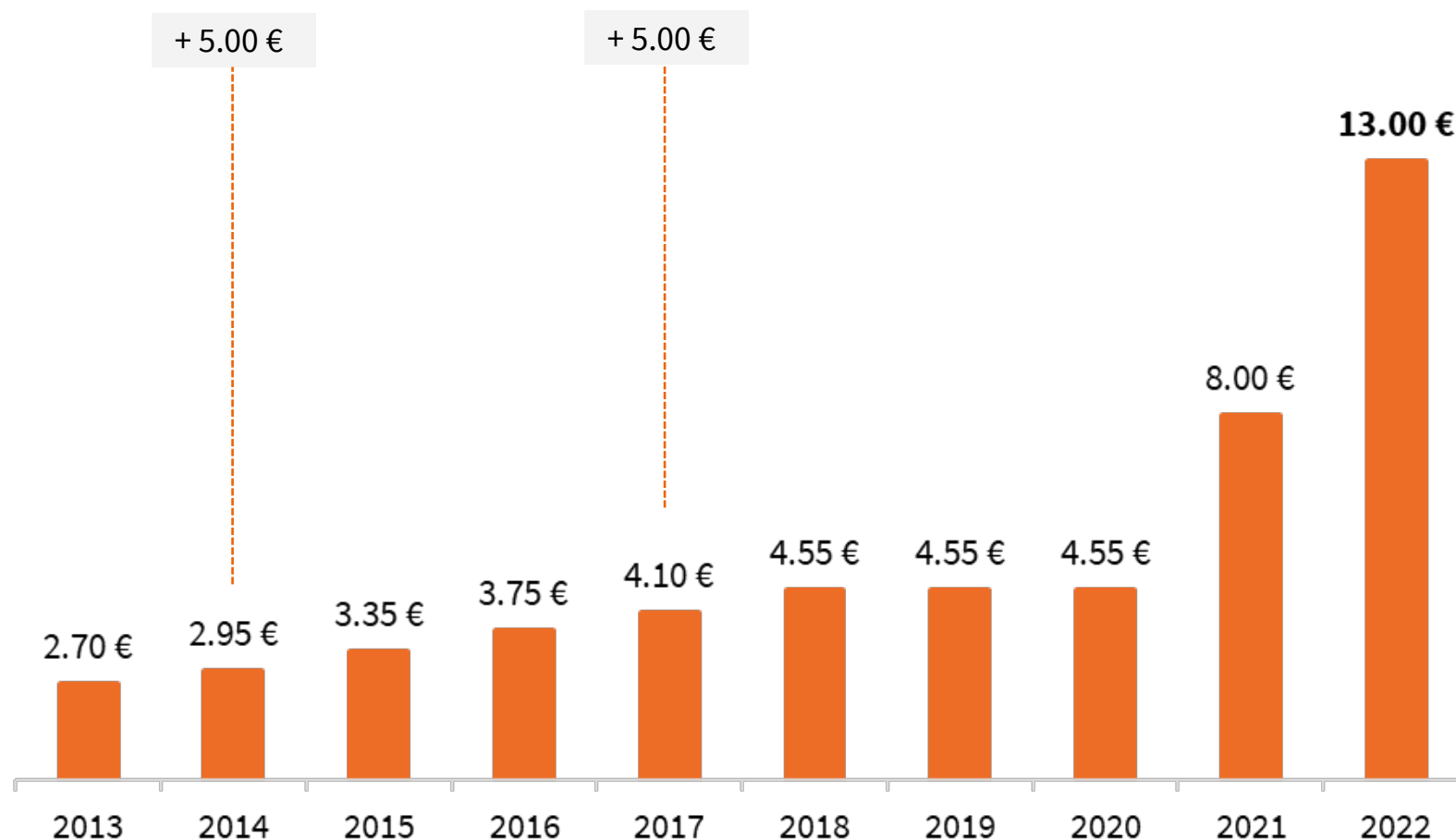
in €M	2022	2021
Operating cash flows	4,111	3,060
Change in working capital	73	346
Cash flows related to operating activities	4,185	3,405
Operating investments	(518)	(532)
Repayment of lease liabilities	(261)	(212)
Adjusted free cash flow	3,405	2,661
Financial investments	(21)	(13)
Dividends paid	(852)	(490)
Treasury share buybacks (excl. liquidity contract)	(116)	(162)
Other changes	257	170
Change in net cash position	2,672	2,166
Closing restated net cash position	9,742	7,070
Opening restated net cash position	7,070	4,904

EVOLUTION OF THE DIVIDEND PER SHARE

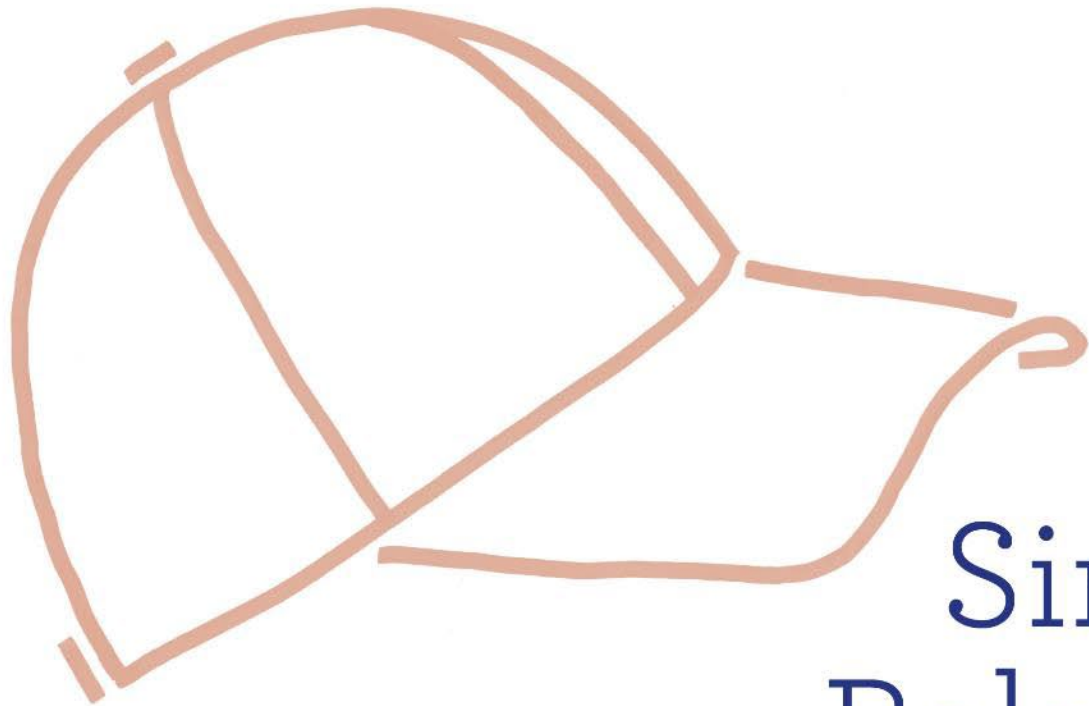


Exceptional dividend
In € per share

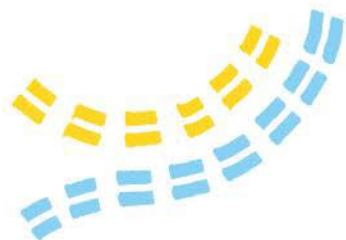
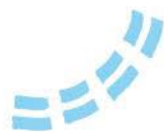
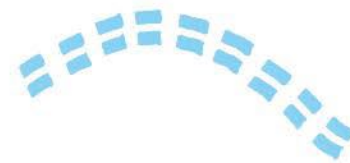
Ordinary dividend
*For the period
In € per share*



* Ordinary dividend proposed for shareholders' approval at the 20th April 2023 General Meeting, including €3.5 interim dividend paid on 22nd February 2023

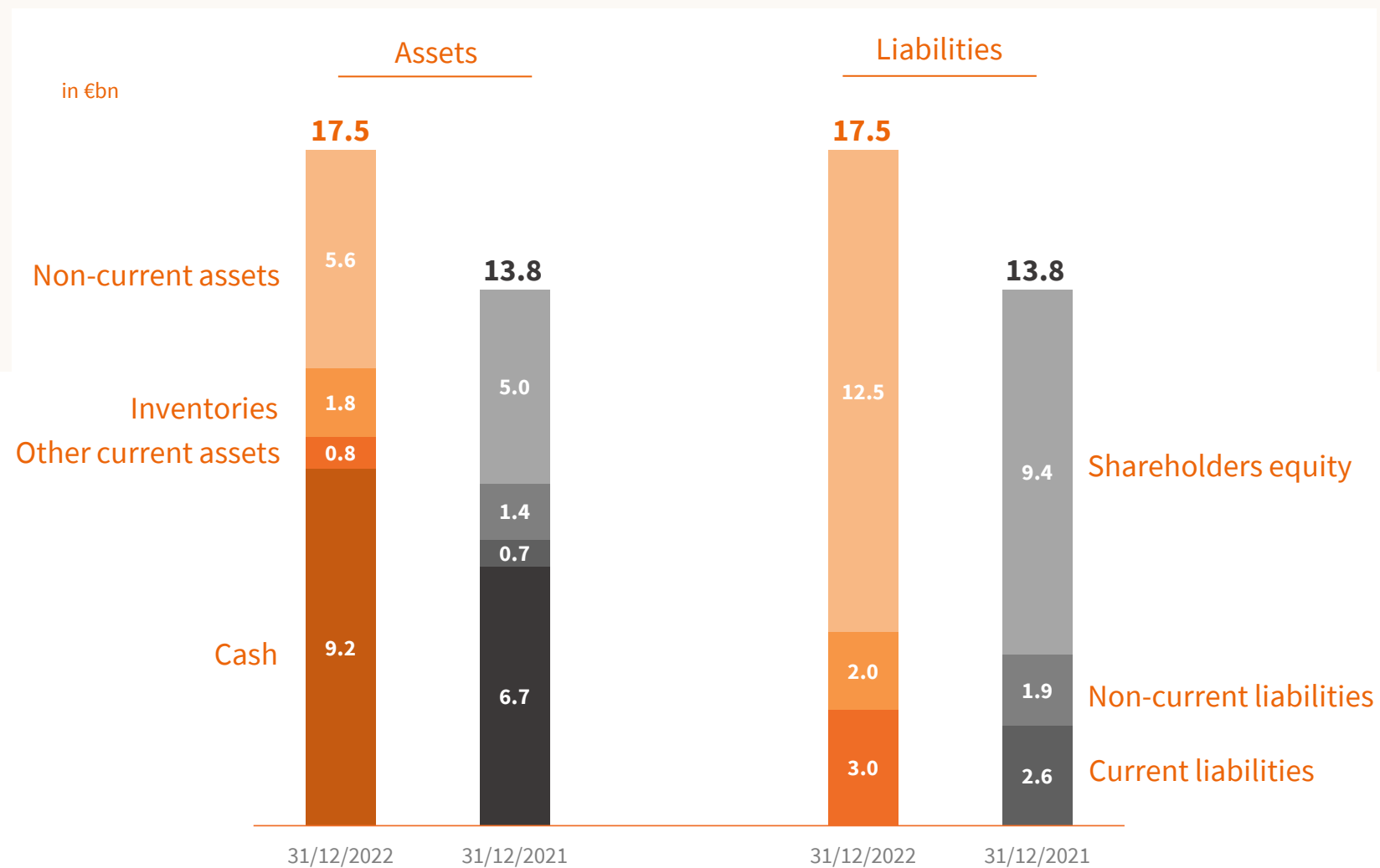


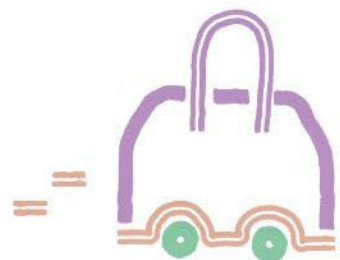
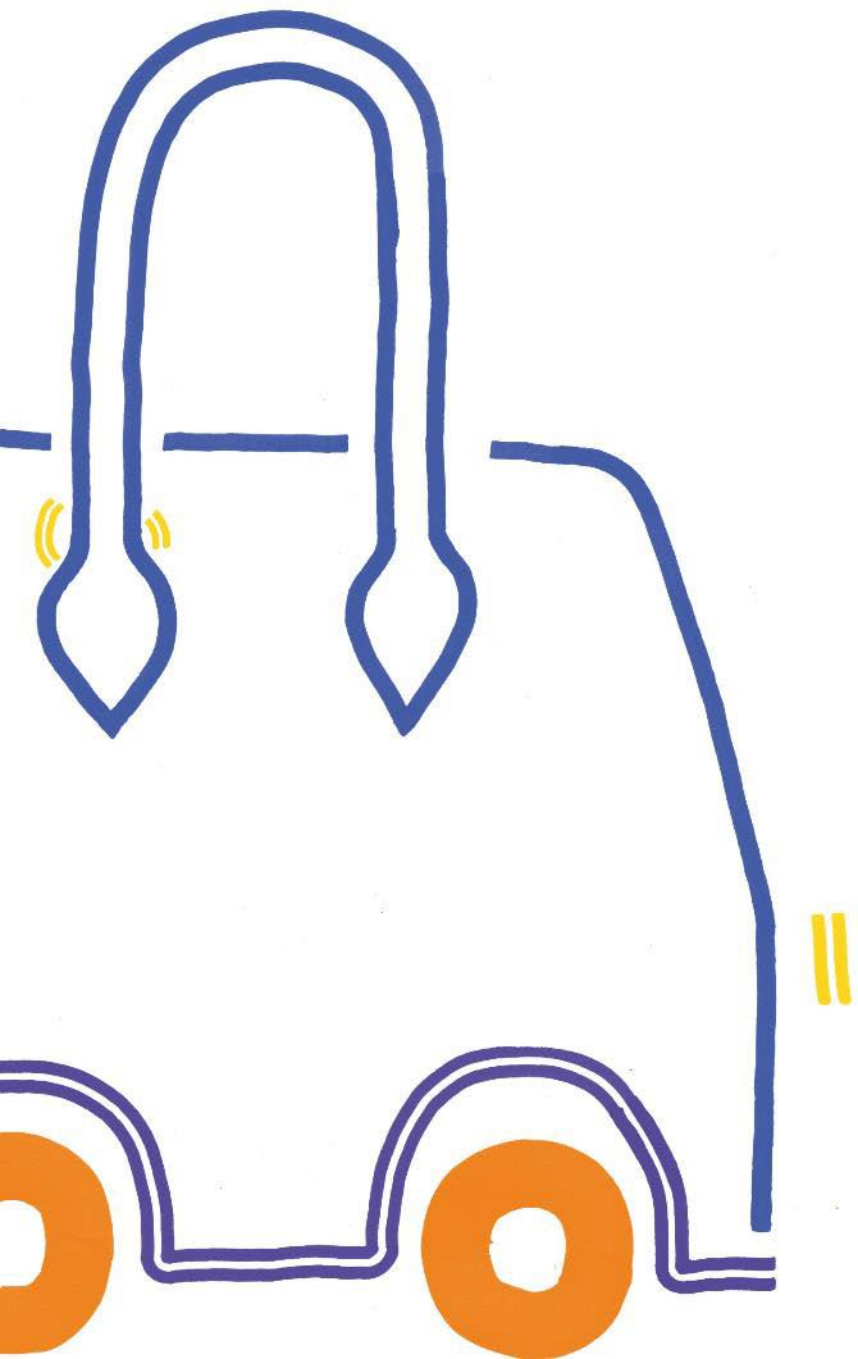
Simplified Balance Sheet



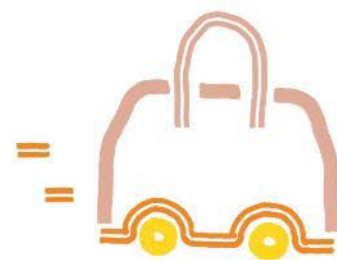


SIMPLIFIED BALANCE SHEET





Outlook





OUTLOOK



- 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
- The group has moved into 2023 with confidence, thanks to the highly integrated artisanal model, the balanced distribution network, the creativity of collections and the loyalty of clients
- 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



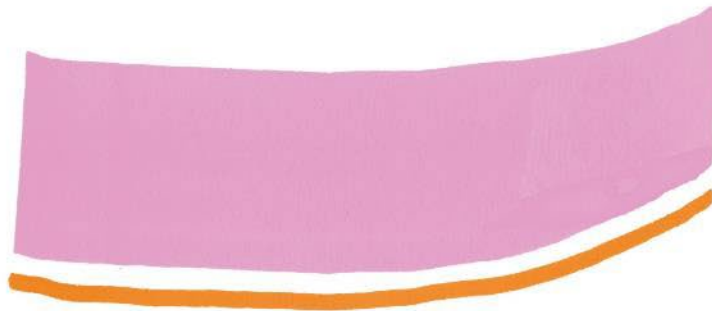
2023: ORANGE, THE COLOUR OF ASTONISHMENT



- Acceleration of **job creation** in France and abroad
- Continued **strategic investments** in production capacities in all the *métiers*, and opening of the leather goods workshops of Louviers (Eure) and la Sormonne (Ardennes)
- **Store** openings and expansions, notably: Chengdu and Beijing Peninsula (Mainland China), Naples (United States), Bordeaux (France)
- 13th edition of the **Saut Hermès** at the Grand Palais Éphémère in Paris in March
- Launch of the 5th chapter of **Hermès Beauty** around the eyes in the Autumn
- Start of the 4th mandate of the **Fondation d'Entreprise Hermès** (2023-2027)



Questions & Answers






HERMÈS
PARIS

