

# HERMÈS

*Quarterly information report as at the end of March 2023*

**Strong sales growth in the first quarter  
(+23% at constant exchange rates and +22% at current exchange rates)**

Paris, 14 April 2023

The group's consolidated revenue reached €3,380 million in the first quarter of 2023, up 23% at constant exchange rates and 22% at current exchange rates. Sales were particularly dynamic in all the geographical areas and across all the business lines.

Axel Dumas, Executive Chairman of Hermès, said: *"The first quarter of 2023 is aligned with the good results of 2022 and reflects the success met by our collections all over the world, driven by the loyalty of our customers. We are proud to strengthen our production capacities and consolidate our artisanal model. The inauguration of our 21<sup>st</sup> leather goods workshop in Louviers at the beginning of April is a recent example. This 3<sup>rd</sup> site in the Normandy Pole testifies to our local anchoring, our commitment to employment, training and our social and environmental responsibility."*

**Sales by geographical area at the end of March**  
*(at constant exchange rates unless otherwise indicated)*

At the end of March 2023, all the geographical areas posted strong growth. The network continued to develop, with store openings and extensions and growing online sales. Sales increased strongly in group stores (+23% at constant exchange rates) and wholesale activities (+26%) benefitted from the recovery in travel retail.

- Asia excluding Japan (+23%), driven by a very good Chinese New Year, pursued its strong momentum in Greater China and across the region, particularly in Singapore, Thailand, and Australia. In January, the Nanjing store, in China's Jiangsu province, reopened at a new address after renovation and extension.
- Japan (+26%) recorded sustained growth, based on the loyalty of local customers. The Men's Spring-Summer 2023 collection was celebrated in March with an event held in Tokyo Bay.
- The Americas (+19%) posted a strong progression, thanks to the good momentum in the United States. A new store has opened in Naples, Florida, in the Gulf of Mexico, the fortieth store in the U.S.
- Europe excluding France (+21%) and France (+28%) achieved very solid growth, particularly in the UK and Italy, driven by the increase in tourist flows. In France, the 13<sup>th</sup> Saut Hermès edition was successfully held at the Grand Palais Éphémère in Paris.

## **Sales by business line at the end of March**

*(at constant exchange rates unless otherwise indicated)*

At the end of March 2023, all the business lines confirmed strong momentum and achieved very good performances.

The growth in Leather Goods and Saddlery (+19%) was driven by sustained demand across all the geographical areas. The increase in production capacities continued with the projects in Riom (Puy-de-Dôme), L'Isle-d'Espagnac (Charente) and Loupes (Gironde), which will reinforce the nine centres of expertise located across the national territory. A new leather goods production facility was inaugurated in Louviers (Eure) at the beginning of April, and a new site will open in la Sormonne (Ardennes) in May. Hermès continues to reinforce its local anchoring in France and to develop employment and training.

The Ready-to-Wear and Accessories business line (+34%) pursued its strong growth, thanks to the success of the ready-to-wear, fashion accessories and shoes. The Spring-Summer 2023 collections were given a great welcome. Demand was high for fashion accessories and shoes, with models displaying the abundance of the house's savoir-faire.

The Silk and Textiles business line (+20%) recorded a sustained growth, supported by constantly renewed creation and men's and women's collections enriched with outstanding materials. Scarves transformed into kites and spread their colours on the breeze at the outdoor *Kite Festival* event in Dubai and Argentina, which will continue to tour the world in 2023.

Perfume and Beauty (+7%) also pursued their development. A new eau de toilette, *Un Jardin à Cythère*, was unveiled in February, inspired by a Mediterranean garden in a refillable bottle. In February, Hermès Beauty launched a new summer limited edition of *Rouge Hermès*, featuring contrasting and sunny shades.

Watches (+25%) confirmed its outstanding performance, displaying creativity, style and remarkable watch-making *savoir-faire*, in both the complication models like the *Arceau*, *Le temps voyageur*, and the house's classic models. The *H08* line, which this year welcomes a new complication and coloured versions, was given a tremendous welcome at the *Watches and Wonders* international exhibition held in Geneva in March.

Other Hermès Business Lines (+28%), which include Jewellery and Homeware, continued on their strong progression, highlighting the creative strength and singularity of the house.

## **A responsible and sustainable model**

In line with its commitments for the fight against climate change and its greenhouse gas reduction targets validated by the Science Based Targets initiative (SBTi), Hermès continues to grow while controlling its energy footprint. The Louviers leather goods workshop, inaugurated in early April, is an energy-positive construction and has earned the French E+C- label, level E4C2. This label assesses the energy and carbon environmental performance of a new building. This is the first industrial construction in France to attain this standard of excellence.

True to its commitment as a responsible employer, Hermès is continuing the acceleration of recruitments. After the €4,000 bonus paid to all the employees worldwide in February, the group will distribute this year in France €170 million in respect of 2022 incentive schemes and profit-sharing.

## **Other highlights**

At the end of March 2023, currency fluctuations represented a negative impact of €21 million on revenue.

Hermès International did not redeem any shares, excluding transactions completed within the framework of the liquidity contract.

## **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.

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 across 2023.

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

## **Upcoming events:**

- 20 April 2023: General Meeting of shareholders
- 28 July 2023: publication of H1 2023 results
- 24 October 2023: Q3 2023 revenue publication

## INFORMATION BY GEOGRAPHICAL ZONE <sup>(a)</sup>

<i>In millions of Euros</i>	1 <sup>st</sup> quarter		Evolution /2022	
	2023	2022	Published	At constant exchange rates
France	273	214	27.7%	27.7%
Europe (excl. France)	391	327	19.7%	21.3%
<b>Total Europe</b>	<b>664</b>	<b>541</b>	<b>22.9%</b>	<b>23.9%</b>
Japan	322	277	16.1%	26.1%
Asia-Pacific (excl. Japan)	1,763	1,447	21.8%	22.5%
<b>Total Asia</b>	<b>2,084</b>	<b>1,724</b>	<b>20.9%</b>	<b>23.0%</b>
Americas	556	449	23.9%	19.2%
Other	75	51	47.6%	46.9%
<b>TOTAL</b>	<b>3,380</b>	<b>2,765</b>	<b>22.3%</b>	<b>23.0%</b>

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

## INFORMATION BY SECTOR

<i>In millions of Euros</i>	1 <sup>st</sup> quarter		Evolution /2022	
	2023	2022	Published	At constant exchange rates
Leather Goods and Saddlery <sup>(1)</sup>	1,409	1,197	17.8%	18.5%
Ready-to-wear and Accessories <sup>(2)</sup>	950	710	33.7%	34.4%
Silk and Textiles	234	198	18.4%	19.6%
Other Hermès sectors <sup>(3)</sup>	421	330	27.7%	28.3%
Perfume and Beauty	126	119	6.1%	6.8%
Watches	166	134	23.6%	24.6%
Other products <sup>(4)</sup>	74	77	(4.0)%	(3.2)%
<b>TOTAL</b>	<b>3,380</b>	<b>2,765</b>	<b>22.3%</b>	<b>23.0%</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 business lines” 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**  
**2022 KEY FIGURES**

<i>In millions of euros</i>	<b>2022</b>	<b>2021</b>
<b>Revenue</b>	<b>11,602</b>	<b>8,982</b>
<i>Growth at current exchange rates vs. n-1</i>	29.2%	40.6%
<i>Growth at constant exchange rates vs. n-1 <sup>(1)</sup></i>	23.4%	41.8%
<b>Recurring operating income <sup>(2)</sup></b>	<b>4,697</b>	<b>3,530</b>
<i>As a % of revenue</i>	40.5%	39.3%
<b>Operating income</b>	<b>4,697</b>	<b>3,530</b>
<i>As a % of revenue</i>	40.5%	39.3%
<b>Net profit – Group share</b>	<b>3,367</b>	<b>2,445</b>
<i>As a % of revenue</i>	29.0%	27.2%
Operating cash flows	4,111	3,060
Investments (excluding financial investments)	518	532
Adjusted free cash flow <sup>(3)</sup>	3,405	2,661
Equity – Group share	12,440	9,400
Net cash position <sup>(4)</sup>	9,223	6,695
Restated net cash position <sup>(5)</sup>	9,742	7,070
Workforce (number of employees)	19,686	17,595

<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.

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](http://www.amf-france.org)