

Outstanding sales and results in 2023

Revenue amounted to €13.4 billion
(+21% at constant exchange rates and +16% at current exchange rates)
Recurring operating income reached €5.7 billion (+20%)
Net profit amounted to €4.3 billion (+28%)

Paris, 9 February 2024

The group's consolidated revenue amounted to €13,427 million in 2023, up 21% at constant exchange rates and 16% at current exchange rates compared to 2022. Recurring operating income amounted to €5,650 million, i.e. 42.1% of sales. Net profit group share reached €4,311 million, an increase of 28%.

In the fourth quarter 2023, sales reached €3,364 million, up 18% at constant exchange rates and 13% at current exchange rates, despite the particularly high comparison base in America and in Asia. The group pursued the trend seen over the third quarter, thanks to sustained sales.

Axel Dumas, Executive Chairman of Hermès, said: *"In 2023, Hermès has once again cultivated its singularity and achieved an outstanding performance in all métiers and across all regions against a high base. These solid results reflect the strong desirability of our collections and the commitment and talent of the house's women and men. I thank them all warmly."*

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

At the end of December, all the geographical areas posted a solid performance with homogeneous growth of around 20%. Sales increased both in the group's stores (+20%), which benefitted from a strong demand and the reinforcement of the exclusive distribution network, and in wholesale activities (+24%), driven by the travel retail business.

Asia excluding Japan (+19%) pursued its strong growth, with significant increases in sales in all the countries of the region. A second store opened in October in Chengdu, the capital city of the province of Sichuan, becoming the house's thirty-third address in Mainland China, following the opening of a store in Tianjin in July. In Korea, the store at the Shilla Hotel in Seoul reopened in December after renovation and extension work.

Japan (+26%) recorded a steady and sustained increase in sales. The Daimaru Sapporo store on Hokkaido island and the Takashimaya store in the centre of Kyoto were inaugurated in October and November, after renovation and expansion.

America (+21%) confirmed an outstanding performance, in particular in the second half of the year. After being renovated and expanded, the Chicago store was inaugurated at the end of October, and the Bellagio store reopened in Las Vegas in December, following the store openings of Naples on the Gulf of Mexico in February, Aspen in June and Los Angeles Topanga in July. The *Hermès in the Making* travelling exhibition which showcases the know-how of the House, met with great success in Chicago in October.

Europe excluding France (+20%) and France (+20%) recorded robust growth, thanks to the loyalty of local clients and to the dynamic of tourists flows. Following renovation, the Crans-Montana store in Switzerland reopened in December, after the store located in the historic centre of Bordeaux in November and the Vienna store in Austria in September. The Silk event *Par un beau soir de carrés*, staged in Brussels in November, attracted great attention.

Sales by sector at the end of December

(at constant exchange rates unless otherwise indicated)

At the end of December 2023, all the métiers confirmed their solid momentum, with Ready-to-wear and Accessories, Watches and Other Hermès Sectors achieving a remarkable increase.

The Leather Goods and Saddlery métier (+17%), which demand is very sustained, saw a strong increase. The *Maximors* bag, with its sterling work, and *Della Cavalleria Élan* and *Arçon* bags have been unveiled. Finally, the models displaying exceptional savoir-faire in an *Arts & Craft's* spirit around the *Haut à Courroies* notably have met with great success.

In 2023, Hermès inaugurated the leather goods workshops in Louviers and la Sormonne, the first two industrial buildings in France to carry the E4C2 label that assesses environmental performance based on energy consumption and carbon emissions. Production capacities continue to grow with four leather goods workshop projects 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, which will reinforce the nine centres of expertise located all over France. Hermès continues to reinforce its local anchoring in France in regions with strong manufacturing know-how, while also developing employment and training.

The Ready-to-wear and Accessories sector (+28%) pursued its strong growth, thanks to the success of the ready-to-wear and footwear collections. The men's and women's spring-summer 2024 collections were very well received when they were presented at fashion shows in June and September respectively.

The Silk and Textiles sector (+16%) recorded a solid performance, supported by the success of the collections which feature exceptional materials and unique craftsmanship. Production capacities continue to expand, notably with the set-up of a new printing line at the Pierre-Bénite site in Lyon.

The Perfume and Beauty sector (+12%) benefitted from the success of both the latest creations and the House's classics such as *Terre d'Hermès*, the *Jardins* collection and *Twilly d'Hermès*. The Hermès Beauty range was enhanced with a fifth chapter at the end of September, *Regard Hermès*, inspired by the House's emblematic shades, as well as with limited editions of *Rouge Hermès*.

The Watches métier (+23%) confirmed its splendid performance, displaying singular creativity and remarkable watchmaking know-how, in both the complication models and the House's iconic models. The *Hermès H08* line is a great success and welcomed several new models this year.

The Other Hermès sectors (+26%), which include Jewellery and Homeware, recorded strong growth. Jewellery showcased the *Chaîne d'ancre* design, reinterpreted in a multitude of shapes and materials unveiled at an exhibition at the Faubourg store in Paris in July.

Outstanding results

Recurring operating income increased by 20% to €5,650 million compared to €4,697 million in 2022. Thanks to the strong sales growth and the favourable impact of currency hedging, annual recurring operating profitability reached its highest level ever at 42.1%, up from 40.5% in 2022.

Consolidated net profit group share amounted to €4,311 million (32.1% of sales) compared to €3,367 million in 2022, an increase of 28% resulting from the outstanding operating performance as well as an improved return on cash management.

Operating cash flow was €5,123 million, up 25%. This enabled us to finance €859 million of operating investments and a €794 million increase in working capital requirements, consistent with the strong rise in activity. Adjusted free cash flow reached €3,192 million.

After distribution of the ordinary dividend (€1,359 million) and inclusion of financial investments (€316 million) and treasury share buybacks (€132 million for 74,954 shares outside the liquidity contract), the restated net cash position increased by €1,422 million to €11,164 million compared to €9,742 million as at 31 December 2022.

A sustainable and responsible model

The Hermès group continued to recruit and increased its workforce by around 2,400 people. At the end of 2023, the group had 22,040 employees, including 13,700 in France. Over the past three years, Hermès has created more than 5,400 jobs, including 3,300 in France.

True to its commitment as a responsible employer, and its policy of sharing the fruits of growth with all those who contribute to it on a daily basis, Hermès will pay at the beginning of the year a bonus of €4,000 to all its employees worldwide in respect of 2023, after announcing last July a new plan for the allocation of free shares to all the employees. Hermès is strengthening its commitments in the fields of education and knowledge transmission particularly through the deployment of the École Hermès des savoir-faire, which has extended its leatherwork, cutting and stitching diploma courses in 8 regional training schools in France this year.

In line with the House's commitments to the fight against climate change, Hermès pursued its actions in line with its emissions reduction targets validated by the Science Based Target initiative (SBTi). Hermès aims to reduce emissions by 50.4% on scope 1 and 2 in absolute value and by 58.1% in intensity on scope 3, over the 2018-2030 period. Pursuing its commitment to quality and the development of sustainable materials for its 16 business lines, the House is continuing its drive to achieve certification for its 44 supply chains by 2024. Thus, at the end of December, more than 80% of the leather goods division's suppliers were LWG (Leather Working Group) certified.

In 2023, the group has initiated the Science Based Targets for Nature (SBTN) process to set scientific targets for nature, in particular in biodiversity, fresh water, forests and soils. Hermès is one of 120 companies worldwide to have launched this process. Regarding the protection of natural resources, the House also implemented its particularly demanding responsible real estate standard that integrates sustainability issues across the life cycle of real estate projects.

Proposed dividend

At the General meeting to be held on 30 April 2024, a dividend proposal of €15.00 per share will be made. The €3.50 interim dividend that will be paid on 15 February 2024, will be deducted from the dividend approved by the General Meeting. In addition, an exceptional dividend of €10.00 per share will be proposed to the General meeting.

Post-closing event

No significant event has occurred since the closing on 31 December 2023. In line with its distribution network vertical integration strategy, the house has reinforced its relationship with its historical partner in the Middle East. Thus, Hermès became in early 2024 a majority shareholder alongside its partner in the retail activities located in the United Arab Emirates. The latter remains the majority shareholder in the other countries of the region (Qatar, Kuwait, Bahrain). The impact of the change in consolidation method resulting from this acquisition of a majority stake and the amount paid will not be significant on the 2024 consolidated financial statements.

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 2024 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.

For 2024, the theme will be *In the Spirit of the Faubourg*. This place, the fruit of Émile Hermès' dream, is the beating heart of the house. It accompanies Hermès everywhere and inspires the effervescence and joyful spirit so dear to the house.

*The press release and the presentation of the 2023 results are available on the group's website:
<https://finance.hermes.com>*

At the Supervisory Board meeting on 8 February 2024, Executive Management presented the audited financial statements for 2023.

The audit procedures have been completed and the audit report is under preparation.

*The complete consolidated financial statements will be available by 31 March 2024 at the following address
<https://finance.hermes.com> and on the AMF website: www.amf-france.org*

Upcoming events:

- 25 April 2024: Q1 2024 revenue publication
- 30 April 2024: General meeting of shareholders
- 25 July 2024: publication of H1 2024 results (after market)

2023 KEY FIGURES

<i>In millions of euros</i>	2023	2022
Revenue	13,427	11,602
<i>Growth at current exchange rates vs. n-1</i>	<i>15.7 %</i>	<i>29.2%</i>
<i>Growth at constant exchange rates vs. n-1 ⁽¹⁾</i>	<i>20.6 %</i>	<i>23.4%</i>
Recurring operating income ⁽²⁾	5,650	4,697
<i>As a % of revenue</i>	<i>42.1%</i>	<i>40.5%</i>
Operating income	5,650	4,697
<i>As a % of revenue</i>	<i>42.1%</i>	<i>40.5%</i>
Net profit – Group share	4,311	3,367
<i>As a % of revenue</i>	<i>32.1%</i>	<i>29.0%</i>
Operating cash flows	5,123	4,111
Operating investments	859	518
Adjusted free cash flow ⁽³⁾	3,192	3,405
Equity – Group share	15,201	12,440
Net cash position ⁽⁴⁾	10,625	9,223
Restated net cash position ⁽⁵⁾	11,164	9,742
Workforce (number of employees) ⁽⁶⁾	22,037	19,686

⁽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.

⁽⁶⁾ The headcount relates to employees on permanent contracts and those on fixed-term contracts lasting more than 9 months.

INFORMATION BY GEOGRAPHICAL ZONE ^(a)

<i>In millions of Euros</i>	As of Dec. 31 st		Evolution /2022	
	2023	2022	Published	At constant exchange rates
France	1,274	1,064	19.8%	19.8%
Europe (excl. France)	1,818	1,536	18.4%	20.2%
Total Europe	3,093	2,600	19.0%	20.0%
Japan	1,260	1,101	14.5%	25.7%
Asia-Pacific (excl. Japan)	6,273	5,556	12.9%	19.1%
Total Asia	7,533	6,657	13.2%	20.2%
Americas	2,502	2,138	17.1%	20.5%
Other	299	207	44.4%	44.0%
TOTAL	13,427	11,602	15.7%	20.6%

<i>In millions of Euros</i>	4 th quarter		Evolution /2022	
	2023	2022	Published	At constant exchange rates
France	359	311	15.5%	15.5%
Europe (excl. France)	491	413	18.9%	21.0%
Total Europe	850	724	17.4%	18.6%
Japan	321	279	15.0%	26.2%
Asia-Pacific (excl. Japan)	1,401	1,314	6.6%	12.3%
Total Asia	1,722	1,593	8.1%	14.8%
Americas	717	620	15.7%	21.6%
Other	76	54	39.4%	39.2%
TOTAL	3,364	2,991	12.5%	17.5%

^(a) Sales by destination.

INFORMATION BY SECTOR

<i>In millions of Euros</i>	As of Dec. 31st		Evolution /2022	
	2023	2022	Published	At constant exchange rates
	Leather Goods and Saddlery ⁽¹⁾	5,547	4,963	11.8%
Ready-to-wear and Accessories ⁽²⁾	3,879	3,152	23.1%	28.2%
Silk and Textiles	932	842	10.7%	15.6%
Other Hermès sectors ⁽³⁾	1,653	1,371	20.5%	25.8%
Perfume and Beauty	492	448	9.8%	11.7%
Watches	611	519	17.7%	23.2%
Other products ⁽⁴⁾	313	306	2.2%	5.2%
TOTAL	13,427	11,602	15.7%	20.6%

<i>In millions of Euros</i>	4th quarter		Evolution /2022	
	2023	2022	Published	At constant exchange rates
	Leather Goods and Saddlery ⁽¹⁾	1,371	1,300	5.4%
Ready-to-wear and Accessories ⁽²⁾	945	775	21.9%	27.5%
Silk and Textiles	285	263	8.3%	13.3%
Other Hermès sectors ⁽³⁾	413	348	18.9%	24.4%
Perfume and Beauty	126	105	19.9%	22.2%
Watches	138	118	16.7%	22.0%
Other products ⁽⁴⁾	87	82	5.6%	8.8%
TOTAL	3,364	2,991	12.5%	17.5%

⁽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.

2023 QUARTERLY REVENUE

	Q1	Q2	Q3	Q4	2023
Revenue (in €m)	3,380	3,317	3,365	3,364	13,427
<i>Growth at current exchange rates</i>	22.3%	22.4%	7.3 %	12.5 %	15.7 %
<i>Growth at constant exchange rates</i>	23.0%	27.5%	15.6 %	17.5 %	20.6%

EXTRA-FINANCIAL PERFORMANCES
RESPONSIBLE EMPLOYER
2,400

Jobs created

DIVERSITY AND INCLUSION
6.85%

Direct disability employment rate

GENDER EQUALITY
60%

Women managers in the group

**VERTICAL
INTEGRATION**
55%

Manufactured in its in-house and exclusive workshops

**LONG-TERM
RELATIONSHIPS**
19 years

Average age of supplier relationships (Top 50)

**LOCAL
ANCHORING**
74%

Objects made in France

**CLIMATE
Scopes 1 & 2 (SBTi)**
-30%

Emissions reduction in absolute value between in 2023 vs 2022

BIODIVERSITY
SBTN

Scientific approach for nature initiated

**WATER
CONSUMPTION**
-62%

Industrial water intensity over 10 years

**TRANSPARENCY
AWARDS**
#1

 CAC
LARGE 60

**COMMITTED TO
COMMUNITIES**
400

Local actions and partnerships in 2023

DURABILITY
> 200,000

Repairs in workshops

APPENDIX – EXTRACT FROM CONSOLIDATED ACCOUNTS

Financial statements of the year, including notes to the consolidated accounts, will be available at the end of March 2024 on the website <https://finance.hermes.com>, together with the other chapters of the Annual Financial Report.

CONSOLIDATED INCOME STATEMENT

<i>In millions of euros</i>	2023	2022
Revenue	13,427	11,602
Cost of sales	(3,720)	(3,389)
Gross margin	9,708	8,213
Sales and administrative expenses	(3,169)	(2,680)
Other income and expenses	(889)	(836)
Recurring operating income	5,650	4,697
Other non-recurring income and expenses	-	-
Operating income	5,650	4,697
Net financial income	190	(62)
Net income before tax	5,840	4,635
Income tax	(1,623)	(1,305)
Net income from associates	105	50
CONSOLIDATED NET INCOME	4,322	3,380
Non-controlling interests	(12)	(13)
NET INCOME ATTRIBUTABLE TO OWNERS OF THE PARENT	4,311	3,367
Basic earnings per share (<i>in euros</i>)	41.19	32.20
Diluted earnings per share (<i>in euros</i>)	41.12	32.09

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

<i>In millions of euros</i>	2023	2022
Consolidated net income	4,322	3,380
Changes in foreign currency adjustments ¹	(114)	126
Hedges of future cash flows in foreign currencies ^{1 2}	7	129
▪ <i>change in fair value</i>	69	23
▪ <i>recycling through profit or loss</i>	(63)	106
Assets at fair value ²	-	333
Employee benefit obligations: change in value linked to actuarial gains and losses ²	10	41
Net comprehensive income	4,225	4,009
▪ <i>attributable to owners of the parent</i>	4,213	3,996
▪ <i>attributable to non-controlling interests</i>	13	14

(1) Transferable through profit or loss.

(2) Net of tax.

CONSOLIDATED BALANCE SHEET

ASSETS

<i>In millions of euros</i>	31/12/2023	31/12/2022
Goodwill	72	-
Intangible assets	225	213
Right-of-use assets	1,716	1,582
Property, plant and equipment	2,340	2,007
Investment property	7	8
Financial assets	1,141	1,109
Investments in associates	200	54
Loans and deposits	70	65
Deferred tax assets	631	555
Other non-current assets	37	39
Non-current assets	6,438	5,630
Inventories and work-in-progress	2,414	1,779
Trade and other receivables	431	383
Current tax receivables	51	19
Other current assets	300	263
Financial derivatives	188	160
Cash and cash equivalents	10,625	9,225
Current assets	14,008	11,828
TOTAL ASSETS	20,447	17,459

LIABILITIES

<i>In millions of euros</i>	31/12/2023	31/12/2022
Share capital	54	54
Share premium	50	50
Treasury shares	(698)	(674)
Reserves	10,744	8,795
Foreign currency adjustments	189	303
Revaluation adjustments	553	546
Net income attributable to owners of the parent	4,311	3,367
Equity attributable to owners of the parent	15,201	12,440
Non-controlling interests	2	16
Equity	15,203	12,457
Borrowings and financial liabilities due in more than one year	50	35
Lease liabilities due in more than one year	1,720	1,629
Non-current provisions	31	30
Post-employment and other employee benefit obligations due in more than one year	151	181
Deferred tax liabilities	2	20
Other non-current liabilities	106	103
Non-current liabilities	2,060	1,998
Borrowings and financial liabilities due in less than one year	1	2
Lease liabilities due in less than one year	289	268
Current provisions	134	133
Post-employment and other employee benefit obligations due in less than one year	16	15
Trade and other payables	880	777
Financial derivatives	45	74
Current tax liabilities	586	496
Other current liabilities	1,233	1,239
Current liabilities	3,183	3,004
TOTAL EQUITY AND LIABILITIES	20,447	17,459

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

<i>In millions of euros</i>	Number of shares	Share capital	Share premium	Treasury shares	Consolidated reserves and net income attributable to owners of the parent	Actuarial gains and losses	Foreign currency adjustments	Revaluation adjustments		Equity attributable to owners of the parent	Non-controlling interests	Equity
								Financial investments	Hedges of future cash flows in foreign currencies			
As at 1 January 2022	105,569,412	54	50	(551)	9,712	(125)	178	188	(105)	9,400	12	9,412
Net income		-	-	-	3,367	-	-	-	-	3,367	13	3,380
Other comprehensive income		-	-	-	-	41	125	333	129	628	1	630
Comprehensive income		-	-	-	3,367	41	125	333	129	3,996	14	4,009
Change in share capital and share premiums		-	-	-	-	-	-	-	-	-	-	-
Purchase or sale of treasury shares		-	-	(123)	2	-	-	-	-	(121)	-	(121)
Share-based payments		-	-	-	55	-	-	-	-	55	-	55
Dividends paid		-	-	-	(845)	-	-	-	-	(845)	(8)	(852)
Other		-	-	-	(44)	-	-	-	-	(44)	(2)	(46)
As at 31 December 2022	105,569,412	54	50	(674)	12,247	(85)	303	521	25	12,440	16	12,457
Net income		-	-	-	4,311	-	-	-	-	4,311	12	4,322
Other comprehensive income		-	-	-	-	10	(115)	-	7	(98)	1	(97)
Comprehensive income		-	-	-	4,311	10	(115)	-	7	4,213	13	4,225
Change in share capital and share premiums		-	-	-	-	-	-	-	-	-	-	-
Purchase or sale of treasury shares		-	-	(24)	(105)	-	-	-	-	(129)	-	(129)
Share-based payments		-	-	-	104	-	-	-	-	104	-	104
Dividends paid		-	-	-	(1,376)	-	-	-	-	(1,376)	(10)	(1,386)
Other		-	-	-	(51)	-	-	-	-	(51)	(17)	(68)
AS AT 31 DECEMBER 2023	105,569,412	54	50	(698)	15,130	(75)	189	521	32	15,201	2	15,203

CONSOLIDATED STATEMENT OF CASH FLOWS

<i>In millions of euros</i>	2023	2022
Net income attributable to owners of the parent	4,311	3,367
Depreciation and amortisation of fixed assets, rights of use and impairment losses	772	730
Foreign exchange gains/(losses) on fair value adjustments	56	12
Change in provisions	15	12
Net income from associates	(105)	(50)
Net income attributable to non-controlling interests	12	13
Capital gains or losses on disposals and impact of changes in scope of consolidation	(14)	(1)
Deferred tax expense	(14)	(16)
Accrued expenses and income related to share-based payments	104	55
Dividend income	(12)	(11)
Other	(0)	(0)
Operating cash flows	5,123	4,111
Change in working capital requirements	(794)	73
CASH FLOWS RELATED TO OPERATING ACTIVITIES (A)	4,328	4,184
Operating investments	(859)	(518)
Acquisitions of consolidated shares	(288)	(1)
Acquisitions of other financial assets	(52)	(165)
Disposals of operating assets	0	1
Disposals of consolidated shares and impact of losses of control	-	0
Disposals of other financial assets	-	5
Change in payables and receivables related to investing activities	93	32
Dividends received	112	67
CASH FLOWS RELATED TO INVESTING ACTIVITIES (B)	(995)	(579)
Dividends paid	(1,386)	(852)
Repayment of lease liabilities	(277)	(261)
Treasury share buybacks net of disposals	(130)	(123)
Borrowing subscriptions	0	0
Repayment of borrowings	(1)	(0)
CASH FLOWS RELATED TO FINANCING ACTIVITIES (C)	(1,794)	(1,237)
Foreign currency translation adjustment (D)	(138)	159
CHANGE IN NET CASH POSITION (A) + (B) + (C) + (D)	1,402	2,528
Net cash position at the beginning of the period	9,223	6,695
Net cash position at the end of the period	10,625	9,223

REMINDER

2023 HALF YEAR KEY FIGURES

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

⁽⁶⁾ The headcount relates to employees on permanent contracts and those on fixed-term contracts lasting more than 9 months.