

3

THE HERMÈS GROUP IN 2022

HIGHLIGHTS 2022

In 2022, the Group's consolidated revenue amounted to €11,602 million, up 29% at current exchange rates and 23% at constant exchange rates compared to 2021. Recurring operating income amounted to €4,697 million (40.5% of sales). Net income attributable to owners of the parent reached €3,367 million, i.e. a net profitability of 29%.

In the fourth quarter of 2022, sales continued the strong momentum recorded at the end of September, amounting to €2,991 million, up 26% at current exchange rates and 23% at constant exchange rates.

Axel Dumas, Executive Chairman of Hermès, said: *"In 2022, Hermès had an exceptional year, thanks in particular to the strong performance of its international markets. This success reinforces our approach as a craftsmanship company, highly integrated, and primarily in France: a creative house that offers functional objects, with an assertive style and uncompromising quality. It reinforces the relevance of our responsible and sustainable model."*

Over the last three years, Hermès has created 4,300 jobs, including 2,900 in France, and the House has increased its operational investments by €1.5 billion, of which nearly 60% in France.

SALES BY GEOGRAPHICAL AREA AT THE END OF DECEMBER

(at constant exchange rates, unless otherwise indicated)

At the end of December, sales growth was remarkable in all regions. Activity grew strongly both in the Group's exclusive stores (+23% at constant exchange rates) and wholesale (+26%), which benefited from the recovery in Travel Retail. Hermès maintained the development of its exclusive distribution network, and online sales continued to grow worldwide.

Asia excluding Japan (+22%) continued its strong momentum across the region. Sales in Greater China performed well. In October, a fourth address was opened in Shanghai, in mainland China, in the Qiantan district, and Hermès inaugurated a store in Pangyo in South Korea. Several exclusive stores reopened following renovation and expansion, including the Hyundai Coex store in Seoul in December and the Hong Kong International Airport exclusive store in November.

Japan (+20%) recorded steady strong growth in sales. In November, the Takashimaya exclusive store in Nagoya reopened after renovation and expansion in a new location, and the *Hermès in the Making* exhibition visited Kyoto, showcasing the House's savoir-faire.

America (+32%) had an exceptional year in 2022. Following the opening of a new exclusive store in Austin in April, a new store was inaugurated on 706 Madison Avenue in New York in September. This

exclusive store offers its customers an unprecedented experience around the House's creations and affirms its commitment to the sustainability of objects, with its floor dedicated to repairs. In Mexico, the Guadalajara store reopened in October, following renovation.

Europe excluding France (+18%) recorded solid growth, thanks to the loyalty of local customers and the resumption of tourist flows. The renovated and extended Paseo de Gracia store in Barcelona opened in November.

France (+27%) posted good growth, marked by an acceleration at the end of the year, driven by strong local and international demand. The Strasbourg store, located in a new space, reopened in November after renovation and extension in the historic city centre.

SALES BY MÉTIER AT THE END OF DECEMBER

(at constant exchange rates, unless otherwise indicated)

At the end of December 2022, all métiers confirmed their strong momentum, with remarkable growth in Ready-to-wear and Accessories, Watches and Other Hermès sectors, reflecting the tremendous attractiveness of the House of Hermès.

Leather Goods & Saddlery (+16%) recorded exceptional growth. It benefited from very strong demand and a favourable basis of comparison in the fourth quarter. The increase in production capacities continued with five site projects. These will strengthen the nine centres of expertise spread across the country, with their production facilities, workshops and training centres. Hermès will inaugurate two new leather goods workshops in 2023, one in Louviers in the Eure region, and the other in La Sormonne in the Ardennes. The leather goods workshop projects in Riom (Puy-de-Dôme), L'Isle-d'Espagnac (Charente) and Loupes (Gironde) are continuing. Hermès continues to strengthen its integration in France in regions with high manufacturing savoir-faire and to develop employment and training.

The Ready-to-wear and Accessories métier (+36%) pursued its dynamic growth, thanks to the success of the Ready-to-wear, Fashion accessories and Shoes collections. The spring-summer 2023 collections for men and women, combining relaxation, sophistication, audacity and lightness, were presented in June and October respectively. Fashion accessories and shoes benefited from strong demand, with models that express the wealth of the House's savoir-faire.

The Silk and Textiles métier (+20%) performed well, supported by the strengthening of production capacities and the success of the collections, in particular thanks to the exploration of exceptional materials and craftsmanship savoir-faire such as hand weaving and leather working.

The Perfume and Beauty *métier* (+15%) benefited from the success of the launches of new creations, such as *Terre d'Hermès Eau Givrée*, the *H24* eau de parfum and the roll-out of colognes with *Eau de basilic pourpre*. Two years after its creation, the Hermès Beauty *métier* continues to grow strongly, driven by the *Rouge Hermès* limited editions and the launch of *Hermès Plein Air*, a new chapter dedicated to the complexion.

Watches (+46%) confirmed its excellent performance, with its singular creativity and a unique style bolstered by all of the House's other métiers and exceptional watchmaking *savoir-faire*. The *Arceau, Le temps voyageur* watch received two awards in November 2022 at the *Grand Prix d'Horlogerie de Genève*. The success of the new Hermès H08 men's line was confirmed, alongside the House's classics.

Other Hermès sectors (+30%), which include Jewellery and the Home universe, continued their strong momentum, highlighting the House's uniqueness and full creative strength. The seventh haute bijouterie collection, *Les Jeux de l'ombre*, was presented in Paris this summer and in New York in the fall.

PARTICULARLY STRONG RESULTS

Recurring operating income was up 33% at €4,697 million, compared with €3,530 million in 2021. Thanks to the leverage effect generated by the strong growth in sales and the exceptional performance of the collections, recurring operating profitability reached its highest level ever at 40.5%, compared with 39.3% in 2021. Consolidated net income attributable to owners of the parent was €3,367 million (29% of sales), compared with €2,445 million in 2021, an increase of 38%. Operating investments amounted to €518 million and adjusted free cash flow reached €3,404 million. After distribution of the ordinary dividend (€837 million) and inclusion of share buybacks (€116 million for 104,269 shares, excluding the liquidity contract), the restated net cash position increased by €2,672 million to €9,742 million, compared with €7,070 million as at 31 December 2021.

A RESPONSIBLE AND SUSTAINABLE MODEL

The Group's recruitment momentum continued, with an increase of nearly 2,100 people this year. At the end of December 2022, the Group employed 19,700 people, including 12,400 in France. True to its commitment as a responsible employer, and recognising the commitment of everyone to the Group's performance and success, Hermès will pay an exceptional bonus of €4,000 to all employees worldwide in 2023.

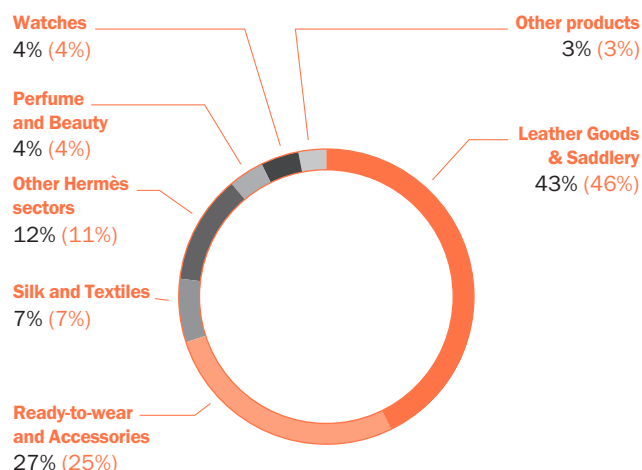
Hermès is strengthening its commitments to education and transmission with the launch of the *École des artisans de la vente* in April and the rollout of the *École Hermès des savoir-faire*, with the opening of a new apprentice training centre at the Ardennes division. The Group made a new five-year commitment of €61 million for the sponsorship activities of the *Fondation d'entreprise Hermès*.

In line with its commitments to mitigate climate change, the Hermès Group continued its actions in accordance with its objectives, approved by the Science Based Target initiative (SBTi), to reduce scopes 1 and 2 emissions by 50.4% in absolute value and a 58.1% reduction in intensity of scope 3 emissions over the 2018-2030 period. The House already offsets 100% of scopes 1 and 2 emissions, and most of its transport-related emissions, through programmes with high environmental and societal value. In terms of preserving biodiversity and resources, the House has also implemented a demanding responsible construction framework, which incorporates sustainability issues throughout the life cycle of real estate projects. It was certified by an independent third party in November 2022 as being more demanding than the main global standards.

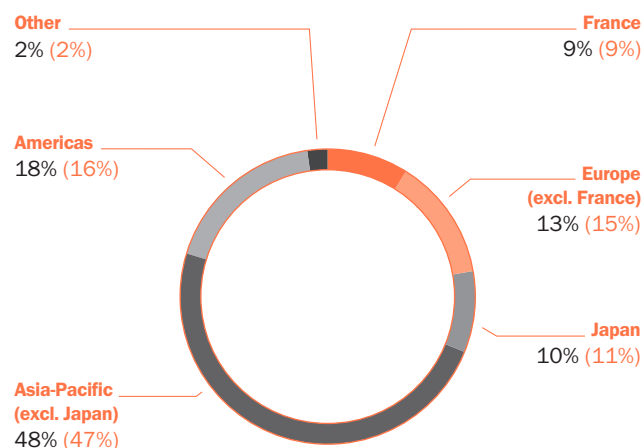
In 2022, Hermès recorded a further increase in non-financial ratings, which reflects the strength of its CSR commitments as well as enhanced transparency. MSCI published a strongly improved rating of "AA" (versus BBB in 2020, then A in 2021). Sustainalytics identified the House as the best player in the Textiles & Apparel (1st out of 191 companies) and Luxury Goods (1st out of 102 companies) sectors, with the best classification: "Negligible risk". Moody's ESG Solutions placed Hermès in fifth place among companies in the Luxury Products and Cosmetics sector, enabling it to consolidate its place in the CAC40 ESG index. Lastly, Hermès entered the CDP A-list, which places the House among the 330 companies deemed to be the best performing worldwide on environmental issues.

KEY FINANCIAL FIGURES

REVENUE BY MÉTIER IN 2022 (2021)



BREAKDOWN OF REVENUE BY GEOGRAPHICAL AREA 2022 (2021)



KEY CONSOLIDATED DATA

In millions of euros	2022	2021	2020	2019	2018 Restated *
Revenue	11,602	8,982	6,389	6,883	5,966
Growth at current exchange rates vs. n-1	29%	41%	(7)%	15%	8%
Growth at constant exchange rates vs. n-1 ¹	23%	42%	(6)%	12%	10%
Recurring operating income ²	4,697	3,530	1,981	2,339	2,075
In % of revenue	40.5%	39.3%	31.0%	34.0%	34.8%
Operating income	4,697	3,530	2,073	2,339	2,128
In % of revenue	40.5%	39.3%	32.4%	34.0%	35.7%
Net income attributable to owners of the parent	3,367	2,445	1,385	1,528	1,405
In % of revenue	29.0%	27.2%	21.7%	22.2%	23.6%
Operating cash flows	4,111	3,060	1,993	2,063	1,863
Operating investments	518	532	448	478	312
Adjusted free cash flow ³	3,404	2,661	995	1,406	1,447
Equity attributable to owners of the parent	12,440	9,400	7,380	6,568	5,470
Net cash position ⁴	9,223	6,695	4,717	4,372	3,465
Restated net cash position ⁵	9,742	7,070	4,904	4,562	3,615
Workforce (number of employees)	19,686	17,595	16,600	15,417	14,284

* Including the impact of IFRS 16 on leases. In accordance with IAS 8, Hermès has applied the new standard on a full retrospective basis, and has restated the financial statements for the period ended 31 December 2018.

(1) Growth at constant exchange rates is calculated by applying, for each currency, the average exchange rates of the previous period to the revenue for the period.

(2) Recurring operating income is one of the main performance indicators monitored by Group Management. It corresponds to operating income excluding non-recurring items having a significant impact that may affect understanding of the Group's economic performance.

(3) Adjusted free cash flows are the sum of cash flows related to operating activities, less operating investments and the repayment of lease liabilities recognised in accordance with IFRS 16 (aggregates in the consolidated statement of cash flows).

(4) Net cash position includes cash and cash equivalents presented under balance sheet assets, less bank overdrafts which appear under short-term borrowings and financial liabilities on the liabilities side. Net cash position does not include lease liabilities recognised in accordance with IFRS 16.

(5) The restated net cash position corresponds to net cash plus cash investments that do not meet the IFRS criteria for cash equivalents due in particular to their original maturity of more than three months, less borrowings and financial liabilities.

FINANCIAL CALENDAR FOR 2023

The financial calendar 2023 is available on the company's website section "Investors" (<https://finance.hermes.com/en/calendar>).

Publication of the 2022 annual consolidated results	17/02/2023
Publication of consolidated revenue for the first quarter of 2023	14/04/2023
Shareholders' Combined General Meeting	20/04/2023
Publication of consolidated results for the first half of 2023	28/07/2023
Publication of consolidated revenue for the third quarter of 2023	24/10/2023

3

SIGNIFICANT EVENTS SINCE THE END OF THE FINANCIAL YEAR

No such events have occurred since the end of the financial year.