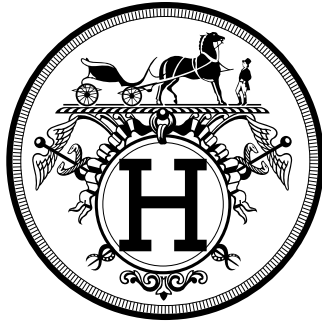


Half-year financial report

June 2023

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HALF-YEAR FINANCIAL REPORT JUNE 2023

This document is a free translation into English of the original French “Rapport financier semestriel”. It is not a binding document. In the event of a conflict in interpretation, reference should be made to the French version, which is the authentic text.

1. KEY FIGURES

1

KEY CONSOLIDATED DATA FOR THE FIRST HALF OF 2023

<i>In millions of euros</i>	H1 2023	Financial year 2022	H1 2022
Revenue	6,698	11,602	5,475
<i>Growth at current exchange rates vs. n-1</i>	22%	29%	29%
<i>Growth at constant exchange rates vs. n-1</i> ¹	25%	23%	23%
Recurring operating income ²	2,947	4,697	2,304
<i>In % of revenue</i>	44%	40%	42%
Operating income	2,947	4,697	2,304
<i>in % of revenue</i>	44%	40%	42%
Net income attributable to owners of the parent	2,226	3,367	1,641
<i>In % of revenue</i>	33%	29%	30%
Operating cash flows	2,615	4,111	2,001
Operating investments	249	518	190
Adjusted free cash flows ³	1,720	3,404	1,421
Equity attributable to owners of the parent	13,249	12,440	10,259
Net cash position ⁴	9,326	9,223	7,280
Restated net cash position ⁵	9,848	9,742	7,685
Headcount (<i>number of people</i>)	20,607	19,686	18,428

- (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 the Group's 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) *Restated net cash position corresponds to net cash position 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.*

2. HALF-YEAR BUSINESS REPORT

2.1 HALF-YEAR HIGHLIGHTS

The Group's consolidated revenue in the first half of 2023 amounted to €6,698 million, up 22% at current exchange rates and 25% at constant exchange rates compared to the same period in 2022. Recurring operating income reached €2,947 million (44% of sales) and net income (group share) €2,226 million (33% of sales).

Axel Dumas, Executive Chairman of Hermès, said: "The 2023 first half results reflect the strength of the pillars of the artisanal model of the house: quality of materials, exceptional know-how and abundant creativity. To support this growth, we continue to invest in our production capacities, in the expansion of our network, while accelerating job creation and training in all of the group's métiers."

2

2.2 FIRST-HALF REVENUE AND ACTIVITY

SALES BY GEOGRAPHICAL AREA AT THE END OF JUNE

(at comparable exchange rates, unless otherwise indicated)

In millions of euros	H1 2023	H1 2022	Change vs. 2022	
			published	at constant exchange rates
France	593	480	24%	24%
Europe (excl. France)	836	696	20%	22%
Total Europe	1,428	1,176	21%	22%
Japan	636	546	16%	26%
Asia-Pacific (excl. Japan)	3,297	2,665	24%	28%
Total Asia	3,932	3,211	22%	27%
Americas	1,185	982	21%	20%
Other	151	106	43%	42%
TOTAL	6,698	5,475	22%	25%

At the end of June 2023, all the regions posted strong growth of 20% or above, with an exceptional growth in Asia, supported by a favourable comparison basis in the second quarter. Sales increased significantly both in group stores (+25% at constant exchange rates) and in wholesale activities (+26%), which benefitted from the rebound in travel retail. Hermès continued to develop its exclusive distribution network.

- ♦ Asia excluding Japan (+28%), after a successful Chinese New Year, continued its strong momentum in Greater China and throughout the region, particularly in Singapore, Thailand, Australia and Korea. The second quarter benefitted from a favourable comparison basis year on year, due to the health measures taken in China in April and May 2022. The Peninsula store, the house's first address in Beijing in 1997, reopened in April after renovation and extension.

- ♦ Japan (+26%), thanks notably to its local clients, achieved a remarkable performance. The Fukuoka Hakata Hankyu store reopened in May after renovation.
- ♦ The Americas (+20%) continued their sustained growth in the second quarter. In the United States, a new store opened in Aspen, Colorado, in June, after the one in Naples in the Gulf of Mexico in February. The *Le monde d'Hermès* kiosk, an invitation to immerse into the universe of the house, stopped off in Austin in May.
- ♦ Europe excluding France (+22%) and France (+24%) pursued their strong growth, thanks to the loyalty of local customers and dynamic tourist flows. The store in Hamburg reopened in April after being renovated and extended.

SALES BY MÉTIER AT THE END OF JUNE

(at comparable exchange rates, unless otherwise indicated)

In millions d'euros	H1 2023	H1 2022	Change vs. 2022	
			published	at constant exchange rates
Leather Goods & Saddlery ¹	2,780	2,358	18%	21%
Ready-to-Wear and Accessories ²	1,922	1,458	32%	35%
Silk and Textiles	444	372	19%	22%
Other Hermès sectors ³	836	648	29%	32%
Perfume & Beauty	249	230	8%	10%
Watches	317	262	21%	24%
Other products ⁴	150	146	2%	4%
TOTAL	6,698	5,475	22%	25%

(1) The "Leather Goods & 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 sectors" 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.

At the end of June 2023, all the business lines confirmed their solid momentum, underlying the tremendous attractiveness of the house.

- ◆ The Leather Goods and Saddlery (+21%) recorded exceptional growth, benefitting from sustained demand and a favourable comparison basis in the second quarter, notably in Greater China. Two new leather goods production workshops were inaugurated in Louviers (Normandy) in April and in la Sormonne (Ardennes) in May. The leather goods and glove-making workshop in Saint-Junien has been relocated to a new, larger site by the Vienne river. Four new leather goods production sites will be rolled out the next four years, in Riom (Puy-de-Dôme) in 2024, L'Isle-d'Espagnac (Charente) in 2025, Loupes (Gironde) in 2026 and Charleville-Mézières (Ardennes) scheduled for 2027. Hermès thus continues to strengthen its local anchoring in France and to create jobs. The collections have been enriched with new models, including *In The Loop*, *Maximors*, *Birkin Picnic* and *Hacados*, and enhanced *savoir-faire* such as hand painting, wickerwork, marquetry and embroidery.
- ◆ The Ready-to-Wear and Accessories division (+35%) pursued its dynamic growth, driven by the success of the ready-to-wear collections, fashion accessories and shoes. The men's spring-summer 2024 fashion show unveiled at the palais d'Iéna in June was very well received. Fashion accessories and shoes are enjoying a strong demand, with models showcasing know-how and innovation.
- ◆ The Silk and Textiles business line (+22%) recorded solid growth, supported by exceptional materials and the expansion of production capacities at the Pierre-Bénite site near Lyon, inaugurated in July. After Dubai in the first quarter, scarves transformed into kites once again and spread their patterns at the *Kite Festival* in Busan, South Korea, in June.
- ◆ Perfume and Beauty (+10%) continued their development. A new *Eau de toilette*, *Un Jardin à Cythère*, the seventh creation in the *Jardin* collection, was unveiled in February. Hermès launched a new limited edition of *Rouge Hermès* ahead of the arrival this autumn of the fifth chapter of Beauty around the eyes.
- ◆ The Watches business line (+24%) confirmed its excellent performance, based on exceptional creativity, style and remarkable watch-making *savoir-faire*, both for the complication models and the house's classic models. The *H08* line, which welcomed a new carbon fibre chronograph version this year, is meeting with great success.
- ◆ The Other Hermès business lines (+32%) pursued their strong growth, highlighting the full singularity and creative strength of the house, with for example the *Chaîne d'ancre* jewel new creations presented in July at the Faubourg Saint-Honoré in Paris. Home universe collections were presented in April at the latest Milan Design Week.

2.3 COMMENTS ON THE CONDENSED CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS

2.3.1 INCOME STATEMENT

<i>In millions of euros</i>	H1 2023	H1 2022
Revenue	6,698	5,475
Cost of sales	(1,863)	(1,586)
Gross margin	4,834	3,889
Sales and administrative expenses	(1,485)	(1,178)
Other income and expenses	(403)	(406)
Recurring operating income	2,947	2,304
Other non-recurring income and expenses	-	-
Operating income	2,947	2,304
Net financial income	75	(35)
Net income before tax	3,021	2,270
Income tax	(831)	(647)
Net income from associates	43	25
CONSOLIDATED NET INCOME	2,234	1,647
Non-controlling interests	(8)	(6)
NET INCOME ATTRIBUTABLE TO OWNERS OF THE PARENT	2,226	1,641
Basic earnings per share (<i>in euros</i>)	21.29	15.69
Diluted earnings per share (<i>in euros</i>)	21.26	15.64

In the first half of 2023, the Group's consolidated revenue amounted to €6.7 billion, *i.e.* an increase of 22% at current exchange rates and 25% at constant exchange rates compared to the first half of 2022.

The gross margin was 72%, up by 1.2 points compared with the first half of 2022.

Sales and administrative expenses represented €1,485 million compared to €1,178 million at the end of June 2022. They include in particular €259 million in communication expenses compared to €196 million in the previous half. Other sales and administrative expenses, which include in particular the salaries of sales and support staff as well as variable rents, amounted to €1,226 million compared to €982 million.

Other income and expenses amounted to €403 million compared to €406 million at the end of June 2022. They include depreciation and amortisation of €293 million (€260 million in the first half of 2022), half of which relates to property, plant and equipment and intangible assets and the other half to right-of-use assets. The steady increase in depreciation and amortisation reflects the continued investments in the extension and renovation of the distribution network, digital and information systems. Other expenses also include €59 million related to free share plans.

Recurring operating income increased by 28% compared to the first half of 2022 and reached €2.9 billion. Thanks to the leverage effect generated by the strong growth in sales and to the positive currency impact, recurring operating profitability reached its highest level ever at 44%, compared with 42% at the end of June 2022.

Net financial income mainly includes financial income from cash investments, cost of foreign exchange hedges and interest on lease liabilities. It represented a net income of €75 million compared to a net expense of €35 million in the first half of 2022, thanks to improved cash remuneration conditions.

The estimated tax rate for 2023 is 27.5%.

After taking into account income from associates (income of €43 million) and non-controlling interests (expense of €8 million), consolidated net income attributable to owners of the parent amounted to €2.2 billion, compared to €1.6 billion at the end of June 2022, *i.e.* an increase of +36%.

2.3.2 CASH FLOWS AND INVESTMENTS

<i>In millions of euros</i>	H1 2023	H1 2022
Operating cash flows	2,615	2,001
Change in working capital requirements	(509)	(261)
Change in net cash position related to operating activities	2,106	1,740
Operating investments	(249)	(190)
Repayment of lease liabilities	(137)	(128)
Adjusted free cash flows ¹	1,720	1,421
Investments in financial assets	(92)	(10)
Dividends paid	(1,384)	(850)
Treasury share buybacks net of disposals (excluding liquidity contract)	0	(115)
Other movements	(138)	170
Change in restated net cash position ¹	106	615
Restated net cash position at the end of the period	9,848	7,685
Restated net cash position at the beginning of the period	9,742	7,070

(1) Alternative performance indicators defined and reconciled in Note 2 to the consolidated financial statements.

Operating cash flows amounted to €2.6 billion, up 31% compared to the first half of 2022.

The €(509) million change in working capital requirements was mainly due to the increase in inventories, in line with strong sales growth. Change in net cash position related to operating activities thus reached €2.1 billion compared to €1.7 billion at the end of June 2022.

After taking into account operating investments and repayment of lease liabilities recognised in accordance with IFRS 16, adjusted free cash flows amounted to €1.7 billion compared to €1.4 billion in the first half of 2022.

After payment of the €1 359 million ordinary dividend, the restated net cash position reached €9.8 billion at the end of June 2023, compared with €9.7 billion as at 31 December 2022.

2.3.3 FINANCIAL POSITION

The Hermès Group's consolidated balance sheet at the end of June 2023 totalled €18.3 billion compared with €17.5 billion at the end of 2022. Cash accounted for nearly 50% of total assets, and equity, which amounted to €13.2 billion, represented more than 70% of liabilities. The Group has consolidated a solid financial structure that allows it to maintain its independence and pursue its long-term strategy.

2.4 OUTLOOK

The group continues the year 2023 with confidence, thanks to the highly integrated artisanal model, the balanced distribution network, the creativity of collections and the loyalty of clients.

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 *savoir-faire* and singular communication.

2.5 RISKS AND UNCERTAINTIES

The Hermès Group's results are exposed to the risks and uncertainties set out in the 2022 universal registration document. The assessment of

these risks did not change during the first half of 2023 and no new risks have been identified at the date of publication of this report.

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2.6 RELATED-PARTY TRANSACTIONS

Information on the main related-party transactions relating to the six months to 30 June 2023 is provided in Note 12 to the condensed consolidated financial statements for the first half of 2023.

3. CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2023

3.1 CONSOLIDATED INCOME STATEMENT

<i>In millions of euros</i>	Notes	H1 2023	Financial year 2022	H1 2022
Revenue	3 and 4	6,698	11,602	5,475
Cost of sales		(1,863)	(3,389)	(1,586)
Gross margin		4,834	8,213	3,889
Sales and administrative expenses	4.3	(1,485)	(2,680)	(1,178)
Other income and expenses	4.4	(403)	(836)	(406)
Recurring operating income	3	2,947	4,697	2,304
Other non-recurring income and expenses		-	-	-
Operating income	3	2,947	4,697	2,304
Net financial income	8.1	75	(62)	(35)
Net income before tax		3,021	4,635	2,270
Income tax		(831)	(1,305)	(647)
Net income from associates	7	43	50	25
CONSOLIDATED NET INCOME		2,234	3,380	1,647
Non-controlling interests		(8)	(13)	(6)
NET INCOME ATTRIBUTABLE TO OWNERS OF THE PARENT		2,226	3,367	1,641
Basic earnings per share (<i>in euros</i>)	10.6	21.29	32.20	15.69
Diluted earnings per share (<i>in euros</i>)	10.6	21.26	32.09	15.64

3.2 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

<i>In millions of euros</i>	Notes	H1 2023	Financial year 2022	H1 2022
Consolidated net income		2,234	3,380	1,647
Changes in foreign currency adjustments ¹		(115)	126	182
Hedges of future cash flows in foreign currencies ^{1 2}	10.5	72	129	10
♦ <i>change in fair value</i>		123	23	(97)
♦ <i>recycling through profit or loss</i>		(51)	106	107
Assets at fair value ²	10.5	-	333	-
Employee benefit obligations: change in value linked to actuarial gains and losses ²	5.1	(1)	41	1
Net comprehensive income		2,189	4,009	1,840
♦ <i>attributable to owners of the parent</i>		2,180	3,996	1,833
♦ <i>attributable to non-controlling interests</i>		9	14	7

(1) Transferable through profit or loss.

(2) Net of tax.

3.3 CONSOLIDATED BALANCE SHEET

ASSETS

<i>In millions of euros</i>	Notes	30/06/2023	31/12/2022	30/06/2022
Goodwill		-	-	14
Intangible assets	6.1	217	213	204
Right-of-use assets	6.2	1,624	1,582	1,665
Property, plant and equipment	6.1	2,018	2,007	1,916
Investment property		8	8	8
Financial assets	8.2	1,121	1,109	648
Investments in associates	7	58	54	52
Loans and deposits		65	65	63
Deferred tax assets		581	555	636
Other non-current assets		45	39	25
Non-current assets		5,737	5,630	5,232
Inventories and work-in-progress	4.5	2,081	1,779	1,617
Trade and other receivables		415	383	464
Current tax receivables		16	19	8
Other current assets		353	263	288
Financial derivatives	9	303	160	179
Cash and cash equivalents	2.3 and 8.3	9,349	9,225	7,293
Current assets		12,518	11,828	9,850
TOTAL ASSETS		18,255	17,459	15,082

LIABILITIES

<i>In millions of euros</i>	Notes	30/06/2023	31/12/2022	30/06/2022
Share capital	10	54	54	54
Share premium		50	50	50
Treasury shares	10	(670)	(674)	(672)
Reserves		10,785	8,795	8,735
Foreign currency adjustments		188	303	359
Revaluation adjustments	10.5	617	546	93
Net income attributable to owners of the parent		2,226	3,367	1,641
Equity attributable to owners of the parent		13,249	12,440	10,259
Non-controlling interests		(5)	16	14
Equity		13,244	12,457	10,273
Borrowings and financial liabilities due in more than one year	2.3	35	35	24
Lease liabilities due in more than one year	6.2	1,646	1,629	1,705
Non-current provisions	11.1	28	30	29
Post-employment and other employee benefit obligations due in more than one year	5.1	186	181	224
Deferred tax liabilities		4	20	46
Other non-current liabilities		118	103	48
Non-current liabilities		2,017	1,998	2,076
Borrowings and financial liabilities due in less than one year	2.3	23	2	14
Lease liabilities due in less than one year	6.2	284	268	272
Current provisions	11.1	130	133	129
Post-employment and other employee benefit obligations due in less than one year	5.1	15	15	40
Trade and other payables		699	777	536
Financial derivatives	9	80	74	213
Current tax liabilities		647	496	468
Other current liabilities		1,115	1,239	1,063
Current liabilities		2,994	3,004	2,733
TOTAL EQUITY AND LIABILITIES		18,255	17,459	15,082

3.4 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

In millions of euros	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				
Notes	10	10		10		5.1		10.5	10.5				10
As at 1 January 2022	105,569,412	54	50	(551)	9,712	(125)	178	188	(105)	9,400	12	9,412	
Net income for the first half of 2022	-	-	-	-	1,641	-	-	-	-	1,641	6	1,647	
Other comprehensive income for the first half of 2022	-	-	-	-	-	1	181	-	10	191	1	193	
Comprehensive income for the first half of 2022	-	-	-	-	1,641	1	181	-	10	1,833	7	1,840	
Change in share capital and share premiums	-	-	-	-	-	-	-	-	-	-	-	-	
Purchase or sale of treasury shares	-	-	-	(120)	(0)	-	-	-	-	(120)	-	(120)	
Share-based payments	-	-	-	-	27	-	-	-	-	27	-	27	
Dividends paid	-	-	-	-	(845)	-	-	-	-	(845)	(6)	(850)	
Other	-	-	-	-	(36)	-	-	-	-	(36)	-	(36)	
AS AT 30 JUNE 2022	105,569,412	54	50	(672)	10,500	(124)	359	188	(95)	10,259	14	10,273	
Net income for the second half of 2022	-	-	-	-	1,726	-	-	-	-	1,726	6	1,732	
Other comprehensive income for the second half of 2022	-	-	-	-	-	39	(55)	333	120	437	(0)	437	
Comprehensive income for the second half of 2022	-	-	-	-	1,726	39	(55)	333	120	2,163	6	2,169	
Change in share capital and share premiums	-	-	-	-	-	-	-	-	-	-	-	-	
Purchase or sale of treasury shares	-	-	-	(3)	2	-	-	-	-	(1)	-	(1)	
Share-based payments	-	-	-	-	27	-	-	-	-	27	-	27	
Dividends paid	-	-	-	-	-	-	-	-	-	(0)	(2)	(2)	
Other	-	-	-	-	(8)	-	-	-	-	(8)	(2)	(10)	
AS AT 31 DECEMBER 2022	105,569,412	54	50	(674)	12,247	(85)	303	521	25	12,440	16	12,457	
Net income for the first half of 2023	-	-	-	-	2,226	-	-	-	-	2,226	8	2,234	
Other comprehensive income for the first half of 2023	-	-	-	-	-	(1)	(116)	-	72	(45)	1	(45)	
Comprehensive income for the first half of 2023	-	-	-	-	2,226	(1)	(116)	-	72	2,180	9	2,189	
Change in share capital and share premiums	-	-	-	-	-	-	-	-	-	-	-	-	
Purchase or sale of treasury shares	-	-	-	4	1	-	-	-	-	5	-	5	
Share-based payments	-	-	-	-	30	-	-	-	-	30	-	30	
Dividends paid	-	-	-	-	(1,376)	-	-	-	-	(1,376)	(8)	(1,384)	
Other	-	-	-	-	(31)	-	-	-	-	(31)	(22)	(53)	
AS AT 30 JUNE 2023	105,569,412	54	50	(670)	13,097	(86)	188	521	96	13,249	(5)	13,244	

3.5 CONSOLIDATED STATEMENT OF CASH FLOWS

<i>In millions of euros</i>	Notes	H1 2023	Financial year 2022	H1 2022
CASH FLOWS RELATED TO OPERATING ACTIVITIES				
Net income attributable to owners of the parent		2,226	3,367	1,641
Depreciation and amortisation of fixed assets	6.1	183	341	160
Amortisation of right-of-use assets	6.2	139	266	127
Impairment losses	6.1 and 6.2	22	123	71
Foreign exchange gains/(losses) on fair value adjustments		62	12	(24)
Change in provisions		26	12	22
Net income from associates	7	(43)	(50)	(25)
Net income attributable to non-controlling interests		8	13	6
Capital gains or losses on disposals and impact of changes in scope of consolidation		0	(1)	7
Deferred income tax expense		(25)	(16)	(1)
Accrued expenses and income related to share-based payments		30	55	27
Dividend income		(12)	(11)	(11)
Operating cash flows		2,615	4,111	2,001
Change in working capital requirements	4.5	(509)	73	(261)
Change in net cash position related to operating activities (A)		2,106	4,184	1,740
CASH FLOWS RELATED TO INVESTING ACTIVITIES				
Operating investments	6.1	(249)	(518)	(190)
Acquisitions of consolidated shares		(73)	(1)	-
Acquisitions of other financial assets	8.2	(24)	(165)	(40)
Disposals of operating assets	6.1	0	1	0
Disposals of consolidated shares and impact of losses of control		-	0	-
Disposals of other financial assets	8.2	-	5	5
Change in payables and receivables related to investing activities		(12)	32	(18)
Dividends received		26	67	36
Change in net cash position related to investing activities (B)		(333)	(579)	(207)
CASH FLOWS RELATED TO FINANCING ACTIVITIES				
Dividends paid	10.4	(1,384)	(852)	(850)
Repayment of lease liabilities	6.2	(137)	(261)	(128)
Treasury share buybacks net of disposals	10.3	4	(123)	(120)
Borrowing subscriptions		0	-	-
Repayment of borrowings		(0)	(0)	(0)
Change in net cash position related to financing activities (C)		(1,517)	(1,237)	(1,099)
Foreign currency translation adjustment (D)		(153)	159	151
CHANGE IN NET CASH POSITION (A) + (B) + (C) + (D)	8.3	103	2,528	585
Net cash position at the beginning of the period	8.3	9,223	6,695	6,695
Net cash position at the end of the period	8.3	9,326	9,223	7,280
CHANGE IN NET CASH POSITION	8.3	103	2,528	585

3.6 NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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NOTE 1 ACCOUNTING PRINCIPLES AND POLICIES**1.1 Basis of preparation**

The Hermès Group's condensed interim consolidated financial statements were prepared in accordance with IAS 34 *Interim Financial reporting* as adopted by the European Union. As these are condensed financial statements, the accompanying notes do not include all the information required by IFRS (International Financial reporting Standards) for the preparation of full annual financial statements and should therefore be read in conjunction with the consolidated financial statements for financial year 2022. The standards adopted by the European Union may be consulted at www.eur-lex.europa.eu.

The accounting policies and calculation methods used to prepare these condensed interim financial statements are the same as those used to prepare the financial statements for the year ended 31 December 2022 and described therein, with the exception of the income tax expense for the first half and the employee benefit obligation, which are measured separately (Note 1.2).

The condensed interim consolidated financial statements as presented were approved by the Executive Management on 27 July 2023 after review by the Audit and Risk Committee at its meeting of 26 July 2023.

The consolidated financial statements and notes to the consolidated financial statements are presented in euros. Unless otherwise stated, the values shown in the tables are expressed in millions of euros and rounded to the nearest million. As a result, in certain cases, the effects of rounding up/down can lead to a non-significant difference in the totals or changes. In addition, the ratios and differences are calculated on the basis of the underlying amounts and not on the basis of rounded amounts.

1.2 Special features of the preparation of interim financial statements

The income tax expense (current and deferred) is calculated for the interim consolidated financial statements by applying the estimated average annual tax rate for the current financial year to the accounting income for the period. It stood at 27.5% for 2023.

In December 2021, the Organisation for Economic Co-operation and Development (OECD) published a draft reform of international tax rules proposing in particular the introduction of a minimum tax of 15% on the profits made by multinational groups ("Global Anti-Base Erosion Rules" or Pillar II "GloBE Rules"). In December 2022, the Council of the European Union adopted the "Pillar 2" Directive, which aims to transpose the GloBE Rules. Member States must transpose the directive by 31 December 2023, with gradual application of the measures from 2024. The Group closely monitors the progress of the legislative process in each jurisdiction where it operates, in order to be in a position to implement the system once adopted.

Based on the current Rules model and the tax rates currently in force in the countries where it operates, the Group does not expect any significant impact from this reform in terms of income tax.

Barring a specific event, the post-employment benefit obligation is not subject to an actuarial valuation in the first half. The expense recognised for the first half-year is one-half of the net expense calculated for financial year 2023 as a whole, based on the data and actuarial assumptions used as at 31 December 2022.

In France, law 2023-270 of 14 April 2023 on the amended financing of Social Security for 2023 includes a pension reform, around two main axes. The legal retirement age will be gradually raised from 62 to 64 for employees under the general scheme. The contribution period required to receive a full-rate pension will increase from 42 years to 43 years from 2027. The expected impact on the Group's financial statements is not material.

NOTE 2 ALTERNATIVE PERFORMANCE MEASURES

This note aims to present the main alternative performance measures ("APM") followed by Group management, and their reconciliation, where appropriate, with the aggregates of the IFRS consolidated financial statements.

2.1 Revenue growth at constant exchange rates

- ◆ Revenue growth at constant exchange rates: calculated by applying, for each currency, the average exchange rates of the previous period to the revenue for the period.

	H1 2023 at current exchange rates	H1 2023 at constant exchange rates	H1 2022	Change at current exchange rates	Change at constant exchange rates	Currency effect
Revenue in millions of euros	6,698	6,855	5,475	1,223	1,380	(157)
Change in %				22%	25%	(3)%

2.2 Recurring operating income

- ◆ Recurring operating income: operating income exclusive of non-recurring items with a significant impact that may affect understanding of the Group's economic performance.

2.3 Net cash position and restated net cash position

- ◆ 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. Lease liabilities recognised in accordance with IFRS 16 are excluded from net cash position.
- ◆ Restated net cash position: corresponds to net cash position 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.

Borrowings and financial liabilities on the balance sheet break down as follows:

<i>In millions of euros</i>	H1 2023	Financial year 2022	H1 2022
Bank overdrafts	23	2	14
Other financial liabilities	1	1	0
Commitments to buy out minority interests	34	34	24
BORROWINGS AND FINANCIAL LIABILITIES ON THE BALANCE SHEET	58	38	37

The reconciliation of the net cash position and restated net cash position indicators with the consolidated balance sheet is presented below:

<i>In millions of euros</i>	H1 2023	Financial year 2022	H1 2022
Cash and cash equivalents	9,349	9,225	7,293
Bank overdrafts	(23)	(2)	(14)
NET CASH POSITION	9,326	9,223	7,280
Cash investments with maturity at outset of over three months	523	521	405
Financial liabilities	(1)	(1)	(0)
RESTATED NET CASH POSITION	9,848	9,742	7,685

2.4 Adjusted free cash flows

For management purposes, the Hermès Group sees all lease payments as items affecting operating activities. IFRS 16 considers fixed lease payments as the sum of the repayment of the principal portion of the lease liability and the payment of financial interests. Consequently, the Group follows the following APM:

- ◆ adjusted free cash flows: correspond to the 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).

The reconciliation of this indicator with the Group's consolidated statement of cash flows presented in section 3.5 is as follows:

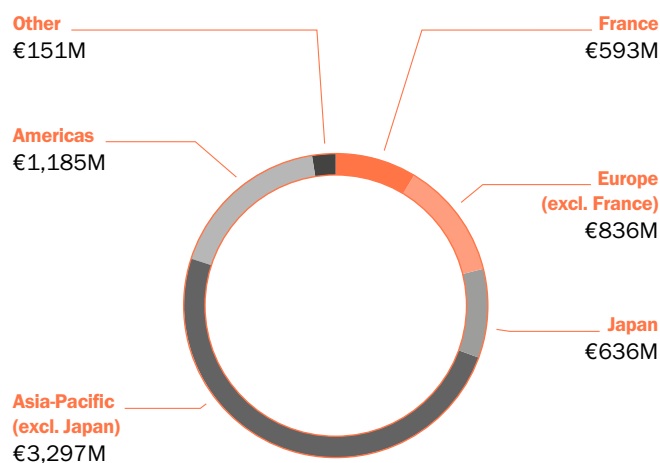
<i>In millions of euros</i>	H1 2023	Financial year 2022	H1 2022
Operating cash flows	2,615	4,111	2,001
+ Change in working capital requirements	(509)	73	(261)
- Operating investments	(249)	(518)	(190)
- Repayment of lease liabilities	(137)	(261)	(128)
ADJUSTED FREE CASH FLOWS	1,720	3,404	1,421

NOTE 3 SEGMENT INFORMATION

Given the Group's current structure, organised into geographical areas placed under the responsibility of operational Senior Executives in charge of applying the strategy defined by the Executive Committee (the principal operational decision-maker), the Group has determined that the geographical areas constitute the operating segments with reference to the fundamental principle of IFRS 8.

Segment information is presented after eliminations and restatements.

Revenue by destination geographical area breaks down as follows:

**H1 2023**

<i>In millions of euros</i>	France	Europe (excluding France)	Japan	Asia-Pacific (excluding Japan)	Americas	Other	Unallocated	Total
Revenue	593	836	636	3,297	1,185	151	-	6,698
Recurring operating income	243	275	253	1,687	448	44	(5)	2,947
Recurring operating profitability	41%	33%	40%	51%	38%	29%	-	44%
Other non-recurring income and expenses	-	-	-	-	-	-	-	-
Operating income	243	275	253	1,687	448	44	(5)	2,947
Operating investments	135	23	4	35	29	-	24	249
Non-current assets	1,010	431	189	864	891	34	1,737	5,156
Non-current liabilities	260	301	80	430	627	-	316	2,013

"Unallocated" operating income includes expenses related to free share plans, unallocated central costs and internal billings.

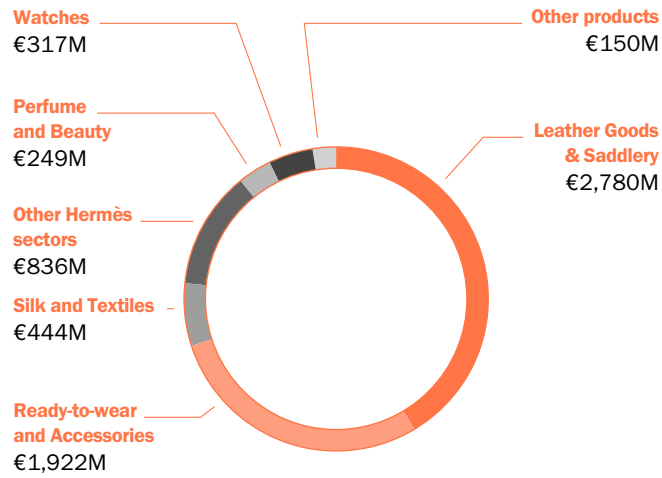
All non-current assets and liabilities included in the consolidated balance sheet are presented in the segment information, with the exception of deferred tax assets and liabilities. Non-current assets mainly comprise property, plant and equipment and intangible assets, right-of-use assets and financial assets. "Unallocated" non-current assets mainly include financial investments (see Note 8.2). Non-current liabilities include lease liabilities.

H1 2022

<i>In millions of euros</i>	France	Europe (excluding France)	Japan	Asia-Pacific (excluding Japan)	Americas	Other	Unallocated	Total
Revenue	480	696	546	2,665	982	106	-	5,475
Recurring operating income	183	188	219	1,322	365	33	(4)	2,304
Recurring operating profitability	38%	27%	40%	50%	37%	31%	-	42%
Other non-recurring income and expenses	-	-	-	-	-	-	-	-
Operating income	183	188	219	1,322	365	33	(4)	2,304
Operating investments	87	15	5	30	35	-	18	190
Non-current assets	825	426	229	952	948	35	1,182	4,596
Non-current liabilities	183	332	94	507	696	-	218	2,030

NOTE 4 ITEMS RELATING TO OPERATING ACTIVITIES

4.1 Revenue by *métier*



<i>In millions of euros</i>	H1 2023	Mix	H1 2022	Change at current exchange rates	Change at constant exchange rates
Leather Goods & Saddlery	2,780	41%	2,358	18%	21%
Ready-to-wear and Accessories	1,922	28%	1,458	32%	35%
Silk and Textiles	444	7%	372	19%	22%
Other Hermès sectors	836	13%	648	29%	32%
Perfume and Beauty	249	4%	230	8%	10%
Watches	317	5%	262	21%	24%
Other products	150	2%	146	2%	4%
REVENUE	6,698	100%	5,475	22%	25%

4.2 Seasonal nature of the business

The Group's activity has historically been balanced across the year. In 2022, 47% of the Group's revenue was generated during the first half of the year and 53% during the second half.

4.3 Sales and administrative expenses

<i>In millions of euros</i>	H1 2023	Financial year 2022	H1 2022
Communication	(259)	(525)	(196)
Other sales and administrative expenses	(1,226)	(2,155)	(982)
TOTAL	(1,485)	(2,680)	(1,178)

4.4 Other income and expenses

<i>In millions of euros</i>	Notes	H1 2023	Financial year 2022	H1 2022
Depreciation and amortisation of fixed assets		(155)	(288)	(135)
Amortisation of right-of-use assets		(137)	(263)	(126)
Depreciation and amortisation		(293)	(552)	(260)
Net change in provisions		(8)	(24)	(21)
Cost of pension plans and other long-term benefits	5.1	(12)	(16)	(9)
Sub-total		(20)	(40)	(30)
Impairment losses		(22)	(123)	(71)
Expenses linked to free share plans and similar expenses	5.2	(59)	(65)	(42)
Other expenses		(26)	(105)	(22)
Other products		17	49	19
Sub-total		(90)	(244)	(116)
TOTAL		(403)	(836)	(406)

Total depreciation and amortisation of fixed assets included in operating expenses (“Other income and expenses” and “Cost of sales”) amounted to €183 million in the first half of 2023, compared with €160 million in the first half of 2022.

Total amortisation of right-of-use assets included in operating expenses (“Other income and expenses” and “Cost of sales”) amounted to €139 million in the first half of 2023, compared with €127 million in the first half of 2022.

4.5 Working capital requirements

4.5.1 INVENTORIES AND WORK-IN-PROGRESS

<i>In millions of euros</i>	30/06/2023	31/12/2022	30/06/2022
Retail, intermediate and finished goods	1,693	1,614	1,566
Raw materials and work-in-progress	1,194	960	853
Gross values	2,888	2,574	2,419
Depreciation	(806)	(795)	(802)
TOTAL	2,081	1,779	1,617

No inventories were pledged as collateral to secure financial liabilities.

4.5.2 CHANGE IN WORKING CAPITAL REQUIREMENTS

<i>In millions of euros</i>	30/06/2023	31/12/2022	30/06/2022
Inventories and work-in-progress	(338)	(324)	(141)
Trade and other receivables	(113)	(54)	(97)
Trade and other payables	(33)	203	6
Other receivables and payables	(25)	248	(29)
TOTAL	(509)	73	(261)

The “Other receivables and payables” item mainly includes tax and social security receivables and payables.

NOTE 5 EMPLOYEE BENEFITS

5.1 Post-employment and other employee benefit obligations

5.1.1 INFORMATION BY TYPE OF PLAN

The provision shown in the balance sheet includes post-employment defined-benefit plans and other long-term benefits:

<i>In millions of euros</i>	30/06/2023	31/12/2022	30/06/2022
Defined-benefit plans	186	182	246
Other long-term benefits	15	15	18
PROVISIONS AT END OF PERIOD	201	196	264

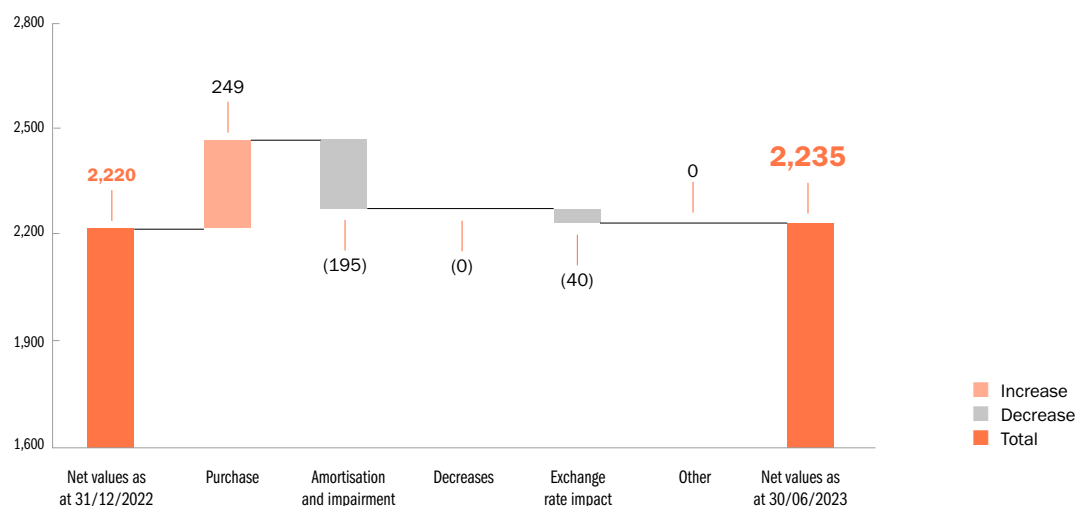
5.1.2 RECONCILIATION OF RETIREMENT AND SIMILAR BENEFIT OBLIGATIONS

<i>In millions of euros</i>	H1 2023	Financial year 2022	H1 2022
Provisions as at 1 January	196	260	260
Expense for the financial year	12	16	11
Benefits/contributions paid	(2)	(26)	(3)
Actuarial gains and losses recognised in other comprehensive income	-	(51)	-
Foreign currency adjustments	(6)	(3)	(3)
PROVISIONS AT END OF PERIOD	201	196	264

5.2 Share-based payments

In accordance with the authorisations granted by the Combined General Meeting of 20 April 2023, in its 28th resolution, the Executive Management decided on 15 June 2023 to allocate free shares to all Group employees. The transfer of ownership of all shares is subject to the condition that the beneficiaries remain in the Group's workforce at the end of a four-year vesting period. The expense incurred during the first half of 2023 in respect of this new plan, which covered just 15 days, is not material.

The total expense incurred in the first half of 2023 for all free share allocation plans (including social security contributions) was €59 million, compared with €42 million in the first half of 2022.

NOTE 6 PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS, AND LEASES**6.1 Intangible assets and property, plant and equipment***In millions of euros***6.1.1 INTANGIBLE ASSETS***In millions of euros*

	30/06/2022	31/12/2022	Increases	Decreases	Exchange rate impact	Other	30/06/2023
Software, licences, e-commerce website and patents	547	578	37	(0)	(1)	11	624
Other intangible assets	148	141	0	(1)	(4)	1	137
Fixed assets under construction	32	19	17	-	(0)	(14)	23
TOTAL GROSS VALUES	727	738	54	(1)	(5)	(2)	784
Amortisation of software, licences, e-commerce website and patents	388	393	43	(0)	(1)	1	436
Amortisation of other intangible assets	119	114	3	(1)	(3)	(1)	113
Impairment losses	16	18	0	(0)	0	(0)	18
TOTAL AMORTISATION AND IMPAIRMENT	523	525	47	(1)	(4)	(0)	567
TOTAL NET VALUES	204	213	7	(0)	(1)	(2)	217

6.1.2 PROPERTY, PLANT AND EQUIPMENT

<i>In millions of euros</i>	30/06/2022	31/12/2022	Increases	Decreases	Exchange rate impact	Other	30/06/2023
Land	192	191	-	-	(9)	0	182
Buildings	1,176	1,275	5	(0)	(22)	20	1,278
Industrial machinery, plant and equipment	465	457	10	(0)	(1)	11	477
Store fixtures and furnishings	1,306	1,433	15	(18)	(36)	46	1,439
Other property, plant and equipment assets	540	561	11	(1)	(4)	9	576
Fixed assets under construction	268	209	154	-	(4)	(82)	277
TOTAL GROSS VALUES	3,947	4,127	195	(20)	(76)	3	4,229
Depreciation of buildings	484	507	24	(0)	(11)	2	521
Depreciation of machinery, plant, and equipment assets	292	281	15	(0)	(0)	2	297
Depreciation of store fixtures and furnishings	728	787	74	(18)	(21)	0	822
Depreciation of other property, plant and equipment	341	344	23	(1)	(3)	(2)	361
Impairment losses	186	201	11	(0)	(2)	(1)	210
TOTAL AMORTISATION AND IMPAIRMENT	2,031	2,119	147	(20)	(37)	0	2,211
TOTAL NET VALUES	1,916	2,007	48	(0)	(39)	2	2,018

Investments made during the first half of 2023 mainly include the opening and renovation of stores and capital expenditure to expand production capacity.

Impairment losses mainly relate to production lines and stores deemed not to be sufficiently profitable. It is noted that the cash-generating units on which impairment losses have been recognised are not individually material when compared with the Group's overall activity.

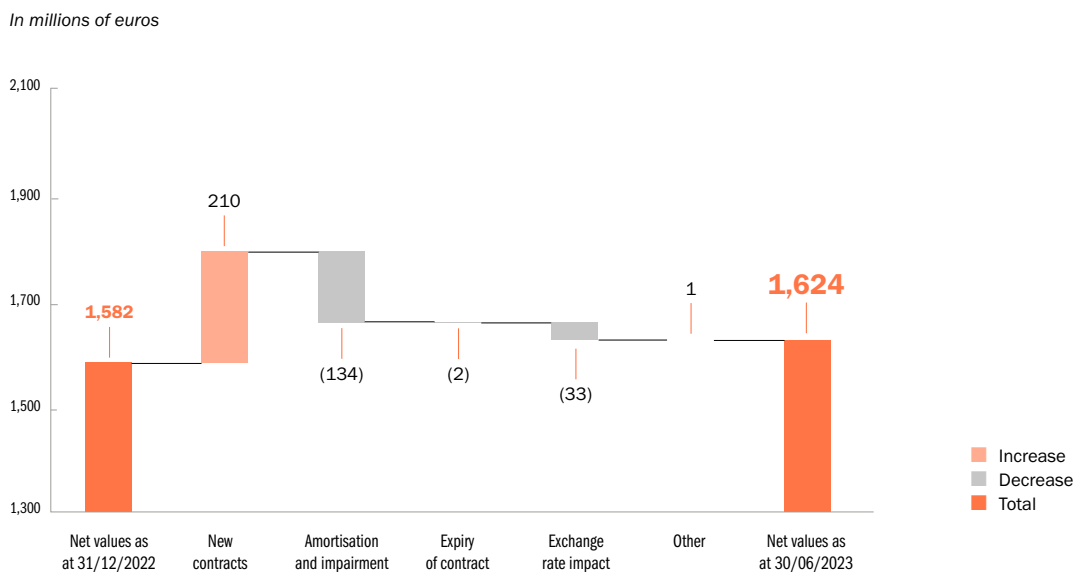
6.2 Leases

6.2.1 RIGHT-OF-USE ASSETS

The breakdown of right-of-use assets by nature of the underlying asset is as follows:

<i>In millions of euros</i>	30/06/2022 Net	31/12/2022 Net	Gross	Amortisation and impairment	30/06/2023 Net
Stores	1,353	1,272	2,199	990	1,209
Offices and other	313	310	652	237	415
TOTAL	1,665	1,582	2,852	1,227	1,624

The change in right-of-use assets during the half-year is as follows:



<i>In millions of euros</i>	Stores	Offices and other	30/06/2023
Gross amount of right-of-use assets as at 1 January	1,272	310	1,582
Implementation of new leases and revisions	69	141	210
Amortisation and impairment	(102)	(32)	(134)
Expiry and early termination of leases	(1)	(0)	(2)
Exchange rate impact	(28)	(5)	(33)
Other movements and reclassifications	(0)	1	1
GROSS VALUE OF RIGHT-OF-USE ASSETS AS AT 30 JUNE	1,209	415	1,624

6.2.2 LEASE LIABILITIES

<i>In millions of euros</i>	30/06/2023
Lease liabilities as at 1 January	1,897
Implementation of new leases and revisions	215
Expiry and early termination of leases	(2)
Repayments	(137)
Exchange rate impact	(43)
Other movements and reclassifications	(1)
LEASE LIABILITIES AS AT 30 JUNE	1,930

NOTE 7 INVESTMENTS IN ASSOCIATES

<i>In millions of euros</i>	H1 2023	Financial year 2022	H1 2022
Investments in associates as at 1 January	54	51	51
Impact of consolidation scope changes	5	-	-
Net income from associates	43	50	25
Dividends paid	(14)	(56)	(25)
Exchange rate impact	(1)	2	1
Other	(28)	7	0
INVESTMENTS IN ASSOCIATES AT END OF PERIOD	58	54	52

NOTE 8 FINANCIAL ASSETS AND LIABILITIES – NET CASH POSITION

8.1 Net financial income

<i>In millions of euros</i>	H1 2023	Financial year 2022	H1 2022
Income from cash and cash equivalents	132	67	10
Gross borrowing cost	3	(2)	(1)
♦ of which net income/(loss) on interest and exchange rate hedging instruments	3	1	1
Remuneration from net cash	135	65	9
Interest expense on lease liabilities	(25)	(43)	(18)
Other financial income and expenses	(35)	(84)	(26)
♦ of which cost of cash flow hedges	(49)	(84)	(37)
♦ of which ineffective portion of cash flow hedges	2	6	4
TOTAL	75	(62)	(35)

8.2 Financial assets

<i>In millions of euros</i>	30/06/2022	31/12/2022	Increases	Decreases	Exchange rate impact	Other	30/06/2023
Financial investments and accrued interest	608	1,068	3	(1)	-	-	1,070
Liquidity contract	14	14	5	-	-	-	19
Other financial assets	84	94	19	(0)	0	0	113
TOTAL GROSS VALUES	706	1,175	27	(1)	0	0	1,202
Impairment	58	67	15	(0)	0	-	81
TOTAL NET VALUES	648	1,109	13	(0)	(0)	0	1,121

8.3 Net cash position

The Hermès Group's policy is to maintain a positive treasury position and to have cash available in order to be able to finance its growth strategy independently.

Hermès International's treasury department directly manages the Group's cash surpluses and needs. It follows a prudent policy aimed at avoiding any risk of capital loss and maintaining a satisfactory liquidity position.

Net cash position is distributed as follows:

Cash surpluses are invested mainly in money-market mutual funds and cash equivalents (term accounts, term deposits) with a sensitivity of less than 0.5% and a recommended investment period of less than three months.

<i>In millions of euros</i>	30/06/2023	31/12/2022	30/06/2022
Financial assets	9,873	9,746	7,698
Liquidities	1,505	2,028	2,055
Marketable securities	7,845	7,197	5,238
Cash investments with maturity at outset over three months	523	521	405
Financial liabilities¹	24	3	14
Medium and long-term financial liabilities	1	1	-
Bank overdrafts	23	2	14
RESTATED NET CASH POSITION	9,848	9,742	7,685

(1) Excluding commitments to buy out non-controlling interests.

The gains and losses generated through disposal of marketable securities during the half-year and recorded through profit or loss amounted to €+1 million. Unrealised gains or losses on the outstanding portfolio as at 30 June 2023 stood at €+13 million.

NOTE 9 MANAGEMENT OF MARKET RISKS AND DERIVATIVES

The Hermès Group's results are exposed to the risks and uncertainties set out in the 2022 universal registration document. The assessment of these risks did not change during the first half of 2023 and no new risks

The net position of financial instruments on the balance sheet is as follows:

<i>In millions of euros</i>	30/06/2023	31/12/2022	30/06/2022
Net financial derivative assets	303	160	179
Net financial derivative liabilities	(80)	(74)	(213)
NET POSITION OF FINANCIAL DERIVATIVES	223	86	(34)

As at 30 June 2023, the valuation methods for financial instruments were identical to those used as at 31 December 2022.

NOTE 10 EQUITY – EARNINGS PER SHARE**10.1 Share capital**

As at 30 June 2023, Hermès International's share capital consisted of 105,569,412 fully paid-up shares with a par value of €0.51 each, of which 1,030,264 treasury shares.

10.2 Capital management

The Group's objectives, policies and procedures in the area of capital management are in keeping with sound management principles designed to ensure that operations are well-balanced financially and to minimise the use of debt. As its surplus cash position gives it some flexibility, the Group does not use prudential ratios such as "return on equity" in its capital management. During the current financial year, the Group made no change in its capital management policy and objectives.

10.4 Dividends

The General Meeting called to approve the financial statements for the year ended 31 December 2022 approved, on 20 April 2023, the payment of an ordinary dividend of €13.00 per share for the financial year.

have been identified at the date of publication of this report. The Group's foreign exchange policy is based on the management principles described in the 2022 universal registration document.

10.3 Treasury shares

Treasury shares are recorded at acquisition cost and deducted from equity. Gains or losses on the disposal of these shares are recognised directly in equity, with no impact on profit or loss in the financial year.

During the first half of 2023, the following treasury share movements occurred:

- ♦ disposal of 3,067 shares as part of the liquidity contract for €4 million;
- ♦ delivery of 294 free shares awarded to Hermès Group employees.

It is specified that no shares are reserved for issuance under options or agreements to sell shares.

Taking into account the interim cash dividend of €3.50 per share paid on 22 February 2023, a balance of €9.50 was paid in cash on 27 April 2023.

The total amount of the ordinary dividend paid was accordingly €1,359 million.

10.5 Income and expenses recognised in comprehensive income

Movements in derivatives (hedges of future cash flows in foreign currencies) and financial investments break down as follows (after tax):

<i>In millions of euros</i>	H1 2023	Financial year 2022	H1 2022
Revaluation adjustments as at 1 January	546	83	83
Amount transferred to equity in the financial year in respect of derivatives	(23)	87	87
Revaluation of derivatives	123	23	(97)
Revaluation of financial investments	-	333	-
Other deferred foreign exchange gains/(losses) recognised in comprehensive income	(28)	19	20
REVALUATION ADJUSTMENTS AT END OF PERIOD	617	546	93

10.6 Earnings per share

The calculation and reconciliation of basic earnings per share and diluted earnings per share is as follows:

	H1 2023	Financial year 2022	H1 2022
Numerator (in millions of euros)			
Net income attributable to owners of the parent	2,226	3,367	1,641
Denominator (in number of shares)			
Average number of shares outstanding during the period	105,569,412	105,569,412	105,569,412
Average number of treasury shares during the period	(1,030,147)	(1,004,683)	(976,827)
Average number of shares before dilution	104,539,265	104,564,729	104,592,585
BASIC EARNINGS PER SHARE (in euros)	21.29	32.20	15.69
Dilutive effect of free share allocation plans	158,649	371,566	357,763
Average number of shares after dilution	104,697,914	104,936,295	104,950,348
DILUTED EARNINGS PER SHARE (in euros)	21.26	32.09	15.64
Average share price	€1,825	€1,264	€1,196

NOTE 11 PROVISIONS FOR RISKS AND EXPENSES AND OFF-BALANCE SHEET COMMITMENTS

11.1 Provisions

In millions of euros	30/06/2022	31/12/2022	Allocations	Reversals	Exchange rate impact	Other and reclassifications	30/06/2023
Current provisions	129	133	21	(21)	(2)	(1)	130
Non-current provisions	29	30	0	(2)	(2)	2	28
TOTAL	158	163	21	(23)	(4)	1	158

Current provisions concern provisions for risks, disputes and litigation, as well as provisions to cover the share of the negative position of equity-accounted associates (see Note 7). Non-current provisions mainly include provisions for restoration. Reversals used amounted to €11 million.

Other movements correspond essentially to provisions for restoration costs, established or revised during the financial year in return for the right-of-use asset, which is amortised over the term of the leases (see Note 6.2).

11.2 Off-balance sheet commitments

There was no material change in off-balance sheet commitments during the half-year.

NOTE 12 RELATED-PARTY TRANSACTIONS

Relations between the Hermès Group and related companies during the first half of 2023 were comparable with those of financial year 2022. Specifically, no unusual transaction, by its nature or amount, was carried out during the period.

NOTE 13 EVENTS AFTER THE REPORTING PERIOD

No significant events have occurred since the closing date at 30 June 2023.

4. STATUTORY AUDITORS' REVIEW REPORT ON THE HALF-YEARLY FINANCIAL INFORMATION

This is a free translation into English of the statutory auditors' review report on the half-yearly financial information issued in French and is provided solely for the convenience of English-speaking users. This report includes information relating to the specific verification of information given in the Group's half-yearly management report. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

For the period from January 1, 2023 to June 30, 2023

To the Shareholders,

In compliance with the assignment entrusted to us by General Meeting and in accordance with the requirements of article L. 451-1-2 III of the French Monetary and Financial Code ("*Code monétaire et financier*"), we hereby report to you on:

- ◆ the review of the accompanying condensed half-yearly consolidated financial statements of Hermès International, for the period from January 1, 2023 to June 30, 2023 ;
- ◆ the verification of the information presented in the half-yearly management report.

These condensed half-yearly consolidated financial statements are the responsibility of the Executive Management. Our role is to express a conclusion on these financial statements based on our review.

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1. CONCLUSION ON THE FINANCIAL STATEMENTS

We conducted our review in accordance with professional standards applicable in France.

A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-yearly consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34- standard of the IFRSs as adopted by the European Union applicable to interim financial information.

2. SPECIFIC VERIFICATION

We have also verified the information presented in the half-yearly management report on the condensed half-yearly consolidated financial statements subject to our review.

We have no matters to report as to its fair presentation and consistency with the condensed half-yearly consolidated financial statements.

Neuilly-sur-Seine, 27 July 2023

The Statutory Auditors

PricewaterhouseCoopers Audit

Amélie Wattel

Grant Thornton Audit

Vincent Frambourt

5. STATEMENT BY THE PERSONS RESPONSIBLE FOR THE HALF-YEAR FINANCIAL REPORT

We hereby certify that, to the best of our knowledge, the condensed interim consolidated financial statements were prepared in accordance with the applicable accounting standards, and that they give a true and fair view of the assets, financial position and results of the Company and of all companies within its scope of consolidation, and that the half-year business report on page 5 presents a fair view of the significant events occurring during the first six months of the financial year, their impact on the financial statements, and the main related-party transactions, as well as a description of the main risks and uncertainties for the remaining six months of the financial year.

Paris, 27 July 2023

Executive Management

Axel Dumas

Henri-Louis Bauer
Representative of Émile Hermès SAS

Hermès International

Société en commandite par actions (partnership limited by shares) with share capital of €53,840,400.12

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