

*Half-year information report as at the end of June 2023*

## **Outstanding performance in sales and results in the first half**

Revenue increased by 25% at constant rates and by 22% at current rates  
Recurring operating income reached €2,947 million (i.e. 44% of sales)  
Net income amounted to €2,226 million, an increase of 36%

Paris, 28 July 2023

The group's consolidated revenue in the first half of 2023 amounted to €6,698 million, up 25% at constant exchange rates and 22% at current 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).

In the second quarter, sales reached €3,317 million, increasing by 28% at constant exchange rates and by 22% at current exchange rates, with a strong momentum across all business lines and all regions.

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.”*

### **Sales by geographical area at the end of June**

*(at comparable exchange rates, unless otherwise indicated)*

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 2<sup>nd</sup> 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 business line at the end of June

(at comparable exchange rates, unless otherwise indicated)

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 2<sup>nd</sup> 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 7<sup>th</sup> 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.

## Outstanding results in H1 2023

Recurring operating income increased by 28% to €2,947 million compared to €2,304 million in H1 2022. Thanks to the leverage effect generated by strong sales growth and the positive currency impact, the recurring operating profitability reached 44%, compared to 42% at the end of June 2022.

Consolidated net profit (group share) amounted to €2,226 million (33% of sales) compared to €1,641 million in H1 2022, an increase of 36% thanks notably to improved cash remuneration conditions.

The cash flow related to operating activities amounted to €2,106 million, compared to €1,740 million in the first half of 2022. After operational investments (€249 million) and repayment of lease liabilities (€137 million), the adjusted free cash flow reached €1,720 million.

After distribution of the ordinary dividend (€1,359 million), the restated net cash position amounted to €9,848 million at 30 June 2023.

## A responsible, sustainable model

In line with its commitments as a responsible employer, the Hermès group continued to recruit and increased its workforce by more than 900 people, including more than 500 in France, in the first half. At the end of June 2023, the Group employed 20,607 people, including 12,875 in France.

In order to involve all employees in its development and successes, the group announced in June the 6<sup>th</sup> free share plan which will enable all employees worldwide to become shareholders.

Committed to the excellence and transmission of our know-how, the house continues to develop internal training programmes. The *École Hermès des Savoir-Faire* has rolled out its Vocational Training Center (*CFA*), which delivers the *CAP Maroquinier*, at the Guyenne (Gironde) site and has launched a new certifying training course for the profession of cutter.

The house continues to promote inclusion and diversity, and has 6.85% of employees with disabilities in France.

The leather goods production sites of Louviers and la Sormonne inaugurated this semester are today the first two industrial buildings in France to be E4C2 certified, a label which assesses environmental performance according to energy consumption and carbon emissions. They reflect the responsible construction standard developed by the house, which is particularly demanding in terms of carbon footprint, air quality, local sourcing, biodiversity and environmental health, thus contributing to our objective of halving the carbon footprint per square metre built by 2030, compared to 2018.

Finally, on 28 June 2023, the Hermès Group received the Grand Prix CAC Large 60 Transparency Award for the quality of regulated information.

## 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 know-how and singular communication.

Inspiration of the creation at Hermès, *Astonishment* is the theme of the year. The ability to be surprised is a constant source of innovation and dynamism for the house, which will continue to accompany clients with enthusiasm and creativity across 2023.

*Limited review procedures have been carried out on the condensed interim consolidated financial statements by the Statutory Auditors in accordance with applicable regulations.*

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

**Upcoming events:**

- 24 October 2023: Q3 2023 revenue publication
- 9 February 2024: 2023 full-year results publication
- 25 April 2024: Q1 2024 revenue publication
- 30 April 2024: General Meeting of shareholders

## FIRST HALF 2023 KEY FIGURES

| <i>In millions of euros</i>                                     | H1 2023      | 2022          | H1 2022      |
|---|--------------|---------------|--------------|
| <b>Revenue</b>  | <b>6,698</b> | <b>11,602</b> | <b>5,475</b> |
| <i>Growth at current exchange rates vs. n-1</i>                 | 22.3%        | 29.2%         | 29.3%        |
| <i>Growth at constant exchange rates vs. n-1</i> <sup>(1)</sup> | 25.2%        | 23.4%         | 23.2%        |
| <b>Recurring operating income</b> <sup>(2)</sup>                | <b>2,947</b> | <b>4,697</b>  | <b>2,304</b> |
| <i>As a % of revenue</i>  | 44.0%        | 40.5%         | 42.1%        |
| <b>Operating income</b>   | <b>2,947</b> | <b>4,697</b>  | <b>2,304</b> |
| <i>As a % of revenue</i>  | 44.0%        | 40.5%         | 42.1%        |
| <b>Net profit – Group share</b>                                 | <b>2,226</b> | <b>3,367</b>  | <b>1,641</b> |
| <i>As a % of revenue</i>  | 33.2%        | 29.0%         | 30.0%        |
| Operating cash flows  | 2,615        | 4,111         | 2,001        |
| Investments (excluding financial investments)                   | 249          | 518           | 190          |
| Adjusted free cash flow <sup>(3)</sup>                          | 1,720        | 3,405         | 1,421        |
| Equity – Group share  | 13,249       | 12,440        | 10,259       |
| Net cash position <sup>(4)</sup>                                | 9,326        | 9,223         | 7,280        |
| Restated net cash position <sup>(5)</sup>                       | 9,848        | 9,742         | 7,685        |
| Workforce (number of employees)                                 | 20,607       | 19,686        | 18,428       |

<sup>(1)</sup> Growth at constant exchange rates is calculated by applying the average exchange rates of the previous period to the current period's revenue, for each currency.

<sup>(2)</sup> Recurring operating income is one of the main performance indicators monitored by the group's General Management. It corresponds to the operating income excluding non-recurring items having a significant impact likely to affect the understanding of the group's economic performance.

<sup>(3)</sup> Adjusted free cash flow corresponds to the sum of operating cash flows and change in working capital requirement, less operating investments and repayment of lease liabilities, as per IFRS cash flow statement.

<sup>(4)</sup> The net cash position includes cash and cash equivalents on the asset side of the balance sheet, less bank overdrafts presented within the short-term borrowings and financial liabilities on the liability side of the balance sheet. It does not include lease liabilities recognised in accordance with IFRS 16.

<sup>(5)</sup> The restated net cash position corresponds to the net cash position, plus cash investments that do not meet IFRS criteria for cash equivalents as a result of their original maturity of more than three months, minus borrowings and financial liabilities.

**REVENUE BY GEOGRAPHICAL AREA <sup>(a)</sup>**

| <i>In millions of Euros</i> | First half   |              | Evolution /2022 |                            |
|-----------------------------|--------------|--------------|-----------------|----------------------------|
|                             | 2023         | 2022         | Published       | At constant exchange rates |
| France                      | 593          | 480          | 23.5 %          | 23.5 %                     |
| Europe (excl. France)       | 836          | 696          | 20.0 %          | 21.5 %                     |
| <b>Total Europe</b>         | <b>1,428</b> | <b>1,176</b> | <b>21.4 %</b>   | <b>22.3 %</b>              |
| Japan                       | 636          | 546          | 16.4 %          | 26.0 %                     |
| Asia-Pacific (excl. Japan)  | 3,297        | 2,665        | 23.7 %          | 27.6 %                     |
| <b>Total Asia</b>           | <b>3,932</b> | <b>3,211</b> | <b>22.5 %</b>   | <b>27.3 %</b>              |
| Americas                    | 1,185        | 982          | 20.7 %          | 19.9 %                     |
| Other                       | 151          | 106          | 43.0 %          | 42.4 %                     |
| <b>TOTAL</b>                | <b>6,698</b> | <b>5,475</b> | <b>22.3 %</b>   | <b>25.2 %</b>              |

| <i>In millions of Euros</i> | 2 <sup>nd</sup> quarter |              | Evolution /2022 |                            |
|-----------------------------|-------------------------|--------------|-----------------|----------------------------|
|                             | 2023                    | 2022         | Published       | At constant exchange rates |
| France                      | 320                     | 266          | 20.1 %          | 20.1 %                     |
| Europe (excl. France)       | 444                     | 369          | 20.3 %          | 22.1 %                     |
| <b>Total Europe</b>         | <b>764</b>              | <b>636</b>   | <b>20.2 %</b>   | <b>21.3 %</b>              |
| Japan                       | 314                     | 269          | 16.7 %          | 25.9 %                     |
| Asia-Pacific (excl. Japan)  | 1,534                   | 1,218        | 26.0 %          | 33.7 %                     |
| <b>Total Asia</b>           | <b>1,848</b>            | <b>1,487</b> | <b>24.3 %</b>   | <b>32.3 %</b>              |
| Americas                    | 629                     | 533          | 18.0 %          | 20.5 %                     |
| Other                       | 77                      | 55           | 38.8 %          | 38.2 %                     |
| <b>TOTAL</b>                | <b>3,317</b>            | <b>2,710</b> | <b>22.4 %</b>   | <b>27.5 %</b>              |

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

**REVENUE BY SECTOR**

| <i>In millions of Euros</i>                  | First half   |              | Evolution /2022 |                            |
|--|--------------|--------------|-----------------|----------------------------|
|  | 2023         | 2022         | Published       | At constant exchange rates |
| Leather Goods and Saddlery <sup>(1)</sup>    | 2,780        | 2,358        | 17.9 %          | 20.8 %                     |
| Ready-to-wear and Accessories <sup>(2)</sup> | 1,922        | 1,458        | 31.8 %          | 34.8 %                     |
| Silk and Textiles                            | 444          | 372          | 19.4 %          | 22.4 %                     |
| Other Hermès sectors <sup>(3)</sup>          | 836          | 648          | 29.0 %          | 32.1 %                     |
| Perfume and Beauty                           | 249          | 230          | 8.3 %           | 9.5 %                      |
| Watches                                      | 317          | 262          | 21.0 %          | 24.3 %                     |
| Other products <sup>(4)</sup>                | 150          | 146          | 2.2 %           | 4.1 %                      |
| <b>TOTAL</b>                                 | <b>6,698</b> | <b>5,475</b> | <b>22.3 %</b>   | <b>25.2 %</b>              |

| <i>In millions of Euros</i>                  | 2 <sup>nd</sup> quarter |              | Evolution /2022 |                            |
|--|-------------------------|--------------|-----------------|----------------------------|
|  | 2023                    | 2022         | Published       | At constant exchange rates |
| Leather Goods and Saddlery <sup>(1)</sup>    | 1,371                   | 1,162        | 18.0 %          | 23.2 %                     |
| Ready-to-wear and Accessories <sup>(2)</sup> | 972                     | 748          | 29.9 %          | 35.1 %                     |
| Silk and Textiles                            | 209                     | 174          | 20.5 %          | 25.8 %                     |
| Other Hermès sectors <sup>(3)</sup>          | 415                     | 318          | 30.3 %          | 36.1 %                     |
| Perfume and Beauty                           | 123                     | 111          | 10.7 %          | 12.4 %                     |
| Watches                                      | 152                     | 128          | 18.3 %          | 24.2 %                     |
| Other products <sup>(4)</sup>                | 75                      | 69           | 9.3 %           | 12.3 %                     |
| <b>TOTAL</b>                                 | <b>3,317</b>            | <b>2,710</b> | <b>22.4 %</b>   | <b>27.5 %</b>              |

<sup>(1)</sup> The “Leather Goods and Saddlery” business line includes bags, riding, memory holders and small leather goods.

<sup>(2)</sup> The “Ready-to-wear and Accessories” business line includes Hermès Ready-to-wear for men and women, belts, costume jewellery, gloves, hats and shoes.

<sup>(3)</sup> The “Other Hermès business lines” include Jewellery and Hermès home products (Art of Living and Hermès Tableware).

<sup>(4)</sup> The “Other products” include the production activities carried out on behalf of non-group brands (textile printing, tanning...), as well as John Lobb, Saint-Louis and Puiforcat.

**REMINDER – 1<sup>ST</sup> QUARTER 2023****REVENUE BY GEOGRAPHICAL ZONE <sup>(a)</sup>**

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

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

**REVENUE BY SECTOR**

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

<sup>(1)</sup> The “Leather Goods and Saddlery” business line includes bags, riding, memory holders and small leather goods.

<sup>(2)</sup> The “Ready-to-wear and Accessories” business line includes Hermès Ready-to-wear for men and women, belts, costume jewellery, gloves, hats and shoes.

<sup>(3)</sup> The “Other Hermès business lines” include Jewellery and Hermès home products (Art of Living and Hermès Tableware).

<sup>(4)</sup> The “Other products” include the production activities carried out on behalf of non-group brands (textile printing, tanning...), as well as John Lobb, Saint-Louis and Puiforcat.



## APPENDIX – EXTRACT FROM FIRST HALF CONSOLIDATED ACCOUNTS

## CONSOLIDATED INCOME STATEMENT

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

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| <i>In millions of euros</i>   | H1 2023      | Financial year<br>2022 | H1 2022      |
|---|--------------|------------------------|--------------|
| <b>Consolidated net income</b>  | <b>2,234</b> | <b>3,380</b>           | <b>1,647</b> |
| Changes in foreign currency adjustments <sup>1</sup>  | (115)        | 126                    | 182          |
| Hedges of future cash flows in foreign currencies <sup>1,2</sup>                                | 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 <sup>2</sup>   | -            | 333                    | -            |
| Employee benefit obligations: change in value linked to actuarial gains and losses <sup>2</sup> | (1)          | 41                     | 1            |
| <b>Net comprehensive income</b>   | <b>2,189</b> | <b>4,009</b>           | <b>1,840</b> |
| ▪ <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.

# CONSOLIDATED BALANCE SHEET

## ASSETS

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

## LIABILITIES

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

## 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 |               |   |                           |        |
| <b>As at 1 January 2022</b>                             | <b>105,569,412</b> | <b>54</b>     | <b>50</b>     | <b>(551)</b>    | <b>9,712</b>  | <b>(125)</b>               | <b>178</b>                   | <b>188</b>              | <b>(105)</b>                                      | <b>9,400</b>  | <b>12</b>                                   | <b>9,412</b>              |        |
| 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                       |        |
| <b>Comprehensive income for the first half of 2022</b>  | <b>-</b>           | <b>-</b>      | <b>-</b>      | <b>-</b>        | <b>1,641</b>  | <b>1</b>                   | <b>181</b>                   | <b>-</b>                | <b>10</b>   | <b>1,833</b>  | <b>7</b>                                    | <b>1,840</b>              |        |
| 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)                      |        |
| <b>AS AT 30 JUNE 2022</b>                               | <b>105,569,412</b> | <b>54</b>     | <b>50</b>     | <b>(672)</b>    | <b>10,500</b>   | <b>(124)</b>               | <b>359</b>                   | <b>188</b>              | <b>(95)</b>                                       | <b>10,259</b> | <b>14</b>                                   | <b>10,273</b>             |        |
| 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                       |        |
| <b>Comprehensive income for the second half of 2022</b> | <b>-</b>           | <b>-</b>      | <b>-</b>      | <b>-</b>        | <b>1,726</b>  | <b>39</b>                  | <b>(55)</b>                  | <b>333</b>              | <b>120</b>  | <b>2,163</b>  | <b>6</b>                                    | <b>2,169</b>              |        |
| 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)                      |        |
| <b>As at 31 December 2022</b>                           | <b>105,569,412</b> | <b>54</b>     | <b>50</b>     | <b>(674)</b>    | <b>12,247</b>   | <b>(85)</b>                | <b>303</b>                   | <b>521</b>              | <b>25</b>   | <b>12,440</b> | <b>16</b>                                   | <b>12,457</b>             |        |
| 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)                      |        |
| <b>Comprehensive income for the first half of 2023</b>  | <b>-</b>           | <b>-</b>      | <b>-</b>      | <b>-</b>        | <b>2,226</b>  | <b>(1)</b>                 | <b>(116)</b>                 | <b>-</b>                | <b>72</b>   | <b>2,180</b>  | <b>9</b>                                    | <b>2,189</b>              |        |
| 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)                      |        |
| <b>AS AT 30 JUNE 2023</b>                               | <b>105,569,412</b> | <b>54</b>     | <b>50</b>     | <b>(670)</b>    | <b>13,097</b>   | <b>(86)</b>                | <b>188</b>                   | <b>521</b>              | <b>96</b>   | <b>13,249</b> | <b>(5)</b>                                  | <b>13,244</b>             |        |

## CONSOLIDATED STATEMENT OF CASH FLOWS

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