2023 Full-Year Results

9 February 2024
PERFORMANCE OF THE CRAFTSMANSHIP AND ENTREPRENEURSHIP MODEL

QUALITY AND DURABILITY
Exceptional materials >80
Products designed to last
Craftsmen >7,000
Repairs in workshops >200,000

CREATIVITY AND SAVOIR-FAIRE
Abundant creativity
A unique style >50,000 references
Unique know-how and innovation
4 diplomas awarded, including a CFA in leather goods
21 Best Craftspeople in France

INTEGRATION AND EXCLUSIVITY
Strong vertical integration
55% of objects made in in-house and exclusive workshops
Local anchoring
74% of objects produced in France
Multi-local and exclusive distribution network
294 stores in 45 countries

REVENUE
€13.4 BILLION
+21% at constant exchange rates

OPERATING INVESTMENTS
€1.9 BILLION
over 3 years of which above 60% in France

JOB CREATION
X2 IN 10 YEARS
64% in France

EMPLOYMENT AND RESPONSIBILITY
Job creation
> 22,000 employees of which 13,700 in France
Sharing value
Exceptional bonus of €4,000
18,000 shareholder employees following the 6th free share plan

2023 Full-Year Results
Highlights
ABUNDANT CREATIVITY AND UNIQUE KNOW-HOW

- Enrichment of the leather goods collection with the models *Arçon, Della Cavalleria Élan* or the *Haut à Courroies Multipockets* bag

- Successful *Women’s and Men’s Ready-to-Wear* collections

- Format and design dynamics of the *silk collections*

- Presentation of the *Chaîne d’ancre* jewellery collection

- New versions of the *Hermès H08* watch

- Launch of the 5th chapter of Beauty, *Le Regard Hermès*

- Successful launches of the *Un Jardin à Cythère* and *Tutti Twilly* perfumes
DEVELOPMENT OF PRODUCTION CAPACITIES (1/2)

• Two leather goods workshop openings:
  › Louviers (Eure) and la Sormonne (Ardennes), E4C2-certified
  › Expansion of the Saint-Junien (Haute-Vienne) glove and leather goods workshop

• Four ongoing leather goods workshop projects:
  › Riom (Puy-de-Dôme), scheduled in 2024
  › L’Isle-d’Espagnac (Charente), scheduled in 2025
  › Loupes (Gironde), scheduled in 2026
  › Charleville-Mézières (Ardennes), scheduled in 2027
DEVELOPMENT OF PRODUCTION CAPACITIES (2/2)

• Strengthening of capacity investments in all the métiers:
  › A new printing line in the Textile division of the Pierre-Bénite site
  › Development of the Hermès Manufacture des Métaux company, specialised in metal pieces
  › Expansion of the Hermès Perfume & Beauty site in Normandy
  › Beyrand site expansion project for Tableware

• Securing supply:
  › Acceleration of vertical integration projects in all the métiers
  › Acquisition of minority interests in some of our historical partners
EXCLUSIVITY: AN INTEGRATED AND OMNICHANNEL DISTRIBUTION NETWORK (1/2)

• Continued operating investments in the multi-local distribution network

• Opening of new stores:
  › Naples, Aspen and Los Angeles Topanga (United States)
  › Tianjin and Chengdu (China)

• Expansion and renovation of stores:
  › Chicago and Las Vegas Bellagio (United States)
  › Vienna (Austria), Bordeaux (France) and Crans-Montana (Switzerland)
  › Beijing Peninsula (China), the Shilla Hotel in Seoul (Korea), Sapporo and Kyoto Takashimaya (Japan)
EXCLUSIVITY: AN INTEGRATED AND OMNICHANNEL DISTRIBUTION NETWORK (2/2)

• A solid performance of e-commerce sales worldwide:
  › Opening of the new digital platform in Brazil
  › New omnichannel services and a wider range of products available

• Strengthening of the supply chain in all geographical areas

• Strong growth of travel retail
SINGULAR COMMUNICATION

• Presenting Hermès in an authentic and unconventional manner:
  › *Hermès in the Making* in Lille, Chicago and Bangkok
  › *On the Wings of Hermès* in Los Angeles, Hong Kong and Shanghai
  › *Héritage In Motion* in São Paulo
  › *Le Kiosque du Monde d’Hermès* notably in Lisbon and Hong Kong
  › *Saut Hermès* at the *Grand Palais Éphémère* in Paris

• Rediscovering the 16 métiers of the house:
  › *Please Check In* in Seoul
  › Men’s universe in Aspen and women’s universe in Beijing
  › *Parade* event around Homeware in Seoul
  › *petit h* in Beijing and Osaka
  › Silk events: *Brides de Galaxy* in London, *Par un beau soir de carrés* in Brussels
  › *Pony Dance* event in Athens, Panama City and Manila
Sustainable and Responsible Development
A SUSTAINABLE AND RESPONSIBLE BUSINESS MODEL

PEOPLE AT THE HEART OF OUR VALUES

Acceleration of job creation and sharing value
Rate of people with disabilities >6%

CLIMATE STRATEGY

Reduction in greenhouse gas emissions between 2018 and 2030 (validated by SBTi):
-50.4% in absolute value scopes 1&2
-58.1% in intensity scope 3
100% renewable electricity in 2025 in our own operations

LOCAL ANCHORING

Responsible real estate standard:
2 leather goods workshops
E4C2-certified
Systemic alignment of new projects
60 production and training sites in France

PRESERVATION OF NATURAL RESOURCES

Initiation of SBTN process
Responsible supply chains: process leading to certification for 44 purchasing sectors by 2024
Circular economy
• Acceleration of job creation and sharing value:
  › 22,040 employees, including 62% in France at the end of December 2023, an increase of 2,400 employees, including 1,400 in France
  › 6th free share plan, enabling all employees to become shareholders, and worldwide bonus in respect of 2023

• Transmission of savoir-faire and local anchoring:
  › Deployment of the École Hermès des savoir-faire in 8 regional training centres in France with diploma courses (Leather goods, Cutting and Stitching)

• Commitment to diversity and inclusion:
  › 6.85% rate of directly employed people with disabilities in France and Signature of the 3rd Group Disability Agreement
  › Gender equality Index in France: 95/100
  › Group agreement on work-life balance (caregivers, parenthood and vulnerabilities)
COMMITMENTS TO CLIMATE AND PRESERVATION OF RESOURCES

- In line with the climate trajectory below 1.5°C (validated by SBTi):
  - Reduction by 30% of scopes 1 and 2 emissions in absolute value in 2023 vs 2022
  - Publication of the Climate Transition Plan
  - Standard for high environmental and social performance real estate

- Preservation of natural resources:
  - Initiation of the Science Based Targets for Nature (SBTN) process to set scientific targets for Nature
  - Publication of the Forests policy
  - Water management: -62% in industrial water consumption intensity over 10 years, in line with the target of -5% per year in intensity

- Strengthening circular economy principles:
  - Life Cycle Analysis on 100% of the House’s most emblematic products by 2025
  - >80% of leather goods division’s suppliers LWG (Leather Working Group) certified
  - Engagement for eco-design, reusing and recycling across our entire value chain
SOCIAL, SOCIETAL AND ENVIRONMENTAL PERFORMANCE RECOGNISED

GLOBAL EVALUATIONS

MSCI AA

SUSTAINALYTICS #2 Textiles and Apparel

Moody’s ESG Solutions Advanced

THEMATIC EVALUATIONS

« A List » Climate A / Water A

Grand Prix Emploi 2023 for the 3rd time

Transparency Awards Award « CAC Large 60 »
Activity
ACTIVITY

- Sales in 2023 reached **€13.4 billion**, (+21% at constant exchange rates and +16% at current exchange rates)

- All the regions posted solid performances, with **consistent growth around 20%**

- **Strong momentum in all the métiers** with double-digit growth

- Sales in the 4th quarter amounted to **€3.4 billion** (+17.5% at constant exchange rates and +12.5% at current exchange rates), thanks to sustained activity in the United States as well as in Asia
Revenue by Geographical Area
## Revenue by Geographical Area

<table>
<thead>
<tr>
<th>Region</th>
<th>2023 (in €m)</th>
<th>Change at constant rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>France</td>
<td>1,274</td>
<td>20%</td>
</tr>
<tr>
<td>Europe (excl. France)</td>
<td>1,818</td>
<td>20%</td>
</tr>
<tr>
<td><strong>EUROPE</strong></td>
<td><strong>3,093</strong></td>
<td><strong>20%</strong></td>
</tr>
<tr>
<td>Japan</td>
<td>1,260</td>
<td>26%</td>
</tr>
<tr>
<td>Asia-Pacific (excl. Japan)</td>
<td>6,273</td>
<td>19%</td>
</tr>
<tr>
<td><strong>ASIA</strong></td>
<td><strong>7,533</strong></td>
<td><strong>20%</strong></td>
</tr>
<tr>
<td>Americas</td>
<td>2,502</td>
<td>21%</td>
</tr>
<tr>
<td>Other</td>
<td>299</td>
<td>44%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>13,427</strong></td>
<td><strong>21%</strong></td>
</tr>
</tbody>
</table>
**Revenue by Geographical Area**

- **Japan**: 10% / 10%
- **France**: 9% / 9%
- **Europe (excl. France)**: 13% / 13%
- **Americas**: 19% / 18%
- **Asia-Pacific (excl. Japan)**: 47% / 48%

**2023 / 2022**
Revenue by Sector
## Revenue by Sector

<table>
<thead>
<tr>
<th>Sector</th>
<th>2023 (in €m)</th>
<th>Change at constant rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leather Goods and Saddlery</td>
<td>5,547</td>
<td>17%</td>
</tr>
<tr>
<td>Ready-to-wear and Accessories</td>
<td>3,879</td>
<td>28%</td>
</tr>
<tr>
<td>Silk and Textiles</td>
<td>932</td>
<td>16%</td>
</tr>
<tr>
<td>Other Hermès sectors</td>
<td>1,653</td>
<td>26%</td>
</tr>
<tr>
<td>Perfume and Beauty</td>
<td>492</td>
<td>12%</td>
</tr>
<tr>
<td>Watches</td>
<td>611</td>
<td>23%</td>
</tr>
<tr>
<td>Other products</td>
<td>313</td>
<td>5%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>13,427</strong></td>
<td><strong>21%</strong></td>
</tr>
</tbody>
</table>
REVENUE BY SECTOR

- **Leather Goods and Saddlery**: 41% / 43%
- **Ready-to-wear and Accessories**: 29% / 27%
- **Silk and Textiles**: 7% / 7%
- **Perfume and Beauty**: 4% / 4%
- **Other Hermès sectors**: 12% / 12%
- **Other products**: 2% / 3%
- **Watches**: 5% / 4%

2023 / 2022
Results
OUTSTANDING SALES AND RESULTS IN 2023

Net income CAGR over 10 years +18.5%
Sales CAGR over 10 years +13.6%
Income Statement
## CONSOLIDATED INCOME STATEMENT

### 2023 Full-Year Results

<table>
<thead>
<tr>
<th></th>
<th>2023</th>
<th>%</th>
<th>2022</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>13,427</td>
<td></td>
<td>11,602</td>
<td></td>
</tr>
<tr>
<td><strong>Cost of sales</strong></td>
<td>(3,720)</td>
<td></td>
<td>(3,389)</td>
<td></td>
</tr>
<tr>
<td><strong>Gross margin</strong></td>
<td>9,708</td>
<td>72.3%</td>
<td>8,213</td>
<td>70.8%</td>
</tr>
<tr>
<td><strong>Communication</strong></td>
<td>(607)</td>
<td>(4.5)%</td>
<td>(525)</td>
<td>(4.5)%</td>
</tr>
<tr>
<td><strong>Other sales and administrative expenses</strong></td>
<td>(2,561)</td>
<td>(19.1)%</td>
<td>(2,155)</td>
<td>(18.6)%</td>
</tr>
<tr>
<td><strong>Other income and expenses</strong></td>
<td>(889)</td>
<td>(6.6)%</td>
<td>(836)</td>
<td>(7.2)%</td>
</tr>
<tr>
<td><strong>Recurring operating income</strong></td>
<td>5,650</td>
<td>42.1%</td>
<td>4,697</td>
<td>40.5%</td>
</tr>
<tr>
<td><strong>Operating income</strong></td>
<td>5,650</td>
<td>42.1%</td>
<td>4,697</td>
<td>40.5%</td>
</tr>
</tbody>
</table>

*Change y-o-y* +20%
RECURRING OPERATING PROFITABILITY EVOLUTION

in % of revenue

* Before IFRS16
## CONSOLIDATED INCOME STATEMENT

### 2023 Full-Year Results

<table>
<thead>
<tr>
<th></th>
<th>2023</th>
<th>%</th>
<th>2022</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating income</strong></td>
<td>5,650</td>
<td>42.1%</td>
<td>4,697</td>
<td>40.5%</td>
</tr>
<tr>
<td><strong>Net financial income</strong></td>
<td>190</td>
<td></td>
<td>(62)</td>
<td></td>
</tr>
<tr>
<td><strong>Income tax</strong></td>
<td>(1,623)</td>
<td></td>
<td>(1,305)</td>
<td></td>
</tr>
<tr>
<td>In % of income before tax</td>
<td>27.8%</td>
<td></td>
<td>28.2%</td>
<td></td>
</tr>
<tr>
<td><strong>Net income from associates</strong></td>
<td>105</td>
<td></td>
<td>50</td>
<td></td>
</tr>
<tr>
<td><strong>Non-controlling interests</strong></td>
<td>(12)</td>
<td></td>
<td>(13)</td>
<td></td>
</tr>
<tr>
<td><strong>Net income attributable to owners of the parent</strong></td>
<td>4,311</td>
<td>32.1%</td>
<td>3,367</td>
<td>29.0%</td>
</tr>
<tr>
<td>Change y-o-y</td>
<td>+28%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
**NET PROFITABILITY EVOLUTION**

in % of revenue

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Profitability</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>20.9%</td>
</tr>
<tr>
<td>2015</td>
<td>20.1%</td>
</tr>
<tr>
<td>2016</td>
<td>21.2%</td>
</tr>
<tr>
<td>2017</td>
<td>22.0%</td>
</tr>
<tr>
<td>2018</td>
<td>23.6%*</td>
</tr>
<tr>
<td>2019</td>
<td>22.2%</td>
</tr>
<tr>
<td>2020</td>
<td>21.7**</td>
</tr>
<tr>
<td>2021</td>
<td>27.2%</td>
</tr>
<tr>
<td>2022</td>
<td>29.0%</td>
</tr>
<tr>
<td>2023</td>
<td>32.1%</td>
</tr>
</tbody>
</table>

* 22.7% restated for the capital gain on the disposal of the Galleria in Hong Kong in 2018
** 20.3% restated for a non-current gain relating to the deconsolidation of Shang Xia in 2020
Investments and Cash Flow
OPERATING INVESTMENTS

Stores and distribution
€258 million

Production and divisions
€208 million

Real estate and group projects
€392 million

Total
€859 million

2023 Full-Year Results
<table>
<thead>
<tr>
<th></th>
<th>2023</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating cash flows</td>
<td>5,123</td>
<td>4,111</td>
</tr>
<tr>
<td>Change in working capital</td>
<td>(794)</td>
<td>73</td>
</tr>
<tr>
<td><strong>Cash flows related to operating activities</strong></td>
<td>4,328</td>
<td>4,185</td>
</tr>
<tr>
<td>Operating investments</td>
<td>(859)</td>
<td>(518)</td>
</tr>
<tr>
<td>Repayment of lease liabilities</td>
<td>(277)</td>
<td>(261)</td>
</tr>
<tr>
<td><strong>Adjusted free cash flow</strong></td>
<td>3,192</td>
<td>3,405</td>
</tr>
<tr>
<td>Financial investments</td>
<td>(316)</td>
<td>(21)</td>
</tr>
<tr>
<td>Dividends paid</td>
<td>(1,386)</td>
<td>(852)</td>
</tr>
<tr>
<td>Treasury share buybacks net of disposals</td>
<td>(132)</td>
<td>(116)</td>
</tr>
<tr>
<td>Other changes</td>
<td>65</td>
<td>257</td>
</tr>
<tr>
<td><strong>Change in net cash position</strong></td>
<td>1,422</td>
<td>2,672</td>
</tr>
<tr>
<td><strong>Closing restated net cash position</strong></td>
<td>11,164</td>
<td>9,742</td>
</tr>
<tr>
<td><strong>Opening restated net cash position</strong></td>
<td>9,742</td>
<td>7,070</td>
</tr>
</tbody>
</table>
Simplified Balance Sheet
SIMPLIFIED BALANCE SHEET

2023 Full-Year Results

<table>
<thead>
<tr>
<th></th>
<th>31/12/2023</th>
<th>31/12/2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>10.6</td>
<td>9.2</td>
</tr>
<tr>
<td>Inventories</td>
<td>2.4</td>
<td>5.6</td>
</tr>
<tr>
<td>Other current assets</td>
<td>1.0</td>
<td>1.8</td>
</tr>
<tr>
<td>Non-current liabilities</td>
<td>15.2</td>
<td>20.5</td>
</tr>
<tr>
<td>Shareholders’ equity</td>
<td>17.5</td>
<td>17.5</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>3.2</td>
<td>3.0</td>
</tr>
<tr>
<td>Non-current assets</td>
<td>6.4</td>
<td>17.5</td>
</tr>
<tr>
<td>Assets</td>
<td>20.5</td>
<td>20.5</td>
</tr>
<tr>
<td>Liabilities</td>
<td>20.5</td>
<td>20.5</td>
</tr>
</tbody>
</table>

in €bn
EVOLUTION OF THE DIVIDEND PER SHARE

Exceptional dividend
*In € per share

Ordinary dividend
*For the period
*In € per share

* Subject to approval by the General Meeting of 30 April 2024, including €3.5 interim dividend paid on 15 February 2024
Outlook
OUTLOOK

• In the medium-term, despite economic, geopolitical and monetary uncertainties around the world, the house confirms an ambitious goal for revenue growth at constant exchange rates.

• The group has moved into 2024 with confidence, thanks to the highly integrated artisanal model, the balanced distribution network, the creativity of collections and the loyalty of clients.

• Thanks to its unique business model, Hermès is pursuing its long-term development strategy based on creativity, maintaining control over know-how and singular communication.
2024: IN THE SPIRIT OF THE FAUBOURG, AT THE HEART OF THE HOUSE

- Accelerating job creation in France and worldwide
- Opening of the leather goods factory in Riom (Puy-de-Dôme)
- Store openings and expansions, notably in Princeton (United States), Wuxi and Shenzhen MixC (China) and Lille (France)
- Continued strategic investments in production capacities in all the métiers and further upstream and downstream vertical integration, including the strengthening of its relationship with the historical partner in the Middle East
- Amplification of actions within the value chain in line with commitments against climate change and to preserve natural resources
- Launch of the table service Tressages équestres
- 14th edition of the Saut Hermès at the Grand Palais Éphémère in Paris in March
Questions and Answers