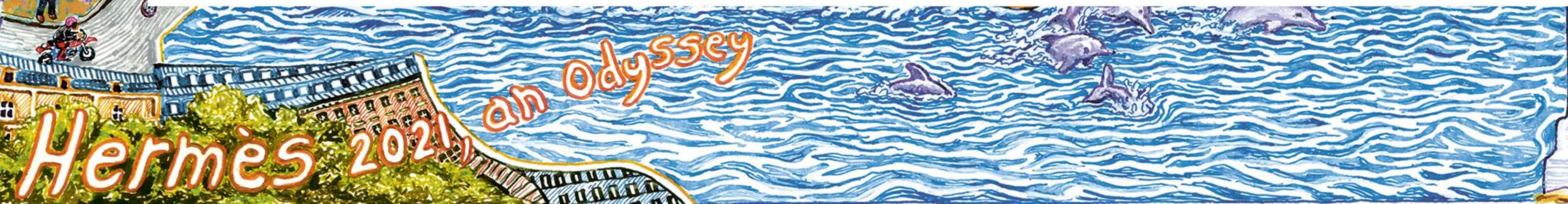




COMBINED GENERAL MEETING

20 APRIL 2022





2021

HIGHLIGHTS AND STRATEGY



2021 HIGHLIGHTS AND STRATEGY

A COMMITTED AND RESPONSIBLE HOUSE OF CREATION

- A house of creation with a distinct style
- The human at the heart of Hermès craftsmanship identity
- An irreproachable quality requirement to create durable objects
- An integrated artisanal production model, with ambitious environmental targets
- A long-term commitment to job creation, territorial anchoring and relationships with our partners
- A balanced growth of our *métiers* and locations around the world



2021 HIGHLIGHTS AND STRATEGY

BOLD CREATION

- Enrichment of the leather goods collection with the models ***Birkin trois en un, Della cavalleria*** and ***Mors de bride***, and the ***RMS*** suitcase
- Successful women's and men's ready-to-wear collections
- Presentation of the jewellery collection ***Kellymorphose***
- Launch of the new men's perfume ***H24***
- Presentation of the new men's watch ***Hermès H08***
- Opening of two new chapters for Beauty with ***Rose Hermès*** in April and ***Les Mains Hermès*** in October
- Launch of the ***Apple Watch series 7***



2021 HIGHLIGHTS AND STRATEGY

DEVELOPMENT OF PRODUCTION CAPACITIES

5

new

workshops
in progress

- Development of regional centres of expertise
- Inaugurations of leather goods workshops in **Montereau** (Seine-et-Marne) in June and **Guyenne** (Gironde) in September
- Continuation of works at **Louviers** (Eure) leather goods workshop for an opening scheduled in 2022
- Laying of the foundation stone of the **Sormonne** (Ardennes) leather goods workshop in September, scheduled for 2023, and continuation of the project in **Riom** (Auvergne) for 2024
- Launch of the 23rd and 24th leather goods projects of the group in **L'Isle-d'Espagnac** (Charente) by 2025 and **Loupes** (Gironde) by 2026
- Opening of a new printing line for the Silk and Textiles business line, as part of the expansion of the **Pierre-Bénite** site near Lyon



2021 HIGHLIGHTS AND STRATEGY

AN INTEGRATED, OMNICHANNEL AND EXCLUSIVE DISTRIBUTION NETWORK (1/2)

- Continued operating investments in the distribution network
- Opening of new stores:
 - › Detroit and Aventura Mall in Florida (United States), Shenzhen Bay (China), Tokyo Omotesando (Japan)
- Expansion and renovation of stores:
 - › Rue de Sèvres in Paris with the permanent set up of petit h and Lyon (France), Milan (Italy) and Zurich (Switzerland)
 - › Brisbane (Australia), Shanghai Plaza 66 and Beijing China World (China), Tokyo Shinjuku Isetan (Japan), American Dream (United States)



2021 HIGHLIGHTS AND STRATEGY

AN INTEGRATED, OMNICHANNEL AND EXCLUSIVE DISTRIBUTION NETWORK (2/2)

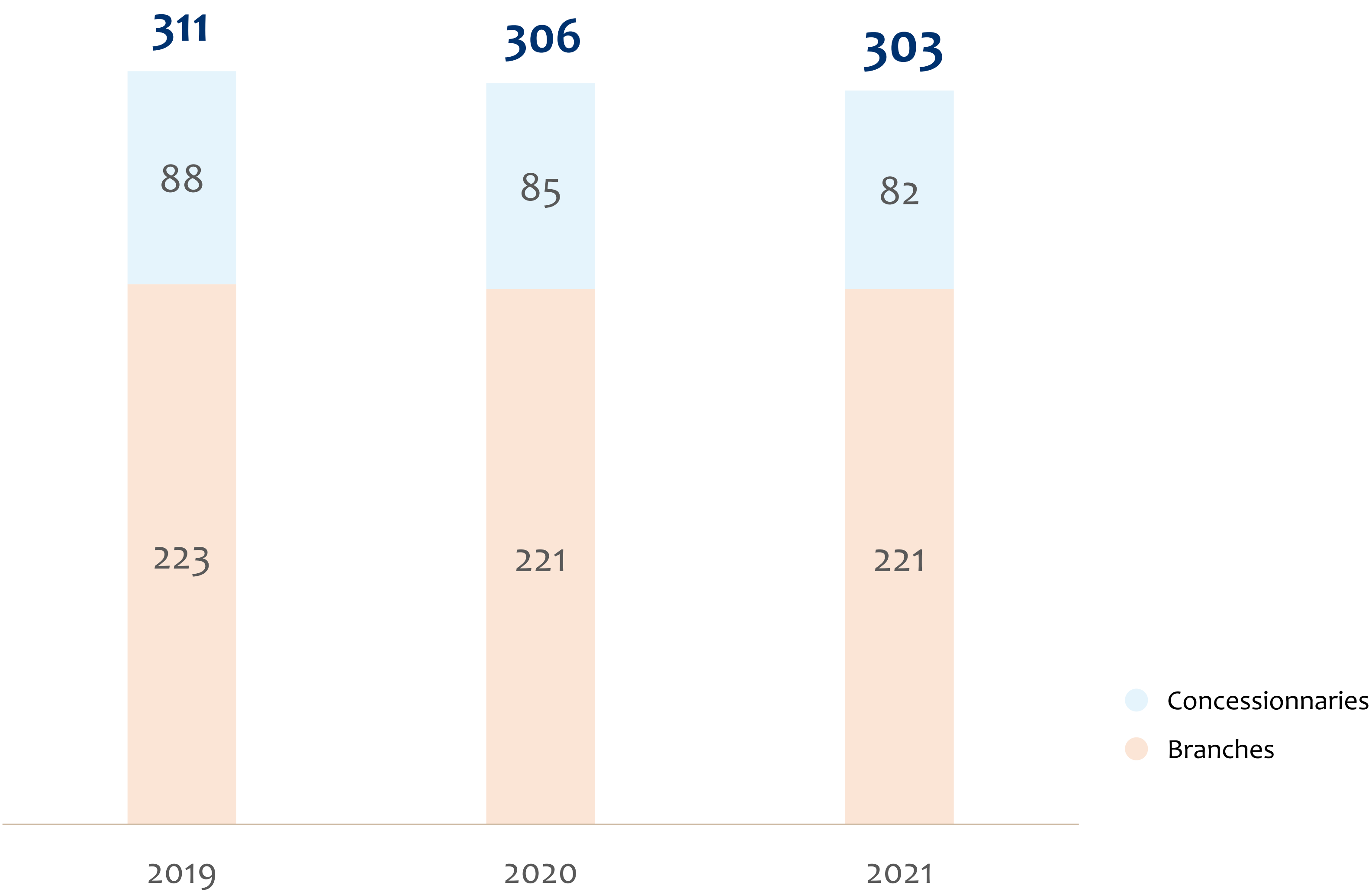
- A strong performance of the e-commerce platform worldwide with the extension to new customers (78%)
- An increasingly wide range of products available on the platform
- New omnichannel services adapted to local customers
- Opening of a new digital platform in Thailand in June



2021 HIGHLIGHTS AND STRATEGY

EVOLUTION OF THE NUMBER OF STORES

303
stores
at the end
of 2021





2021 HIGHLIGHTS AND STRATEGY

A SINGULAR COMMUNICATION

- Creation of new hybrid formats, combining physical and digital presence:
 - › Online performance for men's ready-to-wear
 - › Women's ready-to-wear fashion show split in three acts between New York, Paris and Shanghai
- Celebration of « *being together again* » with events dedicated to the general public and clients:
 - › ***HermèsFit*** in Chengdu, Tokyo, New York, Paris
 - › ***Hermès in the Making*** in Copenhagen
 - › ***Please Check-In*** in Hong-Kong and Dubaï
- Extension of paid media campaign:
 - › ***Hermès Employeur***
 - › ***La Beauté est un geste***
 - › ***Joaillerie cavalière***



A RESPONSIBLE AND SUSTAINABLE DEVELOPMENT

WOMEN & MEN OF HERMÈS

- Hermès responsible employer: acceleration of job creation
- A strong dedication to training and protection of unique gestures:
 - › Creation of the *École Hermès des savoir-faire*, which awards a State diploma in leather work
 - › More than 420 000 hours of training in 2021
- Integration of talents in their diversity:
 - › 60 % of managers are women
 - › Coming into force of the second Group Handicap agreement

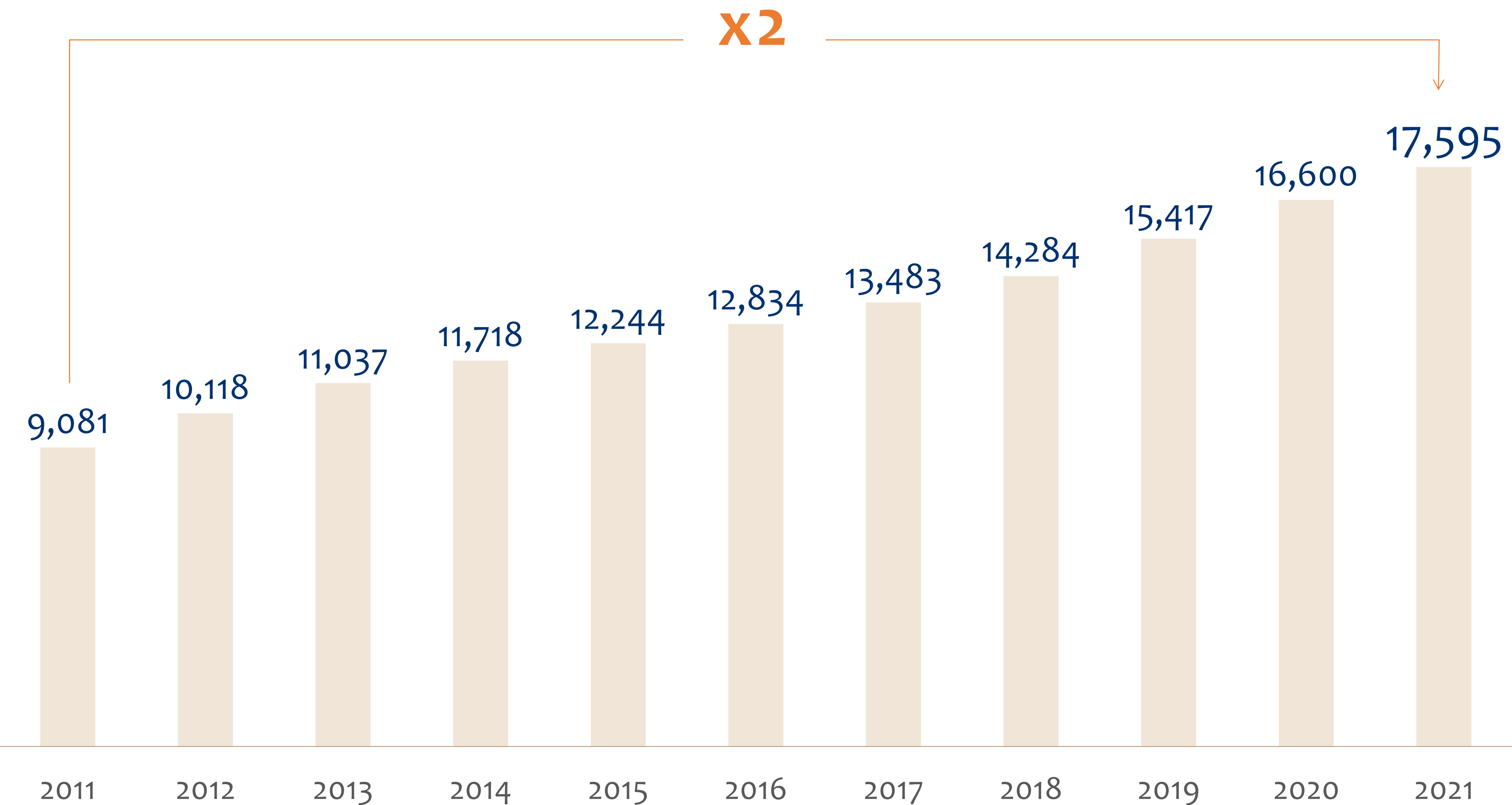
17,600
employees

+ 1,000

€3,000
bonus paid
to all group
employees

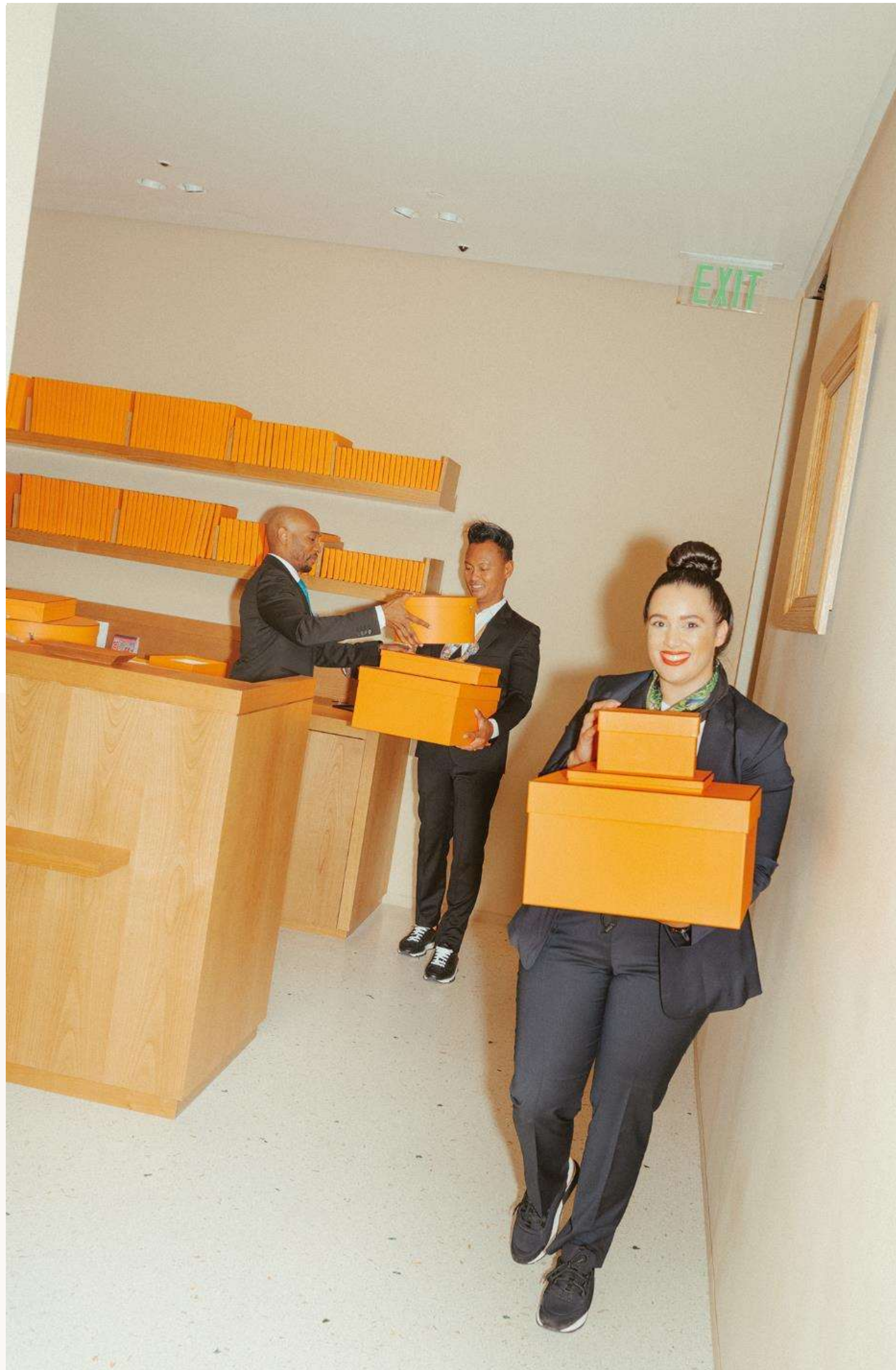
5.7 %
of employees
with a disability

CONTINUATION OF JOB CREATION



11,000
employees
in France

4,800
new employees
in 5 years
including 2/3
in France



RESPONSIBLE AND SUSTAINABLE DEVELOPMENT

WORKFORCE BREAKDOWN BY SECTOR

Support functions

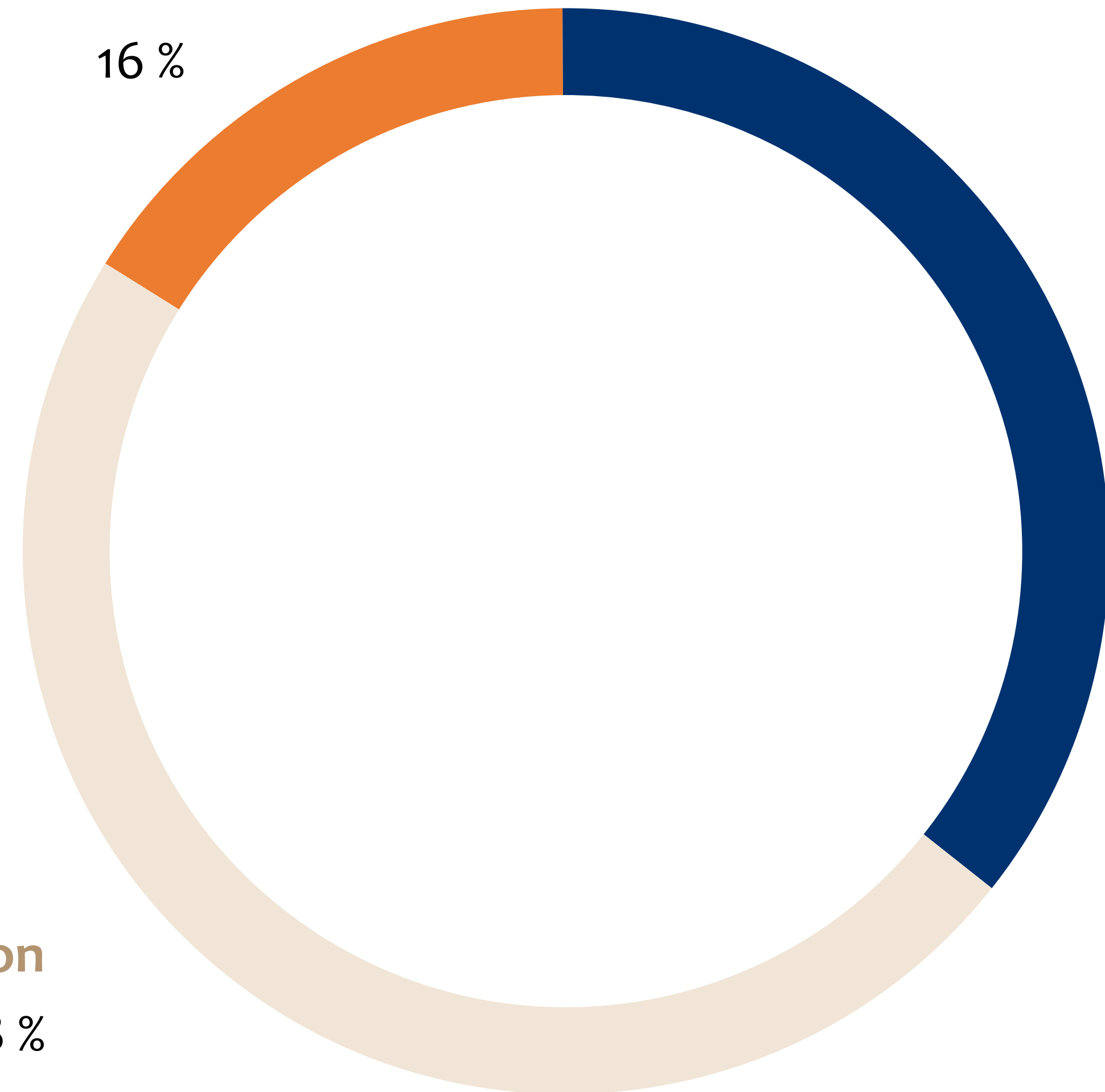
16 %

Sales

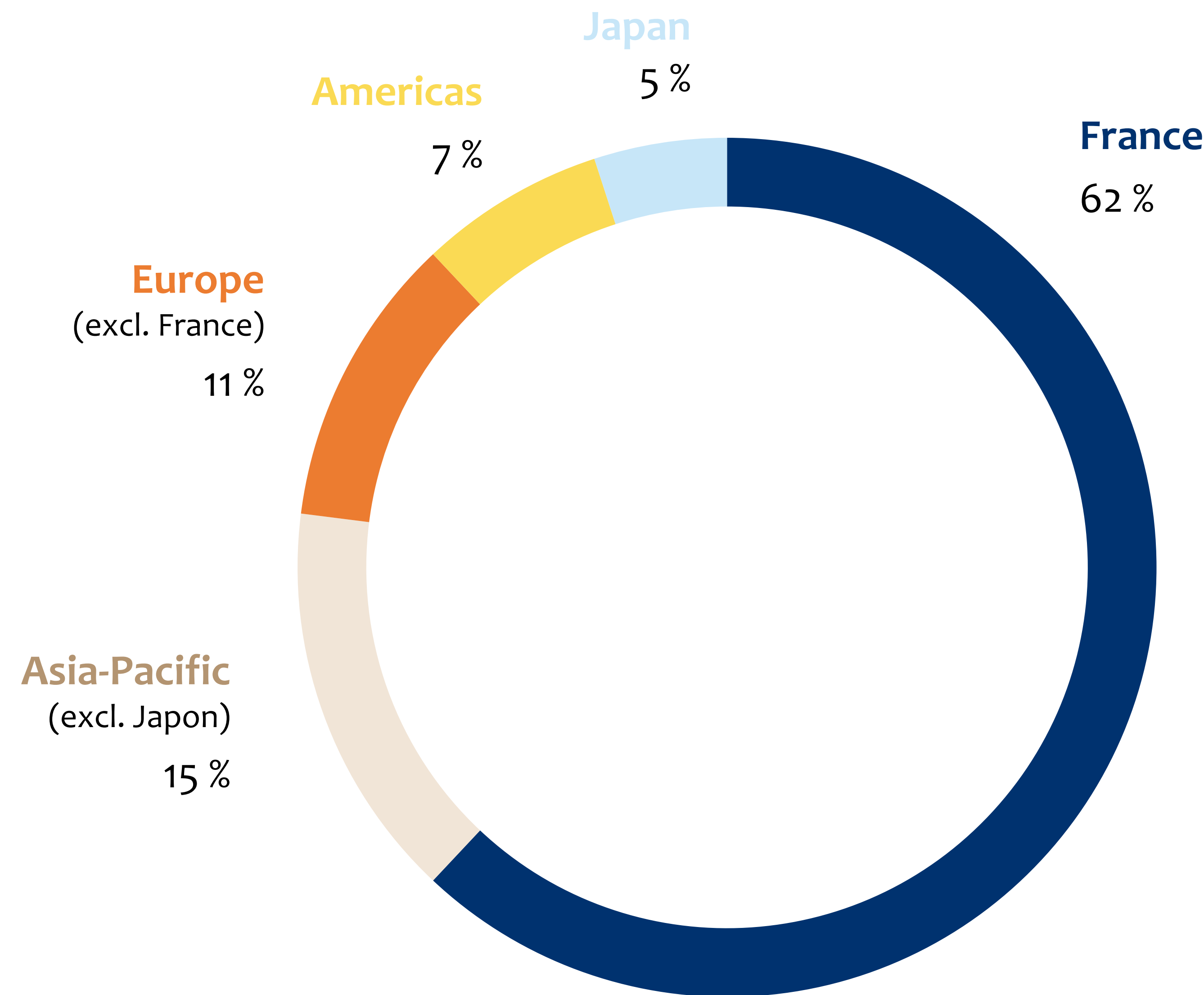
36 %

Production

48 %



WORKFORCE BREAKDOWN BY REGION



40 %
of women
on the Executive
Committee

54 %
of women
within the
governing bodies

50 %
of women
within the
Supervisory
board

RESPONSIBLE AND SUSTAINABLE DEVELOPMENT

TERRITORIAL ANCHORING



- 52 production sites in France, including 19 leather goods workshops
- 14 production sites outside France in 6 countries:
 - › Italy
 - › Portugal
 - › United Kingdom
 - › Switzerland
 - › United States
 - › Australia

52
production
sites
in France

78 %
of objects
made in France

+ 600
jobs
created
in France



RESPONSIBLE AND SUSTAINABLE DEVELOPMENT

CLOSE TO THE TERRITORIES AND COMMUNITIES

- Supporting and accompanying our suppliers:
 - › Reinforcement of the CSR component in the purchasing policy in January 2021
 - › Publication of CSR and sector briefs in December
 - › 530 suppliers referenced ESS (social and solidarity companies) in France
- A responsible company involved in the lives of communities:
 - › New donation to Assistance Publique –Hôpitaux de Paris in 2021, €7m
 - › *Fondation d'Entreprise Hermès* committed to training in 2021 (Manufacto, Manuterra)

20 years
average length
of relationship
(top 50)

€40m
of budget
*Fondation
d'entreprise
over 5 years*



RESPONSIBLE AND SUSTAINABLE DEVELOPMENT

AN ARTISANAL PRODUCTION MODEL RESPECTFUL OF THE PLANET

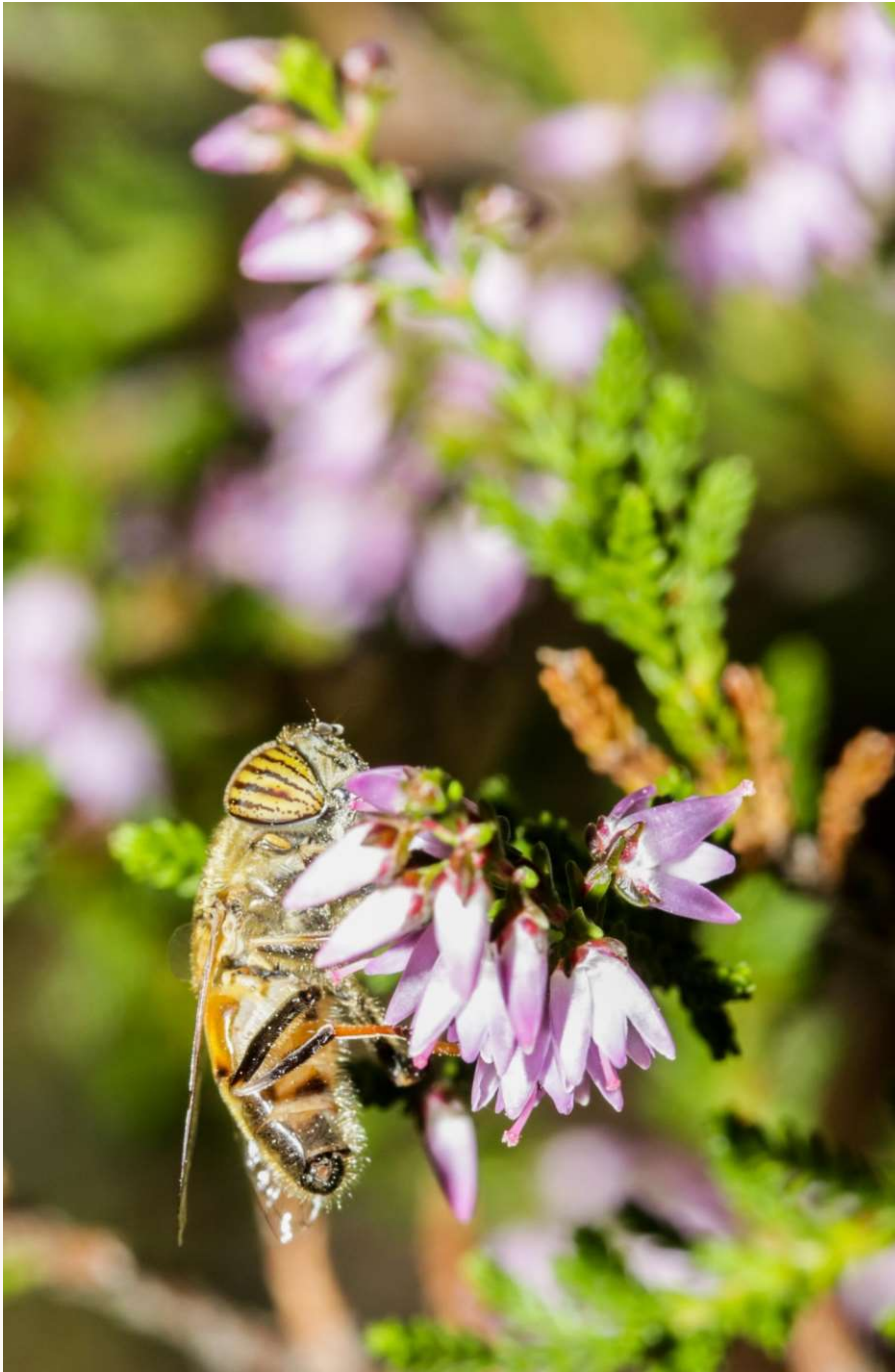
- New climate commitments towards a below 1.5°C pathway validated by the Science Based Target initiative (SBTi)
- 3rd Livelihoods Carbon fund launched on June 30, 2021
- Biodiversity:
 - › 92 % of the group's activities assessed according to the GBS (Global Biodiversity Score) methodology with WWF and CDC Climat
 - › Continuation of Biodiversity studies with the Cambridge University
- Concrete actions on the circular economy:
 - › 100% of métiers have a circular economy roadmap
 - › 100% of packaging for our clients is sustainable⁽¹⁾

(1) made of renewable, recyclable and/or recycled material

- 15 %
**of reduction of
GHG emissions**
(since 2018)

- 45 %
scope 3
**carbon
intensity**
(since 2018)

161,000
products
repaired in our
workshops





RESPONSIBLE AND SUSTAINABLE DEVELOPMENT

COMMITMENTS RECOGNISED BY CSR RATINGS IN 2021

GLOBAL EVALUATIONS

- › MSCI **A**
- › SUSTAINALYTICS **#2 Textiles & Apparel**
- › **V.E** PART OF Moody's ESG Solutions **Advanced**

THEMATIC EVALUATIONS

- ›  **A -**
- ›  **#1**
- › "Diversity Leaders"
FINANCIAL TIMES **#1**



ACTIVITY

2021



2021: ACTIVITY

REVENUE REACHED €9 BILLION

EVOLUTION AT CONSTANT EXCHANGE RATES	2021/2020	2021/2019
REVENUE	+ 42 %	+ 33 %
OF WHICH STORES OF THE GROUP	+ 44 %	+ 41 %



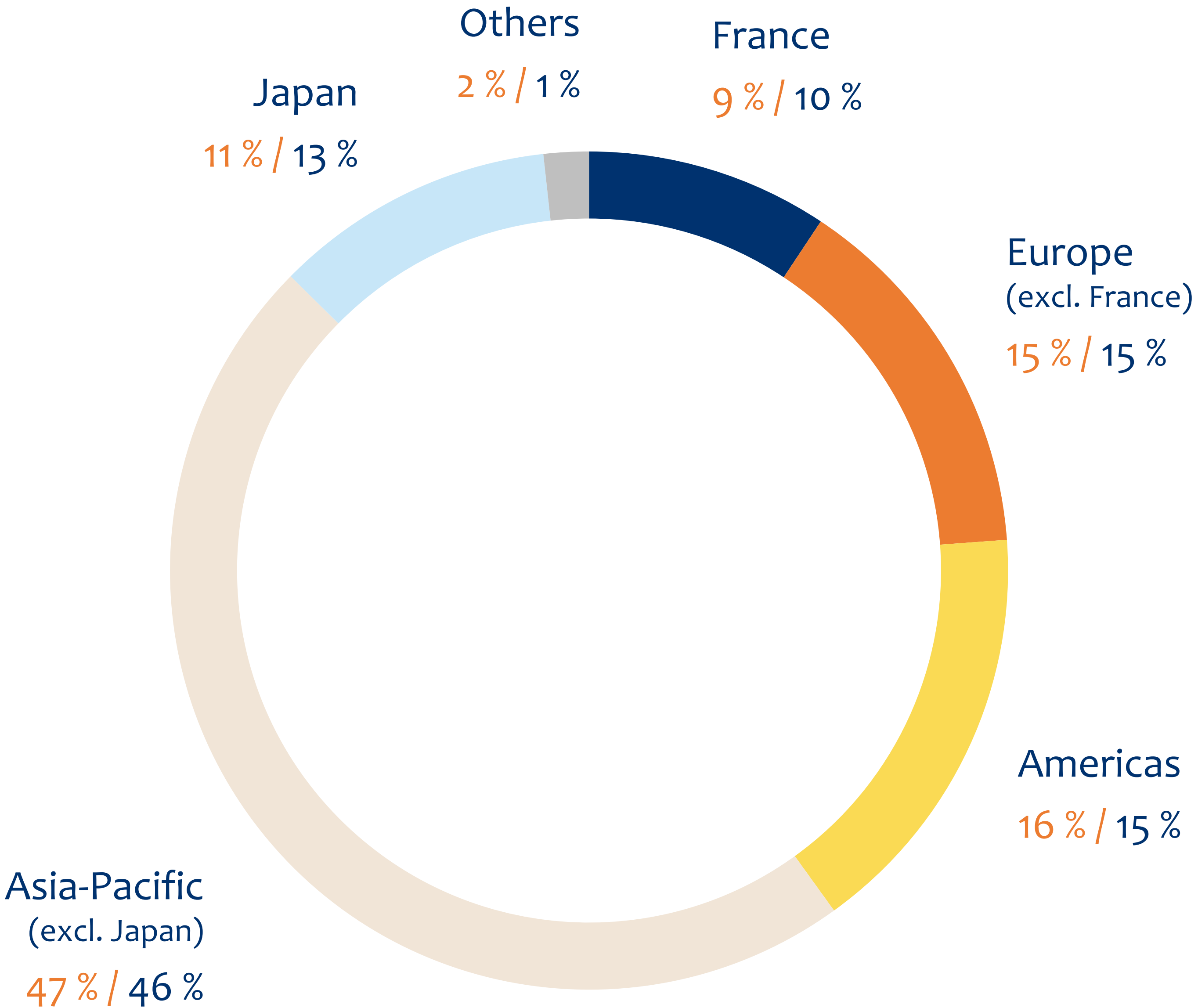
2021: ACTIVITY

REVENUE BY GEOGRAPHICAL AREA

IN € MILLIONS	2021	Changes at constant exchange rates 2021 / 2020	Changes at constant exchange rates 2021 / 2019
FRANCE	838	+ 35 %	(3) %
EUROPE (EXCL. FRANCE)	1,303	+ 37 %	+ 10 %
JAPAN	977	+ 25 %	+ 20 %
ASIA-PACIFIC (EXCL. JAPAN)	4,251	+ 45 %	+ 65 %
AMERICAS	1,458	+ 57 %	+ 24 %
OTHERS	156	+ 45 %	+ 30 %
TOTAL	8,982	+ 42 %	+ 33 %

REVENUE BY GEOGRAPHICAL AREA

2021 / 2020



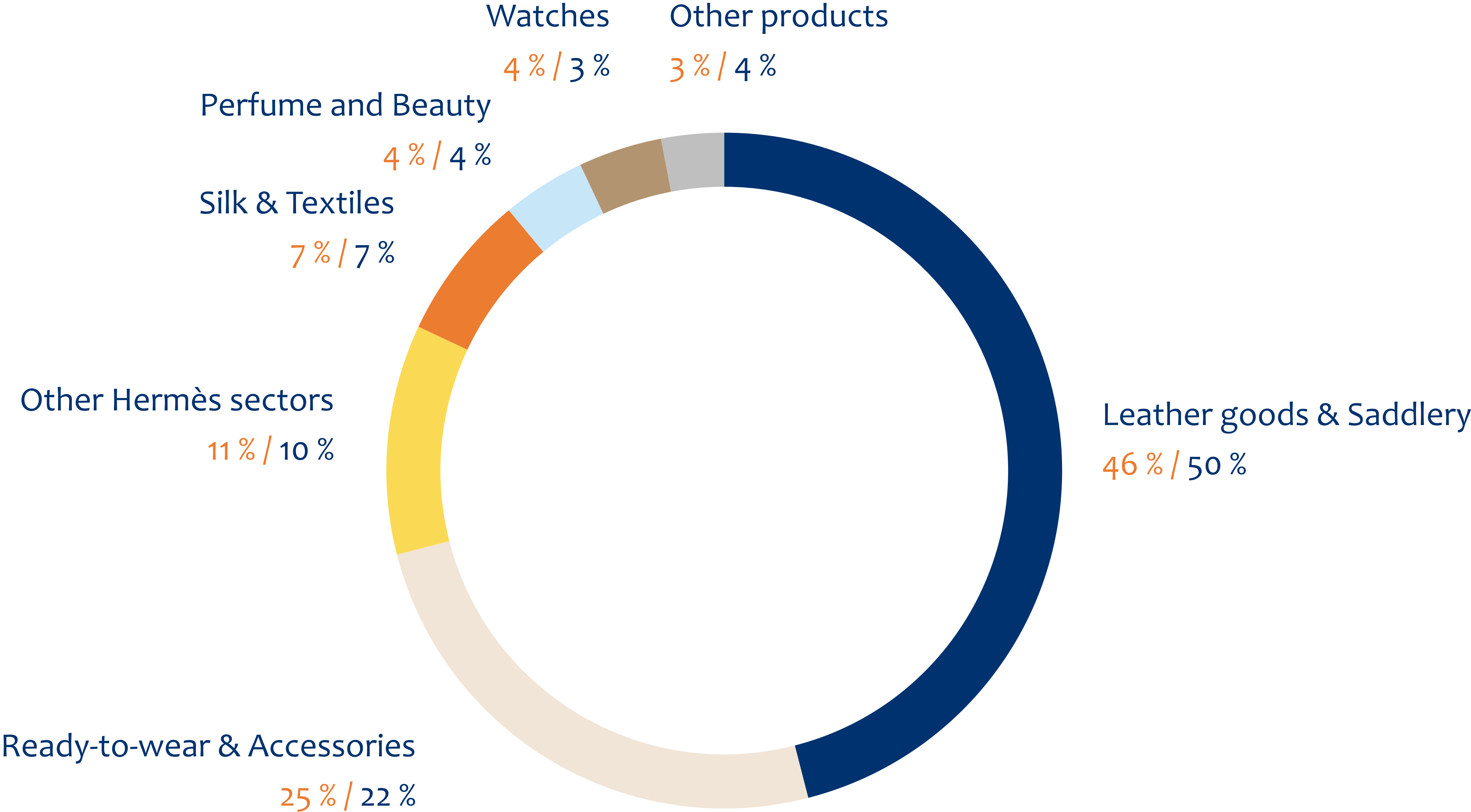


2021: ACTIVITY

REVENUE BY SECTOR

IN € MILLIONS	2021	Changes at constant exchange rates 2021 / 2020	Changes at constant exchange rates 2021 / 2019
LEATHER GOODS & SADDLERY	4,091	+ 29 %	+ 23 %
READY-TO-WEAR & ACCESSORIES	2,219	+ 59 %	+ 44 %
SILK & TEXTILES	669	+ 49 %	+ 15 %
OTHER HERMÈS SECTORS	1,001	+ 57 %	+ 95 %
PERFUME AND BEAUTY	385	+ 47 %	+ 19 %
WATCHES	337	+ 73 %	+ 77 %
OTHER PRODUCTS	279	+ 29 %	+ 9 %
TOTAL	8,982	+ 42 %	+ 33 %

REVENUE BY SECTOR
2021 / 2020





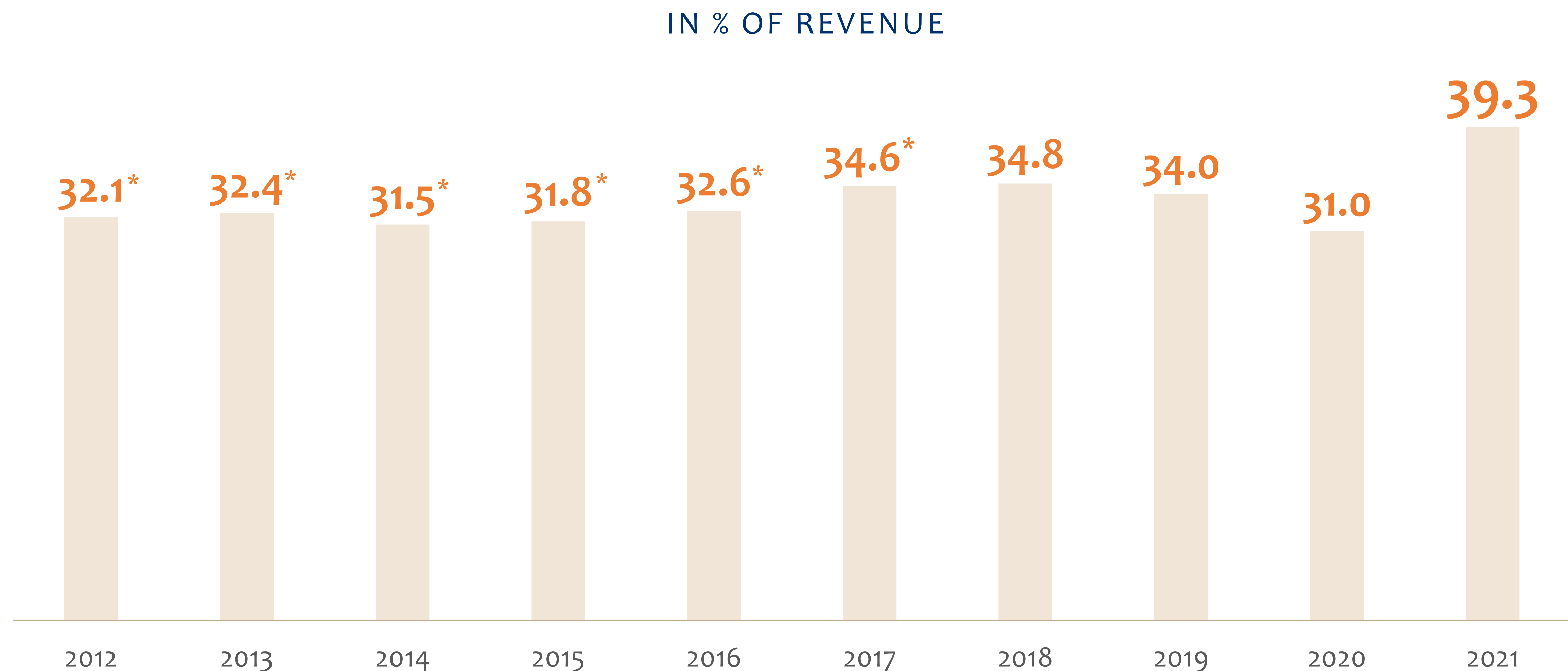
2021

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

IN € MILLIONS	2021	2020	%
REVENUE	8,982	6,389	+ 40.6 %
COST OF SALES	(2,580)	(2,013)	
GROSS MARGIN	6,402	4,376	
IN % OF SALES	71.3 %	68.5 %	
COMMUNICATION	(422)	(279)	
OTHER SELLING, MARKETING AND ADMINISTRATIVE EXPENSES	(1,716)	(1,420)	
OTHER INCOME AND EXPENSES	(734)	(696)	
RECURRING OPERATING INCOME	3,530	1,981	+ 78.2 %
OTHER NON-RECURRING INCOME AND EXPENSES	-	91	
OPERATING INCOME	3,530	2,073	+ 70.3 %
IN % OF SALES	39.3 %	32.4 %	

RECURRING OPERATING PROFITABILITY AMOUNTS TO 39% OF REVENUE

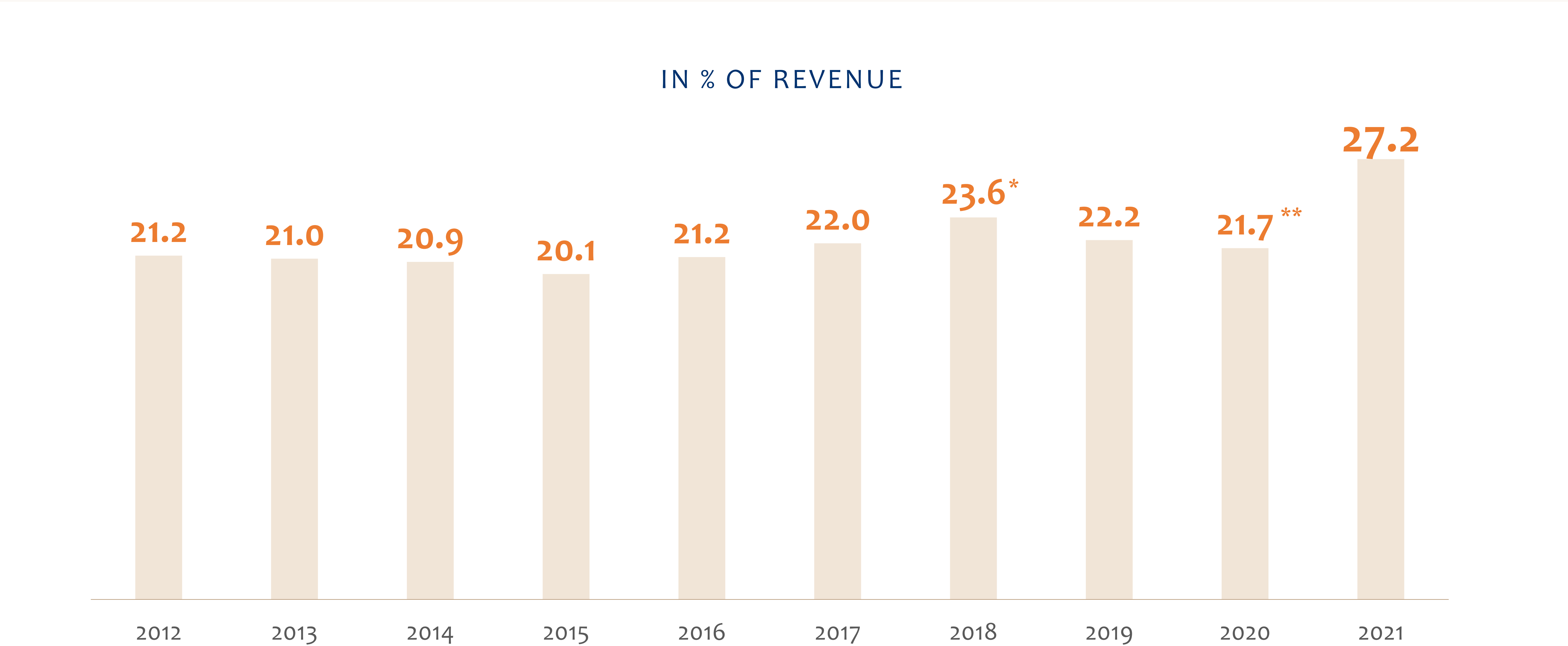


* Recurring operating profitability after application of IFRS 16

CONSOLIDATED INCOME STATEMENT

IN € MILLIONS	2021	2020	%
OPERATING INCOME	3,530	2,073	+ 70.3 %
NET FINANCIAL INCOME	(96)	(86)	
INCOME TAX	(1,015)	(613)	
IN % OF INCOME BEFORE TAX	29.5%	30.9 %	
NET INCOME FROM ASSOCIATES	34	16	
NET INCOME ATTRIBUTABLE TO NON-CONTROLLING INTEREST	(8)	(4)	
NET INCOME ATTRIBUTABLE TO OWNERS OF THE PARENT	2,445	1,385	+ 76.5 %

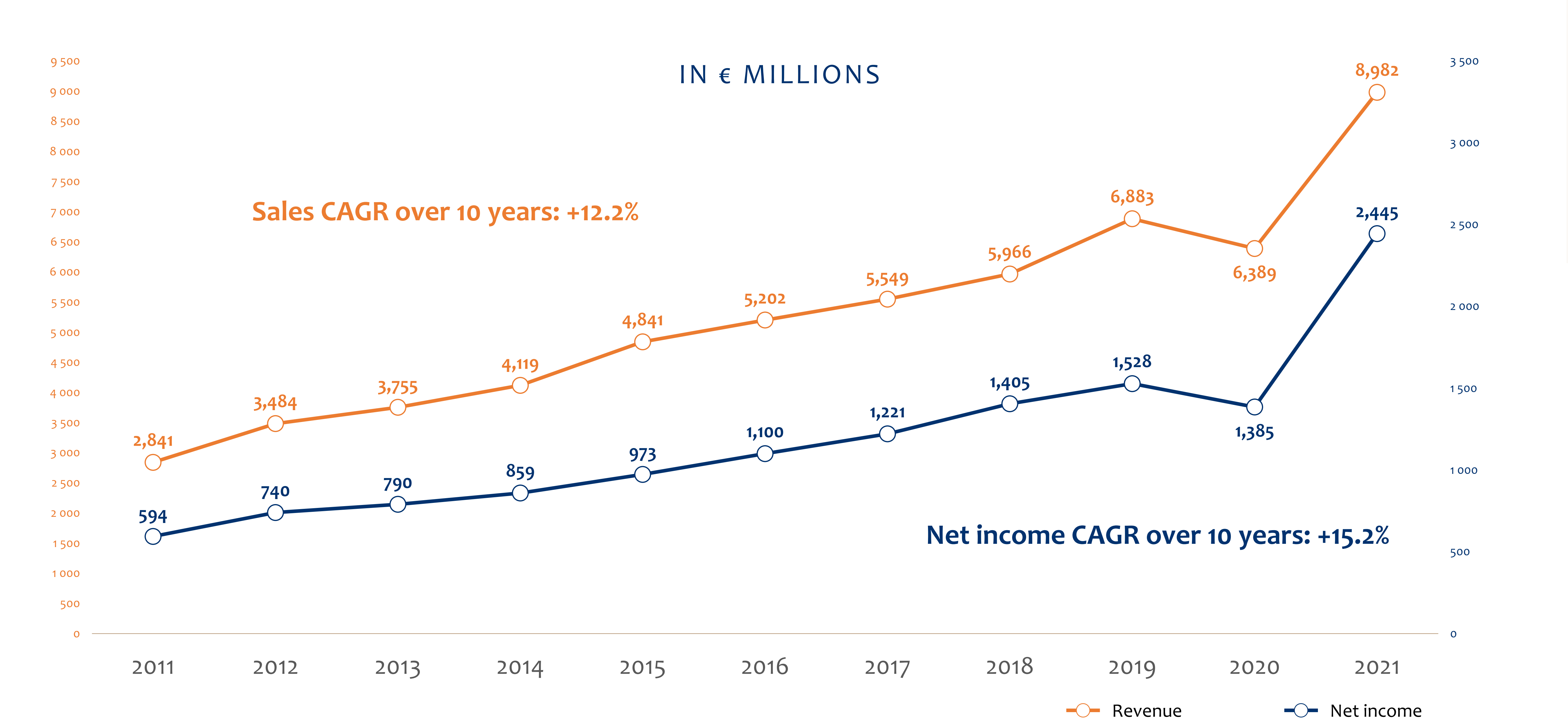
NET PROFITABILITY
AMOUNTS TO 27% OF REVENUE



* 22.7% after restatement from the capital gains from the sale of the Galleria store in Hong-Kong in 2018

** 20,3% after restatement from the non-recurring profit related to the deconsolidation of Shang Xia in 2020

REVENUE AND NET INCOME EVOLUTION



OPERATING INVESTMENTS

IN € MILLIONS	2021
STORES AND DISTRIBUTION	220
PRODUCTION AND DIVISIONS	169
REAL ESTATE AND GROUP PROJECTS	143
OPERATING INVESTMENTS	532

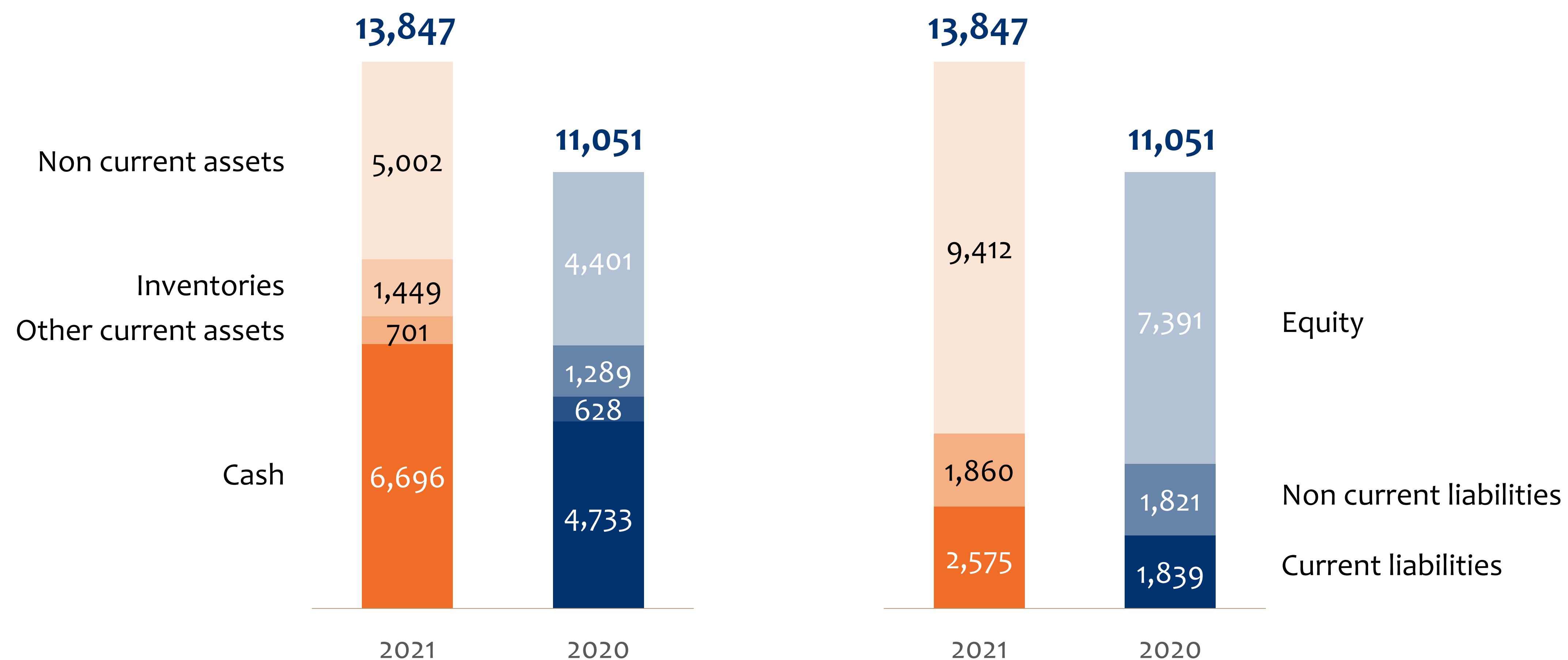
RESTATED CASH FLOW STATEMENT

IN € MILLIONS	2021	2020
OPERATING CASH FLOWS	3,060	1,993
CHANGE IN WORKING CAPITAL	346	(350)
CASH FLOW RELATED TO OPERATING ACTIVITIES	3,405	1,642
OPERATING INVESTMENTS	(532)	(448)
REPAYMENT OF LEASE LIABILITIES	(212)	(199)
ADJUSTED FREE CASH FLOW ⁽¹⁾	2,661	995
FINANCIALS INVESTMENTS	(13)	(93)
IMPACT OF LOSSES OF CONTROL	-	81
DIVIDENDS PAID	(490)	(490)
TREASURY SHARE BUYBACKS NET OF DISPOSALS	(162)	(122)
OTHER CHANGES	170	(30)
CHANGE IN NET CASH POSITION	2,166	342
CLOSING RESTATED NET CASH POSITION	7,070	4,904

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

SIMPLIFIED BALANCE SHEET

IN € MILLIONS





1ST QUARTER 2022 SALES



2022: REVENUE

1ST QUARTER 2022

- Strong sales momentum in the 1st quarter up to €2.8 billion (+33% at current exchange rates and +27% at constant exchange rates)
- Sales were particularly strong in group stores (+28%), especially in America and Europe, driven by the acceleration in all the business lines and the sustained growth in Leather Goods
- At the end of March 2022, all the geographical areas and all the business lines posted double-digit growth, with a remarkable increase of the Ready-to-Wear and Accessories division, Watches and Other Hermès Business Lines



OUTLOOK



OUTLOOK

- For 2022, the impacts of the health context are still difficult to assess. Our highly integrated craftsmanship model and balanced distribution network, as well as the creativity of our collections and our customers' loyalty allow us to look to the future with confidence
- 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



OUTLOOK

2022, THE SADDLER'S SPIRIT

- Dynamic job creation in all our *métiers* and regions
- Acceleration of investments in production capacities
- Reinforcement of CSR commitments
- Development of the omnichannel network in New York (United States), Shanghai (China), Strasbourg (France), Barcelona (Spain) and Doha (Qatar)
- Launch of the fourth chapter of Beauty dedicated to the complexion, **Hermès Plein Air** in March, the **Soleil d'Hermès** tableware collection and of the seventh collection of *haute bijouterie*
- Continuation of new programmes by the *Fondation d'Entreprise Hermès*: Manuterra and support to the Massane forest
- 12th edition of the **Saut Hermès**, at the Grand Palais Éphémère in Paris



PRESENTATION OF THE MAIN RESOLUTIONS

RESOLUTIONS RELATING TO ORDINARY BUSINESS

- Dividend per share proposed by the Supervisory Board (4th)

IN EUROS

ORDINARY DIVIDEND

2018	2019	2020	2021
4.55	4.55	4.55	8.00*

* Including an interim dividend of €2.50 paid on 23 February 2022

RESOLUTIONS RELATING TO ORDINARY BUSINESS

- **Effective compensation of corporate officers paid during or awarded for the financial year 2021 (7th à 10th) – Ex-post votes**

Resolutions	Corporate Officers concerned
Global ex-post vote	
7th (information on the compensation and benefits of all Corporate Officers)	Executive Chairmen, Chairman and members of the Supervisory Board
Individual ex-post votes	
8th (compensation and benefits of Mr Axel Dumas)	Executive Chairman
9th (compensation and benefits of Émile Hermès SAS)	Executive Chairman
10th (compensation and benefits of Mr Éric de Seynes)	Chairman of the Supervisory Board

RESOLUTIONS RELATING TO ORDINARY BUSINESS

- **Compensation policies for Executive Chairmen (11th) – Ex-ante vote**

The determination principles applied for several years and the compensation policy approved by the General Meeting have been maintained :

- Within the limits determined in accordance with Article 17 of the Articles of Association and the decisions of the General Meeting of 31 May 2001 as follows :
- **Fixed compensation** (« additional ») : indexed to growth in consolidated revenue for the previous financial year, at constant exchange rates and scope
- **Variable compensation** (« statutory compensation ») : indexed to the change in consolidated pre-tax income
10% of this compensation is based on the achievement of a CSR criterion consisting of the following three indices :
 - ✓ decoupling between business growth at constant exchange rates and scope and the evolution of industrial energy consumption (**quantifiable environmental criterion**)
 - ✓ actions to promote the Group's territorial anchoring in France and throughout the world, excluding major cities (**qualitative social criterion**)
 - ✓ The Group's initiatives in favor of gender balance (**qualitative social criterion**)

Each of these three indices represent one third of this 10%

RESOLUTIONS RELATING TO ORDINARY BUSINESS

- **Compensation policy for Supervisory Board members (12th) – Ex-ante vote**

The determination principles applied for several years and the compensation policy approved by the General Meeting have been maintained :

- › A maximum global amount set by the General Meeting (€600.000 since 2017)
- › Allocated to individual Board members according to specific predetermined criteria
- › that take into account both :
 - the functions of each member of the Supervisory Board (Chairman of the Board, Committee Chairman, Committee member, employee representative)
 - and their attendance at meetings (preponderant share)

RESOLUTIONS RELATING TO ORDINARY BUSINESS

- Re-election of four Supervisory Board members for a term of three years (13th to 16th)



Ms Estelle Brachlianoff

Member of the Audit and
Risk Committee
Member of the
CAG-CSR Committee



Ms Julie Guerrand



Ms Dominique Senequier

Vice-chairwoman of the
Supervisory Board
Chairwoman of the CAG-CSR
Committee



Mr Charles-Éric Bauer

Member of the Audit and
Risk Committee

Next term : Annual Ordinary General Meeting called in 2025 to approve
the financial statements for the financial year ending 31 December 2024

RESOLUTIONS RELATING TO ORDINARY AND EXTRAORDINARY BUSINESS

- **Share buyback programme (6th)**
 - › Authorisation for up to 10% of the share capital
 - › Maximum amount that may be committed : €3.00 billions
 - › Objectives: to manage the share through a liquidity contract, cancellation, sale, allocations of free shares and stock options, external growth operations
 - › Maximum purchase price: € 1.900
 - › Authorisation validity: 18 months
- **Authorisation to reduce the share capital by cancellation of shares (17th)**
 - › Authorisation for up to 10 % of the share capital
 - › Authorisation validity: 24 months

RESOLUTIONS RELATING TO EXTRAORDINARY BUSINESS

- **Delegation of authority to the Executive Management to grant options to purchase shares (18th) and to grant free existing shares (19th)**
 - › Allocations to Executive Management are subject to the following conditions :
 - the exercise price of the options will not include any discount
 - specific ceilings of 0.05%
 - stringent performance conditions to be met over several consecutive years
 - obligation to retain the shares
 - a formal commitment not to use any risk hedging operations either for the options or the shares resulting from the exercise of options, and until the end of the share retention period set
 - › Authorisations validity: 38th months

REPORTS FROM THE SUPERVISORY BOARD

- **On corporate governance**
- **To the Combined General Meeting**



STATUTORY AUDITOR'S REPORTS

ON THE ACCOUNTS FOR THE FINANCIAL YEAR
ENDING 31 DECEMBER 2021

PRICEWATERHOUSECOOPERS AUDIT
GRANT THORNTON AUDIT

STATUTORY AUDITORS' REPORTS ON THE ANNUAL AND CONSOLIDATED FINANCIAL STATEMENTS

- Objective:
 - › Obtain reasonable assurance that the financial statements and information present a true and fair view
- Opinion on the consolidated financial statements:
Certifications without reserve or observation
- Key audit matters on consolidated financial statements:
 - › Measurement of inventories and work-in-progress;
 - › Recognition of currency hedges
- Opinion on the annual financial statements:
Certification without reserve, with a technical observation on the change of accounting policy regarding the recognition of retirement benefit obligations
- Key audit matters on annual financial statements:
 - › Valuation of equity investments

STATUTORY AUDITORS' SPECIAL REPORT ON RELATED-PARTY AGREEMENTS

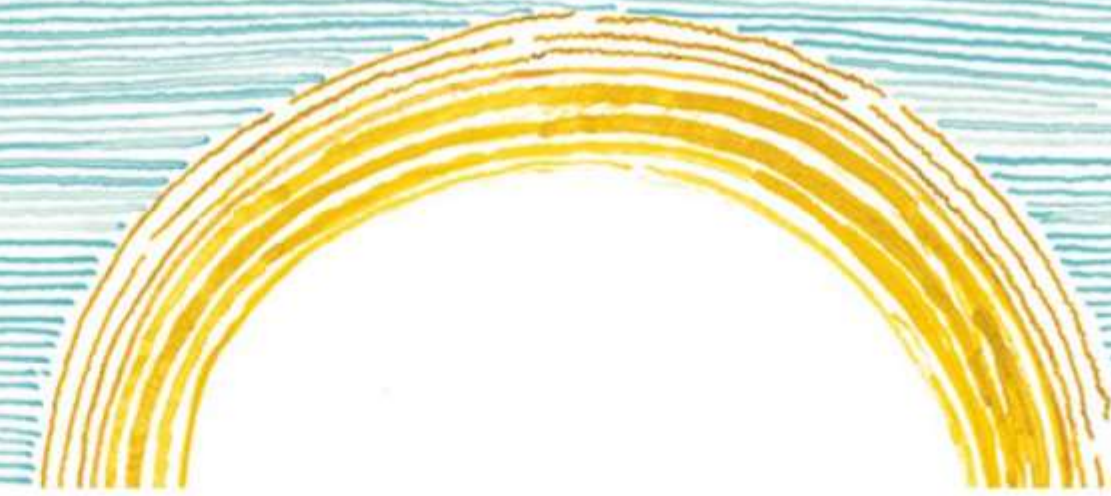
- Objective :
 - › To inform you on the main terms and conditions of related-party agreements that have been disclosed to us, without commenting on their relevance or substance or identifying any undisclosed agreements or commitments
- Amendment to the service agreement with Studio des Fleurs
- Continuation of the execution of agreements approved in previous years

AUDITORS' REPORTS

ISSUED TO THE EXTRAORDINARY BUSINESS

SPECIAL REPORTS ON EXTRAORDINARY RESOLUTIONS

- Capital reduction by the cancellation of shares purchased (17th resolution)
- Authorisation to be given to Executive Management to grant stock-options (18th resolution)
- Authorisation to be given to Executive Management to grant free existing shares (19th resolution)



COMBINED GENERAL MEETING

20 APRIL 2022

