HERMÈS
PARIS

Combined General meeting

30 april 2024

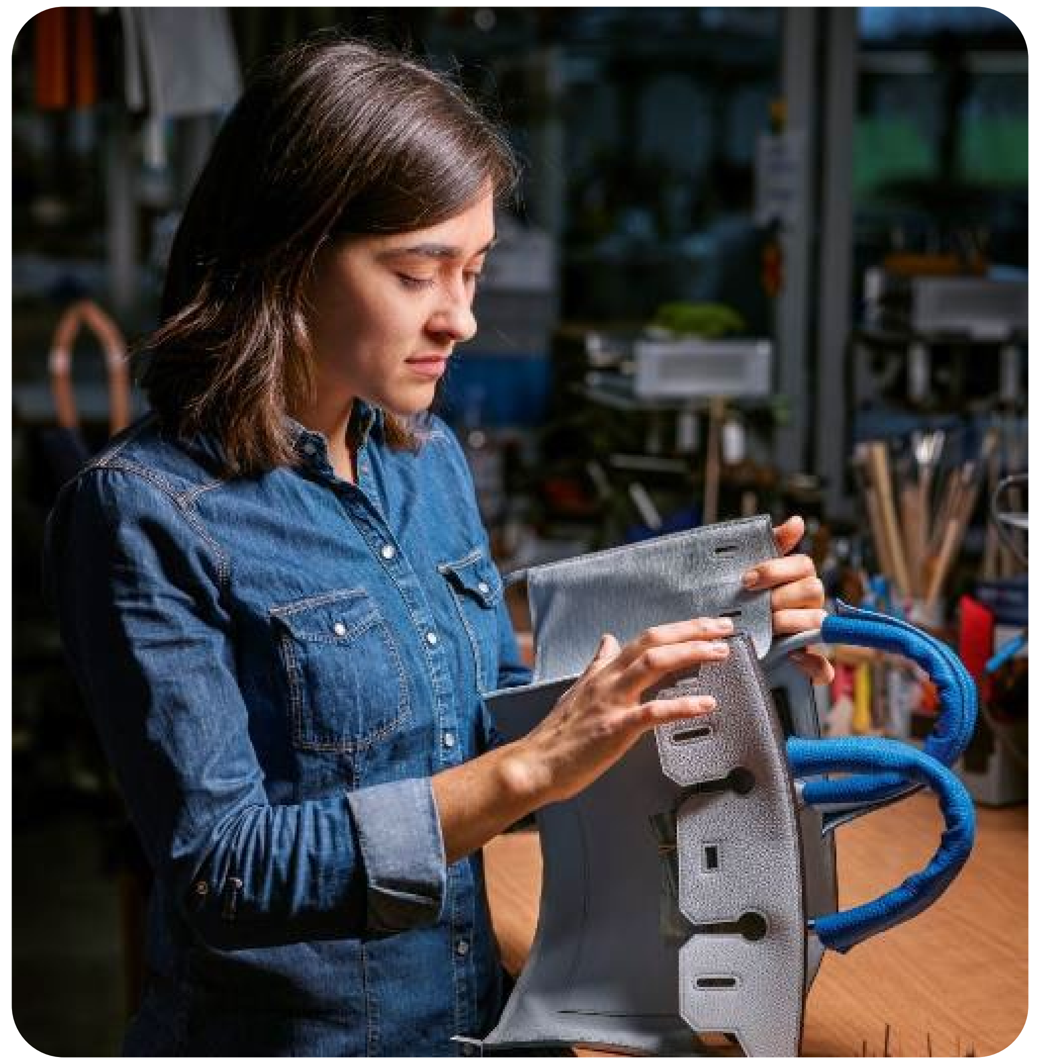
2023 highlights and strategy

Performance of the craftmanship business model

Employment and responsibility

Regional revitalisation
60 production and training sites in France

Sharing value
Exceptional bonus of €4,000
80% of employee shareholders



Quality and durability

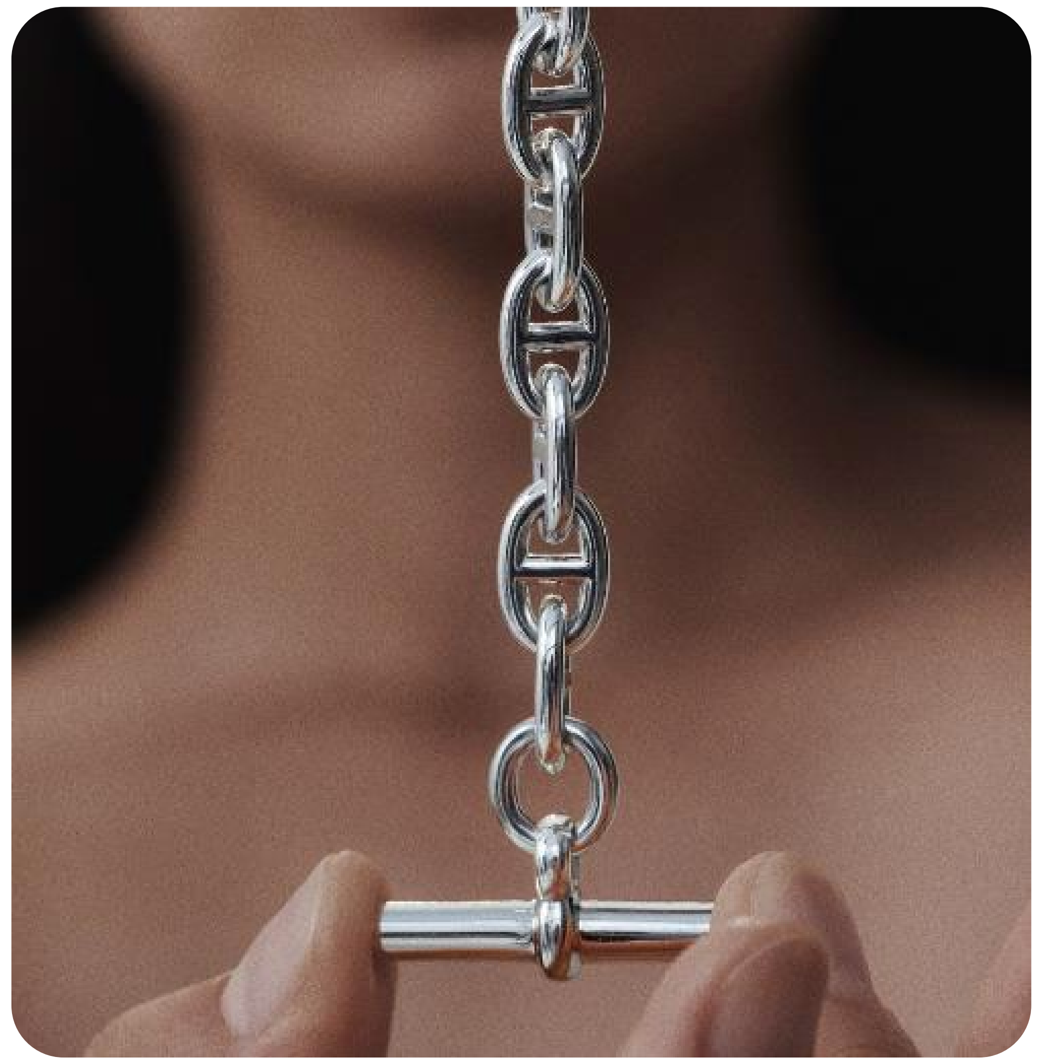
Exceptional materials: 75

Products designed to last
7,300 craftspeople, 1/3rd of group workforce
Repairs in workshops > 200,000

Integration and exclusivity

Strong vertical integration
55% of objects made in its in-house and exclusive workshops

Geographical balance
with a multi-local and exclusive distribution network
294 stores in 45 countries



Creativity and savoir-faire

Abundant creativity
at the service of the 16 métiers
A unique style
> 50,000 references

Unique know-how
4 diplomas awarded, including a CFA in leather goods
21 Best Craftspeople in France
10 Living Heritage Companies

Revenue
€13.4bn
+21% at constant exchange rates

Job creation
2x
in 10 years
64% in France

Local anchoring
74%
of objects made in France

Abundant creativity and unique know-how

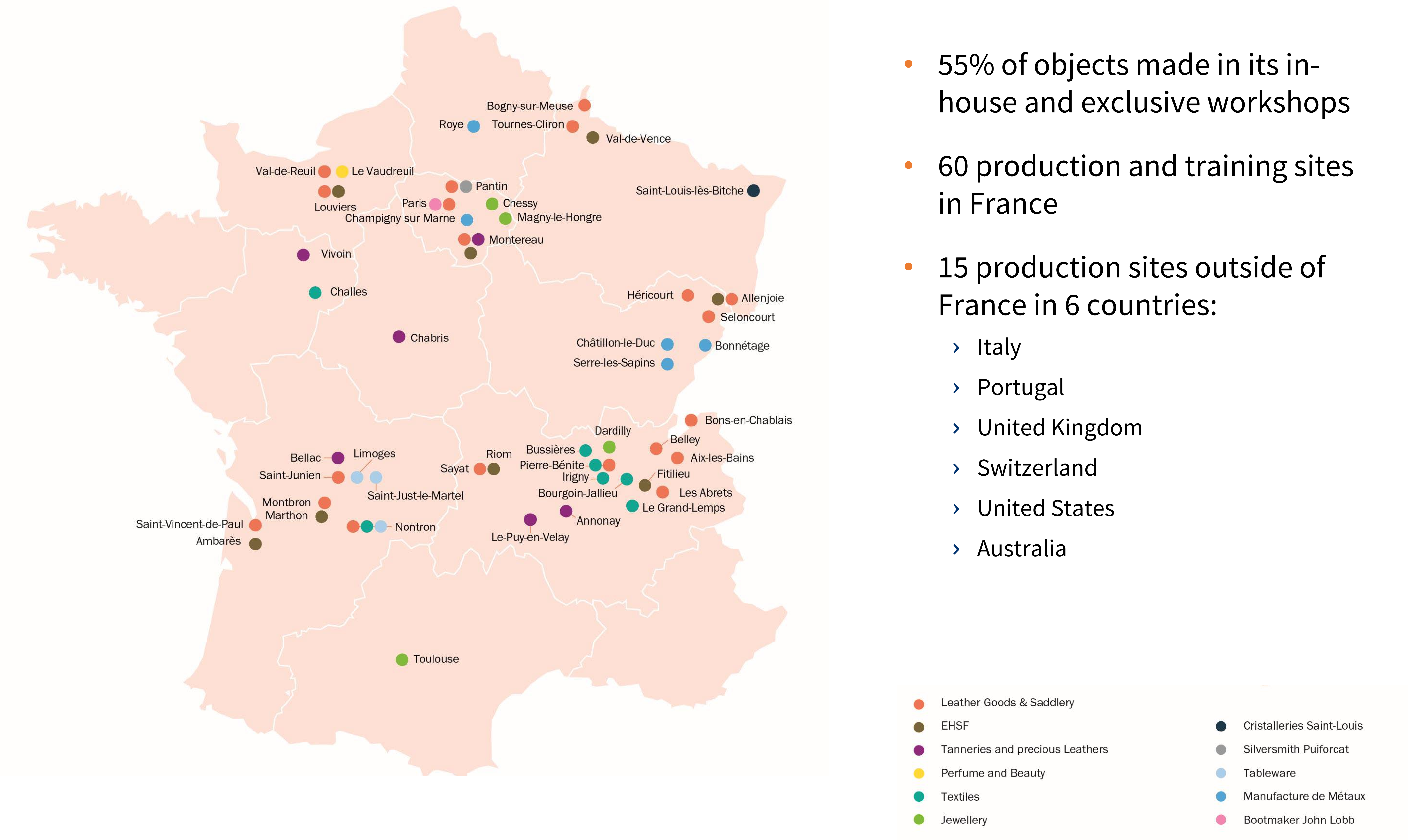
- Enrichment of the leather goods collection with the models ***Arçon, Della Cavalleria Élan*** or the ***Haut à Courroies Multipockets*** bag
- Successful Women's and Men's Ready-to-Wear collections
- Format and design dynamics of the silk collections
- Presentation of the ***Chaîne d'ancre*** jewellery 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

Leather goods workshop projects
4
ongoing in 4 years

- **Leather goods workshop openings:**
  - Louviers (Eure) and la Sormonne (Ardennes), E4C2-certified, expansion of the Saint-Junien (Haute-Vienne) glove and leather goods workshop
  - 4 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 and Charleville-Mézières (Ardennes) scheduled in 2027
- **Strengthening of capacity investments in all the métiers:**
  - Textile: new printing line at the Pierre-Bénite (Rhône) site
  - Metal pieces: development of the Hermès Manufacture des Métaux company
  - Perfume & Beauty: expansion of the Hermès site in Normandy
  - Tableware: Beyrand site expansion project
- **Securing supply:**
  - Acceleration of vertical integration projects in all the métiers
  - Acquisition of minority interests in some of our historical partners

Strong vertical integration and local anchoring



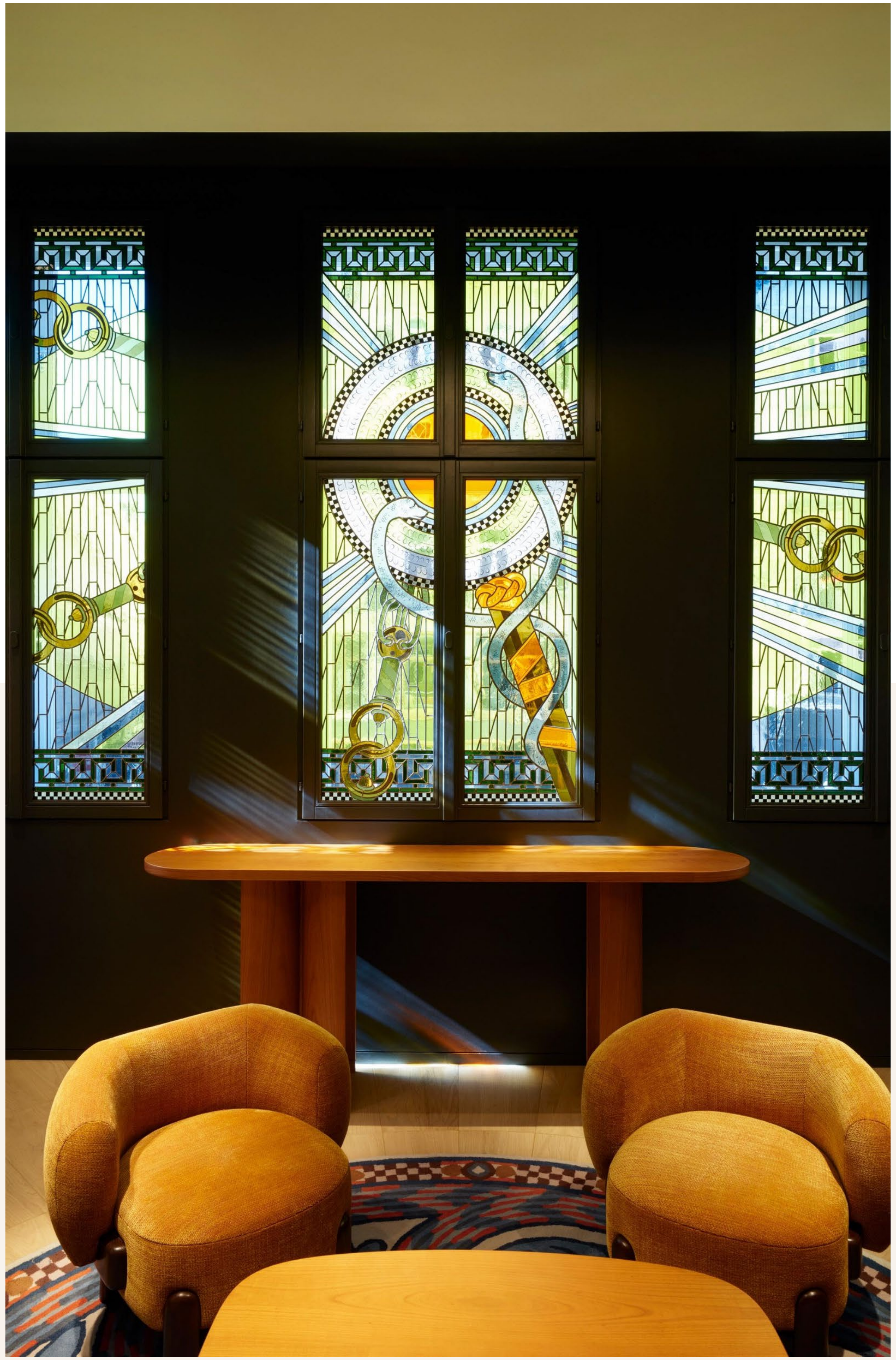
- 55% of objects made in its in-house and exclusive workshops
- 60 production and training sites in France
- 15 production sites outside of France in 6 countries:
  - Italy
  - Portugal
  - United Kingdom
  - Switzerland
  - United States
  - Australia

Production and training sites
60
in France

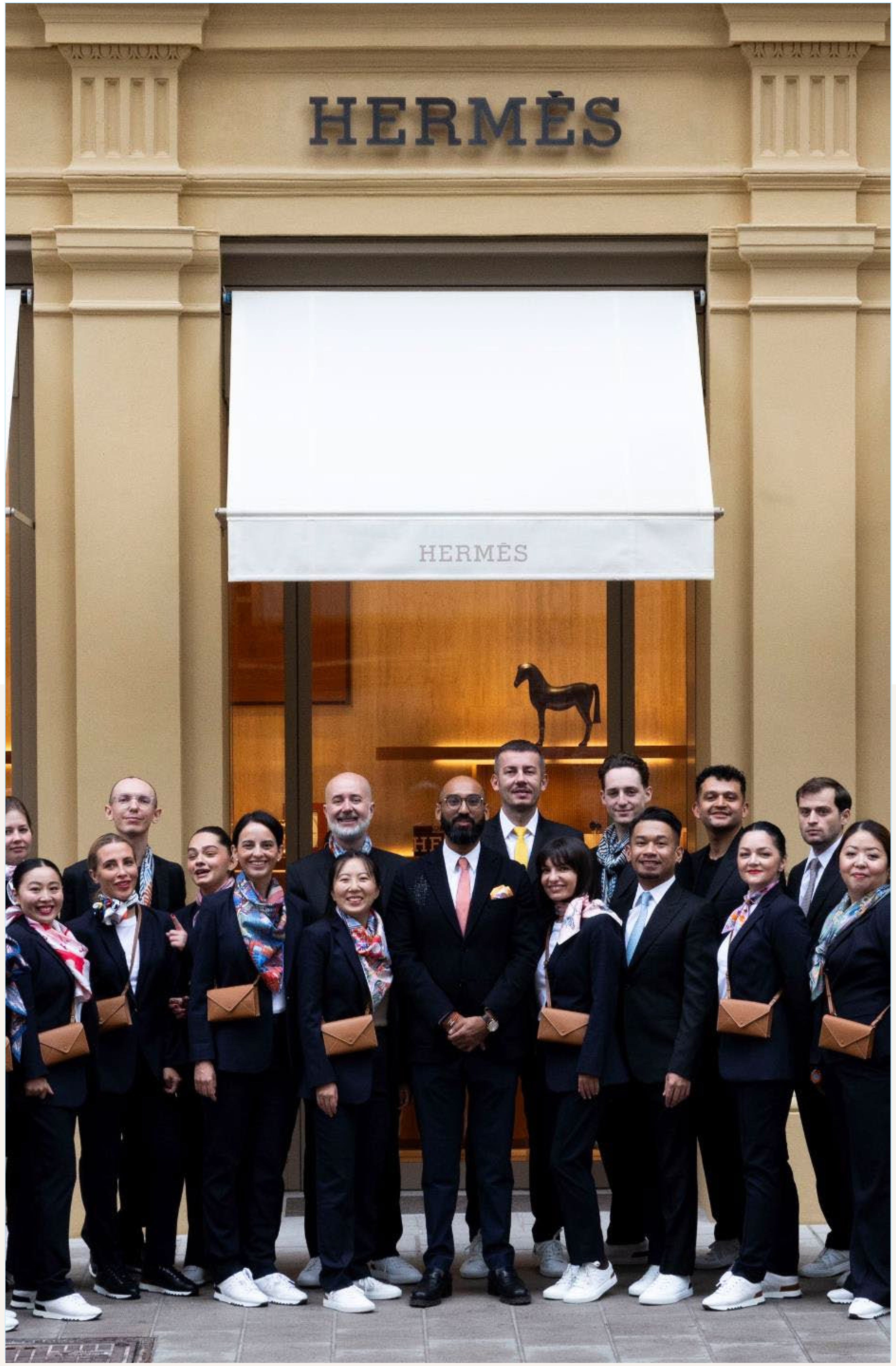
Local production
74%
objects are made in France

Jobs creation
5,400
in 3 years of which more than 60% in France

An integrated, omnichannel and exclusive distribution network (1/2)



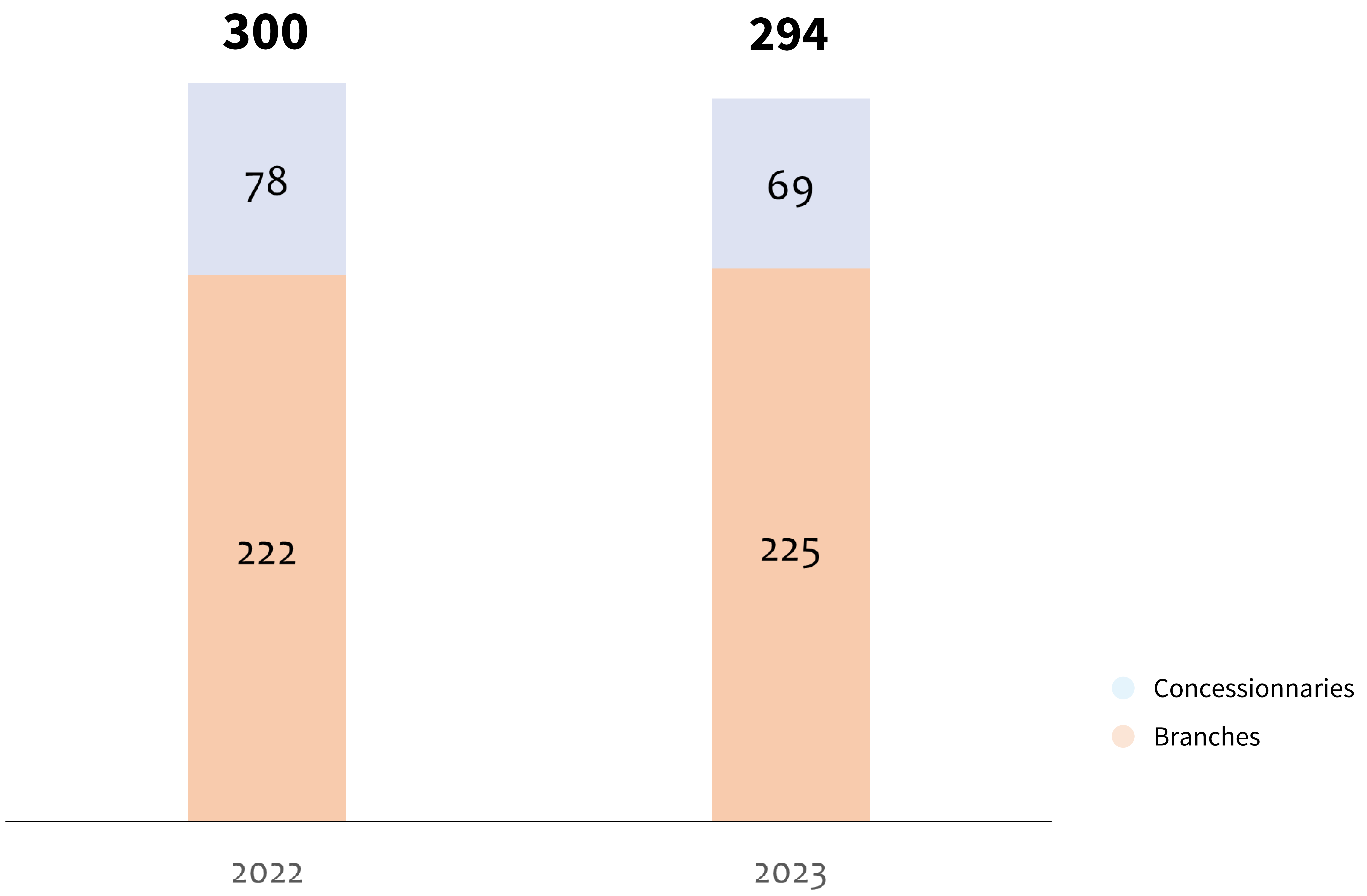
- **Continued operating investments** in the multi-local distribution network
- **Opening of new stores**:
  - Naples, Aspen and Los Angeles Topanga (United States)
  - Tianjin and Chengdu (China)
- **Expansion and renovation of stores**:
  - Chicago and Las Vegas Bellagio (United States)
  - Vienna (Austria), Bordeaux (France) and Crans-Montana (Switzerland)
  - Beijing Peninsula (China), the Shilla Hotel in Seoul (Korea), Sapporo and Kyoto Takashimaya (Japan)



An integrated, omnichannel and exclusive 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**

Evolution of the number of stores



A 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 and Shanghai
  - ***Parade*** event around the home universe in Seoul
  - petit h in Beijing and Osaka
  - Silk events: ***Brides de Galaxy*** in London and ***Par un beau soir de carrés*** in Brussels
  - ***Pony Dance*** event in Athens, Panama City and Manila
- Media campaign:
  - ***Orange, the colour of astonishment***

Responsible and sustainable development

An ambitious CSR strategy

Climate strategy

Reduction in emissions between 2018 and 2030 (validated SBTi):
- 50.4% in absolute value scopes 1&2
- 58.1% in intensity scope 3

Offsetting of 50% of our residual emissions between 2030 and 2040 and of 100% in 2050

Employment, responsilility and transmission

Acceleration of job creation, particularly in France

5 days of training per employee per year by 2026

Deployment of diploma courses: Leather goods, Cutting and Stitching

Durability & responsible sectors

100% of suppliers aligned with the CSR brief by 2024

Implementation of the animal welfare policy for all animal sectors

Life cycle analysis (LCA) covering all our emblematic items by 2025

Protection of biodiversity

Value chain diagnosis (SBTN)

Implementation of action plans at 100% of industrial sites in France by 2025

Training of 100% of the group's employees in biodiversity/CSR by 2025

Renewable energy
100%
by 2030

Certification
54 sectors
by 2030

Inclusion
>6%
Rate of workers with disabilities

Employment and responsibility

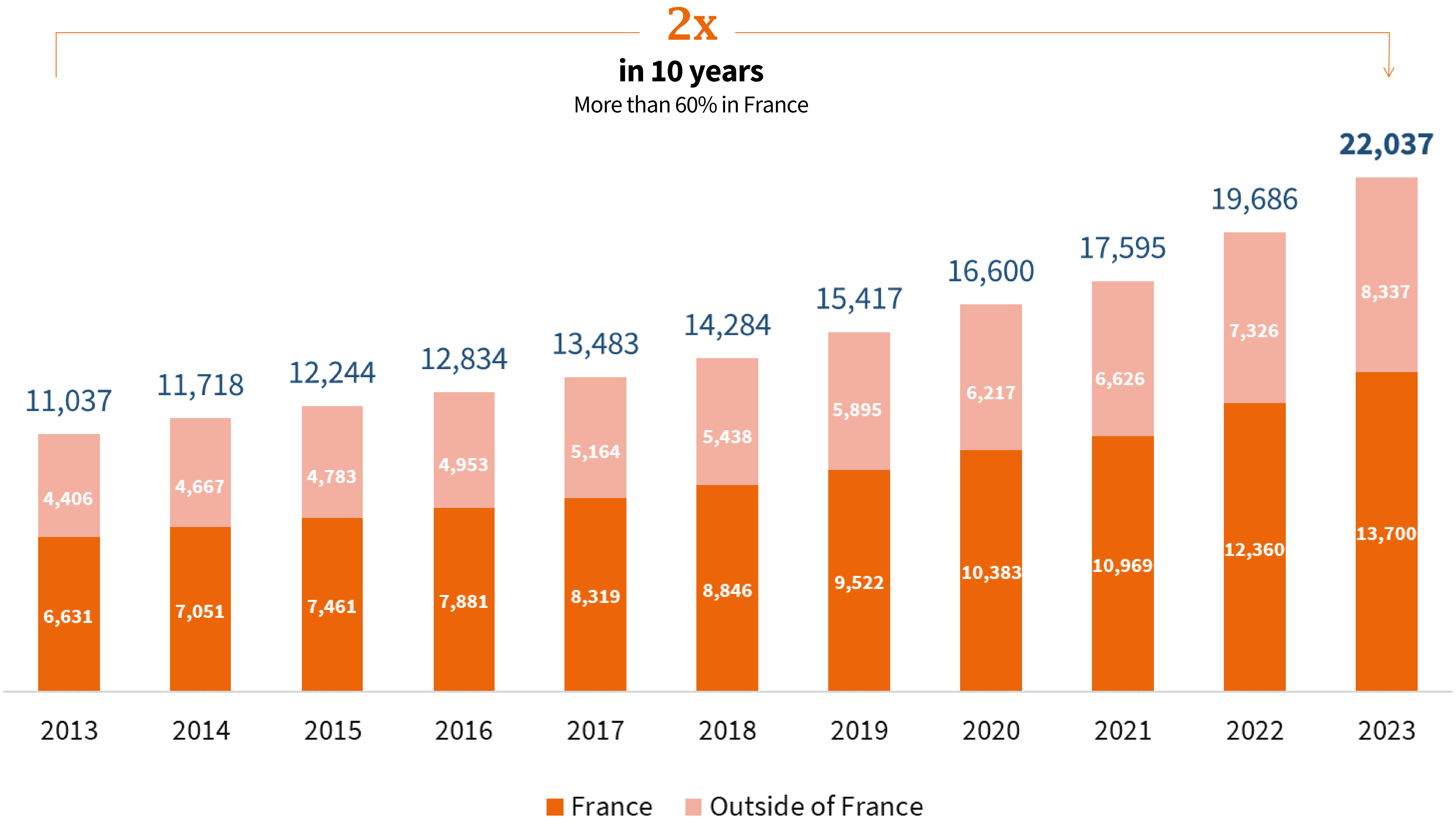
- **Acceleration of job creation and sharing value:**
  - 22,000 employees, including 62% in France at the end of December 2023
  - 6th free share plan enabling all employees to become shareholders
- **A strong dedication to training and protection of unique gestures:**
  - Deployment of the *École Hermès des savoir-faire*: 8 regional training centres in France
  - More than 150 trainers internally
- **Inclusion of talents in their diversity:**
  - 7.12% of employees with disabilities in France and signature of the 3rd Group Disability Agreement
  - Group agreement on work-life balance (caregivers, parenthood and vulnerabilities)

Group turnover rate
4.78%

Value-sharing
€450 million

Gender equality index
92/100
in France

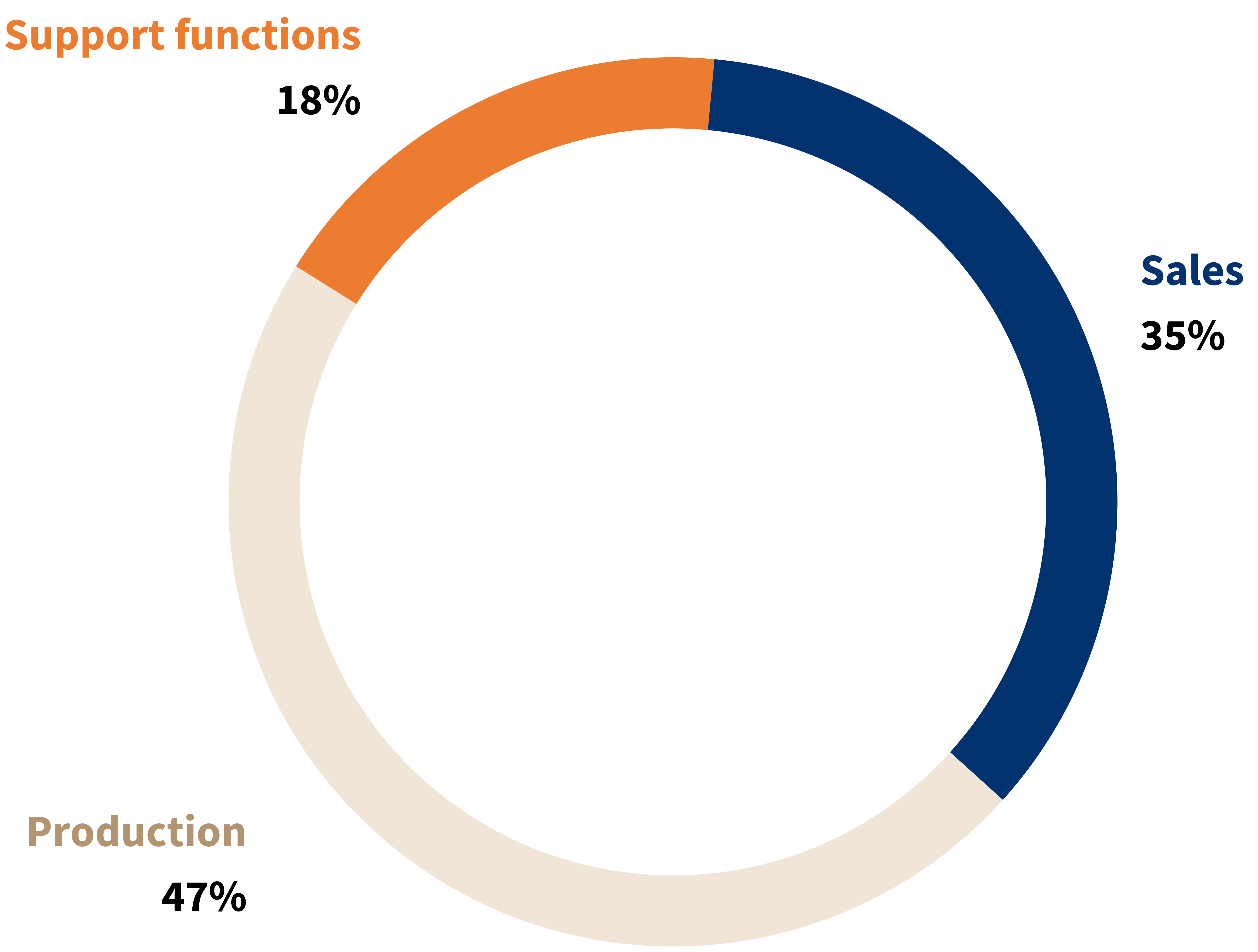
Continuation of job creation



Workforce
+2,400
employees
+ 1,400 in France

France focus
13,700
employees
62% of the workforce

Workforce breakdown by sector

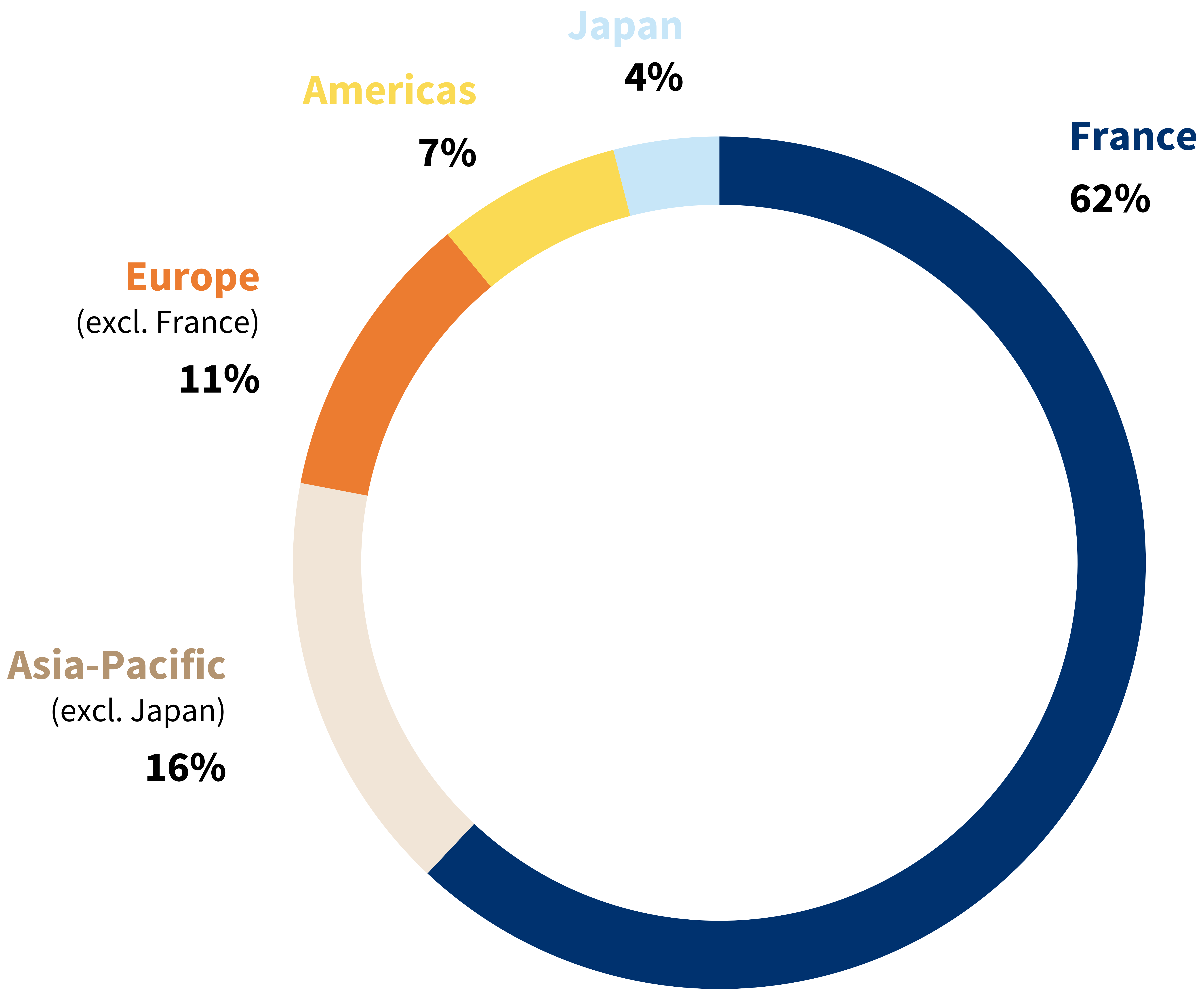


Local anchoring
Presence in
11 over 13
regions in France

Young employees
20%
under the age of 30

Older employees
10%
over the age of 55

Workforce breakdown by region



Diversity and inclusion
68%
of women in the total workforce

Diversity and inclusion
60%
of women within the governing bodies

Commitments to climate and preservation of natural resources

- **In line with the 1.5°C climate trajectory (validated by SBTi):**
  - Hermès is by its nature a low emitter (666 kT CO2 Eq)
  - Reduction by 49.6% of scopes 1 and 2 emissions in absolute value in 2023 vs 2018
  - Reduction by 51% of industrial energy consumption in intensity between 2019 and 2023
  - Standard for high environmental 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
- **Strengthening circular economy principles:**
  - Life Cycle Analysis on 100% of the House's most emblematic products by 2025
  - Engagement for eco-design, reusing and recycling across our entire value chain

Scope 3
- 52.2%
carbon intensity
(since 2018)

Industrial water consumption
- 62%
(in intensity over 10 years)

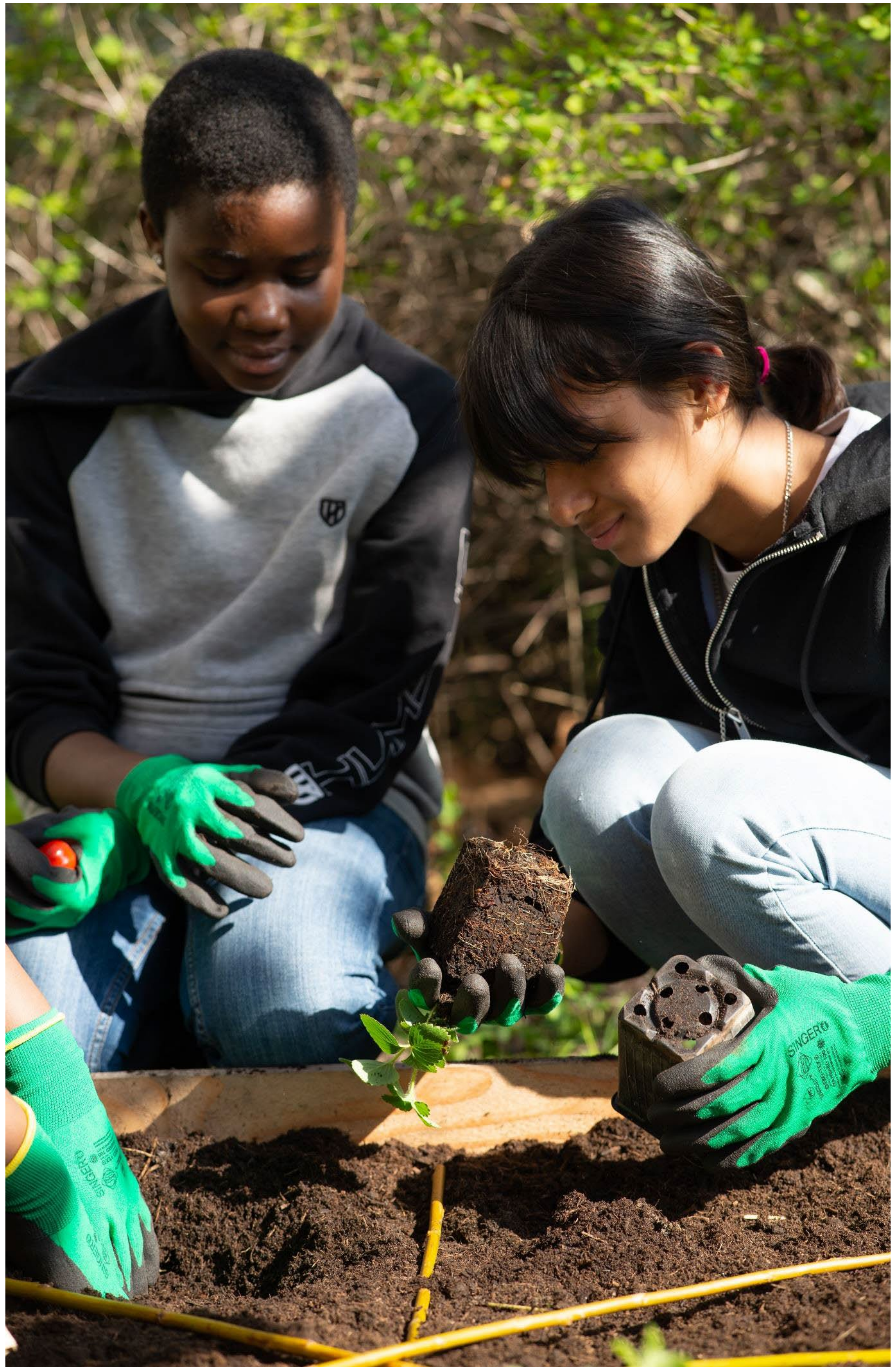
Real estate standard
100%
of new real estate projects

Close to the territories and communities

- **Supporting and accompanying our suppliers:**
  - Strengthening of the Supplier Code of Conduct
  - Sustainable development of supply chains: 66 raw materials covered by the Supply chain brief
- **A responsible company involved within community life:**
  - €293 million of purchases with social and environmental added value, of which 44% from SMEs
  - Up to 5 days per year of civic commitment for each employee

Suppliers
20 years
average length of relationship (Top 50 suppliers)

Supply chain
98%
of purchases made in Europe



Fondation d’entreprise Hermès and philanthropic actions

- **Fondation d’entreprise Hermès:** deployment of its programmes through four pillars, supporting creation, transmitting know-how, protecting the environment and encouraging gestures of solidarity
  - Manufacto and Manuterra, programmes to raise awareness of craftmanship savoir-faire and permaculture in schools
  - Support for performing arts in the French regions, Artist Residencies in Hermès workshops open to the public and contemporary art exhibitions in Europe and in Asia.
  - H³, solidarity initiatives supported by group employees

- **Local philanthropic actions:**
  - Nearly 400 initiatives around the world in the areas of education, solidarity, health and environmental protection

Fondation
€61 million
2023-2028 budget

Philanthropic actions
€13 million
in 2023

Recognition of the excellence of the artisanal model

GLOBAL EVALUATIONS

2023

› MSCI	AA
› SUSTAINALYTICS	#2 Textiles and Apparel
› V.E Part of Moody's ESG Solutions	Advanced
› ISS ESG	B- Prime

THEMATIC EVALUATIONS

2023

› CDP Driving Sustainable Economies	"A-list" Climate A / Water A
› HUMPACT Score Emploi ★★★★★	Grand Prix Emploi 2023 for the 3rd time
› Transparency Awards	Prix "CAC Large 60"
› FIR Forum pour l'Investissement Responsable / A2 Consulting	Vigilance plan Best progress Award

2023 activity

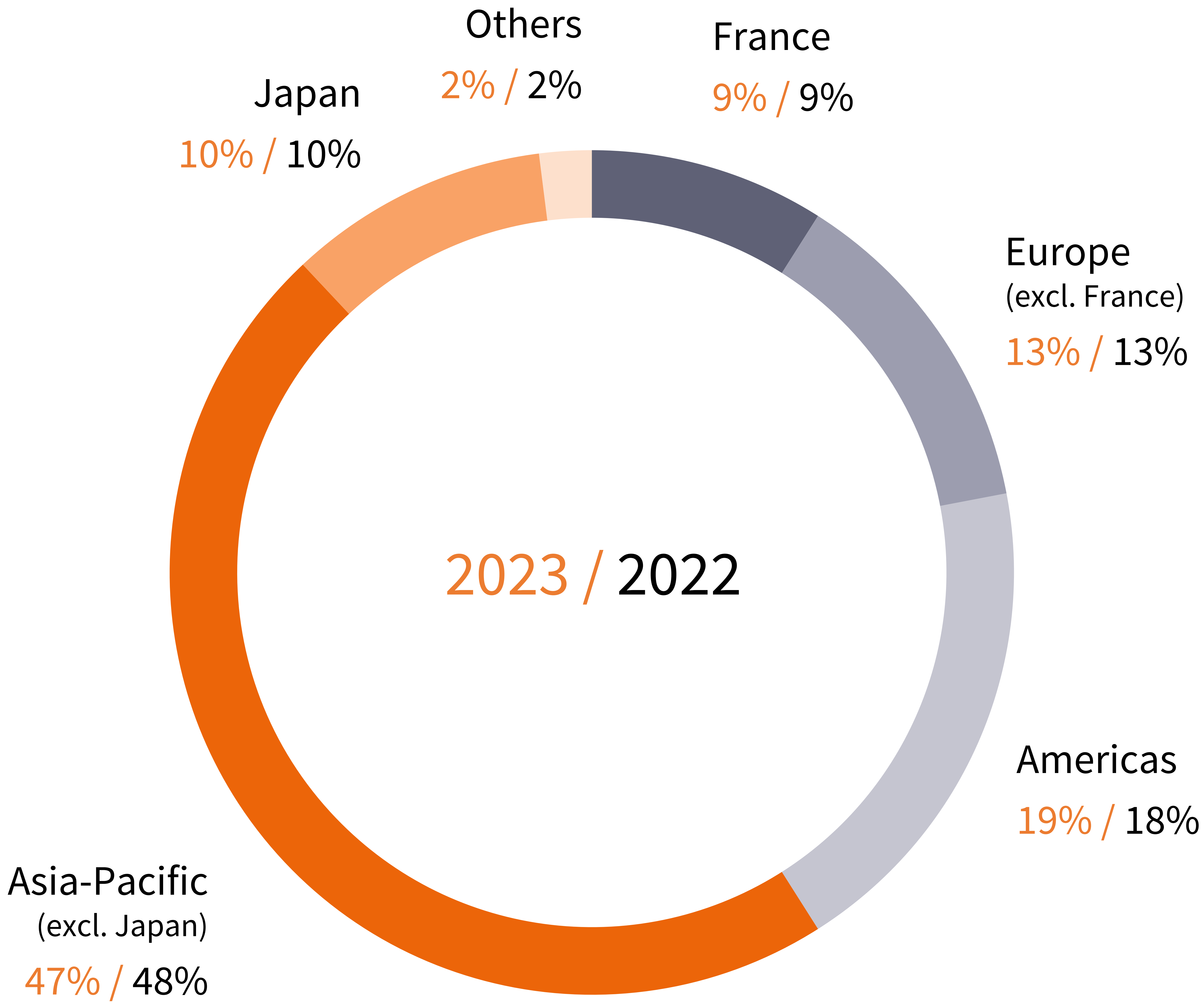
Revenue up to €13.4 billion

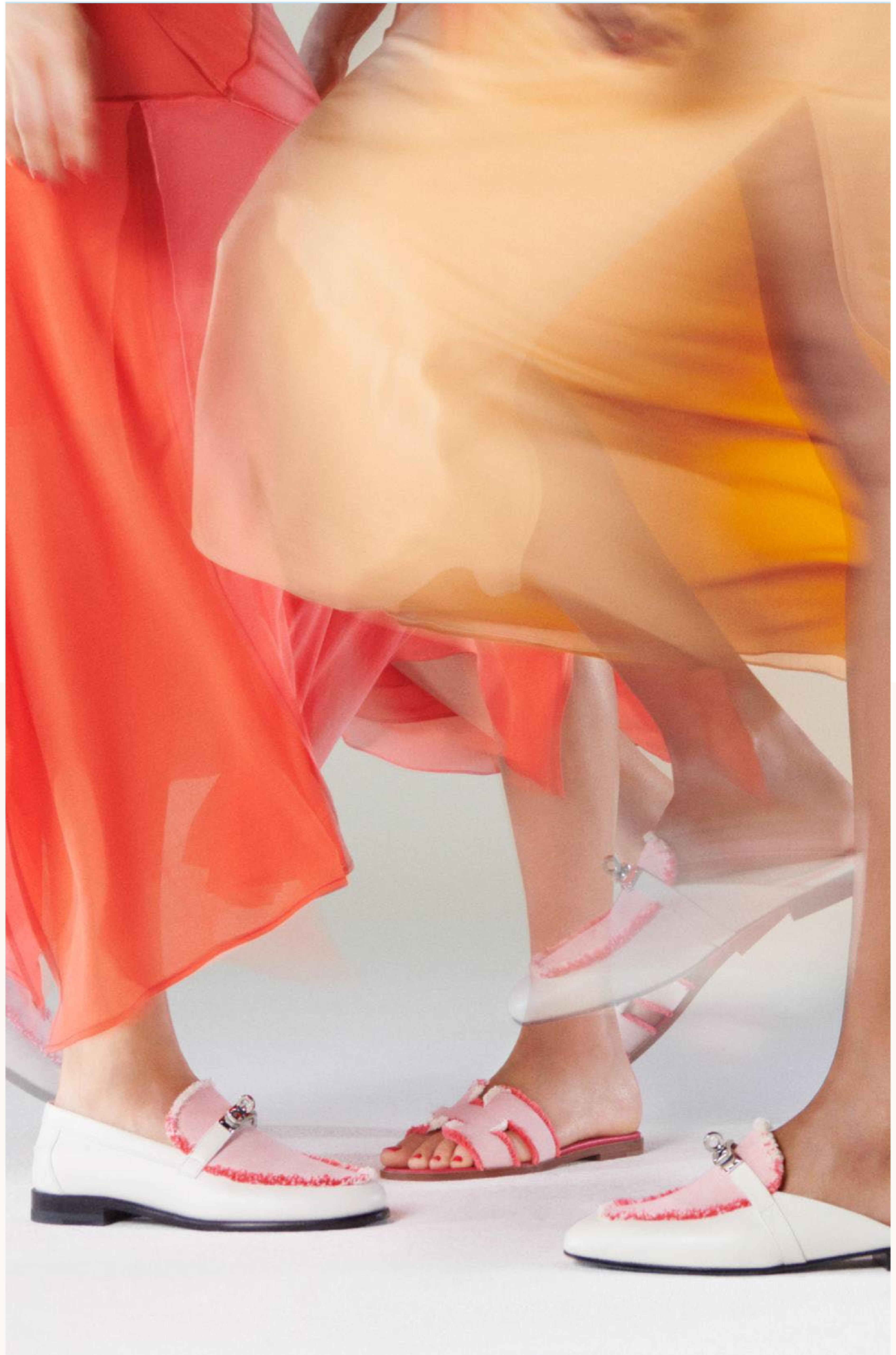
ÉVOLUTION	2023/2022
AT CURRENT EXCHANGE RATES	+ 16%
AT CONSTANT EXCHANGE RATES	+ 21%

Revenue by geographical area

IN € MILLION	2023	Changes at constant exchange rates 2023 / 2022
FRANCE	1,274	+ 20%
EUROPE (EXCL. FRANCE)	1,818	+ 20%
JAPAN	1,260	+ 26%
ASIA-PACIFIC (EXCL. JAPAN)	6,273	+ 19%
AMERICAS	2,502	+ 21%
OTHERS	299	+ 44%
TOTAL	**13,427**	**+ 21%**

Revenue by geographical area

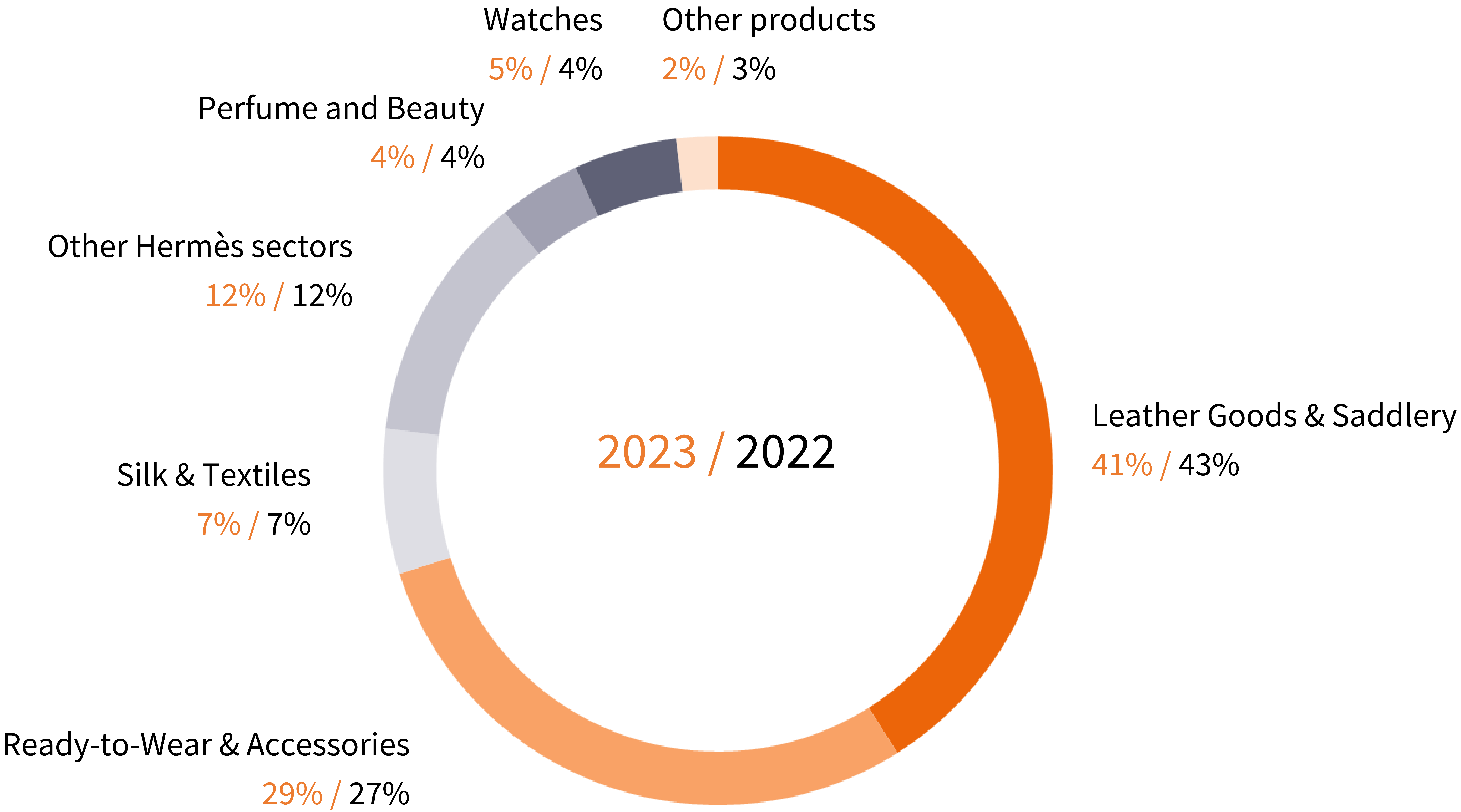




Revenue by sector

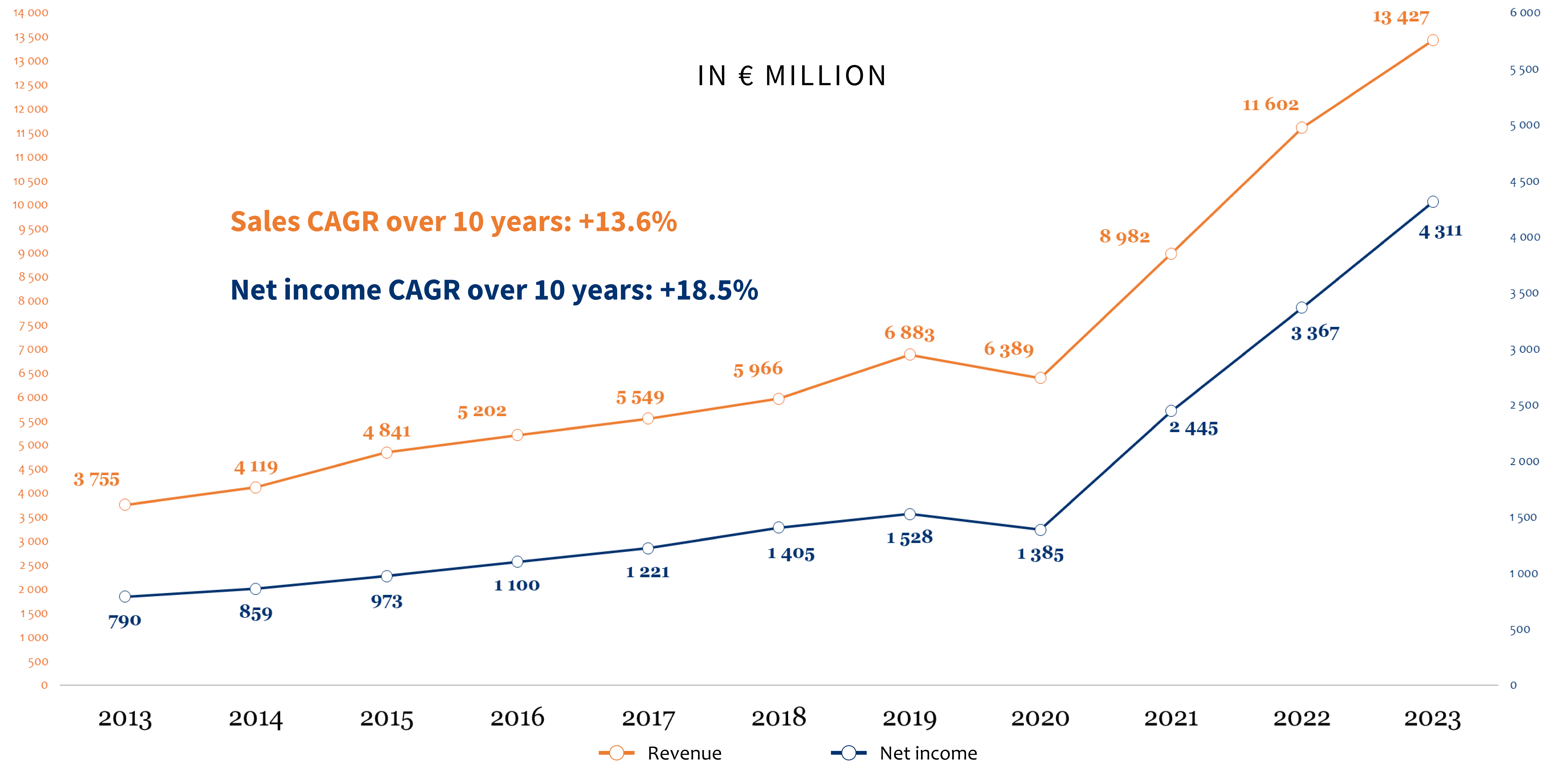
IN € MILLION	2023	Changes at constant exchange rates 2023 / 2022
LEATHER GOODS & SADDLERY	5,547	+ 17%
READY-TO-WEAR & ACCESSORIES	3,879	+ 28%
SILK & TEXTILES	932	+ 16%
OTHER HERMÈS SECTORS	1,653	+ 26%
PERFUME AND BEAUTY	492	+ 12%
WATCHES	611	+ 23%
OTHER PRODUCTS	313	+ 5%
TOTAL	**13,427**	**+ 21%**

Revenue by sector



2023 consolidated financial statements

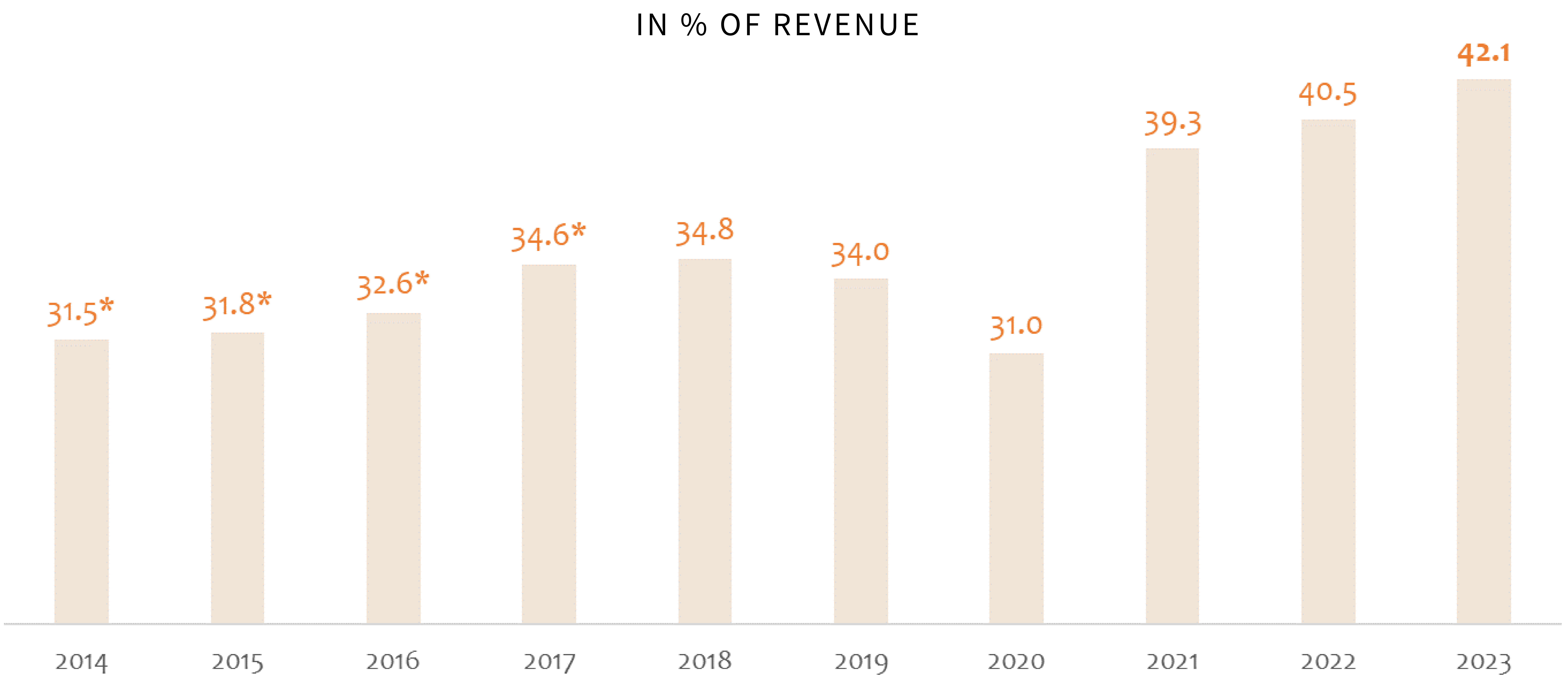
Revenue and net income evolution



Consolidated income statement

IN € MILLION	2023	2022	%
REVENUE	**13,427**	**11,602**	**+ 16%**
COST OF SALES	(3,720)	(3,389)	
GROSS MARGIN	**9,708**	**8,213**	
IN % OF SALES	*72.3%*	*70.8%*	
COMMUNICATION	(607)	(525)	
OTHER SALES AND ADMINISTRATIVE EXPENSES	(2,561)	(2,155)	
OTHER INCOME AND EXPENSES	(889)	(836)	
RECURRING OPERATING INCOME	**5,650**	**4,697**	**+ 20%**
OTHER NON-RECURRING INCOME AND EXPENSES	-	-	
OPERATING INCOME	**5,650**	**4,697**	**+ 20%**
IN % OF SALES	*42.1%*	*40.5%*	

Recurring operating profitability amounted to 42.1% of revenue

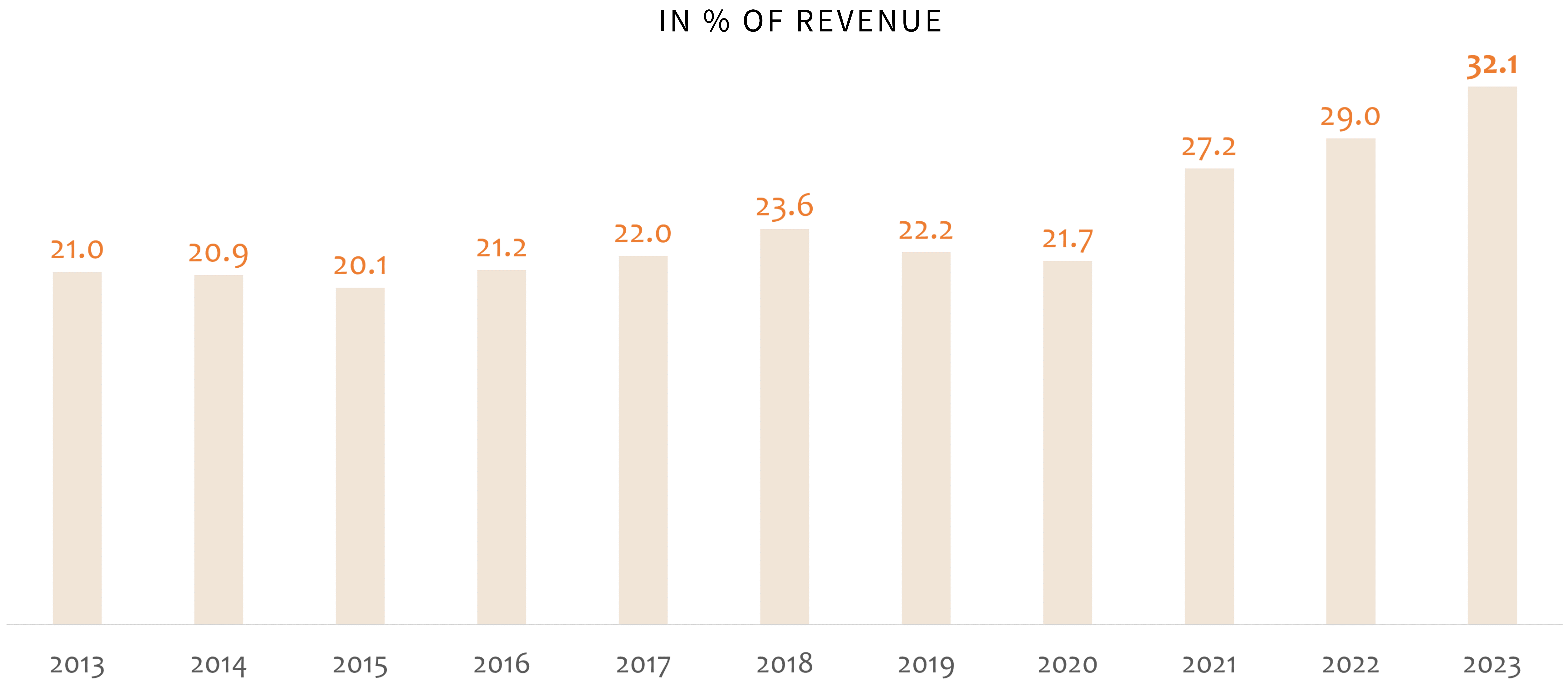


* Recurring operating profitability before application of IFRS 16

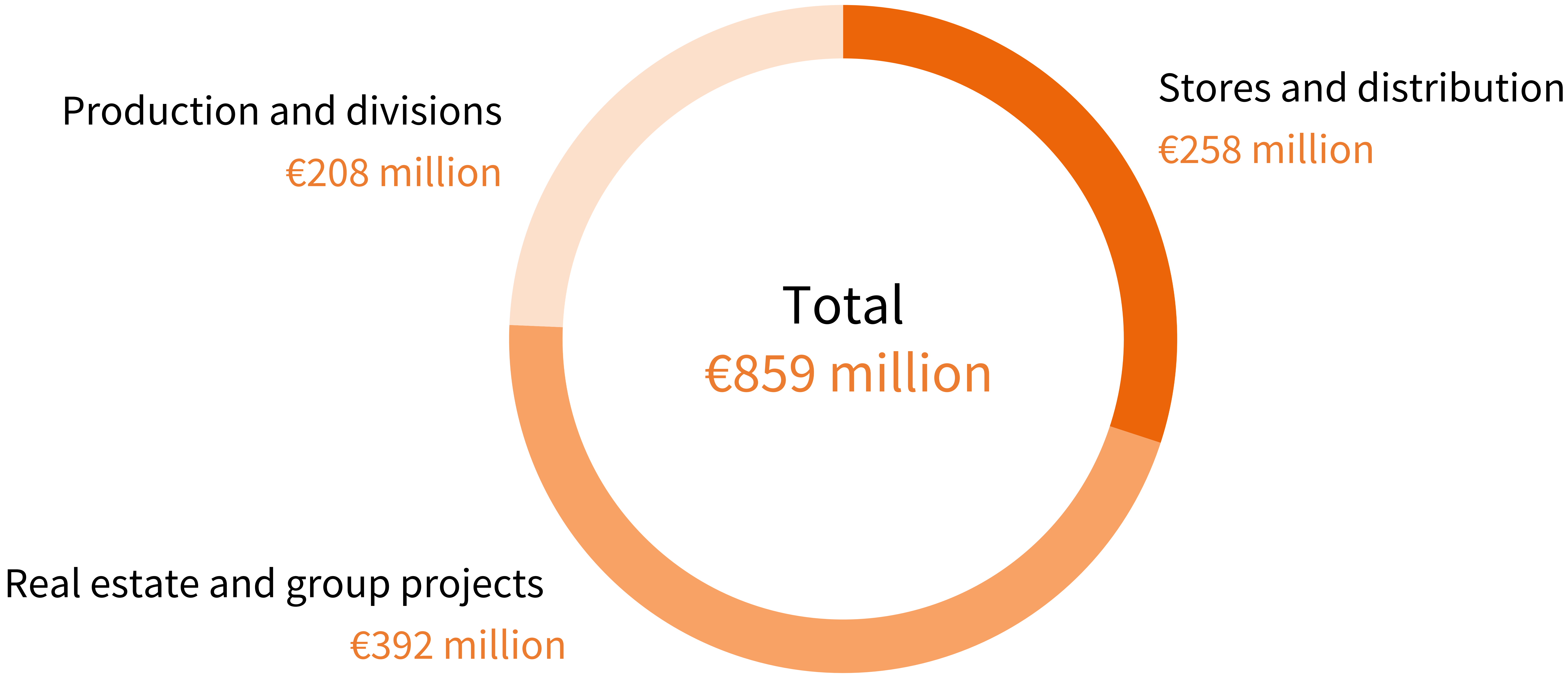
Consolidated income statement

IN € MILLION	2023	2022	%
OPERATING INCOME	**5,650**	**4,697**	**+ 20%**
NET FINANCIAL INCOME	190	(62)	
INCOME TAX	(1,623)	(1,305)	
IN % OF INCOME BEFORE TAX	*27.8%*	*28.2%*	
NET INCOME FROM ASSOCIATES	105	50	
NET INCOME ATTRIBUTABLE TO NON-CONTROLLING INTEREST	(12)	(13)	
NET INCOME ATTRIBUTABLE TO OWNERS OF THE PARENT	**4,311**	**3,367**	**+ 28%**

Net profitability amounted to 32.1% of revenue



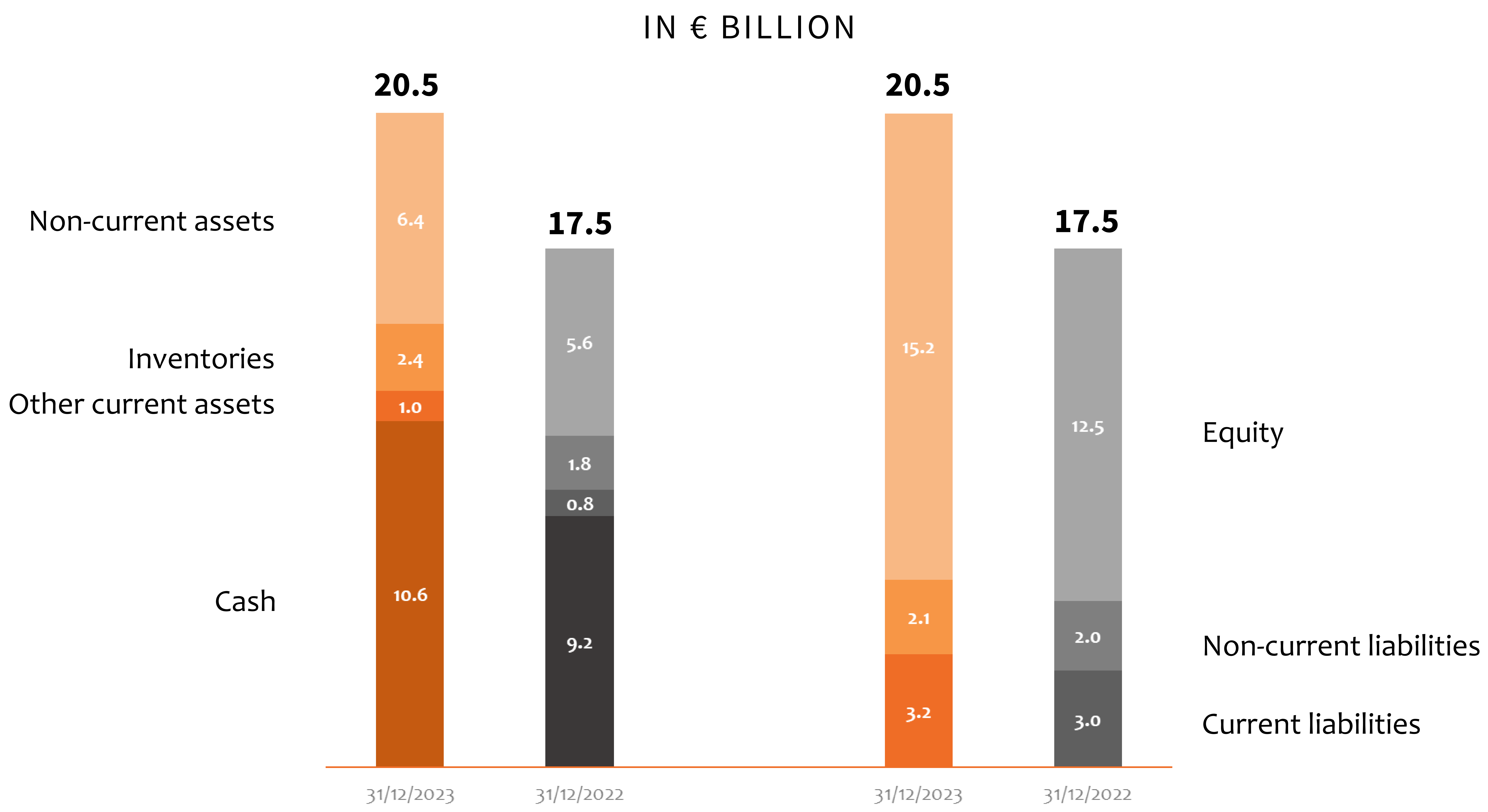
Operating investments



Restated cash flow statement

IN € MILLION	2023	2022
OPERATING CASH FLOWS	**5,123**	**4,111**
CHANGE IN WORKING CAPITAL	(794)	73
CASH FLOW RELATED TO OPERATING ACTIVITIES	**4,328**	**4,185**
OPERATING INVESTMENTS	(859)	(518)
REPAYMENT OF LEASE LIABILITIES	(277)	(261)
ADJUSTED FREE CASH FLOW	**3,192**	**3,404**
FINANCIAL INVESTMENTS	*(316)*	*(21)*
DIVIDENDS PAID	*(1,386)*	*(852)*
TREASURY SHARE BUYBACKS NET OF DISPOSALS	*(132)*	*(116)*
OTHER CHANGES	*64*	*257*
CHANGE IN NET CASH POSITION	**1,422**	**2,672**
CLOSING RESTATED NET CASH POSITION	**11,164**	**9,742**
OPENING RESTATED NET CASH POSITION	**9,742**	**7,070**

Simplified balance sheet

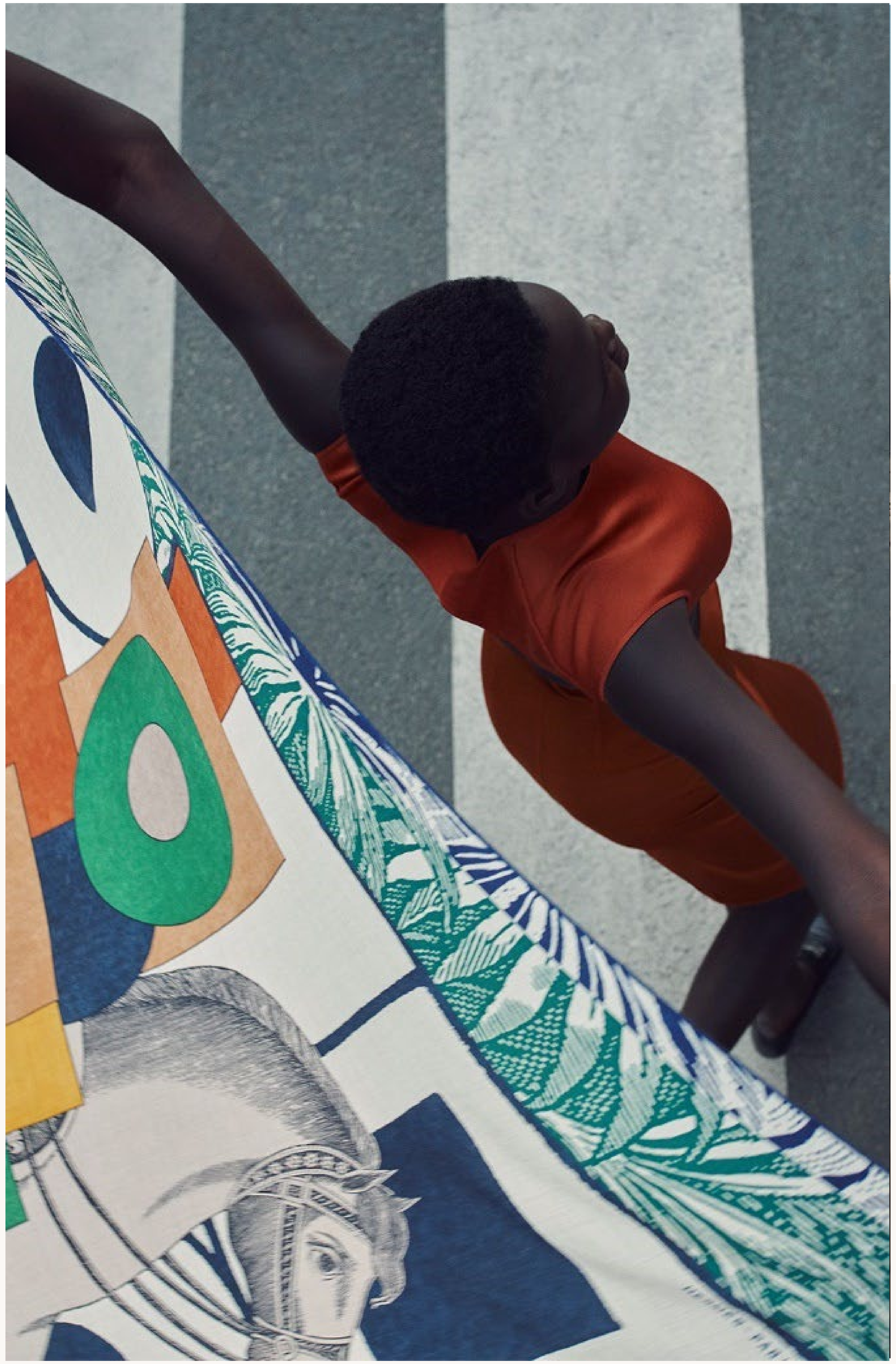


Sales 1st quarter 2024

1st quarter 2024

- Solid sales growth at the end of March, revenue amounted to €3.8 billion (+17% at constant exchange rates and +13% at current exchange rates)
- All the geographical areas posted double-digit growth, which reflects the loyalty of our clients, the strength of the group's artisanal model and the desirability of the creation
- All the métiers confirmed their solid momentum and achieved good performances

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

OUTLOOK

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***

Presentation of the main resolutions

Resolutions relating to ordinary business

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

IN EUROS	2021	2022	2023
ORDINARY DIVIDEND	8.00	13.00	15.00*
EXCEPTIONAL DIVIDEND			10.00

*** Including an interim dividend of €3.50 paid on 15 February 2024**

Resolutions relating to ordinary business

- Effective compensation of corporate officers paid during or awarded for the financial year 2023 (7th to 10th) – *Ex-post* votes

Resolutions	**Corporate Officers concerned**
Global *ex-post* vote	
7th (information on the compensation and benefits of all Corporate Officers)	Executive Chairman, 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 Chairman (11th) – *Ex-ante* vote

Compensation policy approved by the Shareholders' Meeting maintained with two amendments. Determination principles and general elements unchanged

› 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:

› Fixed compensation: indexed to growth in consolidated revenue for the previous financial year, at constant exchange rates and scope.

It is proposed to limit the annual change in the fixed compensation of the Executive Chairmen to 5%. In other words, the indexation of the fixed compensation will continue to be aligned with the increase in consolidated revenue achieved in respect of the previous financial year, at constant scope and exchange rates, compared to that of the prior financial year, but without exceeding a 5% increase compared to the previous fixed compensation (limit).

› Variable 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 (environnemental, social et social).

› Setting up of a defined-benefit pension plan (Article 82 of the French General Tax Code), to which the acquisition of rights will be subject to clear, detailed and varied performance conditions, of both a financial and non-financial nature.

Resolutions relating to ordinary business

- Annual global amount and compensation policy for the Supervisory Board members (12^{th}) – *Ex-ante* vote

  Distribution criteria and compensation policy approved by the Shareholders' Meeting both maintained:

  - An annual global amount set by the Shareholders' Meeting (€900,000 since 2023).
  - Allocated between the members of the Supervisory Board according to precise and predetermined distribution criteria.
  - Which takes into account:
    - the role of each member of the Supervisory Board (within the Board and/or its Committees),
    - and their attendance at meetings (preponderant proportion).

Resolutions relating to ordinary business

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

Mr Matthieu Dumas

Member of the CAG-CSR Committee

Mr Blaise Guerrand

Ms Olympia Guerrand

Mr Alexandre Viros

Member of the Audit and Risk Committee

Resolutions relating to ordinary business

- Appointment of the statutory auditor tasked with certifying the sustainability information for a term of three financial years (17th)

  - Proposal to appoint PricewaterhouseCoopers Audit as Auditor tasked with certifying the sustainability information for a term of three financial years, as part of the implementation of the CSRD directive.

Resolutions relating to ordinary and extraordinary businesses

- Share buyback programme (6th)
  - Authorisation up to a maximum of 10% of share capital
  - Maximum amount that may be committed: €6,5 billion
  - Objectives: to manage the share through a liquidity contract, cancellation, sale, allocations of free shares and stock options, external growth operations
  - Maximum purchase price: €3,000
  - Authorisation validity: 18 months

- Autorisation to reduce the share capital by cancellation of shares (18th)
  - Authorisation up to a maximum of 10% of share capital
  - Authorisation validity: 24 months

- Renewal of the delegations of authority to the Executive Management for the purpose of decide to grant free existing shares of the Company (19th)
  - Authorisation validity: 38 months

Supervisory board's report

On corporate governance - To the combined general meeting

Statutory auditor’s reports

On the accounts for the financial year ending 31 december 2023
PricewaterhouseCoopers Audit Grant Thornton Audit

Issued to the ordinary business

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:
  Certifications without reserve or observation

- Key audit matters on annual financial statements
  › Valuation of equity investments

Issued to the ordinary business (continuation)

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

- Continuation of the execution of agreements approved in previous years

Issued to the extraordinary business

Statutory auditors' reports on draft resolutions affecting your company's share capital

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