



2023 First Half Results

28 July 2023

A RESPONSIBLE CRAFTSMANSHIP BUSINESS MODEL



CREATIVITY AND SAVOIR-FAIRE

Creativity of the 16 *métiers* around the theme of the year, **Astonishment**

Promotion and exploration of **savoir-faire**



QUALITY AND DURABILITY

Responsible sourcing

More than **80 exceptional raw materials**



JOB CREATION AND RESPONSIBILITY

Workforce **2x in 10 years**
62% in France

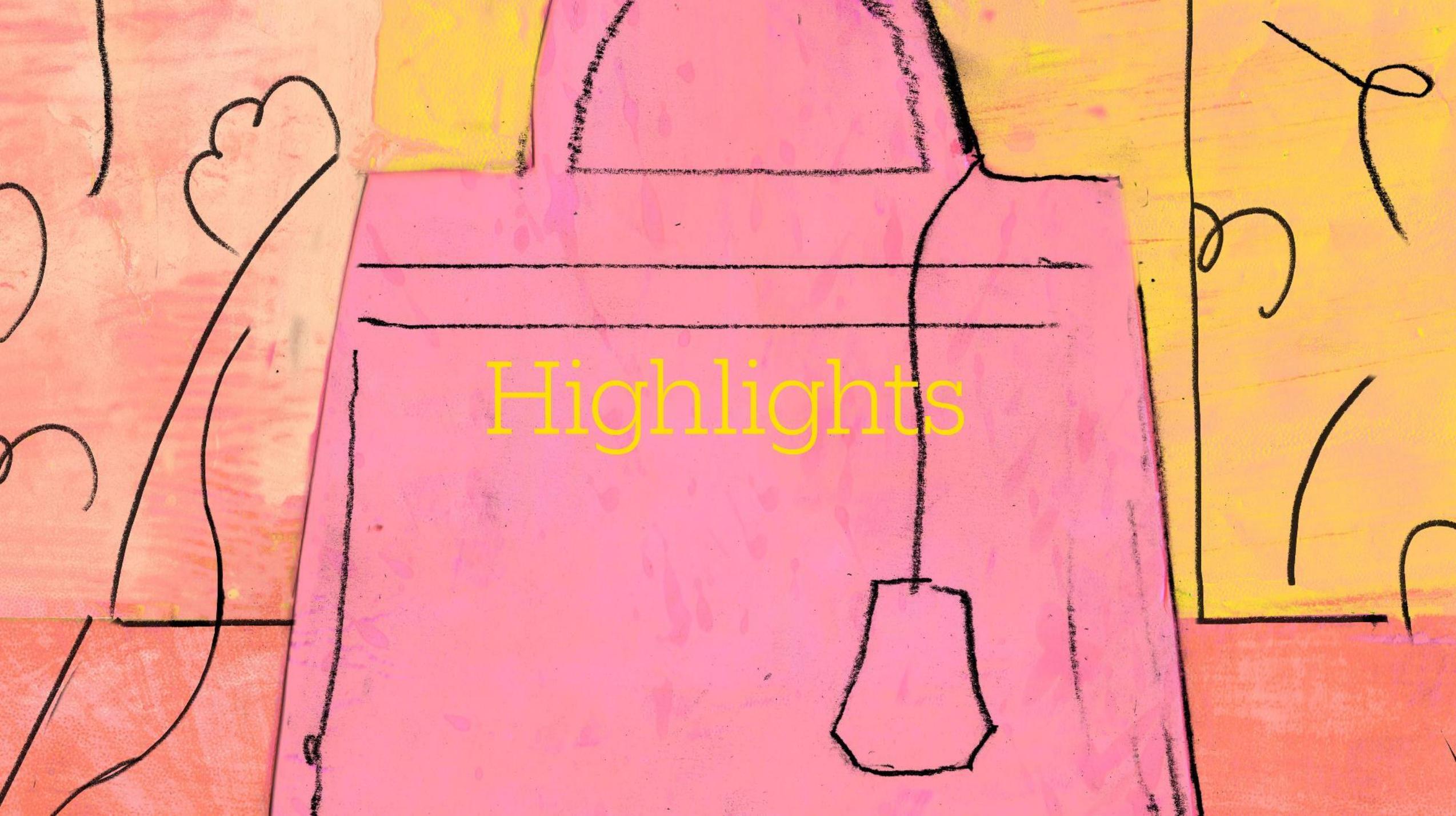
Value-sharing

INTEGRATION AND EXCLUSIVITY

Local anchoring
3 leather goods workshops **openings** in
3 French **regions**

Exclusive distribution network
2 store **openings**
5 **expansions** / renovations



A hand-drawn graphic on a piece of paper. The background is divided into several sections by black outlines. A large central section is filled with pink. Above it is a yellow section, and to the right is another yellow section. Below the pink section is a peach-colored section. The word "Highlights" is written in yellow text in the center of the pink section. There are also some black scribbles and lines on the left and right sides of the page.

Highlights



A BOLD CREATION



- Enrichment of the leather goods collection with the models ***In-The-Loop, Maximors, Birkin Picnic and Hacados***
- Successful ***women's and men's Ready-to-Wear*** collections
- Presentation of new ***Chaîne d'ancre*** jewels
- Launch of the ***Un Jardin à Cythère*** new perfume
- Presentation of the ***Home universe collections*** during the *Milan Design Week*
- New chronograph version of the ***Hermès H08*** watch



THE DEVELOPMENT OF PRODUCTION CAPACITIES



- Three leather goods workshops openings:
 - › Louviers (Eure)
 - › La Sormonne (Ardennes)
 - › Saint-Junien (Haute-Vienne)
- Four leather goods workshops projects ongoing:
 - › 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
- Strengthening of capacity investments and vertical integration

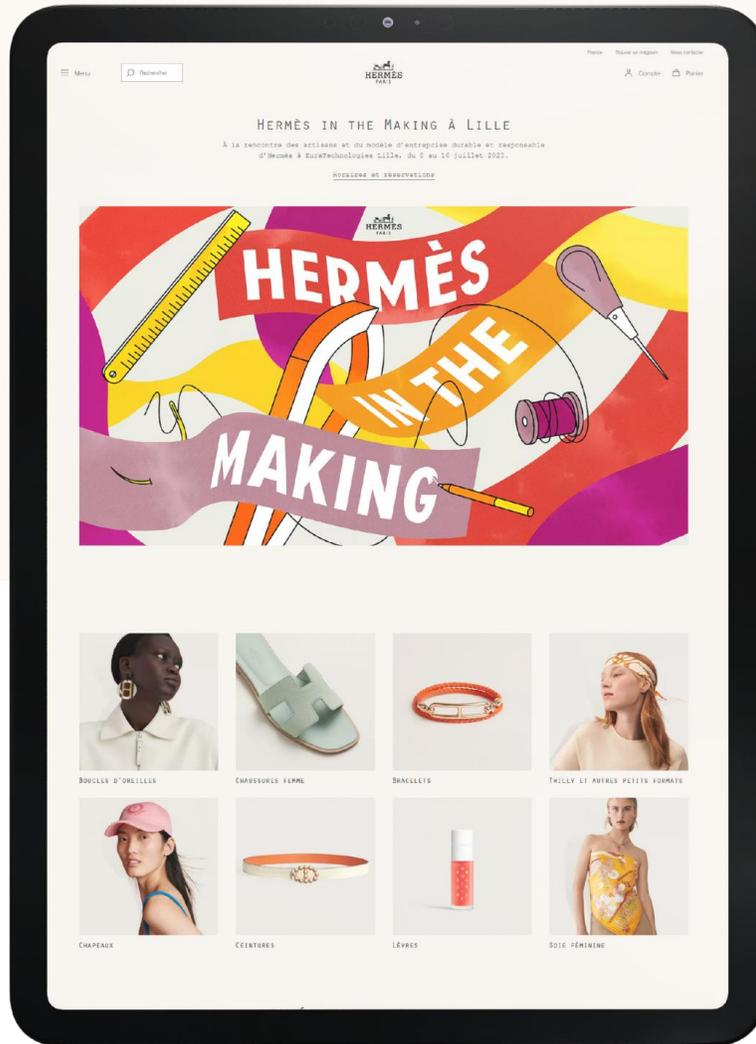


AN INTEGRATED, OMNICHANNEL AND EXCLUSIVE DISTRIBUTION NETWORK (1/2)



- Investments continuing in the multilocal distribution network
- Opening of new stores:
 - › Naples, fifth store in Florida (United States)
 - › Aspen (United States)
- Expansion and renovation of stores:
 - › Hamburg (Germany)
 - › Nanjing and Beijing Peninsula (China)
 - › Abu Dhabi (United Arab Emirates)

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



- Strong momentum of e-commerce sales worldwide
- Opening of the new digital platform in Brazil
- Traffic increase and entry point to the Hermès universe for new clients, complementary to the stores
- New omnichannel services and a wider range of products available



A SINGULAR COMMUNICATION



- Revealing Hermès in an authentic and unconventional manner
 - › **Saut Hermès** at the *Grand Palais éphémère* in Paris
 - › **HermèsFit** in Singapore
 - › **On the Wings of Hermès** in Taipei
 - › **Le Kiosque du Monde d'Hermès** notably in Barcelona, Austin and Strasbourg
 - › **Hermès in the Making** in Lille
- Rediscovering the 16 *métiers* of the house
 - › Silk event, **Kite Festival** in Dubai, Buenos Aires and Busan
 - › Men universe in Tokyo and women universe in Shanghai
 - › petit h in Osaka
 - › Home universe, **Hermès Parade** in Seoul
 - › Jewellery event, **Chaîne d'ancre** at the Faubourg store in Paris



Responsible
and sustainable
development

ARTISANAL AND RESPONSIBLE BUSINESS MODEL



PEOPLE, AT THE HEART OF OUR VALUES

Acceleration of **job creation**

Maintain the rate of **employees with disabilities** in France > 6%



CLIMATE STRATEGY

Reduction of emissions between 2018 and 2030 (validated by SBTi) :

- 50.4% in absolute value scopes 1&2
- 58.1% in intensity scope 3

100% renewable energy by 2030

LOCAL ANCHORING

Sustainable real estate standards:
2 new E4C2-certified leather goods workshops

54 **production sites** in France



RESPONSIBLE SECTORS

Renewal of the Jewellery and Watches **certification** (RJC COP)

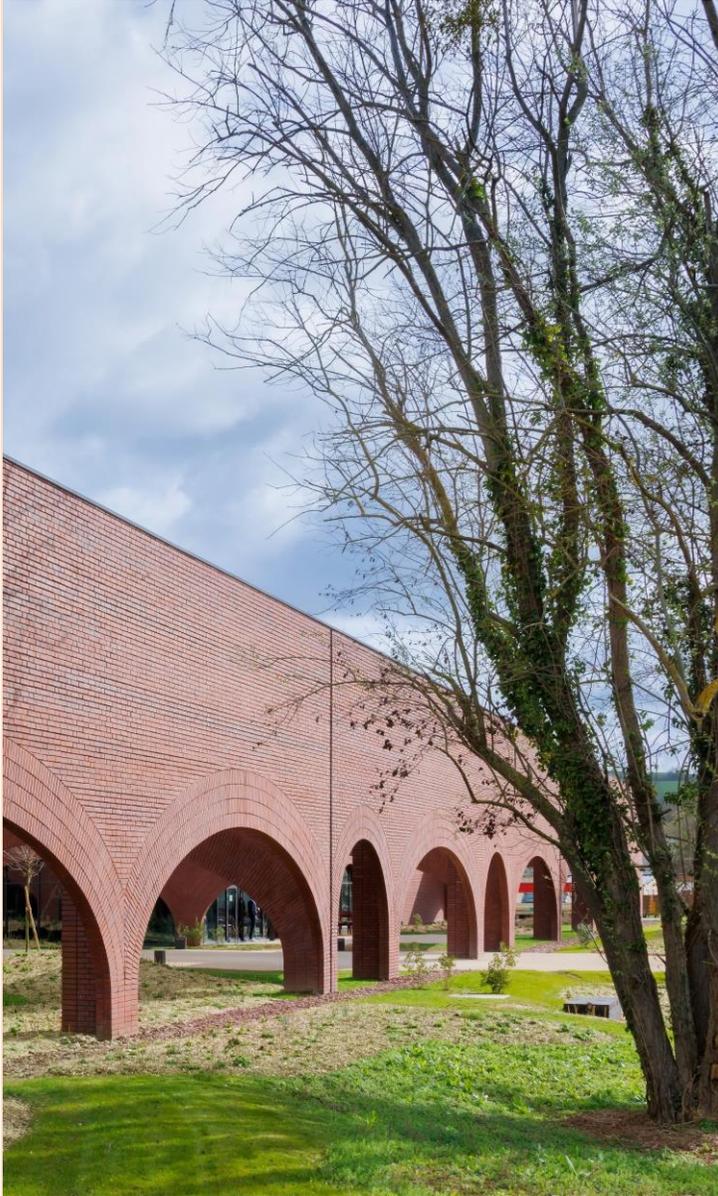
100% of suppliers aligned with the CSR brief by 2024



HERMÈS SOCIALLY RESPONSIBLE



- **Dynamic job creation**
 - › At the end of June 2023, the group employed 20,607 people, including 12,875 in France, with an acceleration in job creation
 - › >900 recruitments in the first semester, of which >500 in France
- **Value-sharing**
 - › A 6th free share plan for all employees announced in June
- **Training**
 - › *École Hermès des savoir-faire*: extension to the Guyenne site
 - › Launch of a certified training course on the profession of cutter
- **Commitment for diversity and inclusion**
 - › Direct employment rate of people with disabilities: 6.85%



IMPLEMENTATION OF THE CLIMATE STRATEGY



- Sustainable real estate standards:
 - › Standards for high environmental and social performance real estate
 - › Louviers & la Sormonne: France's first E4C2-certified industrial buildings
- Protection of biodiversity:
 - › Measuring our impact on biodiversity throughout the value chain
 - › Process SBTN (Science Based Targets for Nature) launched with scientific targets aligned with global limits for freshwater, land use, oceans and biodiversity
- Energy sobriety:
 - › Control energy consumption: energy intensity divided by 2 in ten years
 - › Exceeded target of -10% energy consumption for industrial sites and -11% for stores and tertiary sites
 - › 100% renewable electricity in France

The background is a vibrant, abstract composition. It features a base of bright blue, overlaid with large, irregular shapes in shades of orange and pink. These shapes have a textured, layered appearance, suggesting they might be made of paper or fabric. Black, expressive scribbles and lines are scattered across the scene, some forming curved, wing-like shapes that frame the central text. The overall effect is dynamic and artistic.

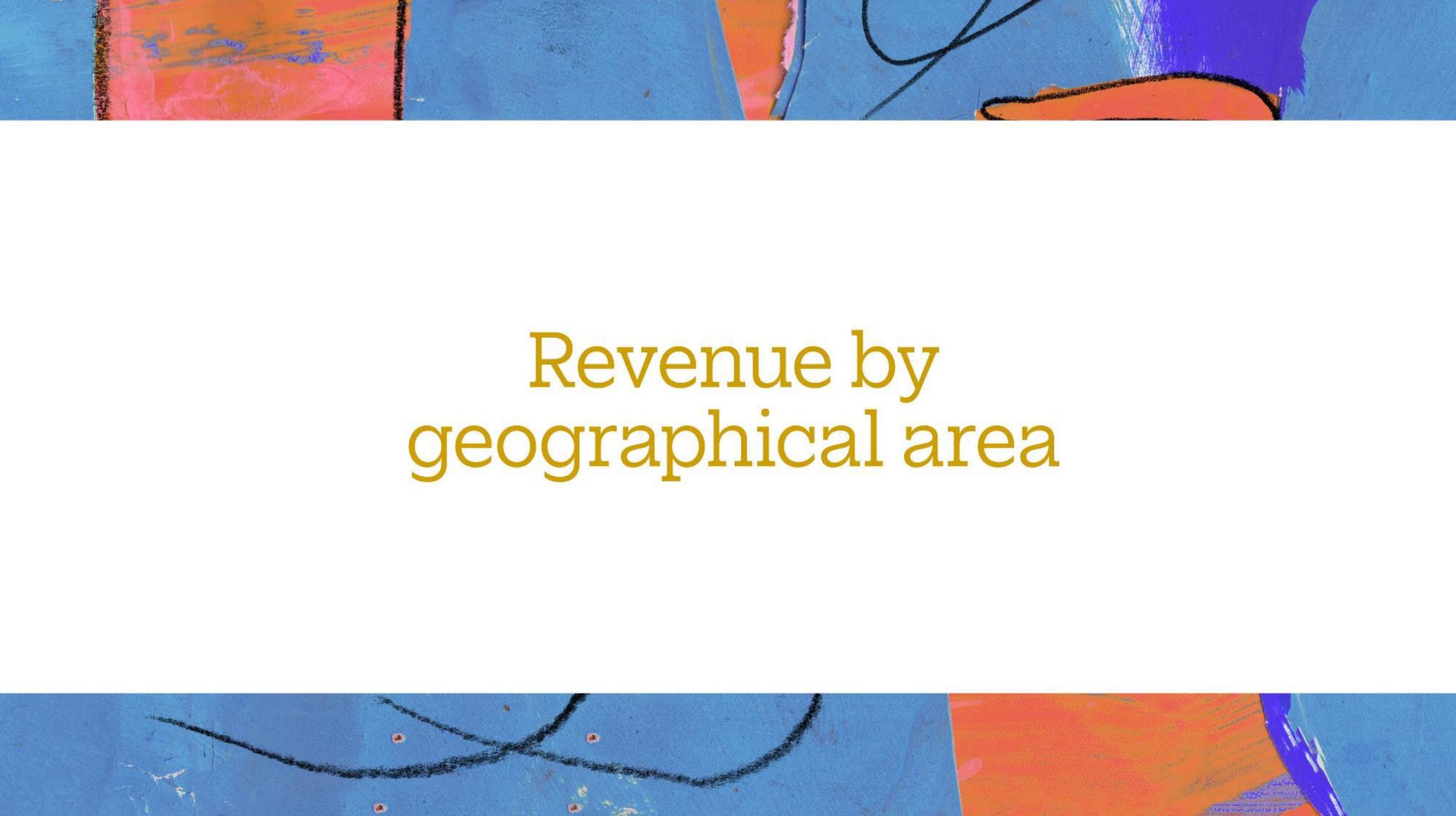
Activity



ACTIVITY



- Revenue in the first half of 2023 reached **€6.7 billion** (+25% at constant rates and +22% at current rates)
- All the regions posted strong growth of 20% or above and all the business lines confirmed their solid momentum
- Sales increased considerably both in the group's stores (+25%) and in wholesale activities (+26%)
- Sales in the second quarter reached **€3.3 billion** (+28% at constant rates and +22% at current rates), with an exceptional performance in Asia which benefitted from a favourable comparison basis



Revenue by geographical area



REVENUE BY GEOGRAPHICAL AREA

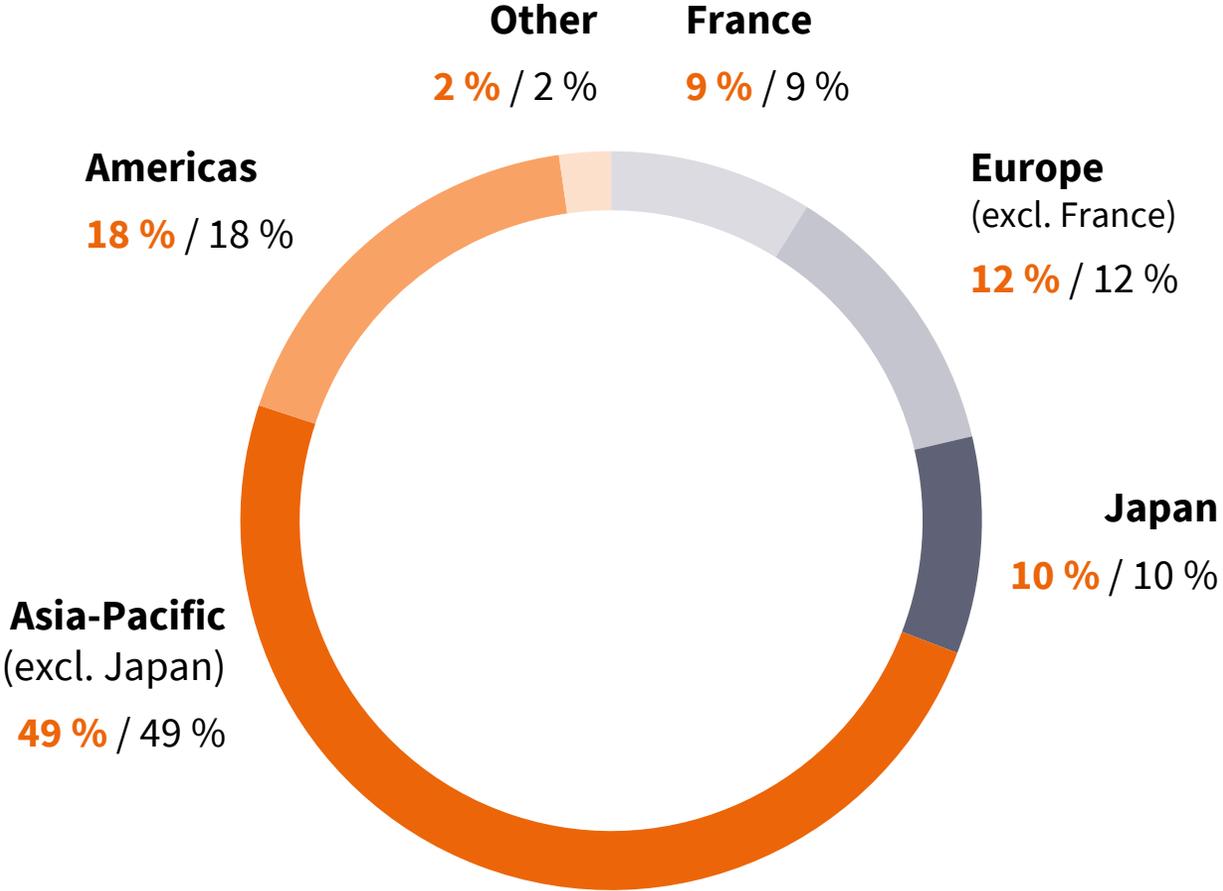


in €m	June 2023	Change at constant rates
France	593	24%
Europe (excl. France)	836	22%
EUROPE	1,428	22%
Japan	636	26%
Asia-Pacific (excl. Japan)	3,297	28%
ASIA	3,932	27%
Americas	1,185	20%
Other	151	42%
TOTAL	6,698	25%

REVENUE BY GEOGRAPHICAL AREA



2023 / 2022





Revenue by sector



REVENUE BY SECTOR

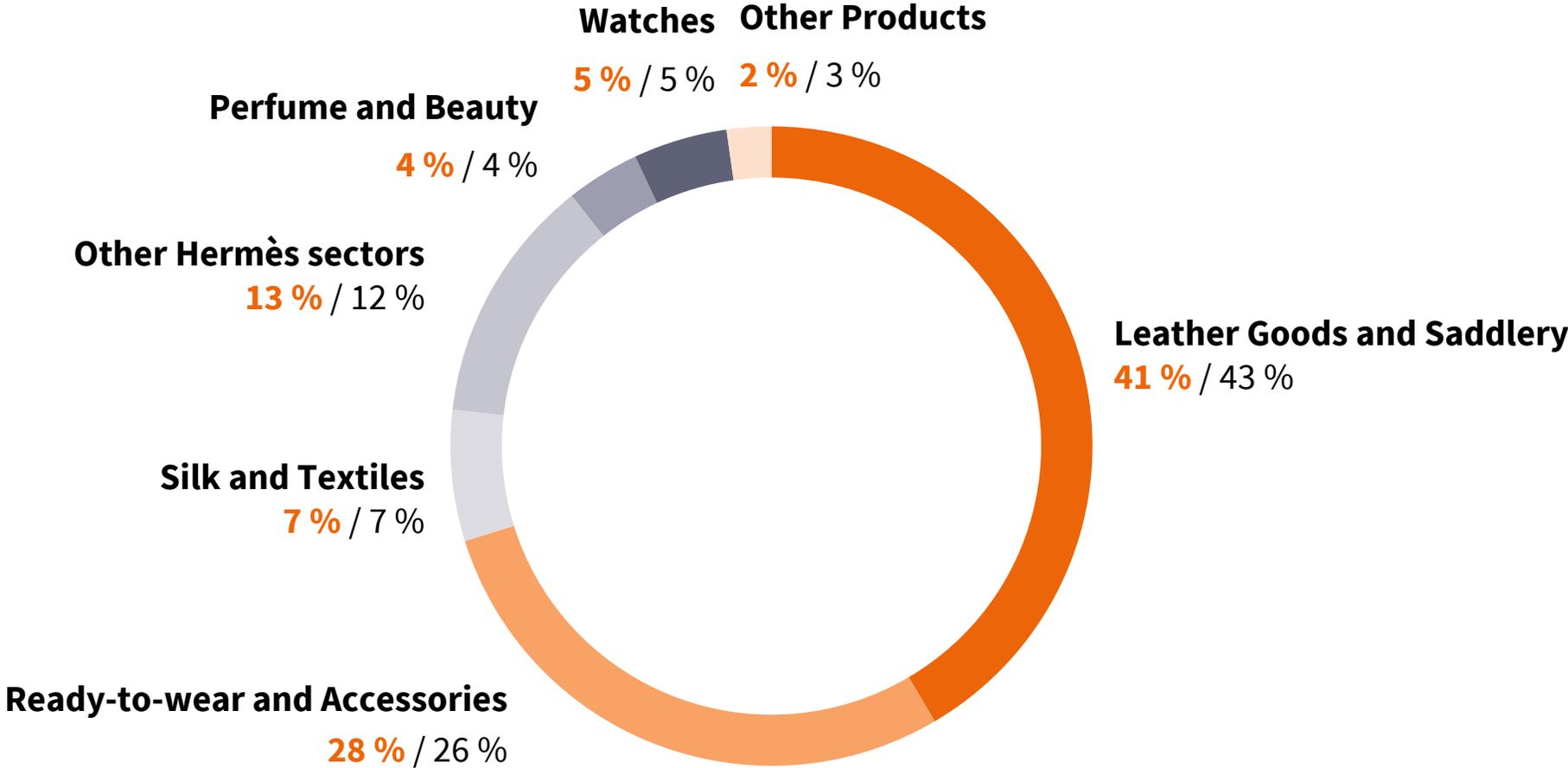


in €m	June 2023	Change at constant rates
Leather Goods and Saddlery	2,780	21%
Ready-to-wear and accessories	1,922	35%
Silk and textiles	444	22%
Other Hermès sectors	836	32%
Perfume and Beauty	249	10%
Watches	317	24%
Other products	150	4%
TOTAL	6,698	25%

REVENUE BY SECTOR



2023 / 2022





Results



Income statement



CONSOLIDATED INCOME STATEMENT

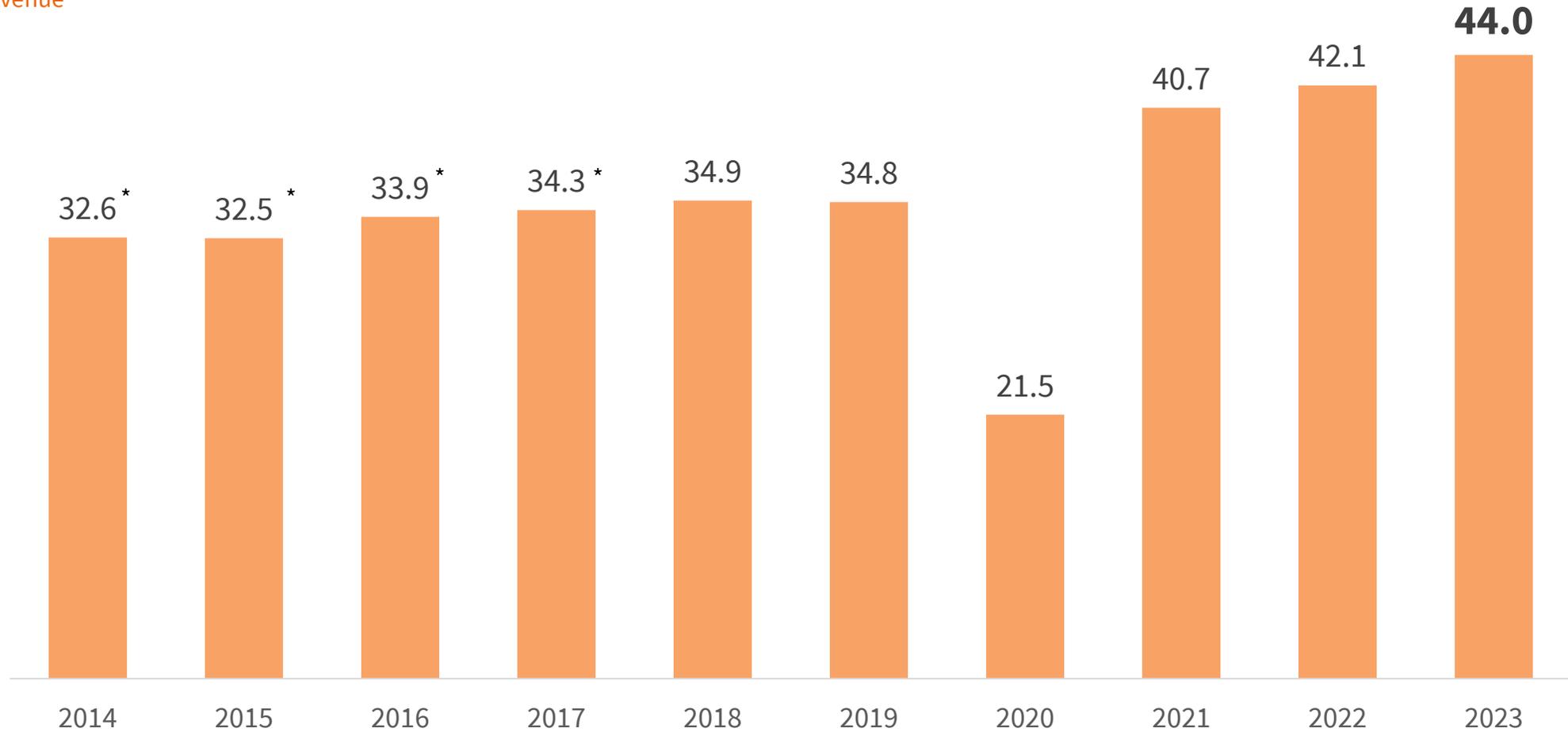


<i>in €m</i>	<i>%</i>		<i>%</i>	
	June 2023	<i>revenue</i>	June 2022	<i>revenue</i>
Revenue	6,698		5,475	
Cost of sales	(1,863)		(1,586)	
Gross margin	4,834	72.2%	3,889	71.0%
Communication	(259)	(3.9)%	(196)	(3.6)%
Other sales and administrative expenses	(1,226)	(18.3)%	(982)	(17.9)%
Other income and expenses	(403)	(6.0)%	(406)	(7.4)%
Recurring operating income	2,947	44.0%	2,304	42.1%
Other non-recurring income and expenses				
Operating income	2,947	44.0%	2,304	42.1%
<i>Change y-o-y</i>	+28%			

HALF YEAR RECURRING OPERATING PROFITABILITY EVOLUTION



in % of revenue



* Avant IFRS16



CONSOLIDATED INCOME STATEMENT

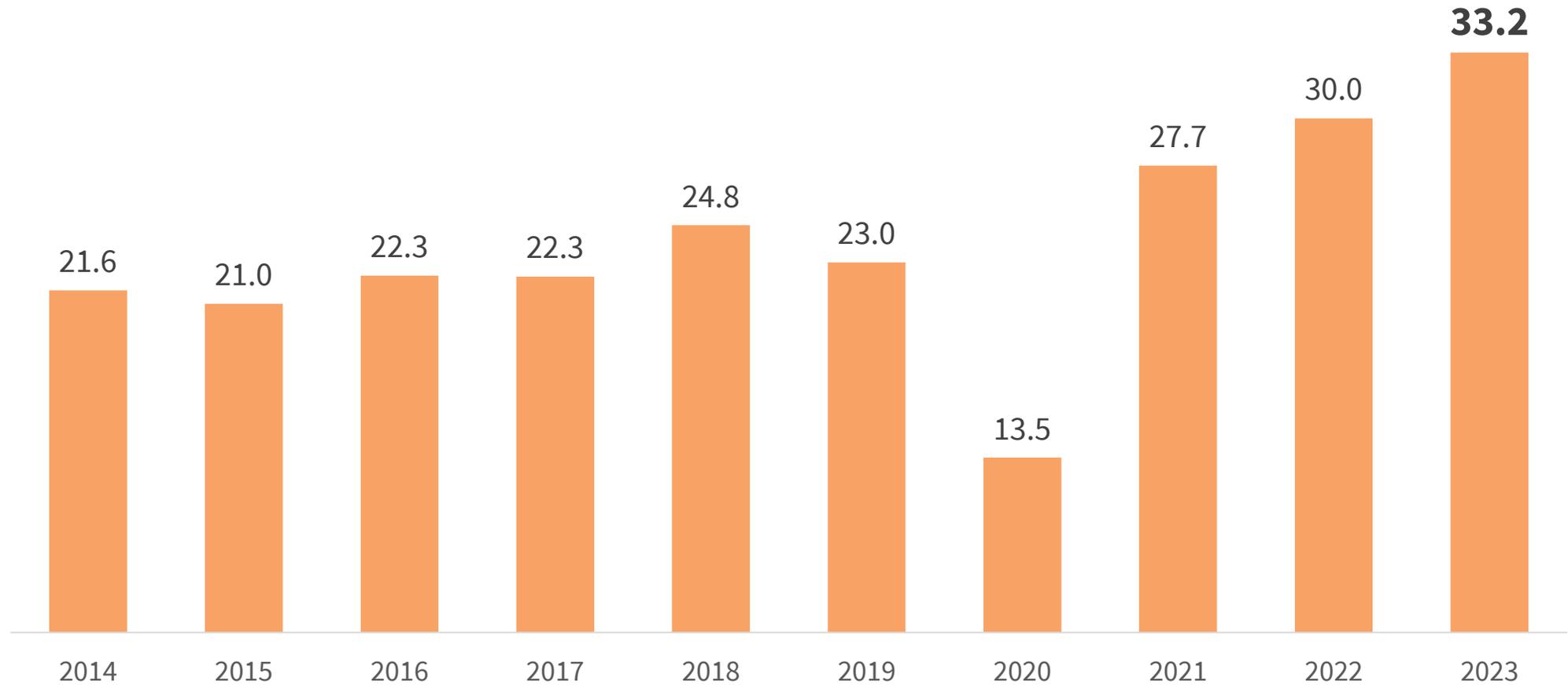


<i>in €m</i>	June 2023	revenue	%	June 2022	revenue	%
Operating income	2,947		44.0%	2,304		42.1%
Net financial income	75			(35)		
Income tax	(831)			(647)		
		<i>In % of income before tax</i>			<i>In % of income before tax</i>	
Net income from associates	43		27.5%	25		28.5%
Non-controlling interests	(8)			(6)		
Net income attributable to owners of the parent	2,226		33.2%	1,641		30.0%
<i>Change y-o-y</i>			+36%			

HALF YEAR NET PROFITABILITY EVOLUTION



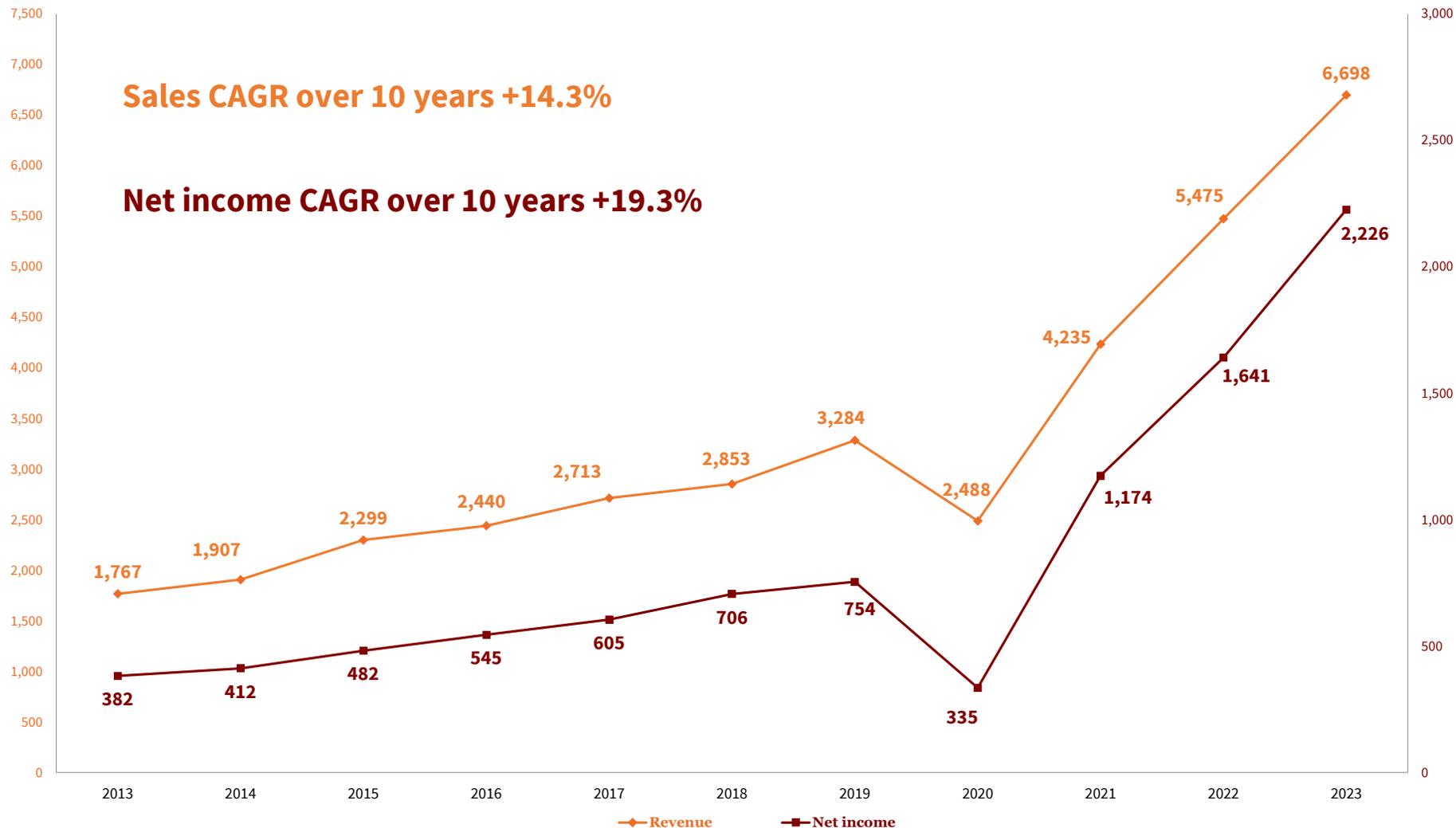
in % of revenue



HALF YEAR REVENUE AND NET INCOME EVOLUTION



in €m



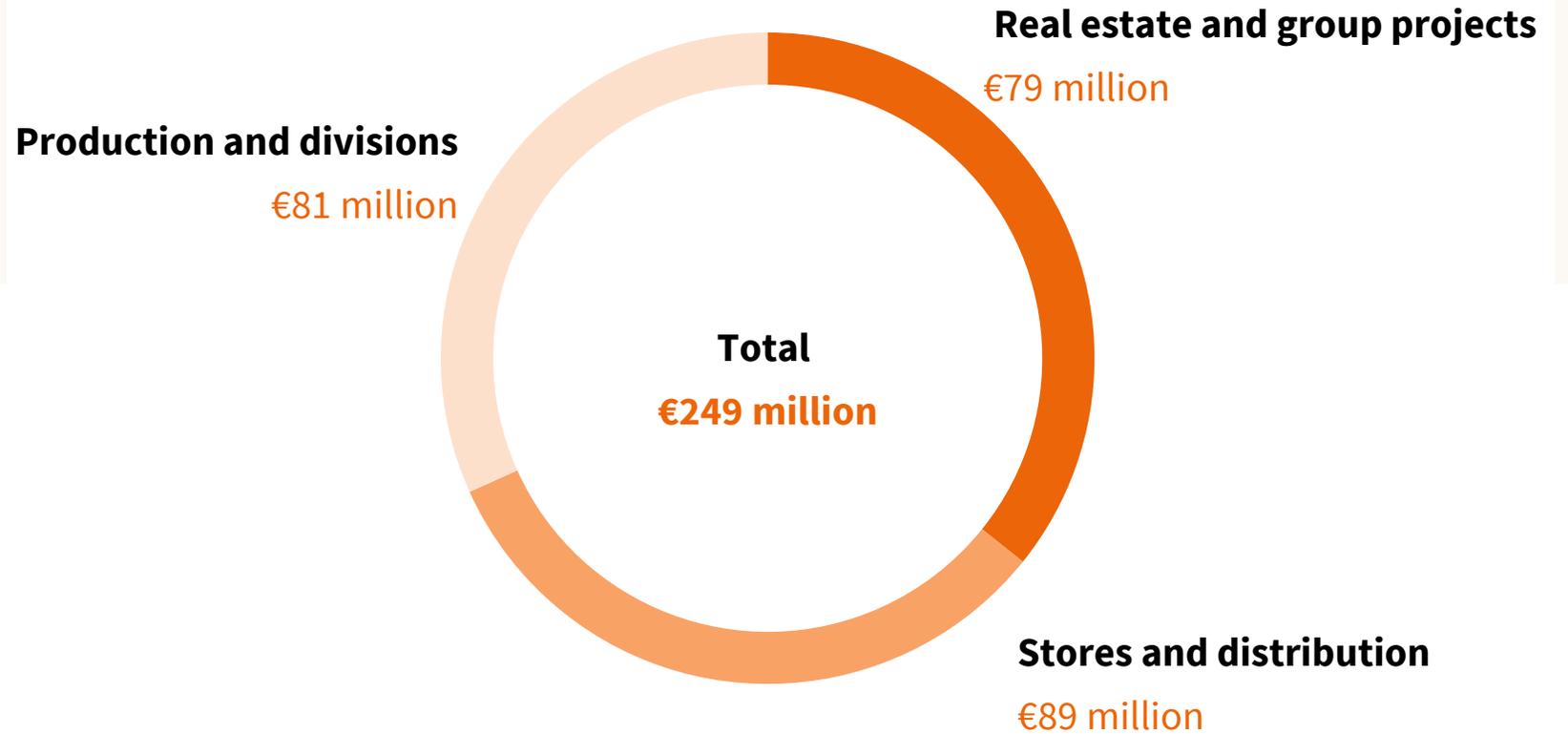
in €m



Investments and cash flow



OPERATING INVESTMENTS





RESTATED CASH FLOW STATEMENT



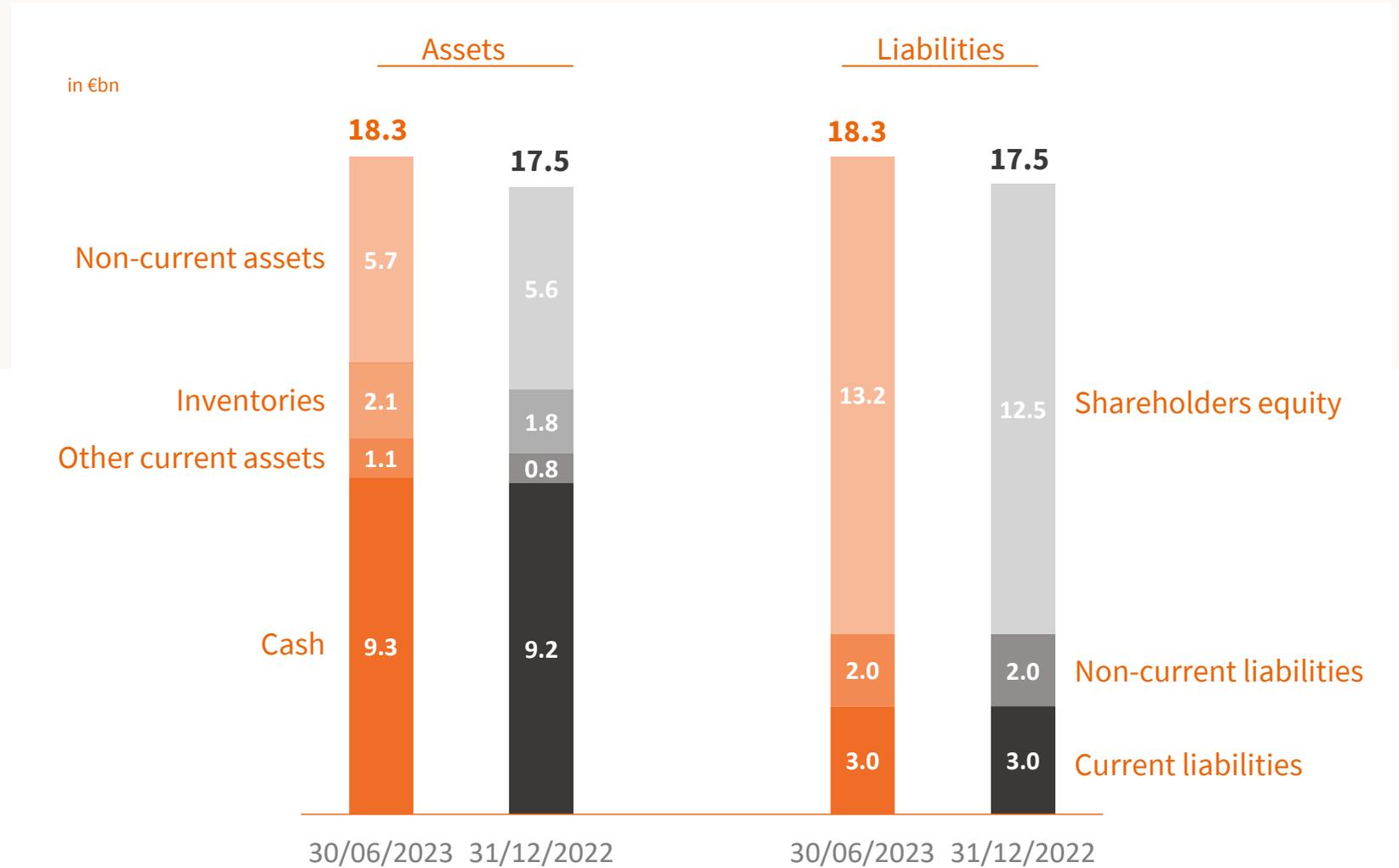
in €m	June 2023	June 2022
Operating cash flows	2,615	2,001
Change in working capital	(509)	(261)
Cash flows related to operating activities	2,106	1,740
Operating investments	(249)	(190)
Repayment of lease liabilities	(137)	(128)
Adjusted free cash flow	1,720	1,421
Financial investments	(92)	(10)
Dividends paid	(1,384)	(850)
Treasury share buybacks net of disposals	-	(115)
Other changes	(138)	169
Change in net cash position	106	615
Closing restated net cash position	9,848	7,685
Opening restated net cash position	9,742	7,070



Simplified balance sheet



SIMPLIFIED BALANCE SHEET



The image features a central illustration of a person riding a horse, rendered in a sketchy, line-art style. The rider is positioned in the middle ground, facing right. The horse is depicted in profile, also facing right. The entire scene is set against a vibrant blue background. To the right of the horse, a flag is visible, attached to a pole. The flag is a solid, dark blue color. On the left side of the image, there are several abstract, black, curved lines that appear to be part of a larger, unfinished drawing or perhaps represent wind or motion. The overall composition is dynamic and artistic, with a strong color palette of blues and blacks.

Outlook



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



2023: ORANGE, THE COLOUR OF ASTONISHMENT



- Acceleration of job creation
- Continued investments in production capacities and vertical integration
- Store openings and expansions, notably:
 - › Los Angeles Topanga and Chicago (United States)
 - › Chengdu and Beijing SKP (Mainland China)
 - › Bordeaux (France) and Vienna (Austria)
- Launch of the 5th chapter of Hermès Beauty around the eyes in September
- Continuation of programmes backed by the Fondation d'entreprise Hermès: Manufacto and Manuterra to be rolled out in other academies and other countries

The image features a central window with a pink interior and an orange exterior frame. The window is set against a background of orange and pink scribbles. The text "Questions and answers" is written in yellow across the window.

Questions
and answers



HERMES
PARIS

HERMES