

# Activity Report 2023



2023 ASTONISHING HERMÈS!

# MESSAGE FROM THE EXECUTIVE MANAGEMENT

## **Continuing to be astonished as a foundation for tomorrow's successes**

What a pleasure it is, having achieved some historic results, to be able to celebrate once again the success of the house's creations and innovations, the fruit of hard work by our teams all over the world. We would like to thank and congratulate them on their continued ability to surprise and amaze us, in keeping with the 2023 theme of *Astonishment*.

Because, yes, this success could almost be seen as a challenge issued to the uncertain economic and geopolitical context, and to the high tensions and profound transformations that some regions are currently experiencing. And yet, is it really surprising to want to treat oneself, to seek out companion objects designed to last and gain a patina, to want to dream and escape the grave times for a few moments?

Today, Hermès is a refuge. In our house of creations and new ideas, where quality is never compromised and the finest materials are always sought, we strive to remain true to our high standards as artisans and merchants.

## **Being astonished by the world**

In 2023, we continued to expand and enhance our network of stores to receive our customers in the best possible surroundings. Our stores in Bordeaux (France), Chicago (USA), Vienna (Austria) and Zhengzhou (China) reflect the aesthetics of local materials, colours and designs. It is hardly surprising, then, to find stained glass windows in Vienna, even if they were created by a designer more accustomed to working on silk scarves and tableware. Are you familiar with shades of bleu Encre and rouge Casaque? Whether it's with the mascaras and eyeshadows of *Le Regard* or the women's and men's ready-to-wear collections, colour has been a major theme of our product launches. →

With the new Louviers and la Sormonne workshops, and the extension of the textiles site at Pierre-Bénite, we are maintaining our ambition to establish strong regional roots and centres of excellence for our crafts. Beautiful things are made in beautiful places, and everything is even more beautiful when our buildings are E4C2 certified<sup>1</sup>. Being anchored in a place also means strengthening relationships with our long-term partners and making an active contribution to the expansion of these sectors.

To secure our supply chains and support the growth of all our métiers, we have continued to invest in increasing capacity and have accelerated our vertical integration projects, particularly in jewellery and shoes.

Confident in the relevance of our business model, we are maintaining and strengthening our commitment to environmental and social responsibility.

As the source of our exceptional materials, nature is at the heart of our business model, and preserving it plays a central role in our CSR actions. Global warming and its impact on biodiversity, as well as the industrialisation of raw materials, are areas of concern that we are addressing through our climate strategy, our concrete initiatives in terms of responsible supply chains, and our policies for preserving natural resources.

In order to establish scientific objectives for the preservation of biodiversity, the Group has committed the SBTN (Science Based Targets for Nature) initiative and is one of 120 companies worldwide to have done so.

Ranked 4th among SBF120 companies for the proportion of women in its management bodies, the house's social model is acclaimed. The École Hermès des savoir-faire, with its eight schools, is now able to award a certificate of professional qualification (CQP) in cutting and stitching in addition to the CAP vocational qualification in leatherwork. Transmission, training, development and job creation – more than 2,400 new employees were recruited in 2023 – are the watchwords of our approach to corporate citizenship and the expression of our human values. For the third time, the house was awarded the Grand Prix Emploi France by the Humpact rating agency. →

1. The leather goods production sites of Louviers and la Sormonne, inaugurated in 2023, 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.

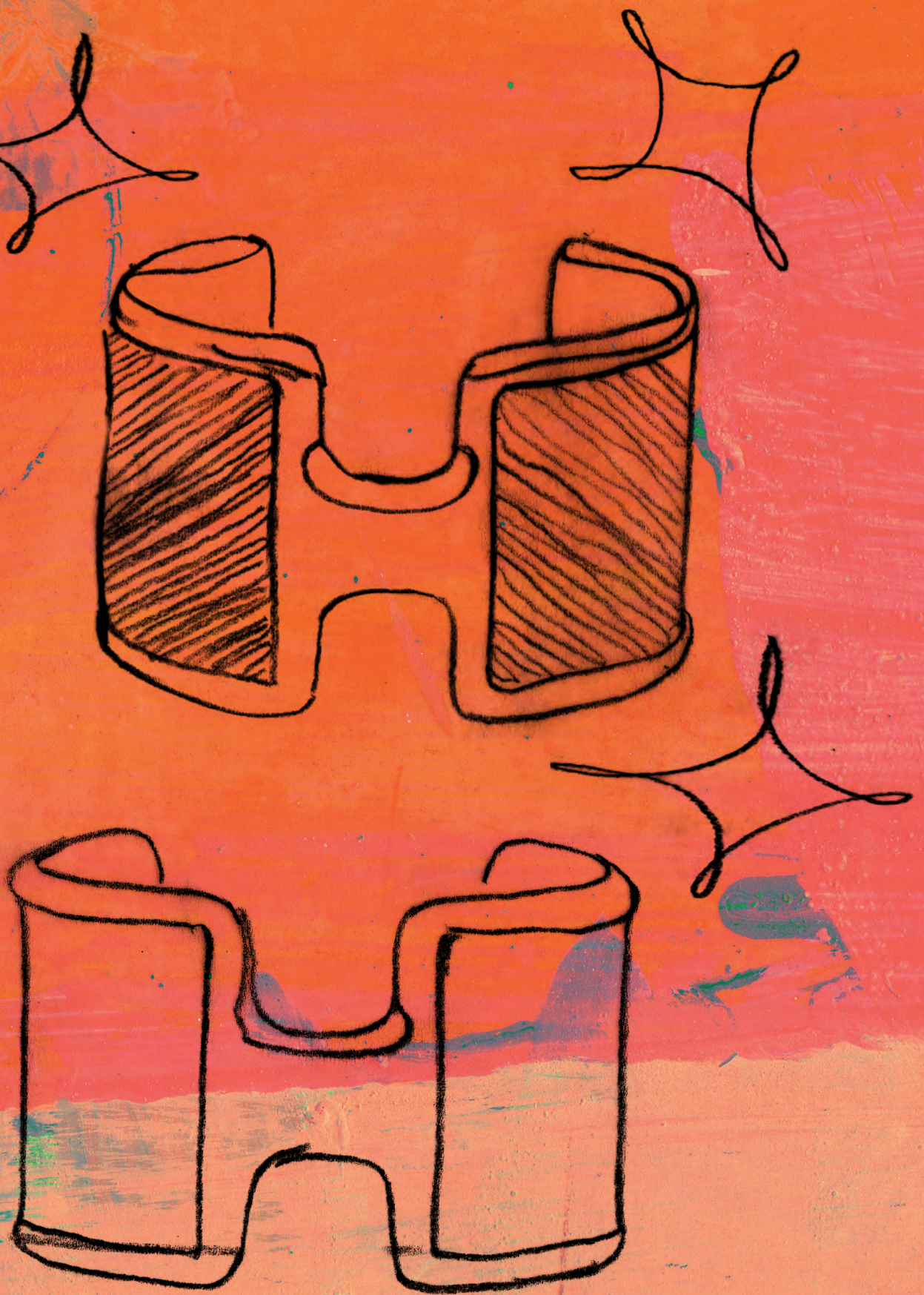
**Making a serious effort not to take ourselves too seriously**

2023 was a busy year for events and opportunities to get together. In keeping with our tradition, we welcomed more than 52,000 visitors to the *Hermès in the Making* exhibition in Lille (France), Chicago (United States) and Bangkok (Thailand), and more than 35,000 visitors to the immersive *La Fabrique de la légèreté* exhibition in Taiwan, Los Angeles (United States), Hong Kong and Shanghai (China).

We come to the end of 2023 happy and proud of the work we have done, and with a promise to continue astonishing ourselves in 2024.

**Axel Dumas**, Executive Chairman

**Henri-Louis Bauer**, Representative of Émile Hermès SAS,  
Executive Chairman



Inspired by a design from the 1970s,  
this cuff presents a pure aesthetic that combines leather and metal.

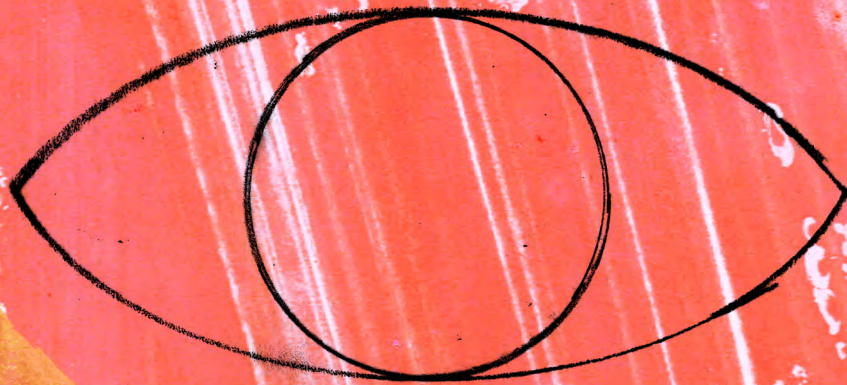
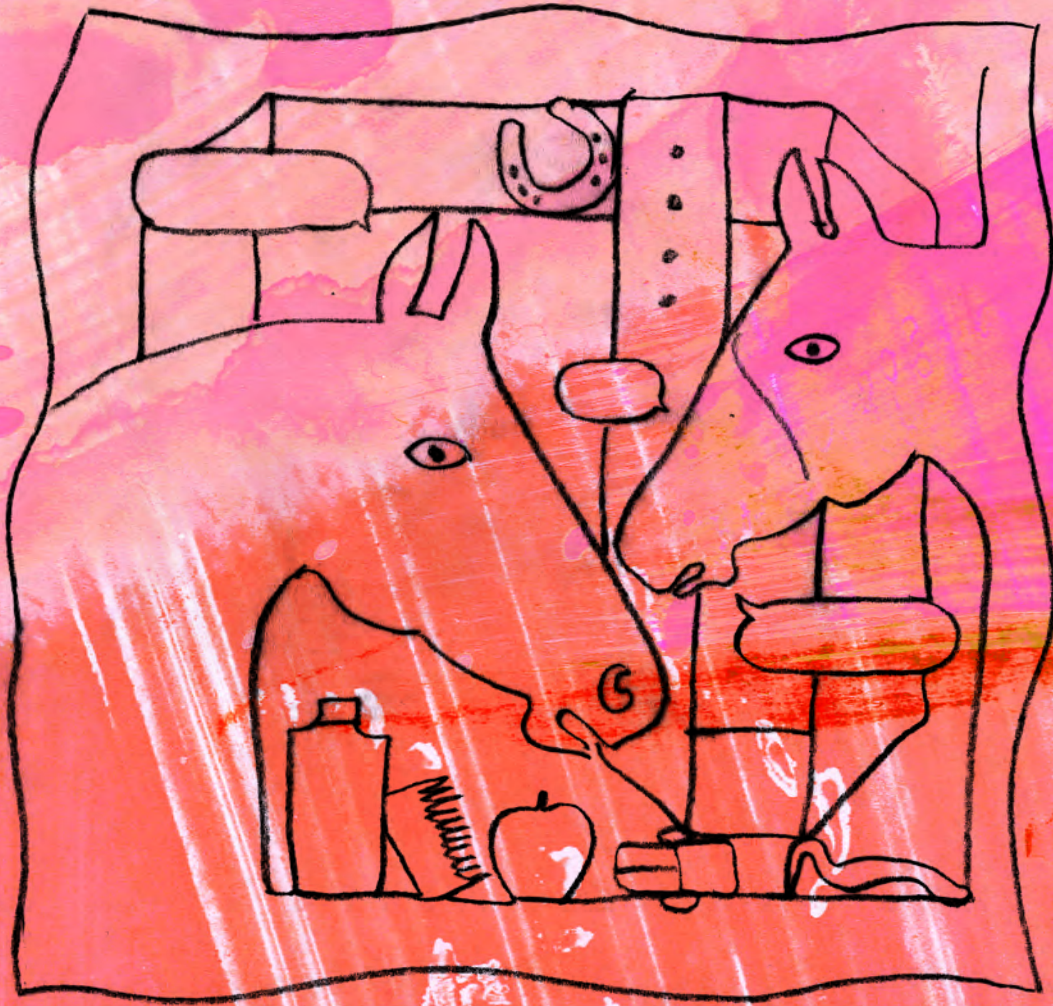
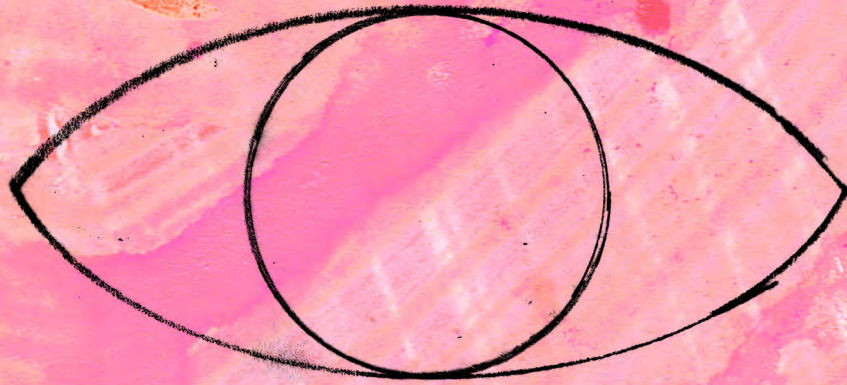
# A SUSTAINABLE, ARTISANAL BUSINESS MODEL

Since 1837, Hermès has remained faithful to its artisan model and its humanist values. The freedom to create, the spirit of innovation, the constant search for beautiful materials, the transmission of savoir-faire of excellence, and the aesthetic of functionality all forge the singularity of Hermès, a house of objects created to last.

An independent, family-owned company which encompasses 16 métiers, Hermès is dedicated to keeping the majority of its production in France through its 60 production and training sites and to developing its network of 294 stores in 45 countries. The group employs 22,000 people worldwide, including 13,700 in France, of which nearly 7,000 are craftspeople<sup>1</sup>. Axel Dumas, a sixth-generation family member, has been Hermès CEO since 2013.

Founded in 2008, the Fondation d'entreprise Hermès supports projects in the areas of artistic creation, education, training and the transmission of savoir-faire, biodiversity, and the preservation of the environment.

1. As of 31<sup>st</sup> December 2023.



Made from vintage silk, the *Is This a Love Story?* scarf is a witty and colourful behind-the-scenes story set in a stable.



# GROUP OVERVIEW

## EXECUTIVE CHAIRMEN

**AXEL DUMAS**  
Executive Chairman

**ÉMILE HERMÈS SAS**  
Executive Chairman  
represented by  
**HENRI-LOUIS BAUER**

## EXECUTIVE COMMITTEE

**AXEL DUMAS**  
Executive Chairman

**FLORIAN CRAEN**  
Executive Vice President  
Sales and Distribution

**CHARLOTTE DAVID**  
Executive Vice President  
Communication

**PIERRE-ALEXIS DUMAS**  
Artistic Executive  
Vice President

**OLIVIER FOURNIER**  
Executive Vice President  
Corporate Development  
and Social Affairs

**CATHERINE FULCONIS**  
Executive Vice President  
Leather Goods-Saddlery  
and petit h

**WILFRIED GUERRAND**  
Executive Vice President  
Métiers, IT Systems  
and Data

**ÉRIC DU HALGOUËT**  
Executive Vice President  
Finance

**SHARON MACBEATH**  
Group Human Resources  
Director

**GUILLAUME DE SEYNES**  
Executive Vice President  
Manufacturing Division  
and Equity Investments

**AGNÈS DE VILLERS**  
Chairwoman and  
Executive Vice President  
Hermès Perfume  
and Beauty

## MANAGEMENT BODIES

### SUPERVISORY BOARD

ÉRIC DE SEYNES  
Chairman

MONIQUE COHEN  
Vice Chairwoman

DOMINIQUE SENEQUIER  
Vice Chairwoman

DOROTHÉE ALTMAYER

PRESCIENCE ASSO<sup>H</sup>1

CHARLES-ÉRIC BAUER

ESTELLE BRACHLIANOFF

MATTHIEU DUMAS

BLAISE GUERRAND

JULIE GUERRAND

OLYMPIA GUERRAND

RENAUD MOMMÉJA

ANNE-LISE MUHLMAYER<sup>1</sup>

ALEXANDRE VIROS

### AUDIT AND RISK COMMITTEE

MONIQUE COHEN  
Chairwoman

CHARLES-ÉRIC BAUER

ESTELLE BRACHLIANOFF

RENAUD MOMMÉJA

ALEXANDRE VIROS

### CAG-CSR COMMITTEE

DOMINIQUE SENEQUIER  
Chairwoman

ESTELLE BRACHLIANOFF

MATTHIEU DUMAS

### ACTIVE PARTNER

ÉMILE HERMÈS SAS  
Active Partner,  
represented by its  
Management Board:

HENRI-LOUIS BAUER  
Executive Chairman

FRÉDÉRIC DUMAS  
Vice Chairman

PASCALE MUSSARD  
Vice Chairwoman

SANDRINE BREKKE

CAPUCINE BRUET

ALICE CHARBIN

ÉDOUARD GUERRAND

LAURENT E. MOMMÉJA

JEAN-BAPTISTE PUECH

GUILLAUME DE SEYNES

1. Employee representative.



*Un Jardin à Cythère*: this fragrance, a dry, blond garden of golden grasses, olive wood and fresh pistachio, was born from memories of a trip to Greece. It is the seventh fragrance in the *Jardin* collection.

# KEY FINANCIAL FIGURES

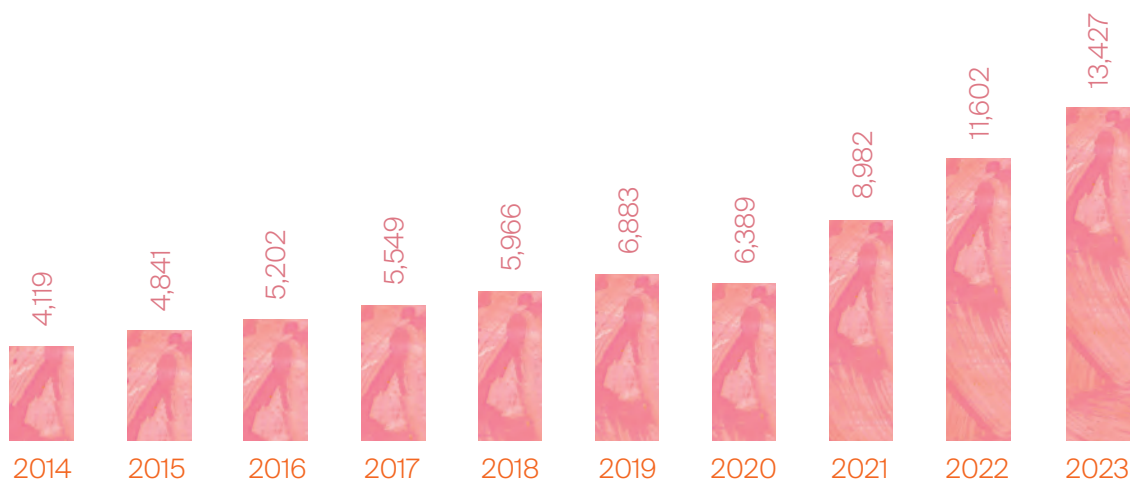
Key consolidated data in €M	2023	2022	2021
<b>REVENUE</b>	<b>13,427</b>	<b>11,602</b>	<b>8,982</b>
Growth at current rates vs y-1	15.7%	29.2%	40.6%
Growth at constant rates vs y-1 <sup>1</sup>	20.6%	23.4%	41.8%
<b>RECURRING OPERATING INCOME<sup>2</sup></b>	<b>5,650</b>	<b>4,697</b>	<b>3,530</b>
as a % of revenue	42.1%	40.5%	39.3%
<b>OPERATING INCOME</b>	<b>5,650</b>	<b>4,697</b>	<b>3,530</b>
as a % of revenue	42.1%	40.5%	39.3%
<b>NET INCOME ATTRIBUTABLE TO OWNERS OF THE PARENT</b>	<b>4,311</b>	<b>3,367</b>	<b>2,445</b>
as a % of revenue	32.1%	29.0%	27.2%
<b>OPERATING CASH FLOWS</b>	<b>5,123</b>	<b>4,111</b>	<b>3,060</b>
<b>OPERATING INVESTMENT</b>	<b>859</b>	<b>518</b>	<b>532</b>
<b>ADJUSTED OPERATING CASH FLOW<sup>3</sup></b>	<b>3,192</b>	<b>3,405</b>	<b>2,661</b>
<b>SHAREHOLDERS' EQUITY</b>	<b>15,201</b>	<b>12,440</b>	<b>9,400</b>
<b>RESTATED NET CASH<sup>4</sup></b>	<b>11,164</b>	<b>9,742</b>	<b>7,070</b>

1. 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.

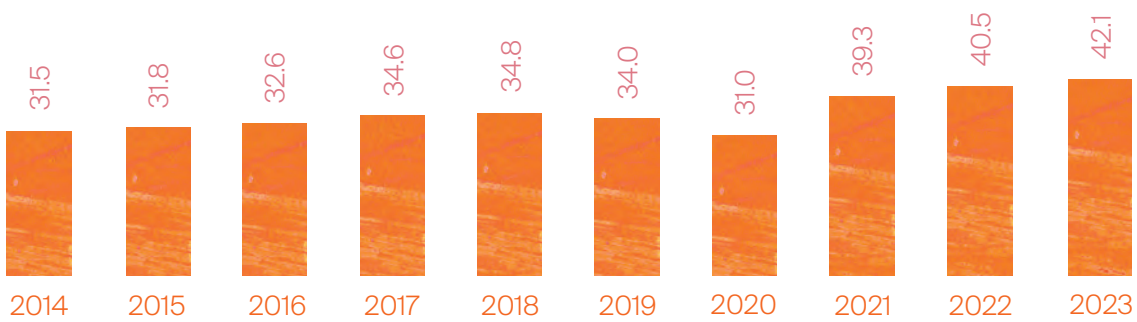
2. Recurring operating income is one of the main performance indicators monitored by the group's General Management. It corresponds to the operating income excluding non-recurring items having a significant impact likely to affect the understanding of the group's economic performance.

3. Adjusted operating 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 16 cash flow statement (consolidated statement of cash flows).

4. The restated net cash position corresponds to net cash plus cash investments that do not meet the IFRS 16 criteria for cash equivalents due in particular to their original maturity of more than three months, less borrowings and financial liabilities.



**CONSOLIDATED REVENUE IN €M**



**RECURRING OPERATING INCOME AS A PERCENTAGE OF REVENUE**

<b>Revenue by métier and change 2023/2022</b>	<b>2023</b> Revenue in €M	<b>2022</b> Revenue in €M	<b>Evolution</b> at constant exchange rates
LEATHER GOODS AND SADDLERY	5,547	4,963	16.7 %
CLOTHING AND ACCESSORIES	3,879	3,152	28.2 %
SILK AND TEXTILES	932	842	15.6 %
OTHERS HERMÈS MÉTIERS	1,653	1,371	25.8 %
PERFUMES AND BEAUTY	492	448	11.7 %
WATCHES	611	519	23.2 %
OTHER PRODUCTS	313	306	5.2 %
<b>TOTAL</b>	<b>13,427</b>	<b>11,602</b>	<b>20.6 %</b>



#### REVENUE BY MÉTIER

- Leather Goods and Saddlery 41%
- Clothing and Accessories 29%
- Other Hermès métiers 12%
- Silk and Textiles 7%
- Perfumes and Beauty 4%
- Watches 5%
- Other products 2%

<b>Revenue by region and change 2023/2022</b>	<b>2023</b> Revenue in €M	<b>2022</b> Revenue in €M	<b>Evolution</b> at constant exchange rates
<b>EUROPE</b>	<b>3,093</b>	<b>2,600</b>	<b>20.0%</b>
France	1,274	1,064	19.8%
Europe (excluding France)	1,818	1,536	20.2%
<b>ASIA-PACIFIC</b>	<b>7,533</b>	<b>6,657</b>	<b>20.2%</b>
Japan	1,260	1,101	25.7%
Asia-Pacific (excluding Japan)	6,273	5,556	19.1%
<b>AMERICAS</b>	<b>2,502</b>	<b>2,138</b>	<b>20.5%</b>
<b>OTHERS</b>	<b>299</b>	<b>207</b>	<b>44.0%</b>
<b>TOTAL</b>	<b>13,427</b>	<b>11,602</b>	<b>20.6%</b>



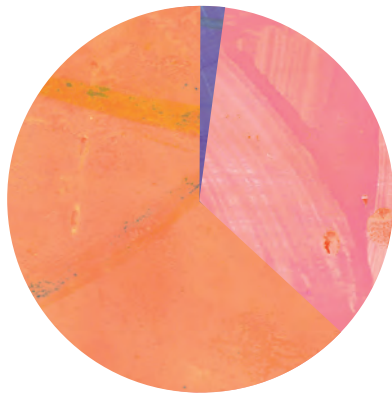
#### REVENUE BY REGION

- Asia-Pacific (excluding Japan) 47%
- Americas 19%
- Europe (excluding France) 13%
- Japan 10%
- France 9%
- Others 2%

<b>Key stock market data</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
<b>NUMBER OF SHARES</b>			
as at 31 Decembre	105,569,412	105,569,412	105,569,412
<b>AVERAGE NUMBER OF SHARES</b>			
excluding treasury shares	104,648,079	104,564,729	104,623,330
<b>MARKET CAPITALISATION</b>			
as at 31 Decembre	€202.57 bn	€152.55 bn	€162.15 bn
<b>NET EARNINGS PER SHARE</b>			
excluding treasury shares	€41.19	€32.20	€23.37
<b>DIVIDEND PER SHARE</b>			
	€25.00 <sup>1</sup>	€13.00	€8.00
<b>AVERAGE DAILY VOLUME</b>			
Euronext	€57,338	€77,527	€55,257
<b>12-MONTH HIGH SHARE PRICE</b>	€2,063.50	€1,585.50	€1,678.00
<b>12-MONTH LOW SHARE PRICE</b>	€1,450.00	€957.60	€839.40
<b>12-MONTH AVERAGE SHARE PRICE</b>	€1,846.59	€1,264.22	€1,190.97
<b>SHARE PRICE AS AT 31 DECEMBER</b>	€1,918.80	€1,445.00	€1,536.00

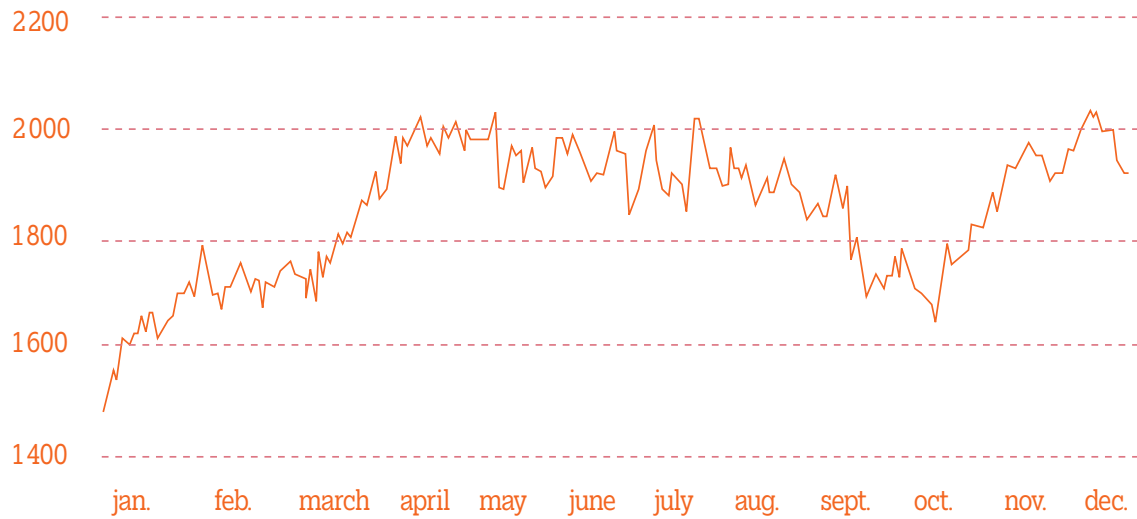
1. Corresponds to an ordinary dividend of €15.00 and an exceptional dividend of €10.00. Subject to approval by the Ordinary General Meeting of 30<sup>th</sup> April 2024. An interim dividend of €3.50 was paid on 15<sup>th</sup> February 2024.



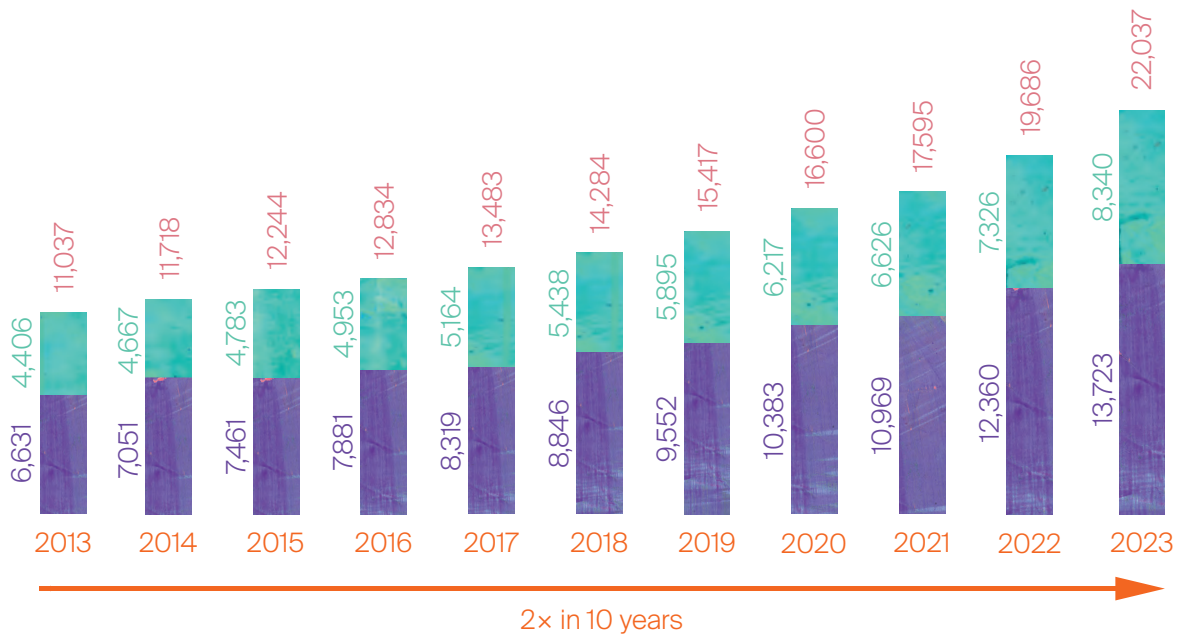


### SHAREHOLDING STRUCTURE AT 31 DECEMBER 2023

- Hermès family-owned group 66.7%
- Public 32.5%
- Treasury stock 0.8%



### HERMÈS SHARE PRICE HISTORY IN 2023 (in euros)



**EVOLUTION OF THE GROUP'S TOTAL WORKFORCE OVER THE LAST TEN YEARS**  
France / Rest of the world



**WORKFORCE BREAKDOWN BY SECTOR**

- Production 47%
- Sales 35%
- Support functions 18%



**WORKFORCE BREAKDOWN BY REGION**

- France 62%
- Asia-Pacific (excluding Japan) 16%
- Europe (excluding France) 11%
- Americas 7%
- Japan 4%



**FEMALE-MALE RATIO**

- Female 68%
- Male 32%



Naples (United States): the inauguration of the country's 40th store, the 5th in Florida, in the Waterside Shops mall.

# KEY EXTRA-FINANCIAL FIGURES

## RESPONSIBLE EMPLOYER

**2,400**

jobs created in 2023

## DIVERSITY & INCLUSION

**6.85%**

direct employment rate of people with disabilities

## GENDER EQUALITY

**60%**

women managers in the group

## TURNOVER

**4.78%**

group turnover rate

## VERTICAL INTEGRATION

**55%**

manufactured in its in house and exclusive workshops

## LONG-TERM RELATIONSHIPS

**19 YEARS**

average age of supplier relationships (Top 50)

## LOCAL ANCHORING

**74%**

of objects are made in France

## LOCAL SUPPLIERS

**66%**

of purchases come from France (Top 50)

## CLIMATE SCOPES 1 & 2 (SBTI)

**-30%**

emissions reduction in absolute value between 2022 and 2023

## BIODIVERSITY

**SBTN**

scientific approach for nature undertaken

## WATER CONSUMPTION

**-62%**

in industrial water intensity over 10 years

## ENERGY TRANSITION

**70%**

renewable energy

## TRANSPARENCY AWARDS

**1#**

CAC Large 60

## COMMITTED TO COMMUNITIES

**400**

local actions and partnerships in 2023

## SUSTAINABILITY

**>200,000**

repairs in workshops

## CERTIFICATION

**100%**

of the Group's tanneries are Leather Working Group certified

HERMÈS



To support its growth, Hermès recruited 2,400 employees in 2023.  
The company now employs over 22,000 people worldwide.



*Le Saut Hermès* in Paris (France): the 13th edition of this international CSI 5\* competition also offered fun activities for sharing a passion for horses with visitors of all ages.



The Arçon bag invites a new gesture with its outside pocket, snap hook and rounded, equestrian-inspired shape.



Inauguration of the Maroquinerie de la Sormonne (Ardennes), the second workshop in the Ardennes leatherworking hub, which will ultimately house 260 artisans trained at the École Hermès des savoir-faire.

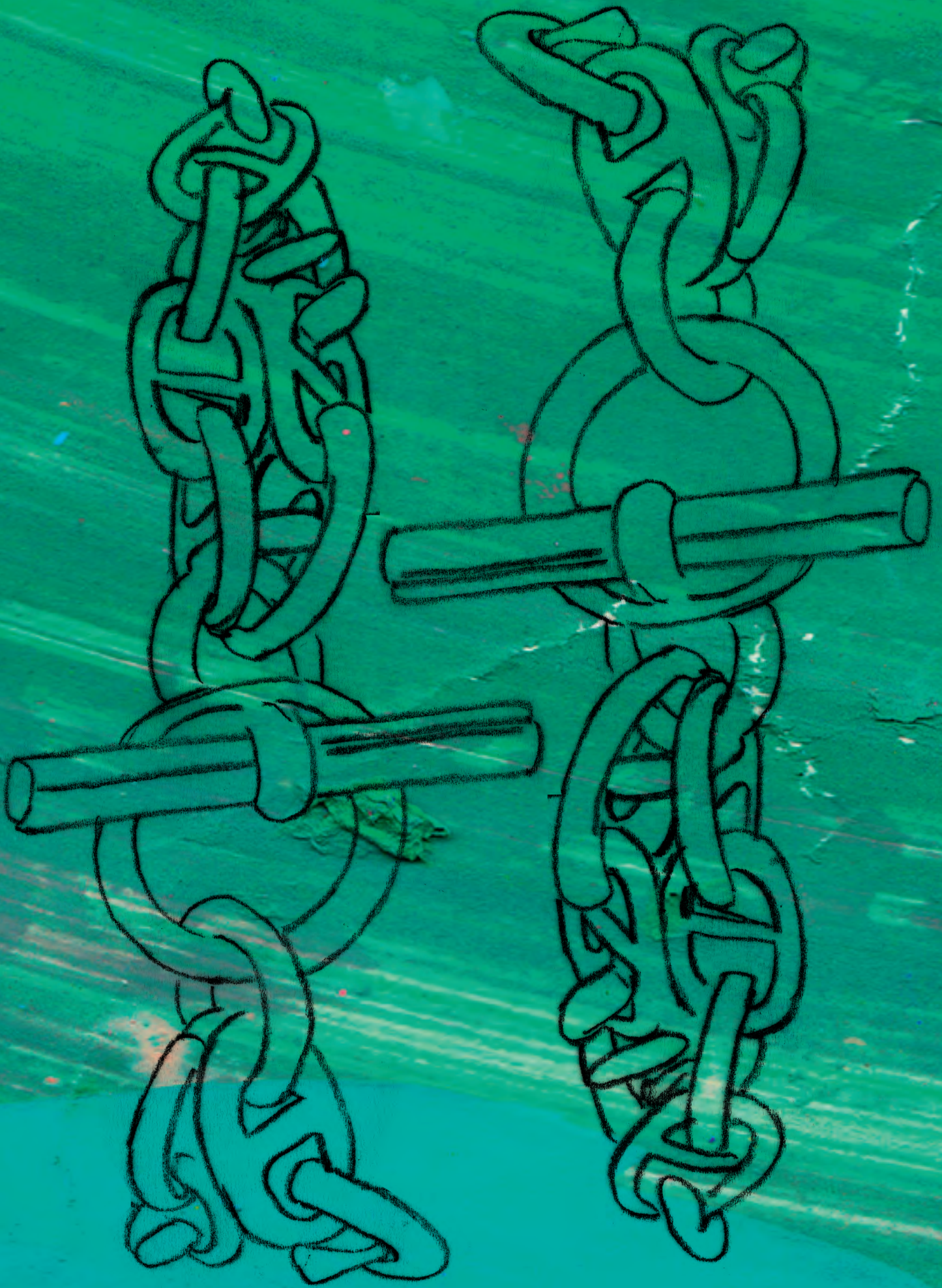




Vienna (Austria): in an eighteenth-century building, the store is adorned with colours, materials and geometric motifs inspired by the Vienna Secession.



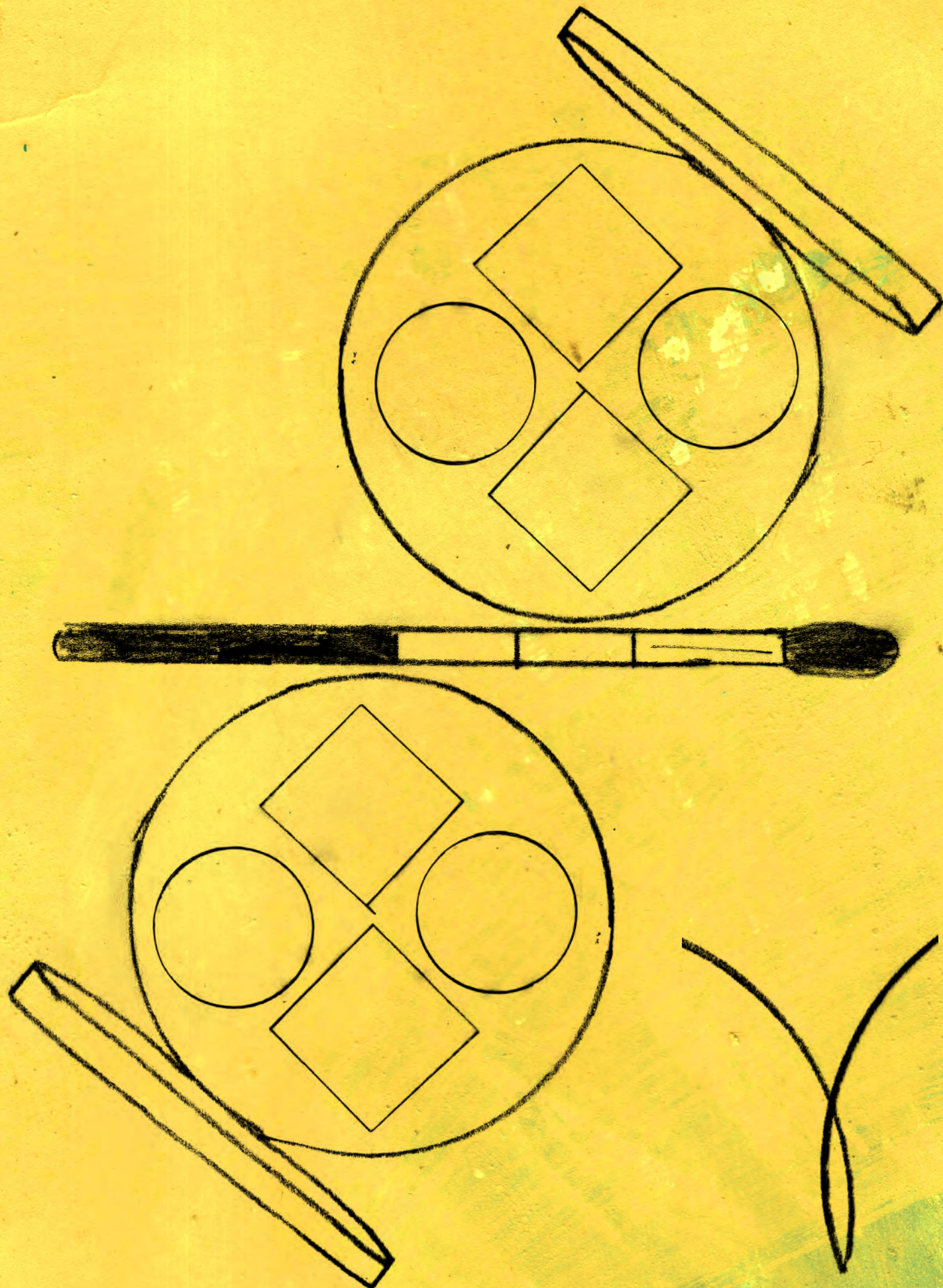
Seoul (South Korea): the metamorphosis of Hermès' very first store in Korea, first opened in 1997 in the Shilla Hotel.



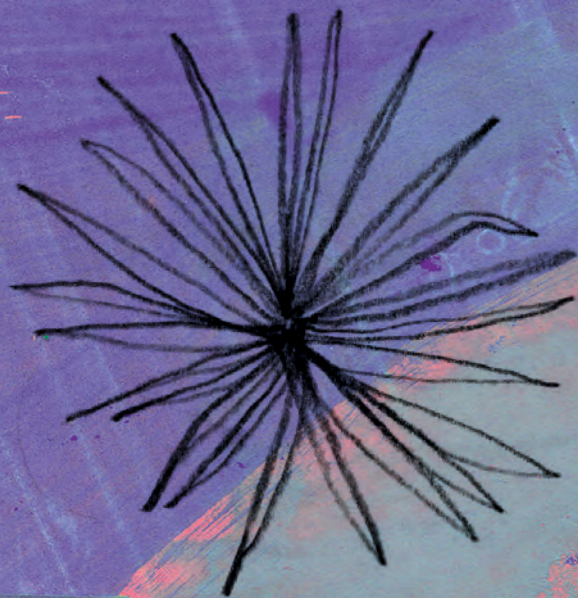
Elongated, multiplied and reappropriated,  
the *Chaîne d'ancre* reveals a new repertoire of astonishing shapes.



Extension of the long-established textiles site at Pierre-Bénite (Rhône)  
with a new printing line and the prospect of more than 100 new jobs created by 2026.



*Le Regard Hermès*, the fifth chapter of Beauty, celebrates colour, light and their mysterious harmonies. It offers Hermès make-up in its entirety.



*Hermès in the Making*: an opportunity to meet the artisans and a celebration of the house's know-how in Lille (France), Chicago (USA) and Bangkok (Thailand).



Inauguration of the Maroquinerie de Louviers (Eure), a technical and architectural achievement for the first positive-energy industrial building to be awarded the E4C2 label, which assesses environmental performance according to energy consumption and carbon emissions.

Illustrations  
Geoffroy Pithon

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