

LETTER TO SHAREHOLDERS

CULTIVATING OUR GARDEN WITH HUMILITY AND ENTHUSIASM

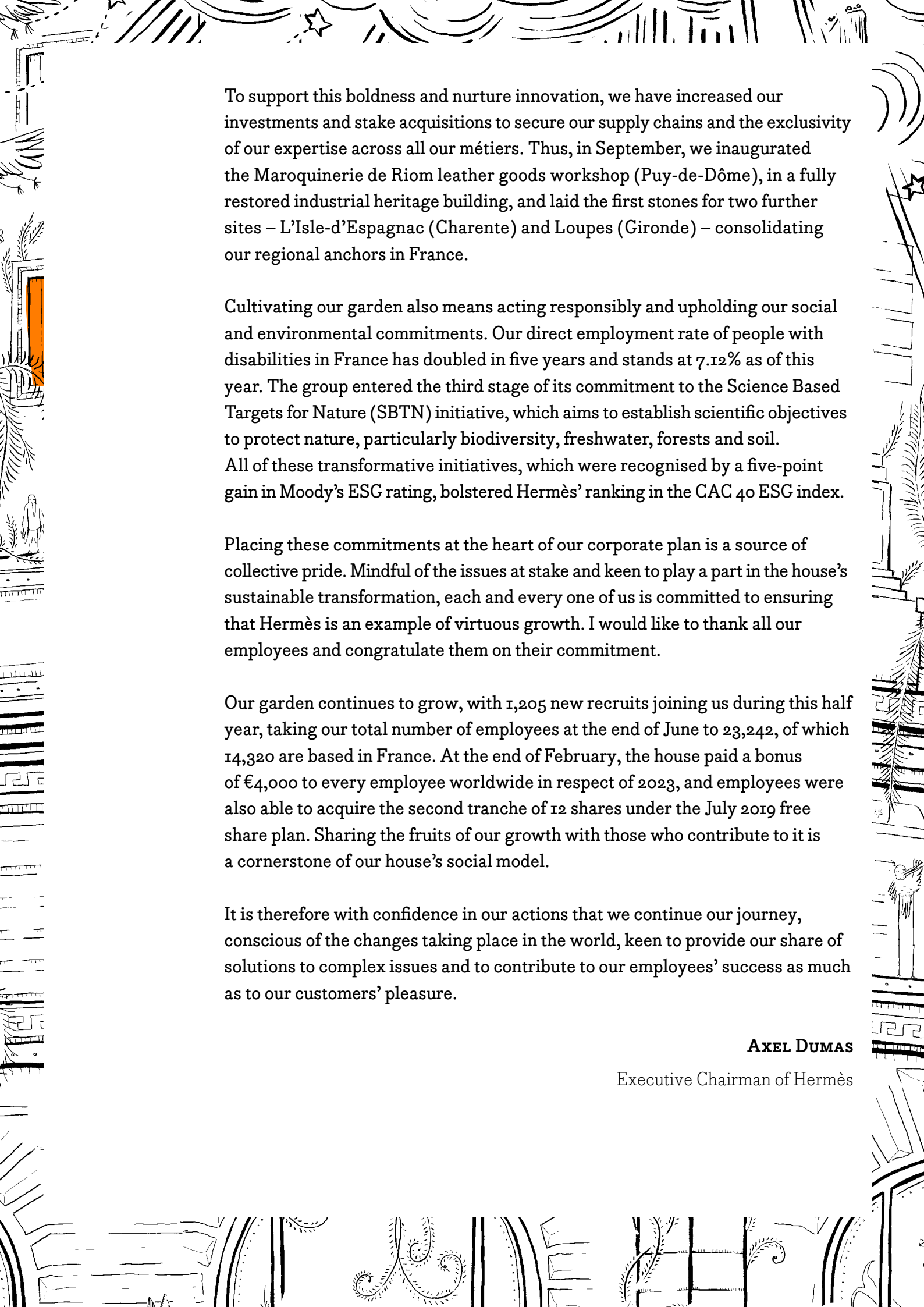
This year, our theme is *In the spirit of the Faubourg*, in reference to our long-standing home. Like a good omen, we have chosen to look to our roots, our garden, to help us face the world's uncertainties – the geopolitical as well as the economic and climatic – with humility.

Far from being a retreat, our garden is a constant source of curiosity, astonishment and enthusiasm for our teams, our artisans and our customers.

Our robust results for the first half year testify to the strength of our business model, which is built on creativity, the quality of our materials and the excellence of our know-how. By remaining true to our nature, we continue to cultivate our style and invest in our production capacity to protect the group's long-term future and independence.

We are delighted that our collections – particularly leather goods, but also jewellery and men's and women's ready-to-wear – are proving popular with our customers, both loyal and new. Our distribution network, which we are continuing to expand and enhance, offers opportunities for encounters and discussions and is a showcase for our objects. This year, for example, we opened new stores in Princeton in the United States, Wuxi in China and Ginza Mitsukoshi in Japan, and reopened existing stores in Lee Gardens in Hong Kong and Nantes in France.

We also take pride in supporting the creative process and offering objects of resolutely contemporary design inspired by our equestrian vocabulary, their expression revisited by the spirit of the times. The presentation in June of the eighth haute bijouterie collection, *Les Formes de la couleur*, designed by Pierre Hardy, as well as the women's runway show in New York by Nadège Vanhée and the men's runway show in Paris by Véronique Nichanian, the collections for the home by Charlotte Macaux Perelman and Alexis Fabry presented at Milan Design Week in the spring, and the September launch of the new fragrance, *Barénia*, created by Christine Nagel, all illustrate the authenticity of our approach.



To support this boldness and nurture innovation, we have increased our investments and stake acquisitions to secure our supply chains and the exclusivity of our expertise across all our métiers. Thus, in September, we inaugurated the Maroquinerie de Riom leather goods workshop (Puy-de-Dôme), in a fully restored industrial heritage building, and laid the first stones for two further sites – L’Isle-d’Espagnac (Charente) and Loupes (Gironde) – consolidating our regional anchors in France.

Cultivating our garden also means acting responsibly and upholding our social and environmental commitments. Our direct employment rate of people with disabilities in France has doubled in five years and stands at 7.12% as of this year. The group entered the third stage of its commitment to the Science Based Targets for Nature (SBTN) initiative, which aims to establish scientific objectives to protect nature, particularly biodiversity, freshwater, forests and soil. All of these transformative initiatives, which were recognised by a five-point gain in Moody’s ESG rating, bolstered Hermès’ ranking in the CAC 40 ESG index.

Placing these commitments at the heart of our corporate plan is a source of collective pride. Mindful of the issues at stake and keen to play a part in the house’s sustainable transformation, each and every one of us is committed to ensuring that Hermès is an example of virtuous growth. I would like to thank all our employees and congratulate them on their commitment.

Our garden continues to grow, with 1,205 new recruits joining us during this half year, taking our total number of employees at the end of June to 23,242, of which 14,320 are based in France. At the end of February, the house paid a bonus of €4,000 to every employee worldwide in respect of 2023, and employees were also able to acquire the second tranche of 12 shares under the July 2019 free share plan. Sharing the fruits of our growth with those who contribute to it is a cornerstone of our house’s social model.

It is therefore with confidence in our actions that we continue our journey, conscious of the changes taking place in the world, keen to provide our share of solutions to complex issues and to contribute to our employees’ success as much as to our customers’ pleasure.

AXEL DUMAS

Executive Chairman of Hermès

ROBUST SALES AND RESULTS IN THE FIRST HALF OF 2024

The group's consolidated revenue for the first half of 2024 attained **€7.5 billion**, an increase of 15% at current exchange rates and 12% at constant exchange rates year on year. **Current operating income** reached **€3.1 billion** (42% of sales) and net profit – group share reached **€2.4 billion** (32% of sales).

“The solidity of these first-half results, achieved in a more complex economic and geopolitical context, reflects the strength of the Hermès model. With confidence in the future, the group is continuing to pursue its investments and vertical integration projects and to create jobs, while remaining true to its values.”

Axel Dumas, Executive Chairman of Hermès

At the end of June 2024, all regions posted strong growth, despite a more complex economic and geopolitical context. Second quarter sales totalled €3.7 billion, an increase of 13% at constant exchange rates, despite a drop in traffic reported after the Chinese New Year. This growth is underpinned by the loyalty of our customers around the world. The exclusive distribution network is expanding and the métiers are posting robust gains.

Hermès continues to invest, particularly in production capacity, to create jobs and to strengthen its anchors in France.

Thanks to its unique business model, Hermès continues to pursue its long-term development strategy based on creativity, maintaining control over its know-how and outstanding communication. Building on its sustainable business model, the house is upholding its commitment to environmental and social responsibility.

2024 FIRST-HALF KEY FIGURES

(IN €M)

	June 2024	June 2023
Revenue	7,504	6,698
Current operating income	3,148	2,947
as a % of revenue	42.0%	44.0%
Net profit – Group share	2,368	2,226
Operating cash flows	2,829	2,615
Operating investments	319	249
Restated net cash position	10,033	9,848
Number of employees	23,242	20,607

REVENUE
€7.5 BILLION
+15% AT CONSTANT
EXCHANGE RATES

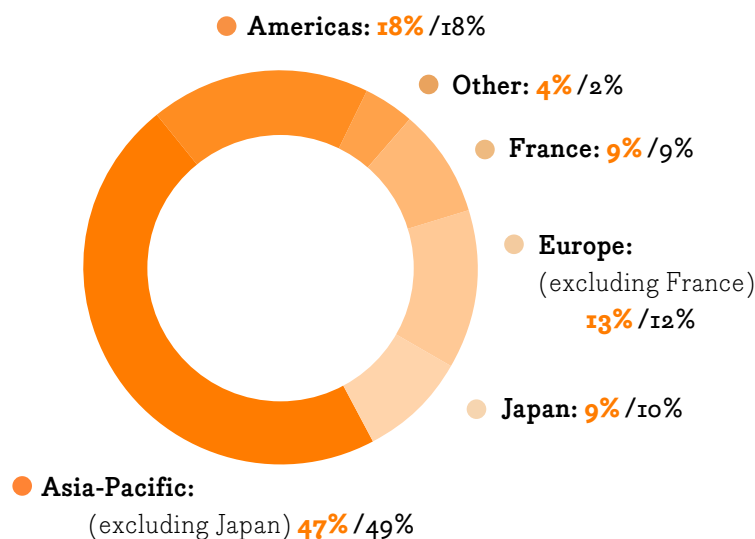
A RESPONSIBLE EMPLOYER
23,242
EMPLOYEES (+1,205)
OF WHOM 62% IN FRANCE

CURRENT
OPERATING MARGIN
42%
OF SALES

DIRECT EMPLOYMENT RATE
OF PEOPLE WITH DISABILITIES
7.12%
IN FRANCE

LOCAL ANCHORING
74%
OF OBJECTS ARE MADE
IN FRANCE

REVENUE BY REGION 2024 /2023



OUTLOOK

Against a more complex economic and geopolitical backdrop, the group is pursuing its development with confidence, building on its highly integrated artisanal model, its well-balanced distribution network, the creativity of its collections and the loyalty of its customers.

HERMÈS, AN ECONOMIC AND SOCIAL STAKEHOLDER

Hermès is continuing to grow by accelerating its investments across France, which are accompanied by the creation of a large number of new jobs.

CONTINUED DEVELOPMENT OF LEATHER GOODS PRODUCTION CAPACITY

Given the buoyant market for leather goods, the group is continuing to invest in its production capacity. The Maroquinerie de **Riom** (Puy-de-Dôme) was inaugurated in September (see page 6), and foundation stones for future leather goods workshops were laid in **L'Isle-d'Espagnac** (Charente) and **Loupes** (Gironde) during the first half-year, consolidating the South-West hub from 2025 and the Gironde hub from 2026 respectively.



The Maroquinerie de Riom (Puy-de-Dôme), inaugurated on 13 September 2024, employs 250 artisans trained locally in the house's exceptional know-how.



The Le Vaudreuil site in Normandy, where Hermès fragrances are manufactured, is to be expanded following the acquisition of a brownfield site a few kilometres away.

INCREASED INVESTMENT IN OTHER MÉTIERS

To support the growth of the **Perfume and Beauty** métier – driven in particular by the success of *Terre d'Hermès* – the longstanding site at Le Vaudreuil will soon be expanded with the acquisition of a brownfield site in Pitres (Eure). Another example is the **tableware** métier, which is the focus of new investment with a **plan to extend the Beyrand site** in Saint-Just-le-Martel (Haute-Vienne). Since 2013, this subsidiary has designed, developed and reproduced decorations on materials such as ceramic, enamel and leather.

NEW JOB CREATIONS

To support this growth strategy, the group increased its workforce in the first half of 2024 **by more than 1,200, of whom almost 600 were in France.**

CREATIVITY, INNOVATION AND SINGULARITY AT THE HEART OF STRATEGY

The house's new collections for 2024 are guided by the theme *The Spirit of the Faubourg*. Not without daring, the métiers revisit Hermès' whimsy and know-how in an atmosphere of perpetual creative abundance.

A CREATIVE FORCE THAT PERMEATES ALL THE MÉTIERS

The leather goods métier continues to bring its icons to life in a quest for whimsy and thanks to the excellence of its know-how. The *Haut à Courroies* bag, for example, takes on a *coup de soleil* effect, its leather marked with the lighter imprint of certain elements, while the *Kelly II Sellier* bag is transformed into a *mini cloutée* version.

In silk, *The Spirit of the Faubourg* inspired designer Dimitri Rybaltchenko to create the *Hermès Flagship* 90cm scarf, transforming the historic Parisian store into a flagship vessel. At La Table Hermès, an unexpected vision of the equestrian world takes centre stage with the *Tressages équestres* porcelain dinner service, whose designs are inspired by the passementerie on horses' harnesses.

In a nod to the Faubourg address, the *H24* fragrance is interpreted in a new variation, *H24 Herbes vives*.

And among other creations, Hermès' unique approach to time was once again on display at the Watches & Wonders trade show in Geneva (Switzerland) with the presentation of the new *Hermès Cut* watch, which combines balance, character and restraint.



The *Manhattan Rocabar* runway show, the second chapter of the women's autumn-winter 2024 ready-to-wear collection, took place in New York in June 2024.



The timeless *Haut à courroies* bag lends itself to endless reinventions. Here, the use of stencils creates a "sunburnt" effect with the lighter imprints of the flap, straps, gussets and keyholder.

MAJOR EVENTS THAT SHOWCASE THE HOUSE'S SINGULARITY

The autumn-winter 2024 ready-to-wear shows took place in Paris, at the Palais d'Iéna for the men's wardrobe and at the Garde républicaine for the women's collection, the second chapter of which, entitled *Manhattan Rocabar*, was held in New York in early June.

Also in Paris, the *Saut Hermès at the Grand Palais Éphémère* took place from 15 to 17 March in front of 13,200 spectators, featuring 25 riders of 15 nationalities and 130 horses competing in ten different classes.

During *Milan Design Week* (Italy), Hermès presented its collections for the home in the heart of the Brera district. The Musée des Arts Décoratifs in Paris was the setting for the unveiling of Pierre Hardy's new haute bijouterie collection, *Les Formes de la couleur*.

Six years after its last visit, *petit h* returned to Hong Kong, displaying its objects at the Landmark Prince's flagship store. Lastly, *The Spirit of the Faubourg* was on full show on the workbenches of the *Hermès in the Making* festival in Mexico City (Mexico) and Seoul (Korea). In all, 44,000 visitors across the two cities discovered the responsible model developed by the house around its exceptional know-how.

A HOUSE OF ARTISANS WITH HUMAN VALUES

Driven by a responsible, artisanal growth model, the house seeks to pursue its development by combining respect for the environment with local anchors.

SCIENTIFICALLY MEASURED TARGETS FOR A POSITIVE IMPACT ON THE ENVIRONMENT

As a responsible company, Hermès continues to work with **Science Based Targets for Nature (SBTN)** to combat climate change and help preserve the living world. The group has thus initiated the third stage of this process, which aims to establish measurable, applicable and time-bound scientific objectives based on the best available scientific data. These objectives relate to preserving biodiversity in freshwater, forests and soil. The group's commitment to eco-responsibility also extends to its production sites, including the **Maroquinerie de Riom**, whose renovation is a testament to limiting environmental impact. Combining heritage preservation with environmental commitments, the installation of this leather goods workshop in the former Manufacture des Tabacs is aligned with the CSR ambitions of the group's real estate policy. With a surface area of 7,000m², the project makes the most of existing buildings and local resources while reusing certain materials.



The SBTN (Science Based Targets for Nature) methodology enables companies to set targets for reducing their impact on biodiversity, based on measurable scientific data, with the aim of establishing their practices within global and local ecological limits.



An *École Hermès des savoir-faire* was inaugurated in the Franche-Comté hub on 14 June 2024.

A NEW TRAINING PROGRAMME IN FRANCHE-COMTÉ

On 14 June, an *École Hermès des savoir-faire* was inaugurated at the Franche-Comté hub, marking the culmination of a project involving Hermès teams locally and their external partners. In a new eco-designed building of more than 2,000m² in Allenjoie, qualification-based training in saddlery, leatherworking and cutting is now provided.

COMMITTED EMPLOYEES

The **Fondation d'entreprise Hermès**, which embodies the philanthropic and human-focused commitment that has characterised the house since its origins, has launched a new edition of its in-house solidarity programme **H³ – Heart, Head, Hand*** for all Hermès employees worldwide. Those wishing to take part in a community initiative can apply for financial assistance to support a project and can now also carry out volunteer work during their working hours.

*Heart for generosity, Head for analysis, Hand for implementation.

HERMÈS AROUND THE WORLD

Unique, expanded, singular, with a strong architectural identity, Hermès stores are spaces for the Hermès customer community.

NEW ADDRESSES TO DISSEMINATE THE SPIRIT OF THE FAUBOURG

Japan welcomes two new stores to **Tokyo**. The first is located in the cosmopolitan Azabu district, in the new mixed-use **Azabudai Hills** area, which opened in November 2023.

The second opened at the end of June in the Ginza district, on the first floor of the **Mitsukoshi mall**.

In China, Hermès opened its 34th store in **Wuxi**, in Jiangsu province.

Also in Asia, a third store has opened in **Mumbai** (India) – the second in the megalopolis – in the **Jio World Plaza** department store.

In the Middle East, a sixth store has opened in **Bahrain**, in the **Marassi Galleria** shopping mall on the seafront.

Finally, the United States welcomed its 41st Hermès store, which opened on 24 April 2024 in **Princeton**, a historic New Jersey town renowned for its prestigious university.



In the United States, Hermès opened a new store in the heart of the renowned university town of Princeton, New Jersey.



The renovated Lee Gardens store in Hong Kong reopened on 12 June 2024.

STORES TRANSFORMED, EXPANDED AND ENHANCED

During the first half of 2024, Hermès customers were able to rediscover their favourite stores. In China, the store in **Beijing's SKP mall** presented its new layout that combines heritage with innovation.

Local characteristics have also influenced the interior of the renovated **Lee Gardens** store in **Hong Kong**, located in the dynamic Causeway Bay district, while in the transformed **Kuala Lumpur** store in Malaysia, bamboo and rattan partitions echo the architecture of the region.

Lastly, in France, Hermès reopened its **Nantes** store located in the Passage Pommeraye, a nineteenth-century shopping arcade and listed historic building. Adorned with warm wood panelling and punctuated with motifs emblematic of the famous arcade, the store gives pride of place to French know-how to showcase the house's creations.

FINANCIAL INFORMATION

On 4 July 2024, Hermès International was declared overall winner of the Grand Prix at the 15th Transparency Awards, ranking top among SBF 120 companies, after winning the award in the CAC Large 60 category in 2023.

The Transparency Awards recognise the best practices of companies in terms of the transparency of regulated, financial and non-financial information. Since the awards were created in 2009, they have become an industry benchmark and are now divided into three sections: Finance & ESG, Ethics & Compliance, Asset Management.

Assessed each year by an independent scientific committee, the rating is based on an analysis of three public documents – the universal registration document, the notice of meeting brochure, and the website – issued by 122 French listed companies, against a set of 337 criteria structured around the five cornerstones of transparency: accessibility, accuracy, comparability, availability and clarity.

SUMMARY OF STOCK MARKET DATA FOR THE FIRST HALF OF 2024

NUMBER OF SHARES
REGISTERED AT 30 JUNE 2024

105,569,412

HIGH SHARE PRICE
€2,411

LOW SHARE PRICE
€1,809

HERMÈS SHARE PRICE HISTORY IN THE FIRST HALF OF 2024 (IN EUROS)



GENERAL MEETING 2024

The Combined General Meeting of Hermès International was held on Tuesday, 30 April 2024 at the Salle Pleyel in Paris. Éric de Seynes chaired the meeting alongside Axel Dumas, Henri-Louis Bauer and Éric du Halgouët. It was broadcast live in full on the company's website: <https://finance.hermes.com/en/general-meetings>. The replay is available in an e-accessible version at the same address. The event provided an opportunity to thank all the shareholders for their loyalty and to present an overview of the company's results for 2023 and its strategy. It was noted that 2023, with its theme of *Astonishment*, was an exceptional year for the house in an unstable global context and an increasingly polarised market, reflecting the solidity of its artisanal business model built on vertical integration and strong local anchors. The General Meeting ended with these words from the Chairman: "We would like to thank you once again for attending in such large numbers and we look forward to seeing you again next year, on 30 April 2025, in this same hall."

DIARY

24 OCTOBER 2024

Publication of Q3 2024 revenue

14 FEBRUARY 2025

Publication of 2024 annual results

17 APRIL 2025

Publication of Q1 2025 revenue

30 APRIL 2025

General Meeting of shareholders

For pure registered shareholders, please note that from 9 November, your online Planetshares account will become Uptevia Investors. Information including best practices for connecting to your account is available [here](#).

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