

APPAREL AND ACCESSORIES

Herms Group sales rose 7pc in H1 2016

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Image courtesy of Maia's Instagram account

By STAFF REPORTS

Currency fluctuations at the end of June dealt an approximate \$27.5 million hit to Herms Group's revenues.

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For the six months ending June 30, the company had 2,440 billion euros in revenue, up 7 percent from last year. However, when adjusted for the negative currency shift felt particularly in the wake of Brexit, growth only came to 6 percent.

Mixed results

Across all regions, Herms' revenues were up. Japan was a particular high spot, growing 10 percent over 2015 figures.

Despite turmoil and uncertainty in Europe, Herms' stores have shown resilience, with revenue in the market up 8 percent.

Most of Herms' growth was driven by its leather goods and saddlery division, specifically its popular handbag styles including Constance, Halzan, Lindy, Kelly and Birkin. The 16 percent growth in this category is owed partly to Herms' expansion of the production capacities of its facilities in Charente, Isre and Franche-Comt, France.

Herms' silk and textiles businesses were hit harder by current events in Europe and decreased spending in China and the United States.



Herms spring/summer 2016 collection

Ready-to-wear saw a decrease of 2 percent, while watches grew slightly at 1 percent and perfume sales rose 4 percent.

For the second quarter, sales reported at constant exchange rates were up 8 percent, while accounting for current exchange rates dropped the increase to 6 percent.

Herms realized even when publishing its results from 2015 that its goal of 8 percent revenue growth at constant

exchange rates may be unattainable in 2016.

In its financial report, Herms said, "Thanks to its unique business model, Herms will continue its long-term development strategy based on creativity, mastering know-how and outstanding communication."

Herms Group's portfolio is growing, as it has taken a minority stake in Pierre Hardy's eponymous fashion line, creating a closer bond with the designer of its jewelry and shoe collections.

Founded in 1999, Maison Pierre Hardy produces footwear for men and women and handbags. This investment strengthens the 25-year relationship between Herms and its creative director ([see story](#)).

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