

APPAREL AND ACCESSORIES

Herms Group sees 10pc revenue growth in Q3

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Leathergoods has driven much of Herms' sales growth in 2016

By STAFF REPORTS

By the end of the third quarter of 2016 ended Sept. 30, French apparel and accessories group Herms saw its consolidated revenues for the year rise 7 percent at current exchange rates.

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Across all regions, the group's retail store sales rose, with an overall increase of 9 percent. Despite challenges such as currency fluctuations and uncertain political structures, Herms has not adjusted its sales growth projections for 2016, which it anticipates will come in below 8 percent.

Climate check

Herms' third quarter revenues were around 1.26 billion euro, or \$1.4 billion. This brings the group's total revenues for the first three quarters to 3.7 billion euro, or \$4.1 billion.

This growth adds another hint at a turnaround in the market, as others such as Kering have shown optimism for the rest of the year ([see story](#)).

Combating the yen's strength, Japan revenues rose 9 percent by the end of September, while the rest of Asia rose 8 percent, helped by China.

While facing uncertainties in the Americas and continued challenges in Europe following terrorist attacks, these regions saw 8 and 7 percent growth, respectively.

Herms' leather goods and saddlery categories drove much of the group's growth, up 16 percent for the first nine months.

Ready-to-wear, accessories and silk and textiles saw declines, attributed partly to decreased tourism in Europe.



Herms' silk business is seeing challenges from recent events

Perfumes rose 6 percent, with new fragrances launched, while watches saw a slight increase of 1 percent in spite of a challenging market.

In addition to its expected sales growth, Herms notes that it anticipates its operating profit will exceed 2015's numbers.

Herms has unleashed initiatives aimed at spurring sales of key categories.

Department store chain Nordstrom is teaming with the French leather goods maker for a shop-in-shop promoting the brand's silks and jewelry.

Nordstrom's downtown Seattle flagship will serve as the host to a temporary pop-up shop Oct. 18 through the end of 2017. The nearly yearlong "Nordstrom Welcome Herms" shop-in-shop will stick to selling Herms accessories including silks for men and women and an edit of its jewelry range ([see story](#)).

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