

APPAREL AND ACCESSORIES

Herms' Q1 2017 sales accelerate in all geographies

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Silk ties courtesy of Herms

By STAFF REPORTS

French leather goods house Herms' positive momentum continued into the first quarter of 2017 with sales growth of 14 percent.

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Herms' consolidated revenue amounted to 1.3 billion euros, or \$1.4 billion at current exchange rates, for the first three months of 2017. The brand's strong performance is a result of a well-balanced growth model and a healthy geographical distribution of its sales.

Galloping into 2017

In Asia, Herms recorded a 16 percent positive growth in Mainland China and saw continued improvements in Hong Kong and Macau. During Q1 2017, Herms expanded its store footprint in China with an boutique extension in Singapore's Liat Towers and a new storefront in Chongqing.

Japan, viewed separately from the rest of Asia, saw continued growth of 2 percent. Herms thanks its selective distribution for this growth, despite a strong yen and high comparison basis.

Herms in the Americas achieved sales growth of 14 percent even though the market has an uncertain economic environment.

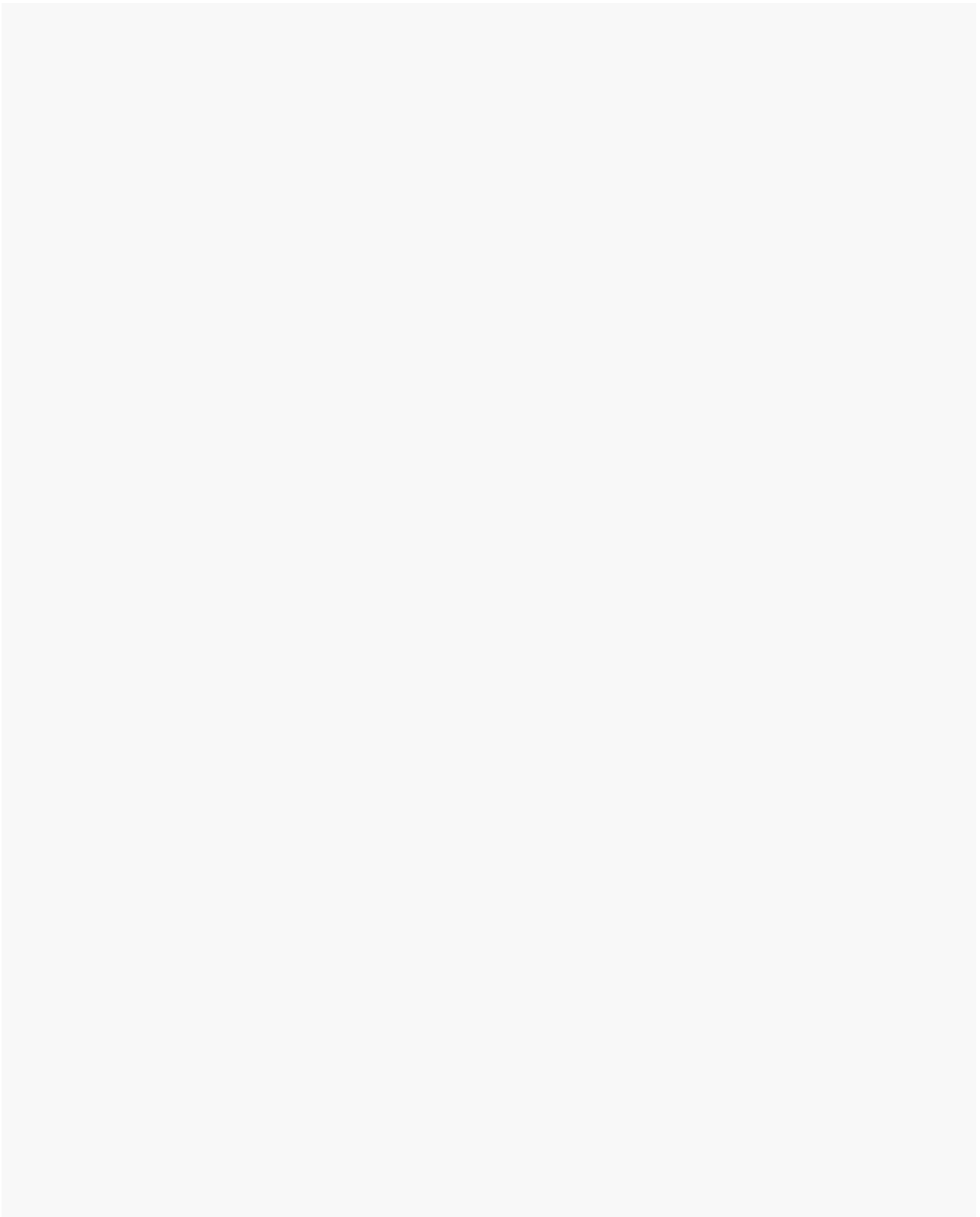
Europe, with the exception of France, saw sales increase by 9 percent. Herms benefitted from store openings in Rome, London and Munich. Herms' French sales grew by 4 percent due to home market stores and the 8th annual Saut Herms equestrian event held at the Grand Palais.

By category, Herms' silk, ready-to-wear and accessories and perfume sectors saw positive for Q1 2017.

Leather goods and saddlery growth continued at a rate of 15 percent. Sales were driven by the severity of Herms collections which includes the Constance, Verrou, Halzan and Lindy handbags in addition to the iconic Birkin and Kelly styles.

Herms' ready-to-wear and accessories saw sales increase by 8 percent and silks and textiles grew by 9 percent.

Hermès' first-quarter 2017 silks and textiles results are an improvement from last year when the brand was impacted by events in Europe and slowing sales in Mainland China.



Dancing in the breeze #Hermes

A post shared by Hermès official account (@hermes) on Apr 25, 2017 at 9:31am PDT

The brand's perfumes posted an increase of 19 percent. In Q1 2017, Hermès launched two new fragrances, Eau des Merveilles Bleue and Galop d'Hermès.

Other sectors such as jewelry, Art of Living and Herms Table Arts recorded development of 17 percent.

The only category to decline was Herms' watch business. The category saw a 6 percent decrease due to the challenging horology market.

In its outlook statement, Herms said "In the medium term, despite growing economic, geopolitical and monetary uncertainties around the world, the group confirms an ambitious goal for revenue growth at constant exchange rates.

"Growth at the end of March, which benefits particularly from a favorable comparison basis, cannot be projected over the full year 2017."

French leather goods maker Herms' consolidated revenue passed the 5 billion euro mark despite the difficult retail climate of 2016.

For the year, Herms' revenues amounted to 5.2 billion euros, or \$5.75 billion at current exchange rates, for an increase of 7.5 percent. During the fourth quarter of 2016, ended Dec. 31, the brand's sales recorded an 8 percent increase, driven by all of its geographies particularly Japan and Europe ([see story](#)).

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