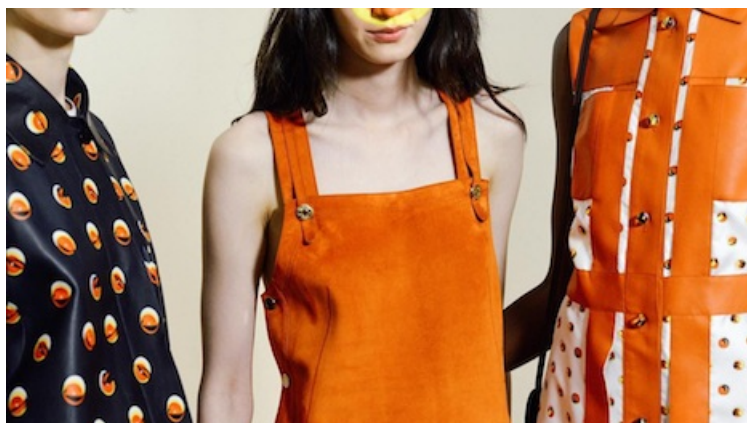


APPAREL AND ACCESSORIES

Herms' positive H1 2017 momentum driven by Mainland China

July 21, 2017



Herms ready-to-wear propels revenues for H1 2017. Image credit: Herms

By STAFF REPORTS

French leather goods house Herms saw solid sales growth of 10 percent at constant exchange rates during the first six months of 2017.

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Herms' consolidated revenues totaled 2.7 million euros, or \$3.2 million, an increase of 11 percent at current and 10 percent at constant exchange rates, for 2017's first half. The French leather goods maker's retail network performed well, with solid sales increases in all geographical areas.

Hooray Herms

During the second quarter, Herms saw a 9 percent increase at current, and 8 percent increase at constant exchange rates. This growth confirmed to Herms the strength of its business model.

For the half ending June 30, Herms saw its revenue increase in all markets.

In Asia, which excludes Japan, Herms' revenue increased by 14 percent. The progress was driven by mainland China, which gave the brand positive momentum for the half.

Despite the strengthening of the yen, Japan saw a 3 percent increase in revenue for Herms.

The United States market, still considered a "contrasting environment" by Herms, increased by 9 percent while Europe performed well with revenue increasing by 7 percent. Herms attributes Europe's performance to store openings and extensions in Rome, London and Munich.

Herms' positive performance was due to the popularity of its ready-to-wear, accessories and silk and textiles businesses.



Silks and ready-to-wear perform well for the French house. Image credit: Herms

Leather goods and saddlery saw the highest performance with 12 percent increase in sales for the half.

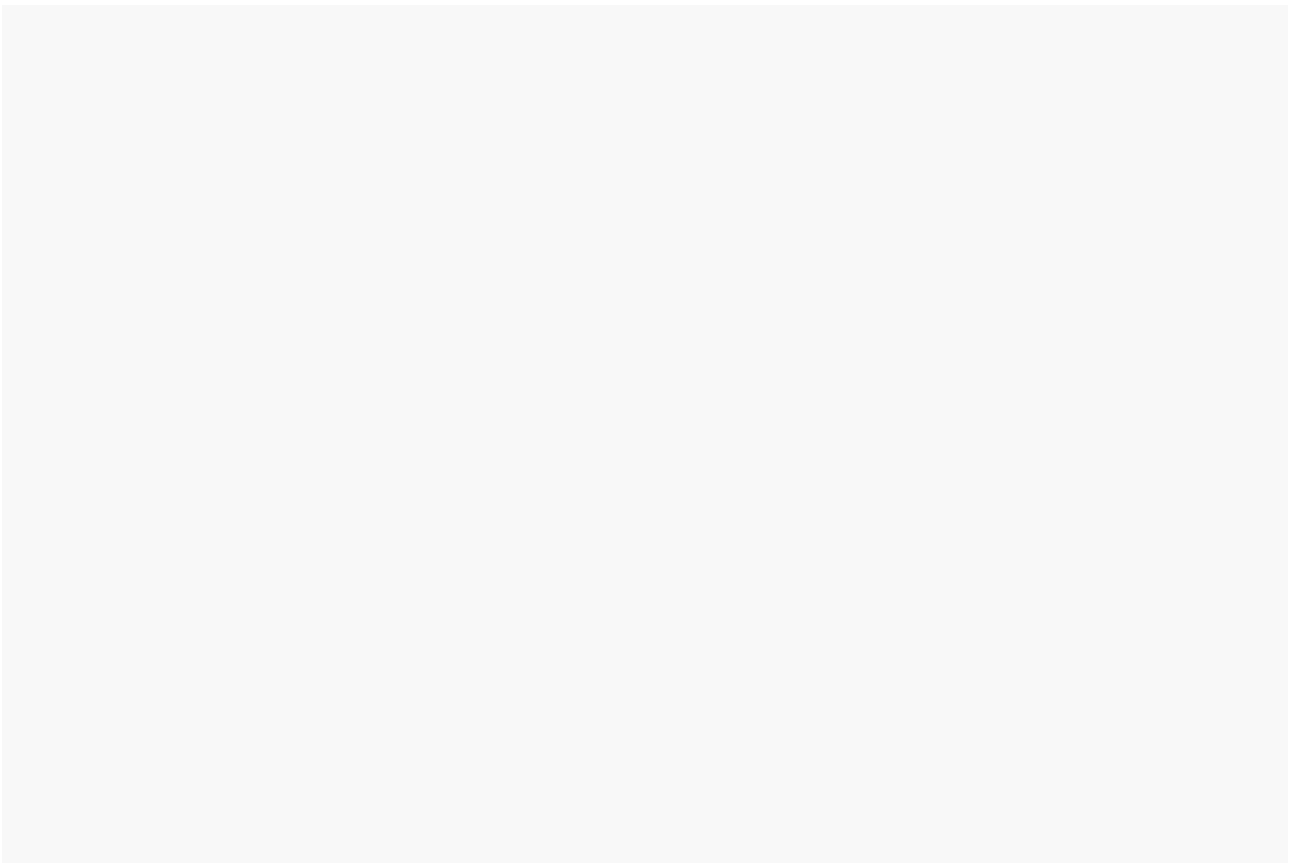
To further assist the category, Herms opened two new production centers the Maroquinerie de Normandie and the Ganterie-Maroquinerie in Saint-Junien. Herms' operations were also increased at three new sites in Charente, Isre and Franche-Comt.

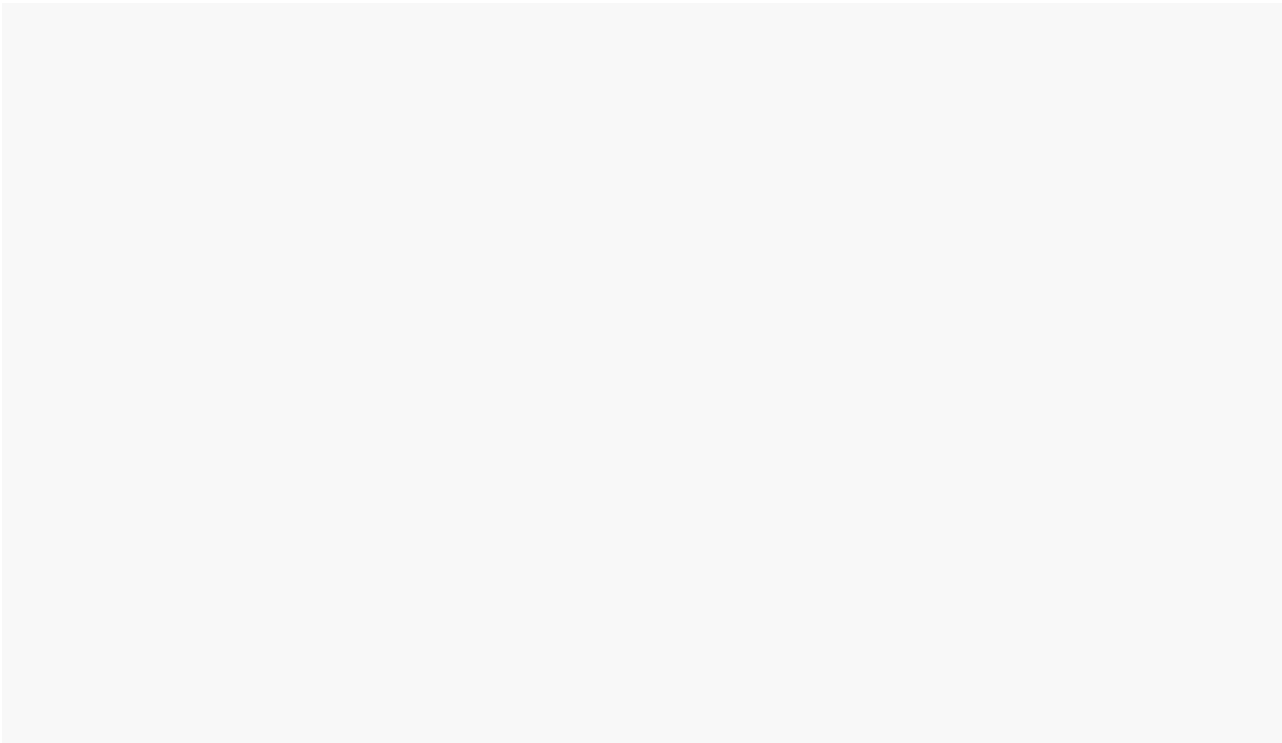
Herms' ready-to-wear and accessories division increased its sales by 10 percent for the half. The category benefited from apparel, jewelry and footwear.

Silks and textiles created by Herms sustained demand due to their creative diversity. Herms' silks and textiles' sales increased by 6 percent for the first half 2017.

During the half, Herms brought its pop-up laundromat to New York's Meatpacking District in May.

Launched in 2016, Herms' Hermsmatic celebrates the 80th anniversary of its signature silk scarves, offering a chance for owners to give their own scarves some TLC. This branded laundromat has on-site washing machines that will rinse the pre-owned scarves in either a pink or blue dye to give the silks a refresh ([see story](#)).





Shake Shake! #Hermes #Hermesmatic

A post shared by Herms official account (@hermes) on Jun 9, 2017 at 10:05am PDT

Hermes' perfumes division saw sales increase by 8 percent and in additional business lines, such as jewelry, Art of Living and Hermes Table Arts, combined sales grew by 13 percent.

The only Hermes category to decline was its timepiece business. Due to a challenging climate, Hermes' watch division saw sales decrease by 1 percent, but the category did show a slight upturn during the second quarter.

As for its outlook for the remainder of 2017, Hermes 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.

"In 2017, Hermes is celebrating the 'Meaning of Objects,'" the group said in its statement. "By the wealth of its creations and its fundamental style, Hermes accompanies men and women in their everyday lives. And this ambition is what gives our objects meaning.

"Thanks to its unique business model, Hermes is pursuing its long-term development strategy based on creativity, maintaining control over know-how and singular communications."

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