

APPAREL AND ACCESSORIES

## Herms sales, revenues continue upward trajectory in Q3 2017

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*Herms' ready-to-wear fall/winter 2017. Image credit: Herms*

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By STAFF REPORTS

French leather goods maker Herms continued to see solid growth in sales, at an increase of 11 percent, for the third quarter of 2017, ended Sept. 30.

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Herms' revenues had also increased by quarter's end, up 10 percent at constant exchange rates. Herms' consolidated revenues totaled 4.050 billion euros, or \$4.694 billion at current exchange rates, while positive store sales support the brand's continuous momentum.

### Saddling up for growth

The growth recorded in Q3 2017 was driven by all geographical areas where Herms is present, as well as "well-balanced" contributions from all brand categories.

Herms' revenues were up in all geographic areas, with Asia, excluding Japan, leading the way. Herms saw favorable momentum in mainland China and South Asian countries, for a 14 percent increase in sales.

Japan also saw solid performance for the quarter, with sales increasing 5 percent despite the strengthening of the Japanese yen.



*Herms' Objets Pour La Vie campaign. Image credit: Herms*

In the Americas, Herms recorded a 9 percent sales increase even though the economic environment has proved challenging. During Q3 2017, Herms continued its expansion plans into the Brazilian market, opening a new boutique in the Sao Paulo Iguatemi shopping mall.

Store openings continued in Europe, which also saw a 9 percent sales increase. Herms recently opened shops and extensions in Rome, London and Munich.

The brand's stores in France also recorded an increase for the third quarter.

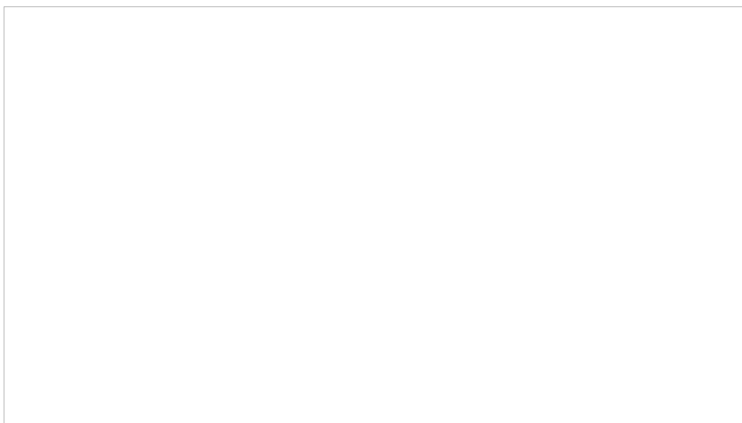
Herms' ready-to-wear, accessories, silk and textiles and perfumes continue to have "remarkable performance" and recorded growth.

The brand's leather goods and saddlery category, for example, increased 11 percent. The increase was in line with Herms' target projections of approximately 10 percent.

Herms attributes its leather goods' performance to the popularity of its Constance, Halzan, lindy and Verrou handbags, as well as the iconic Birkin and Kelly styles.

Ready-to-wear and accessories also saw good performance with an increase of 11 percent. In silks and textiles, Herms saw a 9 percent increase in growth thanks to collection diversity.

The launch of Herms' millennial-targeting fragrance Twilly d'Herms ([see story](#)) was met with great success in Q3 2017, leading Herms perfumes division to post 13 percent growth.



*Twilly d'Herms was created to appeal to the millennial generation. Image credit: Herms*

Herms' watches saw a slight improvement of 1 percent as the overall category continues to slowly rebound.

The brand's other sectors, such as jewelry, the Art of Living and Herms Table Arts, continued their development and saw growth at a rate of 11 percent.

For 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.

"As announced when the half-year results were published in September, the performance as at the end of June, which gained from non-recurring impact of foreign exchange hedges from 2016, cannot be extrapolated over the

full year 2017," Herms said.

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