

APPAREL AND ACCESSORIES

Herms' profitability reached record high in 2017

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Herms' sales were up across regions and product categories in 2017. Image credit: Herms

By STAFF REPORTS

French fashion group Herms increased its net profit by 11 percent in 2017.

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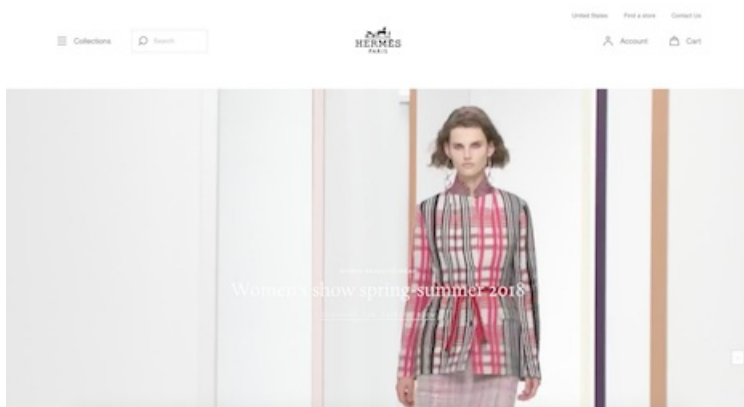
Along with 7 percent revenue growth, the company saw its profits reach 1.221 billion euros, or about \$1.5 billion, representing a record 22 percent of total sales. While watchful of continued geopolitical and economic threats, the company is aiming to continue achieving revenue growth at a constant exchange.

Rising revenue

Herms saw revenues of 5,549 million euros in 2017, which resulted in a 7 percent increase after adjustment for negative currency effects ([see story](#)).

In addition to record profitability, Herms' operating margin was 34.6 percent of sales, a record portion of revenues.

During 2017, Herms made a number of investments in its owned retail channels. The company renovated and expanded about 20 stores, and it also launched a new Web site in Canada and the U.S.



Herms' Web site design features a streamlined look. Image credit: Herms

The online flagship has a new look that brings together an editorial perspective and ecommerce ([see story](#)). Following its North American debut, the site redesign will extend to markets including Europe and China this year.

Revenues in Herms' stores were up 9 percent in 2017.

All regions saw sales growth in 2017, with Asia, excluding Japan, seeing the steepest increase at 11 percent. Both the Americas and Europe saw an 8 percent rise in revenues.

Herms also saw growth across its business categories. Leather and saddlery sales were up 10 percent, while ready-to-wear and accessories grew sales 9 percent.



Twilly d'Herms launched in 2017. Image credit: Herms

Also seeing double-digit growth were perfumes with an 11 percent increase in sales and the company's division that includes jewelry, art of living and Herms table arts, which also rose 11 percent.

Silks and textiles were up 6 percent, while watches grew slightly by 1 percent.

Herms expanded its workforce in 2017, growing its employee numbers by 650. Four hundred of these new workers are based in France.

"Herms achieves a new year of historic results, thanks to the quality of our know-how, the success of our creations and especially the incredible commitment of the women and men of Herms that I thank particularly," said Axel Dumas, executive chairman of Herms, in a statement.

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