

APPAREL AND ACCESSORIES

Herms' H1 revenues rise 5pc

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Herms has opened a new leather production facility. Image credit: Herms

By STAFF REPORTS

French fashion group Herms saw growth across all regions in the first half of 2018, led by sales increases in Asia and the Americas.

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By the end of June, Herms' revenues totaled 2.853 billion euros, or about \$3.34 billion at current exchange, up 5 percent year-over-year. Sales growth in Herms stores was 11 percent at constant exchange rates, aided by new openings in key locations so far this year.

Rising revenues

Herms reported a strong first quarter of 2018 in sales growth, driven mainly by an increase in in-store sales.

The brand's first quarter revenue amounted to 1.394 billion euros, or \$1.667 billion at current exchange rates. A major portion of the growth, around 11 percent, comes from in-store sales ([see story](#)).

During the second quarter, Herms continued its growth, with revenues up 7 percent.

In Asia excluding Japan, Herms' revenues were up 15 percent in the first half at constant exchange rates. Japan, meanwhile, was up 7 percent.

The Americas have seen strong demand, growing revenues 12 percent through June.

France was up 8 percent, while the rest of Europe saw a 7 percent revenue growth. Herms is benefiting from an updated ecommerce site in Europe, which launched at the end of March.

While all of Herms' business lines saw growth, one of the strongest categories in the first half of the year was ready-to-wear, which was up 17 percent.

Perfumes were also up significantly, growing 15 percent thanks to the success of the Twilly d' Herms and Terre d' Herms scents.



Silk scarves inspired the Twilly d'Hermès perfume. Image credit: Hermès

Hermès' leather goods and saddlery division, its largest business line by sales, was up 8 percent year-over-year.

The company is investing in production. In April, it opened the Manufacture de l'Allan, and it has plans to inaugurate new facilities in the next few years.

Silk and textiles sales grew 7 percent, while watches were up 9 percent.

Hermès' other business lines, which include categories such as tableware and jewelry, grew 24 percent in the first half of the year.

French fashion group Hermès increased its net profit by 11 percent in 2017. 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 ([see story](#)).

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