

APPAREL AND ACCESSORIES

Herms net profits up 15pc in 2018

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Herms' Carré Club. Image credit: Herms

By STAFF REPORTS

French luxury group Herms says increased volumes helped to propel its sales growth in 2018.

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Herms' revenues rose 7.5 percent, or 10 percent at constant exchange rates, to 5.966 billion euros, or about \$6.771 billion at current exchange. The company says it is leaning on craft to drive both sustainable growth and profitability.

Growth plan

One of the key growth categories for Herms during the year was ready-to-wear, which grew 14 percent, thanks in part to shoes and accessories.

All of Herms' divisions saw growth, with leather goods sales and perfume sales both up 9 percent. Watch sales were up 10 percent, and silk and textiles saw sales growth of 3 percent ([see story](#)).

The company's store sales were up 11 percent year-over-year at constant exchange rates. About 20 stores have been reopened after expansions, including locations in Monaco, Paris, Shanghai and London at Selfridges.

Along with bricks-and-mortar, Herms is investing in ecommerce, extending its online sales around the globe.

This worldwide approach was also kept in mind for marketing efforts, as Herms engaged with local clientele through pop-ups and exhibitions.

For instance, Herms excited the fans of its history with scarves in a pop-up concept that traveled to various cities.

The Herms Carré Club is a new showcase that has opened to the public in New York. The pop-up is exhibiting the brand's creativity and artistic expression in regards to its iconic scarves, said *Women's Wear Daily* ([see story](#)).

Herms increased its workforce by 800 individuals in 2018, with more than 500 of the new employees based in France. Many of these roles are centered on production or sales.

[View this post on Instagram](#)

The man behind the bag #HermesBags

A post shared by Herms (@hermes) on Dec 7, 2018 at 7:04am PST

Instagram post from Herms

The company has also opened a number of leather goods workshops. A facility in Louviers is expected to open in 2021, creating 250 jobs.

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