

APPAREL AND ACCESSORIES

Herms' H1 revenues climb 15pc

July 23, 2019



Herms saw growth in the first half of the year. Image credit: Herms

By STAFF REPORTS

French luxury group Herms saw strong growth in the first half of 2019, driven partly by an 18 percent year-over-year uptick in Asian sales.

Subscribe to **Luxury Daily**
Plus: Just released
State of Luxury 2019 **Save \$246 ▶**

Herms's sales by the end of June totaled 3.284 billion euros, or \$3.665 billion at current exchange, up 15 percent from the same period of 2018. The company saw growth across all regions and business categories, with the strongest uptick in ready-to-wear and accessories.

Across the board growth

Herms' growth was partly boosted by favorable currency exchange rates, which had a positive impact of 90 million euros, or \$100 million, on its revenue. At constant exchange, its sales were up 12 percent.

Asia excluding Japan was the strongest performing region for Herms, as momentum in China and new store openings helped to grow the company's business. Herms has also been introducing an updated digital store in Asia, which will extend to Singapore later this year.

Herms' Japan sales were up 10 percent, helped by the introduction of a new ecommerce site in the nation.

In the Americas, Herms grew its sales by 10 percent. The house opened new stores in New York's Meatpacking District and Waikiki, HI in the first half.



Herms' store in the Meatpacking District. Image credit: Herms

In its home country of France, Herms' sales grew 4 percent in the first half. Elsewhere in Europe, sales were up 9 percent.

While all of Herms' product categories saw growth, ready-to-wear and accessories achieved the strongest growth, rising 15 percent. Watches were also up, with sales increasing 14 percent.

The company's leather goods business rose 12 percent. Herms is investing in the category by expanding its production capabilities, with workshops slated to open in Maroquinerie de Guyenne in 2020 and in Louviers by 2021.

Silk and textiles and fragrances saw more muted growth, with respective increases of 4 percent and 3 percent.

Herms' other business lines, which includes silver maker Puiforcat, grew 19 percent.

"Herms sales were very dynamic in the first half of 2019, in all regions and in all business lines. This sound growth reflects the house's creative drive, outstanding know-how and the relevance of its craftsmanship model, which helps strengthen local integration," said Axel Dumas, executive chairman of Herms, in a statement.

Herms gave luxury investors a sigh of relief earlier this year, as its first quarter sales showed continued strength in China.

While many luxury brands feared a slowdown in China, Herms' results show the region's consumers are still interested in the segment of goods, with more than 10 percent growth in the quarter. However, European sales continue to lag, with only a 1 percent jump in sales in the brand's home country of France ([see story](#)).