

RETAIL

Herms, on a tear, posts 16pc growth to 5B in Q3 sales

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Q3 2019 numbers that other luxury brands dream of: Herms flies high. Image credit: Herms

By STAFF REPORTS

French group Herms saw a 16 percent jump in third-quarter sales to 5 billion at current exchange rates, confirming a trend seen over the first six months of the year.

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The growth from sales in stores benefited from the sustained momentum in all markets where Herms operates.

"Despite an uncertain international environment, **Herms** is experiencing exceptional sales growth over the first nine months reflecting our creative drive, excellent know-how and customers' adhesion," said Axel Dumas, executive chairman of Herms, in a statement.

"Herms is proud to continue job creation in France and to reinforce regional anchoring," he said.

Sales by geographical area at the end of September (at comparable exchange rates, unless otherwise indicated)

- Asia excluding Japan (+19 percent) gained from a strong showing in mainland China, and from steady growth in the area, despite the impact of events in Hong Kong. Sales increased in all countries in the area. In China, Herms opened its 26th store in Xiamen in July, and continued to successfully develop the new commercial platform hermes.cn. The Siam Paragon store reopened in Bangkok.
- Japan (+12 percent) confirmed its sound momentum and benefited from early purchases linked to higher VAT. The Iwataya store in Fukuoka and the Nihombashi store in Tokyo were extended and renovated.
- North America (+10 percent) posted strong growth, especially in the United States. A new store opened in Vancouver in Canada in September, and the Masaryk store in the center of Mexico reopened in July.
- Europe excluding France (+9 percent) and France (+6 percent) achieved sound performances, with strong growth in the United Kingdom, in Italy and in the Parisian stores.

Sales by business line at the end of September (at comparable exchange rates, unless otherwise indicated)

All the business lines reported growth at the end of September, Herms said.

Growth in leather goods and saddlery (+12 percent) was sustained with the strength of the Herms' classics and their variations in new materials such as wicker for the Kelly Picnic, other recent models such as the Mosaque and 24/24 bags and newcomers such as the Twins bag.

Production capacities continued to increase, with the announcement of a new leather workshop in France's Ardennes region by 2022, Herms said.

With the opening of the Guyenne and Montereau workshops, scheduled for completion by 2020, and the Louviers workshop by 2021, the new site in Ardennes will be the 21st leather workshop of the group.

The ready-to-wear and accessories division (+17 percent) pursued its strong momentum both for the women and men ready-to-wear and for accessories and shoes.

The Women's 2020 Spring-Summer fashion show, held at the Paris Tennis Club in September, received a warm welcome, Herms said.

The silk and textiles business line (+8 percent) posted an increase, with collections that combine a diversity of materials with creative design.

The 2019 Spring-Summer collection met with great success, Herms claimed.

Perfumes (+3 percent) are increasing, despite comparison bases that incorporated the launches of Terre d'Herms Eau intense vtiver in 2018 and Twilly d'Herms in 2017. The Twilly Eau poivre perfume variation was launched in August.

The watches business line (+14 percent) achieved a good performance.

Other Herms business lines (+22 percent), which encompass jewelry, Art of Living and Herms Table Arts, recorded strong growth, driven particularly by jewelry.

Highlights

At the end of September, currency fluctuations were favorable, representing a positive impact of 136 million on revenue, Herms said.

Over the first nine months, Herms International redeemed 67,544 shares for 41 million, excluding transactions completed within the framework of the liquidity contract.

Outlook

In the medium term, despite growing economic, geopolitical and monetary uncertainties around the world, Herms confirms an ambitious goal for revenue growth at constant exchange rates.

Herms said it is pursuing its long-term development strategy based on creativity, mastery and transmission of know-how, and quality requirements.

"In the pursuit of dreams" is the theme of the year 2019, Herms said. Celebrating the dream of Herms means asserting the need to dare to see even further, to open the field of the imagination that stimulates creation, the company said in a statement.

[Please click here to download Herms' third-quarter 2019 results statement](#)