

APPAREL AND ACCESSORIES

Herms returns to growth in Q3, but revenues remain down from 2019

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Herms saw signs of recovery in Q3 2020. Image credit: Herms

By LUXURY DAILY NEWS SERVICE

France's Herms has returned to growth in the third quarter, after the second quarter of 2020 was dominated by pandemic-related store closures and a free fall in travel.

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Boosted by strong store sales and momentum in Asia, Herms saw sales in the third quarter grow by 7 percent at constant exchange rates. For the first nine months of 2020, the group's revenues are 4.288 billion euro, or \$5.067 billion at current exchange down 14 percent year-over-year.

"In 2020, we are seeing the affirmation of major strategic commitments with social and environmental responsibility, the digitalization of uses and lifestyles, as well as positive market dynamics in Asia," said Axel Dumas, executive chairman of Herms, in a statement. "Taking into account these profound and lasting changes allows us today to remain confident despite a still uncertain future."

Promising signs

For the third quarter ended Sept. 30, sales at the group's stores were up 12 percent but remain down for 11 percent for the year at comparable exchange rates. For the first nine months of the year, wholesale activities are down 35 percent a dramatic decline mostly driven by travel retail.

Asia, excluding Japan, saw revenues grow 29 percent in Q3 2020 and is up 4 percent for the first nine months of 2020. Sales in mainland China remain strong, and ecommerce sales continue to grow as well ([see story](#)).

Although Japan saw revenues increase 11 percent in third quarter, revenues remain down 11 percent for the year. Despite store closures due to the coronavirus, Herms has continued to invest in physical retail in Japan ([see story](#)).



Hermès renovated and reopened its store in the Marunouchi district of Tokyo. Image credit: Hermès

Europe, including France, continue to struggle due to declines in tourism, while the Americas are still facing a store closure in Hawaii.

For the first nine months of 2020, leathers goods revenues are down 13 percent; ready-to-wear and accessories are down 16 percent; watches are down 8 percent and perfumes are down 22 percent. Leather goods and ready-to-wear both returned to growth in the third quarter, at 8 and 7 percent, respectively.

"Our good performance enables us to continue to invest and to create jobs," Mr. Dumas said. "I would like to thank all the teams at Hermès who work daily to keep the house growing."

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