

COMMERCE

## Watches show most growth of any category at Herms, with sales up 46pc y-o-y in 2022

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An Herms boutique in Beijing. Image credit: Herms

By LUXURY DAILY NEWS SERVICE

Leather goods and saddlery brought in the most money at French fashion house Herms last year, with the house's ready-to-wear and accessories business coming in as a close second.

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Showing a 23 percent boost in revenues year-over-year for 2022, the house's highest earning category comes as no surprise. However, the Americas topped all other regions in growth, and, product-wise, the brand's watch business, surpassed peer divisions, reflecting two areas to watch for 2023.

"In 2022, Herms had an exceptional year thanks notably to the good performance of its international markets," said Axel Dumas, executive chairman at [Herms](#), in a statement.

"This success reinforces our approach as an artisanal and highly integrated company, mainly in France: a design house that offers objects conceived to be functional, with an assertive style and uncompromising quality," Mr. Dumas said. "The year underpins the relevance of our responsible and sustainable model."

### Riding high

Herms' year-end sales total amounts to 11.6 billion euros, or \$12.4 billion according to current exchange rates, up 23 percent versus 2021.

The group experienced a year-over-year increase of the exact same percentage for the period ending Dec. 31, 2022, as fourth-quarter revenues reached 2.991 billion euros, or \$3.2 billion.

Second to the leather goods and saddlery category, which brought in 4.96 billion euros or \$5.3 billion in full-year revenues at time of exchange was the ready-to-wear category. Herms shoppers spent 3.15 billion euros \$3.37 billion on men's and women's clothing collections, as well as costume jewelry, gloves, hats, shoes and belts, a 35.8 percent increase from the year prior.

Herms' "other" sectors combined forces to bring in the third largest share of revenue: 1.37 billion euros, or \$1.46 billion for the year. This owes to categories such as jewelry, and home goods subsidiaries such as Herms Art of Living and Herms Tableware.

Meanwhile, categorically, another sector of the house's earnings proves Hermès' watchmaking potential potent.



*The house launched HermsFit in 2021, opening its first-ever fitness center in Chengdu, China. Image credit: Hermès*

The business line is up 45.9 percent from 2021, against the background of two award wins at the Grand Prix d'Horlogerie de Genève in November 2022, as well as the release of the new "H08" men's watch, plus extensive sales of classic models.

Regionally, full-year revenues for the entire Asia-Pacific market including Japan amounted to 6.65 billion euros or \$7.12 billion at current exchange. This represents a 21.5 percent sales increase, as compared to 2021.

In 2022, store launches across China, including a fourth location in Shanghai, and a reopening at the Hong Kong international airport, as well as an inaugural space in Pangyo, South Korea, provided extended revenue opportunities.

As mentioned, the Americas showed the greatest amount of growth from the prior period, both for the full year as well as in Q4, at 31.6 percent and 40.8 percent, respectively. Overall, North and South America brought in 2.13 billion euros last year, or \$2.29 billion at time of exchange.

Sales increased by 27 percent y-o-y in 2022 in the brand's native France, marking a year-end total of 1.06 billion euros or \$1.14 billion, thanks to a show of consumer interest from a mix of local and international shoppers.

Beyond the hard figures, the report boasted several company achievements. For example, the brand employed 100 percent green electricity in the year 2022 and sourced collection materials locally, citing a derivative of 66 percent from French suppliers.

The label made headlines earlier this month, having won a landmark copyright case involving digital NFT reproductions of its signature Birkin bags ([see story](#)).

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