

COMMERCE

Herms becomes world's second most-valuable luxury brand

May 3, 2023



Herms is now the closest entity in value to the industry giant LVMH's top spot, per reports from Bloomberg. Image credit: Herms

By LUXURY DAILY NEWS SERVICE

French fashion and leather goods house **Herms** has just hit a milestone figure.

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The company is now valued at \$218 billion, surpassing 200 billion euros for the first time in its history. Despite being an independent luxury brand, it is now the closest-performing label to industry giant, French luxury conglomerate LVMH, making the news especially noteworthy.

Success in the bag

In the face of looming recessions and worldwide economic and crises, luxury goods, and Herms in particular, have been faring well.

In the first quarter of 2023, the brand's revenue grew by 23 percent compared to the same period last year, rounding out at \$3.69 billion. All regions shared in this prosperity, experiencing increased sales ([see story](#)).

Strong sales growth in the first quarter (+23% at constant exchange rates and +22% at current exchange rates). The group's consolidated revenue reached 3,380 million in the first quarter of 2023. <https://t.co/eeXPZNoecM> pic.twitter.com/KRn8vhNaoo

Herms (@Hermes_Paris) April 14, 2023

In April 2023, Herms' success bloomed, joining ranks with some of the most valuable companies in the world. It became the second-most valuable luxury name on the pan-European Stoxx 600 index and the eighth-most valuable European brand, according to [Bloomberg](#).

Unlike many luxury behemoths, Herms does not rise production rates to meet increased demand, which in turn elevates its exclusive appeal.

The brand stays true to its roots, keeping in line with a craftsmanship-focused approach to business through live-in workshops and small-scale manufacturing ([see story](#)).

Hermès opens a new leather goods workshop in Louviers (Eure, France), ultimately creating 280 jobs, in a high environmental performance building. <https://t.co/TcigmxHVYH>
[pic.twitter.com/yDD23IDOGH](https://t.co/TcigmxHVYH)

Hermès (@Hermès_Paris) [April 7, 2023](#)

Even though sales have risen exponentially in the last decade, Hermès' number of stores worldwide remains at around 300, and pricing power is staying strong. Birkin bags alone range anywhere from \$8,500 to more than \$400,000.

This family-controlled, independent, artisan-first maison's outperformance of some of the largest luxury groups on the planet is a vote of confidence for conservative models of business in today's market.

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