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COUTURE, FASHION AND LEATHER GOODS

Herms Q3 sales up 16pc to \$3.57B with sustained growth in Asia, Americas

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Herms in the Making is a series of events across different stores worldwide for consumers to meet the brand's craftsmen. Image credit: Herms

By STAFF REPORTS

French luxury giant Herms saw growth in its third-quarter revenue and profit, with continued demand for its products across the globe despite a tough comparison with same-period 2022 sales in China.

Below in its entirety is Herms' statement.

Solid sales growth at the end of September +22% at constant exchange rates and +17% at current exchange rates

The group's consolidated revenue amounted to 10,063 million at the end of September 2023, up 22% at constant exchange rates and 17% at current exchange rates compared to the same period in 2022.

In the third quarter, sales continued their increase and reached 3,365 million (\$3.57 billion), up 16% at constant exchange rates, despite a particularly high comparison base in Asia.

"The solid performance in the third quarter reflects the desirability of our collections all over the world, with still a sustained momentum in Asia and in the Americas," said Axel Dumas, executive chairman of [Herms](#). "More than ever, in an uncertain global environment, we are reinforcing our investments and our teams to support growth."

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

At the end of September 2023, all the geographical areas posted solid performances, with growth above 20%, despite a particularly high comparison basis in the third quarter of 2022 in Asia.

Activity increased both in the group's stores (+22%), which benefitted from the strong desirability of the collections and the strengthening of the exclusive distribution network, and in wholesale activities (+23%).

- Asia excluding Japan (+21%) continued its strong momentum. Sales were robust in Greater China, Singapore, Thailand, Australia and Korea. As a reminder, the third quarter in 2022 was exceptional following the lifting

of health measures in China. A new store opened in July in the city of Tianjin in northern China and petit h stopped over at the Beijing China World store in September.

- Japan (+25%) confirmed its solid growth thanks to its local customers. Herms Japan greeted this great performance by celebrating its 40 years in September.
- The Americas (+20%) continued to rise in the third quarter, similarly to the two previous quarters. In the United States, a new store was inaugurated in Topanga, Los Angeles, in July, the 6th in California, after the store openings in Naples in the Gulf of Mexico in February, and in Aspen, Colorado, in June.
- Sales in Europe excluding France (+20%) and France (+22%) were particularly robust thanks to the loyalty of local clients and the dynamics of tourist flows. The store in Vienna, Austria, reopened in September after renovation and extension work. The Herms in the Making event, an opportunity for the public to meet the craftsmen, made a stopover in Lille in July.

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

At the end of September 2023, all the business lines confirmed their solid momentum, underlining the tremendous attractiveness of the house.

The Leather Goods and Saddlery business line (+19%) benefitted from a very sustained demand and high desirability.

Two new models, Kelly Messenger and Maxi Kelly, are attracting over our customers. The new models, Herms Geta or the R.M.S. suitcase with a high degree of knowhow, are meeting with great success.

The increase in production capacities continues, with four new leather workshop projects planned over the next four years: Riom (Puy-de-Dôme) in 2024, L'Isle-d'Espagnac (Charente) in 2025, Loupes (Gironde) in 2026 and Charleville-Mzières (Ardennes) scheduled for 2027.

Herms thus continues to strengthen its local anchoring in France and to create jobs.

The Ready-to-Wear and Accessories business line (+29%) achieved robust growth, thanks to the success of the ready-to-wear, fashion accessories and footwear collections.

The men's spring-summer 2024 fashion show, unveiled at the Palais d'Ina in June, was very well received, as was the women's spring-summer 2024 collection, presented at the end of September at the Garde républicaine.

The fashion accessories and footwear express the richness of the house's know-how.

The Silk and Textiles business line (+17%) recorded solid growth, supported by exceptional materials, the diversity of formats and the reinforcement of production capacities following the expansion of the Pierre-Bnité site in Lyon, which has been expanded with a new printing line.

Perfume and Beauty (+8%) benefitted from the successful launches of the company's latest creations and classics. The Twilly d'Herms line welcomed the Tutti Twilly perfume at the beginning of September.

Beauty was enriched by a fifth chapter, the Regard Herms, launched at the end of September, inspired by the house's emblematic colors.

The Watches business line (+24%) confirmed its strong performance thanks to the development of pieces combining creativity and exceptional watch-making savoir-faire, both for the complication models and Herms' classic models, Cape Cod and Heure H.

The Herms H08 line, which includes several new products this year, is meeting with great success.

The Other Herms business lines (+26%) continued their strong growth, both in Homeware and Jewelry, with creative and unique collections.

A responsible, sustainable model True to its commitment to quality and the development of sustainable materials for its 16 business lines, Herms is pursuing its certification process for its 44 sectors by 2024.

The men's ready-to-wear workshops in Pantin earned GOTS (Global Organic Textile Standard) certification in July. This certification guarantees the use of organic fibers, compliance with environmental and social standards, and our commitment to traceability, from the harvesting of raw materials to the finished product.

The group is strengthening its environmental ambitions, in particular with the finalization of the first stages of the

Science Based Targets for Nature (SBTN) process by the end of 2023, to set scientific targets for nature, in particular regarding biodiversity, fresh water, forests, soils and oceans.

Herms is part of the 120 companies which launched this approach on a global scale.

Recruitments further accelerated in the third quarter in all the business lines, while promoting commitments to inclusion and diversity.

An agreement aimed at supporting caregivers and worklife balance was signed in July. In accordance with its role as a responsible employer, and in order to involve all employees in its development and success, the group deployed a 6th free share plan in July, enabling all employees around the world to become shareholders.

Other highlights

At the end of September 2023, currency fluctuations represented a negative impact of 420 million on revenue.

During the first nine months, Herms International redeemed 38,812 shares for 72 million, excluding transactions completed within the framework of the liquidity contract.

Outlook

The group continues the year 2023 with confidence, thanks to the highly integrated artisanal model, the balanced distribution network, the creativity of collections and the loyalty of clients.

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

Thanks to its unique business model, Herms is pursuing its long-term development strategy based on creativity, maintaining control over know-how and singular communication.

Inspiration of the creation at Herms, *Astonishment* is the theme of the year. The ability to be surprised is a constant source of innovation and dynamism for the house, which will continue to accompany clients with enthusiasm and creativity.

Upcoming events:

- Feb. 9, 2024: 2023 full-year results publication
- April 25, 2024: Q1 2024 revenue publication
- April 30, 2024: General Meeting of Shareholders

[Please click here to access the PDF of Herms' third-quarter results](#)

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