

What Hermès' 2025 universal registration document assumes, believes and expects

Source: Hermès International - universal registration document, 2025 (535 pages). Public document.

Five assumptions worth your attention

These claims are never argued for directly, but the strategy depends on them.

Leather goods growth is capped by craftspeople and workshops, so new sites must be staffed with trained artisans on schedule without diluting quality.

Why it matters: Leather Goods and Saddlery is 44% of revenue (€7,070 million) and grew 13% at constant exchange rates, helped by higher production capacity. New workshops are planned for Loupes (2026), Charleville-Mézières (2027) and Colombelles (2028), each creating around 300 jobs.

What would prove or disprove it: Whether Loupes opens in 2026 and Charleville-Mézières in 2027 as planned, and leather goods growth in the 2026 and 2027 reports.

Hermès treats its geographic mix as balanced and resilient, although Asia-Pacific supplies 52% of revenue and its growth outside Japan was only 5%.

Why it matters: Asia-Pacific was €8,293 million of €16,002 million revenue in 2025; Asia excluding Japan was €6,702 million, up 1% at current rates and 5% at constant rates, against Europe +10% and the Americas +12%.

What would prove or disprove it: Asia-Pacific share of revenue and its constant-rate growth compared with other areas in the 2026 and 2027 reports.

Hermès assumes its 41% recurring operating margin holds while it adds staff, raises pay, builds workshops and absorbs currency headwinds.

Why it matters: Recurring operating margin was 41.0% in 2025, 40.5% in 2024 and 42.1% in 2023. Headcount rose by more than 1,300 to 26,494, a €120 monthly raise was announced in France, and operating investments were €1.2 billion.

What would prove or disprove it: Recurring operating margin in the 2026 and 2027 results against 41.0%, alongside headcount and operating investments.

The supply of exceptional materials and supplier know-how is assumed to grow in step with Hermès' own production, since a shortage could halt growth.

Why it matters: The document says the Group's ability to grow is also linked to its suppliers' development, and that a shortage in volume or quality could disrupt production and cause a loss of business. At the same time it plans new workshops and says it is accelerating the securing of supplies.

What would prove or disprove it: Any production disruption or material shortage mentioned in the 2026 risk factors, and supplier acquisitions announced during 2026.

Hermès' 2030 scope 3 climate target is set per unit of gross margin, so absolute supply-chain emissions can still rise as the business grows.

Why it matters: The target is a 58.1% reduction in intensity over 2018-2030, and scope 3 had already fallen 58% in intensity, while scopes 1 and 2 fell 69% in absolute value against a 50.4% target. Revenue rose from €8,982 million in 2021 to €16,002 million in 2025.

What would prove or disprove it: Absolute scope 3 emissions reported for 2018 and 2025 in the sustainability report.

The fuller list

Sorted by how the document itself frames each claim.

Category	Claim	Source
<i>Stated outright</i>	Group looks forward to 2026 with confidence, citing its integrated craftsmanship model, balanced network, collection creativity and customer loyalty.	<i>Outlook</i>
<i>Stated outright</i>	Plans 2026 openings in Beijing (Sanlitun) and London (New Bond Street) plus expansions or renovations of around 15 branches, including Osaka and Berlin.	<i>Outlook</i>
<i>Stated outright</i>	In 2026 Hermès will work to identify the expenses, investments and financing specifically tied to implementing its climate transition plan.	<i>Outlook</i>
<i>Stated outright</i>	Close to 100% of internal currency transactions for the following year were hedged as at 31 December; no speculative transactions are authorised.	<i>Risk Factors, foreign exchange risk</i>
<i>Stated outright</i>	Independence and strict financial management are said to let the Group self-finance operational investments in production capacity and the store network.	<i>Strategy</i>
<i>Stated outright (risk framing)</i>	Geopolitical, economic or social tensions, a pandemic or a natural disaster could cause sales to decline.	<i>Risk Factors, major external crisis</i>
<i>Stated outright (risk framing)</i>	Loss of commercial appeal could lead to gradual loss of customer interest; the model depends on balance between style, craftsmanship, quality, local openness and communication.	<i>Risk Factors, commercial appeal</i>
<i>Stated outright (risk framing)</i>	A cyberattack or data breach could disrupt key production or distribution processes and expose personal or confidential data.	<i>Risk Factors, information systems</i>
<i>Stated outright (risk framing)</i>	Achieving sustainability objectives depends on initiatives succeeding and on preconditions that may lie beyond Hermès' control; objectives rest on its own view of what is reasonable.	<i>Sustainability report, objectives note</i>
<i>Partly third-party</i>	Hermès is on CDP's A-list (A for Climate, A- for Water Security, A for Forests) and cites a Sustainalytics rating as evidence of its responsible model.	<i>Message; Highlights, via CDP</i>
<i>Asserted, no evidence shown</i>	Strong results are said to confirm collection desirability and endorse the artisanal model; the message cites no customer or demand evidence beyond results.	<i>Executive management message</i>

Category	Claim	Source
<i>Aspiration, no numbers</i>	In the medium term the Group confirms an ambitious goal for revenue growth at constant exchange rates; the outlook gives no figure.	<i>Outlook</i>
<i>Aspiration, no numbers</i>	Leather Goods and Saddlery growth of 13% is described as in line with an annual objective; the pages read do not state its level.	<i>Highlights 2025</i>
<i>Aspiration, no numbers</i>	The Group is studying projects, including Livelihoods Carbon Funds contributions, to prepare for neutralising residual emissions; no volume or cost is given.	<i>Outlook</i>
<i>Implicit, derived from the figures</i>	Revenue grew 8.9% at constant exchange rates but 5.5% at current rates, implying a 3.4-point currency drag on reported growth.	<i>Key financial figures</i>
<i>Implicit, derived from the figures</i>	Perfume and Beauty (-8%) and Watches (-2%) fell at constant rates; 2026 plans rely on launches and Le Noirmont capacity expansion by 2028 to restore growth.	<i>Highlights; Outlook</i>
<i>Implicit, derived from the figures</i>	Net profit of €4.5 billion is reported alongside €4.86 billion adjusted for the French exceptional contribution, treated as exceptional rather than recurring.	<i>Highlights 2025</i>
<i>Standard legal boilerplate</i>	Listed risk factors are those the Group believes could materially affect its activity, results, financial position or prospects at the document date.	<i>Risk Factors</i>

Page numbers refer to the printed page numbers of the report. Amounts are as shown in the document.

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