

# Hermès

Birkin, 25 cm, 2024 (unworn)

## Return Potential

An investment of 500 EUR is projected to be worth approximately 725 EUR in 4 years.

## Cost-to-Return Ratio

With just 2.8% annual total costs (including exit fees), your net profit could be an impressive 9.7% per year.

## Trend Color

Yellow shades are rarely seen at Hermes, but after the COVID-19 pandemic, consumer trends shifted towards cheerful and vibrant colors like yellow, making this bag a sought-after collector's item.



## Fun facts:

The size of a bag greatly impacts its value, with 25cm bags holding a prominent position in the market. Currently, they rank second in terms of average auction value, outperforming 28cm and 30cm bags, which are closely competing for the third spot.

# General Info

|                                                        |                                      |
|--------------------------------------------------------|--------------------------------------|
| Manufacturer                                           | Hermès                               |
| Model                                                  | Birkin                               |
| Year                                                   | 2024                                 |
| Size                                                   | 25 cm                                |
| Leather                                                | Togo leather                         |
| Hardware                                               | Palladium                            |
| Color                                                  | Jaune Poussin                        |
| Condition                                              | New and unworn                       |
| Price per bag (excl. External costs and platform fees) | EUR 26,000                           |
| Asset ID                                               | 2ea07668-1ab9-4103-8a27-c697d2382e0c |

## Cost Analysis

|                            | Value in €      |
|----------------------------|-----------------|
| Asset Value                | 26,000 €        |
| Platform Fee Splint Invest | 1,600 €         |
| External Maintenance Cost  | 500 €           |
| <b>Price</b>               | <b>28,100 €</b> |
| Number of Splints          | 562             |
| <b>Price per Splint</b>    | <b>50 €</b>     |

- The price of 28,100 € includes the Splint Invest platform fee and external maintenance costs of 2,100 €. 26,000 € can be allocated to the asset.
- Splint Invest will charge an exit fee of 2 % applied to the proceeds from the sale of the asset.
- Each Splint holder bears a proportional part of the costs.

# Rating



7/10

## Return

The average annual increase in value of the sought-after bags since 1980 is at 14.2%.

According to the 2023 wealth report of Knight Frank the prices for collectible handbags increased by 67 % over the last 10 years.



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## Stability

The production volume is kept at low level by Hermès. This leads to annual price increases of 5 up to 10 % for the primary market of Birkin bags.

The prices on the secondary market follow the increase on the primary market.

The annual production of the Birkin bag is around 12,000 pieces.



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## Track Record

A Hermès bag isn't just available around the corner. The producer determines who is even allowed to acquire one of these coveted handbags. The production is intentionally limited.

To bypass these waiting times, customers often turn to the secondary market. Even bags with signs of use after several years still command prices of over 10,000 euros. This underscores the immense scarcity and high demand.

# Investment Horizon

## of 2-4 years

| Forecast per<br>Splint in € | 2 years | 3 years | 4 years |
|-----------------------------|---------|---------|---------|
| Ambitious                   | 61      | 69      | 79      |
| Balanced                    | 59      | 66      | 74      |
| Defensive                   | 52      | 53      | 54      |

**The investment horizon has been set to 2 to 4 years.**

- The investment horizon has been set at short to medium term. It is expected that Hermès will continue to increase prices by 5 to 10% annually and that prices on the secondary market will, therefore, also increase. At the same time, demand in the Chinese market is expected to continue to grow.
- If one of the following two conditions is met, the sale of the asset is considered:
  - End of the defined investment horizon has been reached.
  - Ambitious case already occurs before the end investment horizon.

# Your Return Potential

|                                                   | Value in € defensive | Value in € balanced | Value in € ambitious |
|---------------------------------------------------|----------------------|---------------------|----------------------|
| Expected gross sales proceeds at maximum maturity | 30,348 €             | 41,588 €            | 44,960 €             |
| - Splint selling fees of 2%                       | -607 €               | -832 €              | -899 €               |
| - External maintenance cost                       | -500 €               | -500 €              | -500 €               |
| - Splint Invest platform fee                      | -1,600 €             | -1,600 €            | -1,600 €             |
| - Asset value at acquisition                      | -26,000 €            | -26,000 €           | -26,000 €            |
| <b>Expected return at maximum maturity</b>        | <b>1,641 €</b>       | <b>12,656 €</b>     | <b>15,961 €</b>      |
| <b>Average annual rate of return</b>              | <b>1.4%</b>          | <b>9.7%</b>         | <b>11.9%</b>         |

  

| Details to weighted calculation of the average annual rate of return: | Defensive Scenario                         | Balanced Scenario                                                           | Ambitious Scenario                                                                       |
|-----------------------------------------------------------------------|--------------------------------------------|-----------------------------------------------------------------------------|------------------------------------------------------------------------------------------|
| Base value 1 with a 50% weighting                                     | 12 month inflation rate Switzerland (1.4%) | Average annual appreciation of Birkin Bags over the last 35 years. (+14.2%) | AMR Handbags Index, Performance 2022 incl. price premium for special edition bags (+17%) |
| Base value 2 with a 50% weighting                                     |                                            | 2024 Hermès Birkin bags (hermes.com) price increase (+6,8%)                 | 2024 Hermès Birkin bags (hermes.com) price increase (+6,8%)                              |

## Why you should invest

1. The 25cm bag is the second most beloved one.
2. The annual production of the Birkin bag is around 12,000 pieces.
3. Annual price increases of 5 up to 10 % for the primary market of Birkin bags.

Contact Information:



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