

# SMCP

sandro • maje • claudie pierlot • fursac



2022 Third quarter

Press release - Paris, October 26th, 2022

## Record sales in Q3 despite Covid-related restrictions in China Solid organic growth compared to 2021 Confirmation of 2022 full-year guidance

- Q3 2022 record sales at €308m, +9.4% on an organic basis and +13.5% on a reported basis vs 2021. Over the first 9 months, the Group recorded a strong performance with €874m of sales, +17% on an organic basis and +20.5% on a reported basis
- Europe and North America continue to benefit from a very good momentum in Q3. APAC is still affected by Covid restrictions in Mainland China but the Q3 trend is of gradual improvement
- Solid Q3 performance across all brands
- Strong performance benefiting from like-for-like point of sales (+19% in 9 months) and dynamic digital sales (21% of total sales)
- The dynamic of the four brands and the success of the collections enable SMCP to successfully continue the average discount rate reduction strategy, with a reduction of 5 points in 9 months (of which 2.5pp in Q3).
- Full-year financial guidance confirmed

**Commenting on these results, Isabelle Guichot, CEO of SMCP, stated:** *“The group registered record sales in Q3 based on the solid growth of all brands. This performance reflects a strong momentum in Europe, notably thanks to the success of collections with local clients and the return of tourists, as well as in the United States where demand remains significant, in line with preceding quarters. In Mainland China, our sales remained impacted by the fall in shop traffic due to Covid-related restrictions. We nevertheless observed an improvement in our performance this quarter. We have equally pursued our full price strategy with success by substantially lowering the discount rate. We registered more and more qualitative digital sales in a context of a normalization of the share of digital sales. Finally, we have accelerated the implementation of our CSR strategy. In view of our performance in the first nine months of the year, and provided that the international situation does not deteriorate further in the final quarter, we confirm our full-year guidance.”*

€m except %	Q3	Q3	Organic	Reported	9M	9M	Organic	Reported
Unaudited figures	2021	2022	change	change	2021	2022	change	change
<b>Sales by region</b>								
France	88.4	99,1	+13,5%	+11,9%	230.3	293,8	+30,2%	+27,5%
EMEA	81.3	98,6	+20,4%	+21,4%	195.3	272,0	+37,9%	+39,3%
Americas	37.8	49,0	+12,5%	+29,9%	96.9	132,1	+22,1%	+36,4%
APAC	64.2	61,6	-11,8%	-4,1%	202.6	175,8	-20,1%	-13,2%
<b>Sales by Brand</b>								
Sandro	131,5	150.2	+9,5%	+14,2%	343.5	416,9	+17,0%	+21,4%
Maje	106,5	119.9	+8,0%	+12,6%	289.4	343,8	+14,7%	+18,8%
Other brands <sup>1</sup>	33,8	38.3	+13,9%	+13,5%	92.1	113,0	+23,8%	+22,8%
<b>TOTAL</b>	<b>271,7</b>	<b>308.4</b>	<b>+9,4%</b>	<b>+13,5%</b>	<b>725.0</b>	<b>873,8</b>	<b>+17,0%</b>	<b>+20,5%</b>

## SALES BY REGION

In **France**, 9-month sales reached €294m, +30% on an organic basis vs 2021 supported by like-for-like points of sales.

The third quarter saw a double-digit growth with a basis of comparison higher than in H1.

The solid performance is based on the success of the four brands' collections and on good tourism flows during the summer (coming from Americas, Middle East, Europe, and some APAC nationalities). The reduction of discount rate continued and reached -8pp vs. 2021 YTD.

In **EMEA** (Europe excluding France and Middle East), SMCP delivered an excellent performance with 9-month sales of €272m, +38% on an organic basis vs 2021 of which +51% like-for-like, coming from brick-and-mortar and digital retail (own websites and e-partners). Third quarter sales were up +20% on an organic basis benefiting, as in France, from success with both local customers and tourists in most European countries. The reduction of discount rate continued and reached -5pp vs. 2021 YTD.

In **APAC**, 9-month sales (€176m) were down -13% on a reported basis and -20% on an organic basis vs 2021. Performance continued to be impacted by Covid resurgences in Mainland China with sporadic store closures and reduced footfall. However, the APAC trend is of gradual improvement and the gap vs 2021 reduced significantly in Q3 compared to H1 (-12% organic vs Q3 2021). APAC excluding China delivered a good progression vs 2021 in Q3, supported by the strong performances of Korea, Singapore, Malaysia and Australia.

In **North America**, despite a high comparison basis, SMCP delivered a strong performance with 9-month sales of €132m, +36% on a reported basis and +22% on an organic basis vs 2021 (LFL progressing double-digits: +23% in a nearly stable network). The third quarter trend (+30% on a reported basis and +12% on an organic basis vs 2021) is close to the Q2 trend, sustained by both B&M and Digital. All markets (USA, Canada and Mexico) recorded an excellent momentum. The reduction of discount rate continued and reached -8pp vs. 2021 YTD.

<sup>1</sup> *Claudie Pierlot and Fursac brands*

## Q3 HIGHLIGHTS

During the third quarter, SMCP intensified its CSR commitments. For example, the number of traceable references in the Fall-Winter collection now exceeds 100 per brand. Initiatives in favor of the circular economy are increasing, including in particular the gradual deployment of second-hand products, which will be extended to other countries in the coming months.

The Group has made several targeted openings in its key markets, and the third quarter saw the opening of a major flagship store for Sandro on the mythical Champs-Élysées Avenue. More generally, SMCP is pursuing its strategy of qualitative and selective network development: opening and renovation of Fursac stores in Europe, new physical and digital points of sale in Asia for Sandro, Maje and Claudie Pierlot, and strengthening of strategic retail partners networks (e.g. in the Middle East).

Finally, each brand continued to develop the desirability of its collections and communications: the Believe campaign for Sandro and Taylor Hill for Maje, the reaffirmation of the Parisian style for Claudie Pierlot through iconic pieces in the Fall-Winter collection and communication campaign, and artistic and know-how-based collaborations for Fursac.

## CONCLUSION

Thanks to the desirability of its brands and the attractiveness of its collections, Group sales benefited from a strong momentum across all geographies except Mainland China, due to Covid-related restrictions.

All brands of the portfolio contributed to the growth, enabling SMCP to book a record level of sales, despite an unprecedented level of macro-economic and geopolitical uncertainty.

## PERSPECTIVES

In the fourth quarter 2022, the Group will continue to carefully monitor the evolution of the economic, geopolitical, health and social context.

Based on the strong performance on a 9-month basis and provided the international situation does not deteriorate further during the rest of the year, SMCP confirms its 2022 full-year financial guidance.

A conference call with investors and analysts will be held today by CEO Isabelle Guichot and CFO Patricia Huyghues Despointes, from 9:00 a.m. (Paris time).

Related slides will also be available on the website ([www.smcp.com](http://www.smcp.com)), in the Finance section.

APPENDICES

Breakdown of DOS

Number of DOS	Q3-21	2021	H1-22	Q3-22	Var Q3 22 vs. H1 22	Var Q3 22 vs. FY 21	Var Q3 22 vs. Q3 21
<b><u>By region</u></b>							
France	474	472	462	455	-7	-17	-19
EMEA	404	402	394	392	-2	-10	-12
Americas	168	166	167	167	-	+1	-1
APAC	250	252	251	258	+7	+6	+8
<b><u>By brand</u></b>							
Sandro	552	552	546	547	+1	-5	-5
Maje	456	455	453	453	-	-2	-3
Claudie Pierlot	211	211	206	203	-3	-8	-8
Suite 341	11	10	2	2	-	-8	-9
Fursac	66	64	67	67	-	+3	+1
<b>Total DOS</b>	<b>1,296</b>	<b>1,292</b>	<b>1,274</b>	<b>1,272</b>	<b>-2</b>	<b>-20</b>	<b>-24</b>

Breakdown of POS

Number of POS	Q3-21	2021	H1-22	Q3-22	Var Q3 22 vs. H1 22	Var Q3 22 vs. FY 21	Var Q3 22 vs. Q3 21
<b><u>By region</u></b>							
France	475	473	463	456	-7	-17	-19
EMEA	551	548	542	544	+2	-4	+7
Americas	197	195	195	198	+3	+3	+1
APAC	461	468	470	472	+2	+4	+11
<b><u>By brand</u></b>							
Sandro	743	745	742	745	+3	-	+2
Maje	618	620	620	620	-	-	+2
Claudie Pierlot	246	245	239	236	-3	-9	-10
Suite 341	11	10	2	2	-	-8	-9
Fursac	66	64	67	67	-	+3	+1
<b>Total POS</b>	<b>1,684</b>	<b>1,684</b>	<b>1,670</b>	<b>1,670</b>	<b>-</b>	<b>-14</b>	<b>-14</b>
<b><i>o/w Partners POS</i></b>	<b>388</b>	<b>392</b>	<b>396</b>	<b>398</b>	<b>+2</b>	<b>+6</b>	<b>+10</b>

## FINANCIAL INDICATORS NOT DEFINED IN IFRS

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### ***Number of points of sale (POS)***

The number of the Group's points of sale comprises total retail points of sale open at the relevant date, which includes (i) directly operated stores (DOS), including free-standing stores, concessions in department stores, affiliate-operated stores, outlets and online stores, and (ii) partnered retail points of sale.

### ***Organic sales growth***

Organic sales growth is the total sales in a given period compared to the same period in the previous year. It is expressed as a percentage change between the two periods and is presented at constant rates (sales for period N and period N-1 in foreign currencies are converted at the average rate for year N-1) and excluding the effects of changes in the scope of consolidation.

### ***Like-for-like sales growth***

Like-for-like sales growth corresponds to retail sales from directly operated points of sale on a like-for-like basis in a given period compared with the same period in the previous year. Like-for-like points of sale for a given period include all of the Group's points of sale that were open at the beginning of the previous period and exclude points of sale closed during the period, including points of sale closed for renovation for more than one month, as well as points of sale that changed their activity (for example, Sandro points of sale changing from Sandro Femme to Sandro Homme or to a mixed Sandro Femme and Sandro Homme store).

Like-for-like sales growth percentage is presented at constant exchange rates.

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## METHODOLOGY NOTE

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Unless otherwise indicated, amounts are expressed in millions of euros. In general, figures presented in this press release are rounded to the nearest full unit. As a result, the sum of rounded amounts may show non-material differences with the total as reported. Note that ratios and differences are calculated based on underlying amounts and not based on rounded amounts.

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## DISCLAIMER: FORWARD-LOOKING STATEMENTS

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Certain information contained in this document includes projections and forecasts. These projections and forecasts are based on SMCP management's current views and assumptions. Such forward-looking statements are not guarantees of future performance of the Group. Actual results or performances may differ materially from those in such projections and forecasts as a result of numerous factors, risks and uncertainties. These risks and uncertainties include those discussed or identified under Chapter 3 "Risk factors and internal control" of the Company's Universal Registration Document filed with the French Financial Markets Authority (Autorité des Marchés Financiers - AMF) on 19 April 2022 and available on SMCP's website ([www.smcp.com](http://www.smcp.com)).

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## ABOUT SMCP

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SMCP is a global leader in the accessible luxury market with four unique Parisian brands: Sandro, Maje, Claudie Pierlot and Fursac. Present in 45 countries, the Group comprises a network of over 1,600 stores globally and a strong digital presence in all its key markets. Evelyne Chetrite and Judith Milgrom founded Sandro and Maje in Paris, in 1984 and 1998 respectively, and continue to provide creative direction for the brands. Claudie Pierlot and Fursac were respectively acquired by SMCP in 2009 and 2019. SMCP is listed on the Euronext Paris regulated market (compartment A, ISIN Code FR0013214145, ticker: SMCP).

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