

SMCP

sandro · maje · claudie pierlot · de fursac



2021 First quarter

Press release - Paris, April 27th, 2021

Strong performance in APAC Europe still impacted by lockdowns and restrictive measures Early signs of recovery in the Americas

- Q1 2021 Sales: €223.9 million, down -2.1% as reported; -0.6% on an organic¹ basis
- Strong performance in APAC (+64.6%¹) driven by a double-digit growth in Mainland China: +92.6%¹, and +26% vs. Q1 2019
- Lockdowns and restrictive measures continue to weigh on performance in Europe
- Early signs of a rebound in demand and traffic in the Americas, notably in the US
- Digital sales continue to grow strongly: +38.9%
- Expansion in Asia // Continued network optimization in France: -33 POS net closings (vs.-8 in Q1 2020)
- Focus maintained on tight cost and cash management

Commenting on those results, Daniel Lalonde, CEO of SMCP, stated: *“Over the quarter, our sales were affected by lockdown measures in Europe and Canada. In Asia, where the impact of the pandemic is far more limited, the positive trend continued throughout the first quarter, particularly in Mainland China (with a double-digit growth of +26% vs 2019), while the United States showed early signs of rebound in demand. Our global teams are focused on the execution of our One Journey strategic plan presented in October 2020, supported by our strong and desirable Brands. The perspective of a gradual market reopening in Europe gives us a good reason to be cautiously optimistic about H2 2021, not only in Europe, but in all markets.”*

¹ Organic growth | All references in this document to the “organic sales performance” refer to the performance of the Group at constant currency and scope

<i>€m except % Unaudited figures</i>	Q1 2020	Q1 2021	Organic sales change	Reported sales change
Sales by region				
France	85.7	78.6	-8.3%	-8.3%
EMEA ¹	70.9	47.5	-32.5%	-32.9%
Americas	26.9	24.9	+0.4%	-7.4%
APAC ²	45.2	72.8	+64.6%	+61.3%
Sales by brand				
Sandro	105.5	103.6	-0.1%	-1.8%
Maje	85.7	89.3	+6.1%	+4.3%
Other brands ³	37.5	31.0	-17.0%	-17.3%
TOTAL	228.7	223.9	-0.6%	-2.1%

2021 FIRST QUARTER SALES

In the first quarter of 2021, consolidated sales reached €223.9 million, down -0.6% on an organic basis. While SMCP continues to enjoy very good momentum in the APAC region, particularly in Mainland China and observe early signs of rebound in the Americas, this performance remains impacted by strong lockdown measures, store closures/restrictions and a lack of tourism in France and in the EMEA region.

Reported sales were down -2.1%, including a negative currency impact of -1.5%.

Over the quarter, the Group generated digital sales growth of +38.9%, boosted by several new initiatives from our strategic project *One Journey*, including the finalization of the “Ship from Store” rollout in France.

As planned, in Q1 2021, SMCP closed -33 POS globally, including -33 net store closures in France (mainly small points of sales, in small cities, and not reflecting our new concept), as well as the impact of the end of the Suite 341 format.

SMCP continued to focus on tight cost and cash management over the quarter.

Sales breakdown by region

In France, sales were down -8.3% on an organic basis. From January 2021, they were impacted by restrictive measures (i.e., curfew, and shopping centre closures), low traffic and continued low tourism levels. In March, the country faced new lockdowns in key regions, including Paris. Despite those restrictions, these results reflect a sequential improvement from February and a favorable comparable basis from mid-March vs. 2020.

Meanwhile, digital sales recorded a strong double-digit growth (+55.5%).

In EMEA, sales were down -32.5% on an organic basis, in line with trends observed at the end of last year. The region has been impacted by a continued sharp drop in tourism, longer store closures and lockdowns in key

¹ EMEA covers the Group's activities in European countries excluding France (mainly the United Kingdom, Spain, Germany, Switzerland, Italy and Russia) as well as the Middle East (including the United Arab Emirates).

² APAC includes the Group's Asia-Pacific operations (mainly Mainland China, Hong Kong SAR, South Korea, Singapore, Thailand and Australia).

³ Claudie Pierlot and De Fursac brands

countries from January, including a total lockdown in the UK and in Ireland and long-lasting closures in countries such as Germany, the Netherlands, Portugal, and Switzerland. This was partially offset by a strong double-digit e-commerce growth (+30.5%).

In the Americas, sales were stable, with a growth of +0.4% on an organic basis, still impacted by restrictive store measures, mainly in Canada. This performance gradually improved from February, supported by the rebound in U.S. consumer spending due to the United States' fast vaccine rollout. This quarter trend was also driven by a constant rise in brick-and-mortar traffic from January.

During this period, e-commerce displayed a very strong double-digit sales growth (+62.8%).

In APAC, sales were up +64.6% on an organic basis. This performance, especially strong in **Mainland China** (+92.6%, on an organic basis including a solid *like-for-like* growth) was also supported by a favorable comparison base in February and March. Compared to Q1 2019, a substantial growth has also been recorded at +26%.

This performance in the APAC region was mostly driven by the Brick-and-Mortar channel. Digital sales were stable, reflecting a high base of comparison in Q1 2020, with several weeks of lockdown in Brick-and-Mortar.

A strong performance has also been recorded in markets such as Taiwan, Macau SAR, and South Korea.

CONCLUSION & OUTLOOK

The COVID-19 pandemic continues to impact the global economy, with restrictive measures still in place in several regions. As of today, 45% of SMCP's store network (DOS) is temporary closed worldwide.

APAC continues to perform very well, particularly in Mainland China, while Americas is showing early signs of rebound.

Our European teams are fully mobilized to prepare for the post-lockdown period and to emerge stronger from this crisis.

The perspective of a gradual market reopening in Europe gives us a good reason to be cautiously optimistic about H2 2021, not only in Europe, but in all markets.

Nevertheless, given the high level of uncertainty, it is not relevant to provide a Full Year 2021 guidance, at this time.

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

Related slides will also be available on the website (www.smcp.com), in the Finance section.

FINANCIAL CALENDAR

- July 27th, 2021 – 2021 H1 Sales
- September 3rd, 2021 – 2021 H1 Results

APPENDICES

Breakdown of DOS

Number of DOS	Q1-20	2020	Q1-21	Var. Q1 21 vs. Dec. 20	Var. Q1 21 vs. Q1 20
<u>By region</u>					
France	522	519	486	-33	-36
EMEA	413	415	406	-9	-7
Americas	164	169	165	-4	+1
APAC	217	231	233	+2	+16
<u>By brand</u>					
Sandro	554	560	548	-12	-6
Maje	443	452	440	-12	-3
Claudie Pierlot	222	220	214	-6	-8
Suite 341	38	38	25	-13	-13
De Fursac	59	64	63	-1	+4
Total DOS	1 316	1 334	1 290	-44	-26

Breakdown of POS

Number of POS	Q1-20	2020	Q1-21	Var. Q1 21 vs. Dec. 20	Var. Q1 21 vs. Q1 20
<u>By region</u>					
France	522	519	486	-33	-36
EMEA	531	546	543	-3	+12
Americas	191	193	191	-2	-
APAC	388	419	424	+5	+36
<u>By brand</u>					
Sandro	711	730	722	-8	+11
Maje	576	596	588	-8	+12
Claudie Pierlot	248	249	246	-3	-2
Suite 341	38	38	25	-13	-13
De Fursac	59	64	63	-1	+4
Total POS	1 632	1 677	1 644	-33	+12
<i>o/w Partners POS</i>	<i>316</i>	<i>343</i>	<i>354</i>	<i>+11</i>	<i>+38</i>

FINANCIAL INDICATORS NOT DEFINED IN IFRS

The Group uses certain key financial and non-financial measures to analyse the performance of its business. The principal performance indicators used include the number of its points of sale, like-for-like sales growth, Adjusted EBITDA/EBIT and Adjusted EBITDA/EBIT margin.

Number of points of sale

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, including free-standing stores, concessions in department stores, affiliate-operated stores, factory outlets and online stores, and (ii) partnered retail points of sale.

Organic sales growth

Organic sales growth refers to the performance of the Group at constant currency and scope.

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, expressed as a percentage change between the two periods. 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 (sales for year N and year N-1 in foreign currencies are converted at the average N-1 rate, as presented in the annexes to the Group's consolidated financial statements as at December 31 for the year N in question).

METHODOLOGY NOTE

Unless otherwise indicated, amounts are expressed in millions of euros and rounded to the nearest million. 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.

DISCLAIMER: FORWARD-LOOKING STATEMENTS

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" of the Company's Universal Registration Document filed with the French Financial Markets Authority (Autorité des Marchés Financiers - AMF) on 30 April 2020 and available on SMCP's website (www.smcp.com).

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ABOUT SMCP

SMCP is a global leader in the accessible luxury market with four unique Parisian brands: Sandro, Maje, Claudie Pierlot and De Fursac. Present in 41 countries, SMCP generated nearly 900 million of sales in 2020. The Group comprises a network of over 1,600 stores globally plus 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 De 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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