

SMCP

sandro • maje • claudie pierlot • fursac



Press release - Paris, September 18th, 2023

Adjustment of annual guidance in a deteriorated economic environment

SMCP, parent company of the brands Sandro, Maje, Claudie Pierlot and Fursac, adjusts its 2023 annual guidance, and now targets:

- a mid-single digit growth of sales at constant FX vs. « mid- to high- single digit sales growth at constant FX vs 2022 », previously, and
- an adjusted EBIT margin between 7% and 9% vs. « improve full-year EBIT margin vs 2022 », ie. 9.2% of sales, previously.

Since the Group's last publication at the end of July, market conditions have deteriorated overall, with a slowdown of growth in Europe in a persistently inflationary environment such as in France, where the market as a whole has recorded sluggish consumption since the beginning of August (IFM index down 4.6% in August), or in other countries such as Switzerland and Italy. Chinese consumption, meanwhile, has not followed the expected trajectory, as indicated by key indicators in China¹.

For the second half of the year, the Group targets a moderate growth in sales compared to 2022, with a stable or slightly decreasing third quarter, and a fourth quarter more in line with the trend seen in the first semester, benefiting in particular from a favorable base effect in China.

The adjustment of sales annual guidance leads to a mechanical reduction of 2023 EBIT margin target, despite a reinforced cost monitoring.

In this context, the Group is fully committed and focused on implementing its action plan built around four key pillars and in line with its CSR strategy:

- continuation of the full price strategy;
- prioritization of investments, with a particular focus on marketing and IT expenditure;
- qualitative expansion of the physical and digital network, with more visible scope effects by the end of the year;

¹ In particular the Caixin PMI services index, which fell from 54.1 in July to 51.8 in August.

- and improvement of store teams' productivity, as well as the adjustment of the recruitment policy in head office teams.

Despite this adjustment, and thanks to this action plan, supported by committed teams and strong brands' desirability, SMCP is confident of its resilience in this deteriorated environment, and will continue to seize growth opportunities in the coming months and years.

FINANCIAL CALENDAR

October 26th, 2023 - Q3 2023 Sales publication

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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 Fursac. Present in 46 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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