

SMCP

sandro · maje · claudie pierlot · fursac



2021 Third quarter

Press release - Paris, October 27th, 2021

Q3 Sales almost at par with 2019 levels Steady and solid progress on full price strategy

- Q3 2021 Sales at €271.7m, down -1.0% on a reported basis vs 2019, -3.2% on an organic¹ basis, and up +8.4% on an organic basis vs 2020 (supported by LFL growth)
- Continued progressive catch-up versus 2019
- Strong trend vs 2019 in Mainland China (+15.8% on an organic basis) despite some Covid resurgences locally impacting mobility and store traffic
- Americas turning positive vs 2019 and U.S. still outperforming (reaching +15.2% vs 2019 on an organic basis) thanks to a very high demand
- France and EMEA progressively catching up to 2019 level, supported by a strong local consumption
- Steady and solid progress on full price strategy (discount rate down by -5.5 pts), and delivery of our network optimization plan
- Normalization of digital penetration at 24% in 9M due to the complete reopening of physical stores and our ongoing full price strategy
- SMCP is confident in its ability to reach one billion euros sales for 2021

Commenting on those results, Isabelle Guichot, CEO of SMCP, stated: *“We delivered a solid performance in Q3 allowing us to post sales close to their pre-pandemic level of 2019. We are particularly pleased with our sales trend in the U.S., which continues to outperform thanks to strong demand. In Mainland China, sales recorded double-digit growth vs 2019 despite the resurgence of Covid cases locally. Sales in France and EMEA are also approaching their pre-crisis level, despite reduced tourism. While our digital sales share stabilizes with the complete reopening of physical stores and the decline in liquidation operations, we have made significant progress on optimizing our network*

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

and our full price strategy, in line with the “One Journey” strategic plan presented last year. Looking forward, after having observed a positive dynamic across all markets during the first weeks of October, we are confident in our capacity to reach 1 billion euros in full-year 2021 sales.”

<i>€m except % Unaudited figures</i>	Q3 2020	Q3 2021	Organic change	Reported change	9M 2020	9M 2021	Organic change	Reported change
Sales by region								
France	89.5	88.4	-1.2%	-1.2%	222.5	230.3	+3.5%	+3.5%
EMEA ¹	69.8	81.3	+15.5%	+16.4%	176.5	195.3	+10.5%	+10.7%
Americas	23.4	37.8	+62.9%	+61.5%	61.6	96.9	+65.5%	+57.2%
APAC ²	65.7	64.2	-5.7%	-2.2%	160.6	202.6	+25.6%	+26.2%
Sales by Brand								
Sandro	116.2	131.5	+12.0%	+13.1%	293.3	343.5	+17.8%	+17.1%
Maje	98.8	106.5	+6.7%	+7.8%	238.3	289.4	+22.2%	+21.5%
Other brands ³	33.4	33.8	+0.7%	+1.2%	89.6	92.1	+2.7%	+2.8%
TOTAL	248.4	271.7	+8.4%	+9.4%	621.2	725.0	+17.3%	+16.7%

2021 THIRD QUARTER SALES

In the third quarter of 2021, consolidated sales reached €271.7 million, down -1.0% on a reported basis vs 2019, -3.2% on an organic basis, and up +8.4% on an organic basis vs 2020, thanks to a strong performance in all regions considering some local Covid resurgences in APAC, low tourism, and a less promotional environment.

Reported sales vs 2020 were up +9.4%, including a positive currency impact of +1.0%.

Over the first 9 months of the year, the Group generated a digital sales penetration of 24%, normalizing in percentage of sales due to the full reopening of physical stores, and the ongoing full price strategy limiting the sales growth.

In line with our “One Journey” strategic plan, we made steady progress on our full price strategy, notably by deliberately reducing the promotional sales share, and managing to decrease the discount rate, both in B&M and digital, with -5.5 pts in Q3 vs 2020.

As planned, over the first 9 months, SMCP continued its brick-and-mortar network optimisation plan, with -38 DOS, including -45 net closures in France (mainly small points of sales, in small cities), including the impact of the end of the Suite 341 format (-27 in 9 months). On the other hand, we pursued our expansion in APAC, with +19 DOS (including +14 in China).

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, Malaysia, and Australia).

³ Claudie Pierlot and Fursac brands

Sales by region

In France, sales are gradually catching up 2019 level, down -10.4% on an organic basis vs 2019. A solid performance supported by local demand.

In comparison to 2020, sales are nearly stable, down -1.2% on an organic basis. A very good achievement considering our full price strategy ongoing. We managed to reduce our discount rate by -7pts in Q3 vs 2020 and to maintain a positive like-for-like growth.

In EMEA, we delivered a strong performance, catching up progressively vs 2019, reaching -8.6% on an organic basis, despite the loss of tourism-related sales.

If we compare to 2020, sales were up +15.5% on an organic basis, driven by a strong brick-and-mortar like-for-like growth. A solid performance when also considering the decrease of the discount rate by almost -10pts over the quarter vs last year.

In APAC, sales were up +7.3% on an organic basis vs 2019. A solid growth driven by a strong performance in Mainland China reaching +15.8% on an organic basis vs 2019, despite new local Covid resurgences and some major weather events in key cities, both impacting mobility and traffic.

The rest of Asia delivered a solid performance despite local Covid cases and very low tourism.

In comparison to 2020, sales in APAC were down -5.7% on an organic basis. A trend explained by a high comparison basis both in brick-and-mortar and digital, as Q3 2020 benefited from a strong consumption wave, post store reopening. Digital in China remained solid.

In the Americas, sales have turned positive vs 2019 for the first time since the beginning of the pandemic, up +10.4% on an organic basis vs 2019.

The United States are still outperforming, reaching +15.2% vs 2019 on an organic basis, thanks to a strong demand. In that region, SMCP delivered a continued growth over the quarter across all channels, from strength to strength, driven by a very strong brick-and-mortar like-for-like.

Sales in the Americas were up +62.9% on an organic basis vs 2020, a strong performance considering the discount rate decrease of more than -10 pts.

PERSPECTIVES & OUTLOOK

The first weeks of October continue to show a positive dynamic across all our markets. The Group observes a good trend in Europe thanks to positive consumer trends, together with solid U.S. performance. In Mainland China, where October sales remain strong, SMCP teams are now focusing on China's 11/11 and 12/12 key sales events. Overall, SMCP is confident in its capacity to reach 1 billion euros in sales for 2021 and confirms the mid-term guidance presented during its Investor Day in October 2020.

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), in the Finance section.

APPENDICES

Breakdown of DOS

Number of DOS	Q3-20	2020	H1-21	Q3-21	Var Q3 21 vs. H1 21	Var Q3 21 vs. FY 20	Var Q3 21 vs. Q3 20
<u>By region</u>							
France	520	519	494	474	-20	-45	-46
EMEA	414	415	408	404	-4	-11	-10
Americas	167	169	168	168	-	-1	+1
APAC	229	231	245	250	+5	+19	+21
<u>By brand</u>							
Sandro	559	560	559	552	-7	-8	-7
Maje	451	452	453	456	+3	+4	+5
Claudie Pierlot	219	220	213	211	-2	-9	-8
Suite 341	38	38	24	11	-13	-27	-27
Fursac	63	64	66	66	-	+2	+3
Total DOS	1,330	1,334	1,315	1,296	-19	-38	-34

Breakdown of POS

Number of POS	Q3-20	2020	H1-21	Q3-21	Var Q3 21 vs. H1 21	Var Q3 21 vs. FY 20	Var Q3 21 vs. Q3 20
<u>By region</u>							
France	520	519	494	475	-19	-44	-45
EMEA	531	546	554	551	-3	+5	+20
Americas	187	193	193	197	+4	+4	+10
APAC	406	419	445	461	+16	+42	+55
<u>By brand</u>							
Sandro	714	730	740	743	+3	+13	+29
Maje	584	596	608	618	+10	+22	+34
Claudie Pierlot	245	249	248	246	-2	-3	+1
Suite 341	38	38	24	11	-13	-27	-27
Fursac	63	64	66	66	-	+2	+3
Total POS	1,644	1,677	1,686	1,684	-2	+7	+40
<i>o/w Partners POS</i>	<i>314</i>	<i>343</i>	<i>371</i>	<i>388</i>	<i>+17</i>	<i>+45</i>	<i>+74</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 of December 31 for the year N in question).

METHODOLOGY NOTE

Unless otherwise indicated, amounts are expressed in millions of euros and rounded to the first digit after the decimal point. 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, including the impact of the current COVID-19 outbreak. 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 30 April 2021 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 Fursac. Present in 43 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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