SMCP

sandro · maje · claudie pierlot · fursac




2024 Results
Press release - Paris, February 27th, 2025

## Sequential improvement, with sales at +1.9% in Q4 (+4.7% excl. China), leads to a limited decrease of FY sales at -1.5% (+2.3% excl. China)
## A strict control of costs, inventories and Capex supports a strong cash generation and a debt reduction of €49m

- **Q4 2024 Sales at €334m**, increasing by +1.9% on an organic basis vs Q4 2023 Sales at €326m; positive sales performance of +4.7% excluding China

- **2024 Sales at €1,212m,** decreasing by -1.5% on an organic[1] basis vs. 2023 Sales (€1,231m)
  - Organic growth in all regions excluding China, where consumption remains challenging
  - Sequential improvement during the year with a return to growth in Q4
  - China strategic roadmap underway, with a first important step in network optimisation
  - Strict full-price strategy with a two-point decrease of average in-season discount rate vs 2023

- **Adjusted EBIT at €53m** (4.4% of sales) from €79m in 2023, impacted by challenging market conditions, in particular in China, and by restructuring costs, partially offset by cost reduction plans

- **Net income at -€24m,** including -€31m of non-recurring accounting impairment impacts with no effect on cash (€8m excluding these effects). **Strong improvement of net result** in H2 (€4m) vs. same period in 2023 (-€3m) and vs H1 2024 (-€28m)

[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*

- **Continued financial discipline** with a strict control of inventories and investments, resulting in an important free-cash-flow generation of €49m and a decrease in net debt of the same amount, to reach €237m

- Pursuit of the **mid-term action plan** to return to profitable growth: network optimisation, mainly in China, implementation of efficiency actions to support profitability, and disciplined cash management

- **Pursuit of network optimization** with 68 net closures, to reach 1,662 POS in the world at the end of 2024. This includes a network optimisation plan in Asia and for Claudie Pierlot in Europe, alongside openings through partnership in key markets

**Commenting on those results, Isabelle Guichot, CEO of SMCP, stated:** *"The Group recorded a quarter-on-quarter improvement in trends, returning to growth by year-end, driven by positive momentum across all regions except China. This performance was achieved thanks to the resilience of Sandro and Maje, which gained market shares, particularly in Europe, the initial benefits of store network optimization in China, and the continued implementation of a strict discount strategy. While our action plan had a short-term impact on profitability, it is beginning to bear fruit, with stronger effects expected in 2025 and full impact in 2026. We have maintained strict financial discipline, with tight control over our balance sheet, enabling strong free cash flow generation and a very significant debt reduction. In 2025, we will continue executing our action plan, focusing on strengthening profitable growth, optimizing our global footprint, improving efficiency and agility, and maintaining disciplined management to support profitability and financial strength. I would like to thank our teams for their daily commitment, which allows the Group to move forward with resilience. I am confident that all the initiatives we are implementing will further enhance the desirability and competitive positioning of our brands."*

## FINANCIAL INDICATORS

| €m | FY 2023 | FY 2024 | *Reported change* |
|---|---|---|---|
| Sales | 1 230.5 | 1 211.7 | -1.5% |
| Adjusted EBITDA | 236.4 | 216.4 | -8.4% |
| Adjusted EBIT | 79.5 | 53.0 | -33.3% |
| Net Income | 11.2 | -23.6 | - |
| FCF | 14.4 | 48.9 | +238% |
| Net Debt | 286.3 | 237.2 | -17.1% |

## SALES

| €m | Q4 2023 | Q4 2024 | Organic change | *Reported change* | FY 2023 | FY 2024 | Organic change | *Reported change* |
|---|---|---|---|---|---|---|---|---|
| Sales by region | | | | | | | | |
| France | 111.7 | 117.5 | +5.2% | +5.2% | 413.2 | 417.8 | +1.1% | +1.1% |
| EMEA ex. France | 103.2 | 109.4 | +5.1% | +6.0% | 388.8 | 403.2 | +3.1% | +3.7% |
| America | 50.4 | 53.0 | +4.9% | +5.1% | 173.4 | 182.8 | +5.7% | +5.4% |
| Asia Pacific | 60.5 | 54.0 | -12.1% | -10.8% | 255.2 | 207.9 | -17.7% | -18.5% |
| Sales by brand | | | | | | | | |
| Sandro | 162.6 | 167.5 | +2.4% | +3.0% | 601.4 | 605.1 | +0.6% | +0.6% |
| Maje | 121.6 | 126.4 | +3.3% | +3.9% | 462.5 | 458.3 | -0.8% | -0.9% |
| Other brands[1] | 41.6 | 40.0 | -4.1% | -3.8% | 166.6 | 148.2 | -11.2% | -11.0% |
| TOTAL | 325.8 | 333.8 | +1.9% | +2.5% | 1,230.5 | 1,211.7 | -1.5% | -1.5% |

[1] *Claudie Pierlot et Fursac*

## SALES BREAKDOWN BY REGION

In **France**, sales reached €418m, an organic increase of +1.1% compared to 2023. Sales in the second semester were initially impacted by the organization of the Olympic Games during the summer, which disrupted business, particularly in Paris. However, consumption recovered in the fourth quarter (+5.2% vs Q4 2023), driven by an increase in traffic and a rise in tourism, leading to a return to like-for-like growth. The network increased slightly, with two net openings during the year.

In **EMEA,** sales reached €403m, an organic increase of +3.1% compared to 2023, mainly driven by like-for-like growth (+4.1%), which is positive in nearly all retail markets. Growth has been supported by an increase in traffic and the full-price strategy. The performance was particularly good in corners. Retail partners also registered good results during the year, notably in the Middle East.
The network recorded 19 net closures during the year (reflecting Claudie Pierlot's network optimisation strategy).

In **America**, sales reached €183m, an organic increase of 5.7% compared to 2023. Sales maintained a consistent and solid growth level throughout the year. In a highly promotional context, the Group maintained a strict discount policy (improvement of discount rate by more than two points vs 2023). In the US, like-for-like sales grew, particularly in B&M. In Mexico, sales recorded a strong performance throughout the year. The network increased with 11 net openings during the year.

In **APAC**, sales reached €208m, an organic decrease of -17.7% vs 2023. In China, sales were significantly impacted throughout the year by a persistent decline in traffic and by the network optimisation, in line with the Group's strategy (65 closures). The action plan also aims to renew with sales growth in the country by working on brands' desirability and retail excellence in B&M and clienteling. In the rest of the region, sales remained resilient in several markets (Singapore, Vietnam, Malaysia and Thailand).

## 2024 CONSOLIDATED RESULTS

**Adjusted EBITDA reached €216m** in 2024 (Adjusted EBITDA margin of 18% of sales), compared with €236m in 2023 (19% of sales).

**Management gross margin** ratio (74.4%) increased compared to 2023 (73.8%), supported by a strict full-price strategy.
Total **Opex** (store costs [1] and general and administrative expenses) are impacted by initial one-off costs linked to the implementation of our action plan. Cost reduction partly mitigated the effects of inflation and volumes decrease. Due to the decline in sales, Opex absorption as a percentage of sales decreased by 2 points.

**Depreciation and amortization amounted to -€163m** in 2024, increasing vs 2023 (-€157m). Excluding IFRS 16, depreciation and amortization represent 4.2% of sales in 2024 (3.8% in 2023).

As a result, **Adjusted EBIT reached €53m** in 2024 compared with €79m in 2023. Adjusted EBIT margin is 4.4% in 2024 (6.5% in 2023).

**Other non-current expenses reached -€35m**, increasing compared to 2023 (-€26m); they include stores and goodwill impairment, with no effect on cash.

**Financial expenses reached -€32m** in 2024 vs -€28M in 2023 (including -€12m of interests on rental debt vs -€11m in 2023). Interest expenses on financial debt increased (-€18m in 2024 vs -€16m in 2023), due to market interest rates and spreads which remained at a relatively high level throughout 2024.

Taking into account an **income tax of -€7m** in 2024 (-€11m in 2023), **Net income - Group share stands at -€24m** (€11m in 2023). Net result excluding the effect of non-recurring, non-cash entries (net of income tax) is at **€8m**.

## 2024 BALANCE SHEET AND NET FINANCIAL DEBT

The Group maintained a **strict control over its inventories and investments** during the year. Inventories went down from €282m at year-end 2023 to €260m at year-end 2024.
Capex investments as a percentage of sales decreased, representing 3.4% of sales in 2024 (4.5% in 2023).

**Net financial debt** stands at €237m as of December 31st, 2024, vs €286m a year earlier. Net debt/EBITDA ratio stands at 2.57x. The gap vs contractual level of 2.5x was waived by the pool of banks on December 18th, 2024.

[1] *Excluding IFRS 16*

## CONCLUSION AND PERSPECTIVES

2024 was a transitional year in terms of profitability, but strict financial discipline resulted in strong cash generation, leading to a significant reduction in debt:

- Resilient sales improving quarter after quarter, despite network optimization and a strict full-price strategy;
- Action plan generating, as expected, short-term costs before delivering its full benefits;
- Rigorous execution of cash protection measures, resulting in strong free cash flow generation and a reduction in net debt.

Despite a complex environment, the strength of the Group's brands and its business model allowed it to gain market share against competitors.

In 2025, the Group will continue its action plan, which is built around four pillars:

- Get back to growth and gain market share;
- Leverage global exposure and diversified geographic footprint;
- Increase agility and leverage latest innovations to improve efficiency and profitability;
- Maintain financial discipline to drive higher profitability and a strong financial structure.

Cost optimizations, coupled with growth acceleration initiatives, are expected to contribute to the mid-term targets of an adjusted EBIT margin of around 10% and free cash flow generation of 50 million euros.

The year 2025 is part of this trajectory. Given that 2024 was still affected by a difficult consumption trend, the target of an adjusted EBIT margin of approximately 10% is expected to be reached in the second half of 2026 (with an adjusted EBIT margin improvement in 2025, followed by an acceleration in 2026). Additionally, the Group confirms its target of 50 million euros in free cash flow generation by 2026.

## OTHER INFORMATION

### Consolidated accounts approvement

The Board of Directors held a meeting today and approved the consolidated accounts for 2024. The limited review procedures have been completed by the auditors and the related report is being issued.

## FINANCIAL CALENDAR

April 29, 2025 - Q1 Sales publication

June 12th, 2025 - Annual Shareholding Meeting

A conference call and a webcast with investors and analysts will be held today by CEO Isabelle Guichot and CFO Patricia Huyghues Despointes, from 6:00 p.m. (Paris time). Related slides will also be available on the website (www.smcp.com), in the Finance section.

## FINANCIAL INDICATORS NOT DEFINED IN IFRS

The Group uses certain key financial and non-financial measures to analyze 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 and Adjusted EBITDA margin, Adjusted EBIT and Adjusted 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, i.e. excluding the acquisition of Fursac.

### *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).

### *Adjusted EBITDA and adjusted EBITDA margin*

Adjusted EBITDA is defined by the Group as operating income before depreciation, amortization, provisions, and charges related to share-based long-term incentive plans (LTIP). Consequently, Adjusted EBITDA corresponds to EBITDA before charges related to LTIP. Adjusted EBITDA is not a standardized accounting measure that meets a single generally accepted definition. It must not be considered as a substitute for operating income, net income, cash flow from operating activities, or as a measure of liquidity. Adjusted EBITDA margin corresponds to adjusted EBITDA divided by net sales.

### *Adjusted EBIT and adjusted EBIT margin*

Adjusted EBIT is defined by the Group as earning before interests, taxes, and charges related to share-based long-term incentive plans (LTIP). Consequently, Adjusted EBIT corresponds to EBIT before charges related to LTIP. Adjusted EBIT margin corresponds to Adjusted EBIT divided by net sales.

### *Management Gross margin*

Management gross margin corresponds to the sales after deducting rebates and cost of sales only. The accounting gross margin (as appearing in the accounts) corresponds to the sales after deducting the rebates, the cost of sales and the commissions paid to the department stores and affiliates.

### *Retail Margin*

Retail margin corresponds to the management gross margin after taking into account the points of sale's direct expenses such as rent, personnel costs, commissions paid to the department stores and other operating costs.

### *Net financial debt*

Net financial debt represents the net financial debt portion bearing interest. It corresponds to current and non-current financial debt, net of cash and cash equivalents and net of current bank overdrafts.

## 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 2 “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 5 April 2024 and available on SMCP's website (www.smcp.com).
This document has not been independently verified. SMCP makes no representation or undertaking as to the accuracy or completeness of such information. None of the SMCP or any of its affiliate’s representatives shall bear any liability (in negligence or otherwise) for any loss arising from any use of this document or its contents or otherwise arising in connection with this document.

Breakdown of point of sales by region

| Number of DOS | 2023 | Q1-24 | Q2-24 | Q3-24 | FY-24 | Q4-24 variation | 2024 variation |
|---|---|---|---|---|---|---|---|
| Par région | | | | | | | |
| France | 470 | 473 | 475 | 468 | 473 | +5 | +3 |
| EMEA | 411 | 410 | 406 | 395 | 395 | - | -16 |
| Amérique | 176 | 177 | 180 | 173 | 178 | +5 | +2 |
| Asie Pacifique | 316 | 304 | 280 | 270 | 247 | -23 | -69 |
| Par marque | | | | | | | |
| Sandro | 591 | 586 | 579 | 565 | 564 | -1 | -27 |
| Maje | 490 | 488 | 479 | 472 | 468 | -4 | -22 |
| Claudie Pierlot | 210 | 209 | 201 | 190 | 185 | -5 | -25 |
| Fursac | 82 | 81 | 82 | 79 | 76 | -3 | -6 |
| Total DOS | 1,373 | 1,364 | 1,341 | 1,306 | 1,293 | -13 | -80 |

| Number of POS | 2023 | Q1-24 | Q2-24 | Q3-24 | FY-24 | Q4-24 variation | 2024 variation |
|---|---|---|---|---|---|---|---|
| Par région | | | | | | | |
| France | 471 | 473 | 475 | 468 | 473 | +5 | +2 |
| EMEA | 555 | 549 | 546 | 531 | 536 | +5 | -19 |
| Amérique | 215 | 218 | 221 | 216 | 226 | +10 | +11 |
| Asie Pacific | 489 | 479 | 459 | 451 | 427 | -24 | -62 |
| Par marque | | | | | | | |
| Sandro | 775 | 767 | 764 | 749 | 755 | +6 | -20 |
| Maje | 640 | 636 | 628 | 622 | 621 | -1 | -19 |
| Claudie Pierlot | 233 | 234 | 226 | 215 | 209 | -6 | -24 |
| Fursac | 82 | 82 | 83 | 80 | 77 | -3 | -5 |
| **Total POS** | **1,730** | **1,719** | **1,701** | **1,666** | **1,662** | **-4** | **-68** |
| **o/w partners** | **357** | **355** | **360** | **360** | **369** | **+9** | **+12** |

## CONSOLIDATED FINANCIAL STATEMENTS

| INCOME STATEMENT (M€) | 2023 | 2024 |
|---|---|---|
| **Sales** | **1,230.5** | **1,211.7** |
| Cost of sales | -455.3 | -448.4 |
| **Gross margin** | **775.2** | **763.3** |
| Other operating income and expenses | -259.1 | -257.7 |
| Personnel costs | -279.7 | -289.2 |
| Depreciation, amortization, and impairment | -156.9 | -163.5 |
| Share-based Long-Term Incentive Plan | -3.0 | -1.8 |
| **Current operating income** | **76.5** | **51.2** |
| Other non-current income and expenses | -25.9 | -35.2 |
| **Operating profit** | **50.5** | **16.0** |
| Financial income and expenses | -0.8 | -1.8 |
| Cost of net debt | -27.1 | -30.6 |
| **Financial income** | **-27.9** | **-32.4** |
| **Profit/(loss) before tax** | **22.6** | **-16.4** |
| Income tax expense | -11.4 | -7.2 |
| **Net profit/(loss) for the period** | **11.2** | **-23.6** |
| Basic Group share of net earnings per share (EUR) | 0.15 | -0.31 |
| Diluted Group share of net earnings per share (EUR) | 0.14 | -0.31 |

| BALANCE SHEET - ASSETS (€m) | As of Dec. 31, 2023 | As of Dec 31, 2024 |
|---|---|---|
| Goodwill | 626.7 | 604.3 |
| Trademarks, other intangible & right-of-use assets | 1,120.4 | 1,139.1 |
| Property, plant and equipment | 83.1 | 79.7 |
| Non-current financial assets | 18.5 | 16.8 |
| Deferred tax assets | 32.0 | 29.6 |
| **Non-current assets** | **1,880.7** | **1,869.6** |
| Inventories and work in progress | 281.8 | 260.2 |
| Accounts receivables | 68.2 | 69.0 |
| Other receivables | 69.2 | 50.8 |
| Cash and cash equivalents | 50.9 | 48.5 |
| **Current assets** | **470.1** | **428.5** |
| | | |
| **Total assets** | **2,350.8** | **2,298.1** |

| BALANCE SHEET - EQUITY & LIABILITIES (€m) | As of Dec. 31, 2023 | As of Dec 31, 2024 |
|---|---|---|
| **Total Equity** | **1,180.1** | **1,163.1** |
| Non-current lease liabilities | 305.7 | 343.5 |
| Non-current financial debt | 223.5 | 158.7 |
| Other financial liabilities | 0.1 | 0.6 |
| Provisions and other non-current liabilities | 0.7 | 4.9 |
| Net employee defined benefit liabilities | 4.9 | 4.6 |
| Deferred tax liabilities | 166.9 | 163.9 |
| **Non-current liabilities** | **701.8** | **676.2** |
| Trade and other payables | 161.9 | 143.4 |
| Current lease liabilities | 106.6 | 100.7 |
| Bank overdrafts and short-term financial borrowings and debt | 113.6 | 126.4 |
| Short-term provisions | 1.3 | 1.6 |
| Other current liabilities | 85.5 | 86.7 |
| **Current liabilities** | **468.9** | **458.8** |
| | | |
| **Total Equity & Liabilities** | **2,350.8** | **2,298.1** |

| CASH FLOW STATEMENT (€m) | 2023 published | 2023 restated | 2024 |
|---|---|---|---|
| Cash from operations before changes in working capital | 236.4 | 232.0 | 214.7 |
| Changes in working capital | -3.7 | -3.7 | 29.3 |
| Income tax expense | -16.9 | -16.9 | -10.1 |
| **Net cash flow from operating activities** * | **215.8** | **211.4** | **233.9** |
| Capital expenditure | -55.6 | -51.3 | -38.9 |
| Others | -6.1 | -6.1 | 0.0 |
| **Net cash flow from investing activities** * | **-61.7** | **-57.3** | **-38.8** |
| Treasury shares purchase program | -2.4 | -2.4 | -0.4 |
| Change in borrowings and debt | -43.6 | -43.6 | -55.5 |
| Net interests paid | -16.3 | -16.3 | -18.9 |
| Other financial income and expenses | -0.8 | -0.8 | -0.3 |
| Reimbursement of rent lease | -128.2 | -128.2 | -127.5 |
| **Net cash flow from financing activities** | **-191.3** | **-191.2** | **-202.6** |
| Net foreign exchange difference | -0.5 | -0.5 | 0.5 |
| **Change in net cash** | **-37.7** | **-37.7** | **-7.0** |

* Change in the presentation of proceeds from asset disposals

Réconciliation entre indicateurs de performance opérationnelle comptable et de gestion

| GROSS MARGIN (€m) - excluding IFRS 16 | 2023 | 2024 |
|---|---|---|
| **Gross margin (as appearing in the accounts)** | **775.2** | **763.3** |
| Readjustment of the commissions and other adjustments | 132.7 | 137.8 |
| **Management Gross margin** | **907.9** | **901.1** |
| Direct costs of point of sales | -552.0 | -562.9 |
| **Retail margin** | **355.9** | **338.2** |

| OPERATING PROFIT (€m) | 2023 | 2024 |
|---|---|---|
| **Adjusted EBITDA** | **236.4** | **216.4** |
| Depreciation. amortization. and impairment | -156.9 | -163.5 |
| **Adjusted EBIT** | **79.5** | **53.0** |
| Allocation of LTIP | -3.0 | -1.8 |
| **EBIT** | **76.5** | **51.2** |
| Other non-recurring income and expenses | -25.9 | -35.2 |
| OPERATING PROFIT | 50.5 | 16.0 |

| FCF (€m) | 2023 published | 2023 restated | 2024 |
|---|---|---|---|
| Cash from operations before changes in working capital | 236.4 | 232.0 | 214.7 |
| Change in working capital | -3.7 | -3.7 | 29.3 |
| Income tax | -16.9 | -16.9 | -10.1 |
| **Net cash flow from operating activities** * | **215.8** | **211.4** | **233.9** |
| Capital expenditure (operating and financial) | -55.6 | -51.3 | -38.9 |
| Reimbursement of rent lease | -128.2 | 128.2 | -127.5 |
| Interest & Other financial | -17.1 | -17.1 | -19.2 |
| Other & FX | -0.5 | -0.5 | 0.5 |
| **Free cash-flow** | **14.4** | **14.4** | **48.9** |

* Change in the presentation of proceeds from asset disposals

| NET FINANCIAL DEBT (€m) | As of Dec. 31. 2023 | As of Dec 31. 2024 |
|---|---|---|
| Non-current financial debt & other financial liabilities | -223.6 | -159.3 |
| Bank overdrafts and short-term financial liability | -113.6 | -126.4 |
| Cash and cash equivalents | 50.9 | 48.5 |
| **Net financial debt** | **-286.3** | **-237.2** |
| *adjusted EBITDA (excl. IFRS) - 12 months* | *112.4* | *92.2* |
| **Net financial debt / adjusted EBITDA** | **2.55x** | **2.57x** |

## 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 49 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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