SMCP

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EXCELLENT 2017 RESULTS, GUIDANCE EXCEEDED
STRONG ADJUSTED[1] EBITDA, UP +18.6%, WITH MARGIN REACHING 16.8%

- Outstanding sales growth in FY 2017 of +16.0% to €912.4m (+17.5% at constant currency)
- Adjusted[1] EBITDA up +18.6%, reaching 16.8% of sales
- Continued deleveraging with a net debt/Adjusted[1] EBITDA ratio of 1.9x (vs. 3.1x in December 16)
- Net income of €44.9 million excluding one-off items (€6.3 million of reported net income)
- 2018 guidance:
  - Sales growth: between +11% and +13% at constant currency
  - Adjusted[1] EBITDA margin: around 17%
- 2020 mid-term objectives confirmed

Commenting on the results, Daniel Lalonde, SMCP's Chief Executive Officer, stated: *"2017 has been a tremendous year as we captured outstanding growth across all regions and brands. The Group has demonstrated its ability to deliver on its promises once again as we have exceeded our 2017 guidance with strong sales growth, excellent profitability and continued deleveraging. These results and the strengths of our unique execution model as a retail pure player reinforce our confidence to reach our 2020 guidance. This excellent performance has been achieved thanks to the great work of our talented teams around the globe, who are committed to fulfilling SMCP's ambition to become a global leader in accessible luxury."*

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2017 KEY FIGURES	2016[2] *(pro forma)*	2017[3]	Change
Points of sale	1,223	1,332	+109
Net sales (€m)	786.3	912.4	*+16.0%*
Adjusted[1] EBITDA (€m)	129.6	153.7	*+18.6%*
Adjusted[1] EBITDA margin (%)	16.5%	16.8%	*+0.3pt*

[1] *For all references to Adjusted EBITDA in this document please refer to full definition on pages 4.*
[2] *Adjusted Pro forma data to reflect the acquisition of the Group by Shandong Ruyi as if it had taken place on January 1, 2016, excluding one-off items related to the acquisition and its concomitant refinancing*
[3] *12-month period ended December 31, 2017 (see additional information on page 3)*

2017 CONSOLIDATED RESULTS

In 2017, sales growth was outstanding, reaching +16.0% at €912.4 million (+17.5% at constant currency), while international sales grew by +27.1% (+29.9% at constant currency), representing 59% of sales. 2017 has one more time been a year of balanced growth driven by like-for-like growth (+7.8%), as well as sustained footprint expansion, +109 net openings in 2017 as the network reached 1,332 POS in 38 countries. The performance has been very dynamic across all brands and regions as the Group registered further market shares gains in France and internationally. Moreover, digital sales recorded an impressive growth at +46.0% and now represent 12.1% of total sales.

Adjusted Ebitda increased by +18.6% from €129.6 million to €153.7 million, driven by dynamic sales growth as well as margin expansion. The Adjusted EBITDA margin increased from 16.5% to 16.8% demonstrating the Group's ability to deliver profitable growth. This margin expansion is the result of a strong retail margin driven by the growing share of e-commerce and Asia.

Other income & expenses came in at -€46.7 million in 2017 and mainly included IPO-related costs (-€41.9 million, out of which €31.6 million related to free preferred shares charges and €10.3 million related to IPO fees and others). Financial results stood at -€69.9 million in 2017, mainly due to the one-off amount of -€40.5 million, linked to the early redemption of bonds and to non-cash interests on shareholder loan. Income tax amounted to +€6.1 million in 2017. This reflects €43.8 million of positive impact from the deduction of one-off charges as well as non-cash tax gains due to the new French tax law.

Net income excluding one-off items related to the IPO and the new French tax law (-€38.6 million) reached €44.9 million in 2017. Reported net income stood at €6.3 million.

2017 CASH FLOW AND NET DEBT

Free Cash Flow stood at €45.4 million in 2017, reflecting a strong level of Adjusted EBITDA generation, sustained capex of -€49.0 million, as well as a change in working capital of -€44.0 million impacted by timing effects. This amount also includes -€15.3 million of costs related to the IPO and free preferred shares. Excluding one-off items related to the IPO, Free Cash Flow reached €60.7 million in 2017.

This organic cash generation combined with the IPO net proceeds contributed to the Group deleveraging.

In 2017, SMCP significantly reduced its leverage ratio from 3.1x Net debt/Ebitda in December 31, 2016 to 1.9x in December 31, 2017. Net debt decreased from €397.1 million in December 31, 2016, to €292.0 million in December 31, 2017.

2018 GUIDANCE

SMCP will continue to roll out its long-term strategy, leveraging all its growth levers. This includes like-for-like growth, growing its core business, accelerating accessories, men and digital as well as store expansion in strategic international markets.

As a retail pure player and supported by a unique execution model blending the codes of luxury and fast fashion, SMCP is well-positioned to capture growth and pursue market share gains.

For 2018, SMCP is anticipating another year of profitable growth, targeting a sales growth between +11% and +13% at constant currency. SMCP also foresees a continued expansion of its Adjusted EBITDA margin to around 17%.

2020 OBJECTIVES CONFIRMED

SMCP confirms the 2020 objectives set out at the occasion of its IPO, including:

- a +11-13% sales growth per year at constant currency and,
- an expansion of around +100 bps of its Adjusted EBITDA margin by 2020 (vs.2016).

SMCP also intends to refinance its High Yield notes by 2019 and will consider a dividend distribution once mid-term capital structure is fully in place.

ADDITIONAL INFORMATION

The Board of Directors of SMCP held on March 20, 2018, reviewed and approved the consolidated financial statements for the 2017 fiscal financial year. The statutory auditors have performed their audit procedures over the financial statements and, the audit report will be issued following the completion of the procedures required for the filing of the registration document.

The financial figures included in this press release are extracted from the consolidated financial statements of SMCP for the 20 month financial year ending on December 31, 2017, which include, for comparison purposes, information on the twelve month period ending December 31, 2017.

Adjusted pro forma data have been provided to reflect the acquisition of the Group by Shandong Ruyi as if it had taken place on January 1, 2016, excluding one-off items related to the acquisition and its concomitant refinancing.

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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 and Adjusted EBITDA 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.

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).

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. These charges were nil in 2016 and amounted to €1.9 million in 2017.

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.

The table below shows the calculation of the Group's Adjusted EBITDA for the periods indicated:

In millions of euros	2016 (*pro forma*[1])	2017[2]
Net sales	**786.3**	**912.4**
Commissions	(105.2)	(117.0)
Sales after commissions	681.1	795.4
Cost of sales	(185.7)	(210 .3)
Gross margin[3]	495.4	585.1
Other operating income and expenses	(199.0)	(239.9)
Personnel cost	(166.9)	(191.6)
Adjusted EBITDA	**129.6**	**153.7**

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[1] *Adjusted Pro forma data to reflect the acquisition of the Group by Shandong Ruyi as if it had taken place on January 1, 2016, excluding one-off items related to the acquisition and its concomitant refinancing*

[2] *12-month period ended December 31, 2017 (see additional information on page 3)*

[3] *Gross margin as reported in the financial statements corresponds to the net sales after deduction of cost of sales and commissions paid to the department stores and affiliates. The company uses and monitors as an operational KPI the gross margin before commissions and refers to it in its management presentations rather than the gross margin after commission.*

DISCLAIMER: FORWARD-LOOKING STATEMENTS

Certain information contained in this document may include projections and forecasts. These projections and forecasts are based on SMCP management's current views and assumptions. Such 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.

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For more information regarding these factors, risks and uncertainties, please refer to the information contained in the documents filed with the French Financial Markets Authority (Autorité des Marchés Financiers - AMF) as part of the regulated information disclosure requirements and available on SMCP's website (www.smcp.com).

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FINANCIAL CALENDAR

- April 26th, 2018: Q1 2018 Sales

The presentation to analysts and investors, held by Daniel Lalonde, CEO and Philippe Gautier, CFO and Operations Director will be broadcast live today from 11.00 a.m. (Paris time) on SMCP’s website (www.smcp.com).

Related slides will also be available on the website, in the Finance section.

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CONSOLIDATED FINANCIAL STATEMENTS

INCOME STATEMENT (€m)	2016 (*pro forma*[1])	2017[2]
Net sales	786.3	912.4
Adjusted EBITDA	**129.6**	**153.7**
D&A and LTIP	(37.9)	(36.9)
Operating income before other incomes and expenses	**91.7**	**116.8**
Other income and expenses	(6.5)	(46.7)
Operating profit	**85.2**	**70.1**
Financial Result	(56.4)	(69.9)
Profit before tax from continuing operations	**28.7**	**0.2**
Income tax expense	25.0	6.1
Net profit (group share)	**53.7**	**6.3**

CASH FLOW STATEMENT (€m)	2017[3]
Adjusted EBITDA	153.7
Changes in working capital	(59.3)
Income tax expense	(13.1)
Net cash flow from Operating activities	**81.2**
Capital expenditure	(49.0)
Others	0.0
Net cash flow from Investing activities	**(48.9)**
Net interests paid	(37.3)
Other financial income and expenses	(1.0)
Capital increases/decreases	127.0
Purchase and proceeds from disposal of treasury shares	(0.7)
Issuance and repayment of borrowings	(138.3)
Exchange rate and change accounting principles	(1.7)
Net cash flow from financing activities	**(52.1)**
Change in net cash	**(19.8)**

[1] Adjusted pro forma data to reflect the acquisition of the Group by Shandong Ruyi as if it had taken place on January 1, 2016, excluding one-off items related to the acquisition and its concomitant refinancing
[2] 12-month period ended December 31, 2017 (see additional information on page 3)
[3] 2017 figures corresponds to 12-month period ended December 31, 2017. Pro forma figures in 2016 are used to estimate the Company's income statement assuming that the acquisition of the Group by Shandong Ruyi took place on January 1, 2016. This estimate is by definition not applicable to the cash-flow statement.

BALANCE SHEET - ASSETS (€m)	2016 [1]	2017
Goodwill	630.1	630.1
Intangible assets	720.0	728.8
Property, plant and equipment	65.1	67.8
Non-current financial assets	15.1	16.1
Other non-current assets	1.3	1.0
Deferred tax assets	54.8	56.2
Non-current assets	1,486.3	1,499.9
Inventories and work in progress	147.1	179.4
Accounts receivables	40.7	52.7
Other receivables	26.9	49.7
Cash and cash equivalents	57.3	40.4
Current assets	272.0	322.2
Total Assets	1,758.3	1,822.2

BALANCE SHEET - EQUITY & LIABILITIES (€m)	2016 [1]	2017
Total Equity	613.5	1,082.9
Bond loans	448.1	192.3
Non-current loan	300.0	-
Other non-current liabilities	5.5	0.0
Non-current provisions	0.4	0.3
Deferred revenue	0.2	0.1
Net employee defined benefit liabilities	2.4	3.2
Other liabilities	0.1	0.0
Deferred tax liabilities	196.9	183.7
Non-current liabilities	953.7	379.7
Interest-bearing loans and borrowings	5.1	2.4
Trade and other payables	100.9	102.9
Bank overdrafts and short-term financial liability	1.2	137.7
Short-term provisions	3.5	2.8
Other liabilities	80.6	113.9
Current liabilities	191.2	359.6
Total Liabilities	1,758.3	1,822.2

[1] *Interim consolidated financial statement ended December 31, 2016*

About SMCP

SMCP is a global player in the apparel and accessories market with three distinct contemporary Parisian fashion brands, Sandro, Maje and Claudie Pierlot. At the end of 2017 SMCP brands are present in more than 1,300 points of sales in 38 countries. 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 was founded in 1984 by Madame Claudie Pierlot, and acquired by SMCP in 2009. SMCP is listed on the regulated market of Euronext Paris (compartment A, ISIN Code FR0013214145, ticker: SMCP).

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