

SMCP

sandro maje claudie pierlot



2018 Second quarter

Press release - Paris, July 31st, 2018

ANOTHER QUARTER OF VERY STRONG GROWTH: SALES UP +15.2%¹ 2018 SALES GROWTH GUIDANCE UPGRADED

- Second-quarter sales up +15.2% at constant currency at €241.3 million (+12.9% reported)
- Solid execution of strategic initiatives during the quarter
- Strong and consistent like-for-like sales growth at +5.8% in H1 18, driven both by brick and mortar and the successful implementation of the digital strategy (e-commerce reached 14.3% of total sales in H1 2018)
- Outstanding international growth, with sales up +26.5% at constant currency, contributing to 64% of the Group total sales (+500 bps vs. Q2 17)
- Continuous retail expansion with 114 net openings (POS) over the last 12 months; 47 POS in Q2 18
- 2018 sales guidance upgraded from a range of +11 to +13% at constant currency to above +13% at constant currency. Adjusted EBITDA margin guidance confirmed at around 17%.

Commenting on the report, Daniel Lalonde, SMCP's Chief Executive Officer, stated: *"I am very pleased with the superb performance achieved over this second quarter and first half of the year. I am especially delighted with our solid digital sales figures that clearly demonstrate the excellent implementation of our digital roadmap. This semester further highlights the relevance of our business model and the global desirability of our brands and products, as we recorded double-digit growth across all brands and international regions. These very good results lead us to upgrade our sales growth guidance for 2018 to above +13% at constant currency."*

¹ At constant currency

2018 FIRST HALF SALES

€ million except %	Q2 2017	Q2 2018	Sales growth constant currency	Reported sales growth
Sales by region				
France	87.8	87.1	-0.7%	-0.7%
EMEA ¹	64.9	73.5	+15.1%	+13.3%
Americas	26.3	31.0	+27.1%	+17.7%
APAC ²	34.6	49.6	+47.7%	+43.3%
Sales by Brand				
Sandro	105.3	118.1	+14.7%	+12.1%
Maje	82.4	94.1	+16.6%	+14.2%
Claudie Pierlot	25.9	29.0	+13.0%	+12.1%
TOTAL	213.6	241.3	+15.2%	+12.9%

€ million except %	H1 2017	H1 2018	Sales growth constant currency	Reported sales growth
Sales by region				
France	186.9	187.0	+0.0%	+0.0%
EMEA ¹	129.4	145.4	+14.2%	+12.4%
Americas	52.3	60.3	+28.3%	+15.4%
APAC ²	70.3	100.6	+50.9%	+43.1%
Sales by Brand				
Sandro	217.1	242.9	+15.3%	+11.9%
Maje	167.9	189.7	+16.3%	+13.0%
Claudie Pierlot	53.9	60.7	+13.5%	+12.6%
TOTAL	438.9	493.3	+15.5%	+12.4%

In the second quarter of 2018, consolidated sales reached €241.3 million, up +15.2% at constant currency. Reported sales stand at +12.9%, including a negative currency impact of -2.3%, mainly due to the evolution of the Euro/US dollar and Euro/Chinese currencies exchange rates.

Like-for-like sales growth remained strong over the first semester, reaching +5.8%. This very good performance was partly driven by the dynamism of the brick and mortar store network as well as the exceptional results of the digital strategy, as digital sales reached 14.3% of the Group net sales.

Over the last twelve months, SMCP opened 114 points of sales, including 86 directly operated stores. This includes 47 POS openings in Q2 2018 out of which 22 in EMEA and 15 in APAC.

Sales by region: strong regional dynamics

In France, SMCP is continuously gaining market share in a tough market environment (IFM index at -1.7% in Q2 2018). The Group showed another resilient quarter with a stable sales growth at -0.7%.

In EMEA, SMCP delivered robust growth, with sales up +15.1% at constant currency, driven by the dynamism of all strategic markets as well as a sustained stores expansion focused on Italy and Germany.

In the Americas, the Group reported an excellent performance, with sales growth reaching +27.1% at constant currency, driven by high traffic and conversion rate in the brick and mortar store network, as well as an exponential growth in e-commerce.

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, South Korea, Singapore, Thailand and Australia).

In APAC, the Group registered an outstanding growth of +47.7% at constant currency. This performance reflects the success of e-commerce initiatives and in-store activations which contributed to further increasing the awareness and desirability of the three brands, as well as a solid store expansion with 3 new cities in Mainland China over the quarter (Changchun, Zhengzhou, and Changsha). Growth was sustained both in Mainland China and Hong Kong.

Sales by brand: double-digit growth across all brands

Sandro registered a strong performance at +14.7% at constant currency, driven by very dynamic trends internationally and a solid acceleration in digital. Over the last twelve months, Sandro opened 33 directly operated stores including key locations like Stockholm (Sweden), Miami (United States), Zhengzhou (China) and Dubai (United Arab Emirates).

Maje strongly performed in the second quarter with sales reaching +16.6% at constant currency, benefiting from successful initiatives around its 20th anniversary which contributed to further increase brand awareness around the world. Over the last twelve months, Maje opened 33 directly operated stores. These notably included SMCP's 100th physical store in Mainland China (Beijing) as well as openings of key locations in Munich (Germany), Monaco (France), Miami (United States) and Changsha (China).

Finally, **Claudie Pierlot** posted a +13.0% increase at constant currency in the second quarter, pursuing its development internationally. Over the last twelve months, the brand opened 23 directly operated stores, with a key inauguration on Times Square in Hong-Kong and other meaningful openings in Europe such as Zurich and Utrecht.

2018 SALES GUIDANCE UPGRADED

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

As a retail pure player, 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 the year 2018, SMCP has decided to upgrade its sales growth guidance from a range of +11% to +13% at constant currency to above +13% at constant currency. The Group also confirms its adjusted EBITDA margin guidance at around 17%.

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.

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 on the basis of rounded amounts.

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*. End of 2017 SMCP brands are present in more than 1,300 points of sales in 39 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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FINANCIAL CALENDAR

- September 4th, 2018 : H1 results

A conference call to investors and analysts will be held by Daniel Lalonde, CEO and Philippe Gautier, CFO and Operations Director from 9.00 a.m. (Paris time).

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