

# SMCP

sandro maje claudie pierlot



2018 First quarter

Press release - Paris, April 26, 2018

## STRONG START TO THE YEAR WITH +15.8% SALES GROWTH<sup>1</sup>

- First-quarter sales of €252.0 million, up +15.8% at constant currency (+11.9% in reported)
- Very strong international growth, with sales up +27.9% at constant currency, contributing to 60.4% of the Group's sales and meaningful market share gains in France
- Double-digit growth across all brands
- +93 net openings (POS) over the last twelve months
- Confirmation of full-year 2018 guidance

Commenting on the report, Daniel Lalonde, SMCP's Chief Executive Officer, stated: "We are very pleased with this strong start to the year, including the outstanding performance in both Asia and the Americas, which demonstrates the relevance of our business model as well as the ever-growing desirability of our brands. Overall, these results have been achieved thanks to the work of our talented and committed teams across the globe. With this strong performance, we are on track to achieve our 2018 full-year guidance."

€ million except %	Q1 2017	Q1 2018	Sales growth constant currency	Reported sales growth
<b>Sales by region</b>				
France	99.1	99.8	+0.7%	+0.7%
EMEA <sup>2</sup>	64.5	71.9	+13.3%	+11.5%
Americas	25.9	29.3	+29.5%	+12.9%
APAC <sup>3</sup>	35.7	51.0	+54.1%	+42.8%
<b>Sales by Brand</b>				
Sandro	111.7	124.7	+15.9%	+11.7%
Maje	85.5	95.6	+16.0%	+11.8%
Claudie Pierlot	28.0	31.7	+14.1%	+13.1%
<b>TOTAL</b>	<b>225.3</b>	<b>252.0</b>	<b>+15.8%</b>	<b>+11.9%</b>

<sup>1</sup> At constant currency

<sup>2</sup> 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).

<sup>3</sup> APAC includes the Group's Asia-Pacific operations (mainly Mainland China, Hong Kong, South Korea, Singapore, Thailand and Australia).

## 2018 FIRST-QUARTER SALES

In the first quarter of 2018, consolidated sales reached €252.0 million, up +15.8% at constant currency. Reported sales were up +11.9%, including a -3.9pts impact of exchange rates, mainly due to the US dollar and the Chinese currencies.

### Very strong international growth and meaningful market share gains in France

**In France**, the Group continued to gain meaningful market share thanks to the strong desirability of the three brands, with sales up +0.7%, in a declining market impacted by adverse weather conditions and a drop in tourism spending.

**In EMEA<sup>1</sup>**, the Group posted strong growth across all strategic markets with sales up +13.3% at constant currency despite adverse weather conditions and a drop in tourism spending. The Group continued to achieve strong success in all key strategic markets.

**In the Americas**, the excellent performance at +29.5% at constant currency across both *Sandro* and *Maje* was mainly driven by digital's acceleration and successful in-store activation.

**In APAC<sup>2</sup>**, sales growth was outstanding at +54.1% at constant currency thanks to strong domestic demand for all three brands, digital sales acceleration and some shifts in Chinese tourism trends from Europe to Asia.

### Double-digit growth across all brands

**Sandro** generated a strong performance at +15.9% at constant currency reflecting the strong success of the collections, as well as a good momentum on men, Digital and accessories, notably with the launch of the new "flames" sneakers. Over the last twelve months, Sandro opened +45 POS, mostly located in Asia and Europe, such as the recent dual genders Pacific Place store in Hong Kong. Sandro also carried out several key refurbishments such as the Francs Bourgeois store in Paris.

**Maje** posted a +16.0% growth at constant currency with +37 net openings over the last twelve months, including the prestigious Carrousel du Louvre store in Q1 18 which offers a strategic location in Paris. *Maje* benefitted from its 20<sup>th</sup> anniversary to increase its visibility through in-store activation, marketing and press coverage, as well as the continued expansion of Digital.

Lastly, **Claudie Pierlot** grew by +14.1% at constant currency thanks to growing awareness through successful capsule collections, *Ile de Ré* and the optimization of Digital Media, as well as accessories' development. Over the last twelve months, the brand opened +15 POS, like a new free-standing store in Palma de Mallorca in Q1 18.

## 2018 GUIDANCE CONFIRMED

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, 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 anticipates 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%.

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## FINANCIAL INDICATORS NOT DEFINED IN IFRS

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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.

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## METHODOLOGY NOTE

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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.

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## ABOUT SMCP

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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 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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## FINANCIAL CALENDAR

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- June 18<sup>th</sup>, 2018 : Annual General Meeting
- July 31<sup>st</sup>, 2018: H1 2018 Sales

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](http://www.smcp.com)), in the Finance section.