



**2019 Q2 Sales**  
Press Release – Paris, July 25<sup>th</sup>, 2019

## Solid sales growth acceleration in Q2 2019 at +8.9% cc., in line with expectations

### Full-year guidance confirmed

- Q2 19 sales up +10.1% at €265.7 million as reported (+8.9% at constant currency)
- International sales growth up +13.7% at cc. in Q2 19 notably driven by mainland China (>30% cc.); France is back to growth
- Successful development of accessories (+23.1% of sales growth in H1 2019)
- Solid progress in digital (+50bps in H1 19 to 14.8% of total sales), mainly driven by mainland China
- Full-year guidance confirmed

Commenting on the report, Daniel Lalonde, SMCP's Chief Executive Officer, stated: "We are pleased with our Q2 sales which, as expected, showed a solid acceleration to +10.1%. In the first semester, our brands continued to launch beautiful collections, prominent stores and continued to focus on full price sales. We also delivered on our key priorities for 2019 such as driving retail excellence and accelerating our digital journey through partnerships with JD.com and Farfetch, which perfectly complement the Group's growing digital presence. This leads us to confirm our full-year guidance."

€ million except %	Q2 2018	Q2 2019	Sales growth cc.	Reported change	H1 2018	H1 2019	Sales growth cc.	Reported change
<b>Sales by region</b>								
France	87.1	87.5	+0.5%	+0.5%	187.0	183.5	-1.8%	-1.8%
EMEA <sup>1</sup>	73.5	79.4	+7.5%	+8.0%	145.4	158.8	+8.7%	+9.2%
Americas	31.0	37.0	+13.3%	+19.3%	60.3	68.7	+7.2%	+14.0%
APAC <sup>2</sup>	49.6	61.8	+23.4%	+24.6%	100.6	129.3	+26.0%	+28.5%
<b>Sales by Brand</b>								
Sandro	118.1	129.9	8.6%	+10.0%	242.9	262.4	+6.4%	+8.0%
Maje	94.1	105.4	+10.7%	+12.0%	189.7	212.4	+10.3%	+11.9%
Claudie Pierlot	29.0	30.4	+4.5%	+4.9%	60.7	65.6	+7.6%	+8.0%
<b>TOTAL</b>	<b>241.3</b>	<b>265.7</b>	<b>+8.9%</b>	<b>+10.1%</b>	<b>493.3</b>	<b>540.3</b>	<b>+8.0%</b>	<b>+9.5%</b>

cc.: Constant currency

<sup>1</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>2</sup> APAC includes the Group's Asia-Pacific operations (mainly Mainland China, Hong Kong, South Korea, Singapore, Thailand and Australia).

## 2019 FIRST HALF SALES

In H1 2019, consolidated sales stood at €540.3 million, up +8.0% at constant currency, including a like-for-like sales growth of -0.7% which mainly reflects tough market conditions in France and a positive international LFL growth.

Overall, reported sales were up +9.5%, including a positive currency impact of +1.5pts. Over the semester, SMCP benefited from the successful development of its accessories (+23.1% of sales growth) as well as solid progress in digital (+50bps to 14.8% of total sales), with particularly strong progress in mainland China.

Over the last twelve months, SMCP net openings reached 99 directly operated stores (DOS). These openings occurred in all international regions with 50 DOS in APAC, 44 in EMEA and 11 in the Americas. Meanwhile, in France, the Group has continued to invest in its stores network and has pursued its optimization with 6 targeted net closings.

## 2019 SECOND QUARTER SALES

In the second quarter of 2019, consolidated sales reached €265.7 million, up +8.9% at constant currency, showing a sequential acceleration versus the first quarter of 2019. Reported sales stood at +10.1%, including a positive currency impact of +1.2pts.

### Sales breakdown by region

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**In France**, sales were back to growth at +0.5% with Sandro and Maje contributing positively despite tough market conditions. SMCP pursued its network optimization with 6 net closings over the last twelve months such as Sandro Levallois-Perret, while investing in new qualitative locations including Claudie Pierlot, Saint Germain-des-Prés and St Tropez.

**In EMEA**, SMCP delivered +7.5% growth at constant currency, reflecting contrasting trends in Europe, including tough market conditions in the UK, which is impacted by Brexit uncertainties, and in Switzerland which has seen a slowdown in tourism. Meanwhile, Spain, Italy and Germany's performance continued to be very dynamic.

**In the Americas**, the Group generated +13.3% sales growth at constant currency, a very strong performance considering the high basis of comparison (+27.1% in Q2 18) and the challenging market conditions, still impacted by a slowdown in tourism. SMCP benefited notably from the positive results of its recent openings such as Brickell City Center (Miami) and the Pacific Center (Vancouver). In Mexico, SMCP opened 3 new POS in Polanco and Monterrey Punto Valle, totaling 13 points of sale.

**In APAC**, the Group recorded another very strong quarter with +23.4% sales growth at constant currency, on top of a very high basis of comparison (+47.7% in Q2 2018). This growth reflected the success of the 2019 Spring-Summer collections as well as very dynamic trends in Mainland China (over +30% sales growth at cc.). In the meantime, the performance, in Hong-Kong, has been impacted by some protests in June. In APAC, SMCP also showed very strong progress in digital, including promising results on JD.com.

### Sales breakdown by brand

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**Sandro** registered +8.6% sales growth at constant currency, showing a solid acceleration versus Q1 2019. Over the last twelve months, Sandro opened 61 directly operated stores in key locations such as Monaco, MixC in a new city Nanning (Mainland China) and a flagship store at the IFC Mall (Hong Kong). More recently, Sandro announced

a new milestone in its digital expansion through a partnership with Farfetch that will contribute to reinforcing its high-end position and enhancing its worldwide visibility and awareness.

**Maje** recorded a strong sales growth of +10.7% at constant currency, boosted by its successful 2019 Spring-Summer collection. Over the last twelve months, Maje opened 53 directly operated stores including in Stockholm and MixC in Nanning.

Finally, **Claudie Pierlot** recorded +4.5% sales growth at constant currency, impacted by a lack of light summer pieces in its Spring-Summer collection and a lower exposure to fast-growing international markets. Over the last twelve months, the brand pursued its development with the opening of 23 directly operated stores, including 14 DOS internationally, such as in Florence (Italy) and Tianjing (Mainland China).

<b>FULL-YEAR GUIDANCE CONFIRMED</b>
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SMCP confirms the 2019 Full-Year guidance. The Group is targeting a sales growth of between +9% and +11% at constant currency and a stable adj. EBITDA<sup>3</sup> margin compared to 2018, excluding the acquisition of De Fursac.

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<sup>3</sup> This guidance is disclosed without taking into account impact of the application of IFRS 16, effective as of fiscal year 2019.

APPENDICES

Breakdown of DOS

Number of DOS	H1-18	2018	Q1-19	H1-19	Var. H1 19 vs Q1 19	Var. H1 19 vs FY 18	Var. H1 19 vs H1 18
<b><u>By region</u></b>							
France	487	482	476	481	+5	-1	-6
EMEA	341	364	372	385	+13	+21	+44
Americas	135	148	144	146	+2	-2	+11
APAC	145	178	188	195	+7	+17	+50
<b><u>By brand</u></b>							
Sandro	479	503	505	520	+15	+17	+41
Maje	382	409	414	423	+9	+14	+41
Claudie Pierlot	200	213	214	217	+3	+4	+17
Suite 341	47	47	47	47	-	-	-
<b>Total DOS</b>	<b>1,108</b>	<b>1,172</b>	<b>1,180</b>	<b>1,207</b>	<b>+27</b>	<b>+35</b>	<b>+99</b>

Breakdown of POS

Number of POS	H1-18	2018	Q1-19	H1-19	Var. H1 19 vs Q1 19	Var. H1 19 vs FY 18	Var. H1 19 vs H1 18
<b><u>By region</u></b>							
France	487	482	476	481	+5	-1	-6
EMEA	450	480	491	504	+13	+24	+54
Americas	157	174	176	181	+5	+7	+24
APAC	287	330	342	352	+10	+22	+65
<b><u>By brand</u></b>							
Sandro	611	646	653	672	+19	+26	+61
Maje	504	538	549	557	+8	+19	+53
Claudie Pierlot	219	235	236	242	+6	+7	+23
Suite 341	47	47	47	47	-	-	-
<b>Total POS</b>	<b>1,381</b>	<b>1,466</b>	<b>1,485</b>	<b>1,518</b>	<b>+33</b>	<b>+52</b>	<b>+137</b>
<b><i>o/w Partners POS</i></b>	<b><i>273</i></b>	<b><i>294</i></b>	<b><i>305</i></b>	<b><i>311</i></b>	<b><i>+6</i></b>	<b><i>+17</i></b>	<b><i>+38</i></b>

## **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.

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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## DISCLAIMER: FORWARD-LOOKING STATEMENTS

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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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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.

## ABOUT SMCP

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SMCP is a global leader in ready-to-wear's accessible luxury with three distinct contemporary Parisian fashion brands, *Sandro*, *Maje* and *Claudie Pierlot*. Present in 40 countries with 1,466 points of sale, SMCP generated €1 bn sales in 2018. 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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