



SMCP

sandro • maje • claudie pierlot • de fursac

2019 FY sales

January 29th, 2020

Daniel Lalonde, CEO

Philippe Gautier

CFO & Operations Director

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Daniel Lalonde, CEO

FY 2019 – Key financial highlights

SALES GROWTH at ccs.

+8.7%

+11.3% reported

Sales: €1,131.9m

LIKE-FOR-LIKE

-0.1%

LFL growth: +0.8% H2 19

DIRECTLY OPERATED STORES

+90 LTM DOS

DOS: 1,322 incl. DF

- Robust sales growth in 2019, despite sharp market deterioration in Hong-Kong in Q4 19 and French social movements
- Stable 2019 LFL sales growth, with positive LFL growth in Q4 19 driven by all regions
- + 90 LTM DOS o/w + 27 DOS in Q4 19, in line with roadmap

2019 highlights - solid progress on key priorities while addressing challenges

Key successes

Strengthened platform in China



Grew accessories



Enriched omni-channel customer experience



Built sustainability foundations



Mitigated Hong-Kong impact



Pursued Claudie international transition



Challenges



Shanghai HQ



Janine Zhang
in Sandro
15m followers



Zhou Dongyu in Sandro
30m followers

Shanghai

- Successful transition to fully integrated platform, ready for growth
 - ✓ Dedicated team to directly manage retail operations
 - ✓ Enrich & Unify infrastructure: IT, Finance, supply chain, digital
- Increasing demand from Chinese consumers

63 talents
169 stores in 28 cities (+3 vs. LY)
3 websites and 2 key e-partners
1 warehouse

Strengthened platform in mainland China to seize growth



Maje – Zodiac Medals



Sandro – Yza Bag

Claudie Pierlot – Anouck bag



Maje – Mini M bag

- Good balance between innovations and iconic products
- More diversified range of accessories : bags, shoes, belt, jewelry
- Dedicated space in new stores; window displays, dedicated communication

Grew accessories : +18.4 % of sales growth*

*Current currency & constant scope



Maje- Stockholm



Connected store

- Omni-channel services
- Real time visual Merch
- E-learning
- Dashboard



Sandro – Soho New York



Sandro – Lille (France)

- Evolution of store concept ; flagship stores in key locations
- French network optimization & renovation plan :100 projects (-10 DOS)
- Development of connected stores

Enriched omni-channel customer experience : from stores to web



Sandro
1m followers
(+ 41% vs. LY)



Maje
993K followers
(+ 34% vs. LY)



Claudie-Pierlot
304K followers
(+ 26% vs. LY)

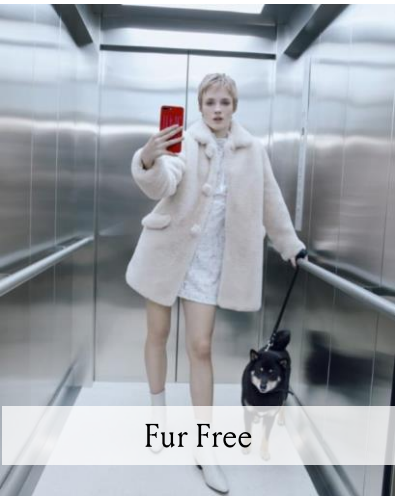
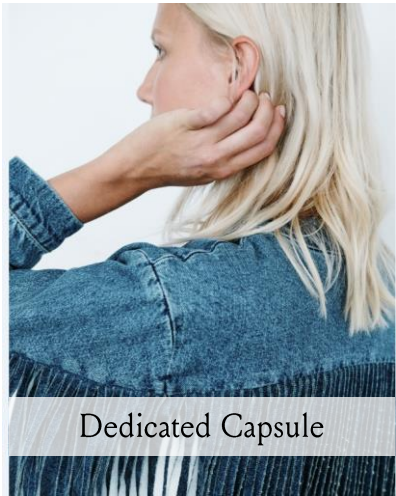
- Augmented digital content on social-media
- Omni-channel services rolled-out
- Implementation of unified commerce infrastructures
- New e-partnerships (Farfetch, JD.com) & EC websites (Hong-Kong)

Enriched omni-channel customer experience : from store to web

Built foundations on sustainability for today and tomorrow

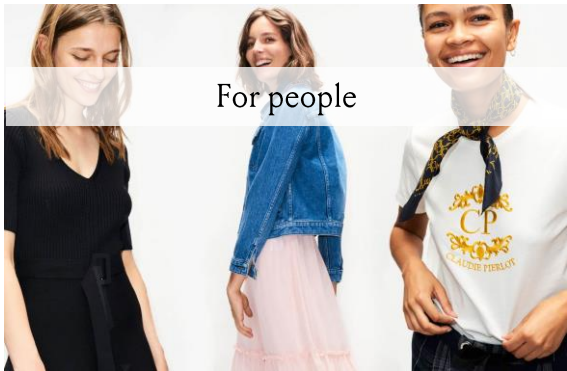
maje

FIRST STONE



CLAUDE
PIERLOT

CLAUDIE**CARES**





Update on De Fursac

First international step

De Fursac Pop-up store
Selfridges – London
Bon Marché - Paris



Philippe Gautier,
CFO & Operations director

Q4 2019 – Key financial highlights

SALES GROWTH at ccs.

+9.6%

Sales: **€317.0m**

REPORTED SALES GROWTH

+14.8%

DIRECTLY OPERATED STORES

+27 DOS

DOS: **1,322** incl. DF

- Sales growth improvement in Q4 19, despite French social movements and sharp market deterioration in Hong-Kong
- Additional off-price sales operations in Q4 19 to accelerate inventories reduction
- Positive LFL growth, with positive contribution from all regions
- Double-digit international sales growth ; sequential improvement in France
- + 27 DOS in Q4 19, in line with roadmap

Q4 2019 - Double-digit international sales growth ; sequential improvement in France



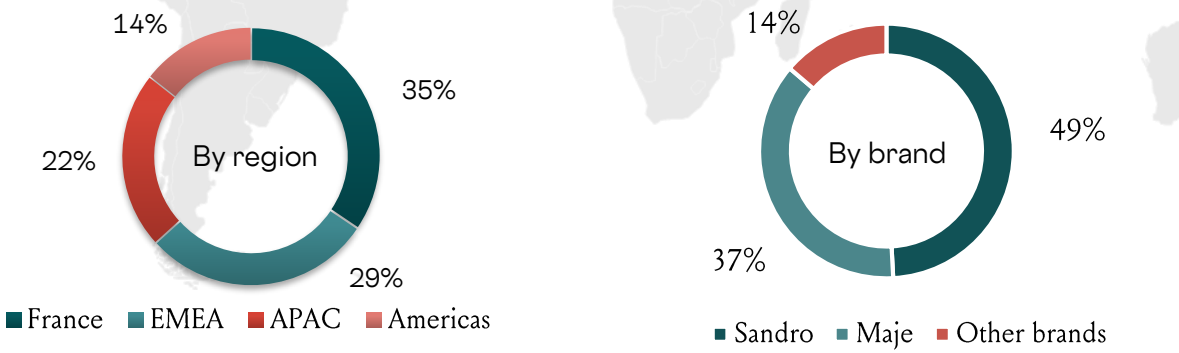
DOS: 162

DOS: 472

DOS: 409

DOS: 219

Sales breakdown*



(*) Including De Fursac
ccs: Constant currency & scope

Q4 2019 - Sales growth by region

France

+0.5% ccs.

Good resilience in continuously challenging environment

- / Solid performance in October/November
- / December impacted by French social movements that weighed on traffic
- / Further market share gains (IFM index: -0.2% in Q4 19)
- / LTM DOS: -10 ; continued progress on network optimization plan (-3 net closings in Q4 19)



Sandro dual gender – Strasbourg (France)

EMEA

+9.4% ccs.

Strong performance in most countries, partially offset by UK volatility

- / Sales growth driven by strong performance in key countries such as Spain, Germany and Italy
- / Flat performance in the UK, impacted by tough market (Brexit)
- / LTM DOS: +45 mainly focused on Spain, Germany and Italy



Sandro – St Petersburg “Au Pont Rouge”

Q4 2019 - Sales growth by region

Americas

+6.2% ccs.

Good performance versus high base of comps

- / Good performance versus high base of comps (+25.7% ccs. in Q4 18)
- / Double-digit retail sales growth despite Chinese tourism slowdown (particularly Canada)
- / Partners sales decreased due to rationalization: reduction of number of corners (-9 POS in Q3 19)
- / LTM DOS: + 14; Sandro dual gender at Fashion Valley (San Diego) and The Grove (Los Angeles)



Sandro dual gender – The Grove (Los Angeles)

APAC

+29.1% ccs.

Outstanding quarter, above expectations despite Hong-Kong

- / Very strong performance, amplified by off-prices sales
- / Very strong growth in Mainland China: (c.+30% ccs. excl. off price)
- / Persistent challenging market in HK: double digit LFL sales decline
- / LTM DOS: + 41; Sandro W and Maje – Shanghai One ITC, Sandro Dual gender - Hefei Mix C



Sandro W - Shanghai One ITC

Q4 2019 - Sales growth by brand



s a n d r o

+10.9% ccs.

maje

+12.5% ccs.

Other brands*

- 4.3% ccs.



Other brands

- **Sandro and Maje:** strong performance supported by solid FW19 collections
- **Sandro:** strong traction in the US ; sharp acceleration of Sandro Men in Europe
- **Maje:** strong results in Europe and APAC, successful gifting strategy
- **Claudie Pierlot** impacted by its transition towards more international profile and execution issues in France

* Excl. De Fursac



2019 outlook

2019 guidance confirmed

Adj.¹ EBITDA MARGIN

Between 15.5% and 16.0%

¹ Excluding LTIP impact





2020 financial agenda

2020 financial agenda

March 25, 2020

- FY 2019 results

April 2, 2020

- Capital market day

April 23, 2020

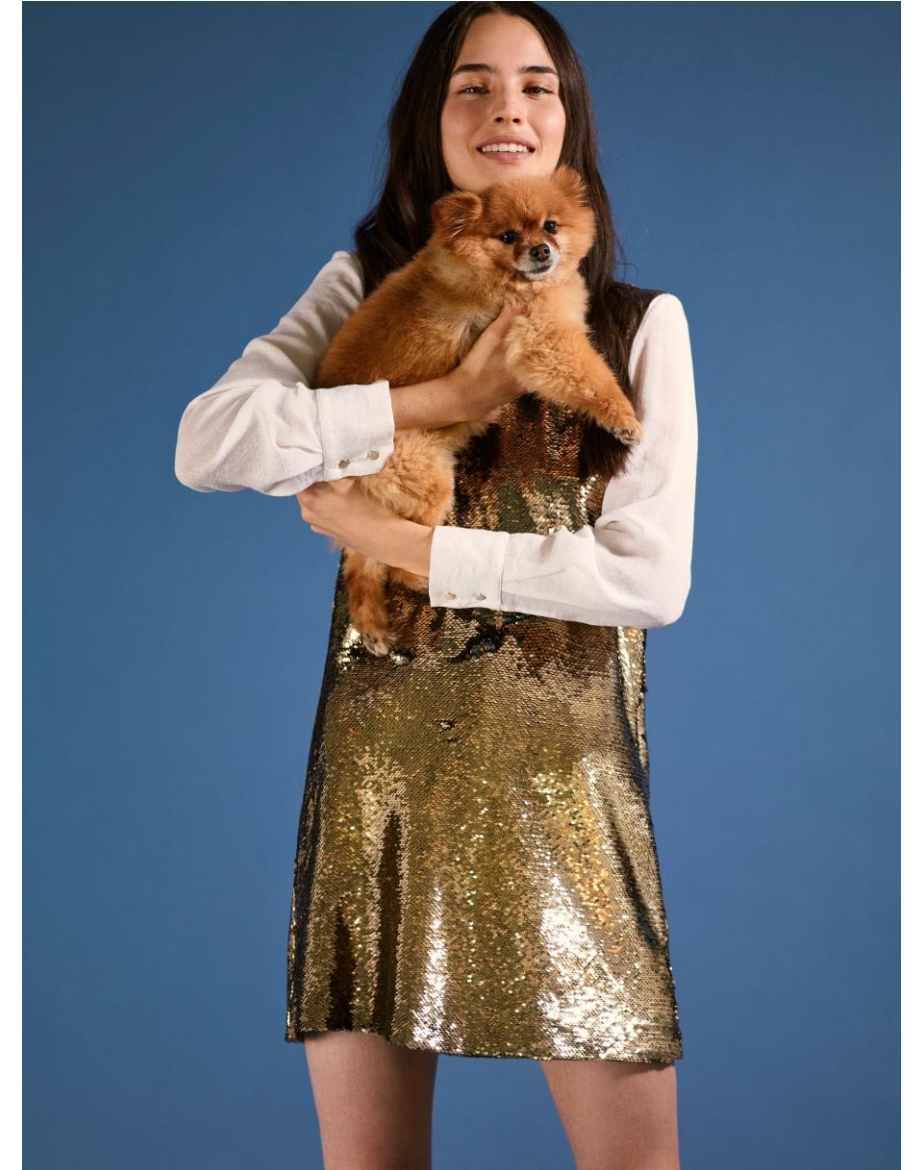
- 2020 Q1 sales

July 23, 2020

- 2020 H1 sales

Sept. 4, 2020

- 2020 H1 results





Appendix

Quarterly net sales by brand and region

<i>In €m</i>	Q1-18	Q1-19	%	% at ccs.	Q2-18	Q2-19	%	% at ccs.	Q3-18	Q3-19	%	% at ccs.	Q4-18	Q4-19	%	% at ccs.	FY-18	FY-19	%	% at ccs.
France	99.8	96.0	-3.9%	-3.9%	87.1	87.5	+0.5%	+0.5%	89.6	91.8	+2.5%	+0.6%	98.3	109.2	+11.1%	+0.5%	374.9	384.6	+2.6%	-0.7%
EMEA	71.9	79.4	+10.4%	+9.9%	73.5	79.4	+8.0%	+7.5%	77.8	87.5	+12.4%	+12.2%	82.3	91.4	+11.1%	+9.4%	305.5	337.6	+10.5%	+9.8%
Americas	29.3	31.7	+8.4%	+1.0%	31.0	37.0	+19.3%	+13.3%	32.5	36.0	+11.0%	+6.3%	41.5	45.7	+10.0%	+6.2%	134.2	150.4	+12.0%	+6.7%
APAC	51.0	67.5	+32.3%	+28.4%	49.6	61.8	+24.6%	+23.4%	47.8	59.2	+23.8%	+21.5%	54.1	70.8	+30.9%	+29.1%	202.4	259.2	+28.0%	+25.8%
Total	252.0	274.6	+9.0%	+7.2%	241.3	265.7	+10.1%	+8.9%	247.7	274.5	+10.8%	+9.0%	276.1	317.0	+14.8%	+9.6%	1 017.1	1 131.9	+11.3%	+8.7%
Sandro	124.7	132.5	+6.2%	+4.3%	118.1	129.9	+10.0%	+8.6%	118.9	133.4	+12.2%	+11.0%	138.8	155.8	+12.3%	+10.9%	500.6	551.6	+10.2%	+8.7%
Maje	95.6	106.9	+11.9%	+9.8%	94.1	105.4	+12.0%	+10.7%	98.4	108.3	+10.0%	+8.8%	103.3	117.6	+13.8%	+12.5%	391.4	438.2	+12.0%	+10.5%
Other brands	31.7	35.2	+10.9%	+10.5%	29.0	30.4	+4.9%	+4.5%	30.4	32.9	+8.0%	+2.1%	34.0	43.6	+28.2%	-4.3%	125.2	142.1	+13.5%	+3.0%
Total	252.0	274.6	+9.0%	+7.2%	241.3	265.7	+10.1%	+8.9%	247.7	274.5	+10.8%	+9.0%	276.1	317.0	+14.8%	+9.6%	1 017.1	1 131.9	+11.3%	+8.7%

%: sales growth as reported (i.e. including De Fursac)

% ccs: sales growth at constant currency & Scope (i.e. excluding De Fursac)

Other brands: Claudie Pierlot and De Fursac

Breakdown of POS

Directly operated stores

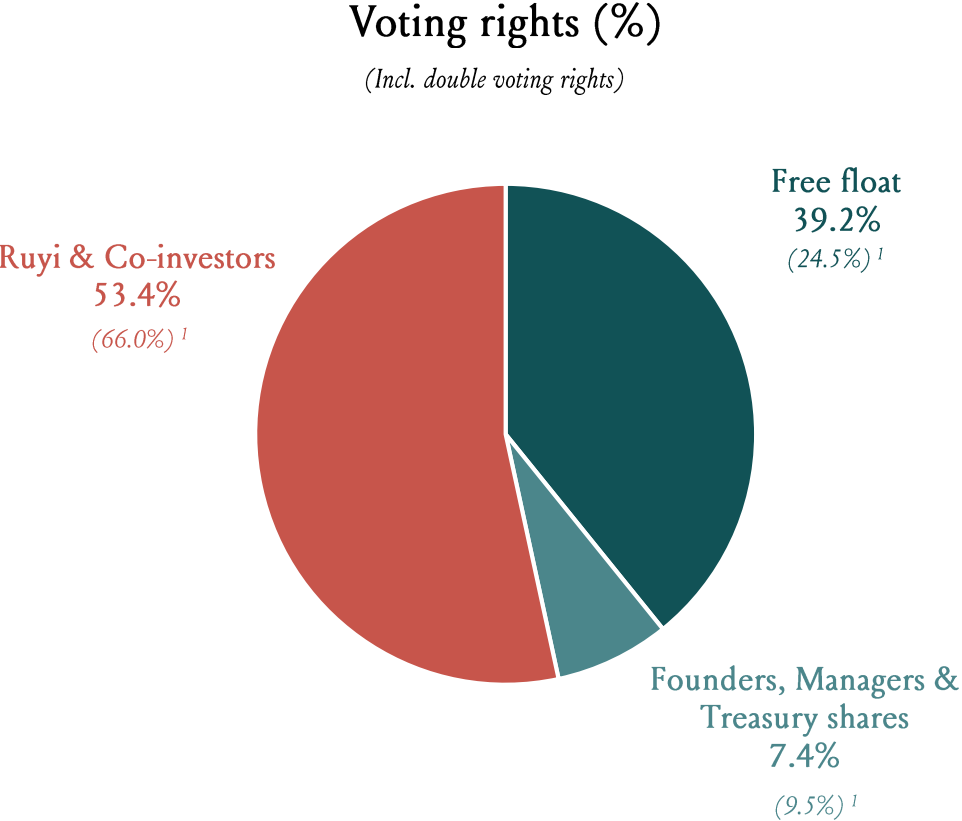
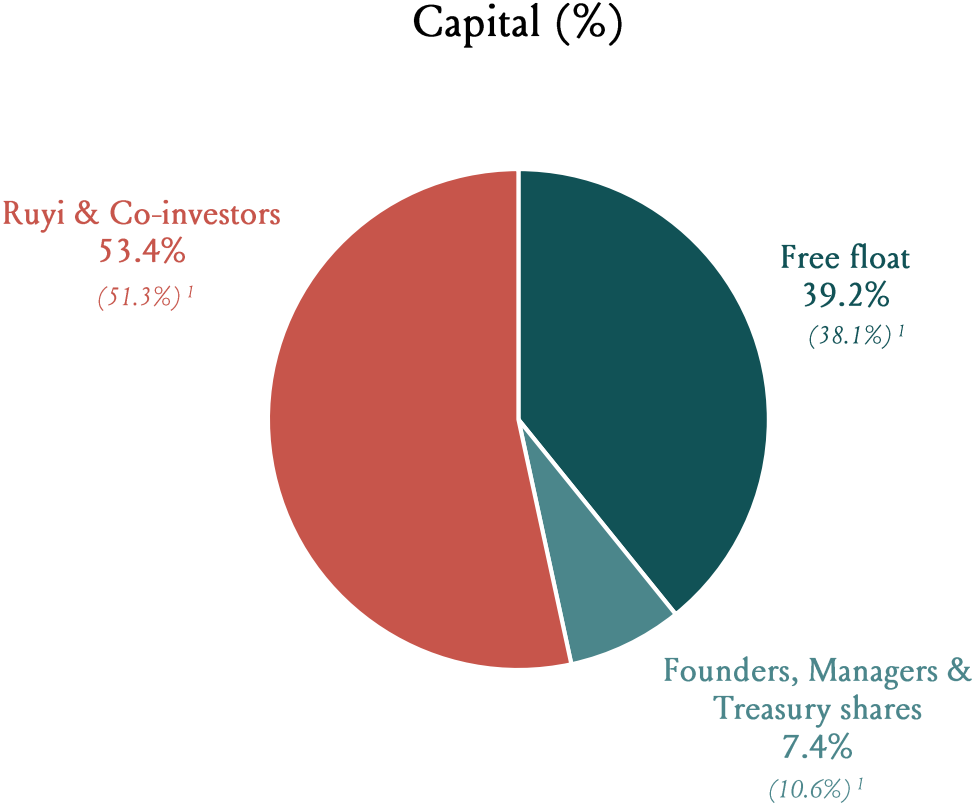
Number of DOS	2018	Q1-19	H1-19	9M-19	2019	Var. FY 19 vs 9M 19	Var. FY 19 vs FY 18
<u>By region</u>							
France	482	476	481	475	472	-3	-10
EMEA	364	372	385	395	409	+14	+45
Americas	148	144	146	156	162	+6	+14
APAC	178	188	195	209	219	+10	+41
<u>By brand</u>							
Sandro	503	505	520	536	550	+14	+47
Maje	409	414	423	435	444	+9	+35
Claudie Pierlot	213	214	217	220	224	+4	+11
Suite 341	47	47	47	44	44	-	-3
Total DOS	1 172	1 180	1 207	1 235	1 262	+27	+90

Total points of sale

Number of POS	2018	Q1-19	H1-19	9M-19	2019	Var. FY 19 vs 9M 19	Var. FY 19 vs FY 18
<u>By region</u>							
France	482	476	481	475	472	-3	-10
EMEA	480	491	504	516	531	+15	+51
Americas	174	176	181	182	189	+7	+15
APAC	330	342	352	374	386	+12	+56
Total POS	1 466	1 485	1 518	1 547	1 578	+31	+112
<u>By brand</u>							
Sandro	646	653	672	690	707	+17	+61
Maje	538	549	557	567	577	+10	+39
Claudie Pierlot	235	236	242	246	250	+4	+15
Suite 341	47	47	47	44	44	-	-3
Total POS	1 466	1 485	1 518	1 547	1 578	+31	+112
<i>o/w Partners POS</i>	<i>294</i>	<i>305</i>	<i>311</i>	<i>312</i>	<i>316</i>	<i>+4</i>	<i>+22</i>

De Fursac POS stood at 62 in Q4 19, including 60 DOS, bringing the total to 1,640 POS for SMCP o/w 1,322 DOS

Shareholding structure and voting rights as of January 15th 2020



As of January 15th , 2020 the share capital of the Company is composed of 75,170,290 shares (including 1,052,530 Free Preferred Shares)
Assuming conversion of all the Free Preferred Shares into ordinary shares, the share capital of the Company would be composed of up to 78,246,929 shares

¹ Post conversion of all the Free Preferred Shares and excluding LTIP

Definitions of non-IFRS financial measures

- / “Net sales” consists of total sales (retail and wholesale sales) net of rebates, discounts, VAT and other sales taxes, but before the deduction of concession fees paid to department stores and commissions paid to affiliates.
- / “Sales growth at constant currency” corresponds to total sales in a given period compared with the same period in the previous year, expressed as a percentage change between the two periods, and presented at constant exchange rates (sales for period N and period N-1 in foreign currencies are converted at the average year N-1 rate).
- / “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” 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 is defined by the Group as earning before interests and 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.
- / “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 “management” gross margin before commissions and refers to it in its management presentations rather than the gross margin after commission.
- / “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.
- / “Selling, general and administrative expenses” are those incurred at the corporate level/central costs and not allocated to a point of sale or partner. These elements are added to the retail margin to obtain EBITDA.