

SMCP

sandro • maje • claudie pierlot • fursac



2022 First Quarter

Press release - Paris, April 26th, 2022

**Q1 Sales up +24% driven by LFL, thanks to strong local demand
Americas and EMEA outstanding momentum
Continuation of full price strategy
Digital penetration of 25%**

- Q1 Sales at €283.0m, up +23.7% on an organic¹ basis vs. 2021, fully driven by a LFL² growth thanks to strong local demand
- Outstanding momentum in the Americas and EMEA³ (resp.+44.5% and +72.9% on an organic basis vs. 2021)
- Despite a good start to the quarter in APAC⁴ (successful Chinese New Year), recent Covid restrictions had a significant impact on sales, first in Hong-Kong and later in Mainland China
- Progressive improvement in France over the quarter, outperforming the market
- Successful execution of the *One journey* strategic plan, including:
 - Continuation of the full price strategy (discount rate down by -6.1 pp vs. Q1 2021)
 - Finalization of our network optimization plan in France
 - Digital penetration reaching 25%, + 10 pp vs. 2019 level

Commenting on these results, Isabelle Guichot, CEO of SMCP, stated: “*First quarter sales recorded strong growth, and we are particularly pleased with our performance in the Americas and EMEA regions, which demonstrates the relevance of our strategy and the proven success of our brands internationally. In France, we have finalized our store optimization plan in order to benefit from a world-*

¹ Organic growth | All references in this document to the “organic sales performance” refer to the performance of the Group at constant currency and scope, excl. Suite 341 related sales (end of format)

² Like-for-like

³ EMEA covers the Group’s activities in European countries excluding France (mainly the United Kingdom, Spain, Germany, Switzerland, Italy) as well as the Middle East (including the United Arab Emirates).

⁴ APAC includes the Group’s Asia-Pacific operations (mainly Mainland China, Hong Kong SAR, South Korea, Singapore, Thailand, Malaysia, and Australia).

class network that will enable us to offer our customers the best possible in-store experience. Despite a strong start to the quarter in APAC, the resurgence of Covid and the restrictions imposed have had a significant impact on our performance. Globally, we continued to successfully follow our One Journey strategic plan, implementing initiatives to further increase the desirability of our brands, planning tailored openings in Europe and Asia, and achieving continuous significant progress in our full price strategy. Looking ahead to the rest of the year, we are closely monitoring the health situation in APAC, and we restate our financial targets provided that the situation improves relatively quickly.”

€m except % Unaudited figures	Q1 2021	Q1 2022	Organic change ¹	Reported change
Sales by region				
France	78.6	93.7	+22.7%	+19.1%
EMEA	47.5	83.1	+72.9%	+74.9%
Americas	24.9	38.6	+44.5%	+55.0%
APAC	72.8	67.6	-13.9%	-7.2%
Sales by Brand				
Sandro	103.6	134.1	+25.9%	+29.4%
Maje	89.3	112.2	+22.1%	+25.6%
Other brands ²	31.0	36.8	+21.0%	+18.6%
TOTAL	223.9	283.0	+23.7%	+26.4%

2022 FIRST QUARTER SALES

Consolidated sales reached €283.0m in Q1 2022, up +26.4% compared to Q1 2021, including an organic increase of +23.7%¹ (driven by like-for-like growth of +23.6% owing to strong local demand) and a positive currency impact of +2.7%. This performance, driven by our biggest brands Sandro and Maje, reflects an outstanding momentum in the Americas and EMEA, a progressive improvement over the quarter in France, and a good start in APAC then significantly impacted by very high Covid restrictions, notably in Hong-Kong and in Mainland China.

Over the first three months of the year, the Group generated strong digital sales penetration of 25%; reaching +10 pp vs. the 2019 level (15%).

In line with our *One Journey* strategic plan, we continued to make strong progress on our full price strategy, notably through our deliberate reduction of the promotional sales share, and managing to decrease the discount rate, both in B&M and digital, with -6.1 pp vs. Q1 2021.

As planned, during this quarter, SMCP finalized its brick-and-mortar network optimization plan, with 17 net closures of points of sales (POS), of which 13 in France (mainly small points of sales, in small cities) including the end of the Suite 341 format (7 closures over the quarter). In EMEA, SMCP recorded 3 POS net closures from consolidation (such as Sandro women and Sandro men becoming a unisex store) or relocation opportunities, partly offset by openings in Belgium or Estonia (new country for the Group). SMCP operated a stable network in the Americas and APAC.

¹ Organic growth excl. Suite 341 related sales (end of format)

² Claudie Pierlot and Fursac brands

Sales breakdown by region and by brand

In **France**, sales are up +22.7% on an organic basis, reflecting a strong acceleration over the quarter. SMCP outperformed the market owing to a good start to our spring-summer collections; an outperformance mainly driven by like-for-like growth (+22.0%), including a sharp reduction in the discount rate down -10 pp vs. 2021 and a finalization of our network optimization plan (-13 POS of which -7 Suite 341).

In **EMEA**, Group sales grew +72.9% on an organic basis vs. 2021 and exceeding 2019 level for the first time since the beginning of the pandemic, owing to a significant acceleration over the quarter driven by local demand. This strong sales momentum, supported by an historical like-for-like growth of +100.0%, includes a -7pp decrease in the discount rate and a rather stable network base.

Despite a good start to the quarter in **APAC** (successful Chinese New Year), the recent Covid restrictions had a significant impact on sales, notably in Hong-Kong and in Mainland China (lockdowns and impact on mobility and traffic), leading to a -13.9% decrease on an organic basis vs. 2021. This performance takes into account a high comparison base, especially in Mainland China. Compared to 2019, Mainland China sales were up +3.7% on an organic basis, improving growth compared to Q4 2021. The desirability of our brands remains strong in Asia, and especially in China. Over the quarter, digital penetration grew by +3 pp vs. last year, and the network base was stable.

The **Americas** recorded a strong growth of +44.5% on an organic basis vs. 2021, outstanding momentum mainly driven by like-for-like growth (+41.7%), including a new sharp reduction in discount rate down -14 pp vs. 2021 and a stable network base. The United States and Canada outperformed, driven by high demand across all our distribution channels. The region's growth is also very strong vs. 2019 (+20% on an organic basis, of which +25% in the U.S).

FINANCIAL OUTLOOK

SMCP is closely monitoring the health context in APAC and the impact of the restrictions on the in-store traffic as well as on supply chain capabilities. The Group remains cautious as the situation in Mainland China can evolve rapidly and new cities could be impacted.

SMCP confirms its financial guidance for 2022 provided that the health context in APAC improves fairly rapidly.

As a reminder, for Full Year 2022, SMCP anticipates solid double-digit sales growth vs. 2021 and mid-single-digit sales growth vs. 2019. Regarding profitability, the Group expects an adjusted EBIT margin (as a % of sales) in line with 2021 in a context of significant inflation. SMCP thus anticipates a net debt leverage ratio of <2x at the end of 2022 (instead of end of 2023).

A conference call with investors and analysts will be held today by CEO Isabelle Guichot and CFO Patricia Huyghues Despointes, from 9:00 a.m. (Paris time).

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

FINANCIAL INDICATORS NOT DEFINED IN IFRS

The Group uses certain key financial and non-financial measures to analyze the performance of its business. The principal performance indicators used include the number of its points of sale, like-for-like sales growth.

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.

Organic sales growth

Organic sales growth refers to the performance of the Group at constant currency and scope.

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 of December 31 for the year N in question).

METHODOLOGY NOTE

Unless otherwise indicated, amounts are expressed in millions of euros and rounded to the first digit after the decimal point. 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 based on rounded amounts.

DISCLAIMER: FORWARD-LOOKING STATEMENTS

Certain information contained in this document includes projections and forecasts. These projections and forecasts are based on SMCP management's current views and assumptions. Such forward-looking 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, including the impact of the current COVID-19 outbreak. These risks and uncertainties include those discussed or identified under Chapter 3 "Risk factors and internal control" of the Company's Universal Registration Document filed with the French Financial Markets Authority (Autorité des Marchés Financiers - AMF) on 19 April 2022 and available on SMCP's website (www.smcp.com).

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FINANCIAL CALENDAR

- August 1st, 2022 - H1 Results publication (sales and results)

APPENDICES

Breakdown of DOS¹

Number of DOS	Q1-21	2021	Q1-22	Q1-22 variation	Var. Q1-22 vs Q1-21
<u>By region</u>					
France	486	472	459	-13	-27
EMEA	406	402	395	-7	-11
Americas	165	166	165	-1	-
APAC	233	252	251	-1	+18
<u>By brand</u>					
Sandro	548	552	541	-11	-7
Maje	440	455	451	-4	+11
Claudie Pierlot	214	211	209	-2	-5
Suite 341	25	10	3	-7	-22
Fursac	63	64	66	+2	+3
Total DOS	1,290	1,292	1,270	-22	-20

Breakdown of POS

Number of POS	Q1-21	2021	Q1-22	Q1-22 variation	Var. Q1-22 vs Q1-21
<u>By region</u>					
France	486	473	460	-13	-26
EMEA	543	548	545	-3	+2
Americas	191	195	195	-	+4
APAC	424	468	467	-1	+43
<u>By brand</u>					
Sandro	722	745	736	-9	+14
Maje	588	620	618	-2	+30
Claudie Pierlot	246	245	244	-1	-2
Suite 341	25	10	3	-7	-22
Fursac	63	64	66	+2	+3
Total POS	1,644	1,684	1,667	-17	+23
<i>o/w Partners POS</i>	<i>354</i>	<i>392</i>	<i>397</i>	<i>+5</i>	<i>+43</i>

¹ Directly operated stores

ABOUT SMCP

SMCP is a global leader in the accessible luxury market with four unique Parisian brands: Sandro, Maje, Claudie Pierlot and Fursac. Present in 44 countries, the Group comprises a network of over 1,600 stores globally and a strong digital presence in all its key markets. Evelyne Chétrite 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 and Fursac were respectively acquired by SMCP in 2009 and 2019. SMCP is listed on the Euronext Paris regulated market (compartment A, ISIN Code FR0013214145, ticker: SMCP).

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