

# SMCP

sandro • maje • claudie pierlot • fursac



**2023 third quarter**

Press release - Paris, October 26th, 2023

## **Resilient sales in a deteriorating environment A quarter in line with adjusted guidance**

- Q3 2023 sales at €295m, -1% at constant exchange rates (-2% on an organic basis) vs 2022, against strong comparables
- 9M 2023 sales at €905m, +5% at constant exchange rates (+4% on an organic basis) vs 2022
- Consumption slowdown throughout the quarter in Europe and America; slow and weak recovery of China's economy and more positive trend in other Asian markets
- Consistent trend across all brands
- Maintained discount rate policy; stabilization of the discount rate despite a competitive environment and after two consecutive years of improvement
- Digital sales trend in line with B&M
- Network expansion (46 net openings in Q3) to reach 1,704 points of sales
- Ongoing savings plan delivers positive effects
- Liquidity secured thanks to the extension of financing until 2026/2027, obtained last July
- Significant focus on controlling inventory levels
- **Confirmation of full-year guidance revised in September:**
  - mid-single digit growth of sales at constant FX vs. 2022
  - adjusted EBIT margin between 7% and 9%

Commenting on these results, Isabelle Guichot, CEO of SMCP, stated: “As expected, in a deteriorating economic environment, with a slowdown in consumer spending in Europe and America, a slow recovery in the Chinese economy and despite a more positive trend in the rest of Asia, we recorded a slight decline in sales over the quarter. In this context, since several months we have been implementing an action plan based on pursuing our full-price strategy, prioritizing our investments, enhancing the quality of our physical and digital networks, and improving the productivity of our teams. This action plan is starting to bear fruit, and we expect to see an increasing impact in the fourth quarter. Despite the macroeconomic environment, we are confident that our action plan, supported by our dedicated teams and the strong desirability of our brands, will enable us to pursue our growth trajectory.”

€m except % Unaudited figures	Q3 2022	Q3 2023	Organic change	Reported Change	9M 2022	9M 2023	Organic change	Reported change
<b>Sales by region</b>								
France	99.1	97.5	-1.6%	-1.6%	293.8	301.4	+2.6%	+2.6%
EMEA	98.6	96.5	-2.0%	-2.2%	272.0	285.6	+5.2%	+5.0%
America	49.0	42.7	-6.5%	-12.9%	132.1	123.0	-4.7%	-6.9%
APAC	61.6	58.2	+1.2%	-5.6%	175.8	194.7	+12.9%	+10.7%
<b>Sales by Brand</b>								
Sandro	150.2	143.3	-2.2%	-4.6%	416.9	438.8	+6.0%	+5.2%
Maje	119.9	112.4	-3.2%	-6.3%	343.8	340.9	+0.2%	-0.9%
Other brands <sup>1</sup>	38.3	39.2	+2.4%	+2.3%	113.0	125.0	+10.7%	+10.6%
<b>TOTAL</b>	<b>308.4</b>	<b>294.9</b>	<b>-2.0%</b>	<b>-4.4%</b>	<b>873.8</b>	<b>904.7</b>	<b>+4.3%</b>	<b>+3.5%</b>

## SALES BY REGION

In **France**, nine-month sales reached €301m, up +3% organic vs 2022. The third quarter saw a slight decline of -2% on a high basis of comparison. The period was impacted by lower traffic due to persistent inflation, which mechanically affects the purchasing power of both local consumers and tourists. However, the Group outperformed market indicators (IFM, Banque de France), consolidating its competitive position. Digital sales posted a positive like-for-like growth. The POS network remained stable over the quarter.

In **EMEA**, nine-month sales reached €286m, up +5% on an organic basis vs 2022. Sales in the third quarter slightly declined by -2%, impacted by inflation, consumption slowdown in the UK and Italy and a decrease of tourist flow. However, in the Middle East, the trend remained positive.

The network grew by 20 points of sale in Q3 with the opening of a new country Egypt through local partner, in addition to some openings in key EMEA retail markets in B&M and digital.

<sup>1</sup> Claudie Pierlot and Fursac brands

In **America**, after an outstanding performance in 2022, nine-month sales reached €123m, -5% organic. Third quarter sales were down by -7% vs 2022 with contrasted performances by country. While the activity in Canada is still heavily impacted by the deep reconstruction of the retail market environment and the lack of tourism, sales in the US were more resilient despite a complex economic context. With positive results in key cities (like Miami and Houston), the Group is well positioned compared to market trends.

The network regained growth momentum with nine net openings in Q3.

In **APAC**, nine-month sales reached €195m, i.e. an organic growth of +13% vs 2022. Third quarter sales were up by +1%. In a context of slow and weak economic recovery, sales in Greater China were slightly up in Q3; the trend remains more favorable in some other Asian markets (like Singapore and Malaysia). Finally, the network continued its sustained expansion with 17 openings, mainly in South Korea, China and Vietnam.

## CONCLUSION AND PERSPECTIVES

To cope with a deteriorating economic environment, the Group is fully committed and focused on the implementation of its action plan launched in July and articulated around four key pillars:

- continuation of the full price strategy;
- prioritization of investments, with a particular focus on marketing and IT expenditure;
- qualitative expansion of the physical and digital network, with scope effects expected to be more visible by the end of the year;
- and improvement of store teams' productivity, as well as the adjustment of the recruitment policy for the in head office teams.

The savings plan is starting to deliver the expected positive effects, which will be consolidated in the fourth quarter. The Group is also focusing its attention on cash and liquidity management: as a reminder, its financing facilities have been extended until 2026/2027. Particular attention is being paid to controlling inventory levels; aiming to stabilize the level at year-end vs 2022.

Thanks to this action plan, supported by committed teams and strong brand desirability, and provided that the geopolitical situation and the macroeconomic and social context do not deteriorate further in the fourth quarter, SMCP is confident in its resilience, and confirms its annual targets revised in September.

## NEXT PUBLICATION

End of February 2024 - 2023 Annual Results

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

## APPENDICES

### Breakdown of DOS

Number of DOS	Q3-22	2022	H1-23	Q3-23	vs. H1 23	vs. 2022	vs. Q3 22
<b>By region</b>							
France	455	460	463	463	-	+3	+8
EMEA	392	395	399	401	+2	+6	+9
America	167	166	167	171	+4	+5	+4
APAC	258	259	301	314	+13	+55*	+56*
<b>By brand</b>							
Sandro	547	551	575	583	+8	+32	+36
Maje	453	457	477	485	+8	+28	+32
Claudie Pierlot	203	201	206	206	-	+5	+3
Suite 341	2	2	-	-	-	-2	-2
Fursac	67	69	72	75	+3	+6	+8
<b>Total DOS</b>	<b>1,272</b>	<b>1,280</b>	<b>1,330</b>	<b>1 349</b>	<b>+19</b>	<b>+69</b>	<b>+77</b>

### Breakdown of POS

Number of POS	Q3-22	2022	H1-23	Q3-23	vs. H1 23	vs. 2022	vs. Q3 22
<b>By region</b>							
France	456	461	464	464	-	+3	+8
EMEA	544	552	520	540	+20	-12	-4
America	198	198	200	209	+9	+11	+11
APAC	472	472	474	491	+17	+19	+19
<b>By brand</b>							
Sandro	745	752	744	765	+21	+13	+20
Maje	620	627	615	633	+18	+6	+13
Claudie Pierlot	236	233	227	231	+4	-2	-5
Suite 341	2	2	-	-	-	-2	-2
Fursac	67	69	72	75	+3	+6	+8
<b>Total POS</b>	<b>1,670</b>	<b>1,683</b>	<b>1,658</b>	<b>1 704</b>	<b>+46</b>	<b>+21</b>	<b>+34</b>
<i><b>o/w Partners POS</b></i>	<i><b>398</b></i>	<i><b>403</b></i>	<i><b>328</b></i>	<i><b>355</b></i>	<i><b>+27</b></i>	<i><b>-48*</b></i>	<i><b>-43*</b></i>

\* Including the stores transferred from POS to DOS in Australia and New Zealand from January 2023

## FINANCIAL INDICATORS NOT DEFINED IN IFRS

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### *Number of points of sale (POS)*

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 (DOS), including free-standing stores, concessions in department stores, affiliate-operated stores, outlets and online stores, and (ii) partnered retail points of sale.

### *Organic sales growth*

Organic sales growth is the total sales in a given period compared to the same period in the previous year. It is expressed as a percentage change between the two periods and is presented at constant rates (sales for period N and period N-1 in foreign currencies are converted at the average rate for year N-1) and excluding the effects of changes in the scope of consolidation.

### *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. 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.

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## METHODOLOGY NOTE

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Unless otherwise indicated, amounts are expressed in millions of euros. 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.

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## DISCLAIMER: FORWARD-LOOKING STATEMENTS

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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. 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 11 April 2023 and available on SMCP's website ([www.smcp.com](http://www.smcp.com)).

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## ABOUT SMCP

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SMCP is a global leader in the accessible luxury market with four unique Parisian brands: Sandro, Maje, Claudie Pierlot and Fursac. Present in 47 countries, the Group comprises a network of over 1,600 stores globally and a strong digital presence in all its key markets. 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 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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