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SMCP Q3 2025 Sales presentation

Thursday, 23rd October 2025

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Amélie Dernis: Thank you, everyone. Good morning. This is Amélie Dernis, in charge of Investor Relations, speaking. Thanks for being with us today for the publication of SMCP Q3 sales. I'm here with our CEO, Isabelle Guichot, and our CFO, Patricia Despointes. You can listen to the publication via the usual conference call, or you can connect to the webcast to have the presentation displayed. As usual, we'll go through the presentation and then we'll have the Q&A session. Before I hand it over to Isabelle and Patricia, I invite you to go through our usual disclaimer on page two. And I think we can start now.

Isabelle Guichot: Thank you, Amélie. Good morning, everyone. Thank you all for joining us today to talk about Q3 sales with first the key highlights on figures and business initiatives, followed by Patricia who will detail our performance by region.

You can see on page four that our nine-month sales came at €896 million, representing an increase by 2.8% at constant FX rate versus last year, and 2.9% in like-for-like, supported by a positive performance in all regions except in Asia. If you remember the figures we published for H1, you can see that the trend is pretty consistent also in Q3, and that it is quite clearly reflected in the graph on the bottom of the page. Just like in H1, the third quarter performance was supported by a very good dynamic in EMEA with a high single-digit growth and America with a double-digit growth.

Other points worth mentioning are the following. We continue quarter after quarter to confirm our full price strategy in brick and mortar and also in digital, which, as you know, is a very - is a more promotional channel. And this despite of very good comps. Once again in Q3, we managed to decrease average discount rate by a significant level of three points despite a very challenging environment. This continuous improvement demonstrates the strong pricing power of our brands and their desirability. In Q3, it was particularly the case in China. We'll get back to this topic later. It's another strong step in our action plan in Asia.

Our digital share remains at a satisfactory level above 20%. The network evolution is still negative on a YTD basis, -11 point of sales, a more limited decrease versus H1 as we have as we have an increase of nine POS during the third quarter, mostly coming from retail partners with openings in Georgia, a new market, and in key existing markets such as the Middle East, Egypt, the Balkans. Direct retail network is stable for Q3.

Let's move on to page five. You have now the usual detailed bridge of sales between the first nine months of '24 and '25. Same as in H1. Mostly positive in the organic part with only one negative box which is the impact anticipated of the network optimisation. The increase of sales is driven mostly by comparable stores and wholesale development. The like-for-like network is bringing 21 million additional sales, corresponding to 2.9% growth, with a positive evolution in all our four regions, reflecting our strategy of agile development. Wholesale sales are increasing by 17 million, driven by our retail partners. The network optimisation in China and for Claudie Pierlot accounts for a loss of €13 million of sales compared to last year.

Finally, FX is negative by 7 million coming essentially from Q3 as the negative effect already observed in Q2 was offsetting the positive one in Q1.

Moving on to page six. Now you will find here the performance by region, which shows that the group has demonstrated again the strengths of its geographical footprint, with the capacity to navigate among macroeconomic uncertainties and to mitigate our risks. Patricia will get back in more details later in the presentation.

Just a few highlights on the sales breakdown by region. As anticipated and due to China network optimisation, Asia allows us 2 points and, symmetrically, Europe gains 1.5 points and America one point. By brand, no material changes versus last year and, by channel, wholesale confirms in Q3 penetration increased by two points versus last year in line with our strategy. So of course, retail network continues to represent the largest part of our business at nearly 90% contribution.

Page seven. For once, let's start with the two small brands. With very striking activation this quarter, you can see a recent Claudie Pierlot pop up at Galeries Lafayette in Paris, beautiful creative space where customers discover the brand, the brand's latest launches and could customise the product, choosing their own laces and charms, matching their Swing sneakers or the Alban bag. That is - This initiative for us perfectly reflects the Claudie Pierlot spirit. For Fursac, the strategy of elevated KOL continues with influencer Pierre-Olivier Kattié, and also, on a more surprising note, Natalie Portman, showing that the style and comfort of masculine tailored pieces can also be perfectly worn by an elegant woman.

Let's move on now to our two main brands. Let's talk about Sandro and their presence at the Venice Film Festival with several KOL and brands ambassador wearing incredible pieces of Spring-Summer 25; Alvaro Morte at the film premiere in Spain wearing a more casual pieces of Sandro. This fall winter collection, Maje represents a capsule inspired by Celine Dion and a picture from her in the 90s; a bold tribute to an era of confidence, effortless femininity, timeless allure reflecting perfectly matched DNA.

On page nine, let's talk about our retail project, and, more specifically, Maje who's now currently expanding internationally while refining its presence in mature markets like France and Europe. The brand is focusing on prestigious location, obviously renovation and especially on a brand-new store concept that is featured on the slide. This new concept was first launched on King's Road in London and in Paris and recently opened. The idea is to turn Maje stores into real living spaces, where every detail reflects the brand's femininity, sensuality and comfort. The new boutiques aim to make customers feel good and leave a lasting impression. At the same time, Maje continues to grow in regions like North America, the Middle East, Mexico and India. Several new stores and renovations are planned by the end of the year, making it an exciting new chapter for the brand.

Page ten. As I mentioned earlier, you can see the a few openings with our main partners in Q3 with the first two stores in Tbilisi, Georgia, which is now our 56th market of presence for the group and new stores in Palm Jumeirah in Dubai. And with that note, I will hand it over to Patricia to give you more granularity on our performance.

Patricia Huyghues Despointes: Thank you, Isabelle. Good morning everyone. So some more details on sales by region on page 12. So in France, revenue stands at €304 million year to date, which is a resilient increase of 1% versus last year. Third quarter trend is -0.8 published versus Q3 24, but plus 0.5 percent like-for-like. This is a mix of various drivers depending on channels and also depending on month. By month in July and August, we observed the positive

like-for-like in Paris, which was expected versus relatively lower costs due to the Olympics last year. In September, the context was tougher due to social and political uncertainty, which led to a softer consumer sentiment impacting all retail as reflected in market panels, which we continue, however, to outperform. By channel, digital sales traditionally more promotional were affected by the continued decrease of discount rate to enhance brands desirability while brick and mortar is positive, like-for-like year to date and in Q3. The store network recorded seven net closures during the quarter, in line with our optimisation efforts.

In EMEA, sales at €314 million grew by 6.7% organic compared to 2024 for the first nine months and plus 8% for the quarter. We can underline that this Q3, at €110 million revenue, reaches an all-time high for quarterly sales in this region. This very strong performance continues to be driven by both retail and wholesale; retail, with a strong momentum of our brands and the strict full price strategy leading to like-for-like growth in most of our retail markets, and wholesale with the dynamism of retail partners in existing stores, notably in Middle East and in Turkey, and through new openings explaining the major part of our 11 net additions during this quarter for the region.

In America, on page 13. So sales reached 140 million at the end of September. The strong sales trend of H1 continued in Q3, with a plus 10.5% organic versus Q3 24, with a strong momentum of both Sandro and Maje. During this quarter, all three countries recorded good trends. In the US, sales showed a healthy increase supported by robust like-for-like performance, driven by a combined effect of higher prices and increased volumes. Mexico recorded sustained growth, confirming its dynamism over the period, and Canada was also positive, especially in the brick and mortar like-for-like network and also benefited from some network additions. Our store network saw seven net openings during the quarter in North America, and this is mainly due to new corners opening in Canada at Holt Renfrew, which offset some closures at Hudson's Bay earlier this year.

In Asia, sales reached 137 million in the first nine months, decreasing by 8.8% organic versus '24. The sales decrease is linked to the effect of the network optimisation in China, -65 stores in '24. After stabilisation of revenue in the like-for-like brick and mortar network in H1, we are back to positive like-for-like brick and mortar mid-single digits in Q3. This is a clear indicator that our action plan is bearing fruit, and the quality of our revenue is also improving as we reduce discount rate drastically in Q3 by eight points, which is twice as much as we did in H1. This has an impact on digital sales, but we are confident that this is the right path to enhance brand desirability. In the rest of Asia, sales remained resilient, with a positive trend, particularly in Malaysia and Thailand in retail and a good start in wholesale of new countries such as in India and Indonesia. We are also happy to have signed a new distribution contract in Korea, contract which will start next year with the summer '26 collection, we've been distributed in this very influential market for a long time and successfully, but we believe that partnering with the Samsung Group, which already distributes many luxury brands in this market, is a great opportunity for us to leverage the country's potential even further going forward.

Isabelle Guichot: Thank you, Patricia. Before we take our questions, a few words of conclusion, our main take outs that I wanted to highlight. I think that so far the year has been a year of consistency for SMCP with a very homogeneous performance quarter after quarter. And in such a complex environment, it is reassuring to deliver a steady and constant positive trend. It is all the more reassuring that it comes from like-for-like. In this respect, the

continuous effort and emphasis put on the reduction of discount both in brick and mortar and especially in digital is an essential part of this like-for-like increase, which enables the group to gain market share. By geography, I think it's fair to say that our performance in EMEA, with a record quarter and in America growing double digit, is outperforming the market and reflects the traction of our brands. As far as China is concerned, Q3 for me is very interesting. We see a very interesting inflection point with physical stores like-for-like back to positive again and with an impressive decrease of discount. The market continues to be uncertain, challenging, difficult to predict. This is why we continue quarter after quarter to deliver the implementation of our action plan in order to make the most of our geographical diversification, to elevate our brands, to improve the quality of our sales, and ultimately to limit our risk and regain profitability.

Before we conclude, a few words on our shareholding situation, a much-awaited topic I know from you all. As you know, the 16%, now 15.5 were returned to Luxembourg in mid-August and it is an important step in the process, obviously. Now the stakeholders have all the cards on the table to decide the next steps. That being said, we're not the sellers, so we cannot comment any further. Obviously, SMCP being a listed company, any formal step will be communicated to the market in full compliance with market rules. I thank you for your attention and we'll now take your question.

Patricia Huyghues Despointes: Thank you. Isabelle.

Questions and Answers

Operator: Ladies and gentlemen, if you wish to ask a question by phone, please dial Pound Key Five on your telephone keypad to enter the queue. If you wish to withdraw your question, please dial Pound Key Six on your telephone keypad. If you are attending the conference on the web, you can also ask a question using the form at the bottom of the page. The next question comes from David Da Maia from Circ IC. Please go ahead.

David Da Maia: Hi. Good morning. Two questions for me, please. The first one on your outlook for Q4. So you said you are confident to sustain your trajectory in the end of the year. So are you basically saying that you intend to maintain a positive organic growth in Q4 despite, I would say, higher comp, especially in France and APAC? And related to that, can you just give us some colour on the current trading? What have you seen, have you seen so far in October in your main markets?

The second question on profitability. I know it's a sales call and that Q4 will be key, but could you give us some indications on what to expect in terms of gross margin and OpEx development in H2, in the context of your continued focus on full price strategy as seen in Q3 and also your strict cost control approach? Thank you.

Isabelle Guichot: Thank you, David. I will first answer on the current trading. The trend you see in October is comparable to September for France and in line with Q3 for the other regions. In France, what I highlighted during the call is that the brick and mortar like-for-like is positive, and that the deliberate strategy to control the promotional activity of digital obviously has an impact on the top line, but it's also a deliberate move for our brand desirability and our margin protection. So all that we've said about the positive trend in America and EMEA and a positive like-for-like in physical storage in China is still valid. And that's all we can say at that point.

Patricia Huyghues Despointes: And as you mentioned, David, we won't comment a lot about profitability since this is a sales presentation; just to say that we continue all our efforts. You mentioned gross margin, and clearly the very massive and continuous decrease of discount is obviously helping. You mentioned the cost. We continue our efforts. So Isabelle mentioned in her conclusion that it's all about being regular and consistent. And this is true for sales. This is also true for P&L. I don't remember if you mentioned also the decrease of debt. And this is also something that we continue. So we are keeping the same direction in terms of profitability as we do for sales. Thank you.

Operator: The next question comes from Marie-Line Fort from Bernstein. Please go ahead.

Marie-Line Fort: Yes, good morning. Just want to come back on the like-for-like in APAC, just because you mentioned that China was back to a mid-single digit positive. And I don't understand why the like-for-like is not improving in Q3. What countries which are pushing down the like-for-like? That's my first question.

The second question is about US because you seems to keep good momentum there. What are telling you, your sales manager in the US, are they still positive in ordering or do they feel some decrease in consumer confidence there?

And the last question is about the optimisation of your network. Do you think that you have achieved your programme or have you still some closure, particularly in China, to handle over in 2026?

Patricia Huyghues Despointes: Hello, Marie-Line. I will take the first one just to give the precision. In APAC, the mid-single digit positive is for brick and mortar. And as you may recall, we also mentioned that the very strong decrease of discounts has affected digital sales. So this is why the total like-for-like is not improving yet, but the brick and mortar, which is a very important indicator for us is back from stable to positive. And I will leave it to Isabelle for the other two questions.

Marie-Line Fort: Just wanting to know how the digital channel probably is predominant in your sales.

Patricia Huyghues Despointes: No, no, it's not. No, no it's not predominant. It's even lower than the group average in terms of penetration.

Isabelle Guichot: But the impact of promotional activity on that channel is massive in China. Sorry for the - If we come to America, because you had you had a question, America, we benefit from a good resilience from the US economy for our brands. So far, there is no impact on the volumes. And we also benefit from the price increases that we passed early on this year and that have helped us really to navigate throughout the announcements. The region is also favourably impacted by Canada. Patricia mentioned that we opened with a whole trend through after closing HBC. So we have a good momentum. And Canada, which has impacted really negatively last year, is back to growth. So we don't have any particular concern in this region from the future - for the future. Sorry. And again, in this region, we also apply the full price strategy both in brick and mortar and in digital, which is again in that region highly promotional. And that also something that we're able to do in parallel with our retail execution.

Marie-Line Fort: I had a question also to know what your policy in terms of optimising your retail network for the end of the year

Isabelle Guichot: I think that we really somehow now we're no longer in the optimisation phase. Now we're more in a, I would say, back to normal activities where we constantly monitor our network. We don't have any - in China, it's been - our optimisation plan now is finished. It will be more a usual maintenance of the retail network like we do in all the other regions of the world.

Amélie Dernis: Thank you, Isabelle. If we don't have any more questions, we can wish you a good day. And thank you for your attention.

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