



**EURONEXT
CORPORATE SOLUTIONS**

SMCP 2025 Full-Year Results

Thursday, 26th February 2026

SMCP 2025 Full-Year Results

Isabelle Guichot: Good evening, everyone. Thank you all for joining us today. I'm pleased to present our annual results, with 2025 marking a year of solid performance, resulting in a clear inflection in profitability, ensuring that our strategic plan is delivering as expected.

Sales remained resilient in a complex global macroeconomic environment as we continue to optimise our network and maintain a strict full-price discipline. Performance is particularly strong in America and EMEA, which demonstrates the strength of our brands and the relevance of our strategy.

Profitability improves semester after semester, confirming that the action plans we implemented are bearing fruits, fully in line with our expectations. Throughout the year, we also maintained strong financial discipline, resulting in outstanding free cash flow generation and a significant reduction of our debt. This further strengthened our financial foundations. Based on the solid execution of 2025, we confirm our 2026 guidance.

With these important points in mind, let's move on to the detailed presentation of our results.

On page five, you can see that our full-year sales came in at €1,217 million, an increase by 1.7% organic and 2.1% like-for-like with a negative full-year FX impact, which is quite material, representing more than 1%. The second semester was stable on an organic basis, slightly negative in Q4 from consumption slowdown in France and network impacts.

Here are some of the key messages from this full-year sales publication.

The pursuit of full-price strategy with a minus 3-point discount rate, despite good comps and a challenging environment to reach 20% of average discounting season, which is an historically low level. Our digital share remains at a satisfactory level of 20%. The network decreased by 32 unit nets, out of which a decrease of 21 units in Q4 this year, because of the optimisation plan that we pursued this year, and the fact that we closed more than 25 corners BHV-SGM in France in November, which explains all the decrease of the network in Q4.

In the meantime, the expansion through partnerships continue with opening in new key markets such as Argentina or Chile.

Page six, you'll find our usual detailed bridge of sales evolution between '24 and '25. Like-for-like growth is at 2.1%, as I mentioned earlier and brought €20 million, driven mostly by Sandro and Maje in America and in Europe. The impact of the network optimisation, notably in China and for Claudie Pierlot, accounts for a loss of €17 million of sales compared to last year. The other usual network evolution comes from other openings, closing, and relocation.

Wholesale revenues increased by €22 million, aligned with our strategy, as mentioned earlier. And finally, we recorded a material FX headwind of minus €15 million, mostly on USD and CNY.

Page seven. You will find here the trends by region. Patricia will get in more granular details later on in the presentation, but I will give you few highlights.

By region, Europe gains 2 points versus last year, America 1 point. APAC decreases logically by 2 points from network optimisation, and France remains roughly stable. Nothing very different from what we disclosed in the previous quarters of '25.

By brand, no material change either. By channel, full-year wholesale share increases by 1 point, in line with our strategy. Retail network remains the largest part of our business with 90% contribution.

On page eight, you will find some of the key metrics of our P&L. Additional detail and bridges will follow, of course, in the course of the presentation. I will just probably highlight three messages. First of all, the gross margin ratio continues to stand at a very high level of 75% of revenue, a sound improvement by 0.7 points versus last year, which is the logical result of discount management.

Adjusted EBIT at €95 million represents 7.8% of sales. This is a strong improvement of more than 3 points versus last year, resulting from our action plan started in '24 and bearing fruits in profitability this year. All this leads logically to a positive net results of €17 million improving versus last year by €40 million, and we are happy to get back to green territory again.

Continue if I move to slide nine. Strong free cash flow generation of more than €90 million. I think this is an all-time high, and it leads to a decrease of debt by the same amount. Net debt lands below €150 million falling by 38% in only one year. This is a very good achievement in a particular adverse context. This achievement results from like-for-like improvement resulting in higher EBITDA, tight management of inventory and strict control of investments.

So this was for the big picture in terms of figures. And I will now move on to more qualitative and brand topics.

Page 10. We're happy to give you kind of a scorecard of our sustainability achievement for '25 and the biggest progress we made. First of all, SMCP received two major distinctions recognising the ambition and rigour in the climate policy. The Carbon Disclosure Project awarded SMCP the A-rating acknowledging the robustness of our climate strategy and actions. As a reminder, only 57 companies belong to this A-List in France, so this is a great achievement for us to be part of that selective crowd.

The SBTi initiative validated our Group's Net-Zero 2050 ambition following its approval in '24 of our 1.5 aligned greenhouse gas reduction pathway by 2030. Then the Group partnership was signed with the Chargeurs Luxury Fibres for the use of NATIVA regenerative wool sourced from farm in Uruguay, engaged in the transition towards regenerative sheep farming practices which aim to preserve soil health, biodiversity and animal welfare, while supporting local communities. We are very proud of that partnership that will be extended further in the coming years.

On the people side, we launch a collaborative engagement platform in France dedicated to our employee volunteering, and we launched also a caregiver employee policy in France.

I'm very proud of all those key achievements which all place our Group in the top category of responsible fashion actors.

Now, turning to the key initiative of '25 that illustrates the desirability of our brands and the elevation we're working on with the management and the creative director and the founders of each of our brands. I would like to highlight the Sandro new collection presentation held at the Bibliothèque Nationale de France at the Richelieu site. It was a very, very stunning presentation and some of the key photos are here. This exclusive event brought together media influencers

and partners who were in this event to discover the Spring Summer collection in an amazing place with an inspiring scenography. That day, timeless heritage met contemporary stuff.

Moving on to Maje now. Spring Summer collection presentation was done. Maje stepped outside its traditional setting, welcoming press, influencers, and partners to an immersive experience on a boat moored on the banks river. It was a very, very nice. And you have pictures here of the boat.

Page 13. Some illustration of a very elevated KOL strategy which is visible across Sandro and Maje. You have Cara Delevingne, Eva Longoria, Jisoo, Suki Waterhouse dressed with some pieces from our collections. And I think it illustrates the power and the elevation that our brands are conveying.

We continue with Claudie Pierlot and Fursac with the presentation of the Spring Summer '26 collection to the press for Claudie on the left side, and for Fursac some key influencers and key people that are also endorsing the brand. Really proud of those achievements.

Moving on to page 15. As explained during the beginning of that presentation, the commercial strategy, the expansion through partnership with opening of new countries and development in existing key markets in line with our target for reinforcing our network with partners. We opened 10 new countries this year, such as Argentina, Chile, India earlier, Philippines, Serbia, Georgia, Croatia to name a few. And we kept on developing in the regions where we already have partners such as the Middle East, for instance, Mexico or Korea. As you can see, this is a very interesting complement to our direct network.

I will now leave it to Patricia to go into more details in the figures, and I will drink a little water.

Patricia Huyghues Despointes: Thank you, Isabelle. Good evening, everyone. So let's have a look at sales on slide 17.

In France, revenue stood at €411 million, minus 1.6% versus last year. After a positive first semester, market conditions were tougher in the second one, especially in Q4, which had a high basis of comparison. We continued our full-price strategy, which supports profitability but limits growth, especially in digital channels.

The network was impacted by the closure of 49 units, half being BHV-SGM corners, which obviously had an impact on Q4 sales.

EMEA now, with sales at €430 million, 2025 was a record year for this region, progressing to 6.8% organic, driven by like-for-like growth, which was positive in almost all retail markets. Partners also reported excellent results during the year, especially in the Middle East and Turkey. The region recorded 29 net openings, reflecting our boost partner strategy.

In America on page 18. Sales at €193 million for the year are growing 10% organically. This strong trend on a high basis of comparison reflects continued Sandro and Maje's continued momentum. We saw a good like-for-like in the US and Canada, along with a reduction in the discount rate despite a challenging market environment. With partners, growth was particularly strong in Mexico and South America, is off to a good start.

Network now. The Group recorded a few adjustments in retail with the change of department store in Canada. And among the countries operated by partners, the opening of two new markets, Argentina and Chile, offset several closures in Mexico.

In Asia, sales stood at €183 million, 9% organic down versus the previous year. In China, the strategic plan is delivering as expected, with a full year like-for-like sales stabilising in brick and mortar. This was achieved through a strict full-price strategy, with a 5-point reduction in the discount rate, which continues to enhance brand desirability, although it weighed on digital sales.

In Southeast Asia, sales proved resilient, with a positive momentum in Vietnam, Malaysia and Thailand. Not much to say on the network, plus 4-point of sales in 2025, reflecting on the one hand, the end of the rationalisation in China retail and, on the other hand, the continued developments in other Asian markets, notably through partners.

I will now move to the P&L. On page 19, you can see the improvement of profitability in 2025 compared to 2024 to reach €95 million adjusted EBIT and 7.8% of adjusted EBIT margin. This increase represents a plus 80% growth in absolute value. Such an increase enables us to completely offset, and even more, the decrease of profitability that we had had in 2024. And as you can see on the left, all big lines are contributing with a significant improvement in gross margin, OPEX and D&A, demonstrating that the action plans bear fruit.

On the right, you also can see the sequential improvement semester after semester, putting us on track to reach our target of circa 10% adjusted EBIT margin in H2 '26.

On page 20, you can see the evolution of net debt versus '24. Roughly all the improvement in EBIT, i.e. circa €40 million, goes down to the equivalent improvement in net profit. A few comments on the various lines of the P&L. A slight increase in LTIP costs from better performance; an amount of non-recurring which is still quite significant with impairments on our two smaller brands, which are less diversified than the two big ones. Claudie Pierlot and Fursac depend more on France, where the current context is tougher.

All this is mostly non-cash. Out of the minus €31 million in this line, €30 million is non-cash. Financial results is improving. It would be even more impressive when you consider interest on bank debt improving by €5 million from lower debt, lower market rates and lower spreads. This is partly offset by some accounting technical IFRS entries, but I will not go into detail.

Income tax logically increases from much better pre-tax income, and all in all, net result lands at €17 million.

On page 21, let's talk now about balance sheet and cash. We are very happy with the free cash flow generation at €91 million. This is an all-time high, supported by both day-to-day operations with an improved EBITDA and also balance sheet management thanks to a strict control of inventories and CAPEX. Just like we did in recent years, we played on all the key drivers of cash, and after a strong H1, we did an even better H2 above our expectations.

For the full year, free cash flow increases by 85% in value compared to 2024, and we convert basically nearly all of our 2025 EBIT in free cash flow. So this is truly an exceptional year in this respect.

Page 22 is the mirror of the previous page. The €91 million free cash flow generation results logically in a similar decrease of net debt in absolute value, corresponding to circa minus 40% net debt. This cash generation enabled us to reimburse a big amount of financial debt. We repaid €15 million for the term loan, €47 million for the PGEs, state-guaranteed loan. We also

reimbursed the drawn part of the revolving credit facility, and we reduced the overdrafts, and all this while keeping the same amount of cash and cash equivalents.

So in the end, we land at €148 million net debt at the end of the year, which leads to a division by two of the leverage ratio from 2.6 times to 1.3 times in a year.

So this is it for the financials. And I will now hand over to Isabelle for a few words of conclusion.

Isabelle Guichot: Thank you, Patricia. As we just saw, the year was marked by a solid execution of our strategic plan, clearly translating into improved profitability and strengthened financial foundations. In a challenging macroeconomic environment, sales prove resilient throughout the year, despite a slowdown in consumption in the fourth quarter.

This disciplined execution, combined with tight financial management, resulted in a record level of free cash flow generation and a significant reduction in net debt, as Patricia just highlighted, further reinforcing the Group's financial strength.

Turning to '26, we are operating in a challenging current trading environment. The macroeconomic context remains uncertain and the consumer environment has been challenging in the first weeks of the year, whether climate wise or political wise. In this context thanks to continued disciplined execution, we confirm our full year guidance with an adjusted EBIT margin progressing in '26 to reach around 10% expected in the second half of '26, and free cash flow generation of €50 million for the year.

In conclusion, we are confident in the resilience of our business. Our strategic initiatives are progressing well, and we are well positioned to meet our targets. We thank you for your attention.

Before I hand it over to the Q&A, just a word. As you know, GLAS and the Curator have launched a sales process at the end of '25, and we will update you in due course, as we always do. Thank you.

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 chat box at the bottom of the page. The next question comes from Marie-Line Fort from Bernstein. Please go ahead.

Marie-Line Fort (Bernstein): Yes. Good evening. Congratulations for a very good set of results, particularly the deleveraging. I will start by this topic. Do you think you still have some room to optimise your inventories for 2026, or is it more cautious to expect a normalisation at this level?

Second question is about gross margin. You are still improving gross margin rate in 2025 while you have a part of sales in wholesale business, which probably weighed on your gross margin. Do you think that you have also still an upside on that metric?

And lastly, is on China. A bit disappointed by the trend in Q4. Could you tell us what is the outlook for 2026? After the strong rationalisation you made in '24-'25, do you think that you could have more potential on this area now?

Patricia Huyghues Despointes: Okay. Thank you, Marie-Line. I will take the first two. The first one about inventories, and that's clearly a good question. In 2025, we successfully cleared old collections. We also worked on an ongoing basis across the Group and with the brands, and particularly with the production teams, to optimise the stock commitment, timing, reduce the number of references developed. And we observed the reduction in inventory across all brands.

I think we have reached quite a sound level and you're completely right in your analysis. And in 2026, we expect more stabilisation of inventories in value or very limited growth. But yes, it's about normalisation.

On gross margin, so we improved by 0.7 points in 2025. We are supported by the improvement of discount rate. It's a very high level. There is a slightly dilutive aspect of wholesale, but which is minor because it's only 10% of the revenue and it's relative from an EBIT point of view. If we go back to gross margin ratio, we of course always can slightly improve. But let's say that 75% is a sweet spot that we like and we will do our best to maintain or slightly improve. But don't expect too much on that. I think other improvements will come more from absorption of what is below.

Isabelle Guichot: I would maybe answer on China. What do we see in China? Traffic in the malls are still soft and the market is still hard to predict, but the beginning of 2026 is difficult to read at this stage, mainly due to the shift in calendar in the Chinese New Year between January and February. We are seeing a clear and encouraging improvement in February with a like-for-like performance in brick-and-mortar in line with our expectations, I would say, since the beginning of the year.

Beyond top line, we also continue to consolidate the financial situation of our operation in these regions. Our brands in China are much more solid and sound than they were two years ago. We strongly reduce discount, we streamline our costs, and the improvement of the financial situation was massive in '25. So our goal is to keep on working on these grounds for 2026.

Marie-Line Fort: Just a question to add, if I may. Is China below the average Group level in terms of margin?

Isabelle Guichot: Do you mean gross margin or EBIT margin?

Marie-Line Fort: EBIT margin?

Isabelle Guichot: Yes, it's still below the average of the Group. But we did a massive improvement in the situation in 2025.

Marie-Line Fort: Okay. Thank you.

Operator: The next question comes from David Da Maia from CIC CIB. Please go ahead.

David Da Maia (CIC CIB): Hi. Thank you for taking my question. So I have two questions. The first one on France. So you mentioned a challenging environment in the first weeks of the year. It would be great if you can give us some indication of how the year started in your domestic market, as I have seen some market data showing rather weak sales period in January. So that's the first question.

And the second one on your '26 target. So you expect to reach a 10% adjusted EBIT margin in H2. In this case, should we anticipate a continuation of the sequential improvement in your profitability semester after semester to reach that target?

And maybe a third one, sorry, in terms of retail network optimisation. So are you planning more store closures this year? Should we expect a still negative impact on your organic growth in '26 coming from your most recent store closures? Thank you.

Isabelle Guichot: Thank you, David. I will answer to your first and last question, and will hand it over to Patricia on the middle one.

France, in line with what we saw in Q4, consumption remains cautious impacted by also a rather depressing weather conditions, I would say, for the first weeks of the year. We are clearly waiting for spring in the middle of the year to gain better visibility on demand trends. That being said, we remain confident in the strength and appeal of our collections and in our market shares. And it's important to highlight that they remain broadly unchanged, our market shares.

Also if you keep in mind that also in Q4 we decided to pull out BHV-SGM network. So that impacted minus 25 stores that we closed in November. So that's somehow mechanically impacted the sale in France. And this was done to maintain brand visibility and also brand status. So that also has an impact that we have to factor in, in France.

Then on your question about the network optimisation. I think that now China has done, as we mentioned, we did that move in France that was across brands. We also optimised Claudie Pierlot's network in France recently to better focus on execution. And so now we enter more the phase of regular maintenance of our network without those big hiccups or bumps that just meant that were dealt with in the last two years.

Patricia, do you want to add something?

Patricia Huyghues Despointes: Yeah, on the margin EBIT margin for H1. Well, I think you don't want to be more granular, David, than what we have already provided. I think that the improvement achieved in '25 confirms how serious we've been in addressing profitability topics. We will, of course, continue with those efforts.

Now, it's often the case when H1 is less profitable than H2 for seasonal reasons. So we won't go in more detail on H1.

We have received a question in the chat, so I will read it to you. It's actually three questions. How could you explain your apparent high tax rates, 42%, if my calculation is correct?

So thank you for this question. We have a high effective tax rate, coming from mostly two impacts. The first one is the CVAE, which is a French tax. The value of which is not exactly proportional to the pre-tax income. So it weighs on the ETR. And the second one is that the impairment on goodwill is not tax deductible.

Second one, other charges and expenses are €31 million. Do you expect this will be finished in '26?

Well, this is the result of impairment tests that we do each year. So it's by definition non-predictable. You say in the press release, exceptional costs are related to a potential transaction. We mentioned this on free cash flow generation. I'm very surprised what could

be discussed. Well, it's no secret that we are on sale. So if a transaction happens, we may have to pay some lawyers and bankers, and this is what it refers to.

Isabelle Guichot: And then, there is another question from Alexandre Casas also about the fact that fragrance, mentioning that other textile group like Lacoste is doing very well with Interparfums. What are the reasons that you could not be doing the same with Interparfums in '26 or '27?

We have approached Interparfums, that was not ready to launch new brands in the coming two years. So it's still a project that we're working on. We have a question, some other fragrance makers about potential launch. But for the time being, a lot of fragrance makers are reluctant, in the present situation, to launch fragrance. But we might have some options in the coming years.

Operator: The next question comes from Michael Niedzielski from ROCE. Please go ahead.

Michael Niedzielski: Hi. Well, first, congrats on the results and a really good free cash flow generation and deleveraging. That's great. My first question actually is on your guidance on the free cash flow for 2026 of €50 million. Should we do this as a minimum? Because I think about it, your margins are expected to go up, even if I give you zero credits for working capital inflow, as you've had in 2025 or 2024 and even some working capital outflow and if I keep the level of CAPEX relatively stable, even up a bit, I do end up with a free cash flow that is substantially higher than €50 million. So I was wondering if you could help me to reconcile the €50 million guidance, or if we should view that as a minimum? That'd be helpful.

And my second question, which is linked to the first one is, obviously your debt is coming down quite a bit, quite quickly. Any opportunities to lower the financial costs over the next two years as a result of a much lower debt level? Thank you.

Patricia Huyghues Despointes: Thank you, Michael. The first one, and I was expecting this one. So I think that's a good problem to have to be considered a bit prudent on free cash flow generation. We maintained this guidance of €50 million, despite the fact that we did better in 2025. If you look at the conversion of pre-IFRS EBITDA, the conversion in 2025 is really exceptional and cannot be repeated.

Actually, in 2026, we anticipate inventories, as I said earlier, to stabilise or increase a little bit. And we also anticipate CAPEX to increase as well. So this is why, at that stage, we prefer to remain cautious about that.

The second one was the financial cost, yes.

Michael Niedzielski: Yeah.

Patricia Huyghues Despointes: So when you look at the financial results, keep in mind that half of the financial net result is IFRS 16 accounting entries. So it's theoretical interest on rental and lease debt. Okay?

Michael Niedzielski: Yeah, no, I was more talking about the cash flow.

Patricia Huyghues Despointes: Yeah. The pure interest on bank debt is much lower than that. And will it decrease? Yes. And for a very simple reason, which is that, as I explained earlier, we draw much less on overdrafts, we draw much less on RCF. And these were the two

more costly lines of our financing. The term loan and the state-guaranteed loan are relatively not expensive financing. So yes, it will continue to decrease.

Michael Niedzielski: Okay. Well, that's great.

Isabelle Guichot: Thank you, Patricia.

Patricia Huyghues Despointes: We have one in the chat about the tariffs in the US. So how can you estimate the impact on cost and your views about that?

Isabelle Guichot: Thank you. As you can imagine, we're navigating in the dark as we speak. We've obviously started crunching numbers based on the recent announcements. From what we understand – just as a reminder, the impact of US tariffs on cost was limited in '25. This will be more a topic for this year. Let's see how it all stabilises and lands after the recent decision announcement. A flat 15% worldwide is, as we calculated so far, a little less impactful than the previous scheme due to our production mix.

And as you remember, we passed a mid-single-digit increase in May '25 on our retail prices in the US and we're right to do so. So for the time being, we're calculating what might be somehow a more favourable scheme than the existing one. Slightly more. But this is really to be taken with a lot of precautions.

Patricia Huyghues Despointes: Thank you, Isabelle. We received another one. Let me read it. What are your expectations on Claudie Pierlot and Fursac for 2026, stabilisation or decrease in sales?

Isabelle Guichot: I mean, you know that we've done a big work on those two brands. So we're expecting more stabilisation after all the revamp, the optimisation of network that's been done on those two brands. Let's note that those two brands are very dependent on France, and that's something that needs to be noted. And that also they were impacted by the BHV and SGM closings. But overall, it's brands that are working on stabilisation and it's part of our ambition for '26.

Patricia Huyghues Despointes: Thank you, Isabelle. So thank you, everyone, and we wish you a good evening and thank you for your attention.

Isabelle Guichot: Thank you very much.

Patricia Huyghues Despointes: Bye-bye.

Isabelle Guichot: Bye.

[END OF TRANSCRIPT]