

SMCP

sandro • maje • claudie pierlot • fursac

2026 H1 Results

Tuesday, 28th July 2026

2026 H1 Results

Operator: Welcome to the SMCP 2026 Half-year Results Presentation. For the first part of the conference call, the participants will be in listen-only mode. During the questions-and-answers session, participants will be able to ask questions by dialling pound key five on their telephone keypad.

Now, I will hand the conference over to the speakers to begin today's conference. Please go ahead.

Amélie Dernis: Thank you. Good afternoon, everyone. Thanks for being with us today for the publication of SMCP half-year results. I'm here with our CEO, Isabelle Guichot, and our CFO, Patricia Huyghues-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 will 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, and good evening, everyone. Thank you all for joining us today for these first half results. Overall, H1 confirms that we are executing our strategic plan well and our business model continues to strengthen quarter after quarter. Here are the three key messages I would like to draw your attention to today:

First of all, we delivered positive top-line growth despite a still very challenging consumer environment while remaining disciplined on our strategy of lower discount rates.

Second, margin and profitability continue to improve significantly, reflecting both the strength of our business model and the impact of the initiatives we've implemented over the past two years, and it is a very satisfying result for us.

Third, we maintained a strong financial discipline with continued focus on cash generation, cost management, and deleveraging, and that shows in the numbers that you have on that slide. Based on this solid first half performance, we are confirming our 2026 guidance: an adjusted EBIT margin of around 10% in the second half and €50 million of free cash flow generation for the full year.

Let's move a little bit more in detail on the semester. On the next page, you can see that our first-half results came in at €597 million, up 0.6% organic and 1.6% like-for-like. I would say that the key message this semester is the improving momentum after a slightly negative first quarter. Sales accelerated in Q2, up 2% organic and 4% like-for-like, which is very satisfying for us. On a two-year stack, our like-for-like network was up 6% in Q2.

A few points I would like to highlight: Of course, the growth was supported by America, EMEA, and APAC, with a particularly dynamic performance from Maje, while Sandro pursued a very solid trajectory. We remain fully committed to our strategy of discount management – I mentioned it earlier – with a reduction across all regions by around two points versus last year. And this is absolutely key in the protection of our margins. And finally, the network stabilised in Q2 after a decline seen in Q1, supported by continued expansion through our partner network. We ended the period with 1,589 points of sale, a net increase of two units during the quarter.

Page six now, you have the detailed bridge of our sales evolution between H1 2025 and H1 2026. What is worth mentioning is the like-for-like growth, positive at plus 1.6%, contributing an additional €9 million, which demonstrates the underlying resilience of our businesses. The network evolution accounts for a decrease of about €11 million. You know that more than two-thirds of that drop is explained by the closure of the BHV and SGM network in France, and the Saks closure last year. Wholesale continued to grow, adding almost €6 million to our performance, fully in line with our strategy. And finally, we recorded foreign exchange headwinds of around €7 million. So, you can see that bridge, which really shows our ability to mitigate with like-for-like the decrease of the network, and with wholesale the FX impact. We're really happy about that ability for us to grow sales in a very healthy way.

Moving on to page seven, trends by region. Patricia will come back into more detail and granularity later on in the presentation. A few highlights: The semester was driven by strong dynamics in America, up 11% organic, and EMEA up 7%. APAC confirmed its return to growth, up 2%, and like-for-like at 3%, which is a very interesting result for us. While France remained impacted by a tougher environment, down 11%, coming from network contraction, of course, and other impacts for half of the variance, and with like-for-like at minus 5%. By brand, with a good dynamic, Maje gained two points versus last year. And by channel, in line with Group strategy, wholesale gains one point versus last year, which is 12% of the global contribution.

A few elements on the next page on the key P&L figures for the semester. Additional details will follow in the course of the presentation. Four messages, if I may: Management gross margin reaches an outstanding level of 76%, improving by 1.7 points versus last year, thanks to overall work from all the teams, from initial margin to retail margin, wholesale margin, full-price strategy. I think it's been a big ambition for the organisation, and that has delivered that outstanding performance. Adjusted EBIT margin reaches 8.9%, up 1.8 points versus the first half of last year, also very satisfying for us. This puts us firmly on track to reach our H2 '26 target. Net income increases strongly by more than 50%, mainly driven mechanically by the EBIT progression. And our financial leverage reaches a record level of 1.1x, with net debt down €61 million versus one year ago. That puts us now really at a very, very satisfying level of leverage.

So, a strong semester across all key indicators, fully supported by our strategic action plan. I will now move to more qualitative and brand topics. I think it's important that we also mention our CSR achievements. It's a strategy on which we are really eager to keep on progressing across our four brands. We continue to expand the use of recognised certifications, such as GOTS (certification on organic fabrics), GRS (about recycling materials), RWS (which is certification for wool, which is an important raw material in our collections), and finally, Organic Content Standard. So, I think it's maybe something that we don't stress so much in financial publications, but I would say that it is also an underlying strategy for everyone in the organisation, and we are really proud to show those certifications. These labels provide customers with greater visibility on the origin and traceability of the materials used in our products. This is an important step in making our sustainability commitments more concrete, more transparent, and easier for customers to understand. It also reflects the progress we're making in increasing the use of certified fibres across our collections and in strengthening the standards applied throughout our supply chain.

A few brand desirability initiatives: I will start with Sandro. Sandro, two initiatives I would like to highlight: The reopening of the flagship store in Paris on Rue des Francs-Bourgeois in the heart of the Marais, with a renewed and elevated store concept implemented in both our women and men's stores, and which perfectly showcases the collections. Second, you know that Sandro partners with Maison Mode Méditerranée for a prize aiming at recognising savoir-faire and craftsmanship in textiles. This year, the winner is Joana Duarte, a Portuguese designer, for her work on denim around innovation and durability, and she's collaborating with the brand on a few initiatives.

Next page, Maje initiatives: Maybe we can highlight the collaboration of Maje with the Spanish, highly influential figure Blanca Miró. This capsule collection with a sunny Mediterranean spirit generated strong engagement and perfectly reflects the brand identity. You can see it in stores these days if you have the chance to enter a Maje store.

Next page, some KOL initiatives: It's always important also to have our products worn by key opinion leaders. So you will see for Sandro: Chris Pratt and Scott Speedman, Poppy Delevingne for Maje, or Diane Kruger at the Cannes Film Festival. This is an enduring strategy for the brand, and it's just something that we monitor very closely.

Claudie Pierlot and Fursac: Next page, for the Fall/Winter collection, Claudie was animated with an elevated content strategy, notably alongside a few influencers like Caetana Botelho Afonso and Rita Montezuma. It's that point de croix capsule, which is a cross-stitching capsule which is also presently in store and very interesting. For Fursac, we pursued a KOL strategy with personalities such as César de Rummel from the French music group Offenbach, and Paco León, the Spanish actor and movie director. They are also endorsing some tailored pieces from Fursac.

I will now leave it to Patricia to go more into detail into the figures, and I will come back for the conclusion.

Patricia Huyghues-Despointes: Thank you, Isabelle. Good evening, everyone. So sales by region on slide 15, with France and EMEA first, as usual.

In France, sales stood at €185 million, down 10.8% organic. The drivers of the second quarter were similar to Q1, which led to a first half of the year affected by soft consumer demand, especially in provincial stores, a negative perimeter effect, and more limited liquidation activities compared to last year. However, as you can see on the graph on the right, the trend somewhat improved in Q2 with like-for-like sales recovering: minus 7% in Q1 and minus 2% in Q2, such like-for-like being in line with market indices. We continued our margin strategy with a two-point reduction in the average discount rate. And in the network, we closed nine points of sale in Q2, mostly less profitable stores.

In EMEA, sales reached €218 million, plus 7% organic. Interesting to see a plus 5% in Q1 and an acceleration of plus 9% in Q2, coming mostly from strong like-for-like, which was positive in nearly all retail markets driven by Southern Europe and also Germany. But we also saw solid momentum with partners, notably in Eastern Europe, and the performance in the Middle East, which was, I would say, more than resilient. The region added 13 points of sale, both in retail and in wholesale.

On page 16, America: Sales reached €98 million, up 11% organic. So, once again, a strong trend driven by good momentum at both Sandro and Maje. In the US, retail sales grew in Q2, and it's worth noting that it was coming from both robust like-for-like growth in volume and price and also both in physical and digital. Canada grew double digits, both brick-and-mortar and digital. And wholesale continued to support the trend with successful development in Mexico and also in South America.

In APAC, sales stood at a very similar level, €97 million, up 1.9% organic, confirming the return of the region to growth driven by like-for-like at plus 3%. Most of our directly operated countries grew on a like-for-like basis. In Greater China, we recorded positive growth both in brick-and-mortar and in digital in the context of a strict full-price and margin strategy with a four-point reduction in the average discount rate, which continues to support brand equity. And we saw also resilient trends across the rest of Asia with strong growth in Malaysia, Thailand, and Vietnam. The network was slightly down, five points of sale, a few in China and a few in New Zealand.

On page 17, I will now move to profitability. As you can see on this slide, which is, I would say, quite self-explanatory, adjusted EBIT reached €53 million in the first half, up 25% versus last year, and representing 8.9% of sales in the semester, i.e., an improvement of 1.8 points from H1 '25 to H1 '26, which you can see on the arrow on the graph. You can see that there is another arrow at the bottom, and I think it's good to take a step back and look at the trajectory over the past two years, and the progress is particularly striking. Our first half EBIT has increased by €34 million compared to H1 2024, with a margin that has improved by 5.7 points in two years. As you may remember, H1 2024 was when we launched our action plan for profitability, and at that time we had indicated that we were aiming at improving EBIT by €25 million between '24 and '26, and only in H1 we have delivered much more than the target. So, this steady improvement semester after semester demonstrates the effectiveness of this strategy and puts us firmly on track to achieve the ambition of around 10% adjusted EBIT margin in the second half of 2026.

On page 18 now, you can see the evolution of the net profit versus last year. LTIP costs increased from better operational performance. Non-recurring expenses include impairment of stores and goodwill for Claudie Pierlot, with no impact on cash and for an amount which is not materially different from last year. Financial results improved thanks to a lower level of bank debt, and excluding IFRS 16, net financial interest expenses decreased by a third. And income tax logically increases from a higher pre-tax income. Finally, net result lands at nearly €17 million, a progression of €5.8 million compared to last year, i.e., more than 50% improvement.

So, let me finish with cash and debt on page 19. Our net debt keeps decreasing. You see that basically it was divided by two in two years. And the leverage ratio reaches its lowest level ever at 1.1x compared to 1.9x one year ago. This is driven both by EBITDA growing 6% year-on-year and net debt decreasing 30% year-on-year – so, roughly a €60 million improvement in 12 months. You know that our target is to deliver €50 million free cash flow for the 2026 full-year. We expect this to happen mostly in the second half. In the first half, we generated €3.5 million with inventories and CAPEX stabilising to support the business in a timely manner, which is a bit different versus last year as we had registered a decrease both in CAPEX and inventories versus the prior year. We had announced that and it was fully expected. Compared

to last year, we also have a temporary timing difference regarding working capital and supplier payments and cash collection. It's only anticipated payments in June to suppliers compared to July last year. This timing difference, as we speak, has already reversed. Finally, on financing, we extended our term loan and RCF by one year. So, it's now due in May 2028 and not May 2027, which has strengthened the liquidity of the group. We have a substantial headroom of more than €150 million of liquidity if we take into account undrawn RCF and also overdrafts.

So, this is it for finance. I now hand over to Isabelle to conclude this presentation.

Isabelle Guichot: Thank you, Patricia. As a conclusion, I would say that the first half confirms the execution of our strategic plan, with the key takeaways that you can find on this slide reflecting positive messages on sales, profitability, cash, and debt. All this enables us to consider that this first half was solid and to confirm our 2026 guidance on adjusted EBIT margin and free cash flow generation. I'm really confident in the strength of our businesses and in our ability to keep on delivering our strategic roadmap.

Before taking the questions, a traditional update on the sales process of the SMCP shares: I know how impatient you all are to have more precise updates, but several discussions are ongoing with interested parties. So, as you can imagine, today I cannot comment further. We will update the market of any material development in due course.

[END OF TRANSCRIPT]