

SMCP

sandro maje claudie pierlot



2018 Third quarter

Press release - Paris, October 30th, 2018

Continued strong momentum: sales up +14%¹

- Third-quarter sales up +14.0% at constant currency at €247.7 million (+13.8% reported)
- Robust international growth, up +23.6% at constant currency driven by APAC and the Americas
- Good performance in EMEA and strong resilience in France: a solid quarter despite high base of comps and unfavourable weather conditions
- Continued progress on strategic growth levers with a dynamic performance on accessories, men and digital
- Openings roadmap on track to reach 2018 objective : 58 DOS net openings in the first 9 months
- Full-Year guidance confirmed

Commenting on the report, Daniel Lalonde, SMCP's Chief Executive Officer, stated: "We are pleased with our third quarter results as the Group registered double-digit growth in all international regions and continued to deliver on its network expansion roadmap, with key openings in major cities throughout the quarter. This performance was achieved on the back of high comparable bases. We are especially satisfied with the good performance in Europe and the strong resilience of our business in France despite a tough market impacted by adverse weather conditions. Once again, we have demonstrated the robustness of SMCP's business model, thanks to the great work of our talented and passionate teams constantly working on further building the desirability of our three brands."

€ million except %	Q3 2017	Q3 2018	Cc. sales growth	Reported change	9M 2017	9M 2018	Cc. sales growth	Reported change
Sales by region								
France	89.7	89.6	-0.1%	-0.1%	276.6	276.6	+0.0%	+0.0%
EMEA ²	68.6	77.8	+13.5%	+13.4%	198.0	223.3	+13.9%	+12.7%
Americas	22.6	32.5	+41.8%	+43.5%	74.9	92.7	+32.6%	+23.9%
APAC ³	36.7	47.8	+31.0%	+30.2%	107.0	148.4	+43.8%	+38.6%
Sales by Brand								
Sandro	108.2	118.9	+10.0%	+9.9%	325.3	361.8	+13.5%	+11.2%
Maje	81.8	98.4	+20.6%	+20.3%	249.7	288.1	+17.8%	+15.4%
Claudie Pierlot	27.6	30.4	+10.1%	+10.1%	81.5	91.1	+12.4%	+11.8%
TOTAL	217.7	247.7	+14.0%	+13.8%	656.6	741.0	+15.0%	+12.9%

¹ At constant currency (cc.)

² EMEA covers the Group's activities in European countries excluding France (mainly the United Kingdom, Spain, Germany, Switzerland, Italy and Russia) as well as the Middle East (including the United Arab Emirates).

³ APAC includes the Group's Asia-Pacific operations (mainly Mainland China, Hong Kong, South Korea, Singapore, Thailand and Australia).

2018 THIRD QUARTER SALES

In the third quarter of 2018, consolidated sales reached €247.7 million, up +14.0% at constant currency. Reported sales stand at +13.8%, including an almost neutral currency impact of -0.2pts. This good performance reflected a strong contribution of like-for-like growth, in line with expectations, and the continued expansion of the store network.

Over the last twelve months, SMCP net openings reached 118 points of sale, including 88 directly operated stores, perfectly in line with the roadmap. This includes net opening of 32 points of sale in Q3 2018 of which 21 in APAC, 11 in EMEA and 5 in the Americas. Meanwhile, in France, SMCP has pursued the optimisation of its network through targeted closings and qualitative investments.

Strong regional dynamics

In France and EMEA, SMCP generated robust growth despite high comparable basis and unfavourable weather conditions.

- **France** showed strong resilience in light of an exceptionally poor market: the Group registered a -0.1% sales growth at constant currency whilst the French market was negative (IFM: -6.5% in Q3), resulting in meaningful market share gains.
- **In EMEA**, SMCP delivered a good performance at +13.5% at constant currency, notably driven by double digit growth in all four key strategic markets (UK, Germany, Italy and Spain).

In the Americas, the Group registered outstanding growth (+41.8% at constant currency), supported by solid underlying trends and a low basis of comparison.

In APAC, the Group continued to show a strong momentum at +31.0% at constant currency, in line with expectations. This performance was driven both by like-for-like growth and the store network expansion, confirming the strong desirability of the three brands.

Double-digit growth across all brands

Sandro posted a solid growth of +10.0% at constant currency, reflecting solid progress on accessories and digital, as well as its continued development internationally where the brand performed strongly. Over the last twelve months, Sandro recorded +33 DOS net openings including Pacific Center in Vancouver, the Venetian mall in Macao and Raffles City in Singapore.

Maje recorded an excellent performance with sales growth reaching +20.6% at constant currency. The brand pursued its international development with +34 DOS net openings over the last twelve months, including key stores in Verona (Italy) and the APM mall in Beijing. In September the brand also opened its US flagship at the iconic Rockefeller Center in New York.

Finally, **Claudie Pierlot** posted a +10.1% increase at constant currency in the third quarter. Over the last twelve months the brand expanded its international footprint in APAC as it unveiled +22 new directly operated stores (net) including Beijing (Joy City mall), Guangzhou (IGC Mall) and Nanjing (Deji Plaza Mall).

2018 SALES GUIDANCE CONFIRMED

SMCP will continue to roll out its long-term strategy, leveraging all its growth levers. This includes like-for-like growth, by growing its core business, accelerating accessories, men and digital as well as store expansion in strategic international markets.

As a retail pure player, supported by a unique execution model blending the codes of luxury and fast fashion, SMCP is well-positioned to capture growth and pursue market share gains.

For the year 2018, SMCP anticipates another year of profitable growth, targeting a sales growth above +13% at constant currency. The Group also foresees a continued expansion of its adjusted EBITDA margin at around 17%.

FINANCIAL INDICATORS NOT DEFINED IN IFRS

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

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.

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 at December 31 for the year N in question).

Adjusted EBITDA and adjusted EBITDA margin

Adjusted EBITDA is defined by the Group as operating income before depreciation, amortization, provisions and charges related to share-based long-term incentive plans (LTIP). Consequently, Adjusted EBITDA corresponds to EBITDA before charges related to LTIP.

Adjusted EBITDA is not a standardized accounting measure that meets a single generally accepted definition. It must not be considered as a substitute for operating income, net income, cash flow from operating activities, or as a measure of liquidity.

Adjusted EBITDA margin corresponds to adjusted EBITDA divided by net sales.

METHODOLOGY NOTE

Unless otherwise indicated, amounts are expressed in millions of euros and rounded to the nearest million. 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 on the basis of rounded amounts.

DISCLAIMER: FORWARD-LOOKING STATEMENTS

Certain information contained in this document may include projections and forecasts. These projections and forecasts are based on SMCP management's current views and assumptions. Such 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.

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For more information regarding these factors, risks and uncertainties, please refer to the information contained in the documents filed with the French Financial Markets Authority (Autorité des Marchés Financiers - AMF) as part of the regulated information disclosure requirements and available on SMCP's website (www.smcp.com).

A conference call to investors and analysts will be held by Daniel Lalonde, CEO and Philippe Gautier, CFO and Operations Director from 9.00 a.m. (Paris time).

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

ABOUT SMCP

SMCP is a global player in the apparel and accessories market with three distinct contemporary Parisian fashion brands, *Sandro*, *Maje* and *Claudie Pierlot*. End of 2017 SMCP brands are present in more than 1,300 points of sales in 39 countries. 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 was founded in 1984 by Madame Claudie Pierlot, and acquired by SMCP in 2009. SMCP is listed on the regulated market of Euronext Paris (compartment A, ISIN Code FR0013214145, ticker: SMCP).

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