SMCP
sandro maje claudie pierlot

2018 Full Year Sales
Press Release – Paris, January 28th, 2019

Strong double-digit sales growth in 2018, +13.0% at cc., in line with upgraded FY guidance

SMCP reaches further milestone with sales exceeding €1bn

2018 adj. EBITDA margin guidance confirmed

- Very dynamic double-digit sales growth in 2018 of +13.0% at cc.[1] (including a solid +3.7% LFL sales), in line with upgraded full-year sales guidance
- Significant acceleration in digital in 2018 at 14.7% of sales (+260bps vs. 2017)
- Strong resilience in Q4 18 with sales up +8.1% at cc. standing at €276.1 million (+7.9% reported) despite unprecedented market headwinds:
- Dynamic year of openings with +134 POS, of which +102 net DOS, exceeding the annual objective
- Confirmation of full-year 2018 guidance on adj. EBITDA margin at around 17%

Commenting on the report, Daniel Lalonde, SMCP's Chief Executive Officer, stated: "*With double-digit sales growth in 2018, SMCP posted a remarkable performance and continued to deliver on its strategic roadmap. In the space of four years, we have completed an outstanding achievement: doubling our sales to reach the €1bn milestone. Our performance throughout the year, and more particularly over the last quarter, demonstrates that SMCP is built on strong foundations and further illustrates the resilience of our business model in the midst of unprecedented market headwinds. I would also like to place a special emphasis on our significant progress in digital: it has been growing consistently and strongly over the past years and now represents nearly 15% of our total sales. I want to thank our teams across the world, whose passion and commitment have made this performance remarkable in a tough context.*"

[1] *At constant currency*

€ million except %	Q4 2017	Q4 2018	Cc. sales growth	Reported change	FY 2017	FY 2018	Cc. sales growth	Reported change
Sales by region								
France	100.2	98.3	*-1.9%*	*-1.9%*	376.8	374.9	*-0.5%*	*-0.5%*
EMEA[2]	76.7	82.3	*+7.2%*	*+7.2%*	274.7	305.5	*+12.0%*	*+11.2%*
Americas	32.7	41.5	*+25.7%*	*+26.8%*	107.6	134.2	*+30.4%*	*+24.7%*
APAC[3]	46.2	54.1	*+18.2%*	*+17.1%*	153.2	202.4	*+36.0%*	*+32.2%*
Sales by Brand								
Sandro	131.0	138.8	*+6.1%*	*+5.9%*	456.3	500.6	*+11.4%*	*+9.7%*
Maje	93.2	103.3	*+10.9%*	*+10.8%*	343.0	391.4	*+15.9%*	*+14.1%*
Claudie Pierlot	31.5	34.0	*+7.9%*	*+7.8%*	113.1	125.2	*+11.1%*	*+10.7%*
TOTAL	**255.8**	**276.1**	***+8.1%***	***+7.9%***	**912.4**	**1,017.1**	***+13.0%***	***+11.5%***

Unaudited figures

2018 FULL-YEAR SALES

In 2018, consolidated sales were €1,017.1 million, up +13.0% at constant currency, in line with the upgraded full-year guidance. The sales growth included a solid like-for-like sales growth of +3.7%, despite challenging market conditions in the fourth quarter. Full-year reported sales were up +11.5%, including a negative currency impact of -1.6% reflecting the appreciation of the euro.

Over the last twelve months, SMCP net openings reached 134 points of sale, including 102 directly operated stores, above the annual target. These openings took place in all international regions with 59 POS in APAC, 49 in EMEA and 19 in the Americas.

The year 2018 also marked a significant acceleration in digital, as digital sales now represent 14.7% of total sales, a figure that has been consistently growing over the last five years.

2018 FOURTH QUARTER SALES

In the fourth quarter of 2018, consolidated sales reached €276.1 million, up +8.1% at constant currency, a performance that shows the strong resilience of the business model in a challenging environment. Reported sales stood at +7.9%, including an almost neutral currency impact of -0.2%.

Sales breakdown by region

In the fourth quarter, SMCP experienced a strong momentum in the Americas and APAC regions, as the desirability and the awareness of its three brands continues to grow in both regions:

- In the Americas, the Group registered a very strong sales growth (+25.7% at constant currency), above expectations. This performance notably reflects a solid execution of the digital strategy in the US with a penetration rate now standing firmly above 25% of sales, the positive results of the renovation plan launched at the end of 2016 in all stores at Bloomingdale’s and the favourable start of the recent openings.

[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).

- In APAC, the Group posted a strong double-digit sales growth of +18.2% at constant currency on top of a high base of comparison. This performance was notably driven by mainland China which generated over +20% of sales growth.

Meanwhile, SMCP showed a solid resilience in Europe despite unprecedented market headwinds:

- In France, sales were down -1.9% affected by the yellow vests which led to store closures and lower in-store traffic from mid-November onwards. This has been partially offset by stronger results on e-commerce.
- In EMEA, sales were up +7.2% at constant currency as the exceptionally warm temperatures delayed the transition towards the Fall/Winter collections across most territories. Consequently, sales growth showed a sequential improvement throughout the quarter.

Sales breakdown by brand

Sandro registered +6.1% of sales growth at constant currency, on top of a high base of comparison. This performance was impacted by higher temperatures in Europe as outerwear represents a key component of the brand's Fall/Winter collections. Over the last twelve months, Sandro opened 37 directly operated stores in key locations such as Liberdade (Lisbon), the Galleria (Houston) and MixC Shenzhen Bay (Shenzhen).

Maje posted a strong sales growth of +10.9% at constant currency, as the brand was supported all year long by successful initiatives around its 20th anniversary. Over the last twelve months, Maje opened 42 directly operated stores including a new flagship on Regent Street (London) and key locations such as The Galleria in Houston, Seasons Place in Beijing and MixC in Shenzhen.

Finally, Claudie Pierlot posted a solid +7.9% increase at constant currency, despite its larger exposure to the French market. Over the last twelve months, the brand pursued its development with the opening of +22 directly operated stores, with a special emphasis placed on international expansion where +17 DOS have been inaugurated, including Canary Wharf in London, China World in Beijing and MixC in Shenzhen.

FULL YEAR GUIDANCE

- For 2018, SMCP confirms its adjusted EBITDA margin guidance at around 17%.[4]
- The Group will publish its 2018 full year results and its Guidance for 2019 on March 21, 2019.

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[4] *Financial figures as of December 31, 2018 are not approved to date, they will be validated and approved by the board of directors to be held on March 20, 2019. The estimated results presented above are unaudited.*

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.

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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.

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DISCLAIMER: FORWARD-LOOKING STATEMENTS

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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*. Present in 40 countries with 1,466 points of sale, SMCP generated €1 bn sales in 2018. 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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