

# SMCP

sandro - maje - claudie pierlot - de fursac



Press release - Paris, October 26, 2020

## SMCP Investor day 2020 Building global, sustainable, and phy-gital brands

SMCP, a global player in the accessible luxury market with four unique Parisian brands, Sandro, Maje, Claudie Pierlot and De Fursac, will hold tomorrow morning its Investor Day. CEO Daniel Lalonde and senior members of the management team will present the Group 2020-2025 strategic plan and financial targets.

In the context of fast changing consumer trends, accelerated by the current pandemic, SMCP opens today a new chapter, with the ambition to become a global leader in accessible luxury. Leveraging on unique fundamentals, four strong and complementary brands and a proven track record, the group is presenting its 2025 roadmap supported by four strategic priorities:

- **Enhance global brand attractiveness and engagement**, leveraging sharper and reinforced brand DNA. Levers include the simplification and the optimization of collection structure to cultivate consumer engagement at full price, as well as enhanced in-store experience. More importantly, the Group will increase its marketing investments with a strong focus on digital media to reach new generations and Chinese customers.
- **Launch the “One Journey” ambition, to offer a seamless customer experience**, leveraging a 360° knowledge of customers, a unified inventory and the rolling-out of omni-channel services. With this new approach, SMCP intends to:
  - Invest in priority in **APAC** to benefit from the fastest growing region of the Group, through further digital boost and expansion in key new Chinese cities. By 2025, APAC should contribute to 50% of the Group’s growth
  - Accelerate its optimization plan in **France** to revitalize LFL in order to continue to gain market share and grow organic digital sales.
  - Selectively complete its **EMEA** network and accelerate its organic digital sales
  - Prioritize digital and leverage existing presence in key cities in **North America**
- **Strengthen SMCP core business model**, through a new global organization enabling the implementation of a centralized global demand planning, leveraging an agile and robust supply chain, as well as a strengthened IT platform. This will lead to an optimization of its inventories and an increase of full price sales.
- **Accelerate in sustainability and contribute to ethical & responsible fashion, with a strong engagement on Product, Planet and People**. On products, initiatives include an increase of the contribution of eco-responsible materials, a strengthening of supplier audits to ensure qualitative and ethical sourcing and actions to

encourage circular economy. This approach on sourcing, combined with rethinking transportation flow, developing “green stores” and limiting single use inputs will contribute to lower the environmental impact. SMCP will engage all its 6,700 passionate entrepreneurs in those efforts, fostering inclusiveness and diversity, development and mobility, and accenting well-being at work. All these initiatives will be measured through strong commitments towards 2025.

**Daniel Lalonde, SMCP’s CEO, stated:** *“We are currently operating in a challenging and constantly evolving environment. The market trends that we have been observing for several months, including the rising demand from Chinese customers and new generations, the shift to online shopping with a phy-gital mindset, as well as a heightened environmental and social conscious, have accelerated sharply with the Covid-19 pandemic. SMCP fundamentals will enable us to harness these changes into growth opportunities. To this end, we have built a solid strategic plan that combines a stronger focus on brand attractiveness, a phy-gital strategy, a strengthened platform and a reinforcement of our sustainability approach. With this plan, we aim to grow our exposure to Asia which will become our first region in 2025, while our digital sales are expected to reach 25% of our total sales in 2025. We are confident that this plan will allow us to make SMCP a global leader in the accessible luxury market and I look forward to seeing the first results of its implementation in the coming years. Being aligned with our market trends is critical to our success and all SMCP teams are fully committed to this updated strategy”.*

**The new strategic roadmap leads to the following mid and long-term objectives:**

On the sustainability front, SMCP has made strong commitments towards sustainable fashion, including:

- Ensure ethical sourcing with 100% of suppliers audited by 2025
- Source more than 60% of sustainable materials & products in 2025 vs. 27% today
- Reduce carbon footprint: -20% of CO<sub>2</sub> emissions by 2025 (full scope)

**On financials<sup>1</sup>:**

- Sales:
  - More than 10% sales growth at constant currency in 2023 compared to 2019
  - Sales CAGR above 6% at constant currency between 2023 and 2025
- Adj. Ebit margin:
  - Circa. 10.5% in 2023
  - More than 12.0% in 2025
- Leverage (Net Debt to Adjusted EBITDA<sup>2</sup> ratio): below 2x in December 2023

This financial guidance is based on:

- Like-for-Like: 50% of contribution to total organic sales growth per year
- Digital sales penetration representing 25% of sales in 2025
- Store expansion (DOS):
  - 2020: c. 20 net openings
  - 2021-2025: +30/50 DOS net openings per year

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<sup>1</sup> Assuming gradual improvement of the health crisis context from H2 2021

<sup>2</sup> Excluding IFRS 16

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## DISCLAIMER: FORWARD-LOOKING STATEMENTS

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## ABOUT SMCP

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SMCP is a global player in the accessible luxury market with four unique Parisian brands: Sandro, Maje, Claudie Pierlot and De Fursac. Present in 41 countries, SMCP is a fast-growing company which reached the milestone of €1bn in sales in 2018. The Group comprises a network of over 1,500 stores globally plus a strong digital presence in all its key markets. 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 and De Fursac were respectively acquired by SMCP in 2009 and 2019. SMCP is listed on the Euronext Paris regulated market (compartment A, ISIN Code FR0013214145, ticker: SMCP).

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