SMCP Q1 sales fall almost 7% as lockdown continues, but China is picking up

By Sandra Halliday - April 29, 2020

In a brief update on Wednesday, French premium fashion retailer SMCP said that its Q1 sales performance was "in line with expectations". That meant sales down 16.7% as reported, or 20.4% on an organic basis, at the owner of the Sandro, Maje, Claudie Pierlot and De Fursac brands.

The fall came after a good start to the year but with sales impacted by the coronavirus in all regions from the end of January.

It gave no details about individual brands but said there are signs of an upturn with traffic in China and sales there gradually improving since March.

The company closed six directly operated stores in Q1 as international store openings slowed and it implemented its French network optimisation plan. But while its store network was clearly challenged, the company said it saw a good performance in e-commerce, driven by China. Its teams were also mobilised to boost its digital sales while the shops remained closed.
CEO Daniel Lalonde said of all this: “Following a good start to the year, all regions have progressively been impacted by the lockdown measures due to the Covid-19 epidemic. The group has taken a large number of measures to mitigate the impact of the pandemic on its activity and balance sheet, reducing capital expenditure to the essential, reducing operating expenses, adjusting inventories and collections, securing [its] liquidity position and fostering operations in e-commerce.

“Our team are now mobilised to prepare for the post lockdown period. Looking forward, although the pandemic will have a strong impact on our Q2 performance, the early signs of recovery in China are encouraging. I am confident that SMCP’s strong fundamentals and brands will enable us to emerge from this period in a stronger position.”

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