SMCP is on recovery trail as H1 returns to profit

By Sandra Halliday - September 3, 2021

French premium fashion retailer SMCP had a good first half with what it called a "strong rebound", its profit on an EBIT and net basis being back in the black.

The sales performance was "solid", as previously reported, with a 21.6% increase to €453.3 million. It was also up 23.3% on an organic basis, despite Covid restrictions, low footfall and very low tourism flows.

The company, which owns the Sandro, Maje, Claudie Pierlot and Fursac brands, strengthened globally but some regions were stronger than others. It saw double-digit growth in mainland China that managed to reach an uplift of 54.6% on an organic basis year-on-year and a 24% increase compared to 2019's first half.

It also said that it saw momentum in the US and was going "from strength to strength" there.

The company said adjusted EBITDA rose 81.9% to €100.3 million. And adjusted EBIT rose from a loss of €29.7 million a year ago to a profit of €25.2 million this time. Net income swung to a profit of €0.6 million from a loss of €88.5 million this time last year.
Outgoing CEO Daniel Lalonde said: “We delivered a solid performance in H1 2021 in all regions, particularly in APAC and in the US, where our sales exceeded or were back to their pre-pandemic levels. Despite challenging market conditions, our EBIT is back to positive thanks to a strong discipline on costs and expenses. Our focus on capex and working capital management enabled us to deliver a strong performance in terms of Free Cash Flow.”

And his replacement Isabelle Guichot added: “Looking beyond the numbers, we have also made strong progress on each pillar of our One Journey strategic plan. On Brand Desirability, we have notably been able to increase full-price sales and develop new store initiatives in order to enhance in-store experience. We pursued our efforts to consolidate our ‘phygital’ network through the optimisation of our brick-and-mortar network and increasing our digital penetration. We have also implemented a centralised global demand planning that has led to the optimisation of our inventories and therefore strengthened our business model. Finally, we have remained deeply focused on our sustainability initiatives, enabling us to get closer to our objectives with each passing day.”

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