Profits for Sandro, Maje, Claudie Pierlot grow by factor of 30 in H1

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On Tuesday, the parent company of French ready-to-wear labels Sandro, Maje and Claudie Pierlot (SMCP) published its H1 2018 results, recording a profit that is 30 times greater than a year ago. It is “a very good performance,” that enables the group to confirm its 2018 guidance. According to a press release, the group’s consolidated net profit grew from €1.1 million last year to €27.4 million in 2018.
Besides a strong operating income result, the net profit growth is also explained by far lower non-recurring expenses compared to the first half of 2017, when the group was preparing for a stock market listing that was finalised last October. Financial costs also decreased by nearly €20 million on an annual basis, reflecting a “significant reduction in the group’s debt,” according to the press release.

Adjusted EBITDA was up 14.8%, leaping to €83.9 million on an annual basis, “driven by strong sales growth and increased margins.” EBITDA margin rose from 16.7% to 17%, “confirming the group's ability to generate profitable growth.”

According to SMCP, the profitability rise is explained by “the growing contribution of online sales and of the Asia region, as well as by strict control of administrative costs and other general overheads, while maintaining a steady investment pace to bolster future growth.”

At the end of July, SMCP published a second-quarter revenue figure that was up by nearly 13%. In the first six months of the year, published revenue reached €493.3 million, increasing by 12.4%, "driven by remarkable international growth," said SMCP.

The group has confirmed its annual objectives, which had been revised upwards at the end of July: it still forecasts an annual sales growth “in excess of 13%” at constant exchange rates, and an EBITDA margin “of about 17%.”

"In the first half of the year, SMCP yet again produced a highly positive performance, highlighted by double-digit growth by all of its brands, remarkable profitability and a constant decrease in indebtedness," said the group’s General Manager Daniel Lalonde, cited in the press release.

To explain these figures, Lalonde underlined "our successful e-commerce strategy [e-tail was worth nearly 15% of overall sales] and a spate of new store openings [114 new stores opened in the last twelve months] in highly attractive locations,” as well as "the creativity and talent of our staff worldwide."

Evelyne Chetrite and Judith Milgrom, who founded respectively Sandro and Maje in Paris in 1984 and in 1998, continue to act as creative directors. The Claudie Pierlot label was established by the eponymous designer in 1984, and was bought by the SMCP group in 2009.

Translated by Nicola Mira

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