SMCP on recovery trail as Q2 sales get closer to 2019 benchmark

By Sandra Halliday - 28 July 2021

SMCP’s CEO hailed its “strong momentum” globally and its “solid progress” on its One Journey strategic plan on Tuesday as he reported the premium fashion retail giant’s Q2 sales figures.

And those figures looked good with sales up 59.1% to €229.4 million on a reported basis and 61.1% on an organic basis compared to last year’s Q2.

Admittedly, those comparisons weren't exactly difficult given the problems during the pandemic’s first wave this time last year. But the company is also beginning to catch up compared to its much stronger Q2 2019 figures and was only 14% down compared to the second quarter two years ago.

While a few fashion retailers are already reporting that they’ve caught up and overtaken 2019 figures, the fact that SMCP is only down in low-double-digits is encouraging given the challenges it has faced in recent periods.

And the company is doing particularly well in some markets and already showing how it can improve on 2019’s numbers. In the latest quarter, it saw growth of 22% versus Q2 2019 in mainland China. And it said that in the US, it’s been “going from strength to strength” with sales not only back to the pre-pandemic level but in fact reaching
It’s been “going from strength to strength” with sales not only back to the pre-pandemic level but in fact reaching 11.3% growth versus 2019.

It talked up its only-16% sales fall compared to Q2 2019 in EMEA, which was taken as a positive given store closures in key countries like the UK, Germany, Belgium and Italy, plus the loss of tourism-related sales in Q2 this year.

Compared to last year’s weak second quarter, organic sales this time rose 33.7% in France, 84.9% in EMEA, 225.3% in the Americas and 33.2% in APAC.

Additionally, it has made “solid progress” on its full-price strategy, with a “meaningful reduction” in promotional sales’ share of its total.

CEO Daniel Lalonde said the France/EMEA performance came against a backdrop of the closure of its entire store network for half of the quarter.

But that less promotional environment helped it, as did the successful implementation of ship-from-store across Europe. And despite the enforced store closures, tailored openings in Europe and the Americas, and a “continued phygital expansion in APAC” all provided a boost.
phygital expansion in APAC” all provided a boost.

It all meant Lalonde is “cautiously optimistic about H2 2021 in all our markets”.

Looking at the firm’s sales figures by brand, its largest label Sandro saw sales rising 51.6% year-on-year reported and 53.7% organic to €108.4 million. Maje rose 73.9% and 76.4% to €93.5 million. And the ‘other brands’ (Claudie Pierlot and De Fursac) rose 45.6% reported and 45.7% organic to €27.4 million. All the figures were significantly higher than H1 as a whole (‘other brands’ were up only 3.8% on a reported basis in the first half, for instance), underlying the reasons for the CEO’s cautious optimism.

Another reason for optimism was that during the latest quarter, the company also focused on accelerating its digital sales with it saying it “generated a digital sales penetration of 25%, with impressive figures in absolute value again”.

Its pursuit of higher digital sales also came as it continue to optimise its physical store network with a reduction of 19 directly operated stores in total. That divided down as 25 closures in France (mainly small points of sale in small cities), and the addition of 14 new directly-operated stores in APAC, including 11 in China.