SMCP hits first-half sales record as Europe and America prove buoyant

By Sandra Halliday - 2 August 2022

SMCP unveiled an all-time sales record for the first half when it delivered its results on the first day of August. It was driven by “strong momentum in Europe and Americas”, something that a number of premium and luxury businesses have talked of already. With America being generally strong and Europe being in recovery mode, it’s been good news given the Covid situation in China denting sales there.

H1 sales were €565.4 million, up 21.4% year-on-year on an organic basis, boosted by like-for-like growth of 24.5%.

It saw adjusted EBIT growth of 76%, reaching €45 million (8% of sales) vs €26 million in H1 2021 (5.7% of sales).
Net Income was up “sharply” at €20.7 million.

The company said that sales of its biggest brand, Sandro, rose 21.7% on an organic basis in the first half and 17.7% in the second quarter. For Maje, those percentages were 18.5% and 15.1%. And for its so-called ‘other’ brands, which include Claudie Pierlot and Fursac, it saw rises of 29.6% and 39.2%.

The overall sales hike came “despite the significant impact of Covid restrictions in APAC”. China was hit by a wave of the coronavirus that it met with a zero-Covid policy. Its restrictions included the complete shutdown of physical locations and digital warehouses.

But the strong performance in Europe helped to counter that and came on the back of local demand and the progressive recovery of tourism, “supported by an excellent Q2 exceeding [the] 2019 level”.

And in the Americas, growth was “substantial”, with a rise of 28.1% against last year and 16.3% against the pre-Covid first half in 2019.

CEO Isabelle Guichot said: “We are very satisfied with our strong achievement over the first half of the year. We were able to perform very well in all our regions where local clients’ spending was above pre-pandemic levels, apart from Asia, where our stores were temporarily closed due to Covid restrictions. This enabled us to reach an all-time H1 sales record.

“This momentum confirms the relevance of our strategy focusing on brand desirability, with local marketing strategies which boost customer engagement.

“Over the first half, we also managed to strongly increase our profitability thanks to tireless efforts to increase full-price sales.

“In addition, we accelerated on our CSR policy, by implementing a traceability program, and on our omnichannel ambition. Looking forward, while the current geopolitical and macro-economic environment creates some uncertainty, we confirm our 2022 full-year guidance if the situation does not further deteriorate.”

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