SMCP, the group behind French fashion brands Sandro, Maje and Claudie Pierlot, reported higher annual profits and sales, which its chief executive said was partly due to the allure of Parisian chic for Chinese customers.

"Our brands embody a Parisian chic, both aspirational and accessible, that seduces Chinese clients," Daniel Lalonde told Reuters in an interview.

The French fashion group, controlled by China's Shandong Ruyi, said 2016 earnings before interest, tax, depreciation and amortisation (EBITDA) rose 22% to €130 million. Sales rose by 16.4% to €787 million.

SMCP operates in the accessible luxury segment of the fashion market, and it aims to become a leader in the more affordable space. Accessible luxury is benefiting from buoyant demand among a fast-growing middle class, particularly in countries such as China, where the group already has 70 stores.

The Sandro, Maje, and Claudine Pierlot labels sell dresses for an average price of €150-€250, and employ supply chain practices borrowed from retailers such as Zara and H&M.
SMCP’s solid 2016 results strike a contrast to rival luxury brand Michael Kors, which last month reported profit below market forecasts, raising concerns over Michael Kors’ efforts to reinvigorate its brand.

SMCP’s growth in its domestic French market also stood out, compared with the overall French fashion market, where sales have declined by 2.6%. And international sales, which now account for 54% of its global turnover, rose by 24%.

Similar to other major fashion companies, CEO Lalonde is also banking on harnessing the Internet and digital media to spur sales growth. SMCP, which opened 105 new stores in 2016, plans to open 100-125 more this year in major cities around the world.

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