SMCP boosted by global growth as French business struggles against local issues

By Sandra Halliday  -  29 April 2019

French fashion retail giant SMCP reported Q1 sales up 9% on Monday with a 7.2% currency-neutral rise showing that it has enjoyed “another resilient quarter despite a challenging environment in France.”

The company saw double-digit international sales growth, driven by an “outstanding performance” in Asia Pacific with an astonishing 28.4% currency-neutral surge.
Overall, its international like-for-like sales growth was positive with that APAC performance driving the result and fewer markdowns (due to a good response to its SS19 collections) also helping.

Digging deeper into the figures, Q1 sales reached €274.6 million as the firm opened 111 directly operated stores around the world and drove sales per sq metre higher in existing locations. But in France, its sales fell 3.9% to €96 million, hurt by a decline in tourism due to the yellow vest protests and by general consumer caution.

But the rest of EMEA took up the slack and sales there rose 9.9% currency-neutral, or 10.4% reported to €79.4 million. It had a soft start in January but the only way was up after that.

In the Americas, currency-neutral growth was only 1%, but foreign exchange issues helped reported sales rise 8.4% to €31.7 million. And in APAC, reported sales rose 32.3% to €67.5 million.

By brand, the company saw the strongest growth at Maje with an 11.9% rise to €106.9 million, or a 9.8% currency-neutral rise. The biggest brand, Sandro, rose 6.2% on a reported basis to €132.5 million, or 4.3% currency-neutral. And smaller brand Claudie Pierlot was up 10.9% reported to €35.2 million.

CEO Daniel Lalonde was quite restrained in his comments: “Q1 sales are in line with our expectations, and we are particularly satisfied with our performance in APAC which demonstrates the huge international potential of our brands and their ever-growing desirability.

“In France, we successfully pursued the optimisation of our network while investing in key stores’ renovation. Globally, we further developed our sales of accessories and successfully pursued our digital strategy such as a new partnership with JD.com in Mainland China.

“Over the upcoming quarters, we will remain focused on our key priorities for 2019, including driving retail excellence, accelerating our digital journey and strengthening our international platform to support growth opportunities in line with our strategic objectives.”

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