

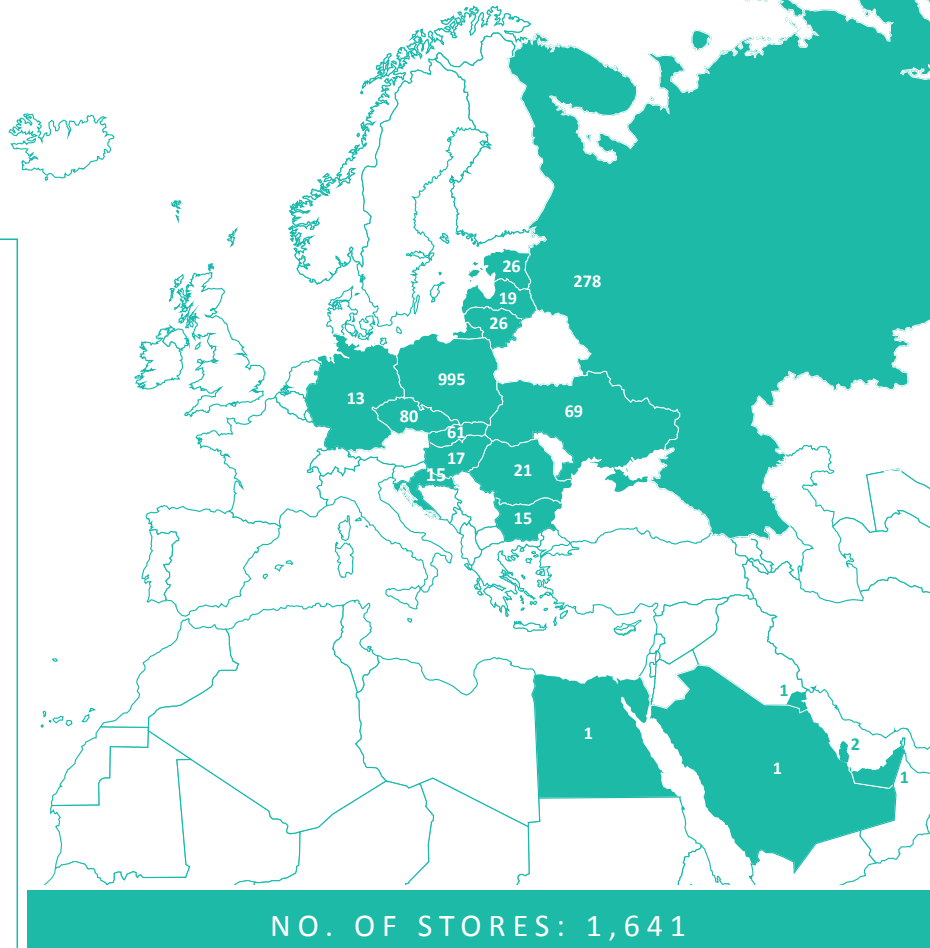
LPP

FACT SHEET 1Q16

LPP is an international retail company based in Gdańsk with over 20 years of experience in designing and selling clothes and accessories. At the end of 2015 the Company owned five well-known fashion labels: RESERVED, Cropp, House, MOHITO and SiNSAY, each in mainstream price range. Since February 2016 LPP is developing its premium brand – Tallinder.

LPP's stores are located in 18 countries around the world, however revenues from Poland constitute around 60% of group sales. LPP employs over 20,000 people.

The Company does not own factories. The majority of the production is sourced from the Far East.



SHAREHOLDERS

As at 31.03.2016	shares	%	votes	%
Marek Piechocki	175,497	9.6%	875,493	27.2%
Jerzy Lubianiec	174,999	9.5%	874,995	27.2%
Forum TFI	200,730	10.9%	200,738	6.2%
Treasury Shares	18,978	1.0%	0	0.0%
Free-float	1,265,003	68.9%	1,265,003	39.3%
TOTAL	1,835,207		3,216,229	

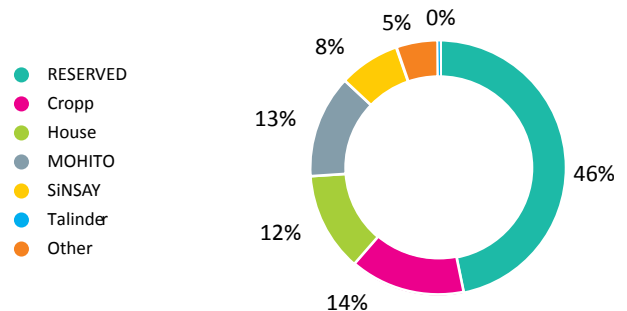
STOCK DATA

Price (31.03.2016)	5,500	EPS (2015)	194
Min (1Y)	5,011	DPS	33
Max (1Y)	8,099	Div yield (%)	0.6
Mkt Cap (PLN m)	10,094	Ticker	LPP
Free-float (PLN m)	6,958	Bloomberg	LPP PW
Book value (PLN m)	1,851	Reuters	LPPPWA

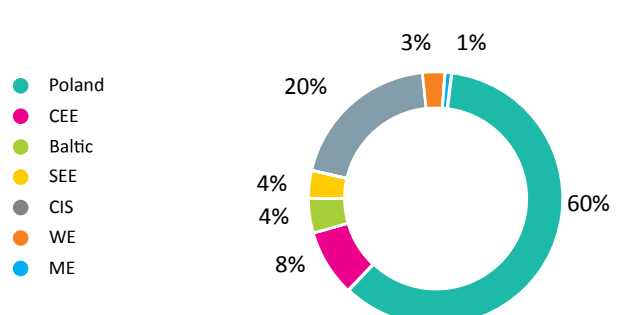
INVESTMENT THESIS

- New brands and new markets development should translate into double-digit floorspace growth in the medium-term.
- Dynamic e-commerce growth.
- Efficient business model.
- Cash generation allows for sustaining dividend payments.
- Experienced executives with long-term vision.

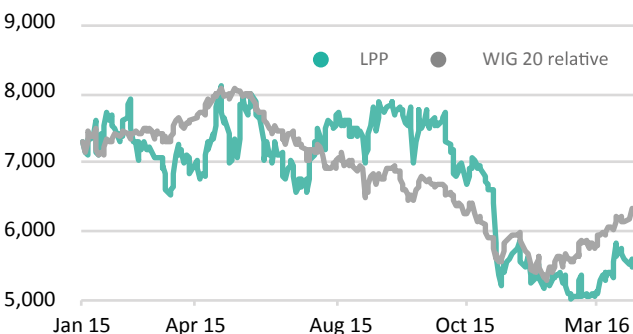
REVENUES SPLIT BY BRANDS (1Q16)



REVENUES SPLIT BY COUNTRIES (1Q16)



SHARE PRICE PERFORMANCE



RESERVED

TALLINDER

MOHITO

house

CROPP

sinsay

NETWORK

	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15	4Q15	1Q16	2013	2014	2015
NO. OF STORES												
RESERVED	382	410	413	425	425	429	437	449	448	386	425	449
Cropp	333	376	356	366	361	382	362	372	375	337	366	372
House	292	325	302	308	303	330	311	319	322	292	308	319
MOHITO	225	243	246	256	262	268	271	280	281	219	256	280
SINSAY	77	104	113	129	141	150	157	170	172	62	129	170
Tallinder	0	0	0	0	0	0	0	0	6	0	0	0
Outlets	24	24	23	32	33	35	36	37	37	24	32	37
TOTAL	1,333	1,482	1,453	1,516	1,525	1,594	1,574	1,627	1,641	1,320	1,516	1,627
FLOORSPACE (thm m²)												
Poland	376.3	401.1	400.0	413.6	423.5	443.5	443.9	465.0	468.3	365.5	413.6	465.0
EU	80.3	100.9	107.9	128.6	139.6	147.7	161.7	179.0	184.4	80.7	128.6	179.0
CIS	148.8	170.2	173.2	180.3	181.2	183.2	187.7	193.9	194.7	142.4	180.3	193.9
ME	0.0	0.0	0.0	0.0	1.5	3.9	5.5	5.5	7.6	0.0	0.0	5.5
TOTAL	605.5	672.2	681.1	722.5	745.8	778.4	798.8	843.5	855.0	588.6	722.5	843.5

CONSOLIDATED INCOME STATEMENT

PLN m	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15	4Q15	1Q16	2013	2014	2015
Revenues	945.0	1,185.1	1,234.2	1,404.9	1,002.6	1,291.3	1,261.5	1,575.0	1,174.8	4,116.3	4,769.3	5,130.4
COGS	407.5	458.9	534.6	575.8	459.1	617.9	598.3	712.3	633.1	1,707.2	1,976.8	2,387.5
Gross profit on sales	537.6	726.2	699.6	829.1	543.4	673.4	663.2	862.8	541.8	2,409.2	2,792.5	2,742.8
SG&A costs	480.7	533.2	558.4	576.2	512.5	523.5	546.8	608.9	595.3	1,759.2	2,148.3	2,191.7
Other operating activity	-8.5	-15.0	-6.9	-4.7	-7.3	-13.1	-9.6	-18.5	-10.4	-34.3	-35.0	-48.5
EBIT	48.4	178.1	134.4	248.3	23.7	136.8	106.8	235.4	-63.9	615.6	609.1	502.7
Net financials	-60.8	25.5	-39.3	-74.6	-53.4	21.5	-14.4	-42.0	-5.0	-91.8	-149.2	-88.3
Pre-tax profit	-12.4	203.5	95.1	173.7	-29.7	158.3	92.5	193.4	-68.9	523.9	459.9	414.4
Tax	-1.8	-35.1	-13.1	72.0	-7.6	-21.6	-12.7	-21.0	3.4	-91.0	22.0	-63.0
Minorities	0.7	0.8	0.3	0.6	0.0	0.0	0.0	0.0	0.0	1.9	2.3	0.0
Net income	-14.9	167.7	81.7	245.1	-37.3	136.6	79.7	172.3	-65.6	431.0	479.5	351.3
EBITDA	91.4	226.5	185.0	299.9	74.1	192.5	162.6	297.1	-1.0	763.8	802.8	726.2

EFFICIENCY

	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15	4Q15	1Q16	2013	2014	2015
Sales / m ² per month	536	610	608	663	462	567	535	631	468	664	589	548
Gross profit on sales / m ² per month	305	374	345	391	250	296	281	346	216	405	356	293
Costs of own stores / m ² per month	220	222	220	202	189	187	186	195	191	239	218	189
SG&A costs / m ² per month	270	274	274	271	236	230	232	244	237	296	274	234
Gross profit on sales	56.9%	61.3%	56.7%	59.0%	54.2%	52.1%	52.6%	54.8%	46.1%	58.5%	58.6%	53.5%
EBITDA margin	9.7%	19.1%	15.0%	21.3%	7.4%	14.9%	12.9%	18.9%	-0.1%	18.6%	16.8%	14.2%
EBIT margin	5.1%	15.0%	10.9%	17.7%	2.4%	10.6%	8.5%	14.9%	-5.4%	15.0%	12.8%	9.8%
Net margin	-1.6%	14.1%	6.6%	17.4%	-3.7%	10.6%	6.3%	10.9%	-5.6%	10.5%	10.1%	6.8%
Effective tax rate	-14.8%	17.2%	13.8%	-41.4%	-25.6%	13.7%	13.8%	10.9%	4.9%	17.4%	-4.8%	15.2%
ROE	29.1%	31.0%	27.9%	31.4%	29.2%	26.1%	25.2%	20.1%	17.9%	31.8%	30.6%	20.0%

CONSOLIDATED BALANCE SHEET

PLN m	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15	4Q15	1Q16	2013	2014	2015
Non-current assets	1,296.2	1,395.0	1,426.2	1,516.4	1,557.5	1,638.4	1,664.3	1,797.0	1,782.7	1,231.9	1,516.4	1,797.0
Intangibles (incl. goodwill)	945.3	1,015.4	1,039.2	1,038.8	1,080.1	1,129.2	1,149.0	1,258.8	1,241.3	896.8	1,038.8	1,258.8
Fixed assets	282.5	311.4	313.4	315.9	318.2	321.0	323.3	324.4	325.2	281.2	315.9	324.4
Current assets	1,246.6	1,395.7	1,419.9	1,417.3	1,565.0	1,601.8	1,742.2	1,768.2	1,761.6	1,259.7	1,417.3	1,768.2
Inventory	837.6	963.1	1,036.8	979.3	1,131.1	1,167.1	1,336.0	1,319.7	1,373.6	805.0	979.3	1,319.7
Trade receivables	163.8	157.9	159.1	176.9	192.0	186.6	115.1	192.0	163.3	163.3	176.9	115.1
Cash and equivalents	105.4	143.7	117.1	183.5	121.9	155.7	119.9	224.4	145.3	149.4	183.5	224.4
Total assets	2,542.7	2,790.7	2,846.1	2,933.7	3,122.5	3,240.2	3,406.6	3,565.2	3,544.3	2,491.6	2,933.7	3,565.2
Equity	1,484.4	1,479.9	1,533.2	1,638.4	1,637.3	1,725.4	1,739.7	1,889.7	1,851.1	1,496.5	1,638.4	1,889.7
Long-term liabilities	210.2	210.1	203.0	210.7	207.3	217.9	360.6	344.1	326.8	192.3	210.7	344.1
Interest bearing debt	202.0	202.5	195.6	204.5	201.0	182.8	320.3	284.3	268.2	184.3	204.5	284.3
Provisions	8.1	7.6	7.4	6.3	6.3	6.9	7.1	7.1	2.9	7.9	6.3	7.1
Other long-term liabilities	0.0	0.0	0.1	0.0	0.0	28.1	33.2	52.7	55.8	0.1	0.0	52.7
Short-term liabilities	848.1	1,100.7	1,109.9	1,084.6	1,277.8	1,297.0	1,306.3	1,331.3	1,366.4	802.7	1,084.6	1,331.3
Interest bearing debt	311.8	280.0	482.7	378.3	636.0	556.1	586.4	561.1	711.8	173.6	378.3	561.1
Trade liabilities	490.2	577.8	569.3	618.6	581.2	643.5	687.4	721.4	604.0	547.6	618.6	721.4
Provision	29.6	43.4	41.9	58.2	19.9	16.1	14.2	17.8	22.1	62.4	58.2	17.8
Other short-term liabilities	16.5	199.6	16.0	29.5	40.8	81.2	18.3	31.1	28.5	19.2	29.5	31.1
Total liabilities	2,542.7	2,790.7	2,846.1	2,933.7	3,122.5	3,240.2	3,406.6	3,565.2	3,544.3	2,491.6	2,933.7	3,565.2

INDEBTEDNESS

	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15	4Q15	1Q16	2013	2014	2015
Net debt (PLN m)	408.4	338.8	561.1	399.3	715.1	583.3	786.9	620.9	834.6	208.5	399.3	620.9
Cash	105.4	143.7	117.1	183.5	121.9	155.7	119.9	224.4	145.3	149.4	183.5	224.4
Debt	513.8	482.5	678.2	582.8	837.0	739.0	906.8	845.3	980.0	357.9	582.8	845.3
Net debt/EBITDA (4 quarters)	0.5	0.4	0.7	0.5	0.9	0.8	1.1	0.9	1.3	0.3	0.5	0.9

TURNOVER RATIOS

	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15	4Q15	1Q16	2013	2014	2015
Cash cycle (days)	82	66	68	75	107	93	102	87	106	60	70	84
Receivables (days)	16	12	12	11	18	15	14	9	9	13	13	10
Inventory (days)	181	177	168	158	207	167	188	168	191	156	165	176
Liabilities (days)	115	122	112	93	118	89	100	89	94	110	108	102

CONSOLIDATED CASH FLOW

PLN m	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15	4Q15	1Q16	2013	2014	2015
Operating CF	-86.8	237.0	51.8	290.9	-203.0	231.2	-39.4	265.1	-202.2	508.8	492.9	253.9
D&A	43.0	48.4	50.6	51.6	50.4	55.7	55.8	61.7	62.9	148.2	193.7	223.6
Investing CF	-104.7	-159.4	-92.2	-119.6	-96.2	-94.4	-100.0	-125.0	-17.5	-518.2	-476.0	-415.5
Capex	-117.1	-172.4	-100.7	-160.4	-104.4	-124.9	-108.8	-152.6	36.0	-541.9	-550.5	-490.6
Financing CF	147.6	-39.4	13.9	-104.9	237.6	-103.0	103.5	-37.0	141.9	-0.6	17.2	201.2
Total CF	-43.9	38.3	-26.5	66.4	-61.6	33.8	-35.8	103.2	-77.8	-10.0		