

LPP

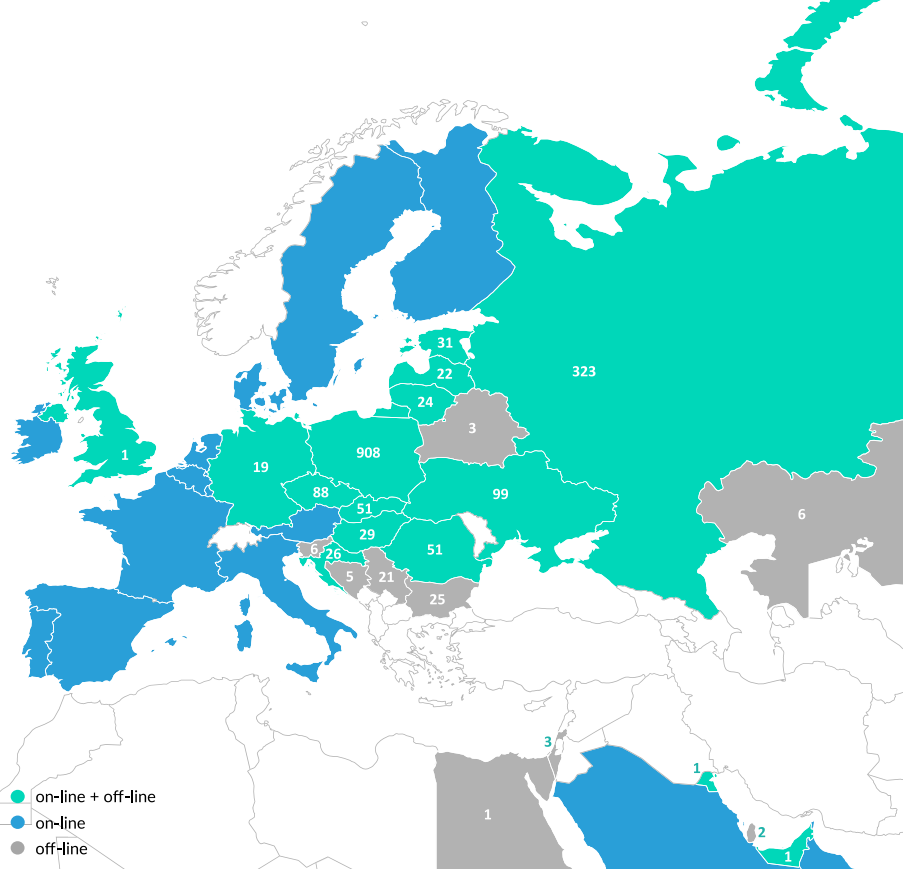
FACT SHEET 3Q19

LPP is a Polish clothing producer. Based in Gdańsk, the Company has more than 25 years of experience in designing and selling clothes and accessories. The Company owns five well-known fashion labels: Reserved, Cropp, House, Mohito and Sinsay, each in mainstream price range. Each brand has its own features and target group.

LPP is now present in 39 countries around the world via its on-line and off-line operations, including stores on highstreets of London, Berlin and Munich.

Revenues from Poland constitute less than 50% of group sales.

The Company does not have own factories. The majority of production is sourced from suppliers from the Far East. Part is produced in Europe, including Poland.



NO. OF STORES: 1,746

SHAREHOLDERS

As at 19.11.2019	# shares	%	# votes	%
Semper Simul Foundation	319,208	17.2%	1,019,208	31.5%
Sky Foundation	226,338	12.2%	926,338	28.6%
Treasure shares	18,006	1.0%	0	0.0%
Free-float	1,288,871	69.6%	1,288,871	39.9%
TOTAL	1,852,423		3,234,417	

Semper Simul Foundation is linked to the CEO Marek Piechocki, while Sky Foundation is linked to Chairman of the Supervisory Board, Jerzy Lubianiec.

INVESTMENT THESIS

- Continued floorspace growth via new markets development.
- Dynamic e-commerce sales growth.
- Efficient business model with high operating leverage.
- Net cash allows for dividend payments.
- A socially responsible company.

SHARE PRICE PERFORMANCE

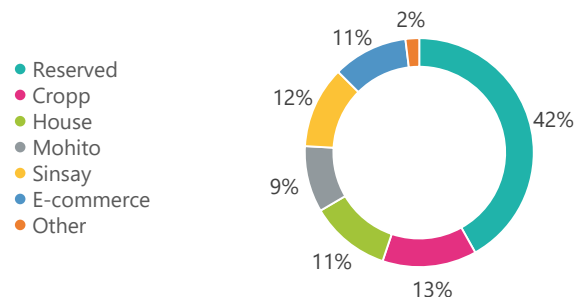


STOCK DATA

Price (30.09.2019)	8,600	EPS (2018)	275.53
Min (1Y)	6,945	DPS (2018)	60.00
Max (1Y)	9,125	Div yield (%)	0.7
Mkt Cap (PLN m)	15,931	Ticker	LPP
Free-float (PLN m)	11,084	Bloomberg	LPP.PW
Book value (PLN m)	2,939	Reuters	LPPP.WA

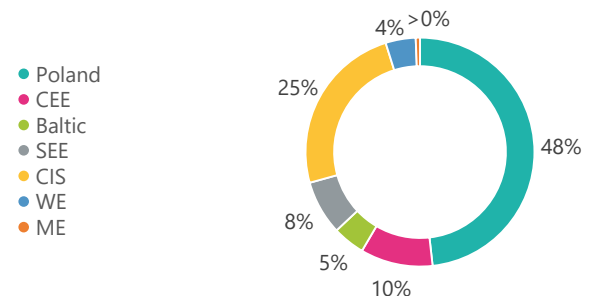
REVENUE SPLIT BY BRANDS

9 M 19



REVENUE SPLIT BY REGIONS

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RESERVED

CROPP

house

MOHITO

sinsay

NETWORK

	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19	2016	2017	2018
NO. OF STORES												
Reserved	454	468	458	463	451	464	451	453	453	461	468	464
Cropp	373	381	377	382	362	373	365	374	362	379	381	373
House	324	333	332	335	326	332	320	326	319	330	333	332
Mohito	285	294	291	294	291	296	289	289	290	290	294	296
Sinsay	213	233	236	253	256	272	274	288	302	198	233	272
Tallinder	0	0	0	0	0	0	0	0	0	9	0	0
Outlets	34	34	34	29	28	28	25	22	20	36	34	28
TOTAL	1,683	1,743	1,728	1,756	1,714	1,765	1,724	1,752	1,746	1,703	1,743	1,765
FLOORSPACE (tho m²)												
Poland	490.5	514.0	511.5	518.0	507.2	529.5	513.9	521.2	529.7	496.6	514.0	529.5
Europe	224.1	232.8	235.0	254.9	261.8	279.4	287.4	327.1	337.8	209.5	232.8	279.4
CIS	218.7	247.3	247.8	254.7	259.0	275.4	277.1	278.9	292.1	207.0	247.3	275.4
ME	6.6	6.6	6.6	6.6	7.3	7.1	7.1	7.1	8.4	7.6	6.6	7.1
TOTAL	939.9	1,000.6	1,000.9	1,034.2	1,035.4	1,091.3	1,085.4	1,134.3	1,168.0	920.7	1,000.6	1,091.3

CONSOLIDATED INCOME STATEMENT

PLN m	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19	2016	2017	2018
Revenues	1,812.8	2,148.9	1,580.4	2,049.7	2,043.9	2,372.7	1,827.7	2,214.1	2,348.2	6,019.0	7,029.4	8,046.8
COGS	924.2	901.9	867.5	825.3	1,000.6	952.1	1,034.7	901.3	1,183.8	3,085.2	3,302.3	3,645.5
Gross profit on sales	888.6	1,247.0	712.8	1,224.5	1,043.4	1,420.6	793.0	1,312.8	1,164.3	2,933.8	3,727.1	4,401.3
SG&A costs	775.0	861.9	820.5	891.6	898.8	921.3	874.0	948.6	1,004.0	2,608.8	3,099.9	3,532.2
Other operating activity	-10.5	-8.4	-10.1	-21.1	-15.4	-66.0	-19.1	-11.7	-19.8	-98.6	-48.7	-112.5
EBIT	103.1	376.7	-117.7	311.8	129.2	433.3	-100.2	352.5	140.5	226.4	578.4	756.6
Net financials	11.2	-24.9	14.5	-15.5	-19.2	-12.7	-16.6	-10.8	-97.1	-32.3	-14.8	-32.9
Pre-tax profit	114.3	351.9	-103.2	296.3	110.0	420.6	-116.9	341.8	43.4	194.1	563.7	723.7
Tax	29.3	52.3	1.6	90.2	18.4	108.3	-2.3	136.3	23.8	19.3	122.9	218.5
Minorities	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	0.0
Net income	85.1	299.5	-104.8	206.1	91.6	312.3	-114.6	205.5	19.6	174.8	440.9	505.2
EBITDA	175.5	450.3	-33.3	397.4	217.4	524.2	132.2	594.9	396.0	493.8	871.9	1,105.7

EFFICIENCY

	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19	2016	2017	2018
Sales / m ² per month	648	741	532	674	663	751	567	667	685	575	628	662
Gross profit on sales / m ² per month	318	430	240	403	338	445	238	396	340	280	332	358
Costs of own stores / m ² per month (IAS17)	214	216	212	212	207	207	201	203	203	200	214	207
SG&A costs /m ² per month (IAS17)	280	300	279	297	295	292	277	283	294	251	280	291
Gross profit margin	49.0%	58.0%	45.1%	59.7%	51.0%	59.9%	43.4%	59.3%	49.6%	48.7%	53.0%	54.7%
EBITDA margin	9.7%	21.0%	-2.1%	19.4%	10.6%	22.1%	7.2%	26.9%	16.9%	8.2%	12.4%	13.7%
EBIT margin	5.7%	17.5%	-7.4%	15.2%	6.3%	18.3%	-5.5%	15.9%	6.0%	3.8%	8.2%	9.4%
Net margin	4.7%	13.9%	-6.6%	10.1%	4.5%	13.2%	-6.3%	9.3%	0.8%	2.9%	6.3%	6.3%
ROE (4Q)	14.2%	20.3%	20.8%	21.3%	20.8%	19.0%	19.3%	18.4%	15.4%	8.7%	19.3%	19.0%

CONSOLIDATED BALANCE SHEET

PLN m	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19	2016	2017	2018
Non-current assets	1,952.1	2,041.4	2,043.8	2,128.6	2,238.1	2,417.8	5,320.5	5,393.4	5,636.4	1,838.7	2,041.4	2,417.8
Fixed assets	1,397.5	1,478.2	1,480.1	1,558.5	1,648.3	1,861.9	1,992.0	2,139.6	2,199.6	1,291.3	1,478.2	1,818.3
Right of use assets (IFRS16)	0.0	0.0	0.0	0.0	0.0	0.0	2,889.0	2,868.2	2,955.7	0.0	0.0	0.0
Intangibles (incl. goodwill)	344.2	351.2	354.7	359.1	368.1	376.7	384.6	394.7	402.2	330.6	351.2	376.7
Current assets	2,205.0	2,289.5	2,163.8	2,630.9	2,951.5	2,963.1	2,750.2	3,197.3	3,357.9	1,839.3	2,289.5	2,963.1
Inventory	1,638.7	1,475.2	1,402.9	1,512.2	1,608.8	1,590.4	1,370.0	1,984.8	2,023.0	1,164.1	1,475.2	1,590.4
Trade receivables	181.5	199.6	144.0	121.4	129.0	121.7	177.1	167.3	154.5	165.4	199.6	121.7
Cash and equivalents	256.4	514.8	440.9	651.5	851.2	1,045.0	991.8	862.9	920.8	365.8	514.8	1,045.0
Total assets	4,157.1	4,330.8	4,207.7	4,759.5	5,189.6	5,380.8	8,070.7	8,590.7	8,993.3	3,677.9	4,330.8	5,380.8
Equity	2,184.0	2,443.4	2,340.4	2,504.4	2,555.3	2,860.5	2,786.0	2,878.6	2,939.1	2,134.7	2,443.4	2,860.5
Long-term liabilities	307.5	324.4	317.9	322.4	315.3	346.1	2,618.8	2,609.2	2,708.3	267.3	324.4	346.1
Interest bearing debt	155.2	141.8	128.5	115.2	101.9	88.6	75.2	61.9	47.6	195.0	141.8	88.6
Financial leases (IFRS16)	0.0	0.0	0.0	0.0	0.0	0.0	2,432.1	2,431.3	2,544.0	0.0	0.0	0.0
Provisions	3.3	0.8	0.8	0.8	0.8	1.0	1.0	1.0	1.0	2.7	0.8	1.0
Other long-term liabilities	149.0	181.8	188.6	206.4	212.6	256.6	110.4	115.0	115.7	69.5	181.8	256.6
Short-term liabilities	1,665.6	1,563.0	1,549.3	1,932.7	2,319.0	2,174.1	2,665.9	3,103.0	3,346.9	1,275.9	1,563.0	2,174.1
Interest bearing debt	112.1	56.5	91.2	172.7	224.1	203.2	322.7	175.0	277.3	315.1	56.5	203.2
Financial leases (IFRS16)	0.0	0.0	0.0	0.0	0.0	0.0	586.5	599.0	631.9	0.0	0.0	0.0
Trade liabilities	1,417.3	1,325.3	1,296.3	1,444.3	1,810.2	1,557.4	1,566.6	2,056.0	2,178.8	881.1	1,325.3	1,557.4
Provisions	36.3	53.5	38.1	61.2	77.6	107.1	73.9	62.3	106.1	38.2	53.5	107.1
Other short-term liabilities	100.0	127.7	123.8	254.5	207.0	306.4	116.2	210.7	152.8	41.6	127.7	306.4
Total liabilities	4,157.1	4,330.8	4,207.7	4,759.5	5,189.6	5,380.8	8,070.7	8,590.7	8,993.3	3,677.9	4,330.8	5,380.8

INDEBTEDNESS

PLN m	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19	2016	2017	2018
Net debt	10.8	-316.5	-221.1	-363.6	-525.1	-753.2	-593.9	-625.9	-596.0	144.4	-316.5	-753.2
Cash	256.4	514.8	440.9	651.5	851.2	1,045.0	991.8	862.9	920.8	365.8	514.8	1,045.0
Debt	267.2	198.3	219.7	287.9	326.0	291.8	397.9	236.9	324.9	510.1	198.3	291.8
Net debt/EBITDA (4 quarters)	0.0	-0.4	-0.3	-0.4	-0.5	-0.7	-0.5	-0.5	-0.5	0.3	-0.4	-0.7

TURNOVER RATIOS

	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19	2016	2017	2018
Cash cycle (days)	32	27	23	15	0	-3	0	-6	-2	61	33	16
Receivables (days)	8	8	10	6	6	5	7	7	6	9	9	7
Inventory (days)	152	155	149	159	140	151	129	167	152	147	146	153
Liabilities (days)	128	137	136	149	146	159	136	181	161	95	122	144

CONSOLIDATED CASH FLOW

PLN m	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19	2016	2017	2018
Operating CF	129.3	414.9	51.0	420.3	429.8	310.9	121.9	514.5	383.2	718.2	893.2	1,212.0
D&A	72.5	73.5	84.4	85.6	88.2	90.9	232.4	242.4	255.5	267.4	293.4	349.4
Investing CF	-105.6	-91.3	-146.0	-281.3	-192.3	-84.8	-123.7	-180.8	-246.7	-181.4	-383.9	-704.4
Capex												