

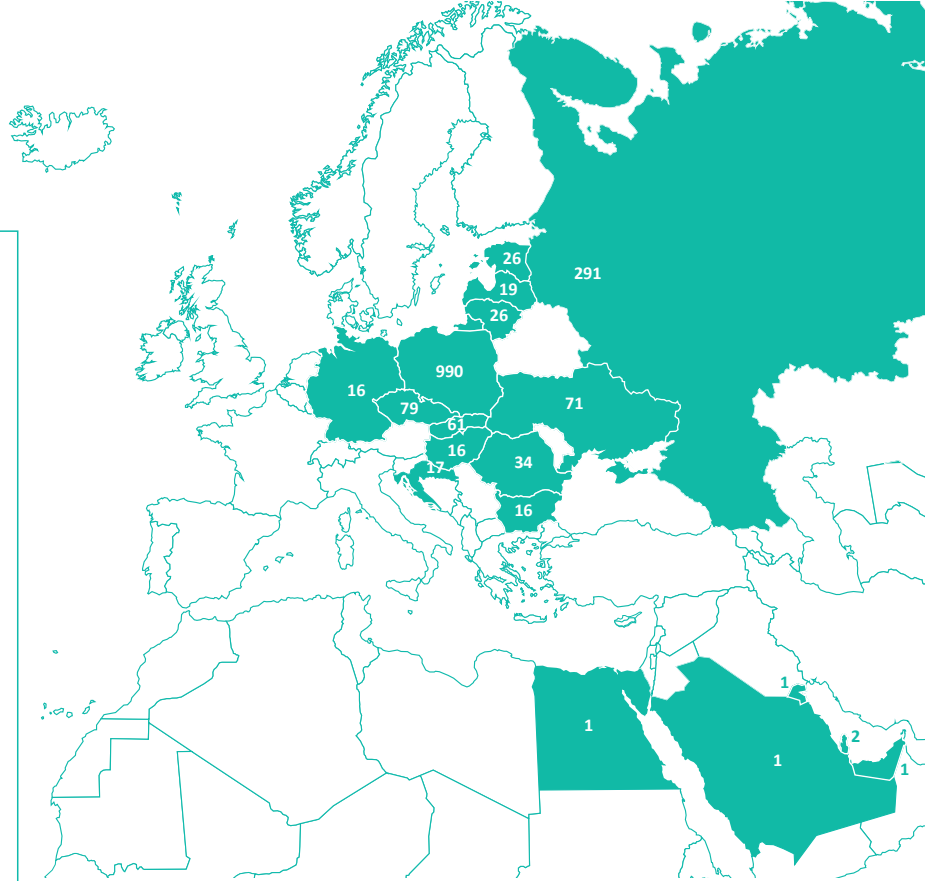
LPP

FACT SHEET 3Q16

LPP is an international retail company based in Gdańsk with over 20 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. In February 2016 LPP launched its first up-market brand – Tallinder. However, due to unsatisfactory sales levels and willingness to concentrate on development of the main RESERVED brand, Tallinder stores will be closed down in February 2017.

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

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



NO. OF STORES: 1,668

SHAREHOLDERS

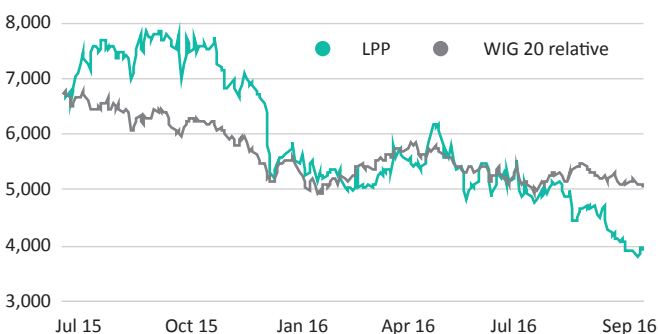
As at 30.09.2016	shares	%	votes	%
Marek Piechocki	175,497	9.6%	875,493	27.2%
Jerzy Lubianiec	174,999	9.5%	874,995	27.2%
Forum TFI	200,730	10.9%	200,738	6.2%
Treasury Shares	18,978	1.0%	0	0.0%
Free-float	1,265,003	68.9%	1,265,003	39.3%
TOTAL	1,835,207		3,216,229	

Number of shares does not include 4,084 shares from subscription warrants conversion made in October 2016.

INVESTMENT THESIS

- Floorspace growth via new markets development.
- Dynamic e-commerce growth.
- Efficient business model.
- Cash generation allows for sustaining dividend payments.
- Experienced executives with long-term vision.

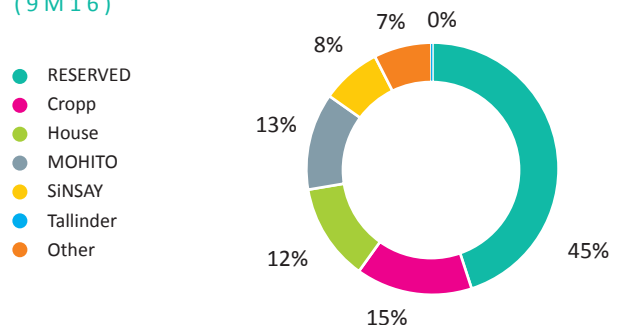
SHARE PRICE PERFORMANCE



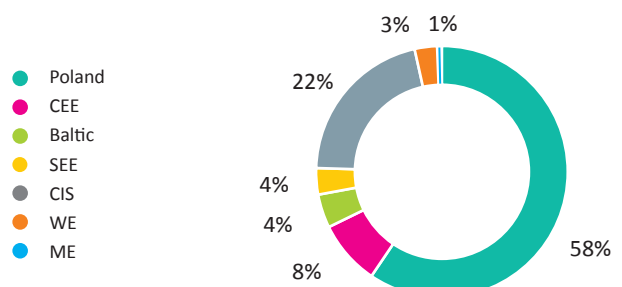
STOCK DATA

Price (30.09.2016)	3,935	EPS (2015)	194
Min (1Y)	3,820	DPS	33
Max (1Y)	7,776	Div yield (%)	0.7
Mkt Cap (PLN m)	7,221	Ticker	LPP
Free-float (PLN m)	4,977	Bloomberg	LPP PW
Book value (PLN m)	1,913	Reuters	LPPPWA

REVENUES SPLIT BY BRANDS (9M16)



REVENUES SPLIT BY COUNTRIES (9M16)



RESERVED

TALLINDER

MOHITO

house

CROPP

sinsay

NETWORK

	3Q14	4Q14	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16	2013	2014	2015
NO. OF STORES												
RESERVED	413	425	425	429	437	449	448	447	449	386	425	449
Cropp	356	366	361	382	362	372	375	388	375	337	366	372
House	302	308	303	330	311	319	322	343	326	292	308	319
MOHITO	246	256	262	268	271	280	281	284	288	219	256	280
SINSAY	113	129	141	150	157	170	172	179	185	62	129	170
Tallinder	0	0	0	0	0	0	6	8	8	0	0	0
Outlets	23	32	33	35	36	37	37	37	37	24	32	37
TOTAL	1,453	1,516	1,525	1,594	1,574	1,627	1,641	1,686	1,668	1,320	1,516	1,627
FLOORSPACE (thm m²)												
Poland	400.0	413.6	423.5	443.5	443.9	465.0	468.3	477.4	471.2	365.5	413.6	465.0
Europe	107.9	128.6	139.6	147.7	161.7	179.0	184.4	190.8	205.2	80.7	128.6	179.0
CIS	173.2	180.3	181.2	183.2	187.7	193.9	194.7	196.9	204.0	142.4	180.3	193.9
ME	0.0	0.0	1.5	3.9	5.5	5.5	7.6	7.6	7.6	0.0	0.0	5.5
TOTAL	681.1	722.5	745.8	778.4	798.8	843.5	855.0	872.7	888.0	588.6	722.5	843.5

CONSOLIDATED INCOME STATEMENT

PLN m	3Q14	4Q14	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16	2013	2014	2015
Revenues	1,234.2	1,404.9	1,002.6	1,291.3	1,261.5	1,575.0	1,174.8	1,502.4	1,488.4	4,116.3	4,769.3	5,130.4
COGS	534.6	575.8	459.1	617.9	598.3	712.3	633.1	752.7	787.8	1,707.2	1,976.8	2,387.5
Gross profit on sales	699.6	829.1	543.4	673.4	663.2	862.8	541.8	749.7	700.6	2,409.2	2,792.5	2,742.8
SG&A costs	558.4	576.2	512.5	523.5	546.8	608.9	595.3	651.7	662.2	1,759.2	2,148.3	2,191.7
Other operating activity	-6.9	-4.7	-7.3	-13.1	-9.6	-18.5	-10.4	-11.6	-33.6	-34.3	-35.0	-48.5
EBIT	134.4	248.3	23.7	136.8	106.8	235.4	-63.9	86.5	4.8	615.6	609.1	502.7
Net financials	-39.3	-74.6	-53.4	21.5	-14.4	-42.0	-5.0	2.4	-8.0	-91.8	-149.2	-88.3
Pre-tax profit	95.1	173.7	-29.7	158.3	92.5	193.4	-68.9	88.9	-3.2	523.9	459.9	414.4
Tax	-13.1	72.0	-7.6	-21.6	-12.7	-21.0	3.4	0.9	-3.2	-91.0	22.0	-63.0
Minorities	0.3	0.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.9	2.3	0.0
Net income	81.7	245.1	-37.3	136.6	79.7	172.3	-65.6	89.8	-6.5	431.0	479.5	351.3
EBITDA	185.0	299.9	74.1	192.5	162.6	297.1	-1.0	152.7	72.9	763.8	802.8	726.2

EFFICIENCY

	3Q14	4Q14	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16	2013	2014	2015
Sales / m ² per month	608	663	462	567	535	631	468	580	567	664	589	548
Gross profit on sales / m ² per month	345	391	250	296	281	346	216	290	267	405	356	293
Costs of own stores / m ² per month	220	202	189	187	186	195	191	202	205	239	218	189
SG&A costs / m ² per month	274	271	236	230	232	244	237	254	254	296	274	234
Gross profit on sales	56.7%	59.0%	54.2%	52.1%	52.6%	54.8%	46.1%	49.9%	47.1%	58.5%	58.6%	53.5%
EBITDA margin	15.0%	21.3%	7.4%	14.9%	12.9%	18.9%	-0.1%	10.2%	4.9%	18.6%	16.8%	14.2%
EBIT margin	10.9%	17.7%	2.4%	10.6%	8.5%	14.9%	-5.4%	5.8%	0.3%	15.0%	12.8%	9.8%
Net margin	6.6%	17.4%	-3.7%	10.6%	6.3%	10.9%	-5.6%	6.0%	-0.4%	10.5%	10.1%	6.8%
Effective tax rate	13.8%	-41.4%	N/M	13.7%	13.8%	10.9%	N/M	-1.0%	N/M	17.4%	-4.8%	15.2%
ROE	27.9%	31.4%	29.2%	26.1%	25.2%	20.1%	17.9%	14.9%	10.0%	31.8%	30.6%	20.0%

CONSOLIDATED BALANCE SHEET

PLN m	3Q14	4Q14	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16	2013	2014	2015
Non-current assets	1,426.2	1,516.4	1,557.5	1,638.4	1,664.3	1,797.0	1,782.7	1,811.7	1,797.8	1,231.9	1,516.4	1,797.0
Fixed assets	1,039.2	1,038.8	1,080.1	1,129.2	1,149.0	1,258.8	1,241.3	1,266.0	1,260.3	896.8	1,038.8	1,258.8
Intangibles (incl. goodwill)	313.4	315.9	318.2	321.0	323.3	324.4	325.4	326.5	325.9	281.2	315.9	324.4
Current assets	1,419.9	1,417.3	1,565.0	1,601.8	1,742.2	1,768.2	1,761.6	1,913.3	1,954.7	1,259.7	1,417.3	1,768.2
Inventory	1,036.8	979.3	1,131.1	1,167.1	1,336.0	1,319.7	1,373.6	1,444.0	1,438.3	805.0	979.3	1,319.7
Trade receivables	159.1	176.9	224.1	192.0	186.6	115.1	109.6	116.5	112.8	163.3	176.9	115.1
Cash and equivalents	117.1	183.5	121.9	155.7	119.9	224.4	145.3	219.2	265.9	149.4	183.5	224.4
Total assets	2,846.1	2,933.7	3,122.5	3,240.2	3,406.6	3,565.2	3,544.3	3,724.9	3,752.4	2,491.6	2,933.7	3,565.2
Equity	1,533.2	1,638.4	1,637.3	1,725.4	1,739.7	1,889.7	1,851.1	1,933.9	1,913.0	1,496.5	1,638.4	1,889.7
Long-term liabilities	203.0	210.7	207.3	217.9	360.6	344.1	326.8	303.3	292.3	192.3	210.7	344.1
Interest bearing debt	195.6	204.5	201.0	182.8	320.3	284.3	268.2	239.6	223.5	184.3	204.5	284.3
Provisions	7.4	6.3	6.3	6.9	7.1	7.1	2.9	2.7	8.1	7.9	6.3	7.1
Other long-term liabilities	0.1	0.0	0.0	28.1	33.2	52.7	55.8	55.3	60.6	0.1	0.0	52.7
Short-term liabilities	1,109.9	1,084.6	1,277.8	1,297.0	1,306.3	1,331.3	1,366.4	1,487.8	1,547.2	802.7	1,084.6	1,331.3
Interest bearing debt	482.7	378.3	636.0	556.1	586.4	561.1	711.8	619.2	689.4	173.6	378.3	561.1
Trade liabilities	569.3	618.6	581.2	645.1	687.4	721.4	604.0	755.9	808.5	547.6	618.6	721.4
Provision	41.9	58.2	19.9	16.1	14.2	17.8	22.1	23.8	22.6	62.4	58.2	17.8
Other short-term liabilities	16.0	29.5	40.8	81.2	18.3	31.1	28.5	27.9	26.8	19.2	29.5	31.1
Total liabilities	2,846.1	2,933.7	3,122.5	3,240.2	3,406.6	3,565.2	3,544.3	3,724.9	3,752.4	2,491.6	2,933.7	3,565.2

INDEBTEDNESS

PLN m	3Q14	4Q14	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16	2013	2014	2015
Net debt	561.1	399.3	715.1	583.3	786.9	620.9	834.6	639.7	647.0	208.5	399.3	620.9
Cash	117.1	183.5	121.9	155.7	119.9	224.4	145.3	219.2	265.9	149.4	183.5	224.4
Debt	678.2	582.8	837.0	739.0	906.8	845.3	980.0	858.9	912.9	357.9	582.8	845.3
Net debt/EBITDA (4 quarters)	0.7	0.5	0.9	0.8	1.1	0.9	1.3	1.0	1.2	0.3	0.5	0.9

TURNOVER RATIOS

	3Q14	4Q14	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16	2013	2014	2015
Cash cycle (days)	68	75	107	93	102	87	106	94	82	60	70	84
Receivables (days)	12	11	18	15	14	9	9	7	7	13	13	10
Inventory (days)	168	158	207	167	188	168	191	168	165	156	165	176
Liabilities (days)	112	93	118	89	100	89	94	81	89	110	108	102

CONSOLIDATED CASH FLOW

PLN m	3Q14	4Q14	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16	2013	2014	2015
Operating CF	51.8	290.9	-203.0	231.2	-39.4	265.1	-202.2	279.6	101.4	508.8	492.9	253.9
D&A	50.6	51.6	50.4	55.7	55.8	61.7	62.9	66.3	68.1	148.2	193.7	223.6
Investing CF	-92.2	-119.6	-96.2	-94.4	-100.0	-125.0	-17.5	-81.4	-43.2	-518.2	-476.0	-415.5
Capex	-100.7	-160.4	-104.4	-124.9	-108.8	-152.6	-36.0	-89.4	-62.1	-541.9	-550.5	-490.6
Financing CF	13.9	-104.9	237.6	-103.0	103.5	-37.0	141.9	-125.2	-11.2	-0.6	17.2	201.2
Total CF	-26.5	66.4	-61.6									