

LPP

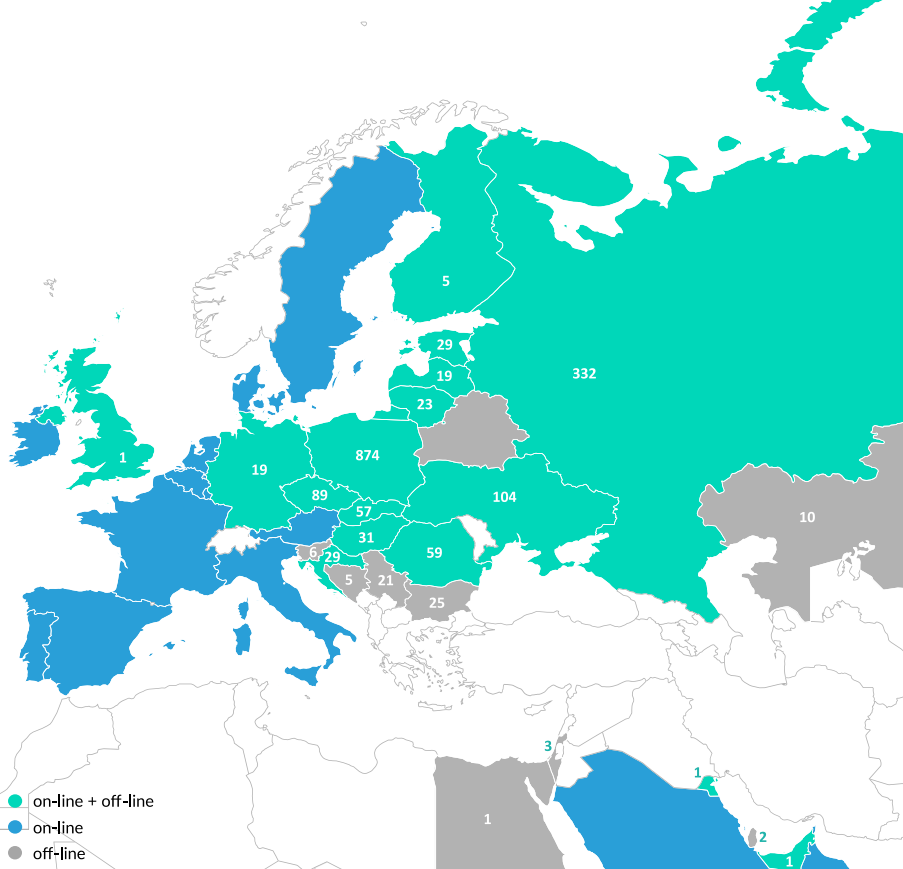
FACT SHEET 4Q19/20

LPP is a Polish clothing producer. Based in Gdańsk, the Company has almost 30 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 foreign sales constitute more 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 21.05.2020	# 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.
- Stable financial situation (net cash IAS17).
- A socially responsible company.

SHARE PRICE PERFORMANCE

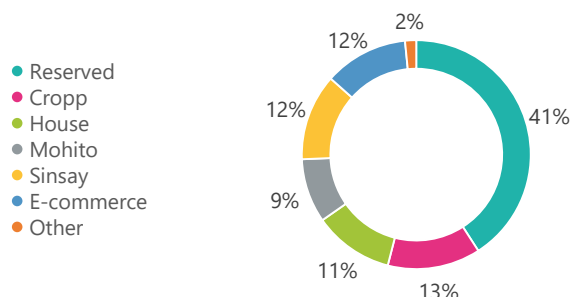


STOCK DATA

Price (31.01.2019)	8,465	EPS (2019)	229.52
Min (1Y)	6,945	DPS (2018)	60.00
Max (1Y)	9,125	Div yield (%)	0.7
Mkt Cap (PLN m)	15,681	Ticker	LPP
Free-float (PLN m)	10,910	Bloomberg	LPP PW
Book value (PLN m)	3,247	Reuters	LPPP.WA

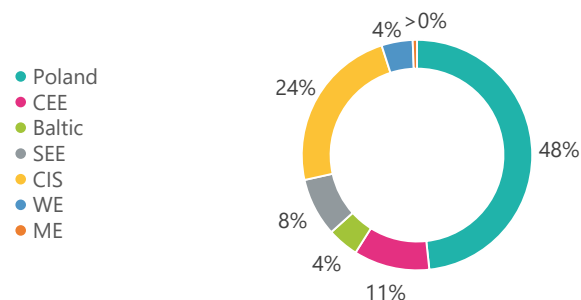
REVENUE SPLIT BY BRANDS

2019/20



REVENUE SPLIT BY REGIONS

2019/20



RESERVED

CROPP

house

MOHITO

sinsay

NETWORK

	4Q17	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19	4Q19/20	2017	2018	2019/20
NO. OF STORES												
Reserved	468	458	463	451	464	451	453	453	454	468	464	454
Cropp	381	377	382	362	373	365	374	362	360	381	373	360
House	333	332	335	326	332	320	326	319	318	333	332	318
Mohito	294	291	294	291	296	289	289	290	283	294	296	283
Sinsay	233	236	253	256	272	274	288	302	324	233	272	324
Outlets	34	34	29	28	28	25	22	20	7	34	28	7
TOTAL	1,743	1,728	1,756	1,714	1,765	1,724	1,752	1,746	1,746	1,743	1,765	1,746
FLOORSPACE (thm²)												
Poland	514.0	511.5	518.0	507.2	529.5	513.9	521.2	529.7	530.0	514.0	529.5	530.0
Europe	232.8	235.0	254.9	261.8	279.4	287.4	327.1	337.8	370.7	232.8	279.4	370.7
CIS	247.3	247.8	254.7	259.0	275.4	277.1	278.9	292.1	321.8	247.3	275.4	321.8
ME	6.6	6.6	6.6	7.3	7.1	7.1	7.1	8.4	8.4	6.6	7.1	8.4
TOTAL	1,006.6	1,000.9	1,034.2	1,035.4	1,091.3	1,085.4	1,134.3	1,168.0	1,230.9	1,006.6	1,091.3	1,230.9

CONSOLIDATED INCOME STATEMENT

PLN m	4Q17	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19	4Q19/20	2017	2018	IFRS16
Revenues	2,148.9	1,580.4	2,049.7	2,043.9	2,372.7	1,827.7	2,214.1	2,348.2	3,509.3	7,029.4	8,046.8	9,899.2
COGS	901.9	867.5	825.3	1,000.6	952.1	1,034.7	901.3	1,183.8	1,633.7	3,302.3	3,645.5	4,753.5
Gross profit on sales	1,247.0	712.8	1,224.5	1,043.4	1,420.6	793.0	1,312.8	1,164.3	1,875.6	3,727.1	4,401.3	5,145.7
SG&A costs	861.9	820.5	891.6	898.8	921.3	874.0	948.6	1,004.0	1,386.5	3,099.9	3,532.2	4,213.1
Other operating activity	-8.4	-10.1	-21.1	-15.4	-66.0	-19.1	-11.7	-76.3	-76.3	-48.7	-112.5	-126.9
EBIT	376.7	-117.7	311.8	129.2	433.3	-100.2	352.5	140.5	412.8	578.4	756.6	805.7
Net financials	-24.9	14.5	-15.5	-19.2	-12.7	-16.6	-10.8	-97.1	-16.0	-14.8	-32.9	-140.5
Pre-tax profit	351.9	-103.2	296.3	110.0	420.6	-116.9	341.8	43.4	396.8	563.7	723.7	665.2
Tax	52.3	1.6	90.2	18.4	108.3	-2.3	136.3	23.8	86.3	122.9	218.5	244.2
Minorities	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	0.0	0.0
Net income	299.5	-104.8	206.1	91.6	312.3	-114.6	205.5	19.6	310.5	440.9	505.2	421.0
EBITDA	450.3	-33.3	397.4	217.4	524.2	132.2	594.9	396.0	776.4	871.9	1,105.7	1,895.5

EFFICIENCY

	4Q17	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19	4Q19/20	2017	2018	2019/20
Sales / m2 per month	741	532	674	663	751	567	667	685	723	628	662	671
Gross profit on sales / m2 per month	430	240	403	338	445	238	396	340	386	332	358	349
Costs of own stores / m2 per month (IAS17)	216	212	212	207	207	201	203	203	196	214	207	201
SG&A costs /m2 per month (IAS17)	300	279	297	295	292	277	283	294	291	280	291	287
Gross profit margin	58.0%	45.1%	59.7%	51.0%	59.9%	43.4%	59.3%	49.6%	53.4%	53.0%	54.7%	52.0%
EBITDA margin	21.0%	-2.1%	19.4%	10.6%	22.1%	7.2%	26.9%	16.9%	22.1%	12.4%	13.7%	19.2%
EBIT margin	17.5%	-7.4%	15.2%	6.3%	18.3%	-5.5%	15.9%	6.0%	11.8%	8.2%	9.4%	8.1%
Net margin	13.9%	-6.6%	10.1%	4.5%	13.2%	-6.3%	9.3%	0.8%	8.8%	6.3%	6.3%	4.3%
ROE (4Q)	20.3%	20.8%	21.3%	20.8%	19.0%	19.3%	18.4%	15.4%	13.9%	19.3%	19.0%	13.9%

CONSOLIDATED BALANCE SHEET

PLN m	4Q17	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19	4Q19/20	2017	2018	2019/20
Non-current assets	2,041.4	2,043.8	2,128.6	2,238.1	2,417.8	5,320.5	5,393.4	5,636.4	5,870.7	2,041.4	2,417.8	5,870.7
Fixed assets	1,478.2	1,480.1	1,558.5	1,648.3	1,818.3	1,861.9	1,992.0	2,139.6	2,312.4	1,478.2	1,818.3	2,312.4
Right of use assets (IFRS16)	0.0	0.0	0.0	0.0	0.0	2,889.0	2,868.2	2,955.7	3,000.2	0.0	0.0	3,000.2
Intangibles (incl. goodwill)	351.2	354.7	359.1	368.1	376.7	384.6	394.7	402.2	413.3	351.2	376.7	413.3
Current assets	2,289.5	2,163.8	2,630.9	2,951.5	2,963.1	2,750.2	3,197.3	3,357.9	3,735.1	2,289.5	2,963.1	3,735.1
Inventory	1,475.2	1,402.9	1,512.2	1,608.8	1,590.4	1,370.0	1,984.8	2,023.0	1,921.1	1,475.2	1,590.4	1,921.1
Trade receivables	199.6	144.0	121.4	129.0	121.7	177.1	167.3	154.5	143.8	199.6	121.7	143.8
Cash and equivalents	514.8	440.9	651.5	851.2	1,045.0	991.8	862.9	920.8	1,361.5	514.8	1,045.0	1,361.5
Total assets	4,330.8	4,207.7	4,759.5	5,189.6	5,380.8	8,070.7	8,590.7	8,994.3	9,605.9	4,330.8	5,380.8	9,605.9
Equity	2,443.4	2,340.4	2,504.4	2,555.3	2,860.5	2,786.0	2,878.6	2,939.1	3,247.5	2,443.4	2,860.5	3,247.5
Long-term liabilities	324.4	317.9	322.4	315.3	346.1	2,618.8	2,609.2	2,708.3	3,159.3	324.4	346.1	3,159.3
Interest bearing debt	141.8	128.5	115.2	101.9	88.6	75.2	61.9	47.6	462.9	141.8	88.6	462.9
Financial leases (IFRS16)	0.0	0.0	0.0	0.0	0.0	2,432.1	2,431.3	2,544.0	2,568.0	0.0	0.0	2,568.0
Provisions	0.8	0.8	0.8	0.8	1.0	1.0	1.0	1.0	1.5	0.8	1.0	1.5
Other long-term liabilities	181.8	188.6	206.4	212.6	256.6	110.4	115.0	115.7	126.9	181.8	256.6	126.9
Short-term liabilities	1,563.0	1,549.3	1,932.7	2,319.0	2,174.1	2,665.9	3,103.0	3,346.9	3,199.1	1,563.0	2,174.1	3,199.1
Interest bearing debt	56.5	91.2	172.7	224.1	203.2	322.7	175.0	277.3	109.5	56.5	203.2	109.5
Financial leases (IFRS16)	0.0	0.0	0.0	0.0	0.0	586.5	599.0	631.9	680.2	0.0	0.0	680.2
Trade liabilities	1,325.3	1,296.3	1,444.3	1,810.2	1,557.4	1,566.6	2,056.0	2,178.8	2,100.8	1,325.3	1,557.4	2,100.8
Provisions	53.5	38.1	61.2	77.6	107.1	73.9	62.3	106.1	89.6	53.5	107.1	89.6
Other short-term liabilities	127.7	123.8	254.5	207.0	306.4	116.2	210.7	152.8	219.1	127.7	306.4	219.1
Total liabilities	4,330.8	4,207.7	4,759.5	5,189.6	5,380.8	8,070.7	8,590.7	8,994.3	9,605.9	4,330.8	5,380.8	9,605.9

INDEBTEDNESS

PLN m	4Q17	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19	4Q19/20	2017	2018	2019/20
Net debt	-316.5	-221.1	-363.6	-525.1	-753.2	-593.9	-625.9	-596.0	-789.1	-316.5	-753.2	-789.1
Cash	514.8	440.9	651.5	851.2	1,045.0	991.8	862.9	920.8	1,361.5	514.8	1,045.0	1,361.5
Debt	198.3	219.7	287.9	326.0	291.8	397.9	236.9	324.9	572.4	198.3	291.8	572.4
Net debt/EBITDA (4 quarters)	-0.4	-0.3	-0.4	-0.5	-0.7	-0.5	-0.5	-0.5	-0.6	-0.4	-0.7	-0.6

TURNOVER RATIOS

	4Q17	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19	4Q19/20	2017	2018	2019/20
Cash cycle (days)	27	23	15	0	-3	0	-6	-2	-7	33	16	-1
Receivables (days)	8	10	6	6	5	7	7	6	5	9	7	5
Inventory (days)	155	149	159	140	151	129	167	152	146	146	153	146
Liabilities (days)	137	136	149	146	159	136	181	161	158	122	144	152

CONSOLIDATED CASH FLOW

PLN m	4Q17	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19	4Q19/20	2017	2018	2019/20
Operating CF	414.9	51.0	420.3	429.8	310.9	121.9	514.5	383.2	828.8	893.2	1,212.0	1,848.3
D&A	73.5	84.4	85.6	88.2	90.9	232.4	242.4	255.5	363.6	293.4	349.2	1,093.8
Investing CF	-91.3	-146.0	-281.3	-192.3	-84.8	-123.7	-180.8	-246.7	-310.3	-383.9	-704.4	-861.5
Capex	-119.7	-148.6	-									