

LPP

LPP EQUITY STORY

2022/23



LPP EQUITY STORY

JULY 2023

RESERVED

CROPP

HOUSE

M O H I T O

s'insay

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01

Overview

02

Investment case

Developing omnichannel
Efficient business model allowing for dividend
payment
A responsible company

03

Back-up

Brands
Floorspace
Regions
Growth drivers
Business model details
Corporate milestones
Governance and stock exchange

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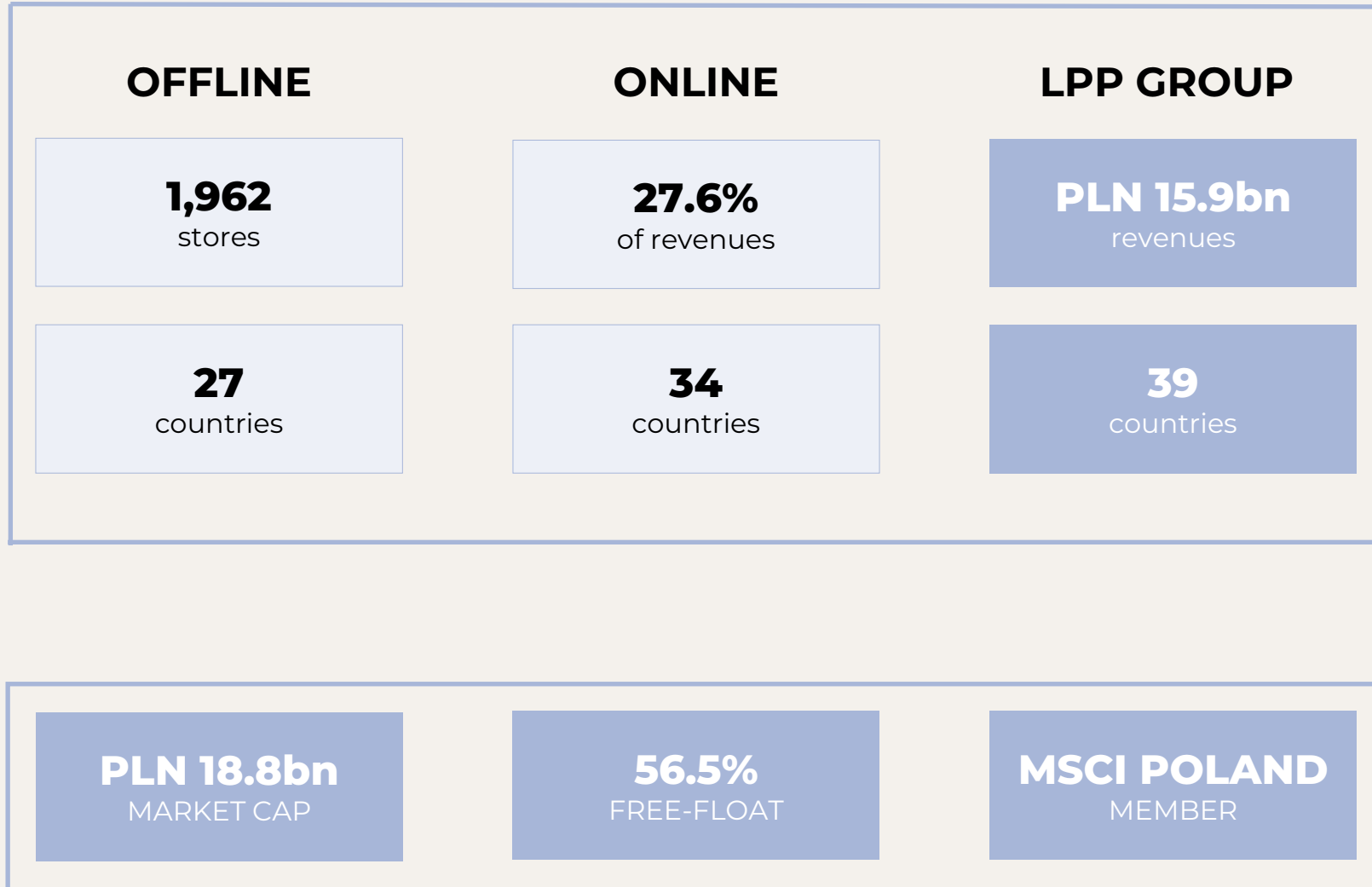
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LPP EQUITY STORY

2022/23

01 OVERVIEW

One of the largest clothing retailers on WSE

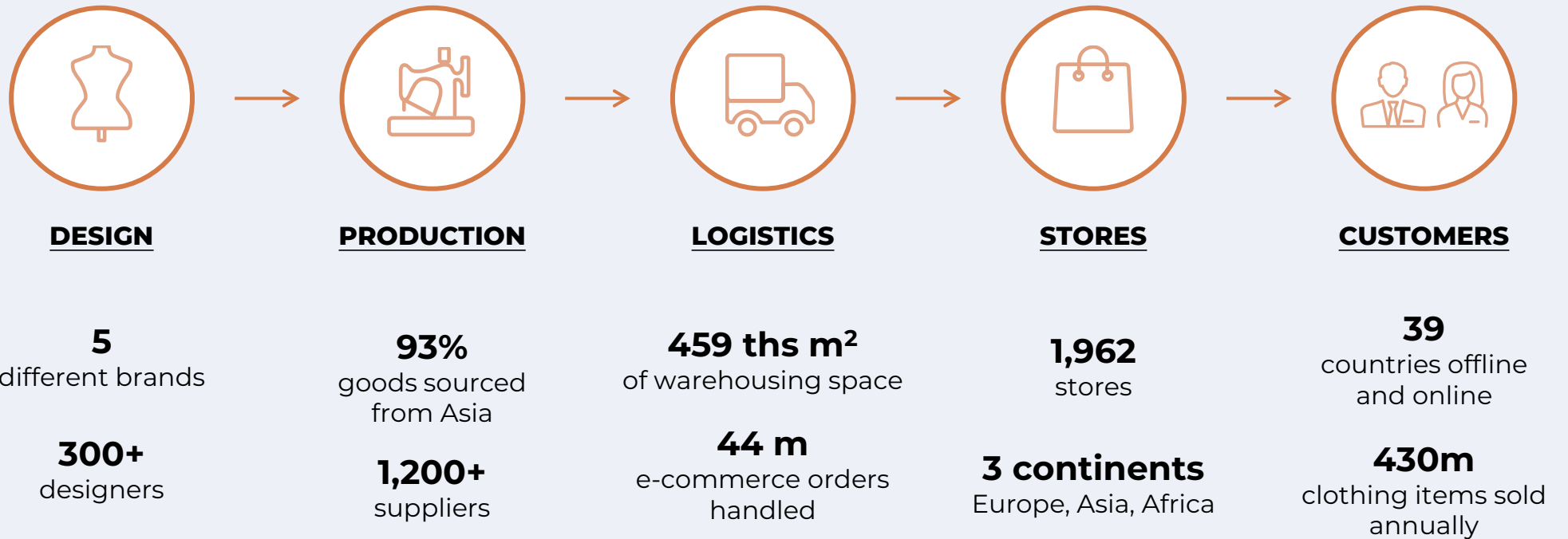


Data as of 31.01.2023

A lean customer focused business model

LPP EQUITY STORY

2022/23



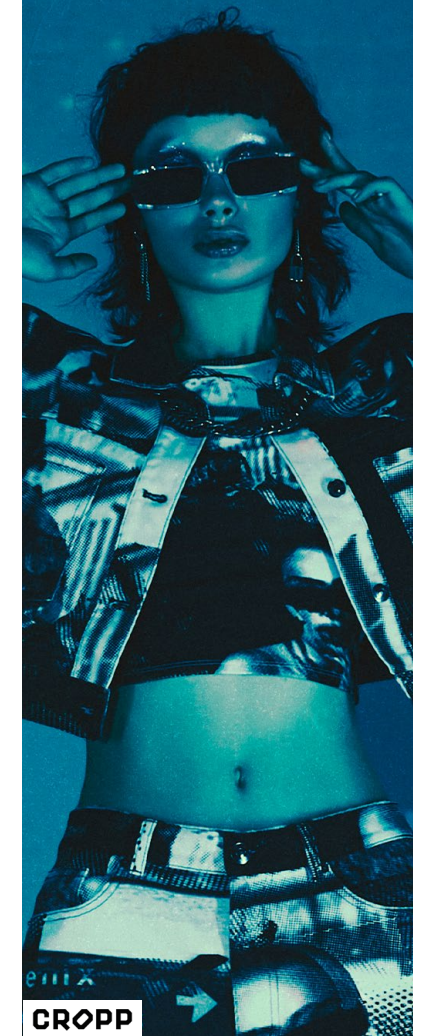
Time of implementation from design to stores: up to 30 days for the most fashionable items.
The rest of the collection is manufactured in approx. 90-100 days.

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A diversified brand portfolio

LPP EQUITY STORY

2022/23



Portfolio of 5 mainstream brands

LPP EQUITY STORY

2022/23

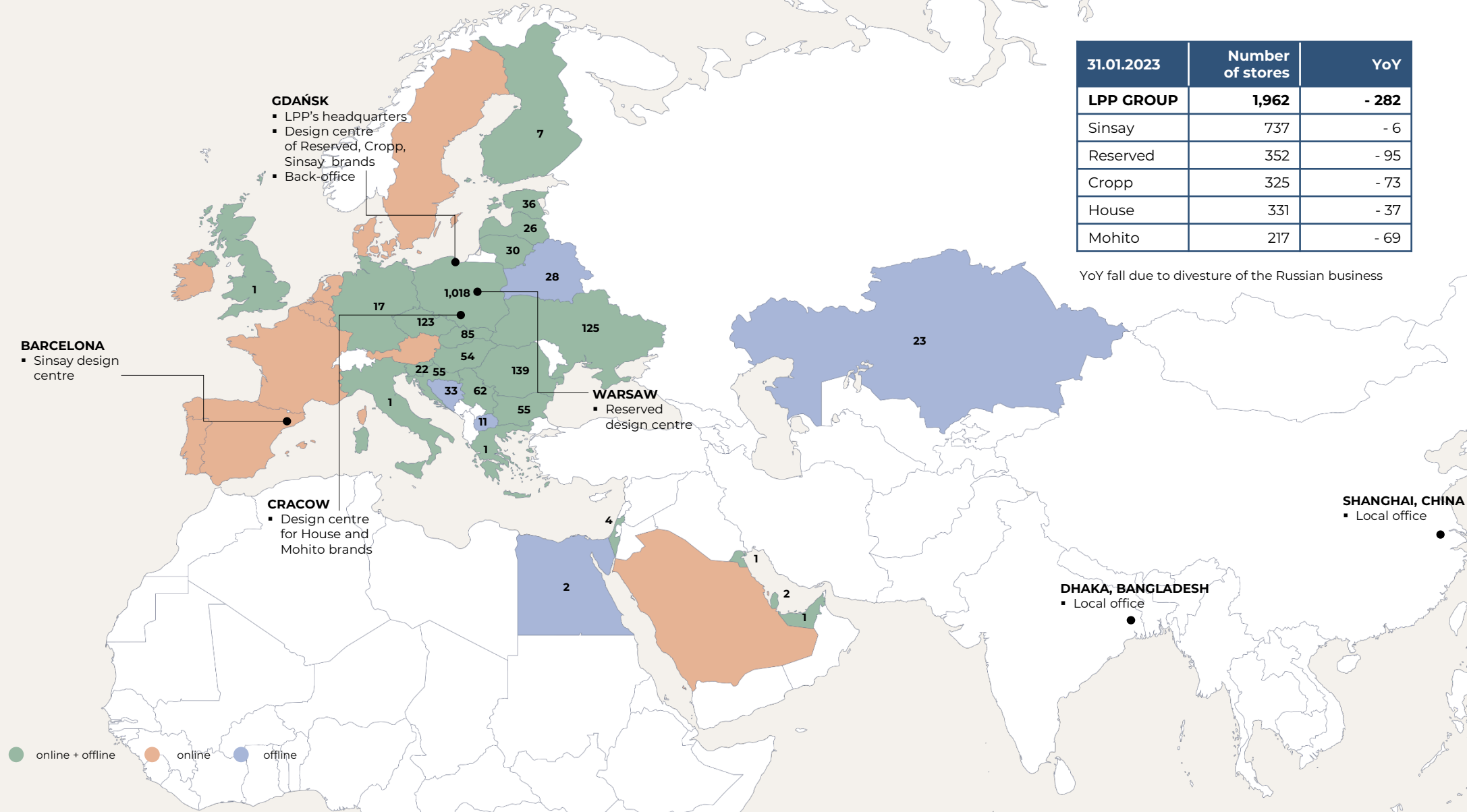
WE FOCUS ON MAINSTREAM-PRICED BRANDS

	sinsay	RESERVED	CRÖPP	HOUSE	M O H I T O
KEY BRAND FEATURES	The latest trends in affordable prices	Anchor brand with broad customer base	Streetwear brand influenced by contemporary culture and music	An optimistic fashion brand	Comfort and elegance for business and informal meetings
TARGET CUSTOMERS	Women, men, teenagers, children, newborn	Women, men, children, newborn	Teenagers (boys and girls)	Teenagers (boys and girls)	Women
YEAR OF LAUNCH	2013	1998	2004	2001 (at LPP since 4Q08)	2008 (at LPP since 4Q08)
# STORES/ FLOORSPACE 2022/23	737 699.6 ths m ²	352 569.6 ths m ²	325 153.4 ths m ²	331 156.4 ths m ²	217 94.4 ths m ²
AVERAGE STORE SIZE	949 m ²	1,618 m ²	472 m ²	472 m ²	435 m ²

2,000 stores on 3 continents

LPP EQUITY STORY

2022/23



Our logistics' backbone to drive success



Data as of 31.01.2023

● Distribution Centre (DC) ● Fulfillment Centre (FC) ● DC + FC



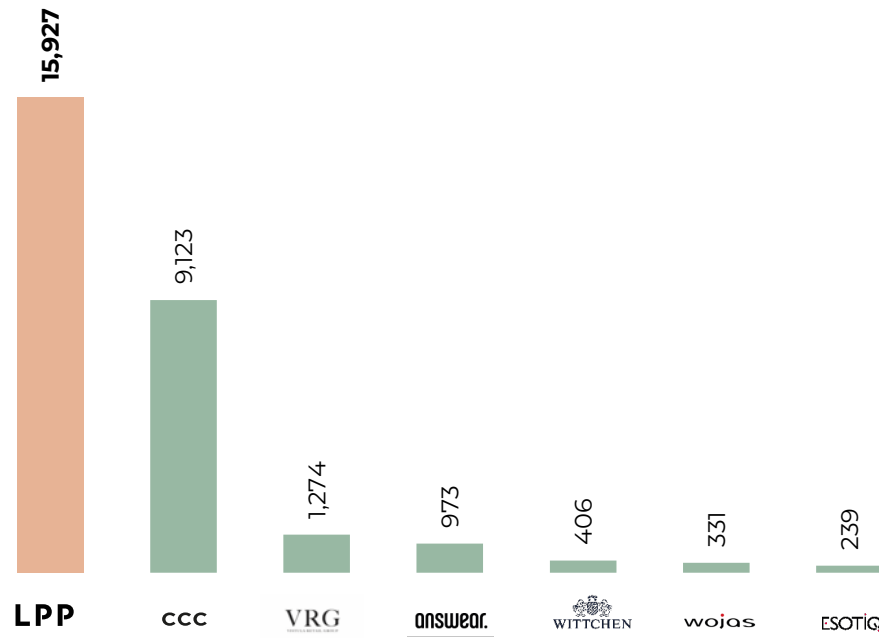
Eyeing the international giants

LPP EQUITY STORY

2022/23

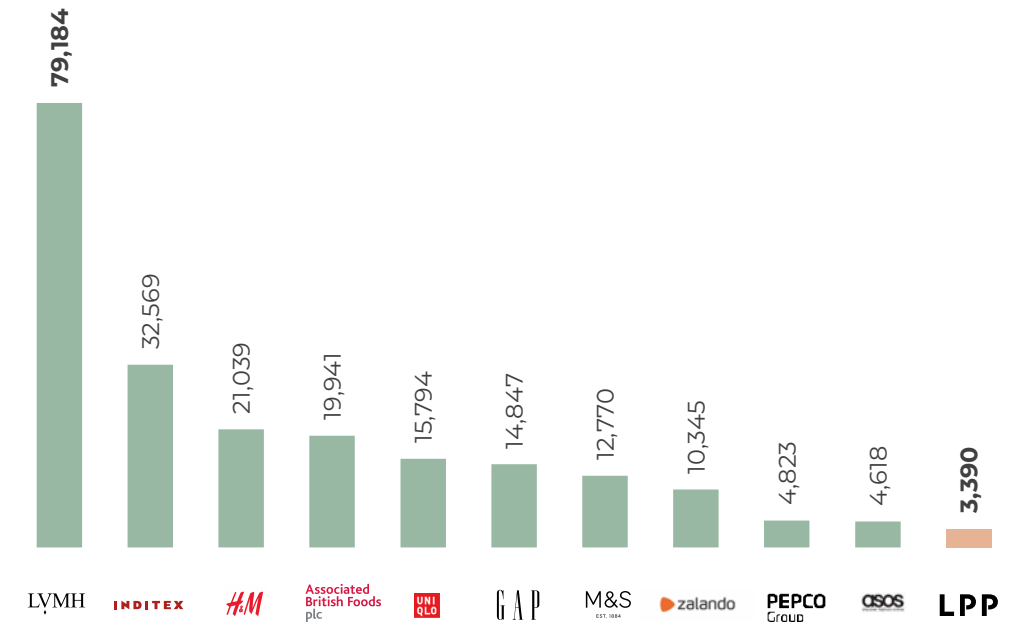
LEADER ON THE DOMESTIC RETAIL MARKET

REVENUES (PLN m)



AMBITIOUS TO BE AMONG THE INTERNATIONAL LEADERS

REVENUES (EUR m)



Note: data for LPP for 2022/23, while for other companies for comparable fiscal years.

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LPP EQUITY STORY

2022/23





INVESTMENT CASE

01

DEVELOPING OMNICHANNEL

10-15% p.a. floorspace growth in the next 3 years

02

EFFICIENT BUSINESS MODEL ALLOWING FOR DIVIDEND PAYMENT

Lean and cost cautious business model with strong cash flow generation

03

A RESPONSIBLE COMPANY

2020-2025 Sustainable Development Strategy with ambitious targets

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LPP EQUITY STORY

2022/23

01

**DEVELOPING
OMNICHANNEL**

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DEVELOPING OMNICHANNEL

10-15% p.a. FLOORSPACE GROWTH IN THE NEXT 3 YEARS

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LPP EQUITY STORY

2022/23

01

DEVELOPING
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OMNICHANNEL



OFFLINE

separate and modern store concepts
for each brand
Sinsay, Reserved, Cropp, House, Mohito

1,962

stores in

27

countries

PLN 11.3bn

sales in 2022/23

ONLINE

own e-stores, separate
for each brand;
mobile **apps for Sinsay and
Reserved**

34

countries on

3

continents

PLN 4.4bn

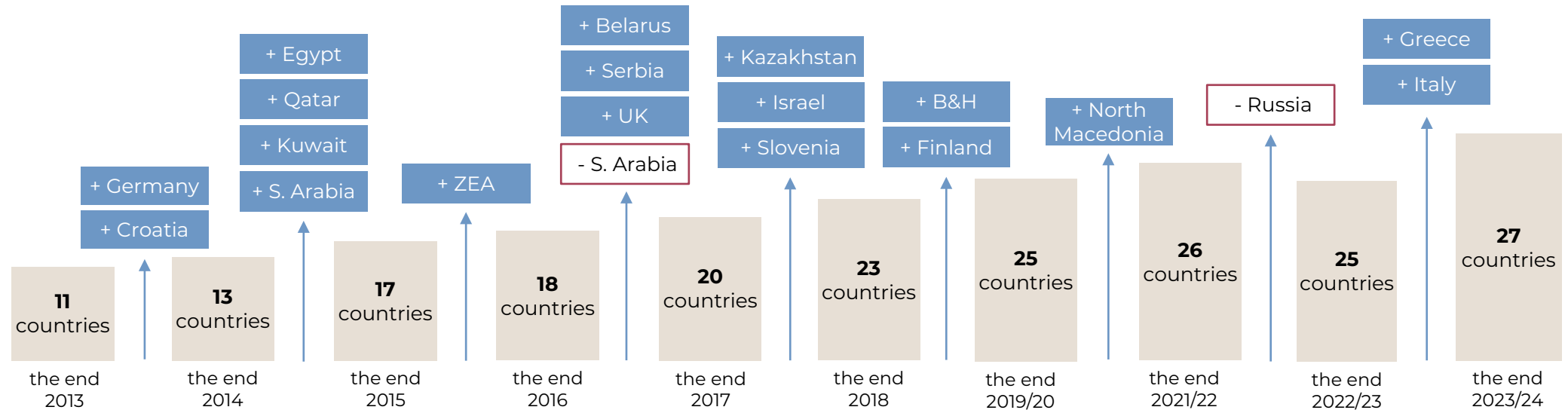
sales in 2022/23

New countries broaden our offline presence

LPP EQUITY STORY

2022/23

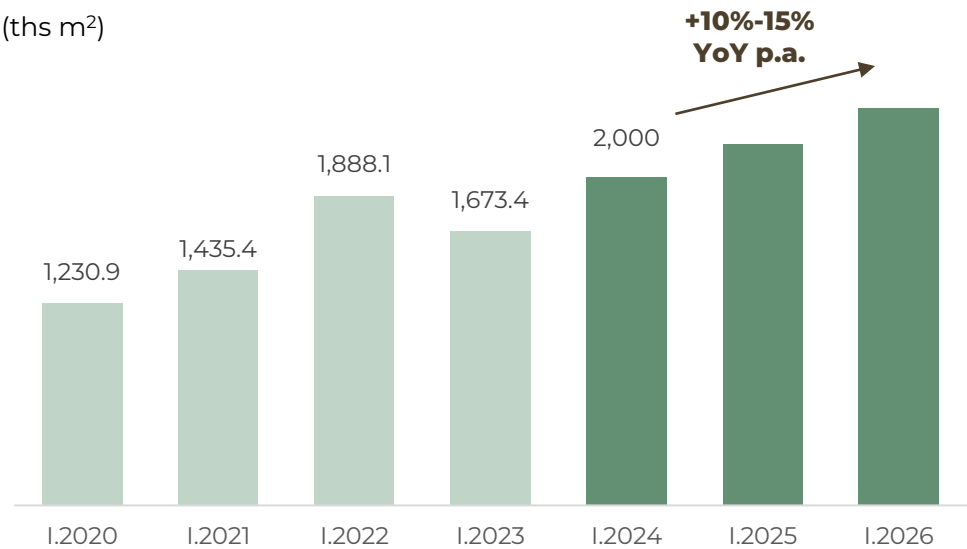
EXPANSION COUNTRIES



- Entry to new countries with all five brands continues to be a means of our floorspace development.
- In 2019, we opened our first own stores in Bosnia & Hercegovina and Finland. In 2021/22, we entered North Macedonia.
- In 2022/23 we divested our Russian operations, due to the Russian attack on Ukraine.
- At the end of 2022/23 LPP's offline stores were opened in Greece and Italy.

FLOORSPACE GROWTH TARGETS

(ths m²)



FLOORSPACE TARGETS REGIONS

ths m²	I.2023	I.2024	YoY
LPP GROUP	1,673.4	2,000.0	20%
Poland	752.5	845.7	12%
Europe	743.9	975.5	31%
Other CEE	234.5	287.5	23%
Baltic	81.2	92.3	14%
SEE	375.5	493.2	31%
WE	52.6	102.6	95%
Other regions	176.9	178.7	1%

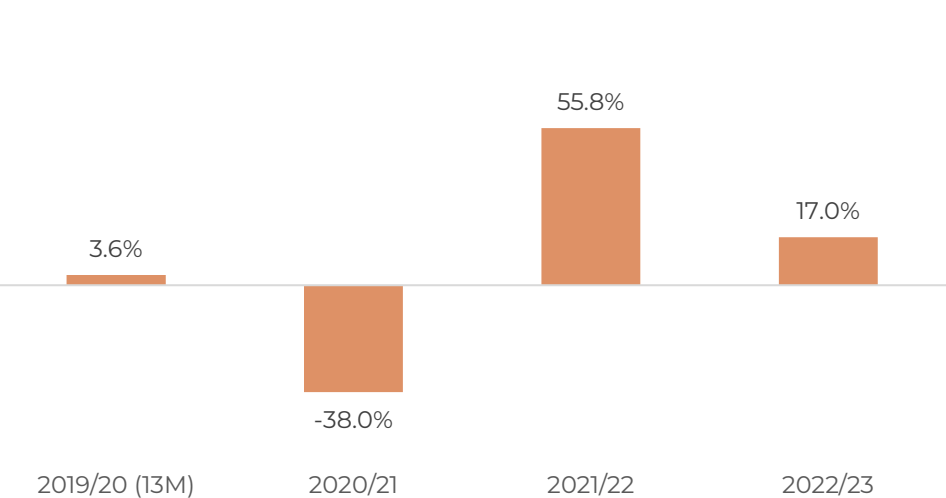
- Dynamic floorspace growth in the past resulted from: (1) enlarging stores of all brands, (2) entering new countries and (3) expansion Sinsay in Poland and abroad.
- April/May 2022 divestiture of the Russian business following Russian military aggression on Ukraine. As a result, a strategic shift from East to West and South Europe and YoY fall in floorspace at the end of 2022/23.
- The largest nominal increase in floorspace in 2023/24 in the following countries outside Poland: Romania, Czech Republic, Croatia, Bulgaria, Finland.
- Reasons behind further floorspace growth: (1) stronger entry to smaller towns, also via retail parks, (2) opportunity to develop value-for-money segment, (3) emphasis on omnichannel, of which traditional network is an important part.
- 10-15% p.a. floorspace growth in the next years.

Offline revenues to grow by +25% YoY in 2023/24

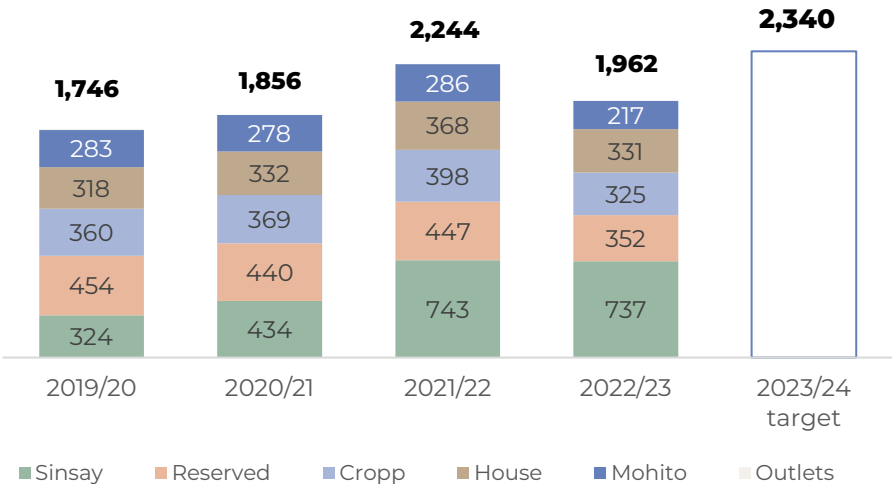
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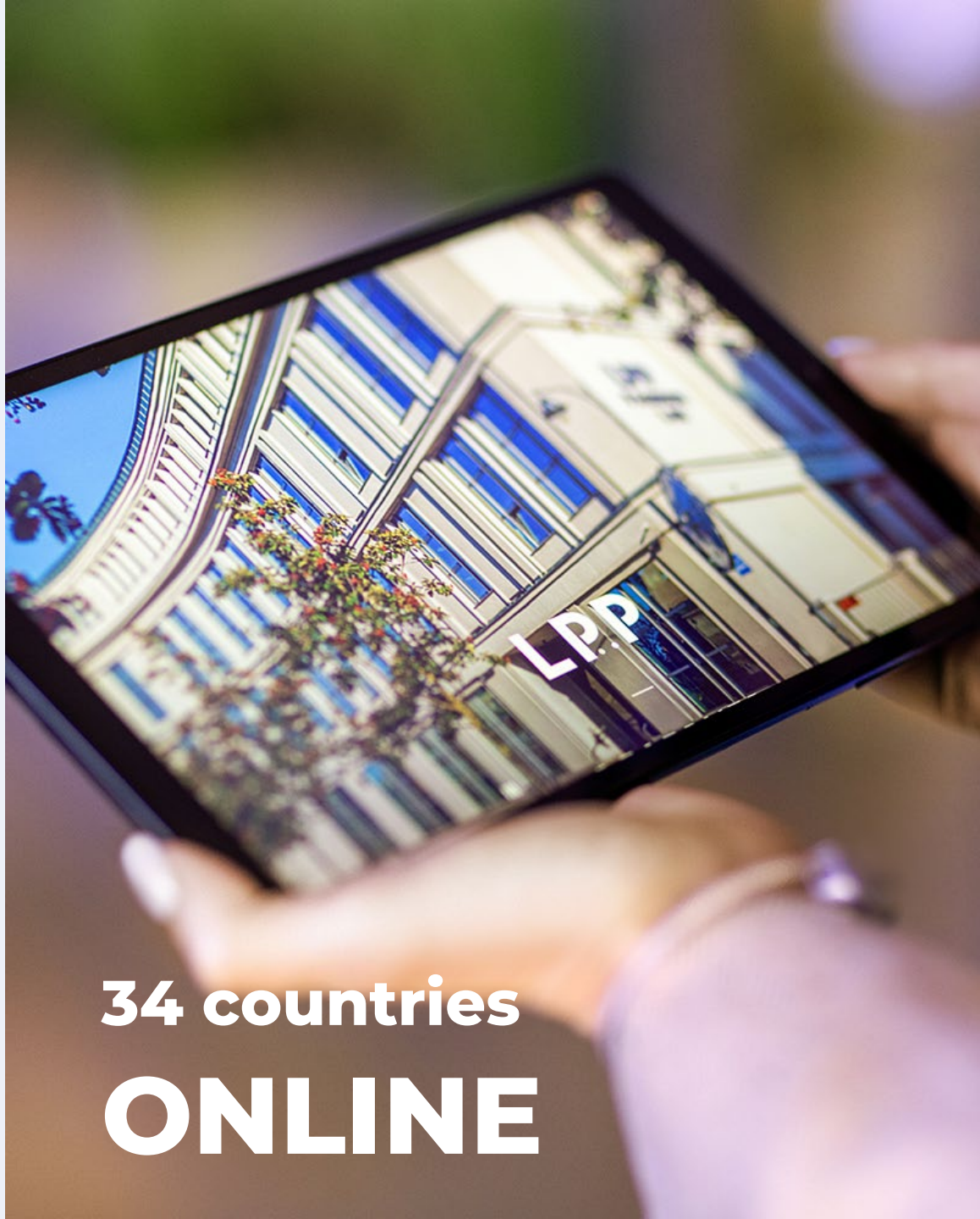
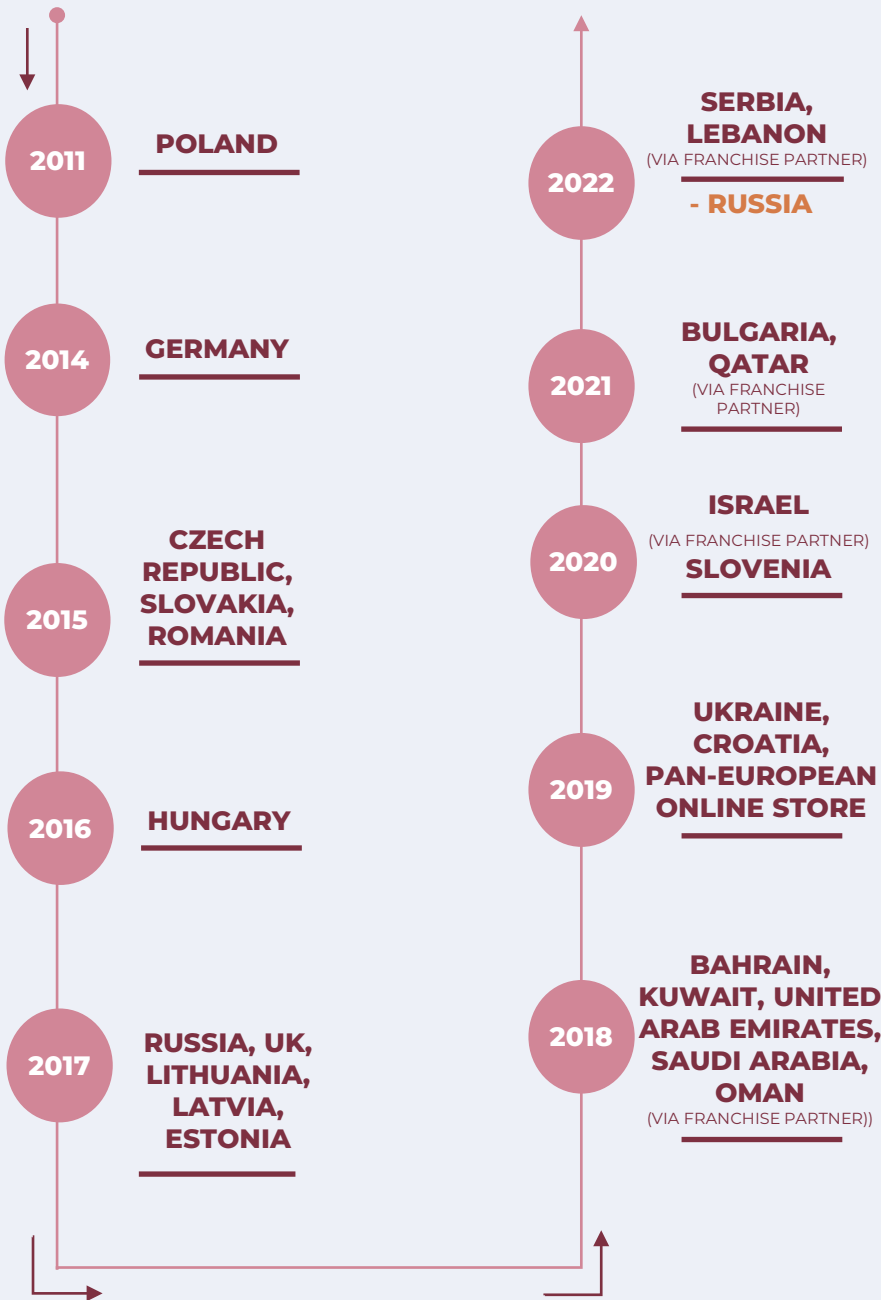
LFLS (LOCAL CURRENCIES)



NUMBER OF STORES



- LFLs show the strength of our collections across our brands in our traditional stores. LFLs are supported by RFiD introduction: faster delivery receipt, faster transfer of product from storage to sales room.
- Positive LFLs due to collections created by own designers, tailored to the tastes and needs of customers.
- Development of own stores to continue. The biggest growth potential for new stores in Poland, Romania, Croatia, Serbia, Bulgaria, Finland, Italy, Greece.
- Sinsay as a main growth driver in upcoming years, opening stores mostly in smaller towns and via retail parks.



34 countries

ONLINE

01

DEVELOPING
OMNICHANNEL

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Online sales – part of omnichannel

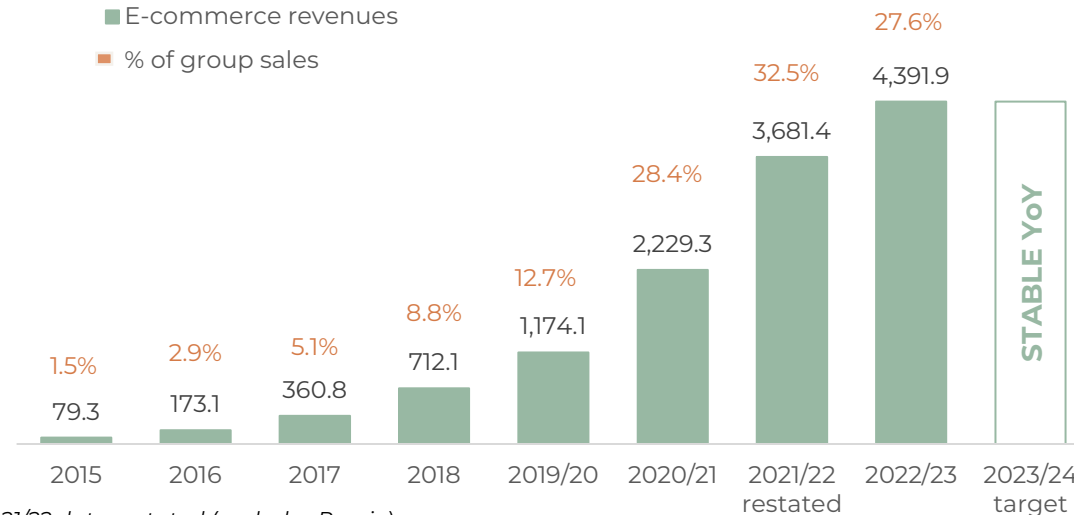
2023/24 TARGET:

- online revenue supported by:
 - entry to new countries,
 - stronger focus on value-for-money segment,
 - broader offer online than offline (dedicated models),
 - own applications,
 - usage of algorithms and artificial intelligence e.g. Dynamic Yield (a tool that provides online customers with a personalized experience),
 - presence in social media.
- e-commerce revenues (stable YoY)

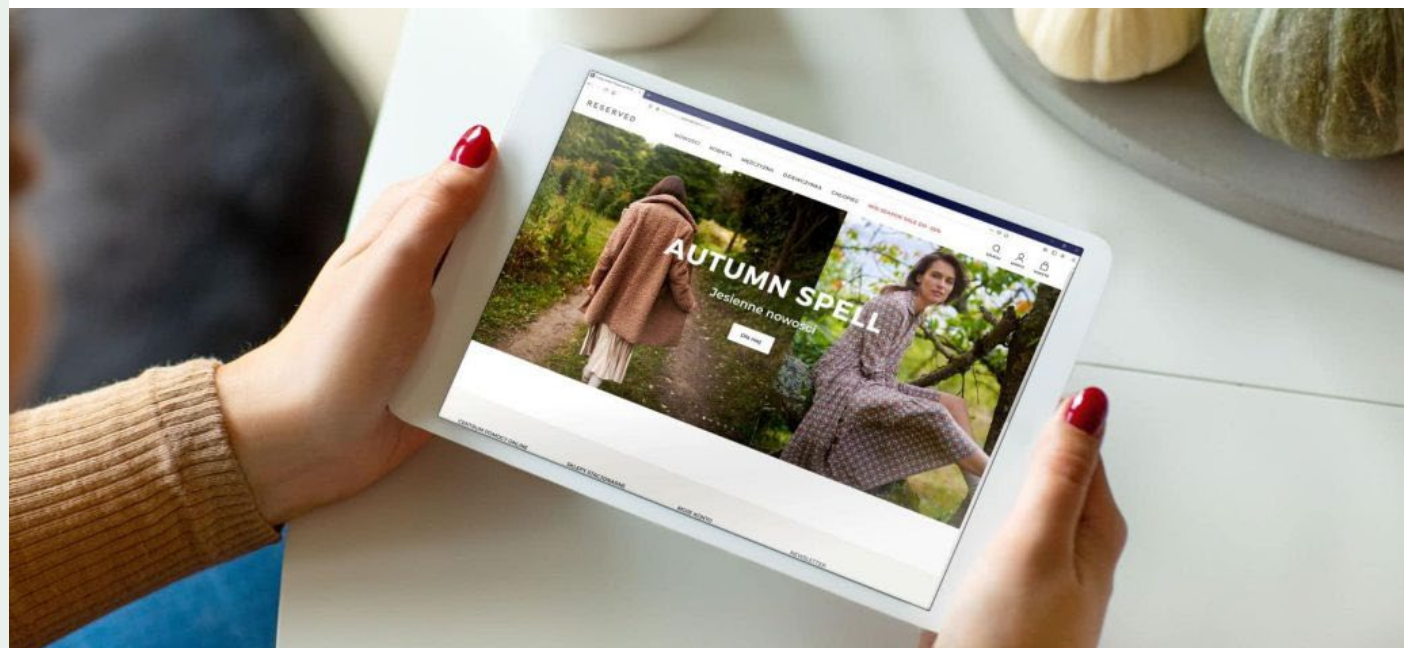
ONLINE SALES (PLN MLN)

■ E-commerce revenues

■ % of group sales



Note: 2021/22 data restated (excludes Russia).





Development by own e-stores to continue

Sizeable development potential of our own e-stores - no need to resort to growth via marketplaces.

DEVELOPMENT THROUGH OWN E-STORES GIVES US:

- direct access to retail customers,
- control over inventory and pricing policy,
- stability (no intermediaries, continuation of contact).

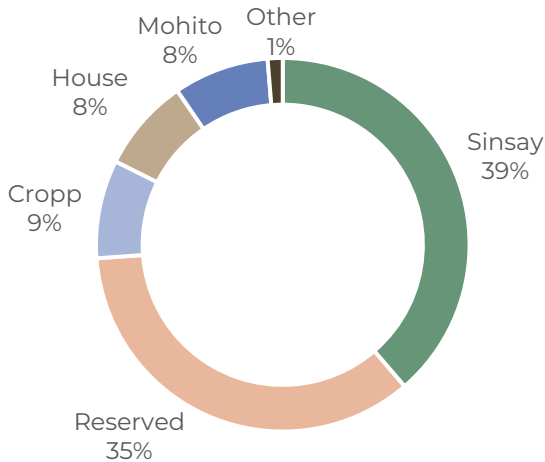
Reserved and Sinsay apps support online



In Poland Reserved and Sinsay apps generated about 30% of revenues from online sales of those brands in 2023/24 YTD.

GROUP REVENUES BY BRANDS

(PLN m)



GROUP REVENUES BY BRANDS

PLN m	2019/20	2020/21	2021/22	2021/22 restated	2022/23
LPP GROUP	9,222	7,848	14,030	11,339	15,927
Sinsay	1,282	1,738	4,587	3,579	6,162
Reserved	4,370	3,467	5,386	4,574	5,598
Cropp	1,289	972	1,526	1,103	1,357
House	1,135	875	1,295	1,053	1,288
Mohito	987	708	1,144	957	1,315
Other	159	88	92	72	207

Note: 2021/22 data restated (excludes Russia)

- Historically, Reserved mainstream brand was the key revenue pillar.
- Sinsay brand positioned in the value-for-money segment is now the largest revenue pillar of LPP's group.
- The priority in new markets' expansion is given to Reserved and Sinsay brands (SEE, Western Europe).
- Although in upcoming quarters development will be focused on Sinsay, we continue to develop also other brands to minimise fashion risk and benefit from economies of scale.

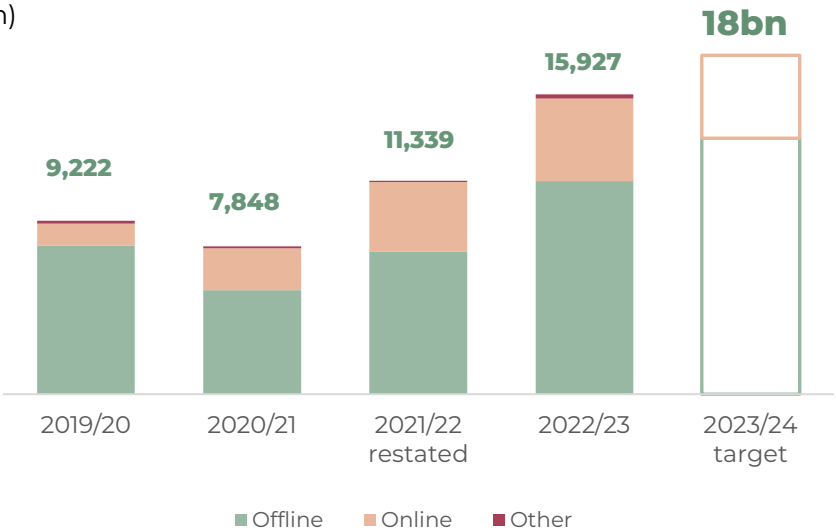
Double-digit revenue growth

LPP EQUITY STORY

2022/23

GROUP REVENUES

(PLN m)



GROUP REVENUES BY CHANNELS

PLN m	2019/20	2020/21	2021/22	2021/22 restated	2022/23
LPP GROUP	9,222	7,848	14,030	11,339	15,927
Offline	7,889	5,531	9,977	7,587	11,328
Online	1,174	2,229	3,961	3,681	4,392
Other	159	88	92	72	207

Note: 2021/22 data restated (excludes Russia)

CONSISTENT CHANNELS TO GENERATE REVENUES GROWTH:

Product: consistent product communication and presentation, focus on online advertising, broadening the offering (homewear, pets accessories, beauty), part of brands’ collections dedicated to only online channel

Customer experience: merging of online and offline sales departments, customer service process supported by RFID, customers having access to product, regardless of the form of purchase

Logistics: inventory available for both channel of purchase, integration of logistics systems of both channels, possibility to send goods directly from stores to speed up delivery, multiple delivery options on each market (click and colect, door to door, parcel locker)

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EFFICIENT BUSINESS MODEL ALLOWING FOR DIVIDEND PAYMENT

LEAN AND COST CAUTIOUS BUSINESS MODEL WITH STRONG CASH FLOW GENERATION

Growing efficiency in omnichannel revenues/ m²

LPP EQUITY STORY

2022/23

AVERAGE STORE SIZE

(m²)Price tag
(PLN)

25

69

64

58

86

949

1,618

472

472

435

Sinsay

Reserved

Cropp

House

Mohito

Store size in 2022/23 (m²)

AVERAGE MONTHLY OMNICHANNEL REVENUES/ M²

PLN m	2019/20 (13M)	2020/21	2021/22	2022/23
LPP GROUP	671	500	715	869
Poland	697	528	740	811
Export	639	487	706	930
Sinsay	728	615	790	924
Reserved	500	441	657	823
Cropp	717	517	712	758
House	715	535	673	717
Mohito	631	523	801	1,165

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- Level of sales/ m² at brands is influenced by the size of their stores. Mohito has the smallest stores and thus records higher sales/ m² than the rest of the brands.
- Difference between sales/ m² abroad and in Poland in 2019-21/22 gradually decreased and finally in 2022/23 foreign sales/ m² exceeded those from Poland. This was the consequence of growing recognition of younger brands abroad, more favorable currency trends and introduction of a new replenishment system abroad.
- Positive impact of growing online sales for omnichannel revenues/ m².

Gross profit margin to improve

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2022/23

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KEY FACTORS INFLUENCING GROSS PROFIT MARGIN

FX – some 90% of purchases are made in the Far East and indexed to US\$. Appreciation of zloty to US\$ decreases costs of purchases from Asia.

Meeting customer expectations – we focus on meeting the needs of our customers. Thanks to this and successful collections, we sell our collections in regular prices, without discounts, what affects the gross profit margin.

Sinsay brand development – Sinsay is a value-for-money brand that bears a lower gross profit margin than our other brands. The higher the Sinsay share in our revenues, the low our Group gross profit margin.

Production inflation – higher production costs (raw material costs, labor costs) increase the purchase costs, which cannot always be passed on to the customer.

% Gross profit margin	2019/20	2020/21	2021/22	2021/22 restated	2022/23	2023/24 target
LPP GROUP	53.6%	52.0%	57.8%	57.2%	51.1%	51-53%

Write-offs for inventory are included in gross profit margin.

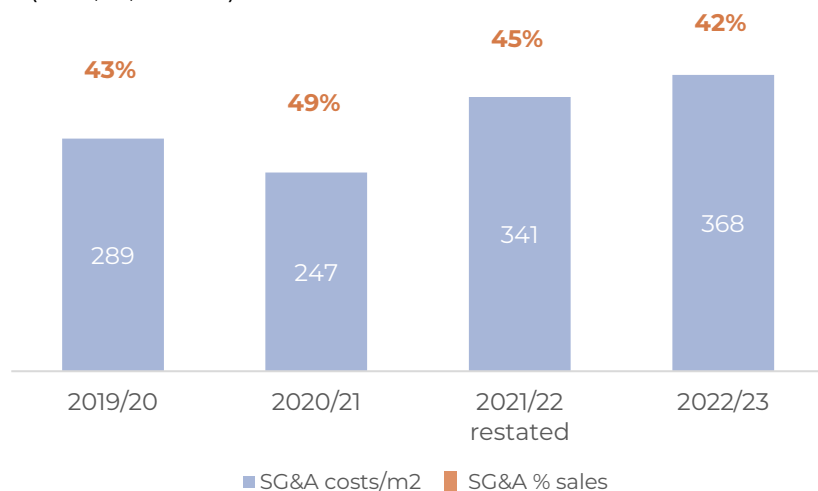
High operating leverage business

LPP EQUITY STORY

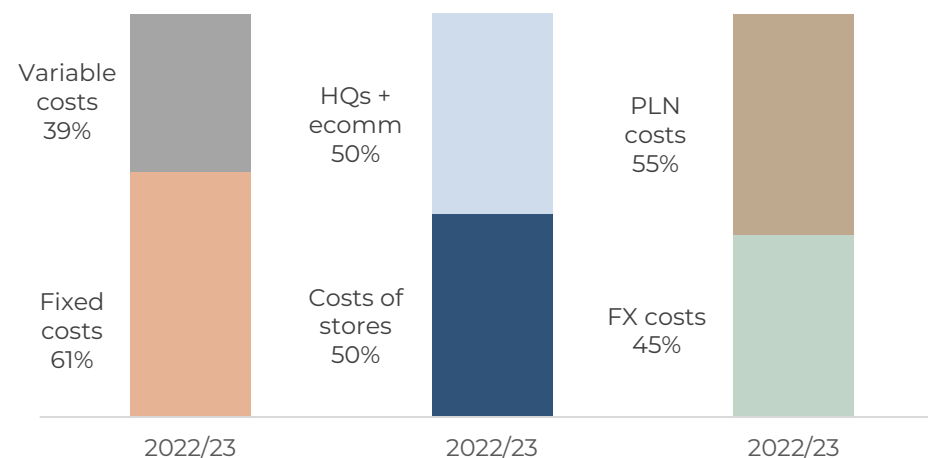
2022/23

AVERAGE MONTHLY SG&A COSTS/M² VS SG&A AS % SALES

(PLN, %, IFRS16)



SG&A COSTS (IAS17)



Note: SG&A relations based on group 2022/23 data.

- Some 60% of our SG&A costs are fixed, which implies a high operating leverage.
- 45% of SG&A costs are linked to foreign currencies → PLN appreciation is favourable for EBIT (IAS17).
- Due to a growing portion of e-commerce in revenues, we shift our managerial focus from SG&A/m² to SG&A as percentage of revenues.
- Our target is to reach 40% SG&A as % of sales – it is an ambitious one given disposal of Russian operations in 2022.
- PLN 0.5bn+ cost savings (performance marketing, logistics) planned in 2023/24.

FCFF to improve 2023/24 onwards

FCFF GENERATION

PLN m	2019/20	2020/21	2021/22	2021/22 restated	2022/23
FCFF	749	441	1,168	1,153	-1,079
NOPAT	628	79	1,200	916	1,241
D&A	1,018	1,073	1,148	943	1,129
Capex	-945	-825	-1,325	-960	-1,157
NWC	48	113	145	253	-2,293

Note: 2021/22 data restated (excludes Russia)

Strong and positive 2019/20 – 2021/22 fcff (free cash flow to firm) even despite pandemics.

Short-term changes in 2022/23 due to the war in ukraine.

Normalization expected in 2023/24.

NOPAT

- Positive NOPAT despite divesture of the Russian business.
- Sizeable online and offline growth due to the development of omnichannel sales.
- Cost efficiency to be maintained due to further cost reductions.

CAPEX & D&A

- We commit capex to be able to grow, both offline and online.
- Offline development due to opportunities visible especially in the value-for-money segment.
- Logistics capex to streamline online operations.

NWC

- Less favorable working capital was a short-term trend – normalisation expected in 2023/24.
- We lower use of supply chain financing for our suppliers.
- We search for the optimal inventory/m² level.

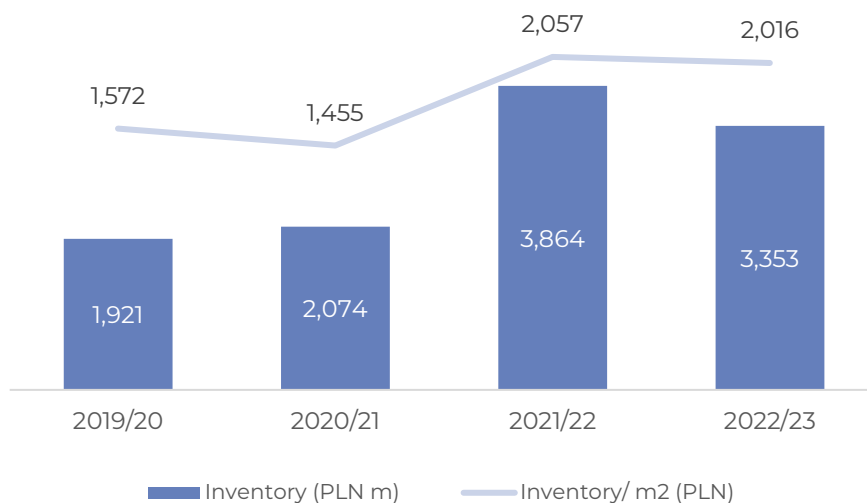
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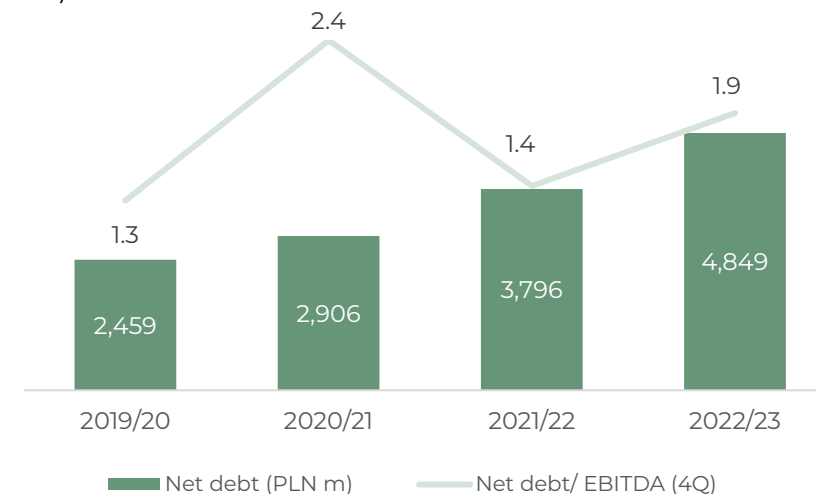
03

INVENTORY AND INVENTORY/M2



NET DEBT

(IFRS16)



- Inventory is an important part of net working capital. 13.2% YoY decrease in inventories at the end of 2022/23 resulted from smaller number of stores in the sales network.
- 2.0% YoY decrease in inventories/ m² at the end of 2022/23 due to improvement in the goods management process and work on accelerating rotation. 2023/24 – inventory normalisation due to continued works on accelerating rotation.
- We use trade liabilities to finance our inventory. At the end of 2022/23 supplier financing programme came in at PLN 1.5bn.
- LPP maintained a safe net debt situation under IFRS16. Additionally, PLN 0.6 bn cash in: money market funds and restricted cash, not recognised in net debt calculations at the end of 2022/23.

01

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Dividend policy for the following years

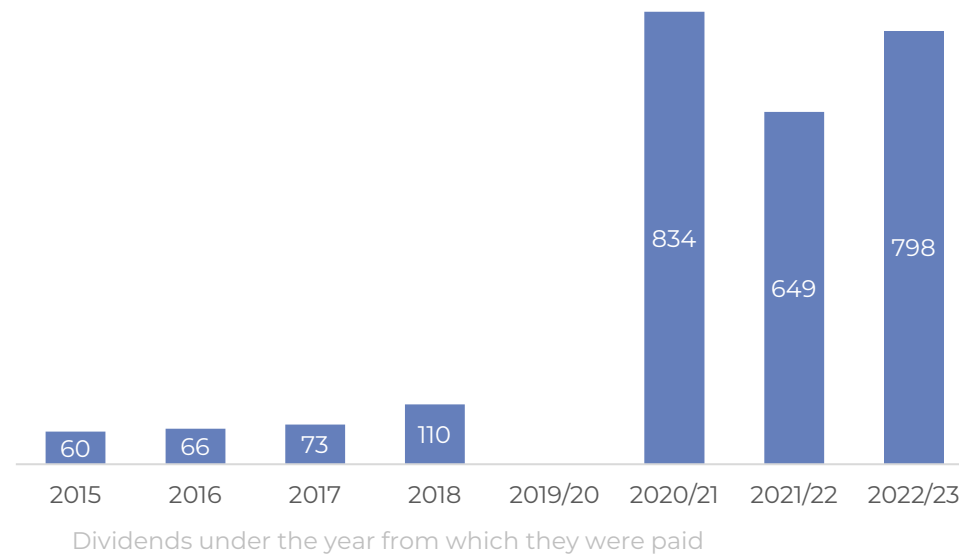
LPP has a long history of dividend payments, which date back to 2009 (the first year from which dividend was paid). The only exception to dividend payments was 2019/20 due to COVID-19 impact.

2022/23 will be no different: AGM approved a total of PLN 430 per share dividend payment from 2022/23 earnings. This will take place in two equal tranches (PLN 215 per share). The dividend date set for 10 July 2023, payment day on 14 July 2023 (first tranche) and 10 October 2023 (second tranche).

On top, for 2023/24-2025/26 a new dividend policy will apply, as approved by AGM in June 2023.

DIVIDENDS

(PLN m)



LPP'S DIVIDEND POLICY GOALS:

- Ensuring shareholders' regular participation in net profit generated by the company
- Payment amounting to at least 50% of separate net profit, no more than 70% of group's consolidated net profit
- To pay dividends in two tranches per year on a regular basis



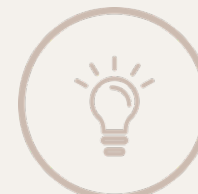
TARGETS

- Offline revenues 25% YoY growth due to higher floorspace (2,340 stores) and positive LFLs.
- Online revenues - stable YoY.
- Group revenue at c. PLN 18bn.
- Gross profit margin between 51-53%.
- PLN 0.5bn cost reductions (performance marketing, logistics).
- EBIT margin 10%+.
- PLN 1.1bn capex, including PLN 800m for stores.
- Working capital normalization (liabilities higher than inventory).
- Lower YoY net debt/EBITDA.



CHALLENGES

- Impact of the economic slowdown on the purchasing behavior of clients. Persistent inflationary pressure.
- Geopolitical situation in East Asia and possible problems with supply chains.
- Increased competition in the value-for-money segment.



OPPORTUNITIES

- Development on new markets (South Eastern-Europe, Western Europe).
- Collections tailored to the tastes and needs of clients.
- Greater propensity of customers to buy clothing from the value-for-money segment.
- Maintaining cost discipline.

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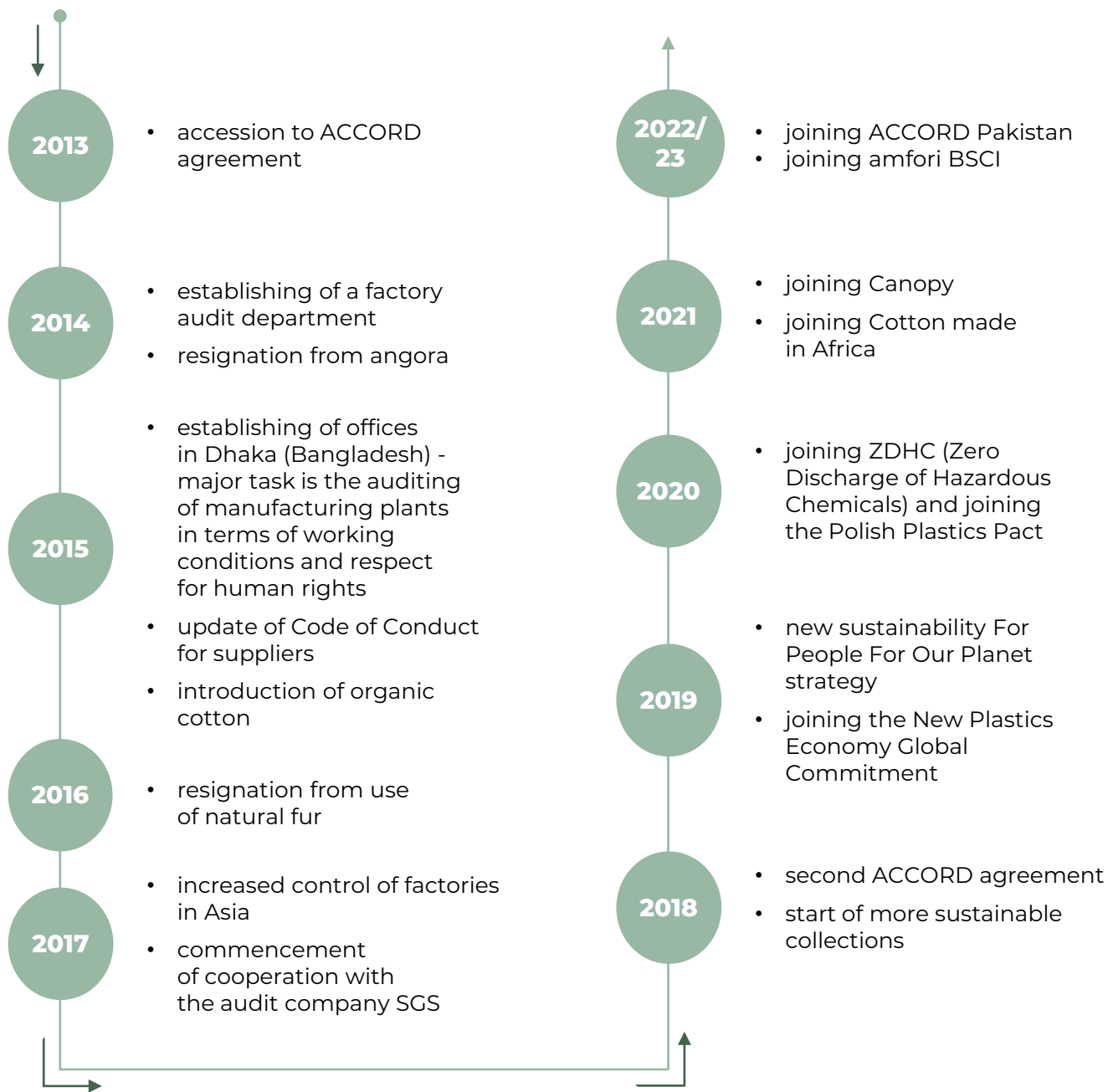
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A RESPONSIBLE COMPANY

2020-2025 SUSTAINABLE DEVELOPMENT STRATEGY WITH AMBITIOUS TARGETS

A history of sustainable ACTION



LPP Sustainable development strategy 2020-2025

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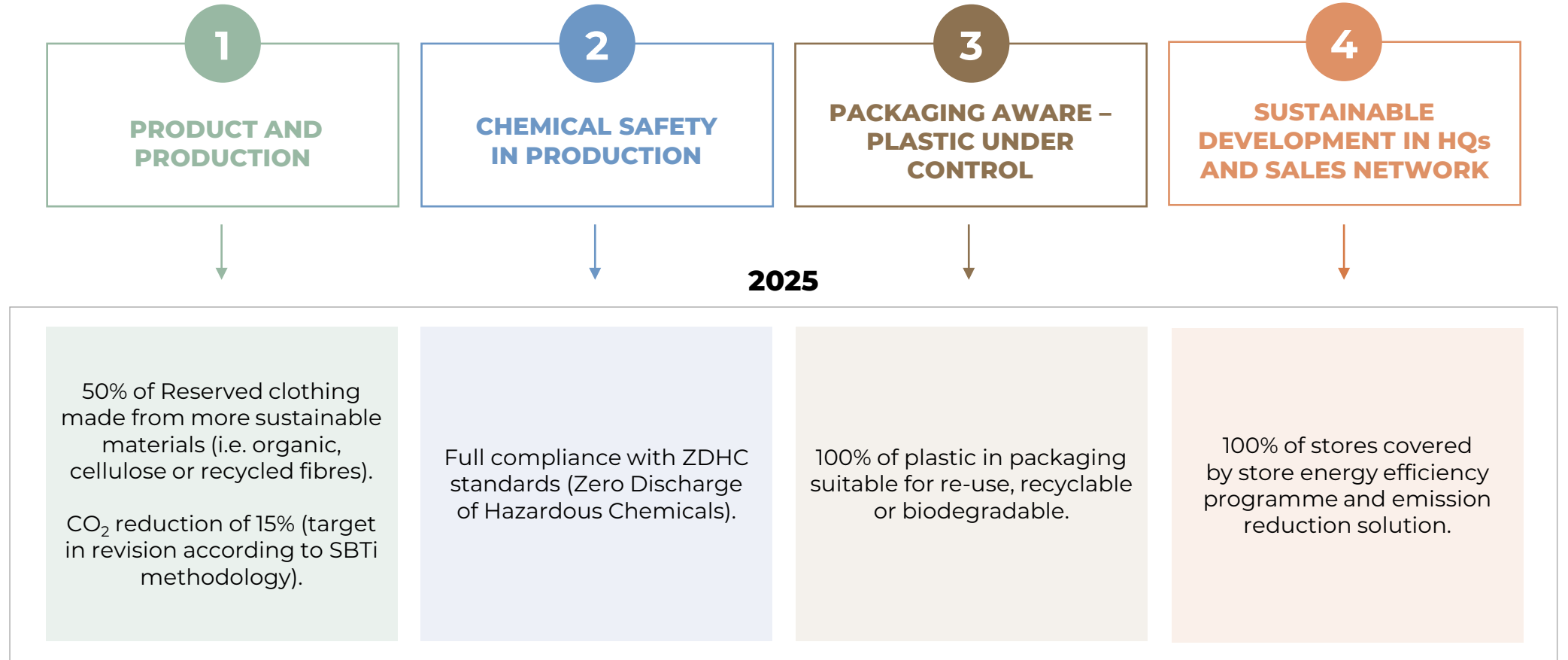
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4 STRATEGIC PILLARS:



Continuation of production audits, social and employee-oriented actions.

Main activities for sustainable development in 2022/23



PLASTIC

- we continued our activities under the “Roadmap to Zero” initiative led by ZDHC,
- in e-commerce, we replaced boxes with lighter envelopes,
- we have reduced the use of plastic by another 567 tons – online purchases from Reserved and Mohito are no longer shipped in extra polybags,
- we started developing polyester recycling technology with a start-up Use Waste.



DECARBONISATION

- we defined ambitious decarbonisation targets and submitted these to SBTi for verification,
- our stores reduced energy consumption by 10% YoY,
- we started collaborating with the Sustainable Fashion Institute.

01

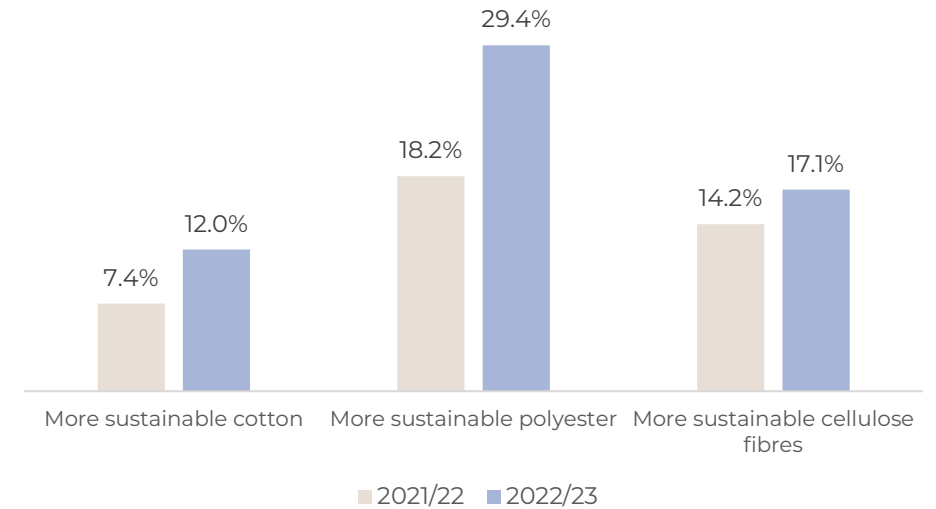
02

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We use more sustainable materials for our collections



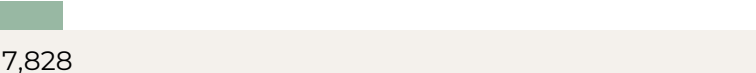
We measure our carbon footprint

LPP Group GHG emissions in tones of CO₂e, 2022/23

Scope 1



Scope 2

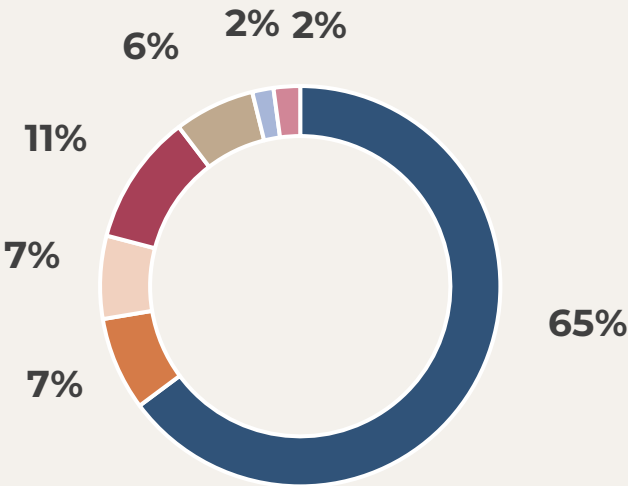


Scope 3



GHG calculations conducted in line with internationally recognised GHG Protocol.

Scope 3 GHG emissions of LPP Group by sources



Calculations were made for all 15 categories, some of them were 0.

- Raw materials and services purchased
- Assets leased - sales outlets
- Investment goods CAPEX
- Transport and distribution of products purchased
- Use of products sold
- Disposal of products sold
- Other Scope 3



We carry out due diligence processes to respect human and labour rights

Sourcing only from those suppliers who have signed our Code of Conduct.

Joining amfori BSCI - an international association working for more transparent and sustainable trade.

323 audits conducted by LPP's employees and 396 by independent external auditors in 2022/23

100%

new suppliers obliged
to meet the criteria of the 'LPP
Code of Conduct'

719

human rights audits in 2022/23

PLN 5.7m

LPP's outlays to increase safety
in suppliers' factories in 2022/23

PLN 40.6m

outlays to increase safety
in suppliers' factories since 2013

WE REPORT USING INTERNATIONAL STANDARDS AND FRAMEWORKS



01

02

WE ARE RATED BY:



03

A RESPONSIBLE COMPANY

WE ARE PART OF ESG INDICES

WIG ESG

MSCI

WE ARE MEMBER:



We are rated in
ESG TOPICS

LPP

LPP EQUITY STORY

2022/23



LPP

LPP EQUITY STORY

2022/23

sinsay

RESERVED

CROPP

HOUSE

M O H I T O

737

stores

949 m²

store size

17

markets online

20

markets offline



sinsay

KEY BRAND FEATURES

The latest trends in affordable prices

TARGET CUSTOMERS

Women, men, teenagers, children, newborn

YEAR OF LAUNCH

2013

ADVERTISING

Social media

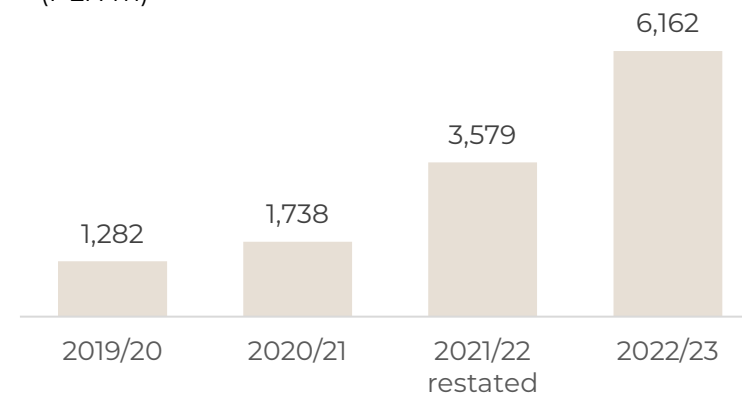
Key data	2019/20	2020/21	2021/22	2021/22 restated	2022/23
Revenues (PLN m)	1,282.5	1,737.8	4,586.6	3,579.3	6,162.0
No. of stores	324	434	743	501	737
Store size (m ²)	535	760	927	879	949
Floorspace (ths, m ²)	173.3	329,8	689.1	440.1	699.6
Sales/m ² monthly	728	615	790	912	924
% of floorspace in PL	45%	35%	30%	47%	39%

Note: 2021/22 data restated (excludes Russia)

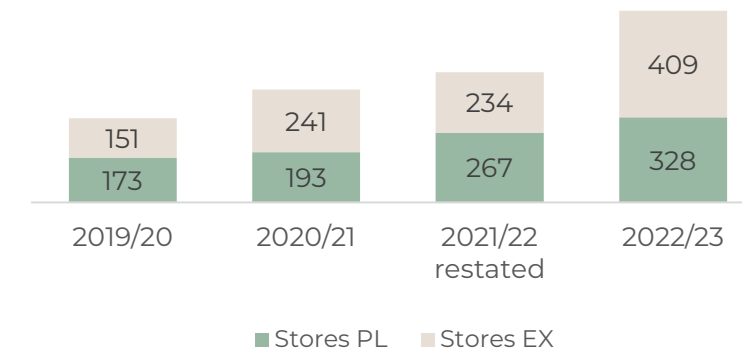
YoY growth	2019/20	2020/21	2021/22	2021/22 restated	2022/23
Revenues (PLN m)	-	36%	164%	106%	72%
No. of stores	-	34%	71%	15%	47%
Store size (m ²)	-	42%	22%	16%	8%
Floorspace (eop, m ²)	-	90%	109%	33%	59%
Sales/m ² monthly	-	-15%	28%	48%	1%
% of floorspace in PL	-	-10ppt	-5ppt	+12ppt	-8ppt

REVENUES

(PLN m)



STORES



LPP

LPP EQUITY STORY

2022/23

sinsay

RESERVED

CROPP

HOUSE

M O H I T O

352

stores

1,618 m²

store size

34

markets online

25

markets offline



RESERVED

KEY BRAND FEATURES

Anchor brand with broad customer base

TARGET CUSTOMERS

Women, men, children, newborn

YEAR OF LAUNCH

1998

ADVERTISING

International stars like Cindy Crawford, Kate Moss, Georgia May Jagger, Kendall Jenner and Polish stars like Joanna Kulig. Cooperation with influencers, bloggers and artist (Brodka, Magda Mołek, Blanca Miró)

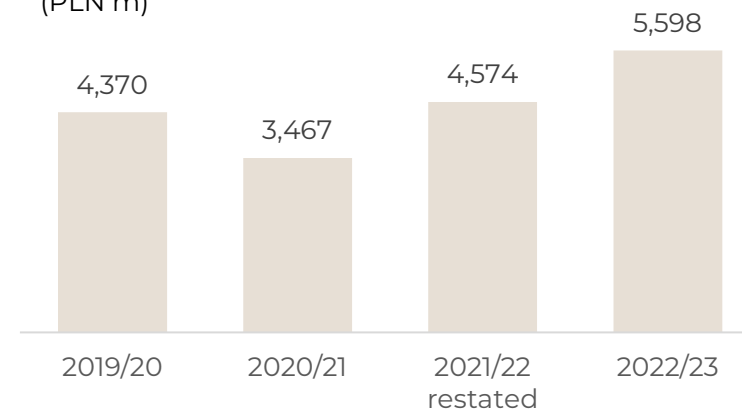
Key data	2019/20	2020/21	2021/22	2021/22 restated	2022/23
Revenues (PLN m)	4,369,7	3,466.7	5,386.3	4,574.1	5,598.2
No. of stores	454	440	447	363	352
Store size (m ²)	1,464	1,533	1,589	1,608	1,618
Floorspace (ths, m ²)	664.8	674.7	710.2	583.6	569.6
Sales/m ² monthly	500	441	657	666	823
% of floorspace in PL	41%	40%	38%	46%	47%

Note: 2021/22 data restated (excludes Russia)

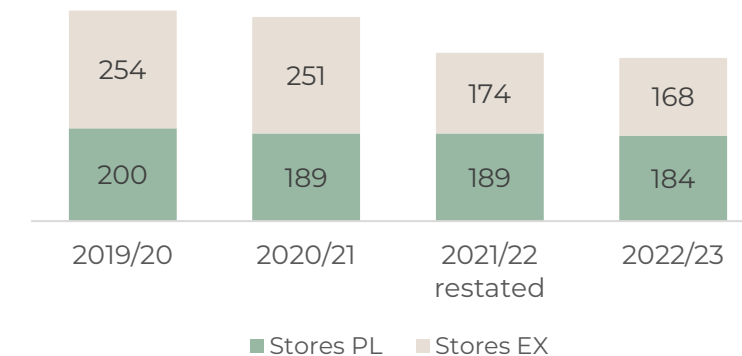
YoY growth	2019/20	2020/21	2021/22	2021/22 restated	2022/23
Revenues (PLN m)	-	-21%	55%	32%	22%
No. of stores	-	-3%	2%	-18%	-3%
Store size (m ²)	-	5%	4%	5%	1%
Floorspace (eop, m ²)	-	1%	5%	-14%	-2%
Sales/m ² monthly	-	-12%	49%	51%	24%
% of floorspace in PL	-	-1ppt	-2ppt	+6ppt	+1ppt

REVENUES

(PLN m)



STORES



LPP

LPP EQUITY STORY

2022/23

sinsay

RESERVED

CROPP

HOUSE

M O H I T O

325

stores

472 m²

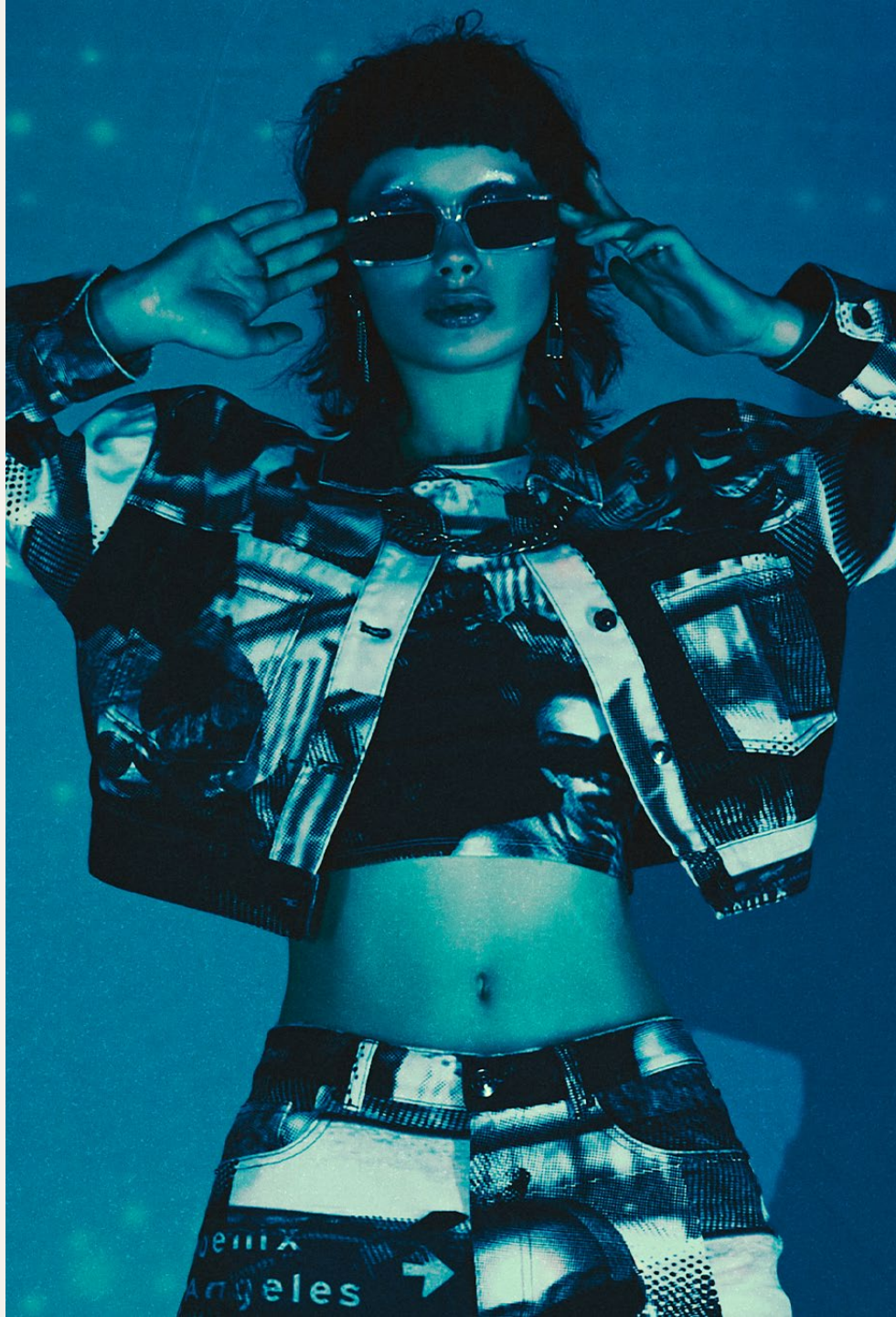
store size

17

markets online

18

markets offline



CROPP

KEY BRAND FEATURES

Streetwear brand influenced by contemporary culture and music

TARGET CUSTOMERS

Teenagers (boys and girls)

YEAR OF LAUNCH

2004

ADVERTISING

Partner of artistic and street art events

LPP

Cropp

LPP EQUITY STORY

2022/23

sinsay

RESERVED

CROPP

HOUSE

M O H I T O

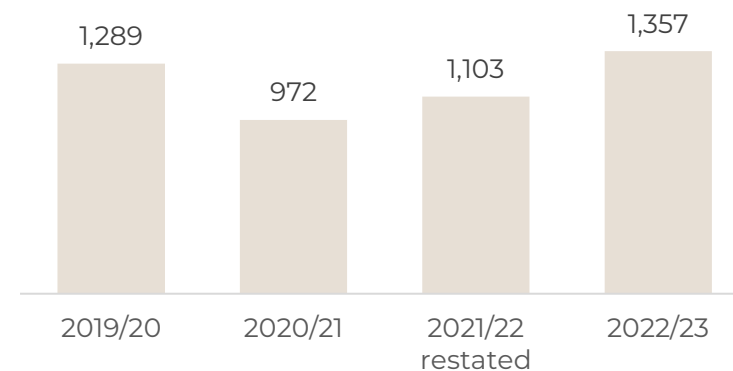
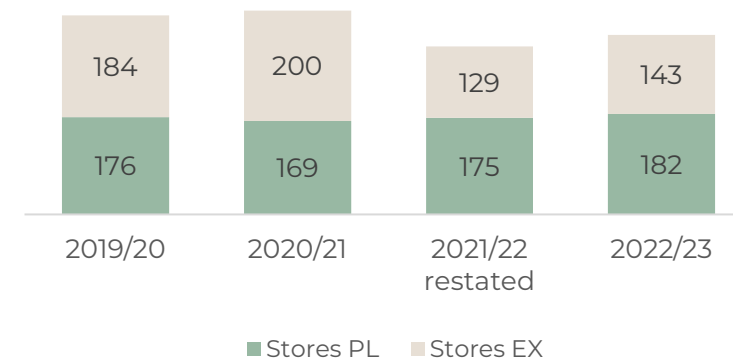
Key data	2019/20	2020/21	2021/22	2021/22 restated	2022/23
Revenues (PLN m)	1,288.7	972.3	1,526.5	1,103.4	1,357.3
No. of stores	360	369	398	304	325
Store size (m ²)	411	450	481	459	472
Floorspace (ths, m ²)	147.9	166.1	191.5	139.5	153.4
Sales/m ² monthly	717	517	712	671	758
% of floorspace in PL	43%	38%	36%	50%	50%

Note: 2021/22 data restated (excludes Russia)

YoY growth	2019/20	2020/21	2021/22	2021/22 restated	2022/23
Revenues (PLN m)	-	-25%	57%	13%	23%
No. of stores	-	2%	8%	-18%	7%
Store size (m ²)	-	10%	7%	2%	3%
Floorspace (eop, m ²)	-	12%	15%	-16%	10%
Sales/m ² monthly	-	-28%	38%	30%	13%
% of floorspace in PL	-	-5ppt	-2ppt	+12ppt	0ppt

REVENUES

(PLN m)

**STORES**

LPP

LPP EQUITY STORY

2022/23

sinsay

RESERVED

CROPP

HOUSE

M O H I T O

331

stores

472 m²

store size

17

markets online

18

markets offline



HOUSE

KEY BRAND FEATURES

An optimistic fashion brand

TARGET CUSTOMERS

Teenagers (boys and girls)

YEAR OF LAUNCH

2001 (at LPP since 4Q08)

ADVERTISING

Artistic events partner and music sponsor

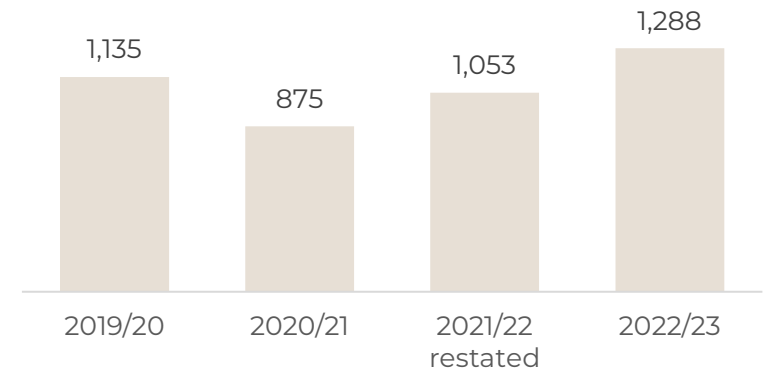
Key data	2019/20	2020/21	2021/22	2021/22 restated	2022/23
Revenues (PLN m)	1,135.3	875.3	1,294.9	1,053.0	1,287.9
No. of stores	318	332	368	300	331
Store size (m ²)	401	442	471	461	472
Floorspace (ths, m ²)	127.4	146.8	173.4	138.2	156.4
Sales/m ² monthly	715	535	673	641	717
% of floorspace in PL	51%	49%	45%	56%	53%

Note: 2021/22 data restated (excludes Russia)

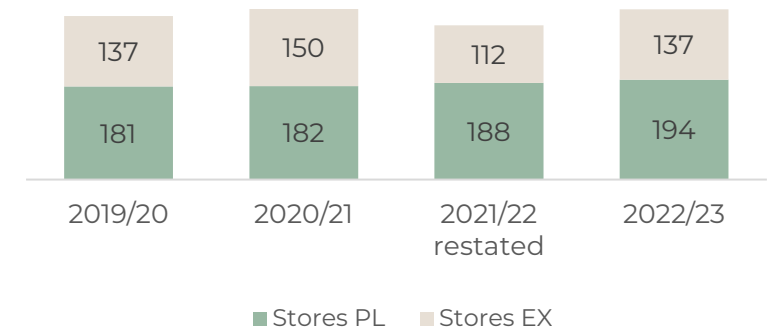
YoY growth	2019/20	2020/21	2021/22	2021/22 restated	2022/23
Revenues (PLN m)	-	-23%	48%	20%	22%
No. of stores	-	4%	11%	-10%	10%
Store size (m ²)	-	17%	7%	4%	3%
Floorspace (eop, m ²)	-	19%	18%	-6%	13%
Sales/m ² monthly	-	-25%	26%	20%	12%
% of floorspace in PL	-	-2ppt	-4ppt	+7ppt	-3ppt

REVENUES

(PLN m)



STORES



LPP

LPP EQUITY STORY

2022/23

sinsay

RESERVED

CROPP

HOUSE

M O H I T O

217

stores

435 m²

store size

17

markets online

18

markets offline



M O H I T O

KEY BRAND FEATURES

Comfort and elegance; business and casual

TARGET CUSTOMERS

Women

YEAR OF LAUNCH

2008 (at LPP since 4Q08)

ADVERTISING

Super models (Anna Jagodzińska, Anja Rubik, Zuzanna Bijoch)

2022/23

sinsay

RESERVED

CROPP

HOUSE

M O H I T O

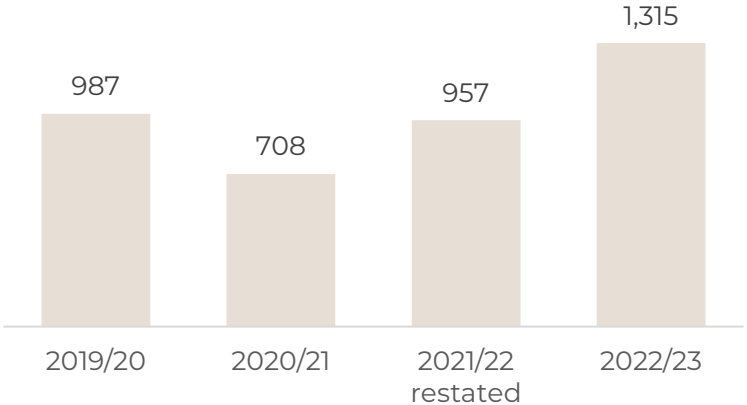
Key data	2019/20	2020/21	2021/22	2021/22 restated	2022/23
Revenues (PLN m)	986.9	707.7	1,143.9	957.2	1,314.2
No. of stores	283	278	286	221	217
Store size (m²)	395	414	428	427	435
Floorspace (ths, m²)	111.7	115.2	122.5	94.3	94.4
Sales/m² monthly	631	523	801	943	1,165
% of floorspace in PL	46%	44%	42%	54%	54%

Note: 2021/22 data restated (excludes Russia)

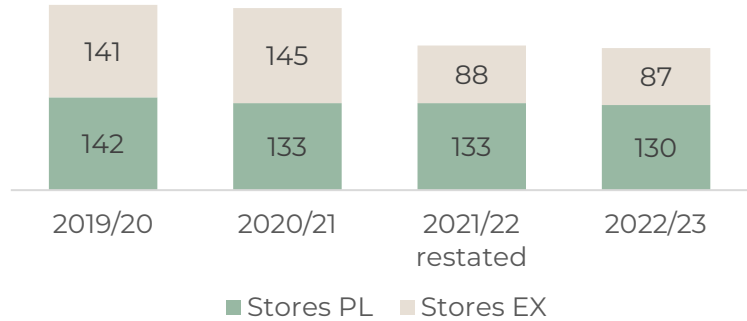
YoY growth	2019/20	2020/21	2021/22	2021/22 restated	2022/23
Revenues (PLN m)	-	-28%	62%	35%	37%
No. of stores	-	-2%	3%	-21%	-2%
Store size (m²)	-	5%	3%	3%	2%
Floorspace (eop, m²)	-	3%	6%	-18%	0%
Sales/m² monthly	-	-17%	53%	80%	24%
% of floorspace in PL	-	-2ppt	-2ppt	+10ppt	0ppt

REVENUES

(PLN m)



STORES



Marketing changes along with our customers

LPP EQUITY STORY

2022/23



BLANCA MIRÓ FOR RESERVED

Cooperation with a Spanish fashion influencer, recognizable on Western European markets.



ATHLEISURE RESERVED x KUBOTA

Reserved and Kubota joined forces and presented a joint, unique collection that evokes nostalgic memories of the 1990s, when both brands were launched.



BELL x SINSAY

In cooperation with the Polish cosmetics company Bell, Sinsay created a collection that brings back the style of the 2000s in a modern version.

Network development

LPP EQUITY STORY

2022/23

Floorspace (thś m²)	31.01.2019	31.01.2020	31.01.2021	31.01.2022	31.01.2023
Sinsay	102.7	173.3	329.8	689.1	699.6
Poland	59.8	78.4	113.8	206.5	273.8
Europe	20.2	50.7	89.6	157.6	348.5
Other regions	22.7	44.2	126.3	325.0	77.3
Reserved	605.0	664.8	674.7	710.2	569.6
Poland	268.7	270.3	267.7	272.9	269.8
Europe	188.0	225.3	233.2	240.6	240.8
Other regions	148.3	169.2	173.9	196.6	59.0
Cropp	132.8	147.9	166.1	191.5	153.4
Poland	65.9	63.0	63.7	69.6	76.0
Europe	24.6	34.9	41.2	46.9	58.7
Other regions	42.3	50.0	61.2	75.0	18.6
House	115.2	127.4	146.8	173.4	156.4
Poland	66.9	65.6	71.4	77.2	82.3
Europe	18.6	30.1	36.1	43.2	59.9
Other regions	29.7	31.7	39.3	53.1	14.2
Mohito	107.9	111.7	115.2	122.5	94.4
Poland	53.4	51.4	50.3	51.0	50.6
Europe	24.8	29.7	32.4	34.6	36.1
Other regions	29.7	30.5	32.5	36.9	7.7
Outlets	12.0	5.8	2.8	1.4	0.0
Total by regions					
Poland	514.7	530.0	566.9	677.2	752.5
Europe	276.2	370.7	432.6	522.8	743.9
Other regions	284.7	330.1	435.9	688.1	176.9
TOTAL	1,075.6	1,230.9	1,435.4	1,888.1	1,673.4

LPP

Network development details at the end of I.2024

LPP EQUITY STORY

2022/23

Floorspace (ths m ²)	31.01.2023	31.01.2024	Nom. growth	Growth YoY
Sinsay	699.6	948.9	249.2	36%
Poland	273.8	350.4	76.6	28%
Europe	348.5	521.1	172.7	50%
Other regions	77.3	77.3	0.0	0%
Reserved	569.6	599.4	29.8	5%
Poland	269.8	272.2	2.4	1%
Europe	240.8	266.5	25.7	11%
Other regions	59.0	60.8	1.8	3%
Cropp	153.4	175.3	21.9	14%
Poland	76.0	82.6	6.6	9%
Europe	58.7	74.1	15.4	26%
Other regions	18.6	18.6	0.0	0%
House	156.4	175.5	19.1	12%
Poland	82.3	88.7	6.4	8%
Europe	59.9	72.6	12.7	21%
Other regions	14.2	14.2	0.0	0%
Mohito	94.4	100.9	6.5	7%
Poland	50.6	51.9	1.3	2%
Europe	36.1	41.3	5.2	15%
Other regions	7.7	7.7	0.0	0%
TOTAL	1,673.4	2,000.0	326.6	20%

Number of stores	31.01.2023	31.01.2024	Nom. growth	Growth YoY
Sinsay	737	976	239	32%
Poland	328	400	72	22%
Europe	337	504	167	50%
Other regions	72	72	0	0%
Reserved	352	365	13	4%
Poland	184	183	-1	-1%
Europe	130	141	11	8%
Other regions	38	41	3	8%
Cropp	325	362	37	11%
Poland	182	190	8	4%
Europe	110	139	29	26%
Other regions	33	33	0	0%
House	331	363	32	10%
Poland	194	202	8	4%
Europe	109	133	24	22%
Other regions	28	28	0	0%
Mohito	217	229	12	6%
Poland	130	130	0	0%
Europe	72	84	12	17%
Other regions	15	15	0	0%
TOTAL	1,962	2,295	333	17%

POLAND - ESTABLISHED POSITION DOMESTICALLY

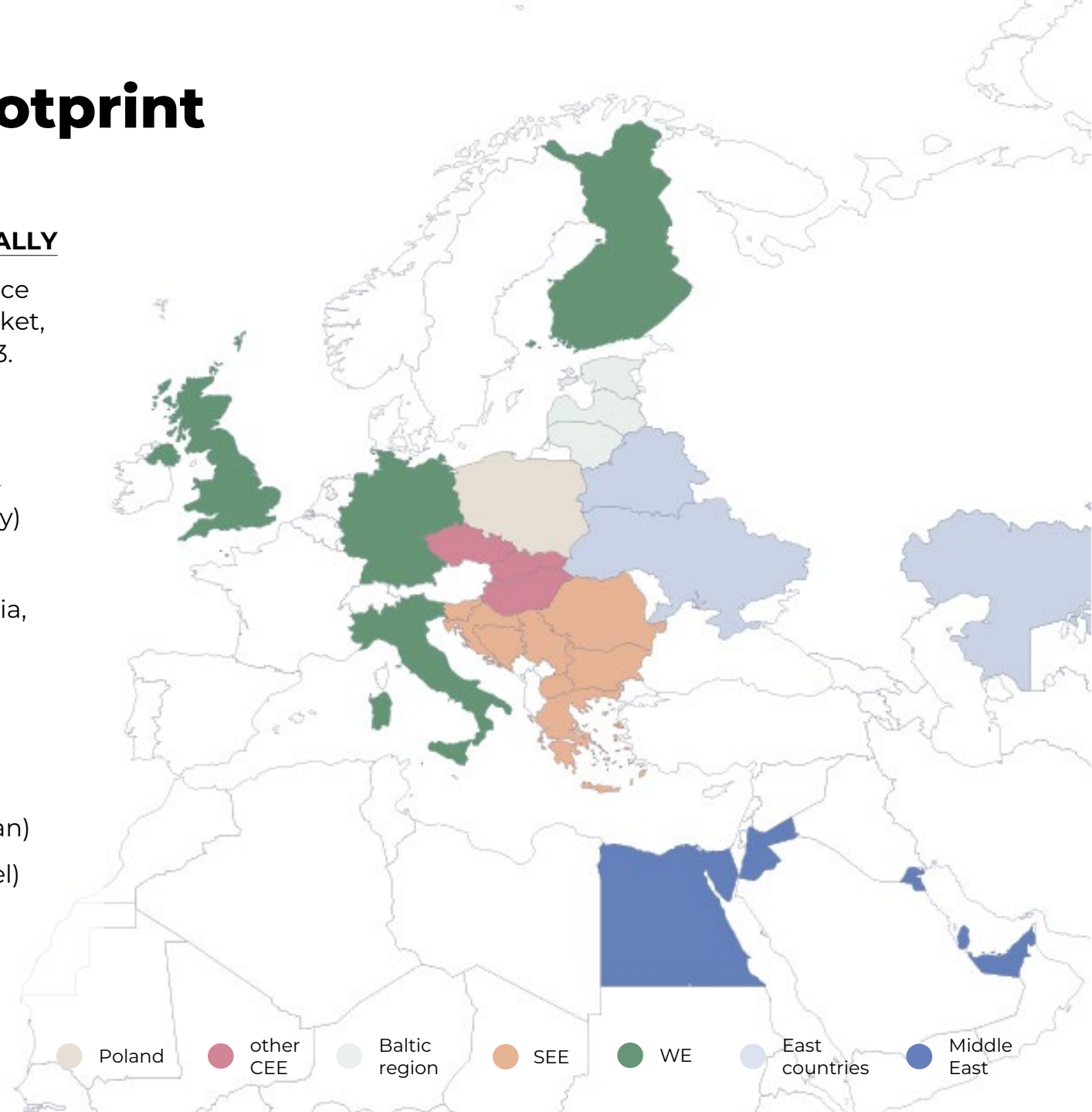
Since the beginning, store development took place in Poland. As a result, Poland is LPP's largest market, generating 43% of the group's revenue in 2022/23.

EUROPE – RETAIL PRESENCE ACROSS EUROPE

- **OTHER CEE** (Czech Republic, Slovakia, Hungary)
- **BALTIC** (Lithuania, Latvia, Estonia)
- **SEE** (Bulgaria, Romania, Croatia, Serbia, Slovenia, B&H, North Macedonia, Greece)
- **WE** (Germany, the UK, Finland, Italy)

OTHER REGIONS:

- **EAST COUNTRIES** (Ukraine, Belarus, Kazakhstan)
- **MIDDLE EAST** (Egypt, Kuwait, Qatar, UAE, Israel)

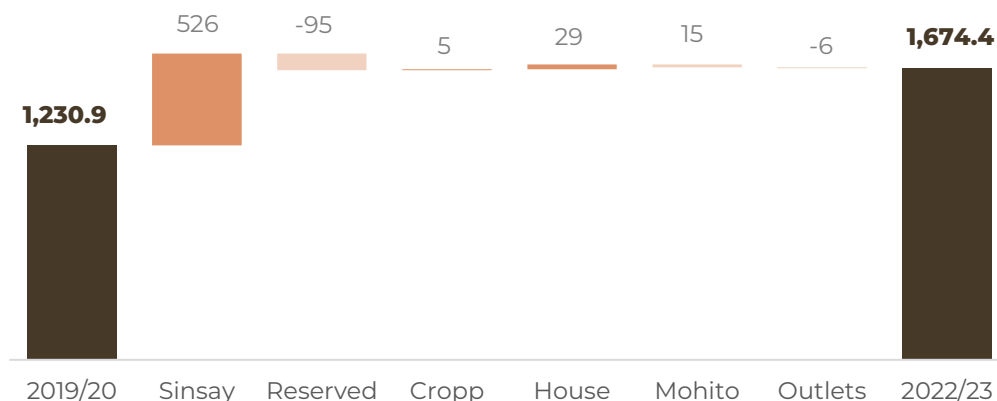


Sinsay dominated floorspace growth

LPP EQUITY STORY

2022/23

FLOORSPACE GROWTH BY BRANDS

ths m²

FLOORSPACE BY BRANDS

ths m ²	2019/20	2020/21	2021/22	2022/23
LPP GROUP	1,230.9	1,435.4	1,888.1	1,674.4
Sinsay PL	78.4	113.8	206.5	273.8
Sinsay EX	94.8	216.0	482.6	425.8
Reserved PL	270.3	267.7	272.9	269.8
Reserved EX	394.5	407.0	437.3	299.8
Cropp PL	63.0	63.7	69.6	76.0
Cropp EX	84.9	102.4	121.9	77.4
House PL	65.6	71.4	77.2	82.3
House EX	61.8	75.4	96.2	74.1
Mohito PL	51.4	50.3	51.0	50.6
Mohito EX	60.2	64.9	71.5	43.8
Outlets	5.8	2.8	1.4	-

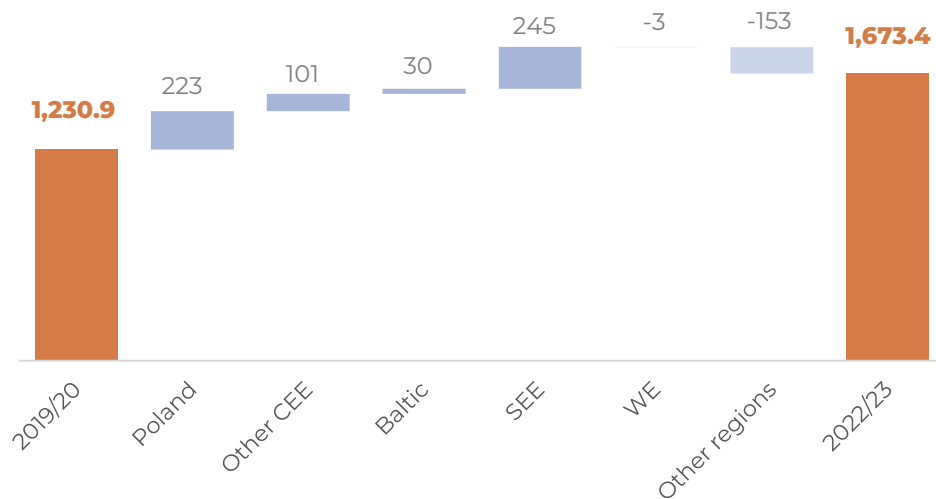
- Due to divestiture of Russian business following Russian military aggression on Ukraine in 2022/23 LPP Group's floorspace decreased YoY.
- In 2019/20-22/23, Sinsay was the largest contributor to floorspace growth even though it was launched in 2013 and lost stores in Russia in 2022/23. The key to successful floorspace development was saturation of new locations (smaller towns, retail parks).
- Reserved was the second largest contributor to floorspace openings in 2019/20-21/22. Due to divestiture of Russian business in 2022/23 floorspace of Reserved fell YoY.

SEE main contributor to floorspace growth

LPP EQUITY STORY

2022/23

FLOORSPACE GROWTH BY REGIONS

ths m²

FLOORSPACE BY REGIONS

ths m ²	2019/20	2020/21	2021/22	2022/23
LPP GROUP	1,230.9	1,435.4	1,888.1	1,673.4
Poland	530.0	566.9	677.2	752.5
Europe	319.7	370.7	460.8	662.7
Other CEE	133.5	145.4	176.3	234.5
Baltic	51.0	62.0	62.0	81.2
SEE	130.7	169.7	231.0	375.5
WE	55.5	55.5	53.5	52.6
Other regions	330.2	435.9	688.1	176.9

- Stores in Poland had the largest floorspace out of all countries at the end of 2022/23.
- SEE floorspace growth was the second largest floorspace growth contributor in 2022/23 as a result of expansion into smaller towns, value-for-money segment expansion and entry to new countries after divestiture of Russian business and change strategy of development.
- Other regions' floorspace (Eastern countries and Middle East) decreased following divestiture of Russian stores.

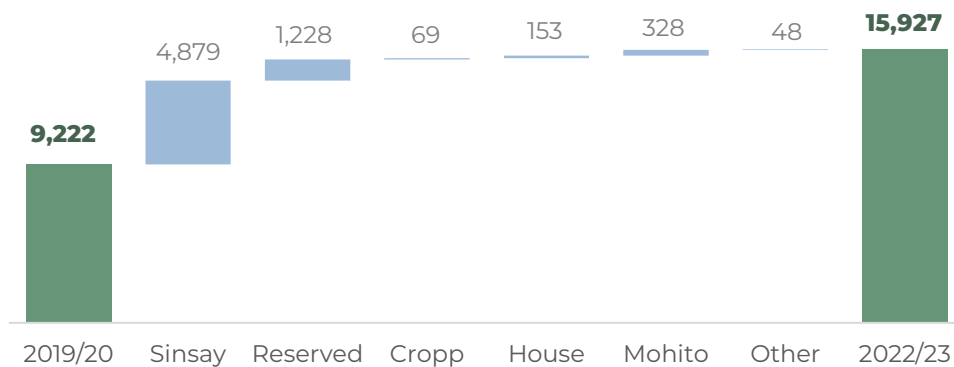
Sinsay as a key revenue contributor

LPP EQUITY STORY

2022/23

REVENUES BY BRANDS

PLN m



REVENUES BY BRANDS

PLN m	2019/20	2020/21	2021/22	2021/22 restated	2022/23
LPP GROUP	9,221.7	7,848.1	14,029.7	11,338.8	15,926.5
Sinsay PL	689.9	790.1	1,585.8	1,585.8	2,316.1
Sinsay EX	592.6	947.7	3,000.7	1,993.5	3,845.9
Reserved PL	1,949.2	1,391.7	2,082.6	2,082.6	2,414.5
Reserved EX	2,420.6	2,075.0	3,303.7	2,491.5	3,183.7
Cropp PL	552.3	368.3	586.0	586.0	630.0
Cropp EX	736.4	604.0	940.5	517.5	727.3
House PL	653.9	452.8	647.6	647.6	729.5
House EX	481.5	422.4	647.3	405.4	558.4
Mohito PL	503.3	345.1	552.0	552.0	705.7
Mohito EX	483.6	362.6	591.9	405.3	608.9
Other	158.5	88.3	91.6	71.7	206.6

Note: 2021/22 data restated (excludes Russia)

- All brands recorded revenue growth on continuing operations in 2022/23. The highest dynamics were visible at Sinsay brand.
- All brands were affected by the pandemics in 2020/21 and rebounded in 2021/22.
- Sinsay proved to be a successful concept, growing domestically and abroad.
- Despite its scale in Poland, Reserved was the second largest revenue contributor in 2019/20-22/23 compared to other brands.
- E-commerce development was another important source of growth.

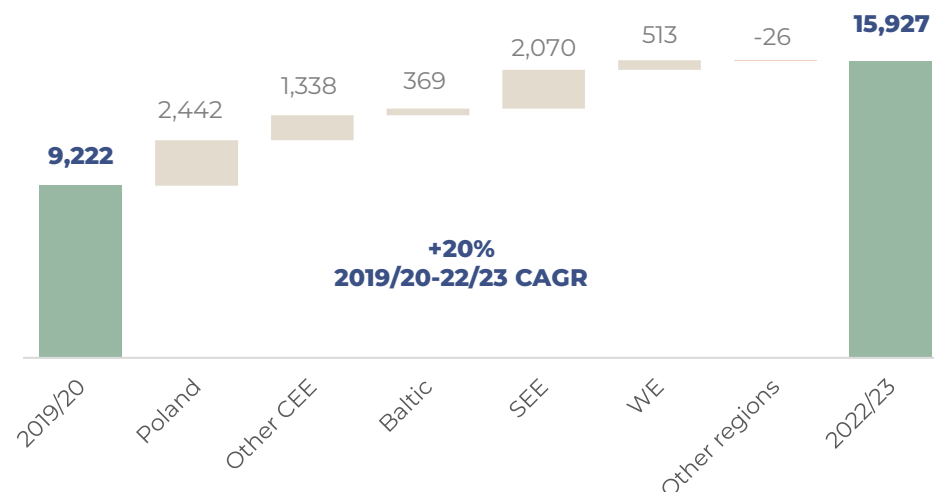
Poland and SEE region fuel revenue growth

LPP EQUITY STORY

2022/23

REVENUE GROWTH BY REGIONS

PLN m



REVENUES BY REGIONS

PLN m	2019/20	2020/21	2021/22	2022/23
LPP GROUP	9,221.7	7,848.1	14,029.7	15,926.5
Poland	4,418.7	3,397.7	5,513.0	6,860.4
Europe	2,573.2	2,504.3	4,594.7	6,862.8
Other CEE	983.9	882.1	1,610.6	2,321.8
Baltic	417.3	401.8	619.0	786.8
SEE	761.7	850.7	1,721.1	2,831.3
WE	410.3	369.7	644.0	922.9
Other regions	2,229.7	1,946.1	3,921.9	2,203.3

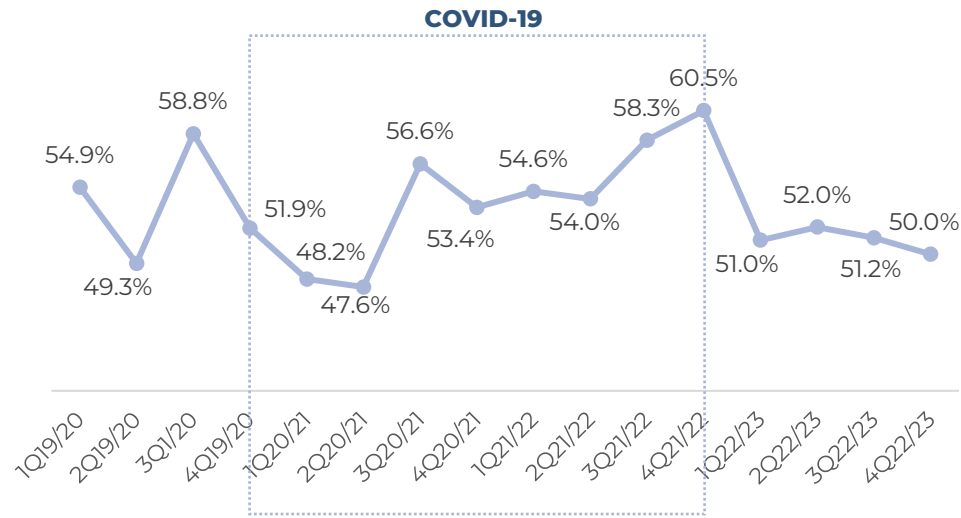
- The Polish revenue contribution was the largest between 2019/20-2022/23.
- SEE region was the second contributor to revenue growth due to strengthening presence in Romania via FC, focusing on expansion to smaller towns, value-for-money segment expansion, online development and entry to new countries after shift in expansion strategy.
- CEE region was after SEE the next contributor to revenue due to Focus on expansion to smaller towns, value-for-money segment expansion and online development.
- Revenues from other regions decreased between 2019/20-2022/23 due to divestiture of Russian business.

Gross profit margin affected by many factors

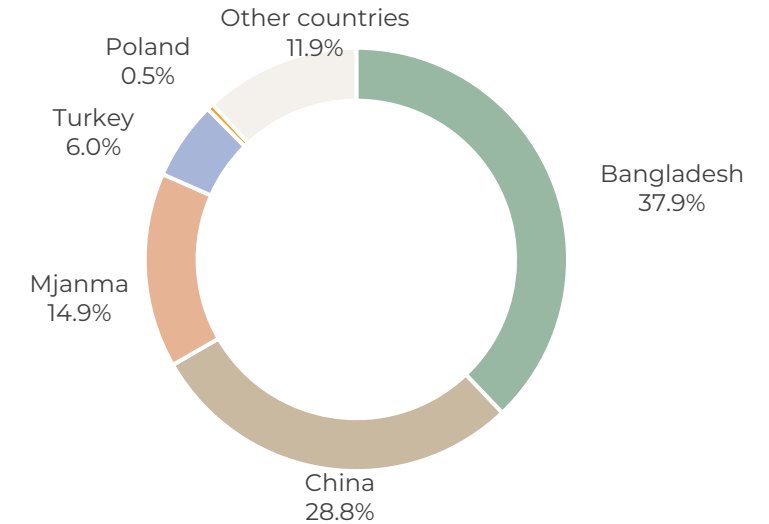
LPP EQUITY STORY

2022/23

QUARTERLY GROSS PROFIT MARGIN



2022/23 PURCHASES BY REGION



- Decrease in gross profit margin in 2022/23 YoY due to: higher YoY promotional campaigns, higher share of the Sinsay brand diluting the margin, high freight costs (1H22/23) and high base.
- In 2021/22 our margins were significantly higher YoY due to: (1) increased sales prices, (2) lower availability of goods on the market and related lower YoY discounts, (3) higher share of foreign sales with higher margin, (4) favorable purchase prices obtained for orders for collections in 2021 had a positive effect on the margin, (5) strong demand from delayed demand post pandemics.
- In 2020/21 gross profit margin came in at 52.0%, down 1.5 pp YoY. Decrease was due to a higher share of online channel, in which customers more effectively search for promotions, and inability to translate unfavorable FX into prices in selected quarters.
- Dependency on China has been decreasing over the past decade – in 2010 share of China in purchases amounted to 75% while in 2022/23 at 29%.

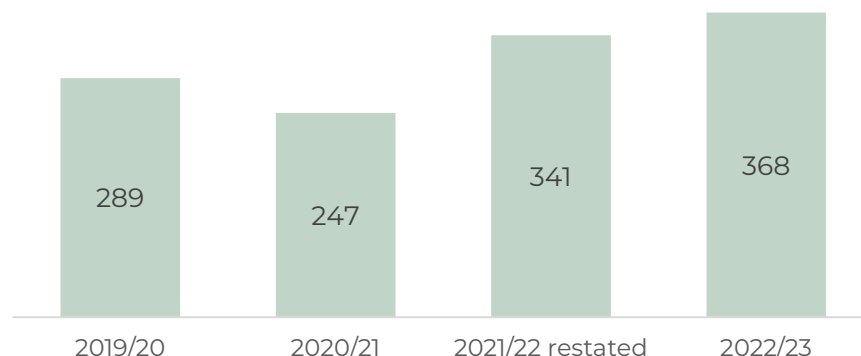
We control SG&A costs

LPP EQUITY STORY

2022/23

SG&A/M²

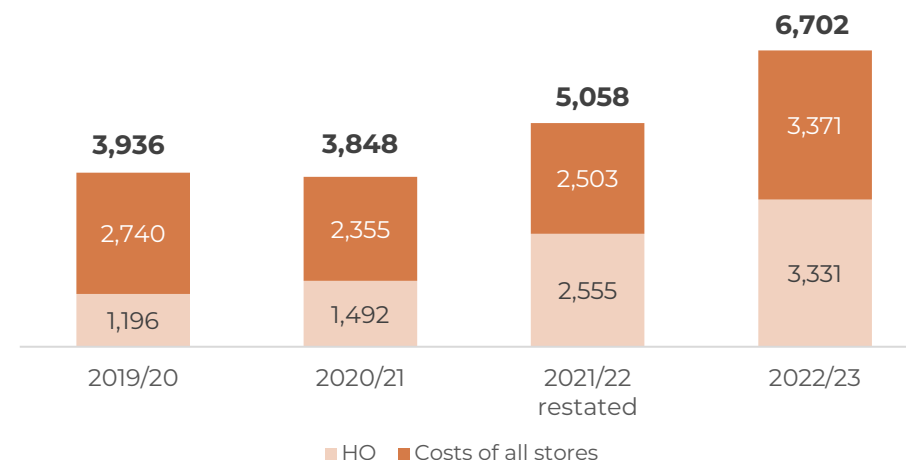
(PLN monthly)



Note: 2021/22 data restated (excludes Russia)

SG&A COSTS

(PLN m, from 2019/20 IFRS16)



- Our operating expenses include costs of own stores and franchise stores in Poland, HQ costs (distribution costs - costs of logistics and e-commerce, costs of marketing, back-office as well as the sales and product departments). Stores in Middle East do not have any material effect on SG&A costs.
- SG&A/m² → Fall in SG&A/m² in 2020/21 due to actions taken to maintain our cost cautiousness during pandemic (i.a. rental renegotiation, constant work on automation of processes). Rebound in 2021/22 due to growth in online and offline revenues. Growth in 2022/23 SG&A/m² due to higher rental costs (higher share of turnover-based rentals, higher EUR/PLN), growth in HR costs (salaries), higher other costs of stores (usage of materials, external services and higher energy cost).
- SG&A (PLN m) → HQ costs YoY growth in 2019/20-2022/23 due to investments in product departments, e-commerce expansion, higher costs of foreign logistics and growing marketing costs (performance marketing). Pick-up in 2022/23 due to growth in e-commerce.

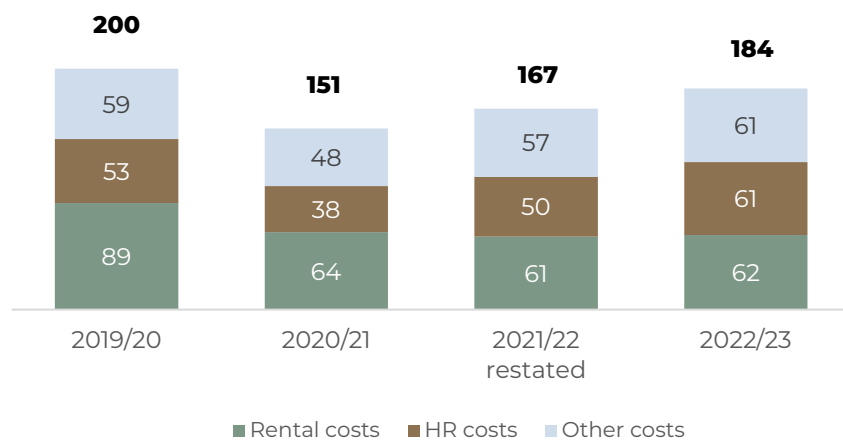
Costs of own stores under control

LPP EQUITY STORY

2022/23

COSTS OF OWN STORES/M²

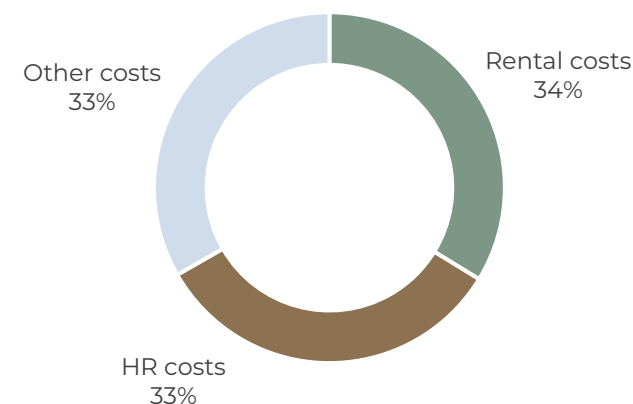
(PLN monthly, IAS17)



Note: 2021/22 data restated (excludes Russia)

2022/23 COSTS OF OWN STORES SPLIT

(IAS17)



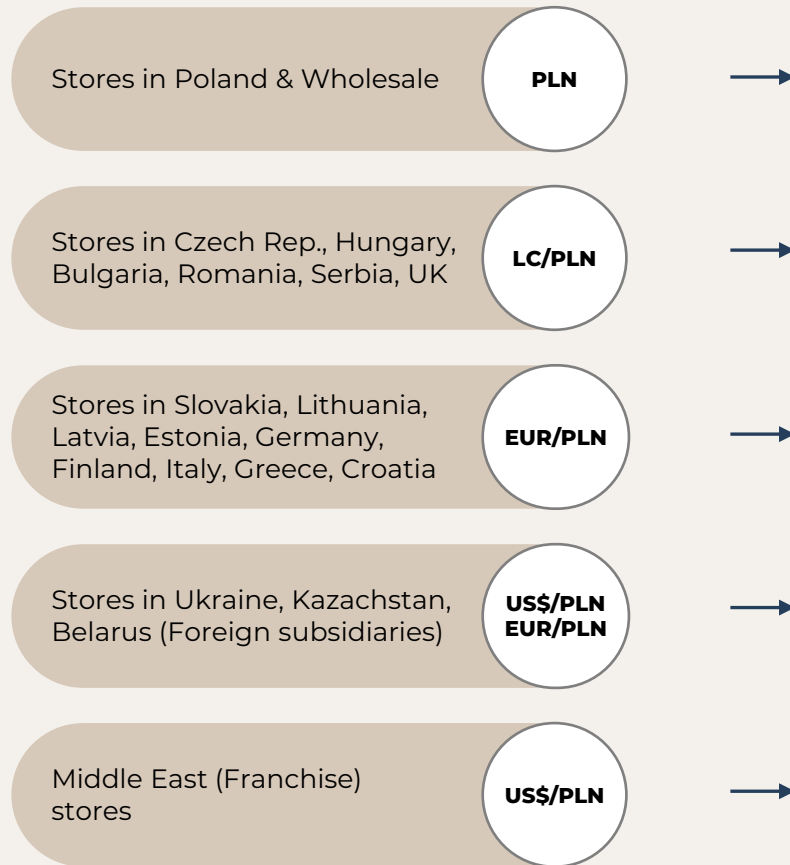
- Rental charges → successful rental renegotiations in the past (reopened after COVID-19); level paid depends on EUR/PLN exchange rate; focus on turnover-based rentals. Falling charges/m² due to a stronger shift in Sinsay floorspace opening (retail parks in smaller towns, lower rentals).
- Personnel costs → adjusting headcount and salaries to the pandemic reality in 2020/21, growth in 2021/22 due to the need for higher headcount and pressure to raise salaries, in 2022/23 growth in personnel costs due to higher minimum wage.
- Other costs of stores → growth due to: higher cost of energy, materials and provisions under inflation pressure, openings of new stores. Depreciation constitutes one third of other costs of stores under IAS17.

Group exposure (excluding IFRS16)

LPP EQUITY STORY

2022/23

REVENUES



43% PLN
revenues

57% FX
revenues

LPP
(Parent
company)

55% PLN
SG&A costs

45% FX
SG&A costs

COSTS

93% US\$
6% EUR
1% PLN

MANUFACTURERS

77% EUR
4% PLN
9% other

RENTALS

Note: LC stands for local currency. Calculations based on 2022/23 numbers and IAS17 data.

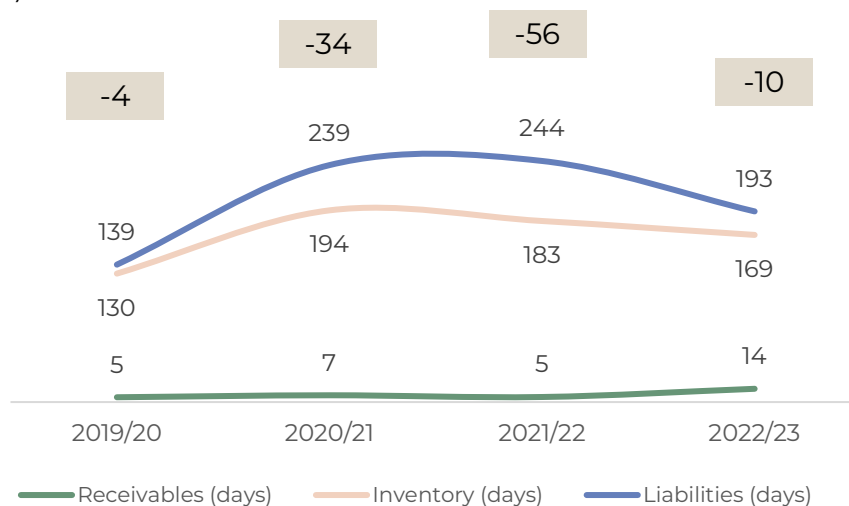
Short-term changes in working capital

LPP EQUITY STORY

2022/23

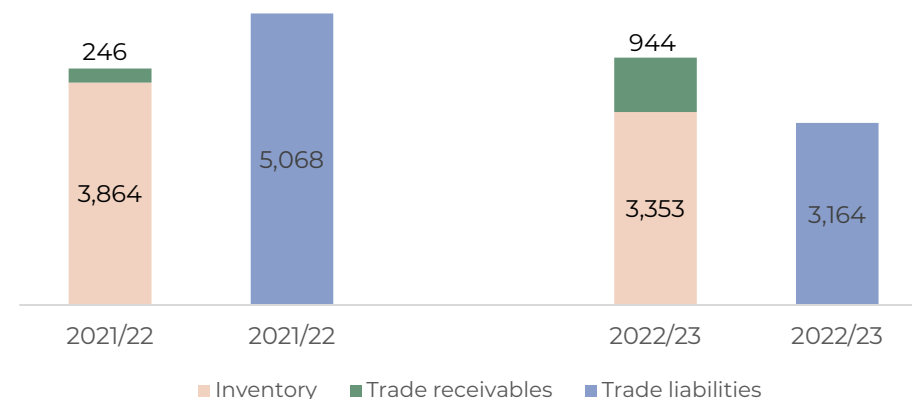
CASH CYCLE

(days)



WORKING CAPITAL

(PLN m)



- Inventory is an important part of net working capital. 13.2% YoY decrease in inventories at the end of 2022/23 resulted from smaller number of stores in the sales network. 2.0% YoY decrease in inventories/m² in 2022/23 due to continued improvement in the goods management proces and work on accelerating.
- Less favorable YoY working capital is a short-term change - repayment of trade liabilities before the sale of inventories. PLN 0.9bn of receivables from the sale of goods belonging to Russian stores, repayment of c. PLN 0.2bn during the quarter.
- Liabilities are a source of inventory financing. Supplier financing programme utilization at PLN 1.5bn at the end of 2022/23. Lengthening of payment terms for suppliers.
- As a result, our cash conversion cycle was at a level of -10 days in 2022/23 (-56 days in 2021/22).

Supply chain management as a source of financing

SUPPLY CHAIN FINANCE – SCF (SUPPLIER FINANCING PROGRAMME)

BENEFITS FOR LPP:

- Extended payment periods on invoices for goods purchased.
- Net working capital and operating cash flows improvement.
- No cost for LPP – cost is included in discount rate used.



BANKING PLATFORM



BENEFITS FOR SUPPLIERS:

- Possibility to discount invoices for LPP before the payment deadline (low discount rate based on LPP's standing).
- No impact on credit ability.
- Lower cost than banking debt.

PLN 1.5bn positive effect at the end of 2022/23.

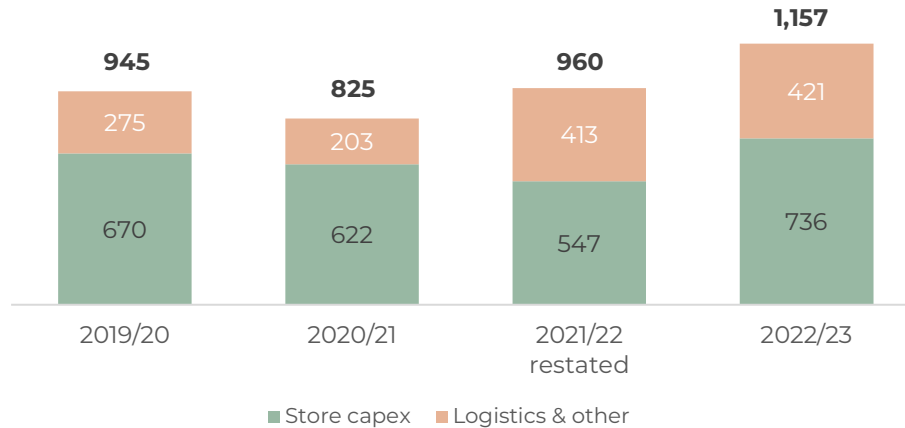
Capex supports LPP's development

LPP EQUITY STORY

2022/23

CAPEX SPLIT

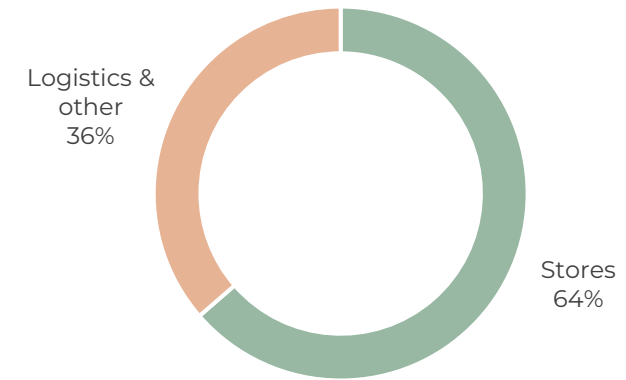
(PLN m)



Note: 2021/22 data restated (excludes Russia)

2022/23 CAPEX SPLIT

(PLN m)



- Our store capex encompasses outlays for new stores as well as modernisations of existing ones. We are in the process of modernising our network – opening larger stores that will support us in full omnichannel integration and stores in retail parks.
- Logistics capex includes also outlays for our distribution centres.
- Other outlays encompass capex for IT systems and our offices. We are in process of expansion of our headquarter: the Fashion Lab complex, which is to consist of four office buildings. The completion of the entire investment is scheduled for 2027.

Constant growth despite pandemics and war

LPP EQUITY STORY

2022/23

PLN m, IFRS16	2019/20	2020/21	2021/22	2021/22 restated	2022/23	YoY
Revenues	9,221.7	7,848.1	14,029.7	11,338.8	15,926.5	40.5%
Gross profit on sales	4,940.2	4,083.9	8,107.2	6,490.8	8,130.9	25.3%
<i>Gross profit margin</i>	53.6%	52.0%	57.8%	57.2%	51.1%	-6,2pp
SG&A costs	3,937.3	3,847.6	5,960.9	5,058.1	6,702.5	32.5%
Other operating line	-123.6	-83.3	-667.3	-304.6	31.3	N/M
EBIT	879.2	153.0	1,479.0	1,128.1	1,459.7	24.9%
<i>EBIT margin</i>	9.5%	1.9%	10.5%	9.9%	9.2%	-0.8pp
Net financial activity	-142.1	-269.5	-247.0	-190.3	-96.9	N/M
Pre-tax profit	737.1	-116.5	1,232.0	937.8	1,362.8	45.3%
Tax	251.1	73.6	278.5	212.4	218.5	2.9%
Minorities	0.0	0.0	0.0	0.0	-1.6	N/M
Net income on continuing operations	486.0	-190.1	953.5	725.3	1,144.2	57.7%
Result from discontinued operations	0.0	0.0	0.0	228.2	-50.7	N/M
Total net income	486.0	-190.1	953.5	953.5	1,093.5	14.7%
<i>Net income margin</i>	5.3%	-2.4%	6.8%	6.4%	7.2%	0.8pp

Strong Balance Sheet

LPP EQUITY STORY

2022/23

PLN m, IFRS16	31.01.2020	31.01.2021	31.01.2022	31.01.2023
Non-current assets	5,870.7	5,620.6	7,027.7	7,351.8
fixed assets	2,312.4	2,439.8	2,760.5	3,336.0
intangibles (inc. goodwill)	413.3	397.2	405.1	446.3
right-of-use asset	3,000.2	2,589.1	3,412.3	2,888.4
Current assets	3,735.1	4,733.2	7,107.5	5,569.3
inventory	1,921.1	2,074.4	3,864.1	3,353.4
trade receivables	143.8	158.1	246.1	944.1
cash and equivalents	1,361.5	1,277.9	1,354.9	465.0
Total assets	9,605.9	10,353.8	14,135.2	12,921.0
Equity	3,247.5	3,068.4	3,272.1	3,984.4
Long-term liabilities	3,159.3	3,114.2	3,983.2	3,722.7
interest bearing debt	462.9	484.7	438.8	845.1
finance lease (IFRS16)	2,568.0	2,523.7	3,428.2	2,760.1
Short-term liabilities	3,199.1	4,171.2	6,879.9	5,214.0
trade liabilities	2,100.8	2,837.1	5,067.7	3,164.2
interest bearing debt	109.5	521.1	535.0	806.1
finance lease (IFRS16)	680.2	654.0	749.1	902.5
Total liabilities	9,605.9	10,353.8	14,135.2	12,921.0

Cash flows impacted by the war in Ukraine

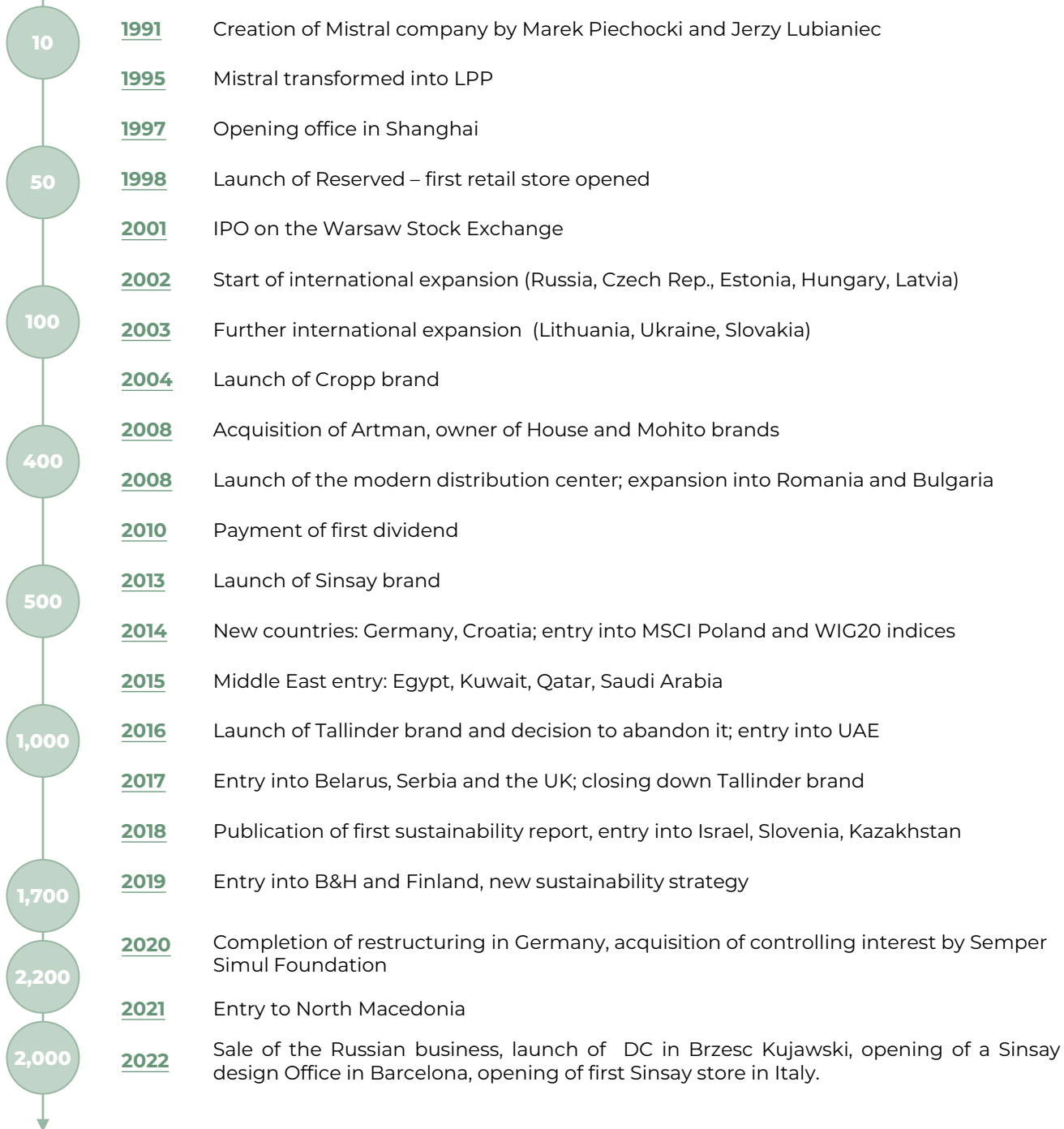
LPP EQUITY STORY

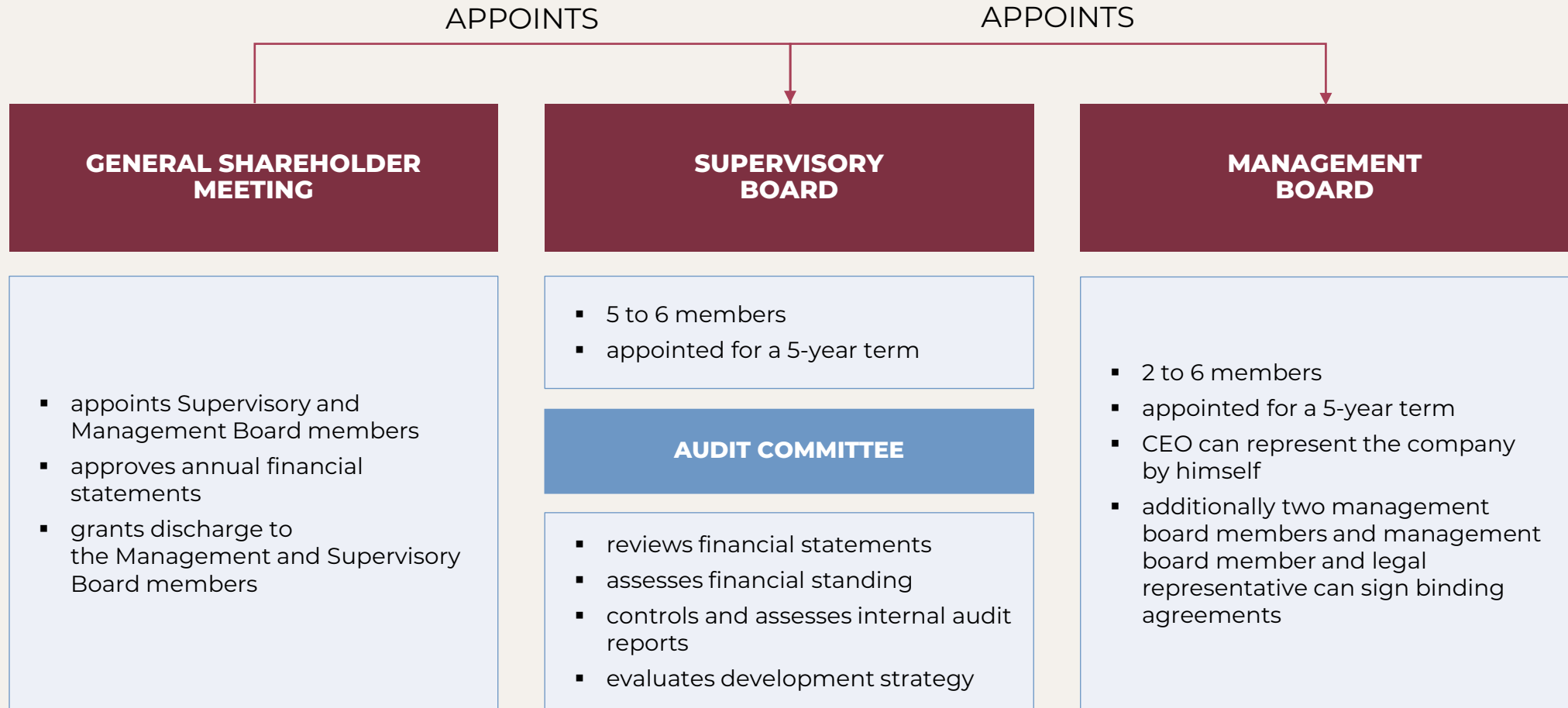
2022/23

PLN m, IFRS16	2019/20	2020/21	2021/22	2021/22 restated	2022/23
Pre-tax profit	737.1	-116.5	1,232.0	937.8	1,362.8
D&A	1,017.2	1,073.0	1,147.7	943.4	1,129.2
NWC	48.0	113.2	145.0	253.4	-2,292.8
Operating CF	1,572.6	1,074.5	3,003.7	2,214.5	622.4
Capex	-944.9	-824.8	-1,324.7	-959.7	-1,156.9
Investing CF	-753.1	-1,007.1	-1,328.3	-971.4	-897.1
Interest bearing debt	54.3	444.5	-48.6	80.7	946.9
Dividends	-110.1	0.0	-833.6	-833.6	-648.3
Finance lease (IFRS16)	-663.3	-538.6	-583.2	-516.3	-731.7
Interest	-127.7	-157.7	-169.3	-104.7	-176.2
Financing CF	-547.0	-139.5	-1,634.7	-1,373.9	-609.3
Total CF on continuing operations	272.4	-72.1	40.7	-130.9	-884.0
CF from discontinued operations	0.0	0.0	0.0	171.6	-42.5
Total CF	272.4	-72.1	40.7	40.7	-926.5

LPP'S SUCCESS STORY

No. of stores







Management with **LONG-TERM VISION**

**Marek Piechocki
(62)**
CEO & Founder

- Since 1989 in the retail business.
- Founded LPP's predecessor in 1991. CEO of LPP since 2000.
- Responsible for LPP's strategy and development of brands: Reserved, Cropp, House.

**Przemysław
Lutkiewicz (52)**
CFO

- At LPP since 2008. Since 2015 LPP's CFO (Chief Financial Officer).
- Responsible for finance, controlling, internal audit, investor relations, as well as supervision over foreign companies belonging to the LPP Group.
- 1995-2007 manager at First Data Poland.

Jacek Kujawa (48)
Board Member

- At LPP since 2004. Initially IT Director.
- Appointed: 25 November 2009. Responsible for logistics, administration. investments and IT.
- 1999-2004 at Wirtualna Polska.

**Sławomir Łoboda
(58)**
Board Member

- Co-operated with LPP since 1997.
- Appointed: 14 October 2015.
- Responsible for legal issues, new retail space and store expansion.

**Marcin Piechocki
(34)**
Board Member

- Co-operated with LPP since 2017.
- Appointed: 29 June 2021.
- Responsible for Mohito and Sinsay brands, internal communication and external relations.

**Miłosz Wiśniewski
(59)**Chair of the
Supervisory Board,
Independent

- An MBA graduate (Paris). Since 2016 CEO of Robod SA.
- 2012-15 CFO of Boryszew SA. Earlier CFO and CEE & SEE Director at CPW.

**Alicja Milińska
(62)**

Member

- Graduated from University of Gdańsk.
- From 1995 to 2021, Alicja Milińska was employed at LPP SA as the Chief Accountant. In the years 2000 – 2009 Member of the Management Board of LPP SA.

**Jagoda Piechocka
(27)**

Member

- Graduated from the Warsaw University of Technology and HEC Paris in Paris.
- 2018-2020 experience as a business analyst in HURO Sp. z o. o. and junior consultant in IT.integro. From 2021 IT Product Manager in Procter & Gamble.

Piotr Piechocki (35)

Member

- Graduated from Warsaw School of Economics and IE Business School in Madrid.
- 2012-2017 manager at LPP, responsible for creation and development of e-commerce.

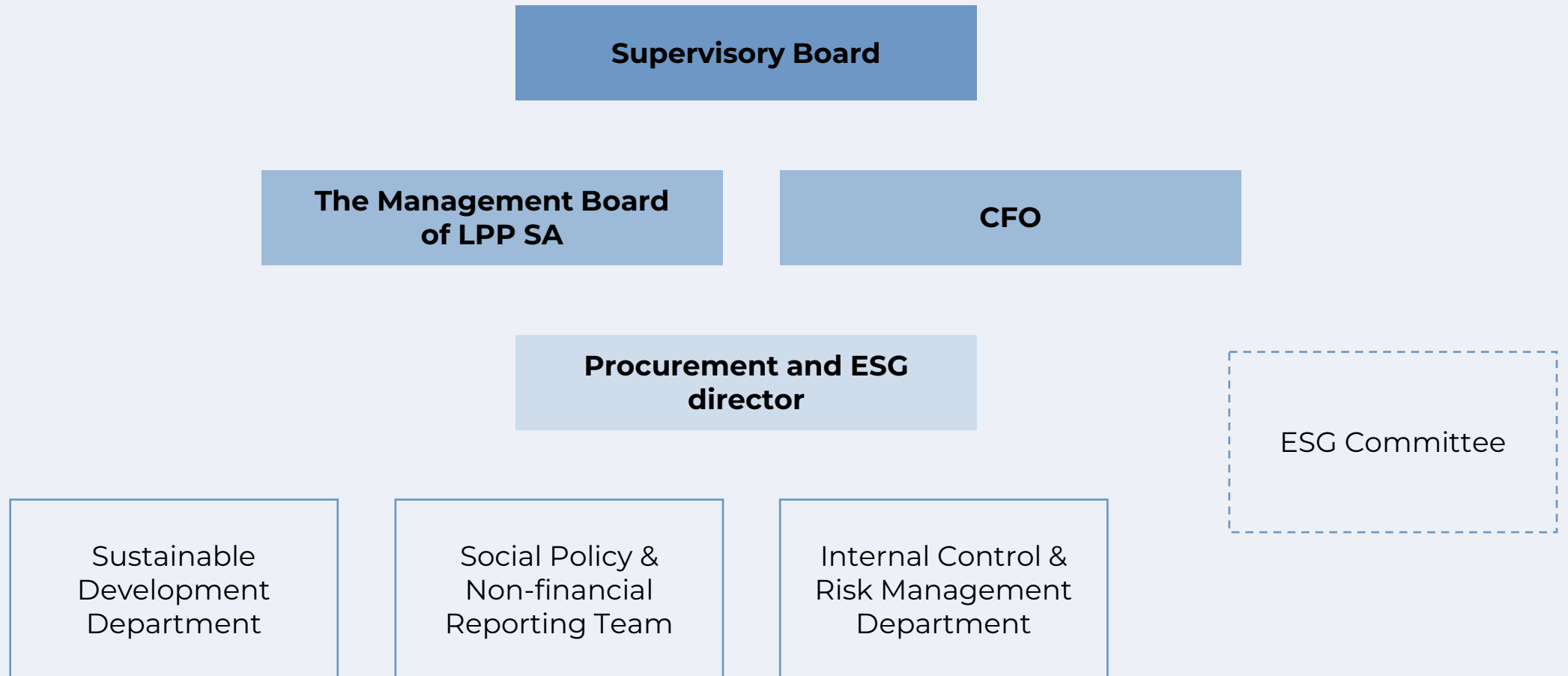
**Grzegorz Maria
Słupski (64)**Independent
Member

- A doctor of economic sciences.
- Entrepreneur, manager, who has successfully created and led multiple firms mainly in the sectors of printing, commerce and new technologies in Poland.

note: as at 30.06.2023

Independent Chair
of the
**SUPERVISORY
BOARD**

ESG is high on our agenda



Inclusion of climate risks into decision of the board

LPP EQUITY STORY

2022/23

SINCE 2022/23 WE USE TCFD METHODOLOGY TO CLIMATE-REALATED RISKS

	Risk	Scenario	Obtaining raw materials	Production	Distribution	Sale and customer satisfaction
PHYSICAL	Chronic	Risk of limited availability of producers and subcontractors due to progressing climate change	<2°C	●	●	
		4°C	●	●		
		Risk of limited availability and increase in price of raw materials for production as a result of progressive climate change	<2°C	●		
		4°C	●			
	Acute	Risk of disruption to production processes due to extreme weather events	<2°C		●	
		4°C		●		
		Risk of disruption to logistics processes due to extreme weather events	<2°C		●	
		4°C			●	
TRANSFORMATIONAL	Market	Risk of limited availability and rising prices of sustainably produced or recycled materials	<2°C			
		4°C				
		Risk of increase in own warehouse management costs and supply chain costs due to increased electrical energy prices	<2°C	●	●	●
		4°C	●	●	●	
	Regulatory	Risk of limited availability and increased cost of marine logistics and timely transport	<2°C		●	
		4°C			●	
		Risk of increased demands and increased accuracy of non-financial reporting on climate and social issues	<2°C	●	●	●
		4°C	●	●	●	●
	Technological	Risk of failure to adapt to the pace of change in technology to address consumer needs or regulatory requirements for pro-environmental measures	<2°C		●	●
		4°C		●	●	●
	Reputational	Risk of negative image and public pressure due to insufficient, negative or misperceived communications related to pro-environmental activities	<2°C			●
		4°C				●

Risk assessment: ● Low ● Medium ● High ● Very high

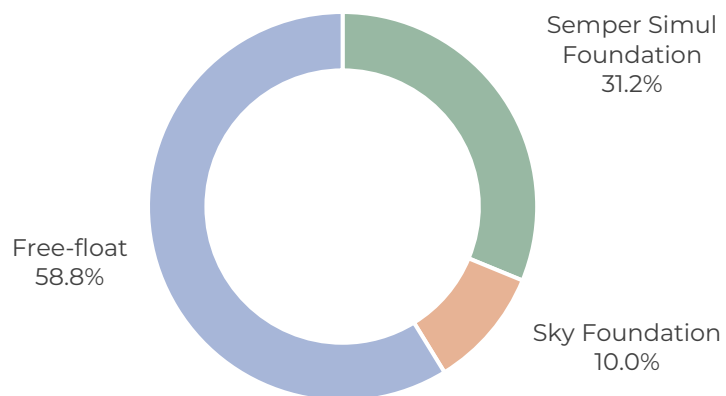
A family company controlled by its founders

LPP EQUITY STORY

2022/23

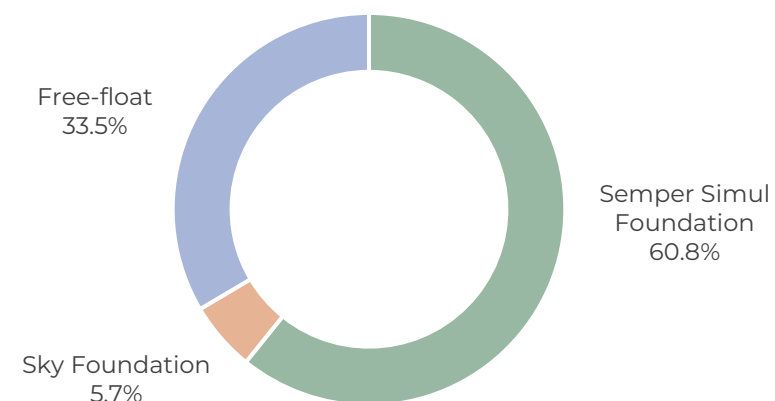
SHAREHOLDERS BY EQUITY (JUNE 2023)

total no. of shares 1,855,190



SHAREHOLDERS BY VOTES (JUNE 2023)

total no. of votes 3,255,190



- Founders' shares have been deposited in foundations. Effectively, they control 41.2% of equity and 66.5% of votes.
- The CEO, Marek Piechocki, transferred shares to the Semper Simul Foundation, which currently holds 31.2% of equity and 60.8% of votes. Jerzy Lubianiec, the co-founder, transferred his shares to the Sky Foundation, which currently holds 10.0% of capital and 5.7% of votes. He is no longer actively involved in the Company. All LPP's privileged shares (1 to 5 in votes) are held by Semper Simul Foundation.
- The number of shares at the end of June 2023 came in at 1,854,241 which is by 949 shares higher than at the end of January 2023 due to issuance under the option plan for the management board.

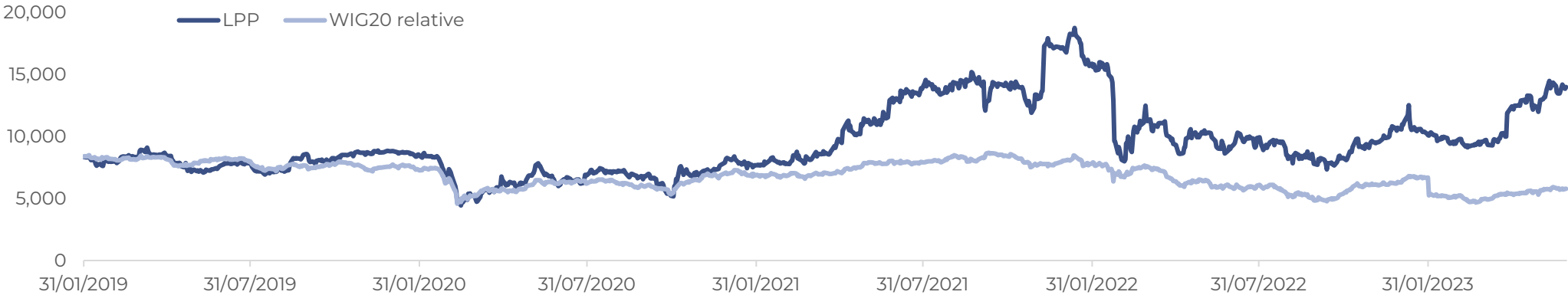
LPP

Consistently outperforming the WIG20 Index

LPP EQUITY STORY

2022/23

LPP'S SHARE PRICE RELATIVE TO WIG 20INDEX



TICKERS	
WSE	LPP
Bloomberg	LPP PW
Reuters	LPPP.WA

PERFORMANCE	
1Y	-36%
3Y	+20%
5Y	+4%

MARKET DATA	
Price (31.01.23)	PLN 10,120
Min 1Y	PLN 7,360
Max 1Y	PLN 16,000

GLOSSARY

Poland	Retail sales in Poland and other revenues of LPP SA.
CEE	Region including: Czech Republic, Slovakia, Hungary and Poland unless otherwise stated.
Baltic	Region including: Lithuania, Latvia, Estonia.
Other regions	Region including: Ukraine, Belarus and Kazakhstan, Middle East
SEE	Region including: Bulgaria, Romania, Croatia, Serbia, Slovenia, from 2019 B&H and from 2021 North Macedonia.
WE	Region including Germany, the UK and from 2019 Finland.
ME	Region including: Egypt, Qatar, Kuwait, UAE., Saudi Arabia and Israel.
Europe	Region including: CEE, Baltic, SEE and WE.
EBITDA	EBIT + depreciation from cash flow statement.
Average monthly revenues/ m²	Revenues of segment or brand / average working total floorspace / 12.
Average monthly costs of own stores/ m²	Costs of own stores / average working floorspace of own stores (ie. excluding all franchise stores which represent c. 2.5% of the working floorspace) / 12.
Average monthly SG&A PLN/ m²	SG&A costs/ average working total floorspace excluding franchise stores located in ME and Belarus / 12.
Inventory/ m²	End of period group inventory/ total floorspace without franchise stores in ME.
Inventory days	Average inventory/ group COGS * 365 days.
Receivables days	Average receivables/ group revenues * 365 days.
Liabilities days	Average short-term liabilities/ group COGS * 365 days.
Cash conversion cycle	Inventory days + receivables days – liabilities days.

LPP

LPP EQUITY STORY

2022/23

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-  [company/lpp-sa](#)
-  [discoverlpp](#)
-  [discoverlpp](#)

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