

# LPP

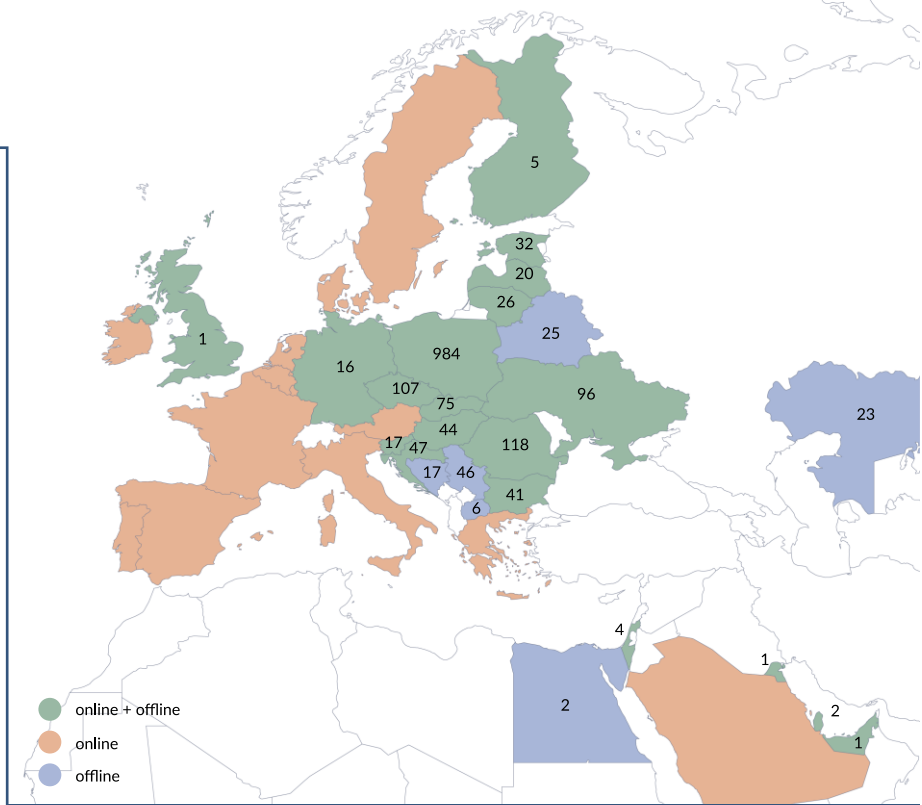
## FACT SHEET 2Q22/23

LPP is a Polish clothing producer. Based in Gdańsk, the Company has over 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 38 countries around the world via its online and offline operations, including stores on highstreets of London and Munich.

Revenues from foreign sales constitute some 55% 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.



### SHAREHOLDERS

As at 05.10.2022	# shares	%	# votes	%
Semper Simul Foundation	578,889	31.2%	1,978,889	60.8%
Sky Foundation	227,898	12.3%	227,898	7.0%
Free-float	1,047,454	56.5%	1,047,454	32.2%
<b>TOTAL</b>	<b>1,854,241</b>		<b>3,254,241</b>	

Semper Simul Foundation is linked to the CEO Marek Piechocki, while Sky Foundation is linked to the co-founder of LPP, Jerzy Lubianiec.

### INVESTMENT THESIS

- Development of value for money segment.
- Towards omnichannel.
- Efficient business model.
- Dividend payments.
- A responsible company.

### SHARE PRICE PERFORMANCE

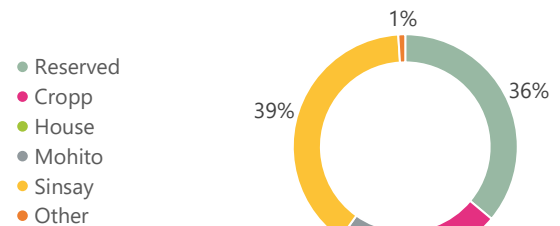


### STOCK DATA

Price (29.07.2022)	9,405	EPS (2021/22)	760.30
Min (1Y)	8,005	DPS (2021/22)	350.00
Max (1Y)	18,770	Div yield (%)	4%
Mkt Cap (PLN m)	17,422	Ticker	LPP
Free-float (PLN m)	10,354	Bloomberg	LPP PW
Book value (PLN m)	3,399	Reuters	LPPP.WA

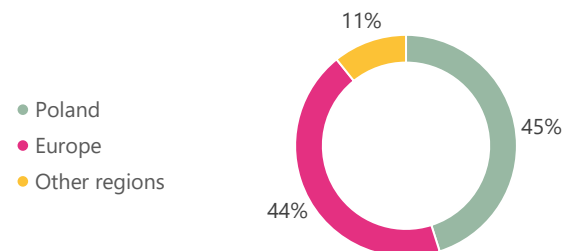
### REVENUE SPLIT BY BRANDS

6M22/23



### REVENUE SPLIT BY REGIONS

6M22/23



RESERVED

CROPP

house

MOHITO

sinsay

	2Q20/21	3Q20/21	4Q20/21	1Q21/22	2Q21/22	3Q21/22	4Q21/22	1Q22/23	2Q22/23	2019/20	2020/21	2021/22
<b>NO. OF STORES</b>												
Reserved	442	440	440	440	440	448	447	358	344	454	440	447
Cropp	372	366	369	373	386	388	398	321	313	360	369	398
House	329	328	332	340	354	360	368	316	316	318	332	368
Mohito	277	277	278	278	281	289	286	218	209	283	278	286
Sinsay	354	386	434	483	558	638	743	545	574	324	434	743
Outlets	5	5	3	3	2	2	2	2	0	7	3	2
<b>TOTAL</b>	<b>1,779</b>	<b>1,802</b>	<b>1,856</b>	<b>1,917</b>	<b>2,021</b>	<b>2,125</b>	<b>2,244</b>	<b>1,760</b>	<b>1,756</b>	<b>1,746</b>	<b>1,856</b>	<b>2,244</b>
<b>FLOORSPACE (thm<sup>2</sup>)</b>												
Poland	534.0	551.5	566.9	584.4	619.6	645.0	677.2	687.7	699.8	530.0	566.9	677.2
Europe	403.6	417.5	432.6	442.0	457.9	505.2	522.8	568.9	612.9	370.7	432.6	522.8
Other regions	367.2	382.8	435.9	485.3	539.0	600.2	688.1	201.5	146.6	30.2	435.9	688.1
<b>TOTAL</b>	<b>1,304.9</b>	<b>1,351.8</b>	<b>1,435.4</b>	<b>1,511.7</b>	<b>1,616.5</b>	<b>1,750.4</b>	<b>1,888.1</b>	<b>1,458.1</b>	<b>1,459.3</b>	<b>1,230.9</b>	<b>1,435.4</b>	<b>1,888.1</b>

## CONSOLIDATED INCOME STATEMENT

PLN m	2Q20/21	3Q20/21	4Q20/21	1Q21/22	2Q21/22	3Q21/22	4Q21/22	1Q22/23	2Q22/23	2019/20	2020/21	2021/22
<b>Revenues</b>	<b>2,129.3</b>	<b>2,445.7</b>	<b>2,094.4</b>	<b>2,350.3</b>	<b>3,643.1</b>	<b>3,913.4</b>	<b>4,122.8</b>	<b>3,034.2</b>	<b>4,340.6</b>	<b>9,899.2</b>	<b>7,848.1</b>	<b>14,029.7</b>
COGS	1,116.0	1,061.5	975.8	1,045.0	1,623.2	1,631.1	1,623.0	1,416.7	2,084.7	4,753.5	3,764.1	5,922.4
<b>Gross profit on sales</b>	<b>1,013.3</b>	<b>1,384.2</b>	<b>1,118.6</b>	<b>1,305.3</b>	<b>2,019.9</b>	<b>2,282.3</b>	<b>2,499.7</b>	<b>1,617.5</b>	<b>2,255.8</b>	<b>5,145.7</b>	<b>4,083.9</b>	<b>8,107.2</b>
SG&A costs	966.9	1,035.9	1,029.1	1,200.7	1,372.3	1,457.6	1,930.3	1,418.5	1,807.8	4,213.1	3,847.6	5,960.9
Other operating activity	-14.2	-47.1	-9.5	-17.4	-52.6	-7.4	-590.0	-12.3	-52.7	-126.9	-83.3	-667.3
<b>EBIT</b>	<b>32.3</b>	<b>301.2</b>	<b>80.1</b>	<b>87.2</b>	<b>595.0</b>	<b>817.3</b>	<b>-20.6</b>	<b>186.6</b>	<b>395.3</b>	<b>805.7</b>	<b>153.0</b>	<b>1,479.0</b>
Net financials	33.7	-60.7	-84.1	-38.1	-26.0	-38.0	-144.9	-42.4	202.8	-140.5	-269.5	-247.0
<b>Pre-tax profit</b>	<b>66.0</b>	<b>240.5</b>	<b>-4.0</b>	<b>49.1</b>	<b>569.0</b>	<b>779.3</b>	<b>-165.5</b>	<b>144.3</b>	<b>598.1</b>	<b>665.2</b>	<b>-116.5</b>	<b>1,232.0</b>
Tax	96.7	-6.4	40.4	27.6	109.9	151.8	-10.8	47.3	60.6	244.2	73.6	278.5
<b>Net income from continuing operations</b>	<b>-30.6</b>	<b>246.9</b>	<b>-44.4</b>	<b>21.5</b>	<b>459.1</b>	<b>627.6</b>	<b>-154.7</b>	<b>96.9</b>	<b>537.5</b>	<b>421.0</b>	<b>-190.1</b>	<b>953.5</b>
Result from discontinued operations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	171.0	-291.3	0.0	0.0	0.0
<b>Net income</b>	<b>-30.6</b>	<b>246.9</b>	<b>-44.4</b>	<b>21.5</b>	<b>459.1</b>	<b>627.6</b>	<b>-154.7</b>	<b>267.9</b>	<b>246.2</b>	<b>421.0</b>	<b>-190.1</b>	<b>953.5</b>
<b>EBITDA</b>	<b>308.1</b>	<b>563.0</b>	<b>337.4</b>	<b>344.4</b>	<b>863.8</b>	<b>1,112.3</b>	<b>1,127.1</b>	<b>438.2</b>	<b>667.1</b>	<b>1,899.5</b>	<b>1,226.1</b>	<b>2,626.6</b>

## EFFICIENCY

	2Q20/21	3Q20/21	4Q20/21	1Q21/22	2Q21/22	3Q21/22	4Q21/22	1Q22/23	2Q22/23	2019/20	2020/21	2021/22
Sales / m <sup>2</sup> per month	562	614	495	535	773	778	750	717	972	671	500	715
Gross profit on sales / m <sup>2</sup> per month	267	347	264	297	429	454	455	382	505	349	260	413
Costs of own stores / m <sup>2</sup> per month (IAS17)	150	160	144	141	167	156	166	166	193	201	151	161
SG&A costs / m <sup>2</sup> per month	223	257	262	245	275	293	292	353	407	287	238	309
Gross profit margin	47.6%	56.6%	53.4%	55.5%	55.4%	58.3%	60.6%	53.3%	52.0%	52.0%	52.0%	57.8%
EBITDA margin	14.5%	23.0%	16.1%	14.7%	23.7%	28.4%	27.3%	14.4%	15.4%	19.2%	15.6%	18.7%
EBIT margin	1.5%	12.3%	3.8%	3.7%	16.3%	20.9%	-0.5%	6.2%	9.1%	8.1%	1.9%	10.5%
Net margin	-1.4%	10.1%	-2.1%	0.9%	12.6%	16.0%	-3.8%	3.2%	12.4%	4.3%	-2.4%	6.8%
ROE (4Q)	-2.2%	5.5%	-6.0%	6.5%	24.6%	32.7%	30.1%	35.7%	33.6%	13.9%	-6.0%	30.1%

## CONSOLIDATED BALANCE SHEET

PLN m	2Q20/21	3Q20/21	4Q20/21	1Q21/22	2Q21/22	3Q21/22	4Q21/22	1Q22/23	2Q22/23	2019/20	2020/21	2021/22
<b>Non-current assets</b>	<b>5,664.0</b>	<b>5,538.7</b>	<b>5,620.6</b>	<b>5,783.1</b>	<b>6,147.5</b>	<b>6,761.6</b>	<b>7,027.7</b>	<b>5,885.3</b>	<b>6,505.0</b>	<b>5,870.7</b>	<b>5,620.6</b>	<b>7,027.7</b>
Fixed assets	2,294.7	2,407.0	2,439.8	2,573.4	2,754.1	3,038.9	2,760.5	2,641.7	2,823.4	2,312.4	2,439.8	2,760.5
Right of use assets (IFRS16)	2,808.2	2,526.4	2,589.1	2,608.6	2,732.3	3,017.2	3,412.3	2,583.3	2,604.2	3,000.2	2,589.1	3,412.3
Intangibles (incl. goodwill)	417.1	418.8	397.2	399.8	401.4	394.9	405.1	406.8	407.7	413.3	397.2	405.1
<b>Current assets</b>	<b>3,744.1</b>	<b>4,467.5</b>	<b>4,733.2</b>	<b>4,952.7</b>	<b>5,323.1</b>	<b>6,238.4</b>	<b>7,107.5</b>	<b>6,750.6</b>	<b>8,434.2</b>	<b>3,735.1</b>	<b>4,733.2</b>	<b>7,107.5</b>
Inventory	1,641.7	1,643.4	2,074.4	2,239.3	2,311.0	2,961.6	3,664.4	3,663.4	4,445.1	1,921.1	2,074.4	3,864.1
Trade receivables	155.2	189.2	158.1	203.5	162.3	224.1	246.1	210.1	1,322.6	143.8	158.1	246.1
Cash and equivalents	1,763.5	2,055.4	1,277.9	1,243.3	1,594.9	1,692.5	1,354.9	1,129.4	738.1	1,361.5	1,277.9	1,354.9
<b>Assets held for sale</b>								<b>3,001.5</b>				
<b>Total assets</b>	<b>9,408.0</b>	<b>10,006.2</b>	<b>10,353.8</b>	<b>10,735.9</b>	<b>11,470.5</b>	<b>13,000.0</b>	<b>14,135.2</b>	<b>15,637.5</b>	<b>14,939.2</b>	<b>9,605.9</b>	<b>10,353.8</b>	<b>14,135.2</b>
<b>Equity</b>	<b>2,757.8</b>	<b>3,021.8</b>	<b>3,068.4</b>	<b>3,103.1</b>	<b>2,785.2</b>	<b>3,477.3</b>	<b>3,272.1</b>	<b>3,625.0</b>	<b>3,398.8</b>	<b>3,247.5</b>	<b>3,068.4</b>	<b>3,272.1</b>
<b>Long-term liabilities</b>	<b>3,095.8</b>	<b>2,970.3</b>	<b>3,114.2</b>	<b>3,134.0</b>	<b>3,232.6</b>	<b>3,521.3</b>	<b>3,983.2</b>	<b>3,124.3</b>	<b>3,341.8</b>	<b>3,159.3</b>	<b>3,114.2</b>	<b>3,983.2</b>
Interest bearing debt	506.8	496.8	484.7	477.9	460.7	446.4	438.8	433.4	607.6	462.9	484.7	438.8
Financial leases (IFRS16)	2,476.3	2,361.3	2,523.7	2,543.8	2,663.2	2,946.1	3,428.2	2,580.7	2,604.7	2,568.0	2,523.7	3,428.2
Provisions	1.5	1.5	1.8	1.8	1.8	1.8	1.4	1.4	1.4	1.5	1.8	1.4
Other long-term liabilities	111.2	110.7	104.0	110.4	106.8	126.9	114.7	108.7	128.1	126.9	104.0	114.7
<b>Short-term liabilities</b>	<b>3,554.4</b>	<b>4,014.0</b>	<b>4,171.2</b>	<b>4,498.8</b>	<b>5,452.7</b>	<b>6,001.4</b>	<b>6,879.9</b>	<b>7,162.7</b>	<b>8,198.6</b>	<b>3,199.1</b>	<b>4,171.2</b>	<b>6,879.9</b>
Interest bearing debt	520.7	456.6	521.1	484.8	554.6	538.1	535.0	683.6	1,056.2	109.5	521.1	535.0
Financial leases (IFRS16)	700.5	651.0	654.0	690.9	716.5	779.3	749.1	696.9	768.2	680.2	654.0	749.1
Trade liabilities	2,246.8	2,802.7	2,837.1	3,111.9	3,511.4	4,341.6	5,067.7	5,420.9	5,788.6	2,100.8	2,837.1	5,067.7
Provisions	37.6	51.3	35.1	87.7	81.5	77.3	160.3	112.4	134.8	89.6	35.1	160.3
Other short-term liabilities	48.7	52.4	123.9	123.5	588.7	265.1	367.8	248.9	450.8	219.1	123.9	367.8
<b>Liabilities held for sale</b>								<b>1,725.5</b>				
<b>Total liabilities</b>	<b>9,408.0</b>	<b>10,006.1</b>	<b>10,353.8</b>	<b>10,735.9</b>	<b>11,470.5</b>	<b>13,000.0</b>	<b>14,135.2</b>	<b>15,637.5</b>	<b>14,939.2</b>	<b>9,605.8</b>	<b>10,353.8</b>	<b>14,135.2</b>

## INDEBTEDNESS

PLN m	2Q20/21	3Q20/21	4Q20/21	1Q21/22	2Q21/22	3Q21/22	4Q21/22	1Q22/23	2Q22/23	2019/20	2020/21	2021/22
<b>Net debt</b>	<b>2,440.8</b>	<b>1,910.4</b>	<b>2,905.6</b>	<b>2,954.2</b>	<b>2,800.1</b>	<b>3,017.4</b>	<b>3,796.3</b>	<b>3,269.4</b>	<b>4,298.6</b>	<b>2,459.0</b>	<b>2,905.6</b>	<b>3,796.3</b>
Cash	1,763.5	2,055.4	1,277.9	1,243.3	1,594.9	1,692.5	1,354.9	1,129.4	738.1	1,361.5	1,277.9	1,354.9
Bank loans and bonds	1,027.5	953.4	1,005.8	962.8	1,015.3	984.5	973.9	1,121.1	1,663.8	572.4	1,005.8	973.9
Financial leases	3,176.8	3,012.4	3,177.7	3,234.6	3,379.7	3,725.4	4,177.3	3,277.7	3,372.9	3,248.1	3,177.7	4,177.3
<b>Net debt/EBITDA (4 quarters)</b>	<b>1.6</b>	<b>1.1</b>	<b>2.4</b>	<b>1.9</b>	<b>1.3</b>	<b>1.1</b>	<b>1.4</b>	<b>1.2</b>	<b>1.8</b>	<b>1.3</b>	<b>2.4</b>	<b>1.4</b>

## TURNOVER RATIOS

	2Q20/21	3Q20/21	4Q20/21	1Q21/22	2Q21/22	3Q21/22	4Q21/22	1Q22/23	2Q22/23	2019/20	2020/21	2021/22
<b>Cash cycle (days)</b>	<b>-25</b>	<b>-68</b>	<b>-81</b>	<b>-63</b>	<b>-53</b>	<b>-67</b>	<b>-67</b>	<b>-87</b>	<b>-51</b>	<b>-1</b>	<b>-39</b>	<b>-55</b>
Receivables (days)	7	6	7	7	5	4	5	7	16	5	7	5
Inventory (days)	147	139	171	186	126	145	189	239	175	146	194	183
Liabilities (days)	178	214	260	256								