

# LPP

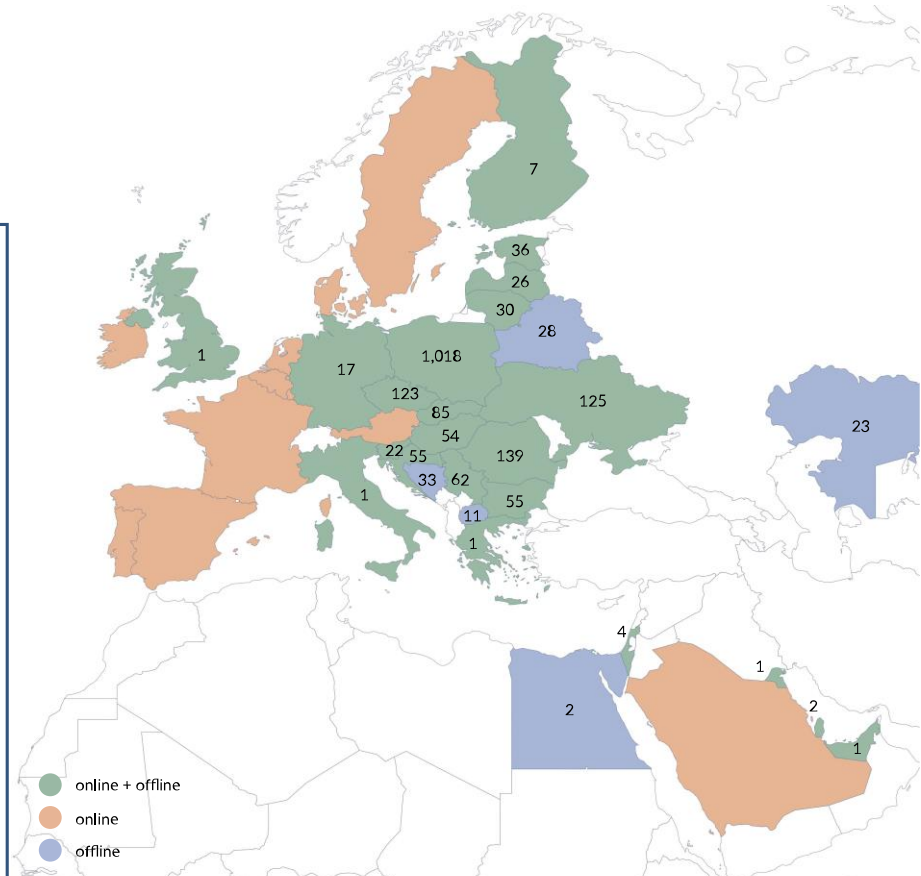
## FACT SHEET 4Q22/23

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 39 countries around the world via its online and offline operations, including stores on highstreets of London and Munich.

Revenues from foreign sales constitute 57% 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: 1,962

### SHAREHOLDERS

As at 31.01.2023	# 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.

### STOCK DATA

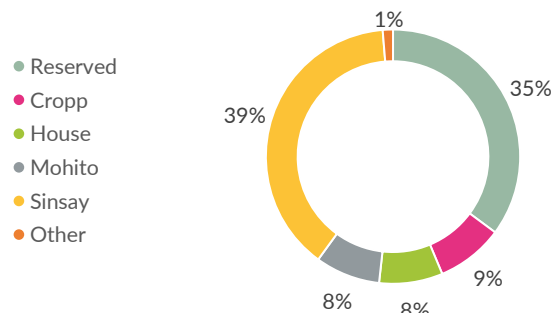
Price (31.01.2023)	10,120	EPS (2022/23)	590.79
Min (1Y)	7,360	DPS (2022/23)	430.00
Max (1Y)	16,000	Div yield (%)	4%
Mkt Cap (PLN m)	18,765	Ticker	LPP
Free-float (PLN m)	10,600	Bloomberg	LPP PW
Book value (PLN m)	3,984	Reuters	LPPP.WA

### INVESTMENT THESIS

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

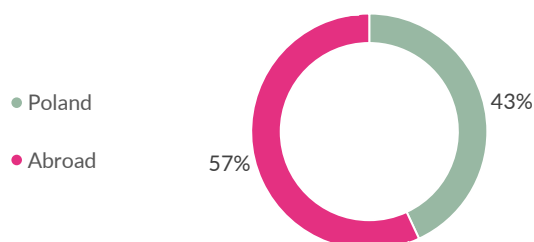
### REVENUE SPLIT BY BRANDS

2022/23



### REVENUE SPLIT BY REGIONS

2022/23



### SHARE PRICE PERFORMANCE



RESERVED

CROPP

HOUSE

MOHITO

sinsay

	4Q20/21	1Q21/22	2Q21/22	3Q21/22	4Q21/22	1Q22/23	2Q22/23	3Q22/23	4Q22/23	2020/21	2021/22	2022/23
<b>NO. OF STORES</b>												
Reserved	440	440	440	448	447	358	344	353	352	440	447	352
Cropp	369	373	386	388	398	321	313	315	325	369	398	325
House	332	340	354	360	368	316	316	317	331	332	368	331
Mohito	278	278	281	289	286	218	209	216	217	278	286	217
Sinsay	434	483	558	638	743	545	574	636	737	434	743	737
Outlets	3	3	2	2	2	2	0	0	0	3	2	0
<b>TOTAL</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>1,837</b>	<b>1,962</b>	<b>1,856</b>	<b>2,244</b>	<b>1,962</b>
<b>FLOORSPACE (thś m<sup>2</sup>)</b>												
Poland	566.9	584.4	619.6	645.0	677.2	687.7	699.8	716.8	752.5	566.9	677.2	752.5
Abroad	868.5	927.4	996.9	1,105.4	1,210.9	770.4	759.5	833.4	920.8	868.5	1,210.9	920.8
<b>TOTAL</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>1,550.1</b>	<b>1,673.4</b>	<b>1,435.4</b>	<b>1,888.1</b>	<b>1,673.4</b>

	4Q20/21	1Q21/22	2Q21/22	3Q21/22	4Q21/22	1Q22/23	2Q22/23	3Q22/23	4Q22/23	2020/21	2021/22	2022/23
<b>CONSOLIDATED INCOME STATEMENT</b>												
PLN m	4Q20/21	1Q21/22	2Q21/22	3Q21/22	4Q21/22	1Q22/23	2Q22/23	3Q22/23	4Q22/23	2020/21	2021/22	2022/23
<b>Revenues</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>4,366.8</b>	<b>4,185.0</b>	<b>7,848.1</b>	<b>14,029.7</b>	<b>15,926.5</b>
COGS	975.8	1,045.0	1,623.2	1,631.1	1,623.0	1,486.3	2,084.7	2,131.5	2,093.0	3,764.1	5,922.4	7,795.6
<b>Gross profit on sales</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>1,547.9</b>	<b>2,255.8</b>	<b>2,235.3</b>	<b>2,091.9</b>	<b>4,083.9</b>	<b>8,107.2</b>	<b>8,130.9</b>
SG&A costs	1,029.1	1,200.7	1,372.3	1,457.6	1,930.3	1,418.5	1,807.8	1,811.3	1,664.8	3,847.6	5,960.9	6,702.5
Other operating activity	-9.5	-17.4	-52.6	-7.4	-590.0	-12.3	-52.7	87.9	8.4	-83.3	-667.3	31.3
<b>EBIT</b>	<b>80.1</b>	<b>87.2</b>	<b>595.0</b>	<b>817.3</b>	<b>-20.6</b>	<b>117.0</b>	<b>395.3</b>	<b>511.8</b>	<b>435.5</b>	<b>153.0</b>	<b>1,479.0</b>	<b>1,459.7</b>
Net financials	-84.1	-38.1	-26.0	-38.0	-144.9	-42.4	202.8	-53.4	-203.9	-269.5	-247.0	-96.9
<b>Pre-tax profit</b>	<b>-4.0</b>	<b>49.1</b>	<b>569.0</b>	<b>779.3</b>	<b>-165.5</b>	<b>74.7</b>	<b>598.1</b>	<b>458.5</b>	<b>231.5</b>	<b>-116.5</b>	<b>1,232.0</b>	<b>1,362.8</b>
Tax	40.4	27.6	109.9	151.8	-10.8	47.3	60.6	62.9	47.7	73.6	278.5	218.5
Minorities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-1.6	0.0	0.0	-1.6
<b>Net income from continuing operations</b>	<b>-44.4</b>	<b>21.5</b>	<b>459.1</b>	<b>627.6</b>	<b>-154.7</b>	<b>27.3</b>	<b>537.5</b>	<b>395.5</b>	<b>183.9</b>	<b>-190.1</b>	<b>953.5</b>	<b>1,144.2</b>
Result from discontinued operations	0.0	0.0	0.0	0.0	0.0	240.7	-291.3	0.0	0.0	0.0	0.0	-50.7
<b>Net income attributable to parent company</b>	<b>-44.4</b>	<b>21.5</b>	<b>459.1</b>	<b>627.6</b>	<b>-154.7</b>	<b>268.0</b>	<b>246.2</b>	<b>395.5</b>	<b>185.5</b>	<b>-190.1</b>	<b>953.5</b>	<b>1,095.2</b>
<b>EBITDA</b>	<b>337.4</b>	<b>344.4</b>	<b>863.8</b>	<b>1,112.3</b>	<b>306.2</b>	<b>368.6</b>	<b>667.1</b>	<b>798.0</b>	<b>755.2</b>	<b>1,226.1</b>	<b>2,626.7</b>	<b>2,588.9</b>

	4Q20/21	1Q21/22	2Q21/22	3Q21/22	4Q21/22	1Q22/23	2Q22/23	3Q22/23	4Q22/23	2020/21	2021/22	2022/23
<b>EFFICIENCY</b>												
Sales / m2 per month	495	535	773	778	750	717	972	941	839	500	715	869
Gross profit on sales / m2 per month	264	297	429	454	455	382	505	482	420	260	413	444
Costs of own stores / m2 per month (IAS17)	144	141	167	166	166	166	193	196	179	151	161	184
SG&A costs / m2 per month	245	275	293	292	353	338	407	393	336	238	309	368
Gross profit margin	53.4%	55.5%	55.4%	58.3%	60.6%	51.0%	52.0%	51.2%	50.0%	52.0%	57.8%	51.1%
EBITDA margin	16.1%	14.7%	23.7%	28.4%	27.3%	12.1%	15.4%	18.3%	18.0%	15.6%	18.7%	16.3%
EBIT margin	3.8%	3.7%	16.3%	20.9%	-0.5%	3.9%	9.1%	11.7%	10.4%	1.9%	10.5%	9.2%
Net margin	-2.1%	0.9%	12.6%	16.0%	-3.8%	0.9%	12.4%	9.1%	4.4%	-2.4%	6.8%	7.2%
ROE (4Q)	-6.0%	6.5%	24.6%	32.7%	30.1%	28.5%	33.6%	22.2%	31.5%	-6.0%	30.1%	31.5%

	4Q20/21	1Q21/22	2Q21/22	3Q21/22	4Q21/22	1Q22/23	2Q22/23	3Q22/23	4Q22/23	2020/21	2021/22	2022/23
<b>CONSOLIDATED BALANCE SHEET</b>												
PLN m	4Q20/21	1Q21/22	2Q21/22	3Q21/22	4Q21/22	1Q22/23	2Q22/23	3Q22/23	4Q22/23	2020/21	2021/22	2022/23
<b>Non-current assets</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>6,844.9</b>	<b>7,351.8</b>	<b>5,620.6</b>	<b>7,027.7</b>	<b>7,351.8</b>
Fixed assets	2,439.8	2,573.4	2,754.1	3,038.9	2,760.5	2,641.7	2,823.4	3,121.4	3,336.0	2,439.8	2,760.5	3,336.0
Right of use assets (IFRS16)	2,589.1	2,608.6	2,732.3	3,017.2	3,412.3	2,583.3	2,604.2	2,647.6	2,888.4	2,589.1	3,412.3	2,888.4
Intangibles (incl. goodwill)	397.2	399.8	401.4	394.9	405.1	406.8	407.7	414.8	446.3	397.2	405.1	446.3
<b>Current assets</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>6,676.8</b>	<b>5,569.3</b>	<b>4,733.2</b>	<b>7,107.5</b>	<b>5,569.3</b>
Inventory	2,074.4	2,239.3	2,311.0	2,961.6	3,864.1	3,663.4	4,445.2	3,479.0	3,353.4	2,074.4	3,864.1	3,353.4
Trade receivables	158.1	203.5	162.3	224.1	246.1	210.1	1,322.6	1,104.6	944.1	158.1	246.1	944.1
Cash and equivalents	1,277.9	1,243.3	1,594.9	1,692.5	1,354.9	1,129.4	738.1	646.2	465.0	1,277.9	1,354.9	465.0
<b>Assets held for sale</b>						<b>3,001.5</b>						
<b>Total assets</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>13,521.8</b>	<b>12,921.0</b>	<b>10,353.8</b>	<b>14,135.2</b>	<b>12,921.0</b>
<b>Equity</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>3,778.5</b>	<b>3,984.4</b>	<b>3,068.4</b>	<b>3,272.1</b>	<b>3,984.4</b>
<b>Long-term liabilities</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>3,348.4</b>	<b>3,722.7</b>	<b>3,114.2</b>	<b>3,983.2</b>	<b>3,722.7</b>
Interest bearing debt	484.7	477.9	460.7	446.4	438.8	433.4	607.6	599.8	845.1	484.7	438.8	845.1
Financial leases (IFRS16)	2,523.7	2,543.8	2,663.2	2,946.1	3,428.2	2,580.7	2,604.7	2,638.3	2,760.1	2,523.7	3,428.2	2,760.1
Provisions	1.8	1.8	1.8	1.8	1.4	1.4	1.4	1.4	1.7	1.8	1.4	1.7
Other long-term liabilities	104.0	110.4	106.8	126.9	114.7	108.7	128.1	108.9	115.9	104.0	114.7	115.9
<b>Short-term liabilities</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>6,394.9</b>	<b>5,214.0</b>	<b>4,171.2</b>	<b>6,879.9</b>	<b>5,214.0</b>
Interest bearing debt	521.1	484.8	554.6	538.1	535.0	683.6	1,056.2	1,069.4	806.1	521.1	535.0	806.1
Financial leases (IFRS16)	654.0	690.9	716.5	779.3	749.1	696.9	768.2	801.8	902.5	654.0	749.1	902.5
Trade liabilities	2,837.1	3,111.9	3,511.4	4,341.6	5,067.7	5,420.9	5,788.6	4,343.6	3,164.2	2,837.1	5,067.7	3,164.2
Provisions	35.1	87.7	81.5	77.3	160.3	112.4	134.8	47.7	152.8	35.1	160.3	152.8
Other short-term liabilities	123.9	123.5	588.7	265.1	367.8	248.9	450.8	132.5	188.4	123.9	367.8	188.4
<b>Liabilities held for sale</b>						<b>1,725.5</b>						
<b>Total liabilities</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>13,521.8</b>	<b>12,921.0</b>	<b>10,353.8</b>	<b>14,135.2</b>	<b>12,921.0</b>

	4Q20/21	1Q21/22	2Q21/22	3Q21/22	4Q21/22	1Q22/23	2Q22/23	3Q22/23	4Q22/23	2020/21	2021/22	2022/23
<b>INDEBTEDNESS</b>												
PLN m	4Q20/21	1Q21/22	2Q21/22	3Q21/22	4Q21/22	1Q22/23	2Q22/23	3Q22/23	4Q22/23	2020/21	2021/22	2022/23
<b>Net debt</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>3,265.3</b>	<b>4,298.6</b>	<b>4,463.1</b>	<b>4,848.6</b>	<b>2,905.6</b>	<b>3,796.3</b>	<b>4,848.6</b>
Cash	1,277.9	1,243.3	1,594.9	1,692.5	1,354.9	1,129.4	738.1	646.2	465.0	1,277.9	1,354.9	465.0
Bank loans and bonds	1,005.8	962.8	1,015.3	984.5	973.9	1,117.1	1,663.8	1,669.2	1,651.1	1,005.8	973.9	1,651.1
Financial leases	3,177.7	3,234.6	3,379.7	3,725.4	4,177.3	3,277.7	3,372.9	3,440.1	3,662.6	3,177.7	4,177.3	3,662.6
<b>Net debt/EBITDA (4 quarters)</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>2.1</b>	<b>1.9</b>	<b>2.4</b>	<b>1.4</b>	<b>1.9</b>

	4Q20/21	1Q21/22	2Q21/22	3Q21/22	4Q21/22	1Q22/23	2Q22/23	3Q22/23	4Q22/23	2020/21	2021/22	2022/23
<b>TURNOVER RATIOS</b>												
<b>Cash cycle (days)</b>	<b>-81</b>	<b>-63</b>	<b>-53</b>	<b>-67</b>	<b>-67</b>	<b>-87</b>	<b>-51</b>	<b>-22</b>	<b>8</b>	<b>-39</b>	<b>-55</b>	<b>-10</b>