



LPP

1Q24 RESULTS PRESENTATION

GDAŃSK, 13 JUNE 2024

RESERVED

CROPP

HOUSE

M O H I T O

sinsay



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SUMMARY 1Q24

- Very good response to the collection by customers, resulting in a high growth in revenue and operating profit in the quarter.
- PLN 4.3 billion revenue in the quarter, up by 18.3% YoY, and 25.5% for sales in constant currency (strong appreciation of the zloty against other currencies does not reflect the real growth rate of LPP).
- Record-high operating profit (EBIT) of PLN 411 million, up by 78% YoY.
- Net profit of PLN 277 million, i.e. up by 148% YoY.
- Gross margin on sales 52.1% (+2.5 pp. YoY). Operating margin of 9.5% (+3.2 pp. YoY).
- 30 April 2024 - dividend advance payment of PLN 285 per share.
- Opening of 112 stores, including 71 dedicated to the Sinsay brand.

POSITIVE OUTLOOK FOR 2Q24

- The summer collections (as the earlier spring collections) are well received by customers, resulting in a 19% YoY growth in constant currencies in the Group's omnichannel sales from 1 May to 10 June.
- Based on the current data, the Group expects a considerably higher YoY gross sales margin in 2Q24.
- The projection of store openings in the second quarter amounts to ca 130 new stores, whereas plans to open ca 700 stores for the whole of 2024 are upheld.

REPORTING REVENUE GROWTH IN CONSTANT CURRENCY (CC)

CC impact for selected markets in 1Q24

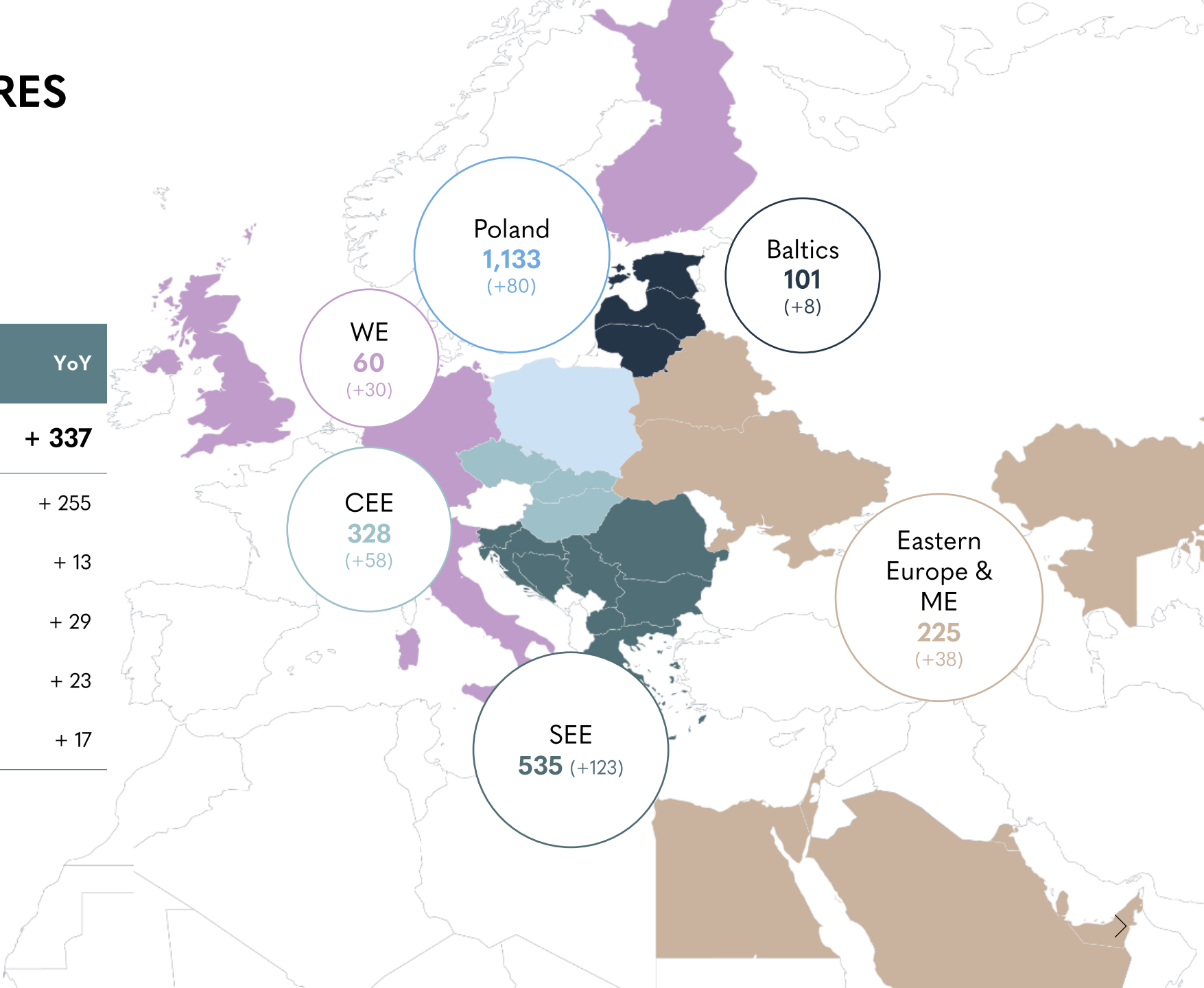
Revenues, PLN m		1Q23	1Q24	YoY
Czechia	Reported	215	207	-3.7%
	FX CZK/PLN	0.1985	0.1706	-14.1%
	Constant currency	185	207	12.0%
Germany	Reported	137	164	19.5%
	FX EUR/PLN	4.6826	4.3087	-8.0%
	Constant currency	126	164	29.9%
Hungary	Reported	126	141	12.3%
	FX HUF/PLN	0.0123	0.0110	-10.6%
	Constant currency	112	141	25.5%
LPP GROUP	Reported	3,639	4,306	18.3%
	Constant currency	3,432	4,306	25.5%

Why constant currency:

- Well over 50% of the Group's revenue is already generated from export sales.
- The ongoing development in foreign markets will steadily boost this trend and in 2026, sales in foreign currencies should account for ca 67% of the Group's revenue.
- The recalculation of the comparative period to constant currencies (at a current exchange rate) clears the changes between periods by macro effects independent of the company.
- Bringing revenue growth generated in export markets to a "common denominator".
- Supplementary sales growth reporting in CC allows a more accurate assessment of the group's business efficiency, particularly in the context of floor space development.

ALMOST 2,400 STORES

As at 30.04.2024	No. of stores	YoY
LPP GROUP	2,382	+ 337
Sinsay	1,041	+ 255
Reserved	363	+ 13
Cropp	378	+ 29
House	366	+ 23
Mohito	234	+ 17



LPP



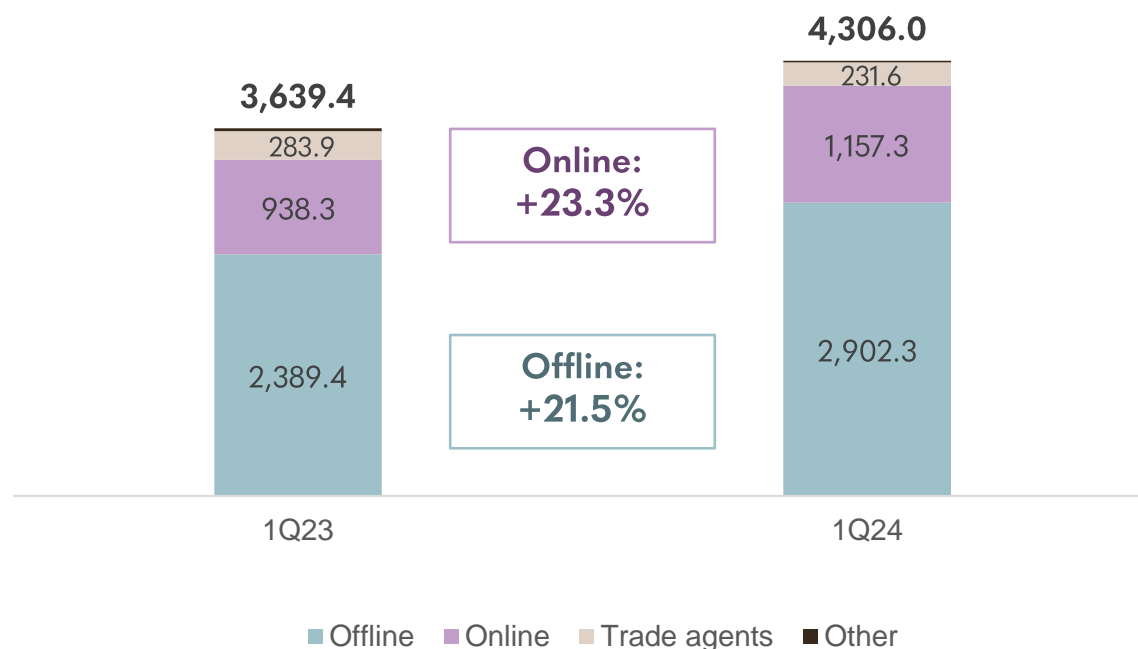
1Q24 FINANCIAL RESULTS

A woman with long blonde hair is posing in a desert landscape. She is wearing a white, ribbed, one-shoulder crop top and high-waisted tan pants with a wide belt. She has her right hand on her hip and her left hand raised near her head. The background features rugged mountains, cacti, and a clear sky with some clouds. The lighting is warm, suggesting late afternoon or early morning.

DOUBLE-DIGIT GROWTH IN OFFLINE AND ONLINE SALES

GROUP REVENUES

(PLN m)

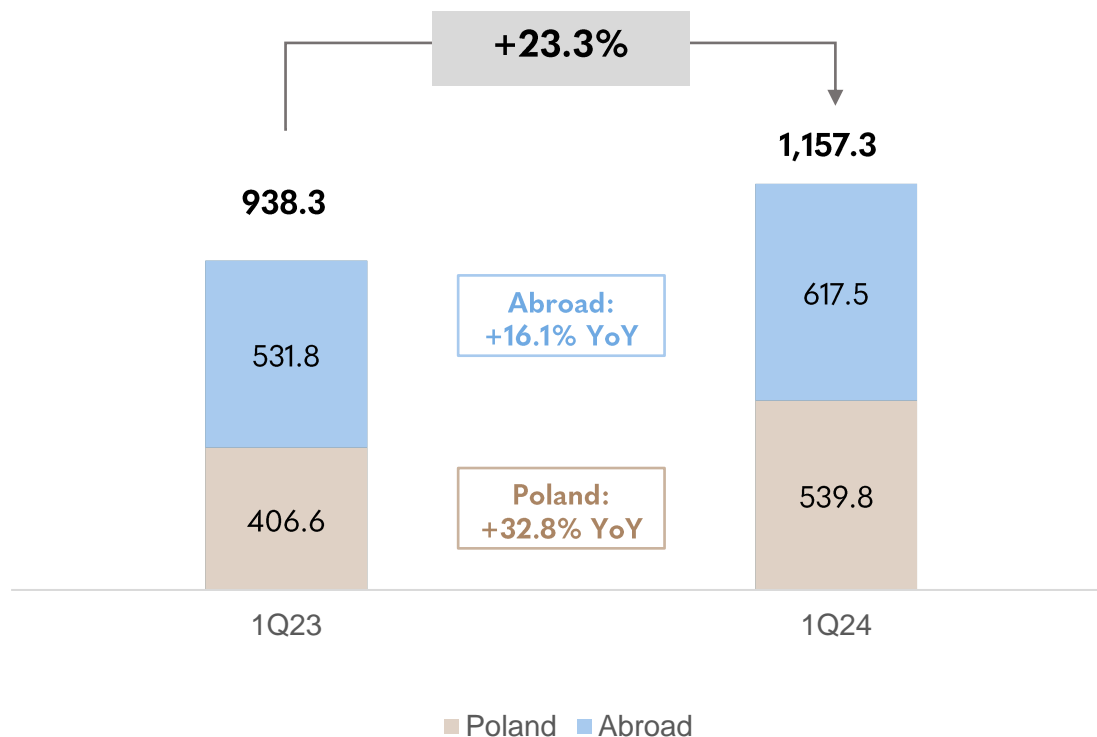


- +23.3% YoY growth in online sales driven by the development of mobile apps and a broader range of dedicated online sales.
- +21.5% YoY growth in offline sales due to 112 new store launches and positive LFLs.
- Growth in the Group's revenues in 1Q24 by 18.3% YoY.

DOUBLE-DIGIT GROWTH IN ONLINE SALES

ONLINE BY REGION

(PLN m)

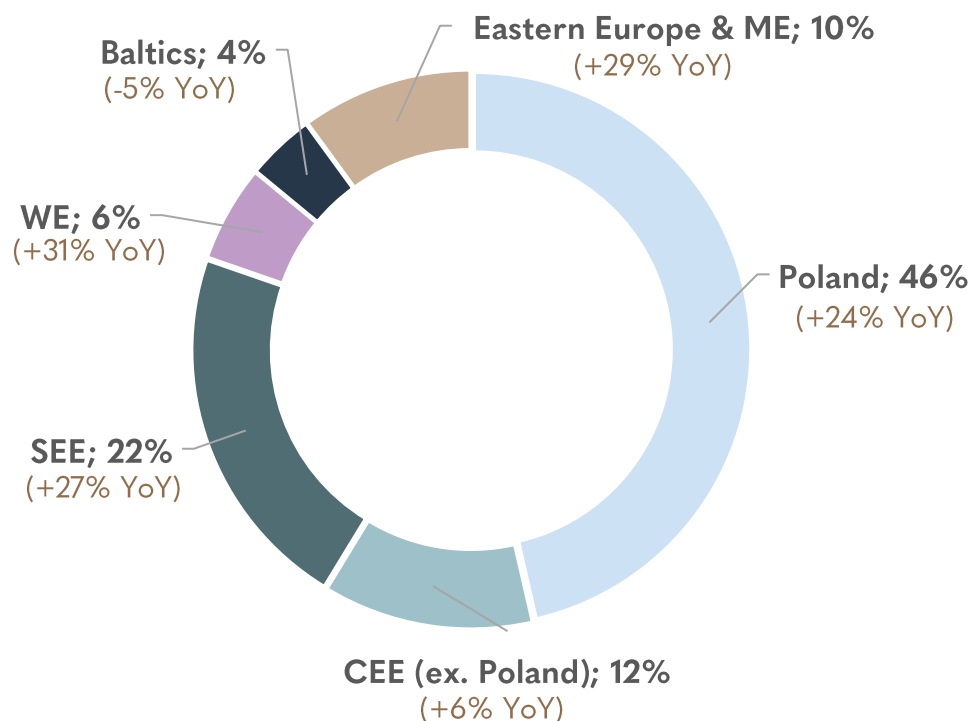


- +23.3% YoY growth in online sales, contrary to downward market trends.
- +32.8% YoY growth in online sales in Poland driven by brand recognition and apps launched.
- Diversified sales dynamics in foreign markets. Largest increases in Germany, Serbia and Croatia. Online sales supported by the online store opened in Bosnia and Herzegovina in 4Q23.
- Online sales in 1Q24 accounted for 28.5% of revenues from Poland (26.6% in 1Q23) and 26.9% of Group revenues (25.8% in 1Q23).
- Growing share of sales generated by mobile apps.

FOREIGN REVENUES HIGHER THAN REVENUES FROM POLAND

SHARE OF OMNICHANNEL SALES BY REGION IN 1Q24

(YoY sales dynamics)



- In 1Q24, omnichannel sales on foreign markets were higher than in Poland and accounted for 53.6% of the Group's omnichannel sales.
- Double-digit revenue growth in 1Q24, both in Poland (+23.9% YoY) and abroad (+19.4% YoY) due to successful collections, improved consumer sentiment and the dynamic development of the network.
- The highest revenues in 1Q24 outside Poland were gained, among others, by Romania and Czech Republic.

FLOORSPACE OF OVER 2 MILLION M²

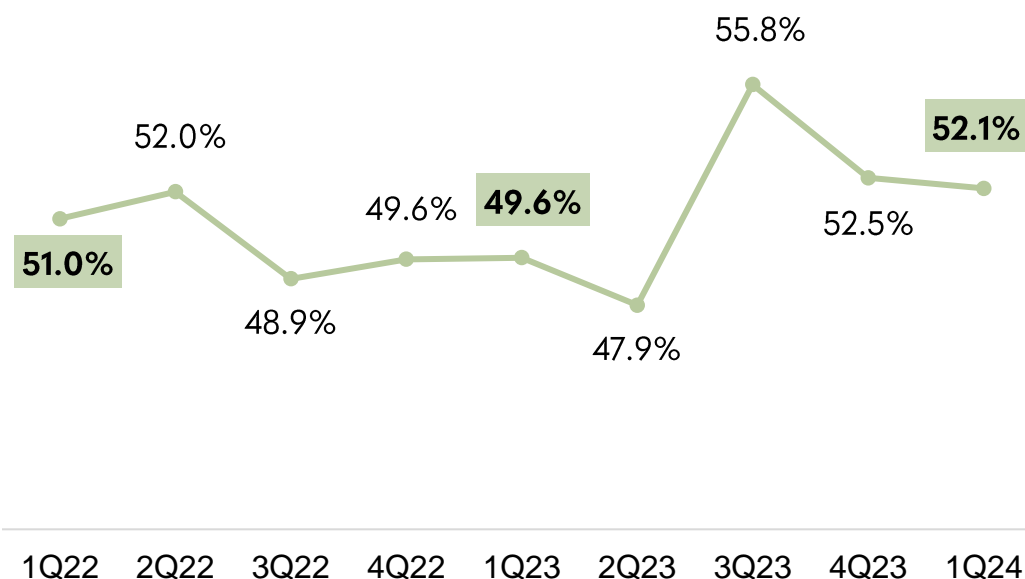
FLOORSPACE BY REGION

ths. m ²	1Q23	1Q24	YoY
LPP GROUP	1,748.2	2,080.6	19.0%
Poland	783.1	869.8	11.1%
CEE (ex. Poland)	241.7	293.5	21.4%
SEE	405.8	519.9	28.1%
WE	56.7	90.5	59.7%
Baltics	83.2	91.9	10.6%
Eastern Europe & ME	177.7	215.0	21.0%

- +25.5% YoY floorspace growth outside the country.
- The largest nominal increases in South and Eastern Europe (Romania, Bulgaria) and Central and Eastern Europe (Czech Republic, Hungary).
- High 11.1% YoY floorspace growth in Poland due to development in retail parks in smaller towns.

GROSS PROFIT MARGIN IMPROVEMENT

QUARTERLY GROUP GROSS PROFIT MARGIN



Gross profit margin on sales in 1Q24 2.5 pp. higher YoY due to:

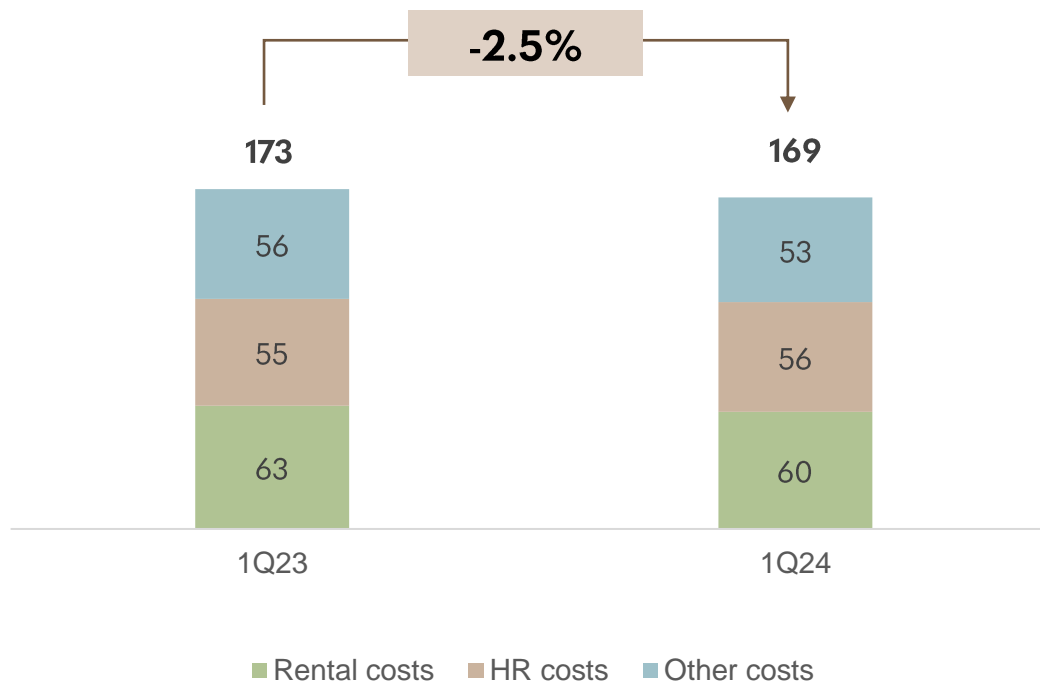
- significantly lower nominal costs of collection purchase,
- more favourable YoY US\$/PLN FX rate,
- smaller promotional actions YoY.

Gross profit margins in 3Q22 and 4Q22 restated as part of the PFSA recommendation.

LOWER STORE COSTS/ M²

COST OF OWN STORES/ M²

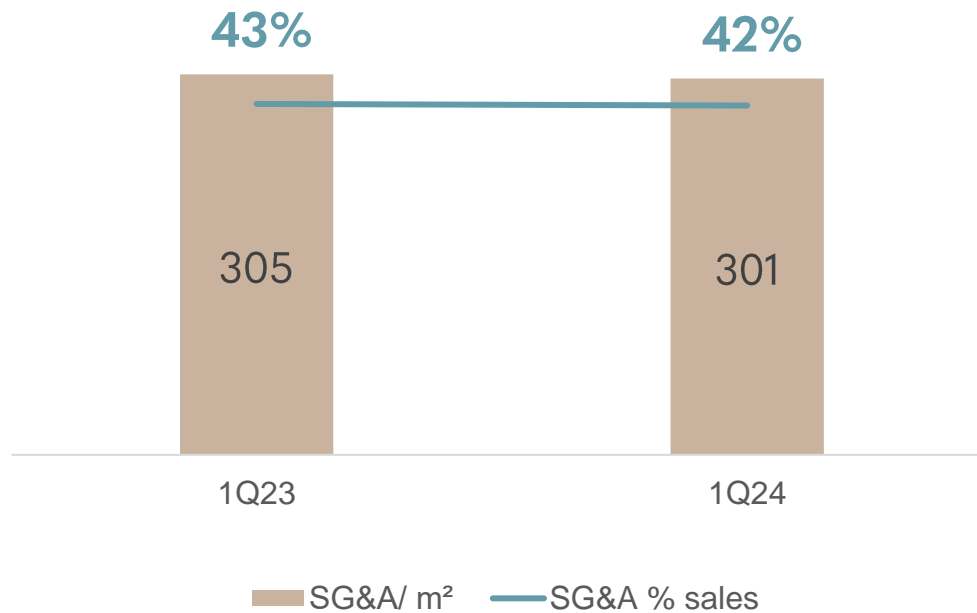
(IAS17)



- YoY decline in rental costs/ m² → higher number of Sinsay brand stores with lower rent opened, more favourable EUR/PLN exchange rate.
- Stable YoY personnel costs/ m² → effective working time management and more automation in the stores.
- YoY decrease in other costs/m² → optimisation of energy consumption and third-party service costs.

SG&A COSTS UNDER CONTROL

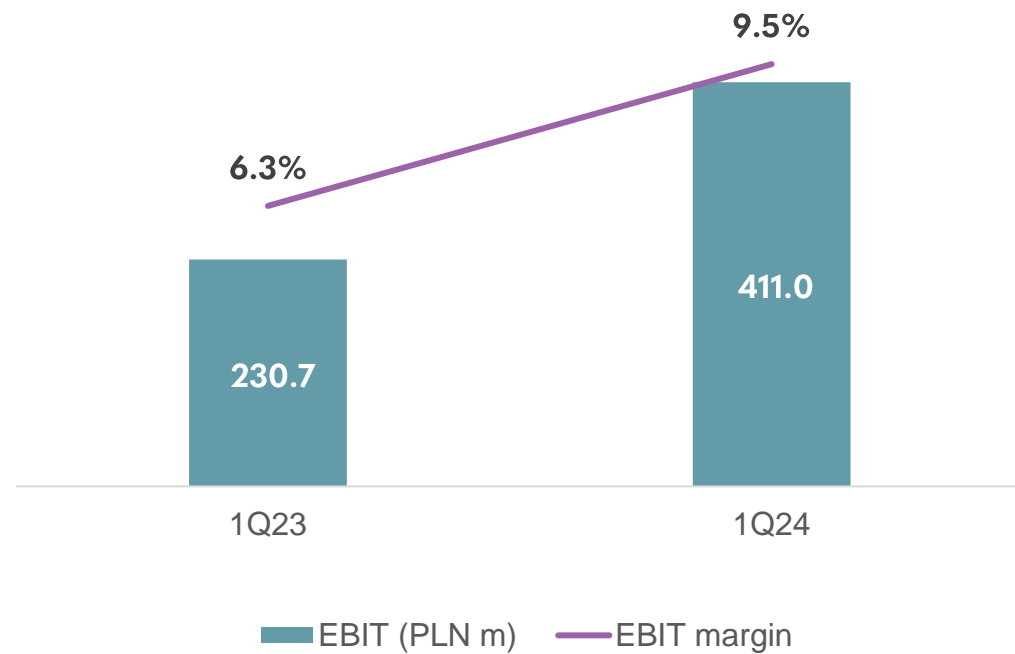
SG&A COSTS/ M² (IFRS16)



- SG&A costs/m² lower by 1.1% YoY → cost discipline maintained.
- Further decrease in the share of SG&A costs in revenues from 43% in 1Q23 to 42% in 1Q24.
- Costs of stores and HQs grow slower than sales.

RECORD-HIGH EBIT

EBIT AND EBIT MARGIN



- Record-high operating profit (EBIT) of PLN 411 million, up by 78.2% YoY.
- Growth of net profit by 147.8% to PLN 277 million.

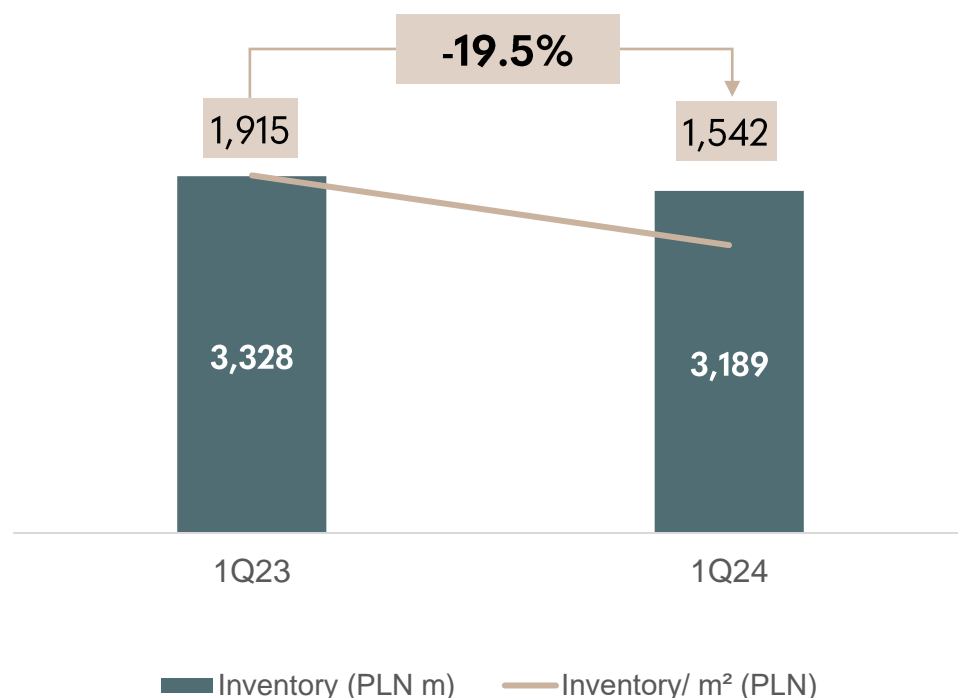
DOUBLE NET PROFIT

PLN m, IFRS16	1Q23	1Q24	YoY
Revenues	3,639.4	4,306.0	18.3%
<i>Gross profit margin on sales</i>	49.6%	52.1%	2.5pp
SG&A costs	1,547.8	1,823.0	17.8%
Other operating activity	-27.9	-9.0	N/M
EBIT	230.7	411.0	78.2%
<i>EBIT margin</i>	6.3%	9.5%	3.2pp
Net financial activity	-85.5	-29.0	N/M
Net profit	111.8	277.0	147.8%
EBITDA	550.9	795.0	44.3%

- Double-digit revenue growth due to good online and offline sales results.
- Higher YoY gross profit margin on sales mainly due to: lower nominal collection purchase costs, favourable US\$/PLN exchange rate, more limited promotional campaigns.
- SG&A cost growth slower than sales growth.
- Record-high operating profit (EBIT) of PLN 411 million, up by 78.2% YoY.
- Growth of net profit by 147.8% YoY to PLN 277 million.

OPTIMUM INVENTORY LEVEL

INVENTORY AND INVENTORY/ M²

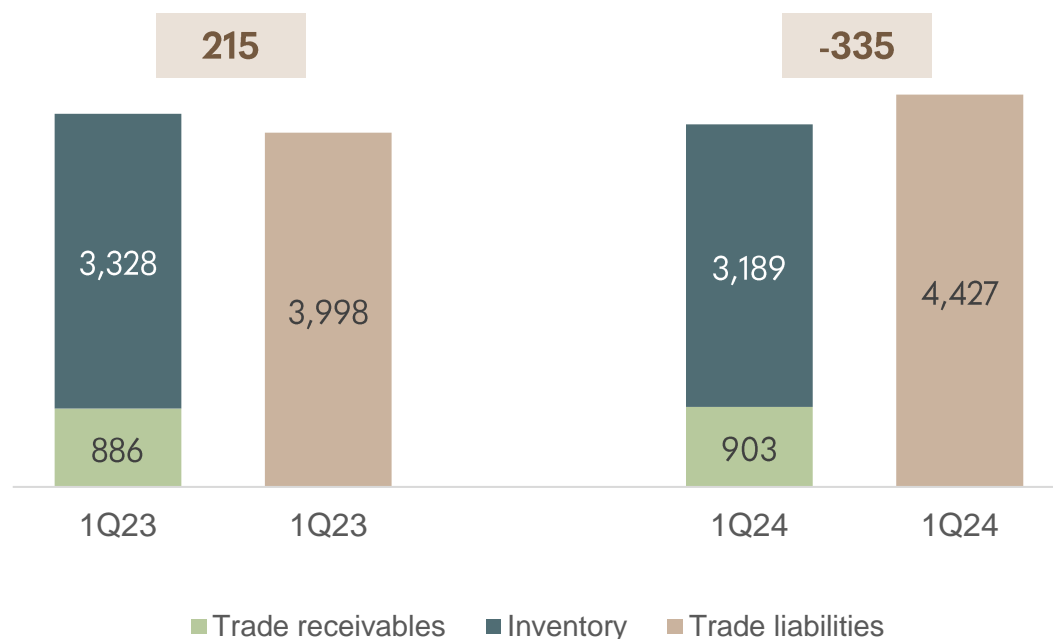


- Decrease in inventory/ m² by 19.5% YoY to PLN 1,542/ m² due to increased floorspace and improved sales in 1Q24.
- Inventory level down by 4.2% YoY - optimal level.
- Further improvement in goods management - reducing turnover from 164 days in 1Q23 to 136 days in 1Q24.
- Spring/Summer 2024 collection accounted for ca 75% of inventory, 2023 collection accounted for ca 5%, Autumn/Winter 2024 collection accounted for ca 13% of inventory. The remaining part covers all-year models.

MORE FAVOURABLE WORKING CAPITAL

WORKING CAPITAL

(PLN m)

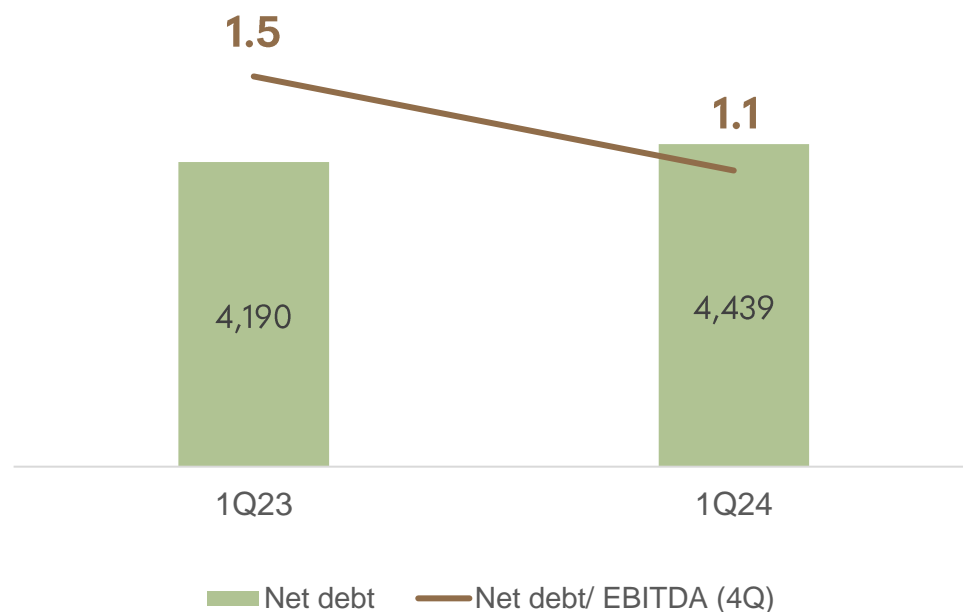


- More favourable YoY working capital due to:
 - lower inventory levels,
 - higher trade liabilities.
- Cash cycle at a favourable negative level of -30 days:
 - considerably faster inventory turnover (from 164 to 136 days),
 - reduction of payment terms for receivables (from 23 to 18 days),
 - extension of payment terms for trade liabilities (from 176 to 184 days).

SAFE NET DEBT LEVEL

NET DEBT

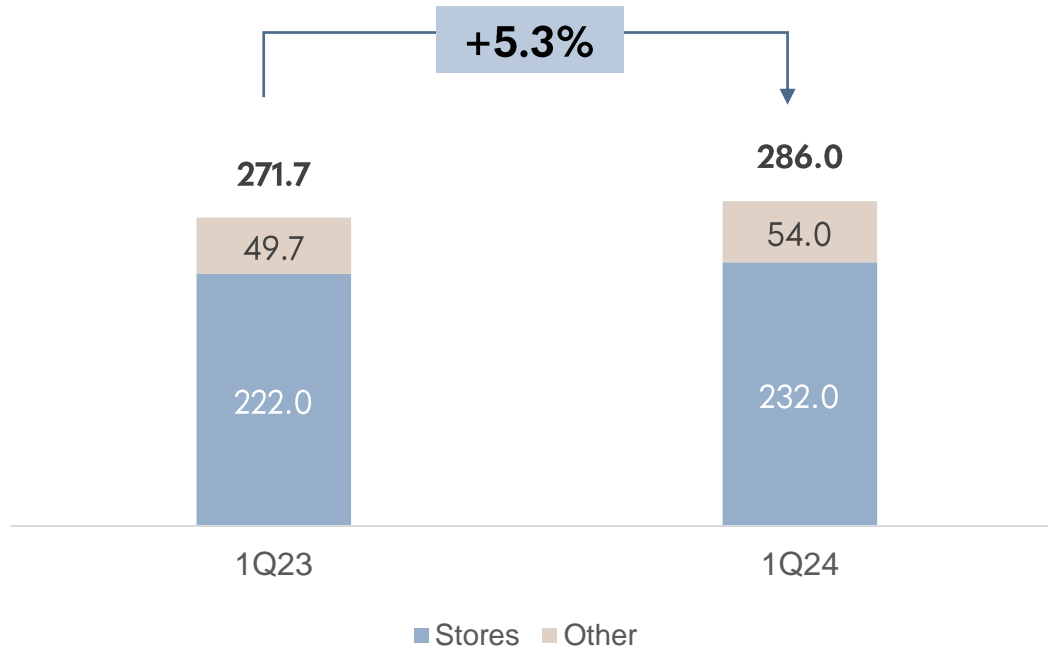
(PLN m, IFRS16)



- At the end of 1Q24, net debt under IFRS16 amounted to PLN 4.4bn due to:
 - lower YoY use of long-term bank loans at a level of PLN 0.5bn,
 - lower YoY use of short-term bank loans at a level of PLN 0.2bn,
 - bonds of PLN 0.3bn (repayable in December 2024),
 - higher YoY finance lease debt at PLN 4.2bn,
 - stable YoY cash levels of PLN 0.7bn.
- Net debt does not include PLN 0.8bn for participation units in money market funds at the end of 1Q24 (PLN 0.6bn in 1Q23).
- Use of reverse factoring amounted to PLN 2.6bn in 1Q24 vs. PLN 2.3bn in 1Q23.

CAPEX

CAPEX (PLN m)



- In 1Q24, capex amounted to PLN 286.0m, i.e. +5.3% YoY.
- Expenditure on stores amounted to PLN 232.0m, and expenditure on infrastructure and IT amounted to PLN 54.0m (launch of expansion of the Distribution Center in Brześć Kujawski).

CORPORATE EVENTS IN 1Q24



MOHITO & SANDRA KUBICKA

- Sandra Kubicka, in collaboration with the Mohito brand, has created the summer collection, which is the essence of diversity - both in fashion and use. The collection includes elegant as well as more casual proposals.
- The collection is available in traditional stores in Poland and abroad as well as in the Mohito online store and app.



LAUNCH OF EXPANSION OF THE DISTRIBUTION CENTER IN BRZEŚĆ KUJAWSKI

- April 2024 - commencement of works (completion scheduled for 1Q25).
- Strengthening of logistics facilities, enabling the handling of higher sales volumes in the Central and Southern European markets.
- The warehouse will conform to the BREEAM certification. Among other things, photovoltaic panels and heat pumps will be applied.

TOTAL FLOORSPACE OF THE DISTRIBUTION CENTER WILL AMOUNT TO 160 THS M².



ARTIFICIAL INTELLIGENCE TO SUPPORT BUSINESS

E-COMMERCE

- Artificial Intelligence (AI) already responds to almost 50% of customer enquiries addressed to the Contact Center. Through the use of AI, the response is immediate. Our AI assistant performs the work of ca 150 people and supports 27 languages.
- In our brands' online stores and apps, we use artificial intelligence to present the offer better to customers through images. We can show the product, e.g. on the beach or fashion street, without the need to organise photo sessions.

TRADITIONAL STORES

- Through Machine Learning, we ensure more precise stocking of our stores, adapting the offer, among other things, to the site or geographical location. We also reduce the level of overstocking of stores, while avoiding out-of-stock situations.

IN 2024, THE IMPLEMENTATION OF ARTIFICIAL INTELLIGENCE SOLUTIONS WILL RESULT IN COST SAVINGS OF CA PLN 30 MILLION.

EXPANSION OF THE COOPERATION WITH THE USE WASTE START-UP

- A proprietary concept for selective depolymerisation was developed as part of the first phase of a project implemented jointly with the Use Waste start-up, completed in 2023. It allowed for the production of a full-quality polyester yarn of an unimpaired quality.
- The success achieved at the first stage of the project contributed to the decision to expand the cooperation and start work on recycling material blends.
- The aim of the research is to develop a technology that will enable the separation of material fibres into fractions and extracting from them a raw material that would become **a resource rather than waste.**



“WEAR YOUR STORY” EDUCATIONAL CAMPAIGN

- The main objective of the campaign is to promote the conscious and responsible use of clothes by customers.
- The dialogue with consumers is intended to raise awareness of the need to extend the lifetime of clothes by repairing them and upcycling.
- **“Wear Your Story”** is a response to the contemporary climate challenges and the need to shift to a circular model of clothing use.
- The campaign is accompanied by extensive communication in Reserved and Sinsay stores and in the brands' mobile apps.



2024 + OUTLOOK



POSITIVE OUTLOOK FOR 2Q

- 19% YoY growth in the Group's revenues in constant currencies.
- Positive response to the Spring/Summer 2024 collection.
- Planned opening of 130 new stores of all brands in 2Q24.

Preliminary estimates for the period from 1 May 2024 to 10 June 2024.



DYNAMIC DEVELOPMENT OF SINSAY STORE NETWORK

NO. OF STORES

	31.01.2024	2024	31.01.2025
Sinsay	978	+620	1,598
Reserved, Cropp, House, Mohito	1,297	+80	1,377
TOTAL	2,275	+700	2,975

- Sinsay brand store openings in smaller towns, mainly retail parks.
- Highest store development in 2024 outside Poland in the countries of South and Central and Eastern Europe.
- In 2024, ca 25% YoY growth in floorspace.
- Growth target in 2025-2026: ca 20% annual floorspace growth.

TARGET 2024: FAST SALES GROWTH

- Group revenues at ca **PLN 21bn**.
- Gross profit margin on sales **52-53%**.
- SG&A/ revenues below 40% - maintaining cost effectiveness.
- Offline revenues - growth due to higher floorspace **+25% YoY** and positive LFLs.
- Online revenues – double-digit YoY growth.
- **PLN 1.5bn** capex, including PLN 1.2bn for stores.
- Safe debt level (no bond roll-over plans).



Q&A



BACK-UP

REPORTING REVENUE GROWTH IN CONSTANT CURRENCY (CC)

CC impact for selected markets in 1Q24

Revenues, PLN m		1Q23	1Q24	YoY
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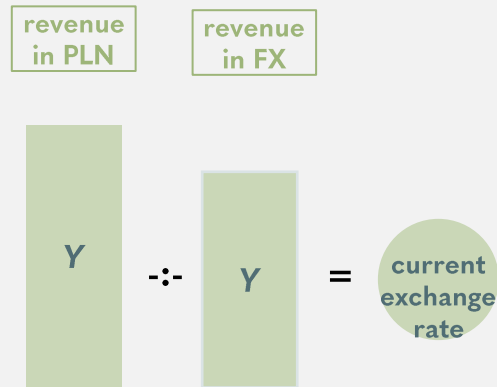
Why constant currency:

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REPORTING REVENUE GROWTH IN CONSTANT CURRENCY - METHODOLOGY

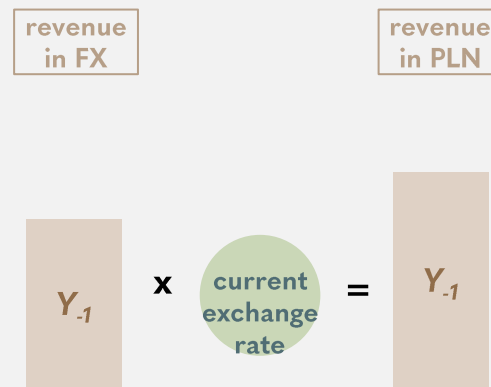
Step 1. Current period

- Revenues reported in PLN, no change
- Calculating valid average currency exchange rates for individual markets



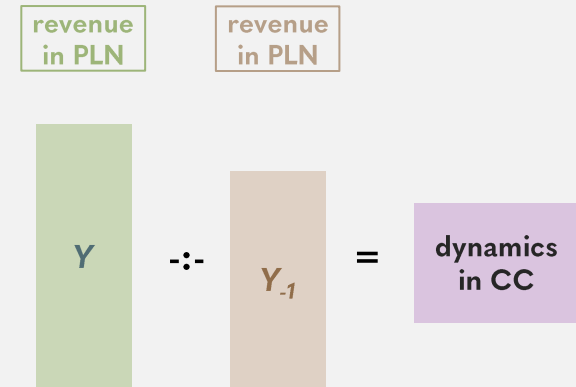
Step 2. Comparative period

- Revenues reported in the currency as a base
- Conversion of the aforementioned revenues with the current exchange rate calculated in step 1



Step 3. Determining the dynamics in CC

- Referring current revenues to revenues in the comparative period cleaned up by the exchange rate effect



GLOSSARY

Poland	Retail sales in Poland and other sales of LPP SA.
Other countries	Region including: CEE (Czech Republic, Slovakia, Hungary), Baltic (Lithuania, Latvia, Estonia), SEE (Bulgaria, Romania, Croatia, Serbia, Slovenia, Bosnia and Herzegovina, Northern Macedonia, Greece), WE (Germany, United Kingdom, Finland, Italy), Eastern Europe (Ukraine, Belarus, Kazakhstan) and activity in ME (Egypt, Qatar, Kuwait, United Arab Emirates, Israel, Saudi Arabia). Excl. Sales to Trade agents.
Revenues GK LPP	Total revenues of LPP GROUP
Omnichannel sales	Total of offline, online and other sales (excl. Sales to Trade agents).
EBITDA	EBIT + depreciation from cash flow statement.
Average monthly revenues/ m²	Quarterly revenues of segment or brand / average working total floorspace/ 3.
Average monthly costs of own stores/ m²	Quarterly costs of own stores / average working floorspace of own stores (i.e., excluding all franchise stores which represent ca 2.1% of the working floorspace) / 3.
Average monthly SG&A PLN/ m²	Quarterly SG&A costs/ average working total floorspace excluding stores located in ME/ 3.
Inventory/ m²	End of period group inventory/ total floorspace without foreign franchise stores.
Cash turnover cycle	Receivables (in days) plus inventories (in days) minus liabilities (in days). Calculations on average amounts of receivables, inventories and liabilities.



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