

sinsay

LPP'S GROWTH ENGINE

LPP GROUP STRATEGIC
OUTLOOK FOR 2025-2027



sinsay

CROPP

HOUSE

MOHITO

RESERVED

DISCLAIMER

This presentation (the "Presentation") was prepared by LPP SA (the "Company") with due care. Still, it may contain certain inconsistencies or omissions. The Presentation does not contain a complete or thorough financial analysis of the Company and does not present its standing or prospects in a comprehensive or in-depth manner. Therefore, anyone who intends to make an investment decision with respect to the Company should rely on the information disclosed in the official reports of the Company, published in accordance with the laws applicable to the Company. This Presentation was prepared for information purposes only and does not constitute an offer to buy or sell any financial instruments.

The Presentation may contain 'forward-looking statements'. However, such statements cannot be treated as assurances or projections of any expected future results of the Company. Any statements concerning expectations of future financial results cannot be understood as guarantees that any such results will actually be achieved in future. The expectations of the Management Board are based on their current knowledge and depend on many factors due to which the actual results achieved by the Company may differ materially from the results presented in this document. Many of those factors are beyond the awareness and control of the Company or the Company's ability to foresee them.

Neither the Company, nor its directors, officers, advisors or representatives of any such persons are liable on account of any reason resulting from any use of this Presentation. Additionally, no information contained in this Presentation constitutes any representation or warranty of the Company, its officers or directors, advisors or representatives of any of the above persons. The Presentation and the forward-looking statements speak only as at the date of this Presentation. These may not be indicative of results or developments in future periods. The Company does not undertake any obligation to review, confirm or release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise after the date of this Presentation.

The information contained in this material constitutes a translation of the original content prepared in Polish, and in the event of any discrepancies between the English and Polish versions, the Polish version is the binding and effective version.



AGENDA

Sinsay – LPP’s growth engine

Marek Piechocki

President of the Management Board, CEO

Retail revolution in small towns

Marcin Piechocki

*Vice-President of the Management Board,
Sinsay Development*

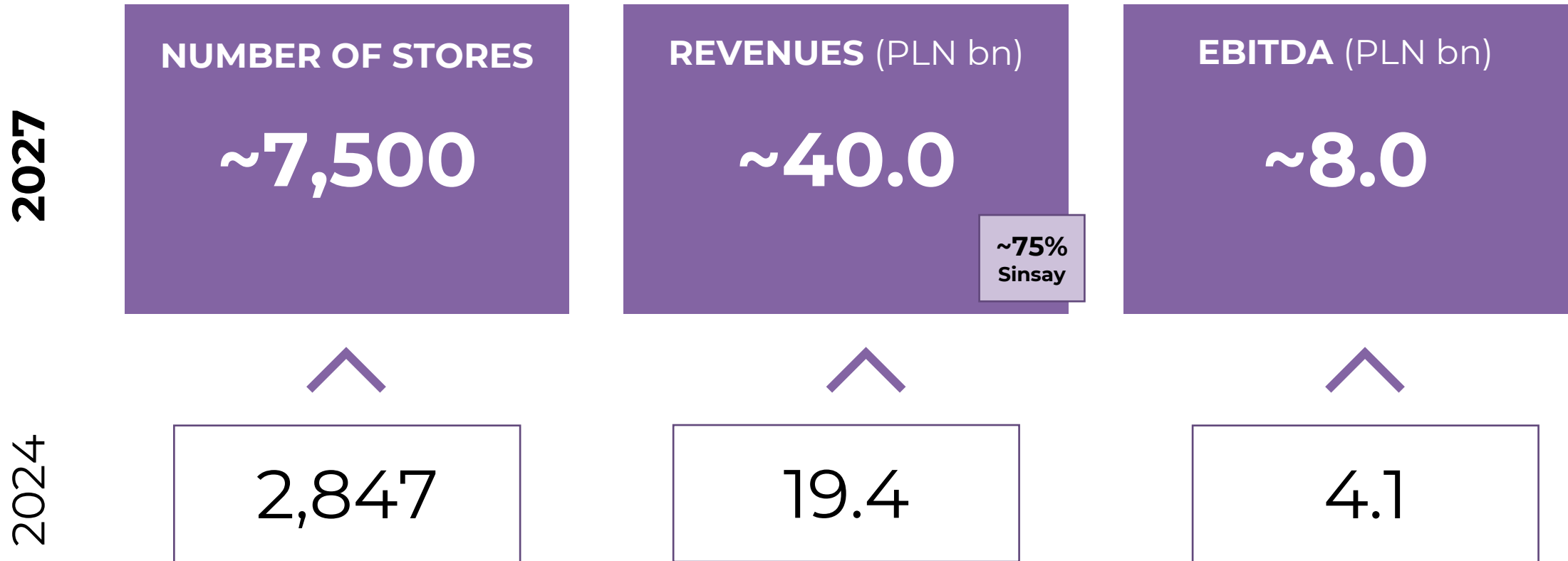
Financial strength

Marcin Bójko

Vice-President of the Management Board, CFO

Q&A

LPP WILL DOUBLE ITS SIZE IN 3 YEARS



2024

1,512

Sinsay stores

20

countries

10

revenue (PLN bn)

2027

~6,000

Sinsay stores

27

countries

~30

revenue (PLN bn)

SINSAY - UNIQUE AND HIGHLY SCALABLE BUSINESS MODEL

- **Branded product, super value, proximity of modern physical stores and online**
- Addressing true needs of customers in small towns who want access to branded products and modern shopping experience
- Sinsay as first-choice brand in town and additionally with 24/7 omnichannel model
- **Design & Value in small towns as unique category on the market**

SINSAY COMBINES TWO MODELS: FASHION BRANDS AND VALUE FOR MONEY

Only Sinsay
has all 4 elements of
modern commerce

Unique category of
Design & Value

		FASHION BRANDS	VALUE FOR MONEY	sinsay
	DESIGN esthetic product & modern shop			
	PRICE very affordable			
	ONLINE strong omnichannel ecosystem			
	PROXIMITY OF physical stores			

SINSAY – UNMATCHED OMNICHANNEL ECOSYSTEM

Sinsay Club members doing **13** transactions annually

SINSAY CLUB

1/4 of offline customers visit online/app store beforehand

NEW STORES

omni customers spend

5x

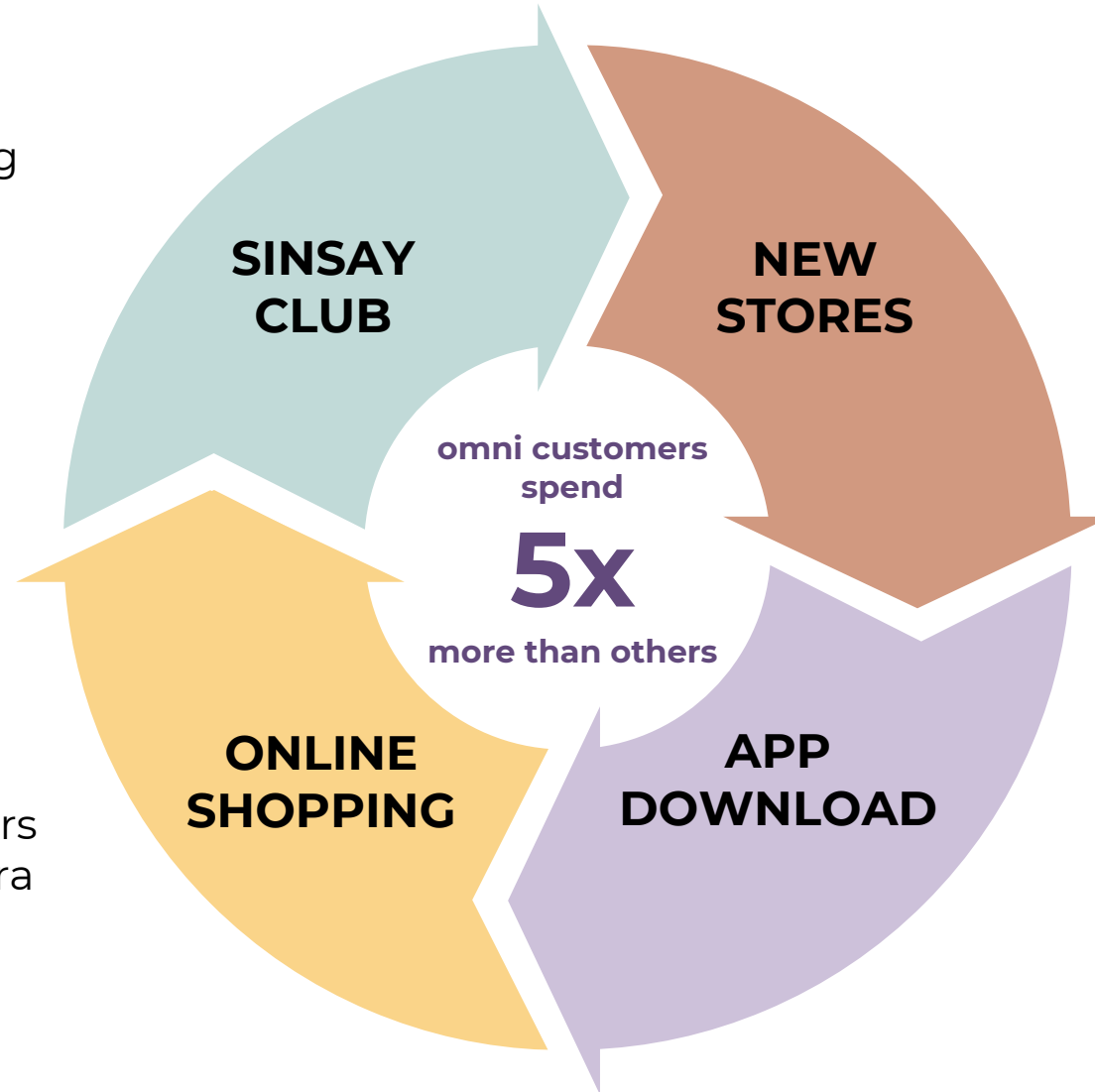
more than others

~2pp marketing costs saving through app's direct reach to customers

APP DOWNLOAD

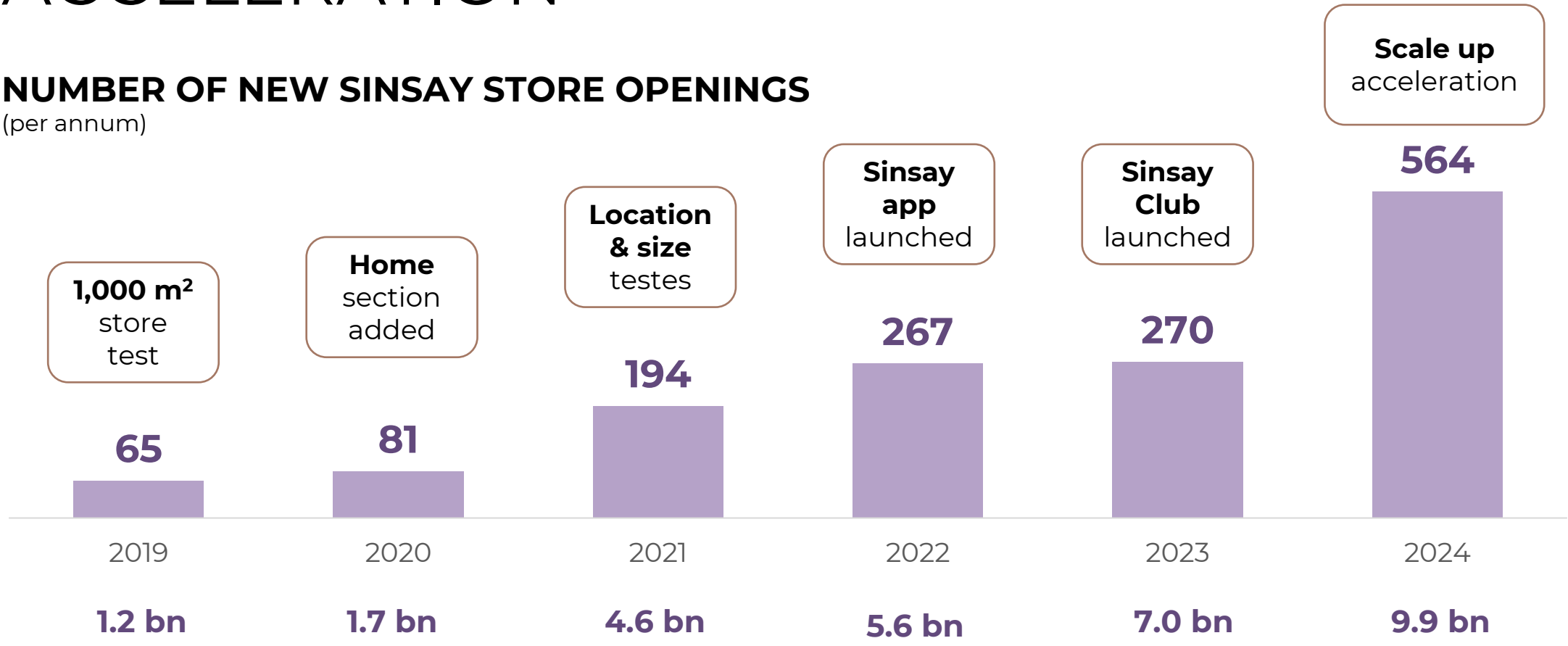
25% of customers picking or returning orders in store do extra purchase

ONLINE SHOPPING



PROVEN TRACK RECORD FOR SCALE UP ACCELERATION

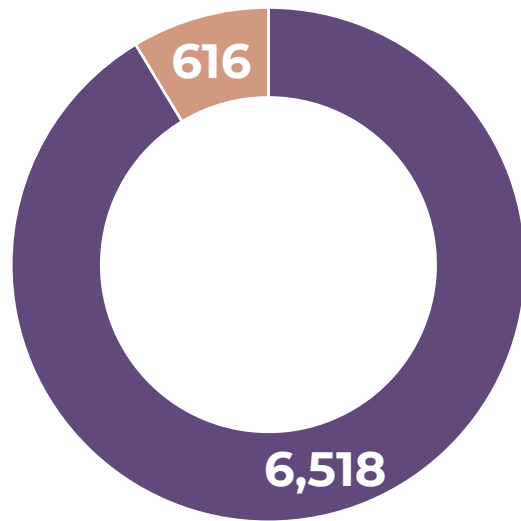
NUMBER OF NEW SINSAY STORE OPENINGS (per annum)



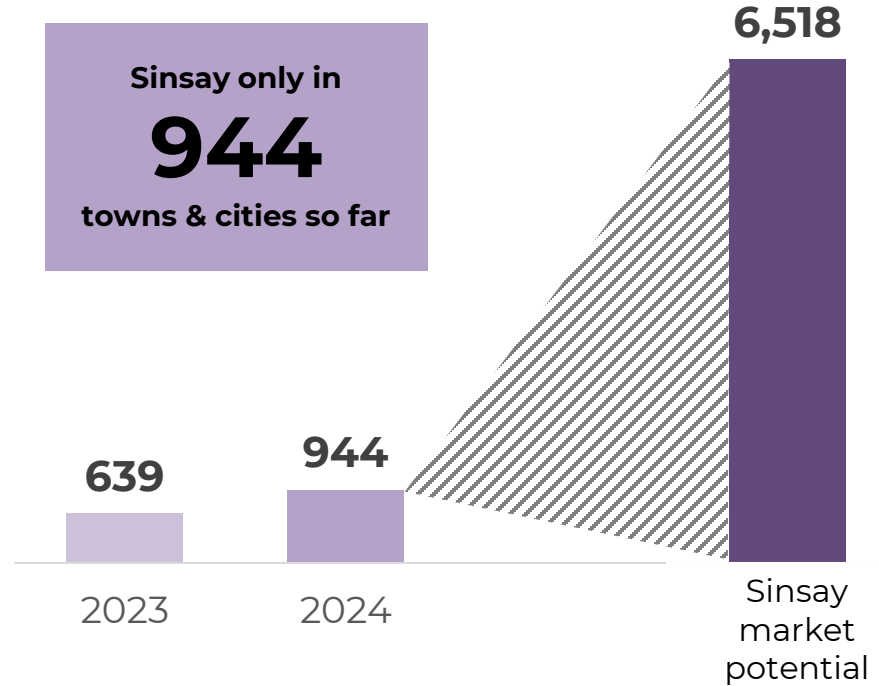
REVENUES CAGR(2019 - 2024) **52%**

ENORMOUS MARKET POTENTIAL

- towns (population < 50,000)
- cities (population > 50,000)









Own calculation for 27 Sinsay target countries



Sinsay stores	978	1,512	Sinsay stores if avg. 1.6x saturation to be maintained	~10,429
saturation ¹	1.5x	1.6x		

¹saturation = Sinsay stores / no of towns

MARKET POTENTIAL FOR 10,000 SINSAY STORES

	POLAND	CEE (ex. Poland)	SEE	BALTICS, ITALY & FINLAND	EE & NEW COUNTRIES	TOTAL
population million	38	26	54	71	111	300
Sinsay stores market potential ¹	1,300	900	1,900	2,300	3,600	10,000
Sinsay stores at the end of 2024	515	207	456	99	235	1,512
saturation						

¹ Own calculation based on benchmark of 3 VFM networks from Netherlands, Germany and Poland ~30 thousand customer per location.

FOCUS ON CENTRAL, EAST AND SOUTHERN EUROPE

300 mln
customers

27
countries

GDP
high growth

- 
- The map displays the geographical focus of Sinsay's operations. Countries currently present are shaded in light brown, while countries planned for future expansion (2025-2026) are shaded in dark brown. The current presence includes countries across Central Europe (Poland, Czech Republic, Slovakia, Hungary, Austria, Germany, Switzerland, Italy, France, Spain, Portugal, Greece, Turkey, Bulgaria, Romania, and Ukraine) and Southern Europe (Cyprus, Malta, and Iceland). Planned new countries include Azerbaijan, Uzbekistan, Georgia, Armenia, and Moldova.
- Presence as at 3.04.2025
 - Planned new countries in 2025-2026 (i.e. Azerbaijan, Uzbekistan, Georgia, Armenia, Moldova)

READY FOR FAST EXPANSION: 1,120 SITES SECURED



SITE SELECTION AND CONSTRUCTION

- **187 people in site selection and location approval**
- Potential store location validator based on GSM data with AI support
- 295 architects, project managers and maintenance teams in LPP
- **83 general contractors**
- **68 local design studios**



STORE EQUIPMENT AND FIXTURES

- IT hardware and server capabilities contracted
- 19 furniture suppliers from Poland, Turkey Romania and Ukraine
- 14 lighting suppliers



LOGISTIC

- **230 ths. m² new space in 2024 (double vs 2023)**
- 500 ths. m² new space under construction for 2025-2026
- 1.9 mln boxes storage in new automated distribution center contracted for May 2025
- 1,400 robots till June 2025 and another 1,900 in 2026 for e-commerce support
- **Strategic partnership with 5 biggest shipping lines with 100% more secured container space vs 2024**



PEOPLE RECRUITMENT

- **55 recruitment agencies and 60 own people coordinating recruitment**
- Onboarding and training: 113-people team
- Sinsay development has roots in heritage brands
- 6,500 finished recruitments in 2024 only

READY FOR FAST EXPANSION (CONT.)



SOURCING & DESIGN

- 425 people in design and sourcing team in Poland
- **5 offices in Asia – China, Bangladesh, Turkey, India, Pakistan**
- 200 people in Asia offices dedicated to sourcing goods and finding new suppliers
- 90 people in quality assurance located in Asia



SUPPLIER BASE

- **2,213 supplier, i.e. 43% more than in 2023 with constantly growing number**
- 23 different countries as source base



DISTRIBUTION

- AI supported distribution systems based on machine learning of what and where to allocate
- 137 people responsible for right distribution supported by AI systems
- Data science team with 117 people dedicated to proper ordering and allocation systems

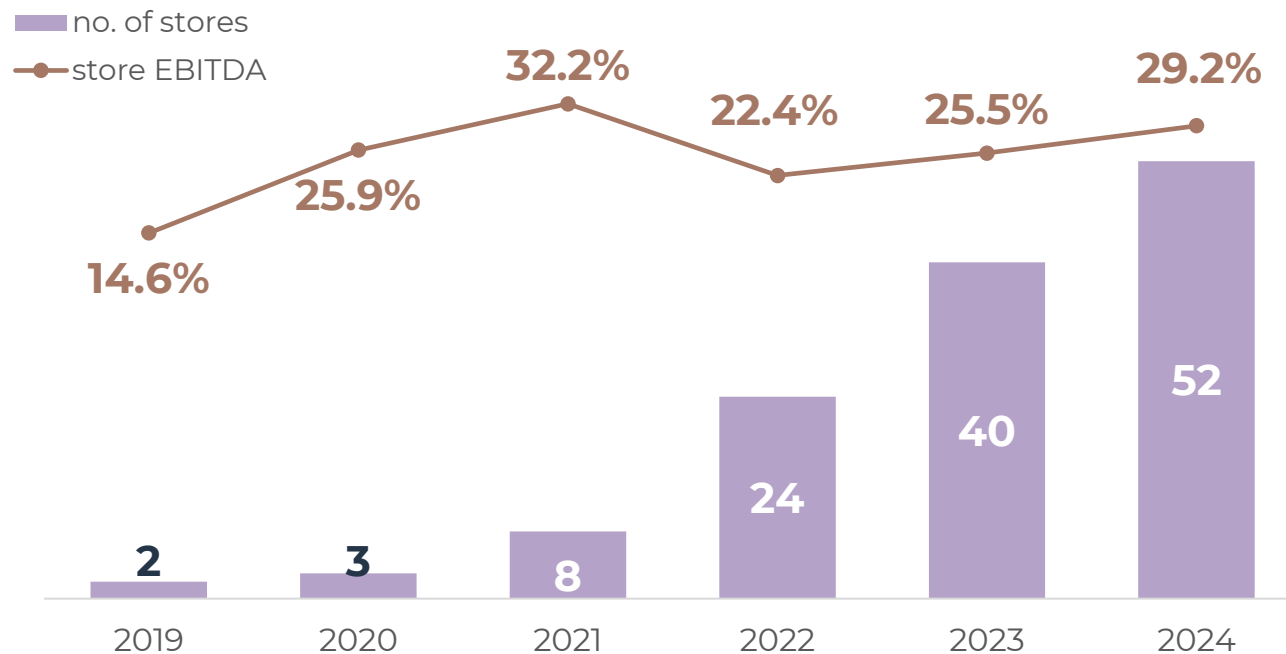


EXPERIENCED TEAMS

- **Heritage brands act as big source of highly skilled and experienced people for Sinsay**
- 10 years of experience in LPP among Product Managers
- **13.8 years of experience among LPP directors**

CROATIA CASE STUDY – SUCCESSFUL SINSAY ROLLOUT

in 2024 PLN **570** mln in revenues – **top 10** in the Group



84% of online sales through mobile app

Only **25%** of cities and towns covered

130 stores potential



AGENDA

Sinsay – LPP’s growth engine

Marek Piechocki

President of the Management Board, CEO

Retail revolution in small towns

Marcin Piechocki

*Vice-President of the Management Board,
Sinsay Development*

Financial strength

Marcin Bójko

Vice-President of the Management Board, CFO

Q&A

SINSAY – MAJOR BENEFICIARY OF MACRO & RETAIL TRENDS

RISING PURCHASE POWER

GDP in CEE region is expected to grow faster comparing to Western Europe

POTENTIAL FOR FAST SCALE-UP

Low market saturation in small cities regarding modern physical stores

sinsay

DESIGN NEEDED

Increasing aspirations of customers in small cities (access to branded products and modern shopping)

VALUE EXPECTED

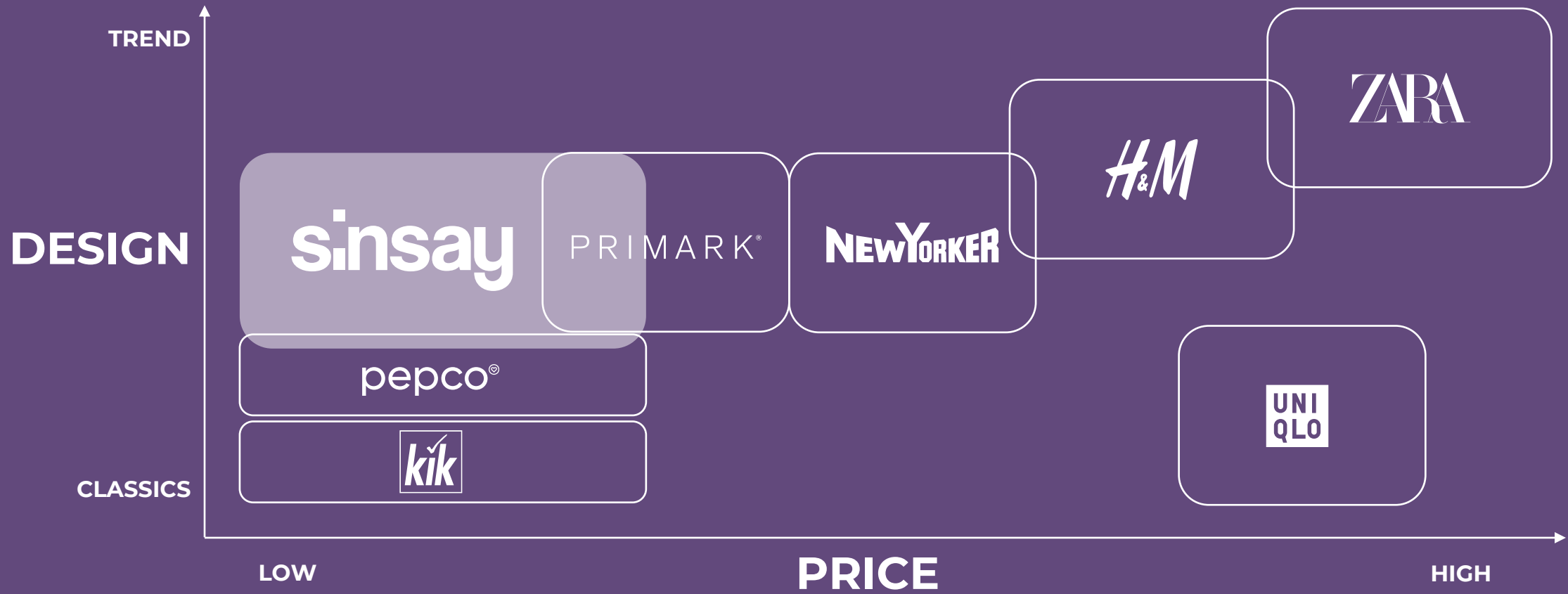
Price conscious customers searching for design & value for money

SINSAY CUSTOMERS:

- household on budget from small town
- price sensitive online consumer from big city

sinsay

DESIGN/PRICE



MODERN SHOPPING EXPERIENCE BASED ON 4 PILLARS

BRANDED PRODUCT

- Quality
- Production safety
- Efficient supply chain
- Responsible production

WIDEST RANGE OF PRODUCTS FOR LOCAL COMMUNITY

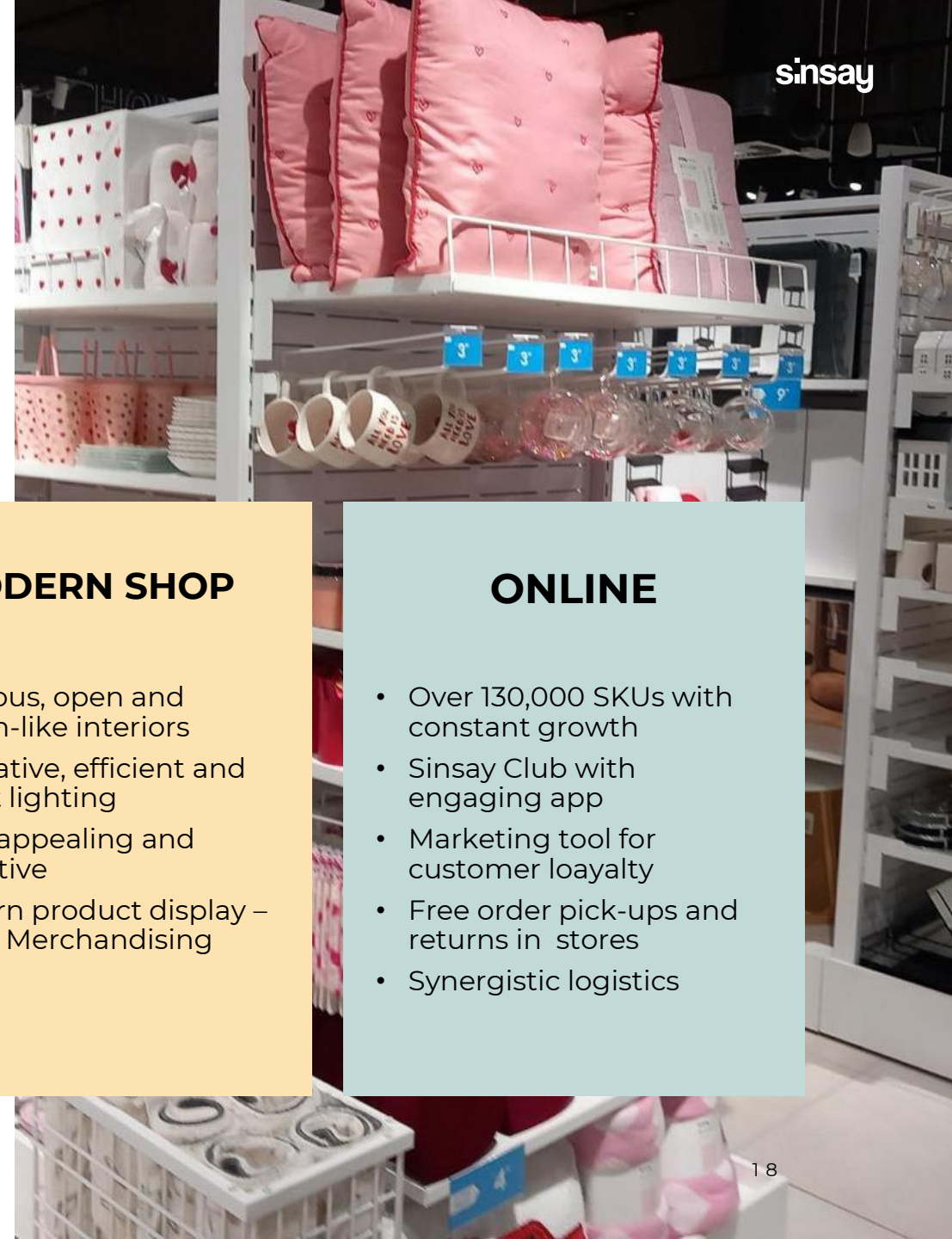
- Largest shop in town with additional goods available online
- Family oriented garment collection with over 11,200 styles every year
- Home and accessories products with 50% share in sales and 65,800 SKUs
- Focus on non-discretionary products

MODERN SHOP

- Spacious, open and design-like interiors
- Innovative, efficient and bright lighting
- Neat, appealing and attractive
- Modern product display – Visual Merchandising

ONLINE

- Over 130,000 SKUs with constant growth
- Sinsay Club with engaging app
- Marketing tool for customer loyalty
- Free order pick-ups and returns in stores
- Synergistic logistics





TRADITIONAL
VALUE
RETAILER

SINSAY IS A **NEW QUALITY**
OF RETAIL IN **SMALL TOWNS**

TRENDS





Sinsay is **biggest modern shop** with widest offer in **small towns**



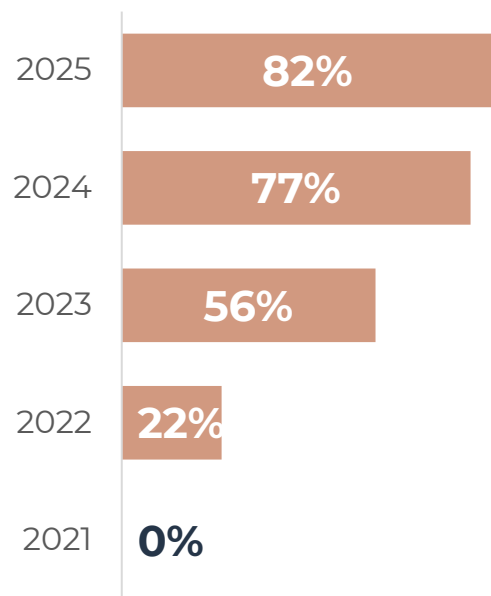
Sinsay offers **design and look** for 50% of H&M prices



SINSAY IS MORE THAN APPAREL: 50% OF SALES COMES FROM NON-GARMENT RANGE

SINSAY APP STRONGLY SUPPORTS PHYSICAL STORES

SINSAY APP SHARE IN SALES¹

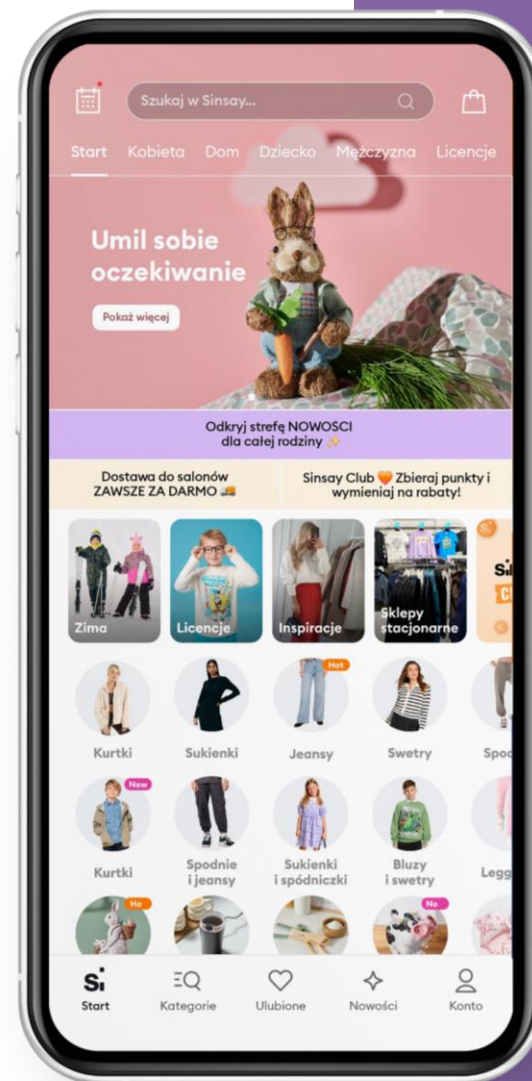
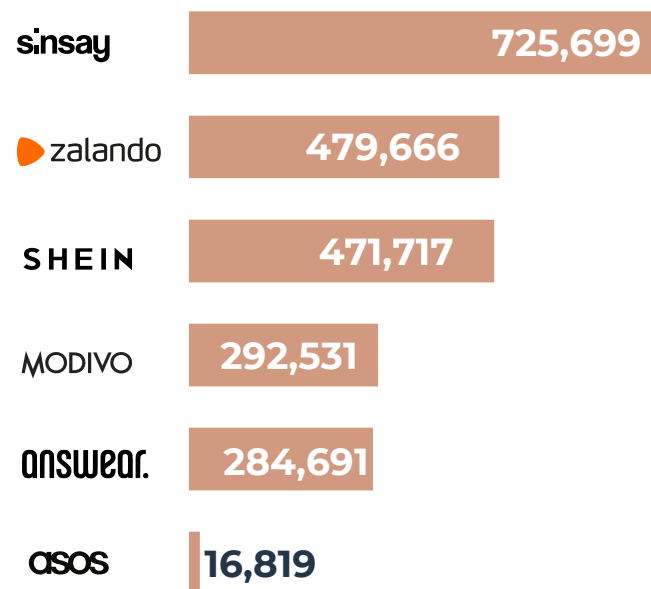


¹ Source: own data

² Source: Sensor Tower

³ Source: AppMagic report (most downloaded app in fashion category in Poland in 4Q 2024)

MOST DOWNLOADED² APP IN 4Q24



22 m

total downloads¹

8 m

active users¹

#1

apparel app³



AGENDA

Sinsay – LPP’s growth engine

Marek Piechocki

President of the Management Board, CEO

Retail revolution in small towns

Marcin Piechocki

*Vice-President of the Management Board,
Sinsay Development*

Financial strength

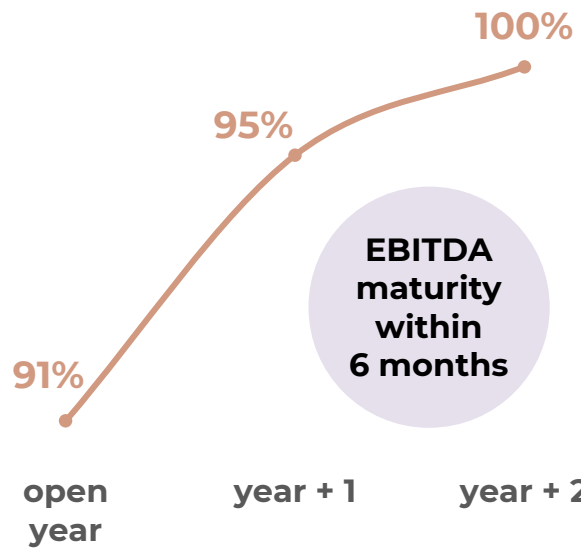
Marcin Bójko

Vice-President of the Management Board, CFO

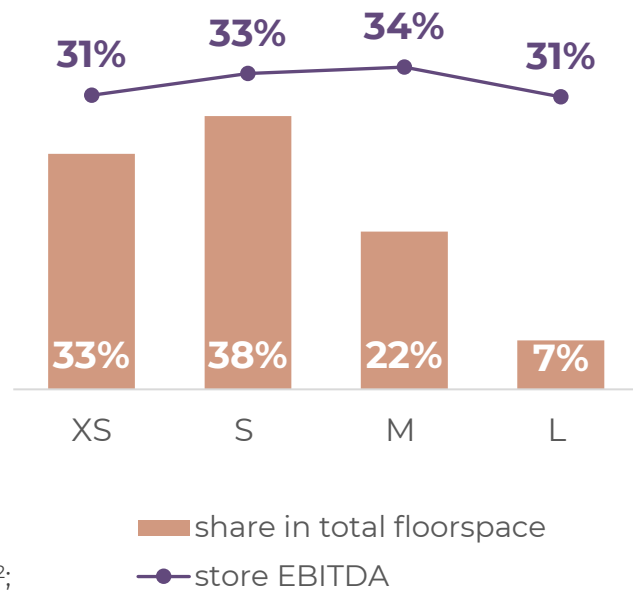
Q&A

SINSAY – PROVEN MODEL WITH EXCEPTIONAL PROFITABILITY

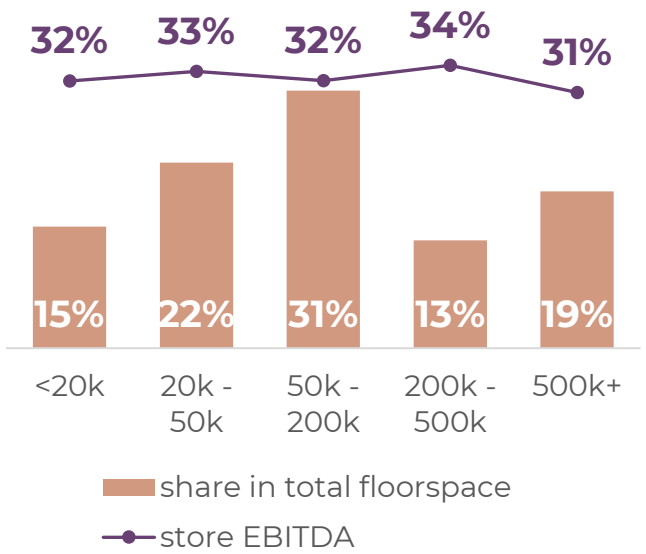
STORE SALES MATURITY CURVE



PROFITABILITY BY STORE SIZE^{1,2}

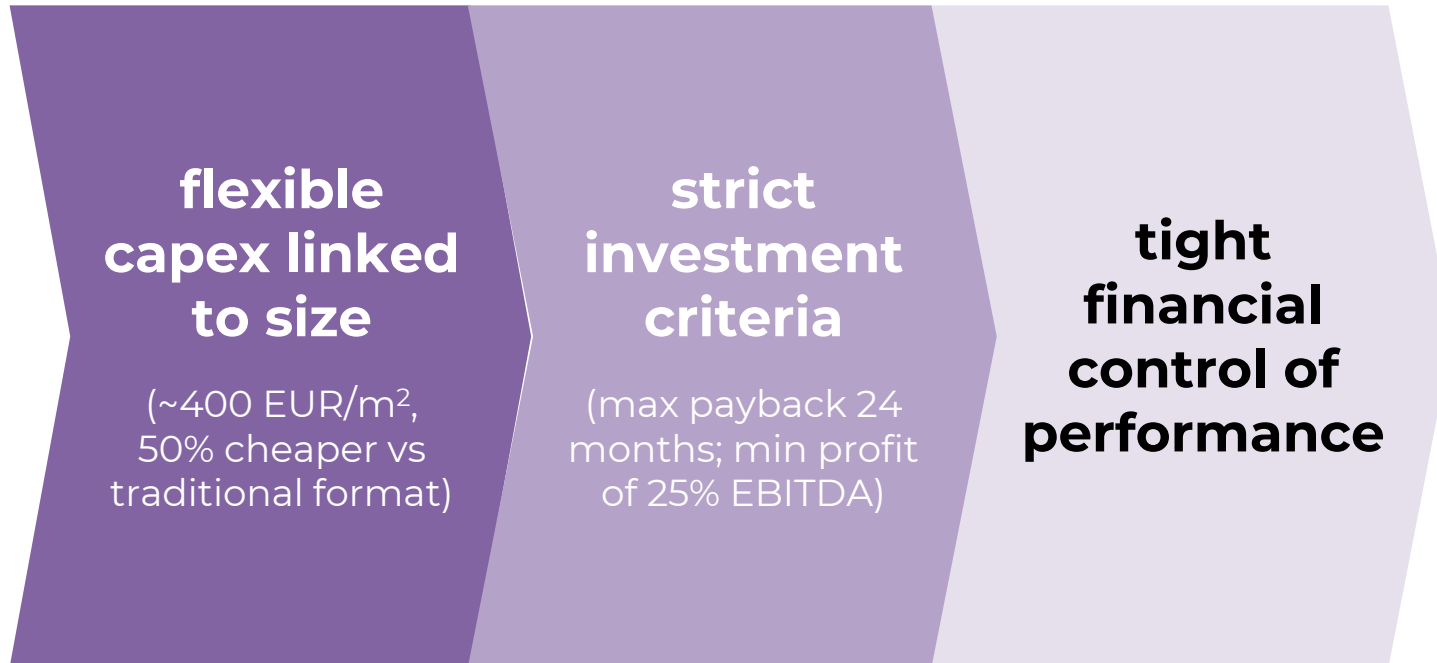


PROFITABILITY BY TOWN POPULATION²

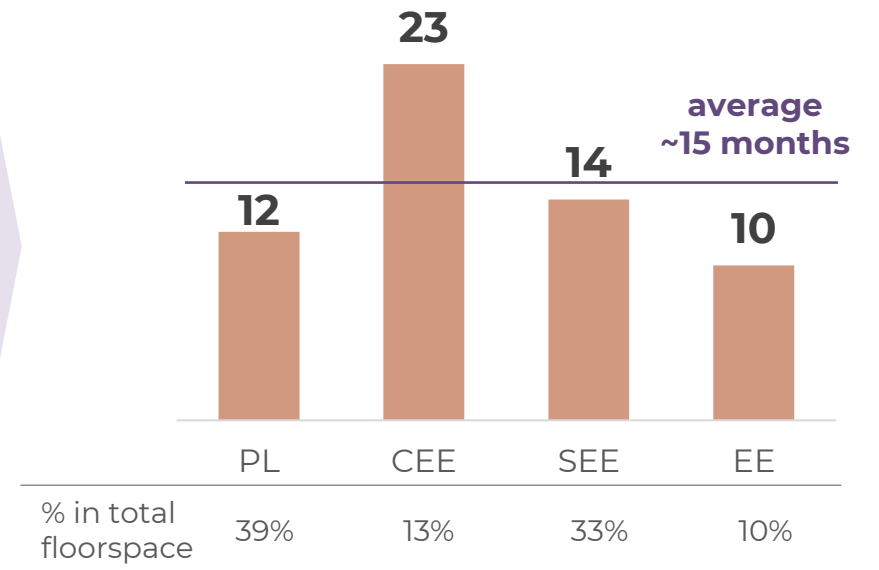


¹ L >1,600 m², M 1,200-1,600 m², S 950-1,200 m², XS < 950 m²;
² data for 2024 for stores opened more than 6 months

SINSAY – EFFICIENT ROLLOUT AND RAPID PAYBACK



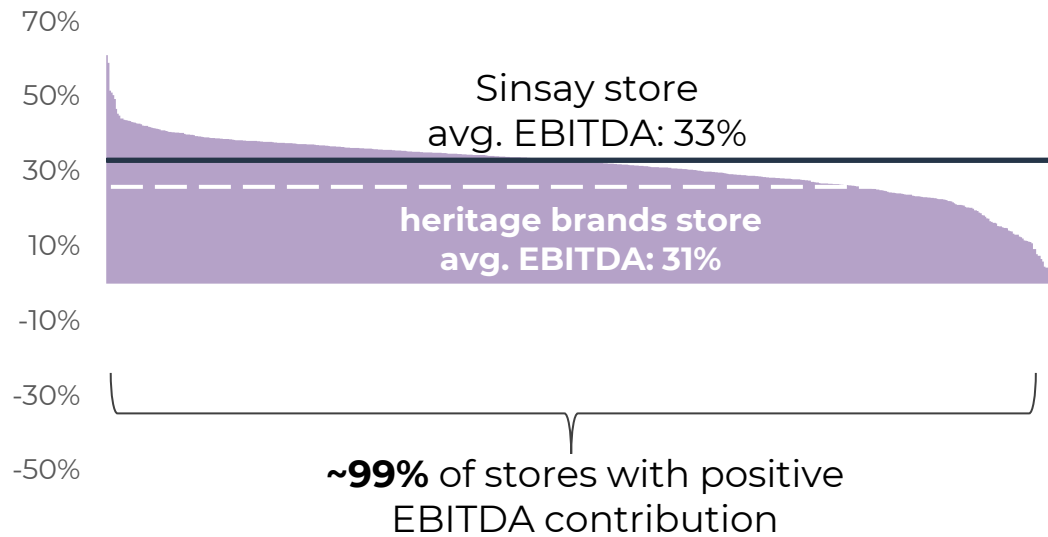
STORE PAYBACK PERIOD



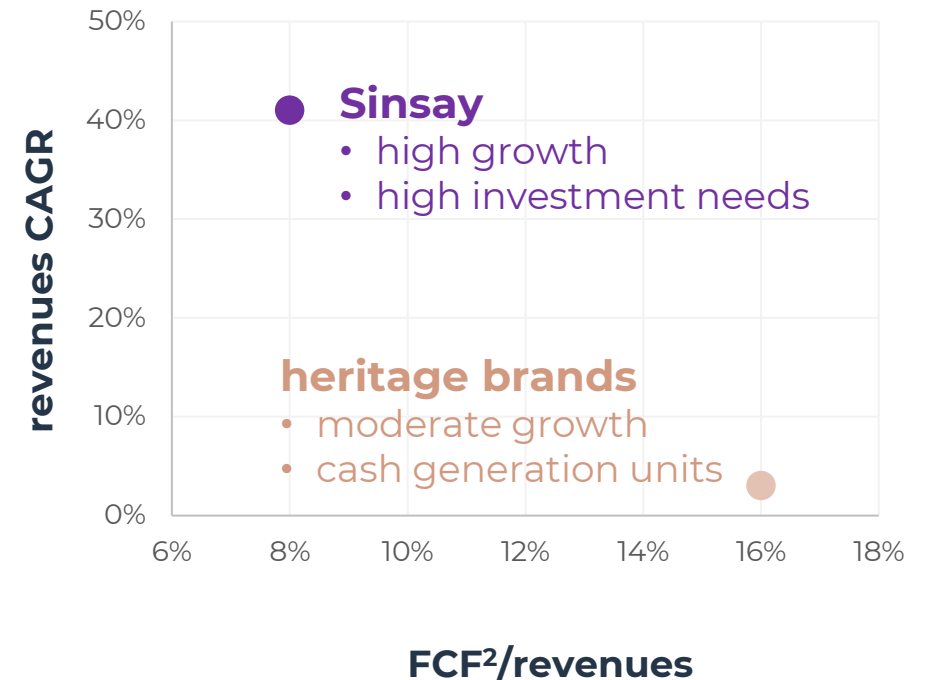
SINSAY – STRONG BASIS FOR MAINTAINING LPP’S LONG-TERM PROFITABILITY

STORE PROFITABILITY¹

(EBITDA %)

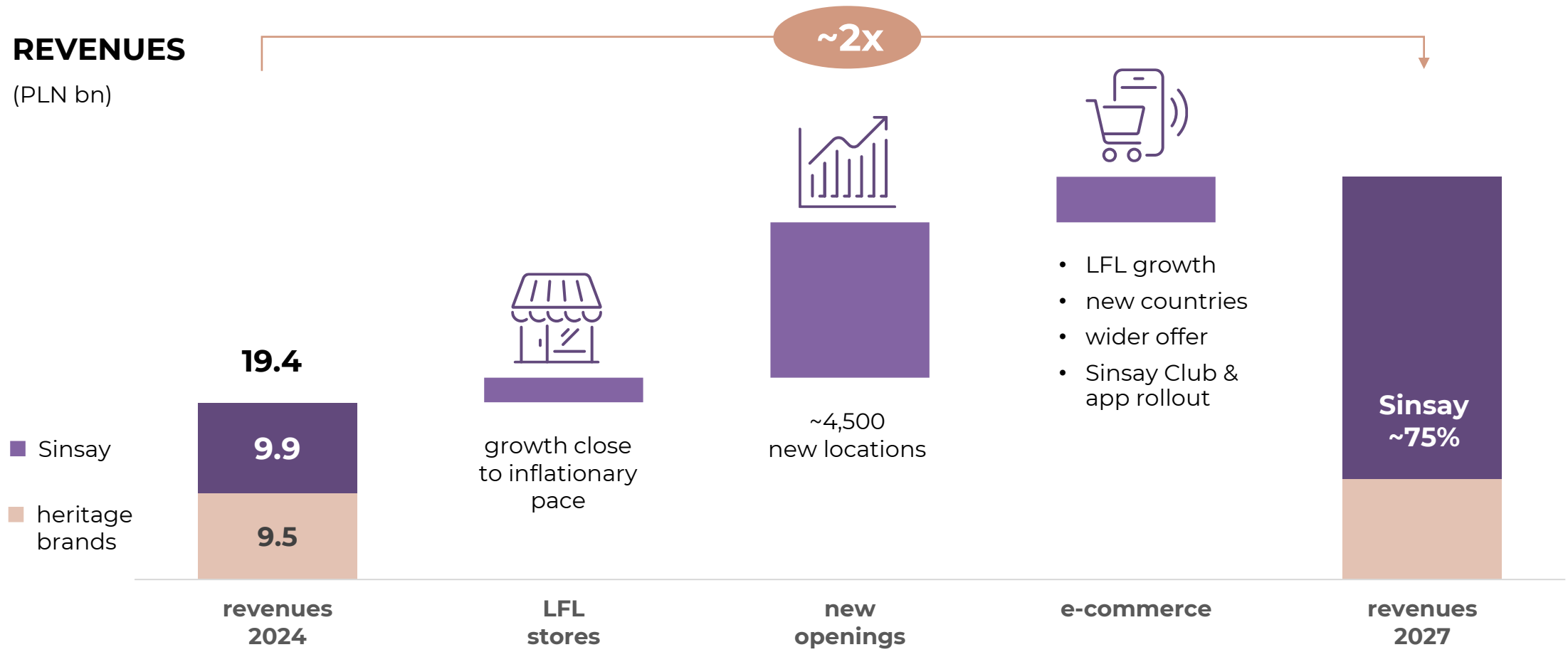


¹ data for 2024 for stores opened longer than 6 months



² data for 2024; FCF = EBITDA less CAPEX for stores and logistics

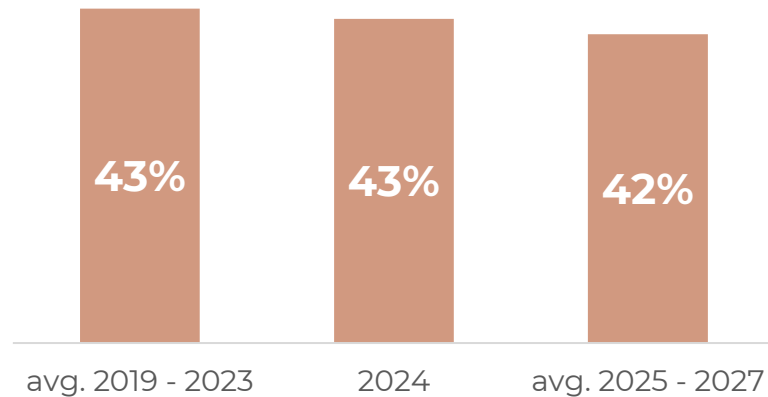
SCALE-UP AMBITION OF LPP GROUP



COST EFFICIENCY FOCUS

OPEX/ SALES

(%)



- Reduced e-commerce logistics operating costs
- Stable marketing spend
- Efficiency-focus in whole organization

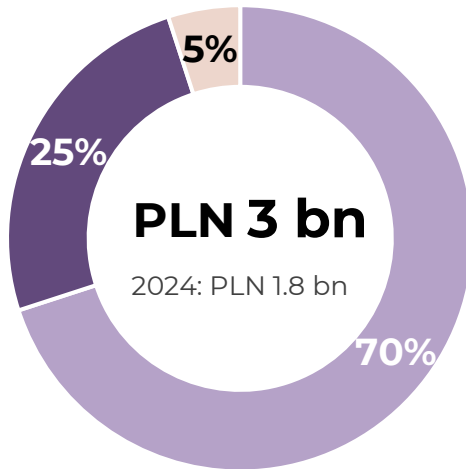
GUIDANCE 2027

	2024	2027
REVENUE	19.4	Increase by ~2x
GROSS MARGIN % <i>(comparable)</i>	55%	51% – 52%
OPEX	42,6%	41% – 42%
EBITDA <i>margin</i>	4.1 21%	Increase by ~2x 18% – 19%

STRONG CASH FLOW OUTLOOK WITH LEVERAGE AT VERY SAFE LEVEL

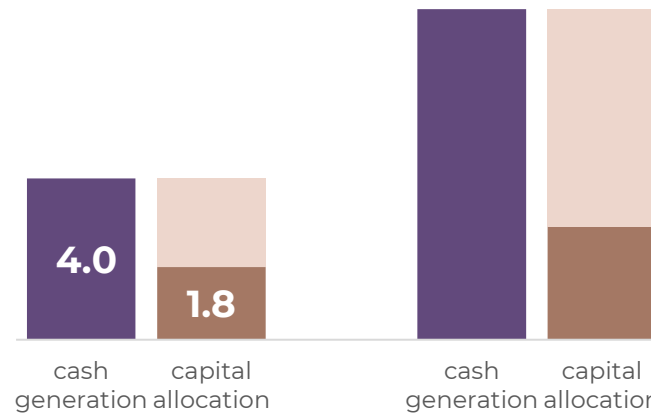
CAPEX

(avg. 2025-2027)



■ stores ■ logistics ■ other

CASH FLOW

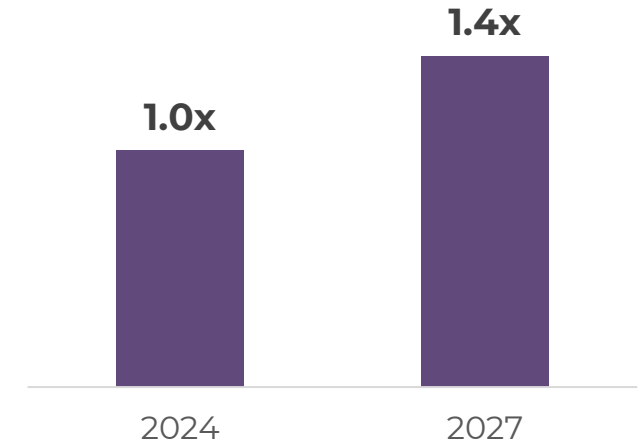


2024

2027

■ FCF ■ Capex ■ surplus cash

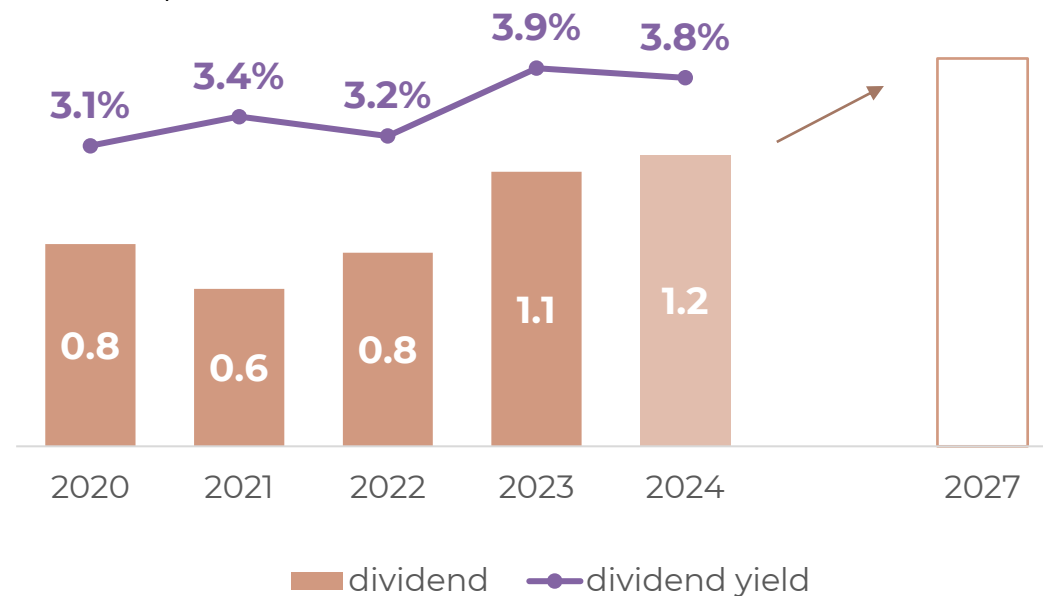
NET DEBT/ EBITDA



OUR COMMITMENT TO ENHANCING VALUE FOR SHAREHOLDERS

DIVIDEND PAYOUT & YIELD

PLN billion | %



- Clear dividend policy
 - min 50% of separate net income
 - max 70% of consolidated net income
- Steadily growing profit as a base for strong TSR

KEY TAKEAWAYS

- **Sinsay unique and scalable business model**
 - Design – modern store with beautiful products
 - Price – very affordable
 - Proximity of stores supports online customers (Sinsay Club)
 - Engaging online app supports stores openings and sales (no 1 app in Poland)
- **6,000 Sinsay stores till 2027**
- **Double revenue in 2027 vs. 2024**
- **Double EBITDA in 2027 vs. 2024**

LPP STOCK PRICE

PLN





AGENDA

Sinsay – LPP’s growth engine

Marek Piechocki
President of the Management Board, CEO

Retail revolution in small towns

Marcin Piechocki
*Vice-President of the Management Board,
Sinsay Development*

Financial strength

Marcin Bójko
Vice-President of the Management Board, CFO

Q&A

Appendix



MID-TERM GUIDANCE¹

	actuals		guidance		
	2023	2024	2025	2026	2027
Sales core business, PLN bn including:	16.2	19.4	ca. 25 - 26		
Offline	11.7	13.9	ca. +30% YoY	CAGR ca. 25% - 30%	
Online	4.3	5.4	ca. +25% YoY	CAGR ca. 20% - 25%	
Gross margin	53.7%	55.2%	53% - 54%	51% - 52%	
SG&A costs as % of sales	40.5%	42.6%	41% - 42%	41% - 42%	
EBITDA margin	21.1%	21.1%	19% - 20%	18% - 19%	
Net profit margin	8.7%	9.0%	7% - 8%	stable	
FCF as % of sales	20%	11%	7% - 8%	improving	
Net debt / EBITDA	0.9	1.0	ca. 1.6	decreasing leverage	

¹ for comparability data for 2023 and 2024 clean of impact of transactions to trade agents during transition period

SINSAY GUIDANCE 2025-2027

SINSAY	2024	2025 - 2027
REVENUES PLN bn	9.9	35% - 40% CAGR
NO. OF STORES year end	1,512	~6,000 in 2027
FLOORSPACE year end, ths m ²	1,367	30% - 35% CAGR



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, Bahrain). Excl. Sales to Trade agents.
Revenues GK LPP	Total revenues of LPP GROUP
Omnichannel sales	Total of offline, online sales (excl. other sales and sales to Trade agents).
Sales from core business	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 1.6% 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.
Revenues in constant currencies (CC)	Reference to current revenue with recalculation of the comparative period to constant currencies (current exchange rate).
EBIT from core business	EBIT from LPP GROUP operations excluding results on sales to Trade agents during the transition period.

CONTACT

LPP SA HQ

ul. Łąkowa 39/44, 80-769 Gdańsk
Tel. +48 58 76 96 900
Email: lpp@lpp.com

CONTACT FOR INVESTORS

Email: LPP.investor.relations@lpp.com

CONTACT FOR MEDIA

Email: media@lpp.com



[discoverlpp](#)



[company/lpp-sa](#)



[discoverlpp](#)



[discoverlpp](#)



sinsay

CROPP

HOUSE

M O H I T O

RESERVED