# 2Q25 results presentation

GDAŃSK, 25 SEPTEMBER 2025

LPP RESERVED CROPP HOUSE MOHITO sinsay

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# 01

# Summary 2Q25

# Consistent business growth

**+1.6%**
**LFLs in stores**

positive
in Reserved brand

**PLN 1.4 bn**
**e-com sales**

+16% YoY in CC

**296**
**open stores**

including 253 in
Sinsay brand

**Uzbekistan**
**debut of Sinsay stores**

- First store opened in early August
- +20 stores in 2025

# Continued quarterly profit growth

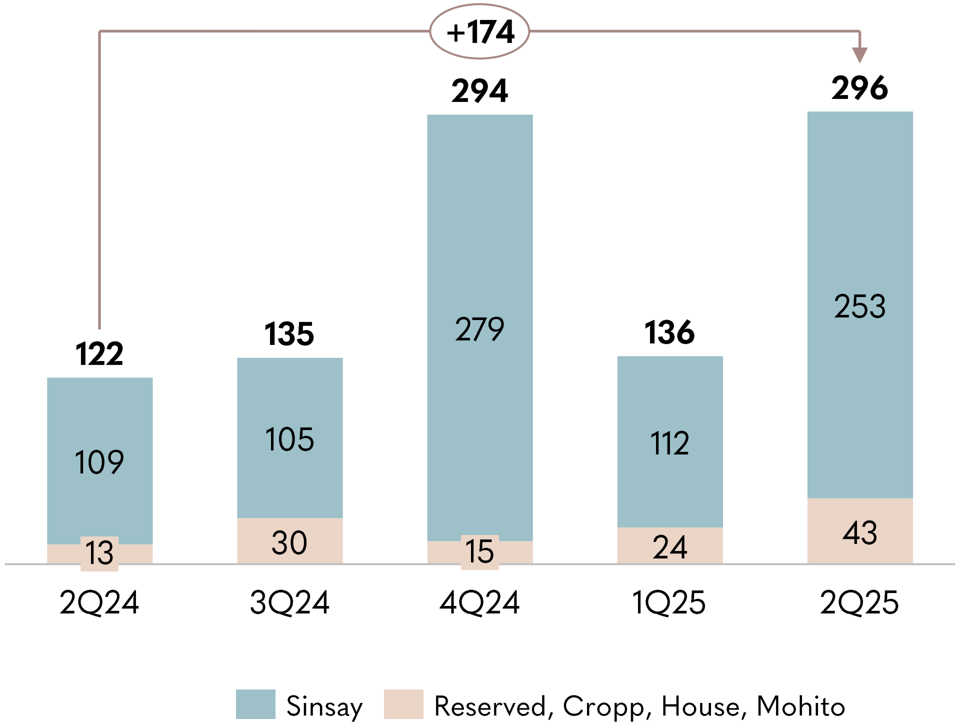
| PLN 5.6 bn | PLN 1.2 bn | PLN 689 m | PLN 467 m |
|---|---|---|---|
| revenue | EBITDA | operating profit | net profit |
| +17% YoY[1] | +17% YoY | +13% YoY | +5% YoY |

[1]Growth reported on core business in constant currency: +19%. Growth reported including sales to trade agents in 2Q24: +11%.

# Steady development of the Sinsay chain

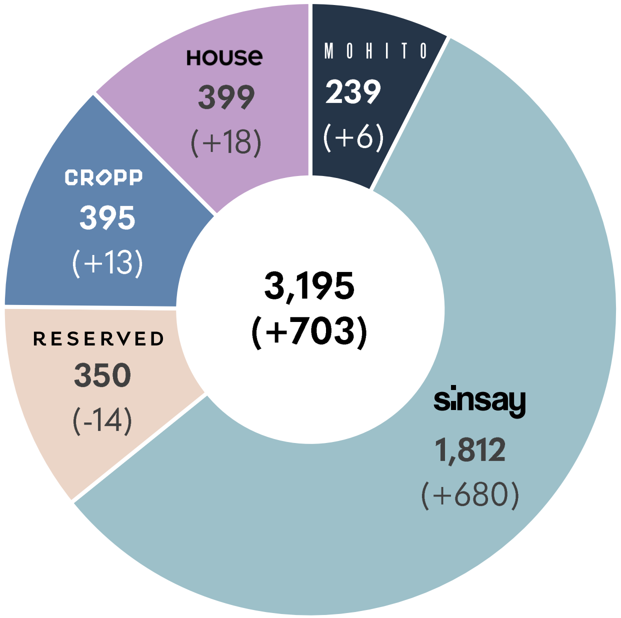
## NO. OF NEW STORES

*# (gross)*



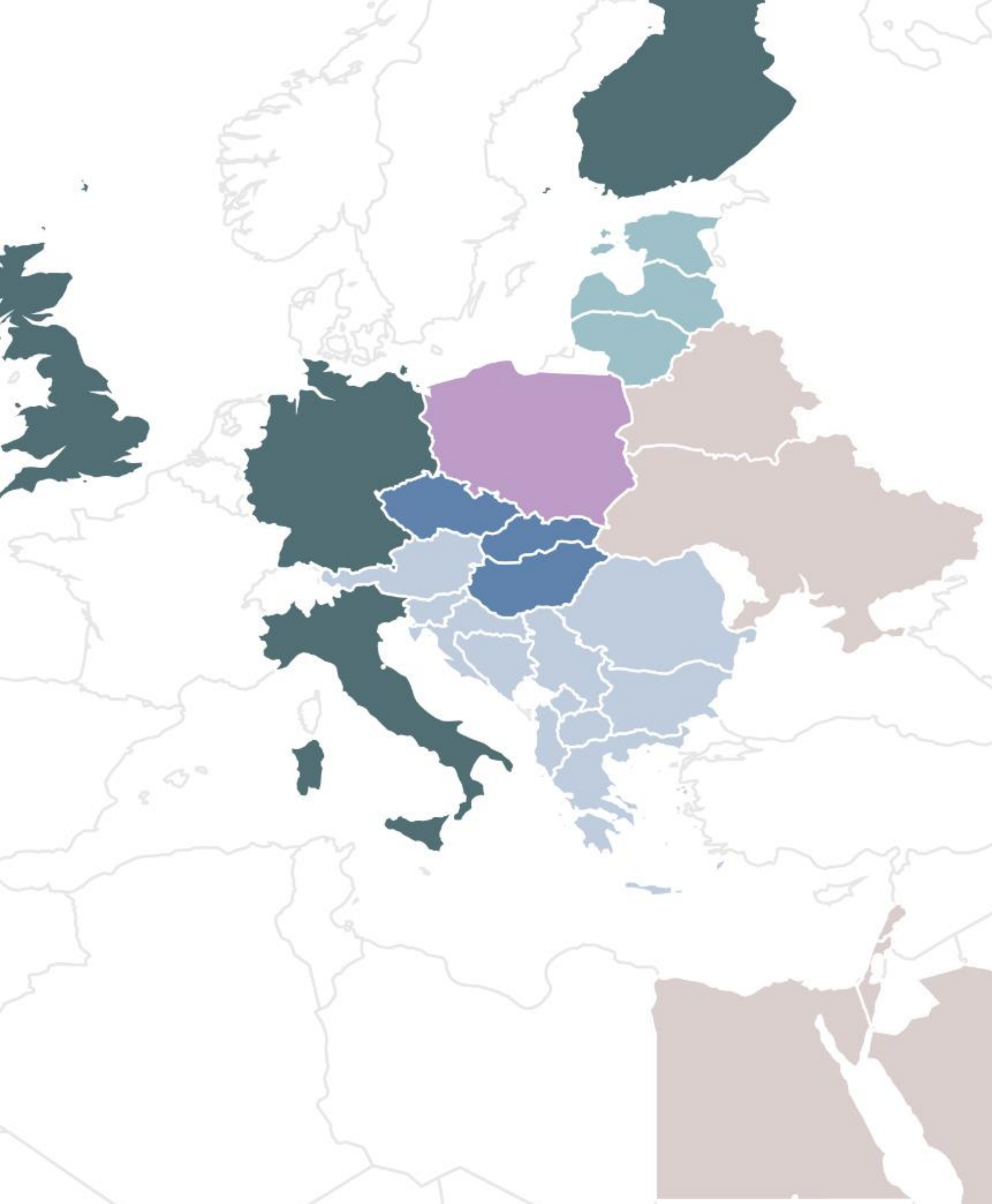

## NO. OF STORES BY BRANDS

*# (net, as at 31.07.2025)*




## FLOORSPACE

| Poland | Abroad | TOTAL |
|---|---|---|
| 977 ths. $m^2$ | 1,694 ths. $m^2$ | 2,671 ths. $m^2$ |
| +10% YoY | +33% YoY | +23% YoY |



# Dynamic growth in key regions

| Region | No. of stores | Change | Floorspace (ths. m²) | Change |
|---|---|---|---|---|
| POLAND | 1,263 | +100 | 977 | +10% |
| CEE | 463 | +115 | 394 | +27% |
| SEE | 769 | +206 | 691 | +28% |
| BALTICS | 140 | +36 | 118 | +25% |
| WE | 88 | +21 | 112 | +14% |
| EE & ME | 472 | +225 | 380 | +63% |

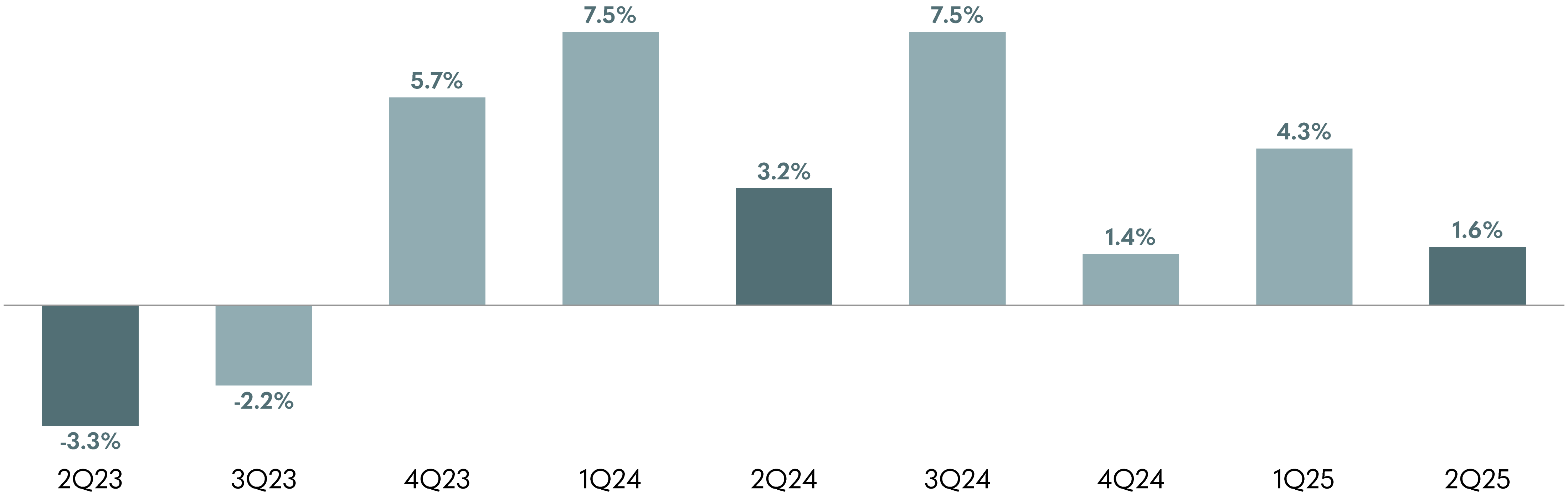
As at 31.07.2025

# 02

# 2Q25 Financial results

# Positive sales dynamics in LFL stores

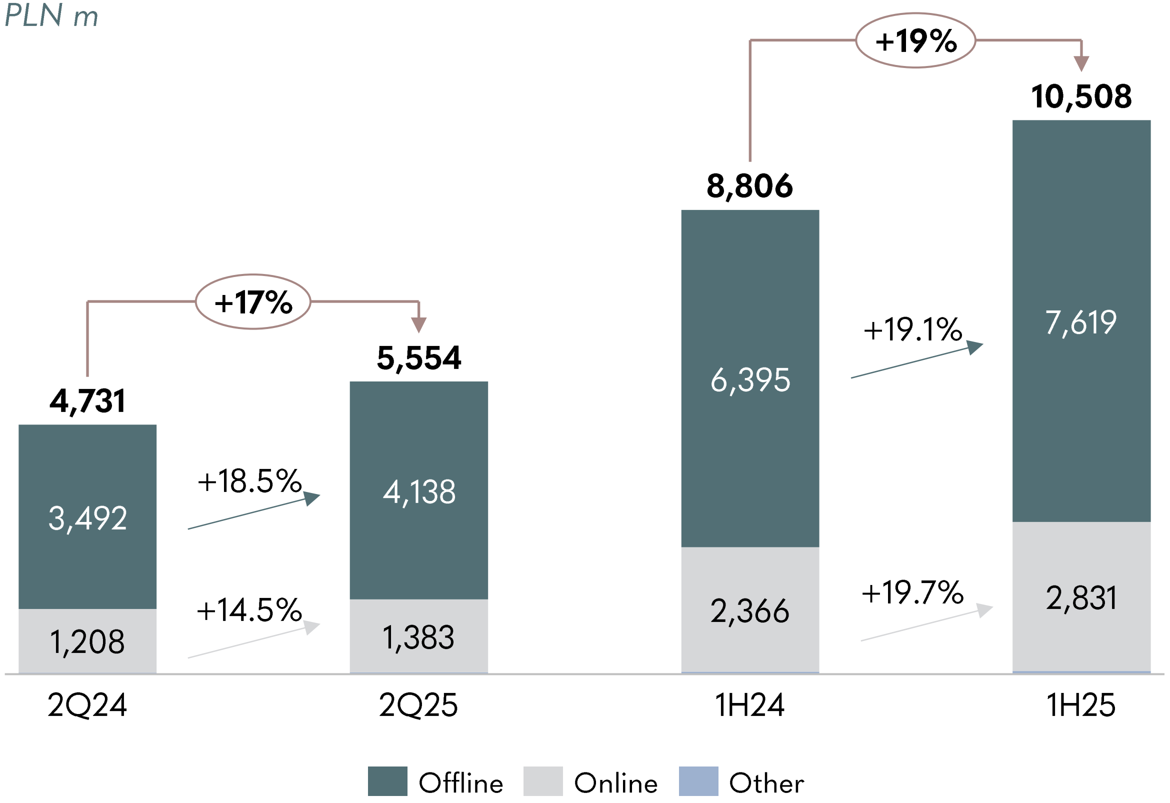
COMPARABLE SALES (LFL)



# Double-digit sales growth in both channels

**GROUP REVENUES[1]**

*PLN m*

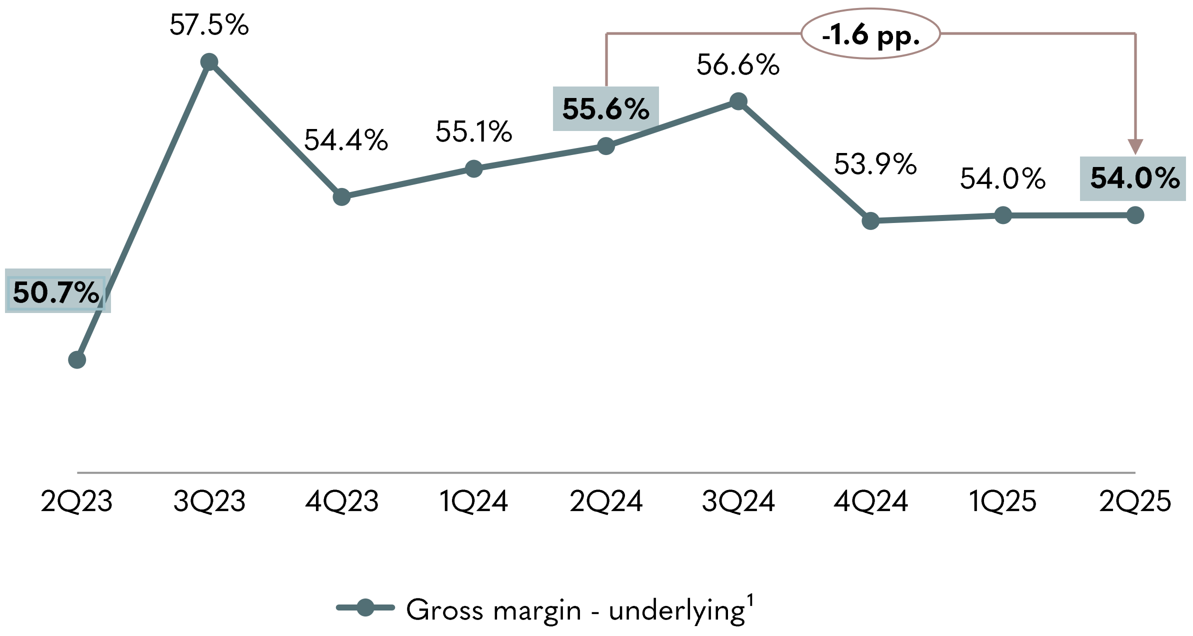



- Impact of currency exchange rates in 2Q25: -2.0pp.
- Double-digit sales growth in 2Q25 both in Poland (+10.6% YoY) and abroad (+23.3% YoY).
- Online sales in 2Q25 accounted for 24.9% of Group revenue (24.1% in 2Q24).
- Share of the app in online sales:
  - Sinsay ca 80% (+15 pp. YoY),
  - Reserved ca 60% (+6 pp. YoY).

[1]Figures for 2024 do not include sales to trade agents (2Q24: PLN 274m, 1H24: PLN 505m)

# Robust gross margin in the challenging environment

## QUARTERLY GROUP GROSS PROFIT MARGIN

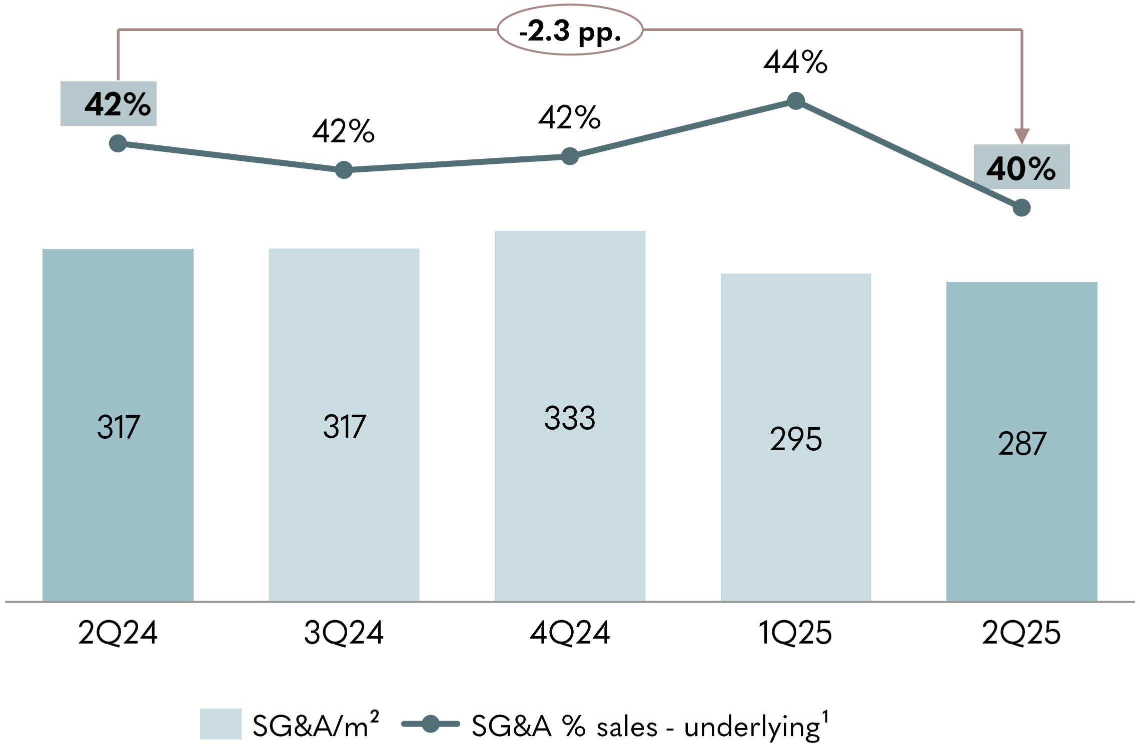



- Higher share of Sinsay brand in revenues.
- Active gross margin management in Sinsay brand (higher YoY promotions) in order to accelerate the turnover of goods.
- Collections ordered at a higher US$/PLN exchange rate, the positive effect of zloty appreciation will be visible in 2H25.

[1]For comparability, 2023 and 2024 figures have been cleared for the impact of transactions with trade agents during the transition period.

# Efficient management of SG&A costs

## SG&A COSTS/ M²




- Growth in SG&A costs slower than sales growth.
- Decline in SG&A costs per $m^2$ by 9.4% YoY → implemented automation in logistics, lower YoY expenditure on store marketing and performance marketing.
- Increase in SG&A costs by 11.0% YoY, mainly due to intensive growth (costs of new stores) and higher volumes of goods (logistics costs).

[1]For comparability, 2024 figures have been cleared for the impact of transactions with trade agents during the transition period.

# Events affecting 2Q results

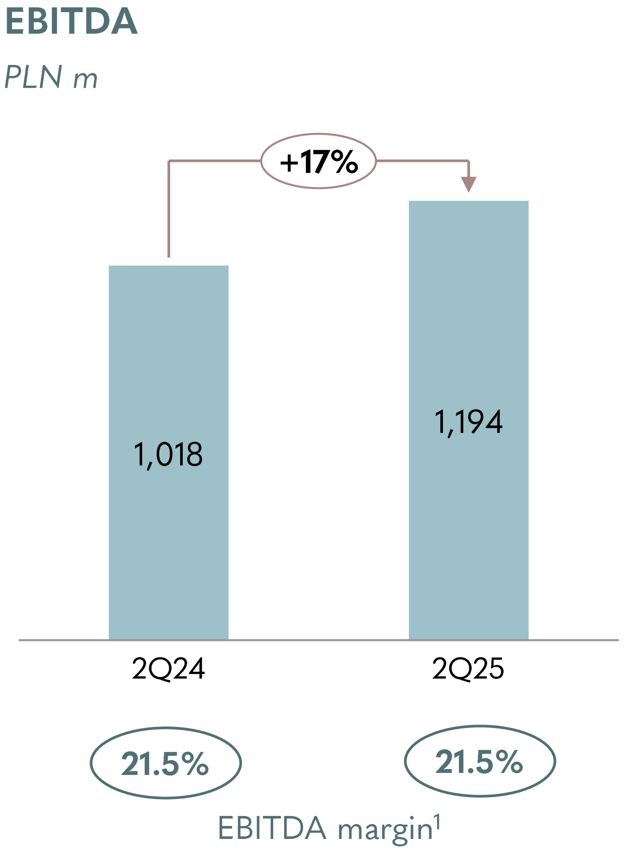
## WAREHOUSE FIRE IN ROMANIA

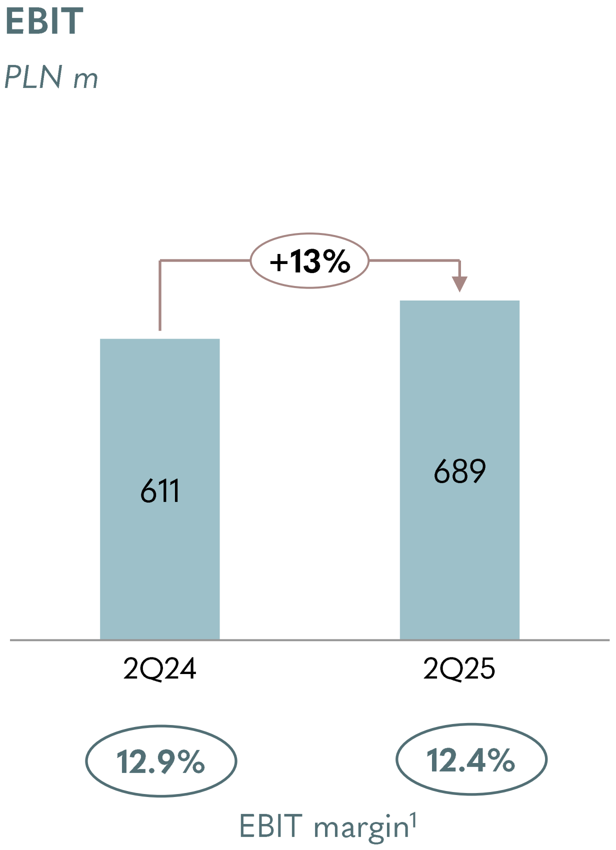
- Neutral impact of the event on 2Q results.
- Other operating activities recognise:
  - **PLN 351m** in other operating costs (PLN 58m write-down on fixed assets and PLN 293m of losses in current assets),
  - **PLN 351m** in other operating income as the provision for compensation from the insurer.
- In addition, under its **Business Interruption** policy, the Company expects compensation for lost profits and additional costs incurred.

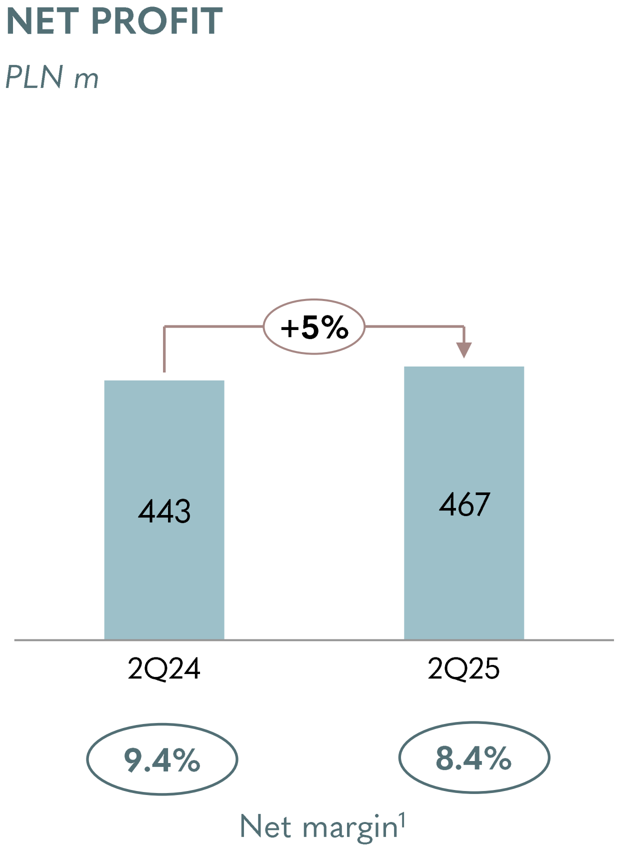
## UPDATE OF THE BALANCE RECEIVABLES AFTER DISPOSAL OF RUSSIAN BUSINESS

- Extension of the time limit for repayment of receivables for goods recognised under other operating costs in the amount of **PLN 30m** until 2029.
- In net financial activity, the negative impact of the discount related to the repayment of receivables for the stores sold is recognised in the amount of **PLN 35m**.

# Profit growth in the second quarter



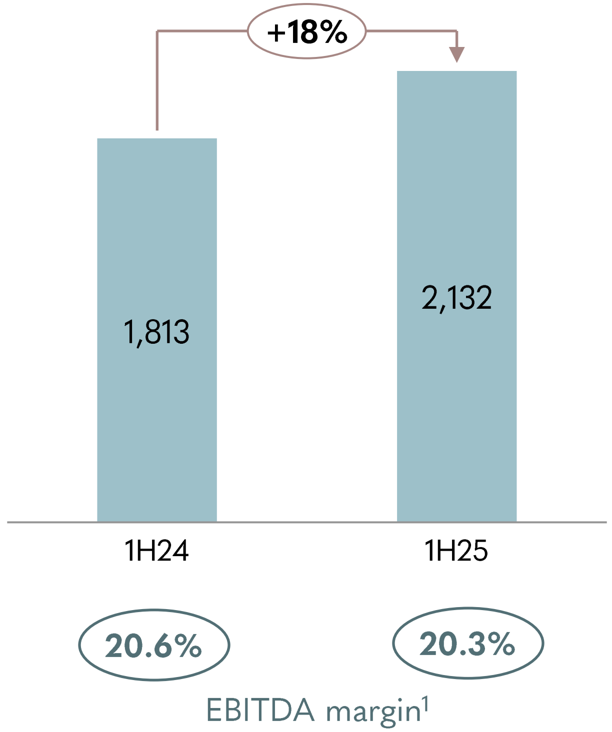




[1] For comparability, 2Q24 figures have been cleared for the impact of transactions with trade agents during the transition period.
Reported data for 2Q24: EBITDA margin: 20.3%, EBIT margin: 12.2%, Net margin: 8.9%.

# Improved YoY results in the Spring/Summer season

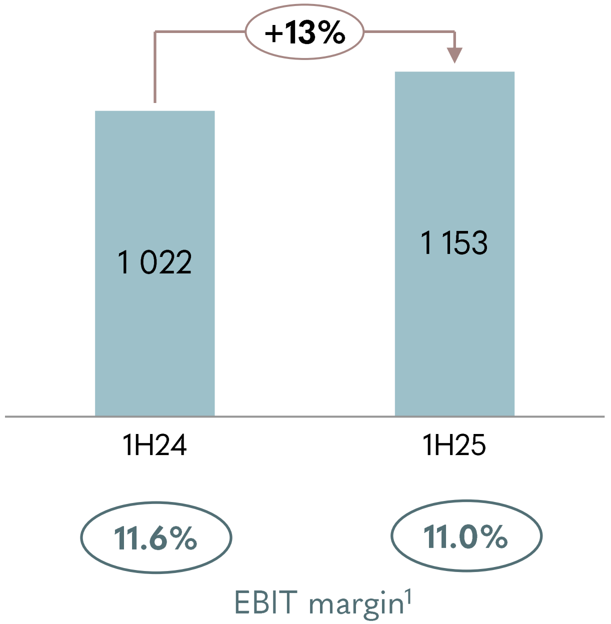
**EBITDA**

*PLN m*



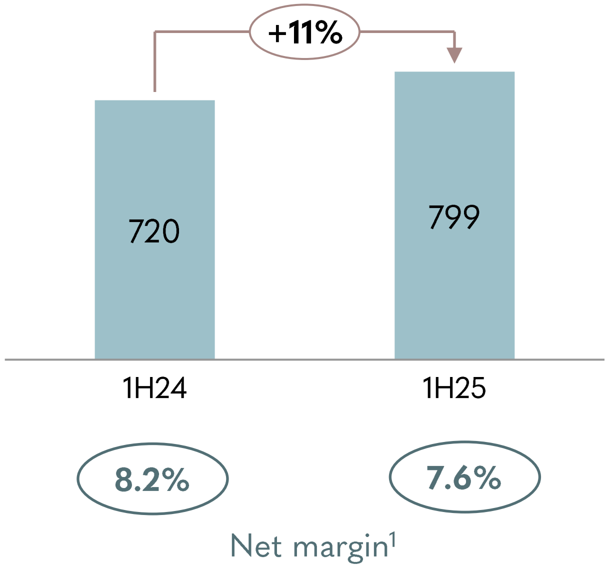

**EBIT**

*PLN m*




**NET PROFIT**

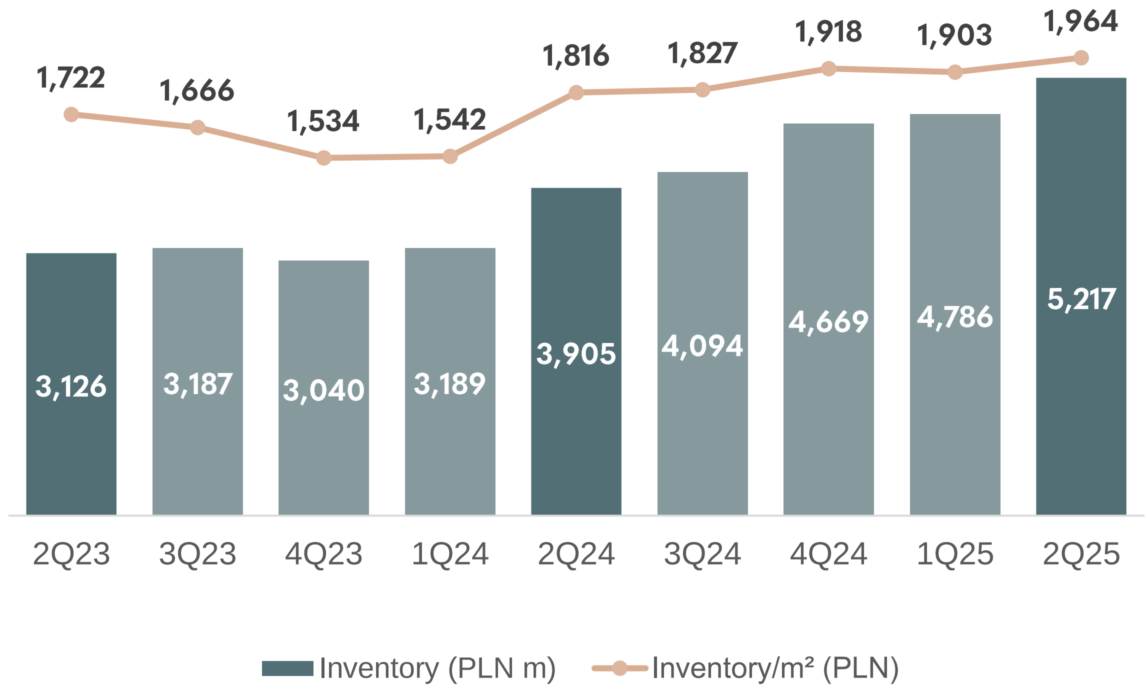
*PLN m*




[1] For comparability, 2Q24 figures have been cleared for the impact of transactions with trade agents during the transition period. Reported data for 1H24: EBITDA margin: 19.5%, EBIT margin: 11.0%, Net margin: 7.7%.

# Secured inventory for Autumn/Winter 2025

## INVENTORY AND INVENTORY/M²

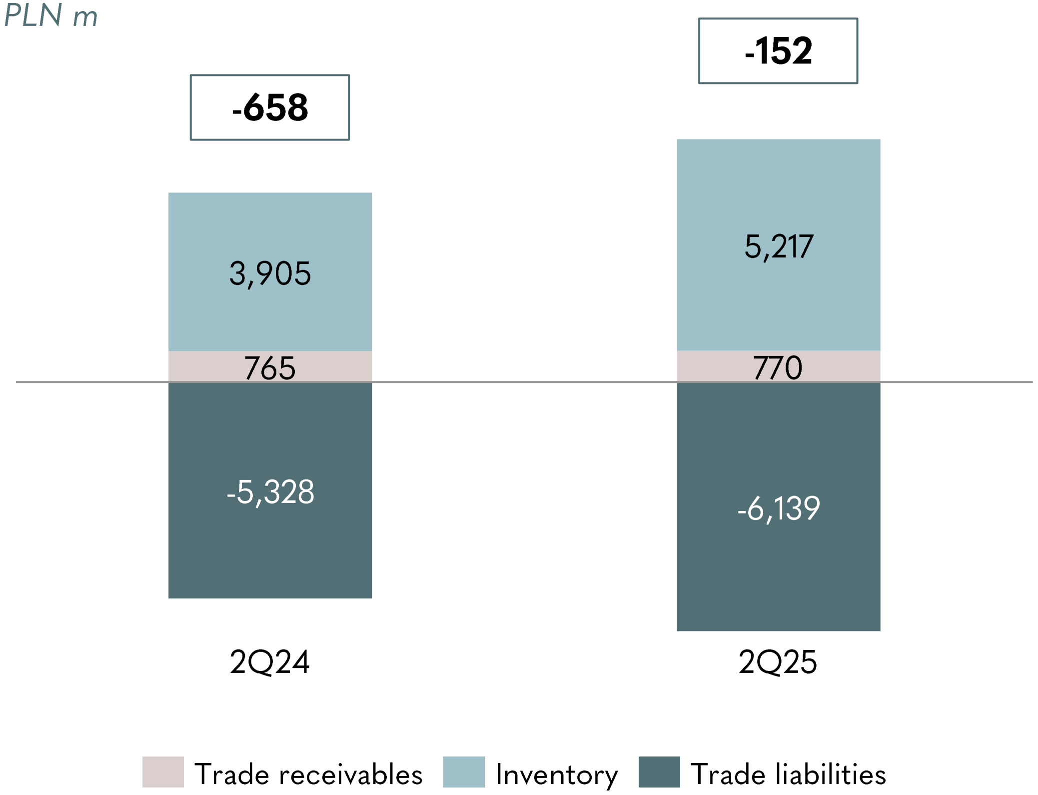



- In 2Q25, the increase in the level of inventory mainly due to ordered goods for dynamic openings of new Sinsay traditional stores and a broader brand offering dedicated to e-commerce.
- Inventory turnover in 2Q25 was 176 days (134 days in 2Q24).
- Inventory structure at the end of 2Q25: over 75% is the Autumn/Winter 2025 collection, ca 15% the Spring/Summer 2025 collection. The remaining part covers all-year models.

# Favourable working capital

## WORKING CAPITAL

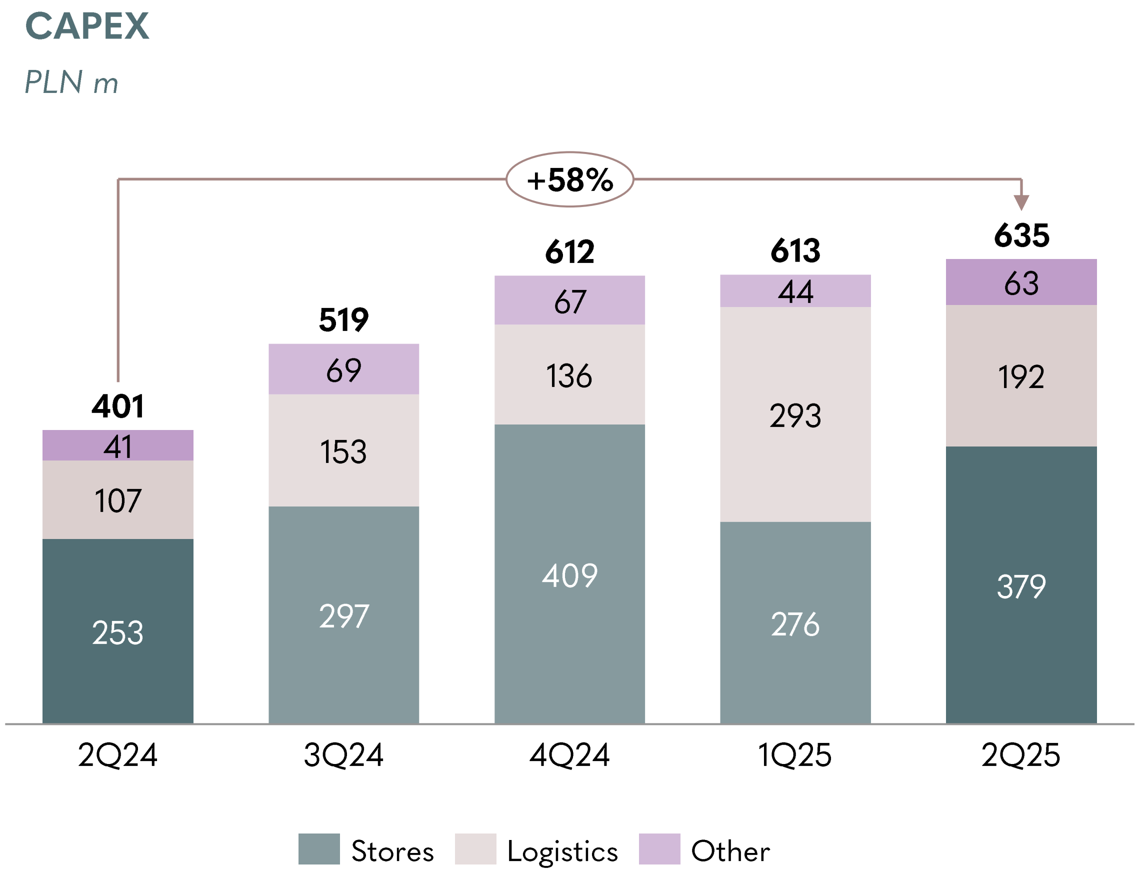
*PLN m*




- Cash cycle at a favourable negative level of -20 days:
  - slower inventory turnover (increase from 134 to 176 days),
  - reduction of payment term for receivables (from 15 to 13 days),
  - extension of payment terms for trade liabilities (from 185 to 209 days).

[1] For comparability in 2Q25, trade receivables include the value of trade receivables from trade agents (PLN 568m).

# Implementation of investment projects in line with the plan

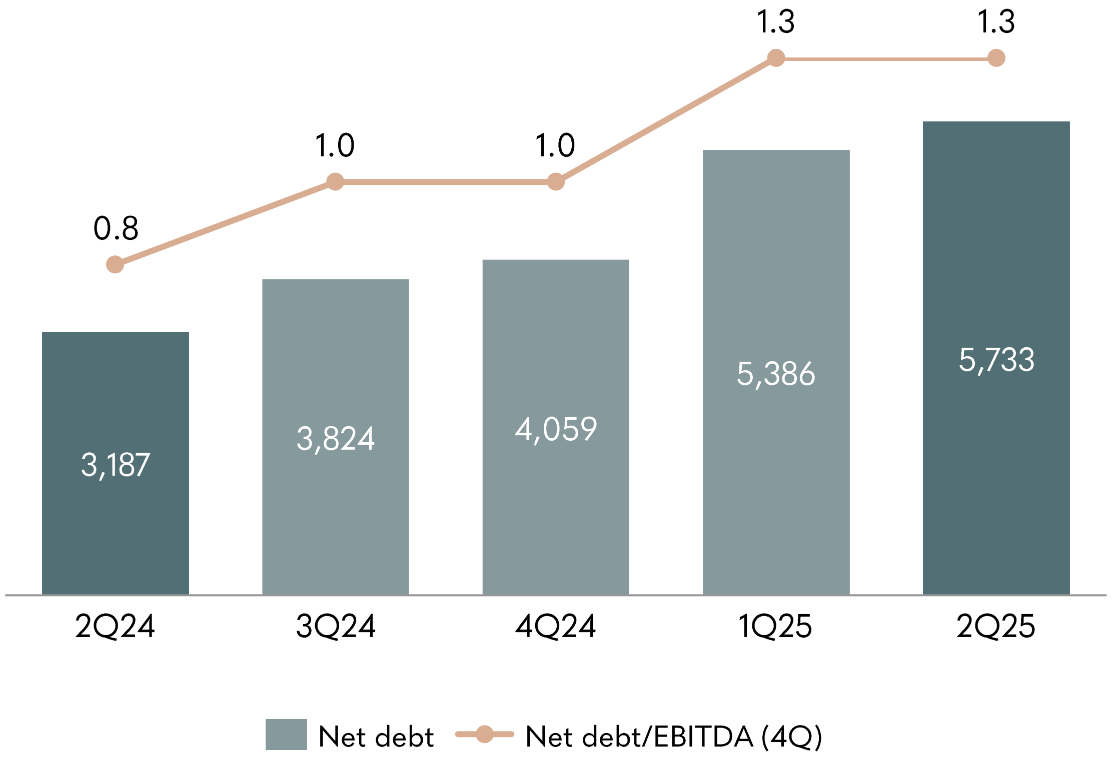



- Expenditure on stores amounted to PLN 379m (+50% YoY) due to dynamic openings of new traditional stores, mainly of Sinsay brand.
- Logistics expenditure (PLN 192m) mainly related to the expansion of the Distribution Center in Brześć Kujawski and investment in robotic solutions.

# Safe debt level

## NET DEBT

*(PLN m, IFRS16)*




- At the end of 2Q25, net debt according to IFRS16 amounted to PLN 5.7bn, including PLN 5.0bn due to leases.
- Net debt includes PLN 0.9bn in money market funds at the end of 2Q25 (PLN 0.8bn in 2Q24).
- Use of reverse factoring amounted to PLN 3.8bn in 2Q25 vs. PLN 3.0bn in 2Q24.

# 03

## Plan for 2025

# Strong "Back to School" period

- Earlier interest in school products than in the previous year.
- Classic models, multipacks and licensed products were popular.
- Very good sales of autumn clothes (tracksuits, sweatshirts, jeans, fleece jackets).
- In Sinsay brand, a growing share of sales of school accessories (i.e. backpacks, notebooks, markers).

| OMNICHANNEL | OFFLINE | ONLINE |
|---|---|---|
| +35% YoY | +33% YoY | +40% YoY |

data for the period 18.08.2025 - 7.09.2025 in constant currency

# Outlook for 3Q

- 22% YoY increase in Group sales in constant currency in the period 1 August - 21 September (exchange rate impact of ca -1.5pp.).
  - Positive dynamics in LFL stores,
  - 24% YoY growth in online sales.
- Positive response to the Autumn/Winter 2025 collection
- Planned opening of 200-250 new stores of all brands in 3Q25.
- Dividend payment reduced by the amount of advance payment (October 2025).

# 2025 targets

| | 2024 actuals | 1H25 actuals | 2025 |
|---|---|---|---|
| Sales from core business[1], PLN bn<br>including:<br>Offline<br>Online | 19.4<br><br>13.9<br>5.4 | 10.5<br><br>+19% YoY<br>+20% YoY | ca 23 – 24<br><br>ca +20 - 25% YoY<br>ca +20 - 25% YoY |
| Gross profit margin[1] | 55.2% | 54% | 53% - 54% |
| SG&A % sales[1] | 42.6% | 42% | 41% - 42% |
| EBITDA margin | 21.1% | 20% | 19% - 20% |
| Net margin | 9.0% | 8% | 7% - 8% |
| Capex (PLN bn) | 1.8 | 1.2 | 3.1 |
| Net debt/ EBITDA | 1.0 | 1.3 | ca 1.6 |

[1] For comparability, 2024 figures have been cleared for the impact of transactions with trade agents during the transition period.

# Key takeaways

**01** **Continued profit growth**

Another quarter with profit growth at every level: EBITDA, EBIT, net profit.

**02** **Strong sales in a challenging environment**

Growth in total YoY sales by +19% in CC, including growth in e-commerce +16% in CC.

**03** **Cost efficiency**

Improved SG&A/sales ratio by over 2 pp. YoY.

**04** **Business development in accordance with the plan**

Network expansion and financial results well on track to meet annual targets.

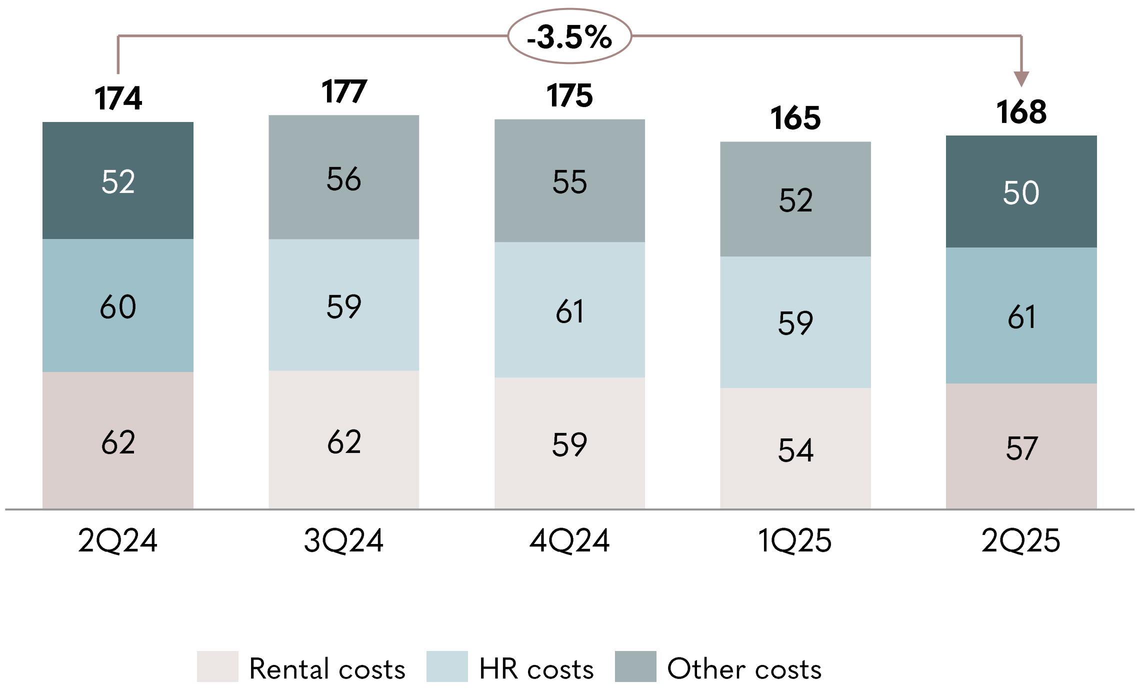
# 04 | Q&A

# 05

## Back-up

# Lower costs of own stores

## COST OF OWN STORES/ M²




- Lower YoY rental costs/$m^2$ → higher number of opened Sinsay brand stores at a lower rent.
- YoY growth in personnel costs/ $m^2$ → growth of minimum wage, remuneration review.
- YoY decline in other costs/$m^2$→ optimisation of energy consumption and third-party service costs.

# Financial results

| PLN m, IFRS16 | 1Q24 | 2Q24 | 3Q24 | 4Q24 | 1Q25 | 2Q25 | YoY |
|---|---|---|---|---|---|---|---|
| Revenues | 4,306 | 5,005 | 5,212 | 5,671 | 4,954 | 5,554 | 11.0% |
| Revenues[1] | 4,074 | 4,731 | 5,050 | 5,551 | 4,954 | 5,554 | 17.4% |
| *Gross profit margin* | *52.1%* | *52.5%* | *54.8%* | *52.7%* | *54.0%* | *54.0%* | *1.5pp.* |
| *Gross profit margin*[1] | *55.1%* | *55.6%* | *56.6%* | *53.9%* | *54.0%* | *54.0%* | *-1.6pp.* |
| SG&A costs | 1,823 | 2,009 | 2,096 | 2,331 | 2,179 | 2 230 | 11.0% |
| *SG&A % sales* | *42.3%* | *40.1%* | *40.2%* | *41.1%* | *44.0%* | *40.2%* | *0.1pp.* |
| *SG&A % sales*[1] | *44.7%* | *42.5%* | *41.5%* | *42.0%* | *44.0%* | *40.2%* | *-2.3pp.* |
| EBIT | 411 | 611 | 731 | 662 | 464 | 689 | 12.8% |
| *EBIT margin* | *9.5%* | *12.2%* | *14.0%* | *11.7%* | *9.4%* | *12.4%* | *0.2pp.* |
| *EBIT margin*[1] | *10.1%* | *12.9%* | *14.5%* | *11.9%* | *9.4%* | *12.4%* | *-0.5pp.* |
| Net profit | 277 | 443 | 577 | 450 | 332 | 467 | 5.4% |
| *Net margin* | *6.4%* | *8.9%* | *11.1%* | *7.9%* | *6.7%* | *8.4%* | *-0.4pp.* |
| *Net margin*[1] | *6.8%* | *9.4%* | *11.4%* | *8.1%* | *6.7%* | *8.4%* | *-1.0pp.* |
| EBITDA | 795 | 1,018 | 1,157 | 1,134 | 938 | 1,194 | 17.3% |
| *EBITDA margin* | *18.5%* | *20.3%* | *22.2%* | *20.0%* | *18.9%* | *21.5%* | *1.2pp.* |
| *EBITDA margin*[1] | *19.5%* | *21.5%* | *22.9%* | *20.4%* | *18.9%* | *21.5%* | *0.0pp.* |

[1] For comparability, 2024 figures have been cleared for the impact of transactions with trade agents during the transition period.

# Events affecting 2Q results

| PLN m | 2Q25 |
|---|---|
| **Other operating activity** | **-81** |
| Other operating income<br>*including:* | 355 |
| *due to fire* | *351* |
| Other operating costs<br>*including:* | 436 |
| *due to compensation* | *351* |
| *revaluation of receivables* | *30* |

| | |
|---|---|
| **Financial activity** | **-175** |
| Financial revenues<br>*including:* | -38 |
| *reversal of discount* | *-21* |
| Financial costs<br>*including:* | 137 |
| *discount* | *14* |

## WAREHOUSE FIRE IN ROMANIA

- The impact resulting from the fire of the logistics warehouses leased by LPP Logistics in Romania was recognised in other operating activity.
- The amount of PLN 351m was reported in other operating costs:
  - PLN 58m - write-down on fixed assets,
  - PLN 293m - losses in current assets.
- The same amount (PLN 351m) was recognised in other operating income as the provision for compensation from the insurer. Thus, the event had a neutral impact on 2Q results.
- In addition, under its Business Interruption policy, the Company expects compensation for lost profits and additional costs incurred.

## UPDATE OF THE BALANCE RECEIVABLES AFTER DISPOSAL OF RUSSIAN BUSINESS

- Extension of the time limit for repayment of receivables for goods recognised under other operating costs in the amount of PLN 30m until 2029.
- In connection with the aforementioned delay in payment for goods and driven by a prudent approach, the Company also assumes a delay in repayment of receivables for stores.
  Total impact recognised under financial activity in the amount of -PLN 35m:
  - -PLN 21m - reversal of discount in financial income,
  - PLN 14m - discount in financial costs.

# Receivables for sale of the Russian company in the balance sheet as at 31.07.2025

| Statement of financial position PLN m | 31.07.2025 |
|---|---|
| **Non-current assets** | **11,601** |
| 6. Long-term receivables | 733 |
| **Current assets** | **7,776** |
| 4. Short-term receivables | 431 |

**PLN 568 m** receivables for the goods sold (discounted amount).
The total amount recognised under long-term receivables.
Extension of the repayment period for receivables due by 2029.

**PLN 246m** receivables for the stores sold (discounted amount):

- PLN 165m - long-term receivables,
- PLN 81m - short-term receivables.

US$ 95m – the remaining amount payable under the contract.

# 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, Albania, Kosovo), 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. |
| **Revnues GK LPP** | Total revenues of LPP GROUP |
| **Omnichannel sales** | Total of offline, online sales (excl. other sales and sales to Trade agents). |
| **LFL sales** | Sales in traditional stores that have been in operation for the last 14 months. Calculations are performed according to the currencies in the countries of sale, i.e. in local currencies |
| **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/ $m^2$** | Quarterly revenues of segment or brand / average working total floorspace/ 3. |
| **Average monthly costs of own stores/ $m^2$** | 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)/ $m^2$** | Quarterly SG&A costs/ average working total floorspace excluding stores located in ME/ 3. |
| **Inventory/ $m^2$** | 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. |

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