

LPP

FACT SHEET 1Q19

LPP is a Polish clothing producer. Based in Gdańsk, the Company has more than 25 of years 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.

Apart from Poland, LPP's stores are located in 23 countries around the world, including highstreets of London, Berlin and Munich.

Revenues from Poland constitute around 51% 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 28.05.2019	# shares	%	# votes	%
Semper Simul Foundation	319,208	17.2%	1,019,208	31.5%
Sky Foundation	226,338	12.2%	926,338	28.6%
Treasury shares	18,006	1.0%	0	0.0%
Free-float	1,288,871	69.6%	1,288,871	39.8%
TOTAL	1,852,423		3,234,417	

Semper Simul Foundation is linked to the CEO Marek Piechocki, while Sky Foundation is linked to Chairman of the Supervisory Board, Jerzy Lubianiec.

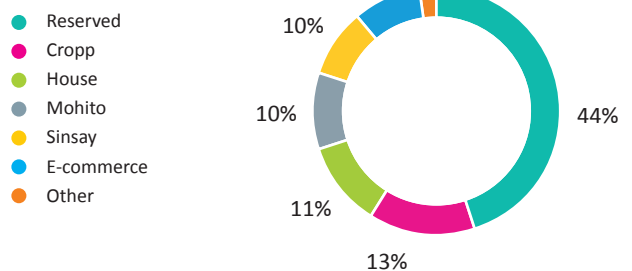
STOCK DATA

Price (31.03.2019)	8,325	EPS (2018)	275.53
Min (1Y)	7,535	DPS (2017)	60.00
Max (1Y)	9,890	Div yield (%)	0.8
Mkt Cap (PLN m)	15,421	Ticker	LPP
Free-float (PLN m)	10,730	Bloomberg	LPP PW
Book value (PLN m)	2,786	Reuters	LPPPWA

INVESTMENT THESIS

- Continued floorspace growth via new markets development.
- Dynamic e-commerce sales growth.
- Efficient business model with high operating leverage.
- Net cash allows for dividend payments.
- A socially responsible company.

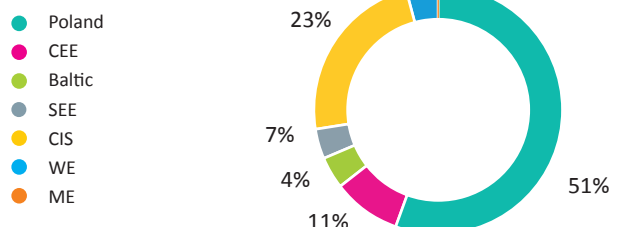
REVENUE SPLIT BY BRANDS 1Q19



SHARE PRICE PERFORMANCE



REVENUE SPLIT BY COUNTRIES 1Q19



RESERVED

CROPP

house

MOHITO

sinsay

NETWORK

	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18	1Q19	2016	2017	2018
NO. OF STORES												
Reserved	455	458	454	468	458	463	451	464	451	461	468	464
Cropp	376	386	373	381	377	382	362	373	365	379	381	373
House	321	338	324	333	332	335	326	332	320	330	333	332
Mohito	285	288	285	294	291	294	291	296	289	290	294	296
Sinsay	198	204	213	233	236	253	256	272	274	198	233	272
Tallinder	0	0	0	0	0	0	0	0	0	9	0	0
Outlets	36	36	34	34	34	29	28	28	25	36	34	28
TOTAL	1,671	1,710	1,683	1,743	1,728	1,756	1,714	1,765	1,724	1,703	1,743	1,765
FLOORSPACE (tho m²)												
Poland	485.3	492.1	490.5	514.0	511.5	518.0	507.2	529.5	513.9	496.6	514.0	529.5
Europe	212.8	216.9	224.1	232.8	235.0	254.9	261.8	279.4	287.4	209.5	232.8	279.4
CIS	208.2	216.5	218.7	247.3	247.8	254.7	259.0	275.4	277.1	207.0	247.3	275.4
ME	7.6	8.2	6.6	6.6	6.6	6.6	7.3	7.1	7.1	7.6	6.6	7.1
TOTAL	913.9	933.7	939.9	1,000.6	1,000.9	1,034.2	1,035.4	1,091.3	1,085.4	920.7	1,000.6	1,091.3

CONSOLIDATED INCOME STATEMENT

PLN m	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18	1Q19 IFRS16	2016	2017	2018
Revenues	1,362.3	1,705.4	1,812.8	2,148.9	1,580.4	2,049.7	2,043.9	2,372.7	1,827.7	6,019.0	7,029.4	8,046.8
COGS	741.7	734.5	924.1	901.9	867.5	825.3	1,000.6	952.1	1,034.7	3,085.2	3,302.3	3,645.5
Gross profit on sales	620.6	970.9	888.6	1,247.0	712.8	1,224.5	1,043.4	1,420.6	793.0	2,933.8	3,727.1	4,401.3
SG&A costs	719.2	743.8	775.0	861.9	820.5	891.6	898.8	921.3	874.0	2,608.8	3,099.9	3,532.2
Other operating activity	-10.4	-19.5	-10.5	-8.4	-10.1	-21.1	-15.4	-66.0	-19.1	-98.6	-48.7	-112.5
EBIT	-109.0	207.6	103.1	376.7	-117.7	311.8	129.2	433.3	-100.2	226.4	578.4	756.6
Net financials	-2.5	1.4	11.2	-24.9	14.5	-15.5	-19.2	-12.7	-16.6	-32.3	-14.8	-32.9
Pre-tax profit	-111.5	209.0	114.3	351.9	-103.2	296.3	110.0	420.6	-116.9	194.1	563.7	723.7
Tax	5.5	35.8	29.3	52.3	1.6	90.2	18.4	108.3	-2.3	19.3	122.9	218.5
Minorities	0.0	-0.1	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	0.0
Net income	-117.0	173.3	85.1	299.5	-104.8	206.1	91.6	312.3	-114.6	174.8	440.9	505.2
EBITDA	-35.2	281.2	175.5	450.3	-33.3	397.4	217.4	524.2	132.2	493.8	871.9	1,105.7

EFFICIENCY

	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18	1Q19	2016	2017	2018
Sales / m ² per month	499	622	648	741	532	674	663	751	567	575	628	662
Gross profit on sales / m ² per month	227	354	318	430	240	403	338	445	238	280	332	358
Costs of own stores / m ² per month (IAS17)	214	211	214	216	212	212	207	207	201	200	214	207
SG&A costs / m ² per month (IAS17)	266	271	280	300	279	297	295	292	277	251	280	291
Gross profit margin	45.6%	56.9%	49.0%	58.0%	45.1%	59.7%	51.0%	59.9%	43.4%	48.7%	53.0%	54.7%
EBITDA margin	-2.6%	16.5%	9.7%	21.0%	-2.1%	19.4%	10.6%	22.1%	7.2%	8.2%	12.4%	13.7%
EBIT margin	-8.0%	12.2%	5.7%	17.5%	-7.4%	15.2%	6.3%	18.3%	-5.5%	3.8%	8.2%	9.4%
Net margin	-8.6%	10.2%	4.7%	13.9%	-6.6%	10.1%	4.5%	13.2%	-6.3%	2.9%	6.3%	6.3%
ROE (4Q)	6.2%	10.2%	14.2%	20.3%	20.8%	21.3%	20.8%	19.0%	19.3%	8.7%	19.3%	19.0%

CONSOLIDATED BALANCE SHEET

PLN m	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18	1Q19 IFRS16	2016	2017	2018
Non-current assets	1,874.6	1,886.1	1,952.1	2,041.4	2,043.8	2,128.6	2,238.1	2,417.8	5,320.5	1,838.7	2,041.4	2,417.8
Fixed assets	1,338.0	1,346.1	1,397.5	1,478.2	1,480.1	1,558.5	1,648.3	1,818.3	1,861.9	1,291.3	1,478.2	1,818.3
Right of use assets (IFRS16)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2,889.0	0.0	0.0	0.0
Intangibles (incl. goodwill)	334.2	339.3	344.2	351.2	354.7	359.1	368.1	376.7	384.6	330.6	351.2	376.7
Current assets	1,855.9	2,146.3	2,205.0	2,289.5	2,163.8	2,609.1	2,929.8	2,963.1	2,750.2	1,839.3	2,289.5	2,963.1
Inventory	1,251.4	1,481.6	1,638.7	1,475.2	1,402.9	1,490.5	1,587.1	1,590.4	1,370.0	1,164.1	1,475.2	1,590.4
Trade receivables	154.8	134.8	181.5	199.6	175.2	169.6	207.3	156.3	177.1	165.4	199.6	156.3
Cash and equivalents	280.4	434.9	256.4	514.8	440.9	651.5	851.2	1,045.0	991.8	365.8	514.8	1,045.0
Total assets	3,730.5	4,032.4	4,157.1	4,330.8	4,207.7	4,737.7	5,167.8	5,380.8	8,070.7	3,677.9	4,330.8	5,380.8
Equity	2,016.4	2,063.3	2,184.0	2,443.4	2,340.4	2,504.4	2,555.3	2,786.0	2,786.0	2,134.7	2,443.4	2,860.5
Long-term liabilities	305.0	316.2	307.5	324.4	317.9	322.4	315.3	346.1	2,618.8	267.3	324.4	346.1
Interest bearing debt	181.8	168.5	155.2	141.8	128.5	115.2	101.9	88.6	75.2	195.0	141.8	88.6
Financial leases (IFRS16)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2,432.1	0.0	0.0	0.0
Provisions	0.0	3.0	3.3	0.8	0.8	0.8	0.8	1.0	1.0	2.7	0.8	1.0
Other long-term liabilities	123.2	144.6	149.0	181.8	188.6	206.4	212.6	256.6	110.4	69.5	181.8	256.6
Short-term liabilities	1,409.1	1,652.9	1,665.6	1,563.0	1,549.3	1,911.0	2,297.2	2,174.1	2,665.9	1,275.9	1,563.0	2,174.1
Interest bearing debt	446.2	255.4	112.1	56.5	91.2	172.7	224.1	203.2	322.7	315.1	56.5	203.2
Financial leases (IFRS16)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	586.5	0.0	0.0	0.0
Trade liabilities	881.9	1,216.5	1,417.3	1,325.3	1,296.3	1,410.6	1,776.8	1,557.4	1,566.6	881.1	1,325.3	1,557.4
Provisions	29.7	36.8	36.3	53.5	47.2	124.9	146.9	234.4	78.9	38.2	53.5	107.1
Other short-term liabilities	51.3	144.2	100.0	127.7	114.7	202.8	149.3	179.1	111.2	41.6	127.7	306.4
Total liabilities	3,730.5	4,032.4	4,157.1	4,330.8	4,207.7	4,737.7	5,167.8	5,380.8	8,070.7	3,677.9	4,330.8	5,380.8

INDEBTEDNESS

PLN m	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18	1Q19 IAS17	2016	2017	2018
Net debt	347.6	-11.0	10.8	-316.5	-221.1	-363.6	-525.1	-753.2	-593.9	144.4	-316.5	-753.2
Cash	280.4	434.9	256.4	514.8	440.9	651.5	851.2	1,045.0	991.8	365.8	514.8	1,045.0
Debt	628.0	423.9	267.2	198.3	219.7	287.9	326.0	291.8	397.9	510.1	198.3	291.8
Net debt/EBITDA (4 quarters)	0.8	0.0	0.0	-0.4	-0.3	-0.4	-0.5	-0.7	-0.5	0.3	-0.4	-0.7

TURNOVER RATIOS

	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18	1Q19	2016	2017	2018
Cash cycle (days)	50	47	32	27	23	18	3	-1	0	61	33	17
Receivables (days)	11	8	8	8	10	8	8	7	7	9	9	8
Inventory (days)	147	167	152	155	149	158	138	150	129	147	146	153
Liabilities (days)	107	129	128	137	136	148	143	158	136	95	122	144

CONSOLIDATED CASH FLOW

PLN m	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18	1Q19 IFRS16	2016	2017	2018
Operating CF	-93.4	442.4	129.3	414.9	51.0	420.3	429.8	310.9	121.9	718.2	893.2	1,212.0
D&A	73.8	73.7	72.5	73.5	84.4	85.6	88.2	90.9	232.4	267.4	293.4	349.2
Investing CF	-106.3	-80.7	-105.6	-91.3	-146.0	-281.3	-192.3	-84.8	-123.7	-181.4	-383.9	