



**CCC**  
SHOES & BAGS

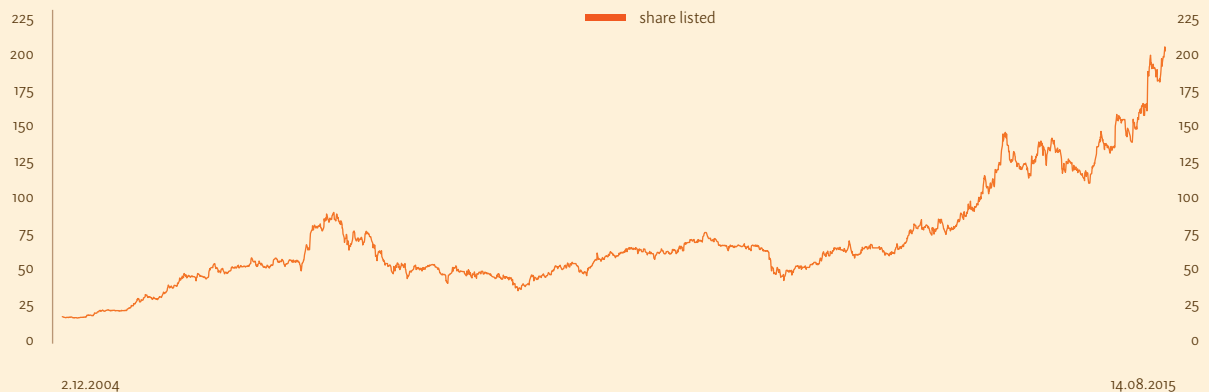


Strategy of dynamic foreign expansion is being continued throughout 2015. The base of growth remains CEE region – Poland, Czech Republic, Slovakia and Hungary. Outside of CEE, significant investments are conducted in Western Europe's markets – Germany and Austria.

The first half of 2015 at CCC brought good sales and comparable to last year's operating results.

2015 marks the last year of introducing a three year strategy of foreign expansion announced back in August 2012. Since then, the company has proven that it's international ambitions are realistic and well-grounded. The strategy is to be continued in 2016-2017, while the main base of growth in Europe is to remain in CEE, SE and Baltic regions.

## CCC S.A. – stock listed since 2004



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Ipopema Securities	Żaneta Marzec <a href="mailto:zaneta.marzec@ipopema.pl">zaneta.marzec@ipopema.pl</a>
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## Stock info

Share price = 188,95 PLN

Reuters: CCCC.WA

Bloomberg: CCC PW

[www.ccc.eu](http://www.ccc.eu)

## Market Cap:

(PLNm) 7 256

(EURm) 1 730

Number of shares

38.400.000

Free float

49,6%





## CCC Group – growth &amp; value delivered

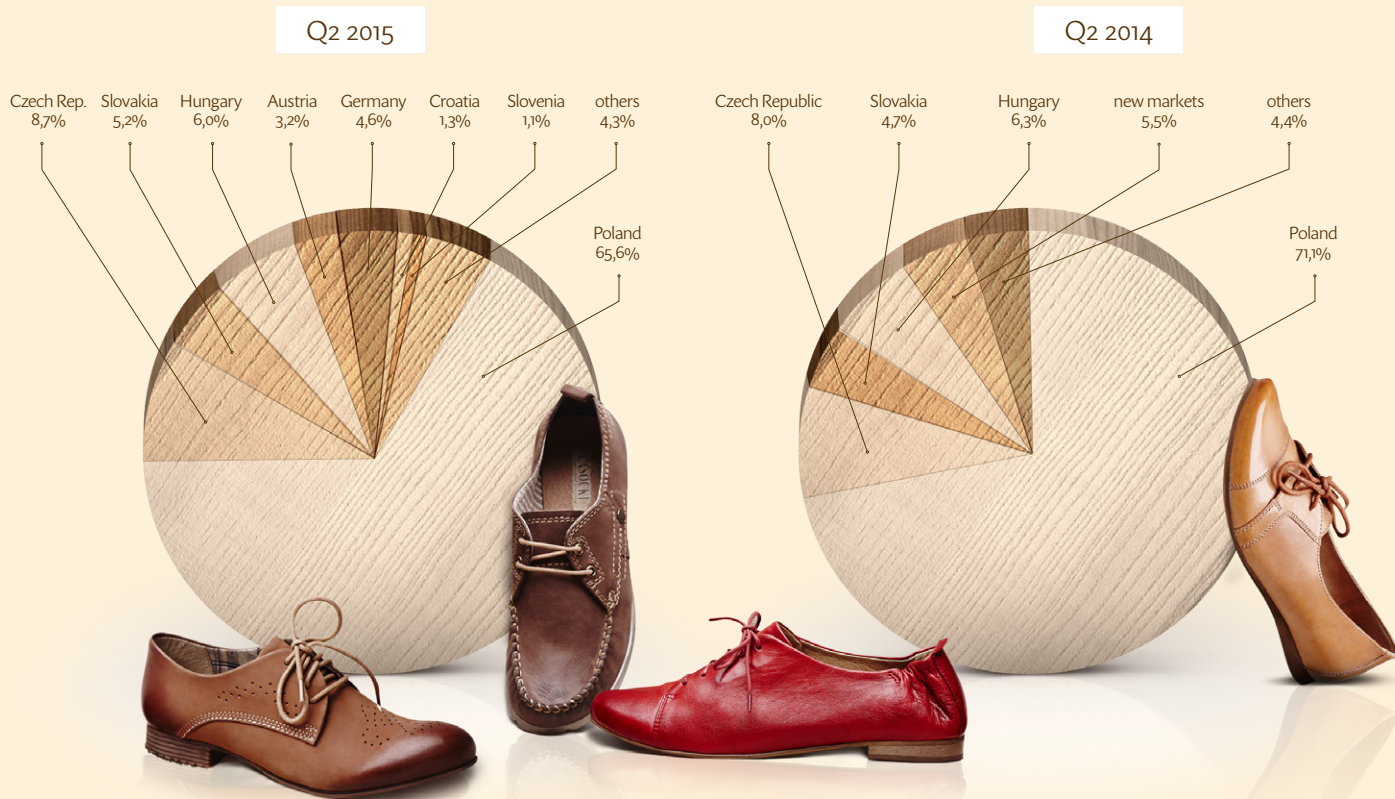
<b>Total number of outlets</b>	<b>735</b>
<b>Own and agency</b>	<b>676</b>
Poland	426
Czech Republic	78
Slovakia	31
Hungary	57
Austria	24
Croatia	9
Turkey	3
Germany	35
Slovenia	8
Bulgaria	5
<b>Franchise</b>	<b>59</b>
Poland	6
Romania	36
Russia	5
Latvia	6
Kazakhstan	2
Ukraine	4



## Structure of sales by countries [PLN] - H1

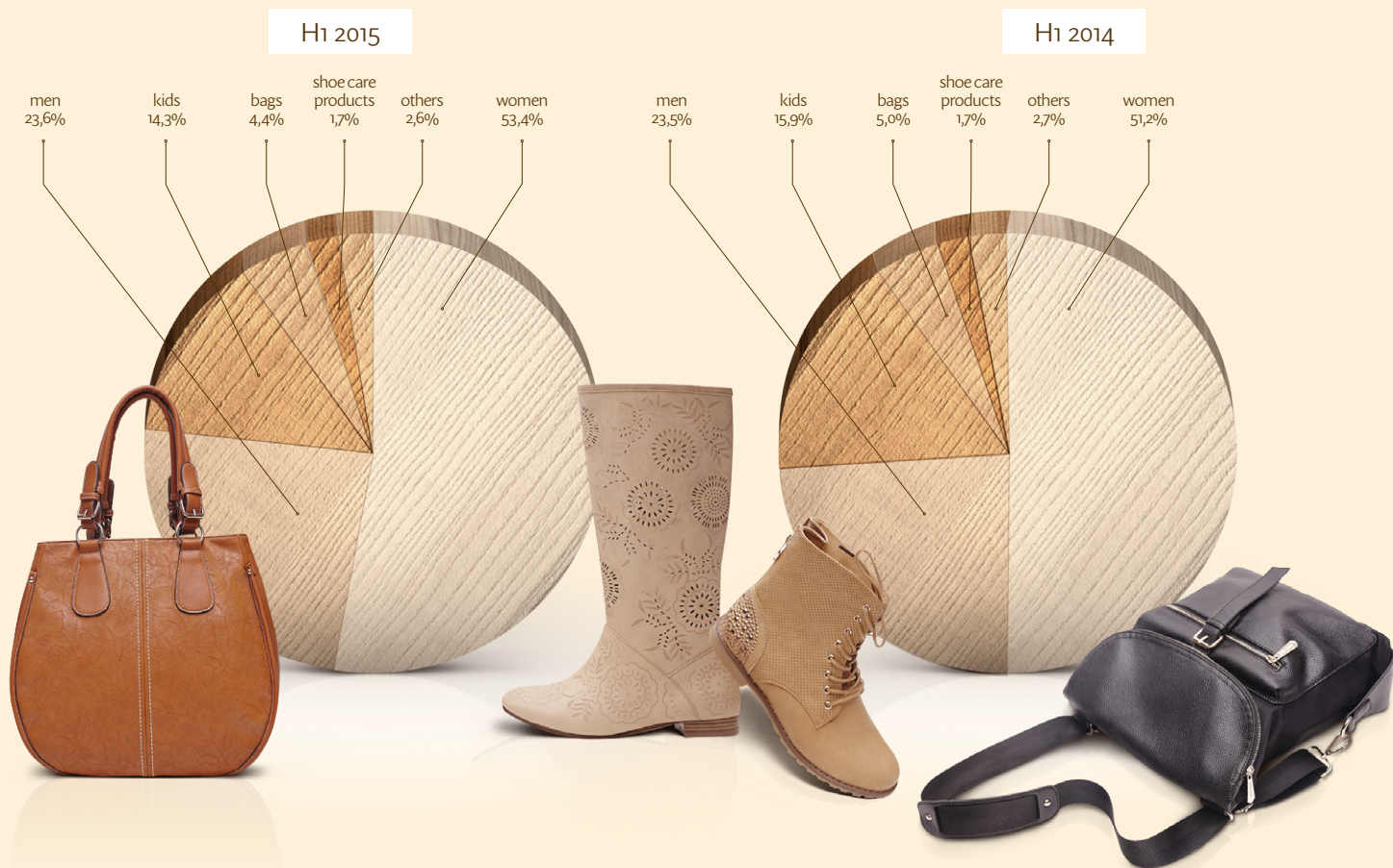


## Structure of sales by countries [PLN] – Q2



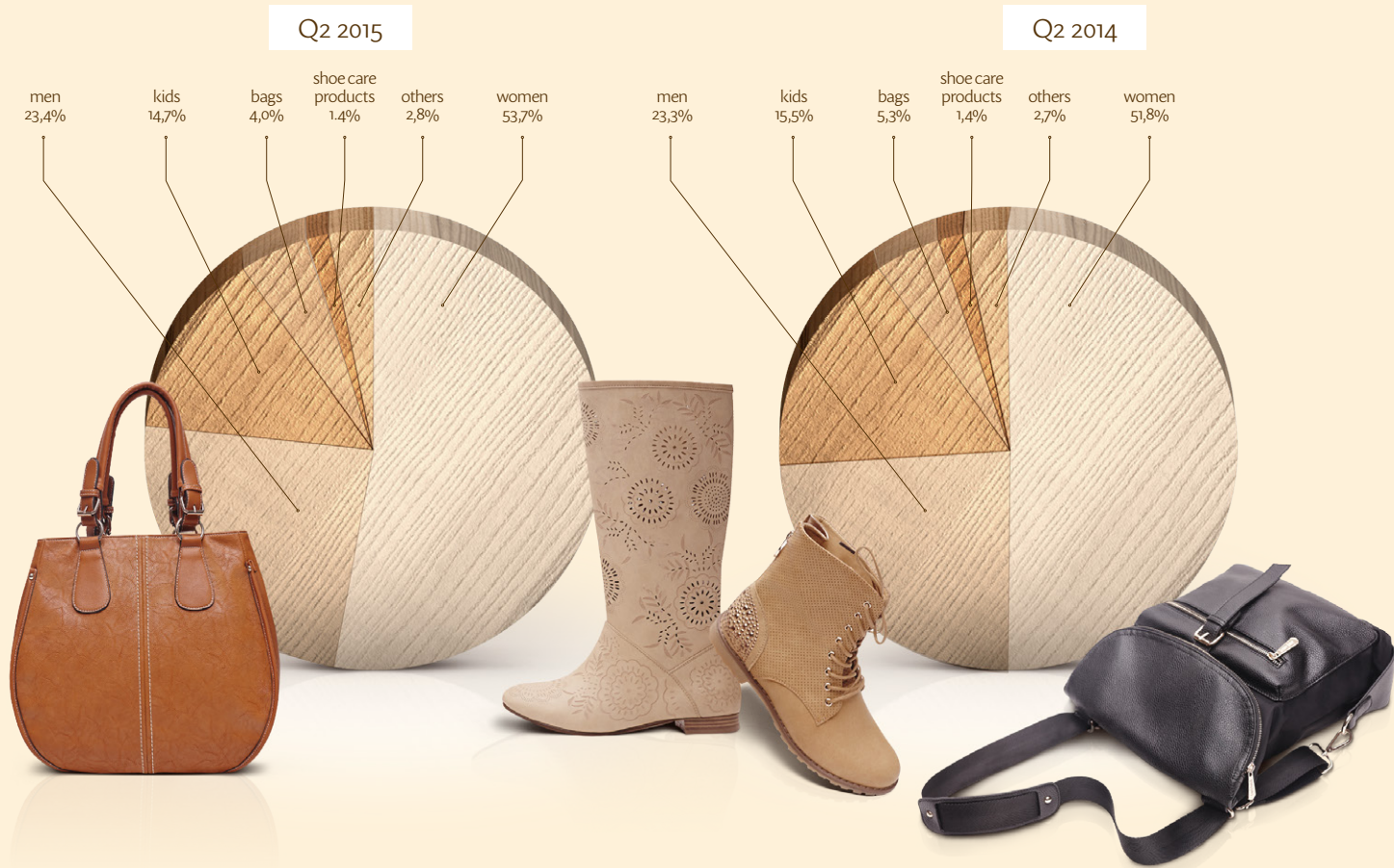


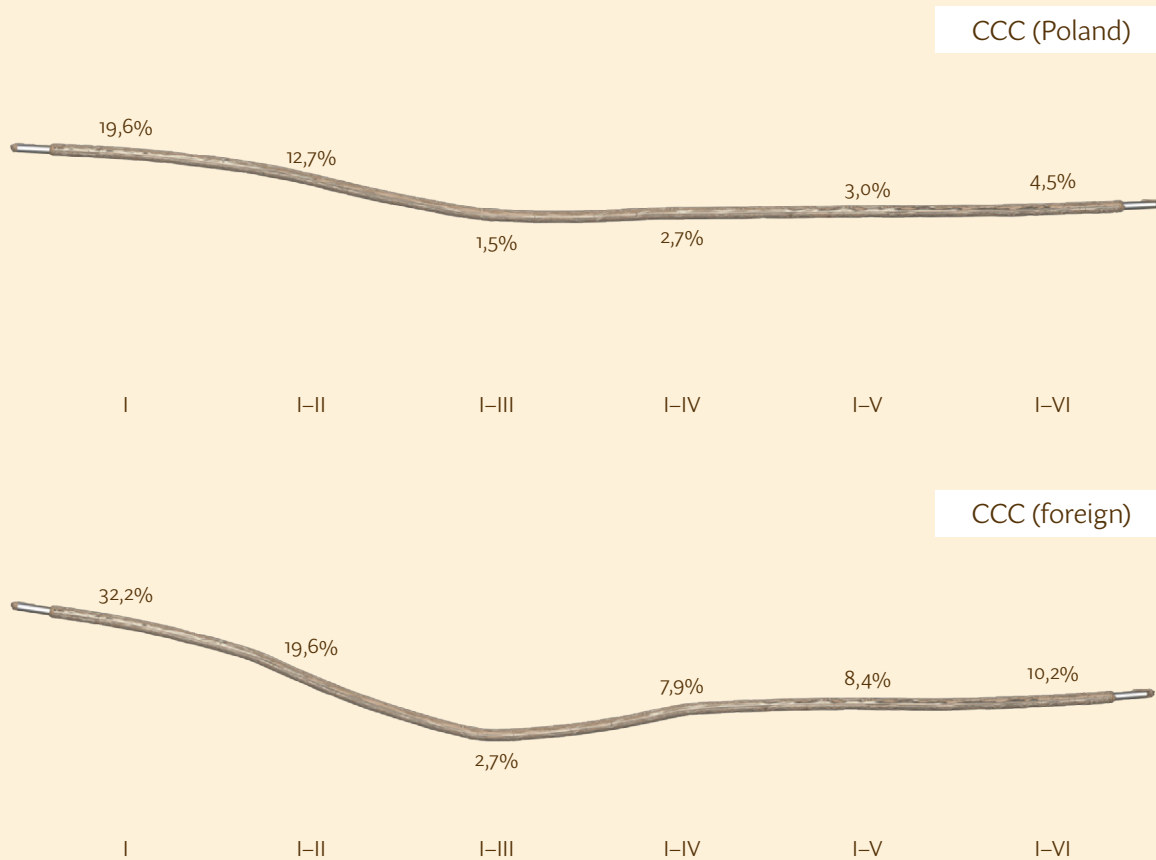
## Structure of sales by products (value) – H1





## Structure of sales by products (value) – Q2







	H1 2014 '000 PLN	H1 2015 '000 PLN	change % 2015/2014
Revenue	<b>855 890</b>	<b>1 039 947</b>	<b>21,5%</b>
Gross Profit on Sale	474 492	541 443	14,1%
Gross Profit on Sale Margin	55,40%	52,10%	-3,3 pp.
Selling Costs	-355 339	-405 754	14,2%
General & Administrative Costs	-17 220	-31 965	85,6%
EBIT	92 208	105 904	14,9%
EBIT Margin	10,80%	10,20%	-0,6 pp.
Financial Costs	-9 047	-13 728	51,7%
Gross Profit	84 703	92 856	9,6%
<b>Net Profit</b>	<b>70 173</b>	<b>111 541</b>	<b>59,0%</b>
Net Profit Margin	8,20%	10,70%	2,5 pp.

## Financial results – Q2 2015



	Q2 2014 '000 PLN	Q2 2015 '000 PLN	change % 2015/2014
Revenue	496 951	608 034	22,4%
Gross Profit on Sale	287 178	318 476	10,9%
Gross Profit on Sale Margin	57,80%	52,40%	-5,4 pp.
Selling Costs	-187 700	-212 038	13,0%
General & Administrative Costs	-8 226	-20 088	144,2%
EBIT	87 173	95 525	9,6%
EBIT Margin	17,50%	15,70%	-1,8 pp.
Financial Costs	-4 993	-3 945	-21,0%
Gross Profit	82 491	91 934	11,4%
<b>Net Profit</b>	<b>69 757</b>	<b>105 132</b>	<b>50,7%</b>
Net Profit Margin	14,00%	17,30%	3,3 pp.



## Consolidated Cash Flow Statement – H1 2015



	H1 2014 '000 PLN	H1 2015 '000 PLN
<b>net operating CF:</b>	<b>-142 805</b>	<b>17 554</b>
– changes in inventory	-219 469	-7 419
– changes in receivables	-19 876	22 543
– changes in short term liabilities	-14 813	-92 891
<b>net investment CF:</b>	<b>-52 485</b>	<b>-44 649</b>
Income	9 614	12 258
Expenses	-62 099	-56 907
<b>net financial CF:</b>	<b>475 827</b>	<b>1 748</b>
Income	486 218	135 827
Expenses	-10 391	-134 079
<b>Total Cash Flow</b>	<b>280 537</b>	<b>-25 347</b>
cash at the beginning of the period	143 736	161 906
cash at the end of the period	424 273	136 559

\* excluding loans, credits and bonds

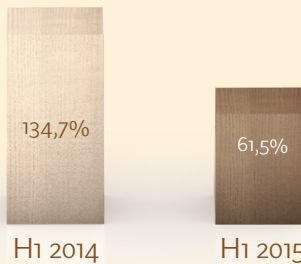
	H1 2014 '000 PLN	H1 2015 '000 PLN
Fixed assets	466 464	863 352
Current assets, including:	1 204 522	941 154
– inventory	682 476	748 706
– cash and cash equivalents	424 273	136 559
<b>Total assets</b>	<b>1 670 986</b>	<b>1 804 506</b>
Equity capital	601 993	955 901
Long-term liabilities, including:	278 136	251 602
– long-term bank loans and credits	244 000	213 000
Short-term liabilities, including:	790 857	597 003
– short-term bank loans and credits	567 027	375 237
<b>Total liabilities</b>	<b>1 670 986</b>	<b>1 804 506</b>



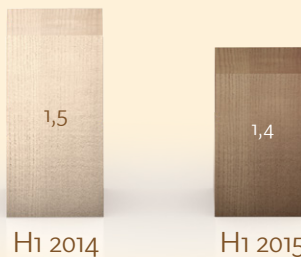
## CCC Group – unleveraged retailer

**Financial  
Indebtedness (%)**

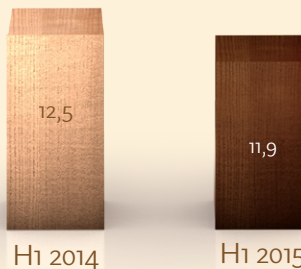
(liabilities: credits, loans, leasing) /  
equity

**Net debt / EBITDA**

(liabilities: credits, loans, leasing – cash) /  
EBITDA

**Gross Profit  
Interest Cover**

(gross profit + interest on credits, loans and leasing) /  
(interest on credits, loans and leasing)



**CCC strategy – set of unique competencies  
building competitive advantages  
on the European footwear retail market**

- Fast Fashion  
Providing CCC customers with thousands of different models during one season. Short product lines, variety of colours and styles guarantee high number of visitors and frequency of purchases.
- Price to Quality Ratio  
CCC price offer is very attractive, both for leather and synthetic shoes.
- Own brands  
CCC sells only own brands produced either in Poland or outsourced in Far East in order to control fully the production process, quality, logistics, margins, pricing and marketing policy.
- Key resources:
  - logistics – state-of-the-art warehouse and distribution facilities
  - production in Poland and abroad;
  - strong balance sheet;
  - know-how in design and collection, retail management, marketing and HR.







**The strategic goal for the years 2013-2015 is to become the market leader in the CEE countries.**

- Until the end of 2015 CCC intends to become the market leader in Czech Republic, Slovakia and Hungary while strengthening its unique leader position in Poland.
- Apart from the CEE countries, in 2015 CCC is actively developing its presence in Slovenia, Croatia, Romania and Bulgaria.
- CCC dynamic expansion in 2013-2015 will double the total floorspace (net increase by 200,000 sq.m).

**CCC intends to rapidly increase the scale of the business while maintaining high profitability accompanied by high ROE.**

- It is to remain a priority to acquire new localisations based on optimal sales margins and return rate.
- In 2015 the EBIT Margin is estimated at around 12, while Net Profit Margin at around 10%
- ROE is expected to remain around 30%

### Expansion focused investments

- In 2015 total CAPEX on new retail outlets is expected to reach level of around 150M PLN.
- Logistics CAPEX (new sorter) will not exceed 20M PLN.
- Net debt/EBITDA ratio at the end of 2015 not to exceed 2,0.



**In 2015 CCC Group is concentrating its efforts on intense development in Poland, Czech Republic, Slovakia, Hungary, Romania, Slovenia and Croatia. Strong expansion plans are also introduced in Germany and Austria.**

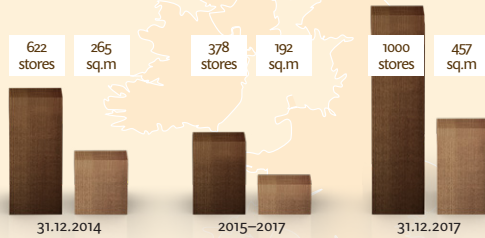
- Countries not currently considered as strategic development targets include Turkey, Russia and Ukraine. However, it doesn't mean that these countries cannot be targeted in long term plans.
- During first half of 2015, 5 new retail outlets have been opened in Bulgaria.
- In the years 2013-2015 total floorspace will grow by at least 200,000 sq.m:
  - 2013 – 42,3 thousand sq.m
  - 2014 – 61,4 thousand sq.m
  - 2015 – around 90 thousand sq.m (ca. 30% increase)
- Management Board expects revenue growth to exceed 30% in 2015



# Expansion strategy 2015-2017

## CEE, SEE

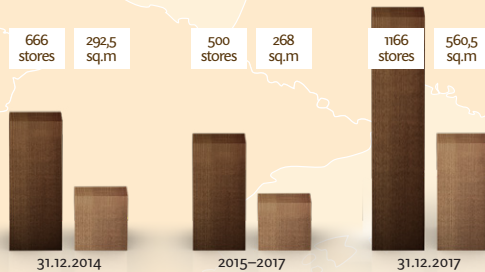
Baltic countries



## Germany & Austria

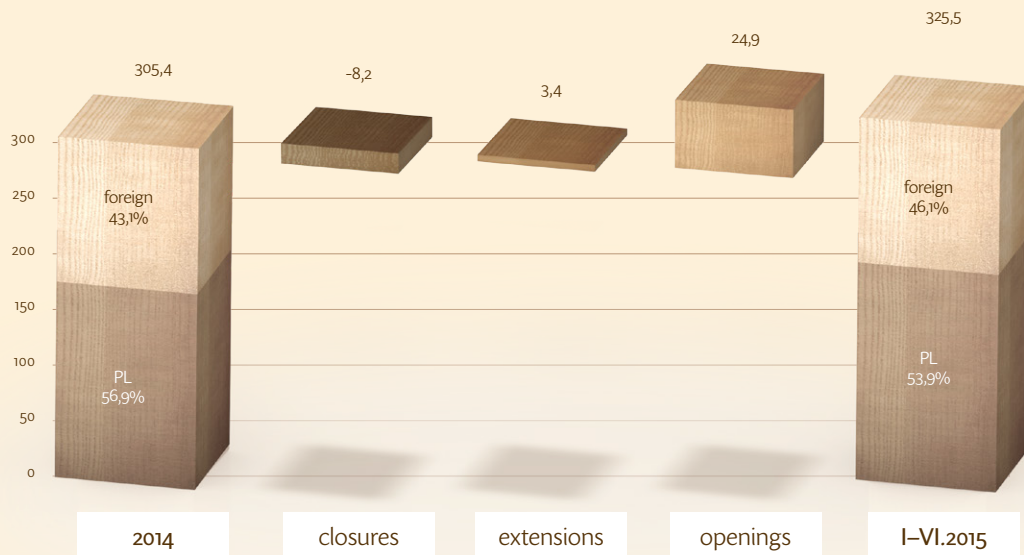


## Total

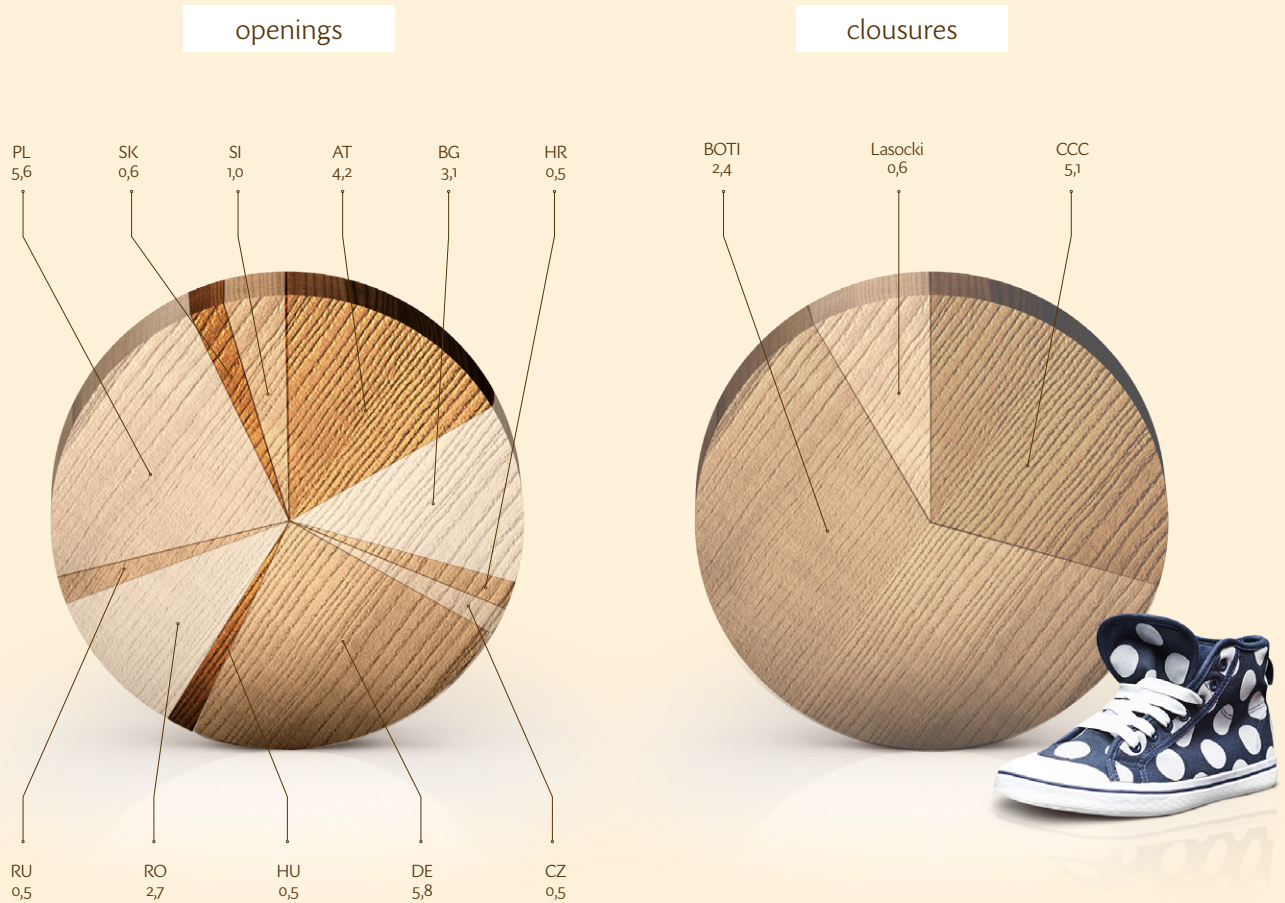




## Increase of floor space – components [’000 sq.m]



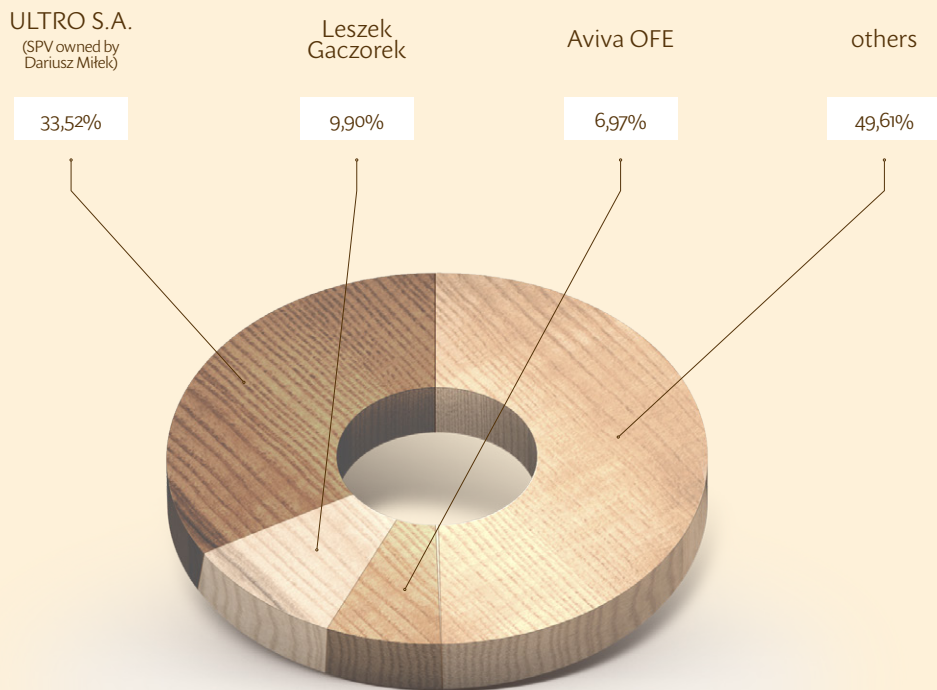
## Increase of floorspace – components [‘000 sq.m]



## CCC Group – owned and franchise stores

		2010		2011		2012		2013		2014		H1 2015	
Chain	Type	sq.m	number	sq.m	number	sq.m	number	sq.m	number	sq.m	number	sq.m	number
CCC	owned	90 738	273	100 929	293	120 722	339	129 858	342	152 602	366	157 474	366
	agency	—	—	—	—	11 546	36	12 102	37	14 344	39	14 240	38
	Czech Republic	14 282	45	16 470	52	20 996	62	26 947	73	32 309	79	32 428	78
	Slovakia	—	—	—	—	5 290	12	10 646	25	13 866	30	14 416	31
	Hungary	—	—	—	—	6 028	15	23 456	50	27 689	57	28 127	57
	Austria	—	—	—	—	—	—	2 816	6	9 184	17	13 335	24
	Slovenia	—	—	—	—	—	—	924	2	3 646	6	4 603	8
	Croatia	—	—	—	—	—	—	1 651	3	4 436	8	4 907	9
	Turkey	—	—	—	—	—	—	1 165	2	1 805	3	1 805	3
	Germany	—	—	—	—	—	—	2 272	4	18 380	27	24 186	35
	Bulgaria	—	—	—	—	—	—	—	—	—	—	3 138	5
	Russia	—	—	1 994	5	1 828	5	2 178	6	1 781	5	1 978	5
	Kazakhstan/Ukraine	—	—	—	—	685	2	1 587	4	2 288	6	2 288	6
	Romania	—	—	—	—	2 074	5	7 869	19	13 454	31	16 118	36
	Latvia	—	—	—	—	1 430	3	2 212	5	2 622	6	2 622	6
Poland	14 224	61	13 389	49	1 586	8	1 586	8	—	—	—	—	
CCC TOTAL		119 244	379	132 781	399	172 186	487	227 269	586	298 406	680	321 665	707
BOTI	owned	27 447	213	29 091	216	19 709	146	9 820	72	4 984	34	2 652	19
	franchise	6 912	62	7 272	62	5 086	42	4 325	34	877	7	770	6
	BOTI TOTAL		34 359	275	36 363	278	24 795	188	14 145	106	5 861	41	3 422
QUAZI/ LASOCKI	Quazi	6 854	49	5 031	37	587	4	—	—	—	—	—	—
	Lasocki	—	—	—	—	4 022	30	2 504	20	1 052	8	433	3
	QUAZI/LASOCKI TOTAL		6 854	49	5 031	37	4 608	34	2 504	20	1 052	8	433
<b>TOTAL</b>		<b>160 457</b>	<b>703</b>	<b>174 175</b>	<b>714</b>	<b>201 589</b>	<b>709</b>	<b>243 918</b>	<b>712</b>	<b>305 319</b>	<b>729</b>	<b>325 520</b>	<b>735</b>

## Shareholders structure (votes)



CCC S.A. has been listed on the Warsaw Stock Exchange since 2004.

The main shareholder and founder of CCC Group is the President of Management Board Mr Dariusz Miłek

Number of shares:

38 400 000



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