

**CCC**  
SHOES & BAGS

*Go for more*

# CCC INVESTOR DAY

18-19.09.2018

STRATEGIC UPDATE

 eobuwie.pl

**VÖGELE | SHOES**

**DeeZee**  
GIRLS DO IT BETTER

# A STATEMENT

This presentation ("Presentation") was prepared by CCC S.A. with its registered office in Polkowice ("CCC"). Its purpose is to present selected data concerning the CCC Capital Group ("CCC Group"). The presentation is for information purposes only and does not constitute a complete analysis of the financial situation of the CCC Group. The data contained in the Presentation are valid as at the date of its preparation, so the Presentation will not be subject to change, update or modification in order to present changes occurring after that date.

The Presentation should not be treated as investment advice, recommendation, offer to buy or sell any securities or financial instruments or participation in any commercial undertaking of the CCC Group.

The Presentation was prepared with due diligence, however, CCC does not guarantee the accuracy and completeness of the information contained therein, in particular in the event that the materials on which it was based turn out to be incomplete or do not fully reflect the actual state of affairs. The CCC recommends that any person intending to make an investment decision regarding any financial instruments of the CCC Group should rely on the information disclosed in official reports of the CCC Group prepared and published in accordance with the applicable laws, which are a reliable source of data concerning the CCC Group.

CCC and members of its bodies, as well as employees and associates and advisors participating in the preparation of the Presentation or any entity of the CCC Group are not responsible for the consequences of decisions taken on the basis of or based on the information contained in the Presentation or resulting from its content or for its any use. Moreover, the Presentation does not constitute any statement of any of the above mentioned persons.

The Presentation and descriptions contained therein may contain forward-looking statements, including statements regarding expected financial results, but they cannot be treated as forecasts of financial results. The forward-looking statements contained in the Presentation are burdened with a number of known and unknown risks, uncertainties and other factors (also beyond the control of CCC), which may cause that the actual results, level of activity or achievements of the CCC Group and CCC may significantly differ from the statements indicated in the Presentation, including the expected financial results described in the Presentation.



# AGENDA

The retail revolution  
Expansion trends  
New target groups  
Innovations  
Eobuwie  
A vision for 2020

**CCC**  
SHOES & BAGS



photo by  
ccc

# The retail revolution

## OFFLINE STORES



## OMNICHANNEL

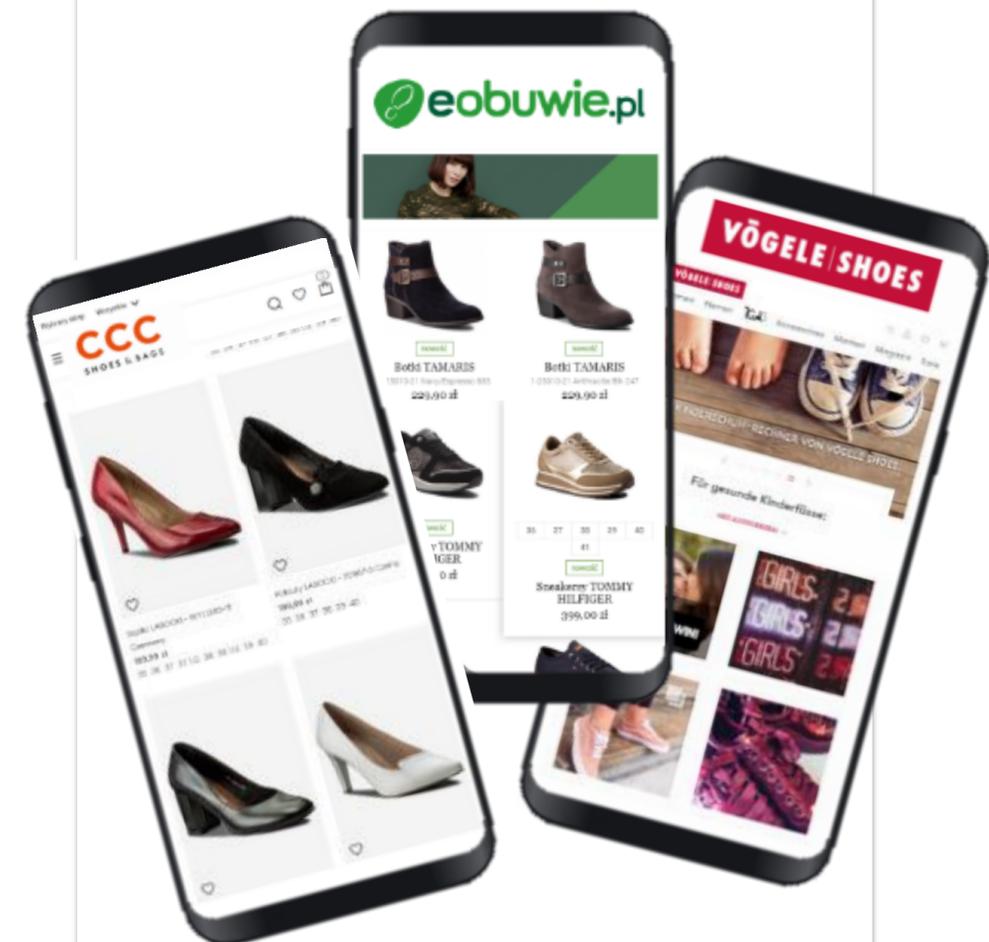


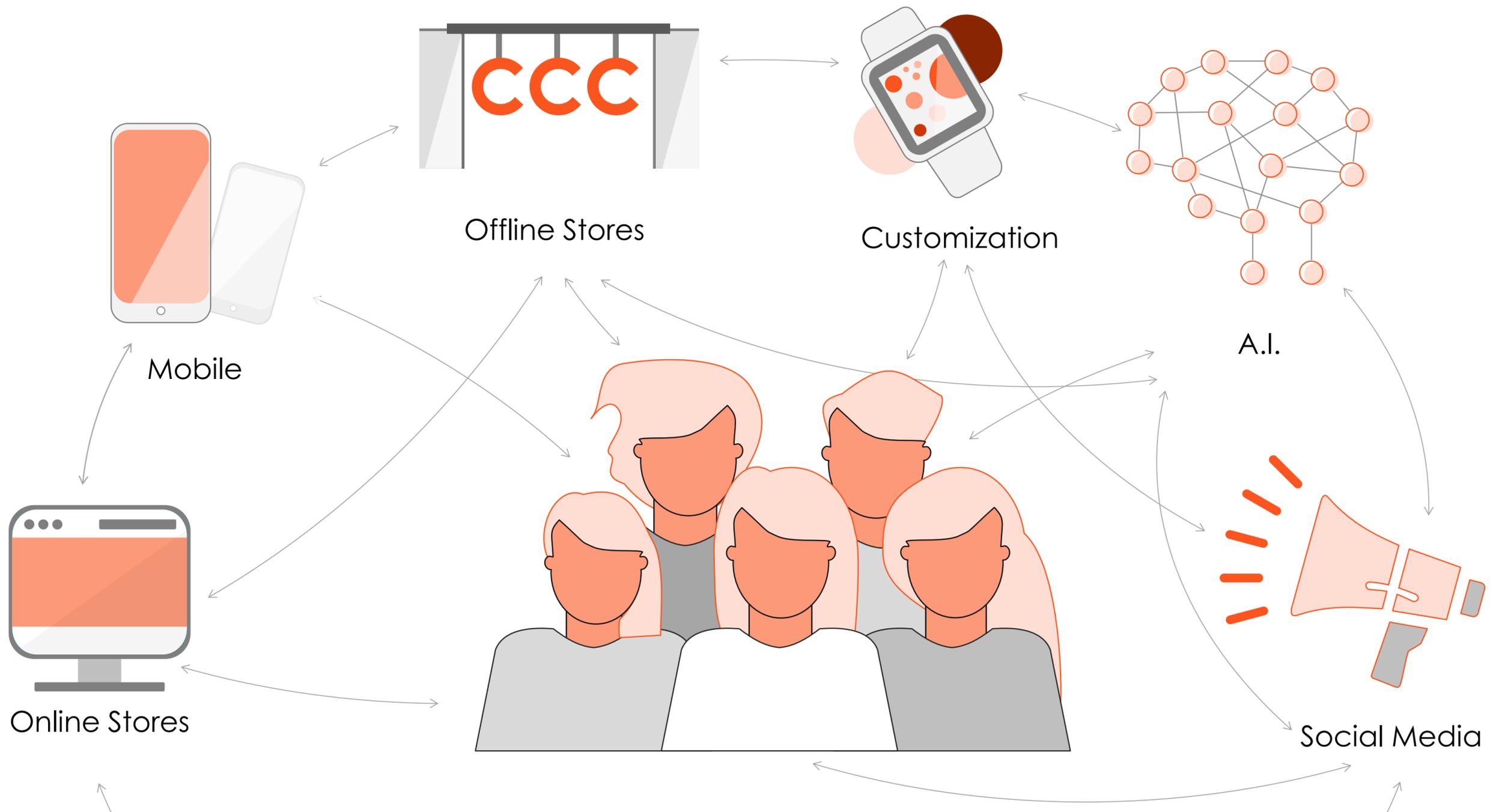
**RESERVE  
&  
COLLECT**



**ZAMÓW ONLINE | ODBIERZ W SKLEPIE**

## ONLINE STORES





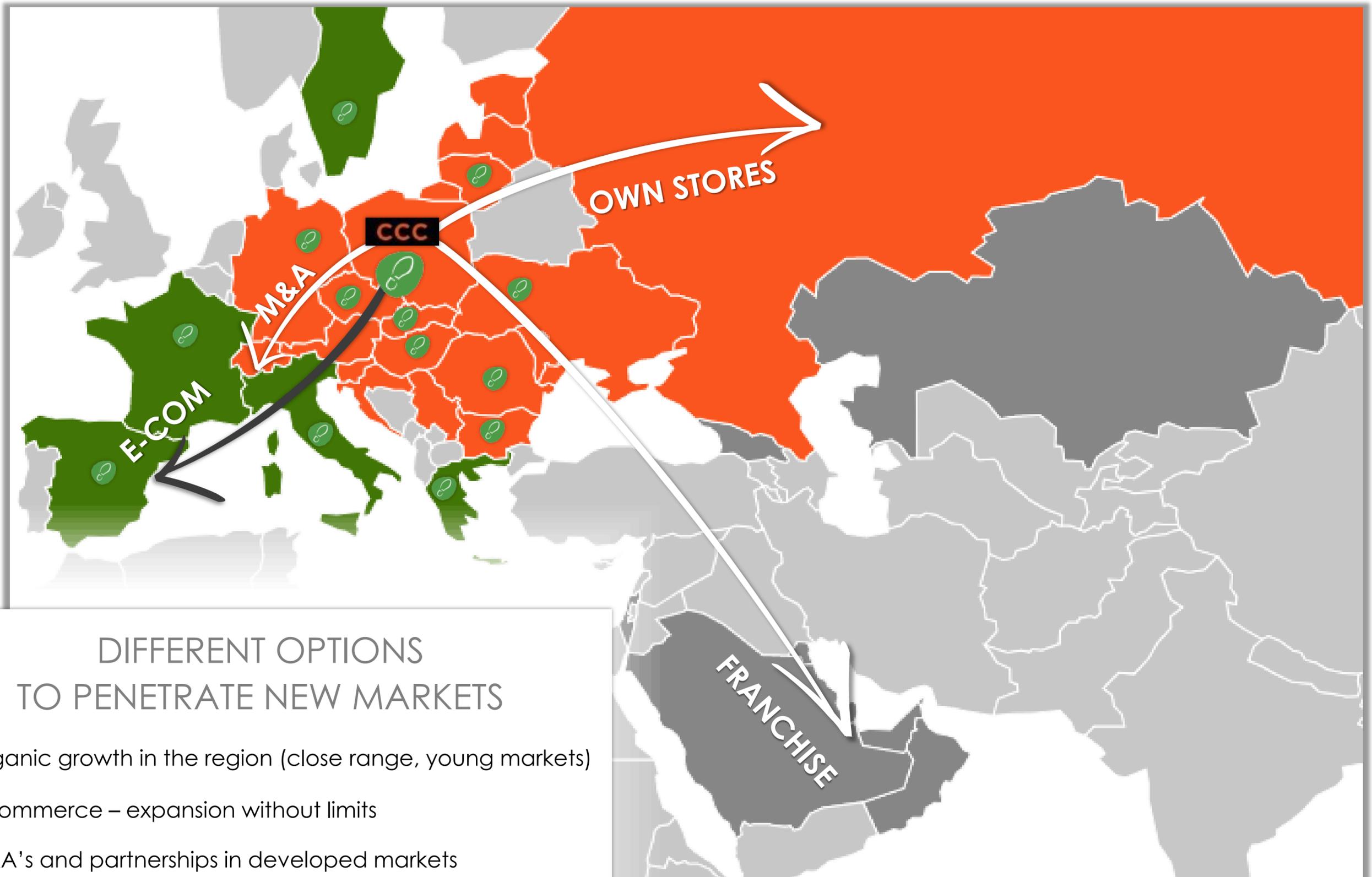
During the next **5-10 years** more will change in retail than during the last **100 years**

**CCC**  
SHOES & BAGS



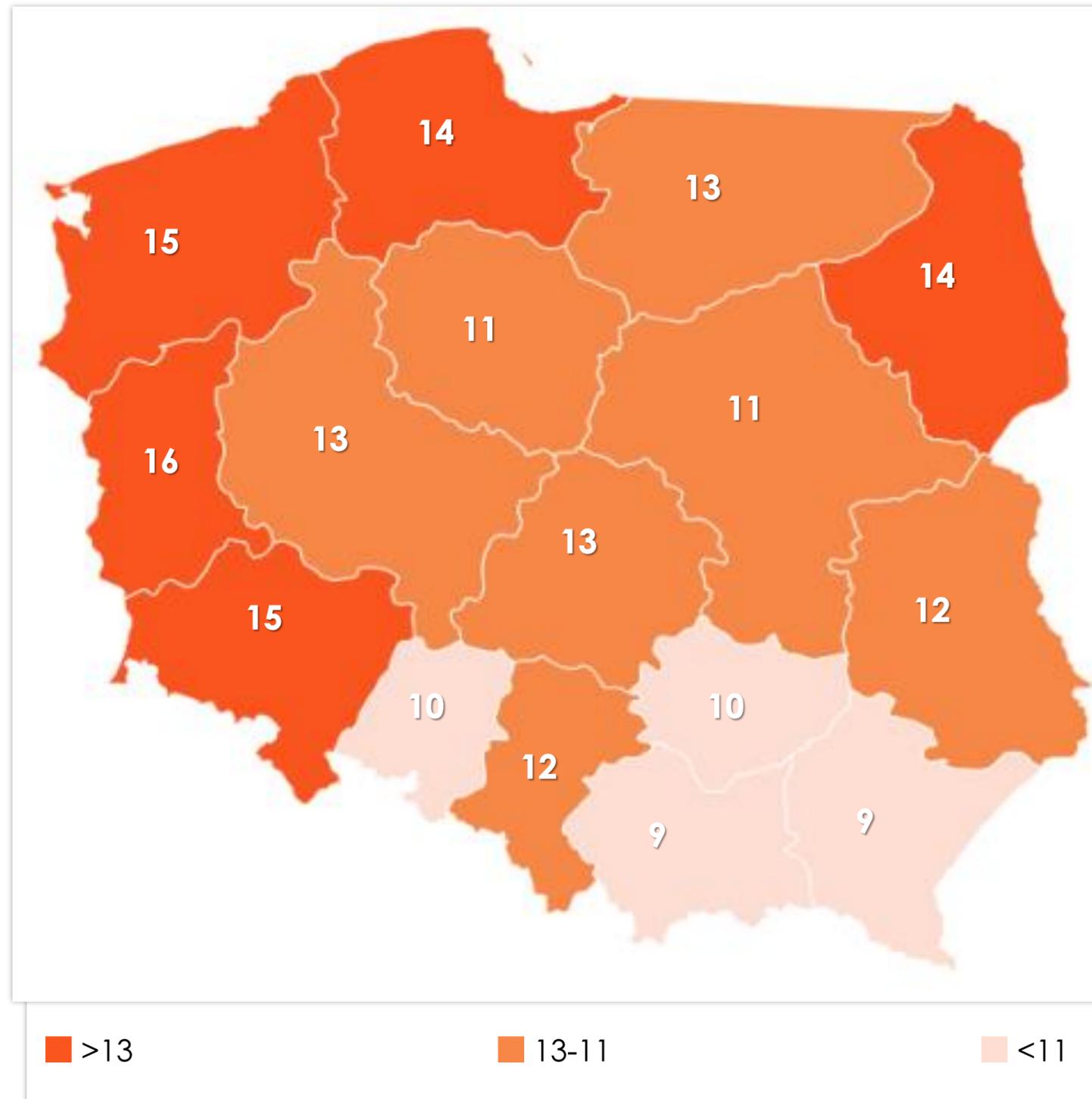
# Expansion trends

photo by  
CCC



- DIFFERENT OPTIONS TO PENETRATE NEW MARKETS**
- Organic growth in the region (close range, young markets)
  - E-commerce – expansion without limits
  - M&A's and partnerships in developed markets
  - Franchise in „exotic” and remote markets

## STORE COUNT PER 1M OF POPULATION



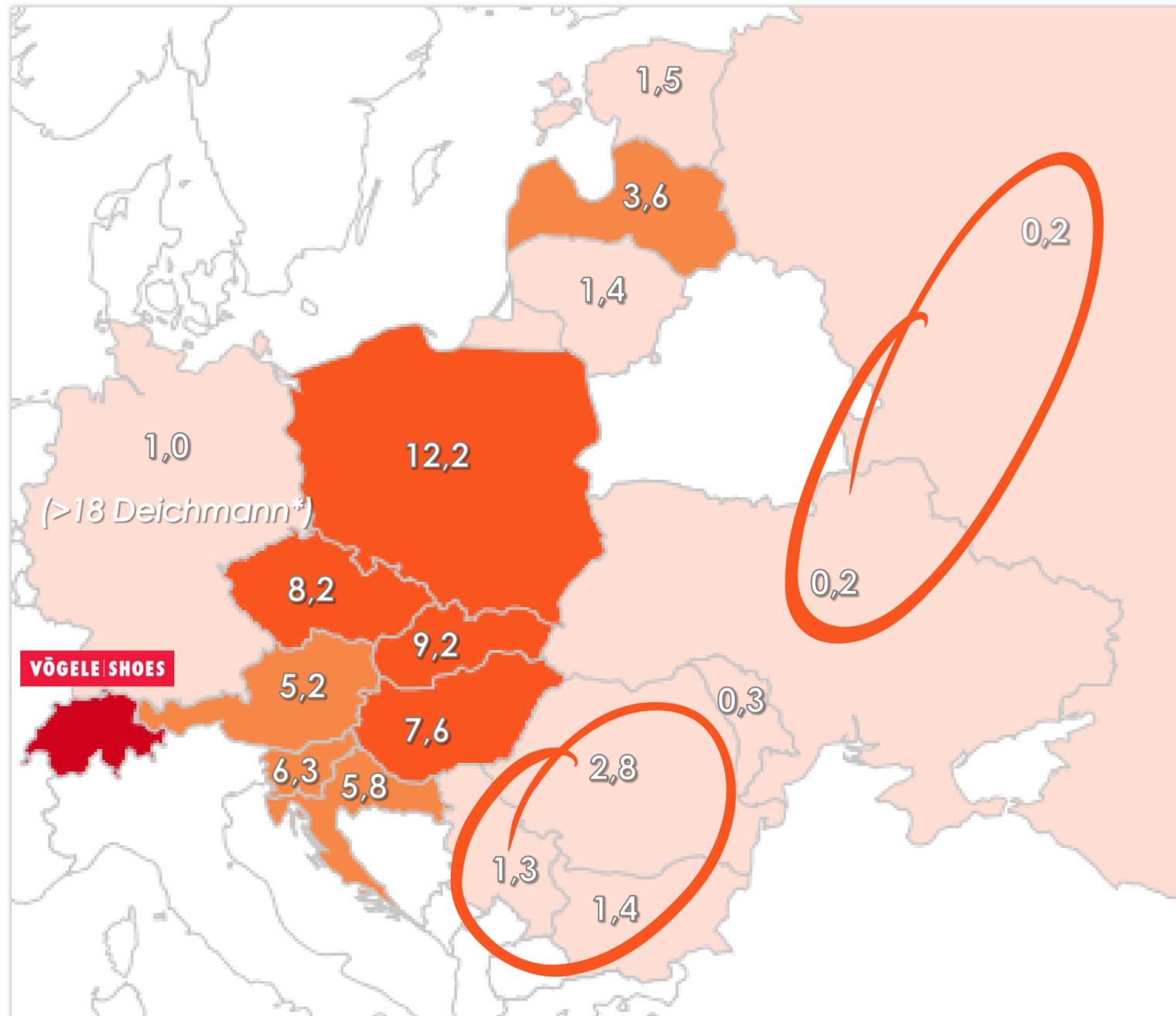
We see potential for >500 stores in Poland.

In the south and central part of the country, the saturation with the sales network offers large opportunities for growth.

The largest number of shops is located in the west of the country, where we develop mainly through enlarging the premises.

# HUGE GROWTH POSSIBILITIES ACROSS THE REGION

## STORE COUNT PER 1M OF POPULATION



■ >7

■ 7-3

■ <3

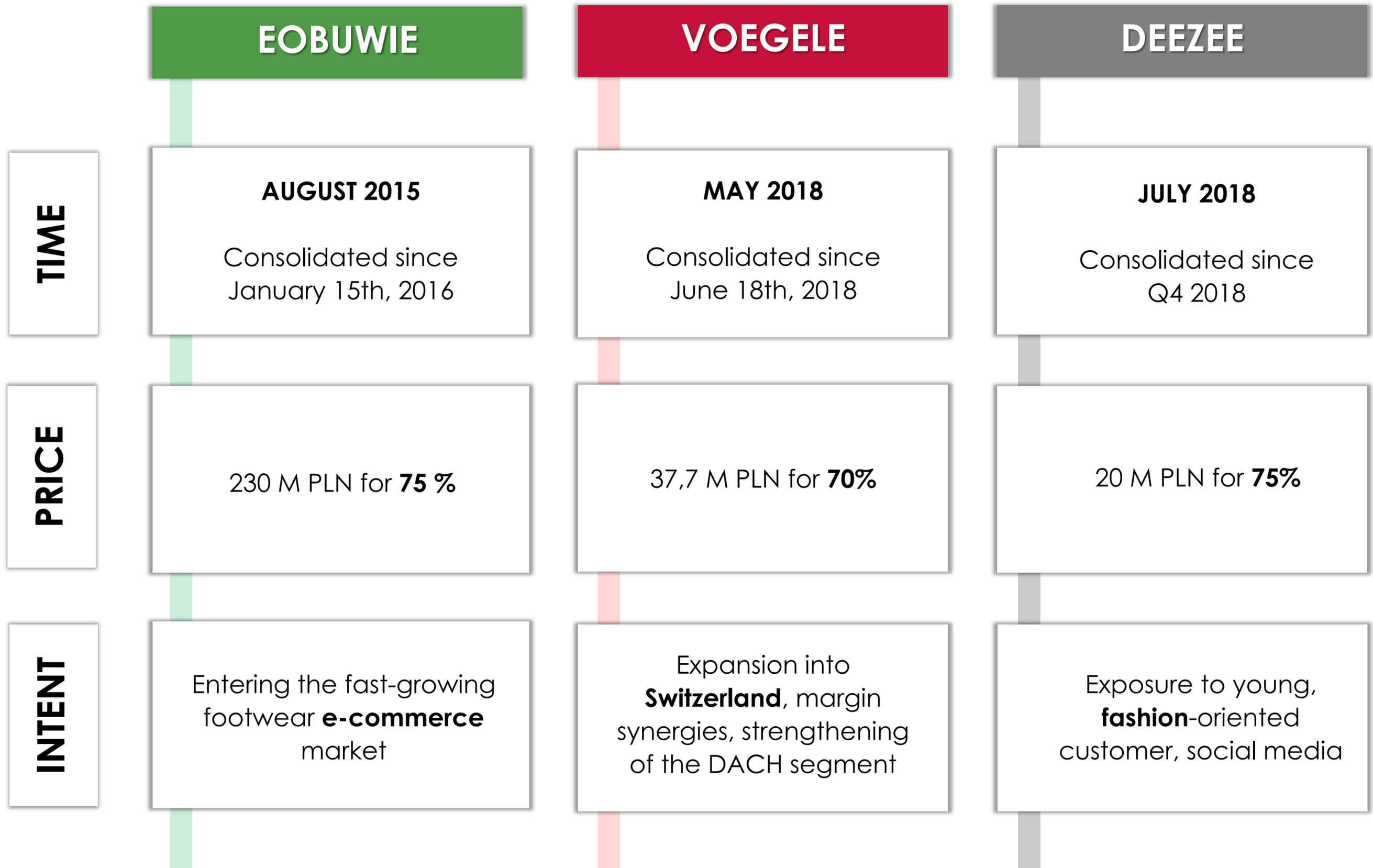
\*Source: Corporate Website of Deichmann, valid at 31.12.2017

In the east and south-east of Europe the potential of expansion is enormous.

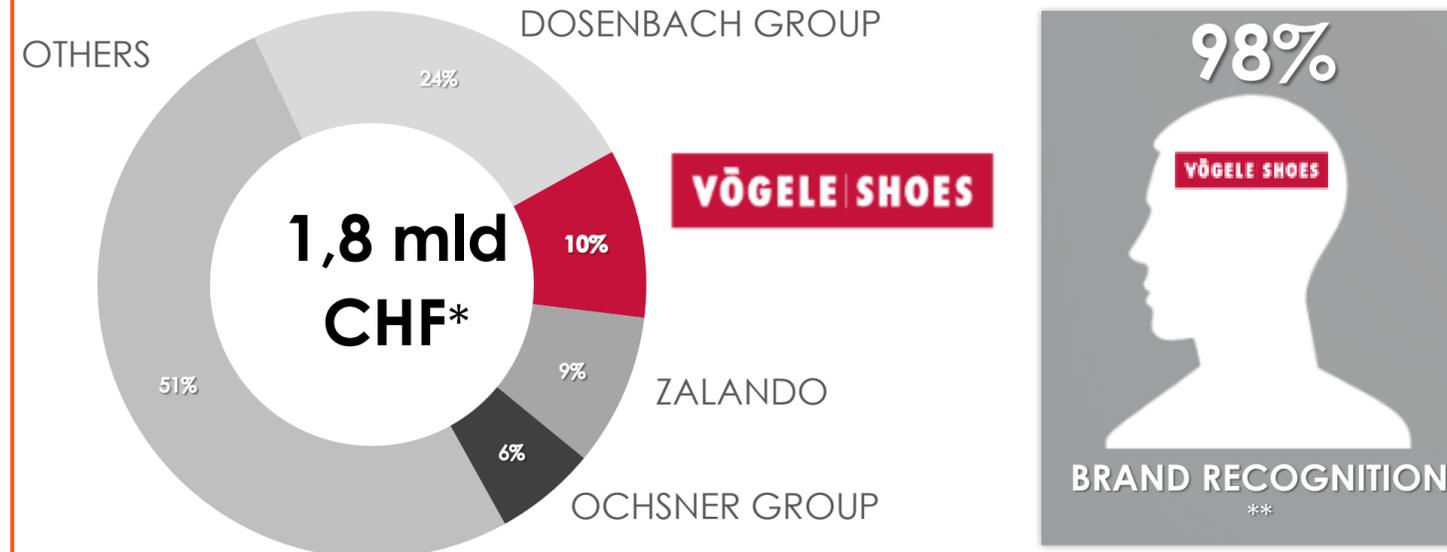
In the coming years, we expect the largest number of openings in Russia, Romania, Bulgaria and Ukraine.

The weaker competition allows for further expansion of the network in our most established CEE markets (Czech Republic, Slovakia, Hungary).

# DEVELOPMENT BY SMART ACQUISITIONS



## SWISS FOOTWEAR MARKET IN 2017



## KARL VOEGELE AG A family business with almost 100 years of tradition

- Number 2 on the Swiss footwear market.
- Very well known portfolio of private labels, complemented by international brands
- High potential to increase the share of online sales.
- 208 stores in attractive locations

\* Source: 2017, GFK \*\* Source: Roland Berger, 2016

1

**Conditional agreement**  
22.05.2018

2

**Final agreement and consolidation**  
18.06.2018

Slight impact on results  
Q2 2018

3

**Full impact on Group's results**  
Q3 2018

## CCC new concept store in Switzerland



Ultimately up to 40 locations



KNOW-HOW  
E-COM



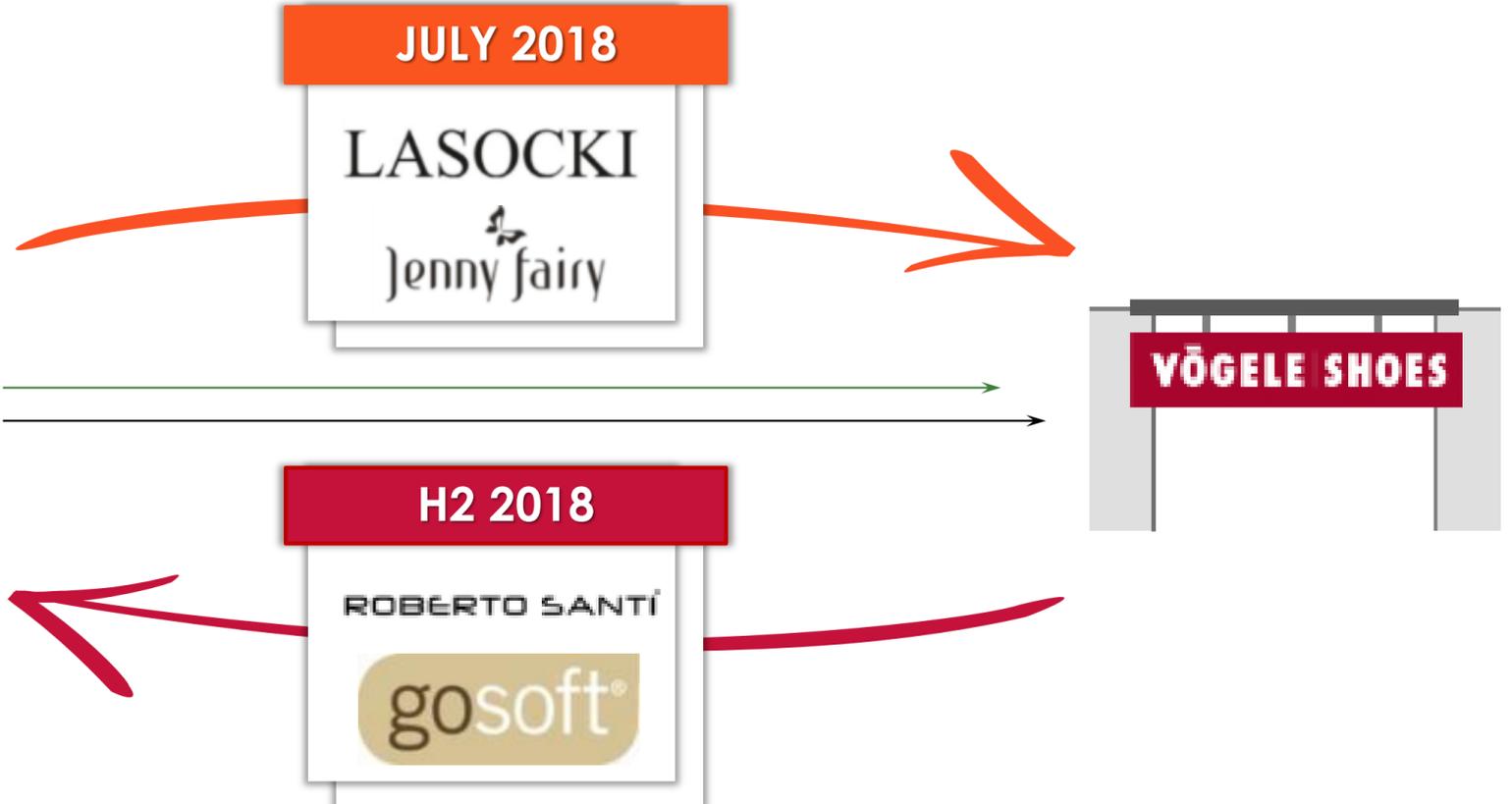
JULY 2018

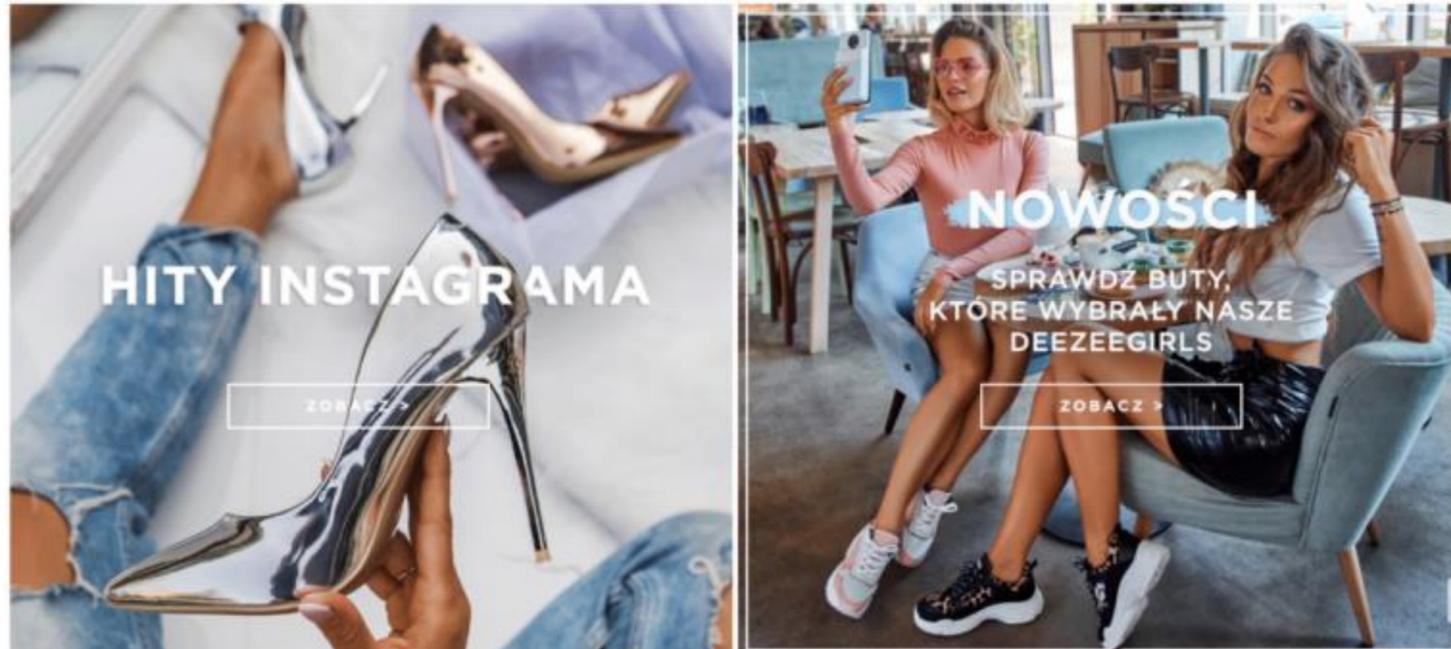
LASOCKI  
Jenny fairy

H2 2018

ROBERTO SANTI  
gosoft®

VÖGELE SHOES





**DeeZee**  
*GIRLS do IT better*

Online footwear store  
unrelated to offline chains

**STRONG POSITION IN SOCIAL MEDIA**

**1.3 M**  
Facebook likes

**340 k**  
followers on Instagram

**16 M**  
page views per month

**18-34 years**  
84% of customers age

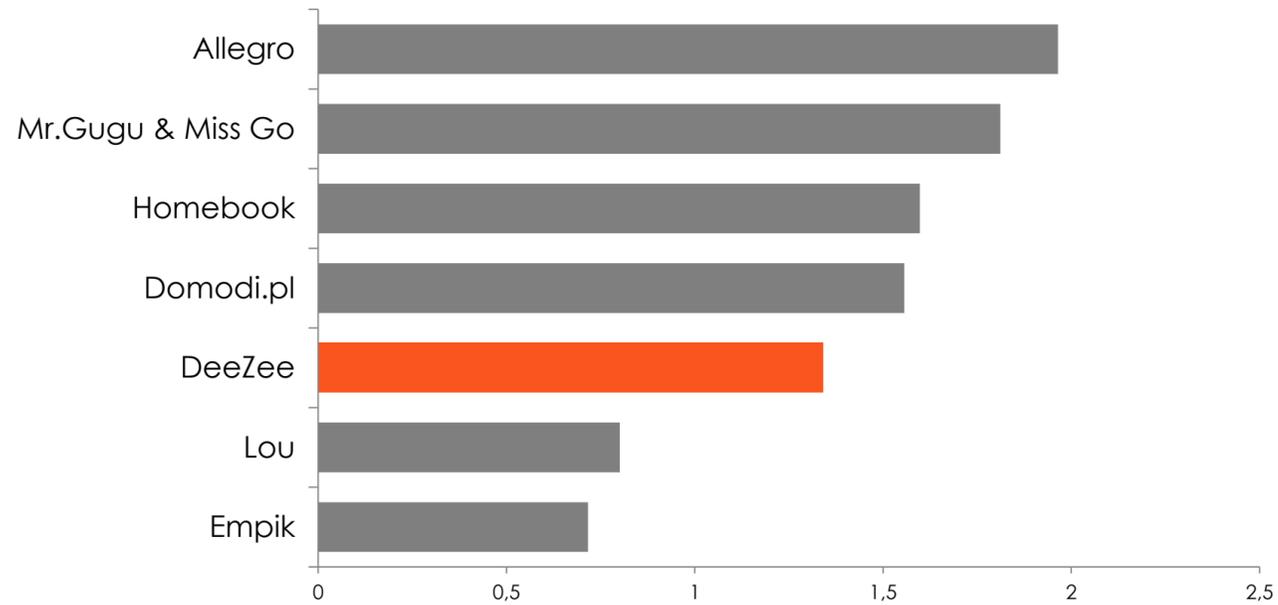
## Synergies: **WIN - WIN**

DeeZee is supported by the capital strength and economies of scale of CCC (assortment expansion, better purchasing power), expansion into foreign markets.

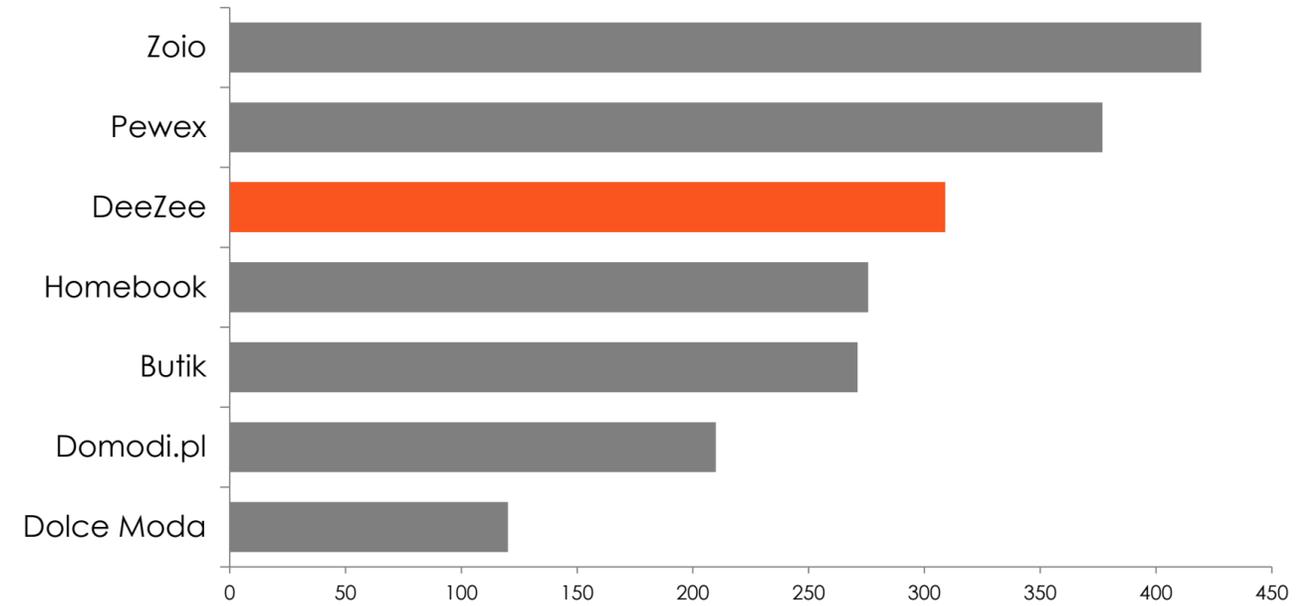
CCC strengthens the online channel and increases exposure to the fashion segment as well as know-how about social media marketing.



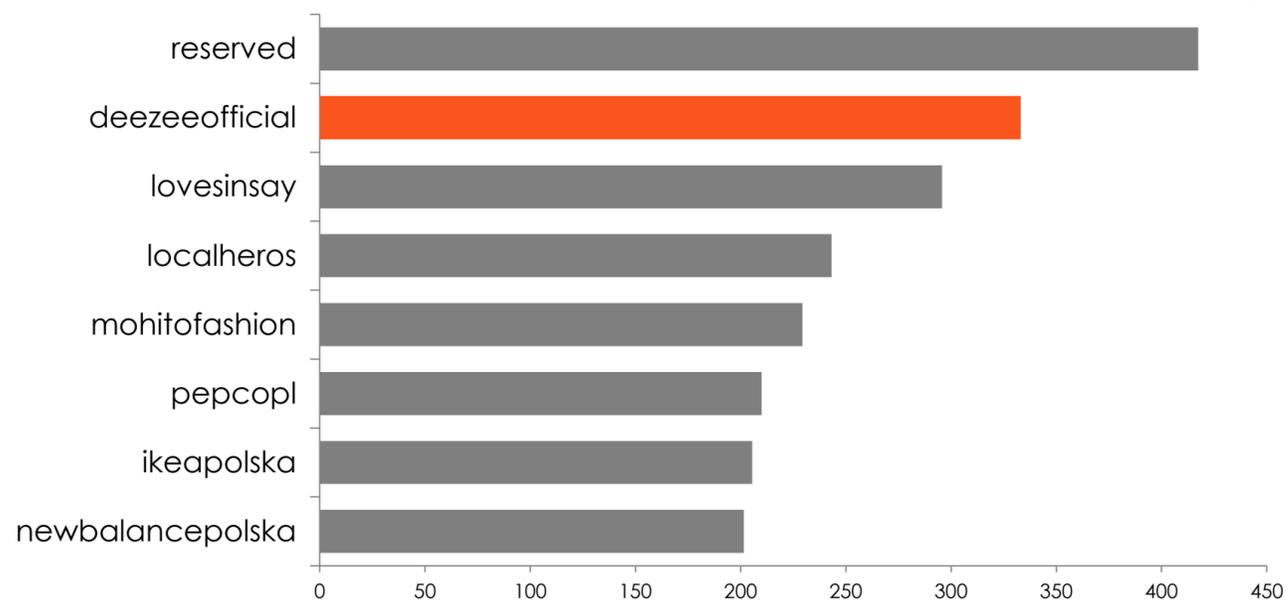
NUMBER OF FANS [M]



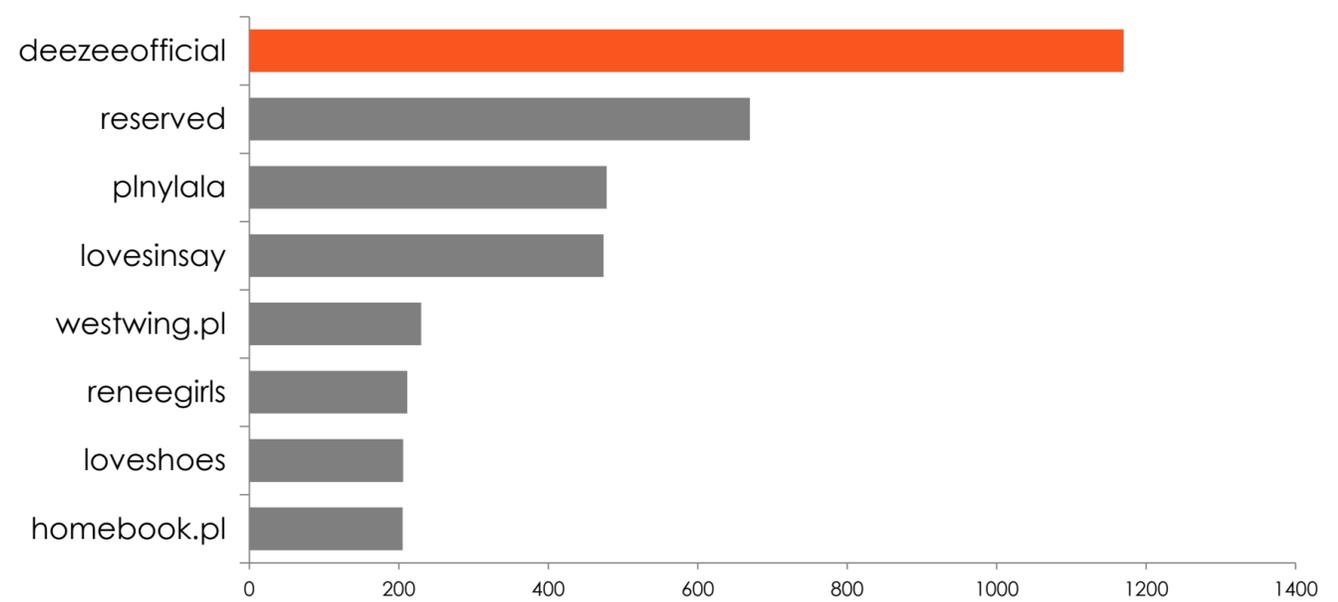
ACTIVITY COUNT [k]



NUMBER OF FOLLOWERS [k]



ACTIVITY COUNT [k]

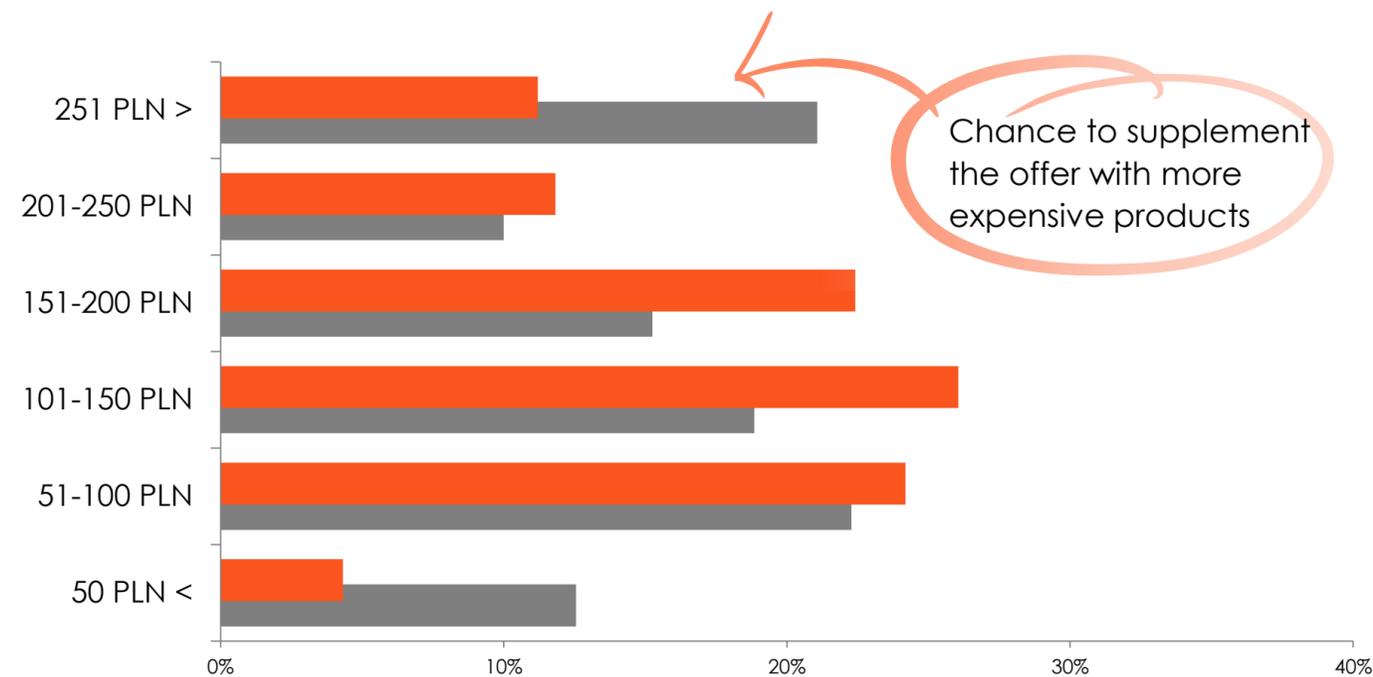


**CCC**  
SHOES & BAGS

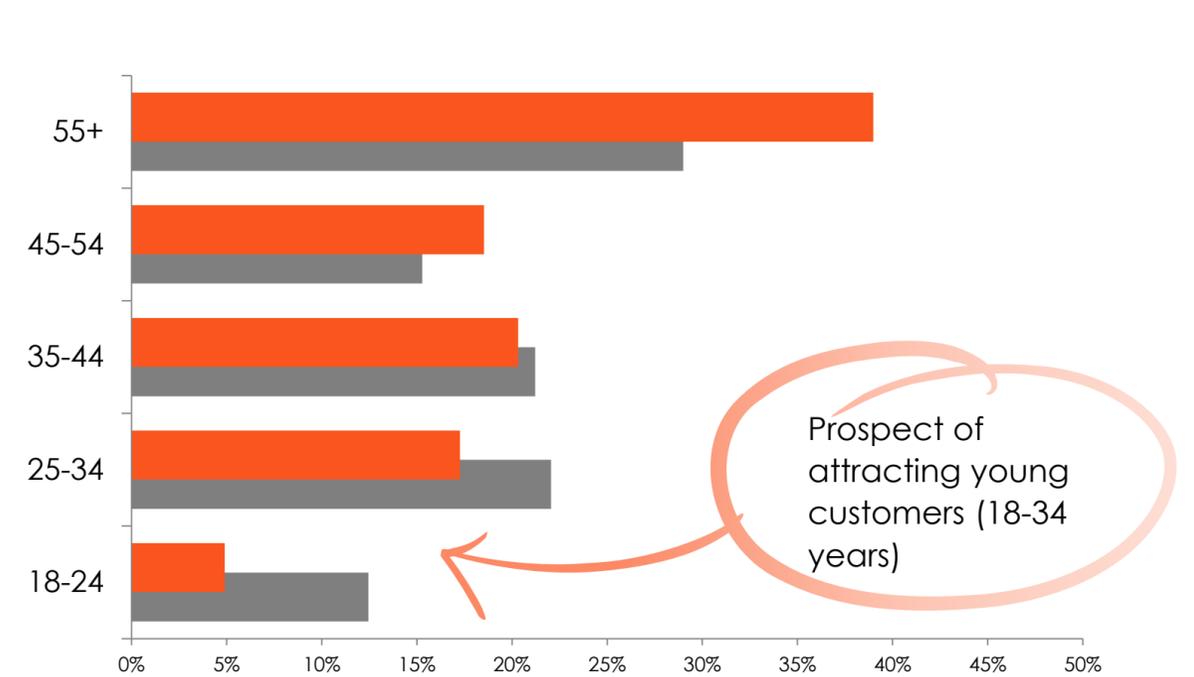
# New target groups

photo by  
**DeeZee**

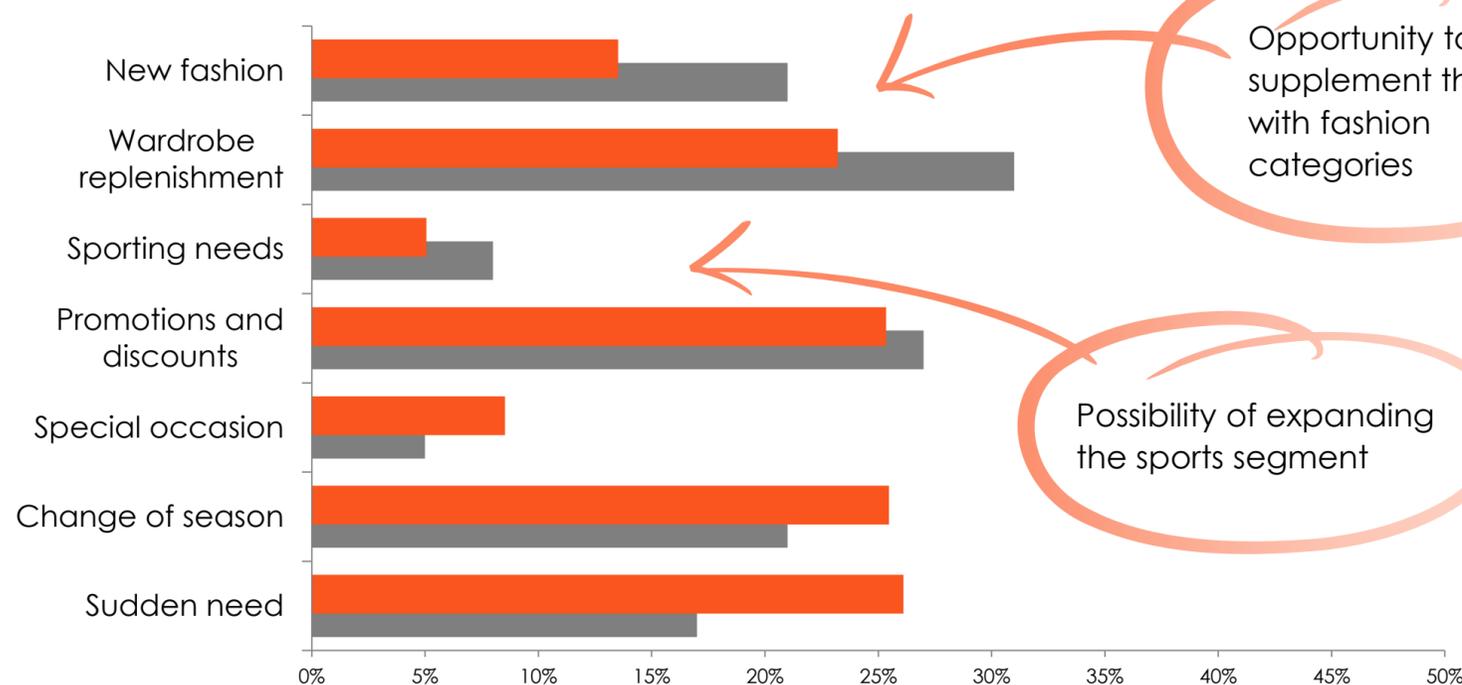
## PRICE



## AGE



## REASON FOR PURCHASE



■ CCC  
■ Benchmark (40 footwear brands)

Source:  
IQS, SURVEYS TRAFFIC BOOSTER

# NEW TARGET GROUPS

YOUTH, TRENDS



DeeZee



18-34

LIFESTYLE, SPORT



Youngsters



15-24

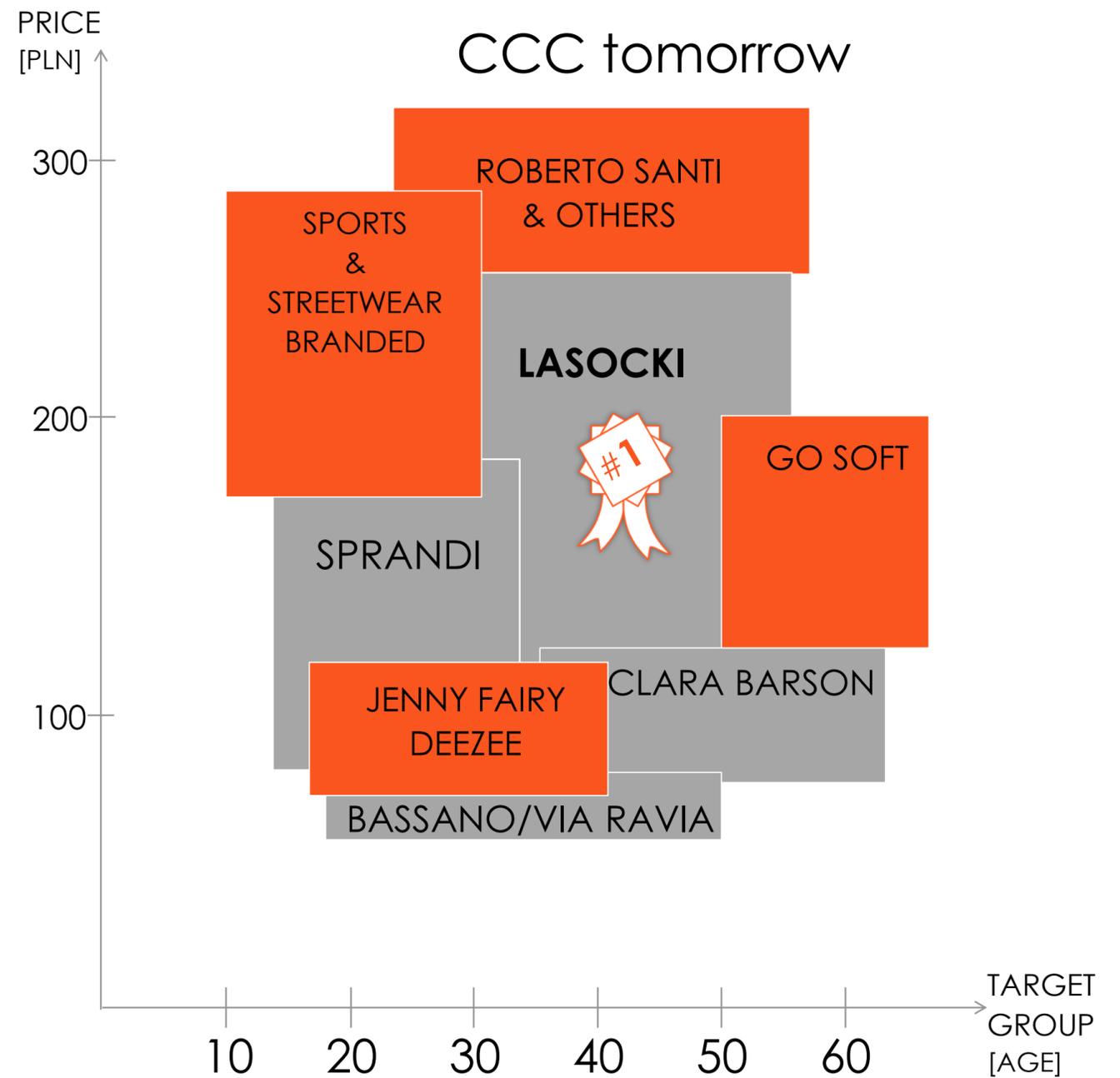
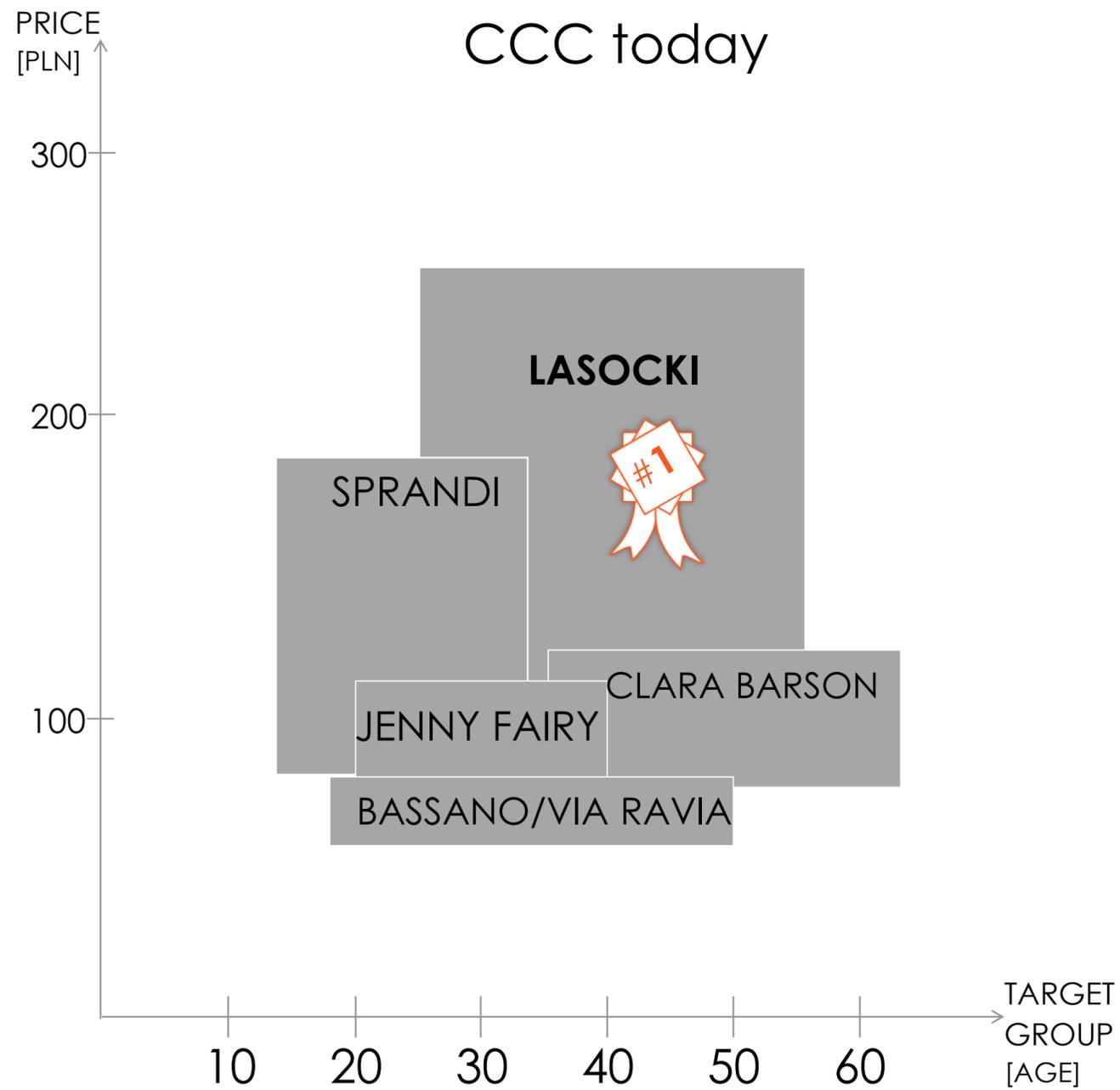
FASHION, CLASS



ROBERTO SANTI



25-49



## New product categories

- Fashion Corner introduction - DeeZee
- Premium brands (Roberto Santi, ...)
- Sports category development (Puma, Skechers, Reebok)

**Strongest apparel-  
footwear brand in  
Poland**



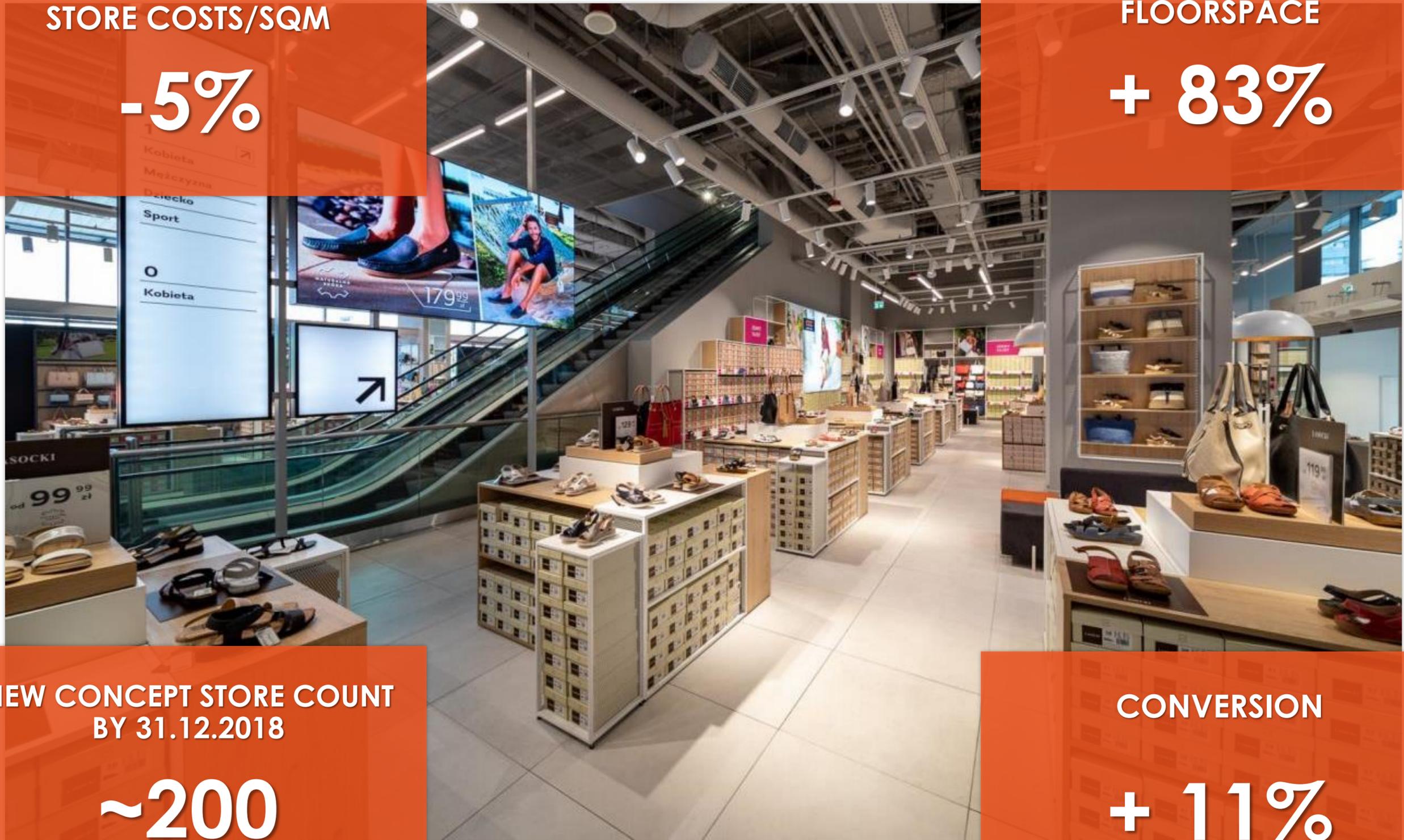
Source:  
Rzeczpospolita, January 2017

STORE COSTS/SQM

**-5%**

FLOORSPACE

**+ 83%**

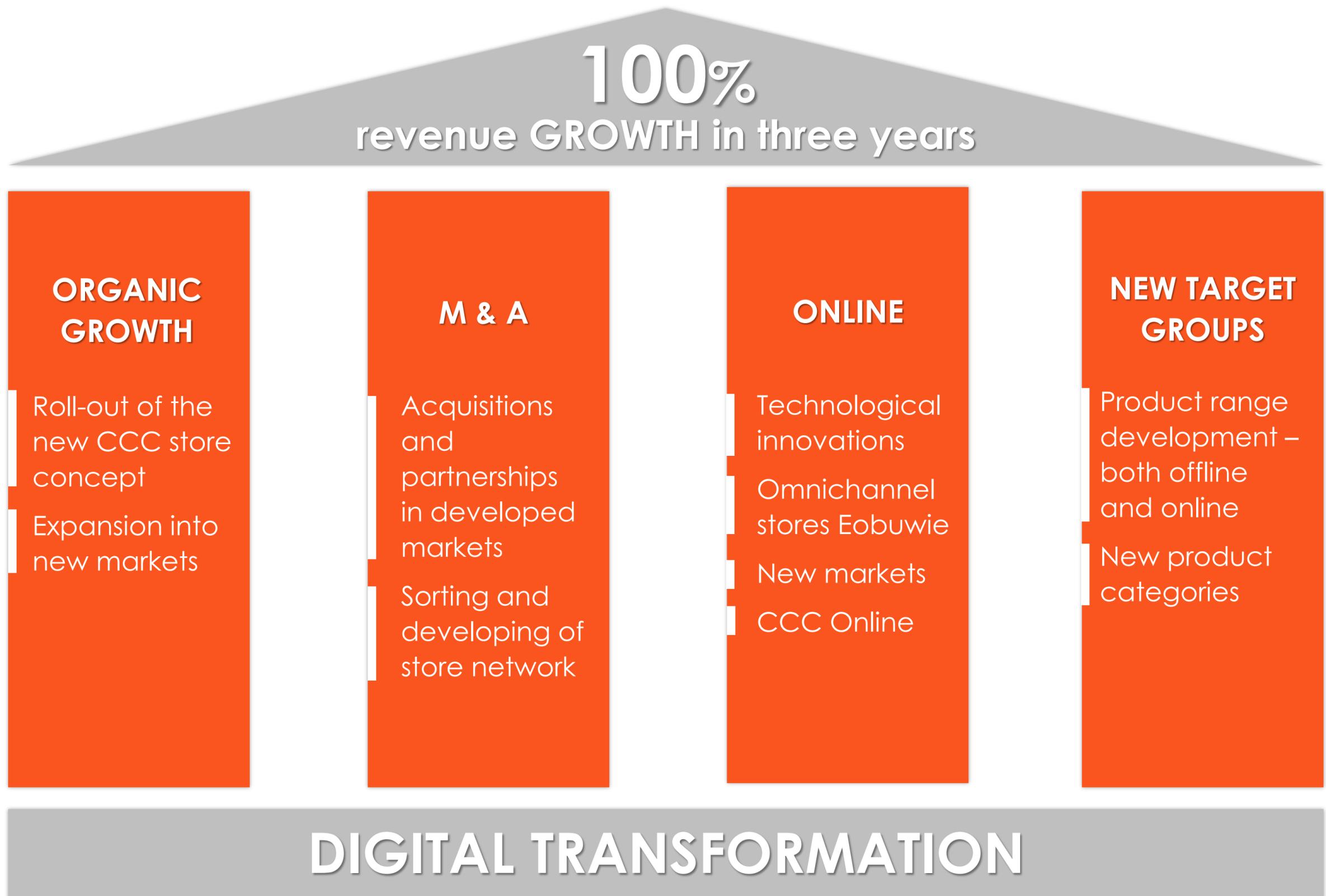


NEW CONCEPT STORE COUNT  
BY 31.12.2018

**~200**

CONVERSION

**+ 11%**

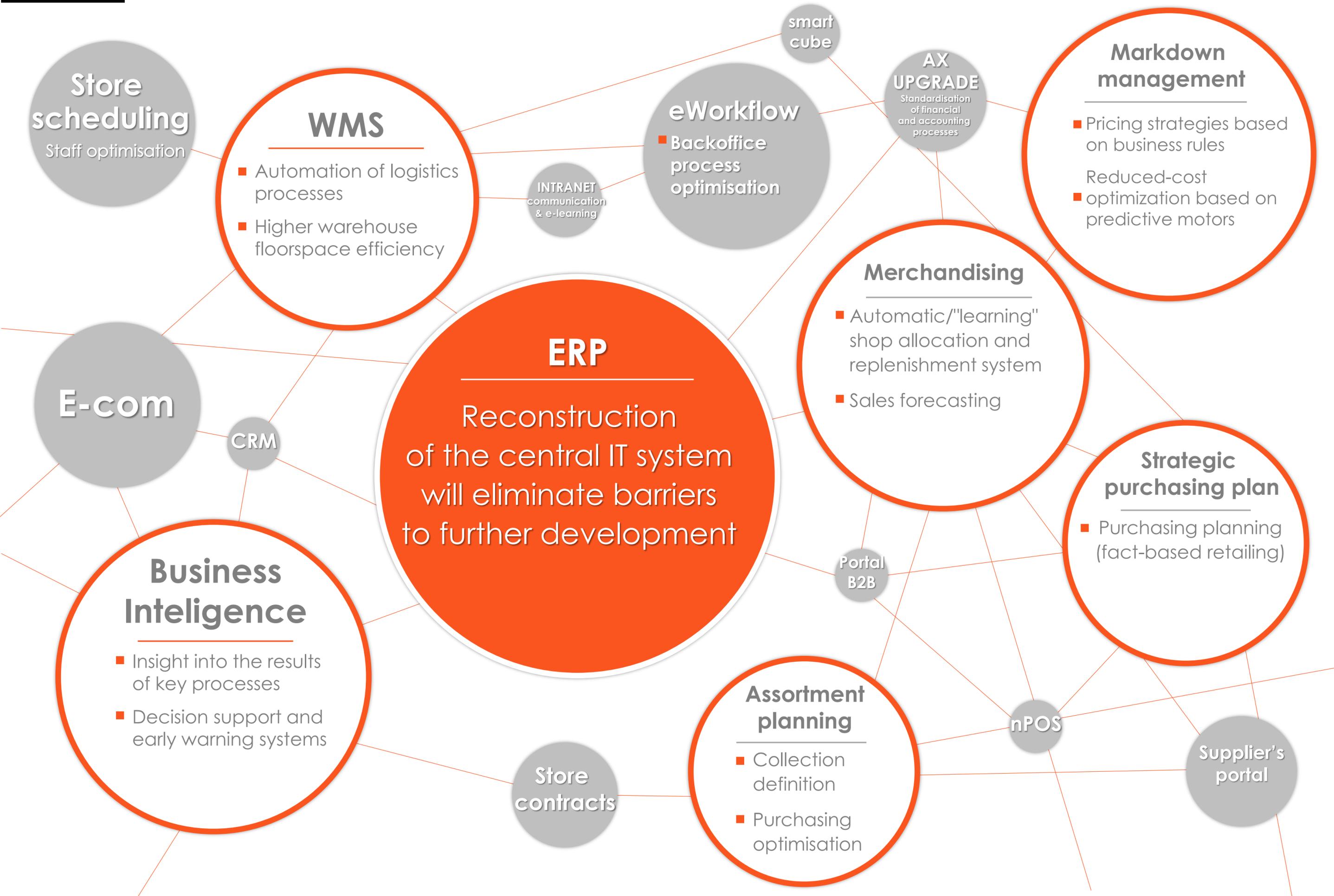


**CCC**  
SHOES & BAGS



photo by  
**DeeZee**

# Innovations



## Markdown management

- Improvement of the process of managing discounts: discounts per country and not CCC Company

- Markdown recommendations to optimize margin and reduce the stock remaining at the end of the season

## Assortment planning

- Reduced storage time of goods

- Purchase cycle optimization

- Faster response to sales trends

## Inventory forecasting and replenishment

- Reduced inventory at store/warehouse level

- Improving product availability

- Optimisation of storage areas

## Logistic processes automation

- Better use of storage space

- Acceleration of warehouse processes

- Less labour-intensive logistics processes

**2-3 %**

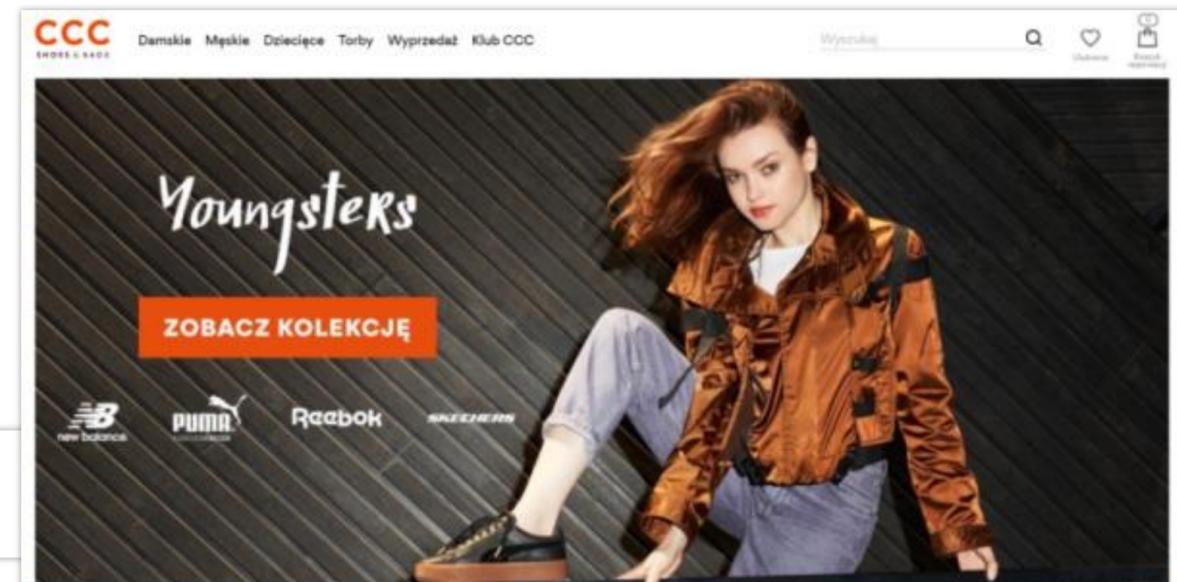
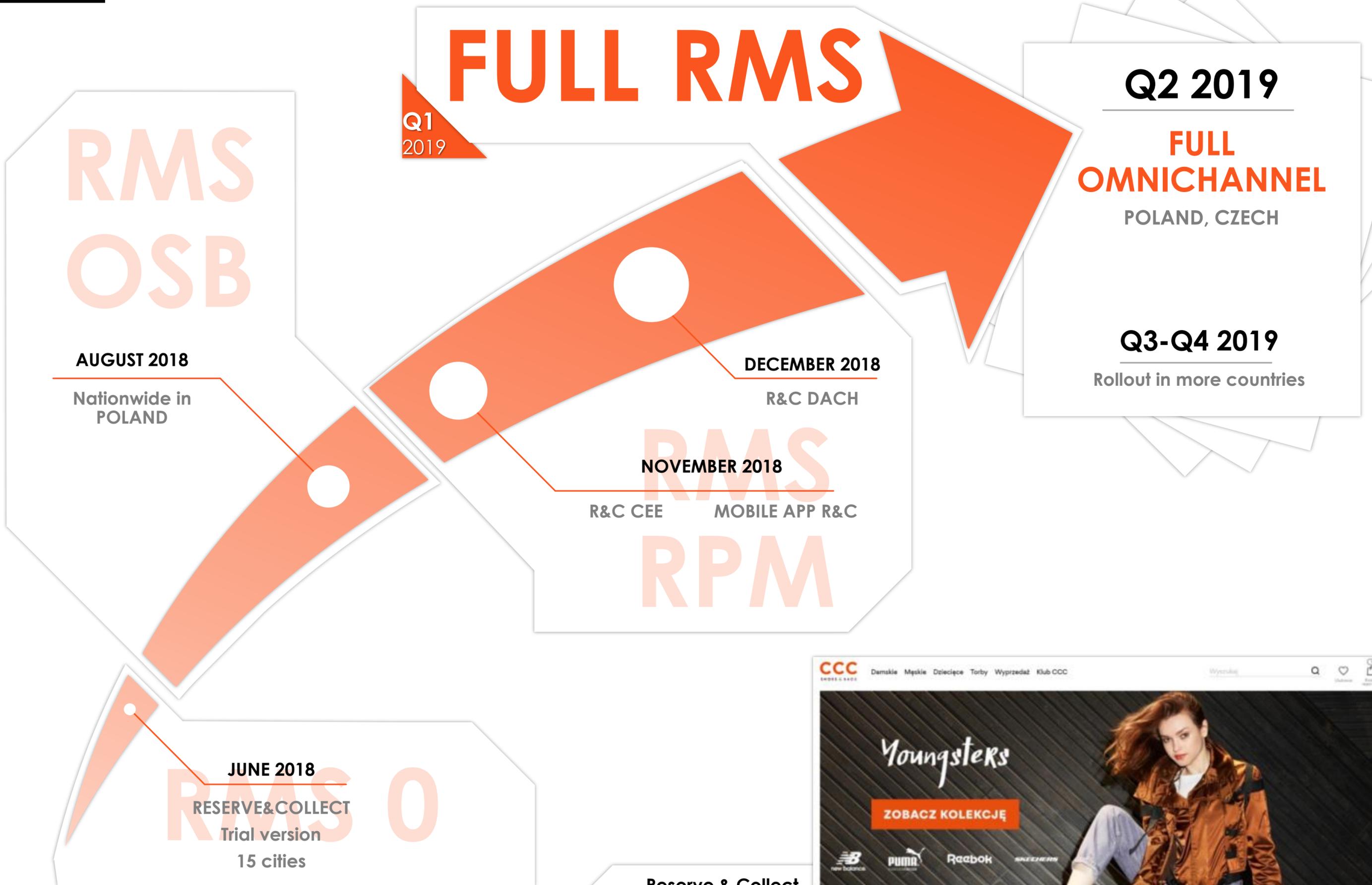
revenue growth

**1-3 p.p.**

gross margin improvement

**10-25 %**

inventory reduction



## GOAL

Research and development for the creation of innovative products and services



### Product innovation

Development of Lasocki brand towards health prevention

**Development of predictive systems & Advanced Business Analysis**

**Sales assistant an original solution in the form of an intelligent mobile robot**

**Process innovation**  
A pioneering way of packaging - reducing costs. RFID

1. Companies, startups and teams come to us with their ideas

2. Three funds conduct preselection

3. CCC & eobuwie assess selected projects

4. Picking most interesting projects

currently  
picked  
applications **3**



**CCC**  
SHOES & BAGS



photo by  
**eobuwie**

# Eobuwie

**Dynamics and innovation**



**Private label development**  
(Sergio Bardi, Creole, Eva Minge, Togoshi, Quazi)



**New brand signed by a global format celebrity**



**Fashion watches**



**Sunglasses**



**New apparel brand**



## New e-commerce platform

- Platform based on the latest, fast PWA standard
- Optimized for mobile devices
- Personalisation per client and recommendations (AI)
- Significant improvement in visual-merchandising

December 2018

## New mobile app

- New design
- Introduction of new functionalities, such as shoe recognition based on images
- Personalisation, shopping path, recommendations, preferences shared with WWW

## MA/AI introduction

- Scenario development, personalised listing, search and display construction

# SUCCESSFUL ROLLOUT OF EOBUWIE STORES



Stores opened

Next openings

Pop-up stores



**Same day delivery**

nationwide in Poland

**3h delivery**

in selected agglomerations



## ESIZE.ME PROJECT

(3D feet scanner)

**30-40** isles with scanners:

- in shopping malls
- at the airports
- at rail stations

Project rollout  
**October 2018**



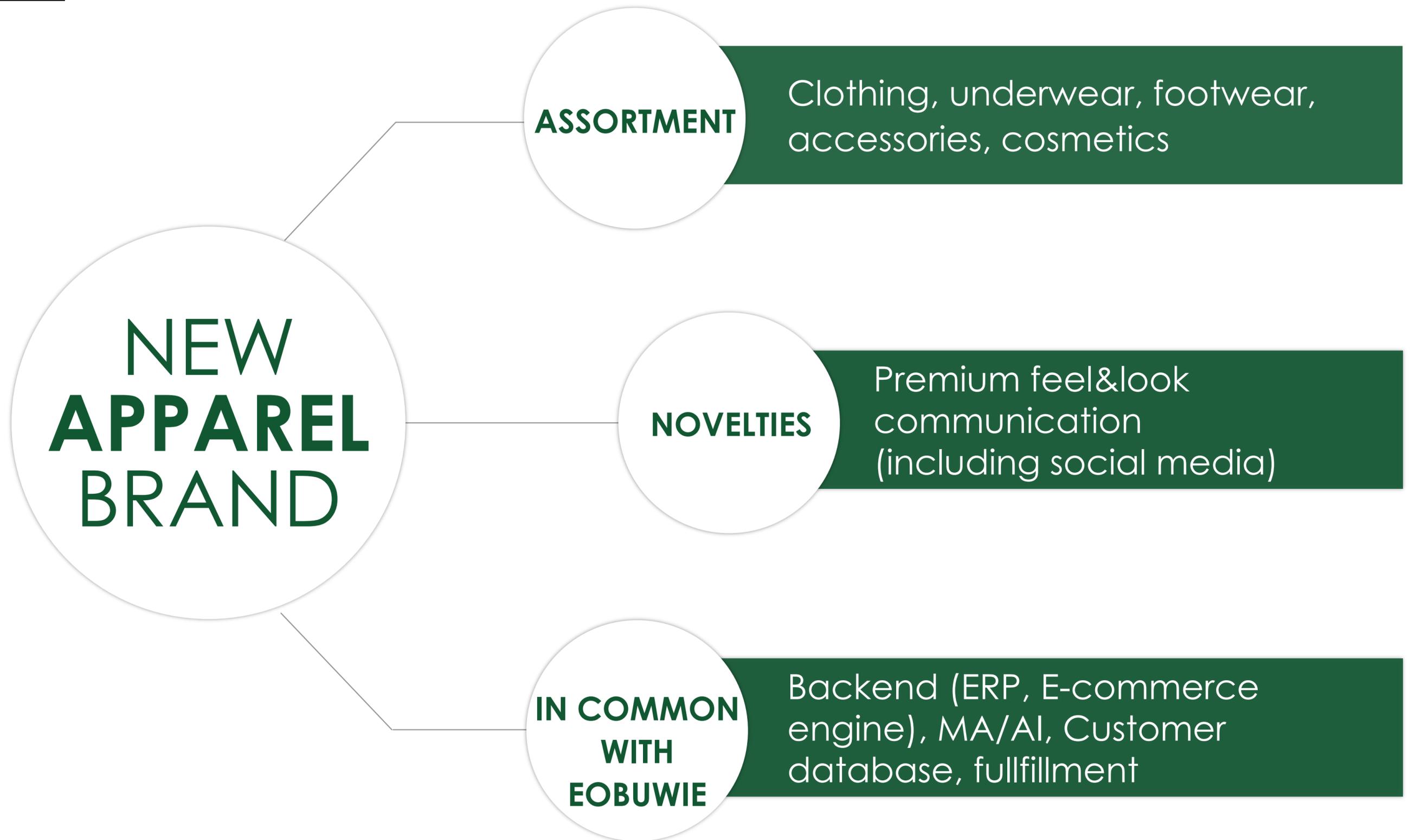
ground  
breaking  
**CRM**

Shoe selection service based  
on 3D foot and shoe scans

Reduction of returns  
percentage

**New sales  
and  
pick up points**

Personalisation of insoles -  
purchase of a production line  
for the production of an insole  
matched to the scan of the  
foot and specific shoe



Around 30 Premium brands being negotiated



1

Start of investment: September 2018

Commissioning: H2 2019

Floorspace: 40 000 m<sup>2</sup>

E-commerce platform for external customers

Advanced automation

Servicing e-com for Eobuwie, CCC, DeeZee, KVAG

2

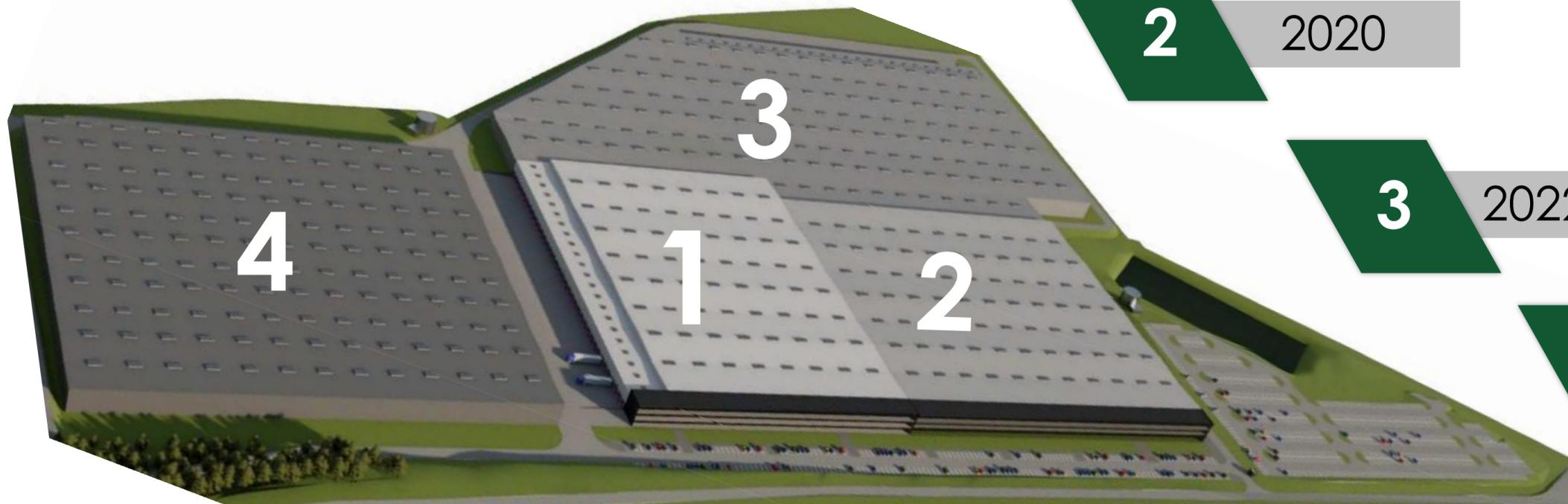
2020

3

2022-23

4

2026-27



**CCC**  
SHOES & BAGS



# 2020 vision

photo by  
eobuwie

Revenues: targetting 100% growth

- **70%** of revenues **offline** (CCC, KVAG...)
- **30%** of revenues **online**  
(Eobuwie, CCC, KVAG, DeeZee, ...)

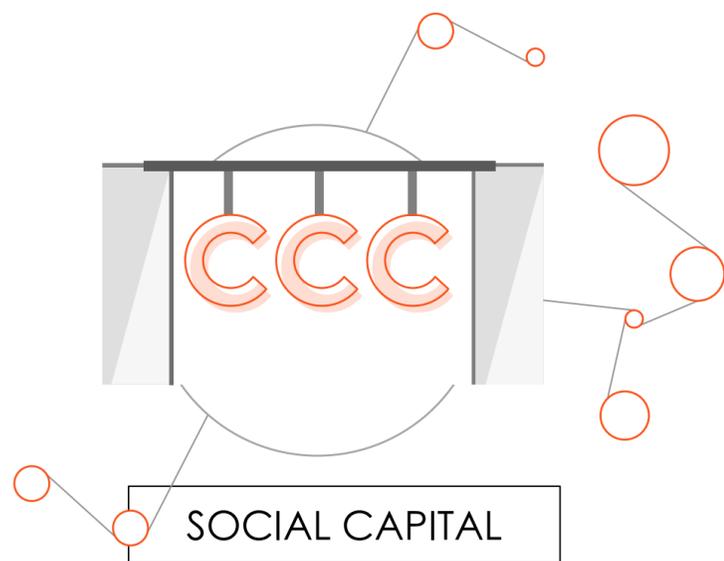
**EBITDA** margin:

- **Increase** in **offline** segment (CCC)
- **Double digit** in **online** segment  
(Eobuwie)

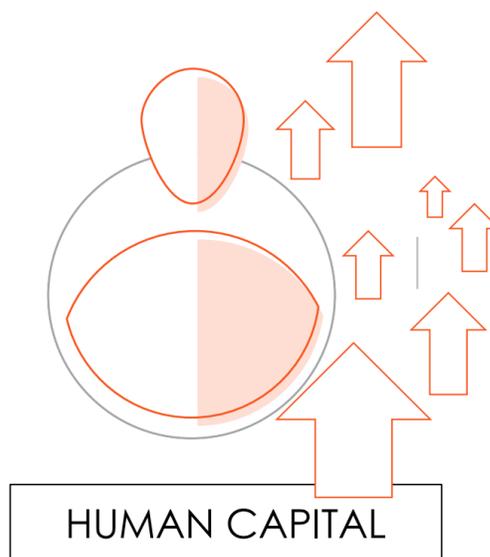
Net debt/EBITDA **gradually reduced**

**Trade payables = Inventory**

# OUR GROWTH IS SUSTAINABLE



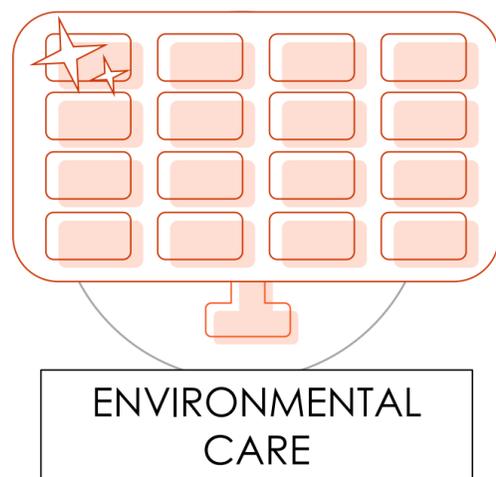
We share knowledge  
We cooperate with universities  
We cooperate with the institutions



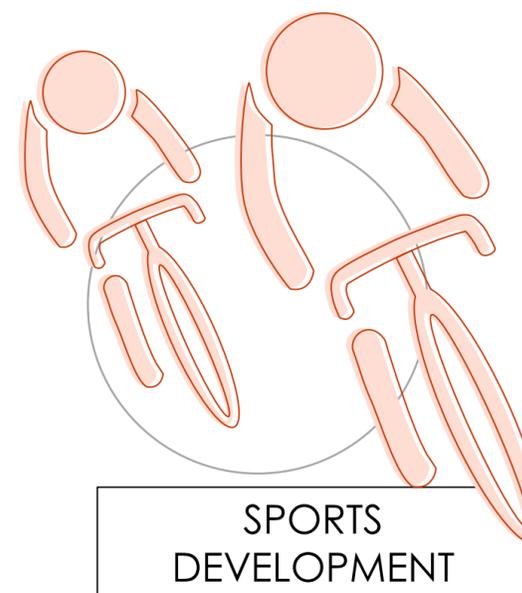
We care about the development of our employees  
We take action in the field of health and safety at work  
We employ people with disabilities



We care about the quality and safety of our products  
We monitor supply chain activities



We manage waste wisely  
We implement pro-ecological technologies in the warehouse and in the factory (photovoltaic farm)

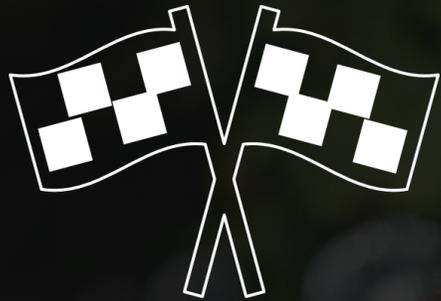


We sponsor sports and related events  
We promote healthy lifestyle among children and youth (cycling schools)

**6th place** in Poland in Responsible Companies Ranking



## World Tour in numbers



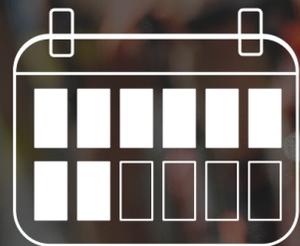
**37**  
races



**18**  
countries



**5**  
continents



**250**  
race days

**5.4 \$**  
return

for each 1 \$ invested  
in World Tour team  
sponsoring

Source: Repcuom Cycling24 & Eurodata





Over

▶ **2 billion**

TV audience

Over

▶ **15 million**

fans on the route

Live broadcast  
watched in

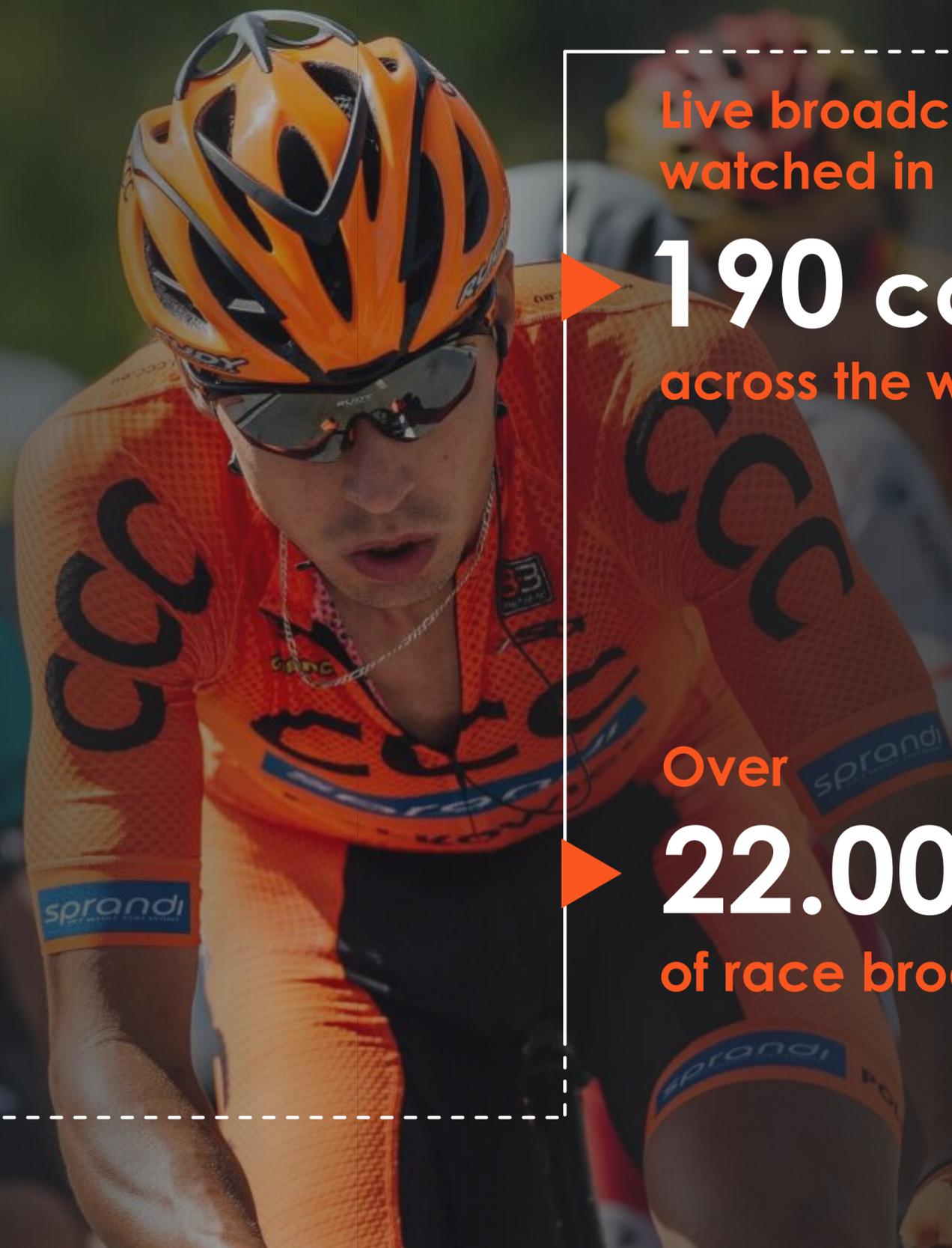
▶ **190 countries**

across the world

Over

▶ **22.000 hours**

of race broadcast



# 1 THE MOST RESPONSIBLE retail company in Poland

**CUSTOMER EXPERIENCE LEADER**  
through omnichannel

2

**HIGH PROFITABILITY**

3

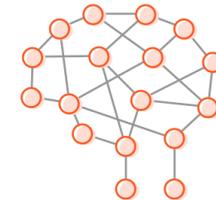
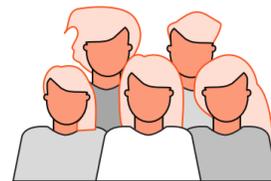
**HEALTHY AND PROGRESSIVE BALANCE SHEET**

4

**DYNAMIC GROWTH**  
in numerous business models

5

During the next **5-10 years** more will change in retail than during the last **100 years**



**CCC – winner of the new market**

# Q & A



**CCC**  
SHOES & BAGS

*Go for more*

*THANK YOU*