



CCC
SHOES & BAGS

Go for more

CCC INVESTOR DAY

18-19.09.2018

STRATEGIC UPDATE

 eobuwie.pl

VÖGELE | SHOES

DeeZee
GIRLS DO IT BETTER

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AGENDA

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

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photo by
ccc

The retail revolution

OFFLINE STORES



OMNICHANNEL

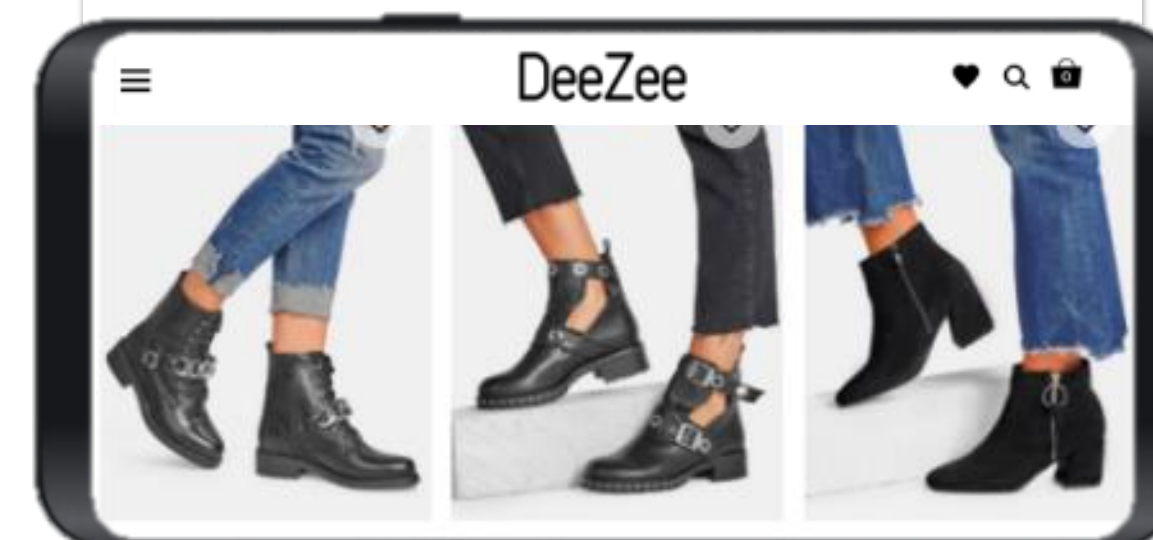
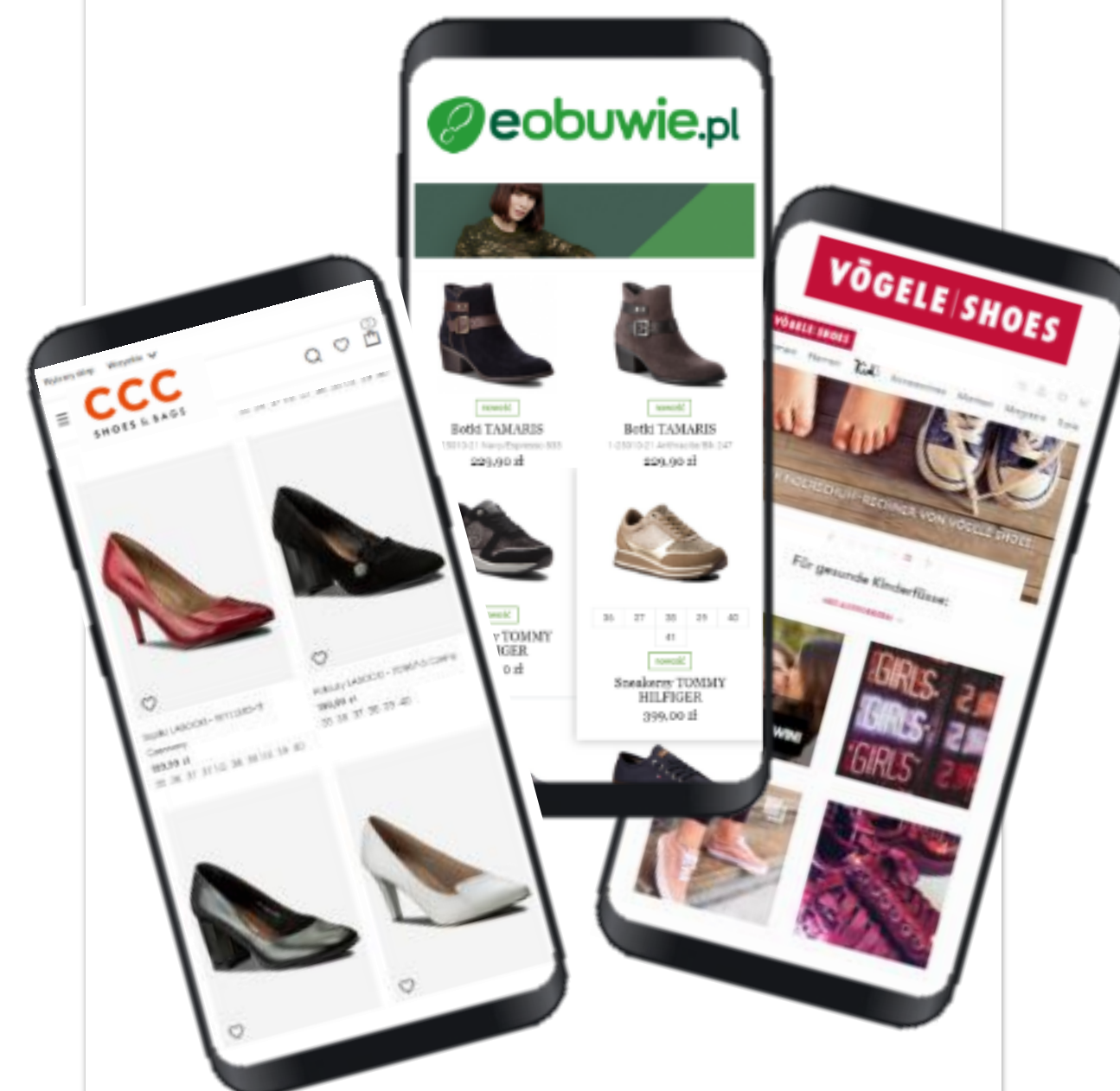


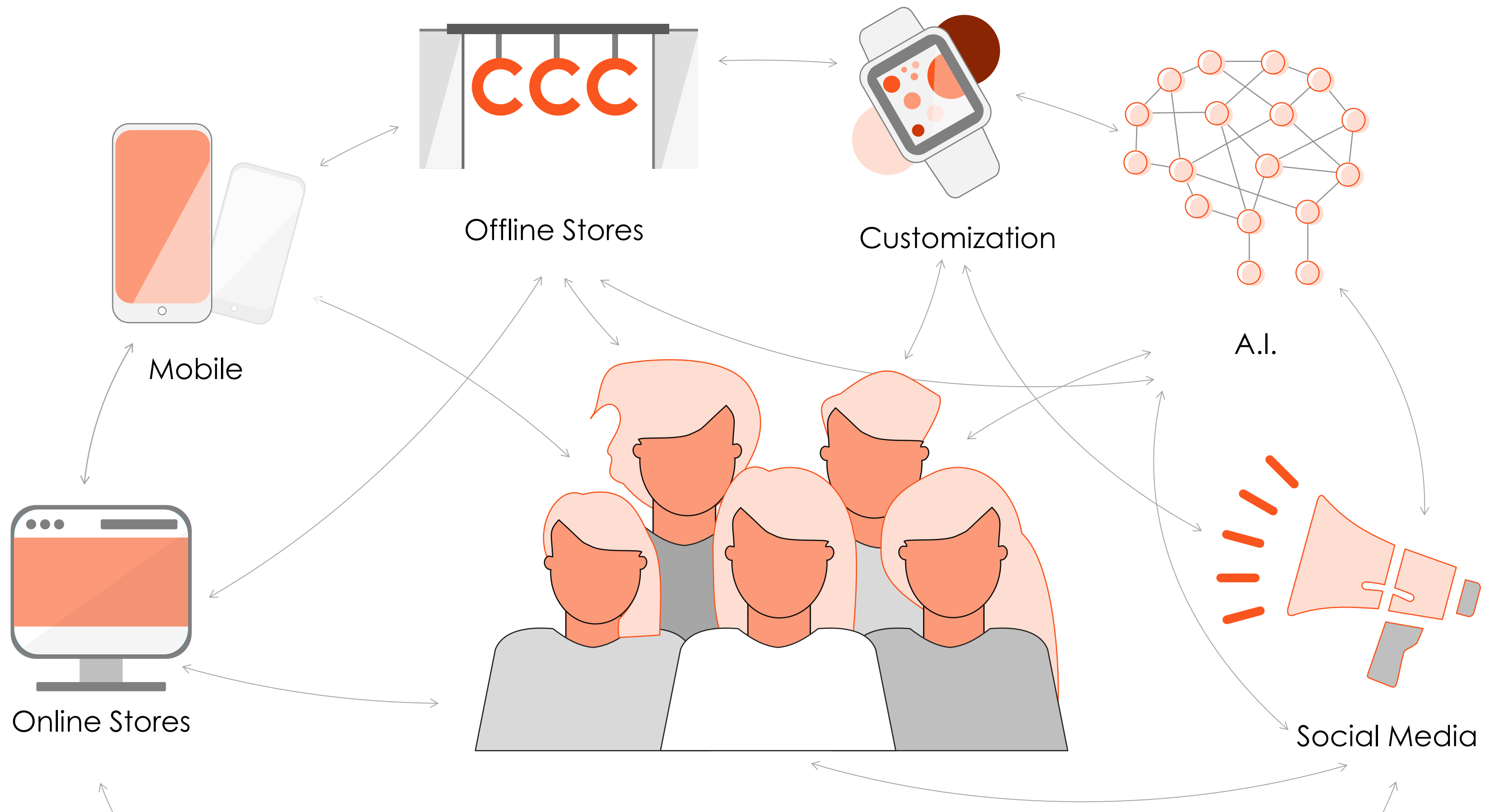
**RESERVE
&
COLLECT**



**ZAMÓW
ONLINE** | **ODBIERZ
W SKLEPIE**

ONLINE STORES



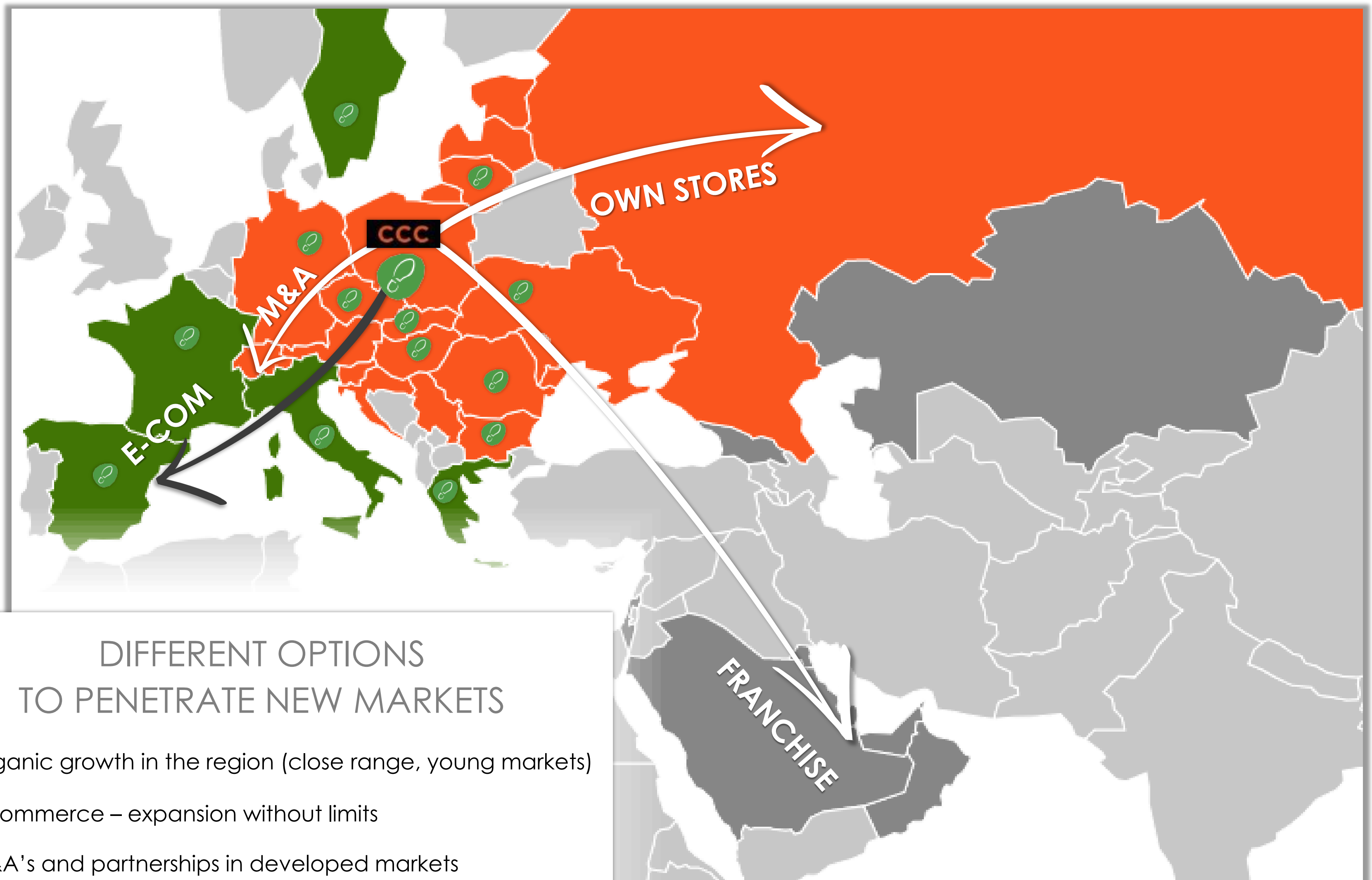


During the next **5-10 years** more will
change in retail than during the last **100 years**

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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



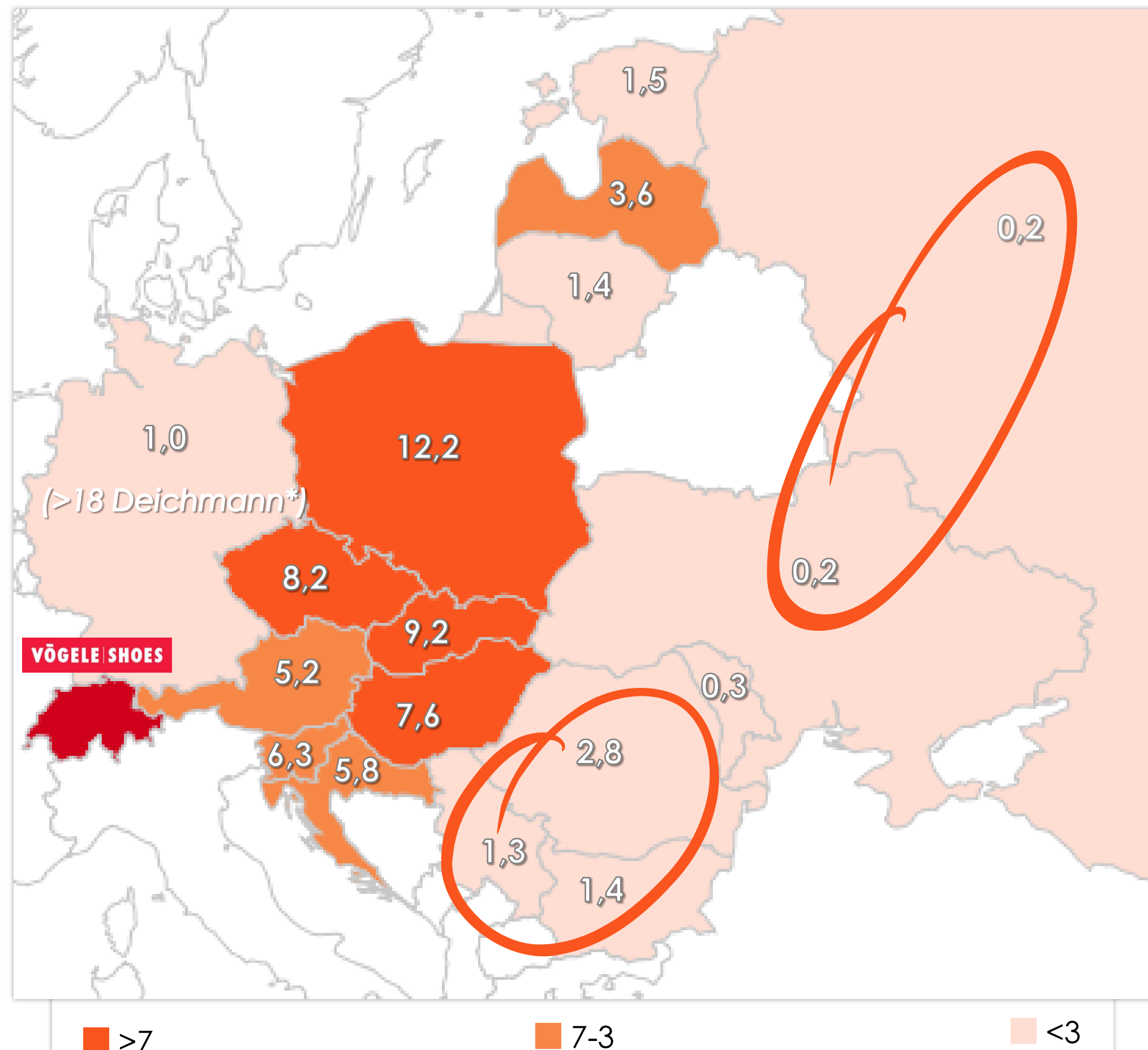
We see potential for >500 stores in Poland.

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



*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).

EOBUWIE

AUGUST 2015

Consolidated since
January 15th, 2016

230 M PLN for **75 %**

Entering the fast-growing
footwear **e-commerce**
market

VOEGELE

MAY 2018

Consolidated since
June 18th, 2018

37,7 M PLN for **70%**

Expansion into
Switzerland, margin
synergies, strengthening
of the DACH segment

DEEZEE

JULY 2018

Consolidated since
Q4 2018

20 M PLN for **75%**

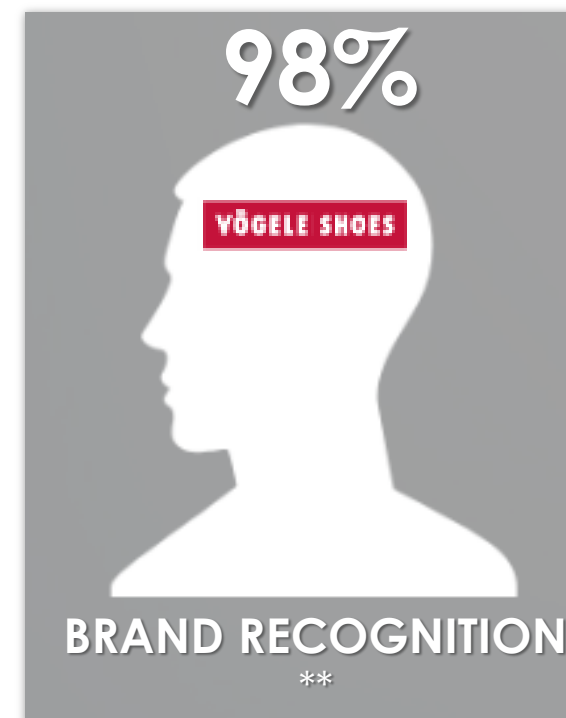
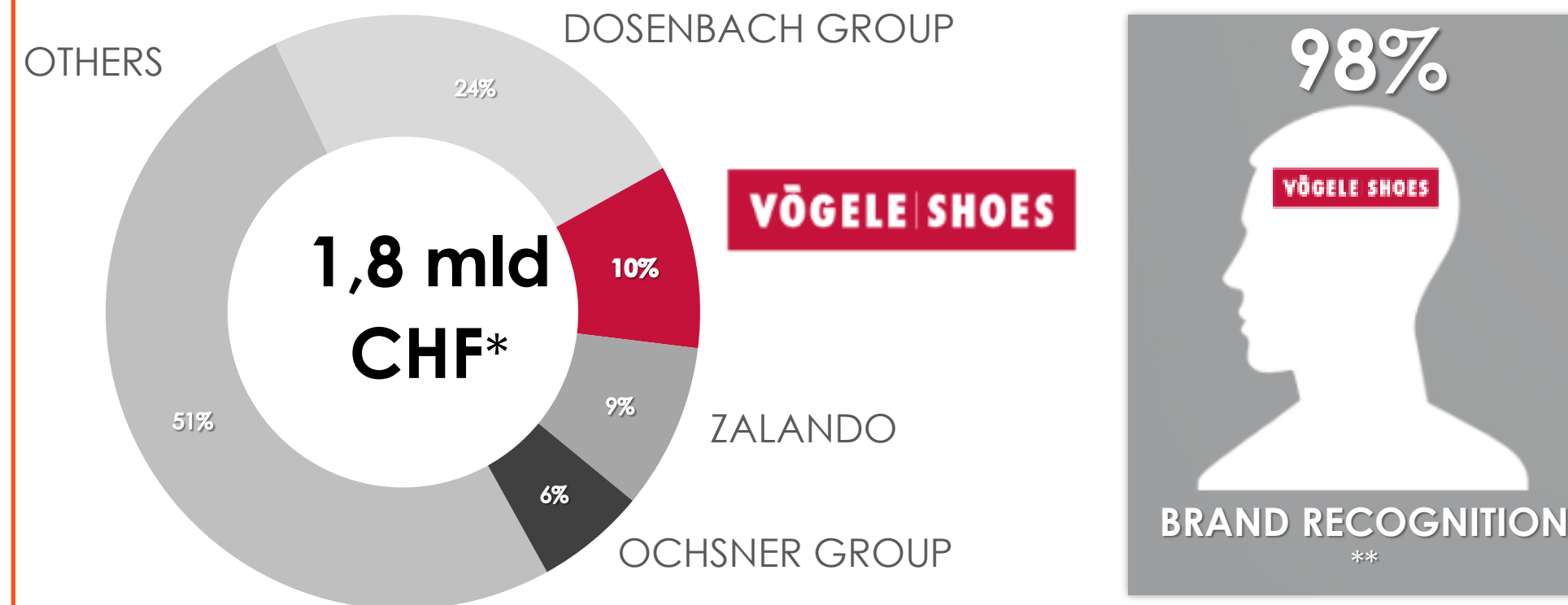
Exposure to young,
fashion-oriented
customer, social media

TIME

PRICE

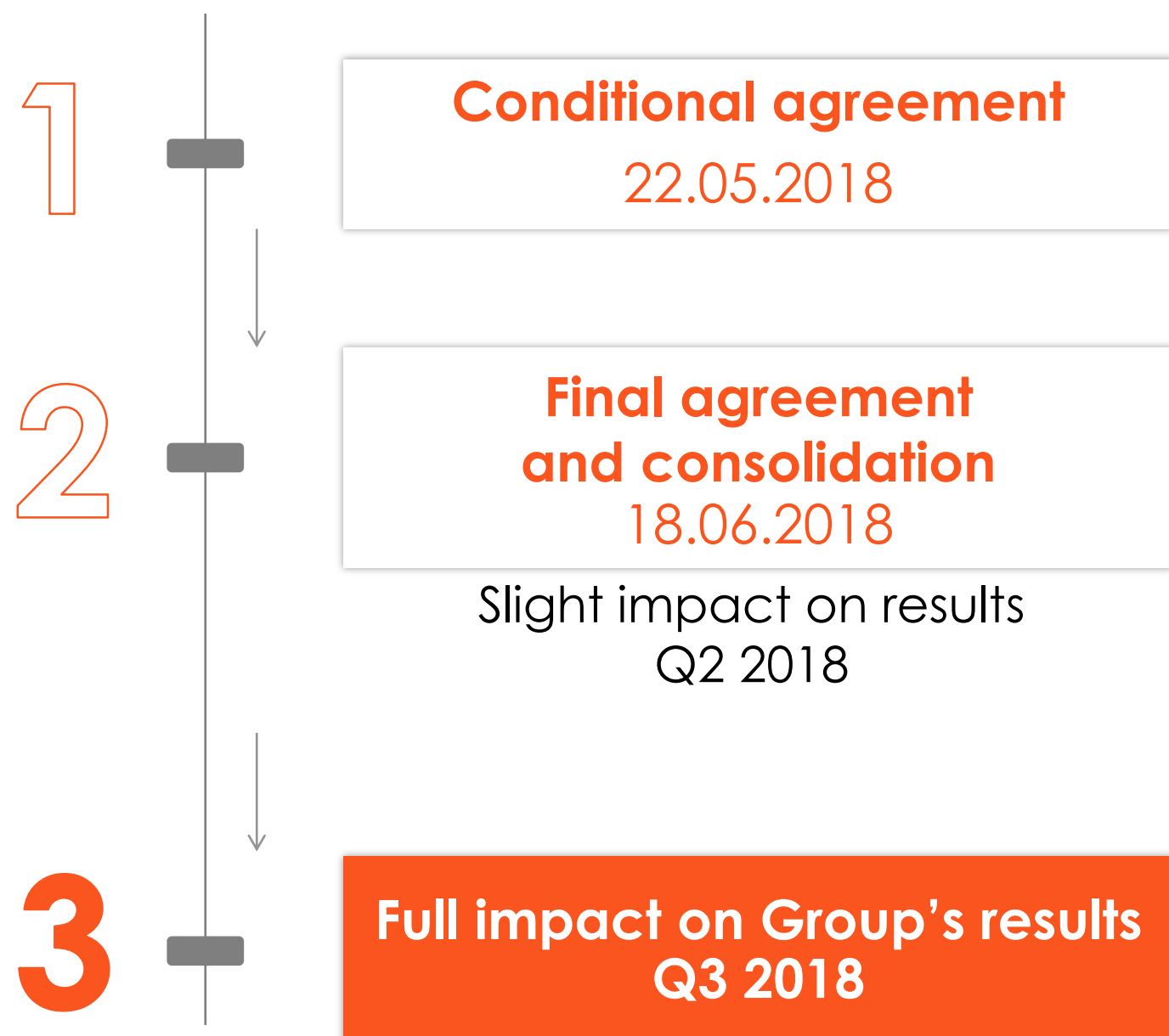
INTENT

SWISS FOOTWEAR MARKET IN 2017



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

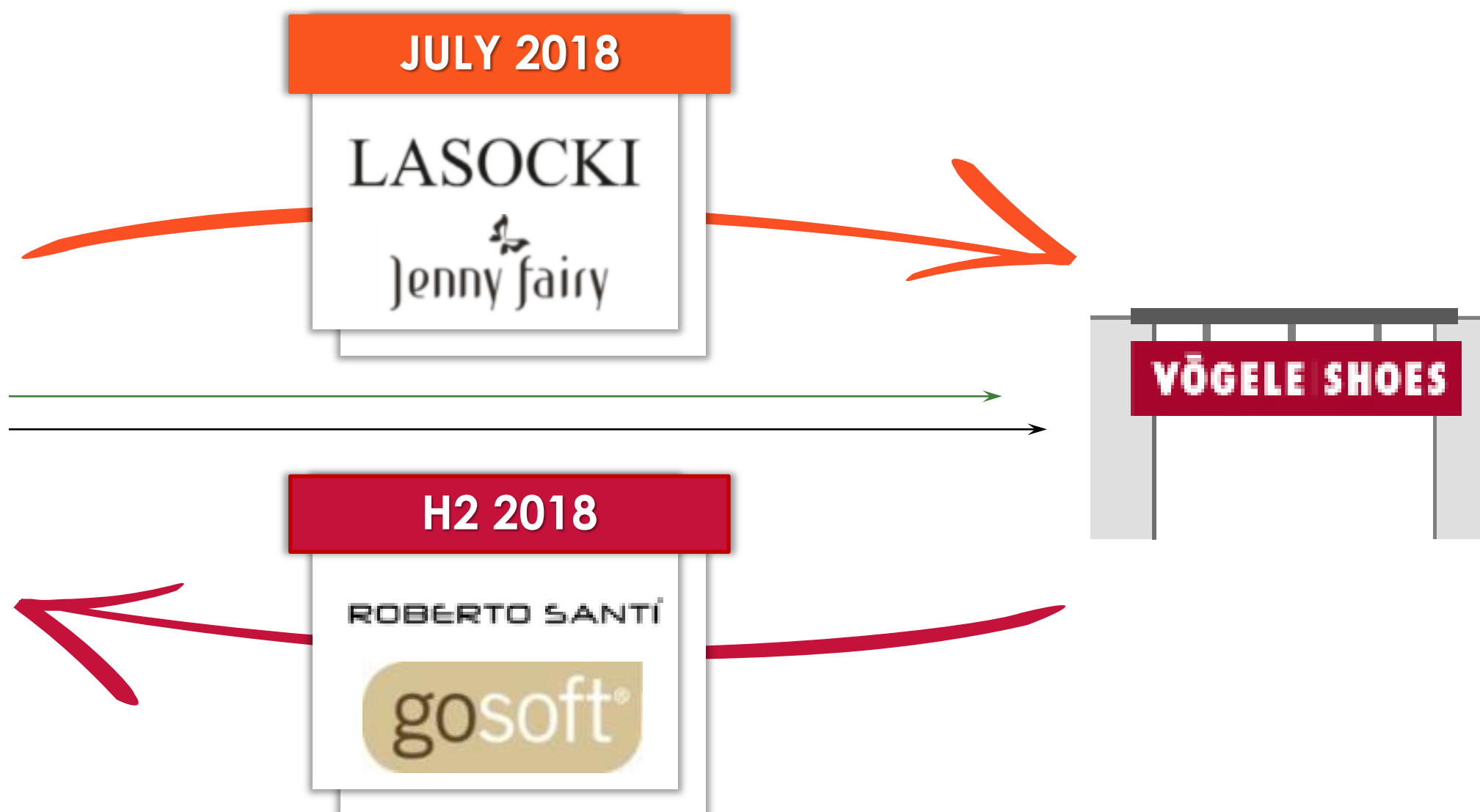
- Number 2 on the Swiss footwear market.
- Very well known portfolio of private labels, complemented by international brands
- High potential to increase the share of online sales.
- 208 stores in attractive locations

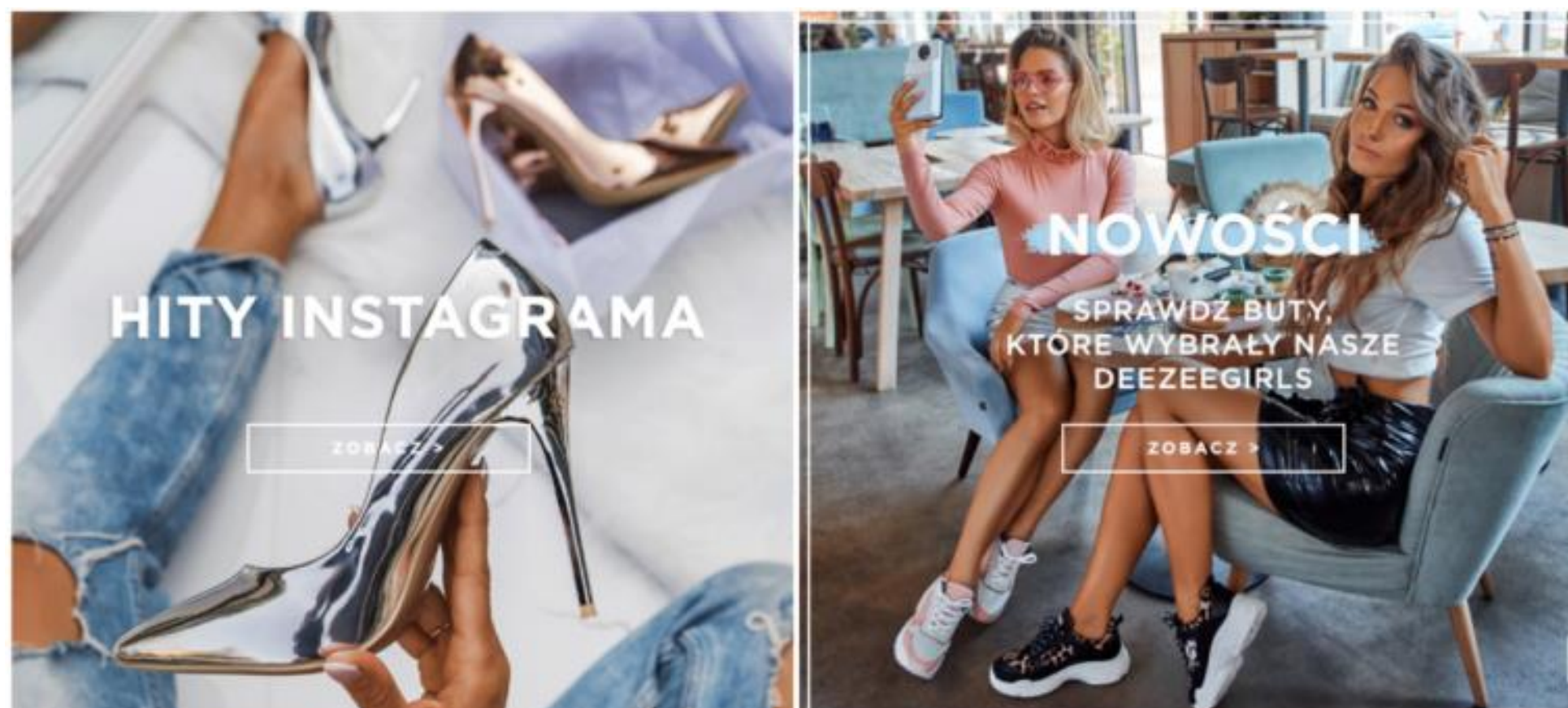


CCC new concept store in Switzerland



Ultimately up to 40 locations





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.

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

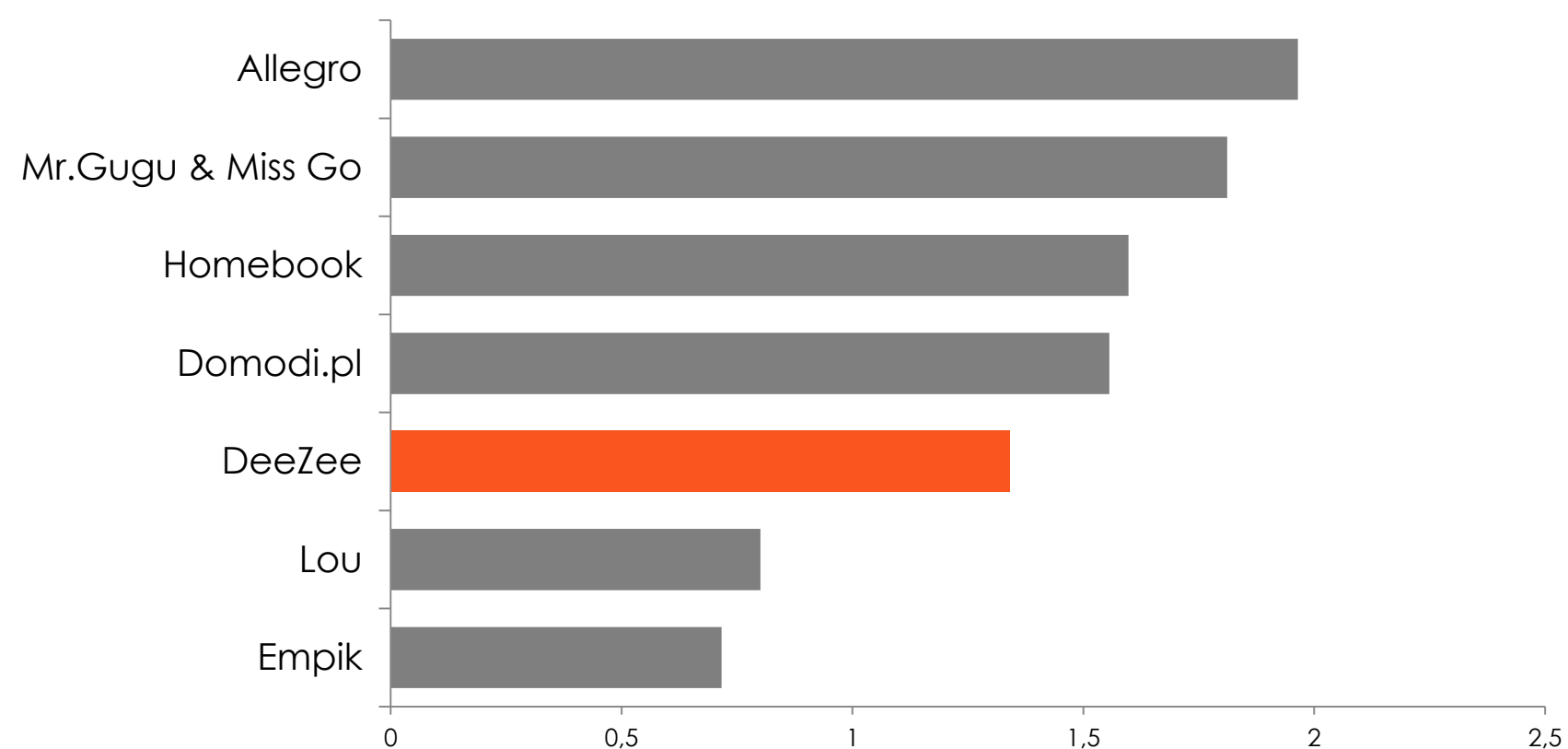
page views per month

18-34 years

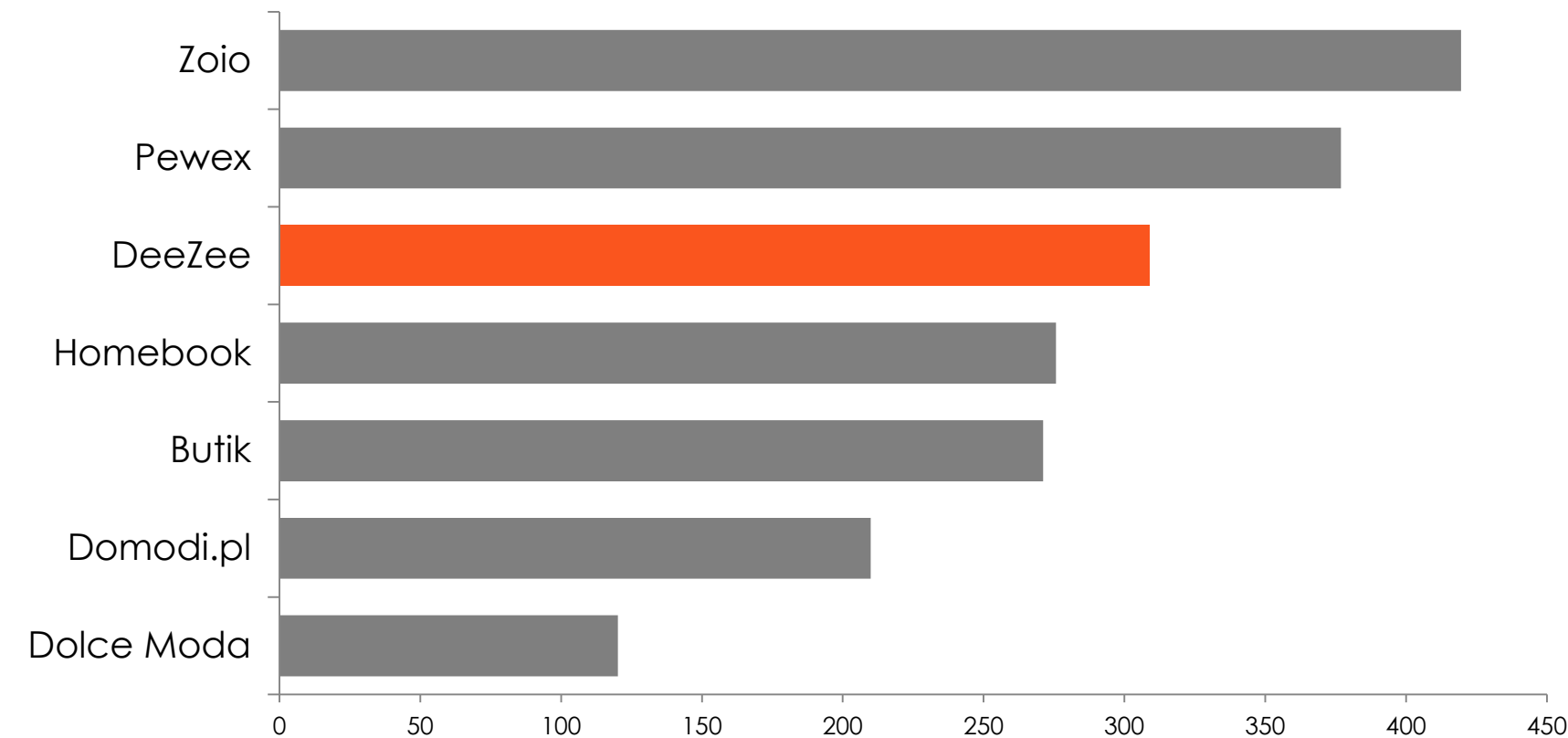
84% of customers age



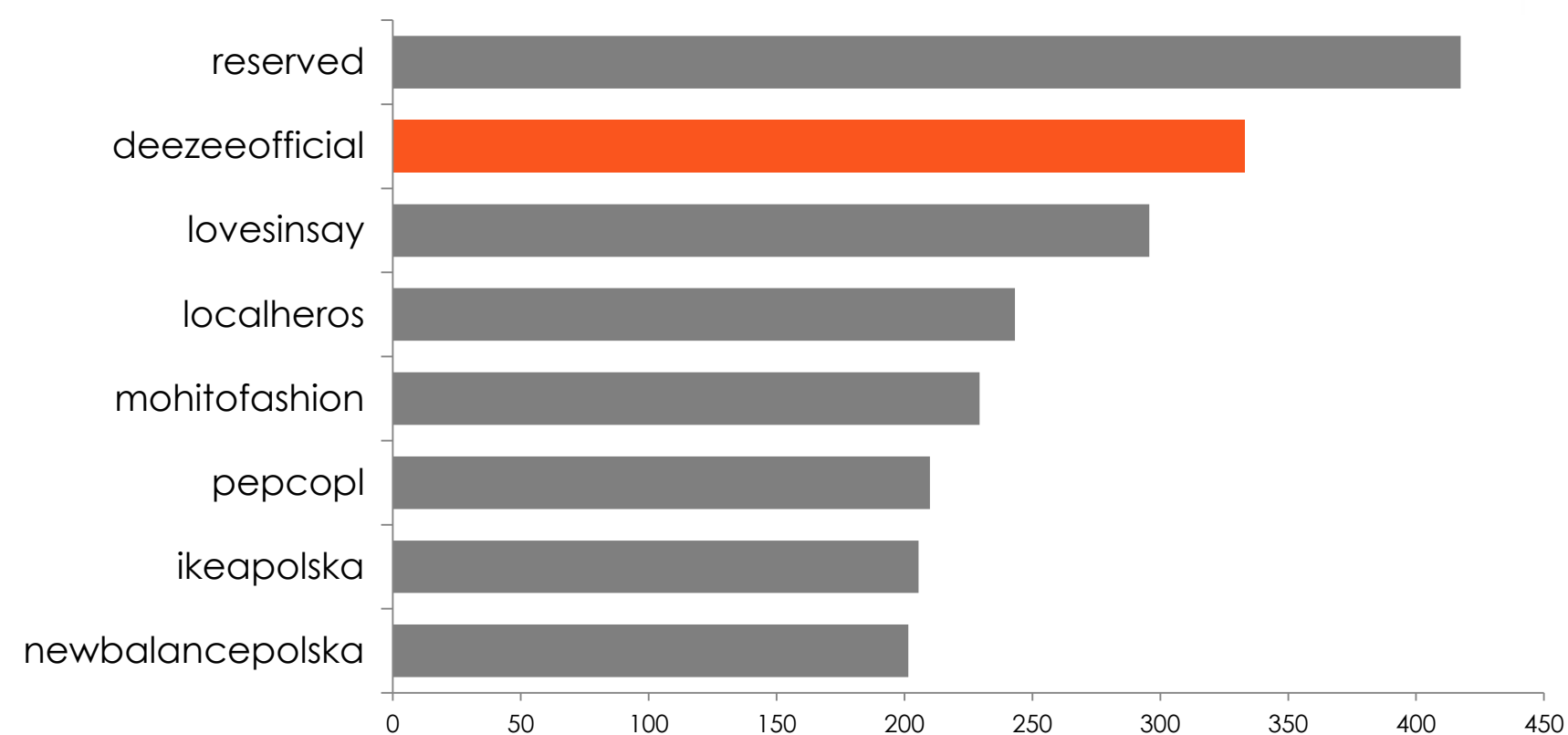
NUMBER OF FANS [M]



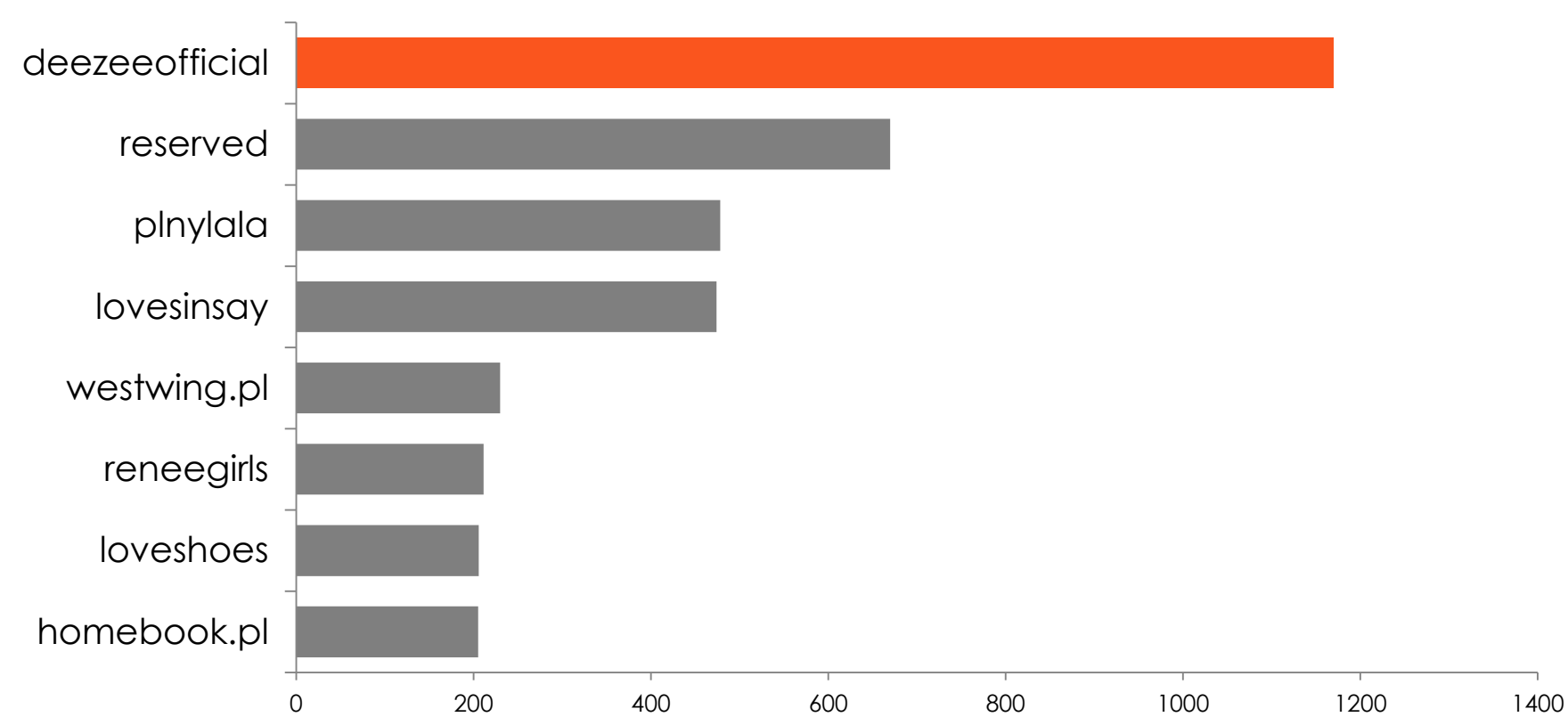
ACTIVITY COUNT [k]



NUMBER OF FOLLOWERS [k]



ACTIVITY COUNT [k]

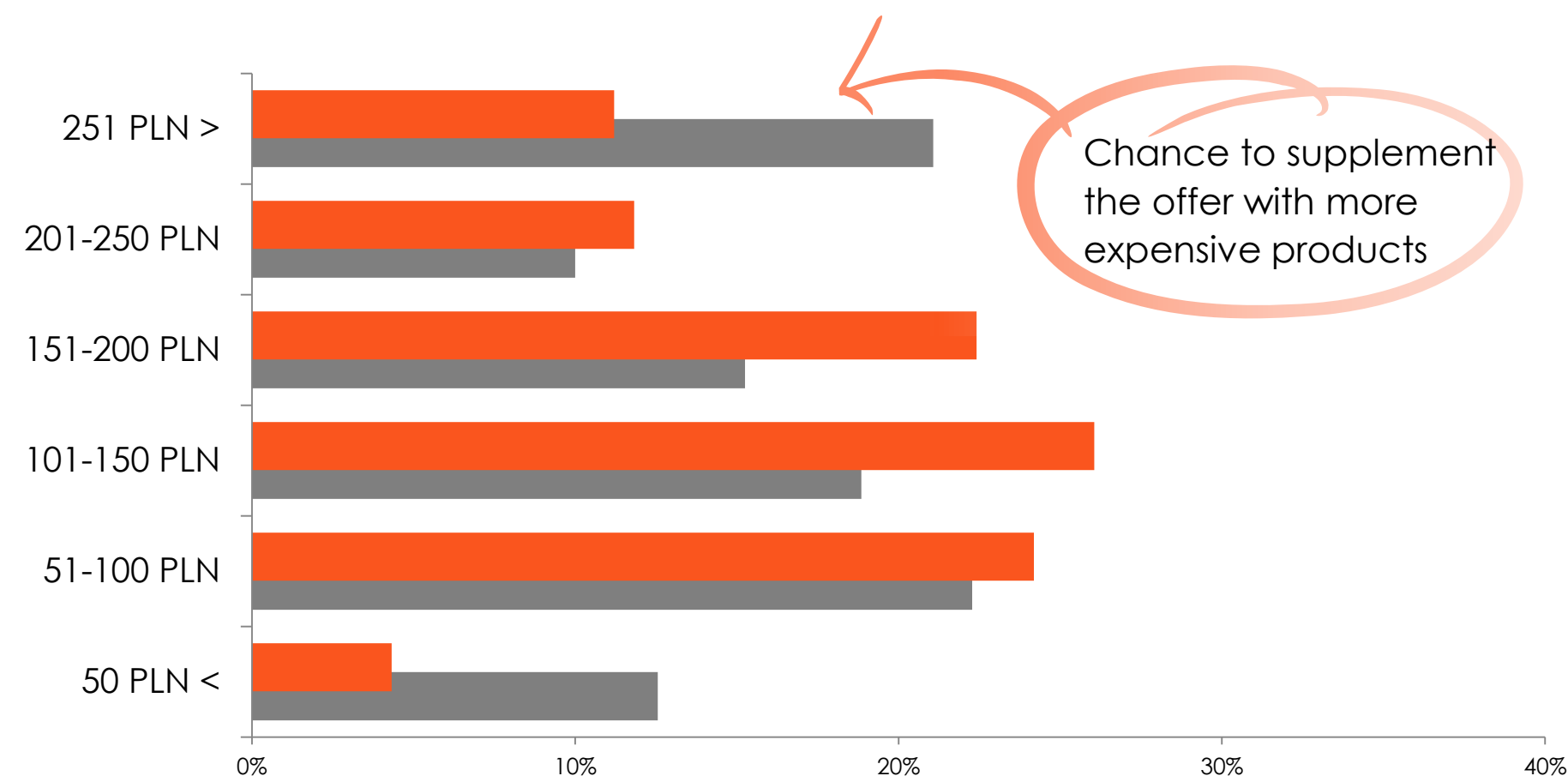


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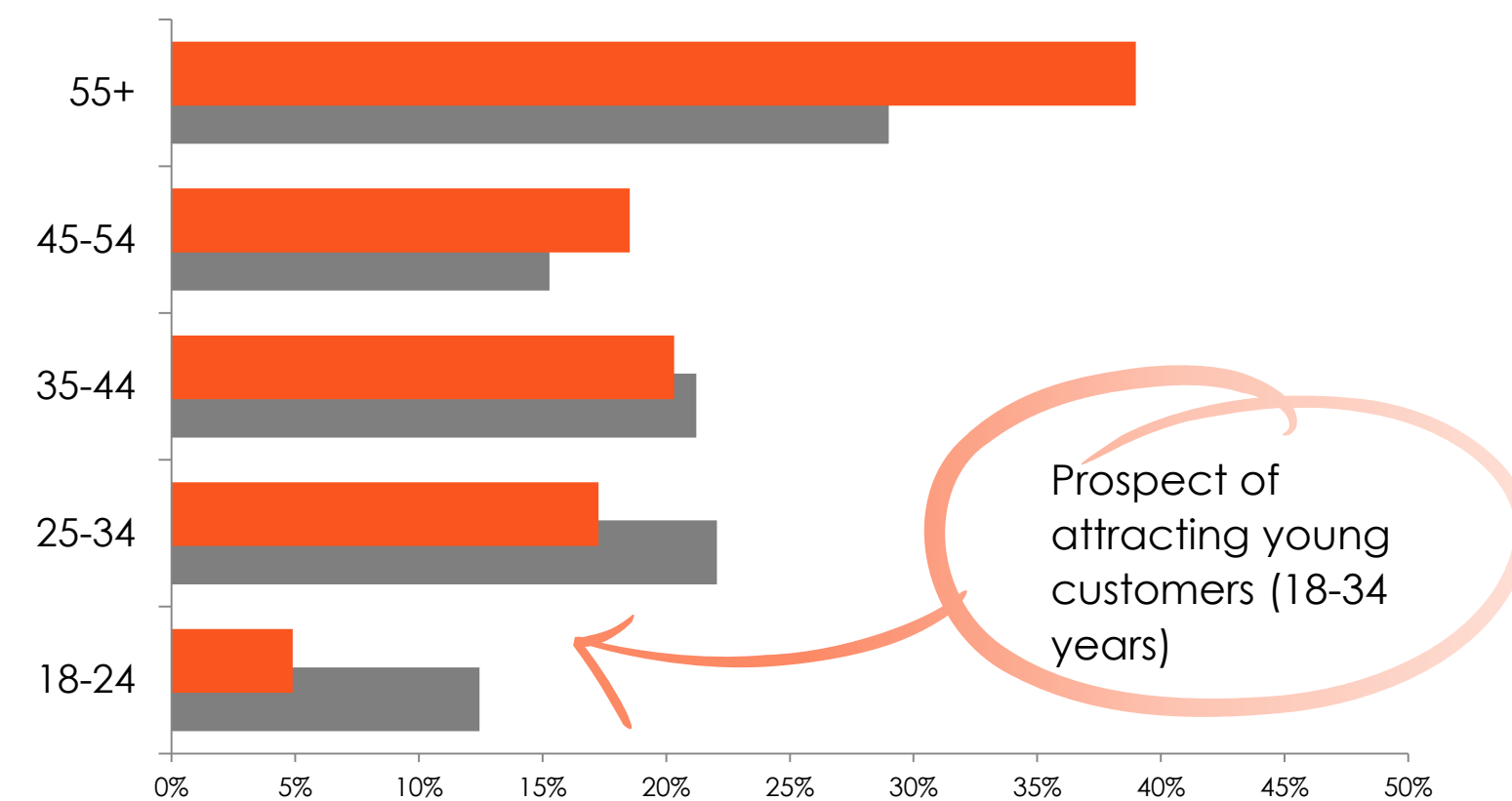
New target groups

photo by
DeeZee

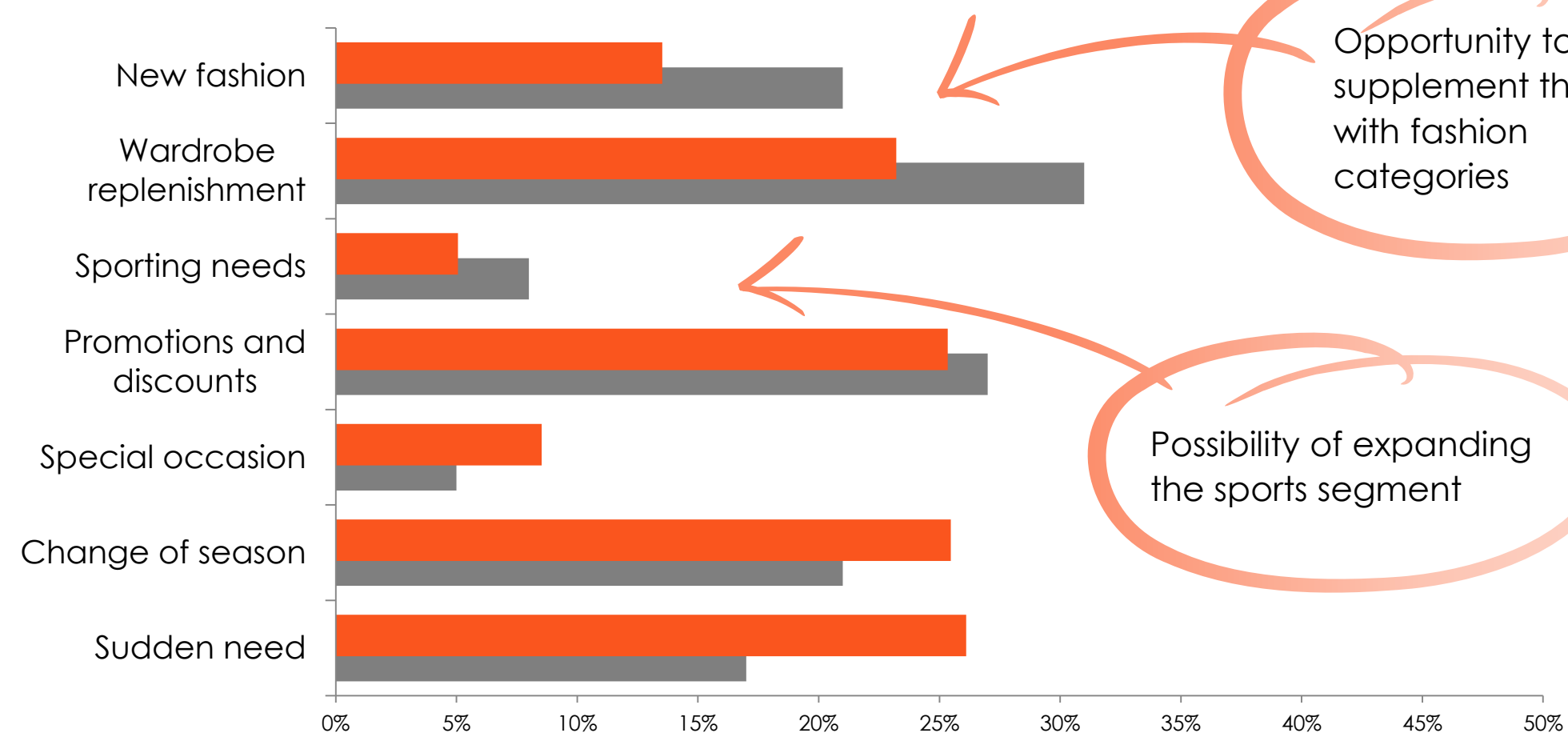
PRICE



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

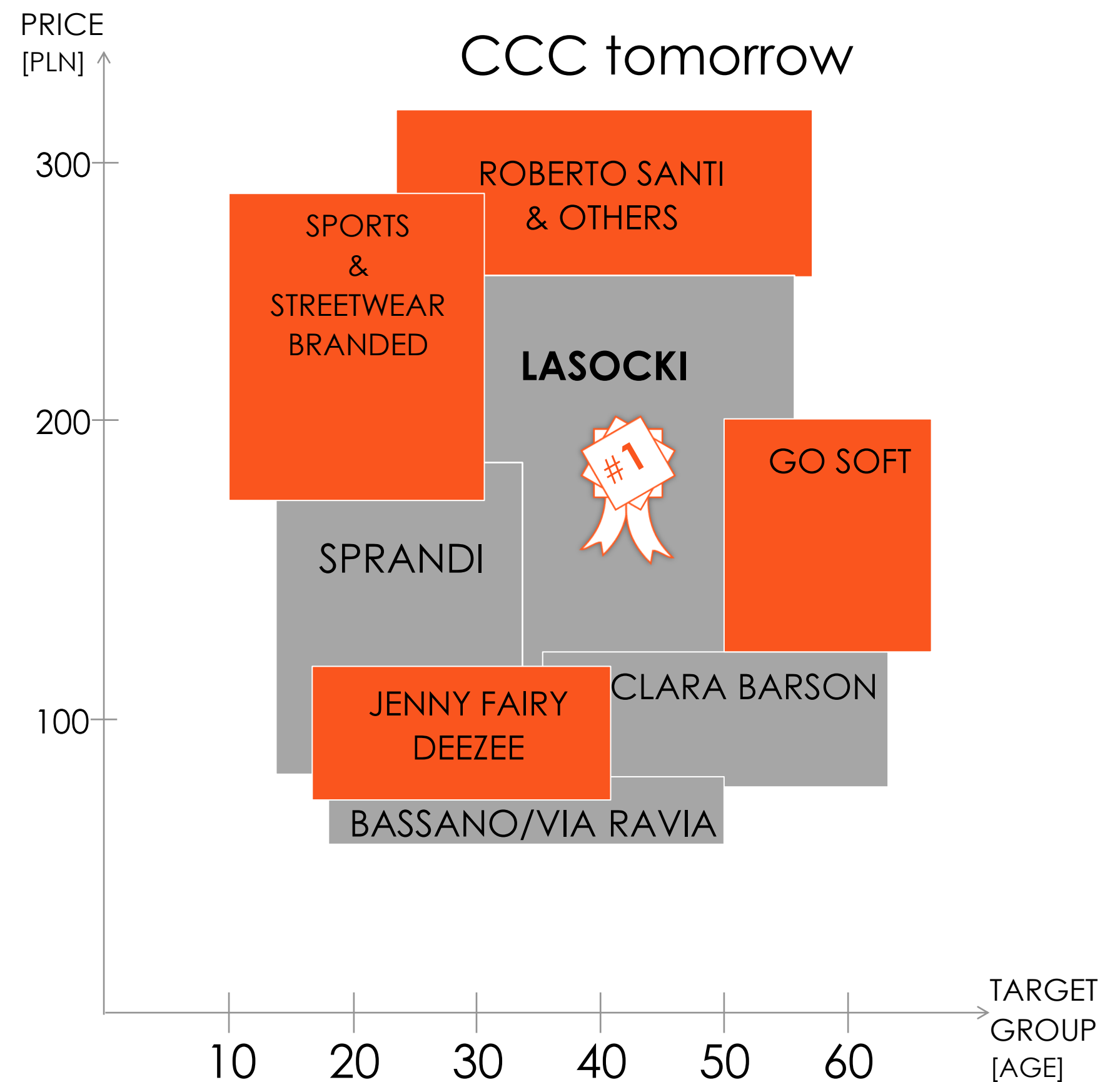
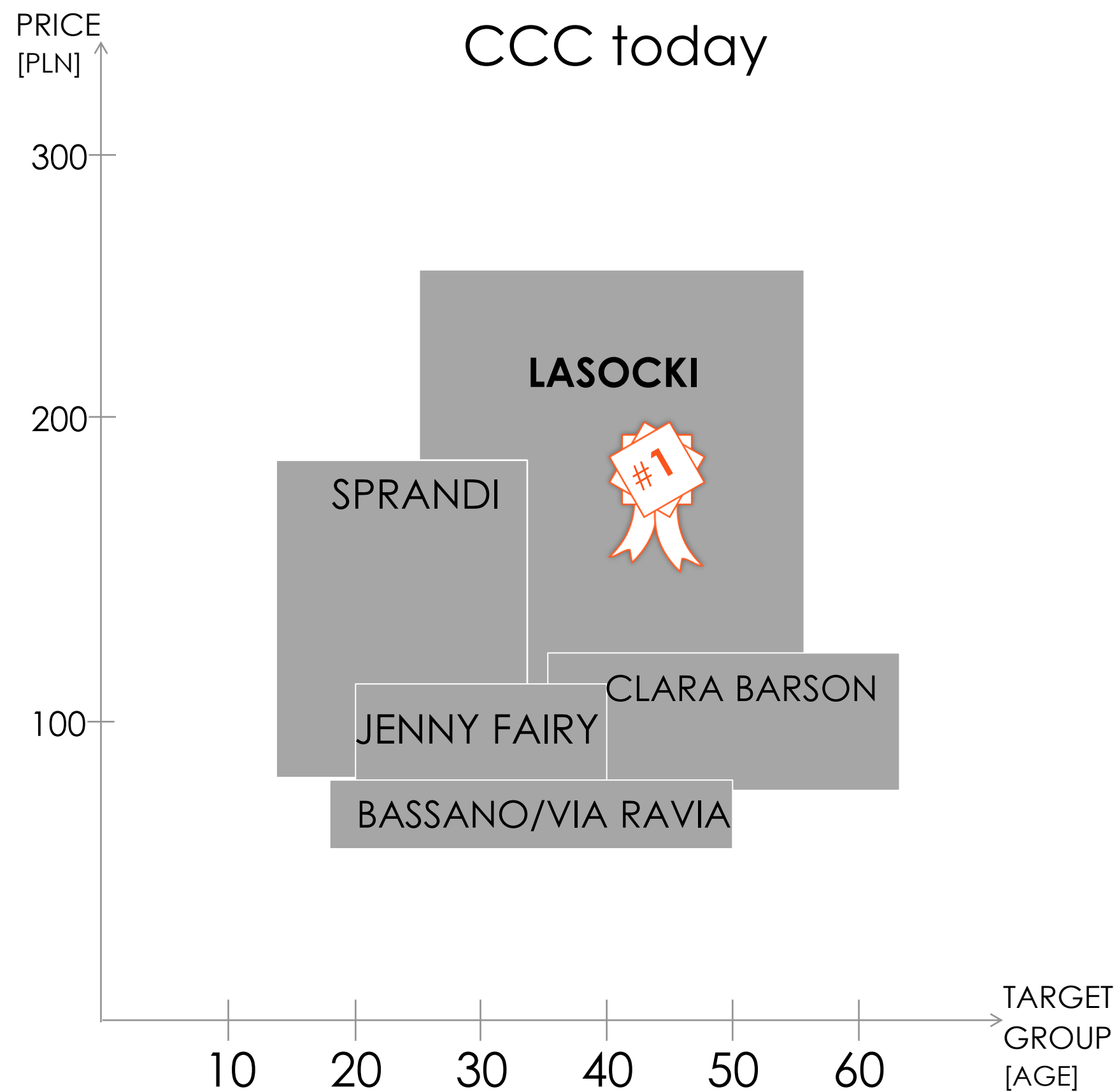
FASHION, CLASS



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%

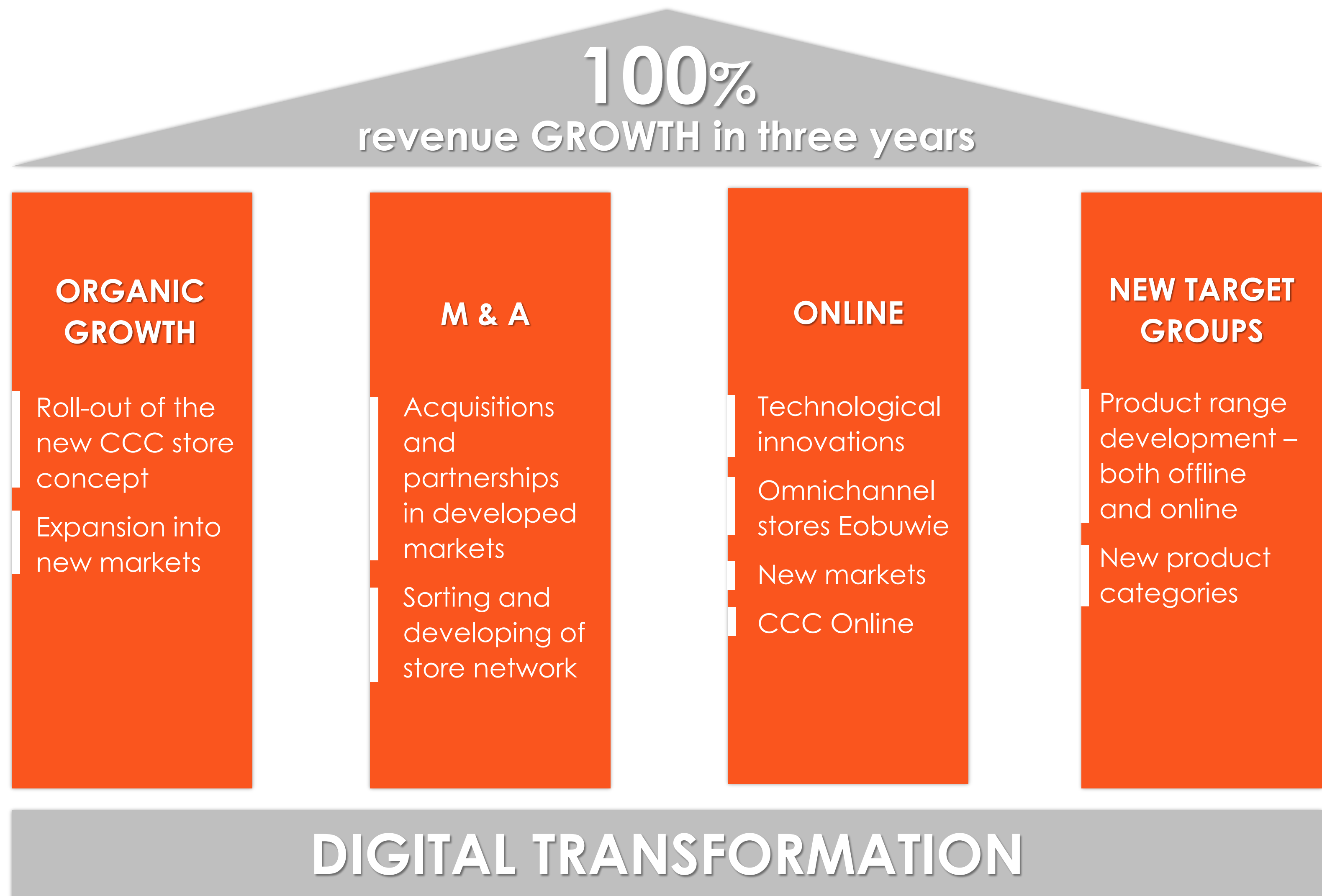


NEW CONCEPT STORE COUNT
BY 31.12.2018

~200

CONVERSION

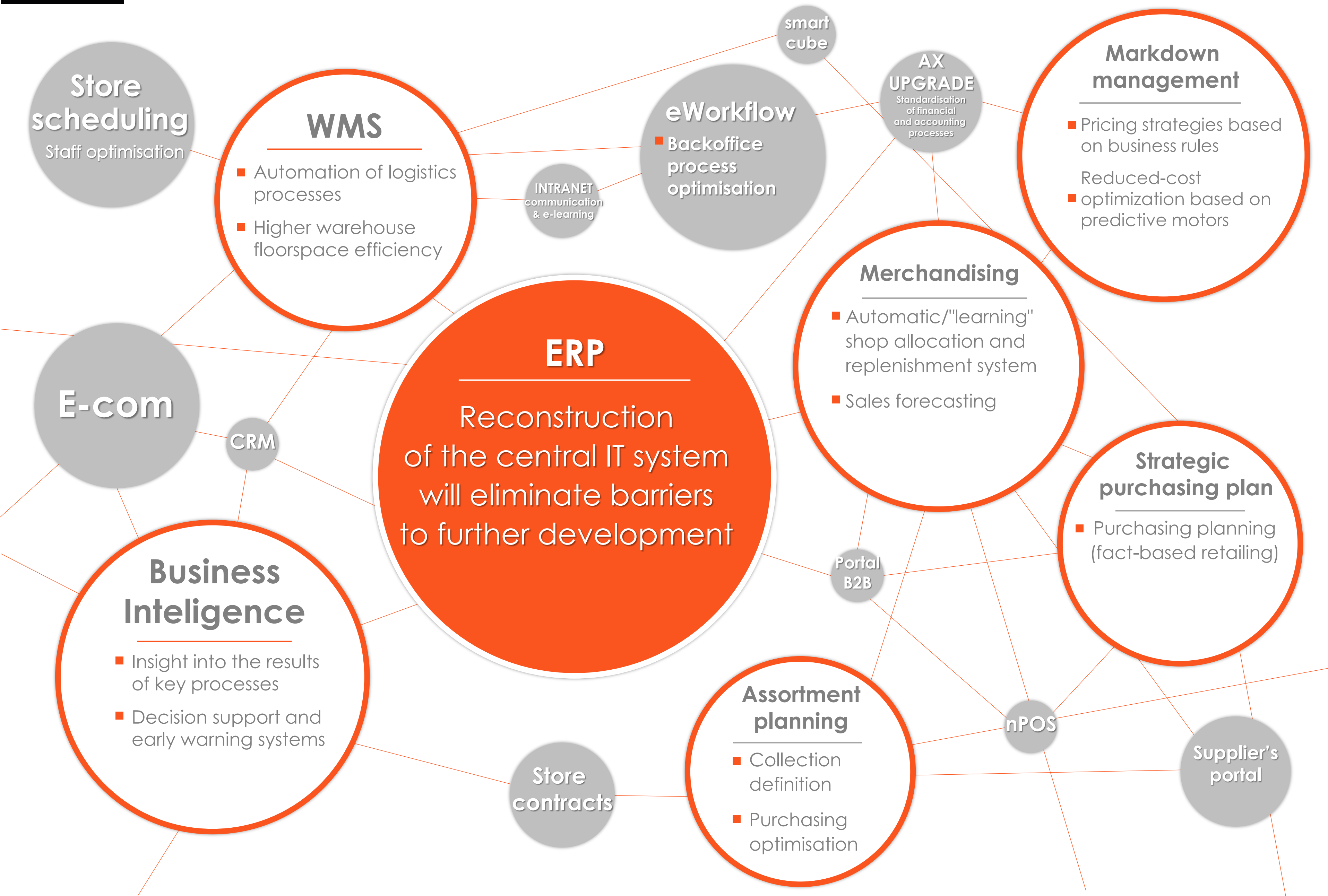
+ 11%



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Innovations

photo by
DeeZee



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 %

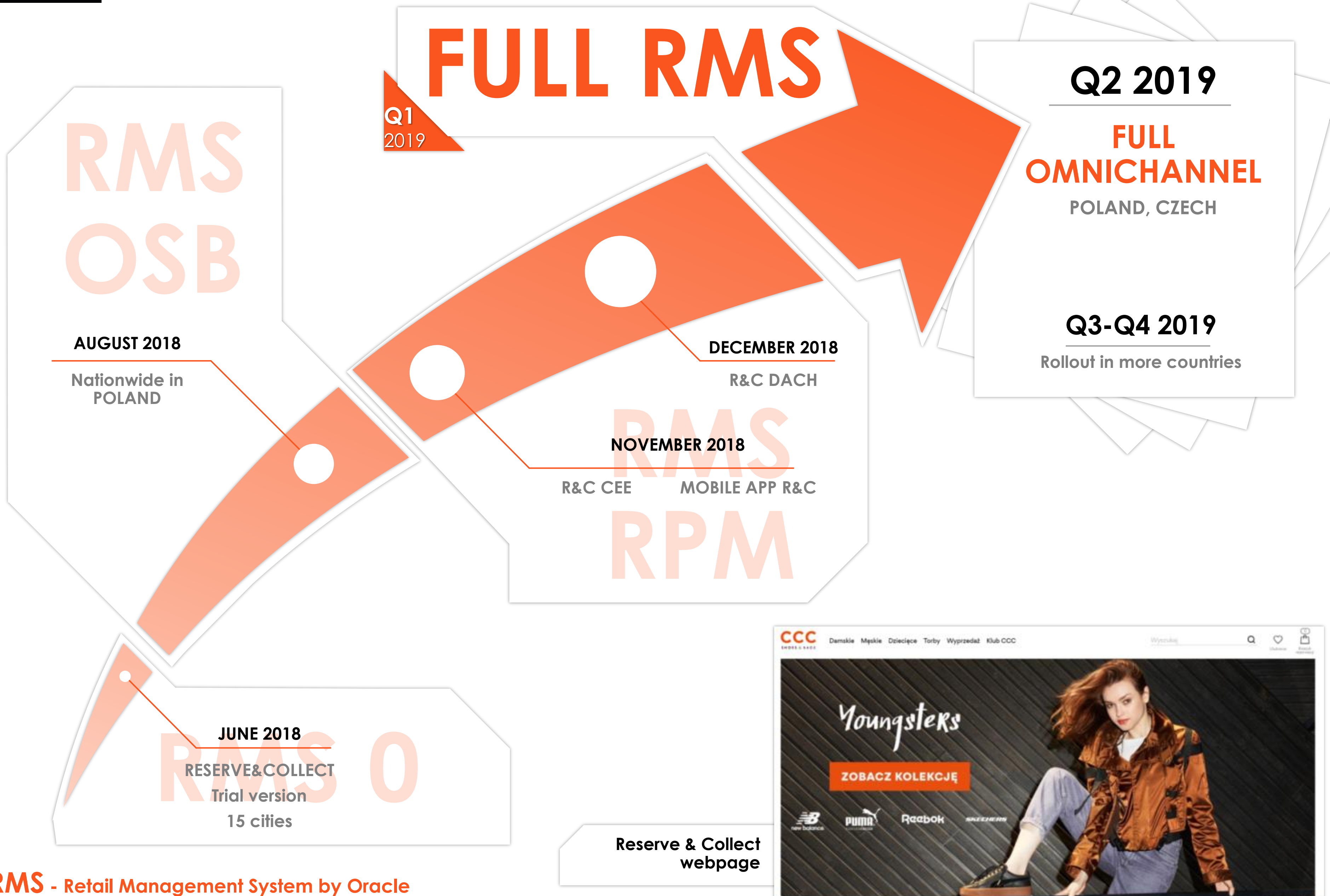
revenue
growth

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

retail
aCCcCelerator



ROBOTICS



OMNICHANNEL



AUTOMATION



CUSTOMISATION



BIG DATA



...



Testing, analysis, piloting
at CCC & eobuwie

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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

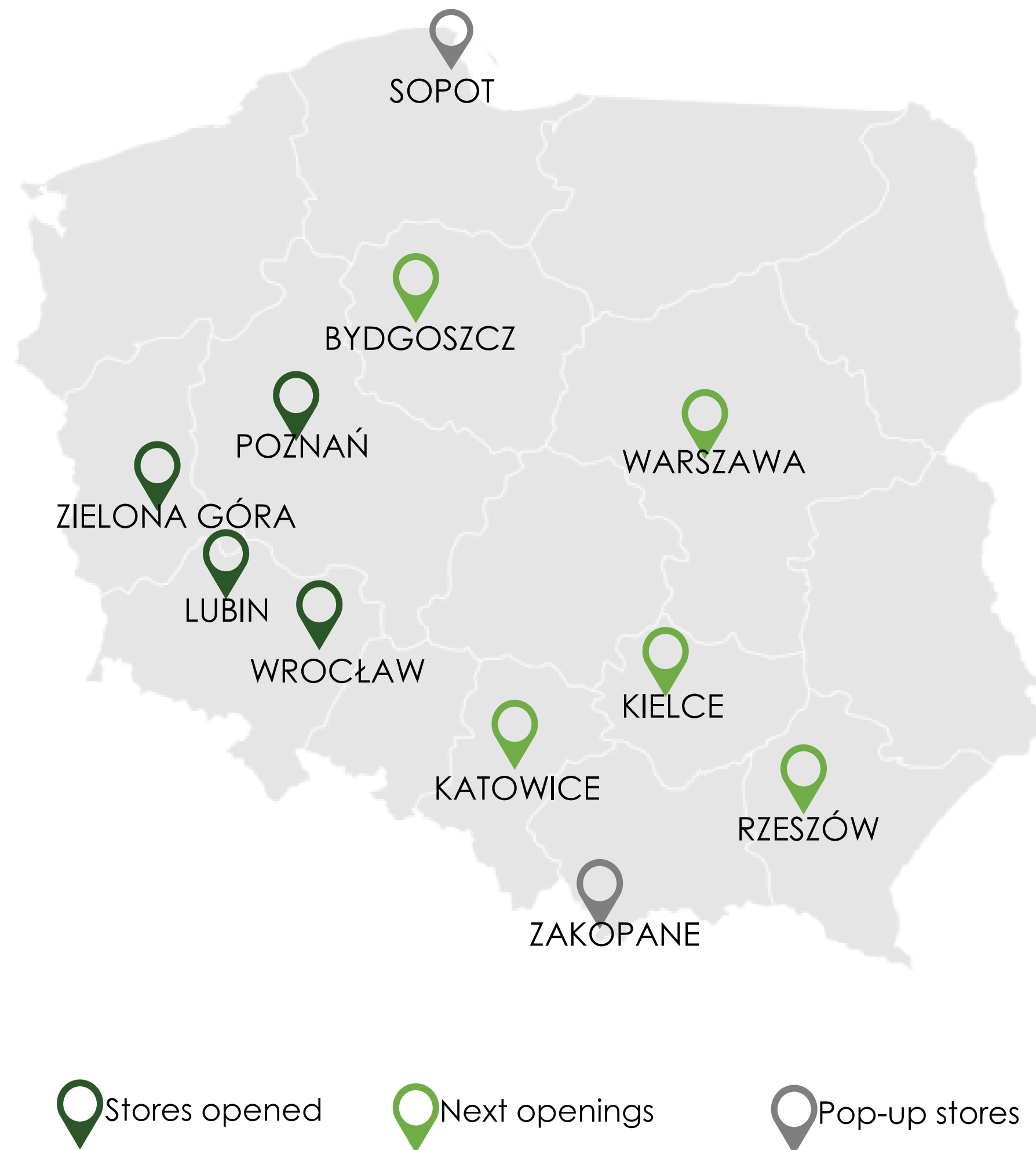
New mobile app

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

MA/AI introduction

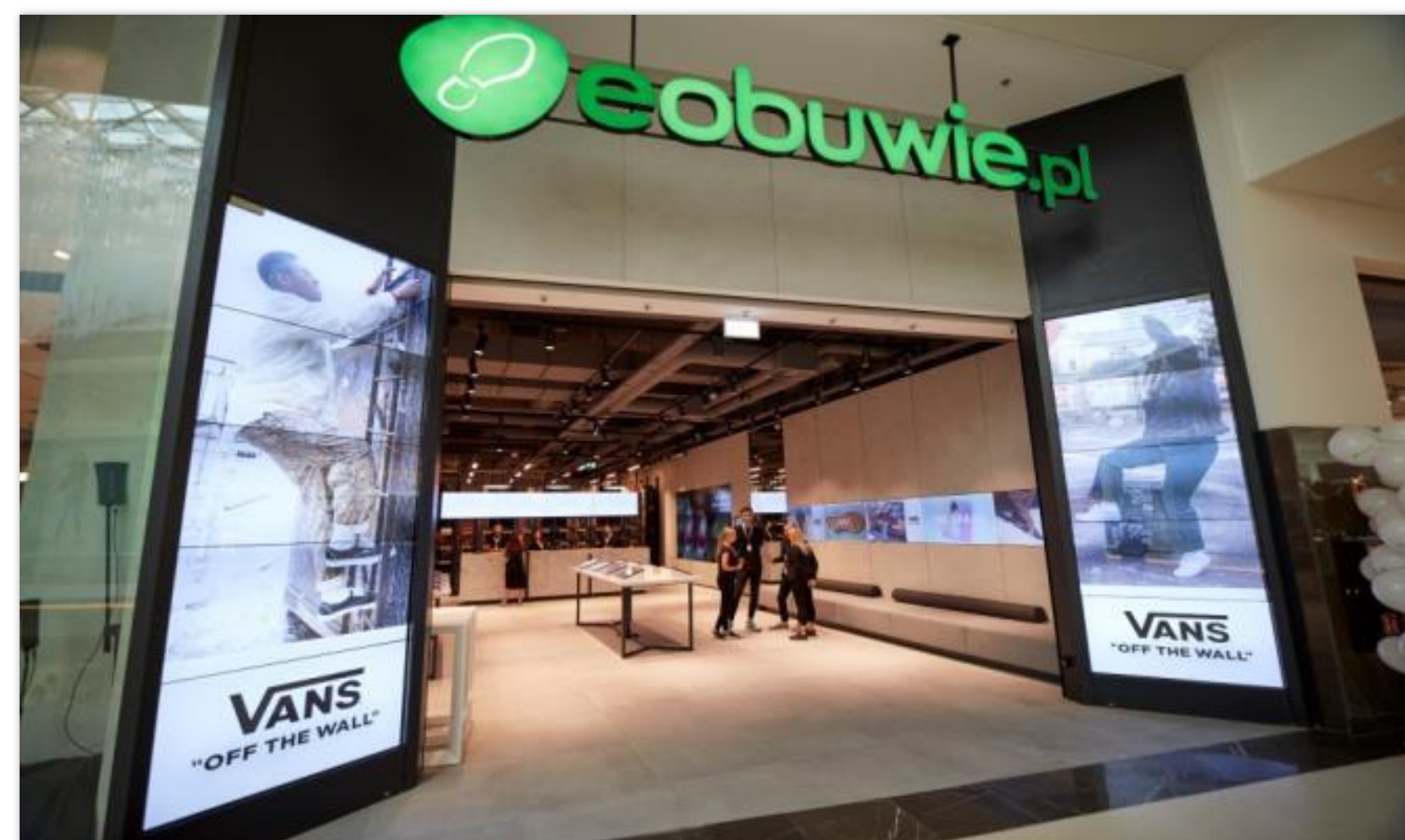
- Scenario development, personalised listing, search and display construction

SUCCESSFUL ROLLOUT OF EOBUWIE STORES



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

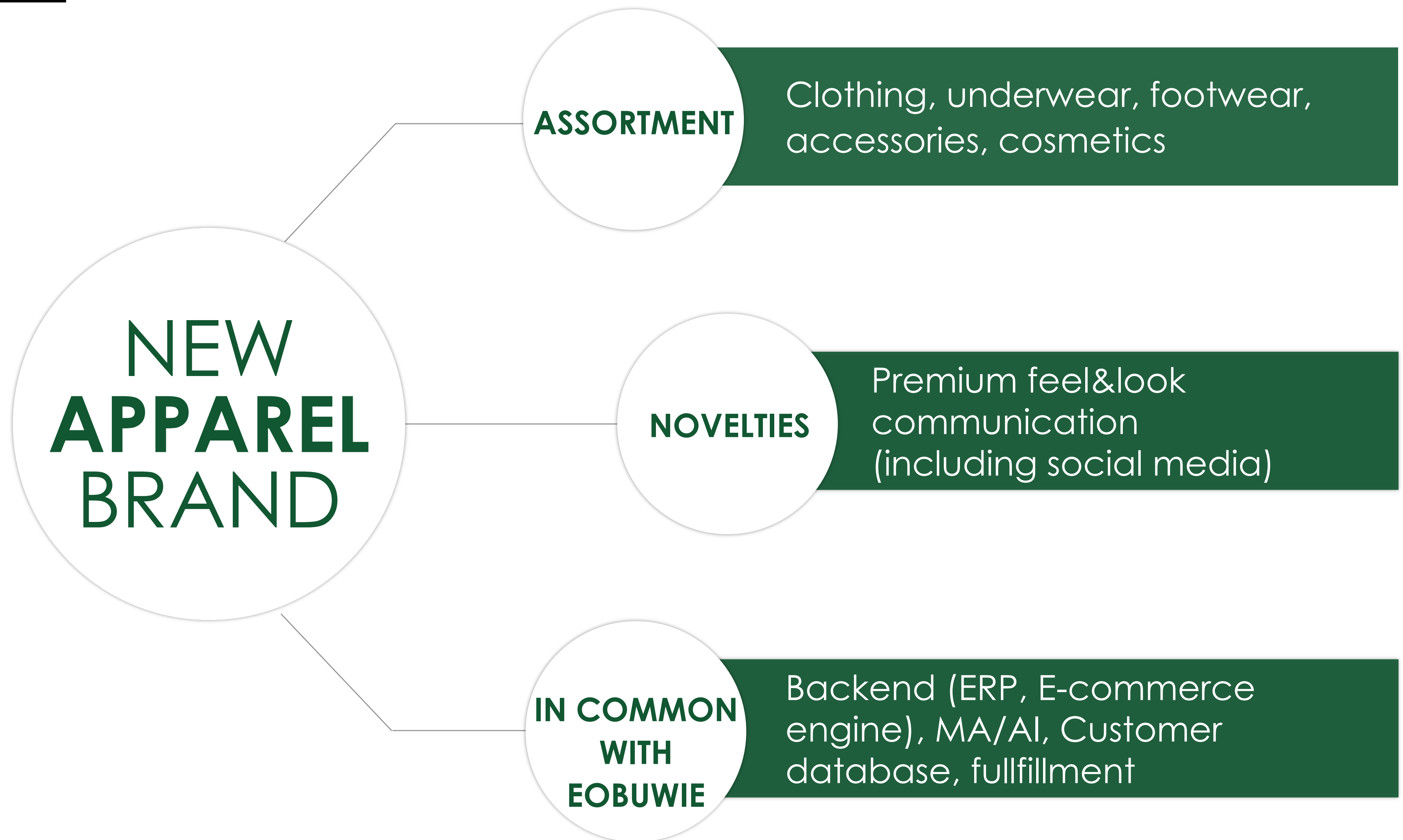


ground
breaking
CRM

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



INVESTMENT IN FUTURE GROWTH

1

Start of investment: September 2018

Commissioning: H2 2019

Floorspace: 40 000 m²

E-commerce platform for external customers

Advanced automation

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

2

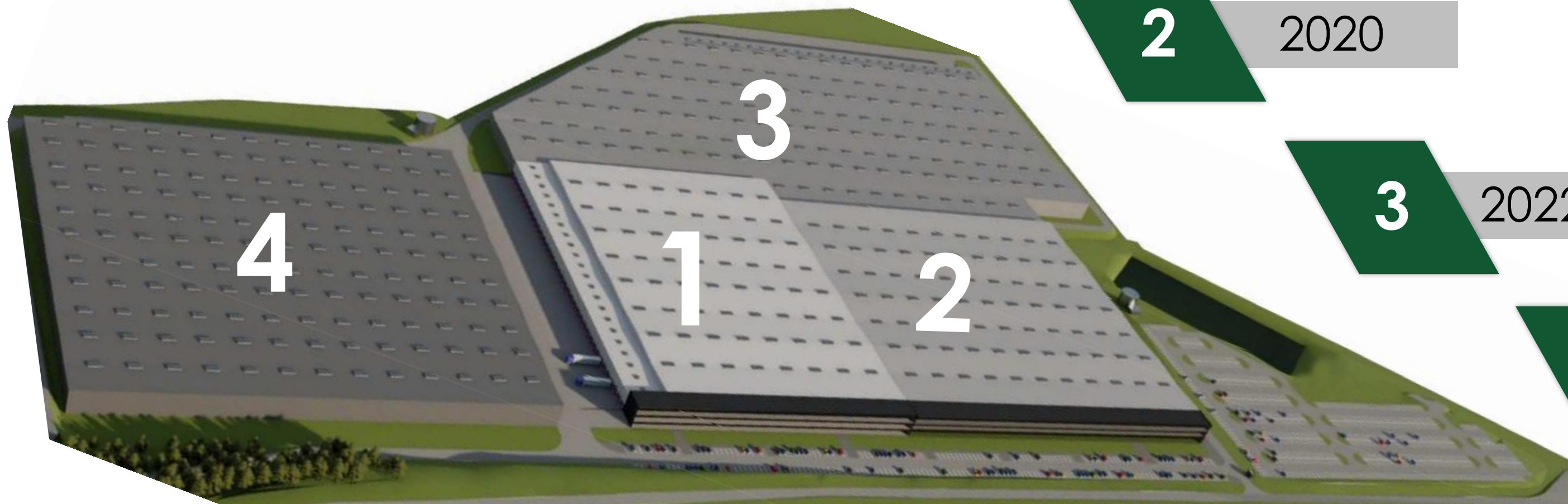
2020

3

2022-23

4

2026-27



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2020 vision

photo by
eobuwie



Revenues: targetting 100% growth

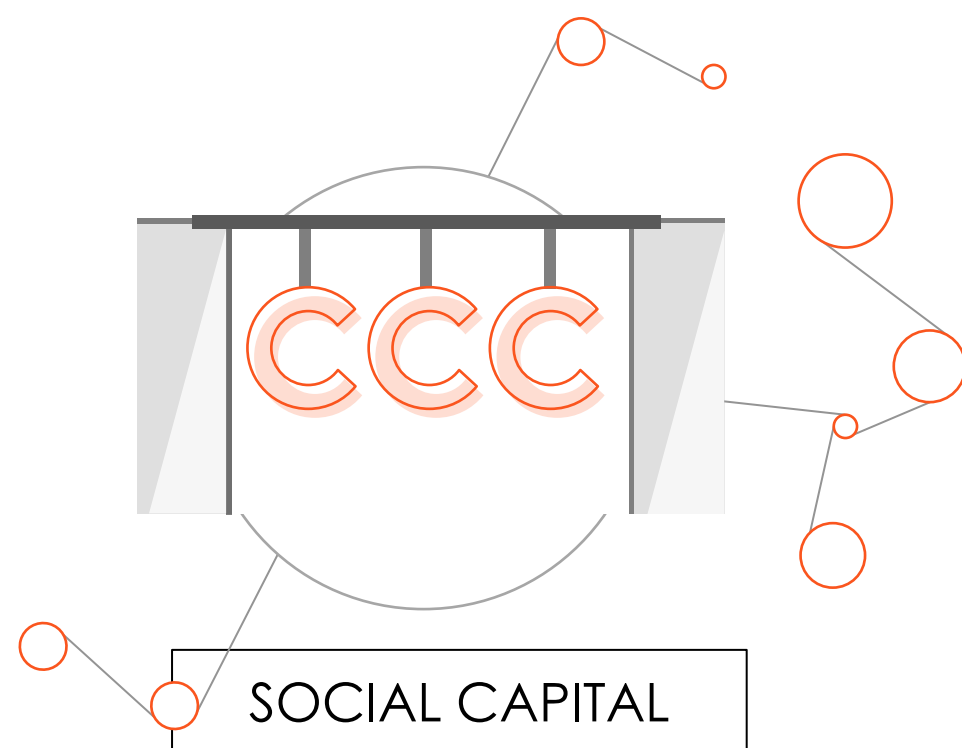
- **70%** of revenues **offline** (CCC, KVAG...)
- **30%** of revenues **online**
(Eobuwie, CCC, KVAG, DeeZee, ...)

EBITDA margin:

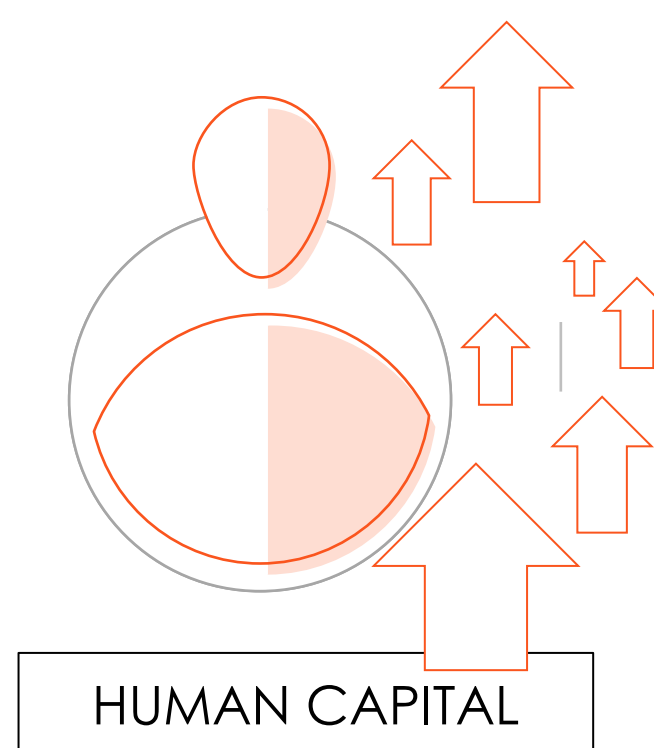
- **Increase** in **offline** segment (CCC)
- **Double digit** in **online** segment
(Eobuwie)

Net debt/EBITDA **gradually reduced**

Trade payables = Inventory



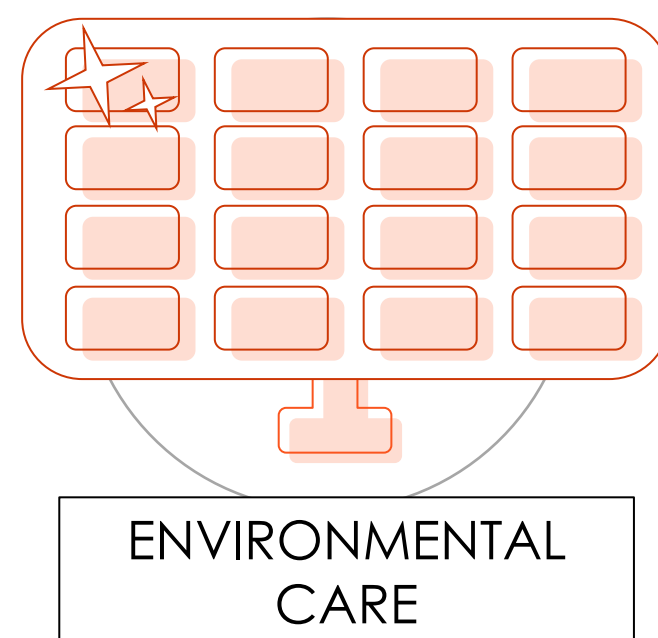
We share knowledge
We cooperate with universities
We cooperate with the institutions



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)

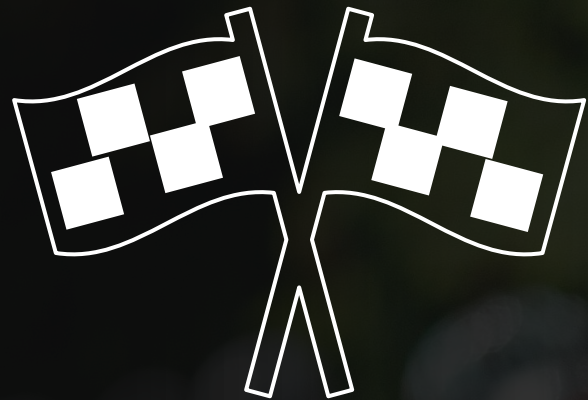


We sponsor sports and related events
We promote healthy lifestyle among children and youth (cycling schools)

6th place in Poland in Responsible Companies Ranking



World Tour in numbers



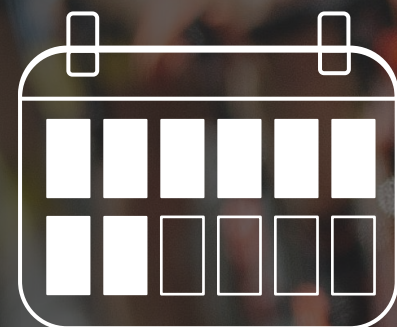
37
races



18
countries



5
continents



250
race days

5.4 \$
return

for each 1 \$ invested
in World Tour team
sponsoring

Source: Repcuom Cycling24 & Eurodata



Le
de TOUR
FRANCE

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

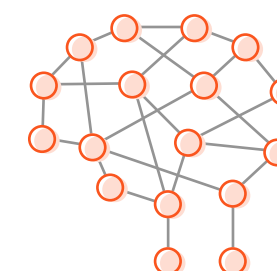
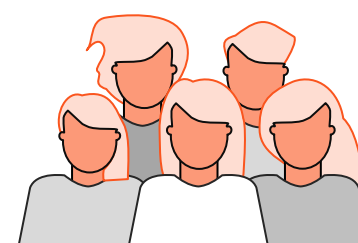
**CUSTOMER
EXPERIENCE
LEADER**
through
omnichannel

**HIGH
PROFITABILITY**

**HEALTHY
AND
PROGRESSIVE
BALANCE
SHEET**

**DYNAMIC
GROWTH**
in numerous
business models

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



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Go for more

THANK YOU