

# Results presentation CCC Group

Q2 2024

Dariusz Miłek  
Łukasz Stelmach

8 August 2024





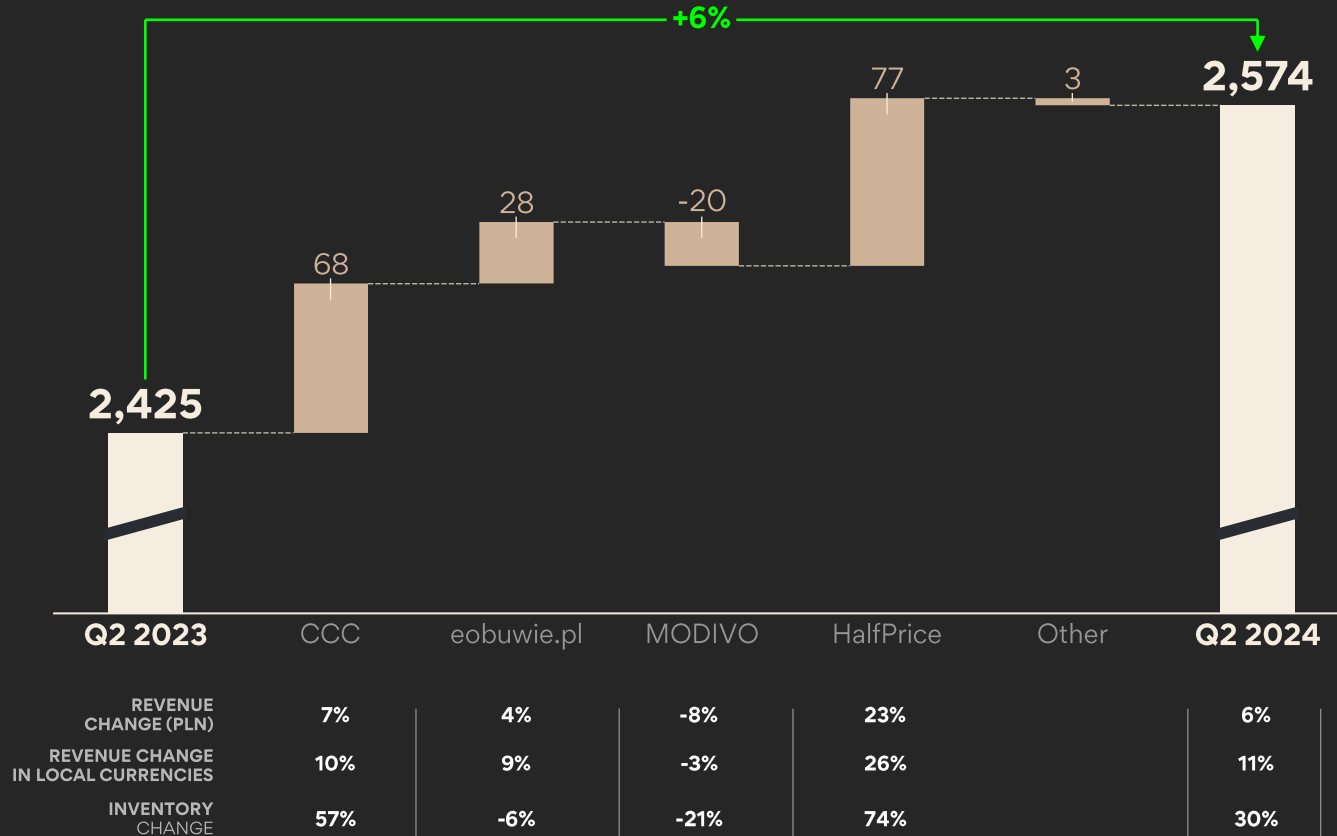
## Key facts Q2'24

- 1 Another consecutive quarter of sharp improvement in the Group's performance
- 2 Successful refinancing effort
- 3 Tight cost discipline at the Group with the cost ratio down year on year across all business lines
- 4 Solid LFL sales in the CCC business line (+12%)
- 5 Sharp improvement in gross margin in CCC (+5pp) and HalfPrice (+13pp)
- 6 Industry-leading EBITDA margin delivered by the CCC business line (26%)
- 7 Strong and steadily improving profitability reported by HalfPrice (18% LTM)
- 8 Second consecutive quarter of profitability improvement reported by the Modivo Group
- 9 Plans to fast-track HalfPrice's and CCC's expansion

# Preliminary Q2 2024 results



## CCC Group's revenue growth



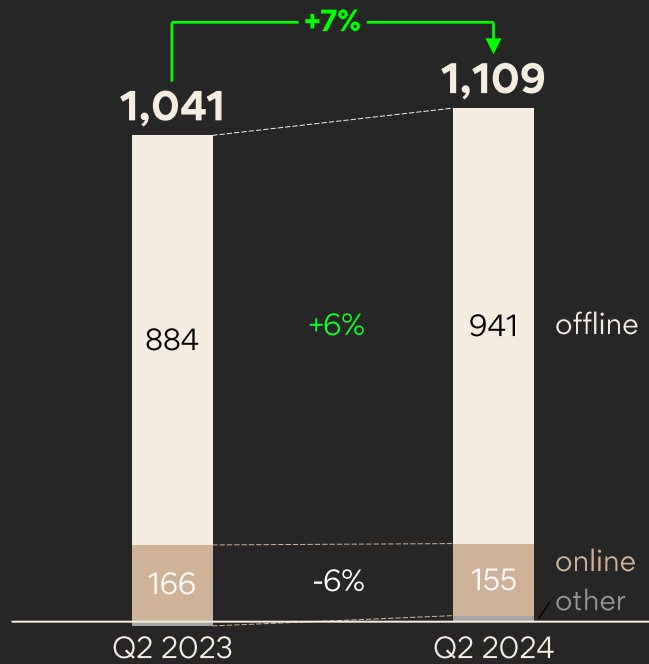
SHARE OF E-COMMERCE

**37%**

-15pp YoY

Change in CCC Group's revenue [PLN million]

Strong LFL sales, improved gross margin and cost discipline  
**Industry-leading EBITDA margin in the CCC business line**



GROSS MARGIN  
**59.8%**

+5.0pp YoY

LY 54.8%

EBITDA MARGIN  
**26.1%**

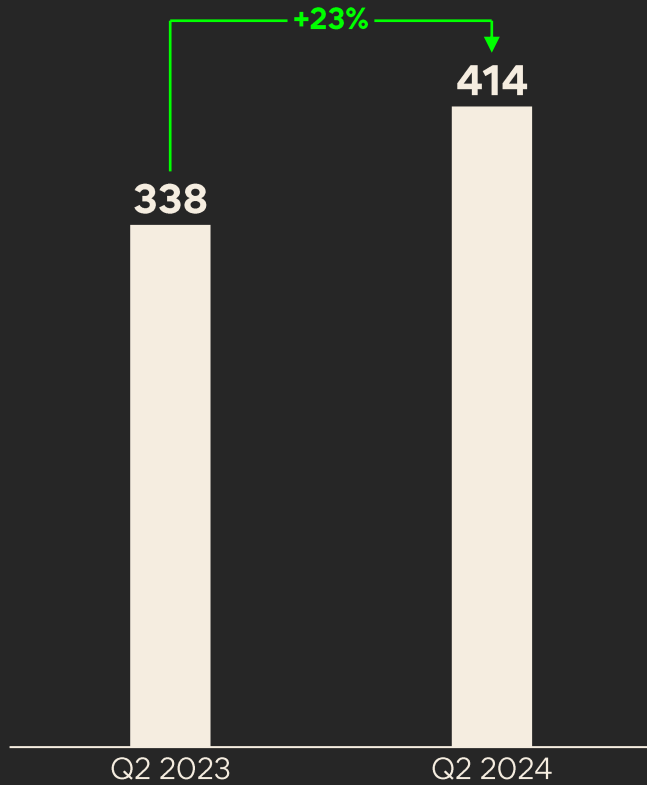
+5.5pp YoY

LY 20.6%

Change in CCC's revenue [PLN million]

Strong revenue growth and sharp improvement in gross margin

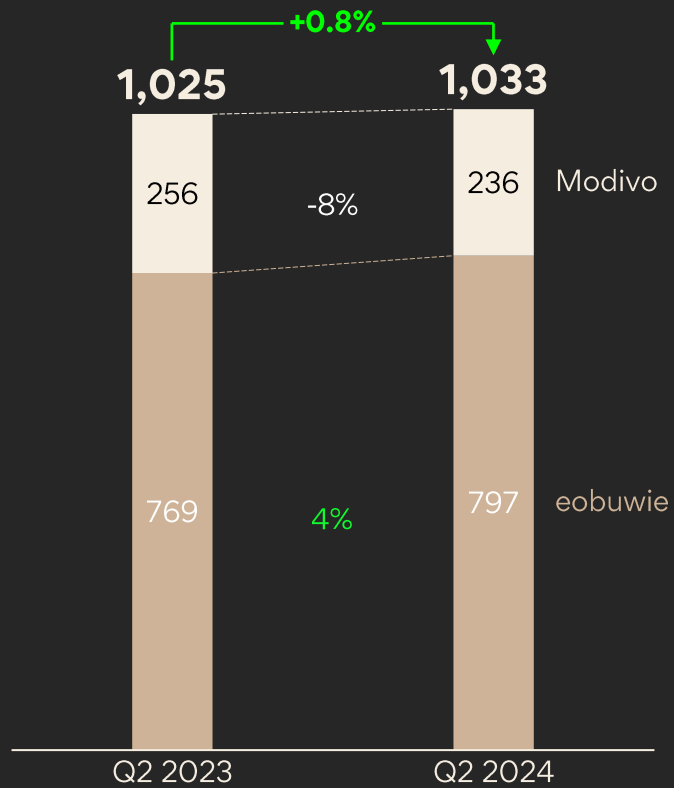
**Off-price concept standing out for its profitability compared with global competitors**



HalfPrice's revenue [PLN million]



## Second consecutive quarter of profitability improvement reported by the Modivo Group

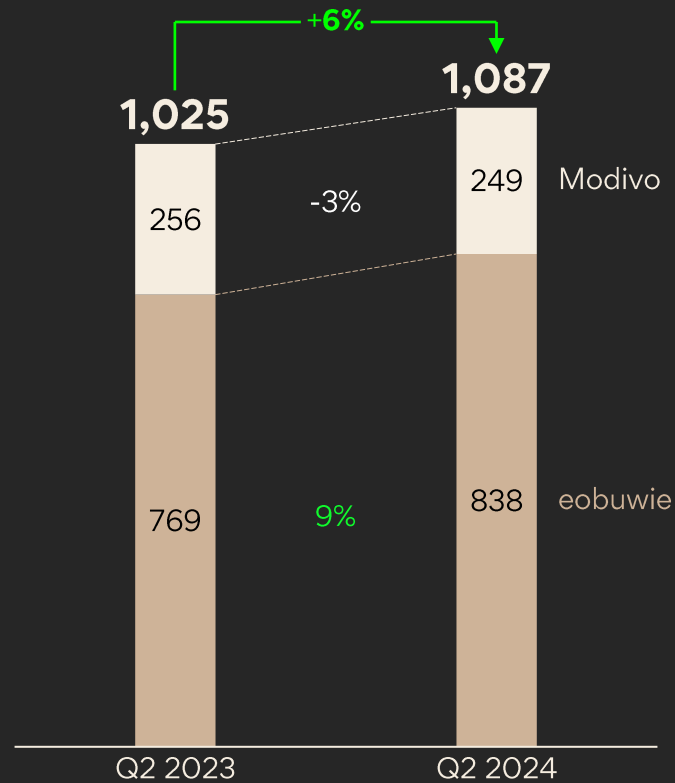


Change in MODIVO Group's revenue  
[PLN million]

% OF REVENUE	Q2 2023	Q2 2024	YOY
<b>Gross margin</b>	<b>38.2%</b>	<b>38.1%</b>	<b>-0.1pp</b>
<b>SG&amp;A</b>	<b>40.0%</b>	<b>37.3%</b>	<b>-2.7pp</b>
<i>Logistics</i>	7.8%	7.4%	-0.4pp
<i>Marketing</i>	16.9%	16.9%	0.0pp
<i>Administrative and other</i>	16.1%	14.6%	-2.6pp
<i>Other expenses/income and impairment losses</i>	-0.8%	-1.5%	-0.7pp
<b>EBIT</b>	<b>-1.8%</b>	<b>0.8%</b>	<b>2.6pp</b>
<b>EBITDA</b>	<b>0.5%</b>	<b>3.5%</b>	<b>3.0pp</b>

## Significant impact of FX rate movements on sales and gross margin posted by the Modivo Group

Revenue in local currencies up by 6% YoY

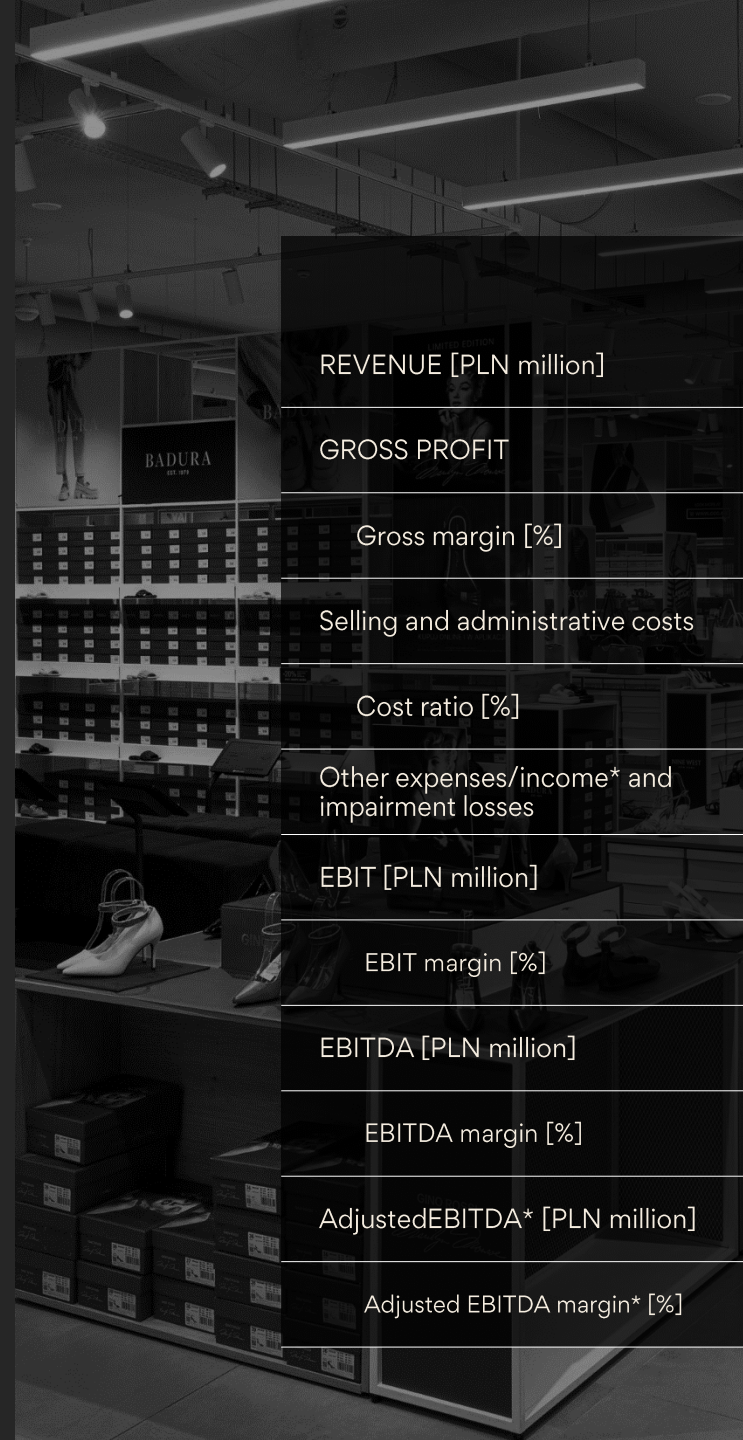


		REVENUE		GROSS MARGIN	
		Q2 2024	YOY	Q2 2024	YOY
EUR	reported	286	-4%	34.5%	1.5pp
	in constant currency	308	4%	39.0%	6.0pp
RON	reported	103	-14%	34.3%	2.4pp
	in constant currency	111	-7%	39.2%	7.3pp
CZK	reported	65	-12%	36.1%	-0.4pp
	in constant currency	75	1%	44.4%	7.9pp
<b>Modivo Group</b>	reported	+1,033	1%	38.1%	-0.1pp
	in constant currency	+1,087	6%	41.1%	2.9pp

Change in MODIVO Group's revenue in constant currencies [PLN million]



Improved gross margin  
and cost discipline leading to over  
three-fold increase  
in the CCC Group's operating profit



	Q2		
	2023	2024	YoY
REVENUE [PLN million]	2425	2574	6%
GROSS PROFIT	1102	1273	16%
Gross margin [%]	45.5%	49.5%	4.0pp
Selling and administrative costs	-1060	-1048	-1%
Cost ratio [%]	43.7%	40.7%	-3.0pp
Other expenses/income* and impairment losses	37	23	-37%
EBIT [PLN million]	79	249	214%
EBIT margin [%]	3.3%	9.7%	6.4pp
EBITDA [PLN million]	224	401	79%
EBITDA margin [%]	9.2%	15.6%	6.4pp
Adjusted EBITDA* [PLN million]	187	378	102%
Adjusted EBITDA margin* [%]	7.7%	14.7%	7.0pp

\* EBITDA adjusted for the balance of other income/expenses and impairment losses (including one-off items)

Cash flows of the CCC Business Unit driven by the development of a high-margin licensing model...

... and successful working capital optimisation in the MODIVO Group

PLN million, 6M 2024 data

		CCC	HalfPrice	Modivo Group	
P&L	Revenue	2,060	785	1,953	
	EBITDA*	340	83	42	
Working capital	Change in inventories	-546	-79	-30	
	Change in receivables	11	-8	-24	
	Change in liabilities	213	-49	49	
Investing cash flows	CAPEX**	-101	-34	-31	
		EBITDA + NWC + CAPEX	-83	-87	6
			SEPARATE	FINANCING	

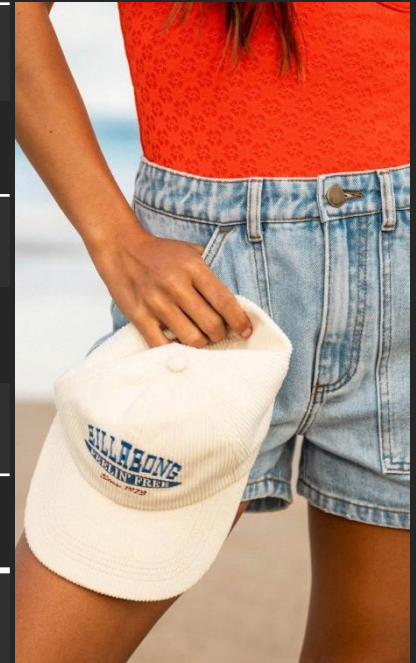


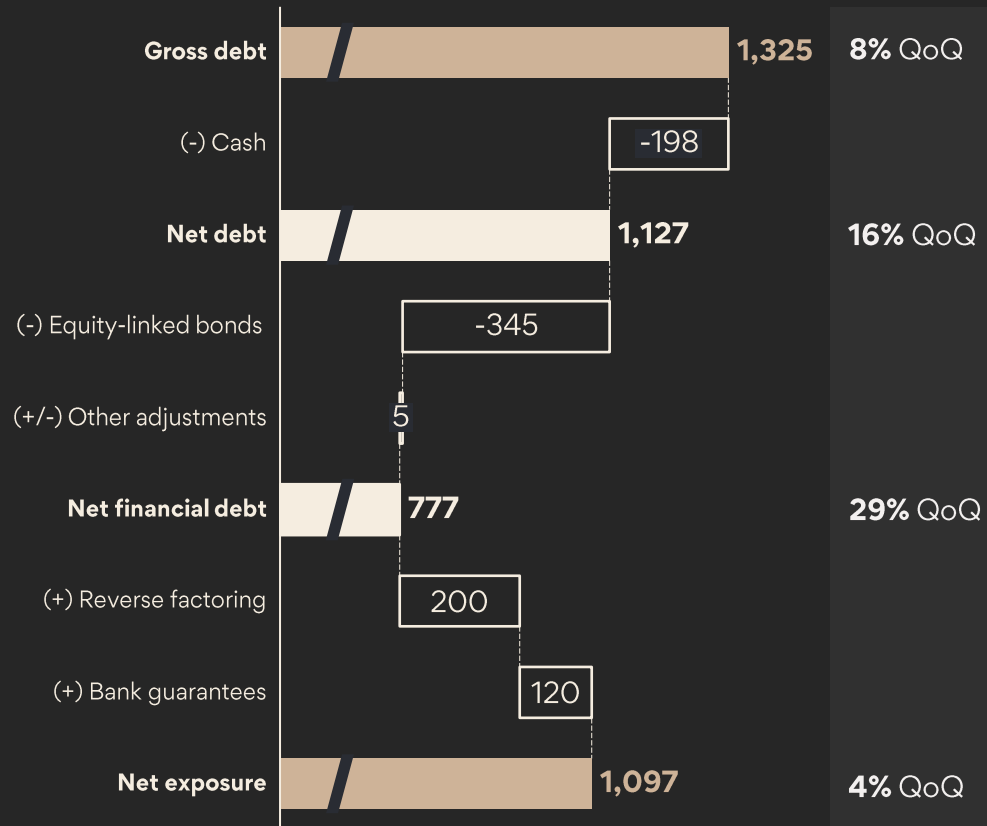
Photo: BILLABONG, SS 2024

CCC's results include wholesale

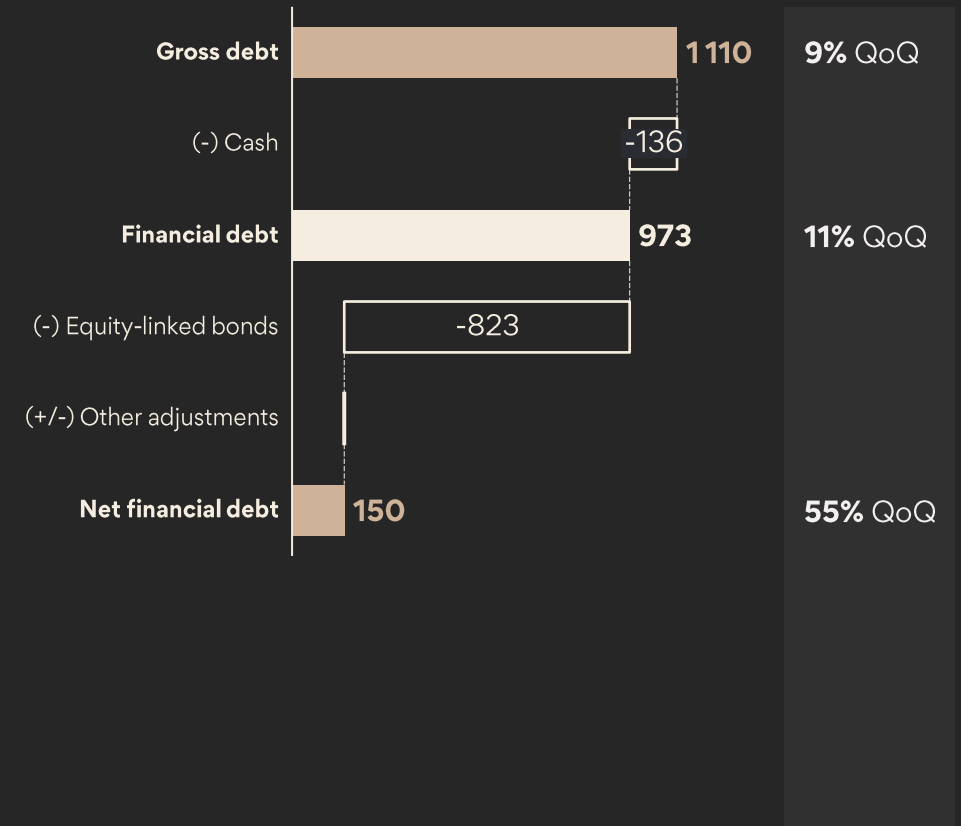
\* Excludes the effect of IFRS 16

\*\* Does not include fit-out costs (expenditures incurred by the lessor to fit out premises to the lessee's requirements)

### Change in the CCC Business Unit's net debt proportional to the increase in LTM EBITDA qoq



### Predominant share of convertible bonds in the MODIVO Group's total debt



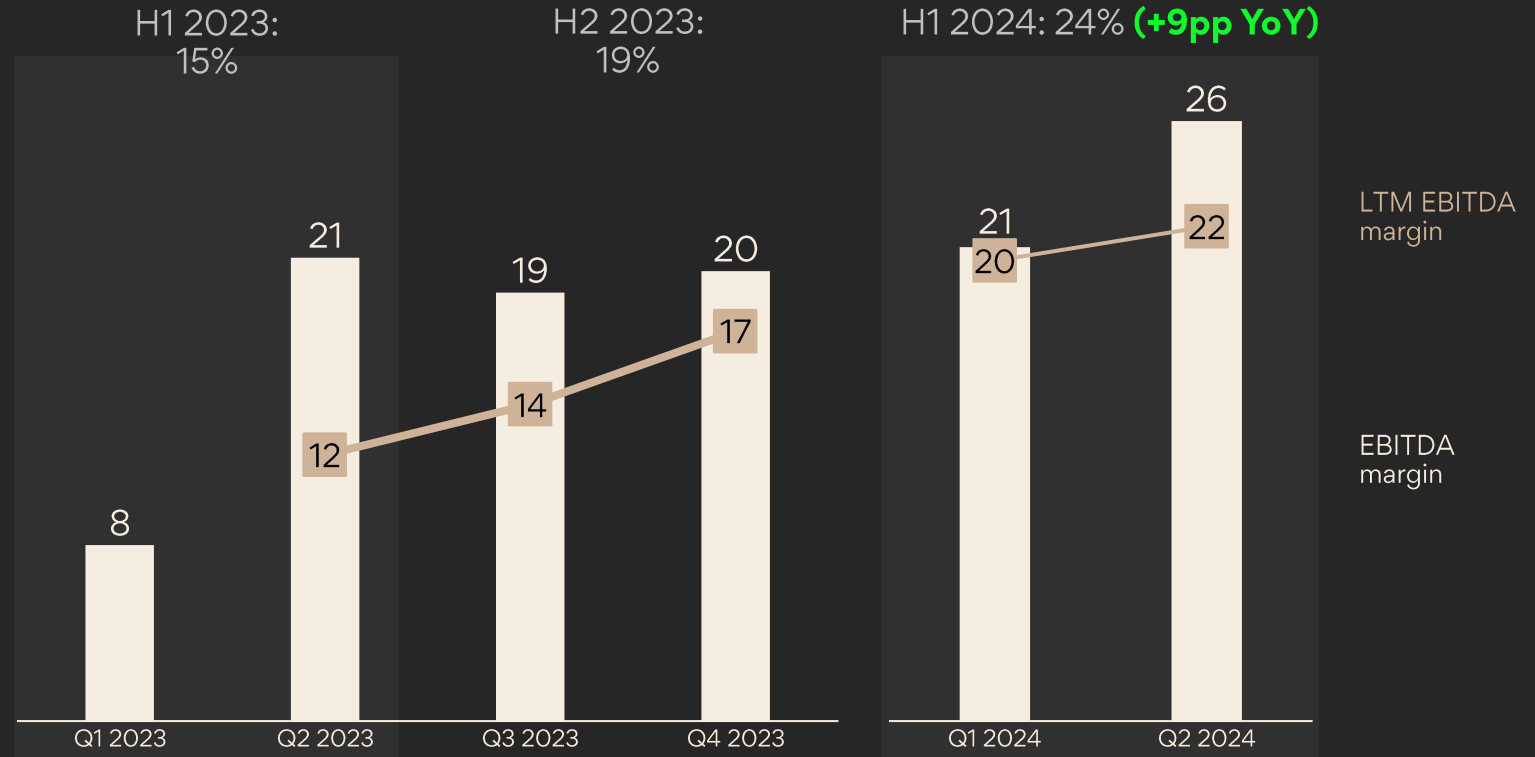
CCC Business Unit's debt\* [PLN million]

MODIVO Group's debt [PLN million]

\* Includes the following segments: CCC, HalfPrice and DeeZee  
 \*\* EBITDA compliant with bank financing covenants

## Industry-leading EBITDA margin delivered by the CCC business line: a reliable business model

photo: INPOST x CCC, HUNTEROMAT, SS 2024

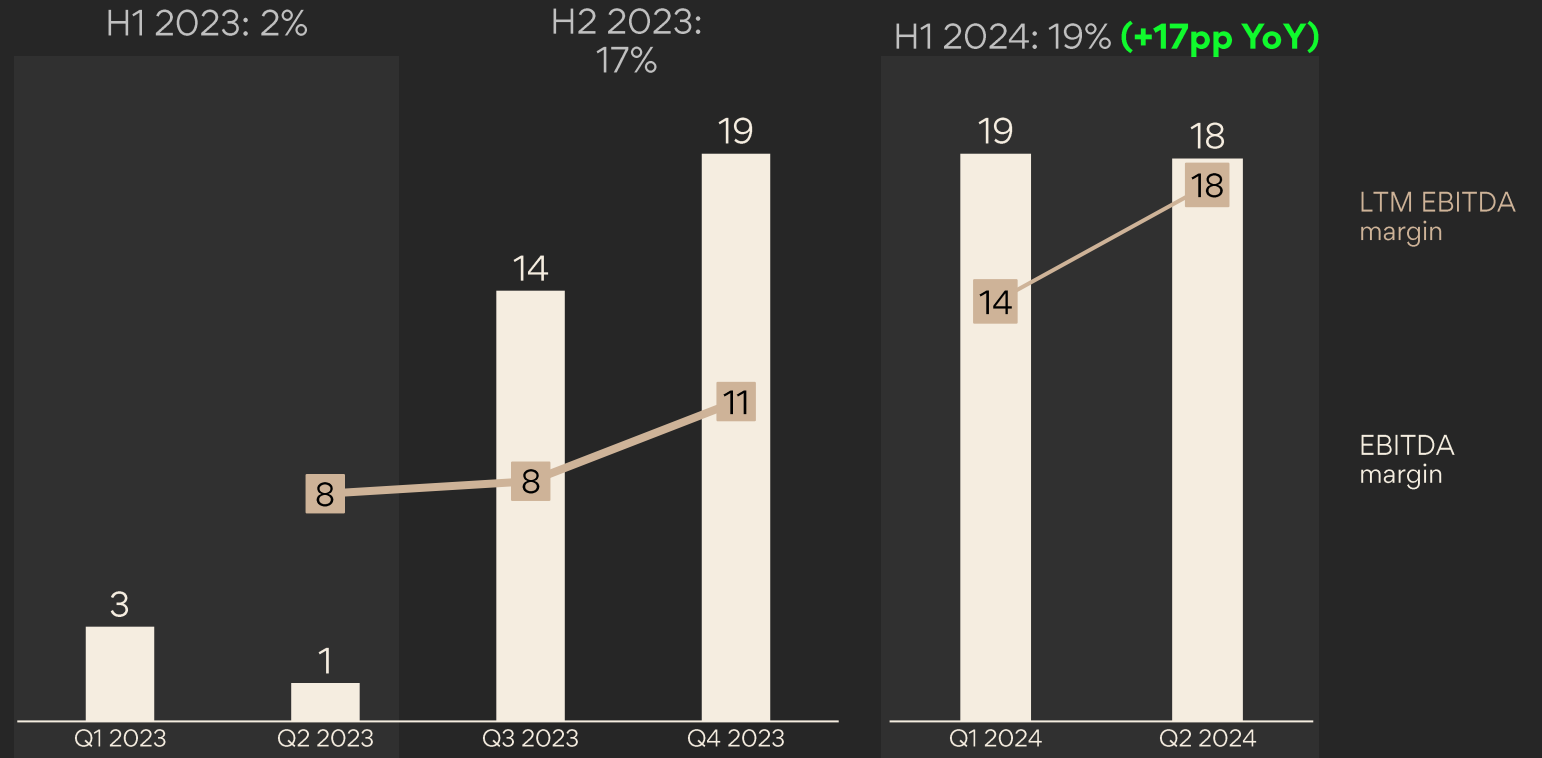


EBITDA margin and LTM EBITDA of the CCC segment [%]

## Another consecutive quarter of strong and steadily improving profitability for HalfPrice



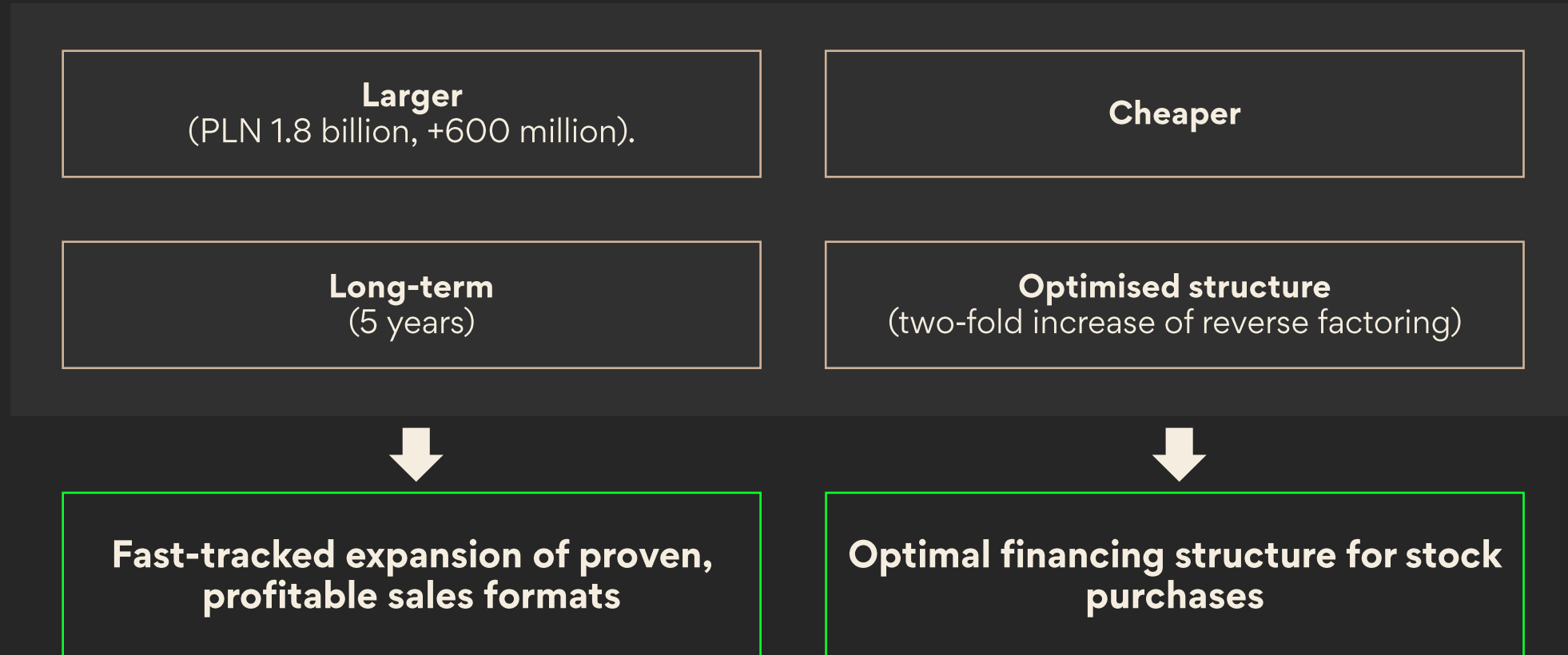
photo: HALFPRICE, SS 2024



EBITDA margin and LTM EBITDA of the HalfPrice segment [%]

## Successful completion of the CCC Group's effort to raise new financing

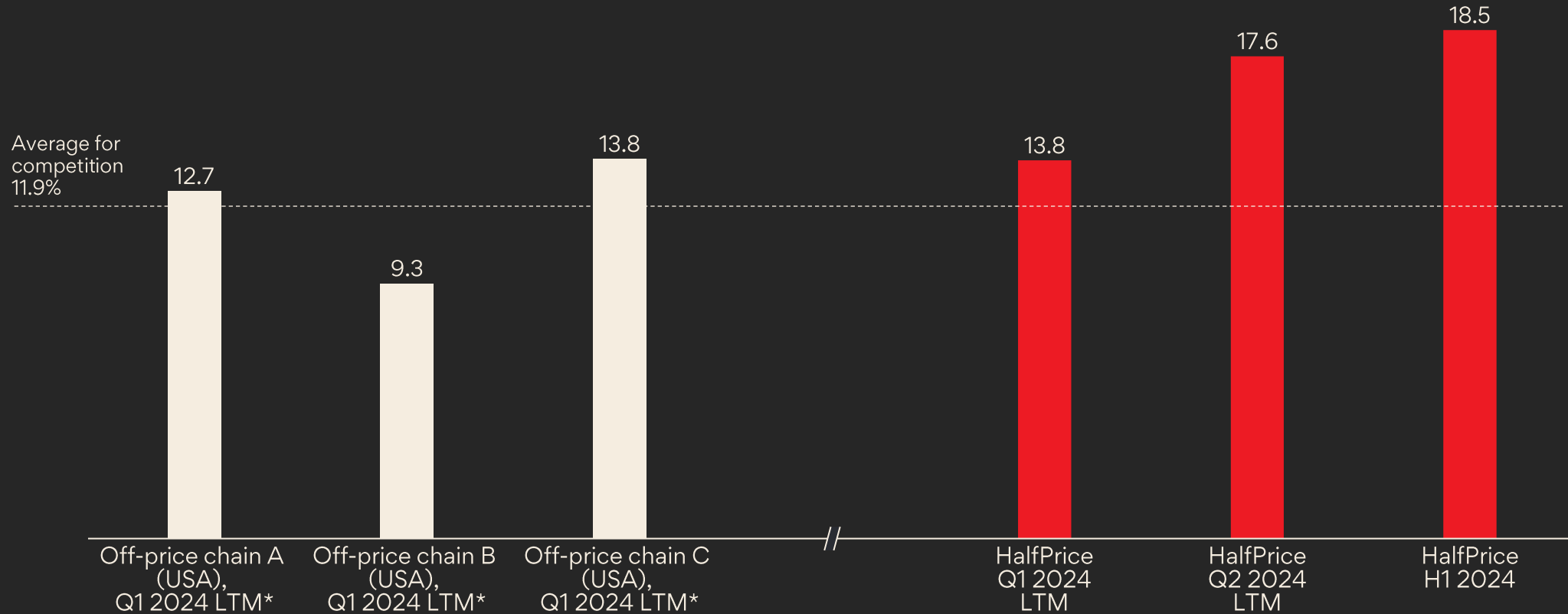
New financing for the CCC Business Unit



Business  
development



## HalfPrice format excelling against global competitors

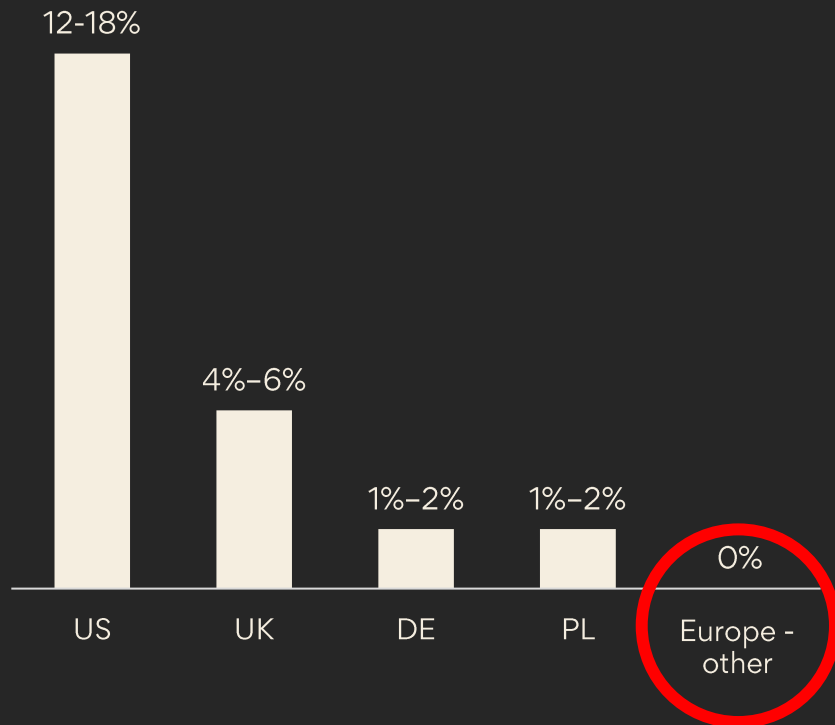


HalfPrice's EBITDA margin vs. competitors [%]  
 Source: In-house analysis based on data reported by the companies  
 \* EBITDA reported in accordance with US GAAP

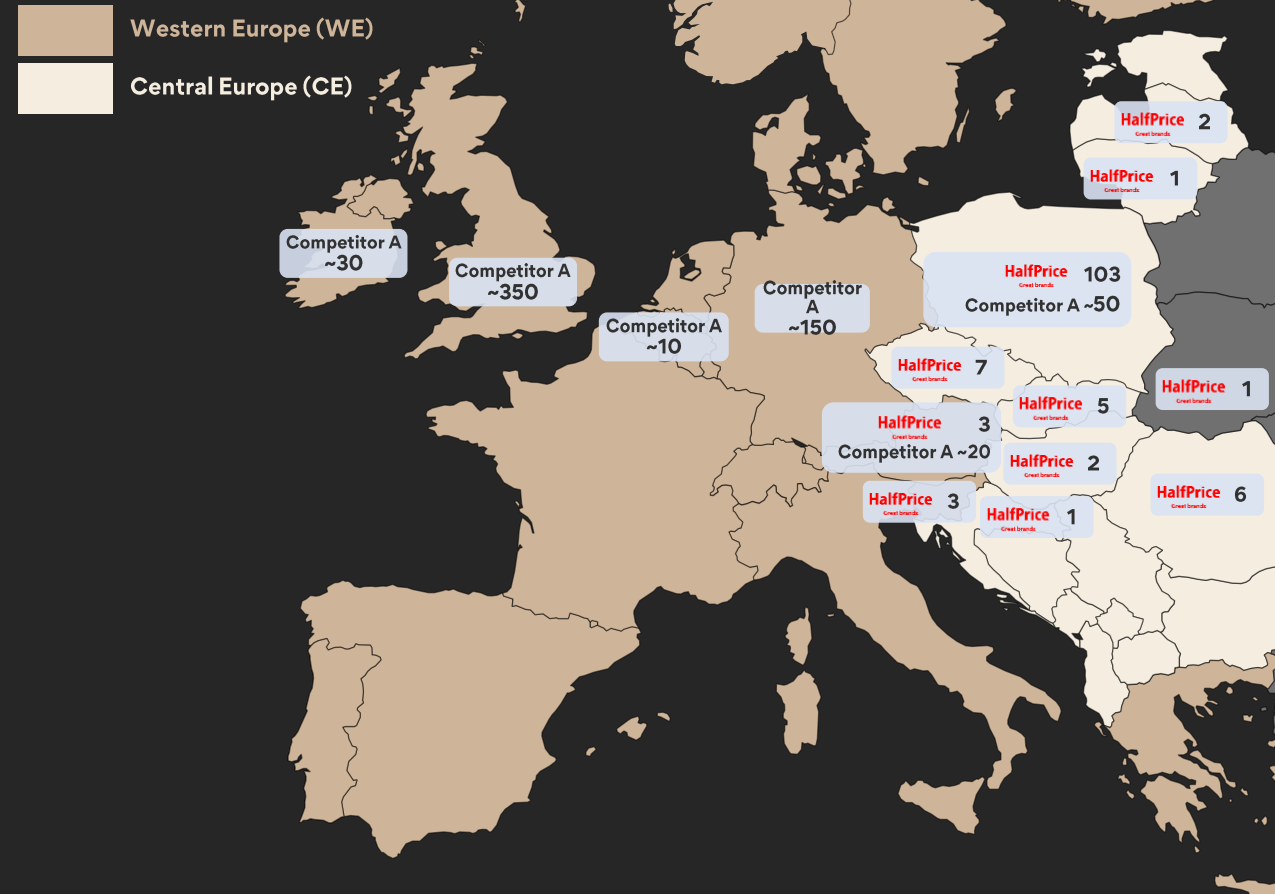


## Untapped off-price market in Europe...

Share of off-price in retail sales



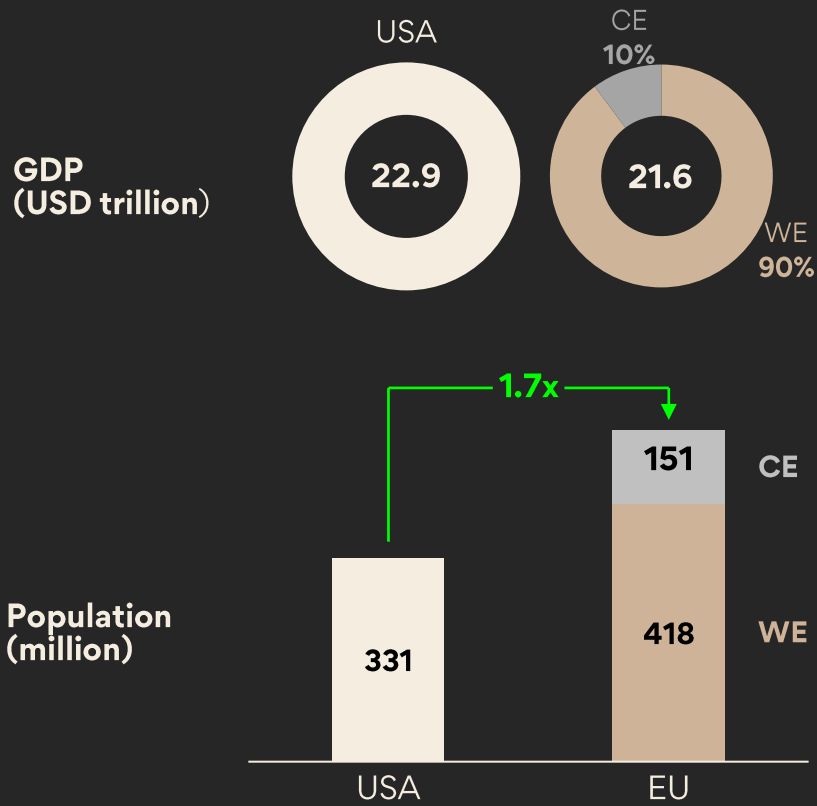
Geographical coverage of the European off-price market



Source: Study conducted by the Company's adviser

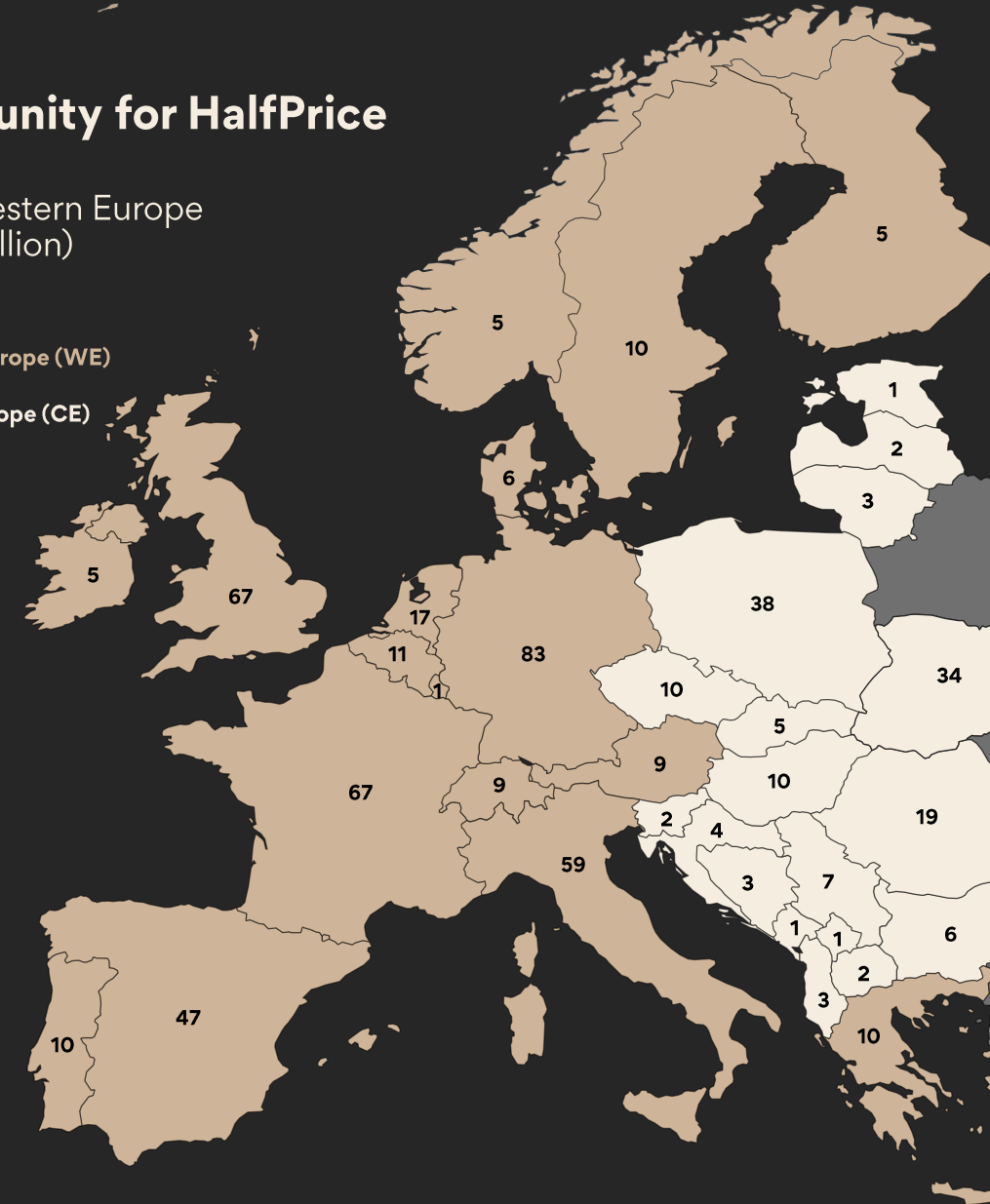
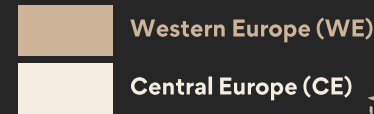
... with huge growth potential presenting a unique opportunity for HalfPrice

GDP and population numbers, USA vs. Europe



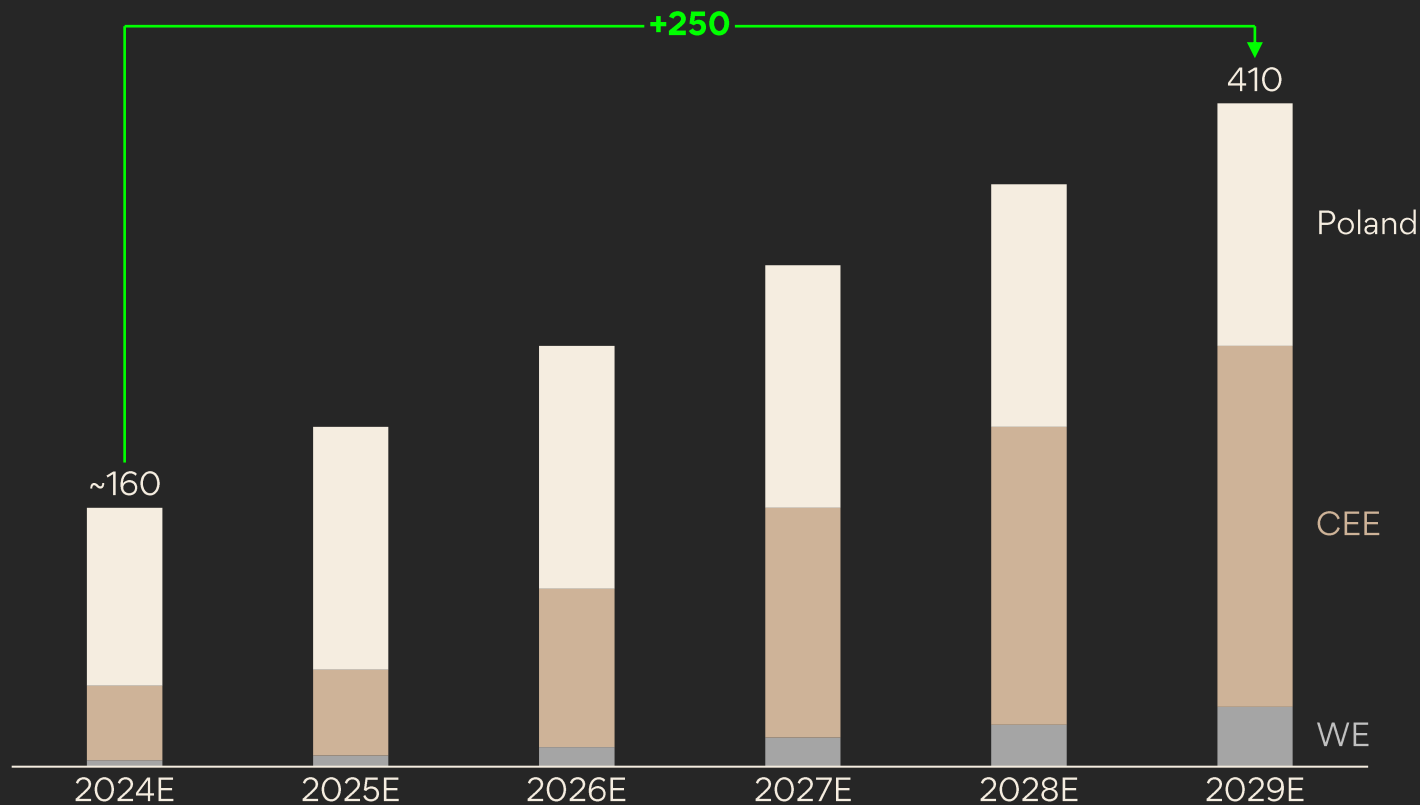
Source: Eurostat, World Bank

Central and Western Europe population (million)



## Faster expansion of HalfPrice's retail space

Tapping full potential of the Polish and CEE markets\*



Total number of HalfPrice stores at period's end

\* Including Ukraine

- The preferred average store area is approximately 2,000 m<sup>2</sup>
- We are targeting around 550 stores in the CEE region (the Group's existing markets), including about 200 in Poland
- Additionally, we are planning expansion into selected Western European countries

## HalfPrice's expansion in Western Europe

Testing of the proven and profitable sales format in selected locations

Why we believe in HalfPrice's success in Spain and selected Western European markets:

- Global, internationally recognisable brands
- No off-price concepts currently available
- Favourable lease terms
- Receptive real-estate market



**HalfPrice's roll-out into Spain**

First store opened in Zaragoza in Q4 2024

## Faster expansion of the CCC Group's retail space

Expansion of proven and profitable sales formats

# 20% – 25%

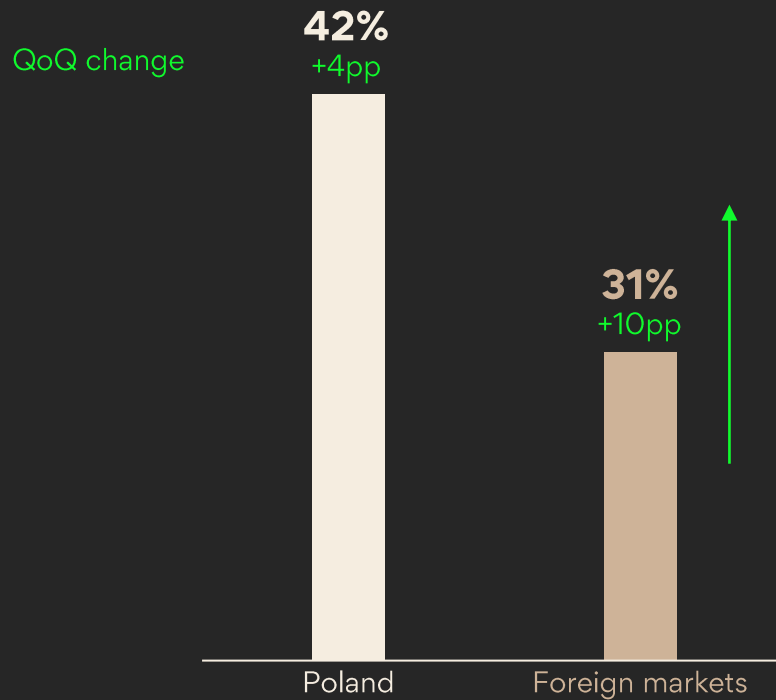
Average growth rate of the CCC Group's retail space in 2025–2029

Growth primarily driven by:

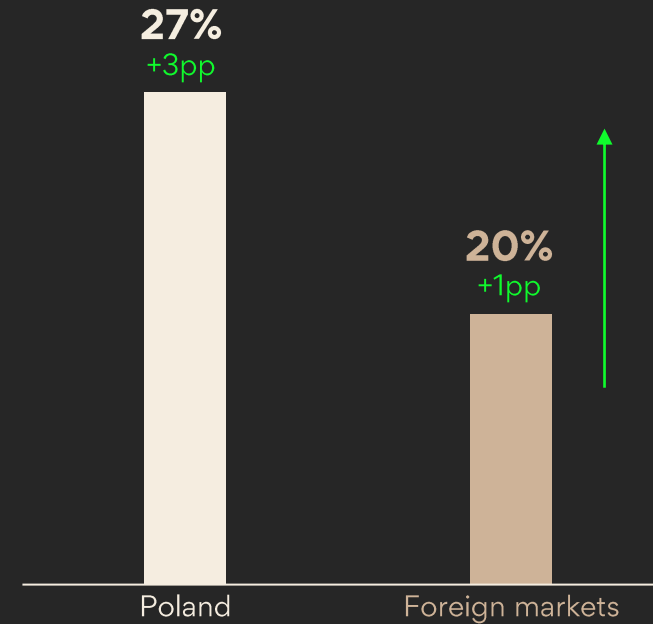
- HalfPrice (+400 stores)
- CCC (+400 stores)

## Strong profitability of CCC and HalfPrice offline stores with potential for further growth

EBITDA margin of **CCC** stores in Q2 2024 [%]



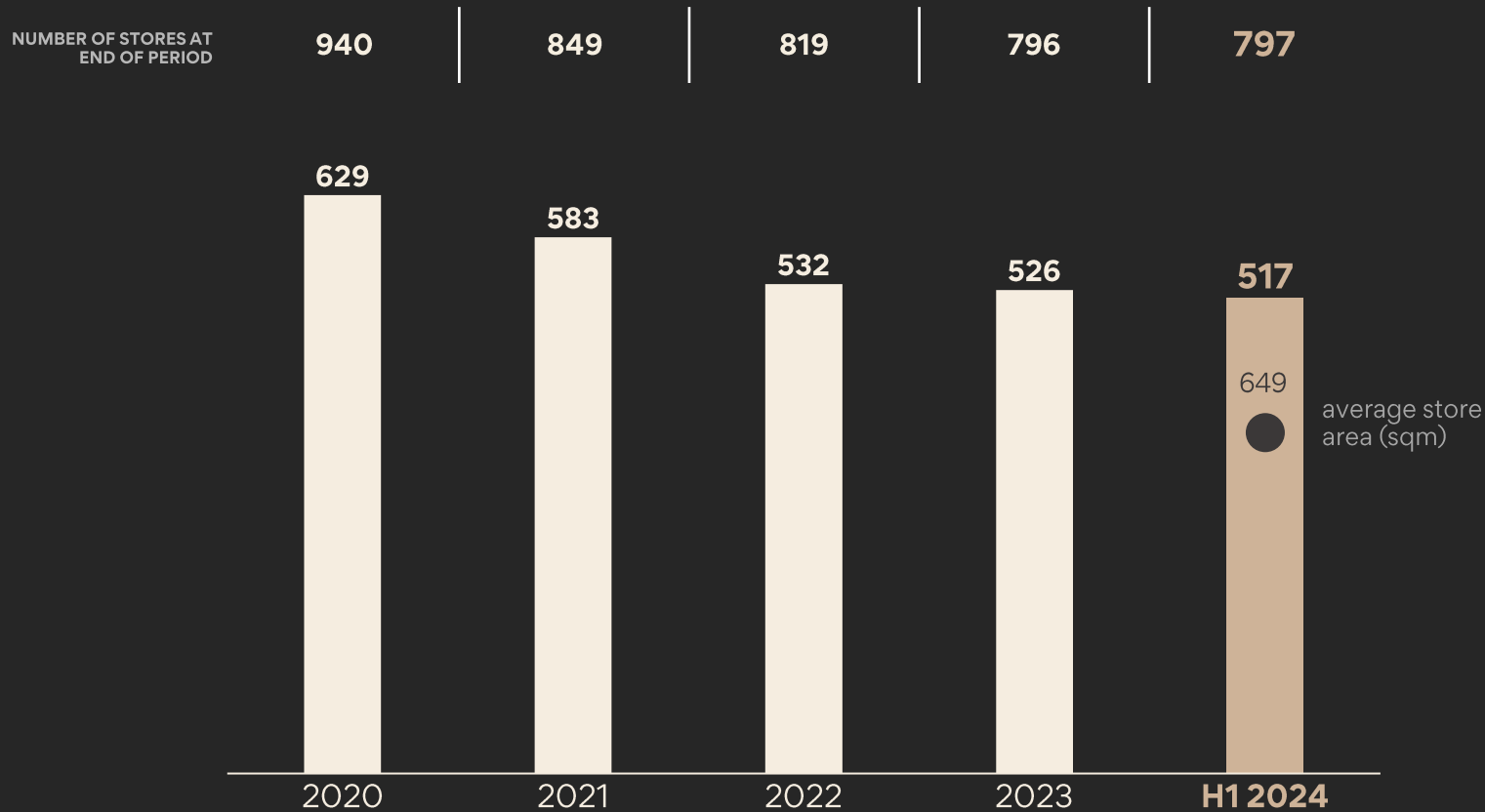
EBITDA margin of **HalfPrice** stores in Q2 2024 [%]



SHARE OF SALES Q2 2024	64%	36%
POPULATION IN THE REGION (MILLION)	38	113

SHARE OF SALES Q2 2024	73%	27%
POPULATION IN THE REGION (MILLION)	38	113

## Resuming profitable expansion of CCC's proven and refined business model



Average area of CCC's own stores during the period ('000 sqm)

The rationale for resuming CCC's expansion includes:

- Portfolio of recognisable global brands
- Smaller stores achieving higher sales per square metre and better profitability
- Significantly better lease terms for retail space (shorter contracts, turnover-based rent, etc.)
- Low market penetration in smaller towns with a fast-growing commercial property market, particularly retail parks

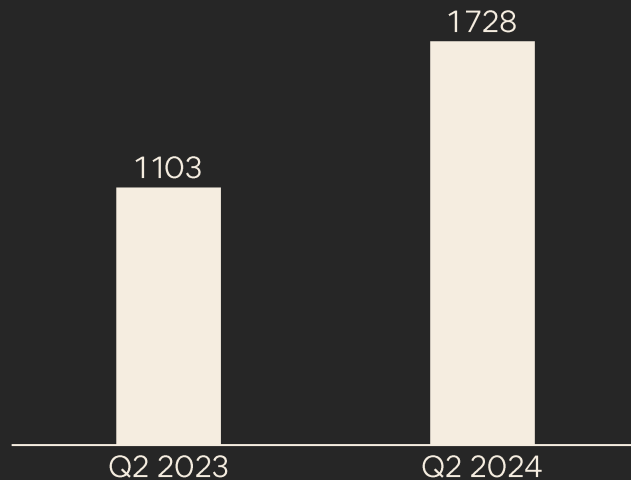
# Inventories





## Inventory levels in the CCC and HalfPrice business lines aligned with the Group's business needs

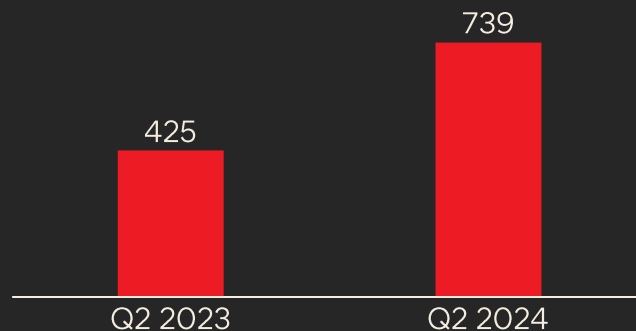
CCC's inventory at end of period (PLN million)



### The rationale for increasing inventory levels within the CCC business line:

- Ambitious sales goals for 2H'24
- Developing a high-margin licensing model
- Growing wholesale
- Expanding retail space, with 100% of the planned openings set to be completed in H2 2024 (17,000 sqm)
- Accelerating deliveries of the AW 2024 collection (approximately 50% of the year-on-year inventory increase attributable to goods in sea transit)
- Inventories as an opportunity and potential for revenue growth
- Changing perception of margin

HalfPrice's inventory at end of period (PLN million)



### The rationale for increasing inventory levels within the HalfPrice business line:

- Rapidly expanding retail space (store openings and extensions), with 60,000 m<sup>2</sup> out of 80,000 sqm set to open in H2 2024
- Expanding the product mix and assortment (new brands and categories)
- Attractive brands for the AW24 season already in stock

Q&A

ROXY



# Thank you!

## IR Contact:

### Wojciech Latocha

IR Director, Head of IR  
+48 887 448 312  
wojciech.latocha@ccc.eu

### Michał Rys

IR Associate  
+48 724 970 072  
michal.rys@ccc.eu

## Upcoming events:

### 9–10 September 2024


DM Pekao S.A. 21st Annual Emerging  
Europe Investment Conference, Warsaw,  
Poland.

## Support material

## Geographic availability of CCC Group stores

		 EN	 CZ	 SK	 RO	 HU	 BG	 HR	 AT	 CH	 UA	 LV	 GR	 IT	 SI	 LT	 EE	 RS	Other B&M <sup>1</sup>	Other e-com <sup>2</sup>
CCC	B&M	✓	✓	✓	✓	✓	✓	✓		✓	✓				✓	✓	✓	✓	✓	
	WEB	✓	✓	✓	✓	✓	✓	✓			✓				✓				✓	
	APP	✓	✓	✓	✓	✓	✓				✓									
eobuwie.pl	WEB	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓				✓
	APP	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓				✓
	B&M	✓	✓	✓	✓							✓								
MODIVO	WEB	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓			✓
	APP	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓			✓
	B&M	✓	✓	✓	✓															
DeeZee	WEB	✓	✓	✓	✓	✓	+				✓				+	+				
	APP	+																		
HalfPrice	B&M	✓	✓	✓	✓	✓		✓	✓		✓	✓			✓	✓				
	WEB																			

 Market presence

 Next two quarters (Q3-Q4 2024)

1  

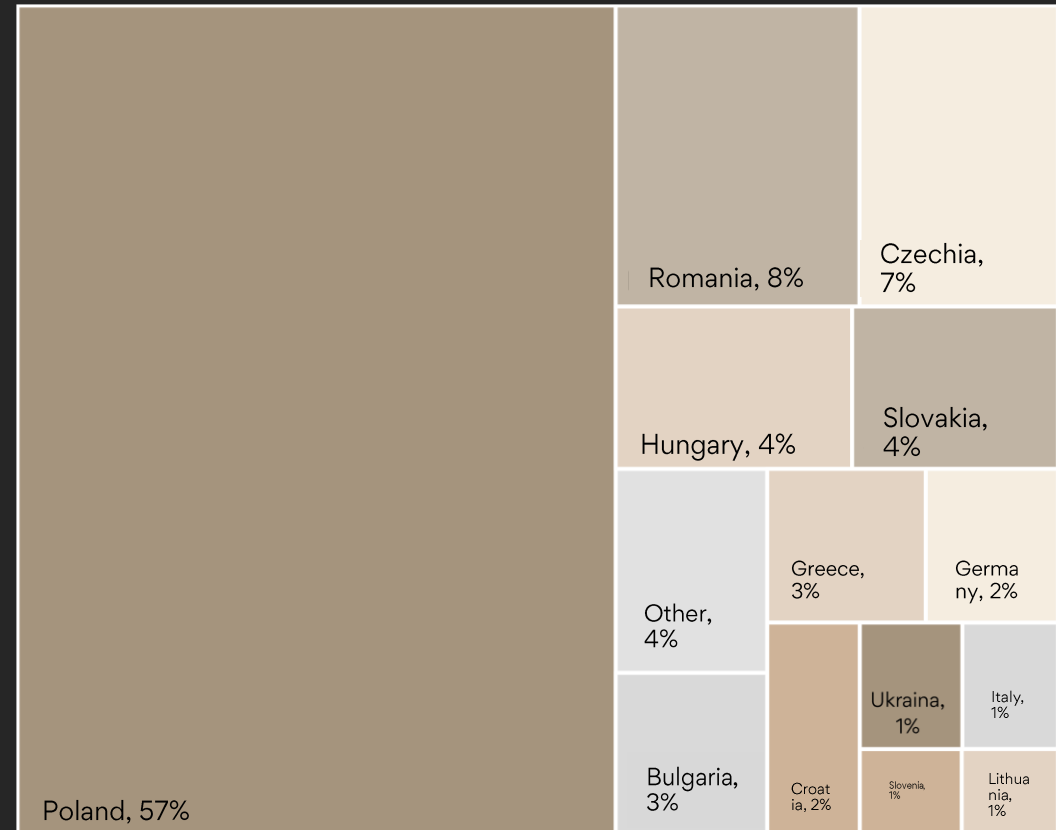
2    



## CCC Group revenue in Q2'24

Country	Revenue* [mln PLN]	yoy
Poland	1,480	13%
Romania	218	10%
Czechia	178	-3%
Hungary	114	-20%
Slovakia	100	2%
Bulgaria	74	-10%
Greece	73	-10%
Germany	61	19%
Croatia	59	-2%
Ukraine	39	-2%
Italy	36	-11%
Slovenia	27	-15%
Lithuania	25	-8%
Other	92	6%
<b>Total</b>	<b>2,574</b>	<b>6%</b>

## Contribution to the Group's revenue



\* Excluding consolidated adjustment, revenue not allocated to segments

## Geographic availability of CCC Group stores

TYPE	COUNTRY	31 October 2022		31 January 2023		30 April 2023		31 July 2023		31 October 2023		31 January 2024		30 April 2024		31 July 2024	
		m <sup>2</sup>	number	m <sup>2</sup>	number	m <sup>2</sup>	number	m <sup>2</sup>	number	m <sup>2</sup>	number	m <sup>2</sup>	number	m <sup>2</sup>	number	m <sup>2</sup>	number
COMPANY-OWNED	Poland	285,129	447	281,929	444	281,870	445	280,020	445	279,987	443	281,388	445	285,820	450	286,209	452
	Czech Republic	50,046	85	48,507	82	48,507	82	48,064	79	47,959	79	47,311	77	45,099	74	45,099	74
	Hungary	53,451	77	53,543	77	53,999	78	51,219	73	48,191	68	45,602	65	44,498	63	43,649	63
	Austria	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Slovakia	33,183	51	32,628	50	32,183	49	31,569	47	31,569	47	30,584	46	29,559	46	29,559	46
	Croatia	20,624	28	20,624	28	20,624	28	19,342	26	18,696	25	18,125	24	18,125	24	18,125	24
	Russia	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Slovenia	12,589	17	11,763	17	11,295	16	11,295	16	10,396	15	9,697	14	9,697	14	9,697	14
	Bulgaria	12,064	18	12,976	20	12,976	20	12,976	20	13,528	21	13,528	21	12,509	19	12,509	19
	Serbia	11,050	14	11,050	14	10,339	13	8,995	11	7,618	9	7,004	8	7,004	8	7,004	8
	Romania	48,928	77	48,340	76	48,456	76	46,133	73	46,850	74	46,155	73	46,389	73	45,534	71
	Ukraine					9,898	17	9,190	15	9,190	15	9,788	15	9,829	15	9,700	14
	Latvia	4,249	6	4,621	6	4,445	6	4,445	6	4,445	6	4,192	6	4,192	6	3,582	5
	Lithuania	1,420	2	1,420	2	1,420	2	1,420	2	1,420	2	1,481	2	2,668	4	2,668	4
	Estonia	2,879	3	2,879	3	2,879	3	2,879	3	2,879	3	2,948	3	2,948	3	2,948	3
<b>CCC-owned TOTAL</b>		<b>535,612</b>	<b>825</b>	<b>530,280</b>	<b>819</b>	<b>538,891</b>	<b>835</b>	<b>527,547</b>	<b>816</b>	<b>522,730</b>	<b>807</b>	<b>517,803</b>	<b>799</b>	<b>518,337</b>	<b>799</b>	<b>516,284</b>	<b>797</b>
FRANCHISE	Ukraine	10,649	17	9,415	16												
	Latvia																
	Lithuania																
	Estonia																
	Moldova	740	1	740	1	740	1	740	1	740	1	740	1	740	1	740	1
	Kosovo	1,958	2	1,958	2	1,958	2	1,958	2	1,958	2	1,958	2	1,958	2	1,958	2
	Qatar	1,002	1	1,002	1	1,002	1	1,002	1	1,002	1						
	UAE	5,302	6	5,302	6	5,302	6	5,302	6	5,302	6						
	Saudi Arabia	2,420	3	2,420	3	2,420	3	2,420	3	2,420	3						
	Bahrain	929	1	929	1	929	1	929	1	929	1						
	Oman	1,223	1	1,223	1	1,223	1	1,223	1	1,223	1						
<b>CCC franchise TOTAL</b>		<b>24,223</b>	<b>32</b>	<b>22,989</b>	<b>31</b>	<b>13,574</b>	<b>15</b>	<b>13,574</b>	<b>15</b>	<b>13,574</b>	<b>15</b>	<b>2,698</b>	<b>3</b>	<b>2,698</b>	<b>3</b>	<b>2,698</b>	<b>3</b>
eobuwie.pl		23,705	35	26,689	38	28,622	42	32,359	48	35,561	50	36,527	52	34,195	52	34,195	52
HalfPrice		141,714	84	152,102	91	170,240	101	190,397	109	221,649	121	226,261	123	239,126	129	246,833	132
Boardriders			0		0		0		0		0		0		0	3,084	14
<b>TOTAL CCC</b>		<b>725,254</b>	<b>976</b>	<b>732,060</b>	<b>950</b>	<b>751,327</b>	<b>993</b>	<b>766,164</b>	<b>988</b>	<b>793,514</b>	<b>993</b>	<b>783,289</b>	<b>977</b>	<b>794,356</b>	<b>983</b>	<b>803,093</b>	<b>998</b>



This presentation (“Presentation”) has been prepared by CCC S.A. of Polkowice (“CCC”) to provide a general overview of the CCC Group (“CCC Group”) through a set of selected highlights. It is purely informational and does not purport to be a complete analysis of the CCC Group’s financial condition. All information contained herein speaks only as of its date and therefore this Presentation will not be revised, updated or rewritten to reflect any changes in circumstances subsequent to its date.

This Presentation should not be construed as a recommendation or advice regarding an investment opportunity, or as an offer to purchase or sell any securities or financial instruments or to participate in any business venture of the CCC Group.

While all reasonable care has been taken in preparing this Presentation, CCC does not warrant the accuracy and completeness of its contents, especially if any of the source materials on which they are based are found to be incomplete or not fully reflecting the relevant facts.

Anyone looking to make an investment decision in respect of any financial instruments issued by the CCC Group is advised to rely on information disclosed in CCC’s official reports, written and published in accordance with applicable laws, which are a reliable source of information about the CCC Group.

The CCC Group’s financial statements are audited by EY (formerly Ernst & Young).

Neither CCC nor any member of its governing bodies, any employee, associate or adviser involved in the work on this Presentation, or any entity of the CCC Group, shall be held liable for the consequences of any decisions taken on the basis of or in reliance on information contained in this Presentation, or resulting from its contents or any use hereof.

Furthermore, this Presentation is not to be regarded as a representation made by any of the persons mentioned above.

Although this Presentation and descriptions contained herein may include forward-looking statements, some of them referring to our expected financial results, they are not profit forecasts and may not be construed as such. The forward-looking statements contained herein are subject to a range of both known and unknown risks, uncertainties and other factors (some of them beyond CCC’s control) that may cause the actual results, levels of business or achievements of the CCC Group and CCC to differ materially from those anticipated in this Presentation, including the expected financial results described herein.

# CCC

GROUP

**CCC**

[eobuwie.pl](http://eobuwie.pl)

**MODIVO**

**HalfPrice**

