

CCC Group strengthens profitability in Q3 2024 with over fourfold increase in operating result

In the third quarter of 2024 (August–October), the CCC Group reported a fourfold increase in operating result and doubled its EBITDA. The Modivo Group achieved record quarterly operating profit and EBITDA. Each business line recorded year-on-year growth in sales, margin improvement, and a lower cost-to-revenue ratio, reflecting CCC Group's ongoing profitability enhancement plan.

CCC Group's revenue in the third quarter of 2024 amounted to PLN 2.8 billion, up 14% year on year. CCC posted a 12% increase in revenue, driven by strong LFL sales growth (+11%). HalfPrice recorded an 18% rise in revenue with LFL sales growth of 5%. The Modivo Group achieved 14% revenue growth, with significantly reduced inventory (-10% yoy) and limited investment in traffic acquisition (performance marketing). Notably, by the quarter's end the Group's LTM sales exceeded PLN 10 billion for the first time on record.

Dariusz Milek, President of CCC Group's Management Board, stated, "Our unique business model provides a solid foundation for continued growth, as evidenced by our strong third-quarter performance. Both CCC and HalfPrice are reporting high profitability, and we aim to bring Modivo to similar levels swiftly. We are working intensively on restoring and boosting Modivo's performance, with early benefits already emerging from our cost-saving programme implemented at the end of the previous quarter. Our goal is for Modivo to become the most profitable e-commerce business in Europe."

In the third quarter of 2024, the CCC Group saw gross margin improvements across all business lines. HalfPrice achieved a substantial margin increase to nearly 51% (+5pp), supported by a strong product offering and conservative pricing strategy. The Modivo Group also enhanced its margin by 5pp, reaching 43%, while CCC's gross margin rose to nearly 59% (+1pp yoy). This contributed to a 3pp rise in CCC Group's gross margin, reaching 51%.

*"An increased share of licensed brands in our portfolio positively impacts CCC's results – we are achieving both higher margins and improved LFL sales. We are very pleased with our development direction, and other business lines within the Group will also benefit from licensed brands in upcoming quarters," said **Dariusz Milek, President of the CCC Group Management Board**.*

Due to tight cost discipline, the Group's cost-to-revenue ratio fell by nearly 5pp yoy in the third quarter, to 39%, marking the fifth consecutive quarter of improvement. The ratio was lower across each business line, with CCC and HalfPrice reducing it by 3pp and 2pp, respectively. The Modivo Group saw an 8pp yoy decrease in the cost ratio due to intensified efforts to rebuild and strengthen its profitability.

"CCC and HalfPrice are proven sales formats, consistently generating strong results. The stores of both business lines achieve very good profitability, unique in the industry and enabling a swift return on investment. This is why we will consistently implement the plan to expand retail footprint. The first HalfPrice stores are set to open in new markets – Spain and Bulgaria – in

November. We are very pleased with HalfPrice's expansion – every store is profitable from day one, generating solid returns," said **Dariusz Milek, President of the CCC Group Management Board**.

In the third quarter of 2024, the CCC Group achieved an operating result of PLN 330 million, a fourfold increase year on year, and an EBITDA of PLN 485 million (+111% yoy), with all business lines contributing to these results. CCC nearly doubled its operating result (+74% yoy) alongside an approximately 4pp increase in EBITDA margin. HalfPrice posted a 151% rise in operating result and a 7pp EBITDA margin improvement, while the Modivo Group recorded its highest-ever quarterly operating profit and EBITDA of PLN 77 million (+135 million yoy) and PLN 105 million (+136 million yoy), respectively.
