



CCC
SHOES & BAGS

Results and strategy of CCC Group

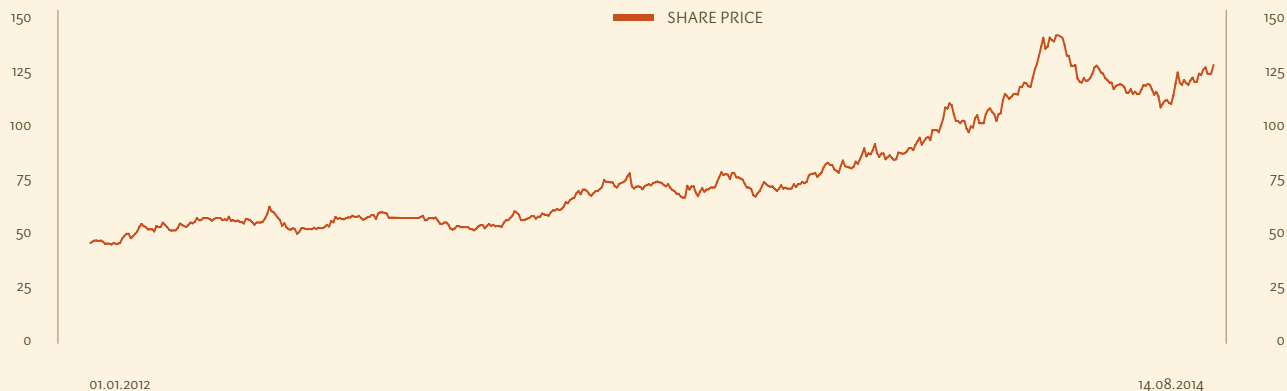


Strategy of dynamic foreign expansion will be continued. Not only CEE countries will contribute to the future success but also the new markets – Germany, Austria, Slovenia and Croatia.

Continued track record of the excellent sales and financial results is the clear sign of success of CCC concept and strategy.

In 2014 and 2015 CCC position on the European market will be decided. Company intends to prove its competence and competitive advantages and to enjoy the most spectacular period in its history in terms of net profit, revenue and floorspace growth.

CCC S.A. – stock listed since 2004



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Stock info

Share price = 109,70 PLN
Reuters: CCCC.WA
Bloomberg: CCC PW
www.ccc.eu

Market Cap

(PLNm) 4 212
(EURm) 1 008

Number of shares

38.400.000

Free float

42,18%



CCC Group – growth & value delivered (30.06.2014)

Total number of outlets:	692
own and agency	634
Poland	446
Czech Republic	75
Slovakia	27
Hungary	54
Austria	12
Croatia	4
Turkey	2
Germany	10
Slovenia	4
franchise	58
Poland	18
Romania	23
Russia	5
Latvia	6
Kazakhstan	2
Ukraine	4



Structure of sales by countries [PLN] - H1



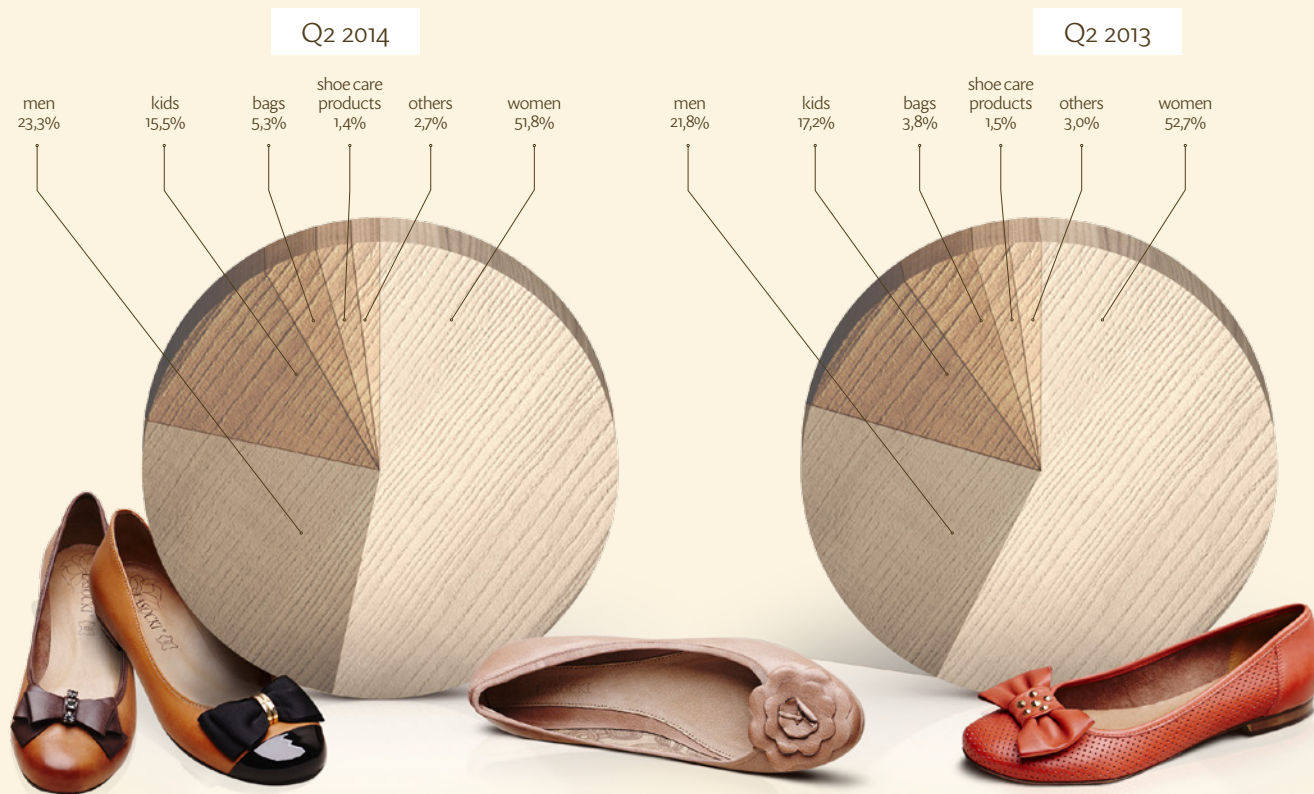
Structure of sales by countries [PLN] - Q2



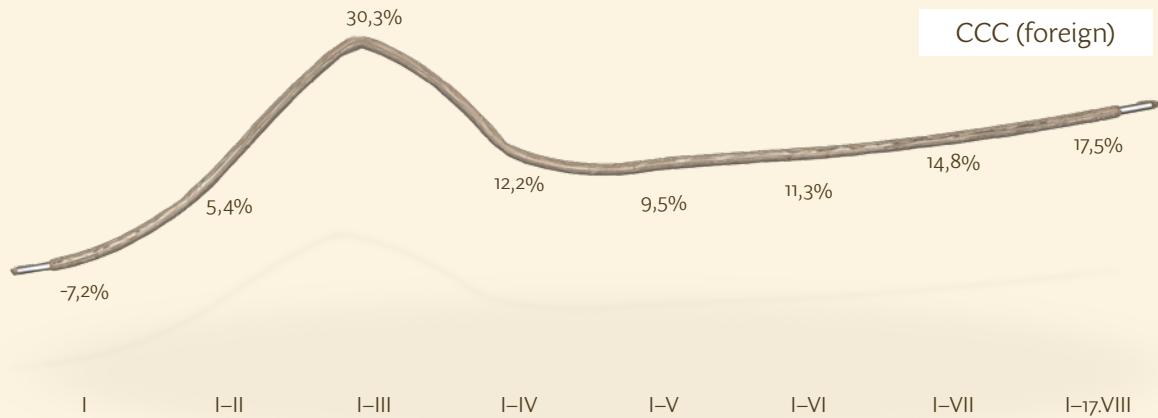
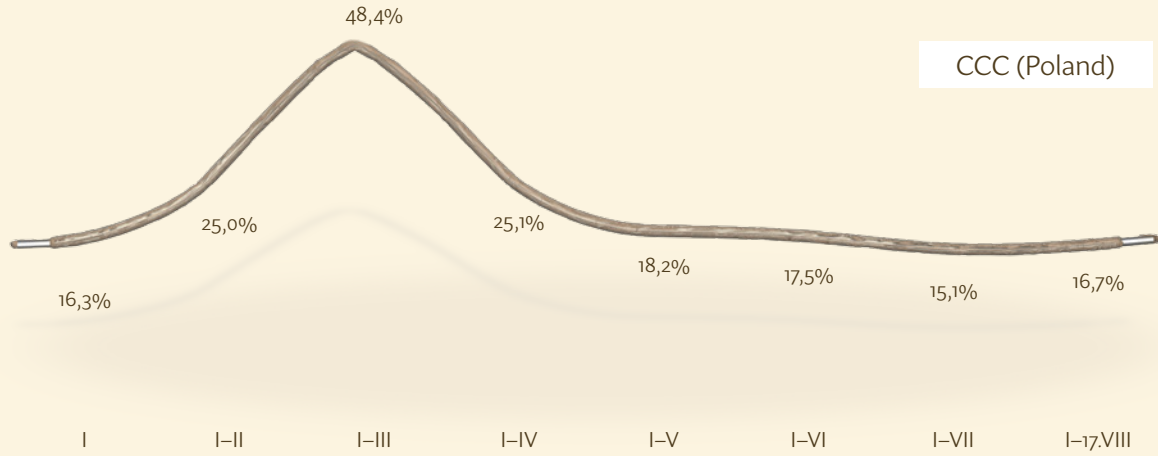
Structure of sales by products (value) – H1



Structure of sales by products (value) – Q2



L-f-I
H1 2014



Financial results – H1 2014



	H1 2013 '000 PLN	H1 2014 '000 PLN	change % 2014/2013
Revenue	643 560	855 890	33,0%
Gross Profit on Sale	334 470	474 492	41,9%
Gross Profit on Sale Margin	52,0%	55,4%	3,4 p.p.
Selling Costs	-279 915	-355 339	26,9%
General & Administrative Costs	-10 369	-17 220	66,1%
EBIT	39 166	92 208	135,4%
EBIT Margin	6,1%	10,8%	4,7 p.p.
Financial Costs	-7 348	-9 047	23,1%
Gross Profit	33 681	84 703	151,5%
Net Profit	29 503	70 173	137,9%
Net Profit Margin	4,6%	8,2%	3,6 p.p.

Financial results – Q2 2014



	Q2 2013 `000 PLN	Q2 2014 `000 PLN	change % 2014/2013
Revenue	422 336	496 951	17,7%
Gross Profit on Sale	233 029	287 178	23,2%
Gross Profit on Sale Margin	55,2%	57,80%	2,6 p.p.
Selling Costs	-157 887	-187 700	18,9%
General & Administrative Costs	-5 866	-8 226	40,2%
EBIT	73 069	87 173	19,3%
EBIT Margin	17,3%	17,50%	0,2 p.p.
Financial Costs	-3 586	-4 993	39,2%
Gross Profit	71 057	82 491	16,1%
Net Profit	69 167	69 757	0,9%
Net Profit Margin	16,4%	14,00%	-2,4 p.p.

Consolidated Cash Flow Statement – H1 2014



	H1 2013 '000 PLN	H1 2014 '000 PLN
Net operating CF:	-29 837	-142 787
– changes in inventory	-34 180	-219 469
– changes in receivables	-27 883	-19 876
– changes in short term liabilities	-17 587	-14 813
Net investment CF:	-20 528	-52 485
– income	4 097	9 614
– expenses	-24 625	-62 099
Net financial CF:	15 080	475 809
– income	51 023	486 218
– expenses	-35 943	-10 409
Total Cash Flow:	-35 285	280 537
– cash at the beginning of the period	125 708	143 736
– cash at the end of the period	90 423	424 273

** excluding loans, credits and bonds

Balance sheet – H1 2014

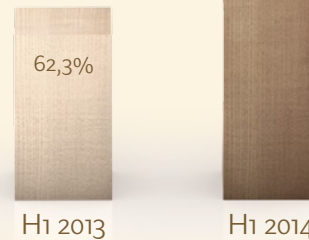
	H1 2013 '000 PLN	H1 2014 '000 PLN
Fixed assets	387 441	466 464
Current assets, including:	618 006	1 204 522
– inventory	433 341	682 476
– cash and cash equivalents	90 423	424 273
Total assets	1 005 447	1 670 986
Equity capital	497 669	601 993
Long-term liabilities, including:	175 798	278 136
– long-term bank loans, credits, bonds	141 000	244 000
Short-term liabilities, including:	331 980	790 857
– short-term bank loans and credits	169 111	567 027
Total liabilities	1 005 447	1 670 986



CCC Group – unleveraged retailer

Financial Indebtedness / Equity (%)

(liabilities: credits, loans, leasing, bonds) /
equity



Net debt / EBITDA

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



Gross Profit Interest Cover

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



CCC strategy – set of unique competencies building competitive advantages on 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 syntetic shoes.
- Own brands
 - CCC sells only own brands produced either in Poland or outsourced in Far East in order 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 2015 CCC intends to become the market leader in Czech Republic, Slovakia and Hungary while strengthening its unique leader position in Poland.
- First quarters of dynamic expansion on the new markets (Austria, Germany, Slovenia and Croatia) are very positive. New stores openings are not pilotage anymore and will have substantial contribution to CCC development and results in the coming years.
- CCC dynamic expansion in 2013-2015 will double the total floorspace (net increase by 200,000 sq.m).

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

- In 2014–2015 long term sustainable EBIT Margin is estimated at 12–15% while Net Profit Margin at 9–12%.
- ROE is expected to remain between 20 and 30%.

Expansion driven capital expenditures

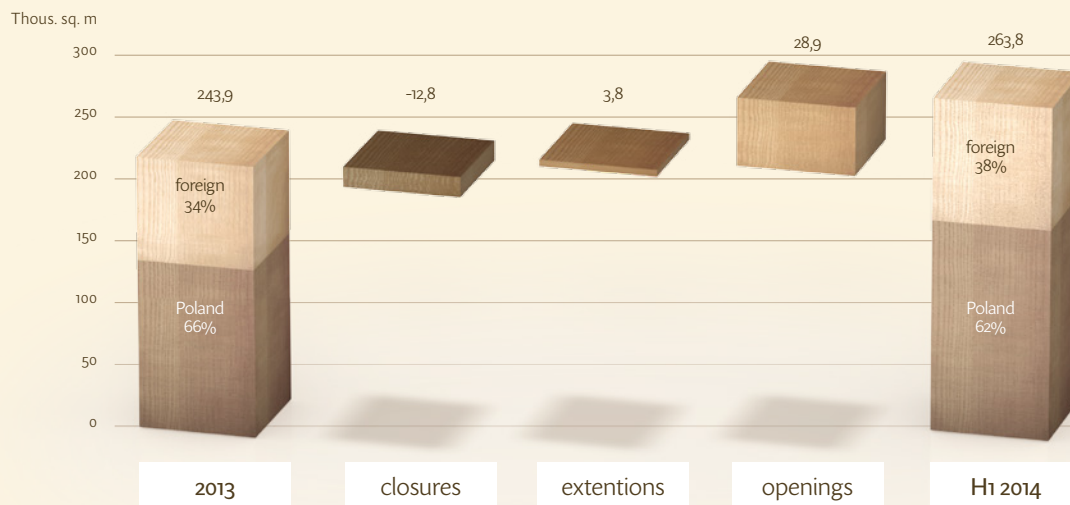
- In 2014–2015 Company will spend at least PLN 200 million on the new retail stores.
- Logistic and distribution centre extension requires additional PLN 60 million.
- CCC issued PLN 210 million 5-years bonds (floating rate WIBOR 6M +147 bp).
- Net debt to EBITDA may reach 2,0 as of the end of Q3 2014 and Q1 2015.



- In 2014 and 2015 CCC Group will concentrate its efforts on intense development in Poland, Czech Republic, Hungary, Slovakia, Romania as well as in Austria, Slovenia, Croatia and Germany.
- In the years 2013-2015 total floorspace will grow by ca. 200,000 sq.m.:
 - 2013 — 42,3 thousand sq.m
 - 2014 — 71,0 thousand sq.m (30% increase)
 - 2015 — 70–80 thousand sq.m (25% increase)
- Management Board expects revenue growth to significantly exceed 30% in 2014 while in 2015 Company's revenue should exceed PLN 3 billion.

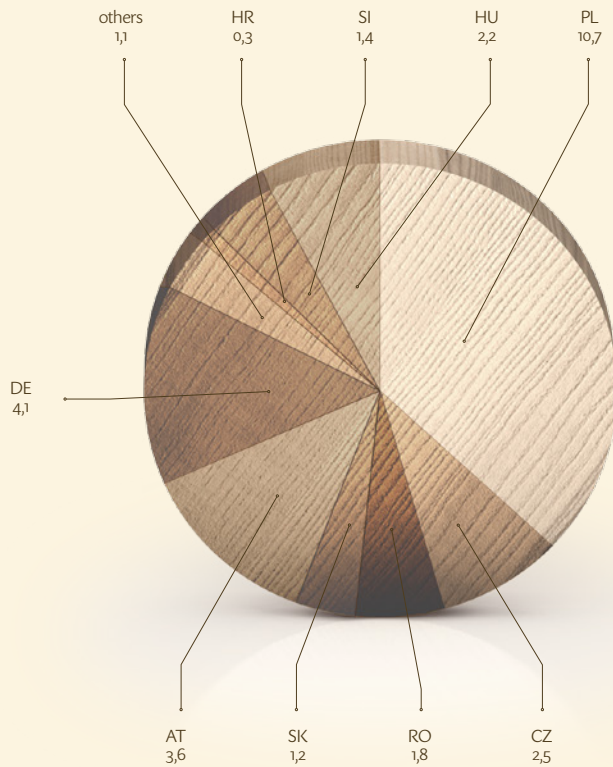


Increase of floor space - components

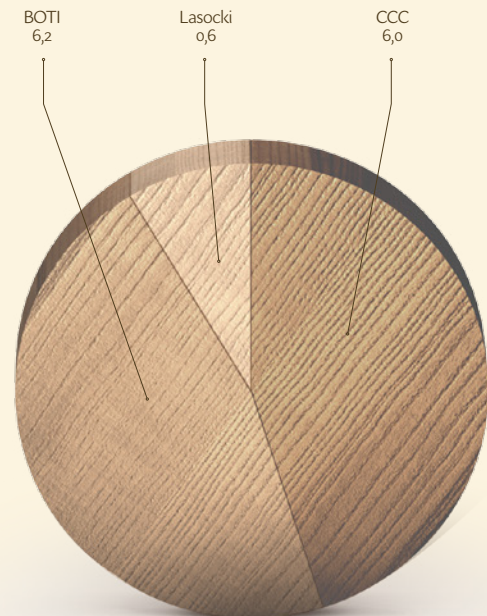


Increase of floor space - components

openings [thous. sq. m]



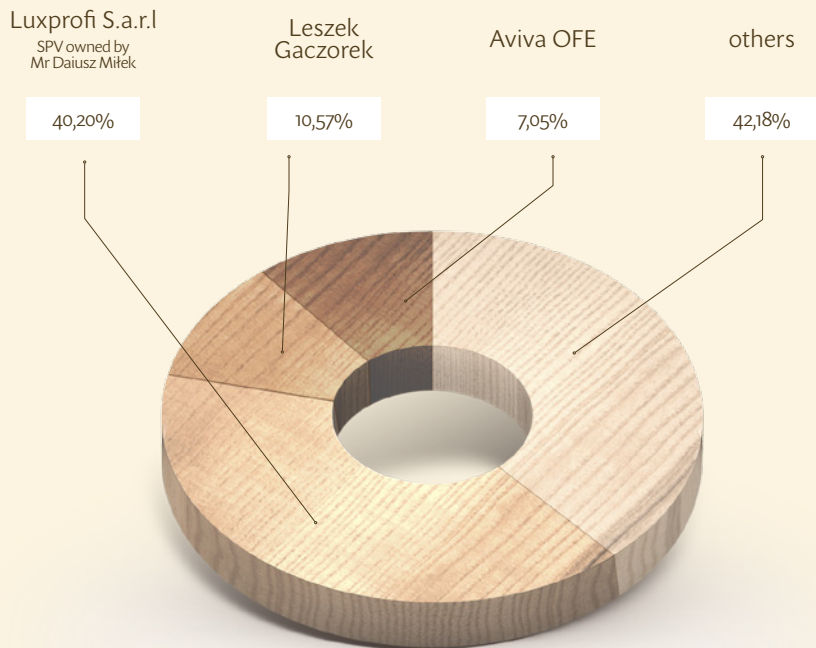
closures [thous. sq. m]



CCC Group - owned and franchise stores

		2010		2011		2012		2013		H1 2014	
Chain	Type	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	138 786	350
	Agency	—	—	—	—	115 46	36	12 102	37	12 998	38
	Czech Republic	14 282	45	16 470	52	209 96	62	26 947	73	29 354	75
	Slovakia	—	—	—	—	5 290	12	10 646	25	11 830	27
	Hungary	—	—	—	—	6 028	15	23 456	50	25 792	54
	Austria	—	—	—	—	—	—	2 816	6	6 391	12
	Slovenia	—	—	—	—	—	—	924	2	2 294	4
	Croatia	—	—	—	—	—	—	1 651	3	1 966	4
	Turkey	—	—	—	—	—	—	1 165	2	1 165	2
	Germany	—	—	—	—	—	—	2 272	4	6 354	10
	Franchise/Russia	—	—	1994	5	1 828	5	2 178	6	1 781	5
	Franchise/Kazakhstan/Ukraine	—	—	—	—	685	2	1 587	4	2 288	6
	Franchise/Romania	—	—	—	—	2 074	5	7 869	19	9 607	23
	Franchise/Latvia	—	—	—	—	1 430	3	2 212	5	2 622	6
	Franchise/Poland	14 224	61	13 389	49	1 586	8	1 586	8	384	2
CCC TOTAL		119 244	379	132 781	399	172 186	487	227 269	586	253 612	618
BOTI	Owned	27 447	213	29 091	216	19 709	146	9 820	72	6 113	43
	Franchise	6 912	62	7 272	62	5 086	42	4 325	34	2 157	16
	BOTI TOTAL		34 359	275	36 363	278	24 795	188	14 145	106	8 270
QUAZI/ LASOCKI	Quazi	6 854	49	5 031	37	587	4	—	—	—	—
	Lasocki	—	—	—	—	4 022	30	2 504	20	1 919	15
	QUAZI/LASOCKI TOTAL		6 854	49	5 031	37	4 608	34	2 504	20	1 919
TOTAL		160 457	703	174 175	714	201 589	709	243 918	712	263 801	692

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

CCC
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