



CCC
SHOES & BAGS

Results presentation
2017

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- Key developments
- Financial results
- Strategic perspective
- Summary
- Q&A





KEY
DEVELOPMENTS






FINANCING STRUCTURE OPTIMISATION

ENTRY OF FUNDS OF SHARE
ISSUE FROM Q3 (526M
PLN). LAUNCH OF SUPPLIER
FINANCING PROGRAMME



LAUNCHING OF NEW MARKETS

NEW OPERATIONS
IN TWO COUNTRIES -
SWEDEN (ONLINE) AND
MOLDOVA (OFFLINE)



FIRST EOBUIE OMNICHANNEL STORE

FIRST STORE MERGING
OFFLINE AND **ONLINE**
CHANNELS OPENED IN
WROCLAW, POLAND



AQUISITION OF STORE NETWORK IN ROMANIA

PRELIMINARY AGREEMENT
OF PURCHASE OF CCC
FRANCHISE STORE
NETWORK IN **ROMANIA**
AND LAUNCHING NEW
FRANCHISE IN **GEORGIA**
AND **KAZAKHSTAN**



- Closing the deal planned in H1 2018
- Deal's value: ca 33M EUR

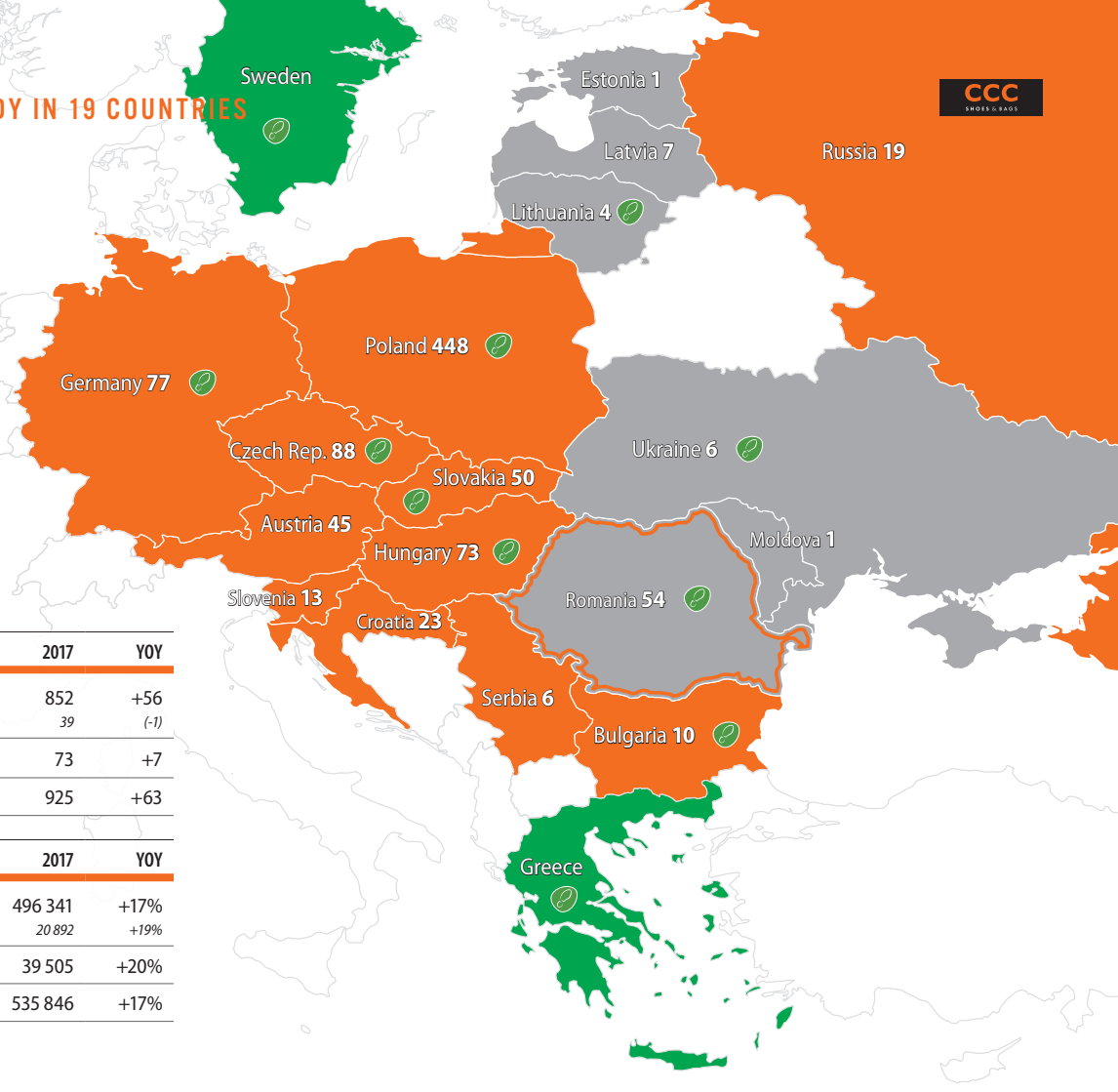
- Store count: 54
- 2016 revenues: 178M RON (38 M EUR)
- 2016 net profit: 25M RON (5,3M EUR)
- 2017 revenue growth: +32%

- Second biggest footwear market in CEE (830M EUR in 2017; +9% yoy)

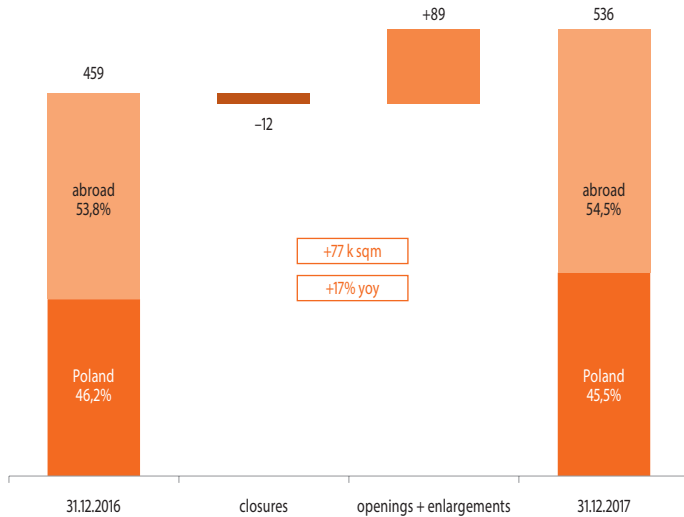
CCC GROUP - ALREADY IN 19 COUNTRIES

Own stores	
Franchise Stores	
eobuwie.pl (online store)	

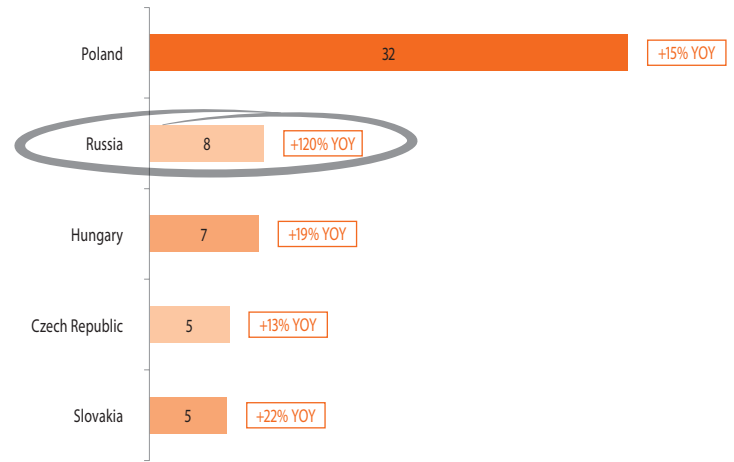
STORE COUNT	2016	2017	YOY
Own	796	852	+56
(of which agency)	40	39	(-1)
Franchise	66	73	+7
Total [count]	862	925	+63
FLOORSPACE	2016	2017	YOY
Own	425 715	496 341	+17%
(of which agency)	17 601	20 892	+19%
Franchise	32 887	39 505	+20%
Total [sqm]	458 602	535 846	+17%



YTD FLOORSPACE GROWTH
[k sqm]



FLOORSPACE GROWTH IN SELECTED COUNTRIES (TOP5)
[k sqm]



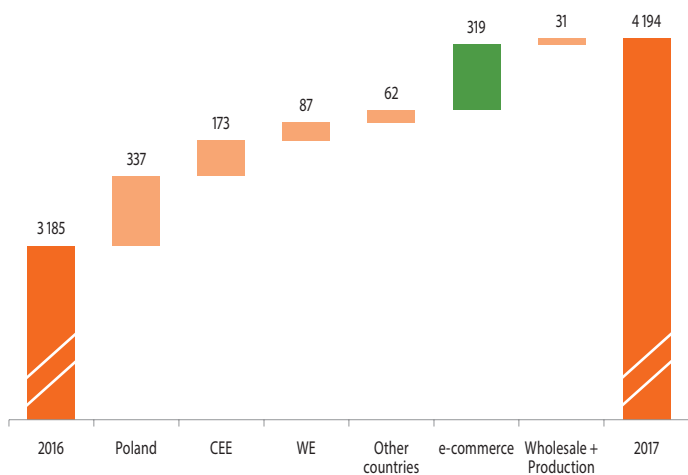
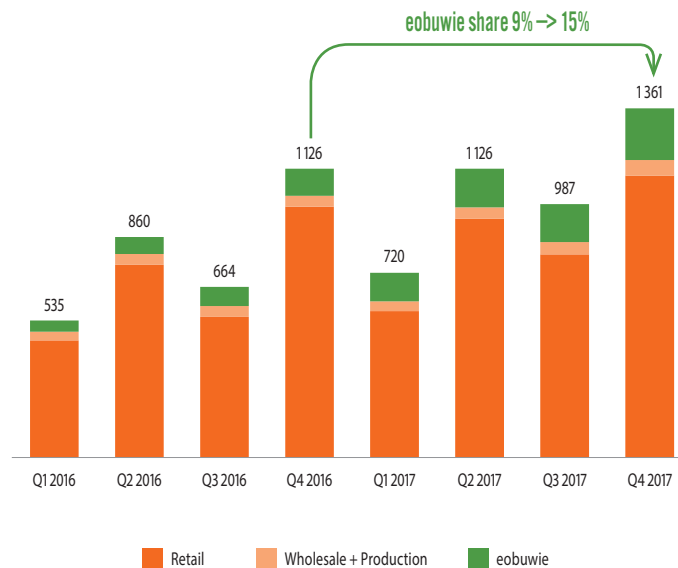
Average store floorspace growth of 9% yoy
(already 51 stores in new concept)



Start of dynamic expansion in Russia
(+120% floorspace growth)



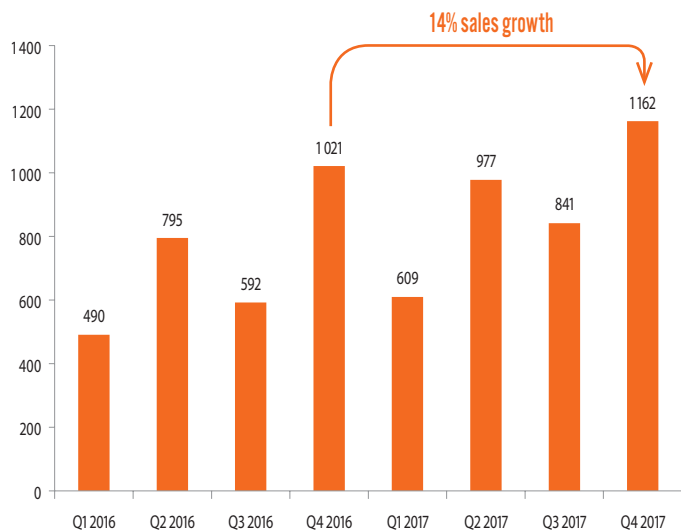
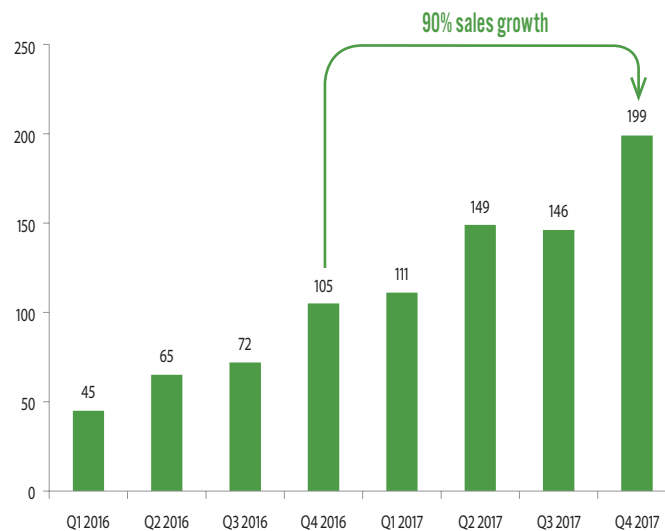
20% lfl growth over two years

REVENUE GROWTH SOURCES
[M PLN]QUARTERLY SALES STRUCTURE
[M PLN]

High revenue growth in developed markets - Poland and CEE



Steady growth of e-commerce share (from 9% to 15% of consolidated revenues yoy)

OFFLINE SALES
[M PLN]EOBUWIE SALES
[M PLN]

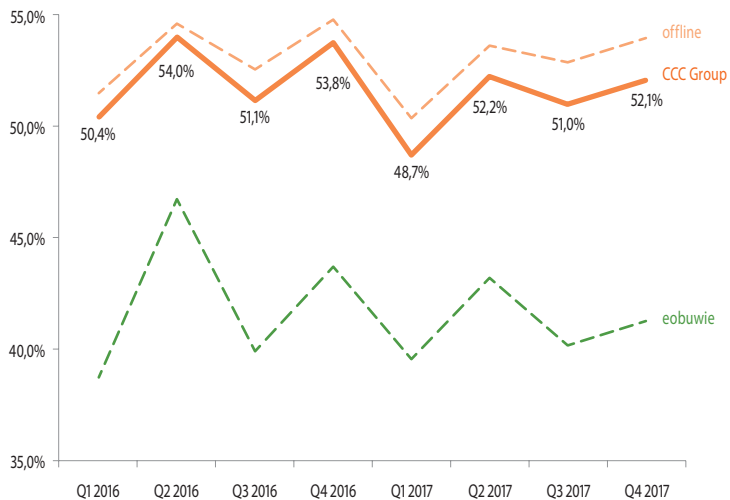
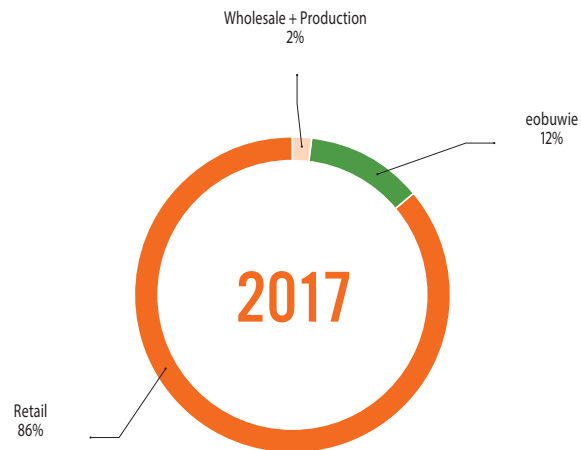
A distinct year over year rise of sales in every quarter - both offline and online



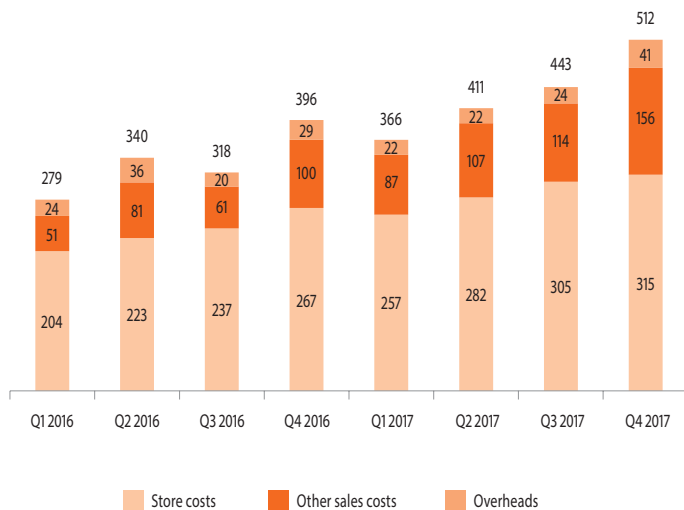
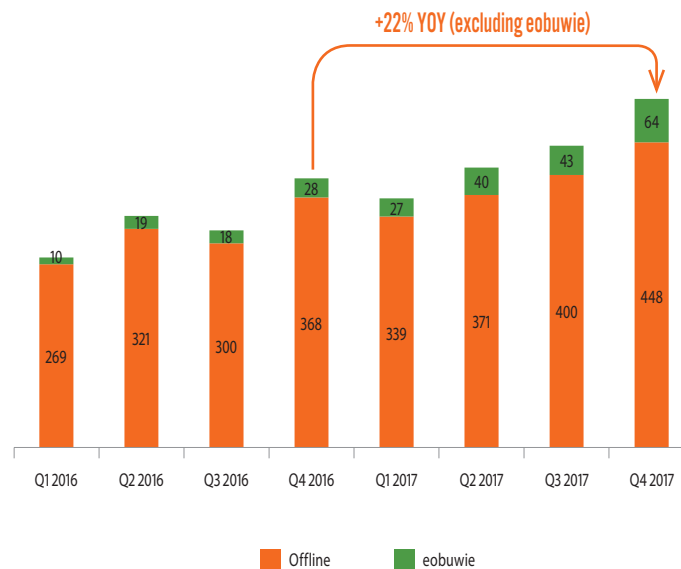
Online sales much less seasonal than offline



**FINANCIAL
RESULTS**

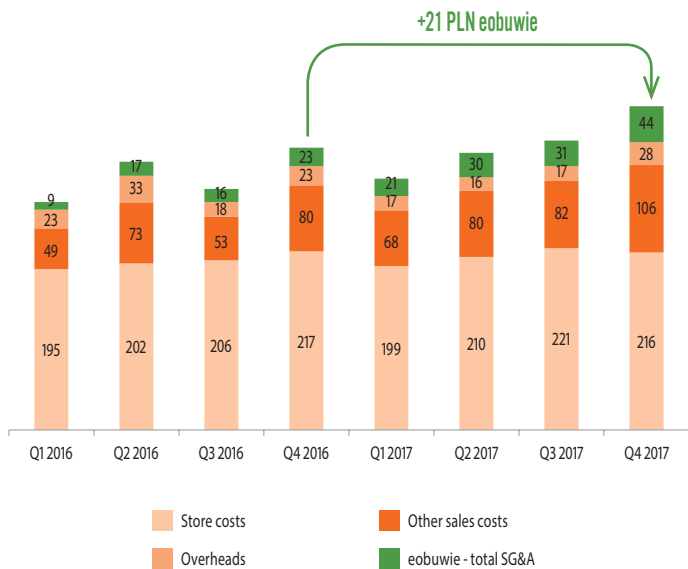
CCC GROUP'S GROSS PROFIT ON SALES MARGIN
 [%]

 GROSS PROFIT ON SALES BY SEGMENT
 [M PLN]


Margin in Q4 2017 under pressure due to postponement of significant sales from October to December (markdown season) - unfavorable weather conditions effect

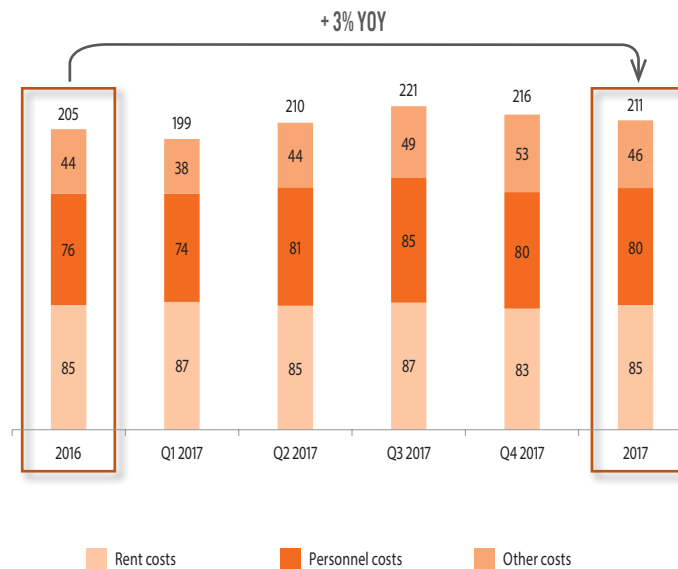
SG&A COSTS
[M PLN]SG&A COSTS BY DISTRIBUTION CHANNEL
[M PLN]

Total SG&A costs stripped of eobuwie effect very stable - growth below revenue increase.
Eobuwie cost growth resulting from increasing scale - very high share of variable costs (marketing and logistics)

SG&A COSTS PER SQM
[PLN/MONTH]



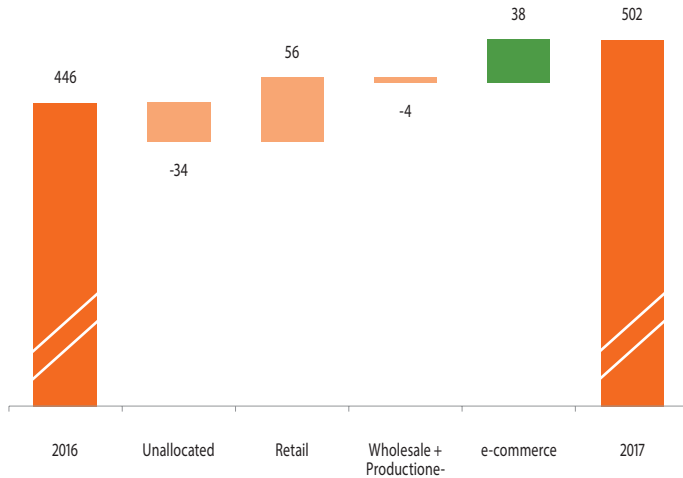
STORE COSTS PER SQM
[PLN/MONTH]



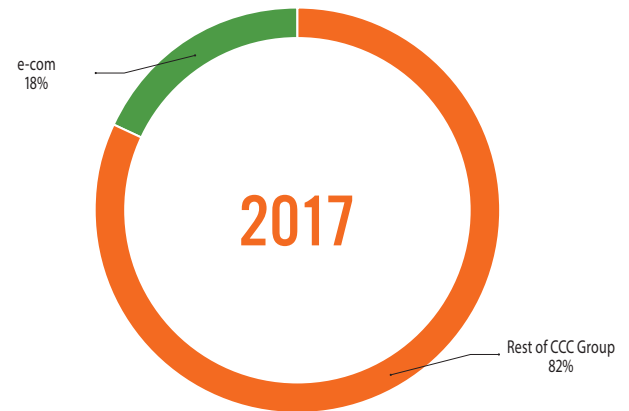
Growth of SG&A per sqm mainly due to e-commerce and other sales costs (marketing)



Store costs per sqm +35 yoy, lower in Q4 compared to Q3

EBITDA GROWTH SOURCES
[M PLN]*

GROUP'S EBITDA - COMPONENTS



* Data after motivation scheme costs



Retail and e-commerce as main contributors to EBITDA growth



Share of e-commerce in Group's EBITDA higher than in consolidated sales

M PLN	Q4 RESULTS			YEARLY RESULTS		
	2016	2017	YOY	2016*	2017	YOY
Sales	1 126,1	1 360,5	20,8%	3 185,3	4 194,0	31,7%
Gross profit on sales	607,0	708,4	16,7%	1 680,1	2 149,9	28,0%
<i>Gross profit on sales margin</i>	53,9%	52,1%	-1,8 p.p.	52,7%	51,3%	-1,4 p.p.
Sales and administration costs	-395,6	-511,9	29,4%	-1 332,9	-1 732,0	29,9%
Other operational costs and revenues	6,1	-8,1	—	26,2	-13,4	—
EBIT	217,5	188,4	-13,4%	373,4	404,5	8,3%
EBITDA	239,7	216,1	-9,8%	446,1	501,5	12,4%
<i>EBITDA margin</i>	21,3%	15,9%	-5,4 p.p.	14,0%	12,0%	-2,0 p.p.
Net financial costs	-11,2	-25,6	128,6%	-32,5	-63,7	96,0%
Profit before tax	206,3	162,8	-21,1%	340,9	340,8	—
Income tax	-14,1	-14,8	5,0%	-25,4	-38,5	51,6%
Net profit	192,2	148,0	-23,0%	315,5	302,3	-4,2%
<i>Net profit margin</i>	17,1%	10,9%	-6,2 p.p.	9,9%	7,2%	-2,7 p.p.
Minorities	3,2	4,8		9,0	15,4	



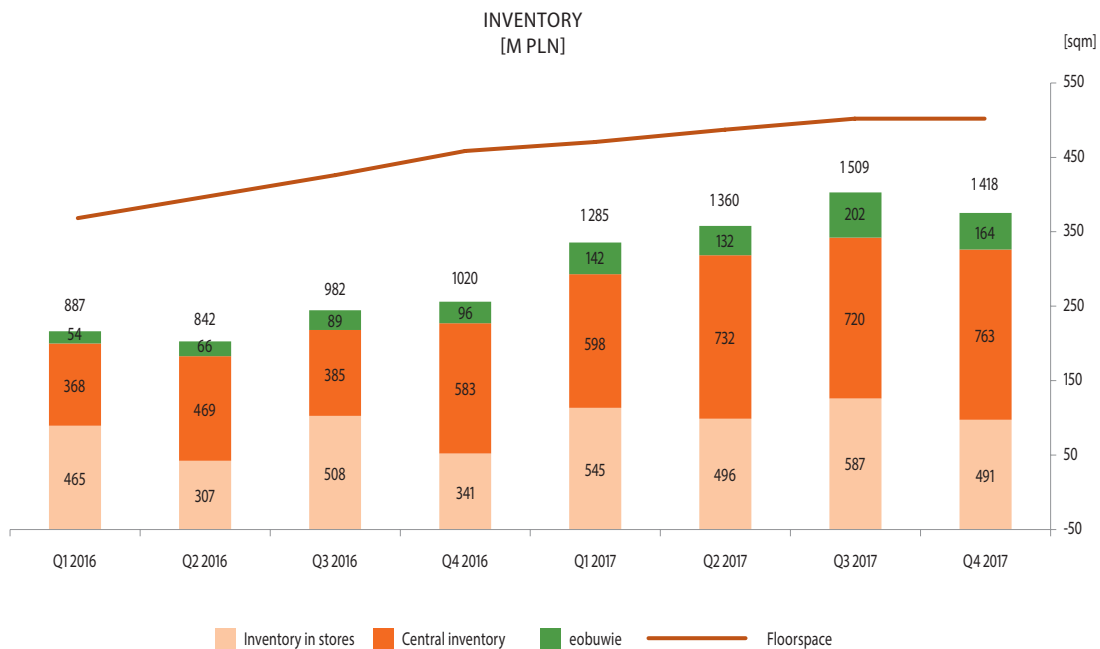
Dynamic yoy sales growth - much above expectations



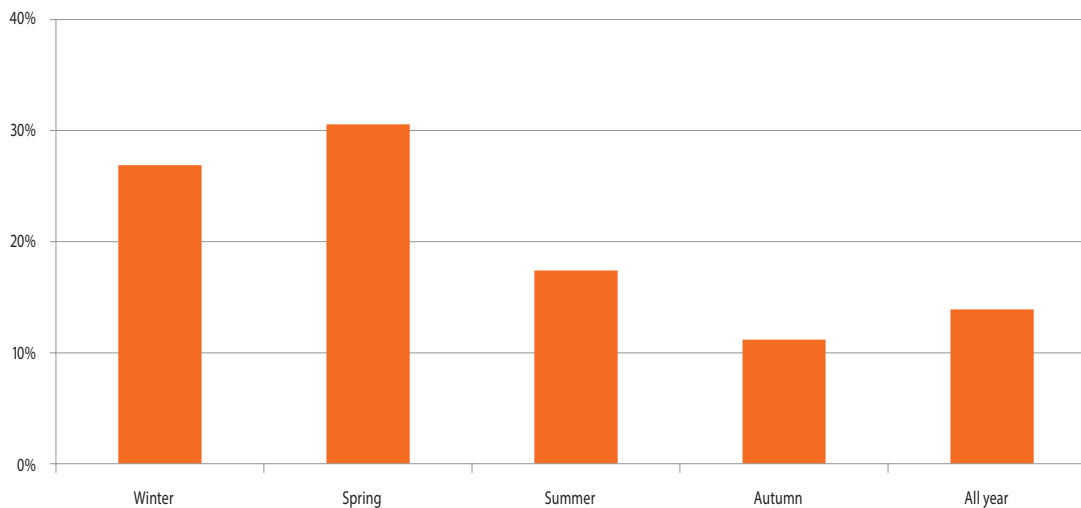
EBITDA margin disrupted by unfavourable sales distribution in Q4 (low sales in October due to adverse weather conditions)



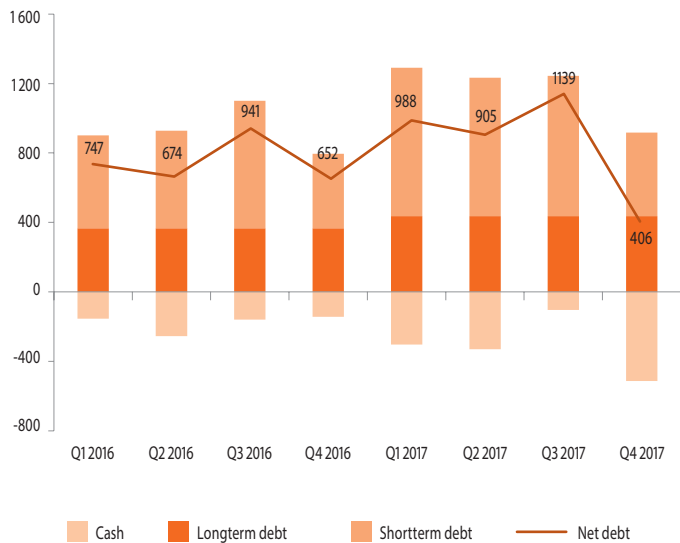
Lower net profit margin caused mostly by reduced gross profit on sales margin (growing share of e-commerce, unfavourable sales distribution in Q4)



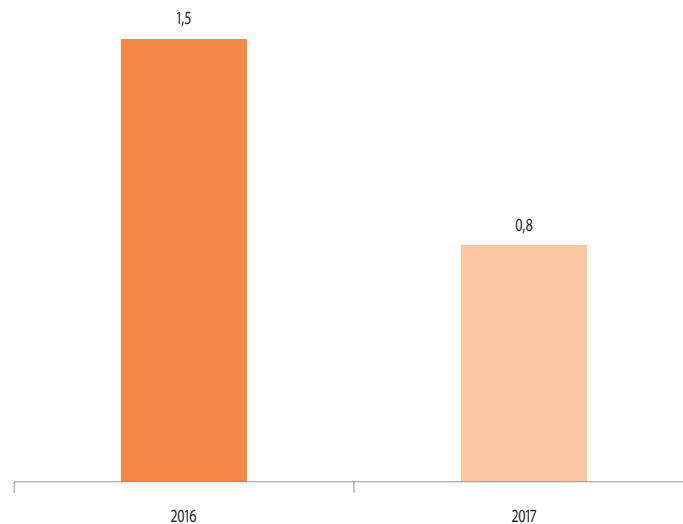
- Lower inventory qoq
- Inventory per sqm lowest since the end of 2016 despite significant growth of eobuwie

INVENTORY BY SEASON (QUANTITY)
CENTRAL AND STORES

- Company ready for spring-summer season
- Winter collection satisfactorily sold out, since mid February 2018 replaced in stores by spring collection

NET DEBT
[M PLN]

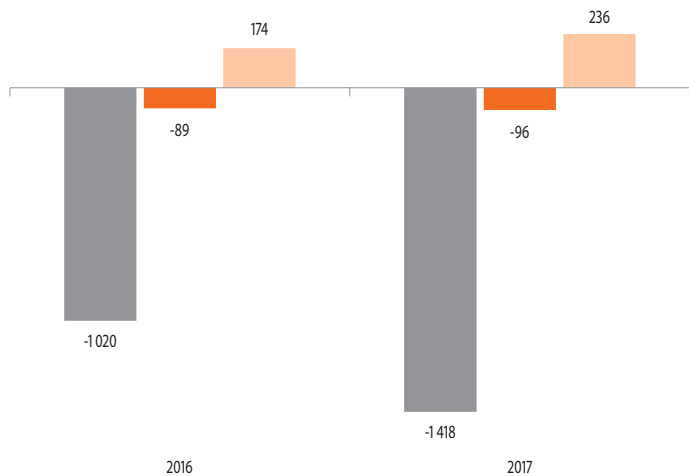
NET DEBT/EBITDA



Net debt on record low level despite significant growth of scale



Sharp decline of index despite the implementation of the investment plan

WORKING CAPITAL
[M PLN]

Inventory Receivables Payables

CASH FLOWS
[M PLN]

Operations CF Investment CF Financial CF



Initiated processes of increase of trade payables days and reduction of inventory days



High financial CF resulting from new shares issued (526 M PLN)

Expected* effects of IFRS 16 introduction - changes in reporting of longterm lease contracts

ASSETS GROWTH OF CIRCA

1,5 B PLN

LIABILITIES GROWTH OF OVER

1,5 B PLN

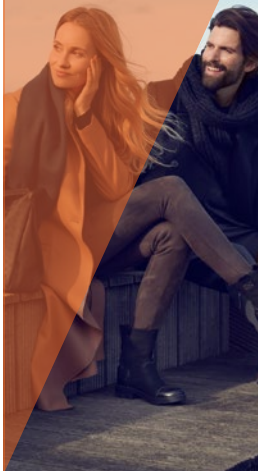
**SIGNIFICANT GROWTH
OF AMORTISATION**

* estimates, unaudited, subject to further calculation at the Company



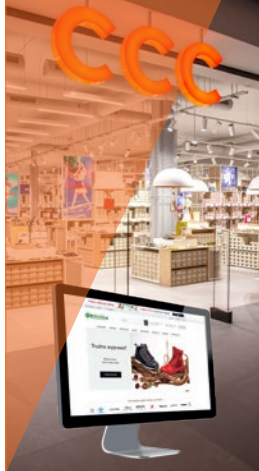
**STRATEGIC
PERSPECTIVE**

OFFER FOR CUSTOMERS



DEMOCRATIC BRAND
FASHIONABLE PRODUCT
BEST PRICE/QUALITY

OFFLINE + ONLINE



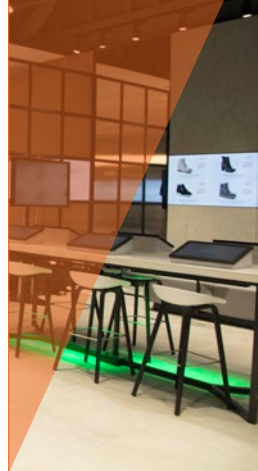
MONOBRAND
(CCC)
+ **MULTIBRAND**
(EOBUWIE)

OPTIMAL BUSINESS MODEL



VERTICALLY
INTEGRATED BUSINESS
LOW COST BASE
IN POLAND

NEW STORE FORMAT



NEW STORE
FORMATS: 1000 SQM
CCC AND **OFFLINE**
EOBUWIE STORES

DIGITAL TRANSFORMATION



COMPREHENSIVE
MODERNISATION
OF **IT SYSTEMS**
(AMONG OTHERS
ERP, BI, LOGISTICS,
E-COMMERCE,
CRM, RFID)

CCC GROUP BY 2022...

AMONG THE WINNERS of retail sector changes. Undisputed leader in CEE, with established position in other selected markets in and outside of Europe. Present in 35-40 countries (off- and online), with both own and franchise stores

EXPERT IN PRODUCTION AND RETAIL of footwear and accessories. Excellent competences in own production, under own brands and in own stores, with good brand management.

DIVERSIFIED COMPANY present in numerous different market segments. Substantial increase of share of sport shoes sales (including branded)

FULLY OMNICHANNEL COMPANY after deep digital transformation, perfectly understanding the customers and their behaviour and preferences

TWO STRONG AND GROWING PILLARS off- and online. At least 30% of sales in online channel by 2020

OWN IDENTITY merging what's best in entrepreneurial and corporate cultures. Quick and eager to adapt innovations. Great environment for talented employees

TARGET: DOUBLING OF SALES within five years 2018-2022, while growing EBITDA margin to the level of industry leaders

	31.12.2016		31.12.2017		31.12.2018	
	k sqm	YOY	k sqm	YOY	k sqm	YOY
Poland	212	13,4%	244	15,1%	291	19,3%
CEE	125	22,5%	146	17,7%	167	14,4%
WE	82	65,3%	88	7,3%	95	8,0%
Others	40	28,6%	58	45,0%	93	60,3%
CCC Group total	459	24,2%	536	16,8%	646	20,5%



TARGET:

210 000 sqm

NET NEW FLOORSPACE BETWEEN 2018 AND 2019

CONTINUATION OF EXPANSION:

- Further roll-out of new format CCC stores
- New franchise deals - 2-3 new countries, preparation for launch in the Middle East
- Germany/Austria: consistent continuing of business model optimisation targeted at reaching break-even
- Opening up to opportunities in developed markets by ways of JV/alliances
- 3 new countries online (Spain, France, Italy)
- eobuwie stores rollout
- Reserve&collect at CCC in mid-2018
- Investment in new distribution centers in Zielona Góra and Polkowice (online and offline)
- Further optimisation of business processes in capital group

INNOVATION/DIGITAL TRANSFORMATION:

- New ERP, WMS, BI and other systems
- New e-commerce system (for both eobuwie and CCC)
- Advanced RFID tests
- Predictive tools, digital information and precision making processes

FINANCIAL POLICY:

- Optimisation of working capital (longer trade payables, shorter inventory turnover)
- Consistent debt reduction and conversion of liabilities to longterm
- Raising of cost discipline level
- Improvement of profitability

CURRENT PROJECTS

- ERP system
- Financial-accounting system
- Logistic systems
- E-commerce platform
- CRM system
- Predictive systems
- Workflow systems



EFFECTS

- ✓ DEVELOPMENT OF OMNICHANNEL
- ✓ HIGHER MARGIN (ERP SYSTEM, PRICE AND DISCOUNTING MANAGEMENT)
- ✓ LOWER INVENTORY (PREDICTIVE SYSTEMS)
- ✓ LOWER OPERATIONAL COSTS (LOGISTIC AND WORKFLOW SYSTEMS)
- ✓ HIGHER REVENUES (INTELLIGENT MARKETING, CRM, E-COMMERCE)

ALLTOGETHER OVER 50 IT PROJECTS

CCC GROUP'S CSR REPORT FOR 2017

PREPARED ACCORDING TO INTERNATIONAL GRI STANDARDS (GLOBAL REPORTING INITIATIVE)

SUPPLY
CHAIN

PARTNERSHIP IN
TRANSLATION OF
OECD GUIDELINES
FOR **APPAREL AND
FOOTWEAR SECTORS**

SAFETY



REDUCTION OF
ACCIDENT COUNT
IN 2017 BY 50%

EMPLOYEES



EDUCATION OF **FUTURE
HUMAN RESOURCES**
IN COOPERATION
WITH UNIVERSITIES

CUSTOMERS



LAUNCHING OF **RND
CENTER** - ANALYSIS
OF CUSTOMER NEEDS,
PRODUCT INNOVATIONS

ENVIRONMENT



INNOVATIVE
ENVIRONMENTAL
SOLUTIONS, SUCH AS
PHOTOVOLTAIC FARM



SUMMARY



Q & A



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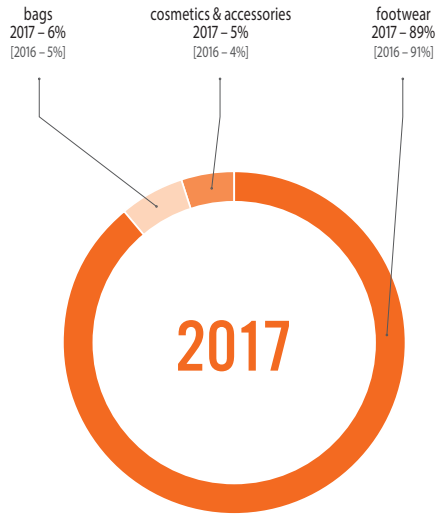
Thank you



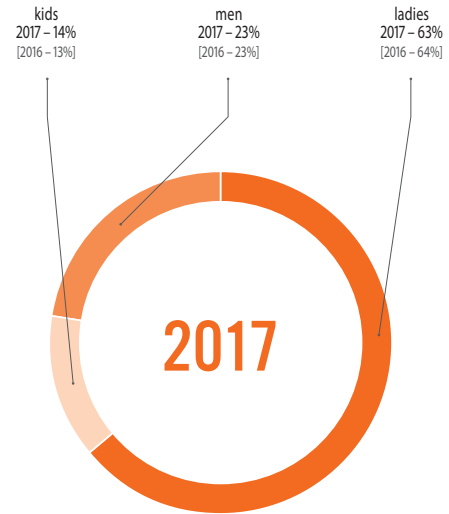
BACK - UP

TYPE	COUNTRY	30.06.2016		30.09.2016		31.12.2016		31.03.2017		30.06.2017		30.09.2017		31.12.2017	
		sqm	store count	sqm	store count	sqm	store count	sqm	store count	sqm	store count	sqm	store count	sqm	store count
CCC Own	Poland	197 682	422	201 644	424	212 242	436	214 696	433	220 795	439	228 154	441	243 839	448
	– own	181 065	383	184 758	385	194 641	396	196 770	394	201 865	399	209 110	402	222 947	409
	– agency	16 617	39	16 886	39	17 601	40	17 926	39	18 930	40	19 044	39	20 892	39
	Germany	46 792	65	54 640	71	58 127	75	58 127	75	60 671	77	61 114	77	61 114	77
	Czech Rep.	37 100	78	38 241	80	39 415	82	41 065	84	41 946	85	42 152	85	44 701	88
	Hungary	33 949	66	34 633	67	38 040	69	39 134	69	40 607	71	41 709	69	45 247	73
	Austria	16 258	30	19 300	32	23 580	39	25 131	41	26 301	43	26 939	44	27 431	45
	Slovakia	19 530	38	20 815	39	23 104	42	24 180	44	24 180	44	26 139	47	28 198	50
	Croatia	11 268	19	11 842	20	11 842	20	12 342	21	12 342	21	12 915	22	13 561	23
	Russia	—	—	4 655	9	6 339	11	7 580	12	9 314	14	10 153	15	13 923	19
	Slovenia	5 083	9	5 673	10	6 272	11	6 882	12	6 882	12	7 687	13	7 687	13
	Bulgaria	4 412	7	5 012	8	5 665	9	6 562	10	6 562	10	6 562	10	6 562	10
Serbia	—	—	—	—	1 089	2	1 089	2	1 917	3	3 348	5	4 078	6	
TOTAL OWN		372 074	734	396 455	760	425 715	796	436 788	803	451 517	819	466 872	828	496 341	852
CCC franchise	Russia	4 655	9	—	—	—	—	—	—	—	—	—	—	—	
	Romania	20 695	44	20 644	44	24 386	50	24 386	50	26 290	53	25 808	52	27 148	54
	Ukraine	3 055	7	3 527	7	2 709	5	3 827	6	3 827	6	3 827	6	3 827	6
	Latvia	3 232	7	3 281	7	3 281	7	3 809	7	3 809	7	4 408	7	4 409	7
	Litwa	1 787	3	1 787	3	1 787	3	1 787	3	1 787	3	1 787	3	2 657	4
	Estonia	724	1	724	1	724	1	724	1	724	1	724	1	724	1
	Moldova	—	—	—	—	—	—	—	—	—	—	—	—	740	1
TOTAL FRANCHISE		34 148	71	29 963	62	32 887	66	34 533	67	36 437	70	36 554	69	39 505	73
CCC TOTAL		406 222	805	426 418	822	458 602	862	471 321	870	487 954	889	503 426	897	535 846	925

SALES STRUCTURE



FOOTWEAR SALES STRUCTURE



M PLN *	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	3Q17	4Q17	YOY
Sales	534,6	860,0	664,6	1 126,1	720,4	1 125,8	987,3	1 360,5	20,8%
Gross profit on sales	269,4	464,4	339,3	607,0	350,7	587,7	503,1	708,4	16,7%
Gross profit on sales margin	50,4%	54,0%	51,1%	53,9%	48,7%	52,2%	51,0%	52,1%	-1,8 p.p.
Sales and administration costs	-279,2	-339,7	-318,4	-395,6	-366,3	-411,1	-442,7	-511,9	29,4%
Other operational costs and revenues	5,0	10,9	4,2	6,1	-0,5	3,4	-8,2	-8,1	—
EBIT	-4,8	135,6	25,1	217,5	-16,1	180,0	52,2	188,4	-13,4%
EBIT margin	-0,9%	15,8%	3,8%	19,3%	-2,2%	16,0%	5,3%	13,8%	-5,4 p.p.
Net financial costs	-9,9	4,5	-15,9	-11,2	-18,5	-15,6	-4,0	-25,6	128,6%
Profit before tax	-14,7	140,1	9,2	206,3	-34,6	164,4	48,2	162,8	-21,1%
Income tax	-3,1	-8,9	0,7	-14,1	-3,0	-13,7	-7,0	-14,8	5,0%
Net profit	-17,8	131,2	9,9	192,2	-37,6	150,7	41,2	148,0	-23,0%
Net profit margin	-3,3%	15,3%	1,5%	17,1%	-5,2%	13,4%	4,2%	10,9%	-6,2 p.p.
Minorities	1,7	2,4	1,7	3,2	3,0	4,9	2,7	4,8	

* Reference data for 2016 as published in 2016 report

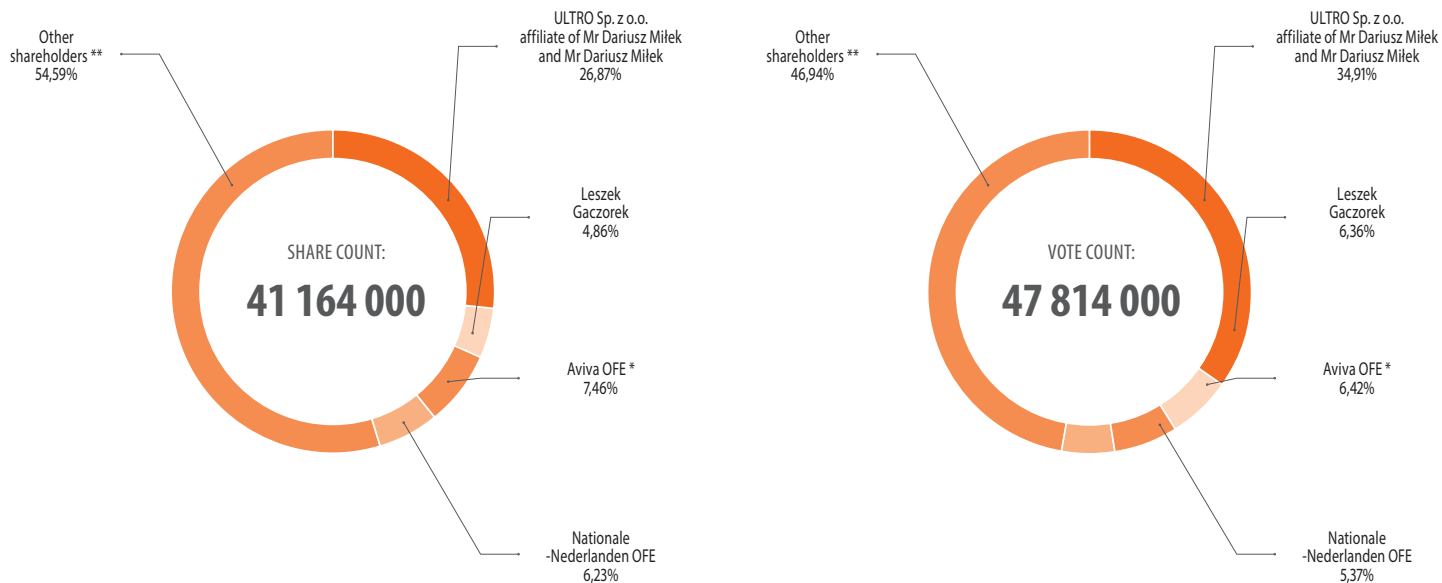
M PLN	31.12.2016*	31.03.2017	30.06.2017	30.09.2017	31.12.2017
Intangibles	181,2	181,2	189,2	193,0	197,5
Goodwill	106,2	106,2	106,2	106,2	106,2
Tabgible assets	679,6	679,2	736,9	753,1	787,0
Deferred tax assets	60,1	313,0	55,3	62,2	63,4
Loans granted	—	—	—	—	—
Fixed assets	1 027,1	1 279,6	1 087,6	1 114,5	1 154,1
Inventory	1 019,7	1 285,1	1 359,9	1 509,4	1 417,7
Trade receivables	89,3	120,4	121,9	35,2	95,7
Income tax receivables	12,1	25,4	27,6	21,5	25,8
Loans granted	11,1	11,1	11,1	11,2	9,1
Other receivables	98,2	117,5	140,7	58,0	155,4
Cash	143,4	302,3	328,6	104,5	511,6
Derivatives	—	—	—	—	0,5
Current assets	1 373,8	1 861,8	1 989,8	1 739,8	2 215,8
Total assets	2 400,9	3 141,4	3 077,4	2 854,3	3 369,9

* Restated data

MPLN	31.12.2016*	31.03.2017	30.06.2017	30.09.2017	31.12.2017
Debt	366,0	436,0	436,0	436,0	436,0
Deferred tax debt	34,1	34,6	33,4	32,3	33,2
Provisions	7,2	7,2	7,3	7,3	9,4
Grants received	23,5	22,9	22,3	21,9	21,3
Minority shares redemption obligation	229,6	231,4	233,3	235,3	777,9
Longterm liabilities	660,4	732,1	732,3	732,8	1 277,8
Debt	429,5	854,5	797,3	807,9	481,1
Trade payables	174,3	264,0	291,8	103,6	235,8
Other liabilities	137,6	68,1	254,2	148,5	166,6
Income tax liabilities	16,8	12,2	7,1	22,2	26,6
Provisions	6,8	17,0	8,3	7,4	11,3
Grants received	4,4	5,7	2,7	5,9	2,4
Liabilities for the acquisition of own shares	—	—	—	—	—
Shortterm liabilities	769,4	1 221,5	1 361,4	1 095,5	923,8
Share capital and share premium	123,1	123,1	125,3	125,4	649,0
Exchange rate differences upon conversion of reports of foreign entities	1,8	-2,2	0,6	0,8	-1,3
Retained earnings	793,8	1 011,3	797,5	836,8	452,8
Noncontrolling interests	52,4	55,6	60,3	63,0	67,8
Actuarial valuation of employee benefits	—	—	—	—	—
Capitals	971,1	1 187,8	983,7	1 026,0	1 168,3
Liabilities	2 400,9	3 141,4	3 077,4	2 854,3	3 369,9

* Restated data

SHAREHOLDER STRUCTURE AS OF 31.12.2017



* Data as in yearly asset report of AVIVA OFE fund as of 30.12.2016.

** Other shareholders holding no more than 5% of votes at the General Shareholder Meeting.

FULLFILMENT OF GLOBAL SUSTAINABILITY GOALS (SDG'S) BY UNITED NATIONS



#Go for more

Brand promise customer's experience



#More possibilities

Development of organization's potential



#More trust

Good and effective management

Key targets for 2018

- Development of sustainable supply chain management and introduction of suppliers' ethical code
- Empowerment of ethics management system
- Supporting of employees' initiatives in charity and community involvement
- Raising of innovation level within our RnD center
- Development of internal communication with employees
- Perfecting dialogue with customers

TERM	MEANING
CEE	Czech Republic, Slovakia, Hungary, Croatia, Bulgaria, Slovenia
WE	Germany and Austria
Others	Latvia, Lithuania, Estonia, Ukraine, Russia, Serbia
Detal	Own store chain
Hurt	Franchise store chain and sales to other external companies (small scale)
Production	Revenues, costs and capex connected to production in Polkowice
LFL	Sales in local currencies, in comparable stores, active for more than 12 months
Sales per sqm	Group's retail sales divided by Group's average working floorspace (own stores)
YOY	Change in comparison to like period in preceding year
e-commerce	Sales in online channel
eobuwie	eobuwie Group, including online and offline sales
Offline	Retail + Wholesale + Production