

Results presentation CCC Group

Q2 2023

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Key facts Q2'23

1

Continued development of **HalfPrice** and **strong sales growth** maintained **(+86%)**

2

Solid **21% EBITDA margin** delivered by the **CCC segment** supported by an effective cost base reduction programme

3

Planned working capital optimisation at **MODIVO Group** – **inventories down by nearly PLN 250 million qoq** and 5% yoy

4

Lowest level of net debt since 2018 at the CCC Business Unit – down by 38% qoq

5

Improvement in business and consumer environment for H2 2023 and 2024



Conclusion of Reebok license agreement with ABG

Long-standing partnership with a global player...

	
TURNOVER USD 25bn	 HUNTER
MARKETS ~150	 DAVID BECKHAM
BRANDS 40+	 
	 

CCC Group globally as one of the five license partners carrying out distribution through its own channels (alongside JD Sports and Footlocker)

10-year contract

Four business lines (CCC, HalfPrice, eobuwie, MODIVO) and 28 countries

footwear, clothing, bags and luggage

... bringing a wealth of benefits to both parties

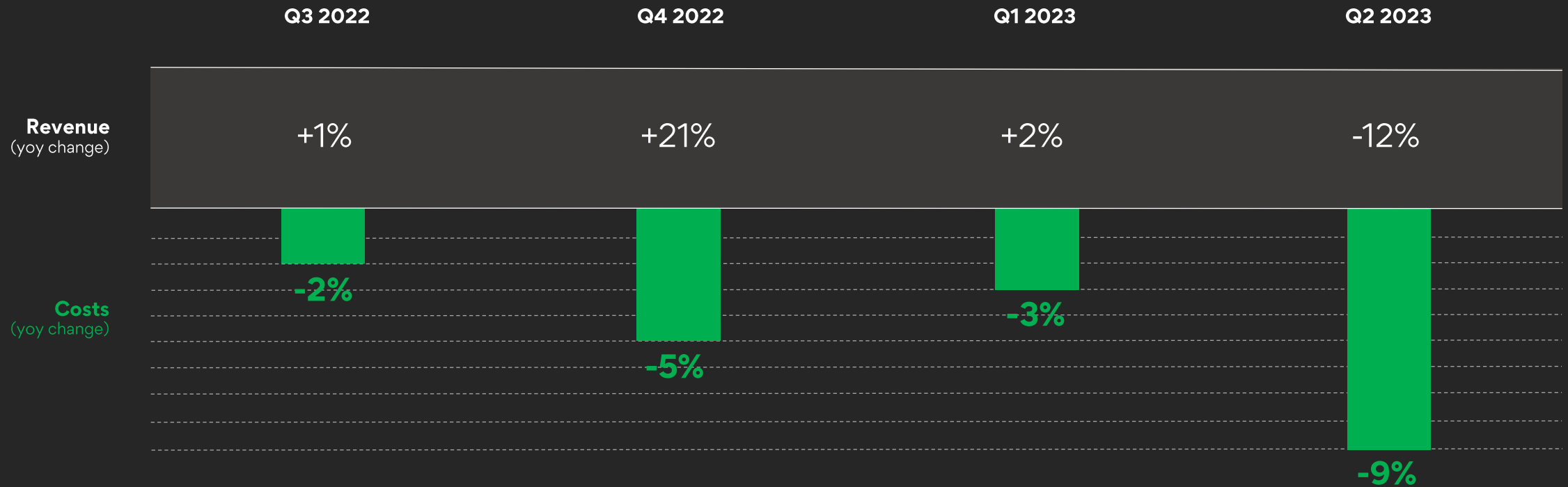
FOR THE CCC GROUP

- ✓ **Significantly higher gross margin** – purchasing products without intermediaries
- ✓ **Independence from D2C policy of sports brands** – uninterrupted access to the best products
- ✓ **Being perceived as a ‘house of brands’** – opportunity to secure new brands for the portfolio on good terms

FOR ABG

- ✓ Exposure to the promising CEE region
- ✓ Access to CCC Group’s omnichannel sales network
- ✓ Millions of loyal club members

Consistent measures to cut CCC costs in inflationary business environment



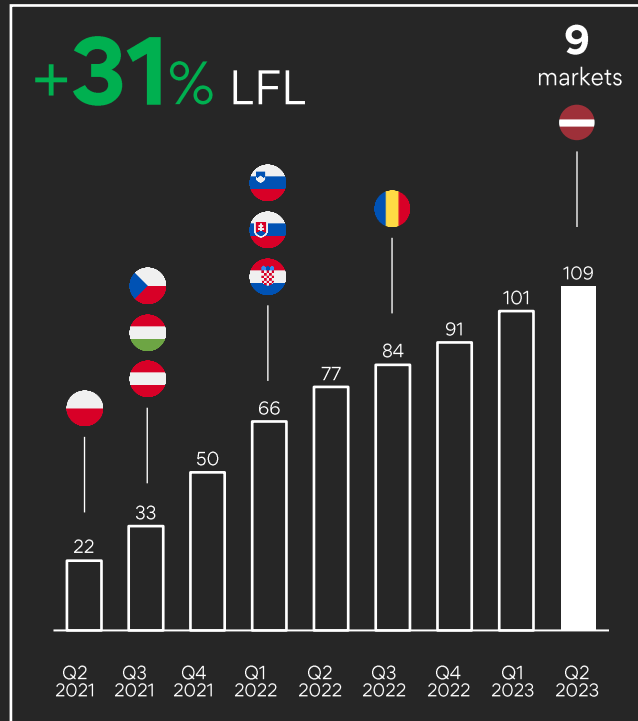
Revenue and selling and administrative costs in the CCC segment

HalfPrice continues on a rapid growth path

Further expansion of HalfPrice ...

... driven by creative marketing...

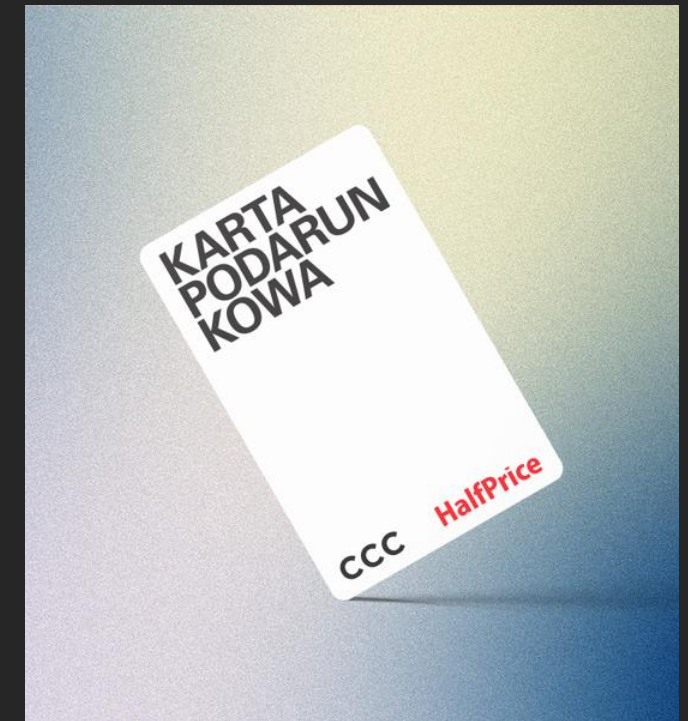
... and work to build customer value over time



Number of stores and markets



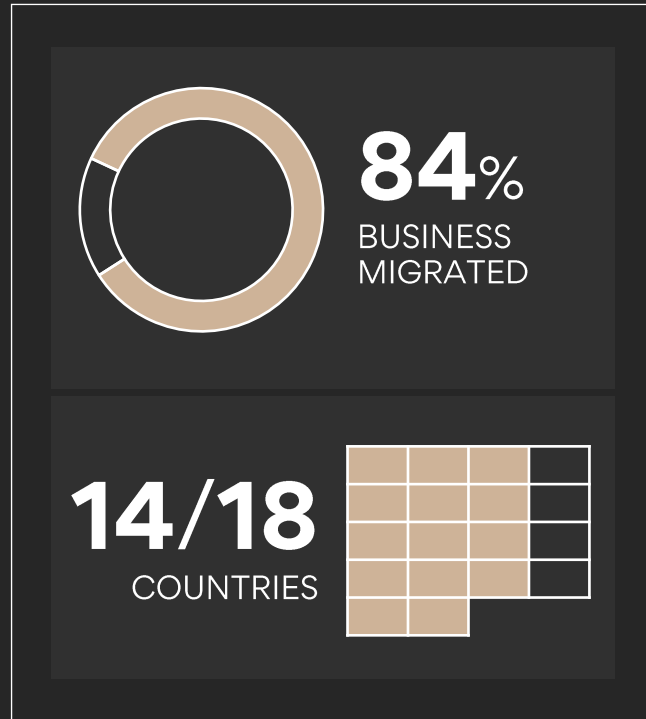
Poland's first marketing campaign generated entirely by artificial intelligence (AI)



CCC x HalfPrice hybrid gift card debut "It's up to you where to use it"

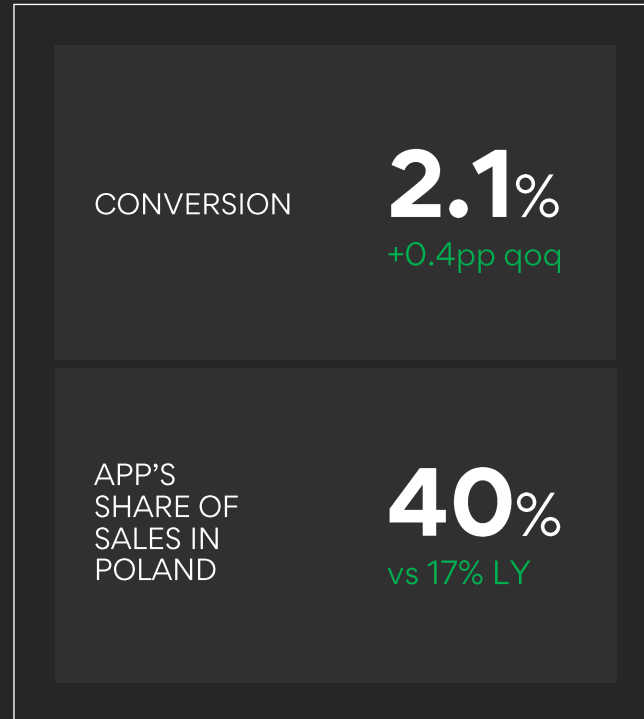
Unleashing the potential of eobuwie through technology transformation coming to a close

Migrating to a new e-commerce platform ...



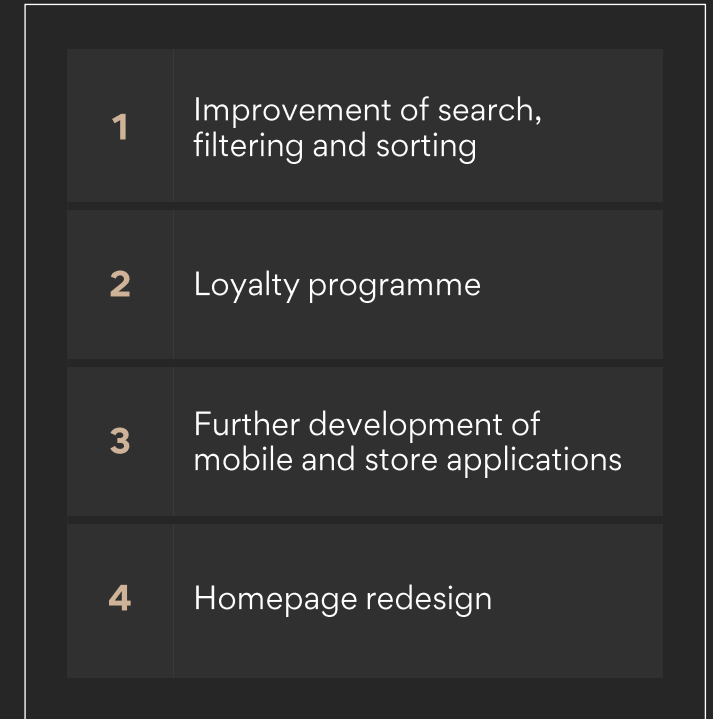
Number of markets where eobuwie migration to Magento 2 platform has been completed

... supports strategic operational KPIs ...



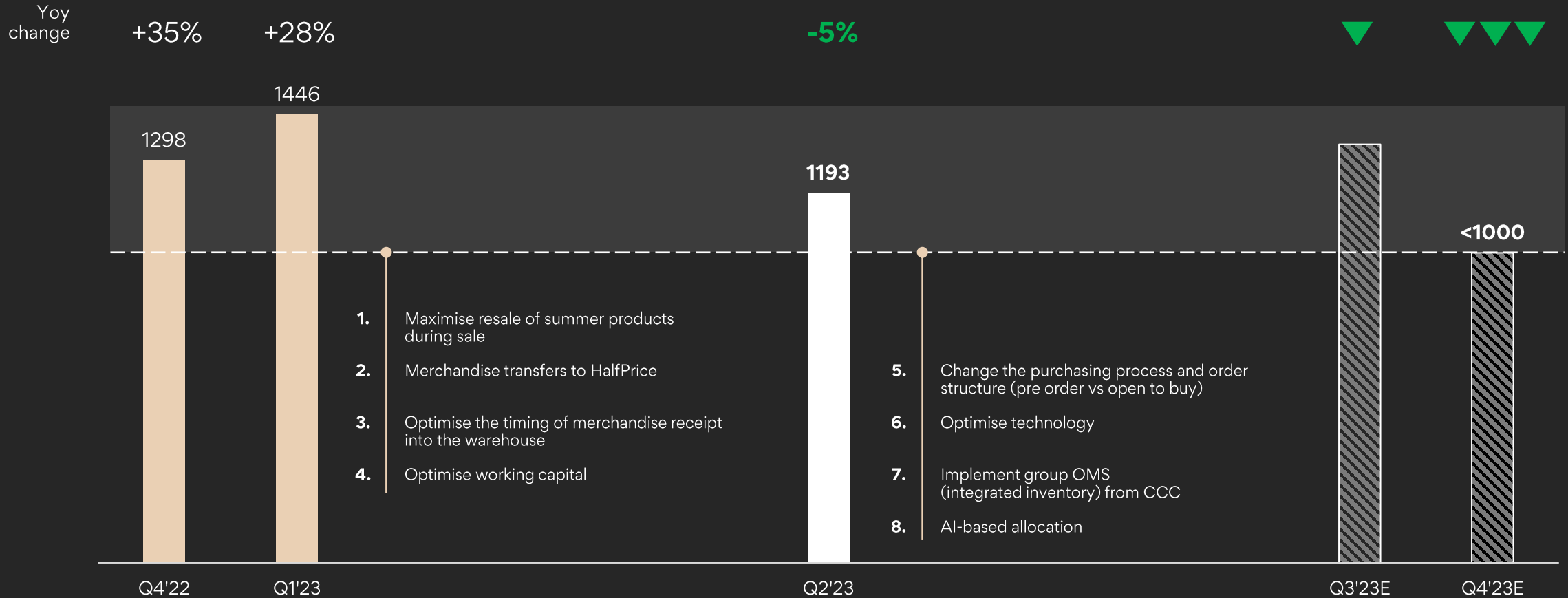
eobuwie's key operating KPIs

... and allows eobuwie to continue to grow



Key technology projects for eobuwie's growth in the second half of 2023

Plan to reduce working capital investment at MODIVO Group



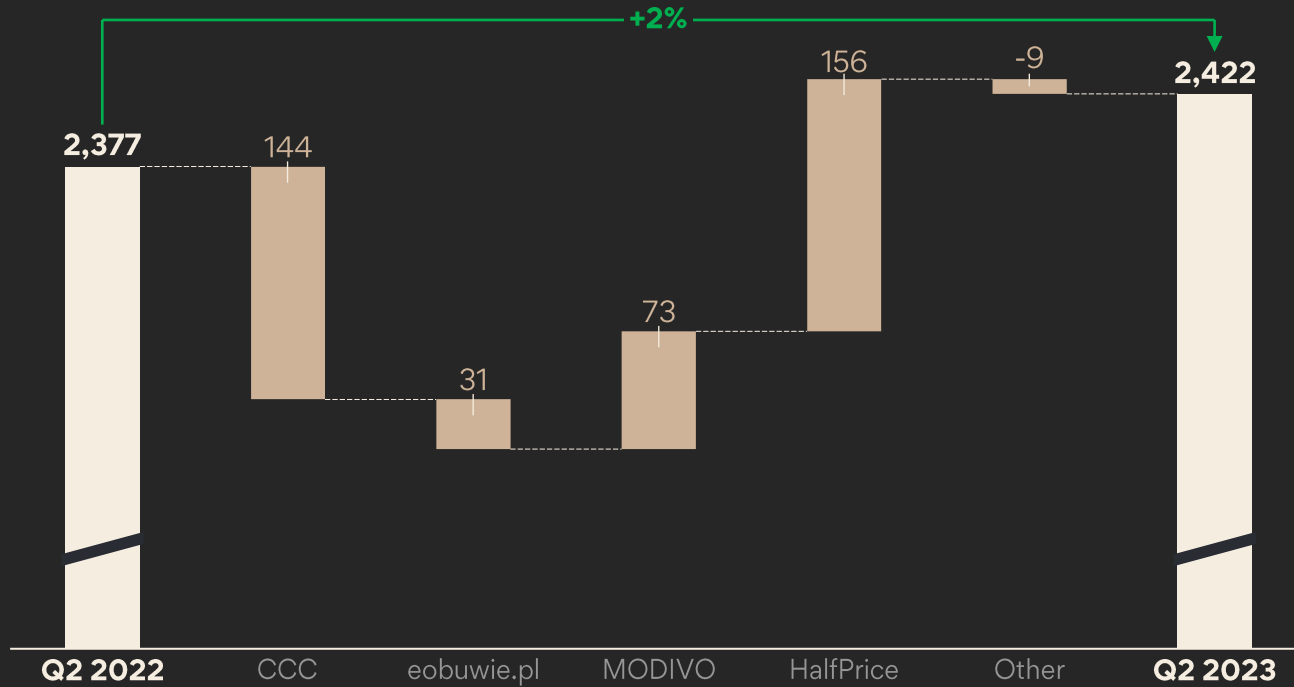
Inventory at MODIVO Group (PLN million) and yoy change

Preliminary Q2 2023 results



Revenue growth driven by HalfPrice and MODIVO...

... with a rising share of e-commerce in the Group



REVENUE GROWTH	-12%	-4%	39%	86%
INVENTORY GROWTH	-34%	-13%	28%	95%

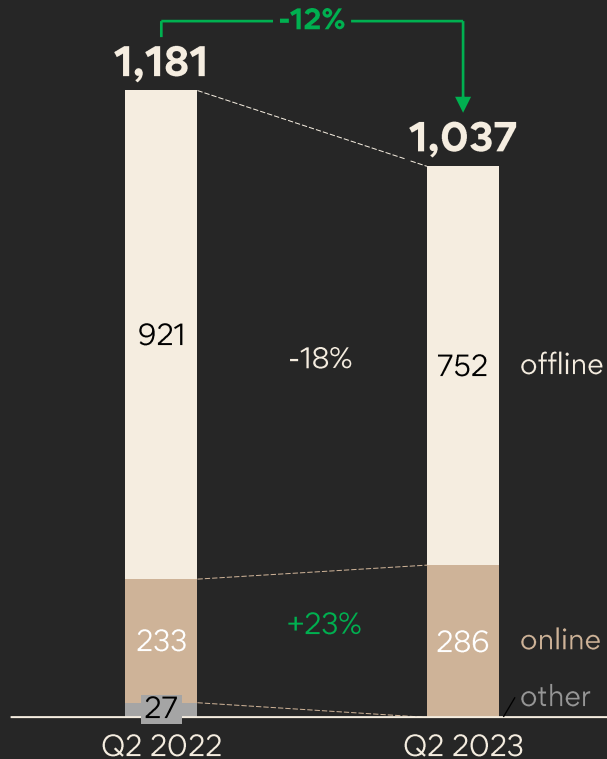
SHARE OF E-COMMERCE

52%

+3pp yoy

Change in the CCC Group's revenue [PLNm]

CCC sales under pressure from last year's high base ...



... offset by improved gross margin ...

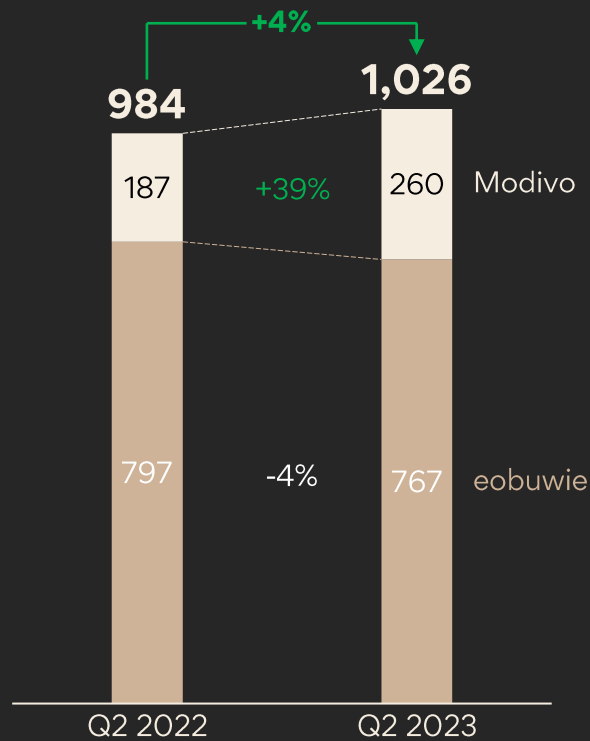


... positively contributing to a sharp rise in profitability



Change in CCC revenue [PLNm]

MODIVO Group's results affected by a successful working capital optimisation process and tough competitive environment

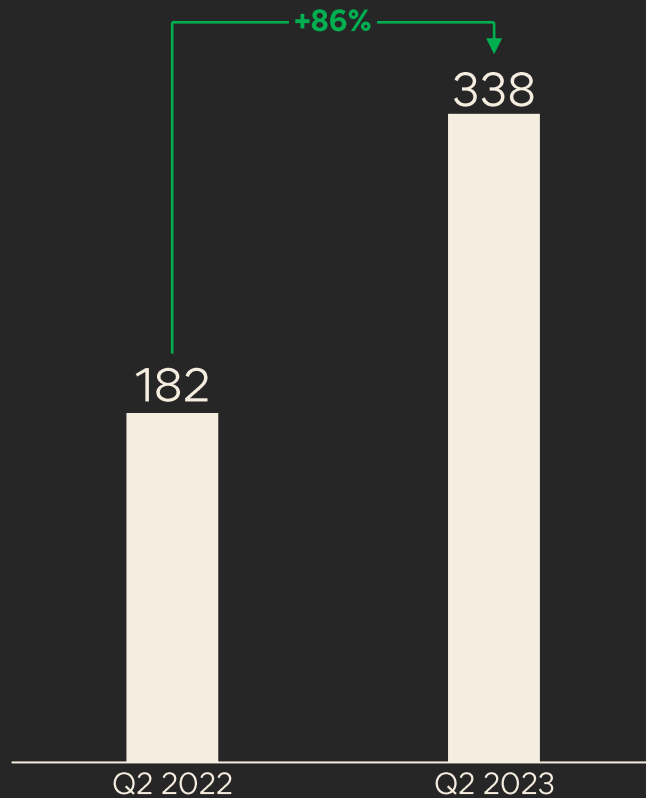


Change in MODIVO Group's revenue
[PLNm]

% OF REVENUE	Q2 2022	Q2 2023	YOY
Gross margin	41,3%	38,1%	-3,2 p.p.
<i>eobuwie's gross margin</i>	41,6%	38,6%	-3,0 p.p.
<i>Modivo's gross margin</i>	40,1%	36,5%	-3,7 p.p.
SG&A	-39,1%	-41,1%	-2,1 p.p.
<i>Logistics</i>	-8,5%	-7,7%	0,7 p.p.
<i>Marketing</i>	-14,9%	-16,9%	-2,0 p.p.
<i>Administrative and other</i>	-15,2%	-17,3%	-2,1 p.p.
<i>Other expenses/income and impairment losses</i>	-0,5%	0,8%	1,3 p.p.
EBIT	2,3%	-3,0%	-5,3 p.p.
EBITDA	4,1%	-0,5%	-4,5 p.p.

HalfPrice's active participation in optimising MODIVO Group's working capital

... with a temporary effect on margins



GROSS MARGIN

38,0%

-7.3pp yoy

EBITDA MARGIN

1,8%

-4.8pp yoy

HalfPrice revenue [PLNm]

Improved EBIT and EBITDA.
Positive effect of exchange
differences


	Q2		
	2022	2023	YoY
REVENUE [PLNm]	2377	2422	2%
GROSS PROFIT	1129	1108	-2%
Gross margin [%]	47,5%	45,7%	-1,8 p.p.
Selling and administrative costs	-1028	-1075	5%
Cost ratio [%]	43,2%	44,4%	1,2 p.p.
Other expenses/income* and impairment losses	-71	39	n/a
EBIT [PLNm]	31	72	131%
EBIT margin [%]	1,3%	3,0%	1,7 p.p.
EBITDA [PLNm]	179	221	23%
EBITDA margin [%]	7,5%	9,1%	1,6 p.p.
Adjusted EBITDA* [PLNm]	250	182	-27%
adjusted EBITDA margin* [%]	10,5%	7,5%	-3,0 p.p.

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

Strong results and working capital optimisation efforts at CCC enabling continued organic growth of HalfPrice ...

... and a positive effect of destocking on Modivo Group's cash flows

PLNm, H1 2023 data

		CCC	HalfPrice	MODIVO Group	
P&L	Revenue	1 886	589	1 968	
	EBITDA	286	14	8	
Working capital	Change in inventories	57	-8	140	
	Change in receivables	-156	-98	-58	
	Change in liabilities	372	-104	-21	
Investing cash flows	CAPEX*	-75	-33	-93	
	EBITDA + NWC + CAPEX	484	-228	-24	

SEPARATE

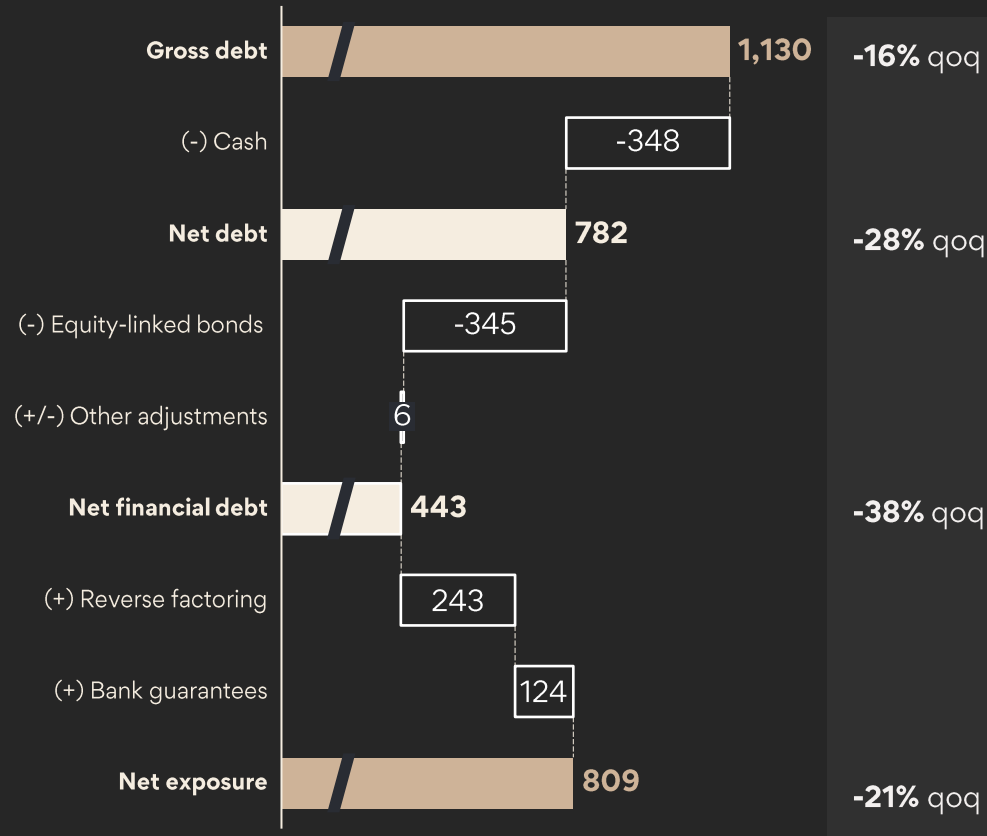
FINANCING

CCC results include wholesale

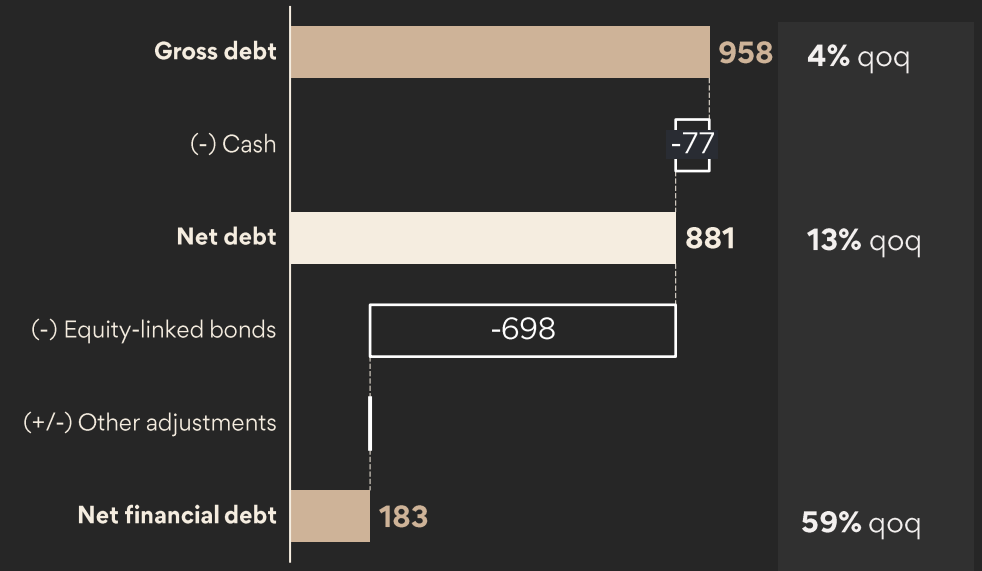
* Does not include fit-out costs (expenditures incurred by the lessor to fit out premises to the lessee's requirements).

photo: Sprandi

Lowest debt since 2018
at the CCC Business Unit ...



...with MODIVO Group's debt structure dominated by convertible bonds



CCC Business Unit's debt* [PLNm]

MODIVO Group's debt [PLNm]

* Includes the following segments: CCC, HalfPrice and DeeZee

Summary



Focus on ESG activities in a more challenging regulatory environment

Delivery of ESG targets above plan

... recognised by industry experts

AREA	GO.25	PROGRESS 2022
SCOPE 1+2 *	40% emissions reduction by 2025	-36%
SCOPE 3 **	10% emissions reduction by 2025	-15%
CLIMATE DISCLOSURE PROJECT	Reporting data from the following areas: Climate change Water Forests	100% complete

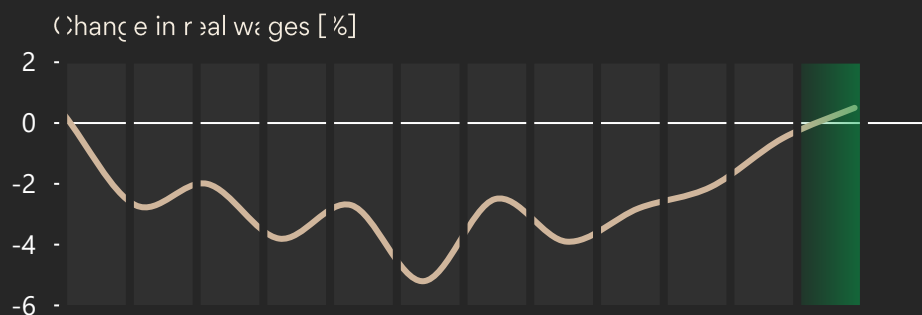
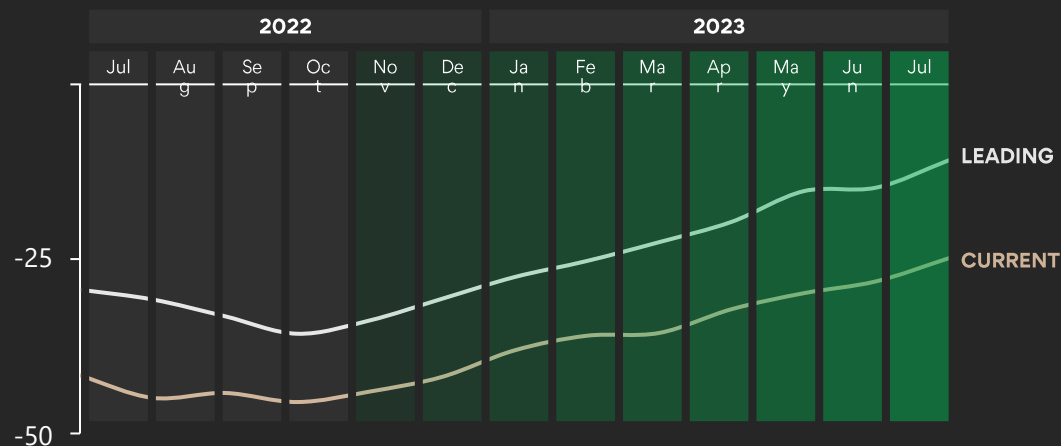


CCC receives fourth consecutive award for world's most sustainable footwear company according to World Finance Magazine

*Relative to base year 2019
**Relative to base year 2021

Economists' anticipation of improvement in business environment during the latter half of 2023 and throughout 2024

Consumer confidence indices



PROSPECTS FOR BUSINESS

- ✓ Favourable USD/PLN exchange rate
- ✓ Low freight prices
- ✓ Interest rate cut expected

PROSPECTS FOR CUSTOMER

- ✓ Wage and pension indexation
- ✓ 500+ benefit indexation
- ✓ 0% VAT on food maintained

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Improvement in business and consumer environment for H2 2023 and 2024



Questions and answers



Thank you!

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Upcoming events:

September 11th-12th 2023

Pekao SA Emerging Europe Investment
Conference, Warsaw, Poland

September 27th-28th 2023

PKO by the sea conference, Sopot, Poland

Support material

Geographic availability of CCC Group stores

																	Other B&M ¹	Other e-com ²
CCC	B&M	✓	✓	✓	✓	✓	✓	✓			✓	✓			✓	✓	✓	
	WEB	✓	✓	✓	✓	✓	✓	✓	✓		✓		✓		✓			
	APP	✓	✓	✓	✓	✓	✓		✓				✓					
eobuwie.pl	WEB	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓
	APP	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓
	B&M	✓	✓	✓	✓							✓						
MODIVO	WEB	✓	✓	✓	✓	✓	✓	✓	✓	+	✓	✓	✓	✓	✓	✓		✓
	APP	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓		✓
	B&M	✓																
DeeZee	WEB	✓	✓	✓	✓	✓	+				✓					+	+	
	APP	+																
HalfPrice	B&M	✓	✓	✓	✓	✓		✓	✓			✓				✓		
	WEB	✓	+	+		+			+									

Presence

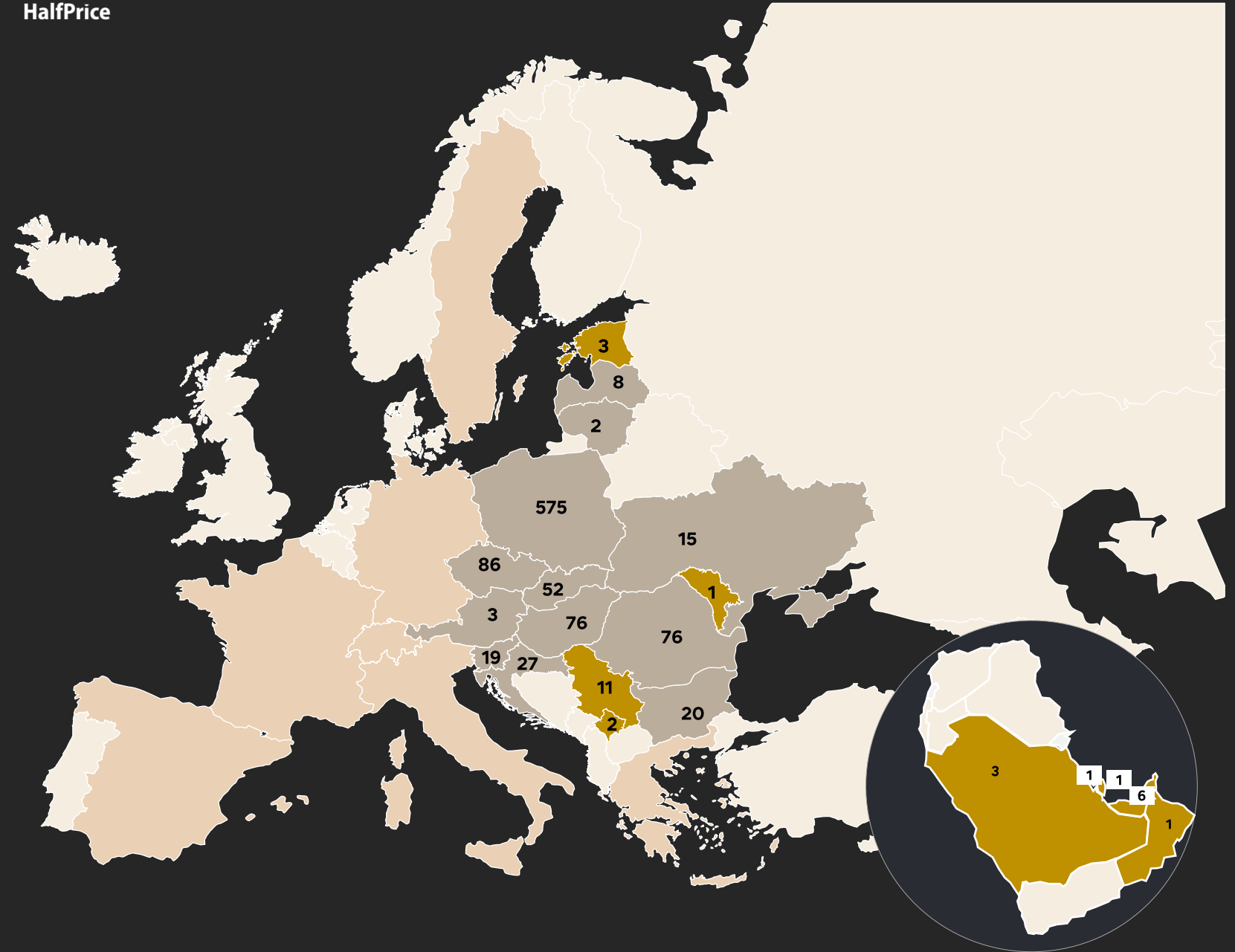
Next two quarters (Q3'23-Q4'23)

1

2

CCC Group in 28 markets

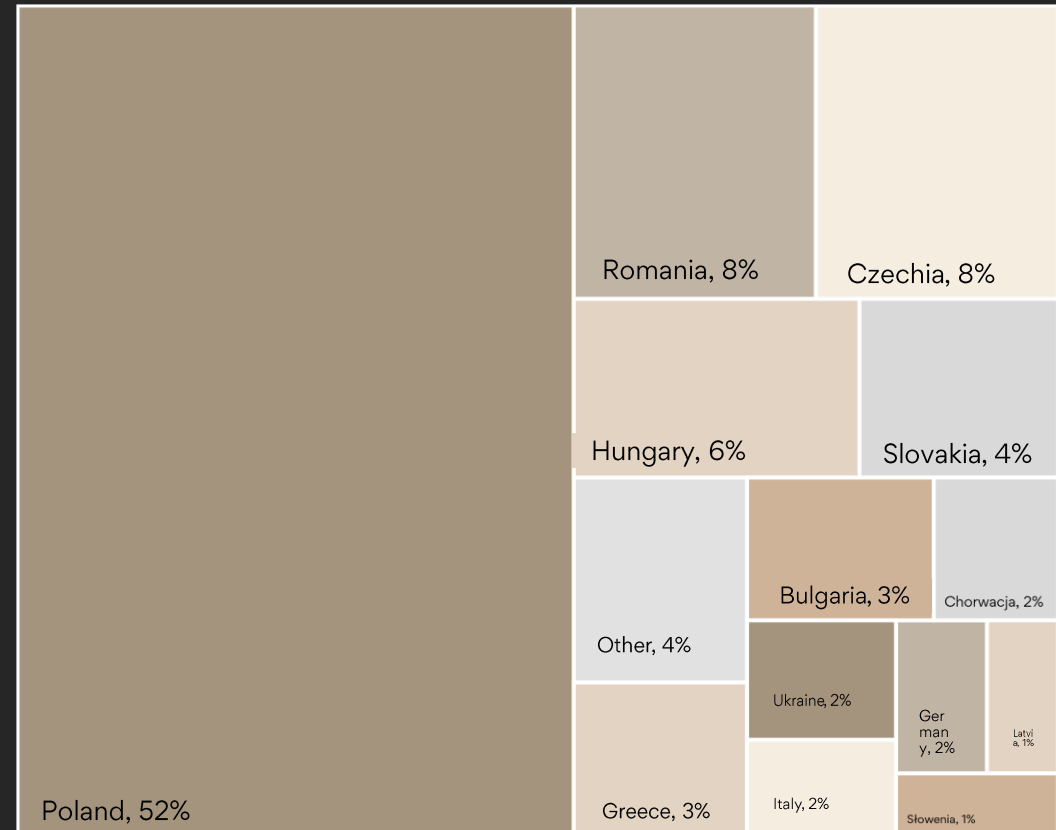
- Offline & Online
12 MARKETS
- Offline
21 MARKETS
- Online
19 MARKETS



CCC Group revenue in Q2'23

Country	REVENUE* [mln PLN]	yoy
Poland	1 270	0%
Romania	204	0%
Czechia	183	-5%
Hungary	143	0%
Slovakia	101	-3%
Bulgaria	81	7%
Greece	80	3%
Croatia	60	3%
Germany	54	-10%
Ukraine	44	N/A
Italy	40	-20%
Slovenia	31	-2%
Latvia	28	-8%
Other	103	29%
TOTAL	2 422	2%

Contribution to the Group's revenue



* Excluding consolidated adjustment, revenue not allocated to segments

Geographic availability of CCC Group stores

TYP	KRAJ	31.10.2021		31.01.2022		30.04.2022		31.07.2022		31.10.2022		31.01.2023		30.04.2023		31.07.2023	
		m ²	liczba	m ²	liczba	m ²	liczba	m ²	liczba	m ²	liczba	m ²	liczba	m ²	liczba	m ²	liczba
WŁASNE	Polska	287 198	446	278 752	432	281 086	438	282 829	442	285 129	447	281 929	444	281 870	445	280 020	445
	Czechy	53 582	86	53 264	86	52 386	86	50 046	85	50 046	85	48 507	82	48 507	82	48 064	79
	Węgry	54 980	79	54 035	79	54 035	79	52 851	76	53 451	77	53 543	77	53 999	78	51 219	73
	Austria	5 064	9	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Słowacja	36 198	55	34 896	53	34 246	52	34 338	52	33 183	51	32 628	50	32 183	49	31 569	47
	Chorwacja	21 525	30	21 015	29	21 015	29	21 197	29	20 624	28	20 624	28	20 624	28	19 342	26
	Rosja	27 391	40	26 880	40	0	0	0	0	0	0	0	0	0	0	0	0
	Słowenia	13 830	17	13 830	17	12 598	17	12 589	17	12 589	17	11 763	17	11 295	16	11 295	16
	Bułgaria	11 651	17	11 651	17	11 651	17	11 650	17	12 064	18	12 976	20	12 976	20	12 976	20
	Serbia	11 056	14	11 056	14	11 056	14	11 050	14	11 050	14	11 050	14	10 339	13	8 995	11
	Rumunia	48 852	78	49 898	80	49 590	79	48 420	76	48 928	77	48 340	76	48 456	76	46 133	73
	Ukraina													9 898	17	9 190	15
	Łotwa							4 249	6	4 249	6	4 621	6	4 445	6	4 445	6
	Litwa							1 420	2	1 420	2	1 420	2	1 420	2	1 420	2
Estonia							2 879	3	2 879	3	2 879	3	2 879	3	2 879	3	
CCC własne RAZEM		571 327	871	555 279	847	527 664	811	533 520	819	535 612	825	530 280	819	538 891	835	527 547	816
FRANCYZA	Ukraina	12 371	18	11 613	17	10 569	16	10 552	16	10 649	17	9 415	16				
	Łotwa	4 559	7	4 559	7	4 249	6										
	Litwa	2 020	3	2 020	3	2 020	3										
	Estonia	2 879	3	2 879	3	2 879	3										
	Mołdawia	740	1	740	1	740	1	740	1	740	1	740	1	740	1	740	1
	Kosowo	1 958	2	1 958	2	1 958	2	1 958	2	1 958	2	1 958	2	1 958	2	1 958	2
	Katar	1 002	1	1 002	1	1 002	1	1 002	1	1 002	1	1 002	1	1 002	1	1 002	1
	ZEA	5 302	6	5 302	6	5 302	6	5 302	6	5 302	6	5 302	6	5 302	6	5 302	6
	Arabia Saudyjska	2 420	3	2 420	3	2 420	3	2 420	3	2 420	3	2 420	3	2 420	3	2 420	3
	Bahrajn	929	1	929	1	929	1	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	1 223	1	1 223	1	1 223	1	
CCC franczyza RAZEM		35 403	46	34 645	45	33 291	43	24 126	31	24 223	32	22 989	31	13 574	15	13 574	15
eobuwie.pl		19 080	27	20 715	28	21 586	30	22 926	33	23 705	35	26 689	38	28 622	42	34 646	48
Halfprice		51 246	33	84 810	50	106 509	66	127 983	76	141 714	84	152 102	91	170 240	101	190 397	109
Gino Rossi							0		0		0		0		0		0
CCC RAZEM		677 056	977	689 275	970	689 050	950	708 555	959	725 254	976	732 060	950	751 327	993	766 164	988

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CCC

GROUP

CCC

eobuwie.pl

MODIVO

HalfPrice

