



CCC
SHOES & BAGS

Results and strategy of CCC Group

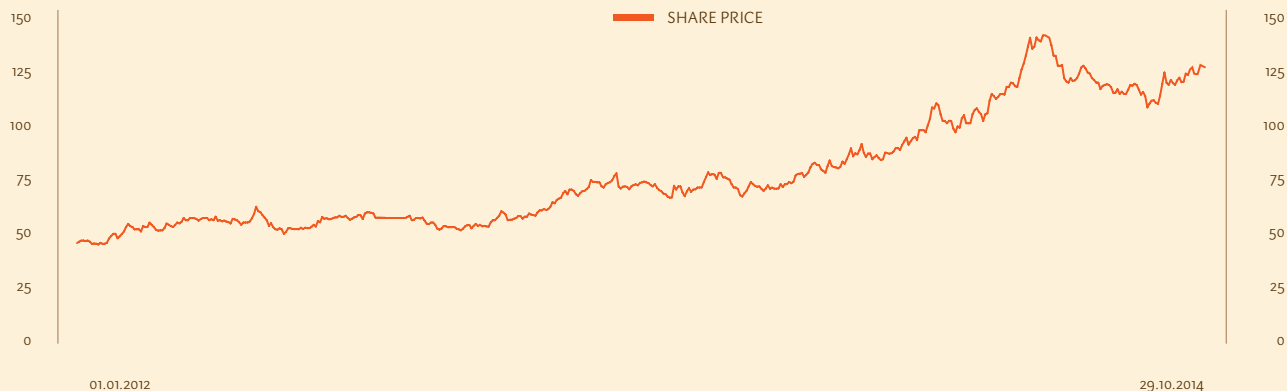


Strategy of dynamic foreign expansion will be continued. Not only CEE countries will contribute to the future success but also the new markets – Germany, Austria, Slovenia and Croatia.

Continued track record of the excellent sales and financial results is the clear sign of success of CCC concept and strategy. EBIT and Net Profit after first nine months are far above expectations.

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



ING Securities	Milena Olszewska <i>milena.olszewska@pl.ing.com</i>	DM BOŚ S.A.	Sylvia Jaśkiewicz <i>s.jaskiewicz@bossa.pl</i>
UBS	Michał Potyra <i>michal.potyra@ubs.com</i>	Dom Maklerski Banku BPS S.A.	Marcin Stebakow <i>marcin.stebakow@dmbps.pl</i>
Ipopema Securities	Piotr Zielonka <i>piotr.zielonka@ipopema.pl</i>	Millennium Dom Maklerski S.A.	Marcin Palenik <i>marcin.palenik@millenniumdm.pl</i>
Unicredit CAIB	Małgorzata Kloka <i>malgorzata.kloka@caib.unicredit.eu</i>	Raiffeisen Centrobank AG	Jakub Krawczyk <i>jakub.krawczyk@rcb.at</i>
Erste	Marek Czachor <i>marek.czachor@erste.com</i>	Trigon Dom Maklerski	Hanna Kędziora <i>hanna.kedziora@trigon.pl</i>
Wood&Company	Łukasz Wachelko <i>lukasz.wachelko@wood.com</i>	Dom Maklerski BZ WBK S.A.	Tomasz Sokołowski <i>tomasz.sokolowski@bzwbk.pl</i>
PKO BP	Włodzimierz Giller <i>wlodzimierz.giller@pkobp.pl</i>		

Stock info

Share price = 128,50 PLN

Reuters: CCCC.WA

Bloomberg: CCC PW

www.ccc.eu

Market Cap

(PLNm) 4 934

(EURm) 1 168

Number of shares 38.400.000

Free float 37,0%



CCC Group – growth & value delivered

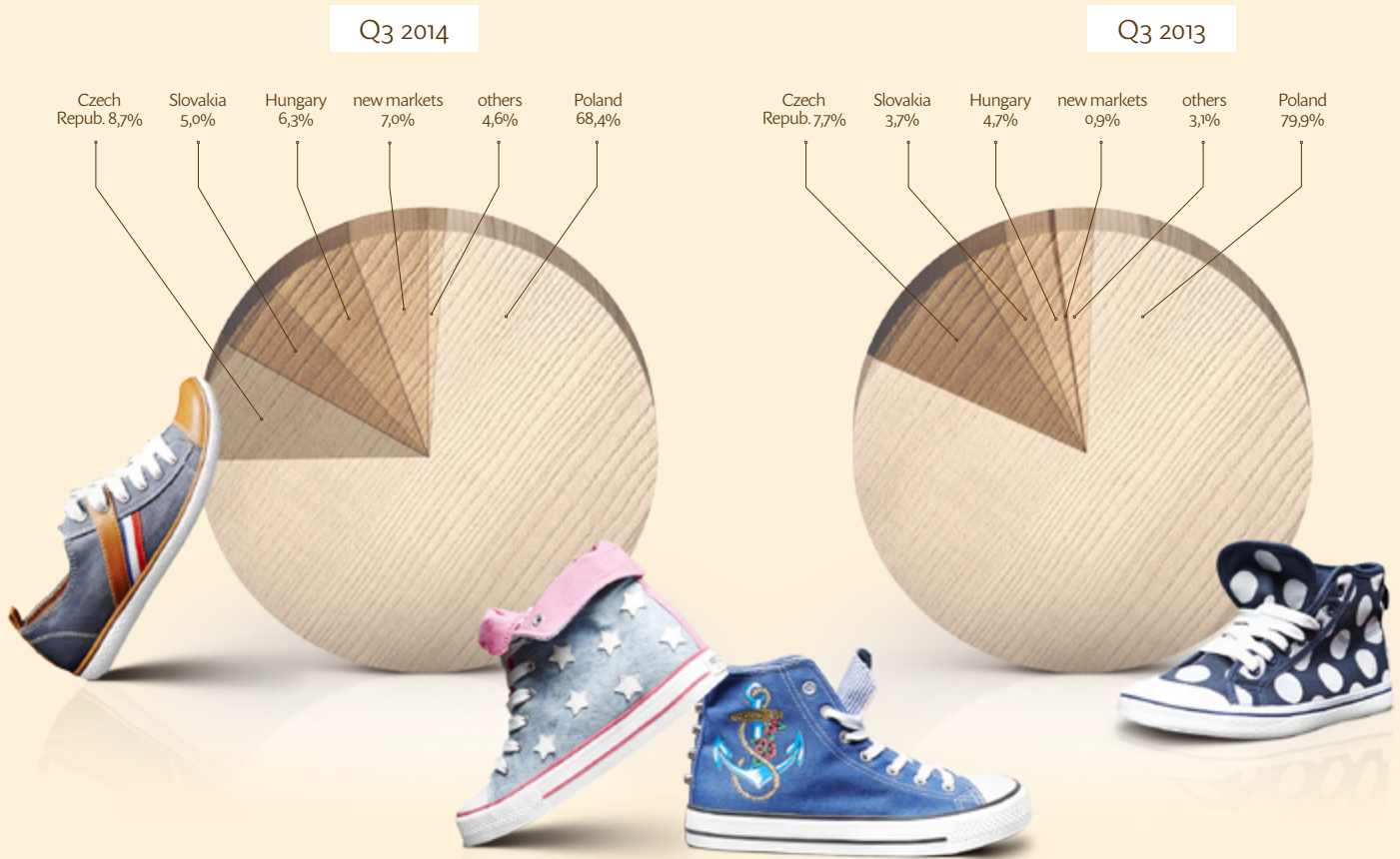
Total number of stores	692
Own and agency	641
Poland	443
Czech Republic	75
Slovakia	28
Hungary	55
Austria	12
Croatia	7
Turkey	2
Germany	15
Slovenia	4
Franchise	51
Poland	9
Romania	25
Russia	5
Latvia	6
Kazakhstan	2
Ukraine	4



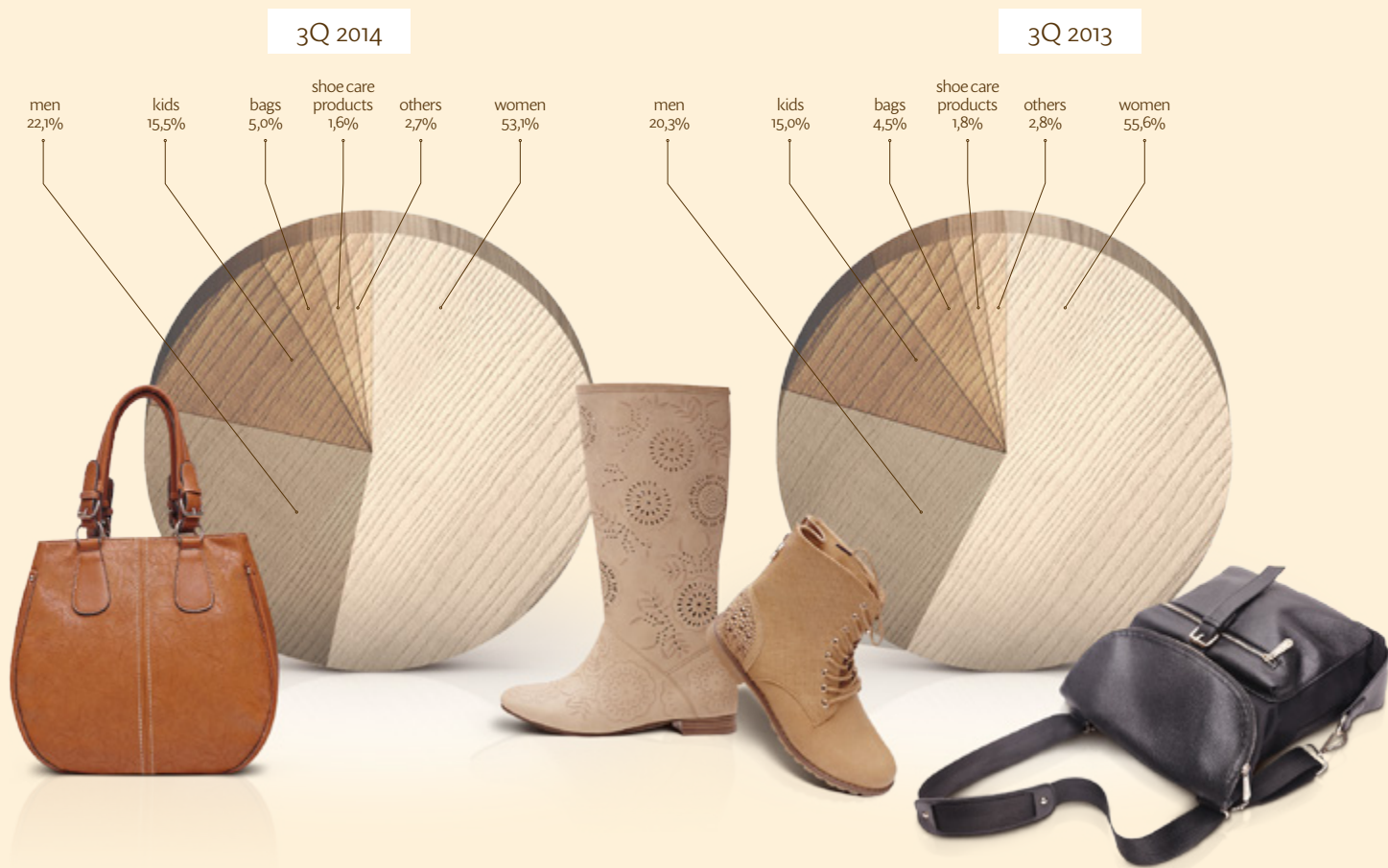
Structure of sales by countries [PLN] – 3Q



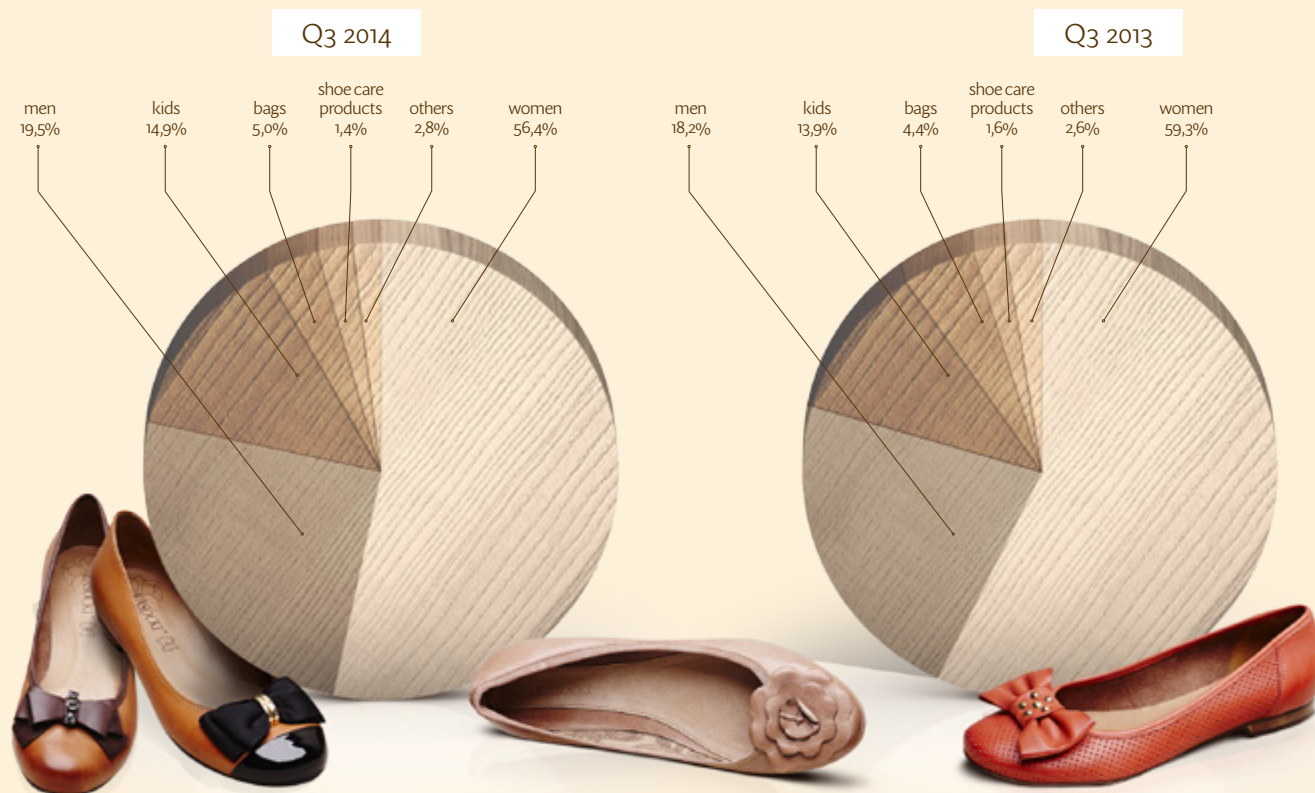
Structure of sales by countries [PLN] – Q3

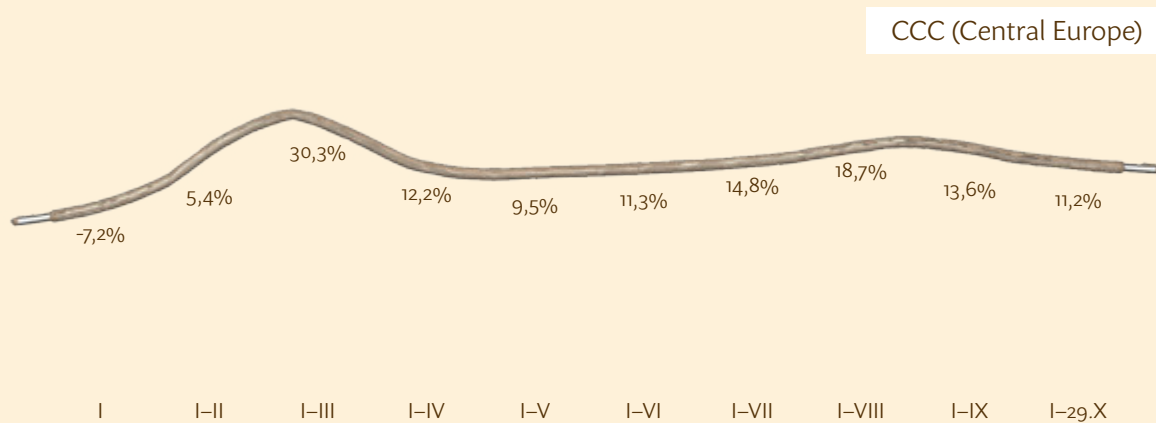
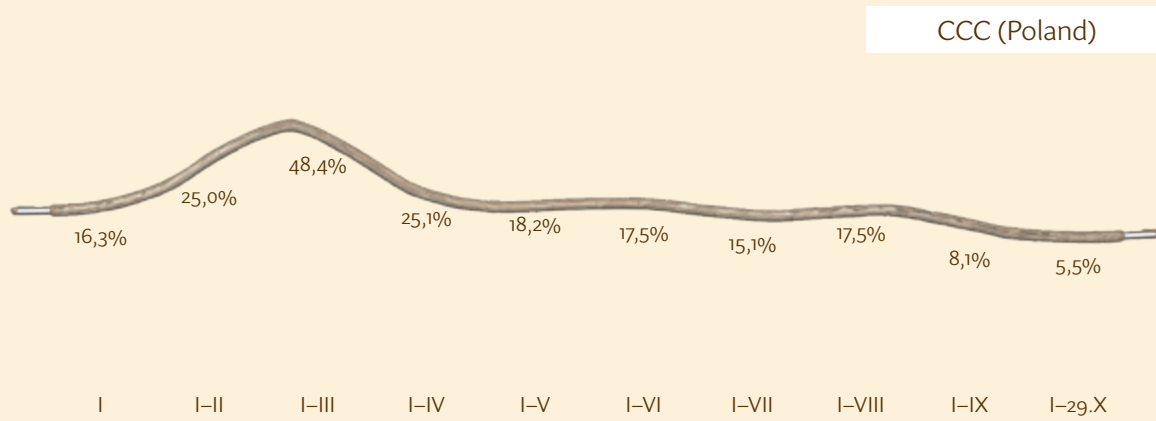


Structure of sales by products (value) – 3Q



Structure of sales by products (value) – Q3





Financial results – 3Q 2014



	3Q 2013 '000 PLN	3Q 2014 '000 PLN	change % 2014/2013
Revenue	1 059 735	1 329 858	25,5%
Gross Profit on Sale	533 395	734 887	37,80%
Gross Profit on Sale Margin	50,30%	55,30%	5,0 p.p.
Selling Costs	-436 449	-550 471	26,10%
General & Administrative Costs	-17 494	-25 963	48,40%
EBIT	72 545	144 436	99,10%
EBIT Margin	6,80%	10,90%	4,1 p.p.
Financial Costs	-11 018	-15 153	37,50%
Gross Profit	62 081	130 076	109,50%
Net Profit	54 798	110 417	101,50%
Net Profit Margin	5,20%	8,30%	3,1 p.p.

Financial results – Q3 2014



	Q3 2013 '000 PLN	Q3 2014 '000 PLN	change % 2014/2013
Revenue	416 175	473 968	13,9%
Gross Profit on Sale	198 926	260 395	30,9%
Gross Profit on Sale Margin	47,80%	54,90%	7,1 p.p.
Selling Costs	-157 101	-195 133	24,2%
General & Administrative Costs	-7 125	-8 743	22,7%
EBIT	33 380	52 228	56,5%
EBIT Margin	8,00%	11,00%	3,0 p.p.
Financial Costs	-5 169	-7 021	35,8%
Gross Profit	28 400	45 374	59,8%
Net Profit	25 295	40 244	59,1%
Net Profit Margin	6,10%	8,50%	2,4 p.p.

Consolidated Cash Flow Statement – 3Q 2014



	3Q 2013 '000 PLN	3Q 2014 '000 PLN
Net operating CF:	-3 723	-154 546
– changes in inventory	-67 531	-273 274
– changes in receivables	-59 279	-45 492
– changes in short term liabilities	35 345	-3 655
Net investment CF:	-53 741	-109 443
– income	5 425	10 938
– expenses	-59 166	-120 381
Net financial CF:	53 054	306 933
– income	69 355	331 419
– expenses	-16 301	-24 486
Total Cash Flow:	-4 410	42 944
– cash at the beginning of the period	125 708	143 736
– cash at the end of the period	121 298	186 680

* excluding loans, credits and bonds

Balance sheet – 3Q 2014

	3Q 2013 '000 PLN	3Q 2014 '000 PLN
Fixed assets	410 901	515 841
Current assets, including:	711 264	1 046 661
– inventory	466 693	736 281
– cash and cash equivalents	121 298	186 680
Total assets	1 122 165	1 562 502
Equity capital	523 294	642 122
Long-term liabilities, including:	171 386	278 234
– long-term bank loans and credits	137 195	242 500
Short-term liabilities, including:	427 485	642 146
– short-term bank loans and credits	213 963	405 066
Total liabilities	1 122 165	1 562 502



CCC Group – unleveraged retailer

Financial Indebtedness (%)

(liabilities: credits, loans, leasing) /
equity



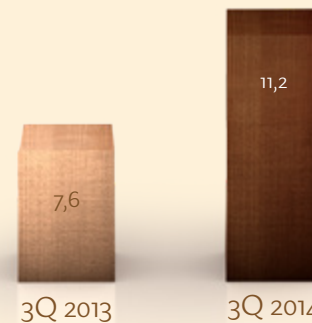
Net debt / EBITDA

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



Gross Profit Interest Cover

(gross profit + interest on credits, loans and leasing) /
(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 synthetic shoes.
- Own brands
CCC sells only own brands produced either in Poland or outsourced in Far East in order to 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) brought positive results. 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;
- Net debt to EBITDA may reach 2,0 at the end of Q1 2015.

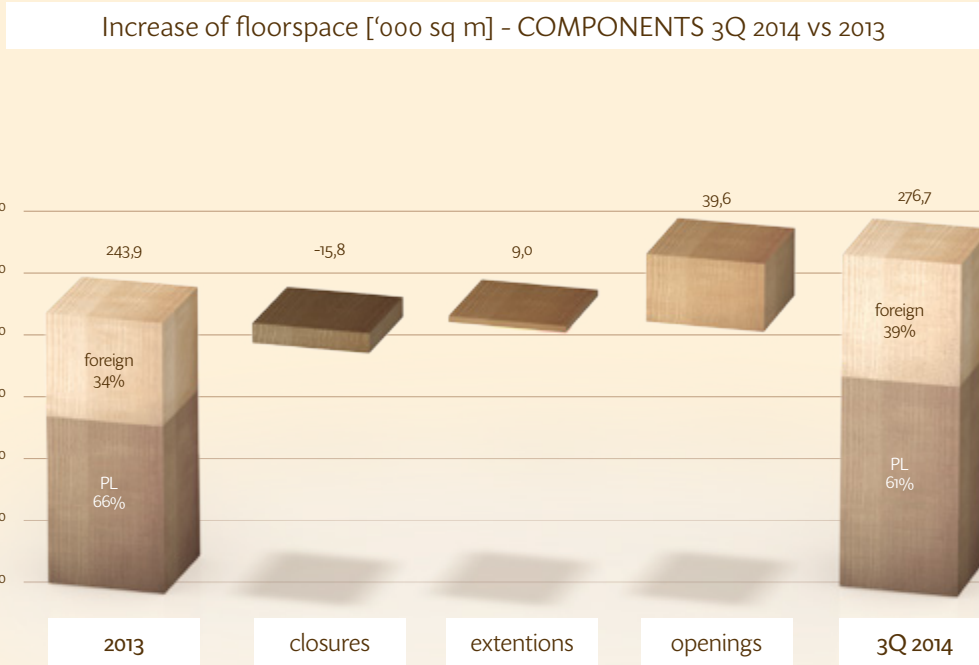


Expansion plans

- In 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.
- First stores in Bulgaria will be opened in 2015 .
- In the years 2013-2015 total floorspace will grow by ca. 200,000 sq m :
 - 2013 – 42,3 thousand sq m
 - 2014 – 70,0 thousand sq m (ca. 30% increase)
 - 2015 – 70-80 thousand sq m (ca. 22-25% increase)
- Management Board expects revenue to exceed PLN 2 billion in 2014. In 2015 Company should grow by ca. 30%.

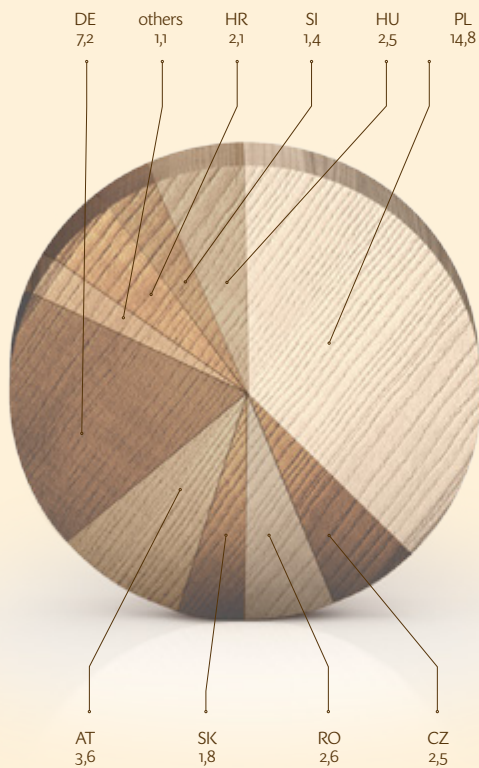


Increase of floor space - components

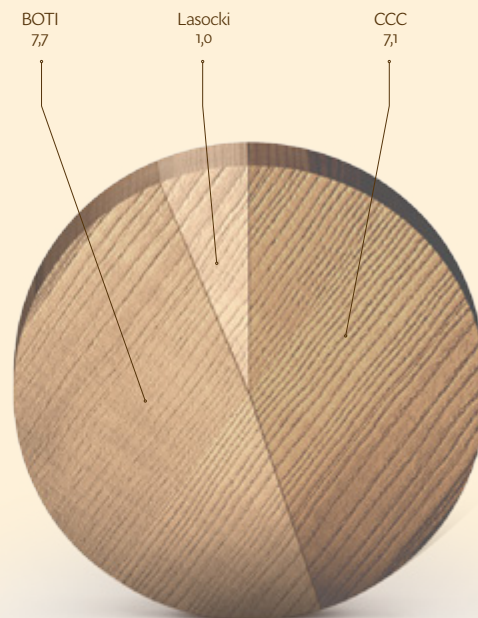


Increase of floor space - components

OPENINGS ['000 sq m]



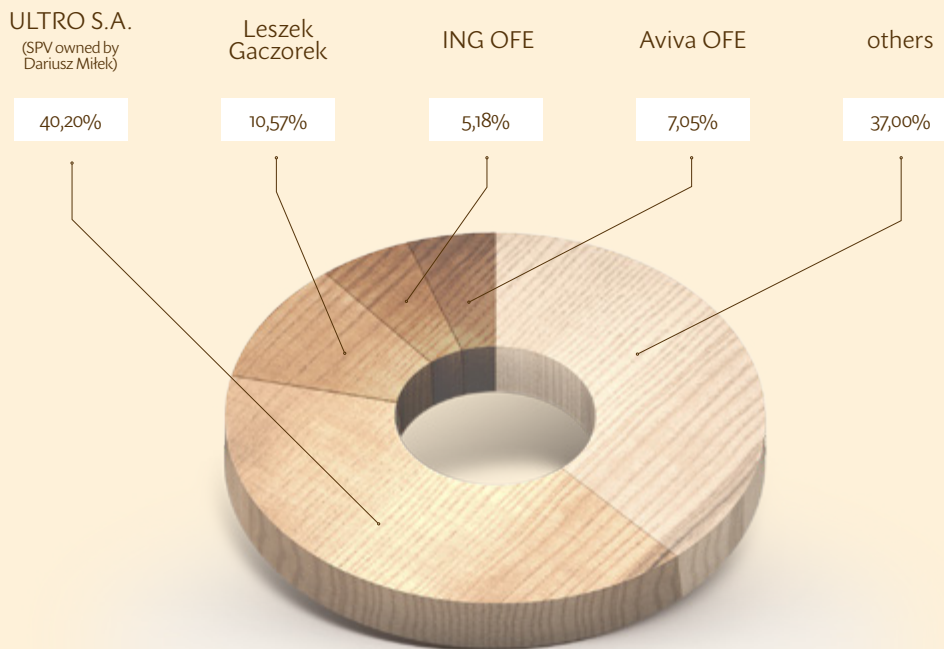
CLOSURES ['000 sq m]



CCC Group - owned and franchise stores

		2010		2011		2012		2013		3Q 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	146 297	355
	Agency	—	—	—	—	11 546	36	12 102	37	13 220	37
	Czech Republic	14 282	45	16 470	52	20 996	62	26 947	73	29 584	75
	Slovakia	—	—	—	—	5 290	12	10 646	25	12 661	28
	Hungary	—	—	—	—	6 028	15	23 456	50	26 158	55
	Austria	—	—	—	—	—	—	2 816	6	6 391	12
	Slovenia	—	—	—	—	—	—	924	2	2 294	4
	Croatia	—	—	—	—	—	—	1 651	3	3 769	7
	Turkey	—	—	—	—	—	—	1 165	2	1 165	2
	Germany	—	—	—	—	—	—	2 272	4	9 433	15
	Franchise/Russia	—	—	1 994	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	10 652	25
	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	—	—
CCC TOTAL		119 244	379	132 781	399	172 186	487	227 269	586	268 315	632
BOTI	Owned	27 447	213	29 091	216	19 709	146	9 820	72	5 740	40
	Franchise	6 912	62	7 272	62	5 086	42	4 325	34	1 148	9
	BOTI TOTAL		34 359	275	36 363	278	24 795	188	14 145	106	6 888
QUAZI/ LASOCKI	Quazi	6 854	49	5 031	37	587	4	—	—	—	—
	Lasocki	—	—	—	—	4 022	30	2 504	20	1 456	11
	QUAZI/LASOCKI TOTAL		6 854	49	5 031	37	4 608	34	2 504	20	1 456
TOTAL		160 457	703	174 175	714	201 589	709	243 918	712	276 659	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
SHOES & BAGS