



dino
najbliżej Ciebie

3Q 2017
Financial results
15th November 2017

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Our achievements in 1Q-3Q 2017



+90 stores
(+41 in 3Q 2017)



+15.2% LFL y-o-y
(+16.1 in 3Q 2017 y-o-y)



+32.2% sales y-o-y
(+33.1% in 3Q 2017 y-o-y)



+0.15pp gross margin y-o-y
(+0.11pp in 3Q 2017 y-o-y)



+37.3% EBITDA¹ y-o-y
(+37.3% in 3Q 2017 y-o-y)



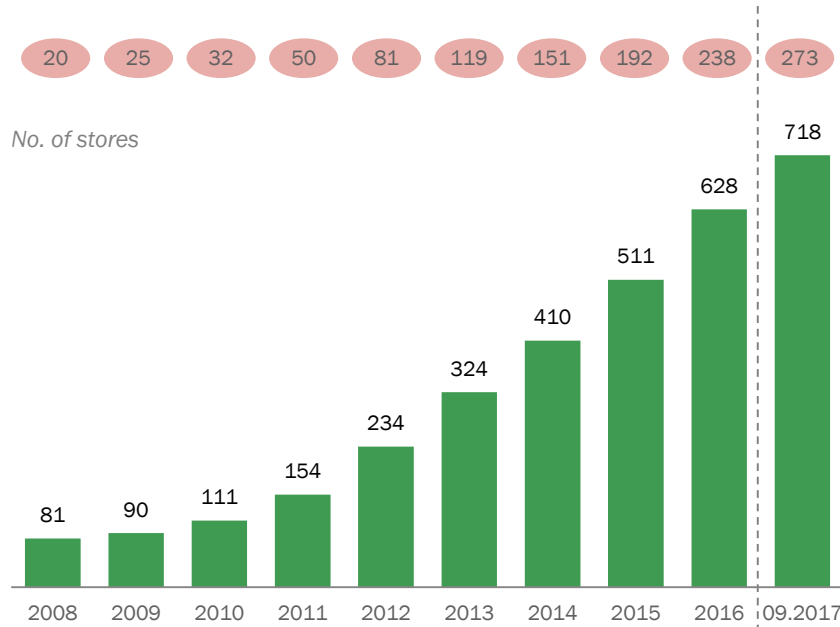
+0.32pp EBITDA¹ margin y-o-y
(+0.27pp in 3Q 2017 y-o-y)

(1) Adjusted for the IPO-related one-off expenses incurred in 2Q 2016 – 2Q 2017 (there were no one-off costs in 3Q 2017)

Network expansion – higher number of stores and geographic composition

Network expansion to date

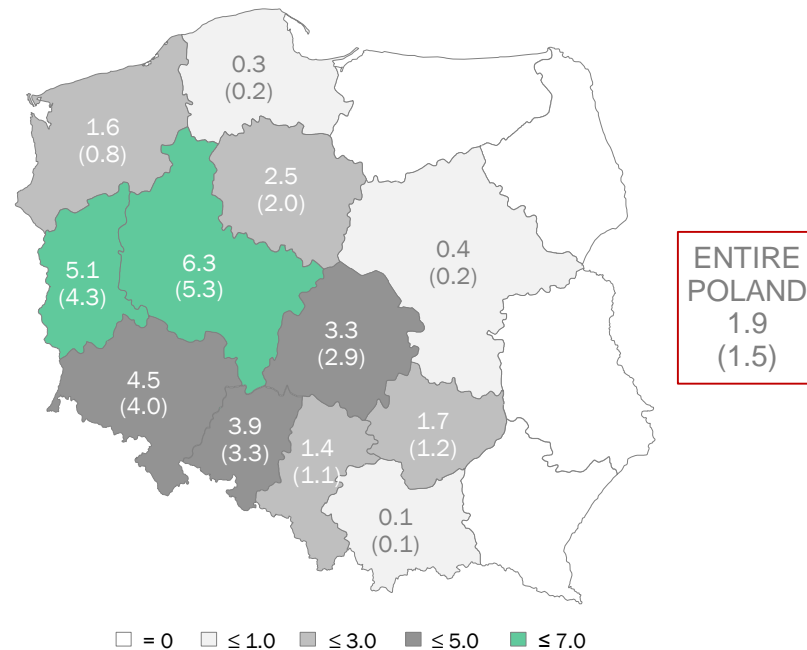
Net sales area ('000 m²)



Source: Company information

Regional coverage

Stores per 100k inhabitants as of September 30, 2017 (in brackets as of September 30, 2016)



Network growth – plots secured for new stores



+90
9M 2017

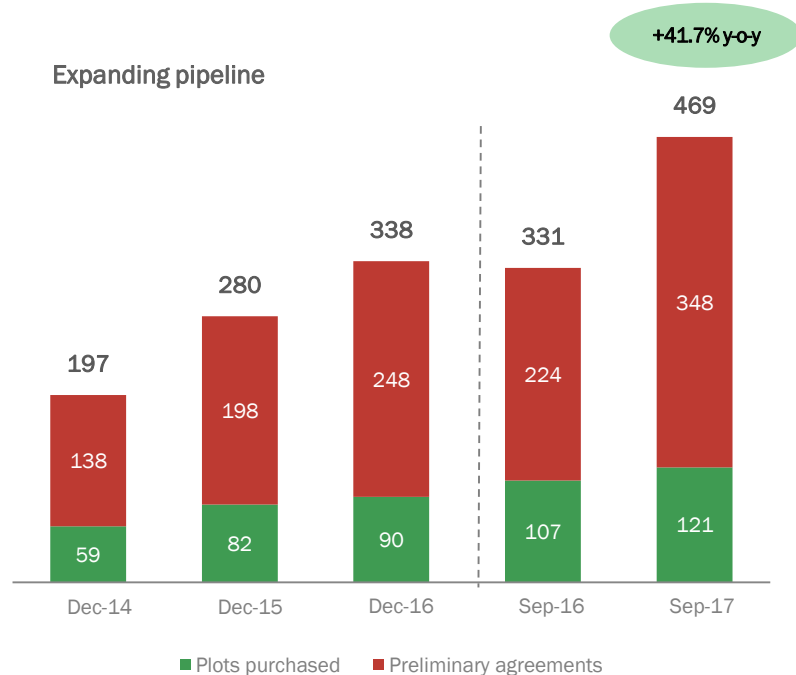
No. of newly opened stores



+41.7%
9/30/2017
y-o-y

Store pipeline

Expanding pipeline



Significant growth of LFL sales

Annual
Inflation
(deflation) %

(0.9)

(0.9)

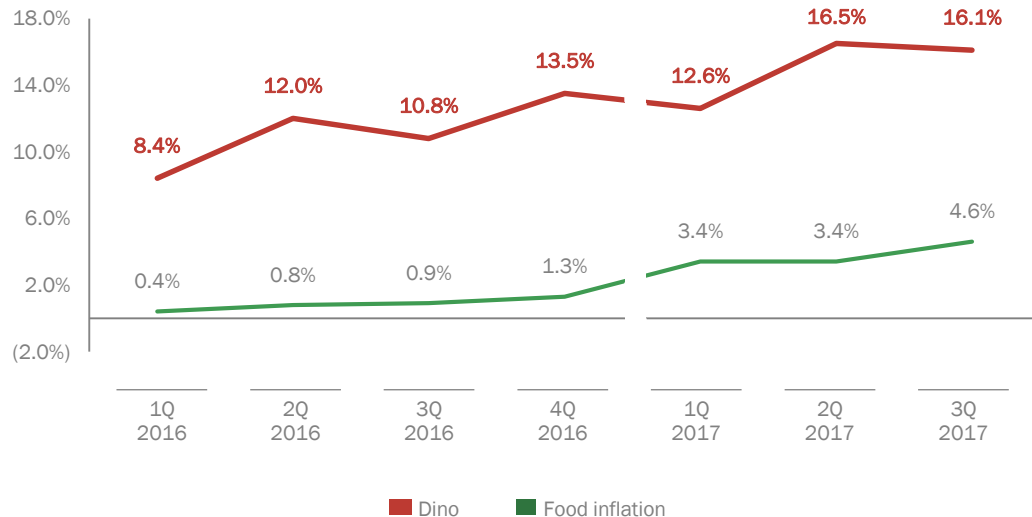
(0.8)

0.2

2.0

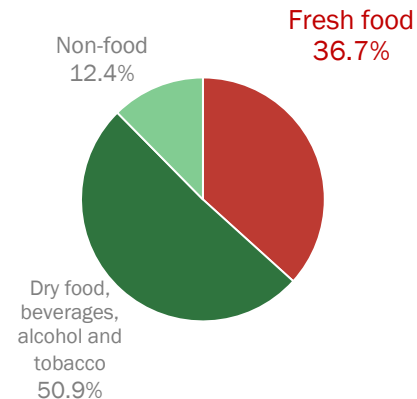
1.8

1.9



Sales mix

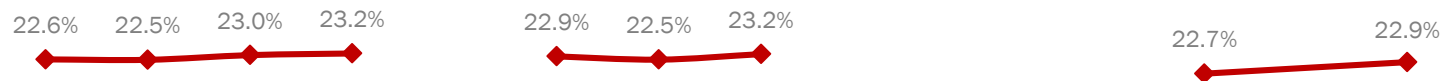
Product split by revenue (1Q-3Q 2017)



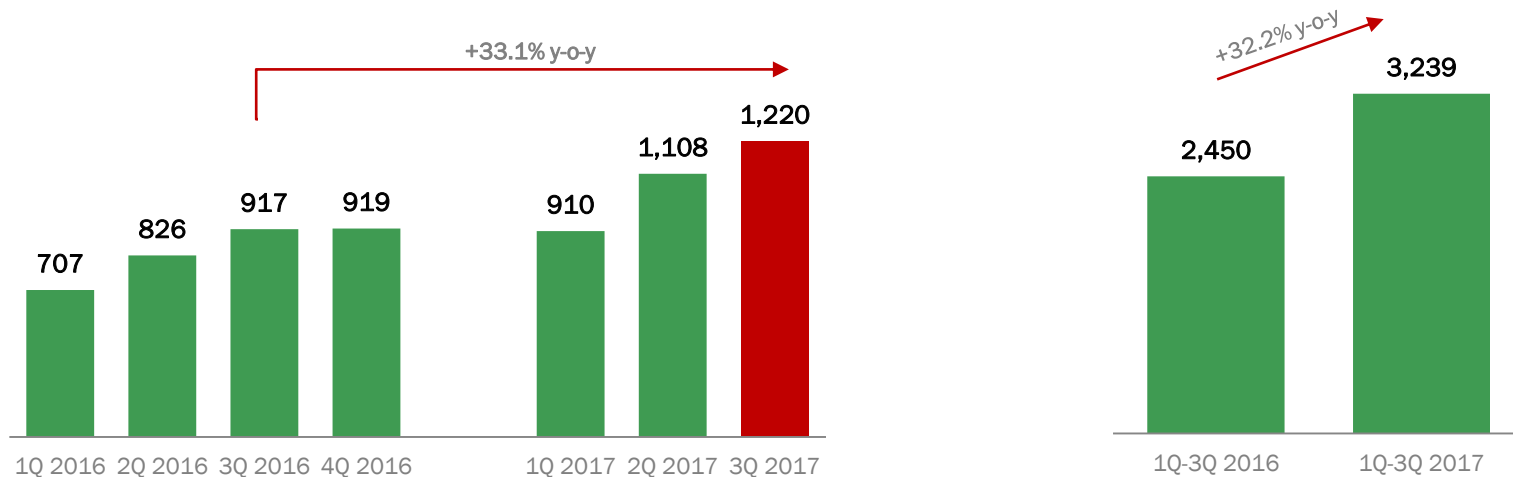
Source: Company information, Central Office of Statistics (GUS)

High revenue growth and improvement in the gross margin

Gross margin



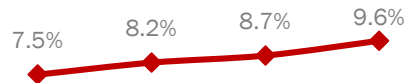
Revenues (PLNm)



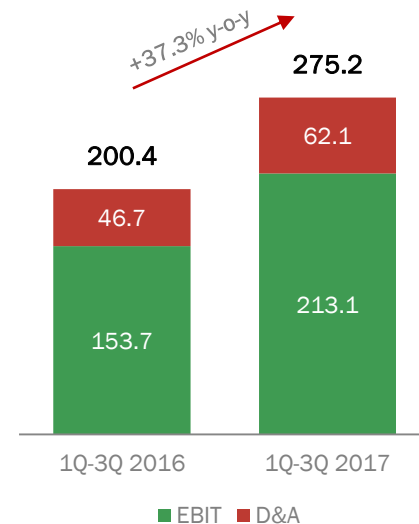
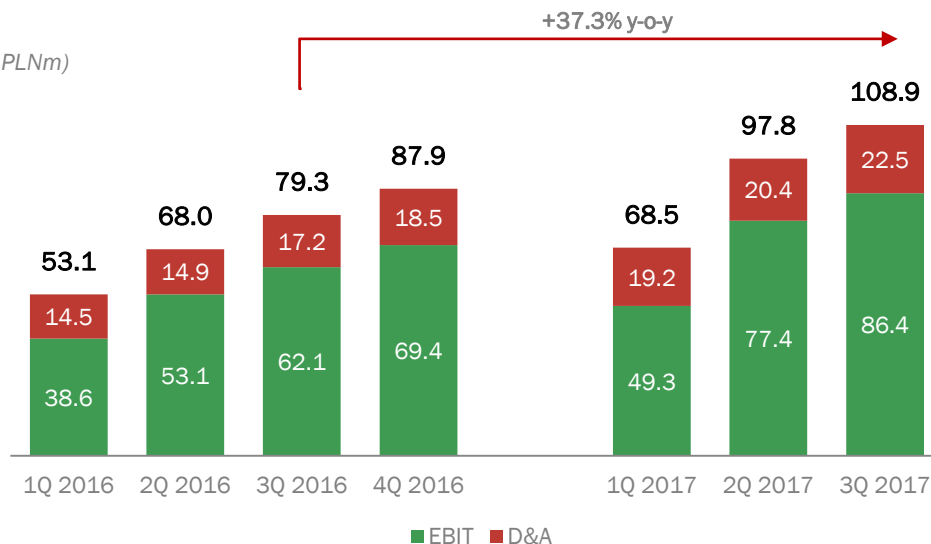
Source: Company financial statements

Consistent growth in results and the EBITDA margin¹

EBITDA margin



(EBITDA PLNm)

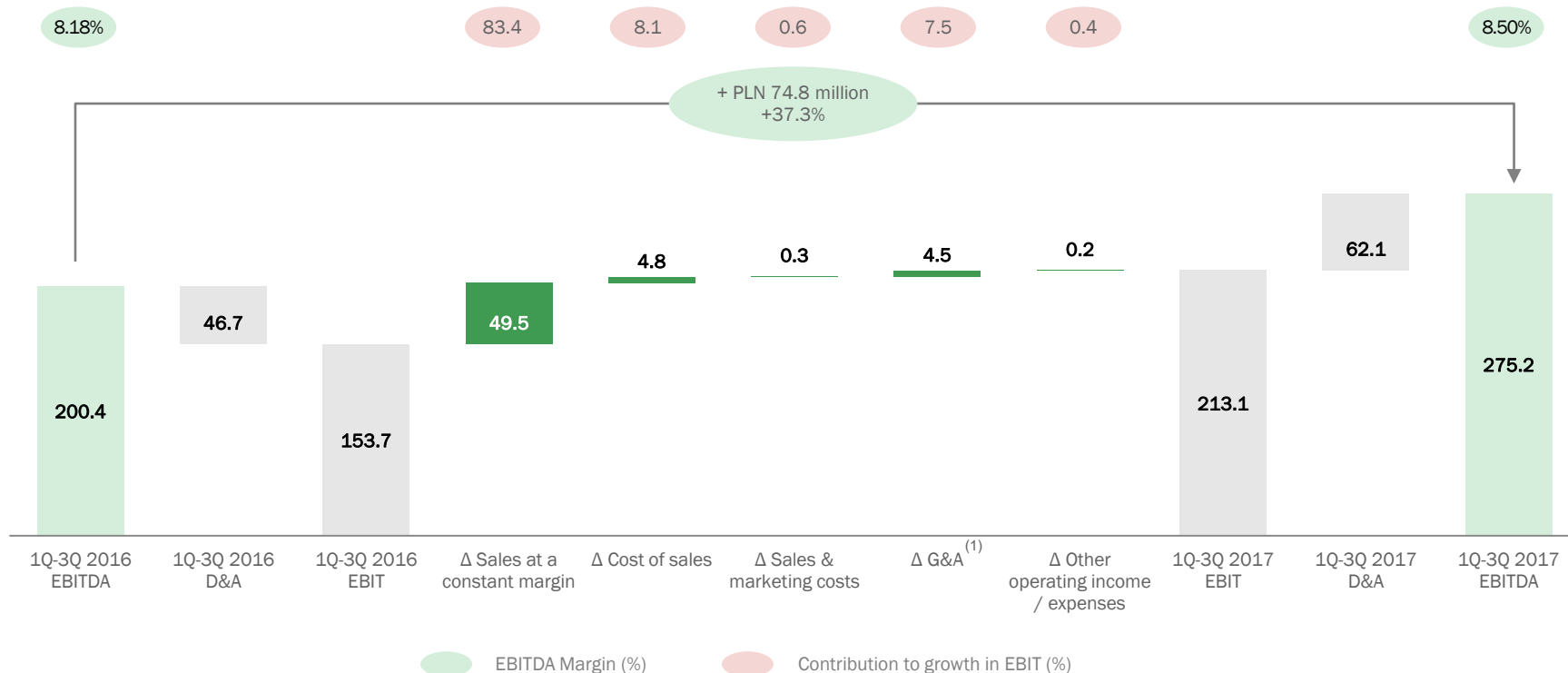


Source: Company financial statements

(1) Adjusted for the IPO-related one-off expenses of: PLN1,1m in 2Q '16; PLN2,7m in 3Q '16; PLN3,7m in 4Q '16; PLN3,0m in 1Q '17 and PLN9,3m in 2Q '17 (in Q3 '17 there were no one-off expenses)

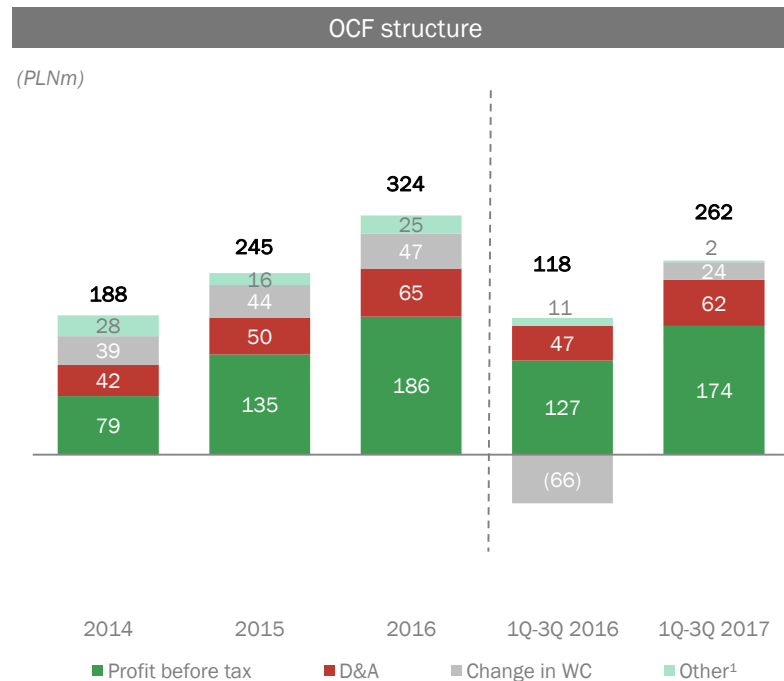
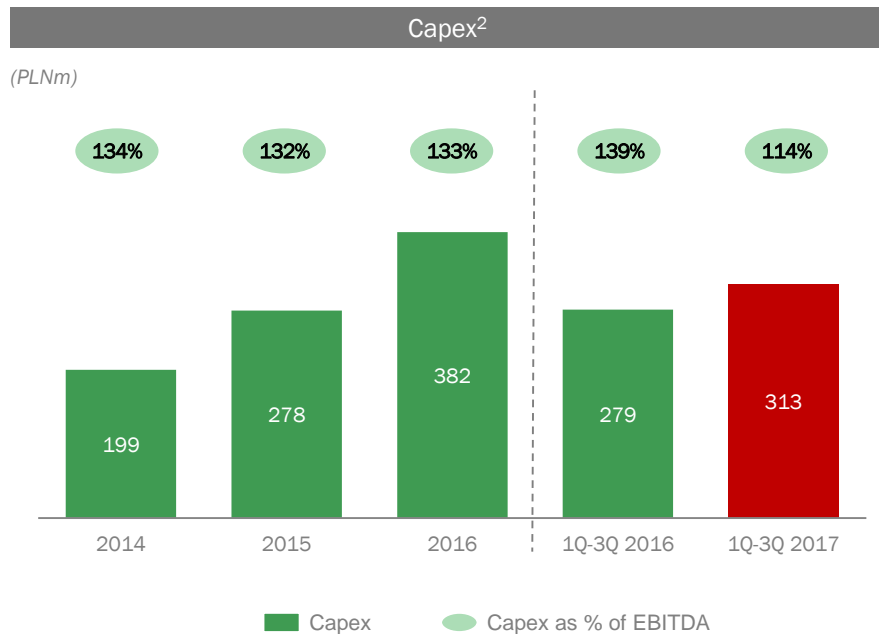
Q1-Q3 2017 EBITDA bridge

(PLNm)



(1) Excluding one-off IPO costs of: PLN 3.797m in 2Q-3Q '16 and PLN12.272m in 1Q-2Q '17

Operating cash flow



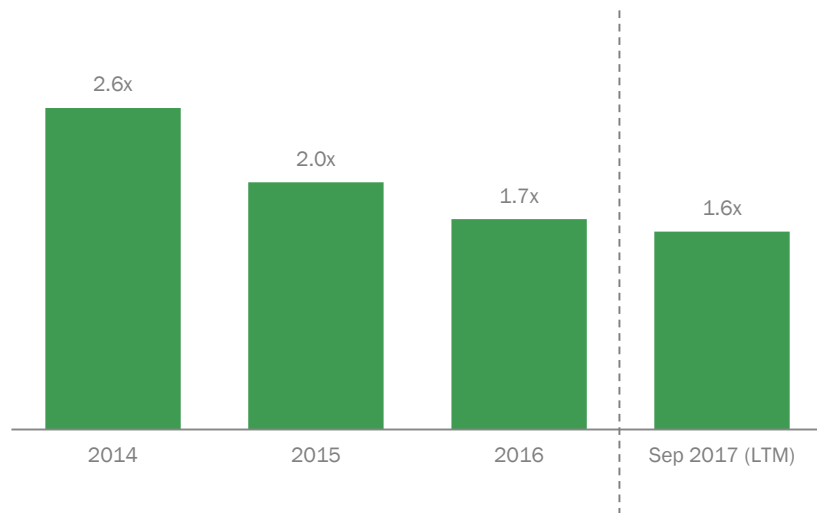
Source: Company financial statements

(1) Net interest expense, tax expense, change in accruals and provisions, investment activity gains and other adjustments

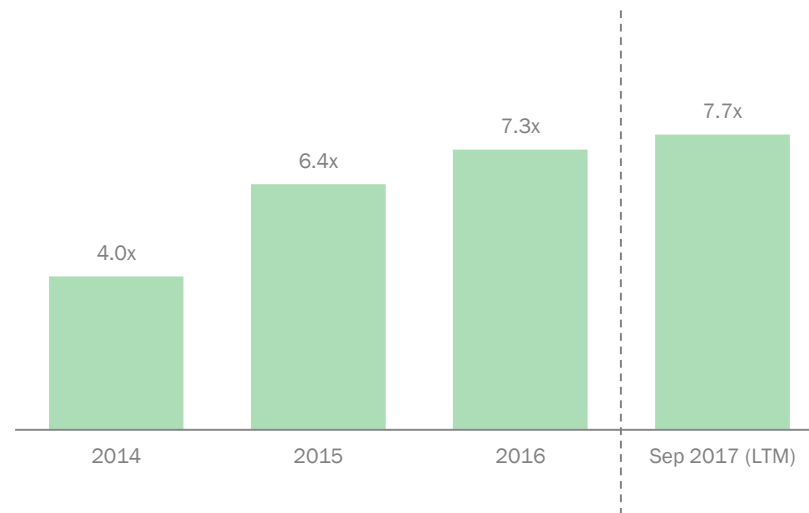
(2) Defined as the sum of purchase of items of property, plant and equipment and intangible assets

Balance sheet

Net debt / EBITDA⁽¹⁾



Interest coverage ratio⁽²⁾



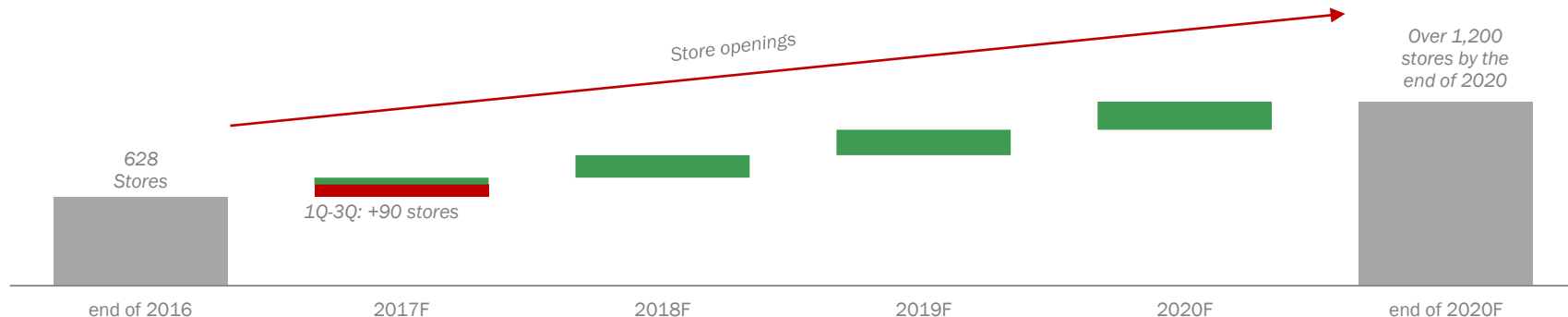
Source: Company financial statements

(1) Net debt to EBITDA defined as net debt divided by EBITDA (adj.) for the last twelve months

(2) Interest coverage ratio defined as EBIT divided by financial expenses for the last twelve months

Strategy update

1 Organic store roll-out



2 LFL growth

15.2%
LFL growth in 1Q-3Q 2017
(vs 3.8% food inflation)

3 Improving profitability

+ 0.15 pp
Gross margin
improvement
in 1Q-3Q 2017 y-o-y

+ 0.32 pp
EBITDA margin
improvement
in 1Q-3Q 2017 y-o-y

Source: Company information

Q&A



Company financial statements (1/5)

Profit and loss statement²

(PLN '000)	2014	2015	2016	1Q 2016 ⁽¹⁾	2Q 2016 ⁽¹⁾	3Q 2016 ⁽¹⁾	4Q 2016 ⁽¹⁾	1Q 2017 ⁽¹⁾	2Q 2017 ⁽¹⁾	3Q 2017 ⁽¹⁾	9M'17 r/r + / (-)
Sales	2,107,984	2,589,576	3,369,517	707,363	826,106	916,645	919,403	910,335	1,108,063	1,220,171	32.2%
Cost of sales	(1,644,080)	(2,004,710)	(2,599,005)	(547,725)	(640,102)	(705,374)	(705,804)	(701,744)	(858,315)	(937,556)	31.9%
Gross profit	463,904	584,866	770,512	159,638	186,004	211,271	213,599	208,591	249,748	282,615	33.0%
Other operating income	1,522	3,120	2,616	1,022	374	661	559	476	736	625	(10.7)%
Selling and marketing costs	(324,634)	(391,580)	(505,855)	(113,285)	(123,030)	(137,364)	(132,176)	(149,746)	(160,725)	(183,121)	32.1%
Administrative expenses and general overheads	(31,338)	(35,354)	(49,434)	(8,603)	(11,261)	(14,092)	(15,478)	(12,903)	(21,417)	(13,344)	40.4%
Other operating expenses	(3,667)	(998)	(2,250)	(194)	(137)	(1,064)	(855)	(96)	(292)	(348)	(47.2)%
Operating profit	105,787	160,054	215,589	38,578	51,950	59,412	65,649	46,322	68,050	86,427	33.9%
Financial income	168	99	473	34	(7)	156	290	98	42	1	(23.0)%
Financial expenses	(26,662)	(24,922)	(29,607)	(7,769)	(7,351)	(8,034)	(6,453)	(8,415)	(9,438)	(9,379)	17.6%
Profit before tax	79,293	135,231	186,455	30,843	44,592	51,534	59,486	38,005	58,654	77,049	36.8%
Income tax	(13,156)	(13,059)	(35,245)	(7,456)	(6,696)	423	(21,516)	(7,550)	(11,967)	(13,507)	140.5%
Net profit from continuing operations	66,137	122,172	151,210	23,387	37,896	51,957	37,970	30,455	46,687	63,542	24.2%

Source: Company financial statements

(1) Unaudited

(2) Not adjusted for one-offs related to the IPO: PLN1,1m in 2Q '16; PLN2,7m in 3Q '16; PLN3,7m in 4Q '16; PLN3,0m in 1Q '17 and PLN9,3m in 2Q '17

Company financial statements (2/5)

Balance sheet										
(PLN '000)	2014	2015	2016	1Q 2016 ⁽¹⁾	2Q 2016 ⁽¹⁾	3Q 2016 ⁽¹⁾	4Q 2016 ⁽¹⁾	1Q 2017 ⁽¹⁾	2Q 2017 ⁽¹⁾	3Q 2017 ⁽¹⁾
Assets										
Property, plant and equipment	798,948	1,024,199	1,337,207	1,090,826	1,180,504	1,260,513	1,337,207	1,386,389	1,496,962	1,593,249
Intangible assets	90,700	92,253	93,072	91,952	91,465	92,145	93,072	92,510	92,200	91,677
Other non-financial assets (long term)	1,885	-	0	0	0	0	0	0	0	32
Deferred tax assets	37,049	34,311	26,867	30,352	32,755	34,353	26,867	21,919	23,158	22,275
Total non-current assets	928,582	1,150,763	1,457,146	1,213,130	1,304,724	1,387,011	1,457,146	1,500,818	1,612,320	1,707,233
Inventories	182,286	212,146	276,541	221,320	221,273	234,936	276,541	290,707	306,906	294,521
Trade and other receivables	18,796	21,687	33,665	9,382	11,025	17,605	33,665	19,155	29,253	17,945
Income tax receivables	48	105	613	113	8	27	613	603	30	44
Other non-financial assets	13,515	20,742	22,447	28,618	28,982	26,318	22,447	32,395	36,856	27,906
Cash and cash equivalents	23,739	33,920	66,428	13,818	24,495	42,965	66,428	36,425	43,050	60,207
Total current assets	238,384	288,600	399,694	273,251	285,783	321,851	399,694	379,285	416,095	400,623
Total assets	1,166,966	1,439,363	1,856,840	1,486,381	1,590,507	1,708,862	1,856,840	1,880,103	2,028,415	2,107,856
Equity and liabilities										
Equity	410,073	532,235	683,476	555,653	593,549	645,506	683,476	713,962	768,118	831,660
Share capital	9,804	9,804	9,804	9,804	9,804	9,804	9,804	9,804	9,804	9,804
Reserve capital	316,048	393,019	510,720	510,720	510,720	510,720	510,720	790,168	1,111,860	1,111,860
Retained earnings	84,221	129,412	162,952	35,129	73,025	124,982	162,952	(86,010)	(361,046)	(297,504)
Non-controlling interests	-	-	0	0	0	0	0	0	0	0
Total equity	410,073	532,235	683,476	555,653	593,549	645,506	683,476	713,962	768,118	831,660

Company financial statements (3/5)

Balance sheet

(PLN '000)	2014	2015	2016	1Q 2016 ⁽¹⁾	2Q 2016 ⁽¹⁾	3Q 2016 ⁽¹⁾	4Q 2016 ⁽¹⁾	1Q 2017 ⁽¹⁾	2Q 2017 ⁽¹⁾	3Q 2017 ⁽¹⁾
Interest-bearing loans, borrowings and finance lease liabilities	285,962	361,774	452,378	370,010	399,163	436,725	452,378	487,167	508,545	490,626
Other liabilities	0	0	300	0	758	0	300	270	270	270
Provisions for employee benefits	533	758	1,115	758	300	758	1,115	1,115	1,115	1,115
Deferred tax liabilities	1,572	588	5,498	3,410	7,930	3,856	5,498	6,206	6,280	3,432
Accruals	76	73	87	67	63	59	87	81	75	70
Total long-term liabilities	288,143	363,193	459,378	374,245	408,214	441,398	459,378	494,839	516,285	495,513
Current liabilities										
Trade and other payables	337,620	429,195	574,426	367,473	374,526	369,961	574,426	531,859	585,043	601,337
Current portion of interest-bearing loans and finance lease liabilities	118,187	101,504	110,173	178,255	199,276	237,514	110,173	112,531	124,875	147,358
Income tax liabilities	4,608	3,368	10,268	7	3,439	3,089	10,268	4,241	15,530	14,362
Accruals	76	73	87	67	63	59	87	81	75	70
Provisions for employee benefits	49	72	5,892	72	72	72	5,892	7,840	226	226
Total current liabilities	468,750	543,935	713,986	556,483	588,744	621,958	713,986	671,302	744,012	780,683
Total liabilities	756,893	907,128	1,173,364	930,728	996,958	1,063,356	1,173,364	1,166,141	1,260,297	1,276,196
Total equity and liabilities	1,166,966	1,439,363	1,856,840	1,486,381	1,590,507	1,708,862	1,856,840	1,880,103	2,028,415	2,107,856

Source: Company financial statements
(1) Unaudited

Company financial statements (4/5)

Cash flow

(PLN '000)	2014	2015	2016	1Q 2016 ⁽¹⁾	2Q 2016 ⁽¹⁾	3Q 2016 ⁽¹⁾	4Q 2016 ⁽¹⁾	1Q 2017 ⁽¹⁾	2Q 2017 ⁽¹⁾	3Q 2017 ⁽¹⁾
Cash flows from operating activities										
Profit before tax	79,293	135,231	186,455	30,843	44,592	51,534	186,455	38,005	58,654	77,049
Adjustments for	109,185	110,163	137,868	(36,334)	9,564	18,287	137,868	(6,959)	35,574	59,716
Depreciation and amortization	41,880	50,177	65,202	14,492	14,918	17,246	65,202	19,176	20,418	22,498
Gain/(loss) from investing activities	417	193	1,574	(9)	65	198	1,574	21	158	204
Change in the balance of receivables	59,041	(10,808)	(15,592)	7,331	(547)	2,494	(15,592)	13,657	(17,271)	18,388
Change in the balance of inventories	25,464	(29,860)	(64,395)	(9,175)	49	(13,663)	(64,395)	(14,166)	(16,198)	12,384
Change in the balance of payables except loans and borrowings	(45,513)	84,204	127,224	(49,114)	(12,793)	9,604	127,224	(23,678)	37,556	13,072
Interest income	(153)	(60)	(440)	0	(27)	27	(440)	(19)	(19)	(30)
Interest expenses	26,486	24,955	29,658	7,652	7,216	7,934	29,658	8,471	9,516	9,440
Change in the balance of accruals	2,975	3,859	4,928	(3,497)	1,725	64	4,928	(4,489)	2,829	413
Change in the balance of provisions	249	114	6,178	0	0	0	6,178	1,948	(7,615)	0
Income tax paid	(1,639)	(12,599)	(16,507)	(4,052)	(1,042)	(5,617)	(16,507)	(7,918)	(1,262)	(16,653)
Other	(22)	(12)	38	38	0	0	38	38	7,462	0
Net CF from operating activities	188,478	245,394	324,323	(5,491)	54,156	69,821	324,323	31,046	94,228	136,765

Company financial statements (5/5)

Cash flow										
(PLN '000)	2014	2015	2016	1Q 2016 ⁽¹⁾	2Q 2016 ⁽¹⁾	3Q 2016 ⁽¹⁾	4Q 2016 ⁽¹⁾	1Q 2017 ⁽¹⁾	2Q 2017 ⁽¹⁾	3Q 2017 ⁽¹⁾
Cash flows from investing activities										
Proceeds from sale of property, plant and equipment and intangibles	374	925	1,112	648	(1,453)	(3,085)	1,112	79	1,057	6,443
Purchase of property, plant and equipment and intangibles	(170,722)	(243,487)	(311,732)	(84,807)	(73,973)	(101,582)	(311,732)	(82,976)	(89,295)	(113,318)
Sell of other financial assets	-	-	0	0	0	0	0	0	0	0
Interest received	153	60	440	7	20	28	440	19	19	30
Net CF from investing activities	(170,195)	(242,502)	(310,180)	(84,152)	(75,406)	(104,639)	(310,180)	(82,878)	(88,219)	(106,845)
Cash flows from financing activities										
Payment of financial lease liabilities	(24,456)	(30,024)	(43,902)	(9,464)	(11,006)	(11,064)	(43,902)	(9,760)	(14,773)	(12,406)
Proceeds from loans and borrowings	111,653	141,770	219,061	98,814	62,358	87,597	219,061	57,489	41,393	24,073
Repayment of loans and borrowings	(72,771)	(79,502)	(127,136)	(12,150)	(12,216)	(15,256)	(127,136)	(17,430)	(16,487)	(14,990)
Interest paid	(26,486)	(24,955)	(29,658)	(7,659)	(7,209)	(7,989)	(29,658)	(8,470)	(9,517)	(9,440)
Net CF from financing activities	(12,060)	7,289	18,365	69,541	31,927	53,288	18,365	21,829	616	(12,763)
Net increase/(decrease) in cash and cash equivalents	6,223	10,181	32,508	(20,102)	10,677	18,470	32,508	(30,003)	6,625	17,157
Cash and cash equivalents at the beginning of the period	17,516	23,739	33,920	33,920	13,818	24,495	33,920	66,428	36,425	43,050
Cash and cash equivalents at the end of the period	23,739	33,920	66,428	13,818	24,495	42,965	66,428	36,425	43,050	60,207

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