



Eurocash Group

Q2 & HY 2022 Financial Results



The historically highest EBITDA in the first half of the year: dynamic increase to over 400m, with Q2 contributing 256m at +100% growth

Wholesale - increasing number of transactions and the shopping cart value in small formats

- an increase in the EBITDA margin to 3.5% through the operating leverage
- double-digit increases in sales of each wholesale line in 1H22

Sales +14% y/y
EBITDA +69m PLN y/y

Retail - fourth consecutive quarter of earnings improvement

- 316m of Arhelan stores sales
- +11% LfL of DC own stores in 1H and +14,9% LfL in 2Q

Sales +20% y/y
EBITDA +147m PLN y/y

Projects - Frisco and Duży Ben expansion

- Frisco: sales +38% y/y, launch in Bydgoszcz
- Duży Ben with 249 stores, + 19% increase in LfL sales in 2Q22 y/y

Sales +41% y/y
EBITDA -11m PLN y/y

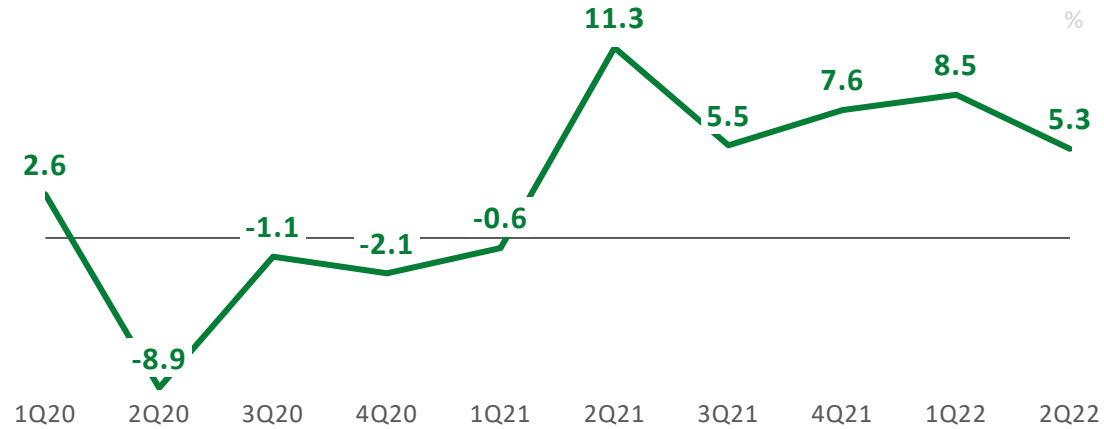


01.

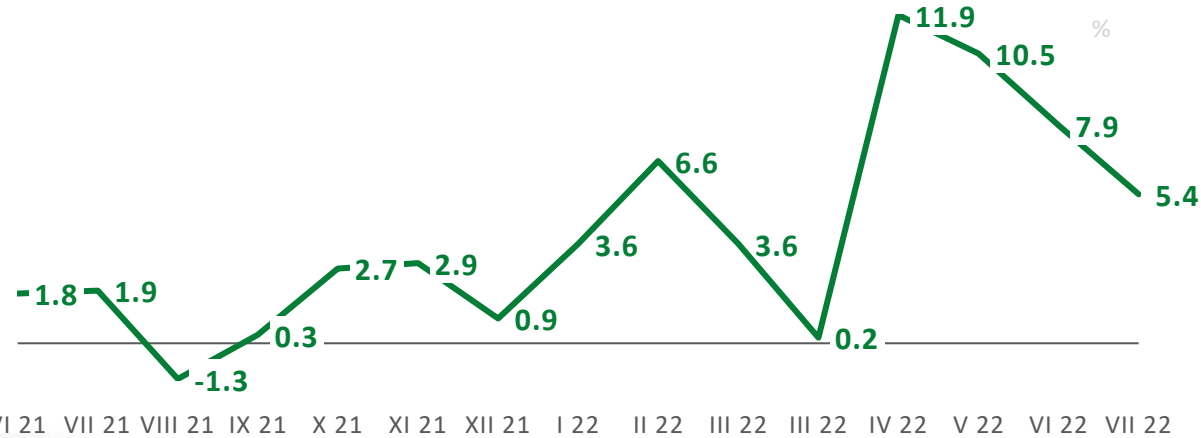
Macro & market



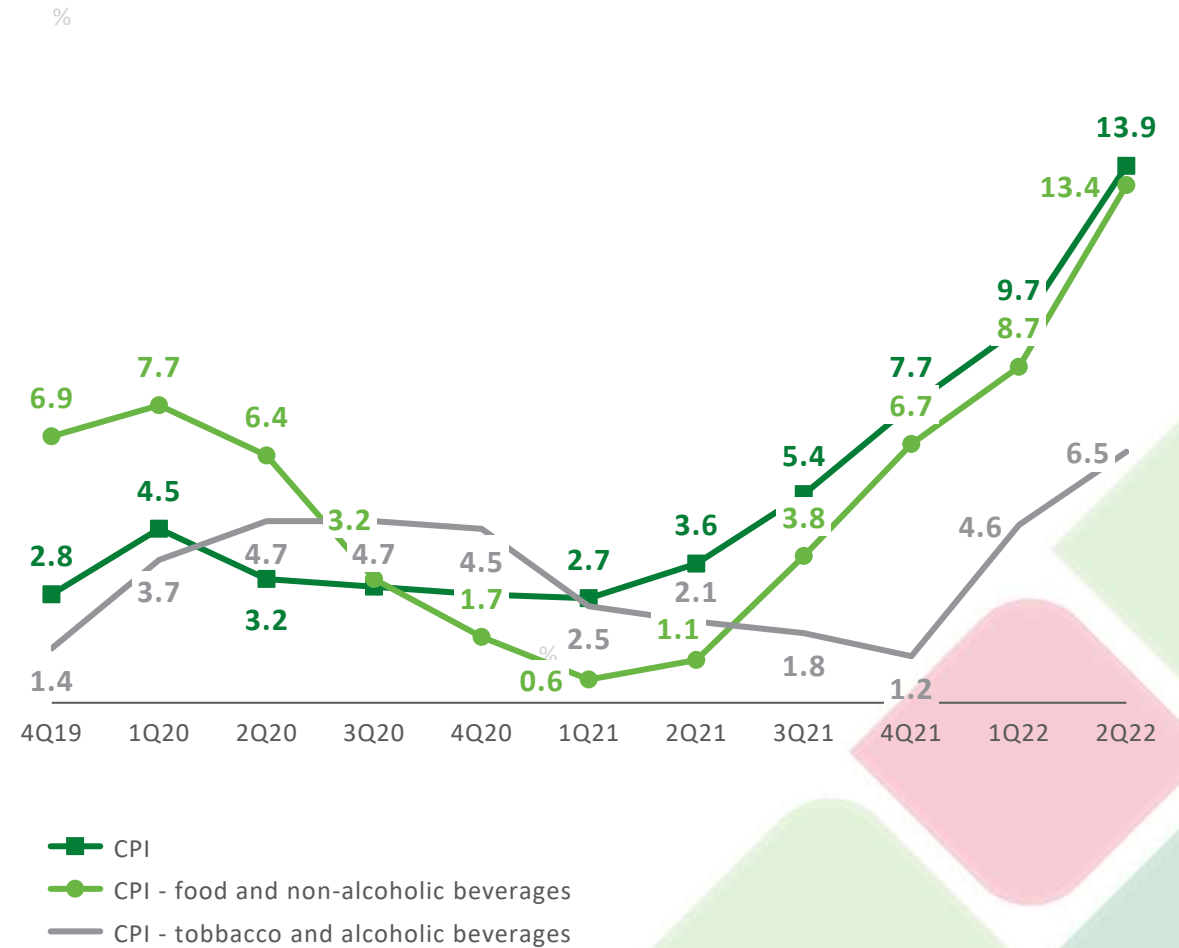
Polish GDP growth



Retail sales growth in Poland – food, beverages and tobacco

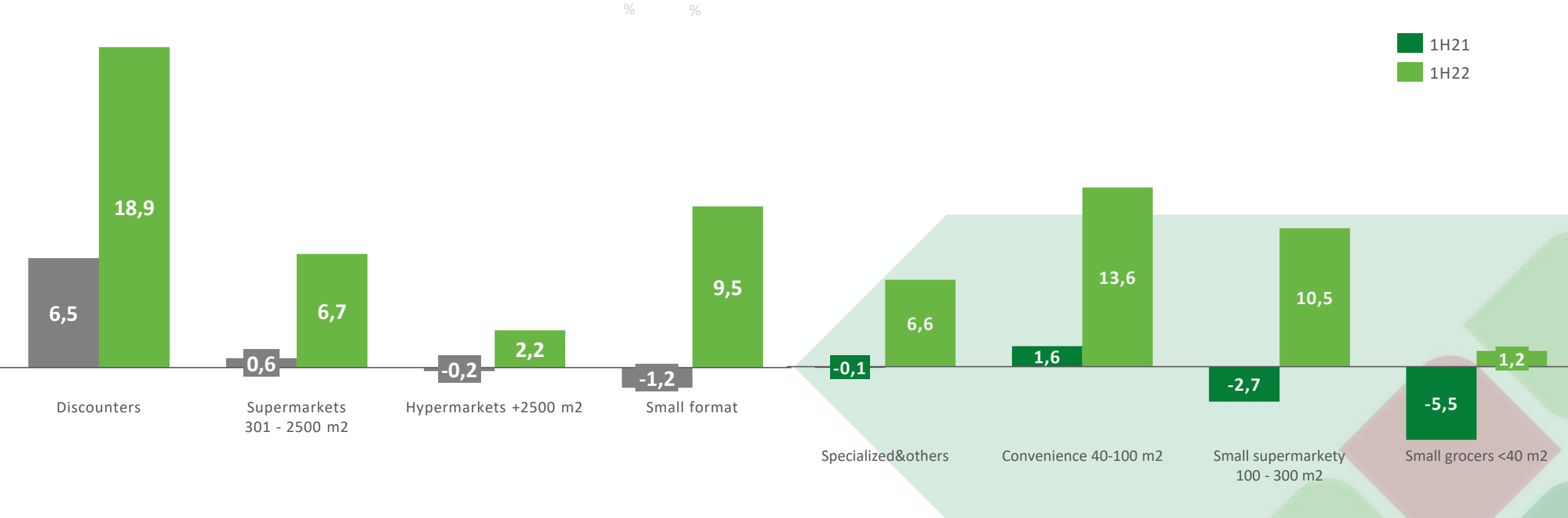


Inflation





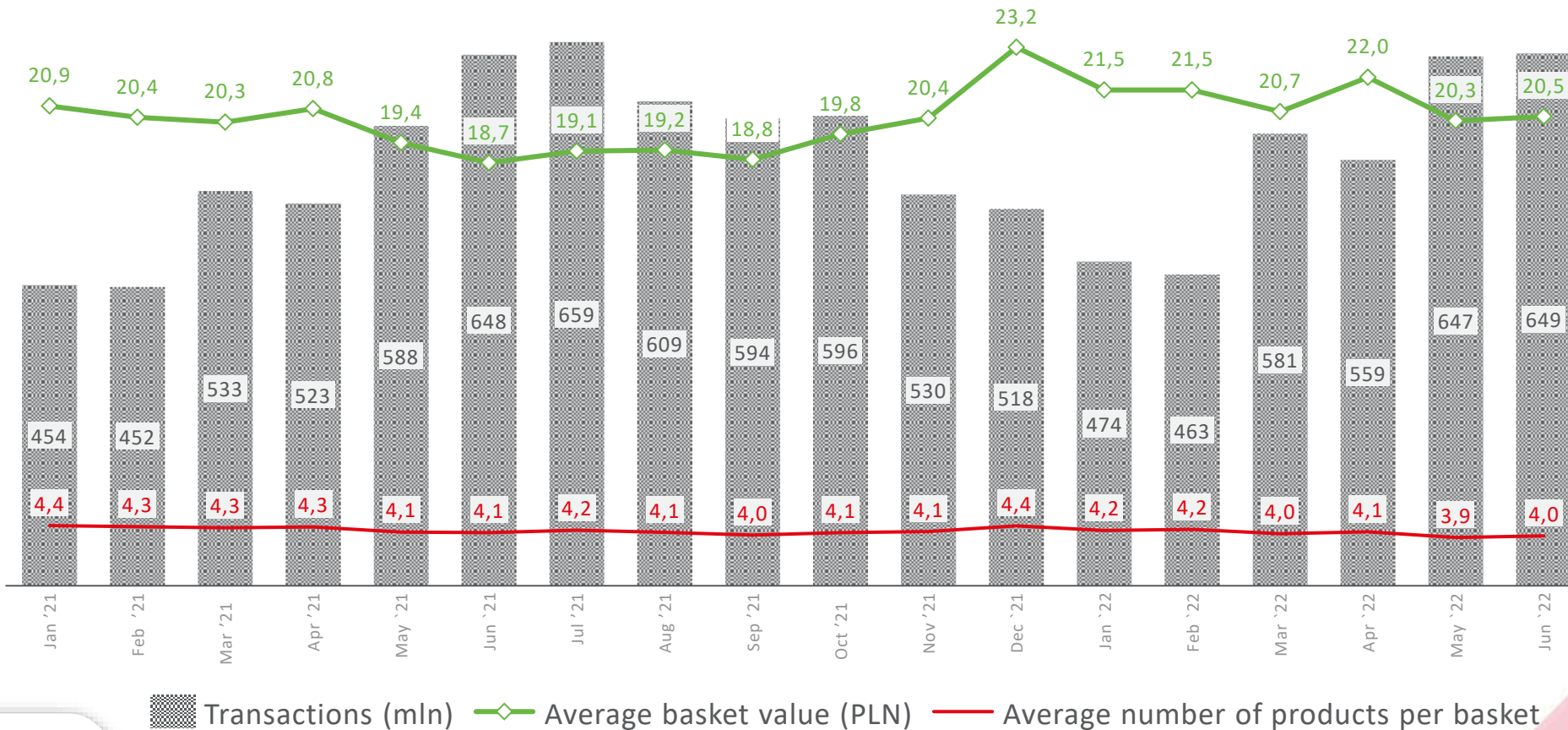
Food market growth in H1 2022 by distribution channels, including small-format stores



Improvement of small format results
The least prospective stores with the smallest area (less than 40 m2)

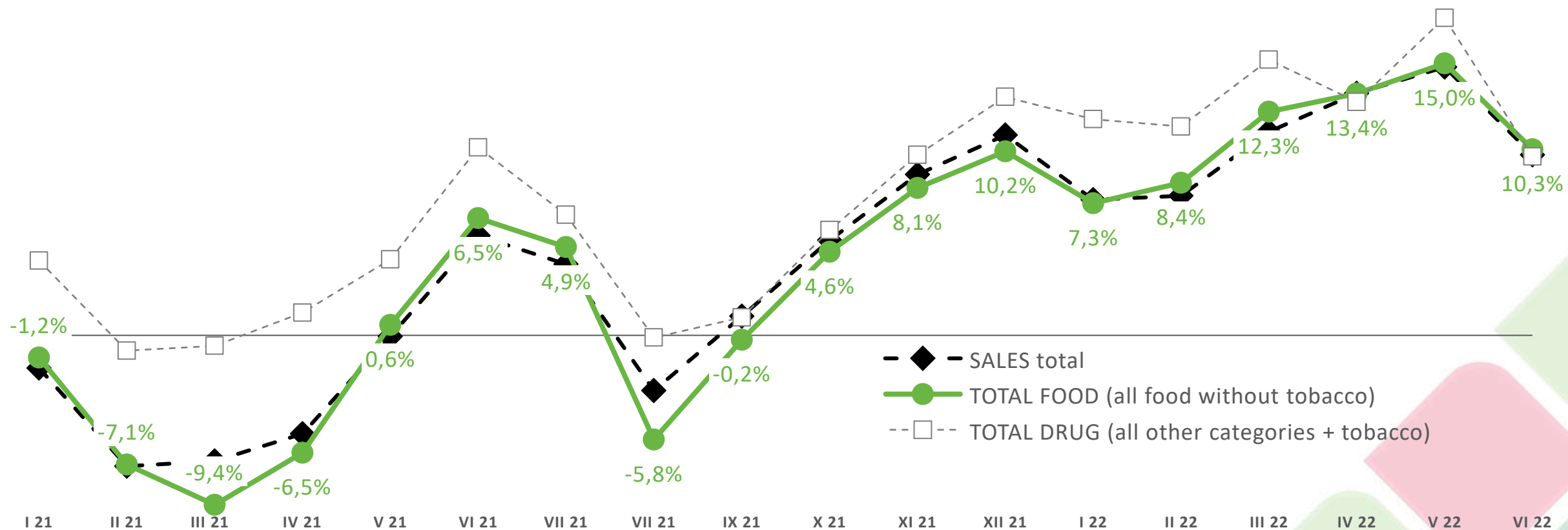


Transactions and an average basket in grocery and alcohol stores 0-500 m2



Growing value of the basket along with the seasonally high number of transactions

Double-digit sales growth y/y in 2Q2022 (stores 0-500 m2)





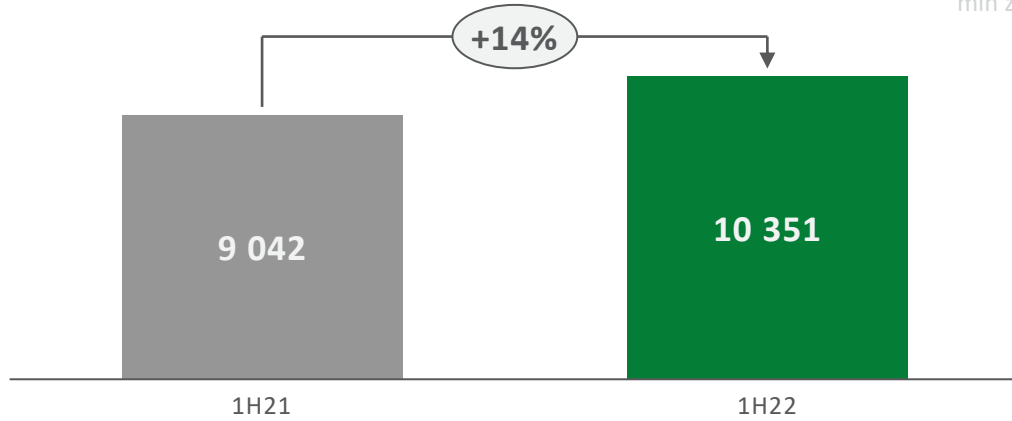
02.

Wholesale segment



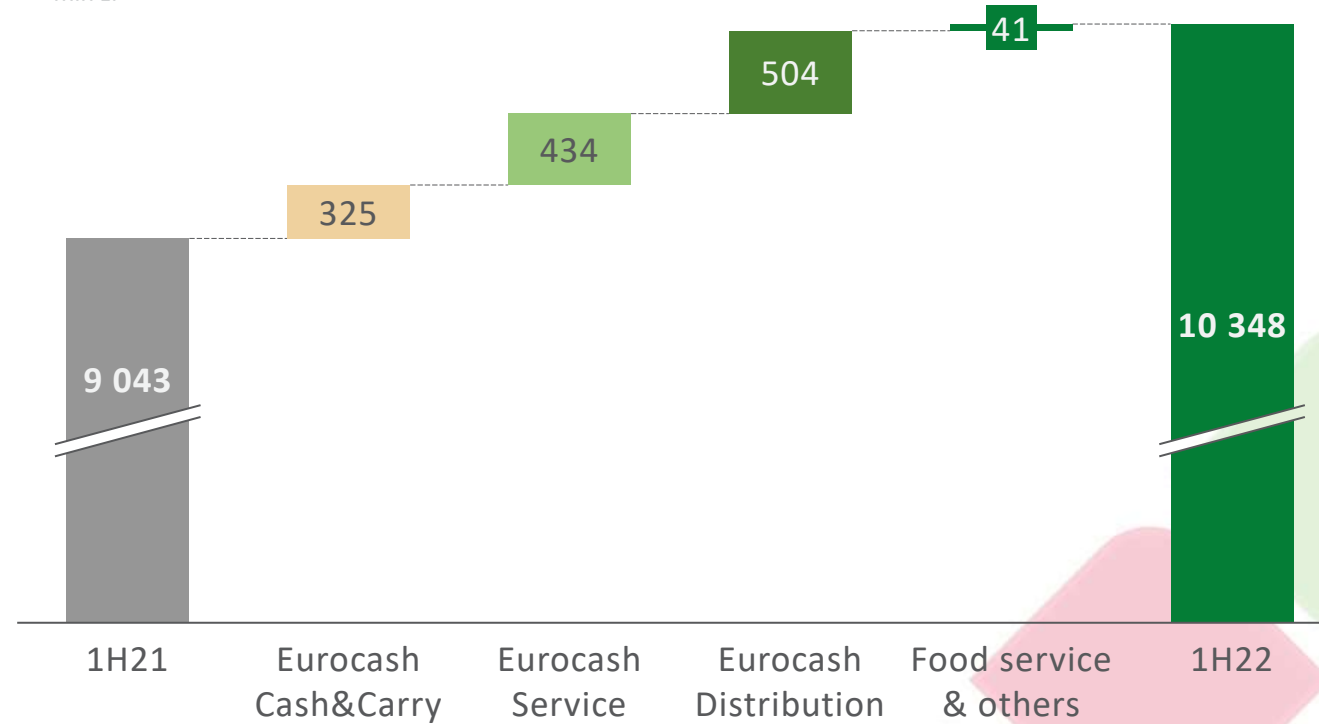
Sales evolution in 1H2022 y/y

mln zł



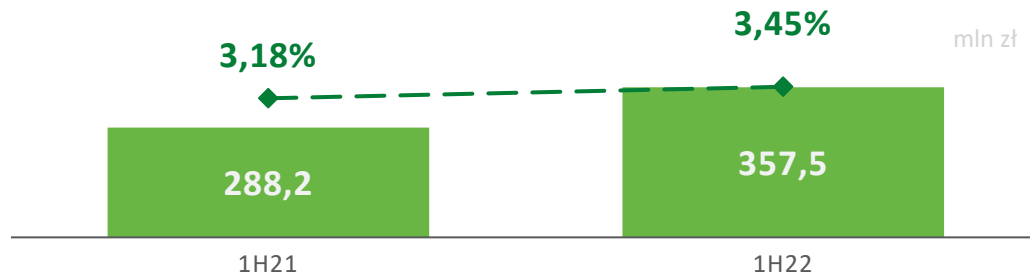
Sales evolution by formats in 1H2022 y/y

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EBITDA and EBITDA margin evolution of in 1H2022 y/y

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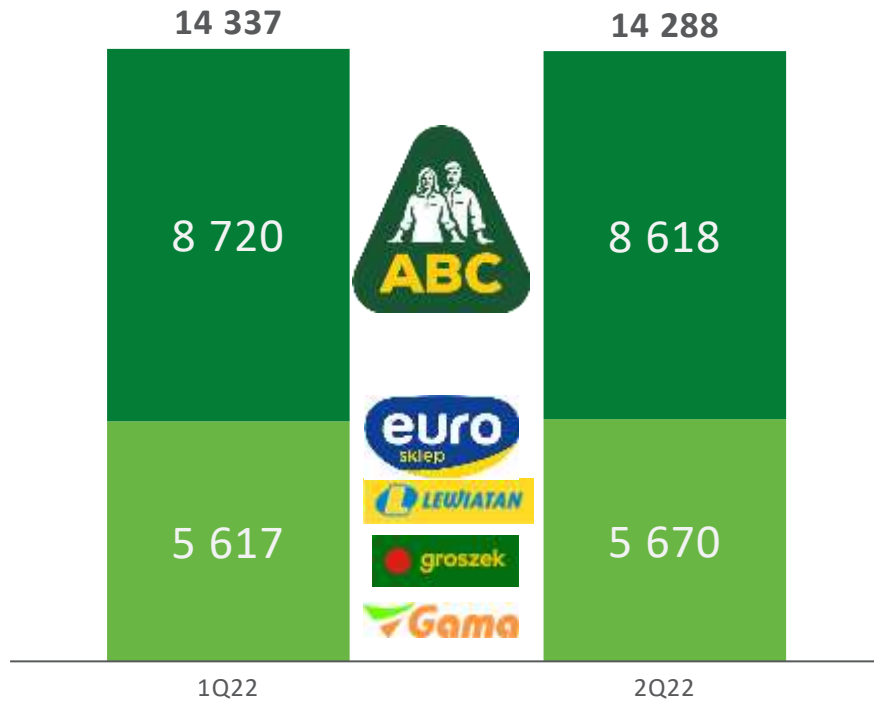
—◆— EBITDA/Sales ■ EBITDA

PLN 1.3bn increase in revenues generated
+ 69m EBITDA at above 5% margin => operating leverage

Strong quarter and half of the year in all Wholesale formats



Chain of franchise stores organized by the Eurocash Group



Stable number of partner and franchise stores



	January 2022	June 2022
Number of users (ths)	30,9	37,9
% sales done via Eurocash.pl	44%	51%



Progressive digitization of wholesale through the constant increase in the number of Eurocash.pl users

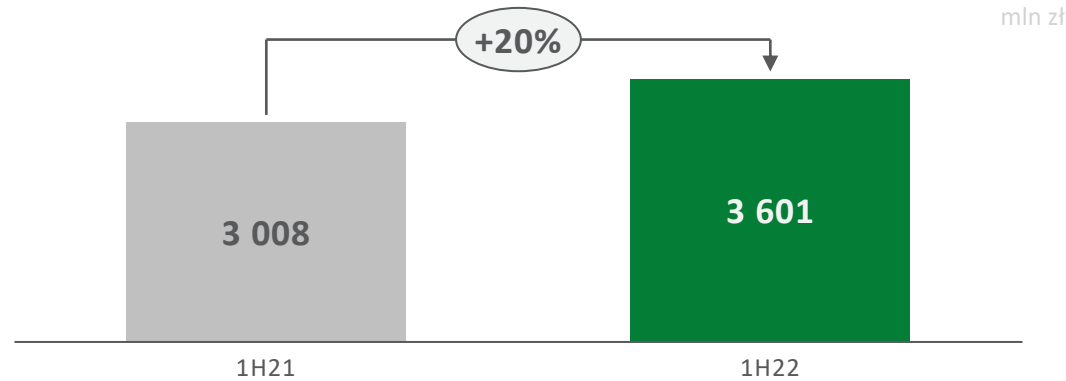


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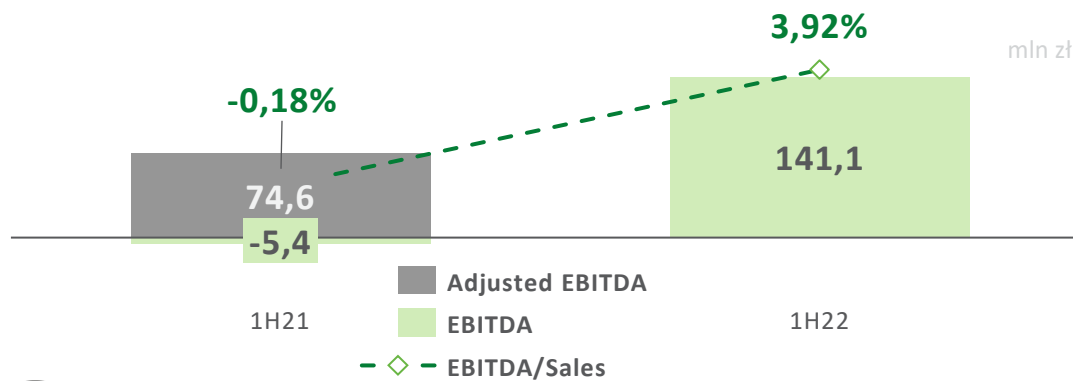
Retail segment



Sales evolution in 1H2022 y/y

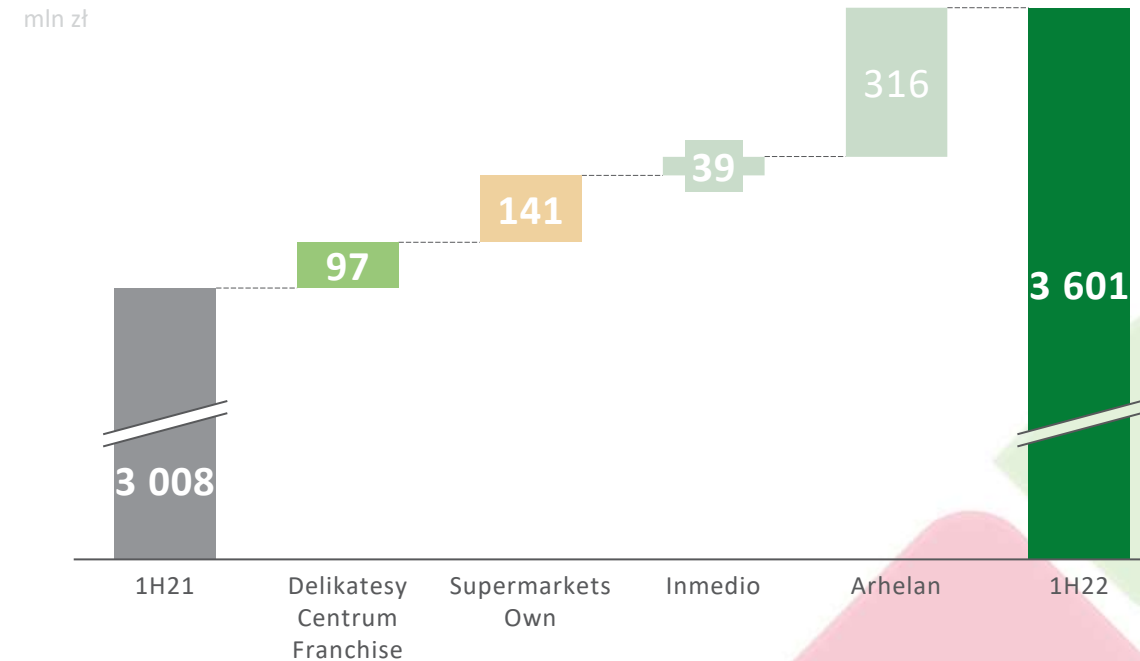


EBITDA and EBITDA margin evolution of in 1H2022 y/y



Improvement of EBITDA by 147m, including 12.6m of the Arhelan contribution. 1H21 encumbered with 80m of one-off events.

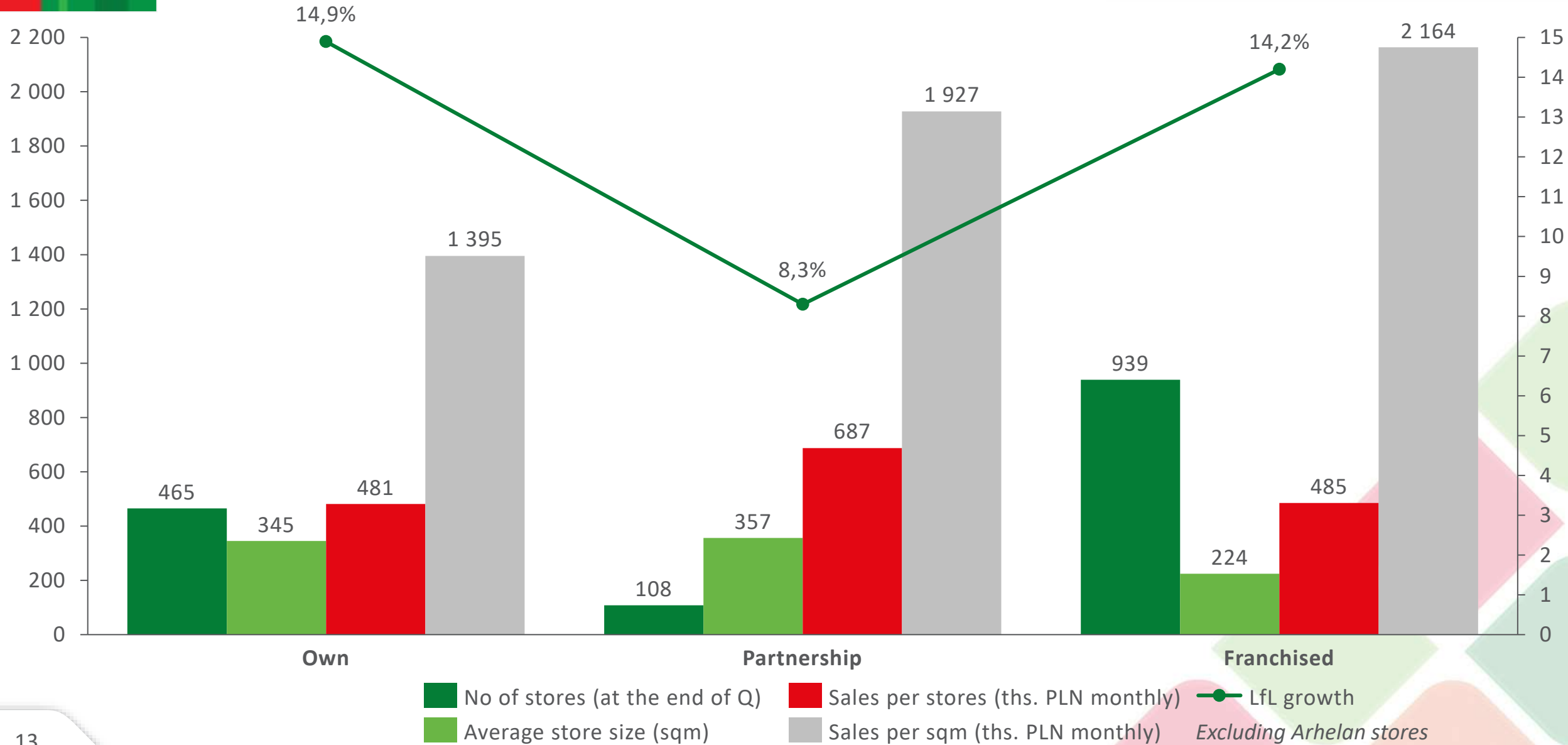
Sales evolution by formats in 1H2022 y/y



Impact of acquired Arhelan stores and improved sales in all Retail categories.



2Q 2022 Main KPIs of Delikatesy Centrum stores





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Projects segment

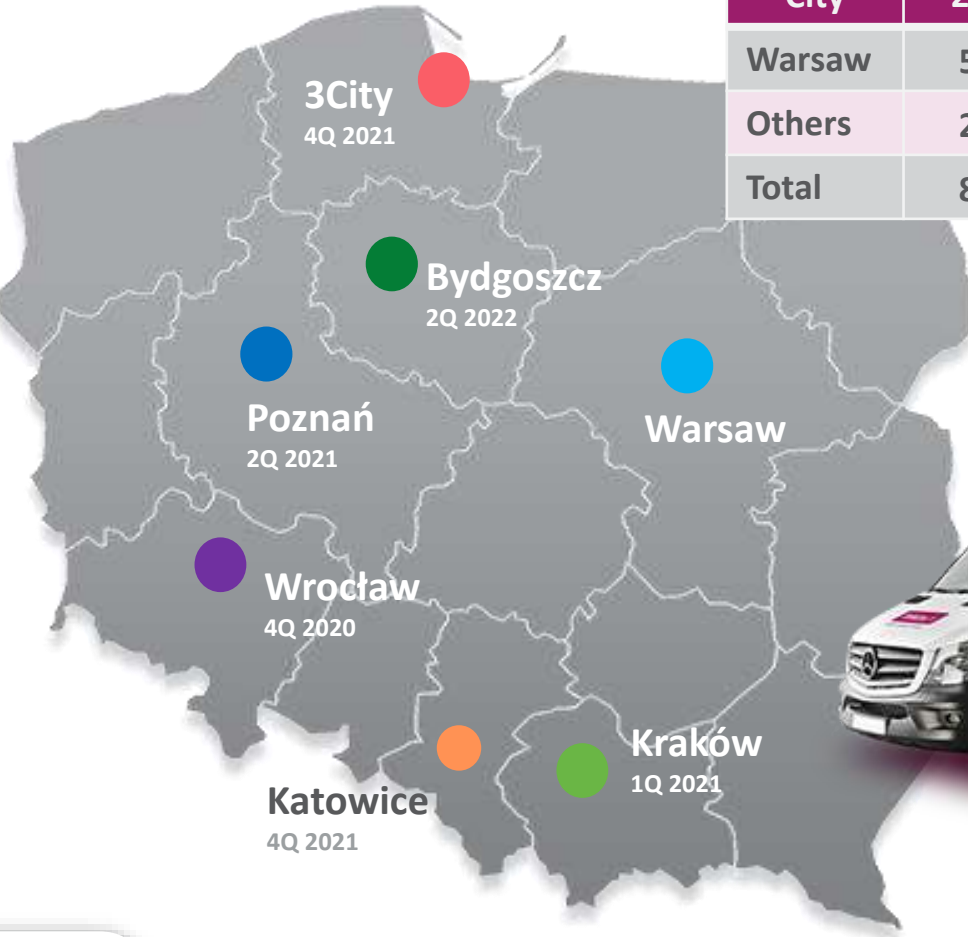


supermarket online

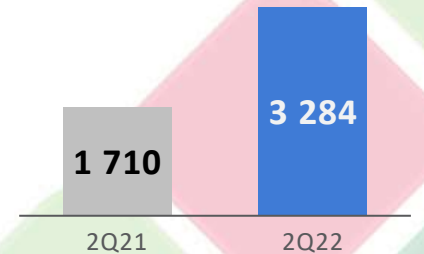
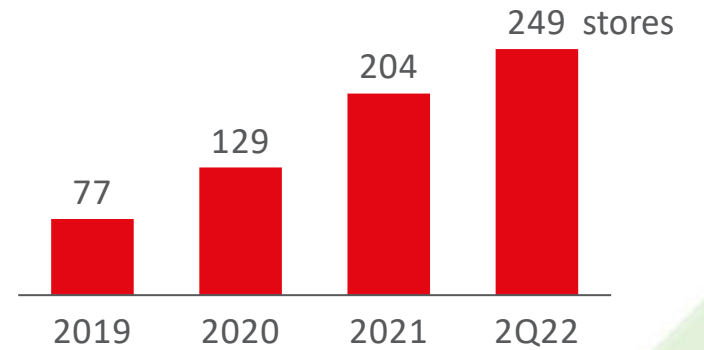
- Sales 1H22: +38% yoy to PLN 190 m
- Sales 2Q22: +32% yoy to PLN 92 m
- Delivery coverage +40% yoy

Frisco delivery coverage (# households in '000)

City	2Q22	2Q21	% growth
Warsaw	58,8	50,5	16%
Others	23,5	8,1	
Total	82,3	58,6	40%



- Sales 1H22: +57% yoy to PLN 122 m
- Sales 2Q22: +53% yoy to PLN 68.8 m
- LFL 2Q22: +18,6%
- 140 profitable stores

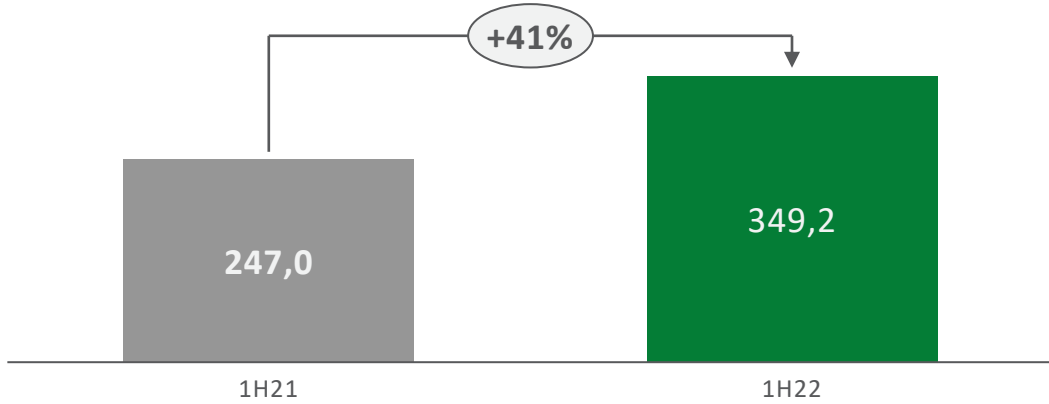


IPH is a platform that digitally connects retailers with franchise network organizers, producers and consumers.



Sales evolution in 1H2022 y/y

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Evolution of EBITDA in 1H2022 y/y

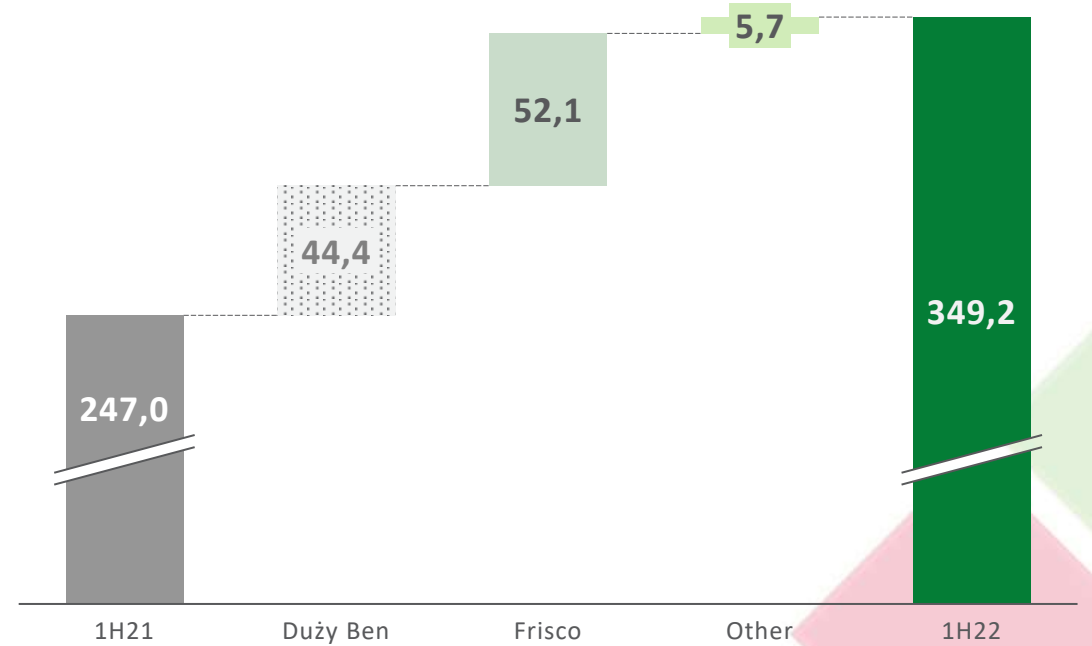
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EBITDA encumbered with the costs of new stores and customer acquisitions

Sales evolution by formats in 1H2022 y/y

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Frisco and Duży Ben's sales expansion

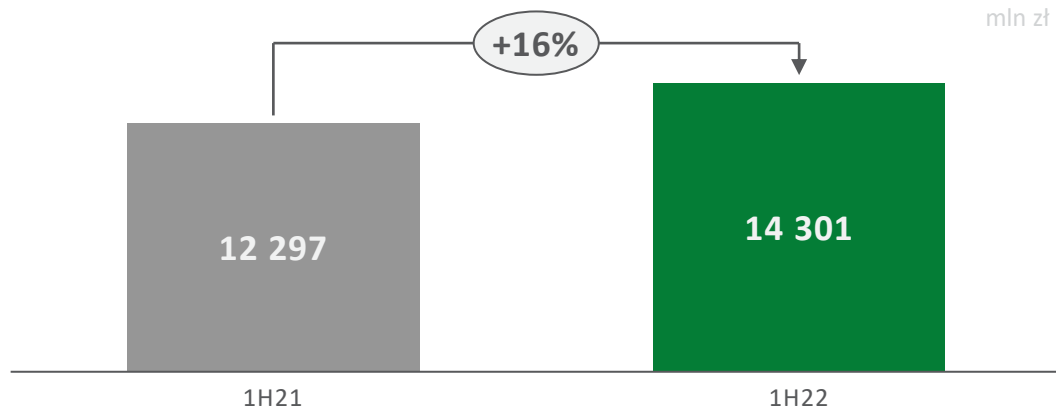


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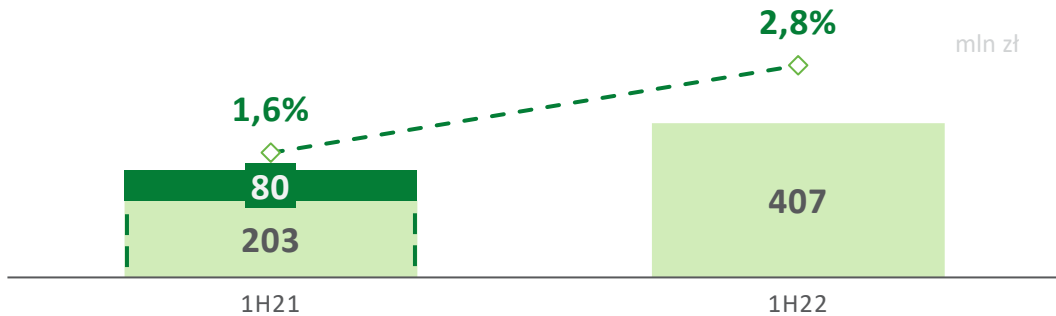
Consolidated financial results



Sales evolution in 1H2022 y/y (sales of products)



Evolution of EBITDA in 1H2022 y/y

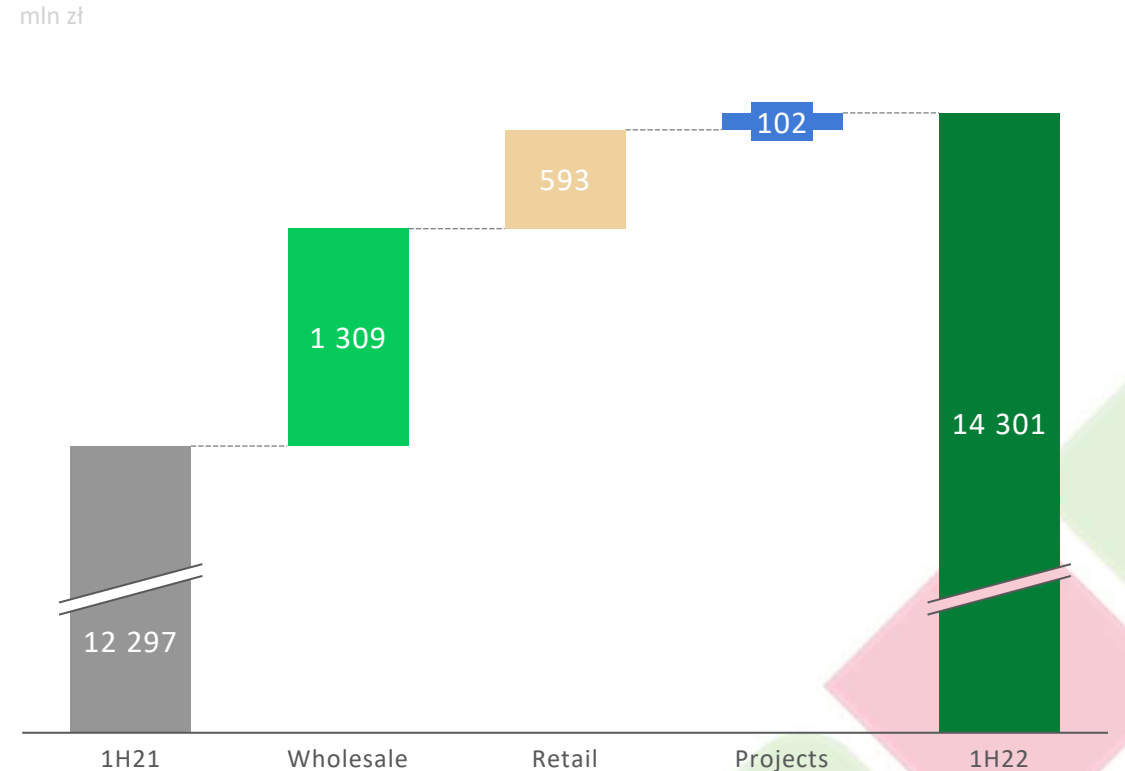


■ Adjusted EBITDA ■ EBITDA - ◇ - EBITDA/Sales



**Group revenues grow faster than costs
- improvement of the EBITDA margin with increasing sales**

Sales evolution by formats in 1H2022 y/y



**Positive contribution of all segments, resulting in an
above-inflationary increase in the Group's revenues**



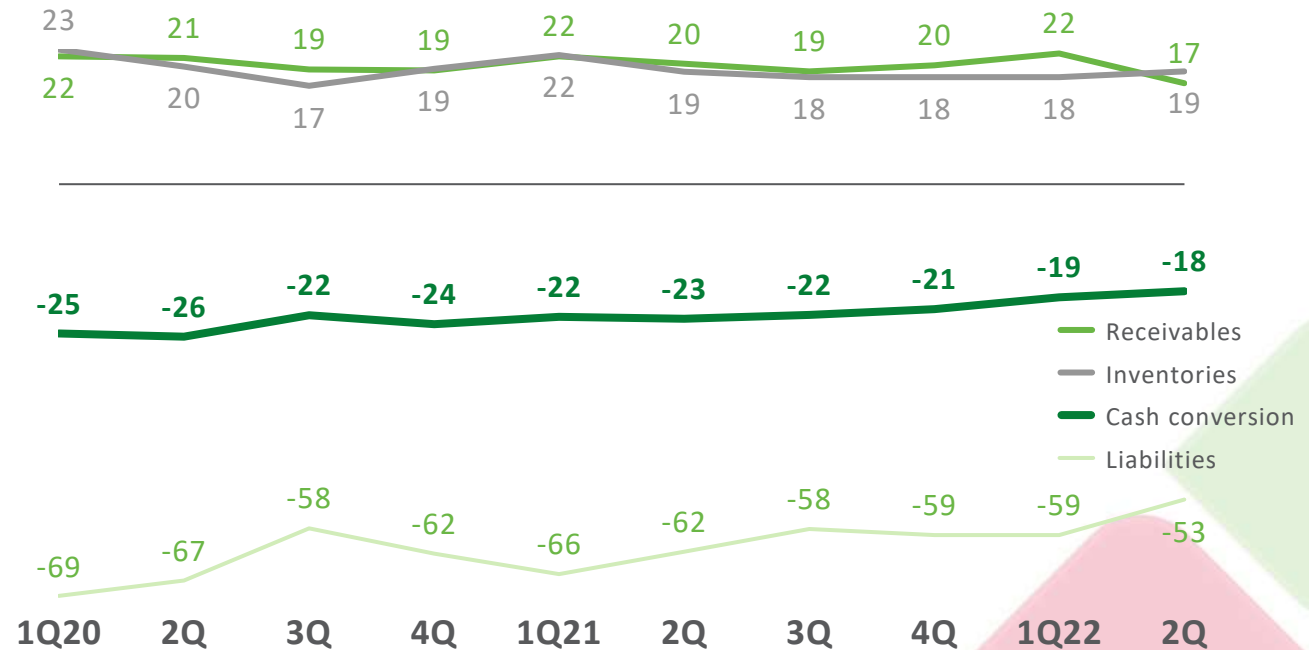
Increase in financial expenses

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	2021	1Q22	2Q22
financial expenses	127,4	48,7	65,3
financial income	28,6	7,4	13,0
net financial expenses	98,7	41,3	52,3
net financial expenses - quarterly	24,7	41,3	52,3

Cash conversion cycle

in days



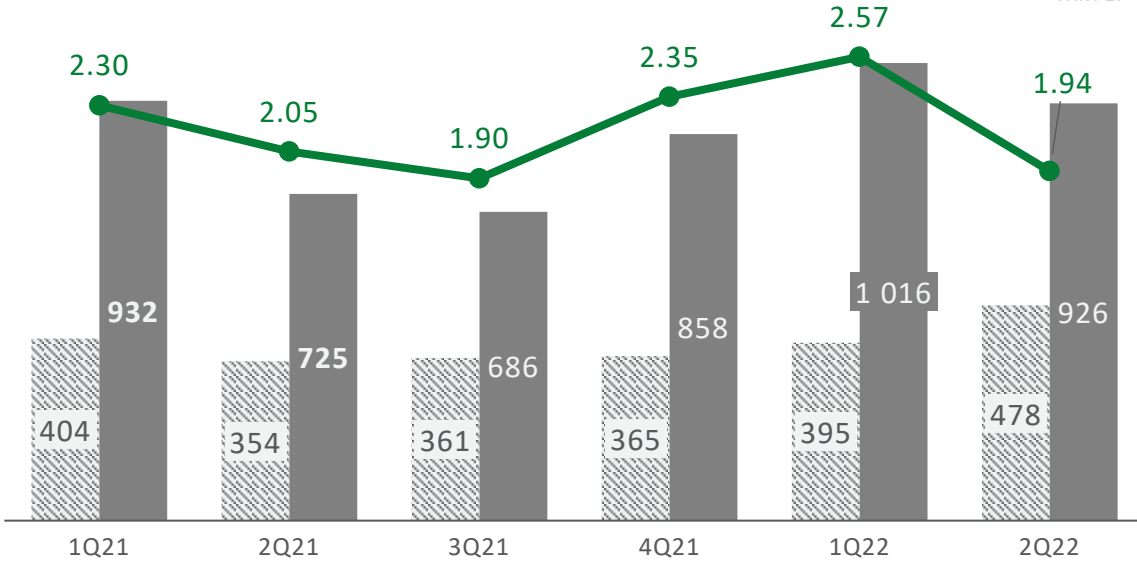
In the environment of rising interest rates, the primary capital allocation objective is to deleverage and reduce financing costs

Gradual weakening of the cash conversion cycle by shortening the rotation of liabilities from 1Q21 (legal changes, reduced involvement in reverse factoring programs)



Net debt/EBITDA (IFRS16)

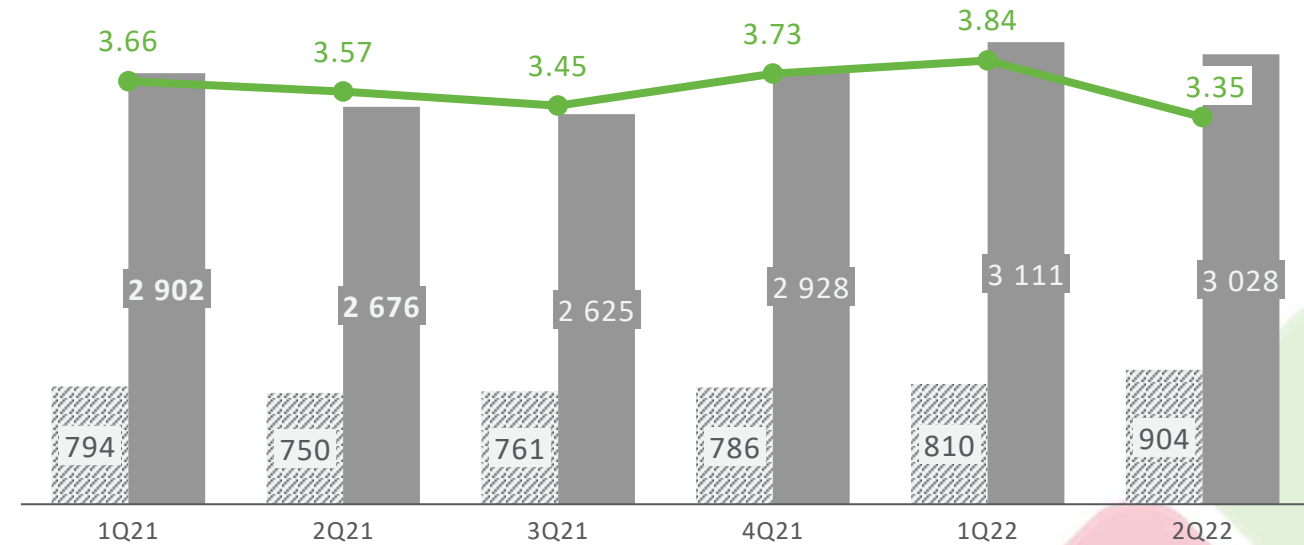
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- 12M adjusted EBITDA (m PLN)
- Net debt (m PLN)
- Net debt/EBITDA (according to bank covenants)

Net debt /EBITDA (after IFRS16)

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- 12M adjusted EBITDA (m PLN)
- Net debt (m PLN)
- Net debt/EBITDA (according to bank covenants)



**safe level of the net debt/EBITDA ratio before and after IFRS16
fulfilling banking covenants**

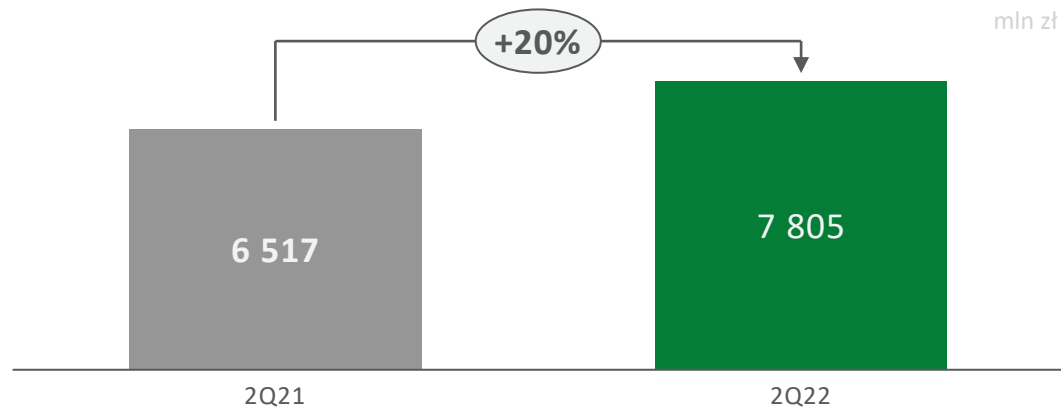


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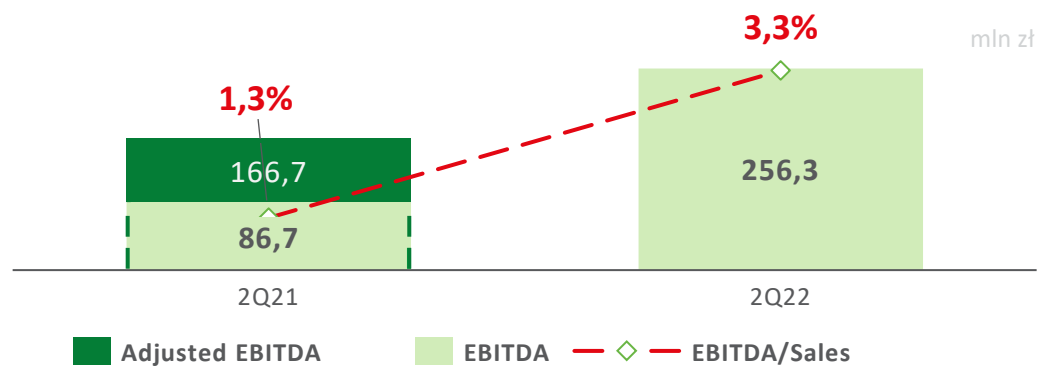
2Q2022



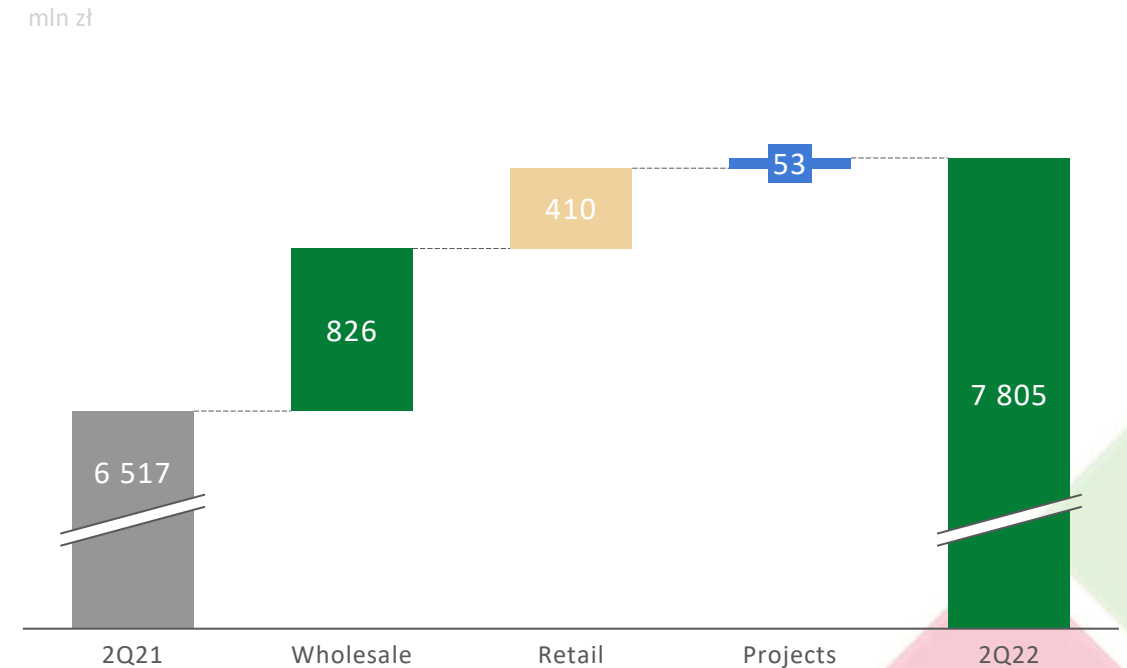
Sales evolution in 2Q2022 y/y (sales of products)



Evolution of EBITDA in 2Q2022 y/y



Sales evolution by segments in 2Q2022 y/y

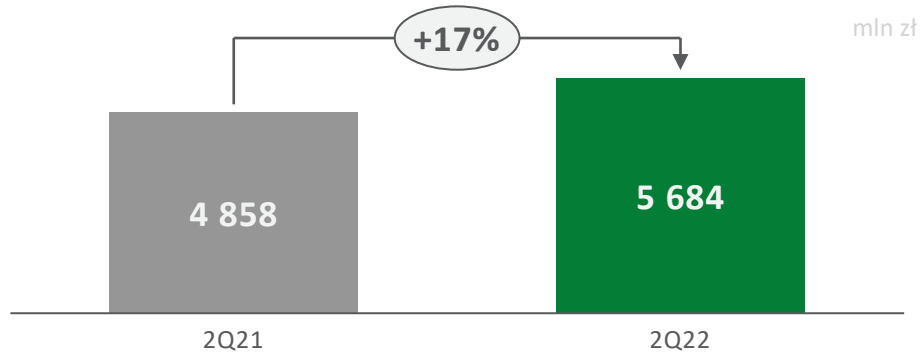


Another quarter of revenue and EBITDA growth

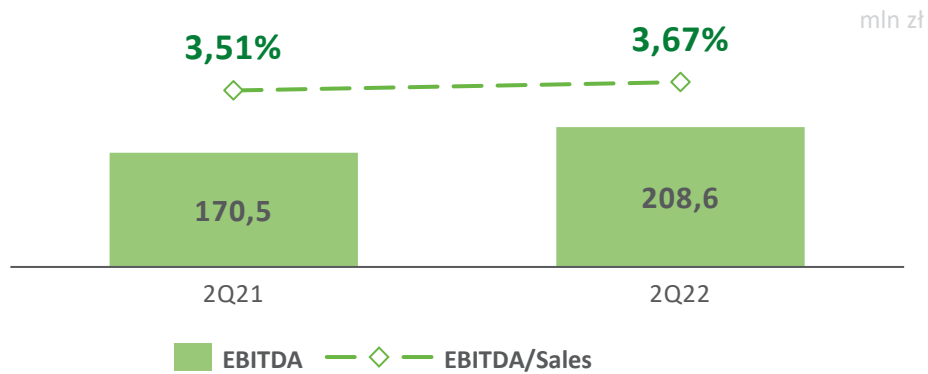
Sales increase and EBITDA growth in all segments



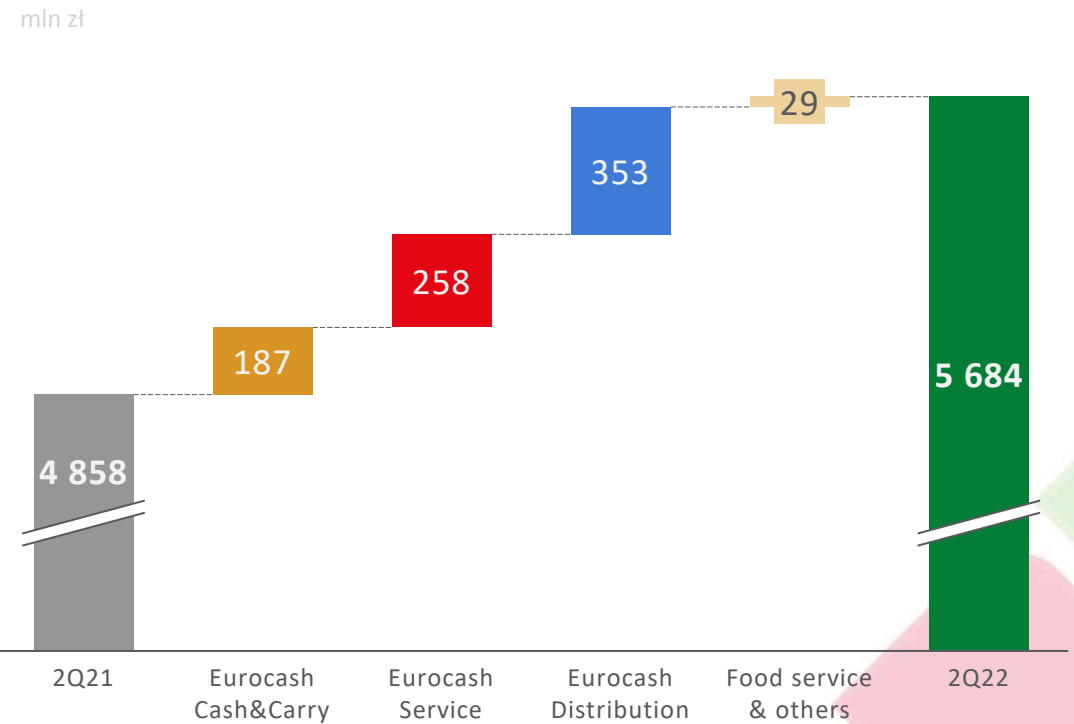
Sales evolution in 2Q2022 y/y



Evolution of EBITDA in 2Q 2022 y/y



Sales evolution by formats in 2Q 2022 y/y



Improving business performance in all wholesale BU

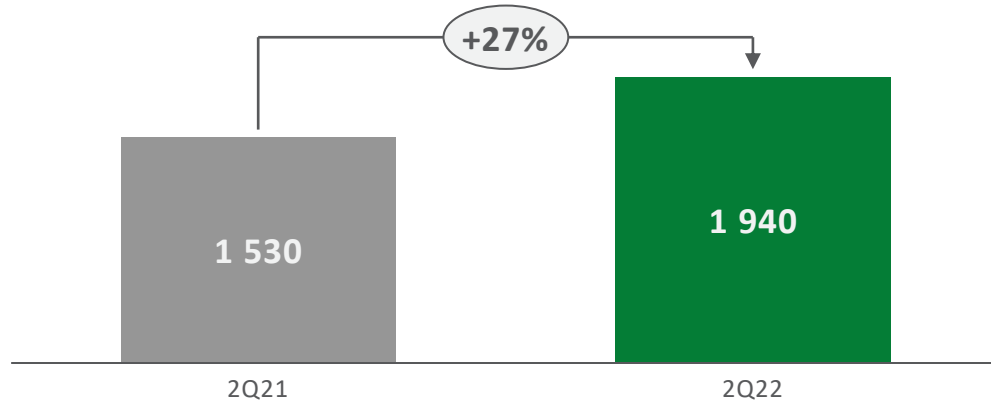


Over inflationary sales increase in all wholesale BU



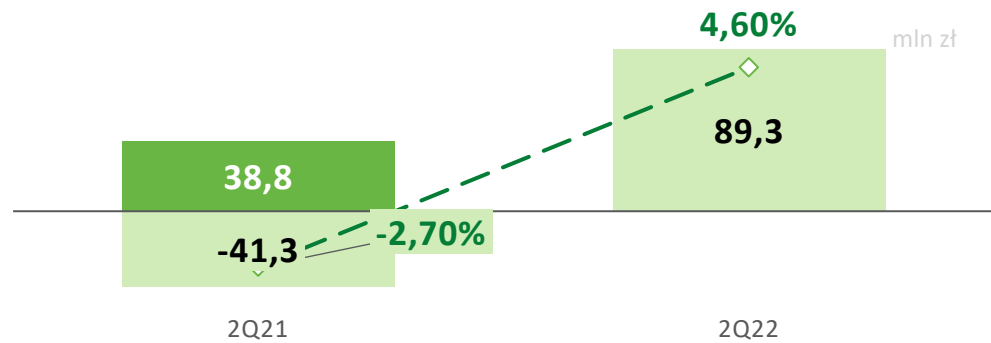
Sales evolution in 2Q2022 y/y

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Evolution of EBITDA in 2Q2022 y/y

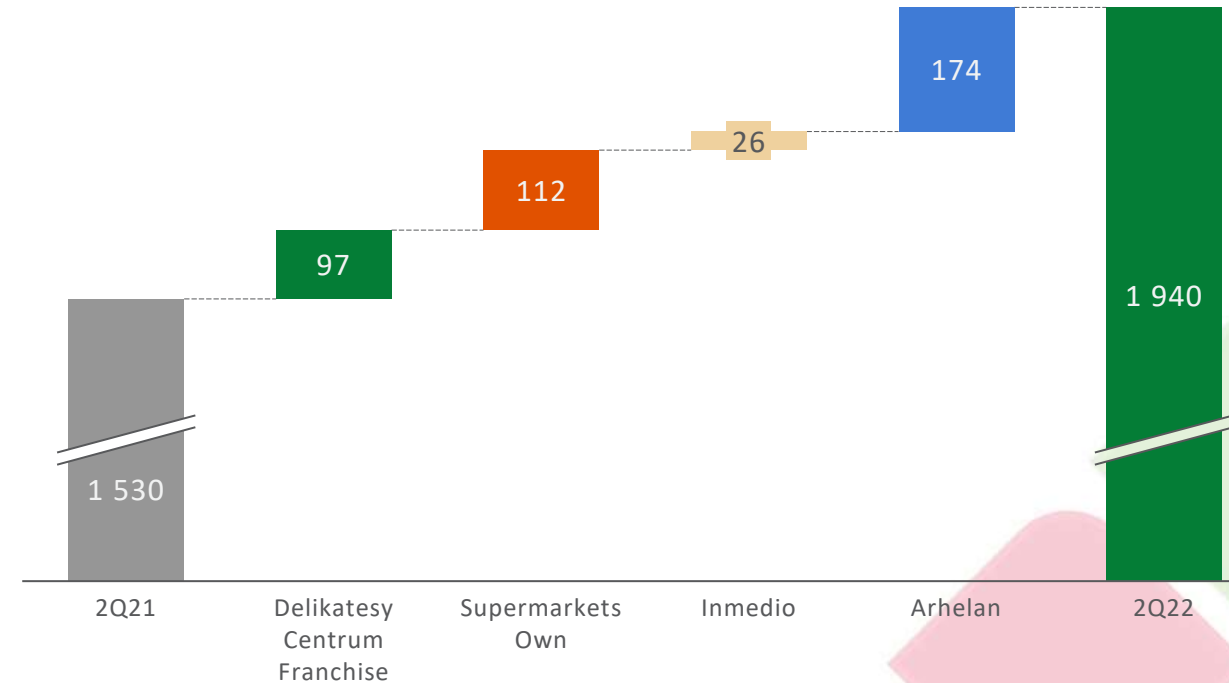
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■ Adjusted EBITDA ■ EBITDA —◇— EBITDA/Sales

Sales evolution by formats in 2Q 2022 y/y

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Significant improvement in the retail segment profitability; Arhelan stores included in the 2022 results

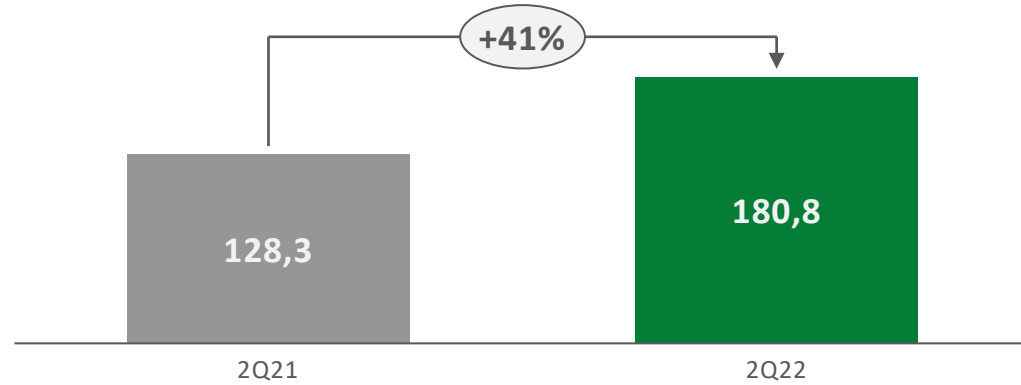


Over 14% increase in LfL sales in both own and franchise stores



Sales evolution in 2Q2022 y/y

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EBITDA evolution in 2Q 2022 y/y

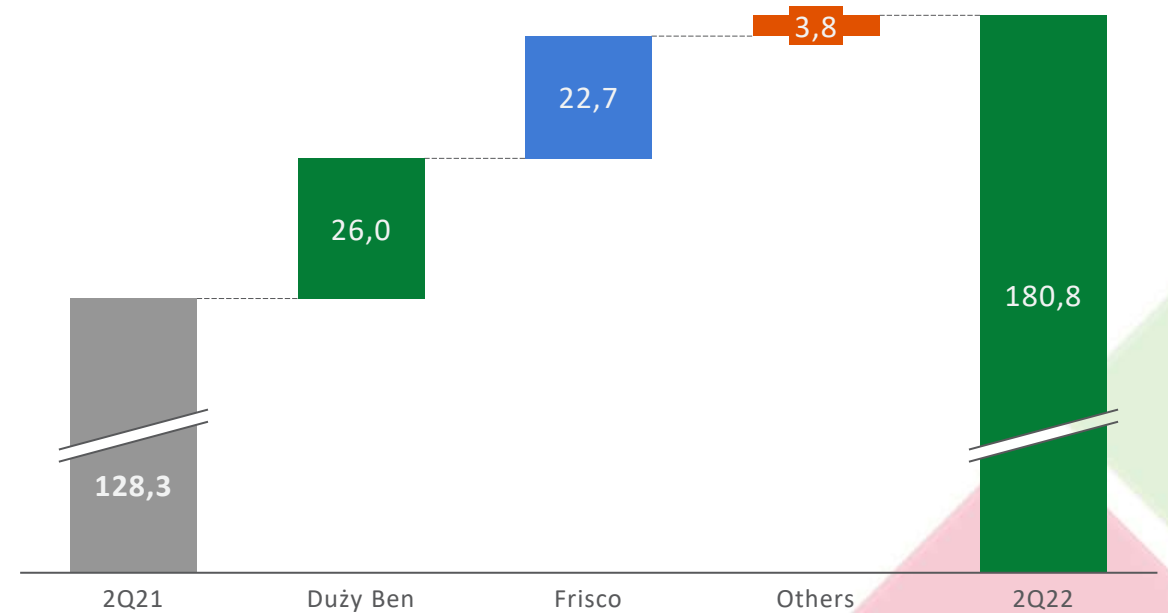
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Frisco and Duży Ben expansion => increase in sales, but also a negative contribution of EBITDA

Sales evolution by formats in 2Q2022 y/y

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Duży Ben leads the increase of sales in the segment; Frisco continues over 30% y/y growth