pepco group

BUSINESS OVERVIEW

Pepco Group is listed on the Warsaw Stock Exchange and, following a successful transformation during 2025 & 2026, is now solely focus on its Pepco brand. Pepco retails affordable quality clothing and general merchandise through a fast-growing store estate. It currently operates >4,000 stores across Europe.

STRATEGIC FRAMEWORK

- Simplify & streamline the group portfolio
- Topline growth via measured CEE expansion
- Win in Western Europe
- Refocus & digitise Pepco's customer proposition
- Upgrade core operating platform

STRENGTHS OF A PURE-PLAY PEPCO: A SELF-FUNDING GROWTH ENGINE

1. **Strong store economics:** low cost, standardised format
2. **Rapid cash payback:** <24-month store payback
3. **High returns & cash generation:** 22.4% EBITDA margin[1] and ~€300m FY26 FCF guidance
4. **Reinvesting in growth:** 600+ new stores in Western Europe FY27-30
5. **Shareholder returns:** €400m tender buyback in FY26. ~40% regular dividend payout ratio over time

THREE CORE GROWTH REGIONS

NORTH CEE
Poland, Czechia, Hungary, Estonia, Lithuania, Latvia, Slovakia

- **H1 FY26 store footprint**: ~2,360
- **H1 FY26 revenue**: €1,241m, 54% of Group revenue
- **H1 FY26 LFL:** 2.4%
- **LFL guidance**: low single digit

SOUTH CEE
Romania, Serbia, Bulgaria, Croatia, Bosnia, North Macedonia, Slovenia

- **H1 FY26 store footprint**: ~1,130
- **H1 FY26 revenue**: €668m, 29% of Group revenue
- **H1 FY26 LFL:** 4.3%
- **LFL guidance**: mid single digit

WEST EUROPE
Spain, Portugal, Italy, Germany, Greece

- **H1 FY26 store footprint**: ~580
- **H1 FY26 revenue**: €392m, 17% of Group revenue
- **H1 FY26 LFL:** 13.5%
- **LFL guidance**: mid-high single digit

(1) Pro forma Group EBITDA margin (IFRS 16) as at H1 FY26

For more information please visit: https://www.pepcogroup.eu/investors/

FACT SHEET JULY 26

FY25 HIGHLIGHTS[1]

€4,184m
Revenue

€841m
Underlying EBITDA (IFRS 16)

€388m
Underlying EBIT (IFRS 16)

€234m
Underlying PAT

4,015
Stores

c.30,000
Employees

18
Countries

KEY GROWTH STATISTICS FY22-25[1]

14.5%
Revenue CAGR

20.8%
Underlying EBITDA (IFRS 16) CAGR

15.8%
Underlying PAT CAGR

37.8%
Increase in # Pepco Stores

(1) Figures are restated to exclude Poundland & Dealz
Source: Company information
Notes: Company fiscal year-end in September

FACT SHEET JULY 26

KEY STRATEGIC MILESTONES ACHIEVED IN 2025 & 2026

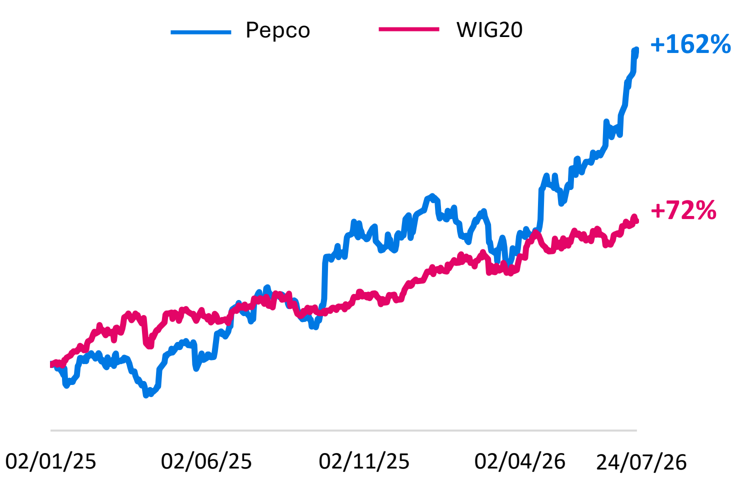
- Sale of Poundland in June 2025
- Pepco banner FMCG-exit complete
- Positive LFLs restored in Poland & CEE
- West Europe proven, rollout accelerated
- Sale of Dealz in July 2026
- Group financial profile significantly improved

GROUP EXECUTIVE MANAGEMENT

STEPHAN BORCHERT, GROUP CEO
Stephan joined Pepco Group as CEO in July 2024. He previously served as CEO of GrandVision from 2018 to 2022

WILLEM EELMAN, GROUP CFO
Willem joined Pepco Group as CFO in February 2025. He previously worked as CFO of GrandVision from 2019 to 2022

SHARE PRICE PERFORMANCE (PLN)[1]



STOCK DATA

As at 24-07-2026		
Price (PLN / EUR)	43.9 / 10.2	Ticker:PCO
Min (1Y) (PLN / EUR)	19.9 / 4.6	Bloomberg: PCO PW
Max (1Y) (PLN / EUR)	43.9 / 10.2	
Mkt Cap (EURbn)	5.8	
Free-float (%)	31%	

TOP SHAREHOLDERS

As at 4-Feb-2026	# of shares	% ISC
IBEX Retail Investments (Europe)	366,461,005	63.4%
Silver Point Capital	26,102,363	4.5%
Nationale-Nederlanden PTE SA	10,164,136	1.8%
Goldman Sachs International	8,692,436	1.5%
PSG Asset Management	8,157,439	1.4%

KEY FINANCIAL DATA

METRIC	Q125	Q225	Q325	Q425	Q126	Q226	Q326	FY22	FY23	FY24	FY25	H126
Number of stores (#)												
Pepco	3,845	3,887	3,931	4,015	4,066	4,077	4,151	2,914	3,450	3,781	4,015	4,077
LFL YoY growth (%)												
Pepco	1.4%	3.6%	2.4%	3.8%	0.7%	2.0%	4.2%	7.4%	6.2%	(2.8%)	2.7%	1.2%
Revenue (€m)												
Pepco	1,265	906	997	1,016	1,342	959	1,089	2,786	3,375	3,853	4,184	2,301
Total revenue YoY growth (%)												
Pepco	8.5%	10.5%	7.4%	8.3%	6.1%	5.8%	9.2%	28.6%	21.1%	14.2%	8.6%	6.0%

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Source: Company information. Capital IQ. Notes: Company fiscal year-end in September.
(1) Rebased to Pepco share price as of 01-Jan-2025.

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SUMMARY PROFIT AND LOSS STATEMENT (€m)	H126	H125	FY25
Revenue	**2,301**	**2,171**	**4,184**
Like-for-like revenues (%) – including FMCG	*1.2%*	*2.3%*	*2.7%*
Like-for-like revenues (%) – excluding FMCG	*4.6%*	*2.3%*	*4.1%*
Gross profit	**1,181**	**1,048**	**2,060**
Gross profit margin (%)	*51%*	*48%*	*49%*
Operating costs	(666)	(624)	(1,219)
Operating costs %	*28.9%*	*28.7%*	*29.1%*
Underlying EBITDA	**515**	**425**	**841**
Underlying EBITDA margin (%)	*22.4%*	*19.6%*	*20.1%*
Underlying EBITDA (pre-IFRS 16)	**352**	**271**	**532**
Underlying EBITDA margin (pre-IFRS 16) (%)	*15.3%*	*12.5%*	*12.7%*
Depreciation, amortisation & impairment	(178)	(211)	(453)
Underlying EBIT (IFRS 16)	**337**	**214**	**388**
Net financial expense	(57)	(37)	(70)
Underlying PBT	**280**	**177**	**318**
Underlying PAT	**214**	**132**	**234**
Underlying Effective Tax Rate %	*23.6%*	*25.4%*	*26.4%*
Underlying EPS (cents)	**38.3**	**22.9**	**40.7**
Exceptional items	(11)	(13)	(44)
Reported PBT	**269**	**164**	**273**
Tax	(65)	(43)	(80)
Reported PAT	**204**	**121**	**193**
Reported EPS (cents)	36.5	21.0	33.5
Gain/(loss) on discontinued operations	(35)	(314)	(369)
Net debt (IFRS 16)	**1,781**	**1,364**	**1,182**
Leverage (IFRS 16): Net debt to LTM EBITDA	*1.9x*	*1.7x*	*1.4x*
Net debt (pre-IFRS 16)	**148**	**309**	**171**
Leverage (pre-IFRS 16): Net debt to LTM EBITDA	*0.2x*	*0.6x*	*0.3x*

SUMMARY CASH FLOW STATEMENT (€m)	H126	H125	FY25
Underlying EBITDA IFRS 16	**352**	**271**	**532**
Working capital	(12)	(129)	8
Tax paid	(88)	(43)	(77)
Operating Cash Flow	**252**	**99**	**463**
Non-underlying items	(11)	(9)	(19)
Capex	(48)	(35)	(91)
Free Cash Flow (unlevered)	**193**	**55**	**353**
Net interest paid	(25)	(20)	(31)
External Borrowing	(35)	-	-
External Dividends	-	-	(36)
Purchase of own shares	(115)	-	(50)
Discontinued operations	(15)	(36)	(81)
Proceeds on sale of PPE	-	-	1
Net cash flow	**3**	**(1)**	**156**
Effect of exchange rate fluctuations on cash held	(4)	12	4
Cash and cash equivalents at the beginning of the period	455	295	295
Cash and cash equivalents at the end of the period	**454**	**306**	**455**

FACT SHEET JULY 26

PRO-FORMA BALANCE SHEET (€m)	H126	H125	FY25
Assets			
Property, plant and equipment	454	485	455
Right of Use Asset	1,537	1,012	933
Intangible assets	21	29	18
Assets Held for Sale	23	66	42
Trade and other receivables	54	62	58
External loan receivable	4	-	3
Derivative financial instruments (assets)	58	30	17
Deferred tax asset	100	88	113
Inventories	722	809	837
Cash and cash equivalents	454	306	455
Total assets	**3,427**	**2,887**	**2,931**

	H126	H125	FY25
Liabilities			
Trade and other payables	890	871	960
Current tax liabilities	-	-	-
Lease liabilities	1,633	1,055	1,011
Borrowings	602	615	627
Provisions	78	66	84
Derivative financial instruments (liabilities)	22	46	86
Total liabilities	**3,255**	**2,653**	**2,768**
Net assets	**202**	**234**	**163**