

PEPCO Europe : Panel Discussion

Dusan Rnic, Vice President, Oracle Retail

Paul Allen, Group IT Director, Poundland

Richard Russell, Chief Information Officer, PEPCO Group

Lara Livgard, Senior Director, Strategy & Solution Management, Oracle Retail

PEPCO Group



PEPCO GROUP IN NUMBERS 2018/19

€320M -
€330M
FY19F
EBITDA



+18%
FY19F
EBITDA
GROWTH



33K
PEOPLE
EMPLOYED



OPERATING IN
14 TERRITORIES



2,698 TOTAL STORE COUNT



Correct as at 30th September 2019

Pepco Group at a glance

A multi-format, pan-European discount variety retailer operating in 2,698¹ stores in 14¹ territories

Pepco Group

- Head office
- Provides strategic oversight, financial governance and business development



PEPCO

- 11 territories
- 1,805 stores¹ #
- c. 15,000 employees



Dealz (Spain & CEE)

- 2 territories
- 53 stores¹ #
- 800+ employees



Poundland (UK & ROI)

- 2 territories
- 840 stores^{1,2} #
- 17,000+ employees



PGS

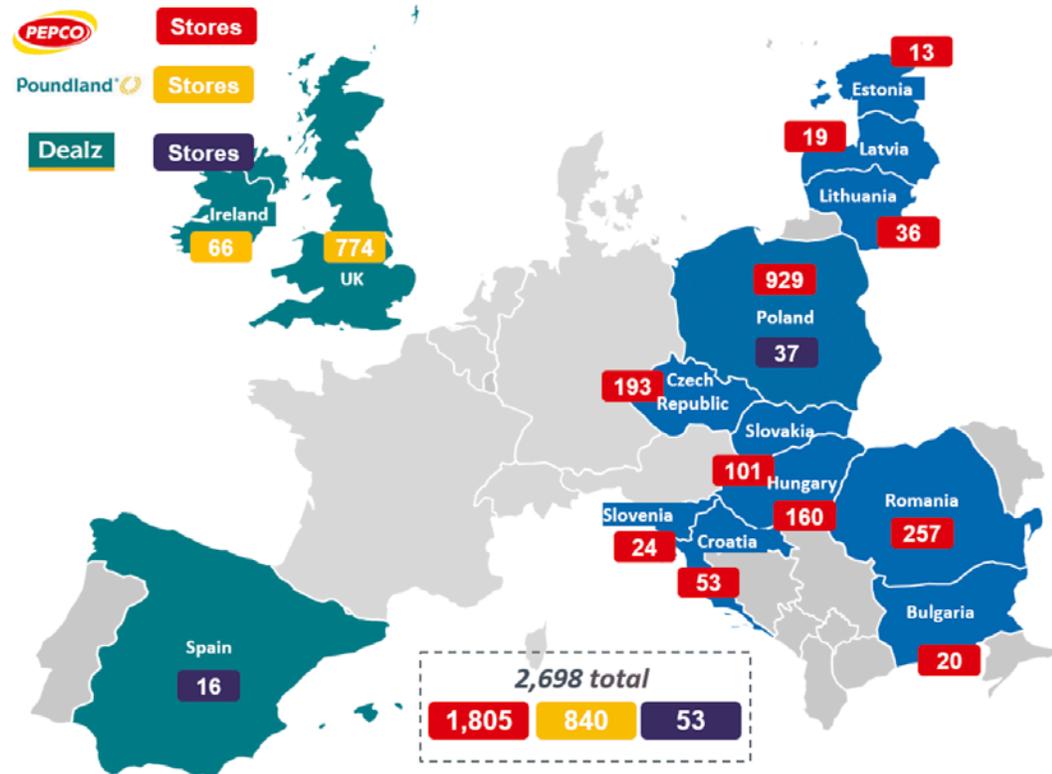
- Sourcing offices based in Shanghai, India and Bangladesh
- \$985m FOB1
- 350+ employees
- 400+ suppliers



Pepco Group in numbers^(1,3,4)

€320m - €330m FY19F EBITDA	+18% FY19F EBITDA growth ⁽⁶⁾	+13% FY19F total sales growth
1,290k sqm Retailing floor space	47m Customers per month	2,698 ¹ FY19F Stores
+20% 4 Yr. Revenue CAGR ⁽⁵⁾	+30% 4 Yr. EBITDA CAGR ⁽⁵⁾	+18% 4 Yr. Stores CAGR ⁽⁵⁾

- Notes**
- 1 Forecast as at 30 September 2019 including 18 PEP & CO stand alone stores
 - 2 Pepco Group total
 - 3 GBP:EUR exchange rate of 1.13. PLN:EUR exchange rate of 0.23
 - 4 FY15 – FY19 (F) 4Y CAGR
 - 5 Profit growth at mid-point of estimated underlying EBITDA range



Poundland UK & ROI

Poundland is a convenience focused retailer offering a wide selection of FMCG and General Merchandise products

Mission

- Creating amazing value everyday

Product

- Curated ranges of branded and private label products across key categories: FMCG, GM and Clothing
- Full-range of PEP&CO clothing in c. 300 shops (SIS) differentiates customer offer and provides additional reason to visit

Price

- Move from single price (core remains at £1) to simple price structure above and below
- Entry price point leader and aim to be disruptive

Customer

- Poundland has leading awareness and customer penetration in the UK discount sector
- Customers rank Poundland #1 on "low prices" in the UK vs. key discount competitors
- Customers identify that 'new' products and ranges are key

Format

- Small format (400-600sqm) and large format stores (600-1,000sqm) for high streets/shopping centres as well as retail parks; larger format stores lend themselves to full PEP&CO shop-in-shop



CEE's leading non-food discount retailer, offering price leadership and a differentiated store experience

<p>Mission</p>	<ul style="list-style-type: none"> • Provide customers with the easiest access to all of the products they want and need every day, to clothe their families and to decorate and run their homes for the lowest prices
<p>Product</p>	<ul style="list-style-type: none"> • Product categories include apparel (kid's, baby, women's, men's), home décor, toys and seasonal products • 55% of sales are apparel (with child / kidswear particularly strong) and 45% of sales are homeware/GM • Clothing range is focused on core essentials rather than fashion minimising risk
<p>Price</p>	<ul style="list-style-type: none"> • Variable price points • Pepco is price-leader across its market vs. existing competitors • Overall, Pepco¹ ranks #1 amongst competitors for "value for money", "low prices" and "great deals"
<p>Format</p>	<ul style="list-style-type: none"> • Small format (350-550 sqm) focused on small-medium town locations • Pepco store environment ranked highly by customers • Mono-format store proposition facilitates new store roll-out and ensures strong ROIC



PEPCO Group



PEPCO Europe : Panel Discussion

Dusan Rnic, Vice President, Oracle Retail

Paul Allen, Group IT Director, Poundland

Richard Russell, Chief Information Officer, PEPCO Group

Lara Livgard, Senior Director, Strategy & Solution Management, Oracle Retail