VGR

// H1 2026

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01

Executive Summary

Revenue rose 14.7% to PLN 12,049m and operating profit rose 57.4% to PLN 1,815m; Poland supplied PLN 493m of the PLN 662m increase

LPP's first half of the 2026 financial year, 1 February to 31 July 2026, was above the same half of 2025 on every profit line. Revenue rose 14.7% to PLN 12,049m. The gross margin rose 404 basis points to 58.0% as cost of goods sold grew 4.6% against revenue growth of 14.7%. The operating margin rose 409 basis points to 15.1%: the gross margin supplied 404 of them, operating costs, up 15.3%, took away 24, and a smaller net charge from other operating items added about 30. Net profit rose 55.6% to PLN 1,243m, or 45.4% against the company's adjusted 2025 comparative. Growth accelerated through the half: VGR's derived first quarter grew 10.5% and the second quarter 18.4%.

The segment note on page 30 shows where the operating profit was earned. Poland produced PLN 1,124m of the group's PLN 1,815m, against PLN 631m a year earlier. That PLN 493m increase is 74.5% of the group's PLN 662m rise, from a segment that carries 42.5% of revenue and grew its revenue 10.1%, the second-slowest of the six segments. Poland's operating margin rose from 13.5% to 21.9%. The five segments outside Poland together raised operating profit 32.4%, from PLN 522m to PLN 691m, and their combined margin moved from 8.9% to 10.0%. Segment gross margin is not published, so the share of the group's 404-basis-point gross-margin gain earned in Poland cannot be shown.

Net profit grew 55.6% on the reported basis and 45.4% on the company's adjusted basis; the 10.2-point difference is in the 2025 comparative

Page 15 prints two versions of 2025. The second excludes a write-off of receivables from the disposal of the Russian business, which raises 1H 2025 net profit from PLN 799m to PLN 855m. The 2026 figure, PLN 1,243m, is the same on both bases, so the whole difference between the two growth rates, 55.6% reported and 45.4% adjusted, comes from the 2025 base. The company sizes the same exclusion at PLN 823m for the 2025 financial year, so the two bases will be further apart for the full year than for the half.

The full-year gross-margin guidance of ca. 56.0% implies a second-half margin of 54.2% to 54.4%

The company guides to FY2026 revenue of ca. PLN 26bn to 27bn and a gross margin of ca. 56.0%. With PLN 6,994m of gross profit already earned on PLN 12,049m of revenue, the second half must carry a gross margin of 54.2% at PLN 26bn and 54.4% at PLN 27bn, about 3.7 to 3.9 points below the first half. The same page reports sales up 20% in constant currency from 1 August to 15 September "whilst maintaining a higher gross profit margin than in the previous year"; FY2025

second-half figures are not in this document, so the two statements cannot be reconciled here.

WHAT TO WATCH

The 3Q 2026 gross margin. The FY guidance implies about 54% for the second half as a whole. A continuation is a third-quarter margin near that level; a break is a margin above 56%, which would put the FY guidance below the run-rate.

Poland's segment operating margin in the full-year segment note. It was 21.9% in the half against 13.5% a year earlier. A continuation is a full-year margin close to 20%; a break is a return towards the prior-year level.

The basis of the full-year comparison. The 2025 exclusion is PLN 823m for the full year against PLN 34m of pre-tax add-back in the half. A continuation is both bases printed side by side; a break is one basis dropped.

Capital expenditure. PLN 1,068m was spent in the half against FY guidance of PLN 2.5bn, which leaves PLN 1,432m for the second half, 34.1% above the first-half figure.

The effective tax rate, 23.1% against 16.2%. At the prior-year rate net profit would have been about PLN 113m higher; the report does not reconcile the change.

VGR will publish the 3Q 2026 analysis when the figures are released.

02

The period in figures

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LPP SA · WSE: LPP · H1 2026 · PLN AS PUBLISHED

FINANCIAL YEAR ENDS 31 JANUARY · PERIOD ENDED 31 JULY 2026 · REPORTED 17 SEPTEMBER 2026 · ANALYSIS 30 SEPTEMBER 2026

REVENUES
+14.7%
12,049 vs 10,508

GROSS PROFIT ON SALES
+23.2%
6,994 vs 5,675

OPERATING PROFIT
+57.4%
1,815 vs 1,153

TOTAL NET PROFIT
+55.6%
1,243 vs 799

GROSS MARGIN
58.0%
from 54.0%

OPERATING MARGIN
15.1%
from 11.0%

RETURN ON SALES
10.3%
from 7.6%

PLNm, half-year against the same half a year earlier; first half, 1 February to 31 July 2026, against the same half of 2025, as reported in PLN m; nothing has been converted. Growth is against the reported 2025 comparative; the company's adjusted comparative is in section 03. Return on sales is total net profit over revenues, VGR arithmetic: 1,243 / 12,049 = 10.3% against 799 / 10,508 = 7.6%.

LPP's financial year ends on 31 January; the half reported here runs from 1 February to 31 July 2026. The half-year statements were reviewed by the auditor (page 29); the three-month figures for the second quarter were not reviewed, and every 2Q figure below carries that status. The first quarter is not published in this report and is derived by VGR as the half less the second quarter.

PLN M	1H 2026	1H 2025	CHANGE	2Q 2026	2Q 2025	CHANGE
Revenues	12,049	10,508	+14.7%	6,577	5,554	+18.4%
Cost of goods sold	5,055	4,833	+4.6%	2,783	2,554	+9.0%
Gross profit on sales	6,994	5,675	+23.2%	3,794	3,000	+26.5%
Gross margin	58.0%	54.0%	+404bp	57.7%	54.0%	+367bp
Stores, distribution and overheads	5,085	4,409	+15.3%	2,618	2,230	+17.4%

PLN M	1H 2026	1H 2025	CHANGE	2Q 2026	2Q 2025	CHANGE
Operating costs / revenues	42.2%	42.0%	+24bp	39.8%	40.2%	**−35bp**
Other operating income	39	370		19	355	
Other operating costs	133	483		68	436	
Operating profit	1,815	1,153	+57.4%	1,127	689	+63.6%
Operating margin	15.1%	11.0%	+409bp	17.1%	12.4%	+473bp
Profit before tax	1,617	953	+69.7%	981	514	+90.9%
Income tax	374	154		213	47	
Total net profit	1,243	799	+55.6%	768	467	+64.5%
Earnings per share, PLN	669.14	431.60	+55.0%	413.43	251.63	+64.3%

Source: LPP SA consolidated condensed interim report for 1H 2026, published 17 September 2026, statement of comprehensive income p.23. Changes and ratios are VGR arithmetic on the PLN m shown. 2Q figures were not reviewed by the auditor. Earnings per share is on the parent-attributable profit of PLN 1,243m and PLN 801m.

Two lines explain most of the difference between the halves below operating profit. The prior-year other operating income of PLN 370m included PLN 351m of estimated compensation for the fire at the Romanian warehouses in June 2025, matched by PLN 351m of losses in other operating costs; both lines are small in 2026. Income tax rose from PLN 154m to PLN 374m and the effective rate from 16.2% to 23.1%. Had the prior-year rate applied, net profit would have been about PLN 1,356m and its growth about 69.7%.

03

The two 2025 comparatives

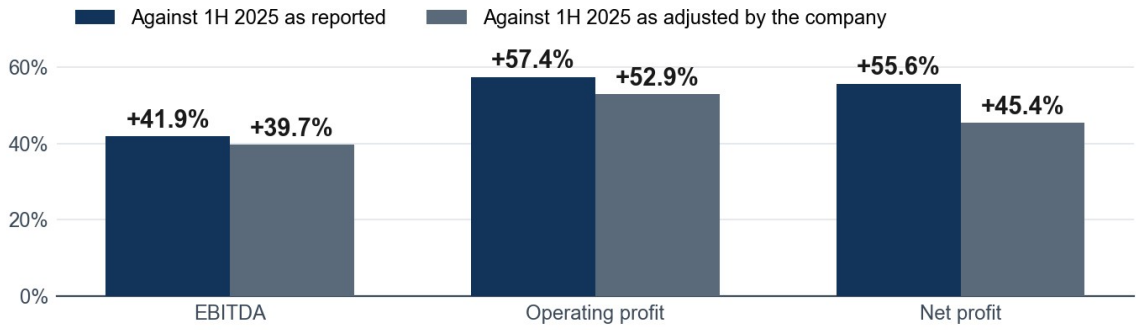
LPP prints its key figures twice on page 15. The first table compares 2026 with 2025 as reported. The second restates 2025 to exclude a write-off of receivables arising from the disposal of the Russian business, sized by the company at PLN 34m for the half, PLN 30m for the second quarter and PLN 823m for the 2025 financial year.

1H 2025, PLN M	REPORTED	ADJUSTED	MOVEMENT
EBITDA	2,132	2,166	+34
Operating profit	1,153	1,187	+34
Net profit	799	855	+56
2Q 2025 net profit	467	520	+53

Source: LPP SA consolidated condensed interim report for 1H 2026, published 17 September 2026, p.15. Movement is VGR arithmetic.

Net profit grew 55.6% on the reported basis and 45.4% on the adjusted basis

Growth in 1H 2026 against two versions of 1H 2025, both printed on page 15



Source: LPP SA consolidated condensed interim report for 1H 2026, published 17 September 2026. p.15. The adjusted comparative excludes a write-off of receivables from the disposal of the Russian business, which raises 1H 2025 net profit from PLN 799m to PLN 855m. The 2026 figures are the same on both bases.

Operating profit grew 57.4% on the reported basis and 52.9% on the adjusted one. Net profit grew 55.6% on the reported basis and 45.4% on the adjusted one; the 2026 figure is the same in both, and the 10.2-point gap is the higher adjusted 2025 base. This analysis uses the reported basis throughout and names the adjusted figure where it differs.

04

Where the growth came from

Revenue rose PLN 1,541m. Sinsay supplied PLN 1,117m of it, 72.5%, growing 19.6% to PLN 6,810m, which is 56.5% of group revenue. House grew 14.0% and Reserved 11.0%. Mohito was the only brand to shrink, by 5.5% to PLN 605m. In the second quarter Sinsay's growth reached 25.0%; Reserved and Cropp also grew faster than in the half, House more slowly.

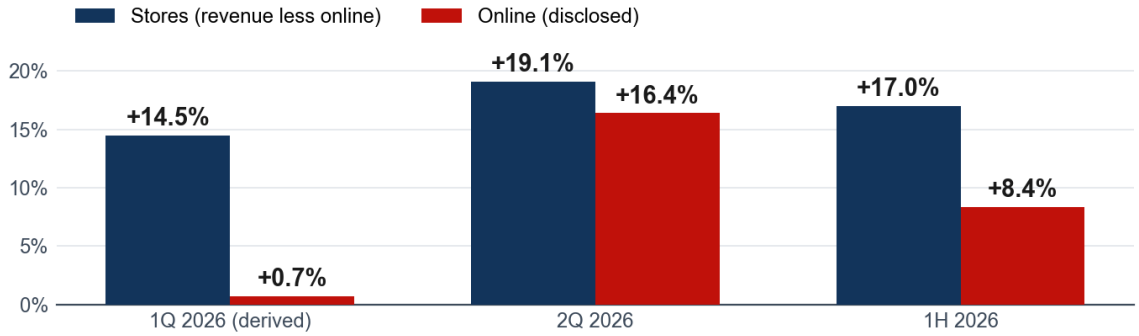
REVENUES BY BRAND, PLN M	1H 2026	1H 2025	CHANGE	2Q 2026	2Q 2025	CHANGE
Sinsay	6,810	5,693	+19.6%	3,677	2,942	+25.0%
Reserved	3,321	2,992	+11.0%	1,803	1,604	+12.4%
House	671	589	+14.0%	374	335	+11.6%
Cropp	572	537	+6.7%	338	300	+13.0%
Mohito	605	640	**−5.5%**	326	341	**−4.4%**
Other	70	58	+20.8%	60	33	+80.6%
Total	12,049	10,508	+14.7%	6,577	5,554	+18.4%

Source: LPP SA consolidated condensed interim report for 1H 2026, published 17 September 2026, p.10. Growth rates are the company's. The printed 2Q 2025 brand figures sum to 5,555 against a printed total of 5,554, a rounding residual. 2Q figures were not reviewed.

By channel, the company reports online sales of PLN 3,068m, up 8.4%, and a brick-and-mortar channel of PLN 8.9bn, up 17.0%. Revenue less online gives PLN 8,981m and 17.0%, which matches. Online growth was 0.7% in the derived first quarter and 16.4% in the second; store growth was 14.5% and 19.1%. Online grew more slowly than stores in both quarters, and its share of revenue fell from 26.9% to 25.5%. The company attributes the first-quarter weakness to South-Eastern Europe, citing "operational constraints following a warehouse fire in Romania in June 2025, and lower outflows for performance marketing" (page 12). No online margin, marketing spend or channel profit is disclosed.

Online sales grew more slowly than stores in both quarters

Revenue growth by channel against the same period of 2025, per cent



Source: LPP SA consolidated condensed interim report for 1H 2026, published 17 September 2026. pp.10, 12. Online share of revenue fell to 25.5% from 26.9% in the half. The store channel is VGR arithmetic, total revenue less online sales; it gives PLN 8,981m, +17.0%, which matches the company's own PLN 8.9bn and +17.0%.

Revenue outside Poland grew 18.3% and reached 57.5% of the total; Poland grew 10.1%. Like-for-like sales are not disclosed for the half, although both the FY2026 and FY2027 outlooks assume "positive LFLs". Growth therefore cannot be split between new space and existing stores.

05

Segments and the estate

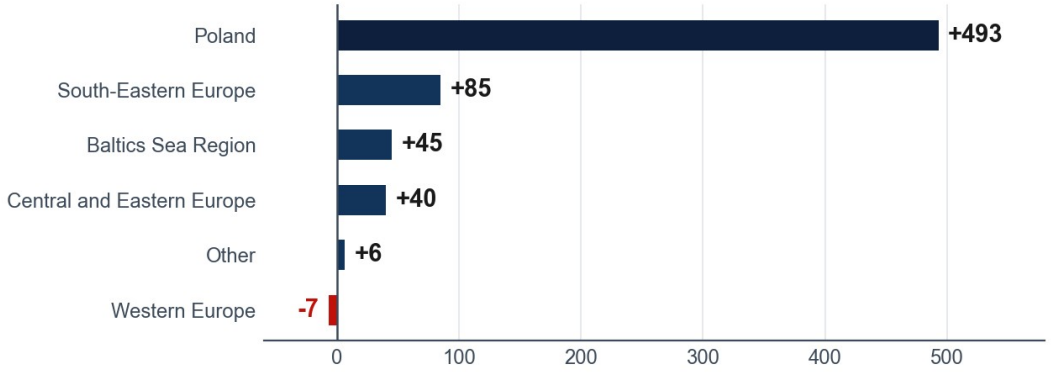
The segment note (page 30) is the only place in the report where operating profit is shown below group level. Poland, with the second-slowest revenue growth of the six segments, produced 74.5% of the increase in group operating profit.

SEGMENT, PLN M	REVENUE	CHANGE	OP. PROFIT	CHANGE	MARGIN	PRIOR
Poland	5,126	+10.1%	1,124	+78.1%	21.9%	13.5%
South-Eastern Europe	2,795	+17.0%	280	+43.6%	10.0%	8.2%
Central and Eastern Europe	1,576	+20.2%	154	+35.1%	9.8%	8.7%
Other	1,296	+27.9%	142	+4.4%	11.0%	13.4%
Western Europe	764	+6.4%	37	**−15.9%**	4.8%	6.1%
Baltics Sea Region	492	+17.1%	78	+136.4%	15.9%	7.9%
Group	12,049	+14.7%	1,815	+57.4%	15.1%	11.0%

Source: LPP SA consolidated condensed interim report for 1H 2026, published 17 September 2026, segment note p.30. Changes and margins are VGR arithmetic. "Other" is Ukraine, Kazakhstan, Belarus, Uzbekistan, Azerbaijan, Georgia and franchise sales, as the company defines it. Segment profit below operating profit is not disclosed.

Poland supplied PLN 493m of the PLN 662m rise in operating profit

Change in operating profit by segment · 1H 2026 against 1H 2025 · PLN m



Source: LPP SA consolidated condensed interim report for 1H 2026, published 17 September 2026. Segment note, p.30. Poland is 42.5% of group revenue and 74.5% of the increase in operating profit; its segment margin rose from 13.5% to 21.9%. Western Europe's operating profit fell from PLN 44m to PLN 37m. Differences are VGR arithmetic.

Poland is 42.5% of revenue and 61.9% of operating profit. Two segments lost margin: Western Europe, where operating profit fell from PLN 44m to PLN 37m on revenue growth of 6.4%, and Other, whose margin fell 2.5 points on the fastest revenue growth in the group. The company does not report segment gross margin or segment costs, so the Polish margin gain cannot be split between buying margin and store costs.

The estate

LPP had 4,033 stores and 3,243 thousand m² of floorspace in 36 countries at 31 July 2026. It opened 351 stores in the half, 314 of them Sinsay (page 12). Sinsay has 2,669 stores, 66.2% of the estate. Closures are not disclosed, so the net movement cannot be calculated. The regional store table on page 7 prints bracketed changes that sum to 838; they carry no comparison period and are not used here. No prior-period floorspace is given, so sales density and the floorspace growth rate are not calculable. The company guides to floorspace growth of ca. 15% for the year, mainly from ca. 750 Sinsay stores.

06

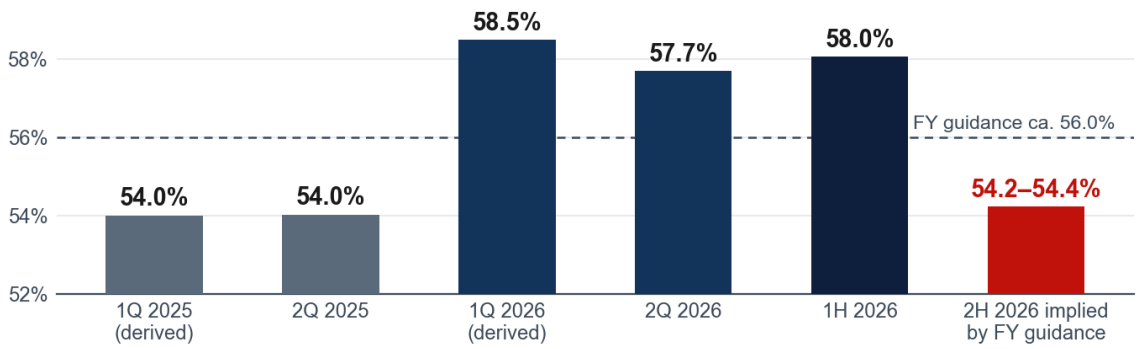
Gross margin, costs and the guided second half

The gross margin rose 404 basis points to 58.0% in the half, and 367 basis points to 57.7% in the second quarter. The derived first quarter carried 58.5% against 54.0%. The company attributes the gain to "a more favourable US$/PLN FX rate", lower freight rates and "more effective management of pricing policy and promotional levels" (page 13). No exchange rate, freight rate or markdown rate is disclosed, so none of the 404 basis points can be assigned to any of the three causes from this document.

Operating costs of PLN 5,085m grew 15.3%: costs of stores and distribution 15.6% and overheads 13.3%. The ratio to revenue rose 24 basis points in the half, to 42.2%, and fell 35 basis points in the second quarter, to 39.8%. The company's own cost per m² per month fell 6.1% to PLN 273; its floorspace base is not disclosed and the figure is reported here as the company's.

Full-year margin guidance implies a second half near 54%

Gross margin, per cent of revenue · 1Q derived as 1H less 2Q · 2Q figures unreviewed



Source: LPP SA consolidated condensed interim report for 1H 2026, published 17 September 2026. pp.15, 18, 23. The implied second half is VGR arithmetic: guided FY gross margin of ca. 56.0% on guided FY sales of PLN 26bn to 27bn, less 1H gross profit of PLN 6,994m, over the remaining revenue. It gives 54.2% at PLN 26bn and 54.4% at PLN 27bn.

The company's FY2026 guidance, dated 17 September 2026: revenue of ca. PLN 26bn to 27bn; floorspace up ca. 15%; a gross margin of ca. 56.0%; operating costs at ca. 40.0% to 41.0% of revenue; capital expenditure of PLN 2.5bn; net debt to EBITDA of ca. 1.1. The first half is 44.6% to 46.3% of the guided revenue. On the guided figures the second half needs a gross margin of 54.2% to 54.4% and an operating-cost ratio of 38.1% to 40.0%, both below the first half. FY2025 revenue is not in this document, so the implied second-half revenue growth cannot be calculated. For FY2027 the company guides to revenue of ca. PLN 30bn to 31bn and a gross margin of 55.0% to 56.0%.

07

Inventory and working capital

MEASURE	31.07.2026	31.07.2025	BASIS
Inventories, PLN m	5,269	5,217	Company, p.11
Change in inventories	+1.0%		Company
Inventory per m², PLN	1,633	1,964	Company; base not disclosed
Days inventory, period-end stock on 1H cost of sales	188.7	195.4	VGR
Inventory / half-year revenue	43.7%	49.6%	VGR
Receivables + inventory − trade payables, PLN m	**−691**	**−565**	VGR

Source: LPP SA consolidated condensed interim report for 1H 2026, published 17 September 2026, pp.11 and 24. Days inventory uses 181 days. On average inventory for the half (opening PLN 4,587m, closing PLN 5,269m) the figure is 176.5 days.

Inventory rose 1.0% against revenue growth of 14.7%, and days of inventory fell from 195.4 to 188.7. Trade working capital is negative and moved further negative, to PLN −691m from PLN −565m: trade and other payables of PLN 6,129m exceed inventory and receivables together. The company reports inventory per m² down 16.9%; with no prior-period floorspace in the report, the figure cannot be checked and is the company's.

08

Cash, capital expenditure and the dividend

PLN M	1H 2026	1H 2025
Net cash from operating activities	2,735	1,107
Purchase of intangible and fixed assets	−1,068	−1,248
Free cash flow before leases	1,667	−141
Lease liabilities paid	−697	−600
Free cash flow after lease payments	970	−741
Capital expenditure / depreciation and amortisation	0.88x	1.27x
Operating cash flow / EBITDA	90.4%	51.9%

Source: LPP SA consolidated condensed interim report for 1H 2026, published 17 September 2026, cash-flow statement p.25 and capital expenditure p.11. Free cash flow and the ratios are VGR arithmetic. EBITDA is not defined in the report; it reconciles exactly as operating profit plus depreciation and amortisation.

Free cash flow before leases moved from PLN −141m to PLN 1,667m, a swing of PLN 1,808m. Profit before tax contributed PLN 664m of it, the working-capital lines PLN 827m and the lower capital expenditure PLN 180m. Capital expenditure fell 14.4% to PLN 1,068m, with store spending down 19.0% and logistics down 13.0%, and ran below depreciation for the half, in which the company opened 351 stores. The FY guidance of PLN 2.5bn leaves PLN 1,432m for the second half.

Debt and the dividend

Bank loans of PLN 1,692m fell PLN 570m year on year and moved from short to long term: short-term loans of PLN 6m against PLN 2,104m, long-term PLN 1,686m against PLN 158m. Net debt, which includes PLN 6,065m of lease liabilities, rose 14.1% to PLN 6,543m because leases rose PLN 1,113m. Leases are 92.7% of net debt. The company reports net debt to trailing four-quarter EBITDA of 1.0 against 1.3; the trailing EBITDA is not disclosed, so the ratio is the company's. Balance-sheet cash is PLN 595m; the cash-flow statement closes at PLN 488m, and the difference is not reconciled in the document.

The dividend of PLN 1,673m, PLN 900 per share, is paid from the profit for the financial year ended 31 January 2026 in two instalments: PLN 743m, PLN 400 per share, paid on 30 April 2026, and PLN 930m, PLN 500 per share, due on 30 October 2026 and carried as a liability at 31 July. Equity fell PLN 376m over the half, to PLN 5,233m, because the PLN 1,672m charged to equity exceeded the half's net profit of PLN 1,243m. Equity is 25.0% of total assets.

09

The company's claims, tested

Each statement below is quoted from the report and tested against the statements. The dispositions use the four VGR categories. The full register, sixteen items, is in the working record.

THE COMPANY'S STATEMENT	DISPOSITION
Revenues of PLN 12.0 billion, "an increase of 14.7%" (p.12)	Supported by the disclosed figures: 12,049 against 10,508
"Sales growth accelerated in 2Q to 18.4% YoY, up from 10.5% YoY in 1Q" (p.12)	Supported by the disclosed figures; 1Q is derivable only as 1H less 2Q
EBIT of PLN 1,815m, "57.4% higher" (p.13)	Supported by the disclosed figures on the reported comparative; the company's adjusted table on p.15 gives 52.9%
Adjusted 2025 excludes a write-off of PLN 34m (1H) and PLN 30m (2Q) (p.15)	Supported by the disclosed figures: EBITDA, operating profit and profit before tax move by exactly that amount
Gross-margin gain from the US$/PLN rate, freight rates and pricing and promotional management (p.13)	Not verifiable from the disclosure: no rate, freight cost or markdown figure is given
Online share of revenue 25.5% against 26.9% (p.12)	Supported by the disclosed figures: 3,068 / 12,049 and 2,831 / 10,508
Sales outside Poland 57.5% of the total, growing 18.3% against 10.1% in Poland (p.13)	Supported by the disclosed figures
Inventory per m² down 16.9% and operating costs per m² down 6.1% (pp.13, 14)	Not verifiable from the disclosure: the floorspace bases are not given
Net debt / EBITDA for the last four quarters 1.0 against 1.3 (p.14)	Not verifiable from the disclosure: trailing EBITDA is not given
Sales +20% in constant currency, 1 August to 15 September, "whilst maintaining a higher gross profit margin than in the previous year" (p.18)	Not verifiable from the disclosure: post-period and unaudited

Source: LPP SA consolidated condensed interim report for 1H 2026, published 17 September 2026, pages as cited. Dispositions are VGR's, with their arithmetic in LPP_H1 2026_Source_Figures.md, PART C.

10

Disclosure and data limitations

LPP's half-year report is a complete IFRS interim report with a segment note that carries operating profit. 232 arithmetic checks were run across it: the income statement in all four columns, the balance sheet at three dates, the equity movement, the cash flow, the segment, brand, regional and channel sums, and the company's printed ratios.

The following are not disclosed and are used nowhere in this analysis:

- Like-for-like sales for the half.
- Prior-period floorspace, so sales density and the company's per-m² comparisons cannot be checked.
- Store closures; only the 351 openings are given.
- The US$/PLN rate, hedge position or share of purchases in US dollars behind the stated gross-margin driver.
- A gross-margin bridge by cause, and gross margin by segment or brand.
- Trailing four-quarter EBITDA, and FY2025 revenue and profit.
- A reconciliation of the effective tax rate of 23.1% against 16.2%.
- Segment profit below operating profit.
- Online profitability, marketing spend and any channel profit.
- Employee numbers.
- A definition reconciling cash on the balance sheet, PLN 595m, with closing cash in the cash-flow statement, PLN 488m.

The three-month figures were not reviewed by the auditor.

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METHODOLOGY

VGR Standardised Financial Analysis Methodology v5. Every derived figure in this document was computed by script and cross-footed (lpp_crossfoot.py, 232 checks).

Revised 30 September 2026 to methodology v5; first published 24 September 2026.

PRIMARY SOURCE

LPP SA, "Consolidated condensed interim report for 1H 2026" (1 February – 31 July 2026), Gdańsk, published 17 September 2026.

https://www.lpp.com/wp-content/uploads/2026/09/Consolidated-interim-financial-report-for-1H-2026.pdf

WORKING RECORD

LPP_H1 2026_Source_Figures.md, alongside LPP_H1 2026_source.pdf, _source_lpp-h1-2026.txt and lpp_crossfoot.py.

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