



## COMPANY OVERVIEW

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| <p><b>Description</b></p> <p><b>Dino Polska S.A. (DNP) Company Description</b></p> <p>Dino Polska S.A., together with its subsidiaries, operates a chain of mid-sized grocery supermarkets under the Dino name in Poland. The company offers range of food products, including meat, poultry and cold cuts, fruit and vegetables, bread, and dairy products, as well as other food, chemical, and cosmetic products; grocery products, such as children's food, breakfast products, ready to eat meals, beverages, candies, snacks, frozen goods, processed goods, oils, grain and bulk products, condiments, and alcohol and cigarettes; and non-grocery products, which include flowers, cleaning agents, sanitary articles, pet food, and small household appliance products.</p> <p>It is also involved in producing, processing, and preserving of meat products; renting and operating of own or leased real estate; private purchase and sale of real estate; manufacturing and processing of refined petroleum products; and retail sale of automotive fuels, as well as provision of warehousing and storage, and financial services. As of December 31, 2023, the company operated 2406 stores. Dino Polska S.A. was founded in 2007 and is based in Krotoszyn, Poland.</p> <p>Poland is one of the fastest growing EU countries.</p> | <p><b>Geographical split</b></p> <p>⇒ Poland 100%, mostly small towns, and suburbs.</p> <p><b>Management</b></p> <p>Tomasz Biernacki is the founder and chairman. He owns 51% of the shares. This provides the company with a unique long-term outlook. Capital allocation done in owner operator manner.</p> <p><b>Competitive advantage</b></p> <p>Unique standardized business model. Management with outstanding record. Logistics, IT, distribution.</p> <p><b>Main strengths</b></p> <p>Footprint of 2,406 stores and opening. Daily distribution of fresh produce. Fresh meat market in every store. Store opening costs the lowest in Poland.</p> <p><b>Main Risks</b></p> <p>Profitable expansion opportunities. Competition. Dependence on founder.</p> |
| <p><b>Revenue split by type</b></p> <p>⇒ Fresh products 40%</p> <p>⇒ Other groceries 48%</p> <p>⇒ Non-grocery 12%</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <p><b>Significant peers</b></p> <p>Biedronka</p> <p>Lidl</p> <p>Carrefour</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |

## RATIO'S

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| <p><b>Capital allocation</b></p> <p>ROIC 36.30%</p> <p>ROIC – 5 year avg 20.05%</p> <p>ROE 27.60%</p> <p>ROE – 5yr average 30.57%</p>                                          | <p><b>Profitability</b></p> <p>Gross Margin 22.90%</p> <p>GM – 5 yr. average 24.42%</p> <p>Operating Margin 7.10%</p> <p>OM – 5 yr. average 7.70%</p> | <p><b>Balance Sheet</b></p> <p>Debt/Equity 0.22</p> <p>EBIT/Interest 12.8</p> <p>CAPEX/Sales 4%</p> <p>CAPEX/Sales 5 yr 6%</p> <p>CAPEX to OCF 66%</p> |
| <p><b>Historical Growth (CAGR)</b></p> <p>Revenue growth (5yrs) 34.32%</p> <p>Revenue growth (3 yr) 35.94%</p> <p>EPS Growth (5 yr) 35.02%</p> <p>EPS Growth (3 yr) 27.80%</p> | <p><b>Outlook*</b></p> <p>Revenue growth (5yrs) 18%</p> <p>EPS Growth (5 yr) 22%</p>                                                                  | <p><b>Valuation</b></p> <p>P/E 27.96</p> <p>PEG 1.47</p> <p>Forward P/E 22.37</p> <p>Average forward P/E 5 yr 30.15</p>                                |

All data provided by FinChat, other than \*Outlook which are Celestial estimates.