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Press Release

Record financial results of Allegro.eu in Q4 2020, clearly above the Group's earlier expectations

- **Gross merchandise value (GMV) on the platform of the Allegro.eu Group in Q4 2020 was PLN 10.85 billion (+57.5% y/y).**
- **Net revenue in Q4 2020 was PLN 1.3 billion (+61.2% y/y).**
- **Adjusted EBITDA, i.e. the operating result before depreciation and amortization, without non-recurring items, was PLN 533.5 million (+38.8% y/y), higher than the expectations published in the prospectus and updated after the 3rd quarter.**
- **Net profit for Q4 2020 was PLN 260.6 million (+110.2% y/y).**
- **Allegro anticipates that in 2021 GMV will grow by a percentage in the high teens, net revenue by the high 20s, and adjusted EBITDA by the mid-teens y/y.**
- **This year's capital expenditures are projected to be PLN 560–600 million, as compared to PLN 230 million in 2020.**
- **In 2020 employment rose by nearly 700, and at the end of December stood at over 3,150. In the current year the group plans to recruit nearly 1,500 more people.**

*"The fourth quarter is traditionally the most important period in the retail sector," said **François Nuyts, CEO of Allegro.** "During this period we attracted about 400,000 new customers to our platform. This brought the number of active buyers to 13 million, and each of them spent last year on Allegro.pl an average of almost PLN 2,700, 36% more than the previous year. Sellers gain accordingly, and in the 4th quarter they grew their sales by 57.5%, to PLN 10.85 billion. At the same time, in the last months of the year we all once again strongly experienced the economic and social impact of COVID-19, including re-closing of some brick-and-mortar stores. Thus the Allegro team makes efforts to ensure that shopping on our platform is safe and convenient. This is appreciated by Poles, who are more and more willing to do their daily shopping online and increasingly do so on Allegro, where they have access to a wide range of products at attractive prices, as well as fast, free deliveries in the SMART! program."*

The CEO added: *"We are very pleased by the growing number of buyers using the SMART! program. A larger and larger group of consumers can also take advantage of Allegro Pay, enabling them to pay for their purchases up to three months later without incurring additional costs. We are also investing in assuring that purchased products reach buyers as conveniently and as quickly as possible. The share of same-day deliveries has grown, and remained stable at the peak of holiday shopping. Meanwhile, we continually support over 128,000 sellers, most of them Polish SMEs, in expanding their business, offering them highly competitive sales support services. We are also expanding the Allegro team—last year the employment rose by nearly 700, and this year we plan to recruit nearly 1,500 more, almost half of them engineers."*

In Q4 2020 the gross merchandise value (GMV) on the group's platform was PLN 10.85 billion, which signifies a 57.5% increase y/y, and for full year 2020 was PLN 35.11 billion, up 54.0% from 2019. The number of active buyers as of the end of 2020 was 13 million, 14.2% more than a year before. The average value of purchased products per user over the past year was PLN 2,700, an increase of 36.0% y/y.

The dynamic increase in key operating results has translated into growing financial results. The group's net revenue in the 4th quarter of 2020 was PLN 1.3 billion—61.2% greater than in Q4 2019. In full-year 2020, net revenue grew 54.2%, to PLN 4.0 billion. The marketplace segment had the biggest share in total revenue—this revenue totalled PLN 3.23 billion (+53.9% y/y). Advertising services contributed revenue of PLN 337.8 million for the group (+63.1% y/y), and the Ceneo.pl price comparison platform brought PLN 190.0 million (+30.3% y/y).

Jon Eastick, Allegro's CFO, commented: *"The strong results achieved in the 4th quarter of 2020 outperformed our earlier expectations. The adjusted EBITDA in Q4 2020 was PLN 533.5 million, an increase of 38.8% y/y, while the net profit earned in the last quarter was more than twice as high as a year before, at PLN 260.6 million. This is an effect among other things of the significant reduction in the group's debt and the costs of servicing it. The strong financial results and high operating cash flows allowed us to reduce the financial leverage as of the end of 2020 to 2.5, much faster than we originally assumed."*

The adjusted EBITDA of the Allegro Group for full-year 2020 was PLN 1.75 billion (+30.8% y/y).

When publishing the 2020 financial results, Allegro also presented its expectations for 2021 across key parameters. The management board anticipates growth this year in GMV at a percentage in the high teens y/y. It assumes that the group's net revenue will grow at a percentage in the high 20s y/y, and adjusted EBITDA in the mid-teens. This year's capital expenditures should be PLN 560–600 million, as against PLN 230 million in 2020. The anticipated growth in capex will result mainly from further growth of the platform and its functionality, after a rapid leap in the business in 2020, as well as investments in new logistics solutions aimed at further improvement of the delivery process, including development of the Allegro Fulfillment service and a pilot network of the group's own parcel lockers.

According to **Allegro CEO François Nuyts**, *"We will launch new innovations and upgrade every element of the purchasing pathway, to make shopping at Allegro even easier and more convenient. We will be helped in this by state-of-the art technology, as well as AI and machine-learning solutions. In February we launched Allegro Biznes, a solution streamlining corporate purchasing. Our plans for this year also include developing export routes for Polish merchants."*

Allegro.eu's selected operating and financial results

(PLN million)	Q4 2020	Q4 2019	Change y/y	2020	2019	Change y/y
GMV	10,851.2	6,888.0	+57.5%	35,110.9	22,801.0	+54.0%
Revenue	1,299.0	805.6	+61.2%	3,997.8	2,592.3	+54.2%
EBITDA	513.5	380.6	+34.9%	1,586.8	1,325.4	+19.7%
Adjusted EBITDA*	533.5	384.3	+38.8%	1,750.0	1,338.1	+30.8%
Net profit	260.6	123.9	+110.2%	418.6	393.1	+6.5%
Adjusted net profit*	287.6	127.0	+126.5%	731.8	403.7	+81.3%

*Excluding non-recurring expenses connected to preparing the IPO of Allegro.eu and costs of incentive programmes, allocation of shares to employees, and debt refinancing, mainly incurred in the 3rd quarter of 2020.

About Allegro Group

Allegro is the go-to commerce platform for Polish consumers and has delivered strong revenue growth, profitability and cash flow at scale. The group operates the leading online marketplace in Poland, Allegro.pl, and the leading price comparison platform in Poland, Ceneo.pl.¹ As the most recognized e-commerce brand and the largest non-food retailer by GMV in Poland, Allegro.pl is also one of the world's top ten e-commerce websites and among the top 100 websites in the world by visits per month.²

Merchants on Allegro.pl's e-commerce marketplace sell across a variety of categories, covering electronics, home and garden; sports and leisure; kids; automotive; fashion and shoes; health and beauty; books, media, collectibles and art; and supermarket. The Allegro.pl marketplace platform facilitates the sale of new products primarily on behalf of merchants through a business-to-customer model and attracts visits from an average of 21 million internet users per month, which is equivalent to 66% of Polish residents ages 16 and above and 78% of all internet users in Poland.

As of 31 December 2020, the group's e-commerce marketplace had about 13.0 million active buyers. The group's e-commerce marketplace generated GMV of over PLN 35 billion in 2020.

Since 12 October 2020, Allegro.eu shares have been listed on the Warsaw Stock Exchange. The total value of Allegro.eu's initial public offering was PLN 10.6 billion, making the IPO the biggest in the WSE's history.

Enquiries

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¹ Source: OC&C

² Source: SimilarWeb