

# Lidl Czech Republic

Retailer/Wholesale

01 Feb 2014



Czech Republic

## COMPANY DESCRIPTION

Lidl Česká republika is a Czech Republic-based subsidiary of Germany's global discount supermarket chain. The Company operates a chain of Lidl discount stores in the Czech Republic. Lidl entered the Czech market in 2003 and since then it has opened more than 229 stores and employs around 5,500 people. Lidl Stiftung & Co. is a German global discount supermarket chain, based in Neckarsulm, Baden-Württemberg, Germany. The Group operates over 10,000 stores in over 20 countries throughout Europe. It belongs to the holding company Schwarz Gruppe, which also owns the store chains Handelshof and hypermarket Kaufland. The name Lidl is the surname of a former business partner of Josef Schwarz's, Ludwig Lidl, a retired schoolteacher. Josef's son Dieter Schwarz bought the rights to the name from him for 1,000 German Marks, as he could not use the name Schwarz Markt; schwarzmarkt means "black market".

Main Shareholders: CE -Beteiligungs, Lidl Holding

## REVENUES & PROFITS, CZK mil



## INCOME STATEMENT

CZK mil	2008	2009	2010	2011	2012
<b>Sales</b>	<b>18,931</b>	<b>19,351</b>	<b>21,454</b>	<b>23,449</b>	n.a.
Cost of Goods & Services	16,588	16,974	18,382	19,890	n.a.
<b>Gross Profit</b>	<b>2,342</b>	<b>2,377</b>	<b>3,072</b>	<b>3,558</b>	n.a.
Staff Cost	1,315	1,444	1,504	1,698	n.a.
Other Cost	-29	-178	-68	-133	n.a.
<b>EBITDA</b>	<b>1,056</b>	<b>1,111</b>	<b>1,637</b>	<b>1,992</b>	n.a.
Depreciation	636	687	706	715	n.a.
<b>EBIT</b>	<b>421</b>	<b>424</b>	<b>931</b>	<b>1,278</b>	n.a.
Financing Cost	-485.6	391.0	568.2	83.7	n.a.
Extraordinary Cost	0.0	0.0	0.0	0.0	n.a.
<b>Pre-Tax Profit</b>	<b>906</b>	<b>33</b>	<b>363</b>	<b>1,194</b>	n.a.
Tax	0.0	0.0	0.0	0.0	n.a.
Minorities	0.0	0.0	0.0	0.0	n.a.
<b>Net Profit</b>	<b>906</b>	<b>33</b>	<b>363</b>	<b>1,194</b>	n.a.
Dividends	0.0	0.0	0.0	0.0	n.a.

## BALANCE SHEET

CZK mil	2008	2009	2010	2011	2012
<b>Non-Current Assets</b>	<b>15,155</b>	<b>15,375</b>	<b>15,213</b>	<b>15,033</b>	n.a.
Property, Plant & Equipment	15,154	15,374	15,204	15,026	n.a.
<b>Current Assets</b>	<b>5,516</b>	<b>5,084</b>	<b>5,196</b>	<b>4,255</b>	n.a.
Inventories	1,097	1,078	1,440	1,373	n.a.
Receivables	64	78	82	79	n.a.
Cash & Cash Equivalents	601	1,127	1,347	1,539	n.a.
<b>Total Assets</b>	<b>20,684</b>	<b>20,506</b>	<b>20,444</b>	<b>19,308</b>	n.a.
<b>Shareholders' Equity</b>	<b>9,642</b>	<b>9,642</b>	<b>9,642</b>	<b>9,398</b>	n.a.
<b>Liabilities</b>	<b>11,043</b>	<b>10,865</b>	<b>10,802</b>	<b>9,910</b>	n.a.
<b>Non-Current Liabilities</b>	<b>21</b>	<b>16</b>	<b>17</b>	<b>20</b>	n.a.
Long-Term Debt	6,797	6,985	6,922	5,890	n.a.
<b>Current Liabilities</b>	<b>3,143</b>	<b>3,011</b>	<b>2,911</b>	<b>2,873</b>	n.a.
Short-Term Debt	1,065	809	863	1,032	n.a.
Trade Payables	2,281	2,213	1,863	2,231	n.a.

	2008	2009	2010	2011	2012
<b>Sale Growth</b>	<b>12.9%</b>	<b>2.2%</b>	<b>10.9%</b>	<b>9.3%</b>	n.a.
<b>EBIT Growth</b>	<b>38.3%</b>	<b>0.8%</b>	<b>119%</b>	<b>37.3%</b>	n.a.
<b>Net Profit Growth</b>	<b>-1828%</b>	<b>-96.3%</b>	<b>994%</b>	<b>229%</b>	n.a.

	2008	2009	2010	2011	2012
<b>Asset Growth</b>	<b>5.8%</b>	<b>-0.9%</b>	<b>-0.3%</b>	<b>-5.6%</b>	n.a.
<b>Net Debt Growth</b>	<b>26.7%</b>	<b>-8.2%</b>	<b>-3.5%</b>	<b>-16.4%</b>	n.a.
<b>Equity Growth</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>-2.5%</b>	n.a.

## CASH FLOW

CZK mil	2008	2009	2010	2011	2012
Net Profit	906	33	363	1,194	n.a.
Depreciation	636	687	706	715	n.a.
Non-Cash Items	-1,005	856	399	-530	n.a.
Change in Working Capital	72	-63	-718	439	n.a.
<b>Total Cash From Operations</b>	<b>609</b>	<b>1,513</b>	<b>750</b>	<b>1,818</b>	n.a.
Capital Expenditures	-2,208	-945	-597	-580	n.a.
Other	72	30	77	58	n.a.
<b>Total Cash From Investing</b>	<b>-2,136</b>	<b>-915</b>	<b>-521</b>	<b>-522</b>	n.a.
Dividends Paid	0.0	0.0	0.0	0.0	n.a.
Issuance Of Shares	0.0	0.0	0.0	0.0	n.a.
Issuance Of Debt	988	-68	-9	-863	n.a.
<b>Total Cash From Financing</b>	<b>986</b>	<b>-72</b>	<b>-9</b>	<b>-1,104</b>	n.a.
<b>NET CHANGE IN CASH</b>	<b>-542</b>	<b>526</b>	<b>221</b>	<b>192</b>	n.a.

## RATIOS & OTHER

	2008	2009	2010	2011	2012
Gross Margin	12.4%	12.3%	14.3%	15.2%	n.a.
EBITDA Margin	5.6%	5.7%	7.6%	8.5%	n.a.
EBIT Margin	2.2%	2.2%	4.3%	5.4%	n.a.
Net Margin	4.8%	0.2%	1.7%	5.1%	n.a.
ROE	9.4%	0.3%	3.8%	12.5%	n.a.
ROCE	6.8%	0.2%	2.5%	8.2%	n.a.
Net Debt/Equity	75%	69%	67%	57%	n.a.
Net Debt/EBITDA	6.9	6.0	3.9	2.7	n.a.
Cost of Financing	-6.6%	5.0%	7.3%	1.1%	n.a.
Payout Ratio	0.0%	0.0%	0.0%	0.0%	n.a.
Cash Conversion Cycle	-25	-23	-7	-15	n.a.
FX TO USD (Average)	17.0	19.1	19.1	17.7	19.6
FX TO USD (Year-End)	19.2	18.4	18.7	19.7	19.0

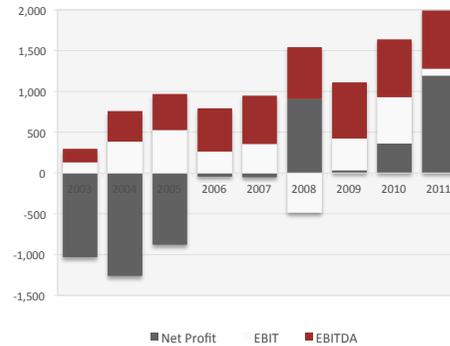
Source: Company data, Helgi Analytics calculation



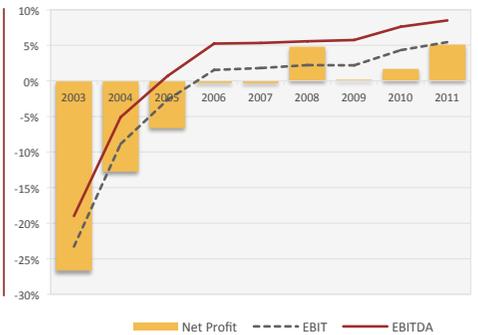
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## Financials

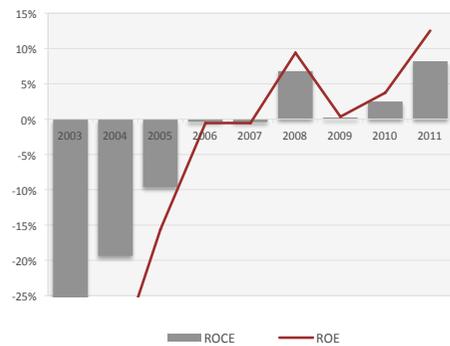
### FROM EBITDA TO NET PROFIT CZK mil



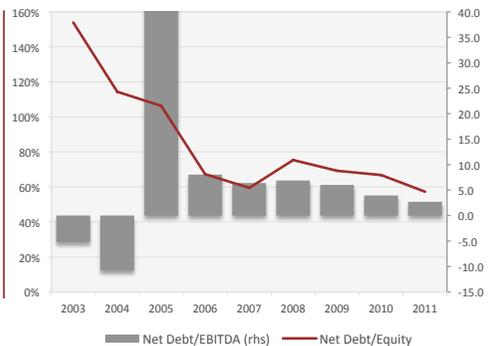
### PROFIT MARGIN



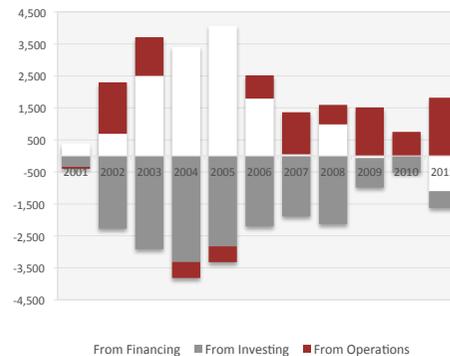
### ROE & ROCE



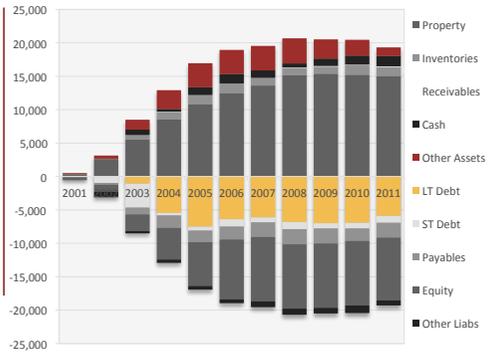
### INDEBTEDNESS



### CASH FLOW SUMMARY CZK mil



### BALANCE SHEET STRUCTURE, CZK mil



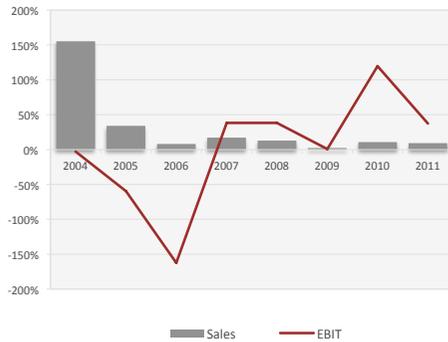
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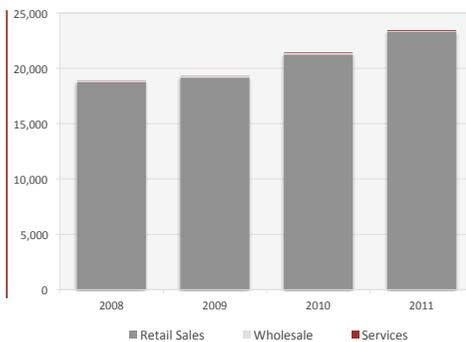
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## Momentum

### PROFIT AND SALES GROWTH

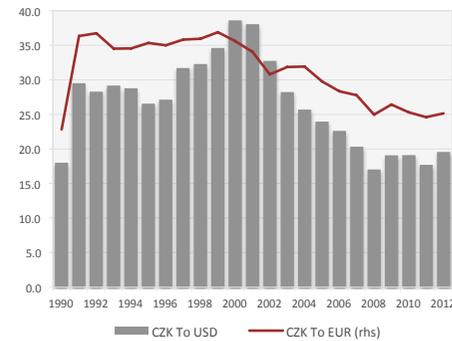


### LIDL CR'S SALES (CZK mil)

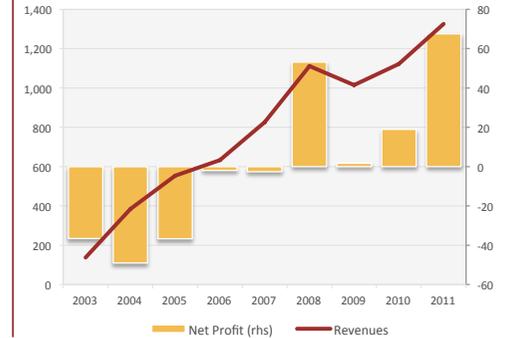


## Financials (USD)

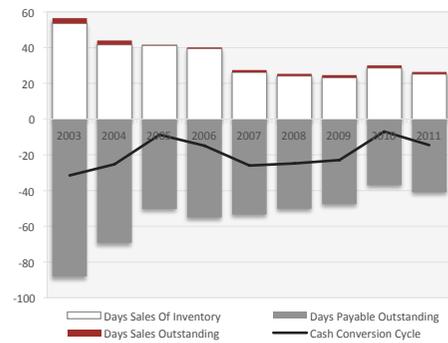
### FX TO USD



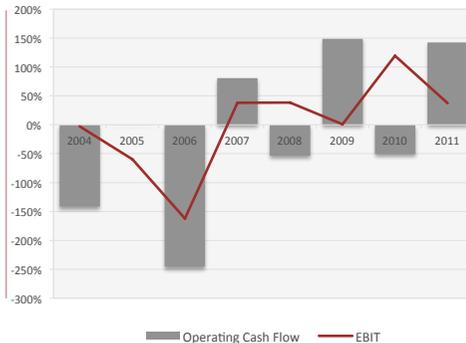
### REVENUES & PROFITS (USD mil)



### CASH CONVERSION CYCLE (days)



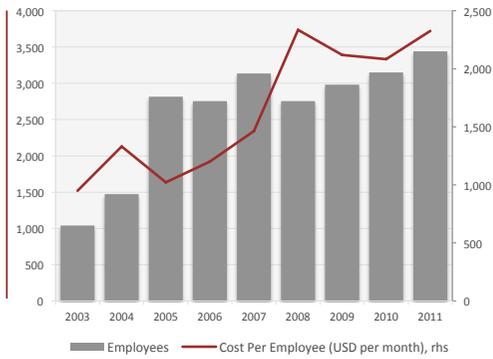
### OPERATING CASH FLOW GROWTH



### ASSET GROWTH



### LIDL CR'S WORKFORCE



Source: Company data, Helgi Analytics calculation



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### INCOME STATEMENT

USD mil	2008	2009	2010	2011	2012
Sales	1,111	1,015	1,123	1,326	n.a.
Cost of Goods & Services	974	891	962	1,125	n.a.
Gross Profit	137.5	124.7	160.8	201.2	n.a.
Staff Cost	77.2	75.8	78.7	96.0	n.a.
Other Cost	-1.7	-9.3	-3.6	-7.5	n.a.
EBITDA	62.0	58.3	85.6	112.7	n.a.
Depreciation	37.3	36.0	36.9	40.4	n.a.
EBIT	24.7	22.3	48.7	72.3	n.a.
Financing Cost	-28.5	20.5	29.7	4.7	n.a.
Extraordinary Cost	0.0	0.0	0.0	0.0	n.a.
Pre-Tax Profit	53.2	1.7	19.0	67.5	n.a.
Tax	0.0	0.0	0.0	0.0	n.a.
Minorities	0.0	0.0	0.0	0.0	n.a.
Net Profit	53.2	1.7	19.0	67.5	n.a.
Dividends	0.0	0.0	0.0	0.0	n.a.

### BALANCE SHEET

USD mil	2008	2009	2010	2011	2012
Non-Current Assets	789.2	836.6	811.9	765.0	n.a.
Property, Plant & Equipment	789.1	836.5	811.4	764.6	n.a.
Current Assets	287.2	276.6	277.3	216.5	n.a.
Inventories	57.1	58.6	76.9	69.9	n.a.
Receivables	3.3	4.3	4.4	4.0	n.a.
Cash & Cash Equivalents	31.3	61.3	71.9	78.3	n.a.
Total Assets	1,076.4	1,113.2	1,089.2	981.5	n.a.
Shareholders' Equity	502.1	524.6	514.5	478.2	n.a.
Liabilities	575.0	591.2	576.4	504.3	n.a.
Non-Current Liabilities	1.1	0.9	0.9	1.0	n.a.
Long-Term Debt	353.9	380.0	369.4	299.7	n.a.
Current Liabilities	163.7	163.9	155.4	146.2	n.a.
Short-Term Debt	55.4	44.0	46.0	52.5	n.a.
Trade Payables	118.8	120.4	99.4	113.5	n.a.

Sale Growth	34.6%	-8.6%	10.6%	18.1%	n.a.
EBIT Growth	64.9%	-9.9%	119%	48.4%	n.a.
Net Profit Growth	-2160%	-96.7%	991%	256%	n.a.

Asset Growth	0.2%	3.6%	-2.2%	-9.9%	n.a.
Net Debt Growth	20.0%	-4.1%	-5.3%	-20.3%	n.a.
Equity Growth	-5.3%	4.5%	-1.9%	-7.1%	n.a.

### CASH FLOW

USD mil	2008	2009	2010	2011	2012
Net Profit	53.2	1.7	19.0	67.5	n.a.
Depreciation	37.3	36.0	36.9	40.4	n.a.
Non-Cash Items	-59.0	44.9	20.9	-30.0	n.a.
Change in Working Capital	4.2	-3.3	-37.5	24.8	n.a.
Total Cash From Operations	35.7	79.4	39.3	102.8	n.a.
Capital Expenditures	-129.6	-49.6	-31.3	-32.8	n.a.
Other	4.2	1.6	4.0	3.3	n.a.
Total Cash From Investing	-125.4	-48.0	-27.2	-29.5	n.a.
Dividends Paid	0.0	0.0	0.0	0.0	n.a.
Issuance Of Shares	0.0	0.0	0.0	0.0	n.a.
Issuance Of Debt	58.0	-3.5	-0.5	-48.8	n.a.
Total Cash From Financing	57.9	-3.8	-0.5	-62.4	n.a.
NET CHANGE IN CASH	-31.8	27.6	11.6	10.8	n.a.

### RATIOS & OTHER

	2008	2009	2010	2011	2012
Gross Margin	12.4%	12.3%	14.3%	15.2%	n.a.
EBITDA Margin	5.6%	5.7%	7.6%	8.5%	n.a.
EBIT Margin	2.2%	2.2%	4.3%	5.4%	n.a.
Net Margin	4.8%	0.2%	1.7%	5.1%	n.a.
ROE	9.4%	0.3%	3.8%	12.5%	n.a.
ROCE	6.8%	0.2%	2.5%	8.2%	n.a.
Net Debt/Equity	75%	69%	67%	57%	n.a.
Net Debt/EBITDA	6.9	6.0	3.9	2.7	n.a.
Cost of Financing	-6.6%	5.0%	7.3%	1.1%	n.a.
Dividend Payout	0.0%	0.0%	0.0%	0.0%	n.a.
Cash Conversion Cycle	-25	-23	-7	-15	n.a.
FX TO USD (Average)	17.0	19.1	19.1	17.7	19.6
FX TO USD (Year-End)	19.2	18.4	18.7	19.7	19.0

Source: Company data, Helgi Analytics calculation



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