

# Allegro fully delivered its Q4 outlook with beats in Polish profitability and across international operations

## Financial highlights

### Consolidated Group

- **Allegro fully delivered on its Q4 outlook**, beating all of its profitability expectations.
- Full-year 2024 consolidated gross merchandise value (GMV), including International Operations, **rose by 9.6%** while the group's **Adjusted EBITDA moved up by 17.9% YoY**<sup>1</sup> amid robust profitable growth in Poland and rising GMV on international marketplaces.
- Consolidated GMV **grew by 8.6% YoY** in Q4 and the group's Adjusted EBITDA was **up by 5.2%**.
- **Active buyers reached 21m** across Allegro's footprint, including almost 6m beyond Poland.

### Poland

- GMV from Polish Operations **accelerated growth to 10.9% YoY** in Q4 — more than three times faster than Polish retail sales and 2.4pp higher than in Q4 2023 — to reach PLN 17.38bn.
- Revenue<sup>2</sup> in Poland **rose by 16.0% YoY in Q4** — at the higher end of expectations — to reach PLN 2.78bn, with high-margin advertising revenue **up by 31.3% YoY**.
- Adjusted EBITDA from Polish operations **grew by 7.7% YoY in Q4** to PLN 975m, with the margin at **5.61% of GMV**.
- Full-year GMV **grew by 10.8%** to PLN 60.71bn in Poland and revenue was up 19.4% to PLN 9.5bn, both outpaced by the **21.3% increase in Adjusted EBITDA** to PLN 3.59bn. Adjusted EBITDA **margin at 5.91%** of GMV landed 0.51pp higher YoY and above Allegro's midterm aspirations range of 5.3-5.7%.
- EBITDA outperformance and robust cash conversion helped to more than halve Allegro's **leverage YoY to 0.77x**, below medium-term aspirations and well within its new leverage policy target of 1.0x.
- Active buyers' base in Poland **rose to 15.1m** in Q4. Average GMV per active buyer accelerated **growth to 7.8% YoY** to cross PLN 4,000 per annum thanks to continuous focus on customer loyalty and buying frequency.
- **Allegro Smart!** posted double-digit YoY growth in annual subscriptions in Q4, with the users surpassing **7 million** in Poland. **Allegro Pay** originated **PLN 10.8bn worth of loans**

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<sup>1</sup> Allegro has included certain alternative performance measures in this Press release that are not measures defined within the International Financial Reporting Standards. Definitions of alternative performance measures used by Allegro can be found in the Group's interim report, pages 20-22, available [here](#).

<sup>2</sup> The sum of Total Revenue and Other Operating Income.

in 2024, a >30% rise YoY, boosting the share of GMV it finances to 14%.

- **Allegro One Boxes** increased volumes by 118% YoY in 2024, driving the unit costs down. By end-2025, Allegro's APMs are expected to be a cheaper option per parcel than paying its most expensive supplier.<sup>3</sup> **Allegro Delivery** helps boost the share of volumes managed by Allegro thanks to a parcel machine network of 16,000 after DHL joins the programme soon.

### Allegro International Segment

- Allegro International Segment's **GMV rose by 68% YoY** in Q4 with Allegro's three new marketplaces raising the group's addressable market by 26m potential customers. The segment's revenue jumped by 80% YoY.
- Allegro's first Christmas peak across three new countries helped **boost the number of active buyers in Czechia, Slovakia, and Hungary by 0.5m in Q4 to 3.3m**, more than double versus 2023.
- The pool of merchants selling on Allegro's new marketplaces **grew by 12.3% QoQ to nearly 70 thousand**, with sales by Czech and Slovak merchants doubling QoQ.
- There were **over 1m Allegro Smart! users** beyond Poland by the end of 2024. Smart! is now helping cut costs for consumers in Poland, Czechia, Slovakia, Hungary, and Slovenia.

### Outlook & Capital Allocation Policy

- Allegro is **switching to the annual outlook policy**. GMV growth for **Polish operations** is expected to come in at 9-11% this year, with revenue seen rising by 14-17%, and Adjusted EBITDA up by 8-12%. GMV for **international marketplaces** is expected to rise by 40-50% this year while revenue is seen 55-65% higher and Adjusted EBITDA loss should come in at PLN 350-400m. **MALL Segment** is expected to finish the year with GMV down by 55-65%, with revenue falling by 45-55% while its Adjusted EBITDA loss is projected to equal PLN 150-170m. CAPEX is foreseen at PLN 850m-1bn in Poland, PLN 40-50m on international marketplaces, and PLN 30-40m in the MALL Segment this year. **Consolidated** GMV is expected to grow by 8-11%, with revenue seen 7-11% higher in 2025. The group's Adjusted EBITDA growth is predicted at 10-17% YoY, with consolidated CAPEX seen coming in at PLN 920m-1.1bn.
- Rising profitability and cash generation enabled Allegro's Board to set a **new capital allocation policy**. Driving organic and profitable growth remains the key investment objective, with Allegro planning to **return surplus capital to shareholders via share buybacks**. Decisions will be made year to year by the AGM.
  - Allegro sees its 2025 share buyback capacity at PLN ~1.4bn. A shareholder vote is being planned for the June AGM.

"Allegro's GMV crossed the PLN 60bn mark, just in time for our 25th birthday. Customers' purchases with us grew more than three times faster than Poland's retail sales as a whole. We

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<sup>3</sup> At the EBITDA level of expenses.

did well over the full financial year. This was our first Christmas peak operating our marketplaces in four countries. We did well. Our Q4 results comfortably met or exceeded all elements of our guidance, although it was close on the Polish GMV goal,” said **Roy Perticucci, Allegro CEO**. “Allegro launched marketplaces in Czechia, Slovakia, and Hungary within eighteen months. Our addressable market has grown by 26 million and now encompasses 63 million potential customers. We served 21 million active buyers last year, six million of whom are based outside Poland. We have proven that we can launch our marketplace in new countries rapidly and cheaply, but we will pause our launch programme for a short while. We have learned a lot, and we have used our lessons to determine where we can enhance our marketplace to accelerate shopping frequency growth, both internationally and in Poland. We will resume expansion, once we have successfully implemented those changes and are satisfied with the results.”

The CEO continued: “We are simplifying e-commerce across our footprint. Enhancing the shopping experience makes customers shop with us ever more frequently. Loyal customers are the primary source of growth wherever we go. We have made substantial headway towards simplifying the back-end systems that customers rarely see, but that drive cost. We are getting better at reducing complexity and cost. Nowhere is that more evident than in delivery. We have gotten much better at allocating volume between carriers for the best combination of speed, reliability, and cost. The unit costs of our own operations approximate what we pay other carriers — and in some cases we are the cheapest choice. This gives us the leeway to step up investment in logistics going forward. We feel we are one of the best bets to become a European-founded pan-European online retailer, and we’re doubling down on our vision to become Europe’s most loved shopping destination.”

### **Poland Update: GMV milestone crossed as Allegro beats profitability expectations due to higher margins**

Accelerating GMV growth at a higher take rate translated into a margin at the upper end of Allegro’s midterm aspirations, pushing Adjusted EBITDA growth beyond the expected range. The unmatched selection from a growing pool of over 163 thousand merchants drew in 15.1 million active buyers, who raised their average spend on Poland’s most popular platform at the highest pace in a year and a half. Monetisation improvements at the start of the year supported profitability, translating into a margin of 5.61% in the fourth quarter and 5.91% for the full year. Coupled with healthy cash conversion, it helped Allegro’s financial leverage more than halve YoY to 0.77x, below the new capital allocation policy guidance of 1.0x.

Allegro streamlines online shopping by improving its own brands, which effectively boost Allegro’s appeal across its footprint. They are bywords for convenient e-shopping among millions of consumers and help ensure their loyalty — a synonym for growth in e-commerce.

**Allegro Smart!** users benefit from free deliveries for one annual fee and on average buy 5 times more frequently than others while boosting merchant sales 2.5 times.

2.2 million users of **Allegro Pay**, which safely facilitates buying, on average spend 35% more on Allegro thanks to made-to-measure loans. Allegro Pay helped finance almost 14% of Allegro’s GMV last year by originating PLN 10.8bn worth of loans — a level nearly a third higher

YoY and comparable to leading Polish banks. Nearly PLN 1bn of GMV was financed by Allegro Pay in December alone — its best month ever. The service recently broadened its appeal by offering Allegro-branded Visa cards to Allegro Pay users, with thousands already issued.

**Allegro Delivery**, a key 2024 innovation, has helped Allegro drive up the amount of volumes it manages to almost a quarter of the overall figure. As part of this partnership programme, Allegro manages the whole delivery process done by various delivery networks for customers' ease. With DHL joining the programme soon, customers will be able to choose from over 16 thousand automatic parcel machines (APMs) under the Allegro Delivery brand. This includes over 4,500 **Allegro One Boxes** which saw rising volumes and utilisation drive their unit costs down. Allegro plans to add 2,500 of its APMs in Poland this year and with full 2025 price indexation, One Boxes will likely be cheaper than Allegro's most expensive supplier at the EBITDA level by end-year.

Allegro brands complement each other, leading to higher average spending per active buyer in Poland and on a group level. Gradually implemented productisation makes the buying process smoother and more conscious, while a simplified fee structure makes merchants' lives easier — the sales commission is now the only mandatory fee on Allegro. Allegro's technology allows an Allegro Pay loan to be approved in less than 7 seconds, which is just one example of how Allegro uses and develops in-house machine-learning processes. From scoring models to search and from the effectiveness of our revenue-boosting ads services to translation accuracy, Allegro uses AI algorithms based on swaths of data sets. They streamline processes and boost customer trust. Allegro is a key flywheel of the Polish economy, helping to generate around 1% of Poland's gross domestic product and with roughly 1% of Poland's workforce supported by Allegro's value chain. The company aims to echo this positive impact in every country where it operates.

### **International Update: New marketplaces post robust Q4 growth in GMV and active buyers, as Allegro.hu adds to group's footprint**

Slovakia and Hungary launched marketplaces last year, doubling the number of countries Allegro serves under its model. The unique cross-border offer translated into progress in traffic and helped the number of International Segment's active buyers to double to 3.3m YoY. They now exceed the number of legacy active buyers from the MALL Group acquisition. MALL's legacy platforms will be decommissioned soon with all traffic redirected to Allegro marketplaces, as MALL's turnaround to a lean merchant is set to be completed this year. Allegro expects MALL's cash-positive contribution to group results in 2026 after the segment's loss declined QoQ in the fourth quarter and was stable YoY.

There are now nearly 70 thousand merchants selling in Czechia, Slovakia, and Hungary. Czech and Slovak merchant sales doubled quarterly in Q4, reflecting the benefits of the access to larger markets that Allegro offers. With Allegro footholds now in place in three new countries, International Segment's GMV grew by 68% while revenue increased by 79.5% YoY in the fourth quarter. Allegro focuses on boosting shopping frequency on its new platforms, with each marketplace expected to break even within four years since launch. As part of the process,

Allegro is gradually turning its successful branded features international. The number of Smart! paid subscriptions beyond Poland exceeded 1.3 million and the One Box automatic parcel machine network in Czechia grew to over 500.

### **Financial Update**

"Allegro produced a strong finish to the year, meeting or beating its Q4 guidance both for Poland and internationally," said **Jon Eastick, Allegro CFO**. "For 2025, we have decided it's time to return to providing full-year guidance as our international operations are established on a more predictable growth trend. We are aiming to continue low double-digit growth of GMV in the medium term in Poland, while maintaining margins within a range increased to 5.5-5.9%. In international operations, we plan to complete the Mall transformation this year and accelerate GMV growth at our three new Allegro marketplaces in Czechia, Slovakia, and Hungary as a priority. Allegro's Board has announced its capital allocation policy, investing for profitable organic growth, maintaining modest leverage and returning surplus capital through share buy-backs. We intend to put a PLN 1.4 billion share buyback in 2025 to a shareholder vote at the forthcoming AGM."

### **About Allegro**

Founded in Poland 25 years ago, Allegro now operates a leading online marketplace across Central and Eastern Europe. Based in Luxembourg and listed on the Warsaw Stock Exchange after the largest IPO in the bourse's history, Allegro solidifies its position as the largest online marketplace of European origin. The platform connects millions of buyers from across Eastern and Central Europe as well as the EU with thousands of international merchants who provide millions of products. Allegro has already established itself as the go-to marketplace for consumers in Poland and the flywheel of the Polish economy, helping to generate around 1% of the country's gross domestic product (GDP) and its total workforce. It wants to echo the positive impact in every country where it operates, aiming to become the most loved online shopping destination in Europe.