

CECONOMY delivers strong Q1 2023/24 results and confirms its FY outlook

Q1 financial highlights

- **FY sales** up by +3.7%¹ YoY, driven both by bricks and mortar and online
- **Adjusted gross margin**² at 17.6% for Q1 with a +50bp increase YoY
- **Adjusted EBIT**² with an increase of € 18m YoY or +8% to € 248m (Q1 2022/23: € 230m) due to increase in gross margin and cost control. Adjusted EBIT margin up 30bp to 3.5%.
- **Adjusted EPS increased by +16%** to € 0.35 in Q1 (Q1 2022/23: € 0.26)
- **Strong lease-adjusted FCF** of € 1.5bn leading to liquidity position well above € 2bn
- **NPS** up 3 points to 56 (Q1 2022/23: 53)
- **Outlook FY 2023/24 confirmed**

Dr Karsten Wildberger, CEO of CECONOMY AG:

"For the fourth quarter in a row, we are delivering a strong performance - a consistent development that is also reflected in the excellent results for the first quarter. We continue to gain momentum through the targeted implementation of our transformation strategy, which focuses on our customers. Even in a challenging retail market, we are demonstrating our strength and innovative power. The very successful start to the new 2023/24 financial year confirms our positive outlook for the current financial year and gives substance to our goal of renewing our business for the future."

Key financial data

€m	Q1 22/23	Q1 23/24	Change
Reported sales	7,066	6,984	-1.2%
Of which indexing effect IAS 29 (hyperinflation in Türkiye)	-15	-19	-29.1%
Growth ¹ (%)	4.9%	3.7%	-120bp
Like-for-like sales development	4.5%	3.2%	-130bp
Adjusted gross margin ²	17.1%	17.6%	+50bp
Adjusted EBITDA²	388	410	+22
Adjusted EBITDA margin ³	5.5%	5.8%	+30bp
Reported EBIT	221	218	-3
Adjusted EBIT²	230	248	+18
Adjusted EBIT margin ³	3.2%	3.5%	+30bp
Net result	127	147	+20
Adjusted net result	126	168	+42
Reported EPS (€)	0.26	0.30	+0.04
Adjusted EPS⁵ (€)	0.26	0.35	+0.09
Net debt	133	191	+59

¹Adjusted for currency and portfolio change effects, pre-IAS 29.

²Excluding associates, adjusted for portfolio changes (Sweden, Portugal), pre-IAS 29 and excluding non-recurring effects.

³Margin calculation based on reported sales pre-IAS 29 and adjusted EBIT/EBITDA.

⁴Excluding associates, adjusted for portfolio changes, pre-IAS 29.

Outlook for FY 2023/24 confirmed

- Slight increase in currency- and portfolio-adjusted total sales
- Clear increase in adjusted EBIT
- All segments are expected to contribute to sales growth
- Improvement in adjusted EBIT primarily driven by DACH and Western/Southern Europe

The outlook has been adjusted for portfolio changes and excludes earnings effects from equity method companies. Accounting effects of applying IAS 29 in Türkiye as a hyperinflationary economy are likewise excluded, as are non-recurring items, especially those related to the simplification and digitalization of central structures and processes as well as changes in legal frameworks.

Group highlights Q1 2023/24

- **Online Sales** up 2.7% YoY (+3.9%¹ fx-adjusted); Online share (incl. Marketplace) at 26.4% (+60bp YoY)
- **Growth businesses** performing strongly: GMV growth of +125%; Retail Media income growth above +90%, Operational Services & Solutions income in line with sales growth²
- **Group NPS** up 3 points YoY to 56 in Q1 2023/24 (Q1 2022/23: 53)

€m pre-IAS 29, excluding Sweden and Portugal	Q1 22/23	Q1 23/24	Change
Online sales	1,757	1,805	+2.7%
Services & Solutions sales	381	392	+3.0%

Free cash flow

€m	Q1 22/23	Q1 23/24	Change
EBITDA	386	383	-2
Change in net working capital	1,571	1,274	-297
Tax	-30	-20	+10
Other operating cash flow	97	20	-77
Cash investment	-73	-65	+8
Free cash flow	1,952	1,593	-358
Lease repayments	-122	-120	+2
Lease-adjusted free cash flow	1,830	1,473	-357

- In **Q1 2023/24 lease-adjusted free cash flow** reached € 1.5bn leading to a strong liquidity position of € 2.4m on 31 December 2023
- **Net Working Capital** reached a stable absolute level at the end of the first quarter. Lower cash inflow due to targeted commercial initiative on inventory to increase availability for peak season.

¹Adjusted for currency and portfolio change effects, pre-IAS 29. ² Excluding one-off effects.

Performance by segment Q1 2023/24

€m	DACH	Western/Southern Europe	Eastern Europe	Others ⁴	CECONOMY ⁵
Sales (pre-IAS 29)	3,839	2,246	913	5	7,003
Growth¹ (%)	-2.9	2.4	51.7	12.2	3.7
Like-for-like (%)	-2.5	1.1	47.8	-	3.2
IAS 29			-19		-19
Sales post-IAS 29			895		6,984
Reported YoY change (%)	-2.5	0.5	20.6	-96.9	-1.2
Adjusted EBIT²	145	61	46	-4	248
Adjusted EBIT margin ³ (%)	3.8	2.7	5.0	-	3.5
Adjusted EBIT YoY change	-15	29	9	-5	18

¹Adjusted for currency and portfolio change effects, pre-IAS 29.

²Excluding associates, adjusted for portfolio changes (Sweden, Portugal), pre-IAS 29 and excluding non-recurring effects.

³Margin calculation based on reported sales pre-IAS 29 and adjusted EBIT.

⁴Segment Others includes holding functions, hence respective EBIT margin would not offer a reasonable comparison.

⁵Including consolidation.

- **DACH:** Sales stabilisation in Austria, decline in the remaining countries due to soft demand at the beginning of the quarter; EBIT impacted by weaker top line.
- **Western & Southern Europe:** Strong sales momentum in all countries except Italy; Strong EBIT improvement driven by Spain and Italy.
- **Eastern Europe:** Triple-digit sales growth in Türkiye, decline in Poland; EBIT improvement in both countries.

Good progress on our key pledges in Q1 2023/24

Business fields	KPI	FY 22/23	Target 25/26	Progress Q1 23/24
Retail Core	Loyalty members	39m	50m	↗
Retail Core	Online share ¹	23%	c. 30%	→
Retail Core	Modernization rate	50%	> 90%	↑
Retail Core	Stock reach progress	9.1 weeks	-10%	↑
Space-as-a-Service	# Lighthouses	8	Up to 20	↗
Services & Solutions ²	Income in % of total sales	4.5%	c. 5.5%	→
Marketplace	GMV	€137m	€750m	↑
Private Label	Private Label share	2.4%	c. 5%	→
Retail Media	Income	€18m	c. €45m	↑

¹Online share based on 1P and 3P online sales. ²Operational Services & Solutions income in % of total net sales (excluding e.g., Retail Media, Marketplace commissions & fees, deliveries).

Application of IAS 29, hyperinflation accounting

Given the technical impact of IAS 29 (hyperinflation) on sales in Türkiye in Q1 2023/24, we comment on business dynamics pre-IAS 29.

€m	Reported sales 2022/23	IAS 29 effect	Sales pre-IAS 29	Reported sales 2023/24	IAS 29 effect	Sales pre-IAS 29
Q1	7,066	-15	7,080	6,984	-19	7,003

Results call

There will be a live presentation followed by a Q&A session. The call for investors and analysts will start at 9am CEST today: [webcast link](#).

The quarterly statement will be posted on www.ceconomy.de/en/investor-relations at **7am CEST**. A recording of the conference call will be posted shortly after its conclusion.

Store network

The store network has been expanded by 15 stores in Q1 2023/24, thereof seven stores taken over from BCC in the Netherlands. One store in Spain was closed during the quarter.

	30/09/2023	Openings Q1 2023/24	Closures Q1 2023/24	31/12/2023
Germany	398	0	0	398
Austria	54	0	0	54
Switzerland	25	0	0	25
Hungary	39	0	0	39
DACH	516	0	0	516
Belgium	22	0	0	22
Italy	125	5	0	130
Luxembourg	2	0	0	2
Netherlands	48	7	0	55
Spain	110	1	-1	110
Western/Southern Europe	307	13	-1	319
Poland	80	0	0	80
Türkiye	95	2	0	97
Eastern Europe	175	2	0	177
CECONOMY	998	15	-1	1,012

Financial calendar

Q1 FY 2023/24 results	Friday	9 February 2024
Annual General Meeting	Wednesday	14 February 2024
Q2/H1 2023/24 results	Wednesday	15 May 2024
Q3/9M 2023/24 results	Wednesday	14 August 2024
Q4/FY 2023/24 trading statement	Tuesday	29 October 2024
Q4/FY 2023/24 results	Wednesday	18 December 2024

Contact

CECONOMY AG
 Kaistr. 3
 40221 Düsseldorf, Germany

Investor Relations

Fabienne Caron

VP, Head of Investor Relations

Telephone +49 (0) 211 5408 7226
Mobile +49 (0) 151 4225 6418
Email fabienne.caron@ceconomy.de

Dr Kerstin Achterfeldt

Senior Investor Relations Manager

Telephone +49 (0) 211 5408 7234
Mobile +49 (0) 151 5822 4911
Email kerstin.achterfeldt@ceconomy.de

Arian Ebrahimi

Expert Investor Relations

Telephone +49 (0) 211 5408 7224
Mobile +49 (0) 151 4063 2240
Email arian.ebrahimi@ceconomy.de

Telephone +49 (0) 211 5408 7222
Email IR@ceconomy.de
Website [CECONOMY Investor Relations](https://www.ceconomy.de/Investor-Relations)

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