

# Baader Investment conference

20 September 2023



# DISCLAIMER AND NOTES

This disclaimer shall apply in all respects to the entire presentation (including all slides of this document), the oral presentation of the slides by representatives of CECONOMY AG, any question-and-answer session that follows the oral presentation, hard copies of the slides as well as any additional materials distributed at, or in connection with this presentation. By attending the meeting (or conference call or video conference) at which the presentation is made, or by reading the written materials included in the presentation, you (i) acknowledge and agree to all of the following restrictions and undertakings, and (ii) acknowledge and confirm that you understand the legal and regulatory sanctions attached to the misuse, disclosure or improper circulation of the presentation.

To the extent that statements in this presentation do not relate to historical or current facts, they constitute forward-looking statements. All forward-looking statements herein are based on certain estimates, expectations and assumptions at the time of publication of this presentation and there can be no assurance that these estimates, expectations and assumptions are or will prove to be accurate. Furthermore, the forward-looking statements are subject to risks and uncertainties including (without limitation) future market and economic conditions, the behaviour of other market participants, investments in innovative sales formats, expansion in online and omnichannel sales activities, integration of acquired businesses and achievement of anticipated cost savings and productivity gains, and the actions of public authorities and other third parties, many of which are beyond our control, that could cause actual results, performance or financial position to differ materially from any future results, performance or financial position expressed or implied in this presentation.

Accordingly, no representation or warranty (express or implied) is given that such forward-looking statements, including the underlying estimates, expectations and assumptions, are correct or complete. Readers are cautioned not to place reliance on these forward-looking statements.

See also "Opportunity and Risk Report" in CECONOMY's most recent Annual Report for risks as of the date of such Annual Report. We do not undertake any obligation to publicly update any forward-looking statements or to conform them to events or circumstances after the date of this presentation.

This presentation is intended for information only, does not constitute a prospectus or similar document and should not be treated as investment advice. It is not intended and should not be construed as an offer for sale, or as a solicitation of an offer to purchase or subscribe to, any securities in any jurisdiction. Neither this presentation nor anything contained therein shall form the basis of, or be relied upon in connection with, any commitment or contract whatsoever. CECONOMY AG assumes no liability for any claim which may arise from the reproduction, distribution or publication of the presentation (in whole or in part). The third parties whose data is cited in this presentation are neither registered broker-dealers nor financial advisors and the permitted use of any data does not constitute financial advice or recommendations.

This presentation contains forecasts, statistics, data and other information relating to markets, market sizes, market shares, market positions and other industry data on the Company's business and markets (together the "market data") provided by third party sources as interpreted by us. This market data is, in part, derived from published research and additional market studies prepared primarily as a research tool and reflects estimates of market conditions based on research methodologies including primary research, secondary sources and econometric modelling. We want to point out that part of the market data used has been collected in the framework of a market survey carried out as a panel observation. The panel is a regular survey monitoring sales of specific products and product categories, using a range of distribution channels including internet, retail outlets (e.g. high street, mail order) and companies (e.g. resellers). The market data does not represent actual sales figures globally or in any given country; rather, the market data represents a statistical projection of sales in a given territory and is subject to the limitations of statistical error and adjustments at any time (e.g. reworks, changes in panel structure). The representativeness of the market data may be impacted by factors such as product categorization, channel distribution and supplier universe identification and statistical sampling and extrapolation methodologies. The market data presented is based on statistical methods and extrapolation.

In addition, market research data and trend information as interpreted or used by CECONOMY is based on certain estimates and assumptions and there can be no assurance that these estimates and assumptions as well as any interpretation of the relevant information by CECONOMY are accurate.

The market research institutes which data CECONOMY used as basis for this presentation are neither registered broker dealers nor financial advisors and the permitted use of any market research data does not constitute financial advice or recommendations.

Historical financial information contained in this presentation is mostly based on or derived from the consolidated (interim) financial statements for the respective period. Financial information with respect to the business of MediaMarktSaturn Retail Group is particularly based on or derived from the segment reporting contained in these financial statements.

Such financial information is not necessarily indicative for the operational results, the financial position and/or the cash flow of the CECONOMY business on a stand-alone basis neither in the past nor in the future and may, in particular, deviate from any historical financial information based on corresponding combined financial statements with respect to the CECONOMY business. Given the aforementioned uncertainties, (prospective) investors are cautioned not to place undue reliance on any of this information. No representation or warranty is given and no liability is assumed by CECONOMY AG, express or implied, as to the accuracy, correctness or completeness of the information contained in this presentation.

This presentation contains certain supplemental financial or operative measures that are not calculated in accordance with IFRS and are therefore considered as non-IFRS measures. We believe that such non-IFRS measures used, when considered in conjunction with (but not in lieu of) other measures that are computed in accordance with IFRS, enhance the understanding of our business, results of operations, financial position or cash flows. There are, however, material limitations associated with the use of non-IFRS measures including (without limitation) the limitations inherent in the determination of relevant adjustments. The non-IFRS measures used by us may differ from, and not be comparable to, similarly-titled measures used by other companies. Detail information on this topic can be found in CECONOMY's Annual Report 2021/22, pages 30-33.

All numbers shown are as reported, unless otherwise stated. All amounts are stated in million euros (€ million) unless otherwise indicated. Amounts below €0.5 million are rounded and reported as 0. Rounding differences may occur.

# MediaMarktSaturn is the leading CE retailer in Europe.

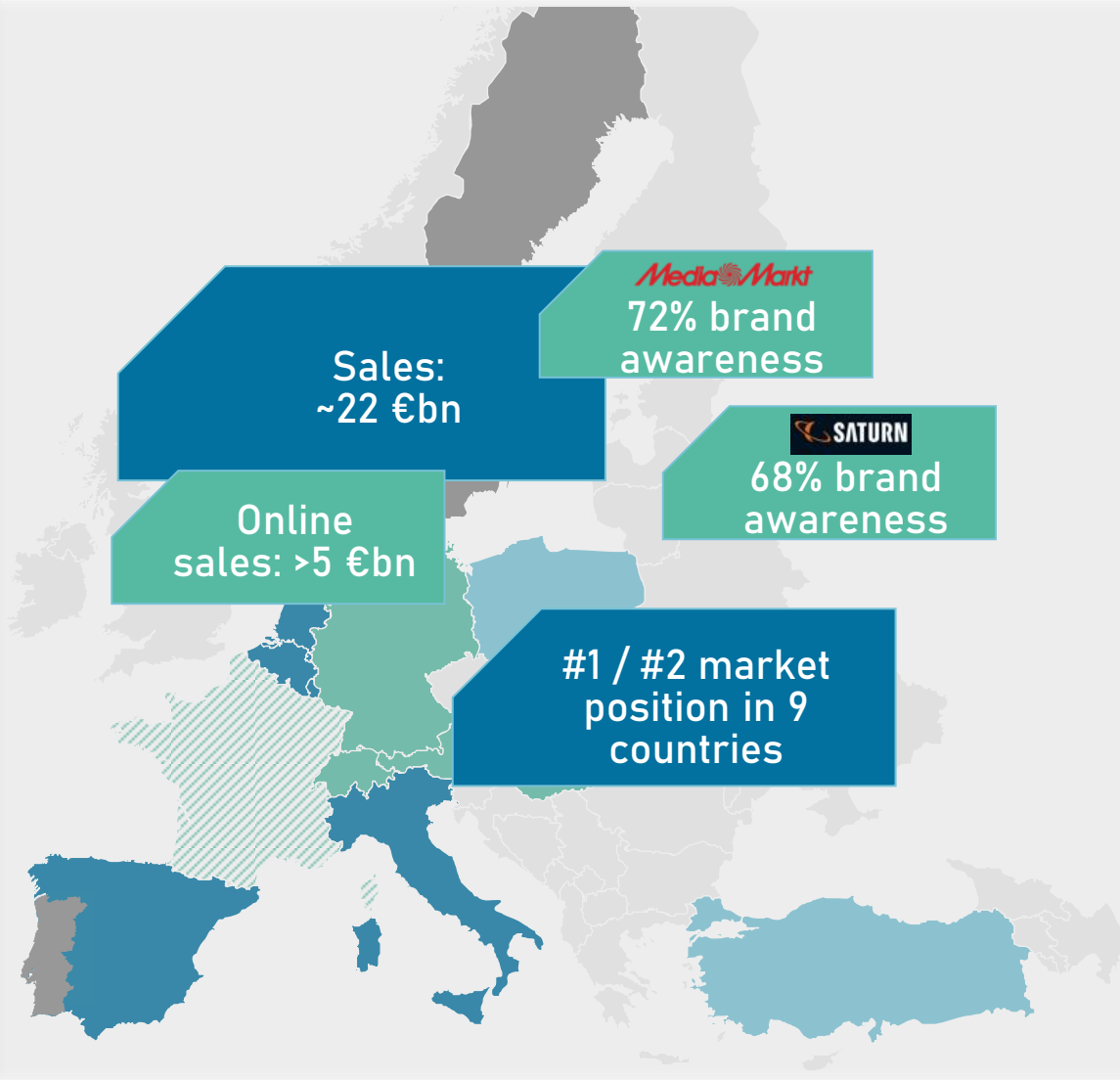
Customer  
Contacts  
>2bn

Reach



Proximity

Stores  
>1k



Employees  
~45k

Personal  
services



Partner  
network

# We operate in a constantly growing industry

## Growth opportunities



**Sustainability**  
Sustainable and energy-efficient products

**+50%**

CAGR in energy-efficient category segments<sup>3</sup>



**Premium products**  
More premium products in key categories

**47%**

of consumers prefer fewer but higher quality items<sup>3</sup>



**New categories**  
Growth in new categories – health, mobility, virtual reality

**+10%**

CAGR<sup>1,2</sup>



**Adjacent service business**  
Services for higher convenience and “peace of mind”

**+16%**

CAGR<sup>1,2</sup>

# And guide customers through an increasingly complex world

Convenient and  
seamless shopping  
experience



Customer-centric  
assortment



Lifecycle  
services



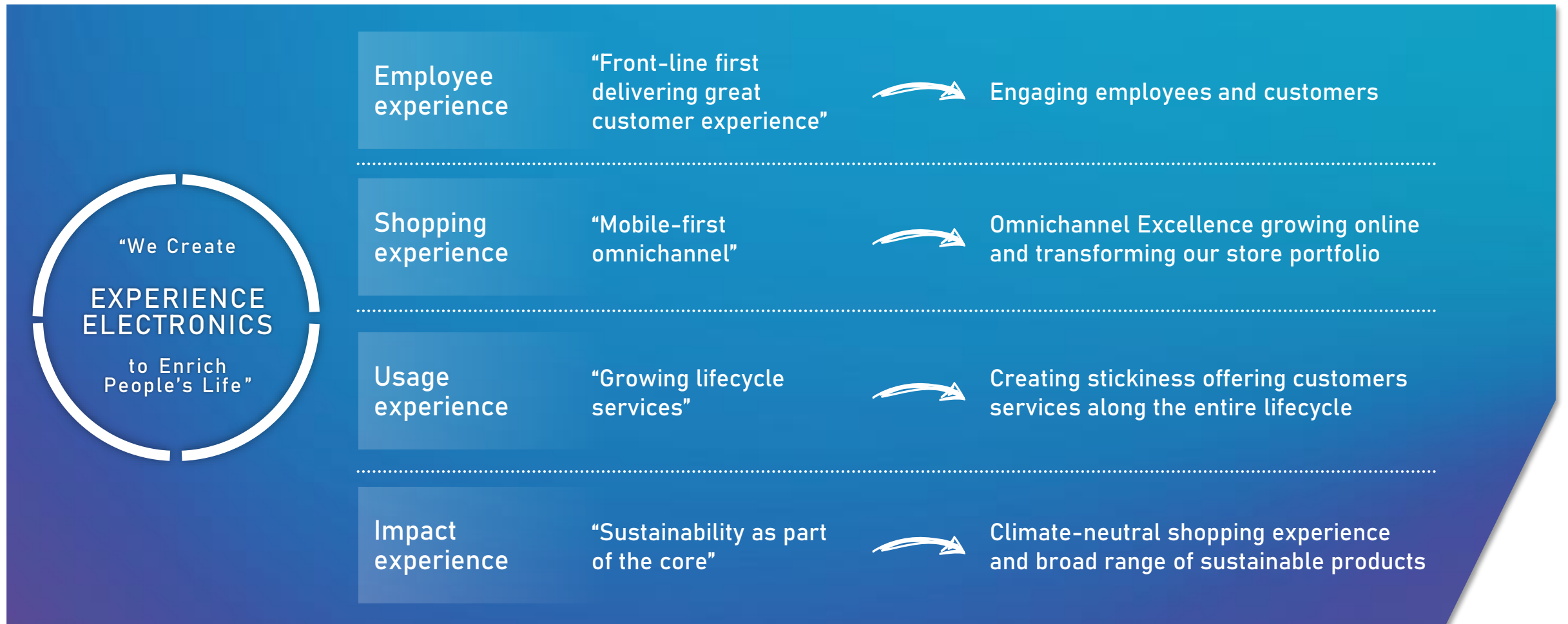
Sustainable  
products and  
solutions



Strong and reliable  
partner to  
the industry

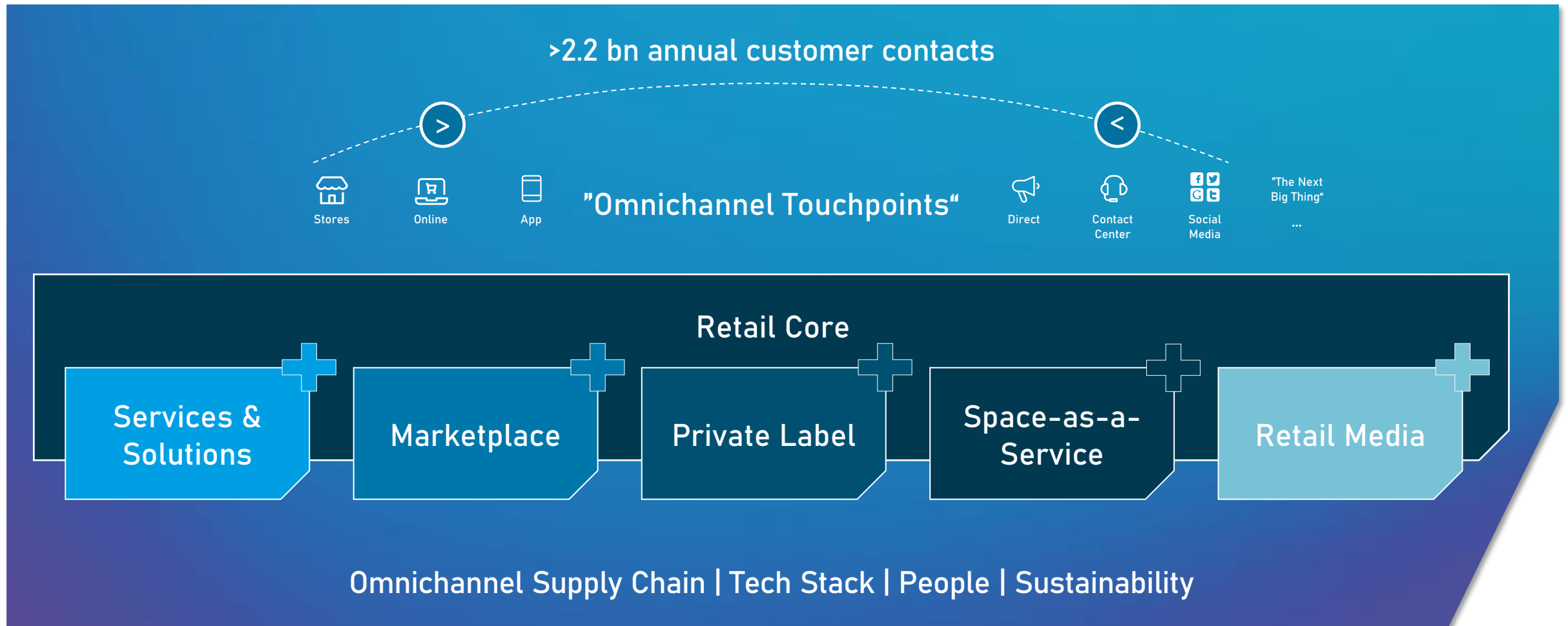


# Four strategic pillars provide direction





# Moving from CE retail to a retail service platform with several business models



# We target the complete overhaul of core store portfolio by FY 25/26

## Refreshing our store portfolio

6 Lighthouse stores with significantly increased frequency & profitability – 20 stores planned until FY 25/26

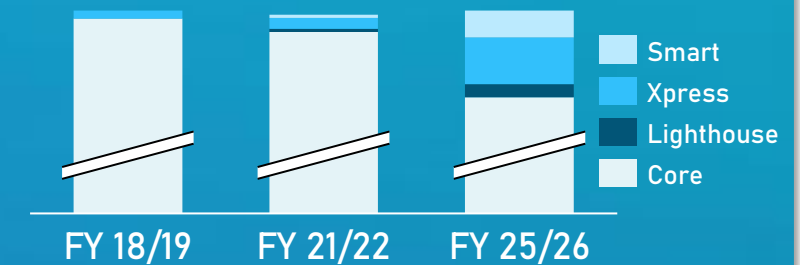
Successful operation of >10 Xpress stores in Hungary since 2016 – further expansion in other countries

Core refresh: optimized assortment & department flow increasing space utilization & service offerings

Area productivity increased by 3% since 18/19 – target is +10% by 25/26

## How we measure success

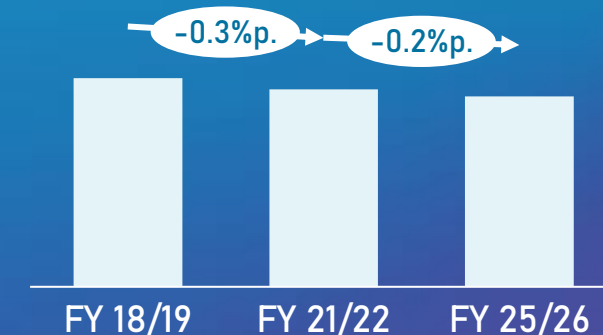
Store portfolio development  
(#stores)



Core modernization rate



Location cost development<sup>1</sup>  
% of net sales



<sup>1</sup>Rental costs & IFRS 16 depreciations, occupancy costs, location depreciations



# We expect >€200 m increase in Services & Solutions income by FY 25/26

## Our growth levers

Train-the-trainer concept established to continuously improve sales excellence – train all employees by end of FY 23/24

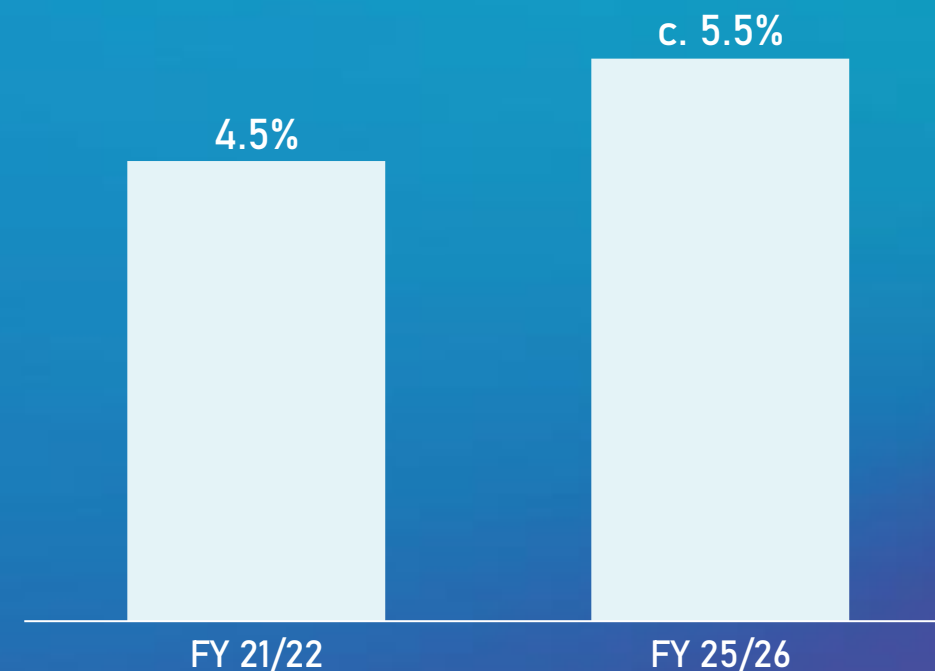
Building own service subscription platform for all countries to increase the share of recurring revenue

Introducing subscription based full protection package for all our customer's devices ("Full care service package")

Building up a Service Eco System where the customer can buy services without products

## How we measure success

Operational Services & Solutions Income in % of total net sales<sup>1</sup>



<sup>1</sup>Operational Services & Solutions income in % of total net sales (excluding e.g., Retail Media, Marketplace commissions & fees, deliveries)

# Marketplace is the key driver to enrich our assortment

## Our growth levers

### Assortment:

Currently c. 1,000 sellers offering c. 1 m SKUs with aim to further accelerate seller onboarding & SKU growth

### Customer satisfaction:

Product rating at 4.5<sup>2</sup>, seller rating at 4.2 stars<sup>2</sup>

### Delivery promise:

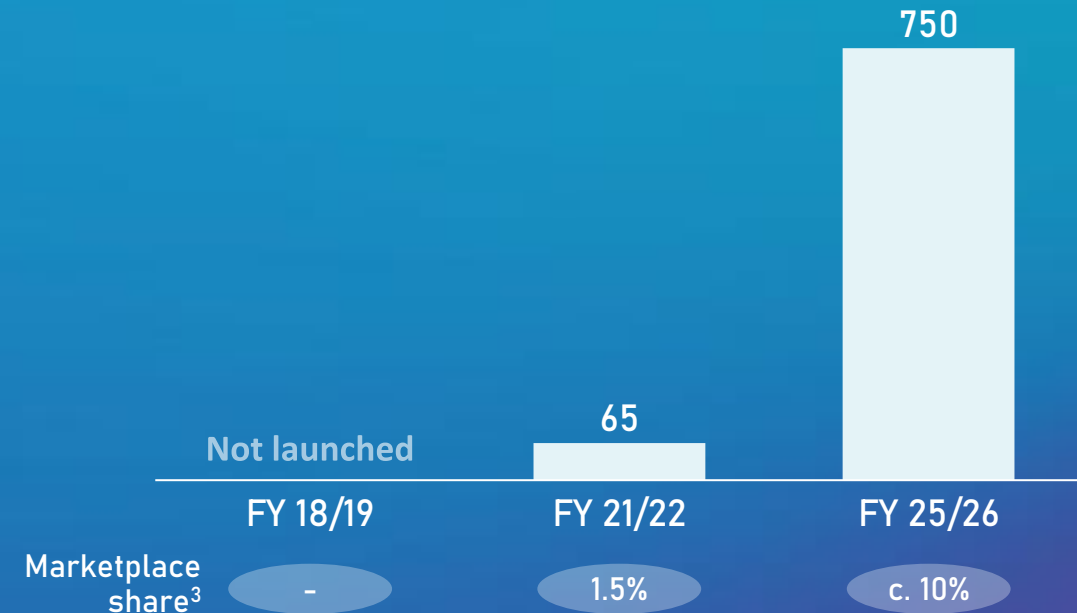
Average shipping time<sup>1</sup> <9 hours<sup>2</sup>

### Platform reach:

Roll-out marketplace to 2 additional countries

## How we measure success

Gross Merchandise Value in €m



<sup>1</sup>Median period of time between acceptance of an order and marked as shipped by the seller (median); <sup>2</sup>01.01.23 – 23.02.23; <sup>3</sup>Marketplace gross merchandise value in % of total gross merchandise value (Marketplace + Retail Online), only countries with a Marketplace considered

# We set ourselves ambitious targets to grow our highly profitable private label business

## We have already achieved strong private label shares in key categories

Share of private label in % of respective category sales, FY 21/22

### White Goods



7.0%

MDA<sup>1</sup>

4.0%

SDA<sup>1</sup>

### Accessories



15.0%

Telecom

14.0%

Brown Goods

## We will integrate private label into our retail core and grow by >100%

Share of private label in % of overall sales

1.9%

FY 18/19

2.3%

FY 21/22

c. 5.0%

FY 25/26

<sup>1</sup>MDA: Major Domestic Appliances, SDA: Small Domestic Appliances

# We are continuously expanding our Retail Media capabilities to drive additional income

## Our growth levers

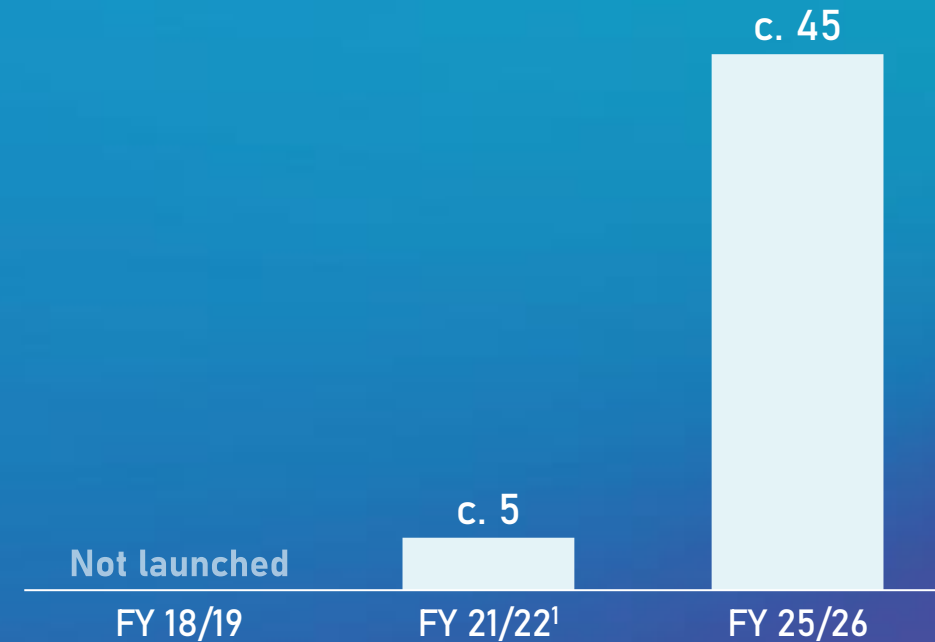
4 products live in core countries since FY 21/22

Partnership with global ad-tech company Criteo successfully established

Products to be rolled out to all countries by 2024 incl. implementation of new products

## How we measure success

Retail Media Income €m



<sup>1</sup>Pilot in DE, NL, BE with sponsored product ads only

# Sustainability is part of our DNA



1

"We offer a climate-neutral shopping experience"

2

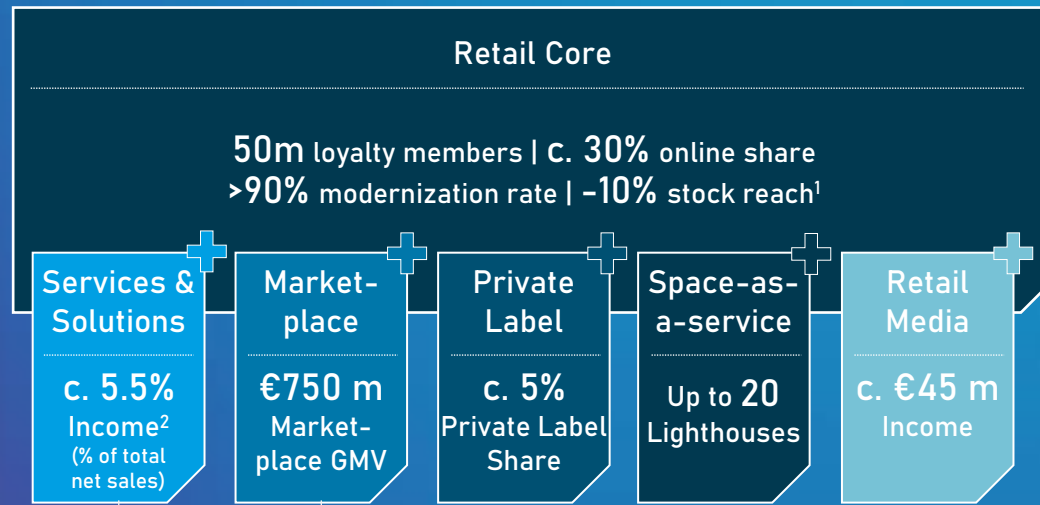
"We offer the most sustainable range of CE products and are circular business pioneers in Europe"

3

"We take social responsibility for our employees, suppliers and communities"

# Our key pledges for FY25/26 – regularly communicated to capital markets

## Our key pledges for FY 25/26...



## ...and further KPI targets

### Retail core

# of customer contacts	2.2 bn	# of sold refurbished products	c. 220,000
Sales with loyalty members	c. +60% <sup>1</sup>	Availability	>90%
Area productivity	c. +10% <sup>1</sup>	Centralization of inbound logistics	80%
Location Costs (% of net sales)	-0.2%p. <sup>1</sup>	Delivery and pick-up NPS	70
# of Lighthouse stores	up to 20	# cities with zero-emission delivery	>80
BetterWay Sales share	c. 20%	Carbon emission scope 1&2	Net-zero
# of BetterWay products	c. 7,000		

### Marketplace

Marketplace Share <sup>3</sup>	c. 10%
--------------------------------	--------


### Services & Solutions

Number of repairs	c. 3.5 m
# of Trade-Ins	>600,000


<sup>1</sup>Compared to FY 21/22; <sup>2</sup>Operational Services & Solutions income in % of total net sales (excluding e.g., Retail Media, Marketplace commissions & fees, deliveries); <sup>3</sup>Marketplace gross merchandise value in % of total gross merchandise value (Marketplace + Retail Online), only countries with a Marketplace considered

# Our growth plan targets >€500 m EBIT and c. €200 m FCF

Key financial figures	FY 21/22	Growth plan FY 25/26
Adjusted EBIT	€208 m <sup>1</sup>	>€500 m
Gross margin	17.6% <sup>1</sup>	c. 20%
Adjusted OPEX ratio	17.7% <sup>1</sup>	c. 18%
Net Sales	€21.1 bn <sup>1</sup>	Slightly above market growth
Cash Investments	€254 m	c. €300 m
Free Cash Flow <sup>2</sup>	-€533 m	Steady growth to c. €200 m



EBIT increase of c. 150%



Free Cash Flow increase of c. €700 m

<sup>1</sup>Portugal & Sweden adjusted; <sup>2</sup>Adjusted for IFRS 16 leases



# Good Q3 performance prompts us to revise our outlook for FY 22/23

- / CE market up 2% in Q3 (-5% excl. TR)
- / CECONOMY maintained its market share with gains in DE, AT, NL, TR
- / Increase in adj. EBIT due to stable gross margin and successful cost control
- / Cash position further improved
- / Updated FY 22/23 outlook: based solely on a positive Scenario 1
- / Sweden transaction closed as of 1 August 2023

**+7.4%**  
Q3 sales  
growth<sup>1</sup> vs. PY

**+€43 m**  
Q3 adjusted  
EBIT<sup>2</sup> vs. PY

**+€990 m**  
9M FCF vs. PY

# Post 9M, we are updating our guidance and now focus exclusively on scenario 1 with a moderate sales increase

FY 2021/22	FY 2022/23 Guidance scenario 1	FY 2022/23 Guidance scenario 2
Sales	Moderate increase <sup>1</sup>	Clear decrease <sup>1</sup>
Adj. EBIT <sup>2</sup> €208 m	Clear increase	Clear decrease
Key assumptions	No deterioration of current macroeconomic conditions (inflation, customer demand, availability of goods, no overall restrictions in the retail sector); relevant market for consumer electronics shrinks moderately at most.	Less favorable development of the overall economic environment; declining demand in the consumer electronics market, which is relevant for the country portfolio.

<sup>1</sup>Adj. for currency and portfolio change effects (Sweden and Portugal), pre IAS 29. <sup>2</sup>Excl. associates, adj. for portfolio changes (Sweden and Portugal), pre IAS 29 and excl. non-recurring effects.

# Contact

## CECONOMY AG Investor Relations

Kaistr. 3  
40221 Düsseldorf  
Germany

Phone +49 (211) 5408-7222

Email [IR@ceconomy.de](mailto:IR@ceconomy.de)

<https://www.ceconomy.de/en/investor-relations/>

