

## CECONOMY reports encouraging start to the financial year supported by strong FCF improvement

### Q1 financial highlights

- **Sales** momentum continued; sales growth +4.9%<sup>1</sup> yoy (+4.5% on a like-for-like basis) and well ahead of pre-COVID level (+5.0%<sup>1</sup> vs Q1 2018/19); driven by encouraging recovery of stationary business and well-performing marketing campaigns
- **Gross margin**<sup>2</sup> declined by -20 bps yoy (-30 bps post IAS 29) mainly due to lower goods margin while the sound performance of Services & Solutions could not fully compensate the goods margin pressure
- **Adjusted EBIT<sup>2</sup> excl. associates** down by €-50 m yoy to €224 m (Q1 2021/22: €274 m) as expected; driven by pressure on goods margin and inflation-related increase in operational costs. **Normalization of the seasonality** according to historical patterns
- **Slight increase in net result.** Undiluted EPS<sup>3</sup> decreased by €-0.08 yoy to €0.26 € due to the increased number of shares post the Convergenta transaction
- **Strong lease adj. FCF at c. €1.8 bn (+ €705 m)** primarily benefited from improved stock management

### Comments from Dr Karsten Wildberger, CEO of CECONOMY AG

*“We have made a good start into the new financial year. Our good preparation for Christmas business paid off and generated a lot of customer demand. We grew more strongly than the market. At the same time, we made further progress in terms of operations and in the implementation of our strategy. Our measures to dampen inflationary pressure are taking effect. We are therefore heading into the coming months with confidence and a great sense of determination.”*

### Summary of key financial data

€m	Q1 21/22	Q1 22/23	Change
<b>Sales</b>	<b>6,854</b>	<b>7,066</b>	<b>3.1%</b>
Thereof indexation effect IAS 29 (hyperinflation in Turkey)	-	-15	-
Sales development adjusted for currency and portfolio change effects	-7.3%	4.9%	-
Like-for-like sales development	-6.8%	4.5%	-
Online sales	1,887	1,799	-4.7%
Services & Solutions sales	344	394	14.5%
Gross margin	17.3%	16.9%	-0.3%p
EBIT	276	221	-19.8%
<b>Adjusted EBIT<sup>2</sup></b>	<b>274</b>	<b>224</b>	<b>-18.3%</b>
Net result	122	127	3.7%
<b>EPS undiluted<sup>3</sup> (€)</b>	<b>0.34</b>	<b>0.26</b>	<b>-0.08</b>
<b>Free cash flow (lease adjusted)</b>	<b>1,126</b>	<b>1,831</b>	<b>+705</b>

Note: Reported figures from continuing operations.

### Outlook for FY 2022/23 confirmed

Q1 2022/23 results supports guidance for FY 2022/23 - From today's perspective, guidance scenario 1 is more likely.

	FY 21/22	FY 22/23 Guidance scenario 1	FY 22/23 Guidance scenario 2
Fx-adjusted sales (pre IAS 29)	€21,768 m	Slight increase	Clear decrease
Adjusted EBIT (excl. associates) <sup>2</sup>	€197 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.

The outlook is adjusted for portfolio changes and does not take into account the earnings effects from companies accounted for using the equity method. It also does not include non-recurring effects from efficiency increases in connection with the simplification and digitalization of central structures and processes, the streamlining of the product assortment and the strengthening of the retail brands in Germany. Accounting effects of the application of IAS 29 in Turkey as a hyperinflationary economy are likewise unaccounted for.

### Group highlights

- **Group NPS** improved by +6 points yoy to **53**
- **Online sales** declined by -4.7 % yoy to €1.8 bn compared to pandemic restricted PY; online sales share on sustained high level and reached 25.5% of total sales (Q1 2021/22: 27.5%); pick-up ratio came in at 37% (Q1 2021/22: 36%); online business on elevated level compared to pre-COVID times
- **Services & Solutions sales** increased by +14.5% yoy, amounting to 5.6% of total sales (Q1 2021/22: 5.0%); Services & Solutions business benefited by recovery of stationary business and strong demand for mobile phones/contracts and warranty extensions

<sup>1</sup>Adj. for currency and portfolio change effects, pre IAS 29.

<sup>2</sup>Excl. associates, adj. for portfolio changes, pre IAS 29 and excl. non-recurring effects.

<sup>3</sup>Average number of shares in 485,221,084 since 3 June 2022.

### Performance by segment

#### Q1 2022/23

€m	DACH	Western/Southern Europe	Eastern Europe	Others <sup>4</sup>	Group
Sales	3,939	2,235	742	150	7,066
Growth in LC <sup>1</sup> (%)	0.6	0.9	62.1	-2.6	4.9
Like-for-like (%)	0.7	0.2	59.7	-4.5	4.5
Reported yoy change (%)	0.5	0.9	34.3	-9.9	3.1
Adj. EBIT <sup>2</sup>	164	33	37	-11	224
Adj. EBIT margin <sup>3</sup> (%)	4.2	1.5	4.9	-	3.2
Adj. EBIT yoy change	-15	-40	14	-9	-50

#### Q1 2021/22

€m	DACH	Western/Southern Europe	Eastern Europe	Others <sup>4</sup>	Group
Sales	3,919	2,216	552	166	6,854
Growth in LC <sup>1</sup> (%)	-11.5	-3.4	11.4	-7.0	-7.3
Like-for-like (%)	-9.6	-5.1	11.0	-6.8	-6.8
Reported yoy change (%)	-11.4	-3.4	-2.9	-5.7	-8.2
Adj. EBIT <sup>2</sup>	180	73	23	-2	274
Adj. EBIT margin <sup>3</sup> (%)	4.6	3.3	4.2	-	4.0
Adj. EBIT yoy change	-79	-1	7	1	-72

<sup>1</sup>Adj. for currency and portfolio change effects, pre IAS 29.

<sup>2</sup>Excl. associates, adj. for portfolio changes, pre IAS 29 and excl. non-recurring effects.

<sup>3</sup>Margin calculation based on reported sales incl. IAS 29 and adj. EBIT.

<sup>4</sup>Segment Others includes CECONOMY AG holding, hence respective EBIT margin would not offer a reasonable comparison.

### Key highlights per segment in Q1 2022/23

- **DACH:** Sales increase in AT, HU, DE stable, CH declined; EBIT decline mainly due to positive one offs in prior year, Improved operating profitability in DE
- **Western & Southern Europe:** Sales growth in all countries, except IT and PT; EBIT decline mainly due to overall negative market trend and unfavorable product mix in IT
- **Eastern Europe:** Double-digit sales growth in TR; decline in PL; Significant EBIT improvement mainly due to strong sales and margin development in TR
- **Others:** Weak development in SE due to declining overall market and subdued consumer sentiment

### Free Cash Flow

€m	Q1 21/22	Q1 22/23	Change
<b>EBITDA</b>	<b>445</b>	<b>386</b>	<b>-60</b>
Change in NWC	1,115	1,572	457
Tax	-42	-30	12
Other operating cash flow	-219	97	316
Cash investment	-47	-73	-25
<b>Free cash flow</b>	<b>1,253</b>	<b>1,953</b>	<b>700</b>
Lease repayments	-127	-122	5
<b>Lease adj. Free cash flow</b>	<b>1,126</b>	<b>1,831</b>	<b>705</b>

- In **Q1 2022/23 lease adjusted Free Cash Flow** reached €1,831 m; a solid €705 m improvement yoy driven by a favorable development in NWC mainly due to efficient stock management
- **Other operating cash flow** improved due to higher input tax payables
- **Cash investments** increased by €25 m yoy to €73 m due store modernization

### Results call

There will be a live presentation followed by a Q&A session; the call for investors and analysts will start at 9:00 am CET today: [webcast link](#).

The quarterly statement will be available on the following website [www.ceconomy.de/en/investor-relations](http://www.ceconomy.de/en/investor-relations) at **07:00 am CET**. A recording of the conference call will also be available on our website shortly after the end of the call.

### Store network

	30/09/22	Openings	Closures	31/12/22
Germany	399	1	0	400
Austria	52	0	0	52
Switzerland	25	0	0	25
Hungary	36	0	0	36
<b>DACH</b>	<b>512</b>	<b>1</b>	<b>0</b>	<b>513</b>
Belgium	23	0	-1	22
Italy	122	2	-1	123
Luxembourg	2	0	0	2
Netherlands	49	0	-1	48
Portugal	10	0	0	10
Spain	107	2	0	109
<b>Western/Southern Europe</b>	<b>313</b>	<b>4</b>	<b>-3</b>	<b>314</b>
Poland	81	0	0	81
Turkey	89	1	0	90
<b>Eastern Europe</b>	<b>170</b>	<b>1</b>	<b>0</b>	<b>171</b>
Sweden	29	0	0	29
<b>Others</b>	<b>29</b>	<b>0</b>	<b>0</b>	<b>29</b>
<b>CECONOMY</b>	<b>1,024</b>	<b>6</b>	<b>-3</b>	<b>1,027</b>

### Financial calendar

Annual General Meeting	Wednesday	22 February 2023
Q2/H1 2022/23 results	Monday	15 May 2023
Q3/9M 2022/23 results	Thursday	10 August 2023
Q4/FY 2022/23 trading statement	Thursday	26 October 2023
Q4/FY 2022/23 results	Monday	18 December 2023

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