

CECONOMY

Results Presentation Q2/H1 2022/23

15 May 2023



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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.

The market research institutes which data CECONOMY used as basis for

Disclaimer

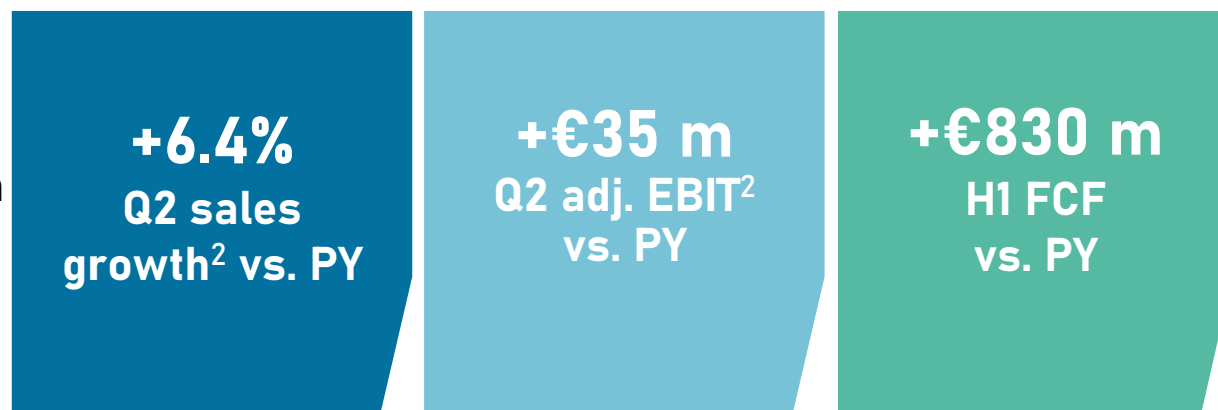
Please note that MediaMarkt Sweden's business is still included in our reported figures. However, it's excluded from the guidance-relevant KPIs currency- and portfolio-adjusted sales growth, as well as adjusted EBIT.

- I. **Business update**
- II. **Financial performance**
- III. **Outlook and summary**

Agenda

Robust Q2 performance amid a challenging market environment

- ➔ CE market soft in Q2¹
- ➔ Ceconomy maintains solid momentum (particularly in DE, NL, TR)
- ➔ Efficiency programs well on track
- ➔ Liquidity position bolstered
- ✓ Q2 matches our FY 2022/23 outlook



¹Excluding Turkey. ²Adj. for currency and portfolio change effects, pre IAS 29, excluding Sweden.

CE market soft in Q2, B&M outperforms pure online players

→ Total CE market declined by -3% in Q2¹

- / Bricks & Mortar market stabilized
- / Online market decreased by c. -7% as customers continued to return to stores
- / CE market declined mainly in DACH and Western & Southern Europe

→ MediaMarkt/Saturn maintained its market share

- / Mid-teens customer traffic growth at group level
- / 21.5% online share in Q2
- / Market share gained in DACH driven by strong B&M business in Germany
- / Market share under pressure in Southern Europe due to heightened competition

¹Source: Own CECONOMY analysis based on market research data by GfK. Countries with MMSRG presence excluding Turkey.

CEECONOMY's sales growth momentum sustained in Q2

Stores

B&M sales up by +11%
in Q2 yoy

Online Business

+300 bp increase in
pick-up rate to 39%
In-house share at c.
21%

Countries

Strong performance
in DE, NL, TR

Services & Solutions

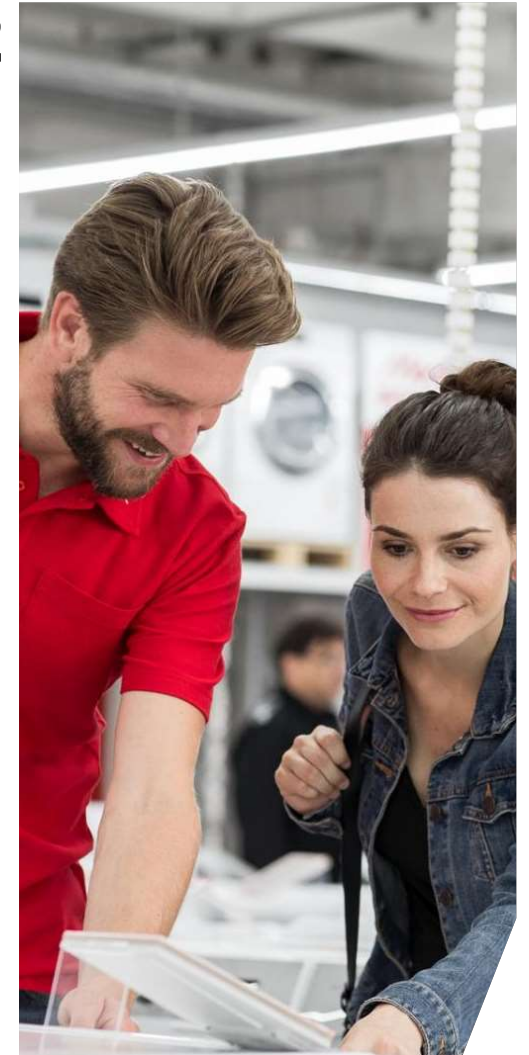
S&S sales grew by
+5.2% to reach 6.1%
sales share
Margin accretive
business

Growth Business

Retail Media now live
in 9 countries
Marketplace:
+90% GMV growth

Customer Experience

NPS at +53, up 4
points yoy



Q2 business & ESG highlights

Our tech transformation continues



- / Milestone reached with the smooth replacement of our legacy order management system in Germany

In-store shopping experience

- / Opening of two Xpress formats in Germany
- / Proximity convenience format (c. 400-1,100 sqm)



ESG remains at the core of our business model



- / Extending of participation in the European Commission's Sustainable Consumption Pledge

New sustainable product offering

- / E-Mobility: cooperation with Like2Drive, exclusive opportunity to test-drive electric cars in Germany
- / Coffee B: Innovative coffee capsule system exclusive to MediaMarkt/Saturn stores and online



We remain focused on costs and liquidity

Efficiency programs

- / Clear focus on strict cost management to counter continuing inflationary trends
- / Efficiency programs announced in Germany

Liquidity

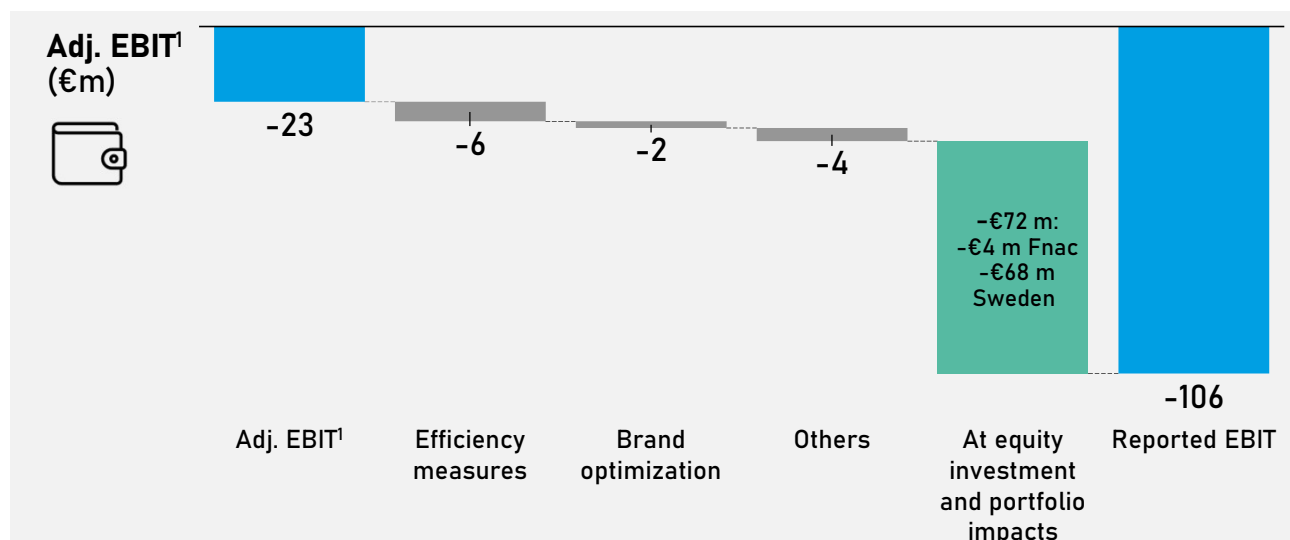
- / Solid FCF improvement
- / Driven by strong working capital improvement

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P&L impacts of the disposal of Sweden

Q2 2022/23



- / Sweden classified as disposal in accordance with IFRS 5 from Q2 2021/22
- / -€68 m one-off impacts recorded in Q2 2022/23 [-€63 m impairment, -€6 m operating profit]
- / Group sales and reported EBIT include Sweden until closing
- / Adj. EBIT already excludes Sweden

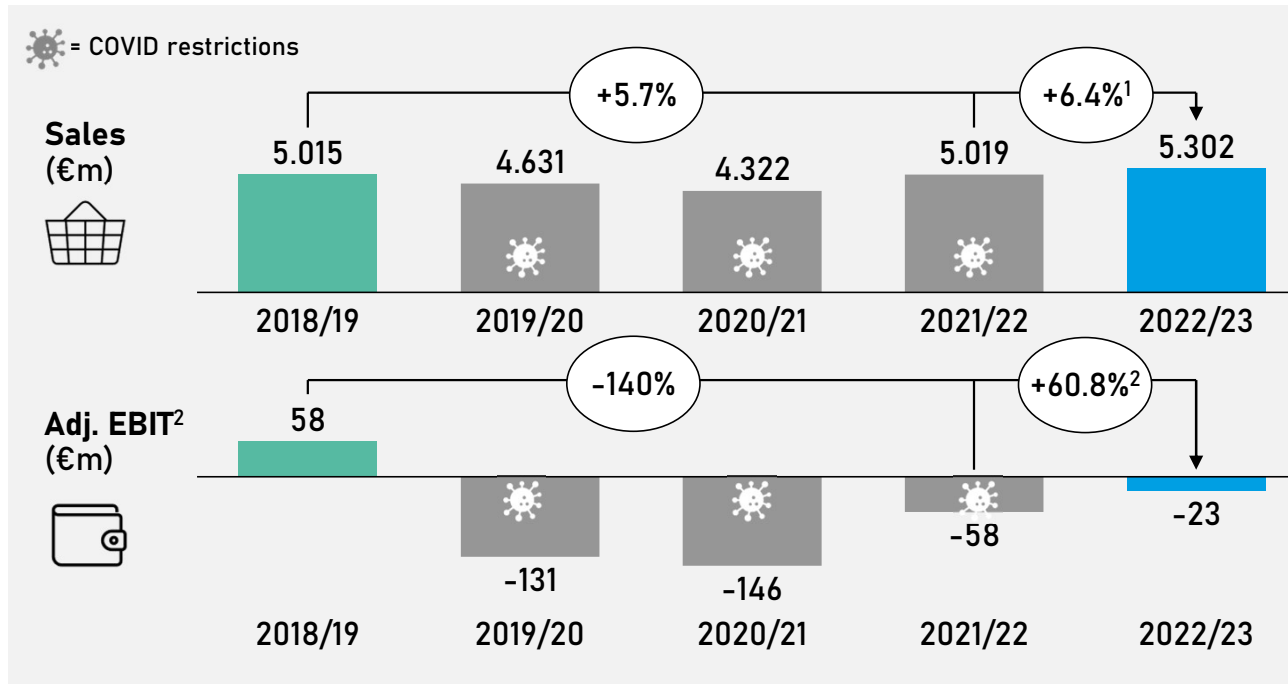
Sweden financials (unaudited numbers)

€m	Q1 2021/22	Q2 2021/22	Q3 2021/22	Q4 2021/22	Full Year 2021/22	Q1 2022/23	Q2 2022/23
Sales	164	107	115	119	506	149	106
Adj. EBIT	0	-4	-6	-1	-12	-6	-5

¹Adj. for currency and portfolio change effects, pre IAS 29, excluding Sweden.

Positive sales momentum driven by B&M, EBIT trend towards normalization continues in Q2 2022/23

Q2 development over the years

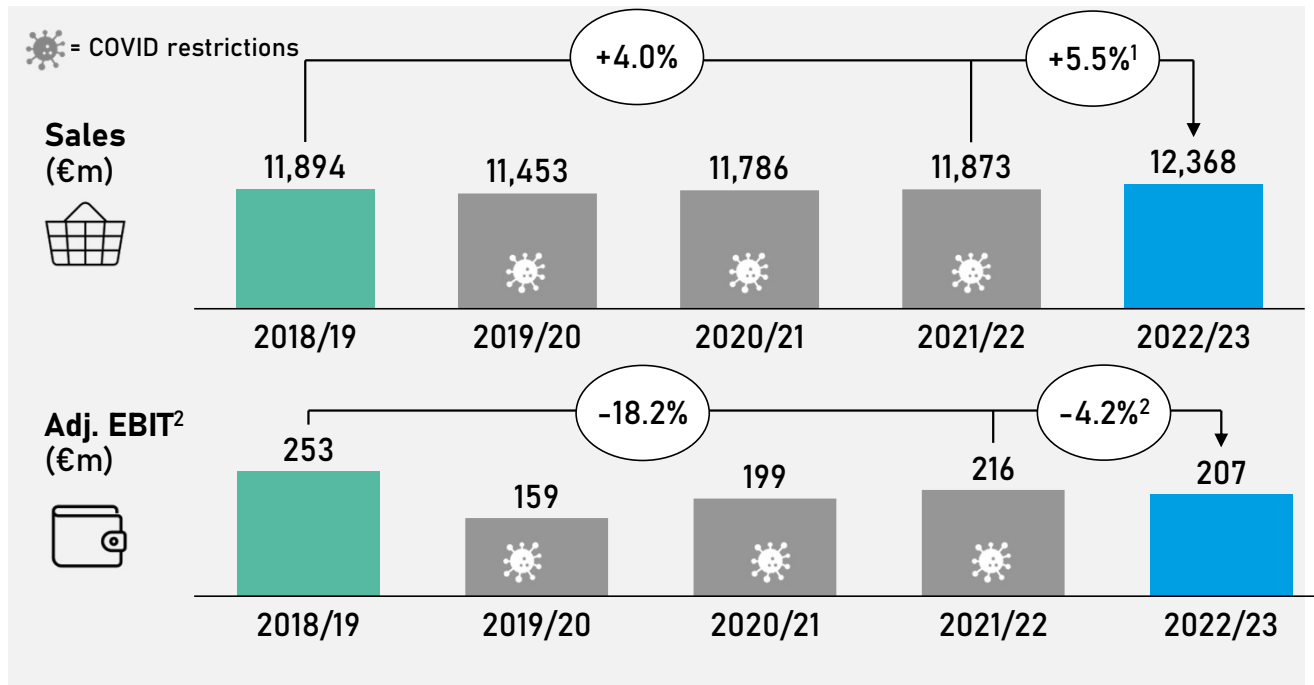


- / Solid sales performance (+6.4%¹ vs. PY)
- / Sales increase primarily driven by successful marketing campaigns and robust performance of B&M
- / +€35 m EBIT Improvement due to sales increase, stable gross margin, and effective cost control
- / Q2 in line with historical seasonal EBIT distribution

¹Adj. for currency and portfolio change effects, pre IAS 29, excluding Sweden. ²Excl. associates, adj. for portfolio changes (Sweden excluded from 2021/22 onward), pre IAS 29 and excl. non-recurring effects.

H1 performance keeps us on track to deliver our more likely guidance scenario 1

H1 development over the years



- / Solid sales performance (+5.5%¹ vs. PY)
- / Sales increase driven by DACH and Eastern Europe
- / EBIT declined by only -€9 m, thanks to strong performance in Q2 2022/23
- / Competitive pressure in Western & Southern Europe (particularly Italy) partly offset by strong performance in DACH and Eastern Europe

¹Adj. for currency and portfolio change effects, pre IAS 29, excluding Sweden. ²Excl. associates, adj. for portfolio changes (Sweden excluded from 2021/22 onward), pre IAS 29 and excl. non-recurring effects.

Positive sales development in DACH and Eastern Europe offsets weakness in Western & Southern Europe

Segments Q2 2022/23

€m	DACH	Western/ Southern Europe	Eastern Europe	Others ⁴	CECONOMY
Sales	2,888	1,630	678	107	5,302
Growth ¹ (%)	2.6	-3.0	77.6	-2.6	6.4
Like-for-like (%)	2.7	-3.1	74.0	-	6.1
Reported yoy change (%)	2.6	-3.0	62.8	-1.5	5.6
Adj. EBIT²	-3	-47	33	-5	-23
Adj. EBIT margin ³ (%)	-0.1	-2.9	5.1	-	-0.4
Adj. EBIT yoy change	40	-30	27	-1	35

DACH

- / Sales increase in AT, DE and HU; CH declined
- / Significant EBIT improvement mainly due to good sales and margin development in DE

Western & Southern Europe

- / Sales growth in Benelux; down in IT, ES and PT
- / EBIT decline driven by ES and IT due to overall negative market trend and cost inflation

Eastern Europe

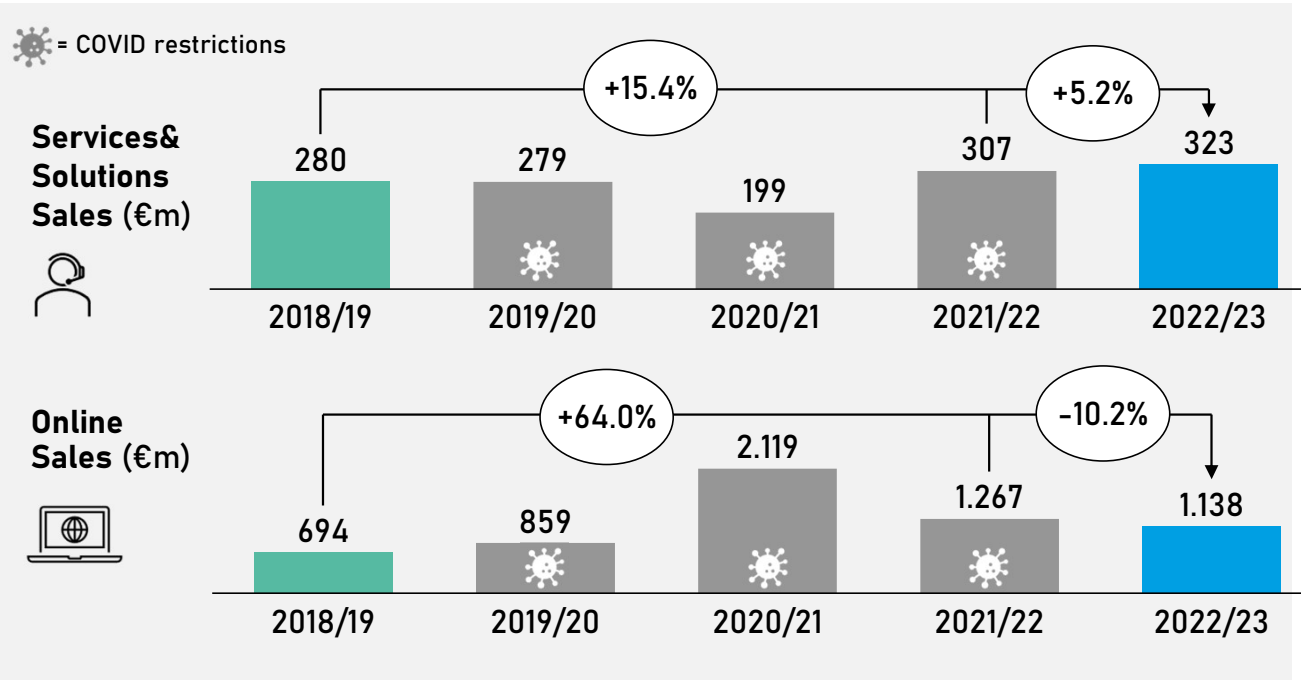
- / Double-digit sales growth in TR; PL stable
- / Significant EBIT improvement mainly due to strong sales and margin development in TR

¹Adj. for currency and portfolio change effects, pre IAS 29, excluding Sweden. ²Excl. associates, adj. for portfolio changes, pre IAS 29 and excl. non-recurring effects.

³Margin calculation based on reported sales incl. IAS 29, excluding Sweden and adj. EBIT. ⁴Segment Others includes CECONOMY AG holding and Sweden, hence respective EBIT margin would not offer a reasonable comparison.

Robust growth of Services & Solutions sales driven by B&M

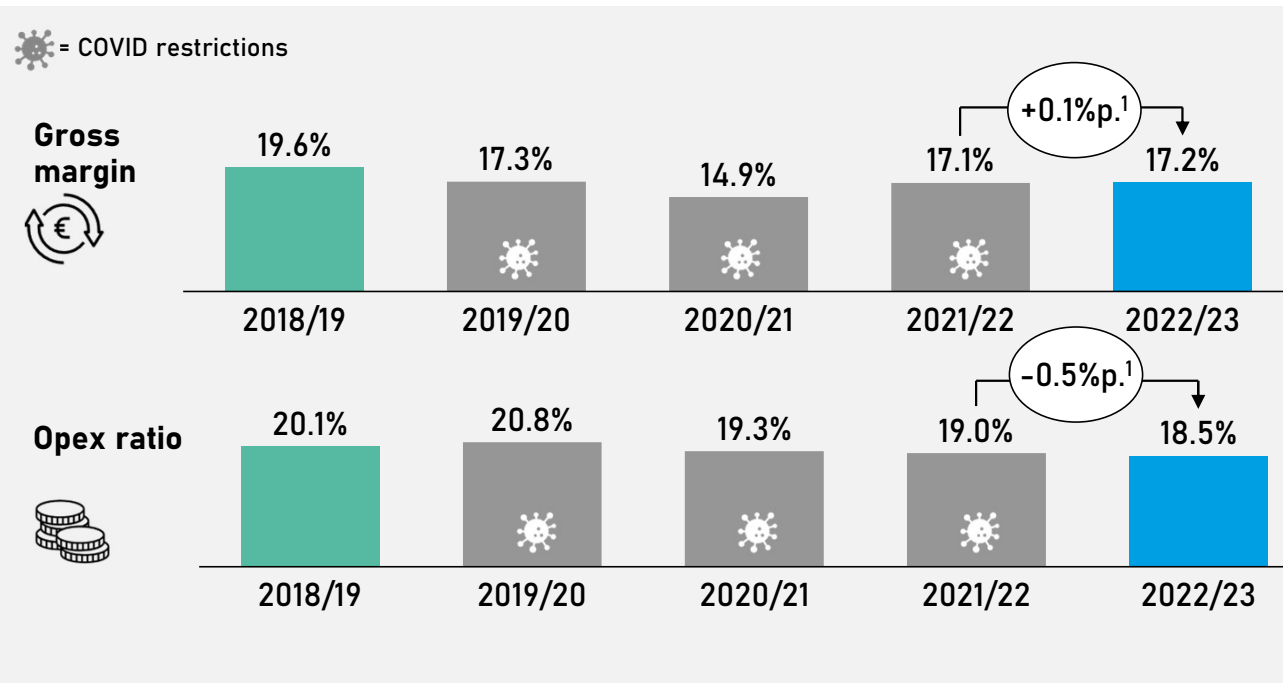
Q2 development over the years



- / Solid development of S&S sales (+5.2% vs. PY) driven by B&M
- / Warranties and consumer finance were the main drivers in this quarter
- / Good development of Retail Media numbers
- / Normalizing trend as customers continue to return back to stores. Online share 21.5% of group sales
- / Online sales remain well above pre-COVID-level

Gross margin stable; efficiency measures partially mitigate cost inflation

Q2 development over the years

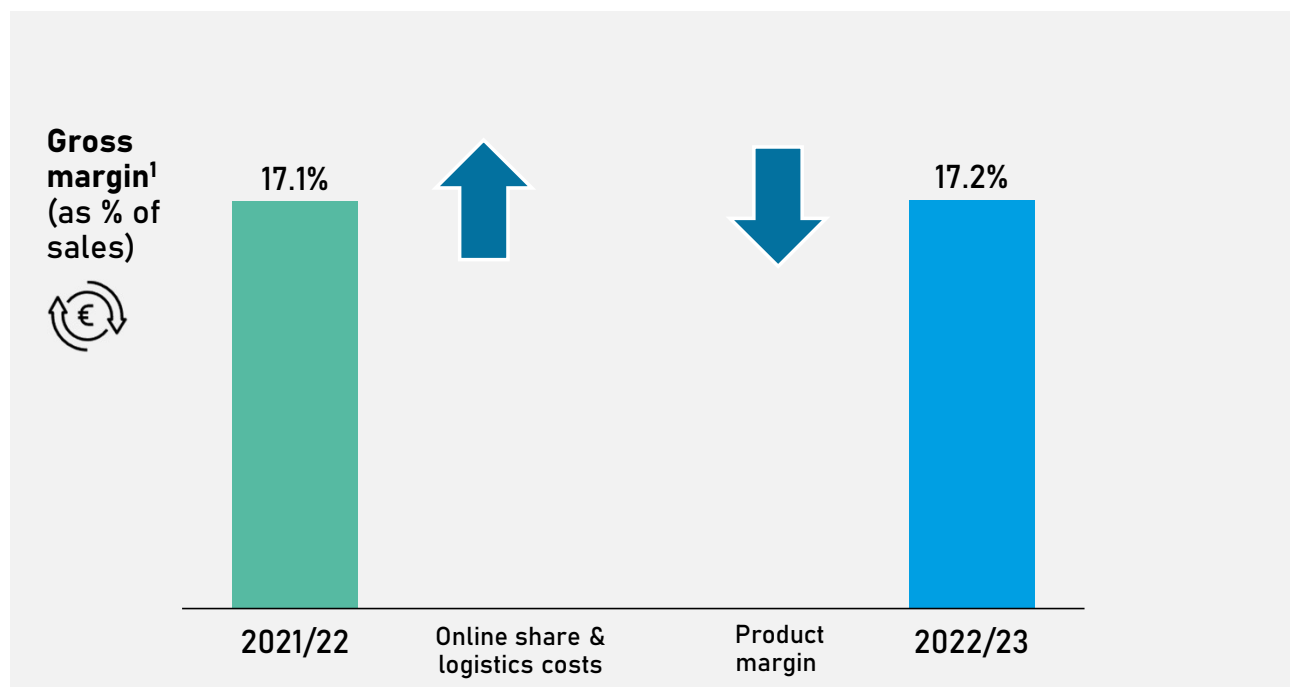


- / Gross margin stabilization in Q2 2022/23
- / Product margin under pressure in a highly competitive market environment
- / Improved logistic costs and lower online share contributed to overall gross margin stabilization
- / -50bp opex ratio driven by positive operating leverage thanks to solid sales development
- / Limited opex cost increase of €20 m as we partially offset cost inflation

¹Excl. Sweden which is classified as disposal group in accordance with IFRS 5 from Q2 2021/22.

Channel shift and logistics offset goods margin pressure

Q2 2022/23



- / Gross margin stabilized in Q2
- / Product margin impacted by increased GSM share and persistent competitive environment
- / Lower logistics costs and lower online share compared to PY translate into positive gross margin effect

¹Adj. for currency and portfolio change effects, pre IAS 29, excluding Sweden. On reported base, gross margin came in at 17.0% in Q2 2022/23.

Our efficiency programs are ramping up

EXPECTED SAVINGS

~€130 m

- / ~€40 m savings vs. PY expected already in FY 2022/23
- / €130 m savings run-rate from the end of FY 2023/24

MEASURES

**Efficiency
and
effectiveness**

- / Further streamlining of our HQ in Germany and abroad
- / Continuing digitalization of processes
- / Brand optimization in Germany resulting in lower advertising costs

RESTRUCTURING COSTS

~€100 m

- / Program already announced in December 2022
- / €8 m restructuring costs booked in Q2 2022/23
- / €60-80 m expected in FY 2022/23
- / Payback period <2 years

Net profit mainly impacted by the disposal of Sweden

EBITDA to EPS	Q2	
€m	2021/22	2022/23
EBITDA	132	119
EBIT reported	-35	-106
Net financial result	-7	-15
Earnings before taxes	-42	-122
Income taxes	8	75
Profit or loss for the period	-33	-47
Non-controlling interests	-13	0
Net result	-21	-47
EPS undiluted (€)	-0.06	-0.10

Reported EBIT

/ Reported EBIT declined due to portfolio impacts; lower earnings share from Fnac Darty, only minor restructuring items booked so far

Financial result

/ Higher interest payments and higher interest on lease liabilities

Tax

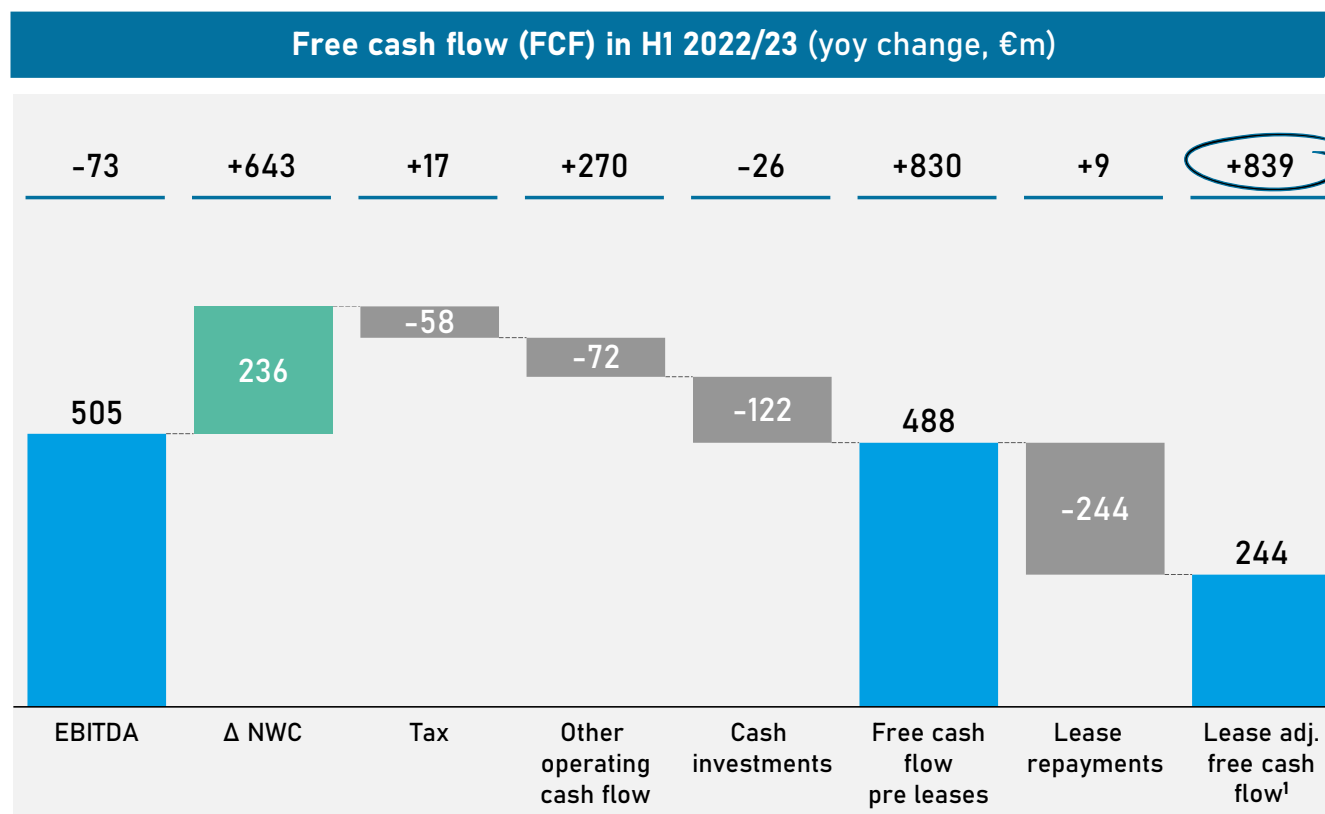
/ Lower tax rate due to the recognition of tax benefits from Convergenta transaction through profit or loss

Non-controlling interests

/ Reduced due to Convergenta transaction

Note: From continuing operations and based on reported figures. Average number of shares 485,221,084 since Q3 FY 2021/22.

Strong FCF improvement– substantial positive yoy change in NWC achieved



Δ NWC

/ Stronger YoY increase; reduction in inventories and trade receivables more than offsets decrease in liabilities

Tax

/ Lower advance payments for upcoming years and higher refunds from previous years

Other operating cash flow

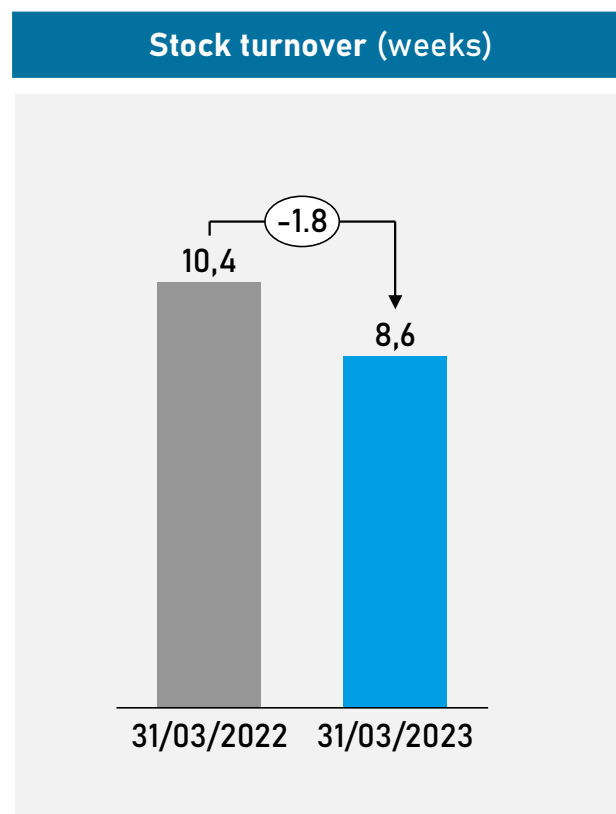
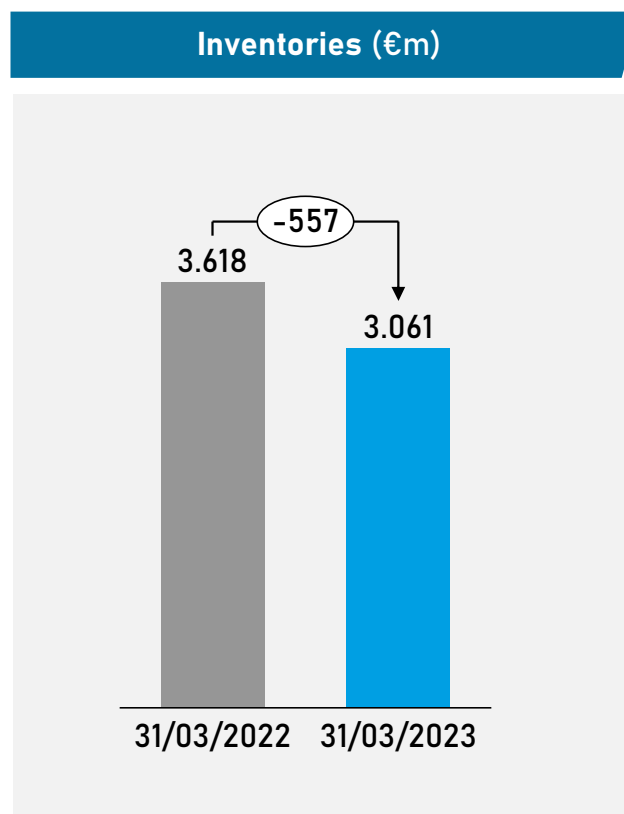
/ Normalizing in current year, previous year impacted by cash-out of deferred payments

Cash investments

/ Advancing modernization and modularization of stores as well as remodeling of stores to Lighthouse or Xperion formats

¹Lease adjusted FCF subtracts the repayment of lease liabilities for better FCF comparability under IFRS 16.

Sound focus on NWC optimization



- / Focus on stock management with clear targets on country level proved effective:
 - Total stock reduced
 - Age structure improved
 - Stock turnover improved from 10.4 weeks to 8.6 weeks

- / Positive sales performance and decrease in inventories led to YoY cash inflow from operations

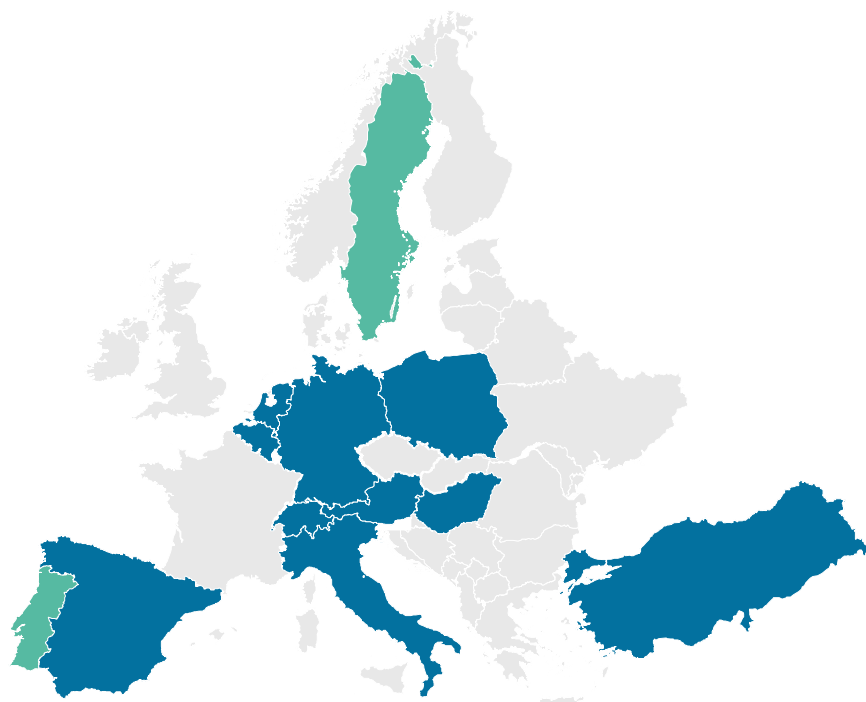
- / >€1 bn undrawn RCF and no major debt repayments until 2026

Note: H1 2022/23 figures excluding Sweden, whereas Sweden is included in H1 2021/22.

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Country portfolio optimization, disposal of Sweden and Portugal



MediaMarkt Sweden:

- ✓ In FY 2021/22 MediaMarkt Sweden generated sales of €506 m, EBIT -€13 m
- ✓ One-off cash outflow in mid-double-digit m€

MediaMarkt Portugal:

- ✓ In FY 2021/22 MediaMarkt Portugal generated Sales of €140 m, EBIT loss: low-single-digit €m
- ✓ Low double-digit cash inflow expected from the transaction

Both transactions are subject to regulatory approval and expected to close in FY 2022/23

Adj. EBIT 2021/22 excluding Sweden and Portugal rebased from €197 m to €208 m

Q2 2022/23 supports our guidance for FY 2022/23 – Positive scenario 1 remains our main scenario

FY 2021/22	FY 2022/23 Guidance scenario 1	FY 2022/23 Guidance scenario 2
Sales	Slight increase ¹	Clear decrease ¹
Adj. EBIT ² €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.

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

Capital Markets Day, 2 June 2023, deep dive into our business and strategy



"Mobile-first omnichannel"

Omnichannel Excellence – Growing online and transforming our portfolio



"Growing lifecycle services"

Offering customers an extended service portfolio along the entire life cycle



"Sustainability as part of the core"

Providing customers a climate-neutral shopping experience



"Front-line first delivering great customer experience"

Engaging employees and customers

Capital Markets Day 2023

WHEN: 2 June 2023

WHERE: XPERION Saturn store
Cologne, Germany

HOW: Onsite/hybrid





Q2/H1 results in summary

01

Good operating momentum continues in Q2

02

Despite a soft CE market, we remain stable

03

We're in control. Our measures to master the current challenges are taking effect

04

We prioritize the customer experience and are building momentum as we execute our strategy

05

Our focus remains on cost, profitability, and liquidity

06

We reaffirm our outlook for FY 2022/23: Scenario 1 guidance being more likely

Questions & Answers



Dr Karsten Wildberger



Dr Kai-Ulrich Deissner

Financial calendar

**Capital Markets
Day 2023**

2 June 2023

**Q3/9M 2022/23
results**

10 August 2023

**Q4/12M 2022/23
Trading Statement**

26 October 2023

**Q4/12M 2022/23
results**

18 December 2023

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Appendix

Current market environment and operational dynamics differ significantly from previous year's period

	PY: Q2 2021/22	CY: Q2 2022/23
External headwinds	<ul style="list-style-type: none"> / COVID restrictions in Germany, Austria, Netherlands / Supply chain restrictions / Insufficient product availability / Russian invasion of Ukraine (start) 	<ul style="list-style-type: none"> / No more COVID restrictions / Improved product availability / Russian invasion of Ukraine (>1 year) / Inflationary pressure and volatile customer demand
Channel mix	<ul style="list-style-type: none"> / Partly pandemic-driven operational business / B&M: Drop of up to ~40% (DE, AT, NL) / Online: Pandemic-related elevated level (25.3%) 	<ul style="list-style-type: none"> / Normalization of operational business / Recovery of B&M business / Online: Normalization to sustainably high level (21.5%)

Net working capital

Q2 2022/23						
€m	30/09/2021	31/03/2022	Change	30/09/2022	31/03/2023	Change
Inventories	3,111	3,618	507	3,176	3,061	115
Trade receivables and similar claims	361	396	35	440	418	22
Receivables due from suppliers	1,142	1,163	20	1,296	993	303
Trade liabilities and similar liabilities	-5,470	-5,588	-118	-5,340	-5,142	-198
Net Working Capital	-855	-411	444	-428	-670	242



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