CECONOMY

Q3/9M 2021/22
QUARTERLY STATEMENT

11 August 2022

SELECTED KEY FIGURES

Q3 2021/22

+6.3%

Significant sales growth[1] compared to prior-year quarter, which was partially impacted by COVID-19

€-109 m

Adjusted EBIT[2] down €16 million year-on-year as a result of normalized cost base

[1] Sales adjusted for currency effects and portfolio changes, pre IAS 29
[2] Adjusted EBIT before non-recurring effects, associates, IAS 29 and portfolio changes

SELECTED KEY FIGURES

9M 2021/22

+3.2%

Sales growth[1]
thanks to recovery in brick-and-mortar business

€102 m

Adjusted EBIT[2]
at previous year's level in the first nine months

[1] Sales adjusted for currency effects and portfolio changes, pre IAS 29
[2] Adjusted EBIT before non-recurring effects, associates, pre IAS 29 and portfolio changes

THE THIRD QUARTER IN REVIEW

Dr Karsten Wildberger,
Chief Executive Officer

»
Since June, consumer sentiment has deteriorated significantly. Faced with sustained high inflation and a drastic rise in energy costs, our customers are acting more cautiously. We are anticipating the fact that the environment will not improve any time soon. However, even in this complex situation, we want to strengthen our competitive position. We are optimizing our cost structures and continuing the consistent implementation of our omnichannel strategy. We will further improve the shopping experience for our customers across all channels.
«

Florian Wieser,
Chief Financial Officer

»
Our original assumptions for future development were made obsolete by the economic and energy crisis. We are currently dealing with extremely adverse conditions and have to assume that consumer sentiment will remain at a low level in the coming months. Particularly in the DACH segment, sustained high inflation including a sharp rise in energy costs will impact demand. We are prepared for this and are solidly financed, so we can keep going even in this extremely challenging environment.
«

Contents

This document is a quarterly statement according to Section 53 Frankfurt Stock Exchange Regulations.

CECONOMY is generally steered on the basis of performance indicators derived from IFRS (International Financial Reporting Standards). In addition, the following key performance indicators apply: total sales growth adjusted for currency effects and portfolio changes and EBIT adjusted for portfolio changes and earnings effects from companies accounted for using the equity method. For the forecast key figures, the previous year's figures are adjusted accordingly. In financial year 2021/22, an adjusted EBIT also applies; the adjustment relates to non-recurring earnings effects in connection with (1) COVID-19-related store closures, (2) the introduction of a harmonized group-wide organizational structure ("Operating Model"), (3) the transaction announced on 14 December 2020 regarding the acquisition of the minority shareholding in MediaMarktSaturn as well as reorganization and simplification of the corporate structure and (4) other effects. Details of the programmes are explained below:

(1) The COVID-19-related store closures relate to the permanent closures of MediaMarkt and Saturn stores in several European countries which have lower footfall as a result of the COVID-19 pandemic and cannot be brought back into the profit zone from the company's point of view.
(2) The Operating Model focuses in particular on the harmonization of structures and standardized, efficient processes and procedures for the administrative functions in the country organizations of MediaMarktSaturn. In addition, the management structures in the stores will be unified throughout Europe and the relief from administrative tasks will enable employees to focus on the customer experience to the greatest extent possible.
(3) The transaction related to CECONOMY AG's acquisition of the 21.62 per cent minority stake in Media-Saturn-Holding GmbH ("MediaMarktSaturn") held by Convergenta Invest GmbH. The parties thereby intend to reorganize their shareholdings in MediaMarktSaturn and to achieve, among other things, a stronger focus on the operating business and the realization of considerable synergies based on a simplified company structure and governance. At the extraordinary General Meeting on 12 April 2022, 98.29 per cent of the shareholders of CECONOMY AG voted in favour of the capital measures in connection with the acquisition of Convergenta Invest GmbH's minority stake in MediaMarktSaturn by CECONOMY AG. The transaction was successfully closed at the beginning of June 2022.
(4) The other effects comprise the retroactive increase of a sector-specific tax in Hungary and accounting effects from Turkey, which has been classified as a hyperinflationary economy (IAS 29). The previous year's figures have not been restated.

For (1), (2) and (3), the adjustment also affects the previous year's figures.

For more details on the management-relevant key performance indicators, please refer to pages 29 to 32 of CECONOMY's Annual Report 2020/21.

From the third quarter of 2021/22, Turkey is classified as a hyperinflationary economy. For this reason, the activities there are recognized in accordance with IAS 29 for the first time. This first-time application mainly affects the sales of the Eastern Europe segment at €66 million, the financial result at €7 million and equity at €38 million.

Recognized tax expenses were calculated in accordance with the regulations governing interim financial reporting using the so-called integral approach. Commercial rounding is used for the figures shown in this quarterly statement. This may result in some individual figures not adding up to the totals shown.

FINANCIAL FIGURES AT A GLANCE[1]

Sales and earnings

€ million	Q3 2020/21	Q3 2021/22	Change	9M 2020/21	9M 2021/22	Change
Sales	4,407	4,659	5.7%	16,193	16,531	2.1%
thereof IAS 29 (hyperinflation in Turkey)	–	66	–	–	66	–
Sales development adjusted for currency effects and portfolio changes, pre IAS 29	8.0%	6.3%	–	5.4%	3.2%	–
Like-for-like sales development	8.1%	6.7%	–	5.9%	3.4%	–
Online sales	1,494	1,065	−28.7%	5,872	4,220	−28.1%
Services & Solutions sales	243	299	23.1%	785	950	21.1%
Gross margin	15.9%	17.3%	1.4%p.	16.1%	17.2%	1.1%p.
EBIT	−106	−180	−70.7%	233	61	−73.9%
Adjusted EBIT	−93	−109	−17.2%	106	102	−3.7%
Adjusted EBIT margin	−2.1%	−2.3%	−0.2%p.	0.7%	0.6%	0.0%p.
Net financial result	9	−11	–	3	−28	–
Tax rate	14.9%	38.7%	23.9%p.	20.0%	71.1%	51.1%p.
Profit or loss for the period attributable to non-controlling interests	−16	−22	−39.2%	8	3	−64.1%
Net result	−67	−95	−43.2%	180	6	−96.4%
Undiluted earnings per share (€)[2]	−0.19	−0.24	−0.06	0.50	0.02	−0.48

Cash flow

€ million	9M 2020/21	9M 2021/22	Change
Cash flow from operating activities	−252	−547	−295
Cash flow from investing activities	−23	26	49
Cash flow from financing activities	325	−568	−893
Change in net working capital[3]	−859	−765	94
Free cash flow	−375	−706	−331

Statement of financial position

€ million	30/06/2021	30/06/2022	Change
Net working capital	−356	−40	316
Net liquidity (+)/Net debt (−)	−1,560	−2,464	−904

Other operating key figures (as of 30/06)

	30/06/2021	30/06/2022	Change
Number of stores	1,029	1,023	−6
Total selling space (thousand m^2)	2,636	2,550	−86
Workforce by full-time equivalents	45,254	44,280	−973

[1] Business figures represent the continuing operations of CECONOMY.
[2] 485,221,084 ordinary shares outstanding since 3 June 2022
[3] Change in net working capital shown from the related statement of financial position items, mainly adjusted for non-cash items

OUTLOOK

The previous year's high level of uncertainty regarding future macroeconomic and sector-specific parameters persisted in the first half of financial year 2021/22. These included the ongoing COVID-19 pandemic and the fact that many supply chains were still under strain. With accelerating inflation in Europe and the Russian war of aggression against Ukraine, the macroeconomic and geopolitical environment also substantially changed, including a severe dip in consumer sentiment in Europe.

OUTLOOK ADJUSTMENT

In the light of significantly altered conditions, especially over the course of the third quarter of 2021/22, CECONOMY adjusted the outlook for financial year 2021/22 on 21 July 2022. Consumer sentiment had continued to deteriorate at a rapid pace. As a result of the dynamic inflation development including a sharp rise in energy costs and weakened demand, this particularly affects Germany, Austria and Switzerland.

SALES

For financial year 2021/22, CECONOMY now expects total sales adjusted for exchange rate effects to be at previous year's level (2020/21: €21.4 billion). The DACH segment is expected to be slightly down on previous year, the Western/Southern Europe segment at previous year's level and the Eastern Europe segment very clearly up on previous year. Originally, CECONOMY had assumed slight year-on-year growth in total sales adjusted for exchange rate effects, driven particularly by the Eastern Europe segment, whereas the DACH and Western/Southern Europe segments were expected to be at previous year's level.

EARNINGS

For financial year 2021/22, CECONOMY expects adjusted Group EBIT of €150 million to €210 million (2020/21: €237 million). This includes the DACH segment to be very clearly below previous year, the Eastern Europe segment to be on previous year's level and the Western/Southern Europe segment to be very clearly above previous year. Originally, CECONOMY had assumed a very significant year-on-year increase in adjusted Group EBIT, driven particularly by the DACH and Western/Southern Europe segments, whereas the Eastern Europe segment was expected to be down on previous year, primarily due to currency effects in Turkey.

The adjusted outlook applies on the condition that the effects of the Russian war of aggression against Ukraine do not get substantially worse and that potential energy supply shortages as well as the COVID-19 pandemic do not lead to new, extensive restrictions in the retail sector, which would impact CECONOMY's business activities. Moreover, CECONOMY will continue to consistently and successfully implement its strategic and operating initiatives in a challenging market environment.

The outlook is adjusted for portfolio changes and does not take into account the earnings effects from companies accounted for using the equity method. As in the past financial year 2020/21, non-recurring earnings effects in connection with COVID-19-related store closures as well as the introduction of a harmonized group-wide organizational structure ("Operating Model") announced on 12 August 2020 are not included. Expenses in connection with the transaction announced on 14 December 2020 regarding the acquisition of the minority shareholding in MediaMarktSaturn as well as the reorganization and simplification of the corporate structure are also not taken into account. Moreover, the outlook does not account for the retroactive increase of a sector-specific tax in Hungary or accounting effects from Turkey, which is now a hyperinflationary economy.

EVENTS IN THE THIRD QUARTER

On 24 February 2022, Russia began a war of aggression against Ukraine. CECONOMY has no presence in Ukraine and as of 2018 also no longer operates in Russia. However, CECONOMY continues to hold 15 per cent of the shares in PJSC M.video, the leading consumer electronics retailer in Russia. CECONOMY exercises no operational control. The shareholding is purely a financial minority stake, which is accounted for accordingly as a financial investment. Due to Russia's ongoing war of aggression against Ukraine and the associated sanctions and restrictions on trade, in the third quarter of 2021/22 it was still impossible to assume that the price data available from the Moscow stock exchange could provide a basis for a reliable estimate of the current market value of PJSC M.video. Based on the valuation model used to derive a value indication in the half-year period, the updated parameters resulted in a market value of €42 million. The starting point for the valuation was the stock exchange price of 264.4 roubles per share fixed on 25 February 2022, i.e. the last trading day before suspension of trading on the Moscow stock exchange. For the purposes of a best-possible estimate of market value, this stock exchange price was adjusted by a markdown of 49 per cent and a one-year forward exchange rate of €0.012 per rouble. The price markdown applied was based on the price performance of a dual-listed stock in the period from 25 February 2022 to 30 June 2022, whereby a positive correlation can be plausibly assumed with the potential performance of the PJSC M.video share. The significantly higher price markdown compared with the previous quarter was largely compensated for by an expected recovery of the rouble, so the carrying amount of the investment in the third quarter of 2021/22 had to be adjusted through other comprehensive income by around €1 million to €42 million as of 30 June 2022. In the period from 31 December 2021 to 30 June 2022, a total of €96 million was therefore adjusted through other comprehensive income. After the reporting date, a market value for the shares in PJSC M.video still cannot be reliably derived from the stock market price on the Moscow stock exchange.

At the extraordinary General Meeting on 12 April 2022, 98.29 per cent of the shareholders of CECONOMY AG voted in favour of the capital measures in connection with the acquisition of Convergenta Invest GmbH's minority stake in MediaMarktSaturn by CECONOMY AG ("Convergenta transaction"). The extraordinary General Meeting also resolved by a majority of 99.98 per cent to convert the preference shares into ordinary shares. This resolution was approved both by 99.97 per cent of ordinary shareholders by way of a special resolution and by 98.79 per cent of preference shareholders at a separate meeting of the preference shareholders following the extraordinary General Meeting. No complaints were filed against the above-mentioned resolutions of the extraordinary General Meeting and of the separate meeting of the preference shareholders. Therefore, the preference shares of CECONOMY AG were converted into ordinary shares at the end of May 2022, and the capital measures resolved in the wake of the Convergenta transaction were entered into the commercial register at the beginning of June 2022. Including the completed conversion of preference shares into ordinary shares and the capital increase through contribution in kind in connection with the Convergenta transaction, the new total amount of all outstanding shares (exclusively ordinary shares) is 485,221,084. Since the closing of the Convergenta transaction through the corresponding commercial register entry, Convergenta Invest GmbH now has a 27.94 per cent stake in CECONOMY AG as evidenced by the corresponding voting rights notification. In addition to the shares from the capital increase through contribution in kind and a limited cash component, CECONOMY AG issued convertible bonds in favour of Convergenta Invest GmbH with a total nominal amount of €151 million, a term of five years and an interest rate of 0.05 per cent p.a. as an additional compensation component for the Convergenta transaction. The initial conversion price is €5.42 per conversion share, which grant their holders conversion rights initially up to a total of 27,859,778 new ordinary shares. The stock market issuing prospectus for the new shares issued as a result of the capital increase through contribution in kind as well as the up to 35,000,000 contingent capital increase shares for the convertible bond was approved by the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht – BaFin) on 7 June 2022. On 9 June 2022, the shares were admitted to trading on the regulated market of the Frankfurt Stock Exchange ("FWB") with simultaneous admission to the sub-segment of the regulated market with additional post-admission obligations (Prime Standard) of the FWB and the regulated market of Düsseldorf Stock Exchange.

On 19 April 2022, CECONOMY AG extended tranche A (€353 million) of the syndicated credit facility with an initial term of three years by one year to 6 May 2025 in accordance with a contractually agreed extension option. All syndicate banks consented to the extension.

Due to the performance of the Fnac Darty S.A. share in the third quarter of 2021/22 and the large number of risks that also continue to affect Fnac Darty S.A.'s business environment, this investment accounted for using the equity method was tested for impairment again as of 30 June 2022. Based on a consistently continued DCF method, updated measurement parameters in the individual scenarios of the calculation model resulted in comparatively low future performance values. This led to an adjustment of the carrying amount by €56 million, so that the investment in Fnac Darty S.A. as of 30 June 2022 is recognized at around €388 million based on regular subsequent measurement according to the equity method. The recoverable amount of the investment in Fnac Darty S.A. determined with the DCF method was validated and confirmed using recognized alternative measurement methods.

EVENTS AFTER THE REPORTING DATE

In light of significantly altered economic conditions, CECONOMY adjusted the outlook for financial year 2021/22 on 21 July 2022. CECONOMY now expects total sales adjusted for exchange rate effects to be at previous year's level (2020/21: €21.4 billion) and adjusted EBIT to be €150 million to €210 million (2020/21: €237 million). The previous outlook envisaged slight growth in total sales adjusted for exchange rate effects and a very clear increase in adjusted EBIT year-on-year.

The outlook adjustment resulted in particular from the latest developments as well as expectations in the DACH segment. Moreover, the outlook applies on the condition that the effects of the Russian war of aggression against Ukraine do not get substantially worse and that potential energy supply shortages as well as the COVID-19 pandemic do not lead to new, extensive restrictions in the retail sector, which would impact CECONOMY's business activities.

The previous outlook was based among other things on the assumption that consumer sentiment would improve over the course of the year and that inflation rates would normalize. In actual fact, consumer sentiment continued to deteriorate at a rapid pace in the weeks before the announcement. In this context, the assumptions made were no longer appropriate. As a result of the dynamic inflation development including a sharp rise in energy costs and weakened demand, this particularly affects Germany, Austria and Switzerland.

CECONOMY also assumes that the worsened overall situation will continue beyond the current financial year 2021/22. The Management Board of CECONOMY will release the forecast for financial year 2022/23 as planned when it presents the business figures for financial year 2021/22.

The adjusted outlook is adjusted for portfolio changes and does not take into account the earnings effects from companies accounted for using the equity method. As in the past financial year 2020/21, non-recurring earnings effects in connection with COVID-19-related store closures as well as the introduction of a harmonized group-wide organizational structure ("Operating Model") announced on 12 August 2020 are not included. Expenses in connection with the transaction announced on 14 December 2020 regarding the acquisition of the minority shareholding in MediaMarktSaturn as well as the reorganization and simplification of the corporate structure are also not taken into account. Moreover, the outlook does not account for the retroactive increase of a sector-specific tax in Hungary or accounting effects from Turkey, which is now a hyperinflationary economy.

RESULTS IN DETAIL

Earnings position

Quarter	Sales (€ million)		Change	Currency effects	Sales adjusted for currency effects and portfolio changes	Like-for-like sales (local currency)
	Q3 2020/21	Q3 2021/22	Q3 2021/22	Q3 2021/22	Q3 2021/22	Q3 2021/22
Total	**4,407**	**4,659**	**5.7%**	**−2.1%**	**6.3%**	**6.7%**
DACH	2,365	2,492	5.3%	0.0%	5.3%	6.8%
Western/Southern Europe	1,565	1,522	−2.8%	0.0%	−2.8%	−3.0%
Eastern Europe	357	529	48.3%	−33.9%	63.6%	58.9%
Others	119	116	−3.0%	−3.4%	0.4%	−1.3%

9M	Sales (€ million)		Change	Currency effects	Sales adjusted for currency effects and portfolio changes	Like-for-like sales (local currency)
	9M 2020/21	9M 2021/22	9M 2021/22	9M 2021/22	9M 2021/22	9M 2021/22
Total	**16,193**	**16,531**	**2.1%**	**−1.5%**	**3.2%**	**3.4%**
DACH	9,079	9,225	1.6%	0.1%	1.5%	3.0%
Western/Southern Europe	5,362	5,418	1.1%	0.0%	1.1%	−0.5%
Eastern Europe	1,328	1,498	12.8%	−24.1%	31.9%	30.2%
Others	424	391	−7.9%	−1.6%	−6.3%	−6.7%

GROUP SALES ADJUSTED FOR CURRENCY EFFECTS AND PORTFOLIO CHANGES INCREASE IN THE THIRD QUARTER

In the **first nine months of 2021/22**, CECONOMY generated Group sales of €16.5 billion, an increase of 2.1 per cent compared with the prior-year period. Adjusted for currency effects and portfolio changes, sales were up 3.2 per cent year-on-year. On a like-for-like basis, Group sales recorded an increase of 3.4 per cent.

In the **third quarter of 2021/22**, Group sales increased by 5.7 per cent, totalling €4.7 billion. This includes effects from the first-time application of IAS 29 (hyperinflation in Turkey) of €66 million. Adjusted for this effect and for currency effects and portfolio changes, sales grew by 6.3 per cent. On a like-for-like basis, Group sales recorded an increase of 6.7 per cent compared to the prior-year period. Sales development in the countries of the respective segments was mixed. Overall, all segments apart from the Western/Southern Europe segment contributed to the sales growth adjusted for currency effects and portfolio changes. Sales adjusted for currency effects and portfolio changes developed particularly positively in Germany, Hungary and Turkey. These countries improved compared with the prior-year period, which was affected by temporary store closures in response to COVID-19 and restrictions in the brick-and-mortar business ("Click & Meet"). Overall, however, consumer sentiment was dampened by the strained geopolitical situation as a result of significantly increased inflation rates and the sharp rise in energy costs. As expected, sales shifted back from online retail to the brick-and-mortar business in the third quarter, whereby the online share of total sales remained much higher than before the COVID-19 pandemic.

EXPLANATION OF SALES IN THE DACH SEGMENT

In the **first nine months of 2021/22**, the DACH segment generated sales of €9.2 billion, which corresponds to a rise of 1.6 per cent. Adjusted for currency effects and portfolio changes, sales were 1.5 per cent above the comparable figure of the previous year.

In the **third quarter of 2021/22**, sales in the DACH segment increased by 5.3 per cent, totalling €2.5 billion. Adjusted for currency effects and portfolio changes, sales increased by 5.3 per cent compared to the same quarter of the previous year. Germany in particular benefited from a weak comparison basis in the previous year, which was impacted by pandemic-related selling restrictions in the brick-and-mortar business (store closures due to the incidence rate, "Click & Meet") until the beginning of June 2021. In addition to the low base of the previous year as a result of COVID-19, Hungary benefited from higher disposable household incomes thanks to government assistance. A solid sales increase was reported in connection with higher campaign intensity. Sales adjusted for currency effects and portfolio changes declined in Austria and Switzerland. For Austria, it should be noted that the prior-year quarter was supported by strong catch-up effects following a four-week, COVID-19-related regional store closure in April 2021.

EXPLANATION OF SALES IN THE WESTERN/SOUTHERN EUROPE SEGMENT

In the **first nine months of 2021/22**, the Western/Southern Europe segment generated sales of €5.4 billion, an increase of 1.1 per cent. There were no currency or portfolio change effects.

In the **third quarter of 2021/22**, sales in the Western/Southern Europe segment decreased by 2.8 per cent compared to the prior-year period to €1.5 billion. There were no currency or portfolio change effects. While sales in Italy increased, especially online, and Spain achieved the previous year's level, all other countries in the Western/Southern Europe segment posted a sales decline against the prior-year period. This was mainly due to the increased cost of living over the course of the third quarter, which substantially curbed consumer sentiment. Sales declined overall, especially in the Netherlands and Belgium. This development was also partially influenced by catch-up effects following COVID-19-related restrictions ("Click & Meet") in the prior-year period.

EXPLANATION OF SALES IN THE EASTERN EUROPE SEGMENT

In the **first nine months of 2021/22**, sales in the Eastern Europe segment increased by 12.8 per cent to €1.5 billion. Quarterly sales were still adversely affected by the sharp depreciation of the Turkish lira. Adjusted for currency effects and portfolio changes, sales were significantly above the comparable figure of the previous year at 31.9 per cent.

In the **third quarter of 2021/22**, sales in the Eastern Europe segment increased by 48.3 per cent to around €0.5 billion. This includes effects from the first-time application of IAS 29 (hyperinflation in Turkey) of €66 million. The strong depreciation of the Turkish lira also continued to negatively impact segment sales. Adjusted for currency effects and portfolio changes, sales in the segment increased by 63.6 per cent on the same quarter of the previous year. In local currency, the business in Turkey saw a sustained acceleration in sales momentum and achieved a high triple-digit growth rate, which is primarily attributable to strong customer demand after the lockdown-affected previous year. Sales in Poland likewise saw strong double-digit growth in the third quarter.

EXPLANATION OF SALES IN THE OTHERS SEGMENT

In the **first nine months of 2021/22**, sales in the Others segment decreased by 7.9 per cent compared to the prior-year period to €0.4 billion. Adjusted for currency effects and portfolio changes, sales were down 6.3 per cent year-on-year.

In the **third quarter of 2021/22**, sales in the Others segment declined by 3.0 per cent to €0.1 billion. Adjusted for currency effects and portfolio changes, sales increased slightly by 0.4 per cent and were thus at the previous year's level. The sales development was burdened by restrained consumer sentiment as a result of the rising cost of living in Sweden.

Online and Services & Solutions sales in the Group

Quarter	Sales (€ million)		Change (%)	In % of total sales
	Q3 2020/21	Q3 2021/22		
Online	1,494	1,065	−28.7	22.9
Services & Solutions	243	299	23.1	6.4

9M	Sales (€ million)		Change (%)	In % of total sales
	9M 2020/21	9M 2021/22		
Online	5,872	4,220	−28.1	25.5
Services & Solutions	785	950	21.1	5.7

ONLINE SALES DECLINE – BUT SHARE REMAINS HIGH

In the **first nine months of 2021/22**, online sales decreased by 28.1 per cent to €4.2 billion. The online share of total sales amounted to 25.5 per cent (9M 2020/21: 36.3 per cent). In the reporting period, the pick-up rate was 36.4 per cent and thus at previous year's level (9M 2020/21: 37.0 per cent).

In the **third quarter of 2021/22**, online business posted a decline of 28.7 per cent and achieved sales of €1.1 billion. The online share of total sales was around 22.9 per cent (Q3 2020/21: 33.9 per cent). Online sales therefore remained much higher than before the COVID-19 pandemic. As expected, the recovery of the brick-and-mortar business had a negative effect on the development of online sales in the third quarter compared with the prior-year quarter, in which the brick-and-mortar business was still partially constrained by COVID-19 restrictions. The pick-up rate decreased by around five percentage points to 37.9 per cent (Q3 2020/21: 42.8 per cent).

SUSTAINED STRONG GROWTH IN SERVICES & SOLUTIONS BUSINESS

In the **first nine months of 2021/22**, Services & Solutions sales increased by 21.1 per cent to €950 million. This equates to a Services & Solutions share of total sales of 5.7 per cent (9M 2020/21: 4.8 per cent).

In the **third quarter of 2021/22**, sales in the Services & Solutions business increased by 23.1 per cent to around €299 million. The share of the Services & Solutions business accounted for 6.4 per cent of total sales (Q3 2020/21: 5.5 per cent). The sales growth of the Services & Solutions business was particularly supported by the recovery of the brick-and-mortar business and the operating progress. Significant year-on-year sales growth was achieved particularly in the countries that were affected by COVID-19 restrictions in the prior-year quarter.

Earnings development in the Group

Quarter	Reported EBIT	Reported EBIT	Change compared to prior year	Adjusted EBIT[1]	Adjusted EBIT[1]	Change compared to prior year
€ million	Q3 2020/21	Q3 2021/22	Q3 2021/22	Q3 2020/21	Q3 2021/22	Q3 2021/22
Total[2]	**−106**	**−180**	**−75**	**−93**	**−109**	**−16**
DACH	−49	−77	−27	−49	−67	−18
Western/Southern Europe	−38	−35	3	−30	−30	−1
Eastern Europe	−3	−3	0	−3	−2	2
Others	−15	−66	−51	−11	−11	0

[1] Before non-recurring effects, associates and portfolio changes
[2] Including consolidation

9M	Reported EBIT	Reported EBIT	Change compared to prior year	Adjusted EBIT[1]	Adjusted EBIT[1]	Change compared to prior year
€ million	9M 2020/21	9M 2021/22	9M 2021/22	9M 2020/21	9M 2021/22	9M 2021/22
Total[2]	**233**	**61**	**−172**	**106**	**102**	**−4**
DACH	91	53	−38	113	70	−43
Western/Southern Europe	−11	24	35	7	25	19
Eastern Europe	13	27	14	13	28	15
Others	140	−45	−186	−25	−22	3

[1] Before non-recurring effects, associates, IAS 29 and portfolio changes
[2] Including consolidation

ADJUSTED GROUP EBIT IN THE THIRD QUARTER BELOW PREVIOUS YEAR DUE TO NORMALIZED COST BASE AND NEGATIVE EFFECTS OF INFLATION ON THE MARGIN

In the **first nine months of 2021/22**, reported Group EBIT decreased by €172 million to €61 million (9M 2020/21: €233 million). This includes non-recurring effects amounting to €−18 million in connection with the introduction of a harmonized organizational structure ("Operating Model"), permanent store closures as a result of COVID-19, the acquisition of the minority shareholding in MediaMarktSaturn and reorganization and simplification of the corporate structure announced on 14 December 2020, and other effects, which comprise the retroactive increase of a sector-specific tax in Hungary and accounting effects from Turkey, which is now a hyperinflationary economy. In the previous year, reported Group EBIT included non-recurring effects amounting to €−51 million. Earnings effects from companies accounted for using the equity method totalled €−23 million in the reporting period (9M 2020/21: €178 million). The higher amount in the prior-year period is mainly attributable to the reversal of impairment of the share in Fnac Darty S.A. of approximately €150 million, whereas in the current financial year there was impairment of €56 million. Adjusted for non-recurring effects, earnings effects from companies accounted for using the equity method, and portfolio changes, Group EBIT declined slightly by €4 million to €102 million (9M 2020/21: €106 million).

In the **third quarter of 2021/22**, reported Group EBIT decreased by €75 million to €−180 million (Q3 2020/21: €−106 million). This includes non-recurring effects amounting to €−14 million in connection with the introduction of a harmonized organizational structure ("Operating Model"), permanent store closures as a result of COVID-19, the acquisition of the minority shareholding in MediaMarktSaturn and reorganization and simplification of the corporate structure announced on 14 December 2020, and other effects, which comprise the retroactive increase of a sector-specific tax in Hungary and accounting effects from Turkey, which is now a hyperinflationary economy. In the previous year, reported Group EBIT included non-recurring effects amounting to approximately €−12 million. Earnings effects from companies accounted for using the equity method of €−57 million (Q3 2020/21: €−1 million) were also included. Adjusted for non-recurring effects, earnings effects from companies accounted for using the equity method, and portfolio changes, Group EBIT declined by €16 million to €−109 million (Q3 2020/21: €−93 million).

The decline in adjusted EBIT resulted in particular from an increased cost base in the third quarter, which was not compensated for by the positive sales growth in the Group. The increase in costs is mainly attributable to the DACH segment. While the DACH segment generated single-digit sales growth, earnings in Germany were negatively affected primarily by the increase in personnel expenses. This increase is mainly attributable to the discontinuation of government support in connection with the COVID-19 pandemic. In addition, the normalization of marketing expenses, which were reduced during the COVID-19 pandemic, and other inflation effects such as energy costs affected the increase in total costs compared to the prior-year period. The gross margin increased by 130 basis points to 17.2 per cent. This improvement was supported by lower logistics costs as a result of the lower sales share of the online business as well as by higher income from the Services & Solutions business. In contrast, the inflation-driven increase in procurement costs, which were not fully passed on to customers, had a negative effect on the gross margin.

EXPLANATION OF THE RESULT IN THE DACH SEGMENT

In the **first nine months of 2021/22**, EBIT in the DACH segment was €53 million and therefore declined by €38 million year-on-year (9M 2020/21: €91 million). This includes non-recurring effects of €–16 million (9M 2020/21: €–22 million). Adjusted for these effects, EBIT in the DACH segment decreased by €43 million to €70 million (9M 2020/21: €113 million).

In the **third quarter of 2021/22**, EBIT in the DACH segment declined by €27 million to €–77 million (Q3 2020/21: €–49 million). This includes non-recurring effects of around €–10 million (Q3 2020/21: €0 million). Adjusted for these effects, EBIT in the DACH segment decreased by €18 million to €–67 million (Q3 2020/21: €–49 million). All countries in the DACH segment posted a decline in earnings. The development was driven in particular by Germany and Austria. In Germany, earnings in the prior-year period were supported by an amount in the mid-double-digit millions of euros due to the government-funded cost measures in response to COVID-19. In addition, the measurement of inventories had a negative effect on the gross margin, which reduced earnings in Germany. Earnings in Austria were impacted both by sales and margins, due among other things to lower subsidies in response to COVID-19.

EXPLANATION OF THE RESULT IN THE WESTERN/SOUTHERN EUROPE SEGMENT

In the **first nine months of 2021/22**, the Western/Southern Europe segment generated EBIT of €24 million, €35 million above the previous year's level (9M 2020/21: €–11 million). This includes non-recurring effects of €–1 million (9M 2020/21: €–17 million). Adjusted for these earnings effects and portfolio changes, EBIT increased by €19 million to €25 million (9M 2020/21: €7 million).

In the **third quarter of 2021/22**, EBIT in the Western/Southern Europe segment improved slightly by €3 million to €–35 million (Q3 2020/21: €–38 million). This includes non-recurring effects amounting to approximately €–5 million (Q3 2020/21: €–8 million). Adjusted for these earnings effects and portfolio changes, EBIT amounted to €–30 million and was thus down slightly by €–1 million from the previous year's level (Q3 2020/21: €–30 million). Earnings development in the countries of the Western/Southern Europe segment was mixed. Italy posted an earnings increase and benefited both from positive sales growth and a lower cost base, which was negatively affected in the previous year by the recognition of a provision. The Netherlands and Spain developed in the opposite direction, with Spain seeing a margin-driven decline and earnings in the Netherlands falling short of the previous year due to both sales and costs.

EXPLANATION OF THE RESULT IN THE EASTERN EUROPE SEGMENT

In the **first nine months of 2021/22**, EBIT in the Eastern Europe segment at €27 million was €14 million above the previous year's level (9M 2020/21: €13 million). No notable non-recurring effects were incurred either in the reporting period or in the previous year. Accordingly, adjusted EBIT in the Eastern Europe segment increased by €15 million to €28 million (9M 2020/21: €13 million).

In the **third quarter of 2021/22**, EBIT in the Eastern Europe segment increased by €0 million to €–3 million (Q3 2020/21: €–3 million). This includes non-recurring effects at a very low level of around €–1 million (Q3 2020/21: €0 million). Adjusted for these effects, EBIT in the Eastern Europe segment increased by €2 million to €–2 million (Q3 2020/21: €–3 million). Despite double-digit sales growth in Poland, which benefited from the partial lockdown in the prior-year, earnings were negatively affected by the normalization of the cost base. This earnings decline was more than compensated for by the sales-driven earnings growth in Turkey.

EXPLANATION OF THE RESULT IN THE OTHERS SEGMENT

The Others segment covers, in particular, the activities of CECONOMY AG, the earnings effects from companies accounted for using the equity method, the operating business in Sweden and the activities of smaller companies. In the **first nine months of 2021/22**, EBIT declined by €186 million year-on-year to €–45 million (9M 2020/21: €140 million). This includes earnings effects from companies accounted for using the equity method of €–23 million (9M 2020/21: €178 million). Expenses in connection with the transaction announced on 14 December 2020 relating to the acquisition of the minority shareholding in MediaMarktSaturn and reorganization and simplification of the corporate structure amounted to €0 million in the reporting period (9M 2020/21: €10 million). Adjusted for non-recurring effects and earnings effects from companies accounted for using the equity method, EBIT rose by €3 million to €–22 million as a result of cost savings at CECONOMY AG (9M 2020/21: €–25 million).

In the **third quarter of 2021/22**, EBIT in the Others segment decreased by €51 million year-on-year to €–66 million (Q3 2020/21: €–15 million). This includes earnings effects from companies accounted for using the equity method of €–57 million (Q3 2020/21: €–1 million). Expenses in connection with the transaction announced on 14 December 2020 relating to the acquisition of the minority shareholding in MediaMarktSaturn and reorganization and simplification of the corporate structure amounting to around €2 million (Q3 2020/21: €–3 million) are also included. Adjusted for non-recurring effects and earnings effects from companies accounted for using the equity method, EBIT was level with the previous year at €–11 million (Q3 2020/21: €–11 million). Earnings in Sweden, at €–6 million, were down slightly on the previous year (Q3 2020/21: €–5 million). Other, smaller operating companies in the Others segment generated EBIT of €0 million (Q3 2020/21: €–1 million).

EBIT adjustments in the Group

Q3 2020/21

		Non-recurring					
€ million	Reported EBIT	Effects of store closures	Effects of the introduction of the Operating Model	Transaction costs from minority stake acquisition	Other	Earnings effects from companies accounted for using the equity method and portfolio changes	Adjusted EBIT
Total[1]	**–106**	**–4**	**–4**	**–3**	**0**	**–1**	**–93**
DACH	–49	0	0	–1	0	0	–49
Western/Southern Europe	–38	–4	–4	0	0	0	–30
Eastern Europe	–3	0	0	0	0	0	–3
Others	–15	0	0	–3	0	–1	–11

[1] Including consolidation

Q3 2021/22

		Non-recurring					
€ million	Reported EBIT	Effects of store closures	Effects of the introduction of the Operating Model	Transaction costs from minority stake acquisition	Other	Earnings effects from companies accounted for using the equity method and portfolio changes	Adjusted EBIT
Total[1]	**–180**	**–6**	**–4**	**1**	**–5**	**–57**	**–109**
DACH	–77	–5	0	0	–4[2]	0	–67
Western/Southern Europe	–35	–1	–4	0	0	0	–30
Eastern Europe	–3	0	0	0	–1[3]	0	–2
Others	–66	0	0	2	0	–57	–11

[1] Including consolidation
[2] Retroactive increase of a sector-specific tax in Hungary
[3] Accounting effects from Turkey, which is now a hyperinflationary economy (IAS 29)

9M 2020/21

		Non-recurring					
€ million	Reported EBIT	Effects of store closures	Effects of the introduction of the Operating Model	Transaction costs from minority stake acquisition	Other	Earnings effects from companies accounted for using the equity method and portfolio changes	Adjusted EBIT
Total[1]	**233**	**–29**	**–12**	**–11**	**0**	**178**	**106**
DACH	91	–20	–1	–1	0	0	113
Western/Southern Europe	–11	–9	–9	0	0	0	7
Eastern Europe	13	0	0	0	0	0	13
Others	140	0	–2	–10	0	178	–25

[1] Including consolidation

€ million	Reported EBIT	Non-recurring: Effects of store closures	Non-recurring: Effects of the introduction of the Operating Model	Non-recurring: Transaction costs from minority stake acquisition	Non-recurring: Other	Earnings effects from companies accounted for using the equity method and portfolio changes	Adjusted EBIT
	9M 2021/22						
Total[1]	**61**	**−8**	**−4**	**−1**	**−5**	**−23**	**102**
DACH	53	−8	−3	−1	−4[2]	0	70
Western/Southern Europe	24	1	−2	0	0	0	25
Eastern Europe	27	0	1	0	−1[3]	0	28
Others	−45	0	0	0	0	−23	−22

[1] Including consolidation
[2] Retroactive increase of a sector-specific tax in Hungary
[3] Accounting effects from Turkey, which is now a hyperinflationary economy (IAS 29)

Financial and asset position

CASH FLOW

€ million	9M 2020/21	9M 2021/22	Change
Cash flow from operating activities	−252	−547	−295
Cash flow from investing activities	−23	26	49
Cash flow from financing activities	325	−568	−893
Change in net working capital[1]	−859	−765	94
Free cash flow	−375	−706	−331

[1] Change in net working capital shown from the related statement of financial position items, mainly adjusted for non-cash items

In the first nine months of financial year 2021/22, **cash flow from operating activities** of continuing operations resulted in a cash outflow of €547 million after €252 million in the previous year. At €627 million, EBITDA was only slightly below the previous year's figure (9M 2020/21: €649 million). The cash outflows result mainly from the change in net working capital and from other operating cash flow. In the first nine months of 2021/22, the change in net working capital is characterized by the reduction of trade liabilities and similar liabilities, due among other things to shorter payment terms. Other operating cash flow mainly comprises other tax payments and the change in payroll liabilities. The other tax payments are largely attributable to the expired, COVID-19-related VAT deferrals. The payment of the deferred VAT therefore results in a correspondingly high cash outflow in the first nine months of 2021/22. In the first nine months of 2021/22, the cash outflows for payroll liabilities included comparatively high payments for profit shares and performance bonuses as well as severance and other employee obligations recognized as liabilities in the previous year. In addition, income tax payments resulted in a cash outflow above the previous year's level. This change relates to scheduled backpayments of taxes for previous years as well as higher tax prepayments.

In the first nine months of financial year 2021/22, **cash flow from investing activities** resulted in a cash inflow of €26 million. This compares with a cash outflow of €23 million in the prior-year period. In the current year, investments in store modernizations and modularization and net investments in financial investments and securities were more than compensated for by net divestments of financial investments and securities.

In the first nine months of 2021/22, **cash flow from financing activities** resulted in a cash outflow of €568 million, compared with a cash inflow of €325 million in the same period of the previous year. The cash outflow in the current year was partially driven by profit transfers to minority shareholders that affected cash in the first nine months of 2021/22 as well as the distribution of the dividend to shareholders of CECONOMY AG, the redemption of lease liabilities and the repayment of promissory note loans. Finally, cash flow from financing activities of the current financial year includes cash outflows of €80 million for the acquisition of the 21.62 per cent minority stake in Media-Saturn-Holding GmbH previously held by Convergenta Invest GmbH. In the prior-year period, cash flow from financing activities was also characterized by the cash inflow from the issuance of the five-year bond with a nominal volume of €500 million.

In the first nine months of financial year 2021/22, **free cash flow** amounted to €−706 million and was thus €331 million below the previous year's figure of €−375 million.

NET WORKING CAPITAL ON 30 JUNE 2022 DOWN ON PREVIOUS YEAR

As of 30 June 2022, **net working capital** amounted to €40 million, and was therefore €316 million below the previous year's figure (30/06/2021: €356 million). The decrease in inventories was more than compensated for by an increase in receivables and a reduction in trade liabilities. The decline in trade liabilities and similar liabilities is particularly due to the statutory reduction of payment terms in Belgium and additionally due to shorter payment terms resulting among other things from direct purchases from selected manufacturers. Trade receivables and similar claims increased due to the somewhat stronger commission business.

NET DEBT ON 30 JUNE 2022 ABOVE PREVIOUS YEAR

As of 30 June 2022, **net debt** amounted to €2,464 million (30/06/2021: €1,560 million). The €904 million increase in net debt is primarily due to significantly lower cash on hand with only slightly lower borrowings. Adjusted for lease liabilities, net debt as of 30 June 2022 amounted to €489 million (30/06/2021: net liquidity of €470 million).

INVESTMENTS AT PREVIOUS YEAR'S LEVEL

Investments totalled €486 million in the first nine months of 2021/22 and were therefore at the previous year's level (9M 2020/21: €484 million). The addition of rental right-of-use assets of €338 million was €22 million lower than in the prior-year period (9M 2020/21: €360 million). This development was driven primarily by the extension and conclusion of rental agreements for stores and logistics centres in Germany as well as the acquisition of 17 Spanish stores from Worten Equipamentos do Lar S.A. in the previous year. In contrast, the advancement of store modernizations and modularization and the conversion of existing stores into “Lighthouse” formats were reflected in increased investments in modernization in the first nine months of 2021/22. In the third quarter of 2021/22, investments totalled €165 million, €37 million below the previous year’s level (Q3 2020/21: €202 million). The decline was mainly due to the declining investments in Germany described above, which were only partially compensated for by the increased investment activity in Italy and the Netherlands in particular.

In the first nine months of 2021/22, the store network was expanded by five stores in Turkey, three stores in Italy and one store each in Germany, Spain and Sweden. In contrast, four stores in Germany and one store each in Belgium and Turkey closed in the reporting period. In the third quarter of 2021/22, the store network was expanded by three stores each in Italy and Turkey and by one store each in Germany and Sweden. In comparison, no stores were closed in the third quarter of 2021/22. At the end of the third quarter of 2021/22, the total number of stores was therefore 1,023 (30/06/2021: 1,029 stores). The average selling space per store declined by 1.1 per cent from 2,521 square metres as of 31 March 2022 to 2,493 square metres as of 30 June 2022.

FINANCING

CECONOMY issues financial instruments on the capital market for medium-and long-term financing. In the third quarter, CECONOMY issued two promissory notes with a nominal amount totalling €60 million. As of 30 June 2022, five promissory notes totalling €121 million with a remaining term of up to five years were outstanding. A senior unsecured bond of €500 million with a term until 24 June 2026 was also outstanding at the end of the reporting period.

For obtaining short-term financial funding, CECONOMY has a euro-denominated commercial paper programme with a maximum volume of €500 million in place. As of 30 June 2022, €50 million were outstanding under the commercial paper programme (30/06/2021: €265 million).

In addition, two syndicated credit facilities linked to sustainability targets are available to CECONOMY AG in an amount of €1,060 million with initial terms of three (€353 million) and five years (€707 million), each with two one-year extension options. In the third quarter, the first extension option was used to extend the three-year facility by one additional year. As in the previous year, the syndicated credit facilities had not been utilized as of 30 June 2022.

CECONOMY is assessed by international rating agencies Moody’s and Scope. As of 30 June 2022, CECONOMY had an investment grade rating (BBB–, outlook “stable”) from Scope and a non-investment grade rating from Moody’s (Ba1, outlook “stable”). Moody’s most recently confirmed the rating on 17 March 2022, Scope on 24 May 2022.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Income statement

€ million	Q3 2020/21	Q3 2021/22	9M 2020/21	9M 2021/22
Sales	**4,407**	**4,659**	**16,193**	**16,531**
Cost of sales	−3,706	−3,852	−13,580	−13,682
Gross profit on sales	**701**	**807**	**2,613**	**2,850**
Other operating income	53	37	157	145
Selling expenses	−714	−809	−2,305	−2,473
General administrative expenses	−139	−157	−404	−432
Other operating expenses	−2	−2	−5	−4
Earnings share of investments accounted for using the equity method	−1	−57	178	−23
Net impairments on operating financial assets and contract assets	−2	1	−2	−2
Earnings before interest and taxes (EBIT)	**−106**	**−180**	**233**	**61**
Other investment result	11	0	48	13
Interest income	2	8	10	17
Interest expenses	−15	−17	−48	−49
Other financial result	11	−3	−7	−9
Net financial result	**9**	**−11**	**3**	**−28**
Earnings before taxes (EBT)	**−97**	**−191**	**235**	**32**
Income taxes	14	74	−47	−23
Profit or loss for the period from continuing operations	**−82**	**−117**	**188**	**9**
Profit or loss for the period from discontinued operations	0	0	13	0
Profit or loss for the period	**−82**	**−117**	**201**	**9**
Profit or loss for the period attributable to non-controlling interests	−16	−22	11	3
from continuing operations	**−16**	**−22**	**8**	**3**
from discontinued operations	0	0	3	0
Profit or loss for the period attributable to shareholders of CECONOMY AG	−67	−95	190	6
from continuing operations	**−67**	**−95**	**180**	**6**
from discontinued operations	0	0	10	0
Undiluted earnings per share in €[1]	**−0.19**	**−0.24**	**0.53**	**0.02**
from continuing operations	**−0.19**	**−0.24**	**0.50**	**0.02**
from discontinued operations	0.00	0.00	0.03	0.00
Diluted earnings per share in €[1]	**−0.19**	**−0.24**	**0.53**	**0.02**
from continuing operations	**−0.19**	**−0.24**	**0.50**	**0.02**
from discontinued operations	0.00	0.00	0.03	0,00

[1] 485,221,084 ordinary shares outstanding since 3 June 2022

Statement of financial position

Assets

€ million	30/09/2021	30/06/2021	30/06/2022
Non-current assets	**3,903**	**3,871**	**3,646**
Goodwill	524	524	524
Other intangible assets	125	118	142
Property, plant and equipment	507	505	501
Right-of-use assets	1,933	1,902	1,868
Financial assets	280	280	122
Investments accounted for using the equity method	425	433	388
Other financial assets	3	3	2
Other assets	8	9	7
Deferred tax assets	99	98	92
Current assets	**6,764**	**6,556**	**5,862**
Inventories	3,111	3,439	3,378
Trade receivables and similar claims	361	320	405
Receivables due from suppliers	1,142	938	1,067
Other financial assets	276	105	166
Other assets	183	169	229
Income tax assets	107	62	166
Cash and cash equivalents	1,582	1,525	451
	10,667	**10,428**	**9,508**

Equity and liabilities

€ million	30/09/2021	30/06/2021	30/06/2022
Equity	**757**	**694**	**407**
Share capital	919	919	1,240
Capital reserve	321	321	389
Reserves retained from earnings	–527	–592	–1,222
Non-controlling interests	44	46	0
Non-current liabilities	**2,686**	**2,653**	**2,669**
Provisions for pensions and similar obligations	462	476	365
Other provisions	38	30	40
Borrowings	2,109	2,070	2,202
Other financial liabilities	43	36	25
Other liabilities	5	8	3
Deferred tax liabilities	29	33	34
Current liabilities	**7,224**	**7,081**	**6,431**
Trade liabilities and similar liabilities	5,470	5,052	4,890
Provisions	108	122	74
Borrowings	756	1,015	713
Other financial liabilities	420	399	316
Other liabilities	359	386	372
Income tax liabilities	110	106	67
	10,667	**10,428**	**9,508**

Cash flow statement

€ million	9M 2020/21	9M 2021/22
EBIT	233	61
Scheduled depreciation/amortization, reversals of impairment losses and impairment on intangible assets, property, plant and equipment, right-of-use assets and impairment losses and reversals of impairment losses on investments accounted for using the equity method	416	566
Change in provisions for pensions and similar obligations	–42	–55
Change in net working capital[1]	–859	–765
Income taxes paid	–55	–126
Reclassification of gains (–)/losses (+) from the disposal of fixed assets	2	1
Other	53	–229
Cash flow from operating activities of continuing operations	**–252**	**–547**
Cash flow from operating activities of discontinued operations	0	0
Cash flow from operating activities	**–252**	**–547**
Acquisition of subsidiaries	0	0
Investments in property, plant and equipment	–87	–126
Other investments	–36	–32
Financial investments and securities	–68	–365
Disposals of financial investments and securities	153	515
Disposals of companies	0	0
Disposal of long-term assets and other disposals	15	35
Cash flow from investing activities of continuing operations	**–23**	**26**
Cash flow from investing activities of discontinued operations	0	0
Cash flow from investing activities	**–23**	**26**
Profit distribution	–20	–104
thereof dividends paid to the shareholders of CECONOMY AG	0	–63
Payment received from capital increase	0	0
Equity transactions with change in equity interest without obtaining/relinquishing control	1	–82
Redemption of liabilities from put options of non-controlling interests	–2	–23
Proceeds from long-term borrowings	779	239
Redemption of lease liabilities	–390	–376
Redemption of other borrowings	–30	–212
Interest paid	–48	–43
Interest received	9	16
Profit and loss transfers and other financing activities	28	17
Cash flow from financing activities of continuing operations	**325**	**–568**
Cash flow from financing activities of discontinued operations	0	0
Cash flow from financing activities	**325**	**–568**
Total cash flows	**50**	**–1,089**
Currency and inflation effects on cash and cash equivalents	–8	–41
Total change in cash and cash equivalents	**41**	**–1,130**
Total cash and cash equivalents as of 1 October	1,484	1,582
Less cash and cash equivalents recognized in assets in accordance with IFRS 5	0	0
Cash and cash equivalents as of 1 October	**1,484**	**1,582**
Total cash and cash equivalents as of 30 June	1,525	451
Less cash and cash equivalents recognized in assets in accordance with IFRS 5	0	0
Cash and cash equivalents as of 30 June	**1,525**	**451**

[1] Change in net working capital shown from the related statement of financial position items, mainly adjusted for non-cash items

FINANCIAL CALENDAR

Annual report FY 2021/22	Tuesday	15 December 2022	7:00 a.m.

All time specifications according to German time.

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GENERAL INFORMATION

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