CECONOMY

QUARTERLY STATEMENT

Q1
2023/24

SELECTED KEY FIGURES

Q1 2023/24

€7.0 bn (+3.7%)

Sales[1]
developed well in the Black November period and in Christmas business

€248 m (+7.8%)

Adjusted EBIT[2]
in line with expectations, significantly above the previous year's figure

€1.6 bn

Free cash flow
shows typical seasonal build-up

56

Further improvement of the net promoter score (NPS)

[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 FIRST QUARTER IN REVIEW

»
We have delivered a strong performance for the fourth quarter in a row – a consistent trend that is also reflected in the excellent results for the first quarter. The improved profitability is the result of our strategic measures. Investments in growth areas such as Marketplace and retail media and effective inventory management are paying off. We continue to gain momentum thanks to the targeted implementation of our transformation strategy, which is centred on our customers. In the very challenging retail environment, we are demonstrating strength and innovation. We are a force for change. The successful start to the new financial year 2023/24 confirms our positive outlook for this financial year and strengthens our resolve to achieve our goal of future renewal.
«

Dr Karsten Wildberger,
Chief Executive Officer

»
We are still focusing on significantly higher profitability and cash generation with strict cost discipline. And we continue to deliver in this regard.
Our improved EBIT in the first quarter is due among other things to an increased gross margin and effective cost control. Step by step, we are working to achieve the medium-term targets we presented at Capital Markets Day.
«

Dr Kai-Ulrich Deissner
Chief Financial Officer

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 2023/24, an adjusted EBIT also applies; the adjustment relates to non-recurring effects, especially in connection with the simplification and digitalization of central structures and processes and changes in the legal environment. Accounting effects of the application of IAS 29 in Türkiye as a hyperinflationary economy are likewise unaccounted for.

In the previous financial year 2022/23, an adjusted EBIT also applied; the adjustment related to non-recurring earnings effects from efficiency increases in connection with (1) the simplification and digitalization of central structures and processes, (2) the streamlining of the product range, (3) the strengthening of the retail brands in Germany and (4) accounting effects from the application of IAS 29 in Türkiye, which is classified as a hyperinflationary economy.

For more details on the management-relevant key performance indicators, please refer to pages 32 to 35 of CECONOMY's Annual Report 2022/23. The outlook for financial year 2023/24 also included from page 62 onwards contains further information on the adjustment of EBIT for non-recurring effects in the current financial year.

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

Sales and earnings

€ million	Q1 2022/23	Q1 2023/24	Change
Sales	7,066	6,984	−1.2%
thereof IAS 29 (hyperinflation in Türkiye)	−15	−19	−29.1%
Sales development adjusted for currency effects and portfolio changes	4.9%	3.7%	–
Like-for-like sales development	4.5%	3.2%	–
Online sales	1,799	1,803	0.2%
Services & Solutions sales	394	392	−0.5%
Gross margin	16.9%	17.1%	0.2%p.
Adjusted gross margin	17.1%	17.6%	0.5%p.
EBIT	221	218	−1.4%
Adjusted EBIT	230[1]	248	7.8%
Adjusted EBIT margin	3.2%	3.5%	0.3%p.
Net financial result	−25	−40	−63.0%
Tax rate	34.8%	16.6%	−18.2%p.
Profit or loss for the period attributable to non-controlling interests	1	1	11.0%
Net result	127	147	15.8%
Undiluted earnings per share (€)	0.26	0.30	0.04

Other operating key figures

€ million	Q1 2022/23	Q1 2023/24	Change
Earnings share of operating companies recognized at equity	−1	−1	0.0%
Free cash flow	1,952[2]	1,593	−18.4%
Investments as per segment report	133	122	−8.2%

Statement of financial position

€ million	31/12/2022	31/12/2023	Change
Net working capital	−1,990	−1,967	23
Net liquidity (+)/Net debt (−)	−133	−191	−59

[1] Adjustment for portfolio changes for Portugal and Sweden.
[2] Adjustment due to a change in presentation of effects of the application of IAS 29 "Financial Reporting in Hyperinflationary Economies". Further information can be found under "Cash flow" in the "Financial and asset position" section.

OUTLOOK

We operate in a challenging environment characterized by high volatility. Persistently high inflation rates and geopolitical tensions are impacting consumer sentiment, which has a significant influence on sales in the consumer electronics business. CECONOMY will continue to counteract the uncertainty by consistently aligning our actions with customer requirements in line with our strategy. So we have taken measures in order to prevail under challenging conditions.

For financial year 2023/24, we expect a slight increase in total sales adjusted for currency effects and portfolio changes across all segments. We also expect a clear improvement in adjusted EBIT resulting from the DACH and Western/Southern Europe segments. Because of the challenging environment for the consumer electronics market, we expect a decline in the Eastern Europe segment.

The outlook is adjusted for portfolio changes and does not take into account the earnings effects from companies accounted for using the equity method. Accounting effects of the application of IAS 29 in Türkiye as a hyperinflationary economy are likewise unaccounted for. It also does not include non-recurring effects, especially in connection with the simplification and digitalization of central structures and processes and changes in the legal environment.

RESULTS IN DETAIL

Earnings position[1]

		Sales (€ million)	Change	Currency effects	Sales adjusted for currency effects and portfolio changes	Like-for-like sales (local currency)
	Q1 2022/23	Q1 2023/24	Q1 2023/24	Q1 2023/24	Q1 2023/24	Q1 2023/24
Total	**7,066**	**6,984**	**−1.2%**	**−2.1%**	**3.7%**	**3.2%**
DACH	3,935[2]	3,839	−2.5%	0.4%	−2.9%	−2.5%
Western/Southern Europe	2,235	2,246	0.5%	0.0%	2.4%	1.1%
Eastern Europe	742	895	20.6%	−30.9%	51.7%	47.8%
Others	153[2]	5	−96.9%	−0.3%	12.2%	–

[2] Retroactive adjustment due to altered segment composition; for effects on DACH and Others, see table under "Additional notes on segment reporting" in the notes.

GROUP SALES ADJUSTED FOR CURRENCY EFFECTS AND PORTFOLIO CHANGES ABOVE PREVIOUS YEAR

In the **first quarter of 2023/24**, CECONOMY generated Group sales of €7.0 billion, a slight decline of 1.2 per cent compared with the prior-year period. Adjusted for currency effects and portfolio changes, sales were up 3.7 per cent year-on-year. On a like-for-like basis, Group sales recorded an increase of 3.2 per cent.

The positive sales growth adjusted for currency effects and portfolio changes was driven by the Western/Southern Europe segment – especially the good development in the Netherlands and Spain – and the Eastern Europe segment still with very good sales development in Türkiye. Sales in the DACH segment declined. Overall, adjusted for portfolio change effects, both the online business and brick-and-mortar business grew.

EXPLANATION OF SALES IN THE DACH SEGMENT

In the **first quarter of 2023/24**, the DACH segment generated sales of €3.8 billion, a decrease of 2.5 per cent. Adjusted for currency effects and portfolio changes, sales were 2.9 per cent below the comparable figure of the previous year.

In Germany, Hungary and Switzerland, sales declined in a weak consumer and market environment. Austria generated slight sales growth.

EXPLANATION OF SALES IN THE WESTERN/SOUTHERN EUROPE SEGMENT

In the **first quarter of 2023/24**, the Western/Southern Europe segment generated sales of €2.2 billion, an increase of 0.5 per cent. The previous year's figure includes the sales of the Portuguese business until its deconsolidation on September 30,2023. Adjusted for currency effects and portfolio changes, sales increased by 2.4 per cent.

The Netherlands benefited primarily from a strong Black Friday period and good Christmas business, especially online. In addition, the acquisition of seven stores from the insolvent electronics retail chain BCC contributed €11 million to the sales growth from 22 November 2023. In Spain, sales were boosted by successful marketing campaigns. Italy saw significant sales losses in a persistently difficult macroeconomic environment and shrinking market, but still gained market share.

EXPLANATION OF SALES IN THE EASTERN EUROPE SEGMENT

In the **first quarter of 2023/24**, sales in the Eastern Europe segment increased by 20.6 per cent to €0.9 billion. Quarterly sales were still adversely affected by the severe depreciation of the Turkish lira. Adjusted for currency effects and portfolio changes, sales increased by a significant 51.7 per cent on the comparable figure of the previous year. This includes effects from the application of IAS 29 (hyperinflation in Türkiye) of €−19 million.

Türkiye performed excellently thanks to the sustained good demand and market position. This development was also driven by inflation effects. In contrast, sales in Poland declined.

[1] Altered segment composition; see disclosures under "Additional notes on segment reporting" in the notes.

EXPLANATION OF SALES IN THE OTHERS SEGMENT

In the **first quarter of 2023/24**, sales in the Others segment significantly decreased year-on-year to €5 million (Q1 2022/23: €153 million). This is primarily attributable to the disposal of the Swedish business as of 1 August 2023. The Others segment now comprises smaller companies with external sales of €5 million in the first quarter of 2023/24 (Q1 2022/23: €4 million). Adjusted for currency effects and portfolio changes, sales were up 12.2 per cent year-on-year.

Online and Services & Solutions sales in the Group

	Sales (€ million)		Change (%)	In % of total sales
	Q1 2022/23	Q1 2023/24		
Online	1,799	1,803	0.2	25.8
Services & Solutions	394	392	−0.5	5.6

ONLINE SALES AT THE PREVIOUS YEAR'S LEVEL

In the **first quarter of 2023/24**, online sales increased by 0.2 per cent to €1.8 billion. The online share of total sales amounted to 25.8 per cent (Q1 2022/23: 25.5 per cent). The online share including Marketplace increased by 0.6 percentage points to 26.4 per cent. In the reporting period, the pick-up rate was 35.2 per cent and thus slightly below the previous year's level (Q1 2022/23: 36.7 per cent). The average sales receipt was increased, and the number of transactions fell slightly.

STABLE SALES SHARE FOR THE SERVICES & SOLUTIONS BUSINESS

In the **first quarter of 2023/24**, Services & Solutions sales decreased slightly by 0.5 per cent to €392 million. This equates to a stable Services & Solutions share of total sales of 5.6 per cent (Q1 2022/23: 5.6 per cent). Extended warranties continued to perform well, whereas demand for telecommunications and repair services weakened. Sales in the retail media business and Marketplace commissions increased.

Earnings development in the Group

	Reported EBIT	Reported EBIT	Change compared to prior year	Adjusted EBIT	Adjusted EBIT	Change compared to prior year
€ million	Q1 2022/23	Q1 2023/24	Q1 2023/24	Q1 2022/23	Q1 2023/24	Q1 2023/24
Total[1]	**221**	**218**	**−3**	**230**	**248**	**18**
DACH	160[2]	144	−16	160[2]	145	−15
Western/Southern Europe	33	61	29	33[3]	61	29
Eastern Europe	33	20	−13	37	46	9
Others	−8[2]	−7	2	−3[2, 3]	−4	−0

[1] Including consolidation.
[2] Retroactive adjustment due to altered segment composition; for effects on DACH, Others and consolidation, see table under "Additional notes on segment reporting" in the notes.
[3] Adjustment for portfolio changes for Portugal in the Western/Southern Europe segment and for Sweden in the Others segment.

ADJUSTED GROUP EBIT IN THE FIRST QUARTER ABOVE PREVIOUS YEAR WITH IMPROVED GROSS MARGIN

In the **first quarter of 2023/24**, reported Group EBIT decreased by €3 million to €218 million (Q1 2022/23: €221 million). This includes non-recurring effects of €−29 million, mainly in connection with accounting effects from the application of IAS 29 for Türkiye, which is classified as a hyperinflationary economy. In the previous year, reported Group EBIT included non-recurring effects amounting to €−2 million. Earnings effects from companies accounted for using the equity method and portfolio change effects totalled €−1 million in the reporting period (Q1 2022/23: €−7 million). Adjusted for non-recurring effects, earnings effects from companies accounted for using the equity method, and portfolio changes, Group EBIT increased by €18 million to €248 million (Q1 2022/23: €230 million).

The macroeconomic environment remained challenging in the **first quarter of 2023/24**. Nevertheless, CECONOMY successfully improved the gross margin. Moreover, it continued its strict cost management.

EXPLANATION OF THE RESULT IN THE DACH SEGMENT

In the **first quarter of 2023/24**, EBIT in the DACH segment was €144 million and therefore declined by €16 million year-on-year (Q1 2022/23: €160 million). This includes non-recurring effects of €1 million (Q1 2022/23: €0 million).

Adjusted for these effects, EBIT in the DACH segment decreased by €15 million to €145 million (Q1 2022/23: €160 million).

The deterioration of adjusted EBIT in the DACH segment is mainly attributable to Germany, where sales declined as a result of the difficult retail environment. The weaker demand was especially visible in the Services & Solutions segment. In Switzerland and Austria, earnings were increased. In Hungary, earnings declined due to the challenging market environment.

EXPLANATION OF THE RESULT IN THE WESTERN/SOUTHERN EUROPE SEGMENT

In the **first quarter of 2023/24**, the Western/Southern Europe segment generated EBIT of €61 million, €29 million above the previous year's level (Q1 2022/23: €33 million). There were no non-recurring effects in Q1 2023/24 or in the prior-year quarter. Adjusted for portfolio changes, adjusted EBIT amounted to €61 million (Q1 2022/23: €33 million).

Spain contributed to the positive earnings development with a sales increase and an improved gross margin. In Italy, earnings were increased through active cost management with particular savings in personnel expenses and a significant improvement in the gross margin.

EXPLANATION OF THE RESULT IN THE EASTERN EUROPE SEGMENT

In the **first quarter of 2023/24**, reported EBIT in the Eastern Europe segment at €20 million was €13 million below the previous year's level (Q1 2022/23: €33 million). This includes non-recurring effects from the application of IAS 29 (hyperinflation in Türkiye) of €–25 million (Q1 2022/23: €–3 million). Adjusted EBIT in the Eastern Europe segment increased by €9 million to €46 million (Q1 2022/23: €37 million).

The increase in adjusted EBIT is due to the good sales and margin development in Türkiye. Poland also increased earnings with an improved gross margin.

EXPLANATION OF THE RESULT IN THE OTHERS SEGMENT

Since financial year 2023/24, the Others segment has particularly included the activities of the holding companies as well as the own-brand company Imtron, which were previously partly included in the DACH segment. The previous year's figures have been restated accordingly. In the previous year, the results of the Swedish country organization are included up to its deconsolidation on 1 August 2023. The Others segment also covers the earnings effects from companies accounted for using the equity method and the activities of smaller companies. In the **first quarter of 2023/24**, reported EBIT increased by €2 million year-on-year to €–7 million (Q1 2022/23: €–8 million). This includes earnings effects from companies accounted for using the equity method of €–1 million (Q1 2022/23: €–1 million). In the prior-year quarter, there were also portfolio changes of €–6 million. Adjusted for non-recurring effects, earnings effects from companies accounted for using the equity method, and portfolio change effects, EBIT declined to €–4 million (Q1 2022/23: €–3 million).

EBIT adjustments in the Group

Q1 2022/23

€ million	Reported EBIT	Non-recurring: Simplification and digitalization of central structures and processes	Non-recurring: Strengthening of the retail brands in Germany	Non-recurring: Other	Earnings effects from companies accounted for using the equity method and portfolio changes	Adjusted EBIT
Total[1]	**221**	**0**	**0**	**–2**	**–7**	**230**
DACH	160[2]	0	0	0[2]	0	160
Western/Southern Europe	33	0	0	0	0[3]	33
Eastern Europe	33	0	0	–3	0	37
Others	–8[2]	0	0	2[2]	–7[3]	–3

[1] Including consolidation.
[2] Retroactive adjustment due to altered segment composition; for effects on DACH, Others and consolidation, see table under “Additional notes on segment reporting” in the notes.
[3] Adjustment for portfolio changes for Portugal in the Western/Southern Europe segment and for Sweden in the Others segment.

Q1 2023/24

€ million	Reported EBIT	Non-recurring: Simplification and digitalization of central structures and processes	Non-recurring: Other	Earnings effects from companies accounted for using the equity method and portfolio changes	Adjusted EBIT
Total[1]	**218**	**–2**	**–27**	**–1**	**248**
DACH	144	0	–1	0	145
Western/Southern Europe	61	0	0	0	61
Eastern Europe	20	0	–25	0	46
Others	–7	–2	0	–1	–4

[1] Including consolidation.

ADJUSTED GROUP EBITDA IN THE FIRST QUARTER ABOVE PREVIOUS YEAR

Group EBITDA declined by €–2 million to €383 million in the **first quarter of 2023/24** (2022/23: €386 million). Adjusted for non-recurring effects, earnings effects from companies accounted for using the equity method, and portfolio changes, Group EBITDA increased by €22 million to €410 million (2022/23: €388 million).

EBITDA in the Group

€ million	Reported EBITDA Q1 2022/23	Reported EBITDA Q1 2023/24	Change compared to prior year Q1 2023/24	Adjusted EBITDA Q1 2022/23	Adjusted EBITDA Q1 2023/24	Change compared to prior year Q1 2023/24
Total[1]	**386**	**383**	**–2**	**388**	**410**	**22**
DACH	252[2]	235	–17	252[2]	236	–16
Western/Southern Europe	85	113	28	84[3]	113	30
Eastern Europe	47	35	–12	47	57	10
Others	–1[2]	1	2	1[2,3]	4	3

[1] Including consolidation.
[2] Retroactive adjustment due to altered segment composition; for effects on DACH, Others and consolidation, see table under “Additional notes on segment reporting” in the notes.
[3] Adjustment for portfolio changes for Portugal in the Western/Southern Europe segment and for Sweden in the Others segment.

Financial and asset position

CASH FLOW

€ million	Q1 2022/23[1]	Q1 2023/24	Change
Cash flow from operating activities	2,024	1,658	−366
Cash flow from investing activities	−57	−49	8
Cash flow from financing activities	−95	−157	−62
Change in net working capital[2]	1,571	1,274	−297
Free cash flow	1,952	1,593	−358

[1] Adjustments of prior-year figures are explained below.
[2] Change in net working capital shown from the related statement of financial position items, mainly adjusted for currency effects.

In the first quarter of 2023/24, **cash flow from operating activities** resulted in a cash inflow of €1,658 million after €2,024 million in the previous year. At €383 million, EBITDA was at the previous year's level (Q1 2022/23: €386 million). In addition to EBITDA, the main driver behind the cash inflow is the change in net working capital. The typical significant seasonal increase in trade liabilities and similar liabilities had an effect here. A build-up of inventories and receivables as against 30 September 2023 had the opposite effect. The lower cash inflow from the change in net working capital compared with the previous year resulted in particular from the stronger build-up of inventories and receivables from suppliers. In addition, there was other operating cash inflow of €49 million in the first quarter (Q1 2022/23: cash inflow of €116 million). This was mainly due to cash inflow from other taxes of €49 million (Q1 2022/23: €78 million). In addition to primarily operating effects, the lower cash inflow from other taxes compared with the previous year also results from expiring country-specific measures adopted in light of the COVID-19 pandemic. In the previous year, there were also cash inflows from payments received in compensation for damages, which did not recur in the same volume and amount in the first quarter of 2023/24. In contrast, the change in provisions for pensions and similar obligations and income tax payments resulted in cash outflows, whereby the income tax payments were lower than in the previous year.

In financial year 2022/23, the presentation of effects resulting from the application of IAS 29 "Financial Reporting in Hyperinflationary Economies" in the cash flow statement was changed. In the first quarter of 2023/24, the previous year's figures were restated as follows:

€ million	Q1 2022/23
Change in net working capital	−1
Other in cash flow from operating activities	7
Gain or loss on net monetary position	−7
IAS 29 effects on cash flow from operating, investing and financing activities	−1
Currency effects on cash and cash equivalents	−6
Effects on the total change in cash and cash equivalents	**−8**

In addition, the indexing of the opening balance of cash and cash equivalents attributable to Türkiye resulted in an adjustment of the previous year's figure by €8 million. This adjustment and the adjustments in the above table are shown in footnote 2 to the cash flow statement.

In the first quarter of 2023/24, **cash flow from investing activities** resulted in a cash outflow of €49 million. This compares with a cash outflow of €57 million in the prior-year period. The lower cash outflow from investing activities was particularly attributable to reduced cash investments in property, plant and equipment and a decline in other investments. Higher interest payments received also had a positive effect on cash flow from investing activities in the current year.

In the first quarter of 2023/24, **cash flow from financing activities** resulted in a cash outflow of €157 million after €95 million in the same period of the previous year. In both the current and the previous year, the cash outflow from financing activities is mainly attributable to the redemption of lease liabilities. Compared with the previous year, lower net issues of commercial paper to obtain short-term financial funding resulted in particular in lower cash inflows and thus a corresponding increase in cash outflows from financing activities. In addition, the generally higher interest rate level – which had varying effects within our country portfolio – contributed to a rise in interest paid.

In the previous year, commercial paper issued to obtain short-term financial funding was netted with the repayment of these borrowings on a quarterly basis for the purposes of presentation in the cash flow statement. This recognition was corrected in favour of presentation without netting. Instruments issued as part of the commercial paper programme are now recognized under "Proceeds from long-term borrowings", and repayments of these instruments are recognized under "Redemption of borrowings (excluding leases)". Cash inflows from the issue of commercial paper and cash outflows from the redemption of issued commercial paper were therefore both corrected by €12 million. This adjustment is shown in footnote 4 to the cash flow statement.

In the first quarter of 2023/24, **free cash flow** amounted to €1,593 million and was thus €358 million below the previous year's figure of €1,952 million.

NET WORKING CAPITAL ON 31 DECEMBER 2023 AT THE PREVIOUS YEAR'S GOOD LEVEL

As of 31 December 2023, **net working capital** amounted to €–1,967 million and was therefore close to the previous year's good level (31 December 2022: €–1,990 million). The increase in trade liabilities and similar liabilities almost completely compensated for the build-up of inventories, the rise in receivables due from suppliers and the increased trade receivables and similar claims. The planned inventory build-up contributed to higher product availability and thus to the successful development of sales during the Christmas business. The higher order volume and good sales performance were also the main drivers behind the significantly increased trade liabilities and similar liabilities and the associated receivables due from suppliers. Trade receivables and similar claims increased due to the stronger commission business.

NET DEBT ON 31 DECEMBER 2023 SLIGHTLY WORSE THAN IN PREVIOUS YEAR

As of 31 December 2023, **net debt** amounted to €191 million after €133 million in the previous year. With lower borrowings due to lower lease liabilities, the €59 million increase in net debt is attributable to lower cash and cash equivalents. Adjusted for lease liabilities, net liquidity as of 31 December 2023 amounted to €1,534 million (31 December 2022: €1,768 million).

INVESTMENTS SLIGHTLY BELOW PREVIOUS YEAR'S LEVEL

Investments totalled €122 million in the first quarter of 2023/24 and were €11 million below the previous year's level (Q1 2022/23: €133 million). The decline was mainly attributable to the lower addition of rental right-of-use assets, which was €10 million lower than the previous year's level. This is almost entirely attributable to investments in Sweden and Portugal made in the previous year. In total, addition to rental right-of-use assets in the other countries was close to the previous year's level. The Netherlands saw a higher addition to rental right-of-use assets, which is particularly due to the acquisition of seven stores from the insolvent electronics retail chain BCC with an investment volume of around €8 million. In contrast, Germany and Spain posted a lower addition to rental right-of-use assets. In the first quarter of 2023/24, investments in expansion and modernization were close to the previous year's level.

In the first three months of 2023/24, the store network was expanded by a total of 15 stores. There were five new stores in Italy, two new stores in Türkiye and one new store in Spain. In addition, the Dutch country organization acquired seven stores from the insolvent electronics retail chain BCC and reopened them under its own name. However, one store in Spain was closed in the reporting period. At the end of the first quarter of 2023/24, the total number of stores was therefore 1,012 (30 September 2023: 998 stores). In the same period of the previous year, six stores were opened and three stores were closed (31 December 2022: 1,027 stores). The lower total number of stores at the end of the first quarter 2023/24 compared to the previous year is influenced by the disposal of the Swedish business (29 stores) and the Portuguese business (10 stores) in the financial year 2022/23. The average selling space per store declined by −1.1 per cent from 2,470 square meters as of 30 September 2023 to 2,444 square meters as of 31 December 2023.

FINANCING

CECONOMY issues financial instruments on the capital market for medium- and long-term financing. As of 31 December 2023, five promissory notes totalling €121 million with a remaining term of up to four years were outstanding. A senior unsecured bond of €500 million with a term until June 2026 was also outstanding at the end of the reporting period. In addition, CECONOMY AG has an outstanding convertible bond maturing in June 2027 with a nominal volume of €151 million which was issued as part of the full acquisition of the shares in Media-Saturn-Holding GmbH.

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 31 December 2023, €35 million was outstanding under the commercial paper programme (31 December 2022: €83 million).

In addition, two syndicated credit facilities linked to sustainability targets are available to CECONOMY in an amount of €1,060 million with remaining terms until May 2025 (€353 million) and May 2026 (€707 million). Both tranches have two options to extend the term by a further year, whereby the first one-year extension option has already been exercised for the tranche of €353 million. Both credit facilities have never been utilized – and were therefore not utilized as of 31 December 2023.

CECONOMY is rated by the international rating agencies Fitch Ratings, Standard & Poor's and Scope. As of 31 December 2023, CECONOMY was assessed by Fitch (BB, outlook "stable"), Standard & Poor's (BB-, outlook "stable") and Scope (BBB-, outlook "negative").

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Income statement

€ million	Q1 2022/23	Q1 2023/24
Sales	**7,066**	**6,984**
Cost of sales	−5,870	−5,790
Gross profit on sales	**1,196**	**1,194**
Other operating income	46	55
Selling expenses	−876	−869
General administrative expenses	−142	−156
Other operating expenses	0	−1
Earnings share of operating companies recognized at equity	−1	−1
Net impairments on operating financial assets and contract assets	−2	−5
Earnings before interest and taxes (EBIT)	**221**	**218**
Other investment result	0	0
Interest income	9	11
Interest expenses	−34[1]	−56
Other financial result	0[1]	5
Net financial result	**−25**	**−40**
Earnings before taxes (EBT)	**196**	**178**
Income taxes	−68	−30
Profit or loss for the period	**128**	**148**
Profit or loss for the period attributable to non-controlling interests	1	1
Profit or loss for the period attributable to shareholders of CECONOMY AG	127	147
Undiluted earnings per share in €	**0.26**	**0.30**
Diluted earnings per share in €	**0.25**	**0.29**

[1] Previous year's figure restated.

Statement of financial position

Assets

€ million	30/09/2023	31/12/2022	31/12/2023
Non-current assets	**3,660**	**3,807**	**3,613**
Goodwill	524	524	524
Other intangible assets	165	156	166
Property, plant and equipment	541	536	538
Right-of-use assets	1,676	1,779	1,625
Financial assets	123	127	122
Investments accounted for using the equity method	257	387	257
Other financial assets	2	2	2
Other assets	3	5	7
Deferred tax assets	368	291	372
Current assets	**5,975**	**8,462**	**8,643**
Inventories	2,918	3,354	3,549
Trade receivables and similar claims	490	475	557
Receivables due from suppliers	1,207	1,527	1,618
Other financial assets	123	121	124
Other assets	163	202	252
Income tax assets	177	151	190
Cash and cash equivalents	897	2,634	2,352
	9,635	**12,269**	**12,256**

Equity and liabilities

€ million	30/09/2023	31/12/2022	31/12/2023
Equity	**465**	**733**	**582**
Share capital	1,240	1,240	1,240
Capital reserve	389	389	389
Reserves retained from earnings	−1,166	−898	−1,050
Non-controlling interests	2	2	3
Non-current liabilities	**2,487**	**2,661**	**2,422**
Provisions for pensions and similar obligations	316	327	338
Other provisions	88	42	88
Borrowings	2,000	2,211	1,938
Other financial liabilities	11	14	11
Other liabilities	3	3	3
Deferred tax liabilities	69	63	43
Current liabilities	**6,683**	**8,875**	**9,252**
Trade liabilities and similar liabilities	5,320	7,345	7,691
Provisions	82	86	76
Borrowings	584	555	606
Other financial liabilities	405	342	389
Other liabilities	249	442	395
Income tax liabilities	43	106	94
	9,635	**12,269**	**12,256**

Cash flow statement

€ million	Q1 2022/23	Q1 2023/24
EBIT	221	218
Scheduled depreciation/amortization, impairment losses and reversals of impairment losses 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 and assets held for sale	165	165
Change in provisions for pensions and similar obligations	−11	−12
Change in net working capital[1]	1,571[2]	1,274
Income taxes paid	−30	−20
Reclassification of gains (−)/losses (+) from the disposal of fixed assets	−1	0
Other	116[2]	49
Gain or loss on net monetary position	−7[2]	−16
Cash flow from operating activities	**2,024[2]**	**1,658**
Investments in property, plant and equipment	−59	−55
Other investments	−14	−10
Disposals of companies	0	1
Disposal of long-term assets and other disposals	8	6
Interest received	7[3]	10
Profit and loss transfers	0[3]	0
Cash flow from investing activities	**−57[3]**	**−49**
Profit distribution	0	−3
thereof dividends paid to the shareholders of CECONOMY AG	0	0
Proceeds from long-term borrowings	68[4]	40
Redemption of lease liabilities	−122	−120
Redemption of borrowings (excluding leases)	−15[4]	−30
Change in other current borrowings	0	3
Interest paid	−24	−45
Other financing activities	−2[3]	−2
Cash flow from financing activities	**−95[3]**	**−157**
IAS 29 effects on cash flow from operating, investing and financing activities	−1[2]	0
Total cash flows	**1,871[2]**	**1,453**
Currency effects on cash and cash equivalents	−15[2]	−13
Total change in cash and cash equivalents	**1,856[2]**	**1,440**
Total cash and cash equivalents as of 1 October	777[2]	912
Less the effects of indexing cash and cash equivalents	8[2]	16
Cash and cash equivalents as of 1 October	**769**	**897**
Cash and cash equivalents as of 31 December	**2,634**	**2,352**

[1] Change in net working capital shown from the related statement of financial position items, mainly adjusted for currency effects.
[2] Adjustments due to a change in presentation of effects of the application of IAS 29 "Financial Reporting in Hyperinflationary Economies". Further information on the adjusted prior-year figures can be found under "Cash flow" in the "Financial and asset position" section.
[3] Presented in the previous year in cash flow from financing activities.
[4] Further information on the adjusted prior-year figures can be found under "Cash flow" in the "Financial and asset position" section.

SEGMENT REPORTING

	DACH		Western/ Southern Europe		Eastern Europe		Others		Consolidation		CECONOMY[1]	
€ million	Q1 2022/23	Q1 2023/24	Q1 2022/23	Q1 2023/24	Q1 2022/23	Q1 2023/24	Q1 2022/23	Q1 2023/24	Q1 2022/23	Q1 2023/24	Q1 2022/23	Q1 2023/24
External sales (net)	3,935	3,839	2,235	2,246	742	895	153	5	0	0	7,066	6,984
Internal sales (net)	1	1	1	1	0	0	72	76	−73	−78	0	0
Sales (net)	3,936	3,839	2,236	2,247	742	895	225	81	−73	−78	7,066	6,984
EBITDA	252	235	85	113	47	35	−1[2]	1[2]	4	−1	386	383
Depreciation/amortization and impairment losses	92	91	53	52	13	15	8	8	0	0	165	165
Reversals of impairment losses	0	0	0	0	0	0	0	0	0	0	0	0
EBIT	160	144	33	61	33	20	−8[2]	−7[2]	4	−1	221	218
EBIT adjusted	160	145	33[3]	61	37	46	−3[3]	−4	4	−1	230[3]	248
Investments	62	56	43	38	15	21	14	8	0	0	133	122
Non-current segment assets	1,687	1,600	961	906	170	189	571	423	0	0	3,389	3,119
Investments accounted for using the equity method	(0)	(0)	(0)	(0)	(0)	(0)	(387)	(257)	(0)	(0)	(387)	(257)

[1] Includes external sales in Q1 2023/24 of €3,091 million (Q1 2022/23: €3,186 million) for Germany, of €736 million (Q1 2022/23: €784 million) for Italy and €770 million (Q1 2022/23: €726 million) for Spain as well as non-current segment assets as of 31 December 2023 of €1,767 million (31 December 2022: €1,961 million) for Germany and €385 million (31 December 2022: €384 million) for Italy.
[2] In Q1 2023/24, this includes expenses from operating companies recognized at equity in the Others segment in the amount of €1 million (Q1 2022/23: €1 million).
[3] Adjustment for portfolio changes for Portugal in the Western/Southern Europe segment and for Sweden in the Others segment.

ADDITIONAL NOTES ON SEGMENT REPORTING

The composition of the DACH segment and the Others segment has been changed and the previous year's figures restated. The change reflects the effects of the Convergenta transaction (acquisition of shares of non-controlling interests in Media Saturn Holding GmbH). The Media-Saturn Group's administrative and interdepartmental service companies in Germany are now reported together with those of CECONOMY in the Others segment. They were previously presented in the DACH segment. As well as accounting for the effects of the aforementioned transaction, the change also provides for a better grouping of operating activities on one side and administrative and interdepartmental functions on the other. In segment reporting, the changes only affect the DACH segment, the Others segment and consolidation and have no impact on the net assets, financial position and earnings position of the Group.

The change in segment composition resulted in the following restatements of the prior-year figures for Q1 2022/23:

	DACH			Others			Consolidation		
€ million	Q1 2022/23 before	Restatement	Q1 2022/23 now	Q1 2022/23 before	Restatement	Q1 2022/23 now	Q1 2022/23 before	Restatement	Q1 2022/23 now
External sales (net)	3,939	−4	3,935	150	4	153	0	0	0
Internal sales (net)	11	−10	1	4	67	72	−16	−57	−73
Sales (net)	3,950	−14	3,936	154	71	225	−16	−57	−73
EBITDA	262	−10	252	−8	7	−1	0	3	4
Depreciation/amortization and impairment losses	96	−4	92	3	4	8	0	0	0
Reversals of impairment losses	0	0	0	0	0	0	0	0	0
EBIT	166	−6	160	−11	3	−8	0	3	4
EBIT adjusted	164	−4	160	−4	1	−3	0	3	4
Investments	70	−8	62	6	8	14	0	0	0
Non-current segment assets	1,829	−142	1,687	428	142	571	0	0	0
Investments accounted for using the equity method	(0)	(0)	(0)	(387)	(0)	(387)	(0)	(0)	(0)

FINANCIAL CALENDAR

General Meeting	Wednesday	14 February 2024	10:00 a.m.
Half-year financial report Q2/H1 2023/24	Wednesday	15 May 2024	7:00 a.m.
Quarterly statement Q3/9M 2023/24	Wednesday	14 August 2024	7:00 a.m.
Trading statement Q4/FY 2023/24	Tuesday	29 October 2024	7:00 a.m.
Annual report Q4/FY 2023/24	Wednesday	18 December 2024	7:00 a.m.

All time specifications according to German time.

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