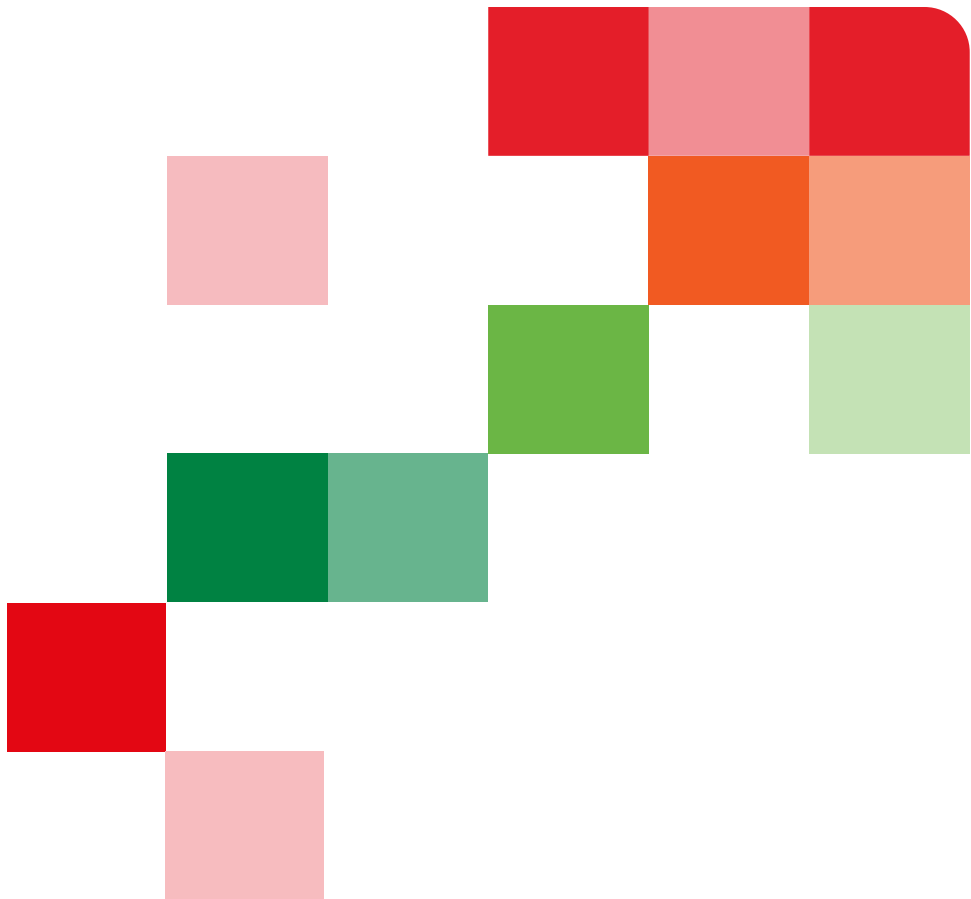




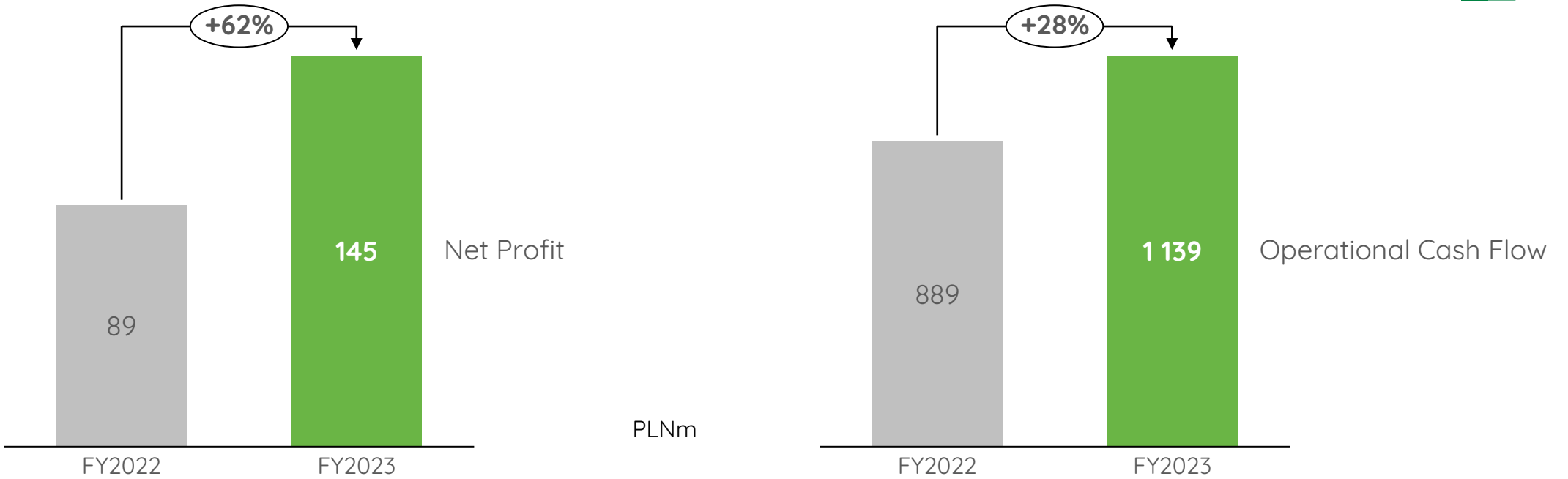
Eurocash Group

FY2023 and 4Q2023 Results

19.04.2023



FY 2023 - significant net profit and operating cash flow improvement



Net profit improvement by 62% to PLN 145m



Cash rotation cycle improved by 3 days to negative 23 days in 2023



Net Debt / EBITDA (before MSSF16) below x0,7

FY 2023 – 7% EBITDA growth driven by efficiency off-setting cost inflation



EBITDA for FY2023: PLN 1066m (MSSF16) and PLN 587m (before MSSF16)

Sales growth of 5.2% with stable EBITDA margin in challenging environment



- Consolidated sales growth by 5.2%
- Stable EBITDA margin
- High base in 2022

Sales: +5.2%

EBITDA +6.5%

Cash flow – strong cash generation



- DPO improved by 4 days to -61 days while increasing sales and more effective stock turnover
- OCF +28% y/y, PLN +250m to PLN 1139m YTD

OCF/EBITDA: x1.1

Segments – EBITDA growth of Wholesale, Retail and Projects



- Wholesale: 5.0% sales growth; +3.5% EBITDA growth
- Retail : ~PLN +325m sales growth and EBITDA growth by 6%
- Projects: PLN +18m improvement of EBITDA and over-inflationary sales growth

Wholesale Sales: +5.0%

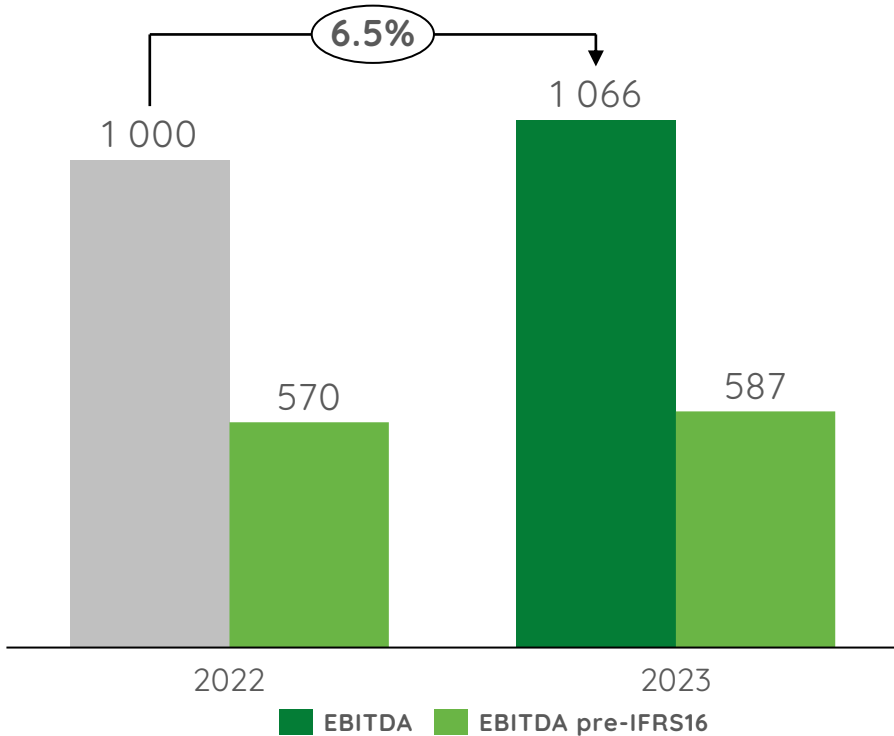
Retail Sales + 4.2%

Projects Sales: +21.4%

FY 2023 - solid Sales and EBITDA growth

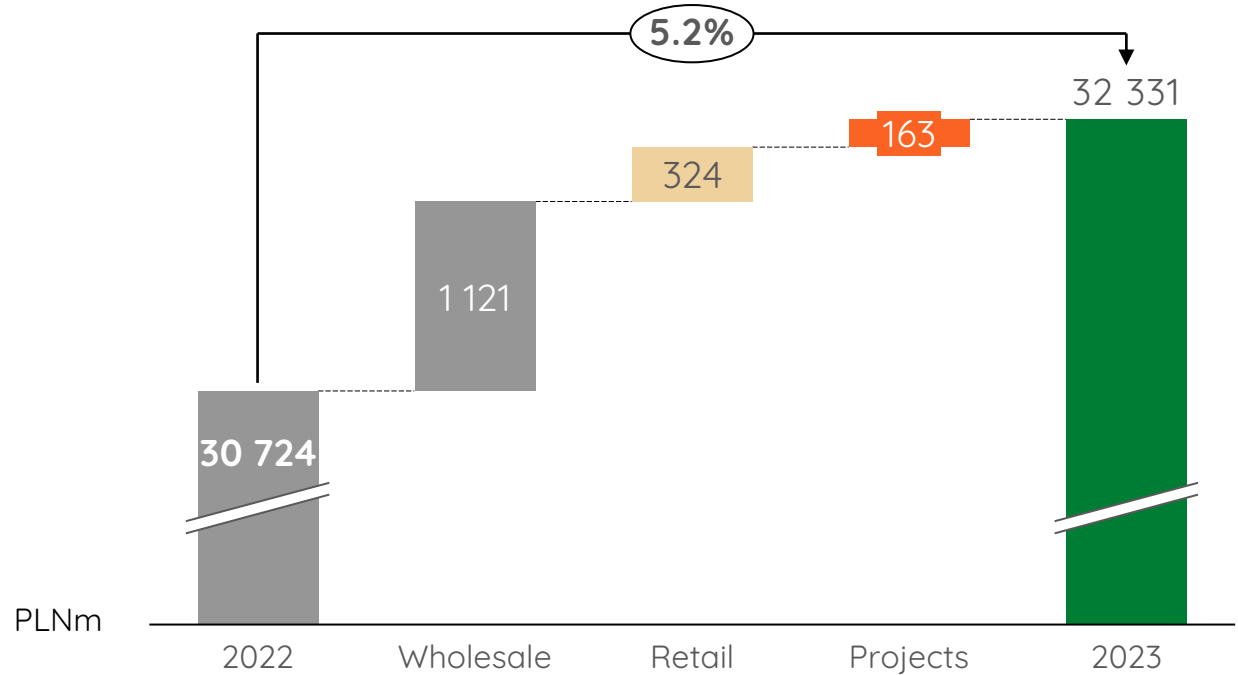


EBITDA growth and a stable margin in 2023



6.5% increase in EBITDA delivered on a high basis of 2022. The margin on sales decreased by 0.3pp while keeping operating costs in check: SG&A decreased 0.4pp in relation to revenues

Sales evolution by segment in 2023 yoy



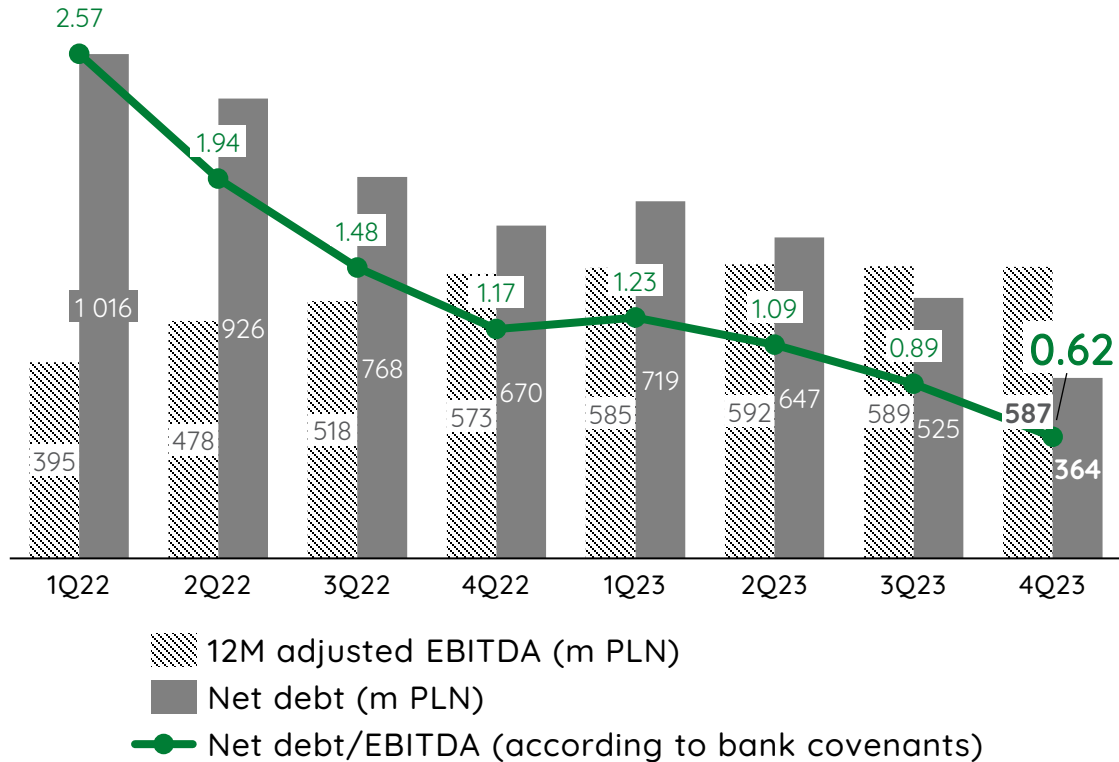
Normalization of revenue growth amid weakening retail sales and slowing inflation in Poland. Still high dynamics of Projects growth (+23%)

Improved debt profile



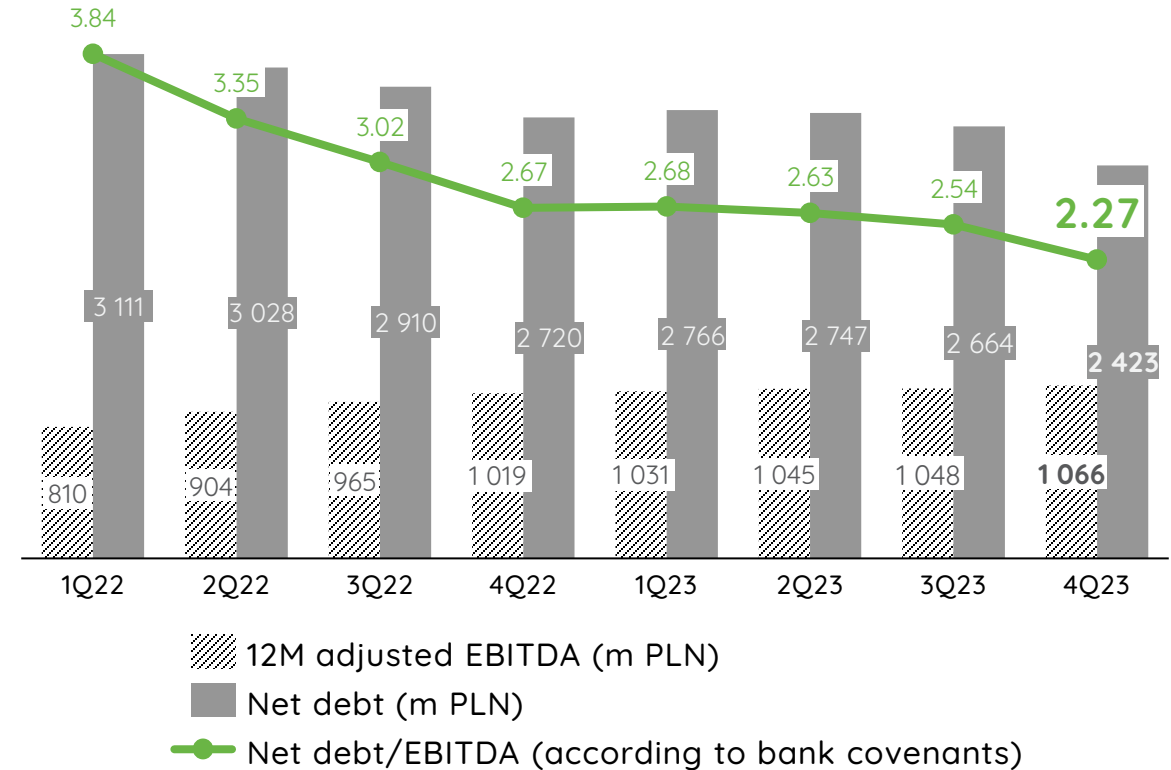
Net debt/EBITDA (before IFRS16)

PLNm



Net debt/EBITDA (after IFRS16)

PLNm



Further reduction of the net debt/EBITDA ratio (before IFRS16) to the level close to 0.6x - within the strategic objective.

Financial costs and working capital



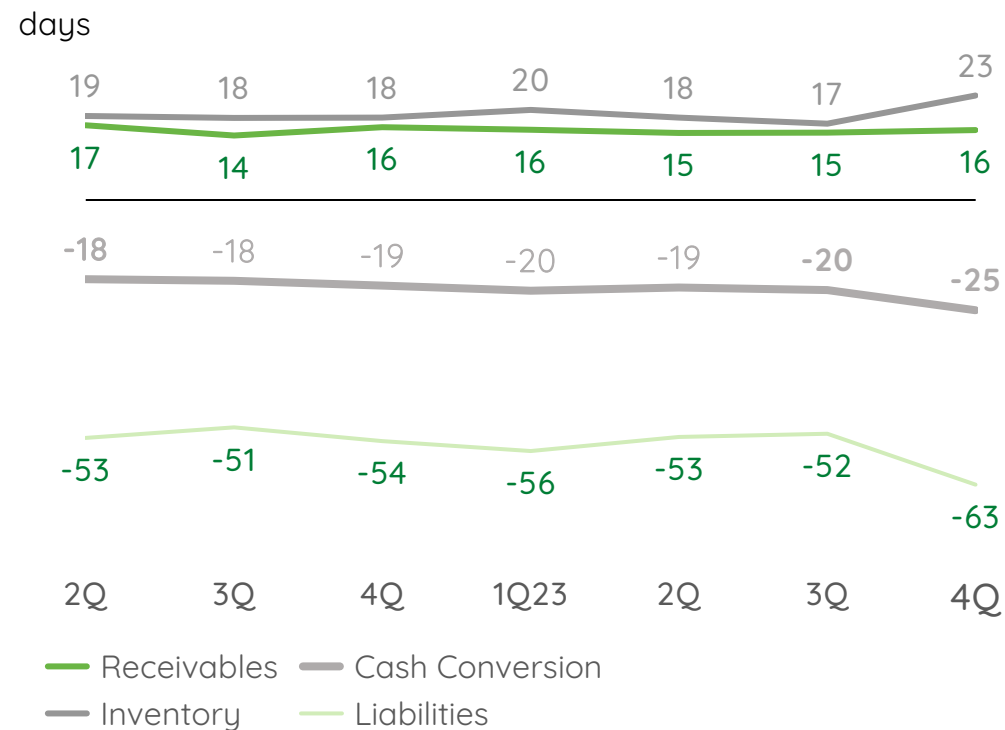
High interest rates maintained in 4Q23
Volatile effects of EURPLN exchange rate

PLNm

	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23
Financial expenses	65,3	93,3	72,8	78,7	75,9	98,1	68,9
Financial income	13,0	21,0	17,3	16,7	33,4	9,9	20,6
Net financial expenses	52,3	72,3	55,5	62,0	42,6	88,2	48,4

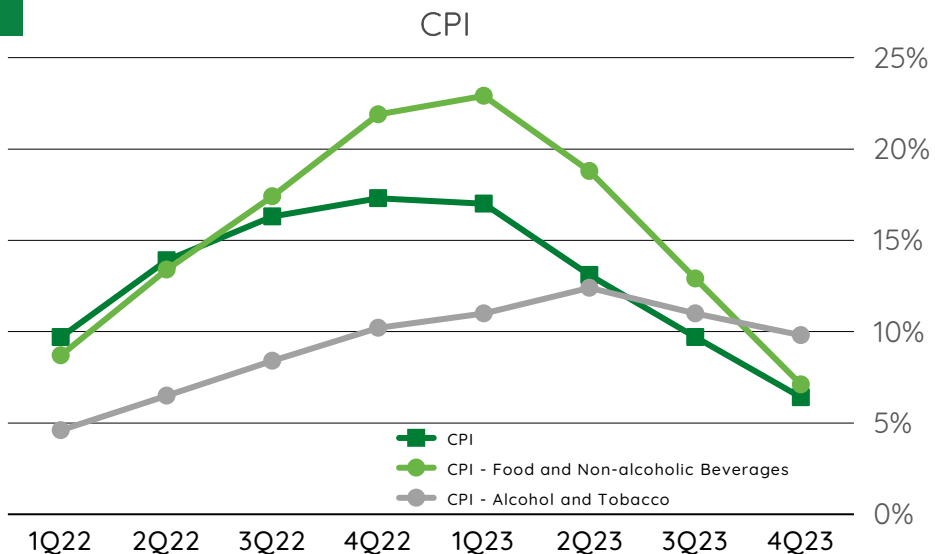
Further reduction of financial costs will be related to decreasing the level of debt and possible lowering of interest rates. In 4Q23 positive impact of stronger Zloty

Cash conversion cycle

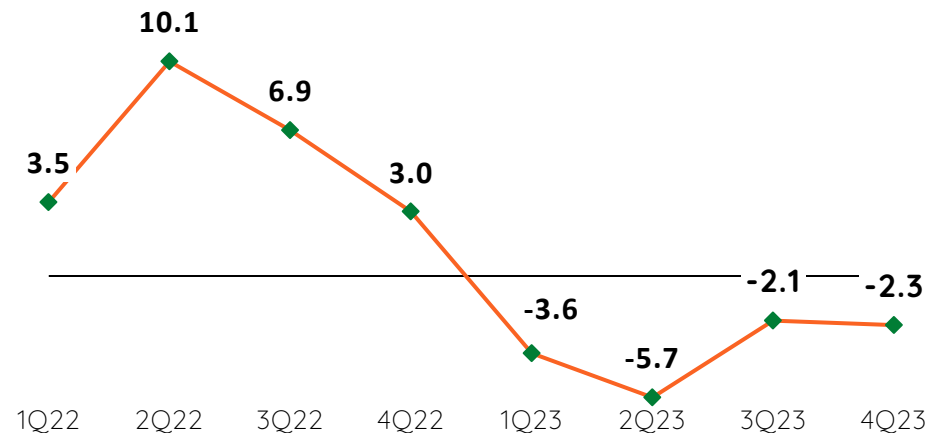


Cash conversion cycle y/y improved by app. 5 days, mainly thanks to inventory & payables management.
Cash flow from operating activities YTD: PLN +250mn y/y, and +148m y/y in 4Q2023

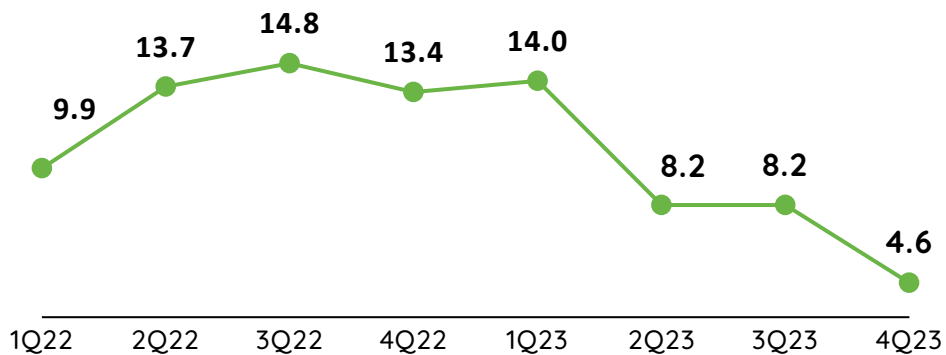
Still high inflation and a decline in grocery retail sales



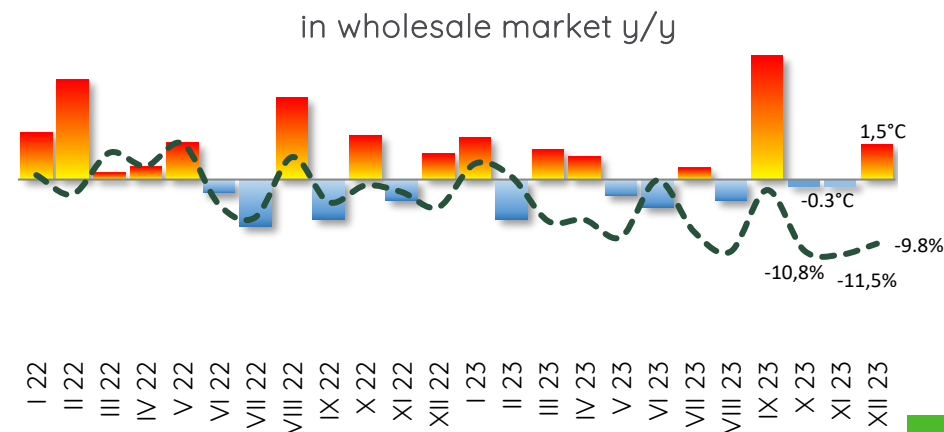
Retail sales growth in Poland (constant prices) – food, beverages and tobacco



Sales of stores up to 500m2 (y/y) %

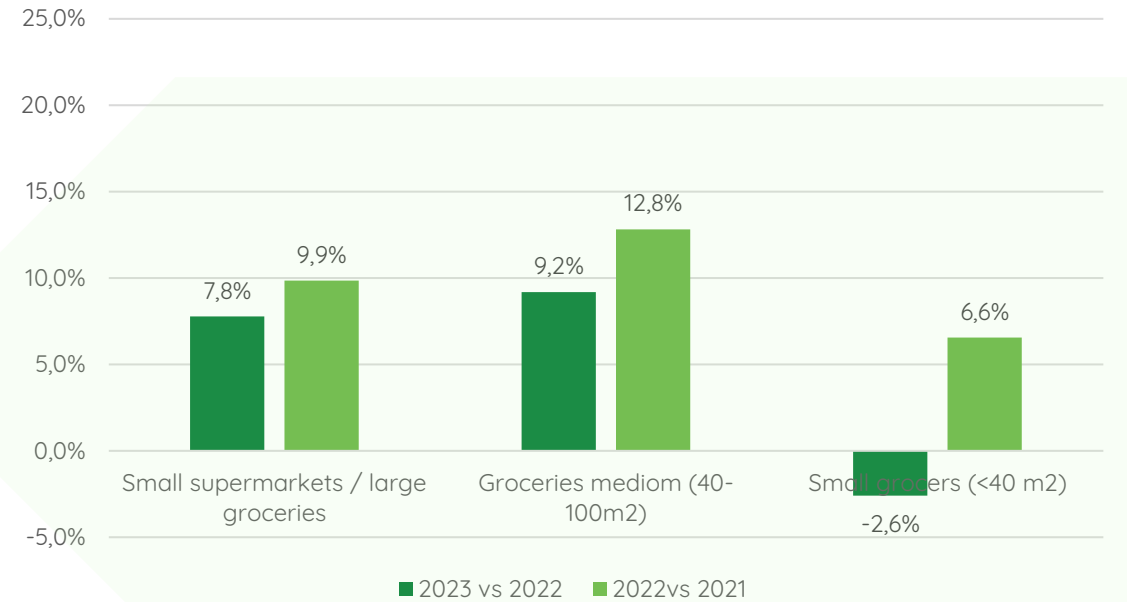
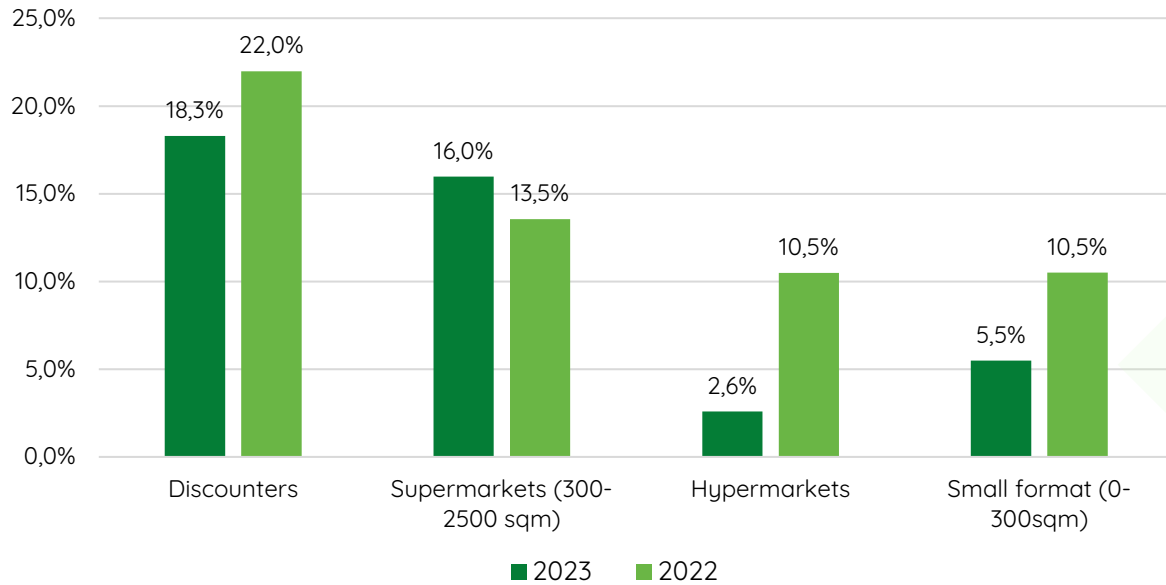


Changes of air temperature vs number of transactions in wholesale market y/y



Market data - growth of all retail formats apart from hypermarkets

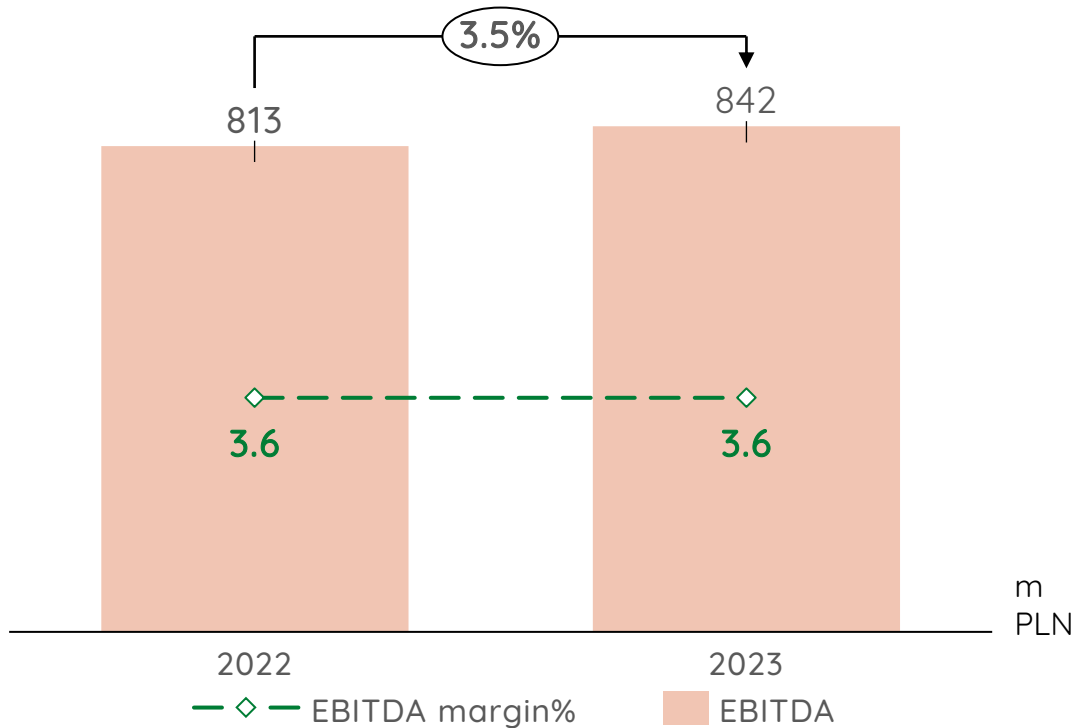
% growth of the food market in FY2023 and FY2022 y/y by distribution channels, including small-format stores



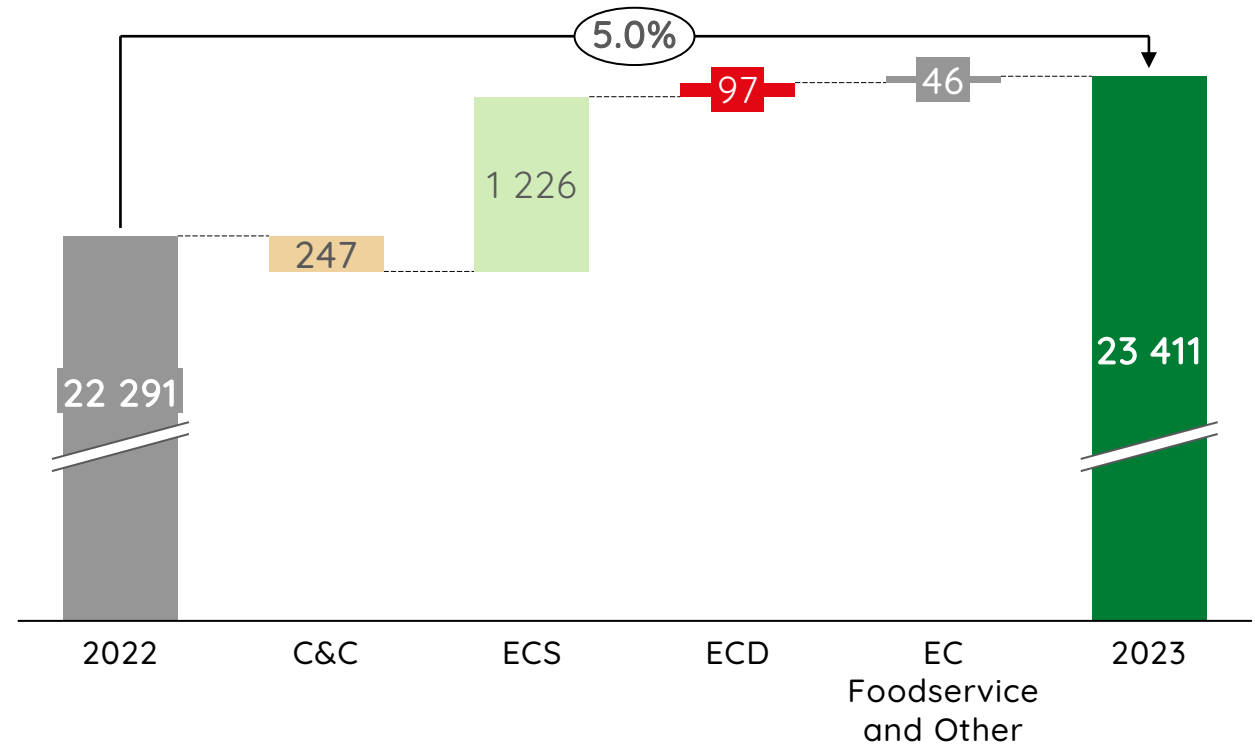
- Increases above food inflation only in the discounters and supermarkets channels.
- Visible high base effect and refuges inflow in 2022.
- Weakest performance of Hypermarkets and Small Grocers (<40 sqm); whereas Large and Medium Grocers are driving the Small Format with 8-9% growth in 2023.



EBITDA evolution in 2023



Sales evolution by formats in 2023

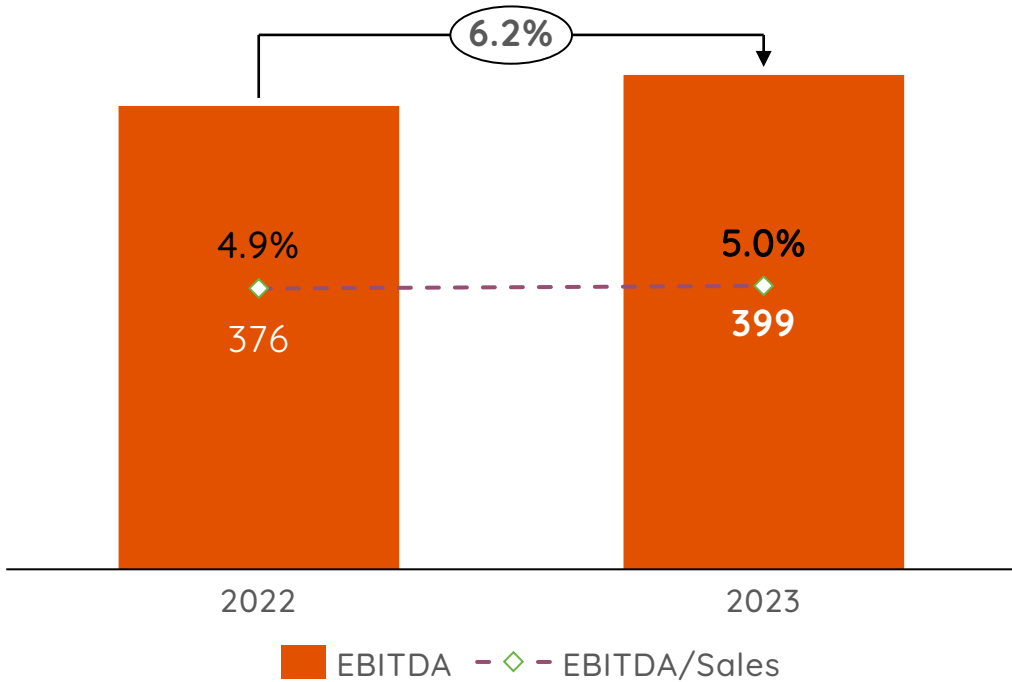


Stable EBITDA margin despite margin mix effect

Strong sales growth in EC Serwis +14% and Food Service +20%, a stable contribution of Distribution +1% and weaker sales in Cash & Carry by -4.9% vs. high base of 2022

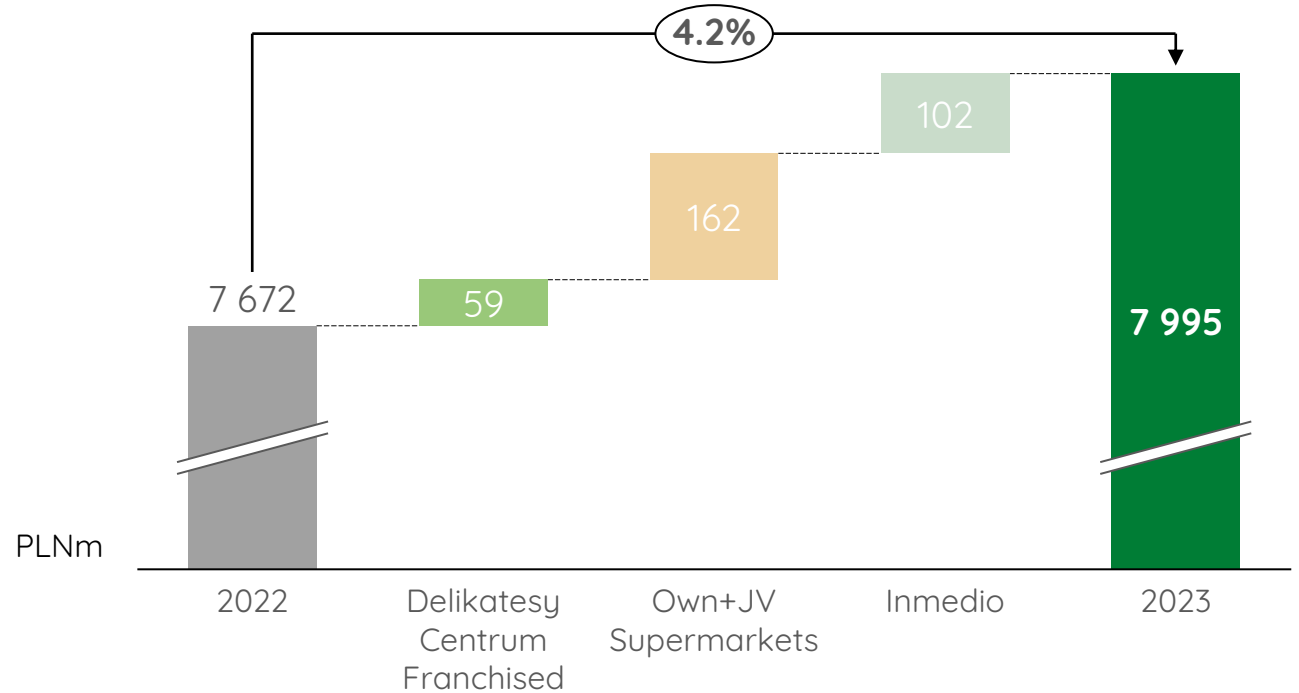


EBITDA evolution in 2023



Improved EBITDA in period of price investments and increasing competition

Sales evolution by formats in 2023



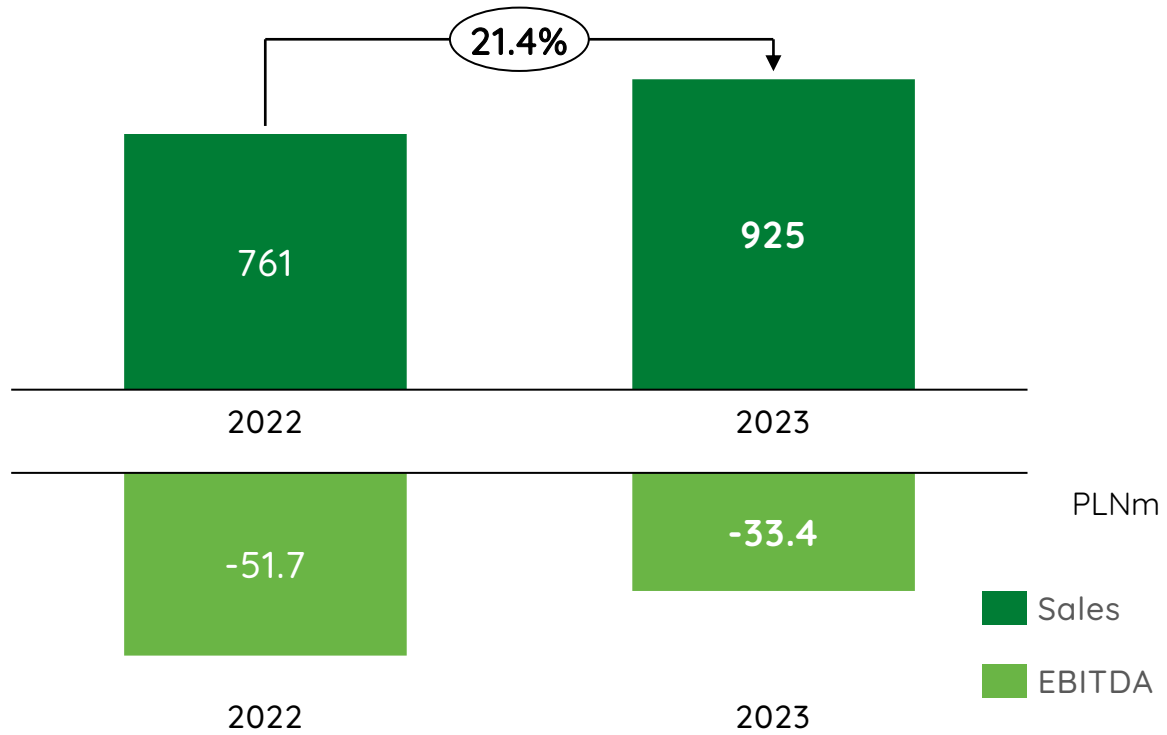
+3.7% in Own+JV Delikatesy Centrum stores, Strong growth dynamics in Inmedio +17%.



Projects - FY 2023

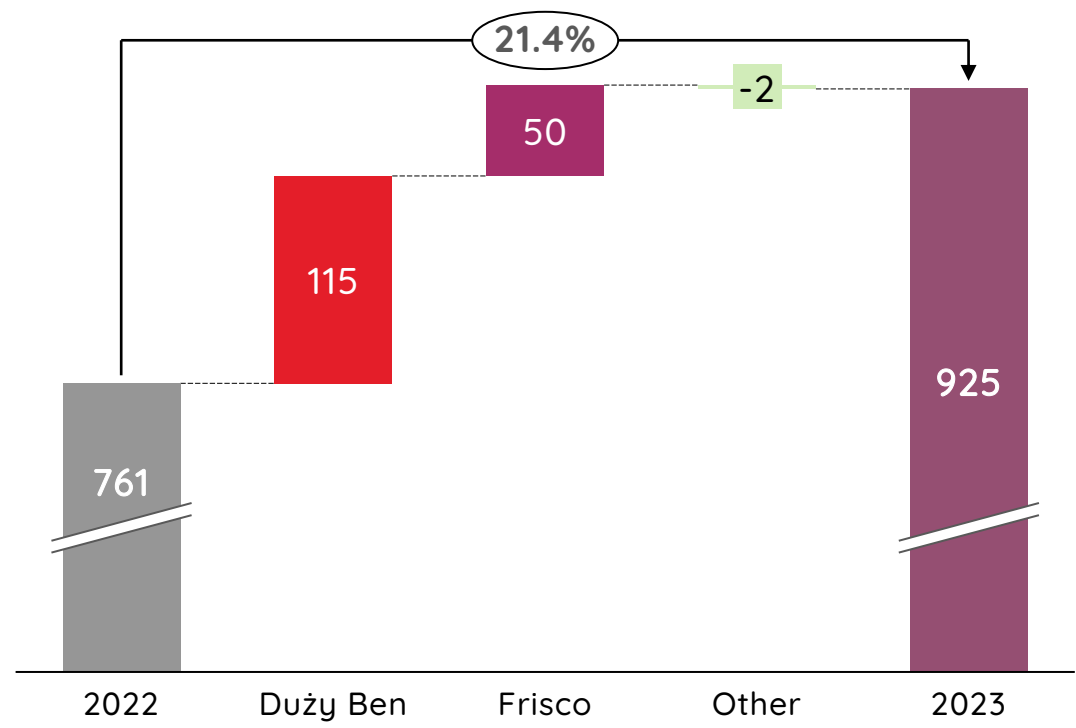


Sales and EBITDA evolution in 2023



21.4% sales growth in Projects - driven by Duży Ben and Frisco with improved EBITDA. Frisco opened in December the 2nd automated warehouse in Warsaw.

Sales evolution by formats in 2023



Strong sales growth in Duży Ben (+39%) and Frisco (+13%) with declining inflation

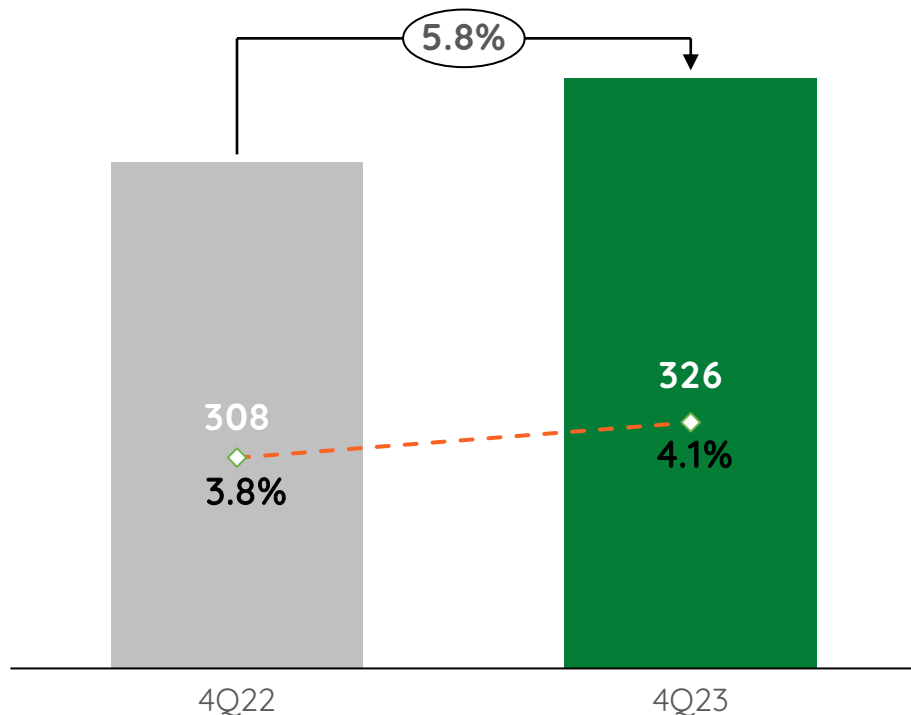
Summary 4Q2023



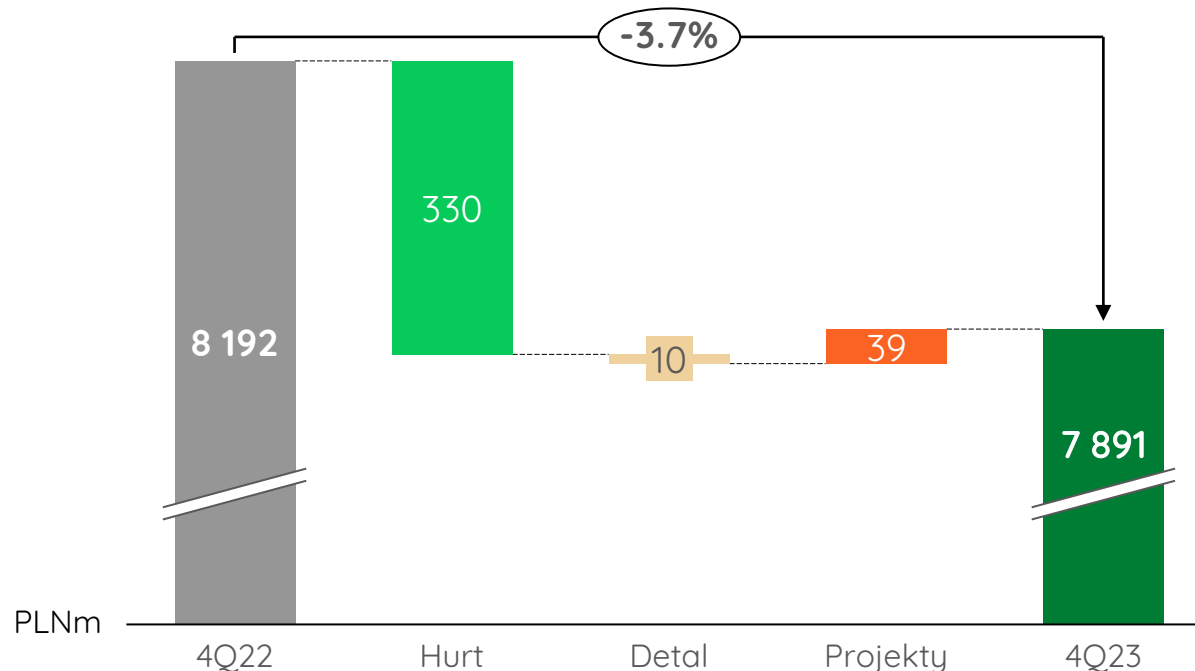
4Q2023 - 9th consecutive quarter of growing results



Increase of EBITDA and EBITDA margin in 4Q2023



Sales evolution by segments 4Q2023

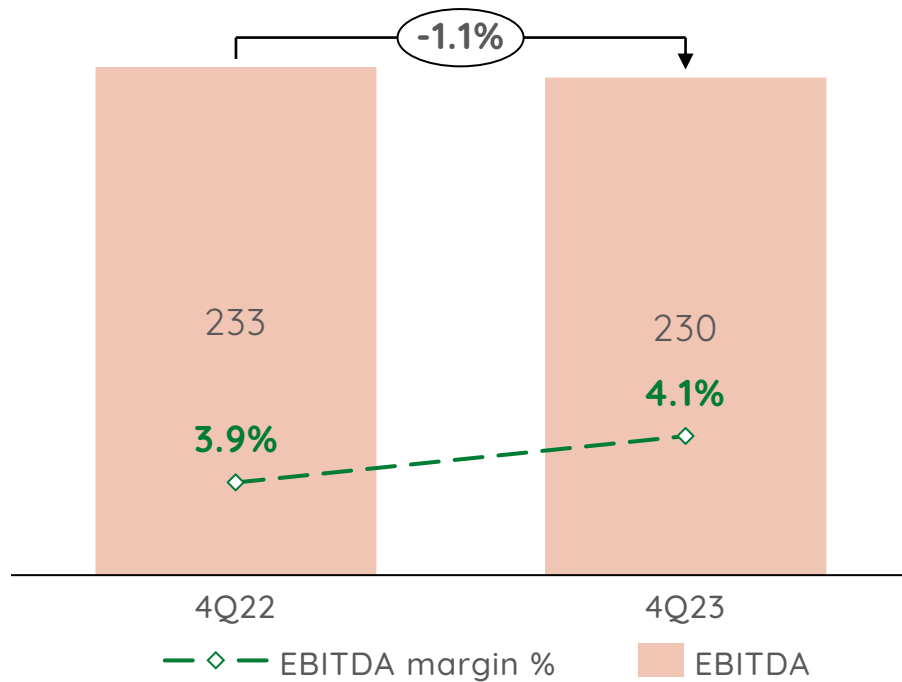


5.8% EBITDA increase despite PLN 15.1m non-recurring restructuring costs, with growing sales and EBITDA margin, and at the same time with a slight decrease in gross margin on sales.

Revenue decreased in 4Q - in the environment of low retail sales in Poland and slowing inflation (high base effect in 4Q22).

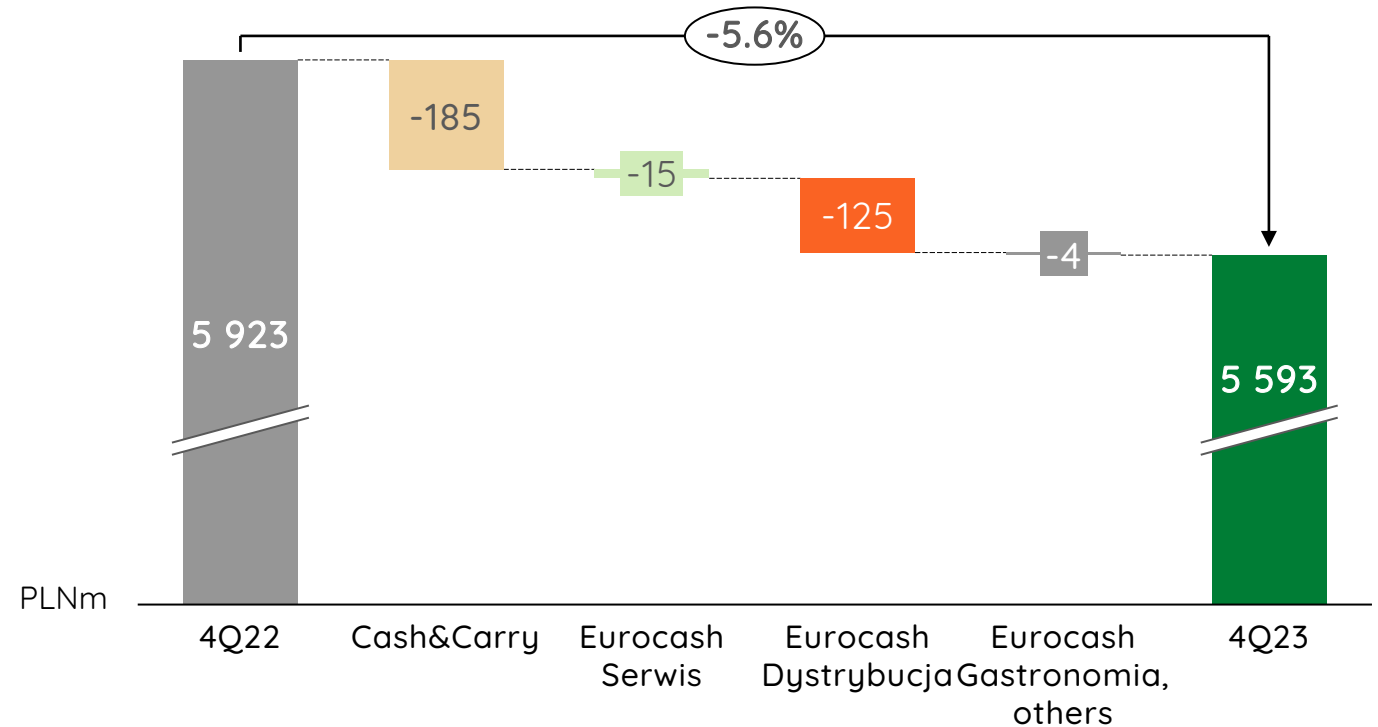


EBITDA evolution in 4Q 2023



Flat EBITDA given inflationary pressures and decreasing volumes.

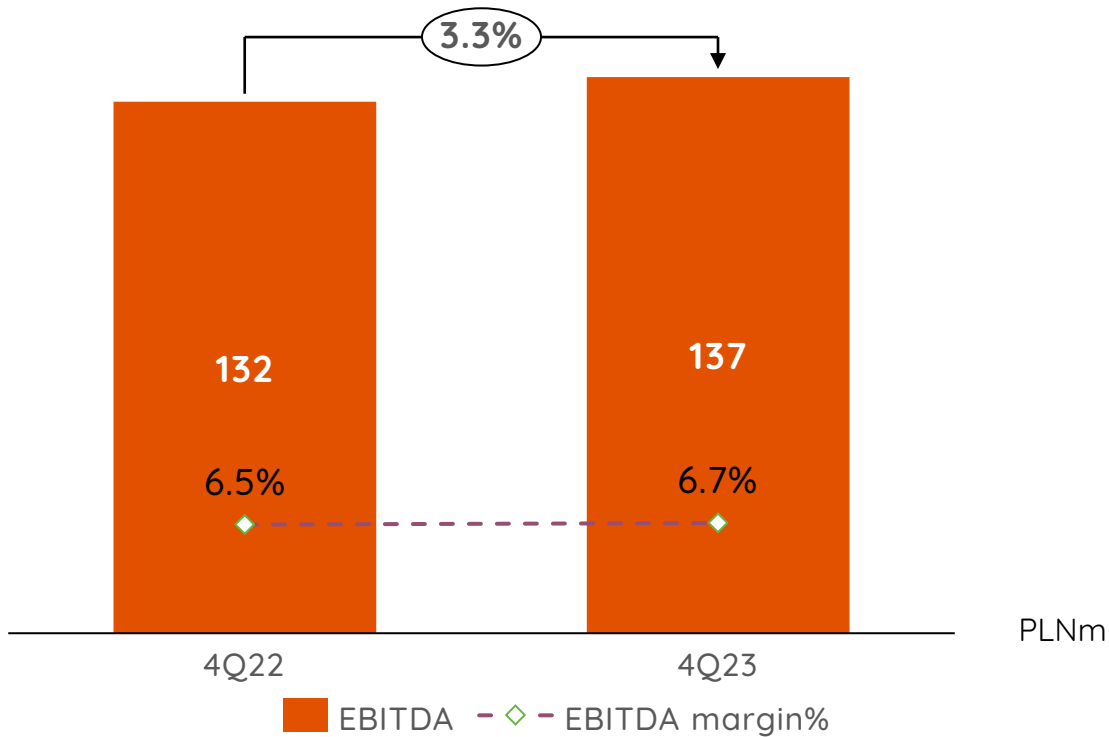
Sales evolution by formats in 4Q 2023



Sales declines in all formats except EC Gastronomia +13% (mainly declines among independent stores).

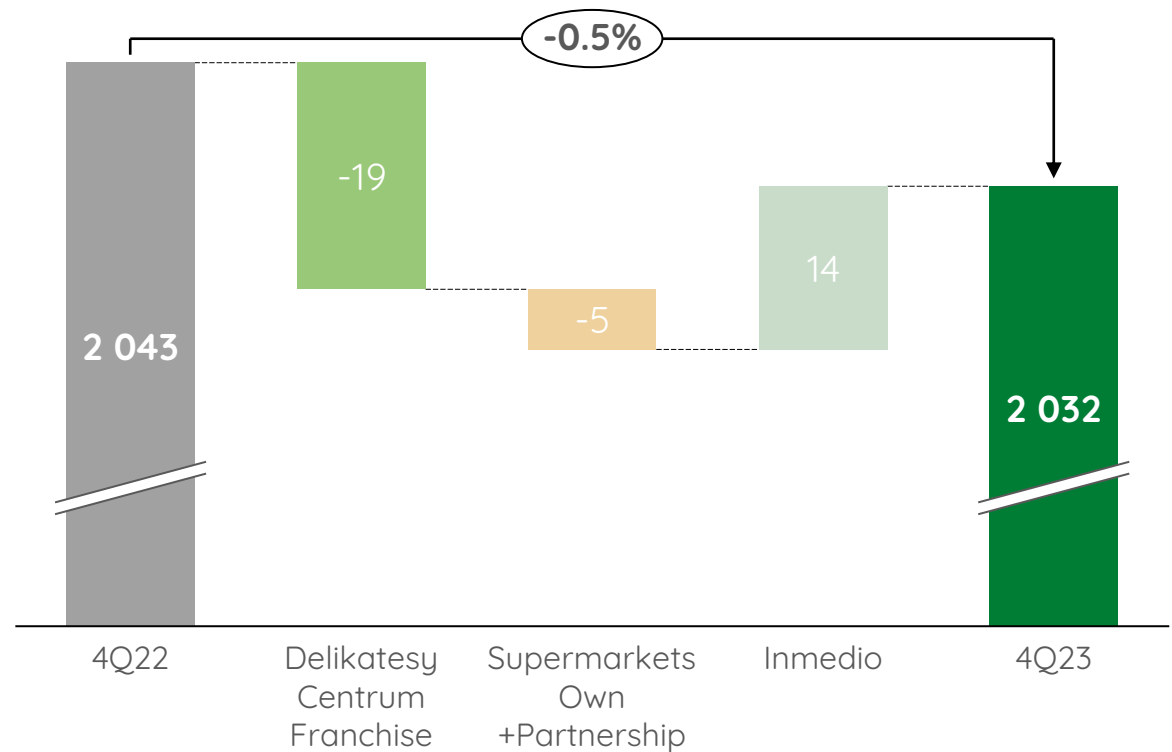


EBITDA evolution in 4Q 2023



Improved EBITDA result y/y due to higher contribution from partner stores (Rogala, FHC2, MD Projekt) and cost optimization in DC.

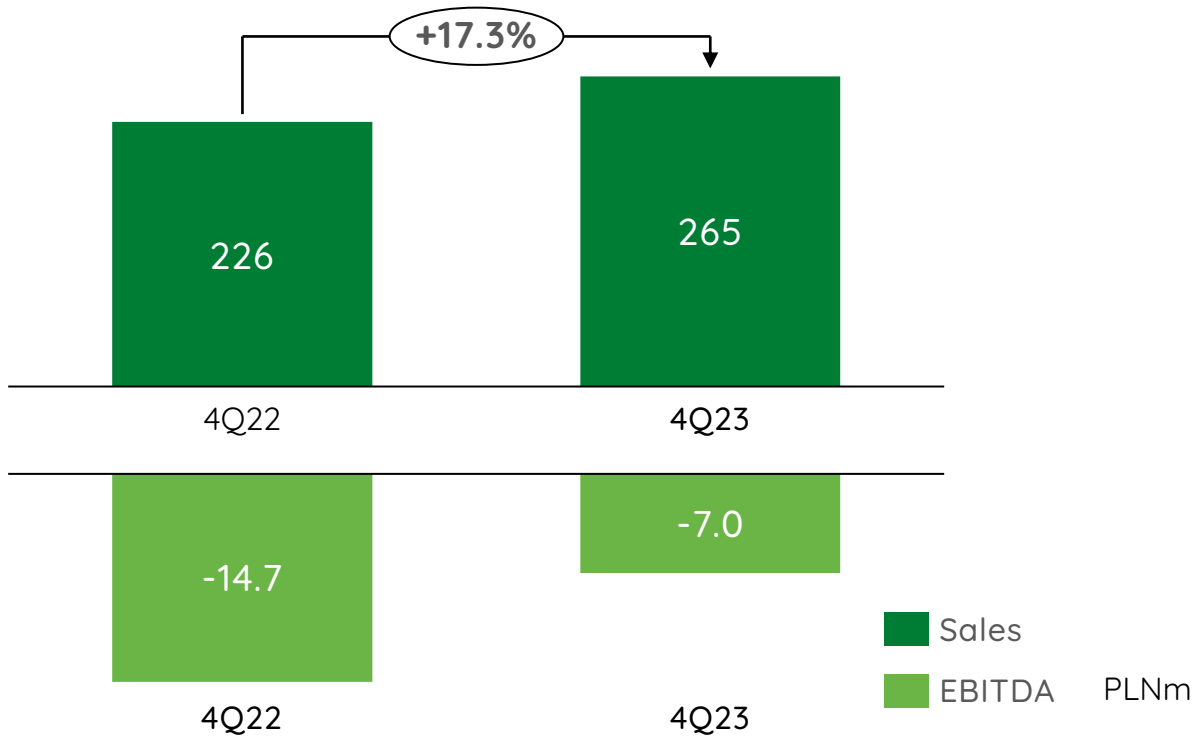
Sales evolution by formats in 4Q 2023



Temporary slow-down of sales growth after a high base in 4Q22. Strong contribution of Rogala and Inmedio

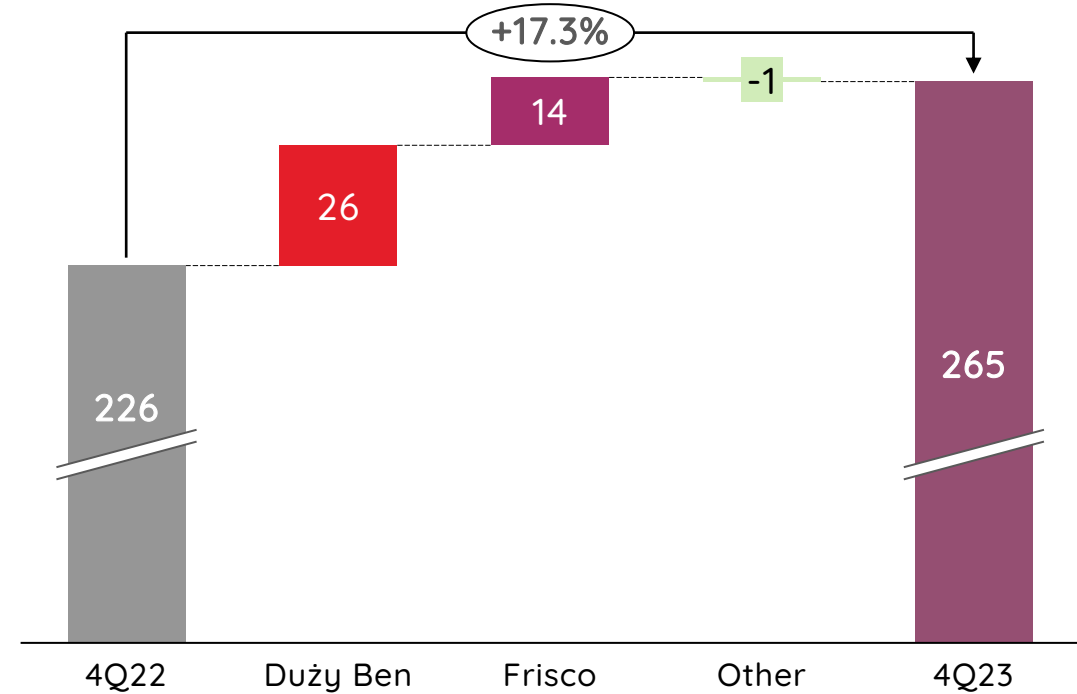


Sales and EBITDA evolution in 4Q 2023



Increase in sales by 17% with improved EBITDA, which includes the costs of new Duży Ben stores and Frisco customer acquisition.

Sales evolution by formats in 4Q 2023



Further dynamic sales expansion of Frisco and Duży Ben



Projects 4Q23 - dynamic expansion

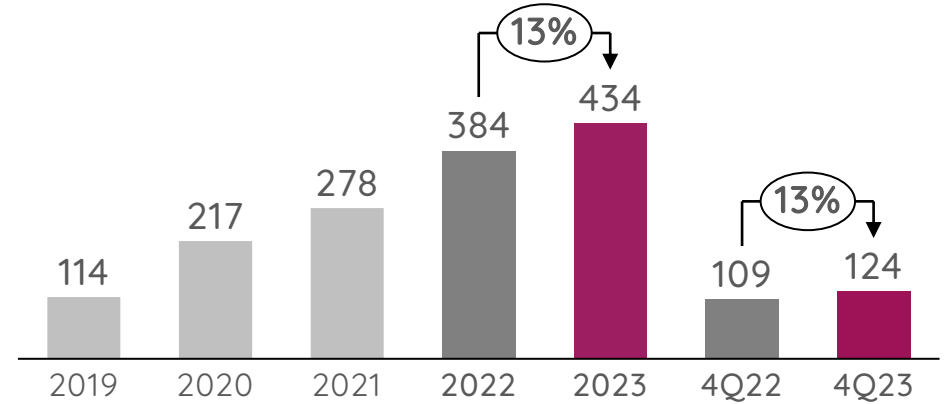


↑ Sales 4Q23: **+13% yoy to PLN 124m** Active customers: **+9% yoy to 104k**

↑ Average Basket in 4Q23: **+5% r/r, 339 PLN vs 321 PLN**

The 2nd automatic warehouse in Warsaw has been launched in December - expanding capacity.

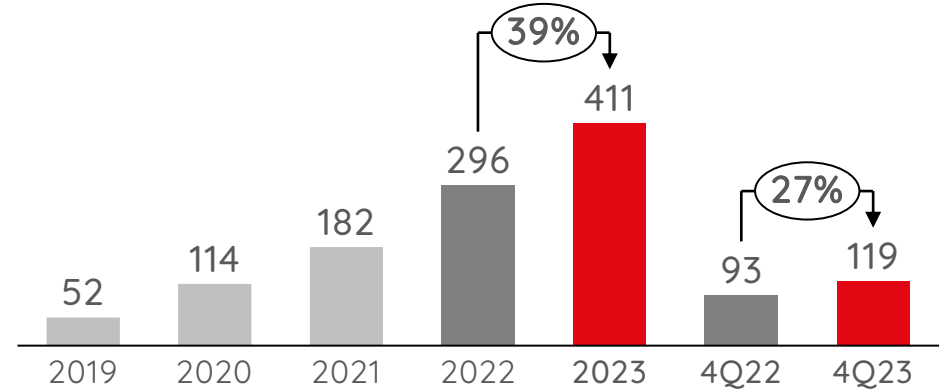
Sales development (PLNm)



↑ Sales 4Q23: **+27% yoy to PLN 119m**

↑ LFL 4Q23: **2%**
#426 Stores

Sales development (PLNm)



Preliminary results 1Q2024



Inflation slowing-down in 1Q24, but wages keep growing



- Minimum wage increased in 2024 by 22% to 4242PLN/month, another increase in 3Q to 4300 (19.4% yoy)
- Inflation decreasing to 2.8% in 1Q24, with Food prices up by 2.6%, alcohol and tobacco 6.9% yoy

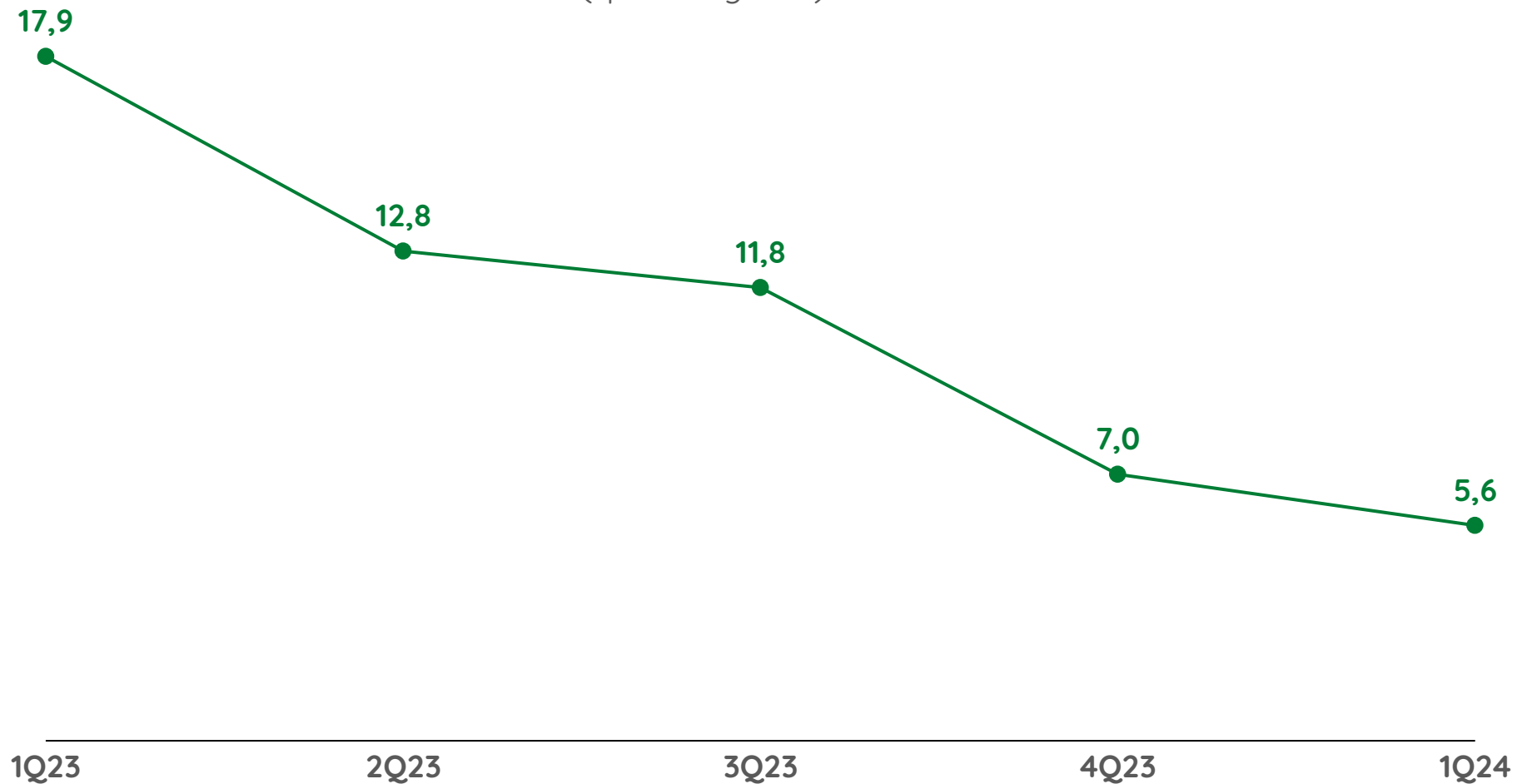
Minimum wage growth vs. CPI



Market dynamics slowing down with inflation



TOTAL POLAND Food Sales Growth (quarterly YoY)

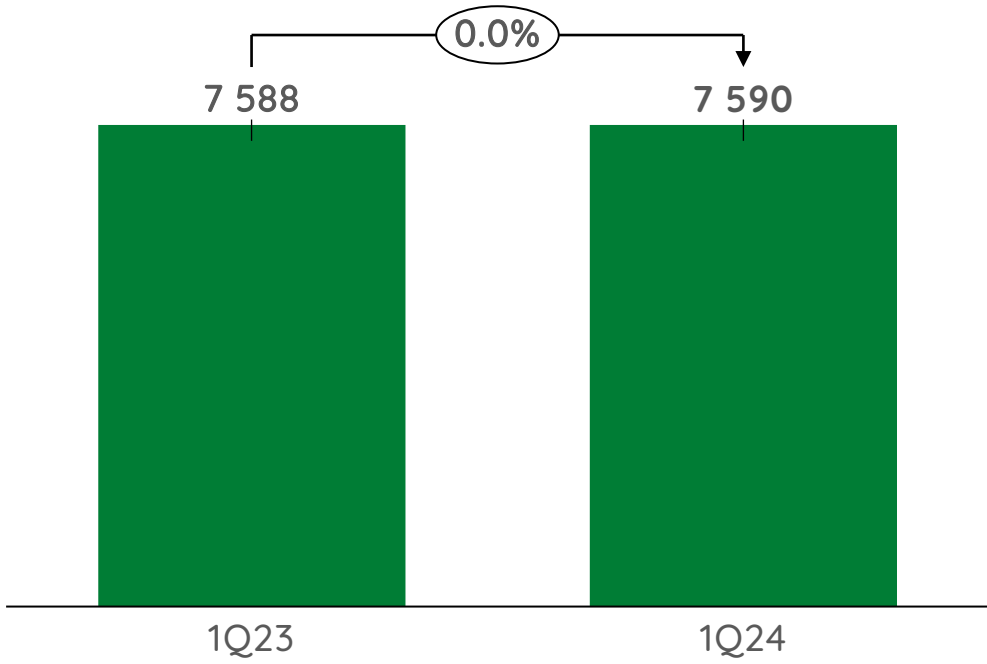




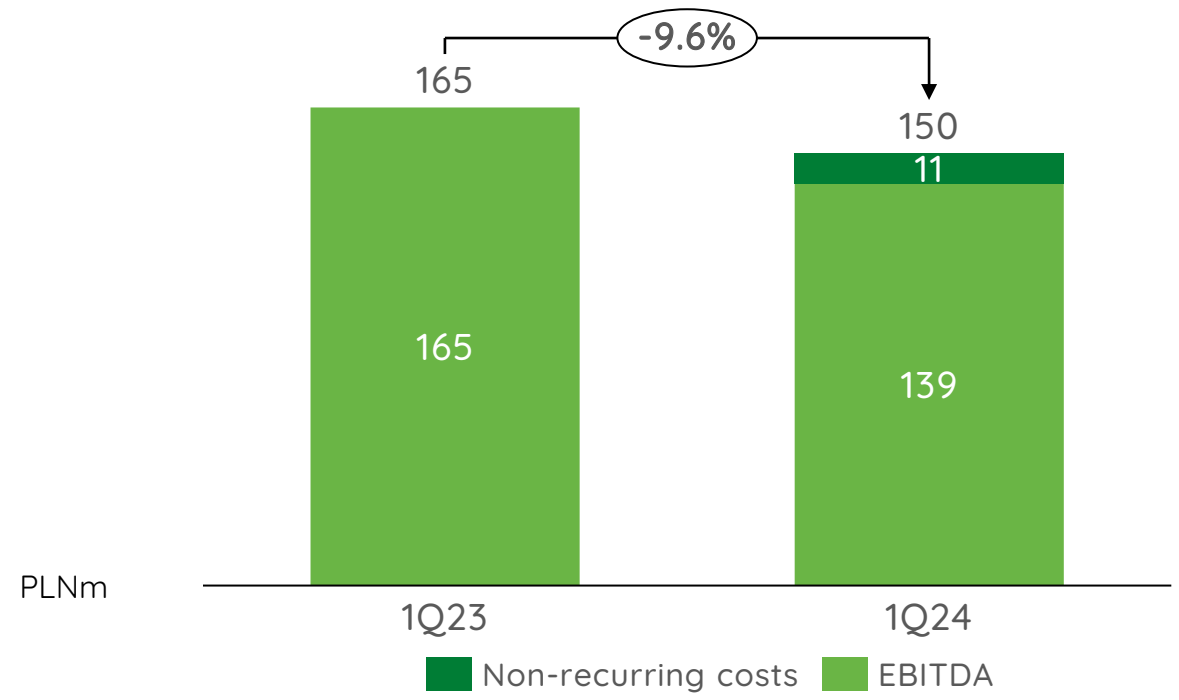
Preliminary 1Q2024 results



Sales in 1Q 2024



EBITDA in 1Q 2024



Flat Group sales with positive impact of Easter, however not enough to off-set lower dynamics in Jan-Feb

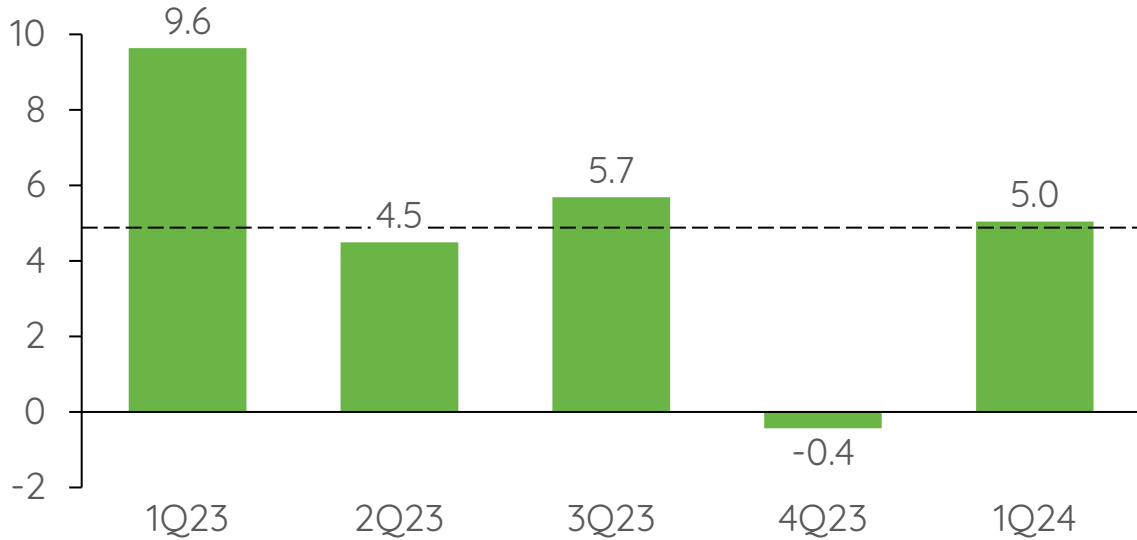
Profitability affected by minimum wage jump beginning 2024 with additional impact of PLN 11m non-recurring restructuring costs



Preliminary 1Q2024 - Sales Growth

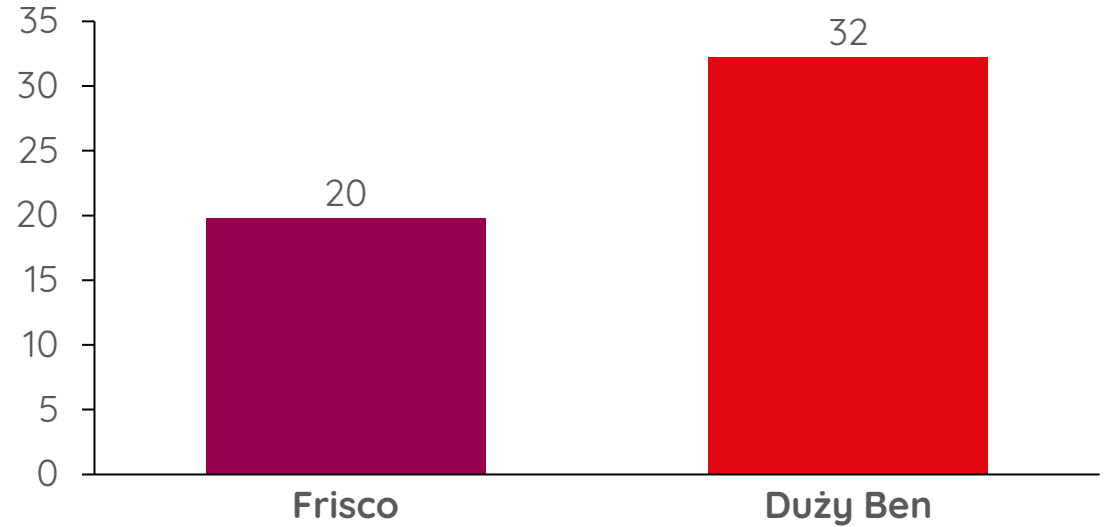


Delikatesy Centrum LFL Sales growth (%)



Delikatesy Centrum with 5% LFL sales growth across the chain - with positive impact of Easter

Sales growth in 1Q 2024 (%)



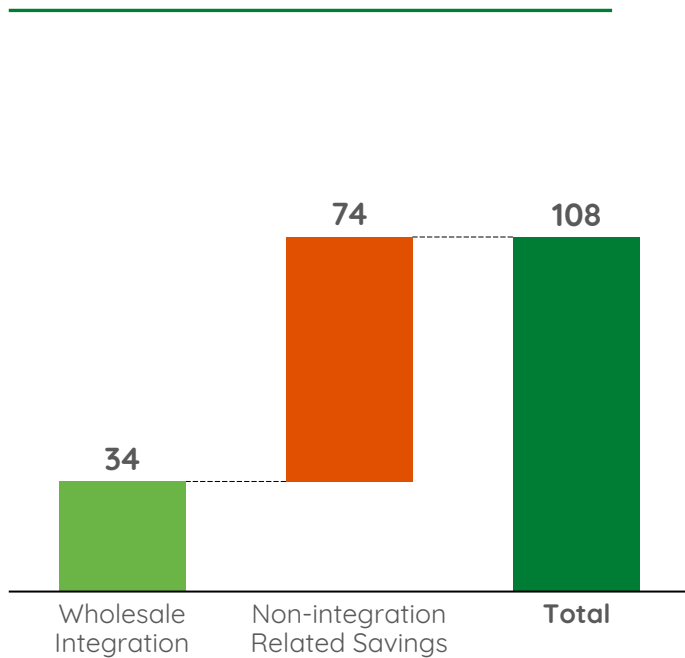
Dynamic sales growth in Projects with Frisco 20% growth; Duży Ben over 32% growth in 1Q24

Group-wide cost optimisation program to off-set minimum wage increase effect

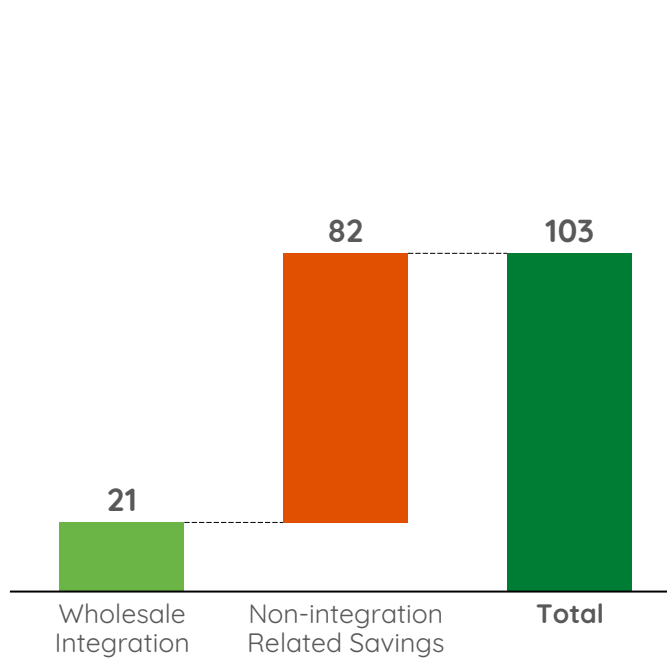


- In order to mitigate costs headwinds and notably the impact of one-off increases in Polish minimum wage, implementation of cost reduction initiatives have been initiated already 4Q 2023
- PLN 211m total savings identified for 2024, to off-set minimum wage increase effect of app. PLN 210m

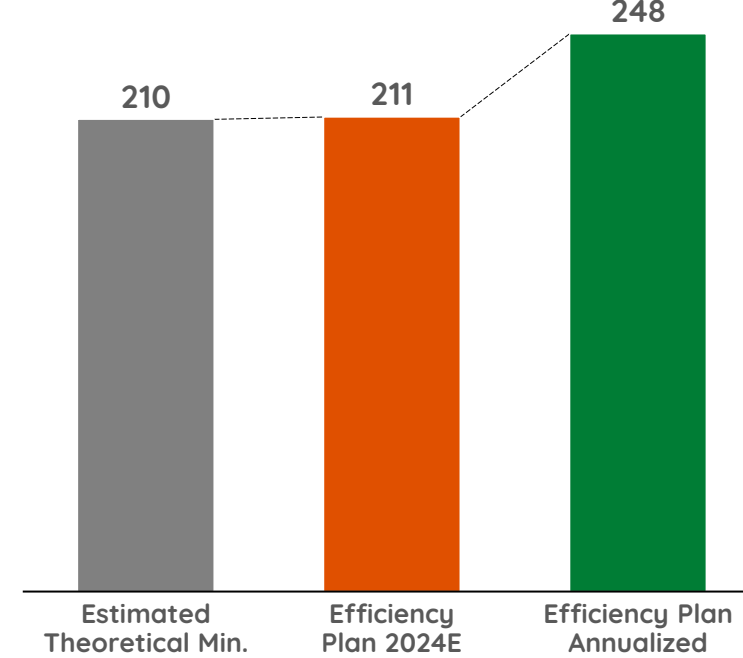
FTE Restructuring Plan 2024E



Other Initiatives Plan 2024E



Total Efficiency Plan



* Company estimates.

Focus on Ongoing FTEs Restructuring Plan

- PLN 108m expected in 2024 from FTE reductions across business units
- Deep restructuring implemented – assuming reduction of 18% of directors and 19% of managers
- 80%+ realisation rate of annual reductions targeted already achieved

2024 FTE Reduction Plan

	FTE 2023E	FTE 2024E	%
Head Office	2,095	1,928	
Logistics	5,825	5,352	
Sales	1,258	1,132	
Stores	10,028	9,642	
Total	19 206	18 054	(6%)
		Implemented measures to reduce by ~1,152	
		Implemented measures to reduce by 12	
Directors	65	53	(18%)
Managers	204	166	(19%)
		Implemented measures to reduce by 38	

Status Update on FTE Reduction Plan

Department	FTE #	Savings for 2024E	Annualized Savings
Head Office all BUs in EC Group	244	39	44
Retail	135	8	9
Logistics	45	3	4
Cash and Carry	58	4	5
Tobacco Distribution	22	1	1
Wholesale Integration on top of above	40	4	9
Total Realised To Date (FTE Related)	544	60	73
FTE from increasing productivity in logistics	225	10	19
FTE from increasing productivity in retail	190	12	12
Total Incl. Productivity Increase	959	82	104



Already implemented restructuring / productivity increase
 - 959 FTEs out of 1,152 planned (83.2% realization) with a run-rate impact of PLN 104m

Strong Promotions & Communication



#NISKIE CENY DLA WSZYSTKICH
W DELIKATESACH CENTRUM

KUPIJ Z APLIKACJĄ BIEDRONKI LUB LIDL I OSZCZĘDZAJ TYLKO SAMO ALBOWIECEJ!*

I ZAOSZCZĘDŹ JESZCZE WIĘCEJ Z APLIKACJĄ DELIKATESY CENTRUM LUB DELIKARTA.

Oferta ważna w dniach 16.04-21.04.2014 dla wyłączenia zgodnie z warunkami akcji promocyjnej NISKIE CENY DLA WSZYSTKICH 16.04-21.04.2014. Z promocji można skorzystać wyłącznie raz. Aby wziąć udział w akcji promocyjnej, należy posiadać aktywną aplikację mobilną Delikatesy Centrum lub Delikarta, posiadać aktywną kartę płatniczą lub konto w Lidlu. Aby skorzystać z akcji promocyjnej, należy posiadać aktywną aplikację mobilną Delikatesy Centrum lub Delikarta, posiadać aktywną kartę płatniczą lub konto w Lidlu. *Zmniejszenie kwoty wydatku oznacza zapłatę porównawczą cen produktów w momencie promocyjnych obrotów Anny Potocznych z analogicznymi obrotami Delikatesy Centrum lub Lidlu w dniach 16.04-21.04.2014.

#NISKIE CENY DLA WSZYSTKICH
W DELIKATESACH CENTRUM

ZAPŁACZ LUB DELIKARTA 7³⁵ opok. przy zakupie 2 opok. 1+1 GRATIS

PONIEDZIAŁEK 15.04 - ŚRODA 17.04

Płatki Nestle
450 g
wybrane rodzaje
limit 1 użycie
promocji dziennie

Niskie Ceny Dla WSZYSTKICH!

Płatki Nestle i wiele innych produktów w promocji #NISKIE CENY DLA WSZYSTKICH!

SPRAWDŹ →

Pomidory polskie
1 kg
limit dzienny 3 kg

Z DELIKARTA LUB APLIKACJĄ 13⁹⁹ 1 kg 19⁹⁹ 30% TANIEJ

16-17.04 DO PONIEDZIAŁKU DO BRZOZY

PRODUKT POLSKI

Promocje z Delikartą

Czekaj na Ciebie super promocje, które przeliczają się na konkretne oszczędności. Sprawdź, co przygotowaliśmy w tym tygodniu!

SPRAWDŹ →

Delikatesy CENTRUM

ZWROT VAT

ZRÓB ZAKUPY PRODUKTÓW OBJĘTYCH WZROSTEM STAWKI VAT Z 0% DO 5%*

ZA MIN. 20 ZŁ Z DELIKARTĄ LUB APLIKACJĄ MOBILNĄ ZWRÓCIMY CI RÓŻNICĘ DO WYKORZYSTANIA NA ZAKUPY ZA MIN. 20 ZŁ** W KOLEJNYCH 2 DNIACH.

*Zwrot podatku VAT przeliczamy na podstawie stawki VAT w dniu zakupu. **Zwrot podatku VAT przeliczamy na podstawie stawki VAT w dniu zakupu.

Ćwiartka tylna z kurczaka
1 kg
limit dzienny 3 kg

Z DELIKARTA LUB APLIKACJĄ 5⁹⁹ 1 kg 9⁴⁹ 36% TANIEJ

16-17.04 DO PONIEDZIAŁKU DO BRZOZY

WASZEJ LIDL

Po mięso to tu!

Co powiesz na ćwiartkę tylną z kurczaka i inne mięsa w super niskich cenach?

SPRAWDŹ →

Szynka Starpolska
29,90 zł/kg

2⁹⁹ 100 g 4³⁹ 31% TANIEJ

Mazury

Codziennie setki tanich produktów!

Szynka Starpolska i inne wędliny w apetycznie niskich cenach!

SPRAWDŹ →

Szlachecka Wędzarnia
Najwyższej jakości mięso

Delikatesy Centrum

Deli KARTA

Żałoś Delikartę

Przygotowaliśmy niezliczone promocje, które przeliczają się na konkretne oszczędności dla Ciebie. Kliknij - zobaczysz, że się nie przeliczysz!

SPRAWDŹ →

50% TANIEJ

Łapp kupony i oszczędzaj

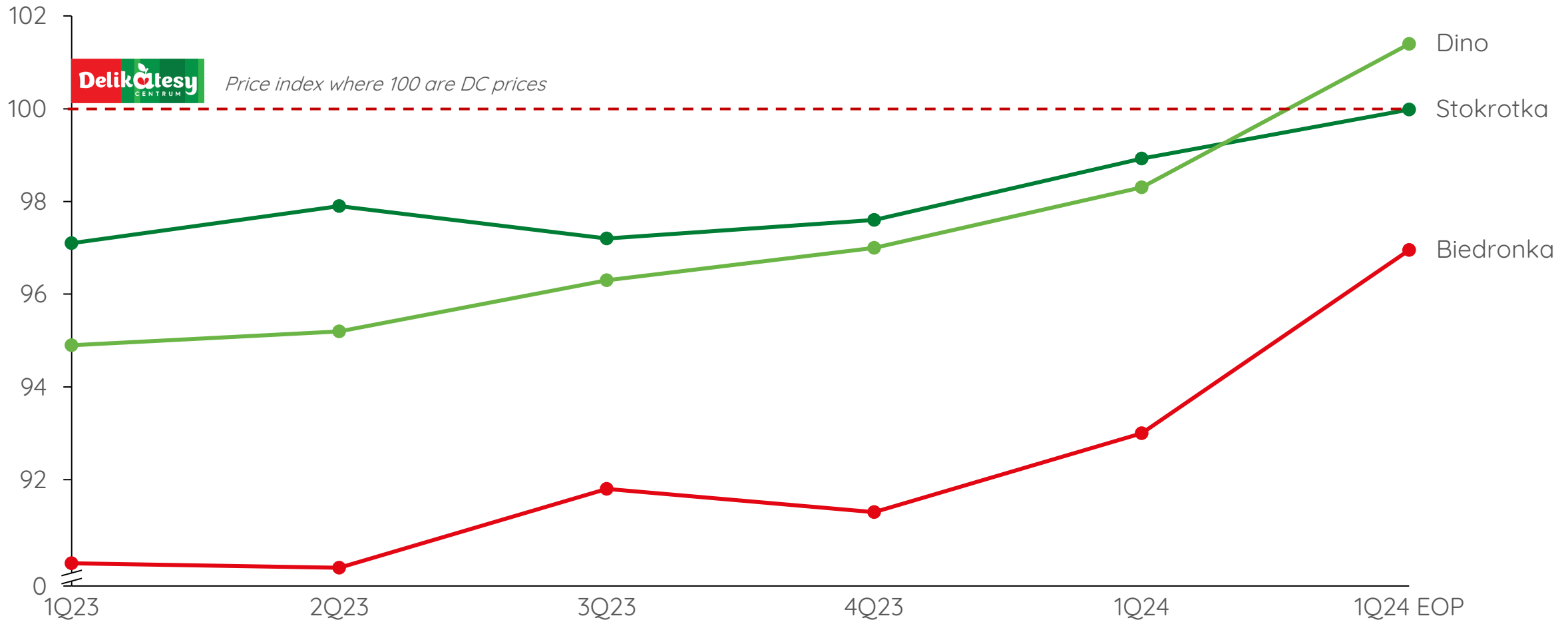
Aktywuj kupony w aplikacji mobilnej Delikatesy Centrum i kupuj wybrane produkty w specjalnych cenach.

SPRAWDŹ →

Delikatesy Centrum: The Price Gap has been reducing gradually



Delikatesy Centrum price index evolution*



* Price index analysis - internal methodology for measuring relative price positioning, not applicable to analyse positioning of other players. Customer view, prices compared: 2000-3500 SKUs depending on assortment overlap

Frisco - continued growth and market share expansion



Sales Growth in 1Q 2024 +20% y/y while maintaining high quality and **customer satisfaction indicators (NPS)**



Opening of a new automated warehouse, trouble-free operational launch, in a very short time, which helped to handle increased holiday demand and dynamic growth in Q1 24'

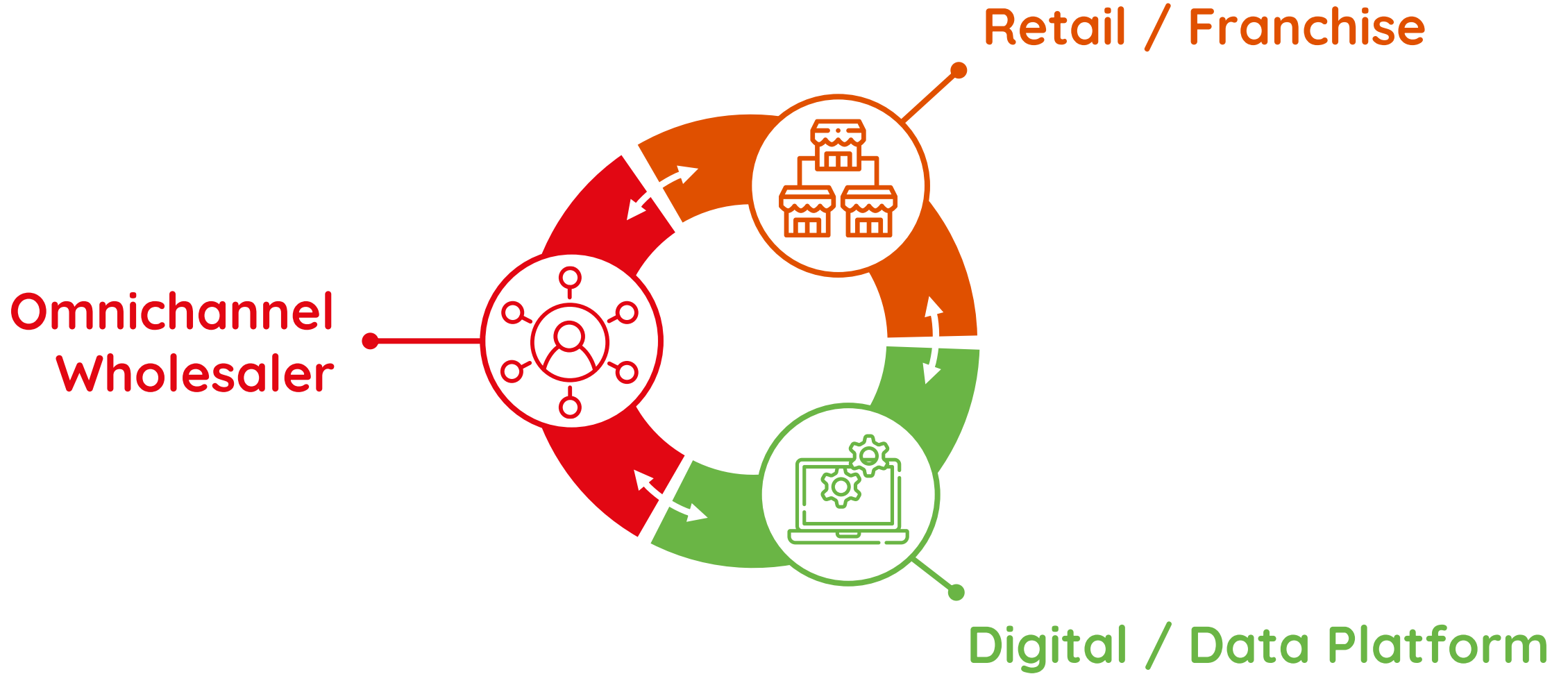


Significant increase in market share in Q1 2024 - effective use of market opportunities (exit of Barbora)

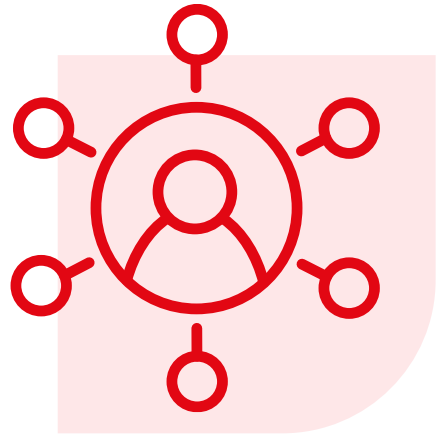


Strategy 2025 - status





Wholesale Integration Focused on Cost-, Buying- and Cross-Sell Synergies



Omnichannel Wholesaler

Key objectives:

- Creation of the largest B2B trade platform in Poland - merger of wholesale business units
- Cost savings
- Access to the widest range of FMCG products - within one eurocash.pl platform
- Shared purchasing power
- One digital platform, delivery, point of contact

Status

- 1 Wholesale integration prepared and launched at beginning of 2024
- More aggressive on costs due to inflation
- On track to outperform the targets:

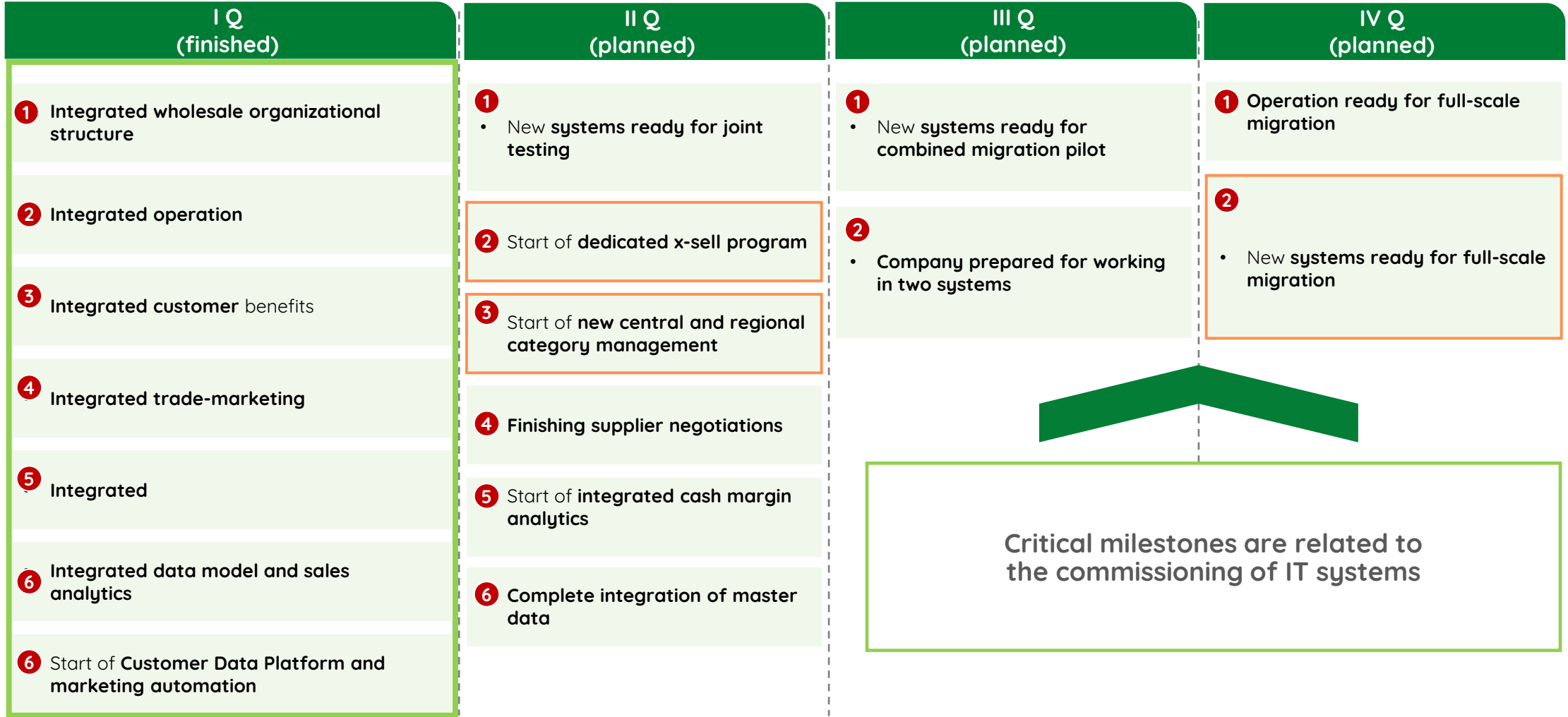
HO and Logistics Integration 2024 Budget
Gross Savings – **55 MLN PLN**

Further cost optimisations – **156 MLN PLN**

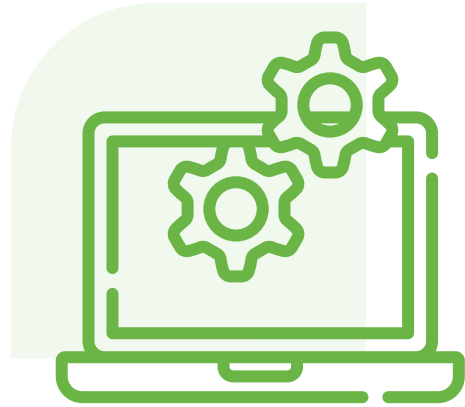
Procurement Optimisation – assumed
reinvestment into price to grow market share

Cross-sell Action Plan with **100 MLN PLN Sales Target**

Wholesale Integration Timeline 2024



Wholesale Integration Focused on Cost-, Buying- and Cross-Sell Synergies



Digital / Data Platform

Key objectives:

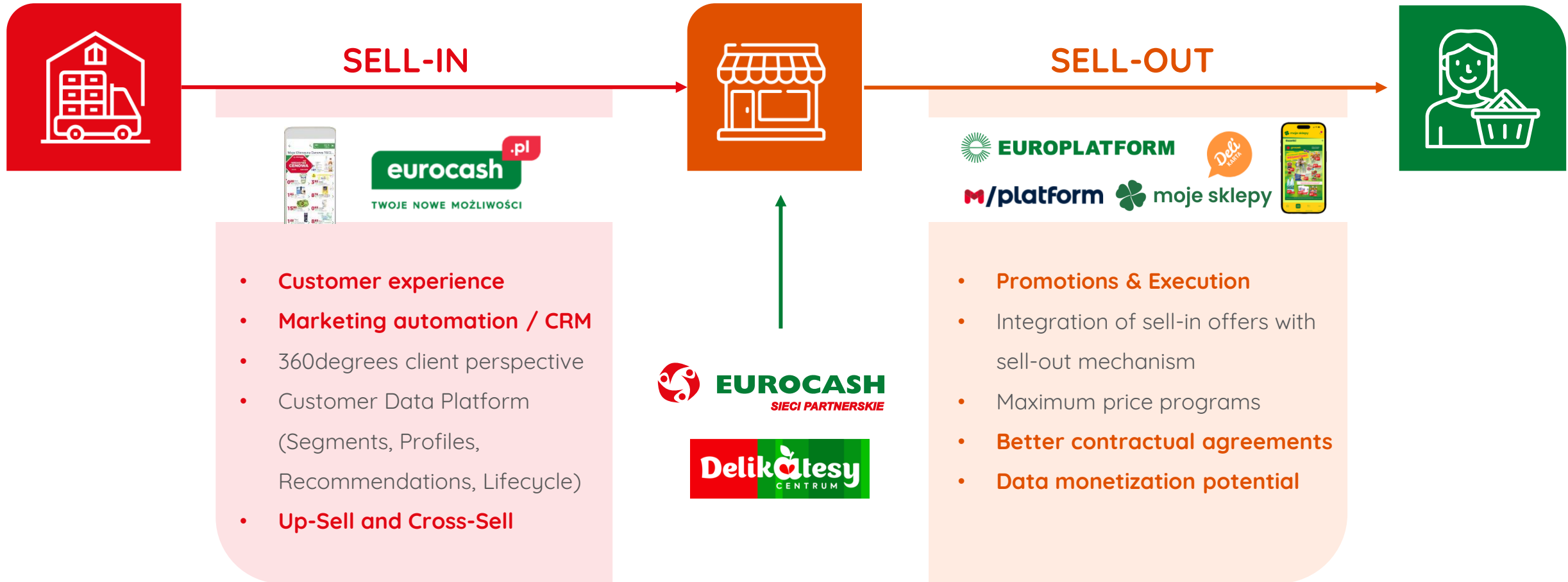
- B2B & B2C e-grocery leader
- Digital solutions that connect customers with consumers
- The largest POS network for local stores with 12k stores
- Creating a loyalty program for consumers
- Technology partnerships
- Development of Frisco.pl - the leading e-grocery market in Poland

Status

- **Eurocash.pl:**
 - ~9bn Sales on Platform
 - 56% Sales are done via Platform
 - 10% Orders value increase after switching to online
 - 3x more sales per Sales Rep than Competitors
- **EuroPlatform** with access to over **13k clients:**
 - ~4.6k from ECSP
 - ~0.6 EC Independents
 - ~8k M-Platform
- **Moje Sklepy** – consumer app
- **Dedicated Data Management Structure** under new management

Integration is the Source of Competitive Advantage

The Only Retailer Able to Integrate Independent Fiscal Devices into One Mechanism



Improving Store Models to Maximise Performance and Economics for Franchisees and Eurocash



Franchise Organiser

Key objectives:

- Increasing efficiency and cost synergies
- Investments in the development of associated networks and customer profitability
- Reduction of price differences
- Attractive product offers and consumer promotions
- Expanding franchise and partner networks
- Development of loyalty programs
- Consumer focus

Status

Partnership Systems (ECSP):




- EC SP (Partnership Systems) with integrated structure and objectives
- Retail POS Integration: 53%
- Launch of Moje Sklepy: umbrella brand+ app+ promotions

Delikatesy Centrum:

- New DC 2.0 business strategy:
 - New assortment policy
 - Price positioning
 - Efficient Promotions
- Agency Model (DCOwn)
- New store model (tests)
- Close cooperation with franchisees

- **Frisco**: Launch of 2nd automated warehouse
- **Duży Ben**: Focus on expansion

Ongoing Repositioning of Store Operating Model to Optimise Unit Performance and Economics for Eurocash

	Wholesale Models		Retail Models	
	Independents	Soft Franchises	Hard Franchises	Own Stores
Description	<ul style="list-style-type: none"> Stores operated independently from Eurocash banners 	<ul style="list-style-type: none"> Stores operated under Eurocash Wholesale Banners Privileged sourcing relationship with Eurocash 	<ul style="list-style-type: none"> Stores operated under Eurocash Retail Banners Tighter relationship with Eurocash 	<ul style="list-style-type: none"> Stores owned and operated by Eurocash
Key Eurocash Banners				
Store Owner / Lessor	<ul style="list-style-type: none"> Store operator 	<ul style="list-style-type: none"> Store operator 	<ul style="list-style-type: none"> Store operator 	<ul style="list-style-type: none"> Eurocash
Economic Relationship with Eurocash	<ul style="list-style-type: none"> Can purchase goods and services from Eurocash wholesale (delivery or Cash & Carry) 	<ul style="list-style-type: none"> Priority sourcing from Eurocash active distribution Retro rebates and retail services Marketing support from franchise chain 	<ul style="list-style-type: none"> Purchases from Eurocash and outside suppliers Pays franchise fee to Eurocash 	<ul style="list-style-type: none"> Fully consolidated by Eurocash Inventory consolidated by Eurocash Various operation models (historical M&A driven)
Level of Control Over Store Ops.	<ul style="list-style-type: none"> Store owner (operator) retains full control on assortments, pricing and promotions policies 	<ul style="list-style-type: none"> Store retains i) ultimate control on assortment and pricing with Eurocash however able to coordinate special offers and promotions across franchisees and ii) full control 	<ul style="list-style-type: none"> Eurocash manages all retail functions incl. assortment, pricing policy, promotion¹ HR managed by operator 	<ul style="list-style-type: none"> Full control
Marketing Support	<ul style="list-style-type: none"> None 	<ul style="list-style-type: none"> Operator receives support on brand, promotions, assortment, private label 	<ul style="list-style-type: none"> Full marketing support 	<ul style="list-style-type: none"> Full marketing support
IT / POS Integration	<ul style="list-style-type: none"> Operator can elect to choose Eurocash POS or ordering platform (Eurocash.pl) 	<ul style="list-style-type: none"> Under deployment with Eurocash.pl ordering platform, Eurocash POS and via Moje Sklepy app 	<ul style="list-style-type: none"> Full IT integration with Eurocash systems 	<ul style="list-style-type: none"> Full IT integration with Eurocash systems
Loyalty Level ²	10-30%	~45%	~70%	~80-90%

● — ● Indicates Low to High

Source: Company information.
 Note: ¹ Ultimate pricing is on the franchisee side. ² Defined as percentage of total purchases from Eurocash.

Organic Growth Opportunity from Increase in Wallet Share and Recruitment of New Franchisees - gradually operate as an organized chain



Retail Opportunities

Maximise Loyalty of EC Banners

2023: ABC 45.5%; Groszek 50.6%¹

Recruit Other Soft Franchise Banners and Independent Stores

2023 loyalty estimation: 15%

Number of stores



Increasing loyalty



Accelerated expansion



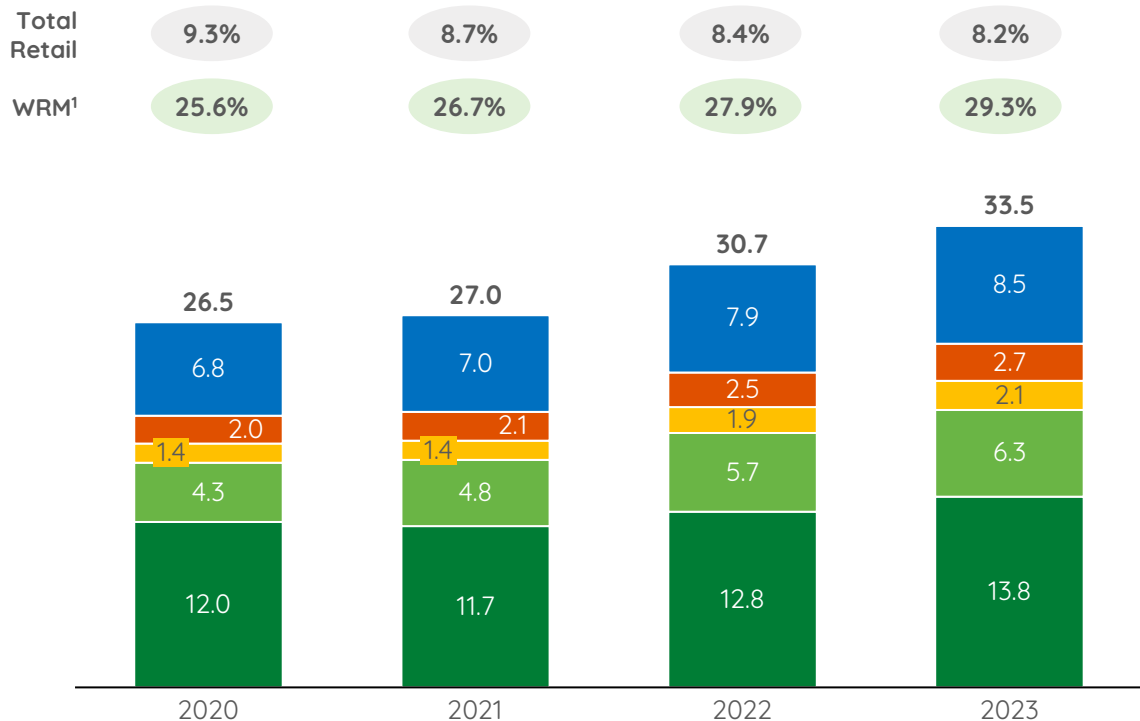
Note: ¹ Value weight (%) of EC Wholesale in banner's sales; ECSP stores where 1 NIP = 1 banner & reporting in IPH minimum since 01.2022 @ average days>80% & minimum 70% per mo; N: ABC - 257, Groszek - 241

Market Share of Eurocash Franchise Store in Total Market Maintained, by Growing Faster than the Wholesale Relevant Market

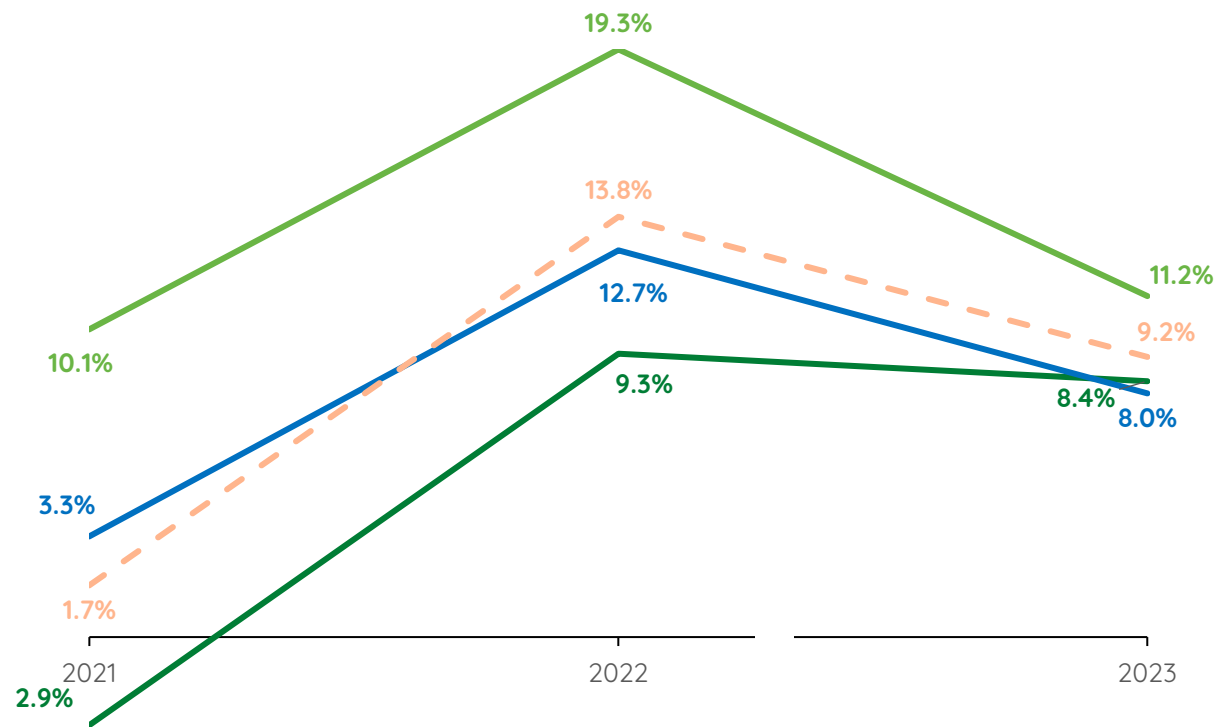


EC Soft Franchise – Retail Sales Value (PLNbn)

EC Soft Franchise Value Market Share in:



Core EC Soft Franchise – Sales Value YoY Dynamics (%)



Source: Company information and market estimates
 Note: ¹ Wholesale Relevant Market of Eurocash Group Wholesale Business Units. ² includes Lewiatan banners integrated into EC only.

Delikatesy Centrum: Commercial Initiatives to Support Growth and Profitability Across the Perimeter



Improve Assortment

General Assortment Overhaul

- Reduce assortment complexity
- Focus on key consumer trends and adapt to local consumer demands
- Introduction of VfM¹ / First Price Private Brands

Key Targets

- assortment reduction
- Increase of private brands value share
- Target Positioning on EPP²

Realizing Pricing

New Pricing Policy

- Improve price positioning
- Get more accurate benchmarking
- Optimize price segments

Key Targets

- Stable price positioning vs. Competitor

Coordinate Promotions

New Promotion Strategy

- Improve end-customers price perception to drive traffic and store density
- Generalize Smart Margin Management to enhance our cash margin

Key Targets

- Increase of Promo Share

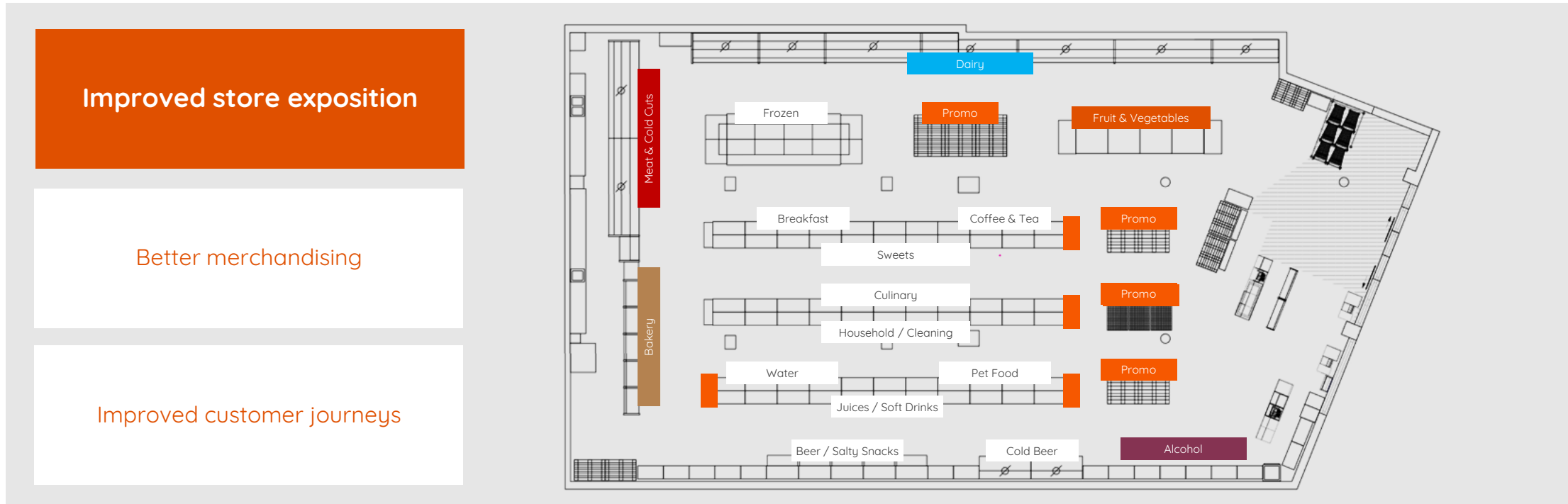
Drive Traffic and Store Sales Density

Optimize sales / category mix

Support Cash Margin

Reduce Inventory Losses

Delikatesy Centrum: Store Model Project



Improved store exposition

Better merchandising

Improved customer journeys

10 Pilot stores
end of April 2024

Improved customer
guidelines
end of April 2024



Test in
app. 30 stores



Summary
of Results in Test
Stores (30 stores)



Planograms
adjustments
implemented



Rollout of proven
assortment changes in
all stores

Q&A



Thank you

