

REWE Group

Investor Presentation



→ Agenda

- 01** Company Overview
- 02** Business Development 2023 & Outlook

→ **01** **Company Overview**

REWE Group – At home in trade and tourism



Key figures 2023

As a trade and tourism group, we are part of your world every day: whether it is for food shopping, DIY and garden products, snacking on the go or the next holiday.

The REWE Group comprises REWE and BILLA supermarkets and consumer stores, the discounter PENNY, toom Baumarkt DIY stores and BIPA drugstores, as well as the Lekkerland Group, the specialist for snacking on the go.

The DER Touristik Group, the tourism division of the REWE Group, is one of Europe's leading travel and tourism groups. The company relies on brand diversity, meets customer wishes individually and has a strong diversified sales network.

Founded in

1927

as a purchasing cooperative of independent retailers



84.0

€bn

Total consolidated sales



255,349

Employees

Active in

21

European countries



5,192

€m euros

EBITDA



9,232

Stores and travel agencies

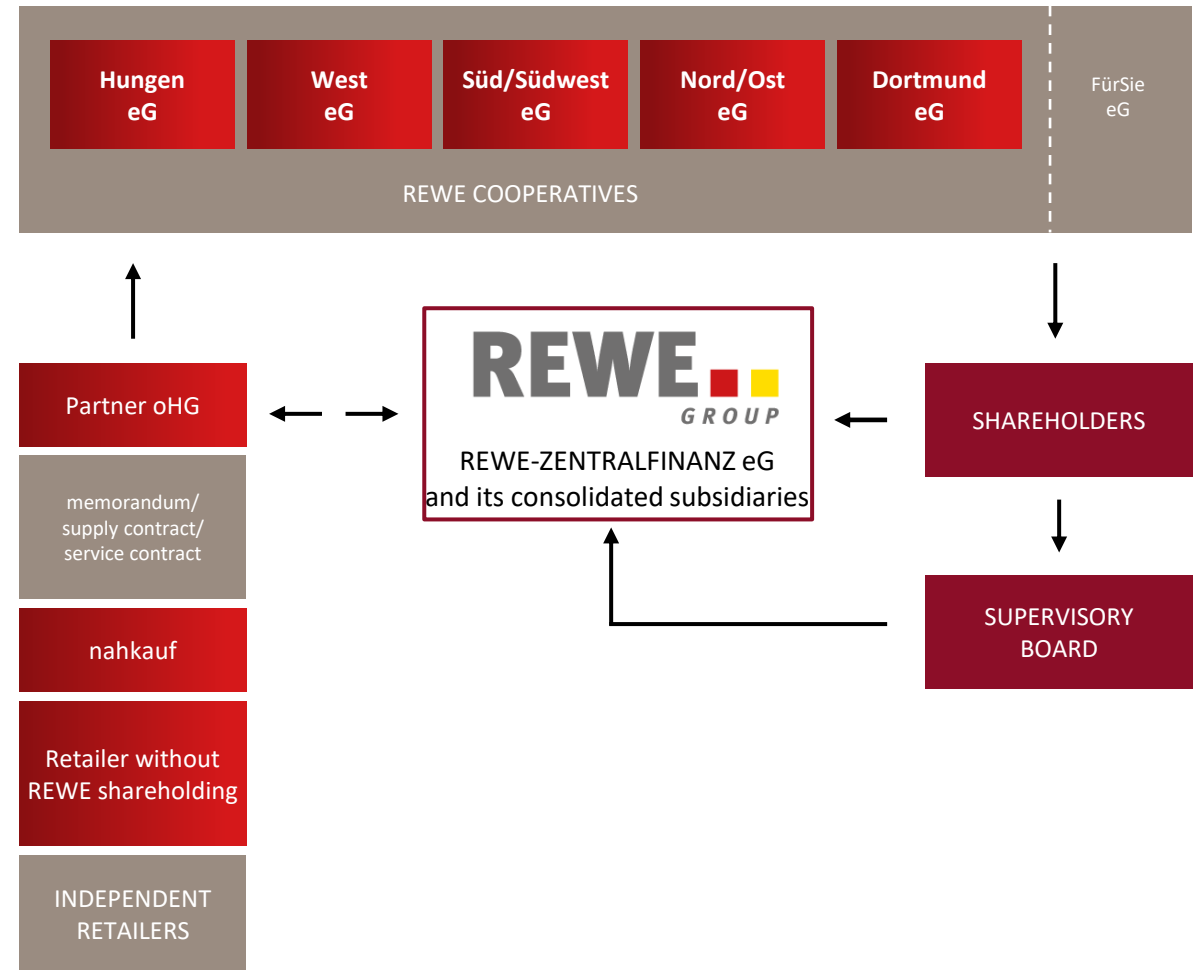
The REWE Group – a vital cooperative

The REWE Group was founded in 1927 as a purchasing cooperative of independent retailers.

Even today, the members of the cooperative, more than 1,800 independent retailers, remain an essential component of the company. They benefit from all that the organization has to offer while also having the opportunity to have their say in the running of REWE Group, be it through governing bodies or through the operational and strategic integration structure that has shaped the cooperation between retailers and the REWE organization for years.

Unlike publicly traded companies, a cooperative has a duty, first and foremost, to itself and its members. This enables a high level of stability and a focus on the essentials in the interests of the cooperative and its members.

Regardless of the types of company, the cooperative idea has a decisive influence on the success of the REWE Group.



REWE Group's Management Board consists of seven highly qualified managers with a long history within the group

joined REWE Group in 1996

Lionel Souque
Chief Executive Officer
since 2017

joined REWE Group in 1992

Jan Kunath
Deputy Chief Executive Officer
since 2017

joined REWE Group in 2006

Telerik Schischmanow
Chief Financial Officer
since 2022

joined REWE Group in 2014

Christoph Eltze
Chief Digital & Technology Officer
since 2022

joined REWE Group in 2016

Hans-Jürgen Moog
Chief Procurement Officer
since 2023

















































joined REWE Group in 2005

Peter Maly
Chief Operating Officer
since 2023

joined REWE Group in 2003

Dr. Daniela Büchel
Chief People & Sustainability Officer
since 2023

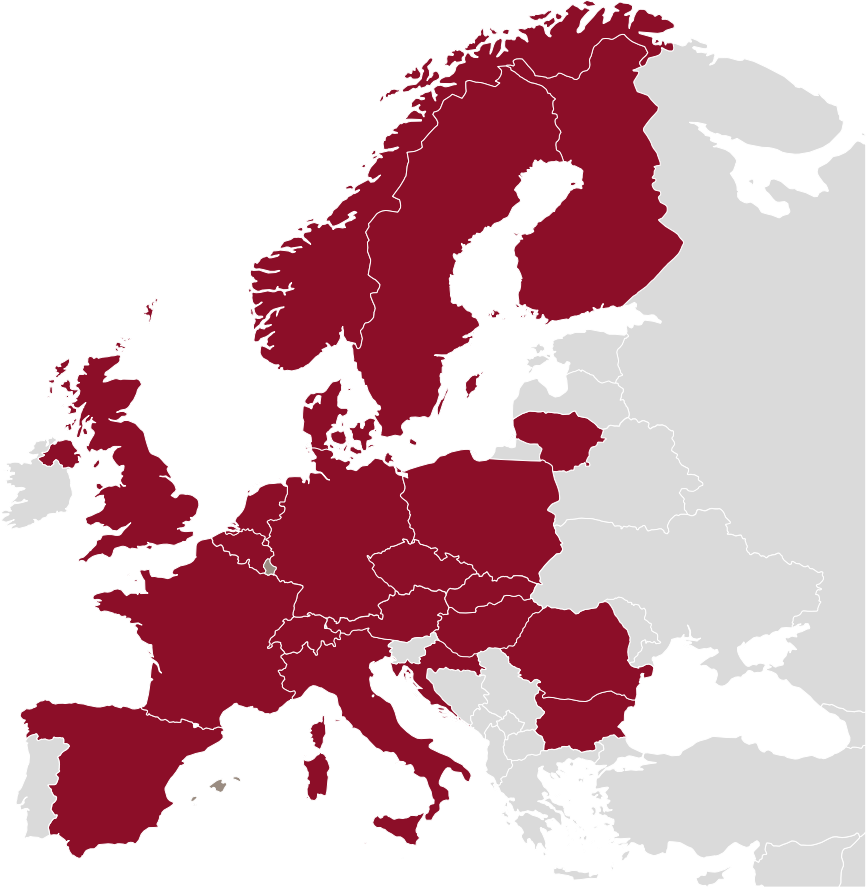
REWE Group at a glance - business segments & brands

	# STORES & AGENCIES 2023	BRANDS	SALES 2023
RETAIL GERMANY	 3,674	        	40.4 €bn (48.1%)
RETAIL INTERNATIONAL	 4,565	     	19.2 €bn (22.9%)
CONVENIENCE	 16	   	15.1 €bn (18.0%)
DIY STORE	 274	 	2.5 €bn (3.0%)
TRAVEL AND TOURISM	 703	                  	6.1 €bn (7.2%)
Group Functions		  	0.8 €bn (0.9%)

Active in 21 European countries with stores and travel agencies

→ **Top 10 Countries by # of Stores & Agencies**

	RETAIL GERMANY	RETAIL INTERNATIONAL	CONVENIENCE	DIY STORE	TRAVEL AND TOURISM
GERMANY	3,674		16	274	447
AUSTRIA		2,123			
CZECH REPUBLIC		682			69
ITALY		449			
ROMANIA		376			52
LITHUANIA		242			
HUNGARY		231			7
SLOVAKIA		165			15
BULGARIA		158			
CROATIA		139			



Corporate mission statement – principles

6 cultural values



- 1 We act independently according to the idea of community.
- 2 We work for the customer. We are at the heart of the market.
- 3 We welcome new directions. Standing still means going backwards.
- 4 We act with integrity and treat one another with respect. We keep our word.
- 5 We strive to find the best solution, make considered decisions and act consistently.
- 6 We are aware of our responsibility and act sustainably.

Only retailers who master digital and technology better than others will be successful in tomorrow's food retail sector



Greater focus on the individuality of customers



The degree of technologization is increasing massively



The competitive environment is becoming increasingly volatile



We are developing, testing and multiplying winning retail formats

Examples

1 | Supermarket

REWE Pick&Go



4 stores live in Cologne, Berlin, Munich and Duesseldorf; Hamburg (2x) coming soon

2 | Basic supply

nahkauf Box



7 boxes and a stand area live in rural areas in Germany

3 | Convenience to Go

Penny Hungaria



Coming soon

4 | Direct consumption

REWE To Go Smart Kiosk



6 customer and 5 warehouse locations live in Germany

5 | Convenience to Go

REWE ready Smart Automat



2 locations live at e-mobility stations in Rostock and Lichtenau

Penny Romania



1 store live in Bucharest

IKI Go Store



2 stores live in Vilnius

IKI Go Kiosk



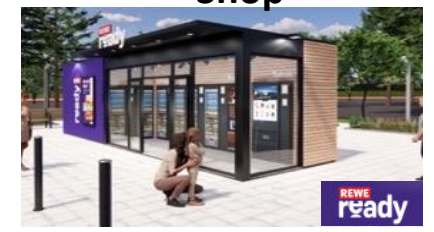
4 Kiosks live in Vilnius

REWE ready Smart Box



In internal testing; 2 public locations coming soon (Germany)

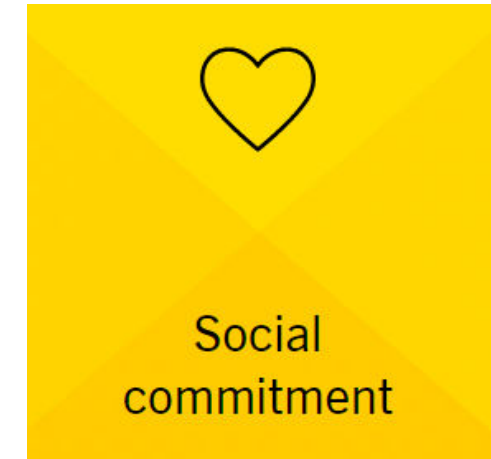
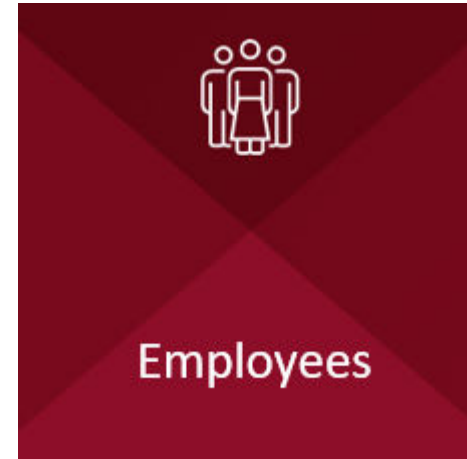
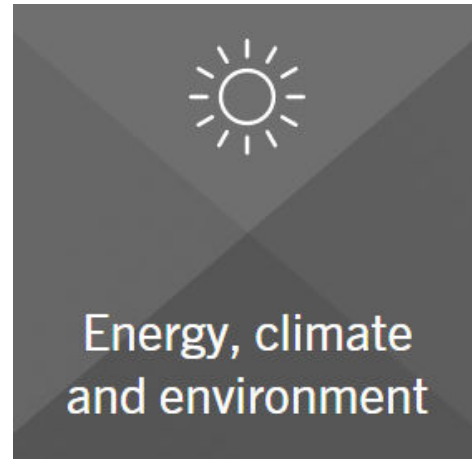
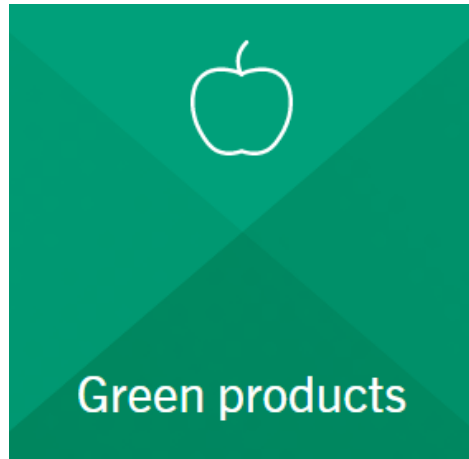
REWE ready Smart Shop



1 shop live at e-mobility station in Lichtenau

As of 03.04.2024

Since 2008 sustainability has been an essential part of REWE Group's strategy and is divided into four main topics



- Humans
- Animals
- Environment
- Nutrition

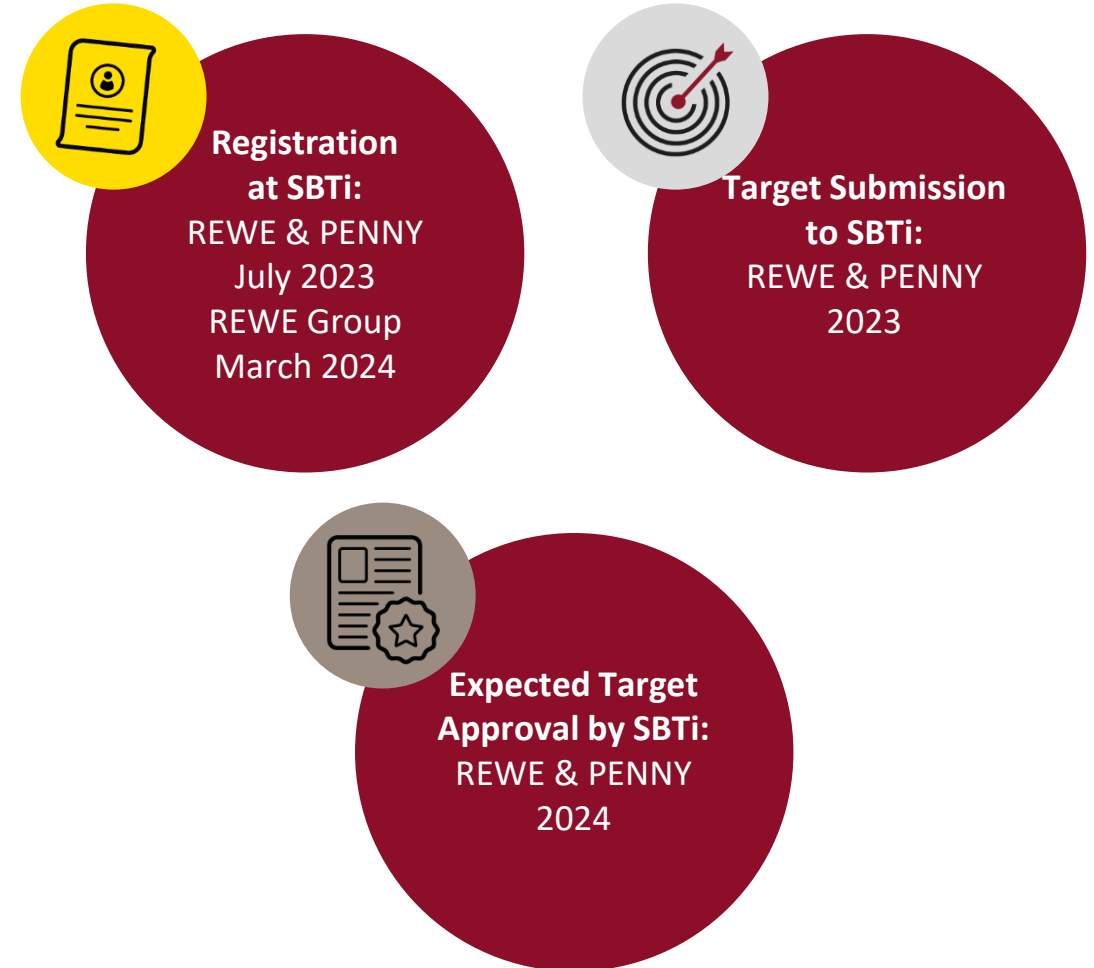
- Energy efficiency
- Climate-relevant emissions
- Conservation of resources

- Values and culture
- Training and professional growth
- Health and safety
- Job and life phases
- Diversity and equal opportunity

- Conscious nutrition and physical activity
- Opportunities for children and young adults
- Conscious handling of food
- Biodiversity and environment protection

SBTi aligned GHG emission reduction targets

- REWE and PENNY SBTi targets are part of the SLB Framework. These targets are already submitted at SBTi and currently in the validation process. They are expected to be validated in 2024.
- REWE Group applies the latest market standards by committing REWE and PENNY (Germany) to the FLAG initiative of the SBTi.
- REWE and PENNY are also part of the Business Ambition for 1.5°C campaign and committed to reach net-zero by 2050.
- The Forest, Land and Agriculture Guidance (FLAG) is the first standard method for enabling forestry, land-intensive agricultural and food production, and food retail companies to set science-based targets that include land-based emission reductions and removals.
- Although REWE Group has no direct emissions in land-intensive sectors as a food retailer, REWE Group addresses the Scope 3 FLAG emissions.
- In beginning of 2024 REWE Group committed the whole Group to SBTi and is currently preparing the target submission.



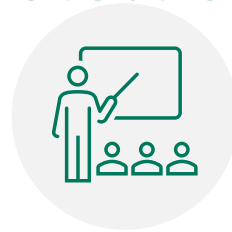
Scope 3 is primarily about empowering our suppliers with our supplier initiative



Our supplier target:

100% of our own-brand suppliers, who cover 75% of our product-related own-brand emissions, have set themselves climate targets in accordance with the SBTi by the end of 2024.

"Together for more climate protection"



Our support:

We offer materials and training on climate target setting and organize climate roundtables with best-practice sharing from our own-brand suppliers.



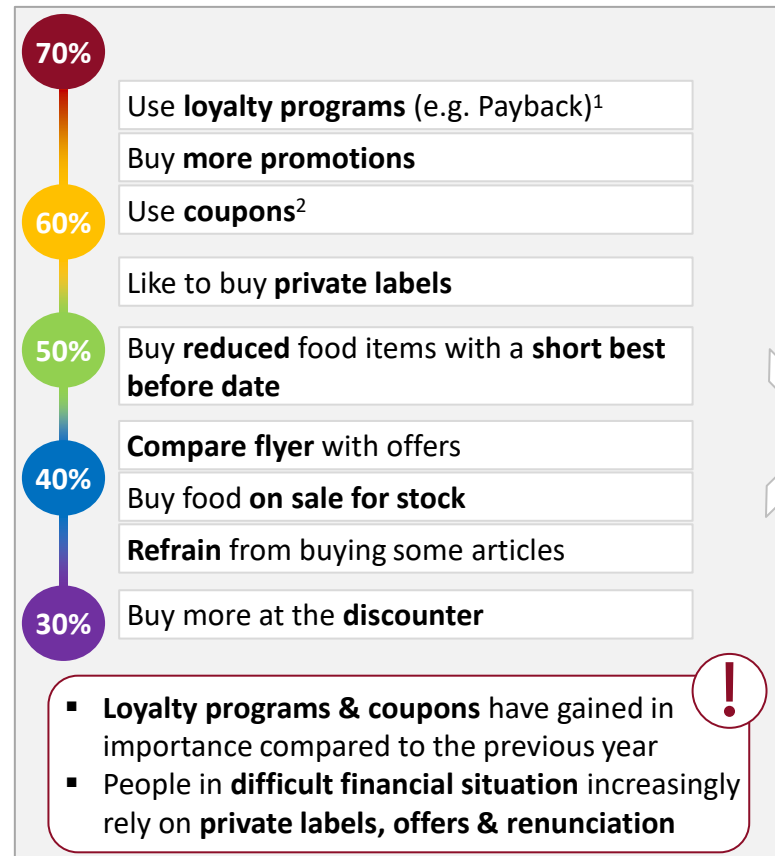
Our co-financing:

With our new climate protection support program, we specifically co-finance climate protection projects of our own-brand suppliers along the supply chain.

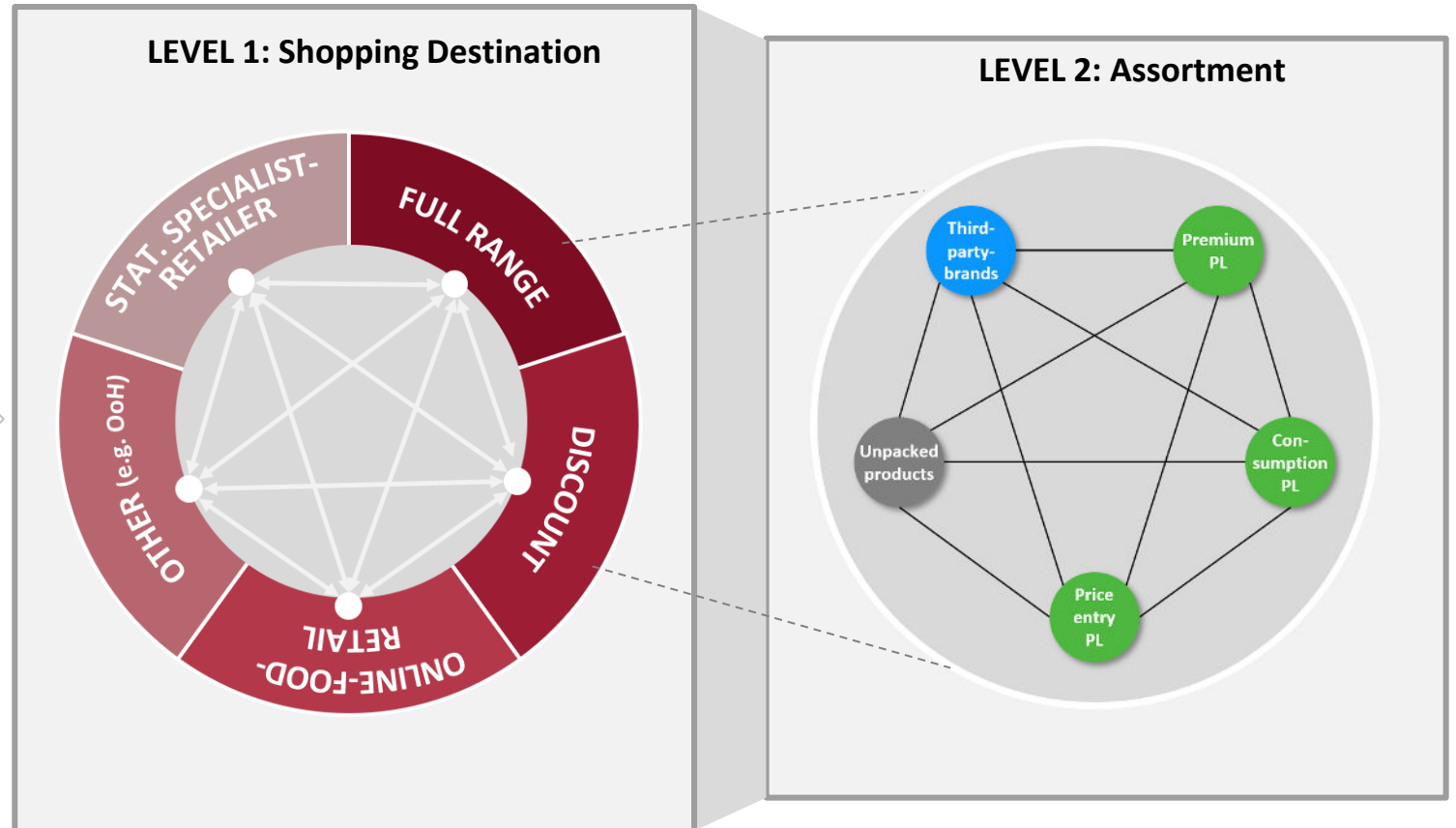
→ **02** Business Development 2023 & Outlook

Savings behavior: Trading down continued in 2023, but eased over the course of the year

Customers' savings strategies have shifted slightly compared to the previous year



Trading down effects still relevant in 2023, but somewhat weaker in the second half of the year; further development remains to be seen and observed

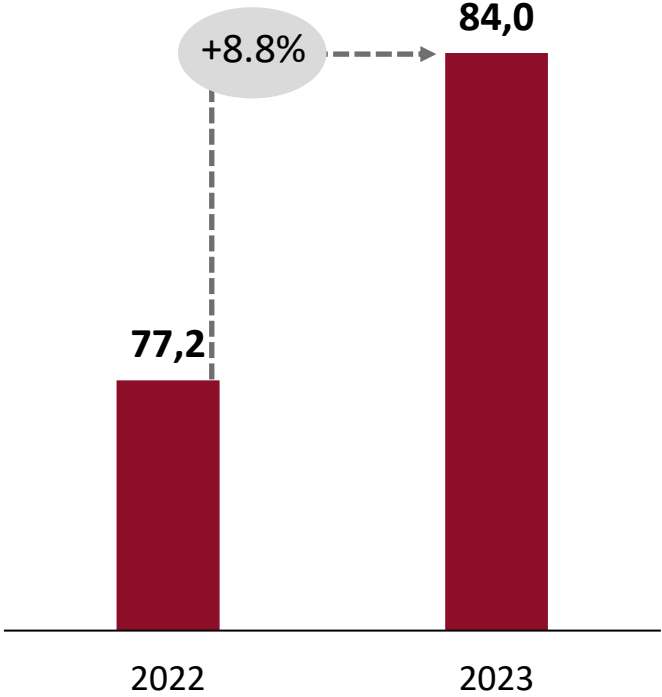


1) Since CW48 2022 in Stimmungstracker 2) Since CW17 2022 in Stimmungstracker; Sources: H DCBM Marktforschung: Stimmungstracker 2022/23; H DCBI – Competitive Intelligence

Sales continue to be driven by inflation, tourism strong sales back to pre-corona level

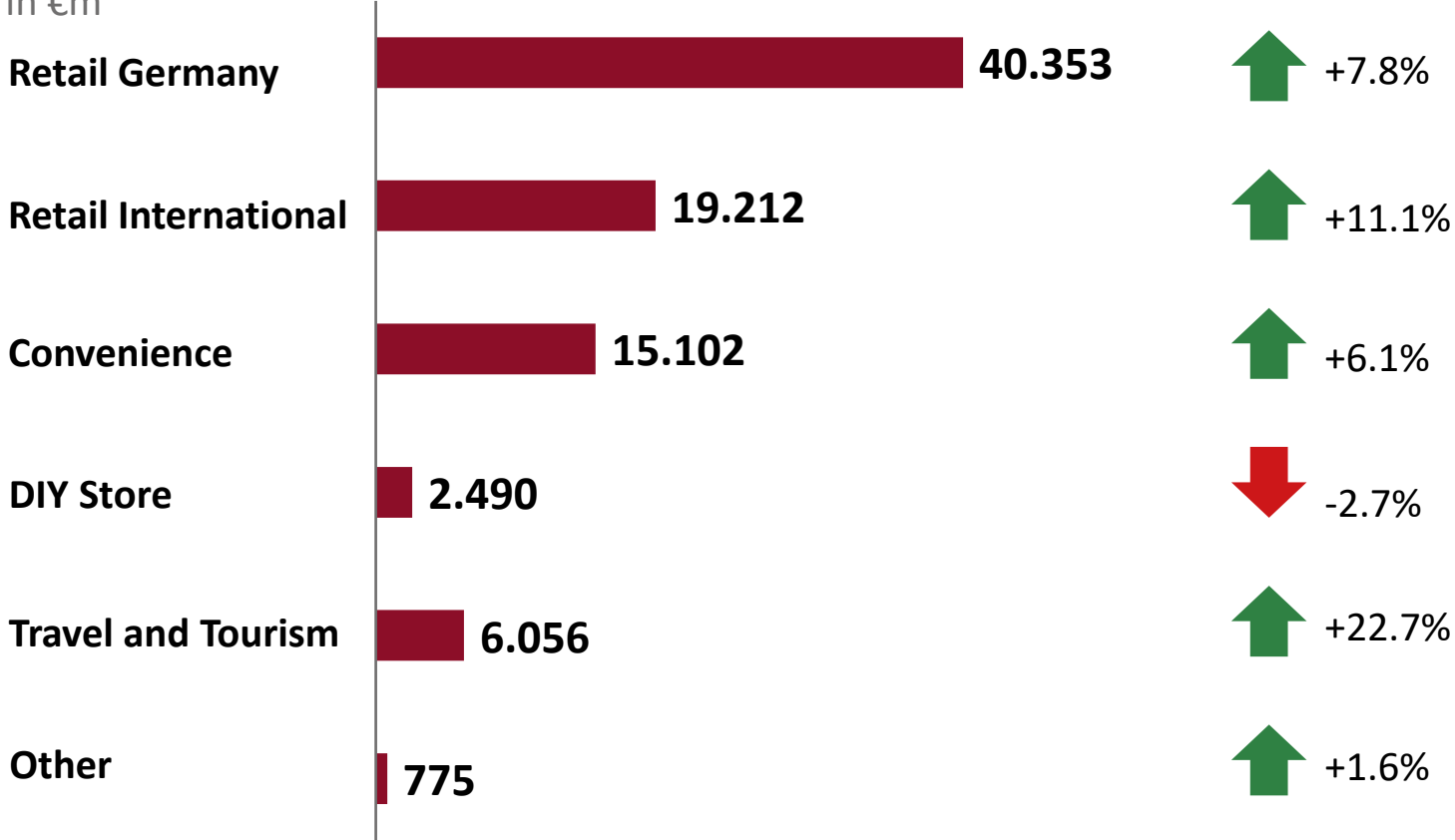
Consolidated sales

in €bn



Sales per business segment 2023

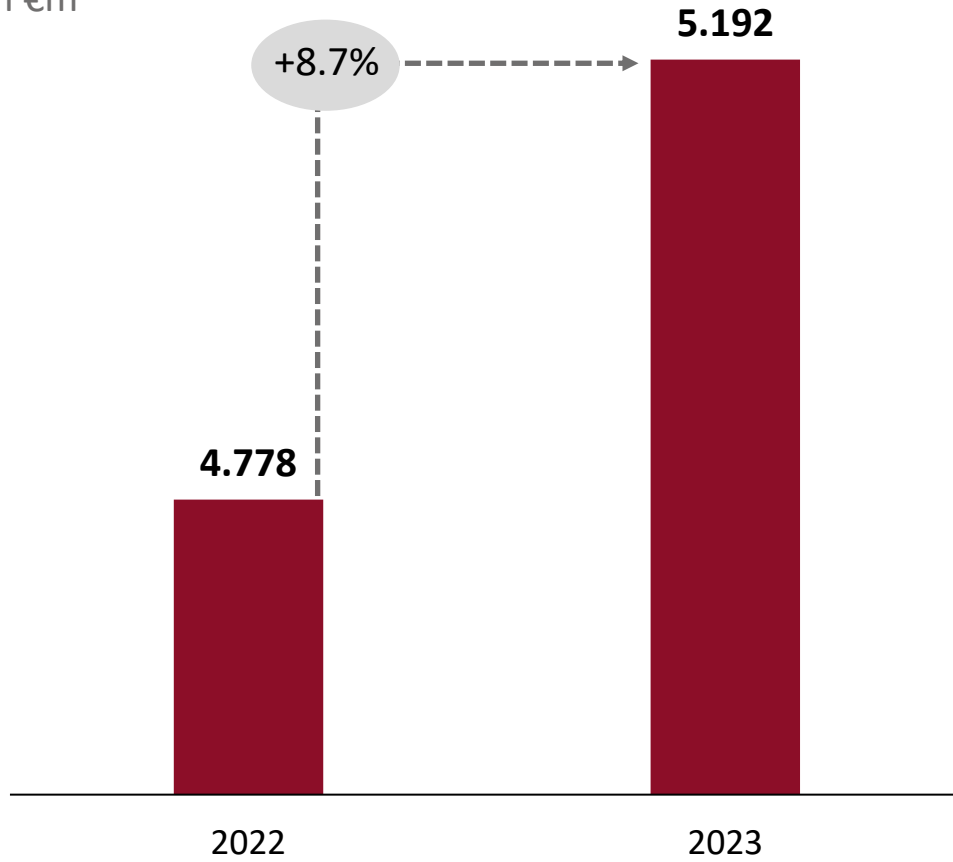
in €m



EBITDA shows a yearly increase by almost 9% while Capex is driven by real estate investments

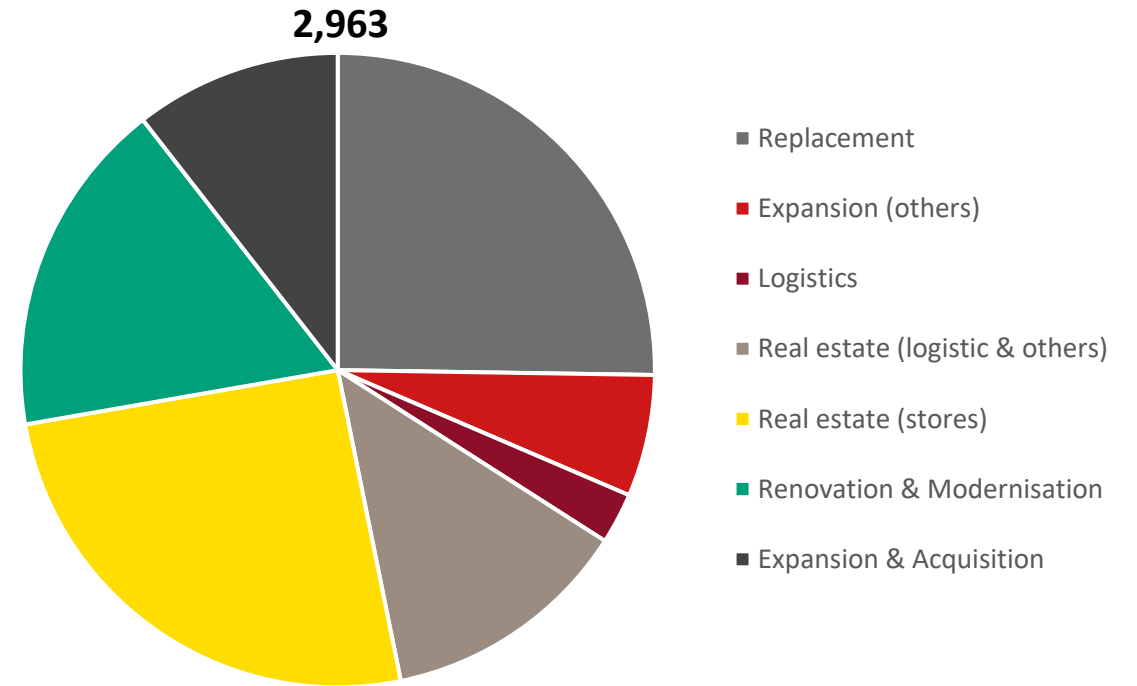
Consolidated EBITDA

in €m



Consolidated Capex for 2023

in €m



New REWE logistics center for the dry goods range – RE D 39 opens in Magdeburg

Three years after the start of construction, REWE celebrated the opening of RE D 39 in Magdeburg in June 2024. The new logistics center for the dry goods range is considered state-of-the-art for full automation and sustainable construction.



Massive size

With an area of 49,500 square meters, RE D 39 offers space for 20,000 items from the dry goods range.



State-of-the-art technology

50 percent of the warehouse processes at RE D 39 are fully automate; one of the most modern logistics locations in Europe.



Optimized supply chains

RE D 39 will supply nine regional warehouses in the REWE north and east regions and 1,900 grocery stores (incl. trading partners) with food products.



Sustainability and energy efficiency

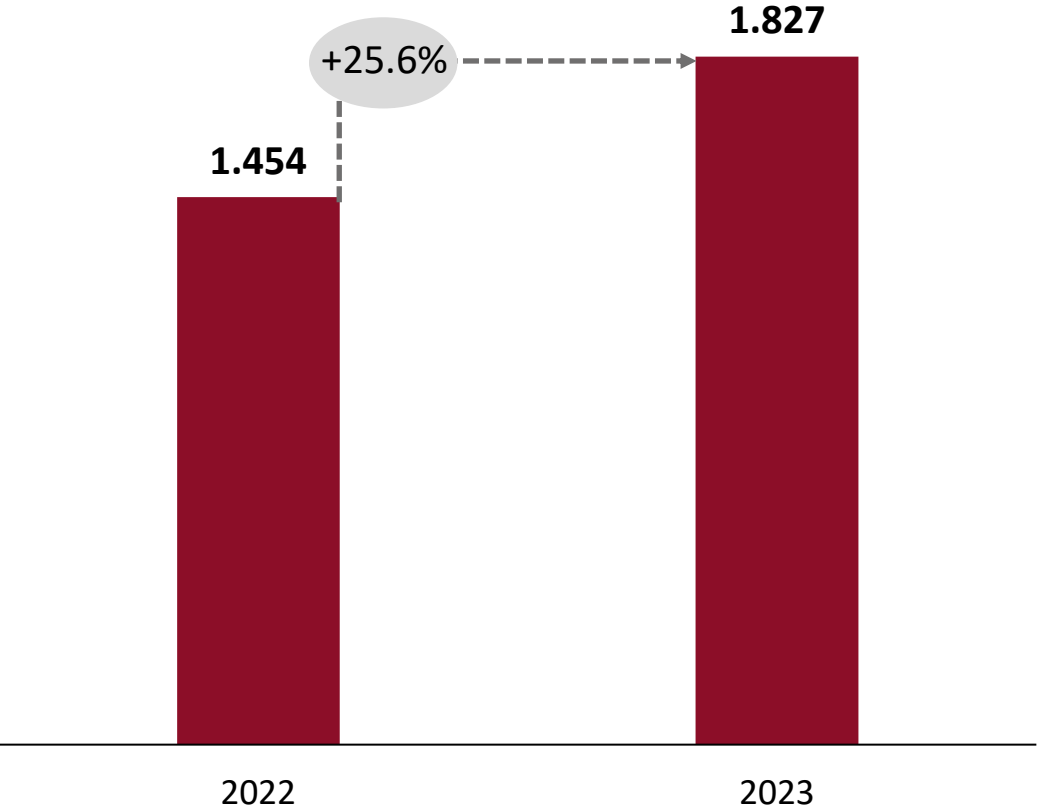
Savings of 4,000,000 kilometers of transport route annually, equivalent to 1,000,000 liters of diesel fuel or 2,700 tons of CO₂



Good development of EBITA and net profits in a challenging competitive environment

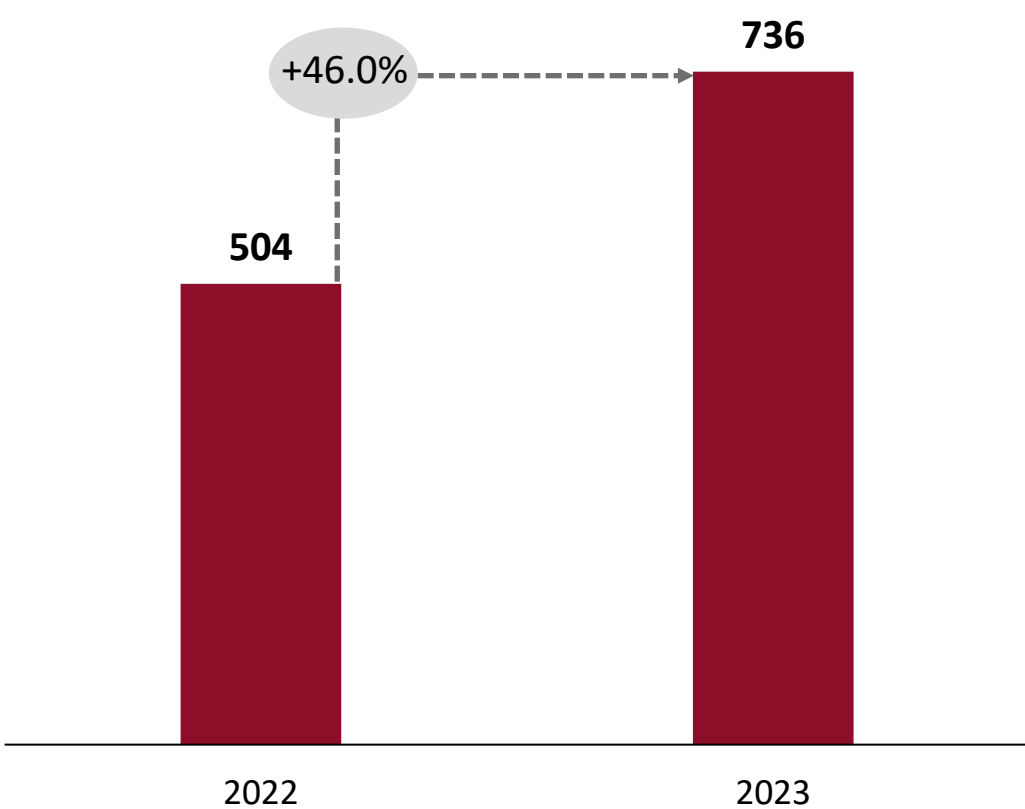
Consolidated EBITA

in €m



Consolidated profit

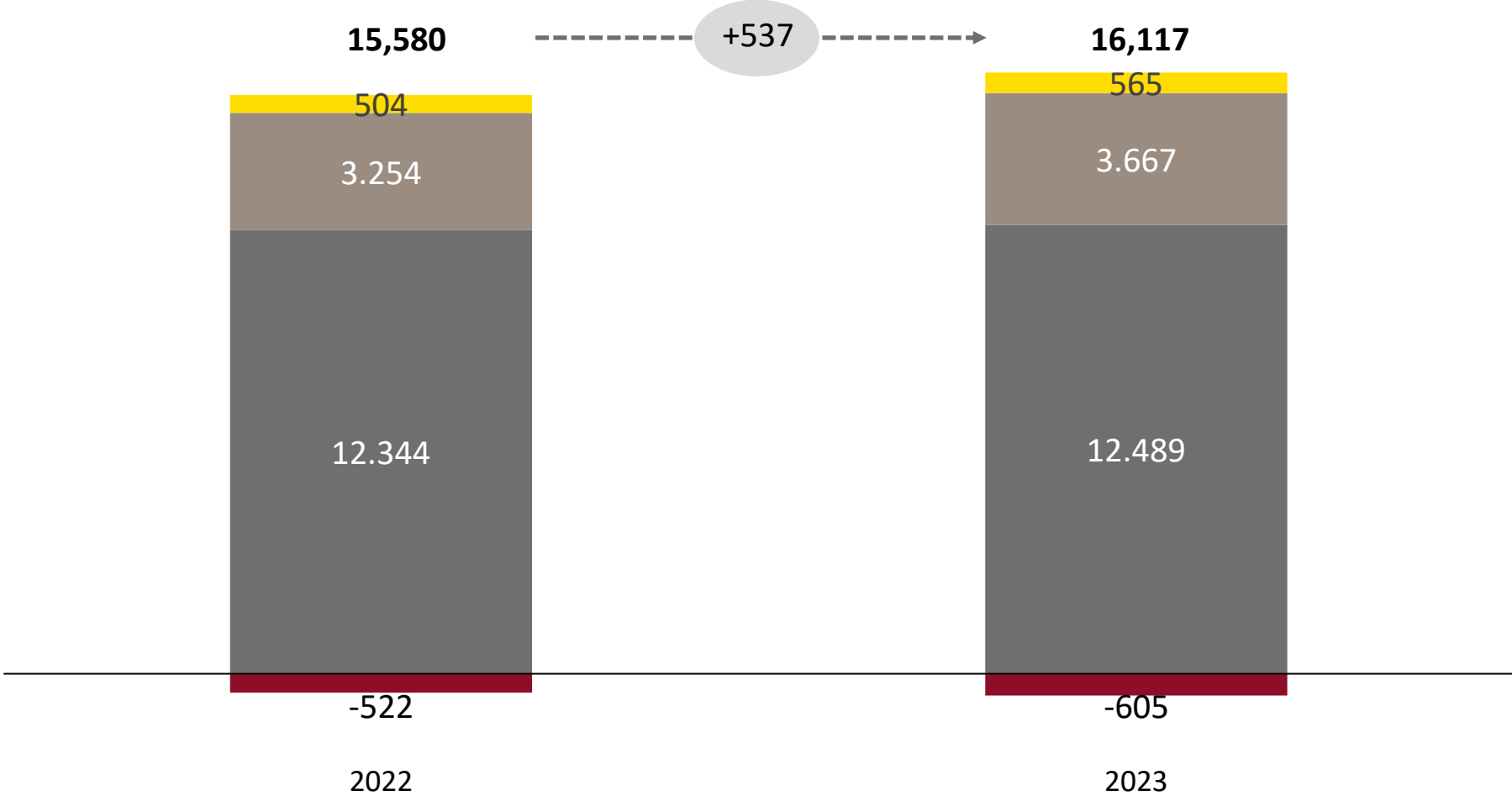
in €m



Slight increase in net debt compared with previous year, due to organic growth

Consolidated net debt in €m

- Pension liabilities
- Financial liabilities without leasing
- Leasing debts
- Cash



REWE Group's Financial Policy defines leverage as the key performance indicator

REWE Group's commitment to an investment grade rating is underlined with the financial policy aligned with S&P requirements

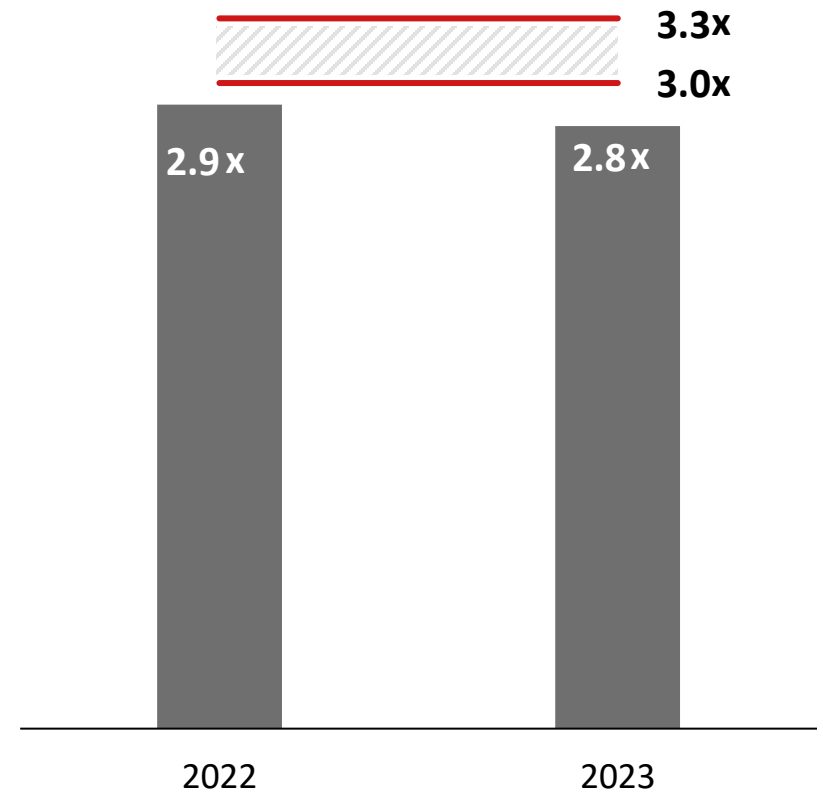
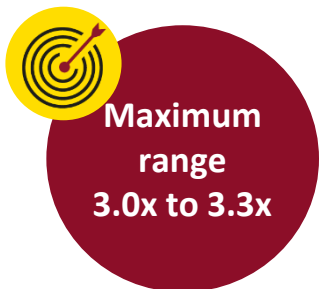
Consolidated net debt

- = financial liabilities
- other liabilities from financial transactions
- liabilities from interest rate swaps
- liabilities to other long-term investments
- + net liabilities from defined benefit obligations
- deferred taxes recognised on defined benefit obligations
- surplus cash

Leverage =

EBITDA

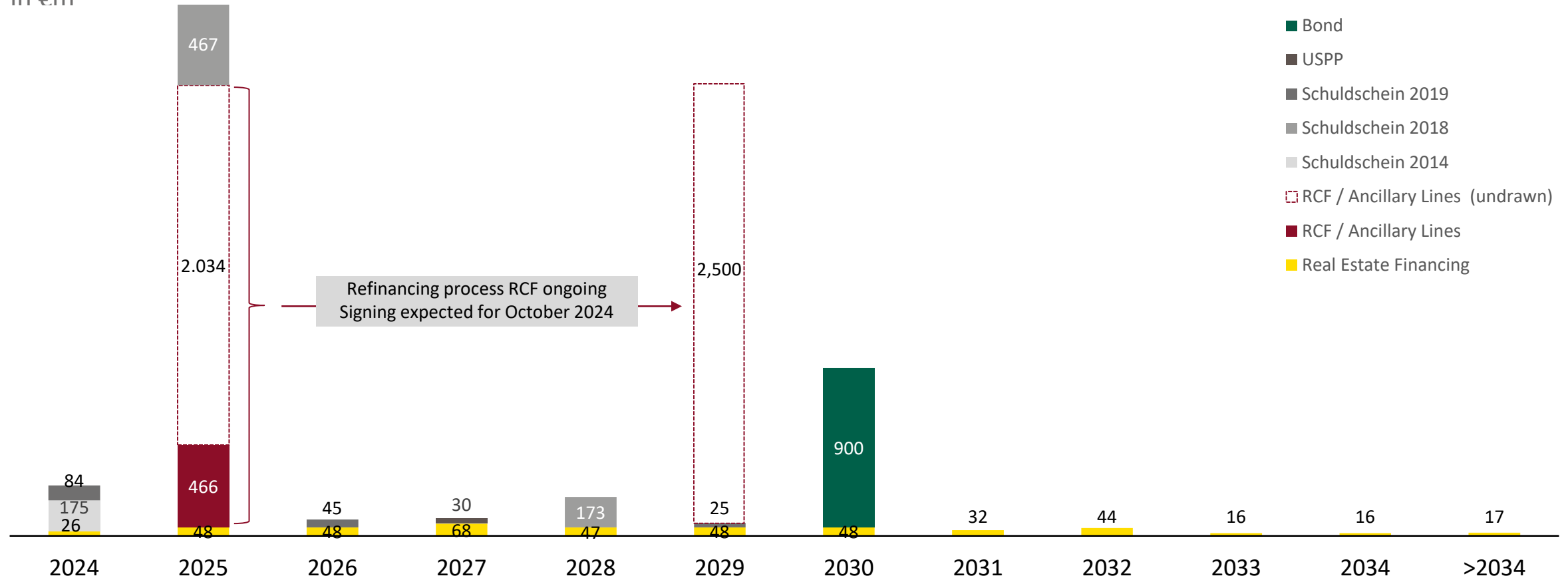
- = Consolidated EBITDA
- + dividends received
- + past service cost
- +/- losses/gains on the disposal of intangible assets, property, plant and equipment and financial assets
- + preliminary EBITDA of the REWE retailer companies
- dividends received from the REWE retailer companies



REWE Group has a well balanced debt maturity profile and enjoys a strong access to different sources of liquidity

Committed as of 30.06.2024

in €m



S&P – Rating upgrade to BBB (stable) in 2022

Deep Dive: Rating Upgrade

→ Stable business profile

01 

Excellent market positions in Germany, Austria and the Czech Republic

→ Driver of innovation

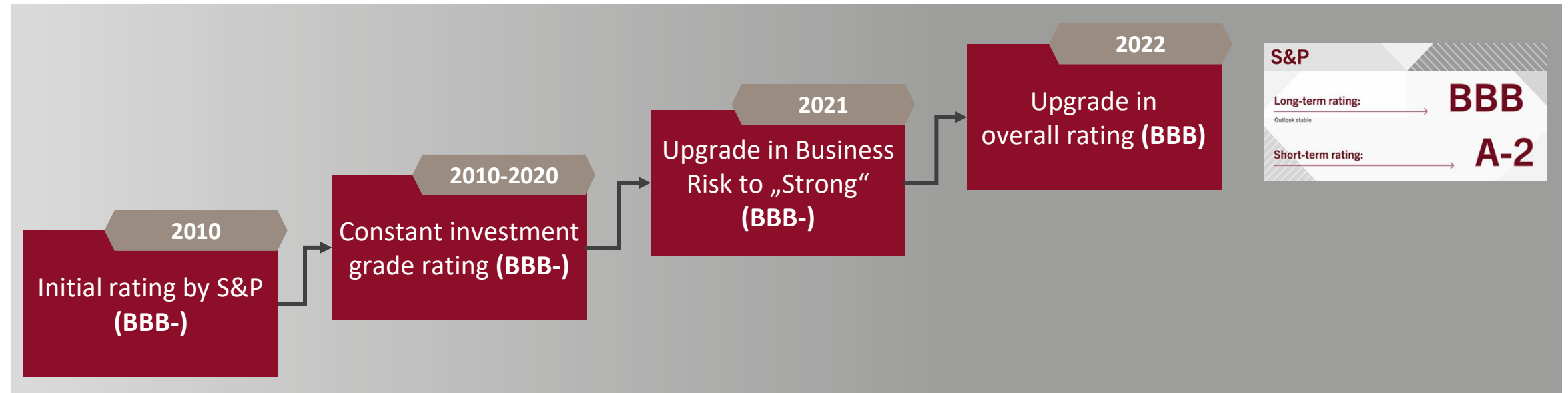
02 

One of the first retail groups with convenience formats, focus on organic & regional products and extensive online business

→ Change in Financial Policy

03 

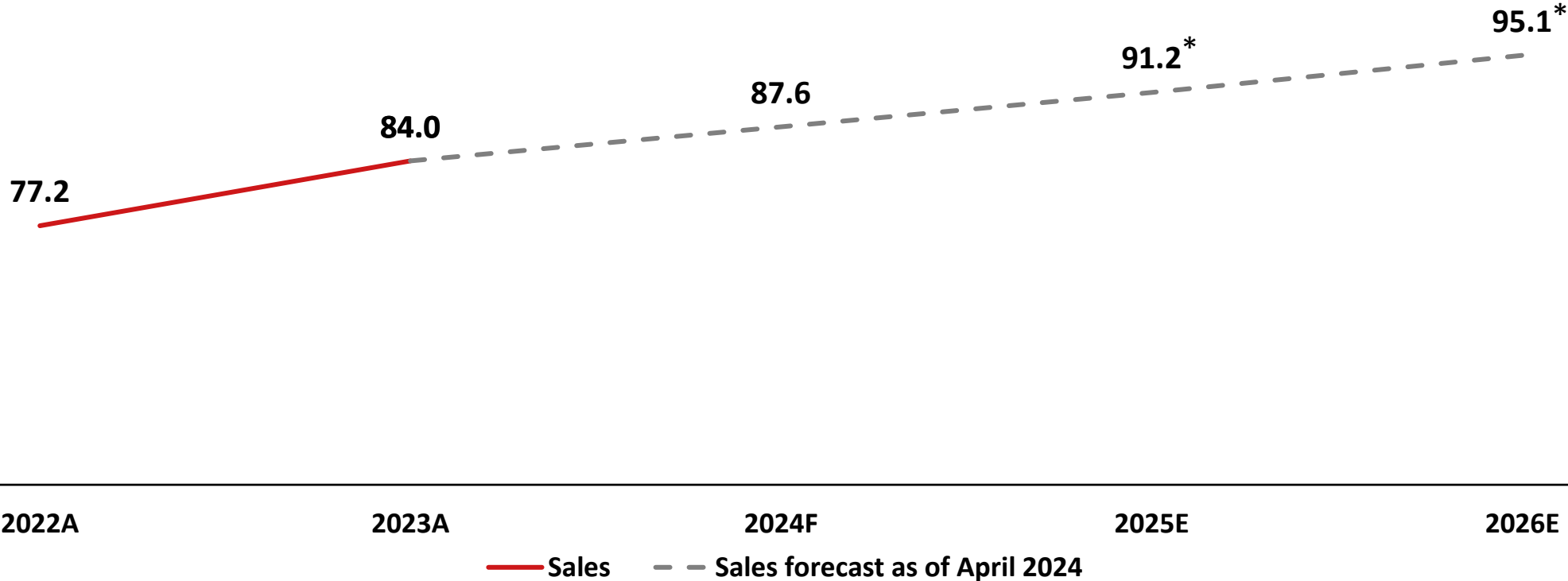
Adjustment of leverage factor to between 3.0x and 3.3x (previous 4.0x)



REWE is confident to achieve sales of close to 100 €bn in the next years

Sales growth in 2024 driven by fully recovered tourism business as well as acquisitions made and organic growth in retail; sales growth with a CAGR of 4.2% is planned until 2026

Sales
in €bn

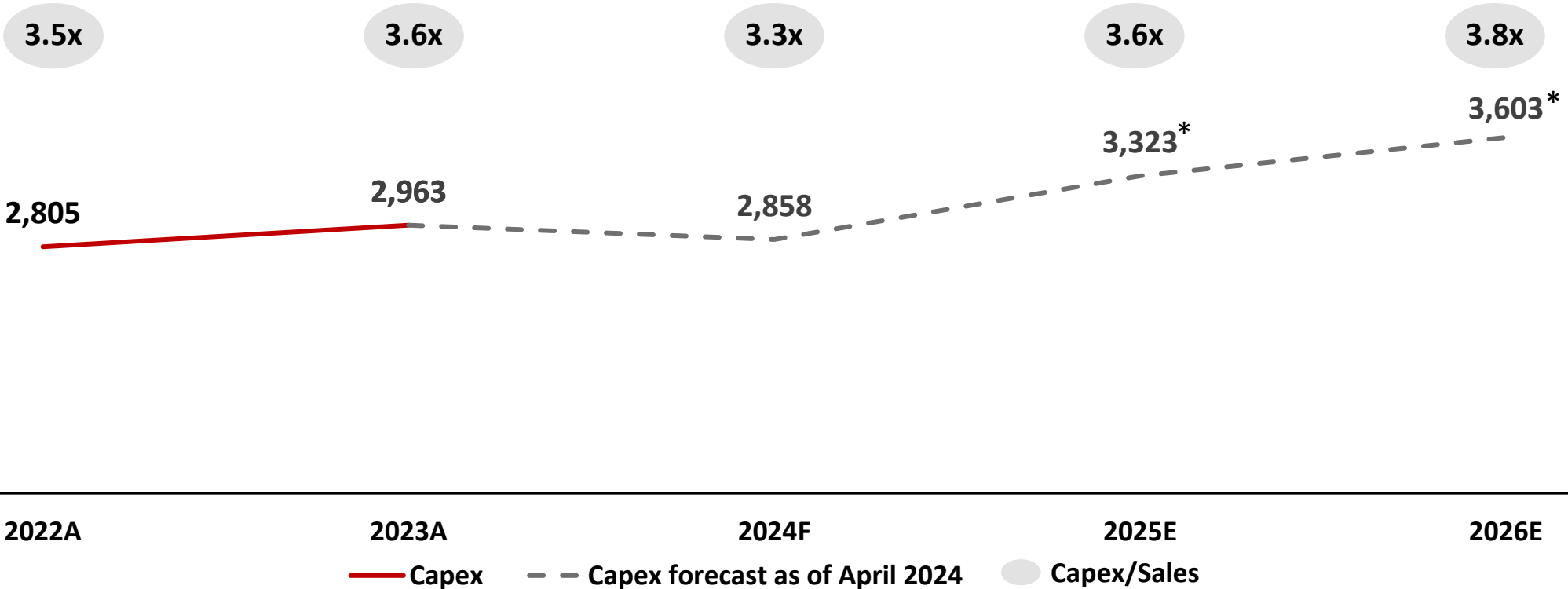


* projection

Capex will increase to over 3.0 €bn which is almost stable in relation to sales

Investments continue to focus on the stationary network, real estate assets and the expansion of the online business, logistics, digital infrastructure and the Convenience segment; dip in the curve due to postponement of the construction of logistics warehouse

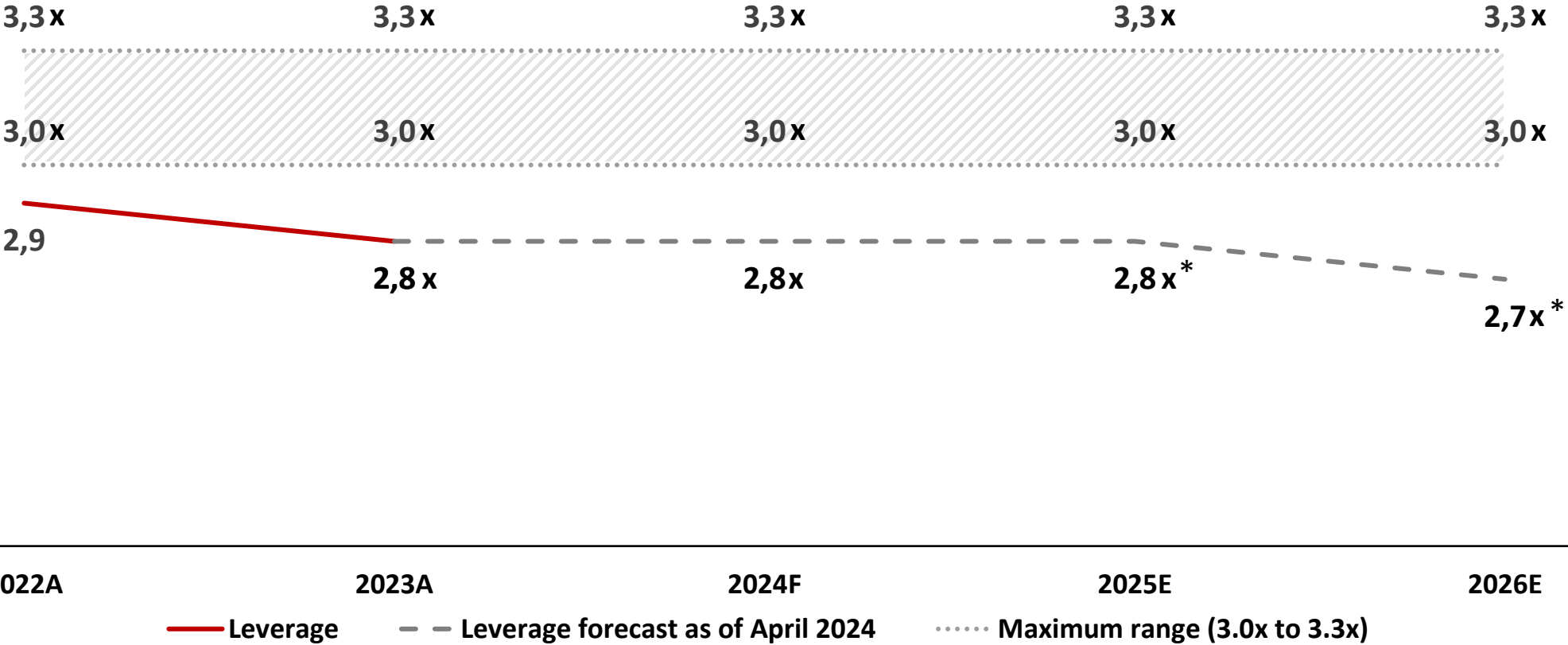
Capex
in €m



* projection

Leverage is expected to remain comfortably within S&P's requirement for BBB

Disproportionate growth in EBITDA in relation to debt growth covers REWE Group's ambitious investment path; as a result, the leverage ratio improves



* projection

Thank you.



Disclaimer

This report partly contains internal and unaudited accounts as well as forward-looking statements which are based on certain expectations and assumptions at the time of publication of this report and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in these materials. Many of these risks and uncertainties relate to factors that are beyond REWE Group's ability to control or estimate precisely, such as future market and economic conditions, the behavior of other market participants as well as the actions of government regulators.

Readers are cautioned not to place undue reliance on these forward-looking statements, which apply only as of the date of this report. REWE Group does not undertake any obligation to publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date of these materials.

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