

18 October 2023

Pepco Group N.V.

Capital Markets Day – refocusing our strategy to drive core profitability

Pepco Group, the fast-growing variety discount retailer which owns the Pepco and Dealz brands in Europe and Poundland in the UK, is today hosting a Capital Markets Day investor presentation in Warsaw, Poland. At the event, Executive Chair Andy Bond will update on the Group's strategy, key areas of focus over the near term and its renewed vision to be Europe's leading variety discount retailer.

His presentation and those of the wider management team will focus on the following strategic pillars:

- Rebuilding the profitability of Pepco's core business in Central and Eastern Europe
- Adopting a more disciplined approach to growth and investment capex across the Group, including:
 - A more targeted approach to new store openings in existing markets, with plans to open at least 400 net new stores across the Group in FY24 (FY23: 668)
 - Placing new look refit programme in Central and Eastern Europe under review
- Delivering stronger cash generation and reviewing capital allocation
- Strengthening the Group's positioning in key markets, including:
 - Continuing the progress made by Pepco in existing Western European markets, including growing scale in Italy and Spain
 - Committing to the UK as the Group's largest market
- Focusing Dealz in Poland and assess its strategic positioning within the Group
- Accelerating the transformation to a single business and customer offer

Andy Bond, Executive Chairman of Pepco Group, said: *"We need to refocus on delivering more measured growth – doing less, to achieve more – with a greater focus on improving profitability and cash generation in our established business. The opportunities remain significant and we will now look to leverage them in a more targeted way. Notwithstanding a challenging market backdrop, the Group has a market-leading customer proposition, strong balance sheet and resilient operating cash flow that makes me confident of its continued success across Europe with a renewed strategic focus."*

The Capital Markets Day presentation slides will be available on the Group website on conclusion of the meeting later today. A recording of the meeting will follow thereafter.

ENQUIRIES

Investors and analysts

Tej Randhawa, Investor Relations	+44 (0) 203 735 9210
Joanna Kwak, Investor Relations	+44 (0) 203 735 9210

Media

Rollo Head, FGS Global	+44 (0) 7768 994 987
James Thompson, FGS Global	+44 (0) 7947 796 965
Anna Tabor, FGS Global	+44 (0) 7876 155 302

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