

CECONOMY

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CECONOMY AG: Preliminary figures for the second quarter of financial year 2019/20: Sales and earnings due to COVID-19 below previous year

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In the first five months of the current financial year 2019/20, CECONOMY AG ("CECONOMY") achieved a solid sales and earnings performance that was well in line with expectations. Since mid-March, however, the negative effects of the COVID-19 pandemic on CECONOMY's business have been noticeable groupwide. This is reflected in the financial results expected for the second quarter of 2019/20.

Based on preliminary figures, CECONOMY expects for the second quarter 2019/20 sales adjusted for currency effects and portfolio changes to decline by approx. -6.6 per cent. In the first two months of the second quarter prior to the outbreak of the COVID-19 pandemic, CECONOMY recorded currency and portfolio-adjusted sales growth of 3.7 per cent.

Furthermore, for the second quarter 2019/20 CECONOMY expects an adjusted EBIT of around €131 million (comparative previous-year figure: €26 million), not taking into account the earnings effects from companies accounted for using the equity method. This decline is essentially attributable to the negative sales development of the stationary business coupled with a negative margin development resulting from the closure of the majority of its stores in March. Initial savings in connection with the recently introduced COVID-19 cost measures had a positive effect, whereby short-time work in Germany and Austria will only have an effect on results from April onwards. In the first two months of the second quarter, adjusted Group EBIT had still developed fully in line with expectations.

In view of the developments in connection with COVID-19 and the expected effects on sales and earnings, CECONOMY had already withdrawn its original outlook for the current financial year 2019/20 on March 18, 2020. The Management Board will issue a new guidance as soon as the course of the COVID-19 pandemic can be estimated more reliably.

CECONOMY has already initiated extensive operational cost and liquidity measures. In addition, as a precautionary measure, CECONOMY applied to KfW for a credit line as a working capital facility to increase the existing revolving credit facilities and thus ensure the company's financial flexibility.

All figures and statements reported herein are preliminary and unaudited. Full financial disclosure of the results for the second quarter 2019/20 will be published on 14 May 2020 at 07:00 am CEST.

Financial ratios: Further background regarding the financial ratios referred to may be found on pages 52 to 55 of the annual report for financial year 2018/19 published on the company's homepage, accessible via the following link:

https://www.ceconomy.de/media/ceconomy_annual_report_2018_19.pdf

Person making the notification: Stephanie Ritschel, Vice President Investor Relations, CECONOMY AG

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Company: CECONOMY AG
Kaistr. 3
40221 Düsseldorf
Germany
Phone: +49 (0)211 5408-7225
Fax: +49 (0)211 5408-7005
E-mail: stephanie.ritschel@ceconomy.de
Internet: www.ceconomy.de
ISIN: DE0007257503, DE0007257537, Weitere: www.ceconomy.de/de/investor-relations/
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