

CECONOMY AG

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WKN: 725750 ISIN: DE0007257503 Land: Germany

Nachricht vom 29.04.2019 | 18:31

CECONOMY AG: CECONOMY resolves on reorganization and efficiency program

CECONOMY AG / Key word(s): Restructure of Company
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29-Apr-2019 / 18:31 CET/CEST

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The Management Board and Supervisory Board of CECONOMY AG (CECONOMY) as well as the Management Board and Advisory Board of Media-Saturn-Holding GmbH, a majority shareholding of CECONOMY, today approved a reorganization and efficiency program, which aims at streamlining the group's processes, structures and business activities, reducing costs and therefore creating the foundation for profitable growth. The optimization and restructuring particularly focuses on central functions and administrative units in Germany. The program also includes reviewing the business activities of smaller portfolio companies.

As a result of the program, CECONOMY expects expenses of around EUR150 million to EUR170 million in financial year 2018/19 in total. In addition, CECONOMY expects around EUR20 million of non-cash expenses in financial year 2018/19, which relate to the write-down of assets due to portfolio measures. The expected sustainable annual savings run-rate amounts to between EUR110 million and EUR130 million, the majority of which shall already become effective from financial year 2019/20.

The expenses for top management changes in the amount of EUR34 million, which were already booked in the first quarter of 2018/19, are not included in the expenses of the aforementioned reorganization and efficiency program.

The outlook for financial year 2018/19, which is adjusted for portfolio changes as well as expenses for management changes and restructuring, remains unaffected.

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29-Apr-2019 CET/CEST The DGAP Distribution Services include Regulatory Announcements, Financial/Corporate News and Press Releases.
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Language: English
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WKN: 725750, 725753, Weitere: www.ceconomy.de/de/investor-relations/
Indices: SDAX

Listed: Regulated Market in Dusseldorf, Frankfurt (Prime Standard); Regulated
Unofficial Market in Berlin, Hamburg, Hanover, Munich, Stuttgart,
Tradegate Exchange

EQS News ID: 804865

End of Announcement

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