

## Corporate News

## CECONOMY and MediaMarktSaturn drive transformation forward and streamline structures

- Streamlining of the main functions, reduction of indirect spend and personnel expenses
- Full savings run-rate of € 110 to 130 million in financial year 2020/21 expected; one-time cash costs of around € 150 to 170 million to implement the programme
- Jörn Werner, CEO of CECONOMY AG: “We are laying the foundation for sustainable and profitable growth in the future.”

**Duesseldorf/Ingolstadt, 29 April 2019** – Following the challenging development in the past financial year, CECONOMY AG (“CECONOMY”) and MediaMarktSaturn Retail Group (“MediaMarktSaturn”) are consistently driving forward the transformation of the Group. To this end, a holistic efficiency programme has been set up in an initial step that will help to streamline the structures and processes across the entire Group and optimise its costs.

“We are reducing complexity and defining clear responsibilities. This will enable us to concentrate on the needs of our customers to a greater extent than before and lays the foundation for sustainable and profitable growth in the future”, says Jörn Werner, CEO of CECONOMY.

The goal is to reduce the annual indirect spend and personnel costs by € 110 to 130 million (run-rate) by financial year 2020/21. In the current financial year 2018/19, costs of approximately € 150 to 170 million will be incurred to implement the programme. These do not include € 34 million that have already been booked in for management changes in the first quarter. Additionally, accounting effects of approximately € 20 million are expected. The outlook for financial year 2018/19, which was issued before portfolio changes and expenses in connection with the realignment of structures and business processes in administrative and central units, remains unaffected. “Due to the substantial savings we will achieve, we assume that the expenses for the programme will be fully amortised in less than one and a half years. We will significantly strengthen our earnings power,” says Karin Sonnenmoser, CFO of CECONOMY.

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“In the future, we will act much faster, be more agile and more focused and concentrate our activities consistently on the most promising areas ‘Digital Growth,’ ‘Services & Solutions’ and ‘Category & Supply Chain Management. Thus, we are creating the foundation to strengthen and further develop our operating business,” explains Ferran Reverter, CEO of MediaMarktSaturn:

The individual components of the reorganisation and efficiency programme are divided into two pillars: The **first pillar** will in particular bundle all projects aimed at reorganising the central and administrative functions of the Holding companies of CECONOMY, MediaMarktSaturn and the German national organisation. Additionally, at MediaMarktSaturn, tasks from stores and country organisations will be transferred to the Holding company in Ingolstadt and merged there. The marketing activities bundled in the subsidiary Redblue will be strategically realigned.

In the course of implementing these measures, the size of the CECONOMY Management Board will also be adjusted. From 1 June it will consist of Jörn Werner (CEO) and Karin Sonnenmoser (CFO). Dr. Dieter Haag Molkenteller, previously responsible for Legal Affairs, Compliance and Risk Management, will leave the Board as of 31 May.

In the **second pillar**, strategic options for individual operating units of CECONOMY and MediaMarktSaturn will be reviewed against the backdrop of a stronger strategic focus. This will include the live shopping platform iBood and MediaMarktSaturn’s stake in the re-commerce platform Flip4New. The Retail Media Group’s customer data marketing business and the activities of the streaming service Juke are being discontinued.

CECONOMY and MediaMarktSaturn plan to continue investing in business areas such as digital entertainment or the resale of used electronics products – for example through strategic partnerships. The same applies to the strategically relevant topic of data usage, which could be integrated more strongly into the business model of MediaMarktSaturn.

The reorganisation and efficiency programme is expected to be implemented in the next 18 months and to be concluded by the end of 2020.

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### About CECONOMY

CECONOMY AG empowers life in the digital world. It is leading for concepts and brands in the field of consumer electronics. The companies in the current CECONOMY portfolio have billions of consumer contacts per year and provide products, services and solutions that make life in the digital world easy and enjoyable, creating value for consumers and shareholders alike.

### About MediaMarktSaturn

The MediaMarktSaturn Retail Group is Europe's leading retailer of consumer electronics and related services. The Group sees itself as a partner, daily companion and navigator in the digital world. With its portfolio of formats and brands, MediaMarktSaturn responds flexibly to the needs of various customer groups and countries: The company includes the MediaMarkt and Saturn brands, which comprehensively network their approximately 1,000 stationary stores, of which 430 are in Germany, with online sales platforms. Its own brands PEAQ, KOENIC, ISY and ok. round off the portfolio.

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