

KEY TAKEAWAYS Q1 2017/18

- // **Total sales** grew by +1.3% adjusted for exchange rate effects and portfolio changes; reported sales increased by +0.6% to €6,935m (+0.5% on a like-for-like basis); Oct – Jan (4M) sales adjusted for fx-effects grew by +0.5% or +1.6% excl. the German Saturn VAT campaign in January of the prior year
- // **Online sales** rose by 12% yoy (+22% excl. pure player), accounting for 11.7% of total sales; pick-up rate remained high at 44%
- // **Services & solutions** sales up 6% yoy, accounting for 5.9% of total sales; service “smart bars” now already implemented in 682 stores (+40 vs. September 2017)
- // **German MediaMarkt Club** continues strong growth in number of members, counting close to 3.7m members in December (vs. 3.2m in September); in total, around 16.2m members enrolled in customer programmes across 10 countries
- // **Selective store expansion** with 13 openings (excl. Shop-in-Shops) and 1 closure; additionally, 84 new Shop-in-Shop solutions opened in Russia; average store size reduced by 7.0% since September 2017 due to openings of smaller formats and further store rightsizings
- // **EBITDA** of €315m (-€51m yoy) and **EBIT** of €258m (-€49m yoy): decline is attributable to shift of high-margin December sales into more competitive November, in particular in Germany. Additionally, negative technical effects in Italy, which will reverse over the course of the current year, and planned higher holding costs weighed on profitability
- // **Change in net working capital (NWC)** was €401m lower than in the prior-year period: rise in inventories due to weaker-than-anticipated December sales, lower payables driven by changes in the product mix and increased receivables due to later income and higher sales of telco contracts
- // **Free Cash Flow** was €404m lower at €1,395m, mainly driven by the negative NWC development
- // **Full-year 2017/18 guidance** confirmed: CECONOMY expects a slight increase in sales, a corresponding improvement in NWC, and EBITDA & EBIT (excl. Fnac Darty) to increase at least in the mid single-digit percentage range

Income statement Q1 2017/18

EURm	Q1 2016/17 ¹⁾	Q1 2017/18 ¹⁾	Change
Sales	6,893	6,935	0.6%
<i>Sales yoy change</i>	0.1%	0.6%	–
DACH	3,976	3,959	-0.4%
Western & Southern Europe	2,036	2,090	2.6%
Eastern Europe	699	705	1.0%
Others	182	181	-1.0%
Gross profit	1,365	1,321	-44
<i>Gross margin</i>	19.8%	19.1%	-0.8%p.
EBITDA ^{2,3)}	366	315	-51
<i>EBITDA margin ⁴⁾</i>	5.3%	4.5%	-0.8%p.
DACH	260	224	-35
Western & Southern Europe	88	79	-9
Eastern Europe	26	25	-1
Others	-8	-15	-7
EBIT ^{2,3)}	308	258	-49
<i>EBIT margin ⁴⁾</i>	4.5%	3.7%	-0.7%p.
DACH	231	196	-35
Western & Southern Europe	69	61	-8
Eastern Europe	17	18	0
Others	-10	-16	-6
Net financial result	1	2	1
Earnings before taxes	309	260	-48
Income taxes	-149	-116	33
Tax rate	48.1%	44.4%	-3.7%p.
Profit or loss for the period	160	145	-15
attributable to non-controlling interest	39	36	-2
attributable to shareholders of CECONOMY AG	121	108	-13
EPS (in Euro)	0.37	0.33	-0.04

¹⁾ All Q1 2016/17 figures before special items with the exception of sales and gross profit. All Q1 2017/18 figures as reported.

²⁾ See for this alternative performance indicator CECONOMY's Annual Report 2016/17, pages 49-52.

³⁾ Including consolidation.

⁴⁾ Ratio EBIT or EBITDA to total sales.

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