

KEY TAKEAWAYS Q2 2017/18

- // **Fx-adjusted sales** grew by +0.8%; reported sales decreased slightly by -0.2% to €5,249m (-0.1% on a like-for-like basis); sales impacted by absence of Saturn VAT campaign in previous year, partly offset by early Easter business in current year (adjusted for both effects, fx-adjusted sales growth at +1.8%)
- // **Online** generated sales by core brands MediaMarkt and Saturn rose by +11% yoy (+5% incl. pure player), accounting for 12.2% of total sales; pick-up rate remained high at 42%
- // **Services & solutions** sales grew strongly by +15% yoy, accounting now for 6.4% of total sales; service “smart bars” now already implemented in 750 stores (+68 vs. December 2017)
- // **German MediaMarkt Club** continues strong growth in number of members, counting around 4.1m members in March (vs. 3.7m in December 2017); all customer programmes counted close to 17.5m members in total internationally
- // **Selective store expansion** continued with 7 openings (excl. Shop-in-Shop), thereof 5 in Turkey; 10 closures, thereof 6 in Russia; average store size reduced by 7.2% since September 2017
- // **EBITDA increased by €+56m and EBIT by €+58m yoy** (incl. €21m from Fnac Darty contribution); supported by anticipated non-recurring effects such as the absence of the Saturn VAT campaign and losses related to the insolvency of a business partner in the Netherlands in the prior year; positive effects also from inventory valuation, higher Services & Solutions income and the wind-down of redcoon
- // **Impairment of METRO AG stake** (to €14.39 per ordinary share and €14.25 per preference share on 29 March 2018) impacted the net financial result by €-131m; partially offset by METRO dividend of €25m
- // **EPS** declined due to impairment of METRO AG stake, despite positive EBIT development
- // **Positive change in net working capital** (NWC) in the amount of €185m, driven by lower rise in inventories and higher cash-in of supplier receivables; trade payables temporarily supported by weekday effect (low triple-digit €m amount)
- // **Free Cash Flow** in H1 2017/18 €125m lower than in the prior-year period due to 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 Q2 2017/18

EURm	Q2 2016/17 ¹⁾	Q2 2017/18 ¹⁾	Change
Sales	5,258	5,249	-0.2%
<i>Sales yoy change</i>	<i>0.0%</i>	<i>-0.2%</i>	<i>–</i>
DACH	3,028	2,956	-2.4%
Western & Southern Europe	1,594	1,654	3.7%
Eastern Europe	520	517	-0.5%
Others	116	122	5.0%
Gross profit	1,046	1,051	5
<i>Gross margin</i>	<i>19.9%</i>	<i>20.0%</i>	<i>0.1%p.</i>
EBITDA ^{2,3)}	40	97	56
EBITDA excl. Fnac Darty ^{2,3)}	40	76	36
<i>EBITDA excl. Fnac Darty margin ⁴⁾</i>	<i>0.8%</i>	<i>1.4%</i>	<i>0.7%p.</i>
DACH	52	67	15
Western & Southern Europe	14	32	18
Eastern Europe	-2	-2	-1
Others	-25	-21	4
EBIT ^{2,3)}	-19	38	58
EBIT excl. Fnac Darty ^{2,3)}	-19	18	37
<i>EBIT excl. Fnac Darty margin ⁴⁾</i>	<i>-0.4%</i>	<i>0.3%</i>	<i>0.7%p.</i>
DACH	23	37	15
Western & Southern Europe	-6	12	19
Eastern Europe	-10	-10	0
Others	-26	-22	4
Net financial result	-1	-110	-109
thereof METRO AG contribution	n/a	25	25
thereof METRO AG stake impairment	n/a	-131	-131
Earnings before taxes	-20	-71	-51
Income taxes	7	16	9
Tax rate	32.8%	22.1%	-10.7%p.
Profit or loss for the period	-14	-55	-42
attributable to non-controlling interest	-1	13	14
attributable to shareholders of CECONOMY AG	-13	-68	-56
EPS (in Euro)	-0.04	-0.21	-0.17

¹⁾ All Q2 2016/17 figures before special items with the exception of sales and gross profit. All Q2 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.

Income statement H1 2017/18

EURm	H1 2016/17 ¹⁾	H1 2017/18 ¹⁾	Change
Sales	12,151	12,184	0.3%
<i>Sales yoy change</i>	<i>0.0%</i>	<i>0.3%</i>	<i>–</i>
DACH	7,004	6,915	-1.3%
Western & Southern Europe	3,630	3,743	3.1%
Eastern Europe	1,218	1,223	0.4%
Others	298	302	1.3%
Gross profit	2,411	2,372	-39
<i>Gross margin</i>	<i>19.8%</i>	<i>19.5%</i>	<i>-0.4%p.</i>
EBITDA ^{2,3)}	406	411	5
EBITDA excl. Fnac Darty ^{2,3)}	406	391	-15
<i>EBITDA excl. Fnac Darty margin ⁴⁾</i>	<i>3.3%</i>	<i>3.2%</i>	<i>-0.1%p.</i>
DACH	312	292	-20
Western & Southern Europe	102	112	9
Eastern Europe	25	23	-2
Others	-33	-35	-2
EBIT ^{2,3)}	289	297	8
EBIT excl. Fnac Darty ^{2,3)}	289	277	-12
<i>EBIT excl. Fnac Darty margin ⁴⁾</i>	<i>2.4%</i>	<i>2.3%</i>	<i>-0.1%p.</i>
DACH	254	233	-20
Western & Southern Europe	63	73	10
Eastern Europe	8	8	0
Others	-36	-38	-2
Net financial result	0	-108	-108
thereof METRO AG contribution	n/a	25	25
thereof METRO AG stake impairment	n/a	-131	-131
Earnings before taxes	288	189	-99
Income taxes	-142	-100	42
Tax rate	49.2%	52.9%	3.7%p.
Profit or loss for the period	146	89	-57
attributable to non-controlling interest	38	49	12
attributable to shareholders of CECONOMY AG	109	40	-69
EPS (in Euro)	0.33	0.12	-0.21

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