

FACT SHEET Q3/9M 2021/22

- **Sales** adjusted for currency effects, portfolio changes and pre IAS 29¹ increased by +6.3% in Q3 (+6.7% on a like-for-like basis) driven by Eastern Europe and DACH against a COVID-19 impacted PY base; sales trend reversed during Q3 due to deteriorating consumer sentiment
- **Online sales** declined by –28.7% to €1.1 bn in Q3 due to recovery of B&M business after partial COVID-19 restrictions in PY; online sales share reached 22.9% of total sales (Q3 2020/21: 33.9%) remaining at much higher level than before COVID-19 pandemic (Q3 2018/19: 13.0%); average basket value and conversion rate at sustainable high level; pick-up ratio came in at 37.9% (Q3 2020/21: 42.8%)
- **Services & Solutions sales** increased by +23.1% in Q3, accounting for 6.4% of total sales (Q3 2020/21: 5.5%) and resulting in highest sales share since Q4 2018/19; rise in all service categories, especially mobile contracts and financing
- **Adjusted EBIT**² declined by €–16 m to €–109 m (Q3 2020/21: €–93 m), mainly due to DACH where sales growth was outweighed by challenging competitive environment, inflationary cost increases and COVID-19 subsidies in PY; Western/Southern, Eastern Europe as well as Others came in on PY's level
- **Reported EBIT** decreased by €–75 m to €–180 m (Q3 2020/21: €–106 m); including a Fnac Darty impairment of €–56 m and additional non-recurring “other” effects³ of €–5 m
- **Reported tax rate** at 71.1% in 9M 2021/22 (9M 2020/21: 20.0%) driven by non-tax-effectiveness of Fnac Darty impairment; benefits related to acquisition of MMS minority stake to be included from Q4 2021/22 onwards
- **Undiluted EPS**⁴ declined by €–0.06 to €–0.24 (Q3 2020/21: €–0.19); undiluted EPS⁴ in 9M at €0.02 (Q3 2020/21: €0.50)
- **Change in net working capital (NWC)** as per cashflow statement in 9M 2021/22 improved by €+94 m to €–765 m mainly due to lower inventories compared to PY
- **Cash investments** as per cash flow statement in 9M 2021/22 increased by €+36 m to €159 m (or 1.0% of sales) driven by higher investments in modernization and store refresh
- **8 store openings** in Q3; thereof 3 each in Italy and Turkey and 1 each in Germany and Sweden; 0 store closures; average store size declined by –1.1% to 2,493 sqm at the end of June 2022 vs end of March 2022
- **Lease adj. Free Cash Flow**⁵ seasonally low in 9M 2021/22; decrease by €–317 m to €–1.1 bn mainly due to reversal of PY's COVID-19 related VAT deferrals in Germany
- **Group NPS** continues strong improvement by +6 points to 56 in Q3 yoy

¹From the third quarter of 2021/22, Turkey is classified as a hyperinflationary economy. For this reason, the activities there are recognized in accordance with IAS 29 for the first time. This first-time application mainly affects the sales of the Eastern Europe segment at €66 m, the financial result at €7 m and equity at €38 m.

²Guidance-relevant EBIT excl. associates, adj. for portfolio changes, pre IAS 29 and excl. non-recurring effects.

³Retroactive increase of a sector specific tax in Hungary and accounting effects from hyperinflation in Turkey (IAS 29).

⁴485,221,084 ordinary shares outstanding since 3 June 2022.

⁵Lease-adjusted Free Cash Flow subtracts the repayment of lease liabilities for better FCF comparability under IFRS 16.

Outlook for FY 2021/22

	FY 2020/21	FY 2021/22 (old)	FY 2021/22 (new)
Fx-adjusted sales	€21.4 bn	slight increase	on PY level
Adjusted EBIT (excl. associates)	€237 m	very clear increase	€150 m – €210 m

The previous year's high level of uncertainty regarding future macroeconomic and sector-specific parameters persisted in the first half of financial year 2021/22. These included the ongoing COVID-19 pandemic and the fact that many supply chains were still under strain. With accelerating inflation in Europe and the Russian war of aggression against Ukraine, the macroeconomic and geopolitical environment also substantially changed, including a severe dip in consumer sentiment in Europe.

In the light of significantly altered conditions, especially over the course of the third quarter of 2021/22, CECONOMY adjusted the outlook for the financial year 2021/22 on 21 July 2022. Consumer sentiment had continued to deteriorate at a rapid pace. As a result of the dynamic inflation development including a sharp rise in energy costs and weakened demand, this particularly affects Germany, Austria and Switzerland.

The adjusted outlook applies on the condition that the effects of the Russian war of aggression against Ukraine do not get substantially worse and that potential energy supply shortages as well as the COVID-19 pandemic do not lead to new, extensive restrictions in the retail sector, which would impact CECONOMY's business activities. Moreover, CECONOMY will continue to consistently and successfully implement its strategic and operating initiatives in a challenging market environment.

The outlook is adjusted for portfolio changes and does not take into account the earnings effects from companies accounted for using the equity method. As in the past financial year 2020/21, non-recurring earnings effects in connection with COVID-19-related store closures as well as the introduction of a harmonized group-wide organizational structure ("Operating Model") announced on 12 August 2020 are not included. Expenses in connection with the transaction announced on 14 December 2020 regarding the acquisition of the minority shareholding in MediaMarktSaturn as well as the reorganization and simplification of the corporate structure are also not taken into account. Moreover, the outlook does not account for the retroactive increase of a sector-specific tax in Hungary or accounting effects from Turkey, which is now a hyperinflationary economy.

APPENDIX

Financial figures at a glance¹

€m	Q3 2020/21	Q3 2021/22	9M 2020/21	9M 2021/22
Sales	4,407	4,659	16,193	16,531
thereof IAS 29 ² (hyperinflation in Turkey)	-	66	-	66
Sales development adjusted for currency and portfolio change effects	8.0%	6.3%	5.4%	3.2%
Like-for-like sales development	8.1%	6.7%	5.9%	3.4%
<i>Gross margin</i>	15.9%	17.3%	16.1%	17.2%
Reported EBIT	-106	-180	233	61
Adjusted EBIT³	-93	-109	106	102
<i>Adjusted EBIT margin</i>	-2.1%	-2.3%	0.7%	0.6%
Net financial result	9	-11	3	-28
Earnings before taxes	-97	-191	235	32
Tax rate	14.9%	38.7%	20.0%	71.1%
Profit or loss for the period	-82	-117	188	9
attributable to non-controlling interest	-16	-22	8	-3
attributable to shareholders of CECONOMY AG	-67	-95	180	6
EPS undiluted⁴ (€)	-0.19	-0.24	0.50	0.02

¹From continuing operations.

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³Guidance-relevant EBIT excl. associates, adj. for portfolio changes, pre IAS 29 and excl. non-recurring effects.

⁴485,221,084 ordinary shares outstanding since 3 June 2022.

Online and Services & Solutions

	Sales (€m)		Change (%)	as % of total sales		Sales (€m)		Change (%)	as % of total sales	
	Q3 2020/21	Q3 2021/22		9M 2020/21	9M 2021/22					
Online	1,494	1,065	-28.7	22.9	5,872	4,220	-28.1	25.5		
Services & Solutions	243	299	23.1	6.4	785	950	21.1	5.7		

Store network

	31/03/2022	Openings	Closures	30/06/2022
Germany	401	1		402
Austria	52			52
Switzerland	25			25
Hungary	32			32
DACH	510	1		511
Belgium	23			23
Italy	119	3		122
Luxembourg	2			2
Netherlands	49			49
Portugal	10			10
Spain	107			107
Western/S. Europe	310	3		313
Poland	81			81
Turkey	86	3		89
Eastern Europe	167	3		170
Sweden	28	1		29
Others	28	1		29
CECONOMY	1,015	8		1,023

Financial calendar

Q4/FY 2021/22 trading statement	Wednesday	26 October 2022
Q4/FY 2021/22 results	Thursday	15 December 2022

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