

FACT SHEET Q4/FY 2017/18

FY 2017/18

- // **Sales adjusted for currency effects and portfolio changes** grew slightly by +0.2%; reported sales decreased by -0.9% to €21.4bn
- // **Online** sales increased by +13% yoy to 12.1% of total sales (FY 2016/17: 10.6%); pick-up rate slightly higher at 42% vs. 40% in the prior year
- // **Services & Solutions** sales grew by +10% yoy to 6.9% of total sales (FY 2016/17: 6.2%)
- // **Selective store expansion** with 34 openings and 8 closures; average store size reduced by -3.0% to 2,724sqm since September 2017
- // **EBITDA** decreased by €-63m to €650m and **EBIT** by €-75m to €419m (each incl. €21m profit contribution from Fnac Darty S.A.); decline particularly driven by declining sales in Germany and Switzerland along with a group-wide declining gross margin by -0.5%p. to 20.1%; EBIT additionally impacted by €7m goodwill impairment in Switzerland
- // **Impairments of METRO AG stake** impacted the net financial result by around €-268m, partially offset by METRO AG dividend in the amount of €25m and by a book gain from the disposal of the 3.6% stake in METRO AG in September
- // **Underlying tax rate**, excluding any effects from METRO AG and Fnac Darty S.A., improved to 34.1% mainly due to implementation of a German tax group, DTA activation in Turkey and elimination of the Russian losses (FY 2016/17: 42.1% before special items)
- // **Minorities** stable at €64m; adjusted for any effects from METRO AG and Fnac Darty S.A., minorities were at around 25% of underlying profit or loss for the period
- // **EPS** declined by €-0.56 to €0.07 due to lower EBIT/DA and the METRO AG stake impairment
- // **Result of discontinued operations** from the transaction in Russia attributable to CECONOMY AG shareholders amounted to €-234m or €-0.70 per share
- // **No meaningful basis for the distribution of a dividend** for FY 17/18; funds used instead to accelerate transformation; general dividend policy remains in place for future years
- // **Positive change in net working capital** (NWC) as per cash flow statement of €302m largely driven by higher trade payables due to temporary optimization of payment terms and an increased purchasing volume due to the VAT campaigns in September in Germany

- // **Cash investments** (excl. the acquisition of Fnac Darty S.A. in PY) decreased by €–47m to €263m (or 1.2% of sales), mainly due to more selective expansion with a focus on less capital-intensive small store formats
- // **Underlying Free Cash Flow** (excl. the acquisition of Fnac Darty S.A. in PY) improved by around €206m to €480m due to positive NWC

Outlook FY 2018/19

The outlook is adjusted for exchange rate effects and before portfolio changes. Still to be specified expenses in connection with the restructuring and optimization of structures and business processes at administrative and central units are not included. Expenses for already announced management changes in top management are also not included.

€m	FY 2017/18	FY 2018/19
Total sales	21,418	Slight increase
EBITDA (excl. Fnac Darty)	630 ¹	Slight decline
EBIT (excl. Fnac Darty)	399 ¹	Slight decline
Fnac Darty profit share	21	Mid double-digit €m amount (based on consensus estimate)
Net Working Capital		Moderate decline

¹ Included non-recurring effects such as: re-assessment of inventory costs, valuation of gift card liabilities, pension income (mentioned effects accounted for a mid-double-digit €m amount).

Q4 2017/18

- // **Sales adjusted for currency effects and portfolio changes** declined –1.9%; reported sales decreased by –3.8% to €5.0bn; sales faced a high comparison base and were negatively impacted particularly in Germany by the unusually hot weather in July and August
- // **Online sales** rose by +10% yoy to 12.2% of total sales (Q4 2016/17: 10.6%); pick-up rate increased slightly to 43% vs. 42% in the prior-year period
- // **Services & Solutions** sales grew slightly by +3% yoy to 8.0% of total sales (Q4 2016/17: 7.5%); service “smart bars” implemented in 922 out of 1,022 stores (+101 vs. June 2018)
- // **Selective store expansion** continued with reduced number of openings and a focus on small-scale formats; 5 stores were opened, while 2 stores were closed in the same period
- // **EBITDA** decreased by €–82m to €215m and **EBIT** by €–92m to €149m; decline particularly driven by declining sales in Germany and Switzerland along with a group-wide declining gross margin by –0.9p. to 21.6%; EBIT impacted by €7m goodwill impairment in Switzerland
- // **EPS** declined by €–0.12 to €0.24

Income statement

€m	Q4 2016/17 ¹	Q4 2017/18 ¹	FY 2016/17 ¹	FY 2017/18 ¹
Sales ²	5,150	4,953	21,605	21,418
<i>Sales yoy change</i>		-3.8%		-0.9%
DACH	2,968	2,843	12,662	12,410
Western & Southern Europe ²	1,632	1,622	6,691	6,777
Eastern Europe	409	362	1,699	1,689
Others	141	126	553	542
Gross profit	1,163	1,072	4,470	4,314
<i>Gross margin</i>	22.6%	21.6%	20.7%	20.1%
EBITDA incl. Fnac Darty ^{3,4}	297	215	714	650
thereof Fnac Darty	0	1	0	21
EBITDA excl. Fnac Darty	297	214	714	630
<i>EBITDA margin ⁵</i>	5.8%	4.3%	3.3%	2.9%
DACH	198	112	530	428
Western & Southern Europe	76	83	169	200
Eastern Europe	14	21	56	63
Others	9	-2	-42	-62
EBIT incl. Fnac Darty ^{3,4}	241	149	494	419
thereof Fnac Darty	0	1	0	21
EBIT excl. Fnac Darty ^{3,4}	241	148	494	399
<i>EBIT margin ⁵</i>	4.7%	3.0%	2.3%	1.9%
DACH	166	73	412	300
Western & Southern Europe	57	63	91	123
Eastern Europe	11	16	37	43
Others	7	-4	-47	-67
Net financial result	-15	63	-28	-198
Earnings before taxes	226	212	466	221
Income taxes	-83	-128	-196	-134
Tax rate	36.9%	60.2%	42.1%	60.7%
Profit or loss for the period	143	84	270	87
attributable to non-controlling interest	26	1	64	64
attributable to shareholders of CECONOMY AG	117	84	206	23
Number of shares outstanding (in m)	326.8	354.0	326.8	333.6
EPS (in Euro)	0.36	0.24	0.63	0.07

Note: All figures from continuing operations only, i.e. excluding the Russian MediaMarkt business; no further portfolio changes occurred.

¹ All Q4/FY 2016/17 figures before special items with the exception of sales and gross profit. All Q4/FY 2017/18 figures as reported.

² Sales figures for Italy for 2016/17 and 2017/18 were restated to present revenues related to extended warranties on a net basis.

³ See for this alternative performance indicator CECONOMY's Annual Report 2017/18, pages 47-49.

⁴ Including consolidation.

⁵ Ratio EBIT or EBITDA to total sales.

Online and Services & Solutions

	Sales (€ million)		Change (%)	in % of total sales	Sales (€ million)		Change (%)	in % of total sales
	Q4 2016/17	Q4 2017/18			FY 2016/17	FY 2017/18		
Online	547	604	10.4	12.2	2,300	2,593	12.7	12.1
Services & Solutions	386	396	2.6	8.0	1,344	1,478	10.0	6.9

Store network

	30/06/2018	Openings Q4 2017/18	Closures Q4 2017/18	30/09/2018	30/09/2017	Openings FY 2017/18	Closures FY 2017/18	30/09/2018
Germany	432	1	-1	432	429	5	-2	432
Austria	52	0	0	52	50	2	0	52
Switzerland	28	0	-1	27	27	1	-1	27
Hungary	24	0	0	24	24	0	0	24
DACH	536	1	-2	535	530	8	-3	535
Belgium	29	0	0	29	28	1	0	29
Greece	12	0	0	12	12	0	0	12
Italy	115	0	0	115	116	1	-2	115
Luxembourg	2	0	0	2	2	0	0	2
Netherlands	49	0	0	49	49	0	0	49
Portugal	10	0	0	10	10	0	0	10
Spain	85	0	0	85	83	2	0	85
Western/S. Europe	302	0	0	302	300	4	-2	302
Poland	86	0	0	86	86	3	-3	86
Turkey	68	3	0	71	53	18	0	71
Eastern Europe	154	3	0	157	139	21	-3	157
Sweden	27	1	0	28	27	1	0	28
Others	27	1	0	28	27	1	0	28
CECONOMY	1,019	5	-2	1,022	996	34	8	1,022

Net Working Capital¹

€m	30/09/2016	30/09/2017	Change	30/09/2017	30/09/2018	Change
Inventories	2,293	2,449	155	2,449	2,480	31
Trade receivables	322	497	175	497	613	117
Receivables due from suppliers ²	1,157	1,197	40	1,197	1,239	43
Credit card receivables	28	66	39	66	71	5
Prepayments on inventories	0	0	0	0	0	0
Trade liabilities	-4,359	-4,817	-458	-4,817	-5,277	-460
Liabilities to customers	-134	-129	5	-129	-45	83
Accrued sales from vouchers and customer loyalty programmes	-51	-63	-12	-63	-137	-74
Provisions for customer loyalty programmes and rights of return	-18	-19	-1	-19	-23	-5
Prepayments received on orders	-32	-39	-6	-39	-46	-8
Net Working Capital	-795	-858	-63	-858	-1,125	-267

¹ Balance sheet figures were adjusted for discontinued operations to enable comparison.

² Includes €29m on 30/09/2016, which was reported in the balance sheet under Other financial assets item in non-current assets.

Balance sheet

€m	30/09/2017	30/06/2018	30/09/2018
Non-current assets	2,144	2,093	2,282
Goodwill	531	531	525
Other intangible assets	100	102	124
Property, plant and equipment	858	817	809
Financial assets	135	109	262
Investment accounted for using the equity method	458	480	488
Other financial assets ¹	8	3	3
Non-financial assets ¹	15	12	11
Deferred tax assets	39	39	59
Current assets	6,136	6,362	6,193
Inventories	2,553	2,819	2,480
Trade receivables	498	545	613
Receivables due from suppliers ¹	1,246	1,102	1,239
Other financial assets ¹	735	527	495
Non-financial assets ¹	155	169	147
Entitlements to income tax refunds	87	186	103
Cash and cash equivalents	861	854	1,115
Assets held for sale	0	160	0
	8,280	8,455	8,475

€m	30/09/2017	30/06/2018	30/09/2018
Equity	666	424	665
Non-current liabilities	1,062	1,051	1,025
Provisions for pensions and similar obligations	640	632	547
Other provisions	51	36	44
Borrowings	278	295	287
Other financial liabilities ¹	15	13	52
Non-financial liabilities ¹	70	68	64
Deferred tax liabilities	8	8	31
Current liabilities	6,551	6,980	6,784
Trade liabilities	4,929	5,151	5,277
Provisions	199	149	190
Borrowings	266	429	153
Other financial liabilities ¹	517	345	400
Non-financial liabilities ¹	596	677	671
Income tax liabilities	44	58	94
Liabilities related to assets held for sale	0	171	0
	8,280	8,455	8,475

¹ Adjustment due to revised disclosures. For further information, see chapter "Notes on the Group accounting principles and methods" in CECONOMY's annual report.

Financial calendar

Q1 2018/19 results	Friday	8 February 2019
Annual General Meeting	Wednesday	13 February 2019
Q2/H1 2018/19 results	Tuesday	21 May 2019
Q3/9M 2018/19 results	Tuesday	13 August 2019
Q4/FY 2018/19 trading statement	Thursday	24 October 2019
Q4/FY 2018/19 results	Tuesday	17 December 2019

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