



FY 2019/20 Results + Strategy Update

15 December 2020

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All numbers shown are as reported, unless otherwise stated. All amounts are stated in million euros (€ million) unless otherwise indicated. Amounts below €0.5 million are rounded and reported as 0. Rounding differences may occur.

In the document, the term "CECONOMY" will be used (for simplicity reasons) also in situations where the business of MediaMarktSaturn Retail Group is concerned.

Today's presenters



Dr Bernhard Düttmann
CEO



Karin Sonnenmoser
CFO



Ferran Reverter
CEO



0

UNLOCKING VALUE

Reorganizing shareholding in MediaMarktSaturn

Transaction highlights



CECONOMY to acquire 21.62% stake in MediaMarktSaturn from Convergenta by way of contribution-in-kind



Convergenta will roll up and become anchor shareholder of CECONOMY



Tailored financing via mix of new shares and convertible bonds as well as limited cash



Unlocking value creation potential leads to EPS accretive transaction from year 1



Transaction subject to approval by CECONOMY shareholders at 2021 AGM – existing anchor shareholders support the transaction

Key benefits of the transaction for CECONOMY shareholders



Simplify structure



Unify shareholding



Optimize governance



Unlock value creation potential

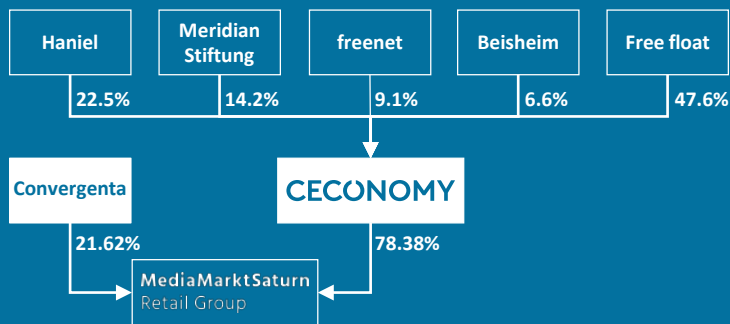


EPS accretive from year 1

- ▶ MediaMarktSaturn becomes a **wholly-owned subsidiary** of CECONOMY
- ▶ **Reduces complexity** of corporate structure
- ▶ Convergenta becomes **anchor shareholder** of CECONOMY
- ▶ **Common interests of all shareholders** to participate in the further successful development of the Group allows full focus on **operational business**
- ▶ Simplified ownership structure allows **streamlining of processes**
- ▶ Reduced coordination resulting in **faster and more efficient decision-making**
- ▶ **Enables use of existing tax-loss carry-forwards** at CECONOMY level of around 1.2 €bn¹; on this basis the value potential amounts to around 360 €m
- ▶ Further **tax optimization** at CECONOMY level as holding costs become tax deductible
- ▶ Further **administrative cost savings** at holding levels
- ▶ Estimated **tax savings** of around 50 €m p.a. on average over the next 3 years, increasing in subsequent years²
- ▶ Further **cost savings** at holding levels estimated at around 4 €m p.a.
- ▶ Shift of **Convergenta's share to majority shareholders' net income**, estimated initially at >50 €m p.a.

¹For corporate and trade tax each. ²Depending on the future development of earnings.
CECONOMY

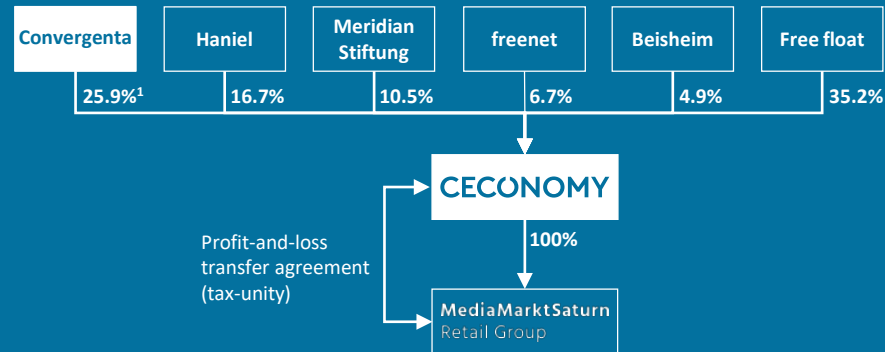
Simplified governance & structure with MediaMarktSaturn as a wholly-owned subsidiary and Convergenta as an anchor shareholder of CECONOMY



Current situation based on voting rights

► MediaMarktSaturn fully consolidated, with minorities/non-controlling interest in P&L and B/S

Post-closing situation based on voting rights



► MediaMarktSaturn fully consolidated, with shift of Convergenta's share to majority shareholders in P&L and B/S

¹Convergenta can increase its shareholding further via conversion of new convertible bonds. This corresponds to Convergenta's intention of becoming a long-term anchor shareholder with a stake of up to 29.9% of ordinary shares.
CECONOMY

Unlocking value creation potential leads to EPS accretive transaction from year 1

Tax savings

- ▶ **Use of existing tax-loss carry-forwards** at CECONOMY level in the new structure, amounting to c. 1.2 €bn¹
- ▶ **Further tax optimization** through tax deductibility of CECONOMY holding costs; resulting in a sustainable underlying tax rate improvement of c. 2-3%p.

Around 50 €m p.a.
on average over next three years²

Cost savings

- ▶ Further **administrative cost savings** at holding levels from simplified governance structure

Around 4 €m p.a.
targeted

Shift of Convergenta's net income share

- ▶ **Shift of Convergenta's share to majority shareholders' net income**

>50 €m p.a.
estimated

¹For corporate and trade tax each. ²Depending on the future development of earnings, the tax benefits will increase in subsequent years.
CECONOMY

Key parameters of transaction and consideration components



Designed to **limit cash-out and debt**, complying with CECONOMY's conservative financing strategy



Reflects Convergenta's intention to be a **long-term anchor shareholder**



Based on the 3-months VWAP¹, the **total consideration adds up to around 815 €m**

¹3-months VWAP of CECONOMY shares 4.17 €. ²Issue price; nominal amount 151 €m.
CECONOMY

Consideration components



c. 525¹ €m

125.8m new ordinary
CECONOMY shares to be issued



c. 160² €m

New CECONOMY convertible
bonds



130 €m

Cash component
(o/w 80 €m to be paid at closing
and 50 €m deferred)

Envisaged timeline of the transaction

December 2020

January 2021

February 2021

March 2021

Signing

14 December 2020

**Convocation of the
Annual General Meeting**

Early January 2021

Annual General Meeting

17 February 2021 –
Capital increase and convertible
bonds to be voted

Closing

Earliest at the end of Q1 2021 –
Timing i.a. subject to registration of
capital increase



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SUMMARY



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We have put the company on a clear path with a “reset” in 2019

Consolidation Focus



RESET

2019



Operations Focus

CECONOMY
METRO

DEMERGER

FNAC DARTY

FNAC DARTY
STAKE



RUSSIA
TRANSACTION



OMNI-
CHANNEL



SERVICES &
SOLUTIONS



CATEGORY &
SUPPLY CHAIN
MANAGEMENT



ORGANIZATION &
COST STRUCTURES

This focus on relentless execution has delivered tangible results



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SERVICES &
SOLUTIONS



CATEGORY &
SUPPLY CHAIN
MANAGEMENT



ORGANIZATION &
COST STRUCTURES



Consolidated six different webshop platforms to one common IT platform



Improved webshop front-end in Germany and new app with improved user interface



Introduced marketplace in Germany

¹Note: This refers to the MediaMarkt and Saturn webshops combined.
Source: EHI – E-Commerce Markt Deutschland 2020.

3rd

Largest webshop in Germany¹

>6m

New online customers in FY 19/20

This focus on relentless execution has delivered tangible results



OMNI-
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SERVICES &
SOLUTIONS



CATEGORY &
SUPPLY CHAIN
MANAGEMENT



ORGANIZATION &
COST STRUCTURES



Implemented harmonized service offering
at Smartbars across all stores



Tendered, refined & rolled out new insurances and
warranties proposition in Germany and Austria



Launched monthly subscriptions with warranty
extension G+ in German online channel

8.5m

G+ contracts
in FY 19/20

600k

Smartbar repairs
in FY 19/20

This focus on relentless execution has delivered tangible results



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CHANNEL



SERVICES &
SOLUTIONS



CATEGORY &
SUPPLY CHAIN
MANAGEMENT



ORGANIZATION &
COST STRUCTURES



Launched category management pilot store including new systems in Spain



Introduced standardized assortment and supplier framework for each country



Continued enhancements in logistics leading to improved customer experience

95%

Procurement centralized
on country level

-12%

Average number
of SKUs per store
vs. FY 18/19

This focus on relentless execution has delivered tangible results



OMNI-
CHANNEL



SERVICES &
SOLUTIONS



CATEGORY &
SUPPLY CHAIN
MANAGEMENT



ORGANIZATION &
COST STRUCTURES



Centralized support functions in Germany



Started implementation of new Operating Model



Solved portfolio topics, incl. Juke, RMG, iBood, Greece

¹Excl. Greek MediaMarkt business (portfolio adjustment) and COVID-19-related savings.

²Average of FY 17/18 and FY 18/19.

5.3%

Personnel expense savings vs. FY 17/18¹

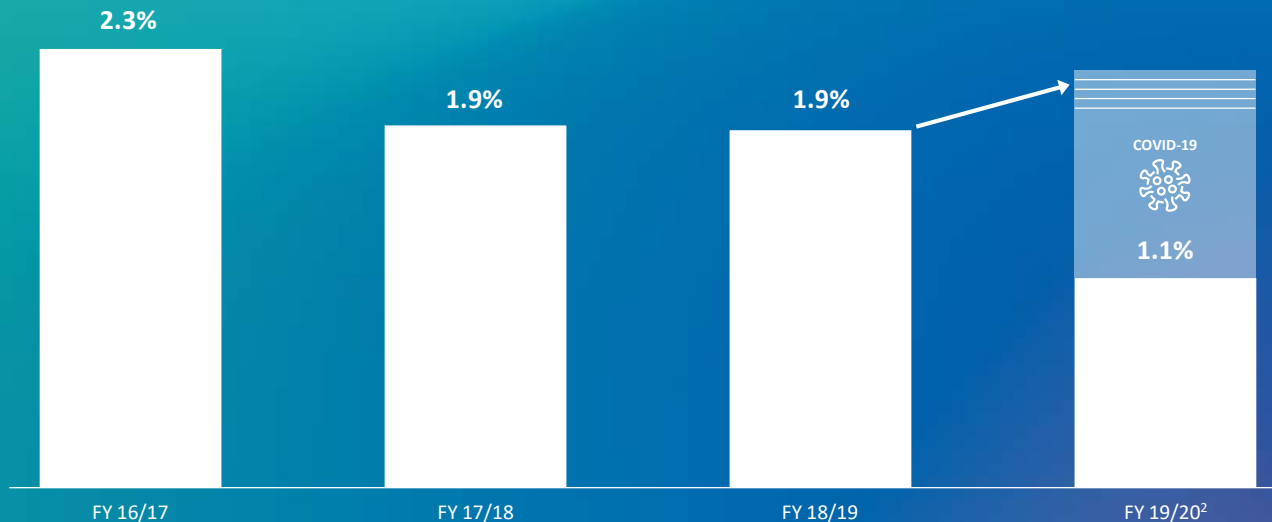
23 €m

Savings² p.a. from solved portfolio topics

We stabilized the business in FY 18/19 and made further progress in FY 19/20... until COVID-19 emerged



Adj. EBIT¹ margin



¹Adj. EBIT from continuing operations and excl. non-recurring effects and associates. ²Incl. IFRS 16.

We have successfully navigated through this challenging time and the business recovered quickly after the first COVID-19 lockdown



OCT - FEB

Pre-COVID

- ▶ Profitable Black Friday period
- ▶ Progress on strategic initiatives
- ▶ Encouraging sales & earnings improvement



MAR - MAY

Lockdown Phase

- ▶ Immediate mitigation measures
- ▶ Sales impacted by store closures
- ▶ Accelerating online sales momentum



JUN - SEP

Post-Lockdown

- ▶ Strong sales momentum
- ▶ Traffic shortfall overcompensated
- ▶ Online sales remained strong

Note: Pre-COVID period: Oct 19-Feb 20; Post-Lockdown: Jun-Sep 20.

We have shown a robust performance in FY 19/20 despite the COVID-19 disruptions



-1.8%

Sales¹ development



236 €m

Adj. EBIT² excl. associates

¹Adj. for currency & portfolio change effects. ²Adj. for portfolio changes and excl. non-recurring effects in connection with (1) the Reorganization & Efficiency program, (2) COVID-19-related store closures and (3) the introduction of the new Operating Model.

We also keep making progress towards our ESG ambitions

Ambition →

Selected Highlights in FY 19/20 →

Environmental

Make our operations sustainable –
reduce carbon footprint

▶ **75%**
reduction of direct carbon emissions¹ vs. 2015 baseline

Social

Be a responsible partner for society,
our employees & customers

▶ **80%**
green electricity usage across the Group

Governance

Ensure transparency, fairness and
integrity across our business

- ▶ **2.9 m**
repairs across the Group, 50% of total German e-waste recycled
- ▶ **Diversity**
with employees from 128 nations across the Group, 38% female share
- ▶ **97%**
Imtron production sites audited for labor and human rights protection

¹In terms of Scope 1 and 2.



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We have shown a robust performance in FY 19/20 despite the COVID-19 disruptions



-1.8%

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236 €m

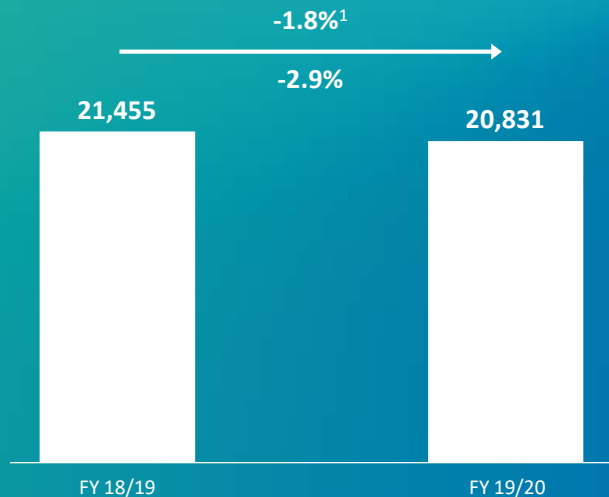
Adj. EBIT² excl. associates

¹Adj. for currency & portfolio change effects. ²Adj. for portfolio changes and excl. non-recurring effects in connection with (1) the Reorganization & Efficiency program, (2) COVID-19-related store closures and (3) the introduction of the new Operating Model.

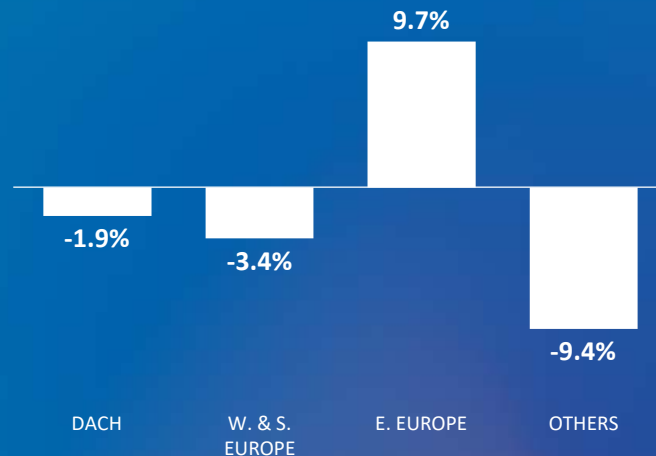
Sales in FY 19/20 only slightly below prior year despite more than six weeks of COVID-19-related store closures



Total sales
(in €m)



Sales¹ by segment
(yoy change)

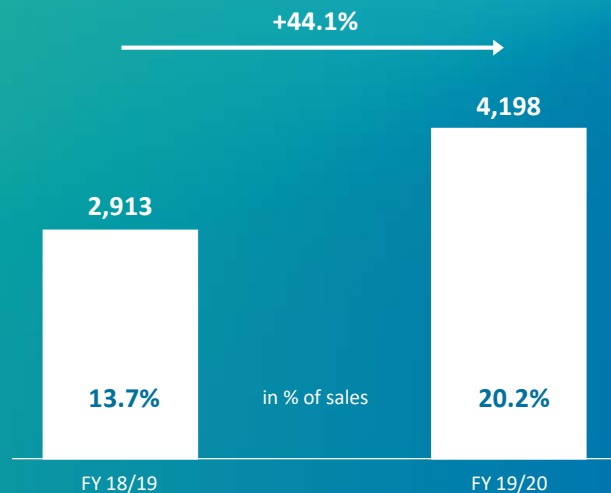


¹Adj. for currency and portfolio change effects.

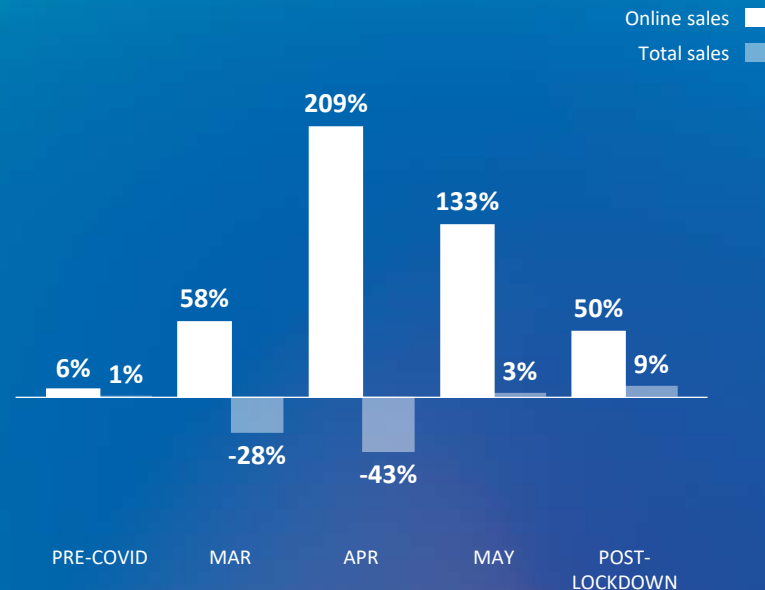
Accelerated growth in online business driven by COVID-19



Online sales¹
(in €m)



Online sales¹ vs. total sales² growth
(yoy change)

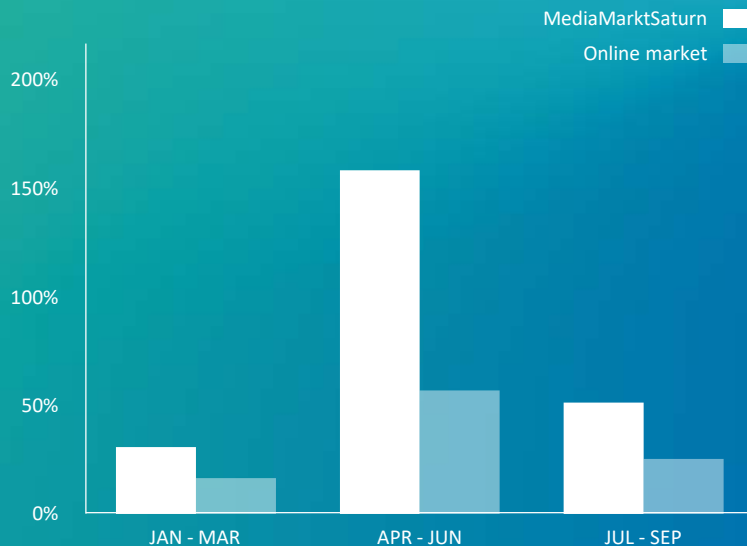


Note: Pre-COVID period: Oct 19-Feb 20; Post-Lockdown: Jun-Sep 20. ¹Excl. Greek MediaMarkt business (portfolio adjustment). ²Adj. for currency and portfolio change effects.

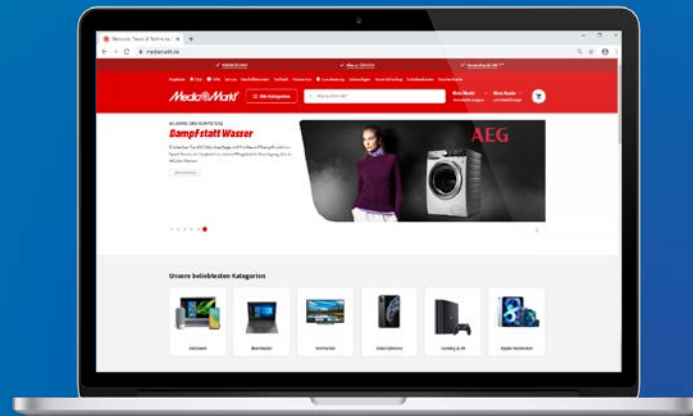
We have outperformed the market in terms of online sales growth



Online growth in Germany in 2020 (yoy change)



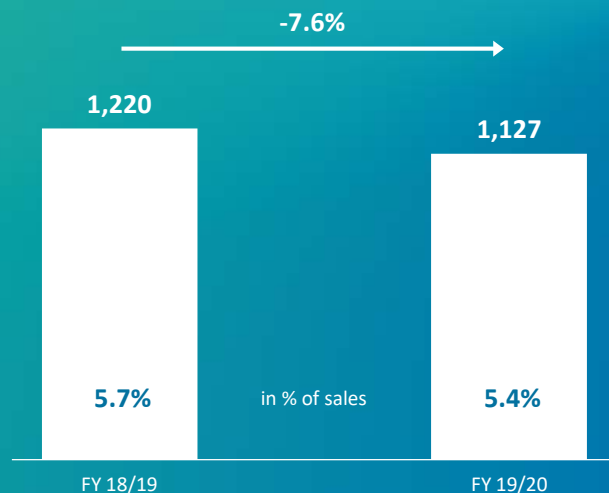
Source: Online market development for Technical Consumer Goods (TCG) based on GfK Retail Panel.



Services & Solutions sales faced COVID-19-related headwinds



Services & Solutions sales¹ (in €m)



COVID-19-related store closures weighed on Services & Solutions sales



Warranty extensions with strong growth, also due to new offering



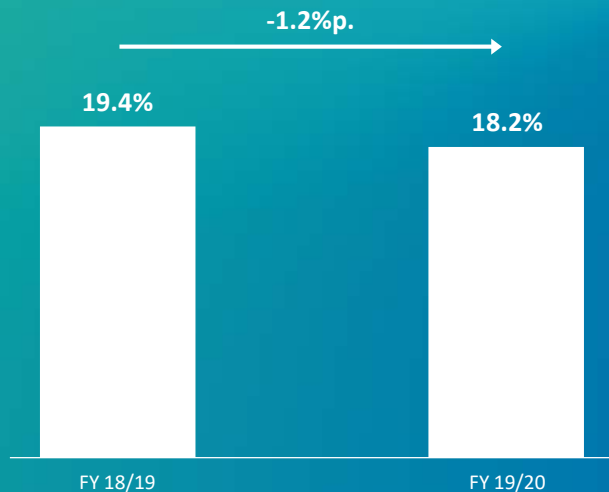
Financing impacted by COVID-19-related store closures and reduced 0% interest offers

¹Excl. Greek MediaMarkt business (portfolio adjustment).

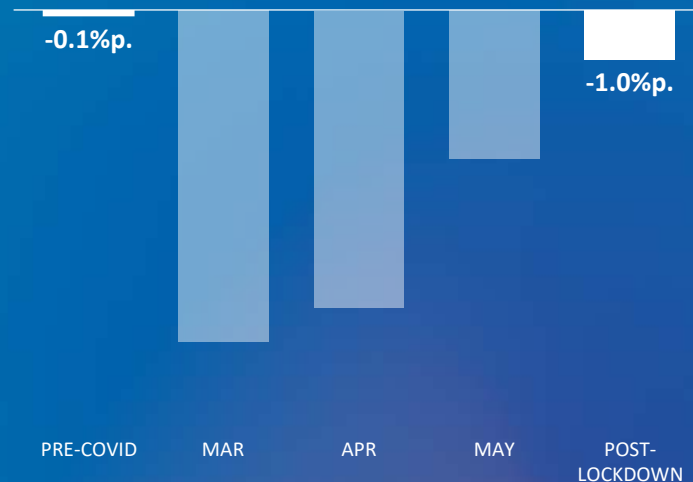
Gross margin mainly impacted by COVID-19-induced channel shift, higher delivery costs and stock-related effects



Gross margin¹
(in % of sales)



Gross margin development¹ 19/20 vs. PY
(in % of sales)

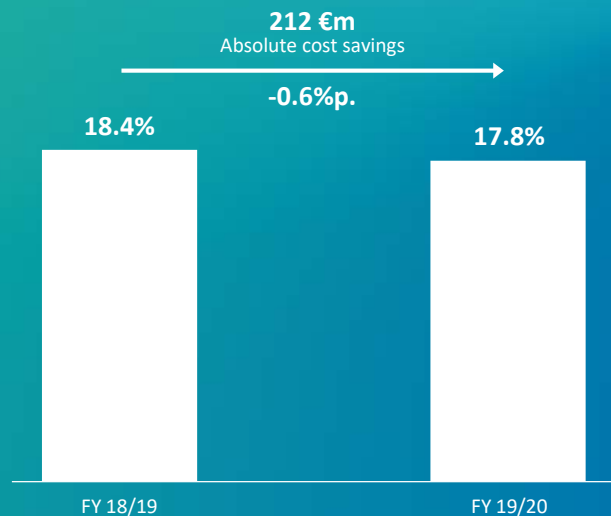


Note: Pre-COVID period: Oct 19-Feb 20; Post-Lockdown: Jun-Sep 20. ¹Excl. non-recurring effects and adj. for portfolio changes.

Mitigating measures and operational efficiency resulted in significant cost savings



OPEX^{1,2}
(in % of sales)



227 €m COVID-19-related OPEX savings



Operational cost savings in personnel, marketing and location



Non-recurring items and right-of-use asset impairments negatively impacted OPEX

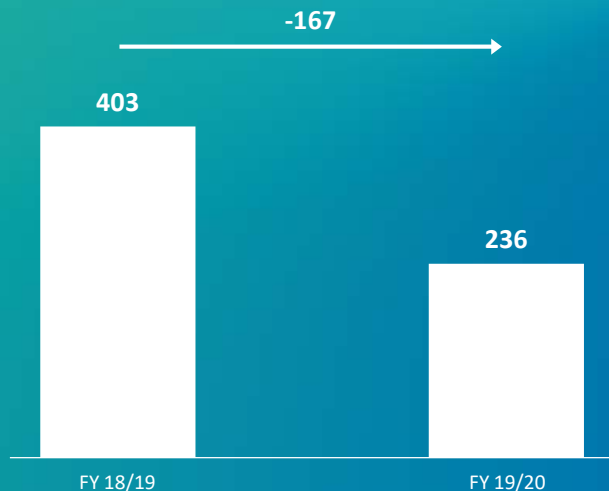
¹Excl. non-recurring effects and adj. for portfolio changes.

²Sum of SG&A expenses and other operating expenses (excl. associates).

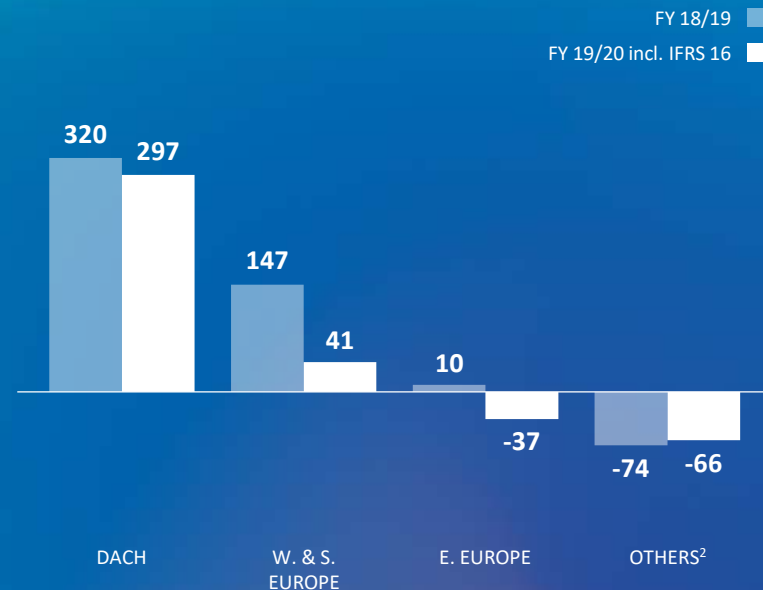
COVID-19-related sales and gross margin decline partially compensated by significant cost savings



Adj. EBIT¹ excl. associates
(in €m)



Adj. EBIT¹ excl. associates by segment
(in €m)

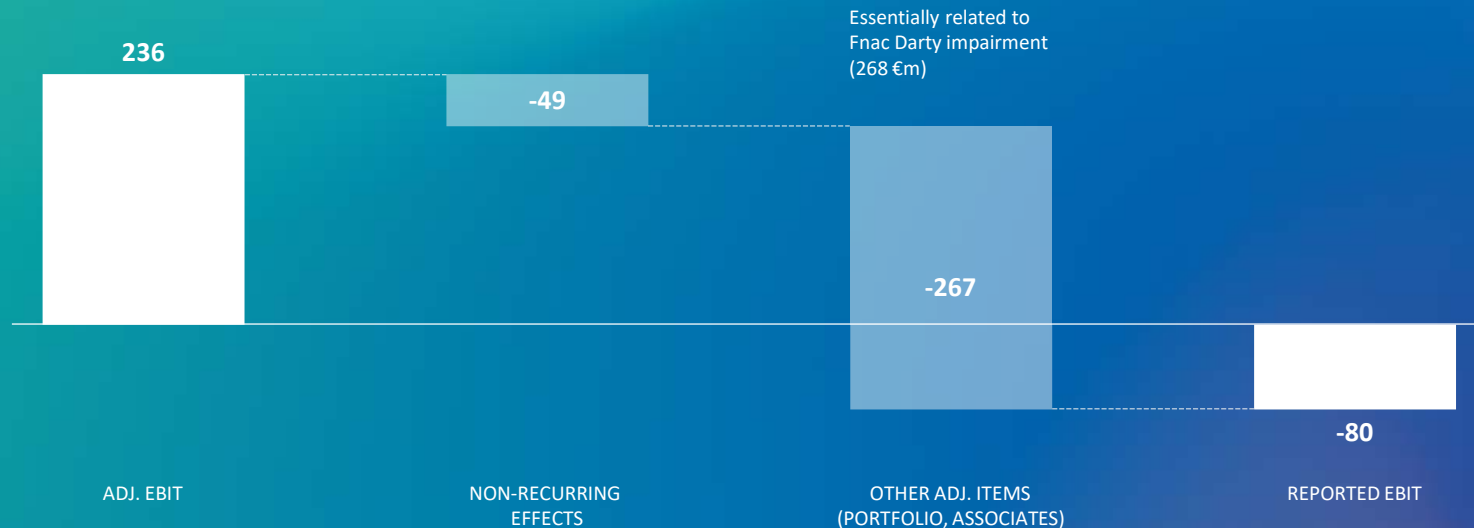


¹Excl. non-recurring effects and adj. for portfolio changes. ²Incl. consolidation.

Non-cash impairment of Fnac Darty stake substantially impacted reported EBIT



Adj. EBIT¹ excl. associates to reported EBIT in FY 19/20
(in €m)

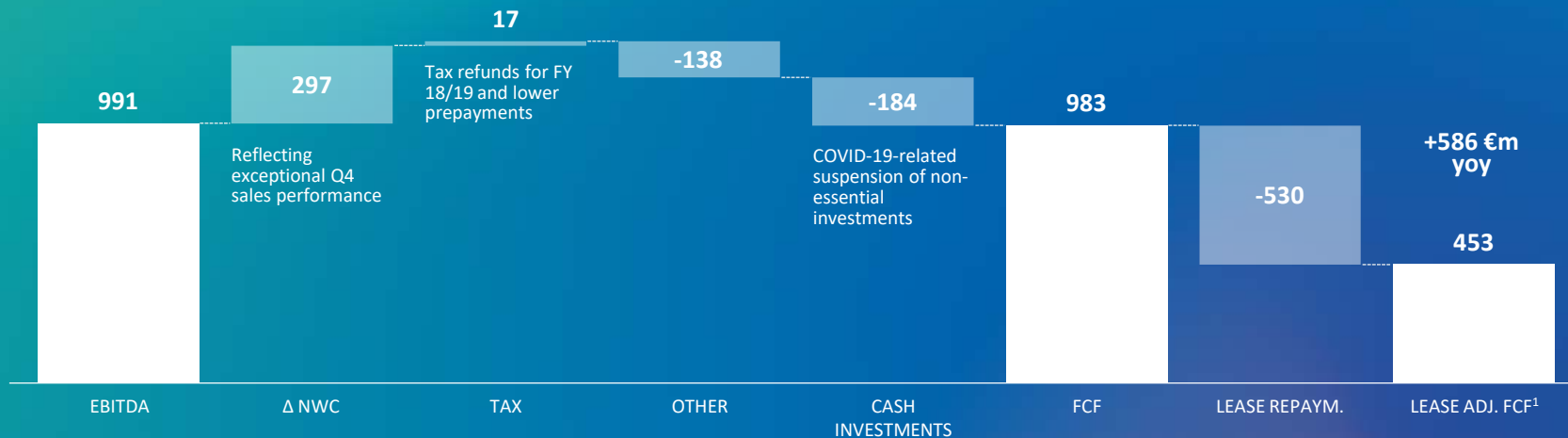


¹Excl. non-recurring effects and adj. for portfolio changes.

Strong Free Cash Flow improvement, supported by NWC inflow and COVID-19-related tax effects



Free Cash Flow in FY 19/20
(in €m)



¹Lease-adj. Free Cash Flow (FCF) subtracts the repayment of lease liabilities for better FCF comparability under IFRS 16.

We have the following assumptions for our outlook for FY 20/21

- ▶ No further extensive temporary closures of the stationary business
- ▶ No serious deterioration of consumer confidence
- ▶ Supply chains remain largely intact



Our outlook for FY 20/21



Slight increase

Sales¹ development



320 – 370 €m

Adj. EBIT² excl. associates

¹Adj. for currency & portfolio change effects. ²Adj. for portfolio changes and excl. non-recurring effects in connection with (1) COVID-19-related store closures and (2) the introduction of the new Operating Model.



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**HOW THE CE MARKET
IS EVOLVING**

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FINANCIAL AMBITION



3.1

HOW THE CE MARKET
IS EVOLVING

3.2

OUR WAY FORWARD

3.3

FINANCIAL AMBITION

**CECONOMY operates
in an attractive market**

162 €bn

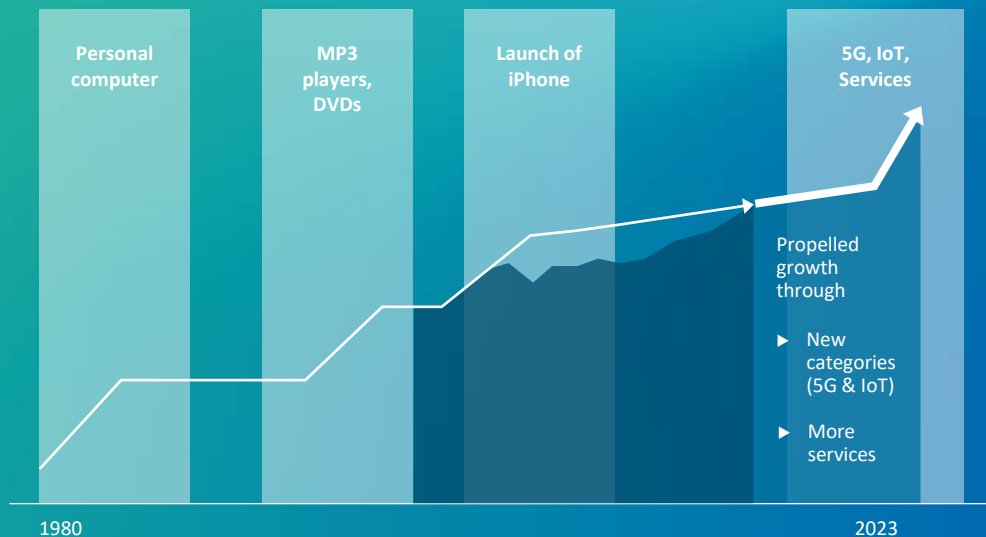
Market opportunity in
FY 22/23 in CECONOMY's
home countries

Source: Own analysis as of June 2020 (with reference to GfK Panel data); CE market includes all countries in which MediaMarktSaturn operates.



The CE market could be much larger in 2023+ and shaped by solution-oriented ecosystems and innovations

Technology innovations will continue to drive up revenues in the CE market



Note: CE market outlook based on addressable market including all countries in which MediaMarktSaturn operates – high-level indication.
Source: PwC Strategy&.

2025

Solution-oriented ecosystems

Innovative new products & services

- ▶ Smart Home
- ▶ Health & Wellness
- ▶ AR & VR Entertainment

+

Secondary services

- ▶ Warranty & Financing
- ▶ Installation & Repair
- ▶ Refurbishment

+

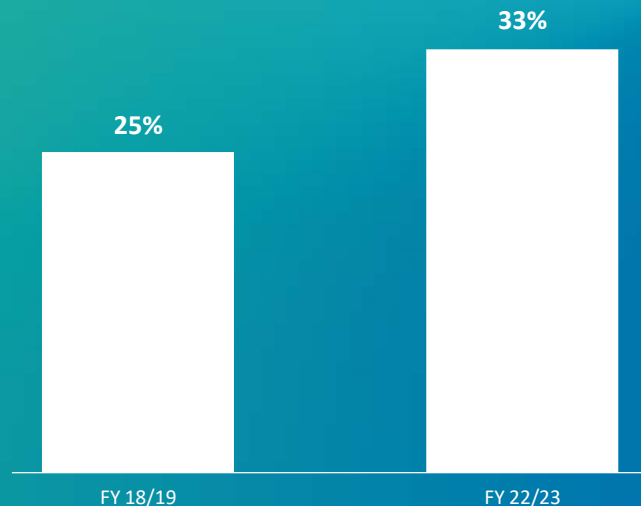
Solutions with recurring revenue streams

The online channel drives market growth – and a seamless omnichannel experience is a prerequisite for success



Online CE market

(CECONOMY's home countries; in % of total market)



Source: Own analysis as of June 2020 (with reference to GfK Panel data); CE market includes all countries in which MediaMarktSaturn operates.

Omnichannel is the winning model

Consumer behavior change drives omnichannel dominance

3 out of 4

shoppers use multiple channels during their shopping journey



>50%

higher spend of omnichannel shoppers compared to single-channel shoppers



Source: PwC Strategy&.

COVID-19 is prompting or accelerating important trends in consumer behavior...



New way of shopping



New way of working



New way of interacting



New way of living

...and creating new opportunities for omnichannel CE retailers



New Role of Stores

- ▶ Room to inspire and explore
- ▶ Room for consultation and for building personal customer connections
- ▶ Hub to fulfil online orders
- ▶ Technology to augment in-store experience

Accelerated Omnichannel

- ▶ Bring in-store feeling to digital experience
- ▶ Close proximity to customer across all channels
- ▶ Robust technology back-bone to handle increased online volume
- ▶ Extended choice with marketplace

Extended Assortment

- ▶ Attractive health & fitness-related electronic products
- ▶ Competitive work-from-home assortment
- ▶ Technology for new customer groups such as schools, hospitality and senior residences

We have great assets at hand to succeed in this environment

2.4 bn

Customer touchpoints
per year
(Physical & digital)



4.2 €bn

Online sales



2

Leading brands in
CE retail



23m

Loyalty club
members



Note: All figures based on FY 19/20.

CECONOMY



**We have a clear vision
for the next phase
of our transformation**

“

OUR VISION

**Be the first choice
as the trusted retailer
for tailored solutions
in a tech-driven world**

”



3.1

HOW THE CE MARKET
IS EVOLVING

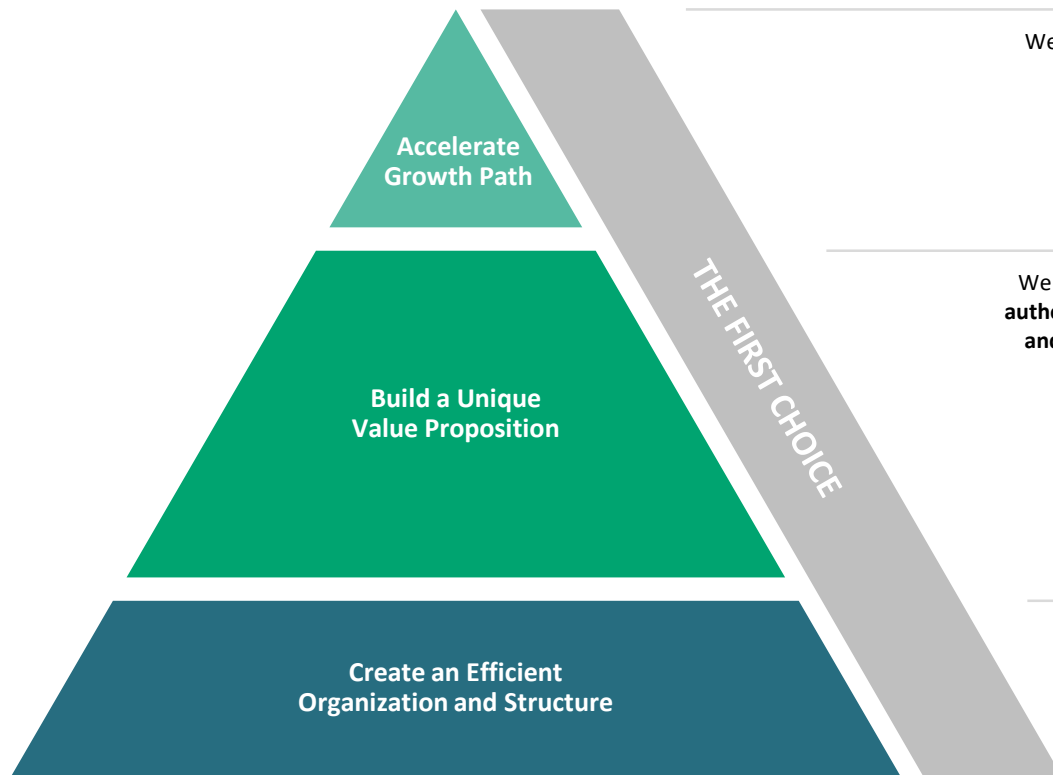
3.2

OUR WAY FORWARD

3.3

FINANCIAL AMBITION

Our way forward.

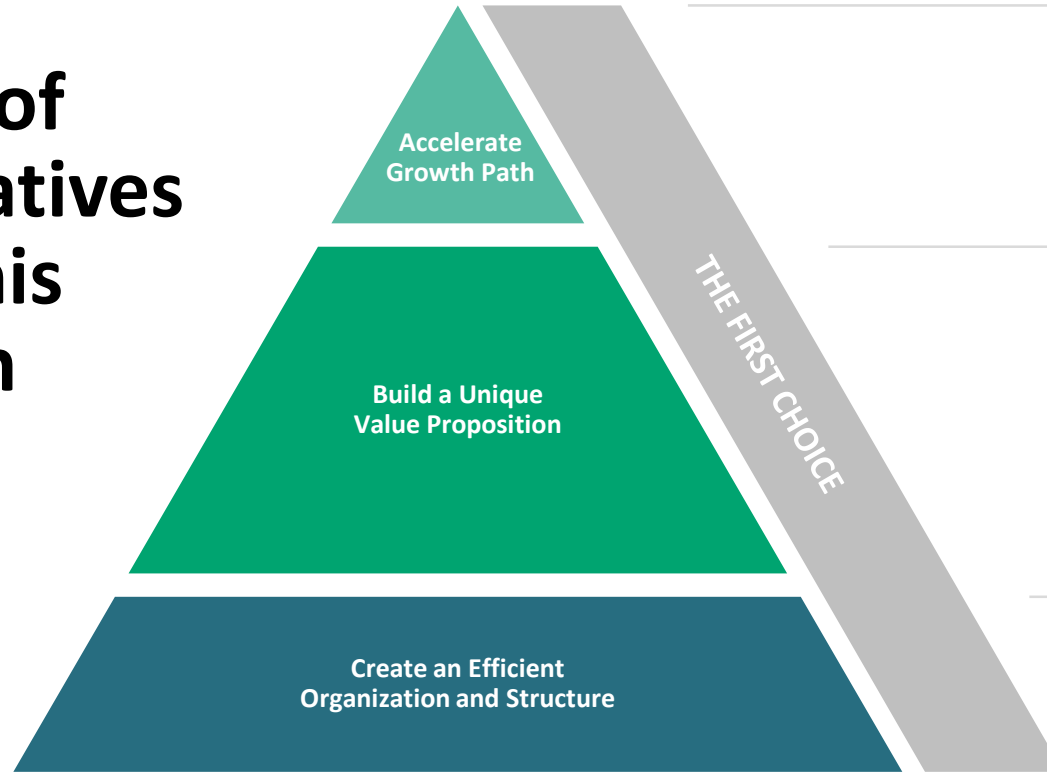


We will **expand our core business** and step into **new income pools**.

We will **strengthen our position as category authority**, and provide **superior convenience and experience** based on our **omnichannel model**.

We will further strengthen our **efficient operating model** as basis for our growth.

**A series of
key initiatives
brings this
ambition
to life.**



New Income Pools

Brand Positioning
Category Management
Services & Solutions
Seamless Omnichannel Experience

New Operating Model

Create an Efficient Organization & Structure



We continue to build Europe's largest omnichannel network as basis for our future growth

Our operating model cornerstones



Centralized & standardized organization

- ▶ Country organizations
- ▶ Store organizations
- ▶ Shared services



Global IT platforms

- ▶ Digital touchpoints
- ▶ Marketing/CRM
- ▶ Billing



Global logistics

- ▶ One inventory
- ▶ One transport

Benefits



Customer centricity



Cost efficiency



Scalability and fast implementation

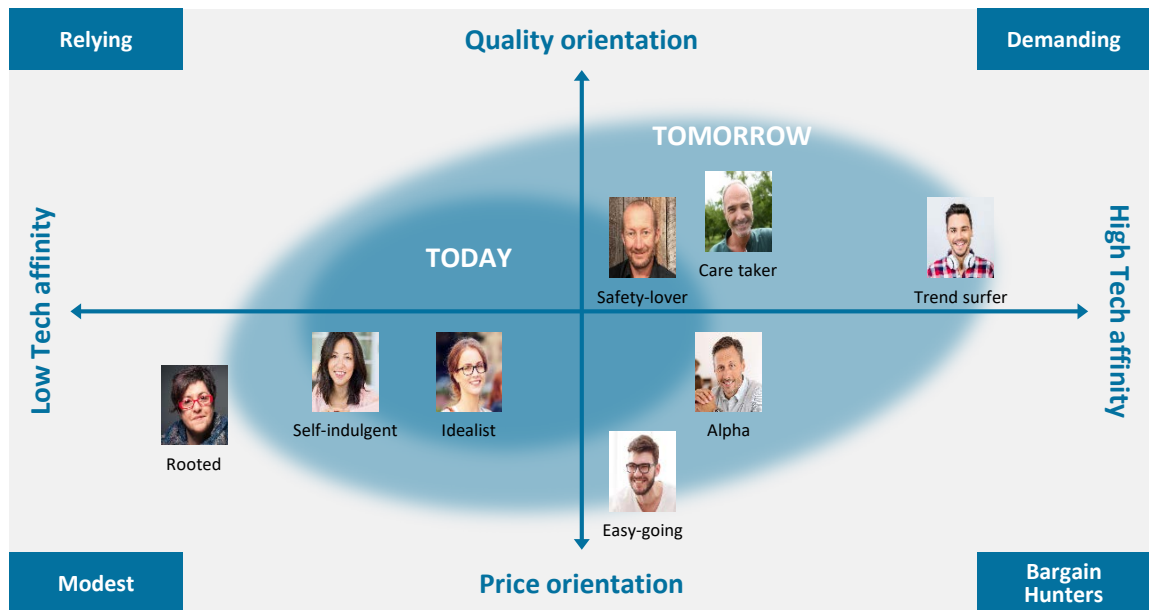
Build a Unique Value Proposition



Brand

We position our brand as category authority
with focus on quality and experience

Our customer segmentation



Our new brand positioning



Renowned specialist
for consumer tech



Superior convenience
and experience



Appeal to higher
value segments

CatMan

We offer the right assortment in the right channel at the right price based on data-driven customer insight

Our CatMan objectives



Curate our own customer-centric assortment, e.g. relevant accessories, valuable products for upselling



Ensure best-in-class availability, efficient **demand planning** and **stock management**



Ensure consistent and competitive pricing, e.g. through centralized and data-driven ways of working

Ambition FY 22/23



-30%
Store SKUs



+8%p.
Availability of Top 300



95%
Centralized pricing

CatMan

We expand our category offering to scale our core business

Our opportunity

Technology enters all aspects of our lives



Already implemented



Smart Home



Solar



Urban Mobility



Health & Wellness

(...)

Upcoming

Our Go-To-Market

We have the right prerequisites to scale



Marketplace

(High speed,
low investment)

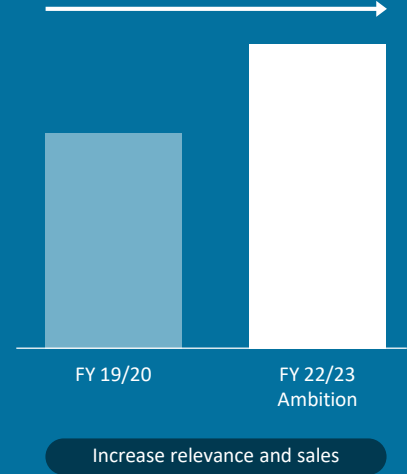


Omnichannel

(Experience &
advice in-store)

New category sales

+500 €m



CatMan

Our new approach and systems enable us to boost our private label

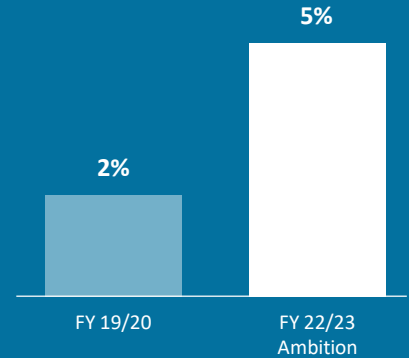


Centralized
category
management



Scalable
logistics

Private label sales share (in % of total sales)



S&S

We expand our Services & Solutions scope in-store and online

Our Service & Solutions priorities

01

Scale Services & Solutions offering

02

Online Services & Solutions attachment

03

Recurring revenue models

Examples



Cloud services, digital content

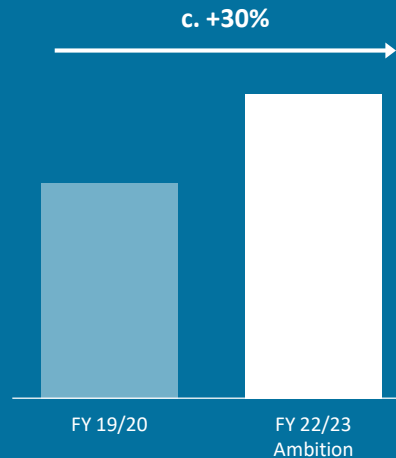


New service attachment layer



Extended warranties (G+, AppleCare+)

Service & Solutions sales



We heavily scale our digital business – with increasing profitability



Scaling the digital business...

- ▶ Data-driven improvement of digital customer journey
- ▶ Increase of traffic via optimized performance marketing (ROAS¹)
- ▶ Fast & convenient delivery

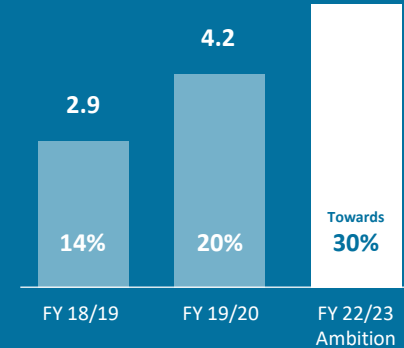
¹ROAS: Return on advertising spend.

...with increasing profitability

- ▶ Tailored offering based on data analytics
- ▶ Improved attachment features (services & accessories)
- ▶ Logistics optimization and higher pick-up ratio

Digital sales

(in €bn and % of total sales)

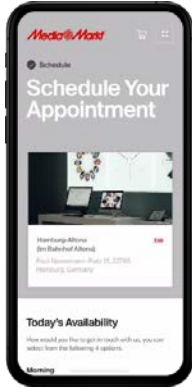


eCom

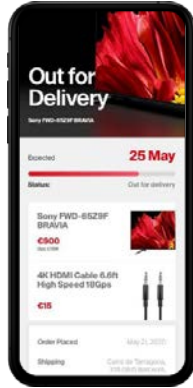
Our new consumer app is one major driver to scale our digital business



VR trial



Appointment scheduler



Delivery tracker

- ▶ Next-level **user experience** and **editorial content**
- ▶ **New features** along the entire customer journeys
- ▶ **Seamless integration** of accessories, services and loyalty program

Consumer app performance indicators



4.6
Rating in App store¹



5.7m
App downloads²

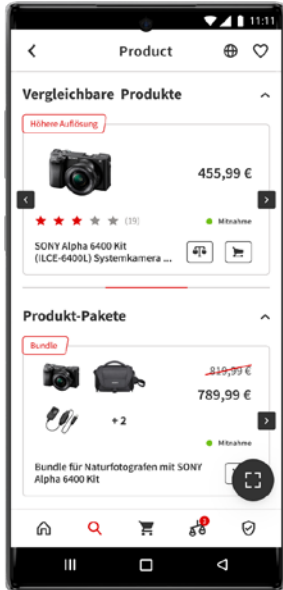


+22%
Average order value³

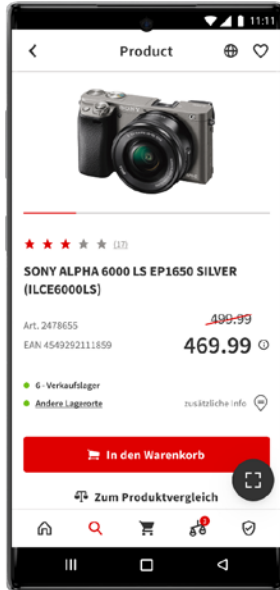
¹Apple App store, as of 1 Dec 2020. ²As of Oct 2020 across countries, based on 51% Android data and estimated for 49% iOS. ³Jun-Oct '20 vs. '19.

Stores

Our employee app enables our sales force to provide better advice and service to our customers in the stores



Product
comparison



Upselling,
bundling cross-selling

- ▶ Improved customer journey via better advice
- ▶ Upselling and attachment options
- ▶ Endless aisle and instant order triggering



Insights from DE launch



+24%
Service attach rate



+32%
Productivity in
customer interaction

Note: Launched in May '20, all figures show Jul-Oct '20 vs. '19.

Stores

Our stores will continue to be a key differentiator in our omnichannel strategy

Our new store portfolio approach



CORE (c.1,200-3,000sqm)

Availability, advice, service



c.1,750sqm¹



LIGHTHOUSE (>3,000sqm)

Inspiration and showroom



SMART (c.70-500sqm)

Convenience (Pick-up)



SHOP-IN-SHOP (c.400-1,100sqm)

Proximity

¹Target average store size.

Key takeaways



CORE stores will remain main format



New formats for experience and fulfillment



Increasing market penetration, NPS and productivity

Stores

Our new lighthouse format sets benchmarks in customer experience

Lighthouse store Milan Certosa – the “Technology Mecca”



Performance KPIs



+13p.
NPS



+38%
Sales

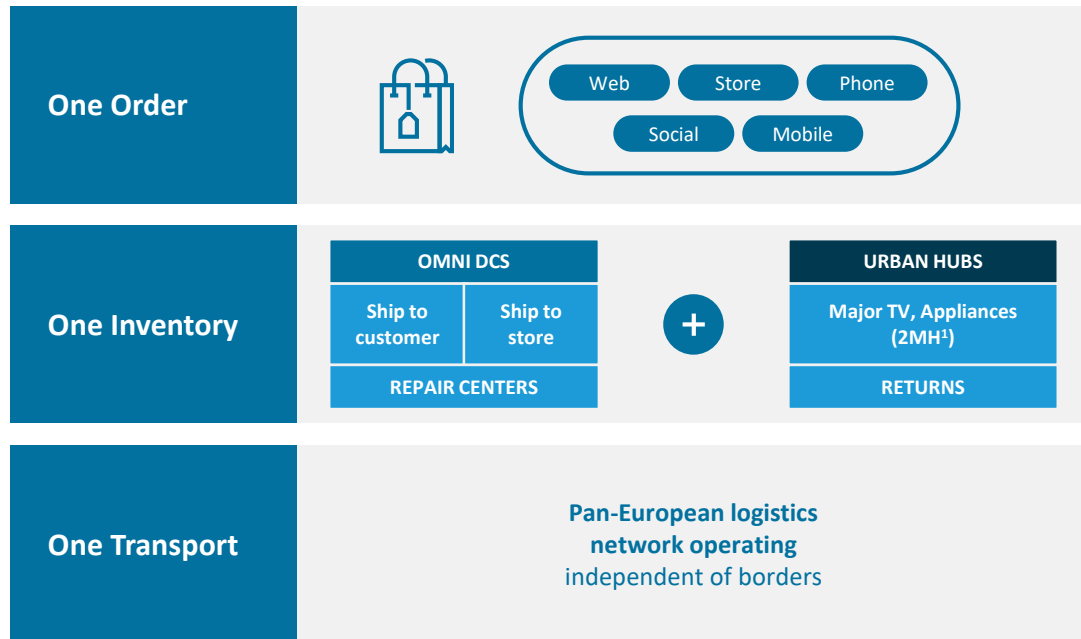


+2.8%p.
EBIT margin

Note: All figures show Jul-Oct '20 vs. '19.

Logistics

We are building Europe's largest omnichannel supply chain



¹Two-man handling.

Key takeaways



Higher customer satisfaction



State-of-the-art omnichannel network

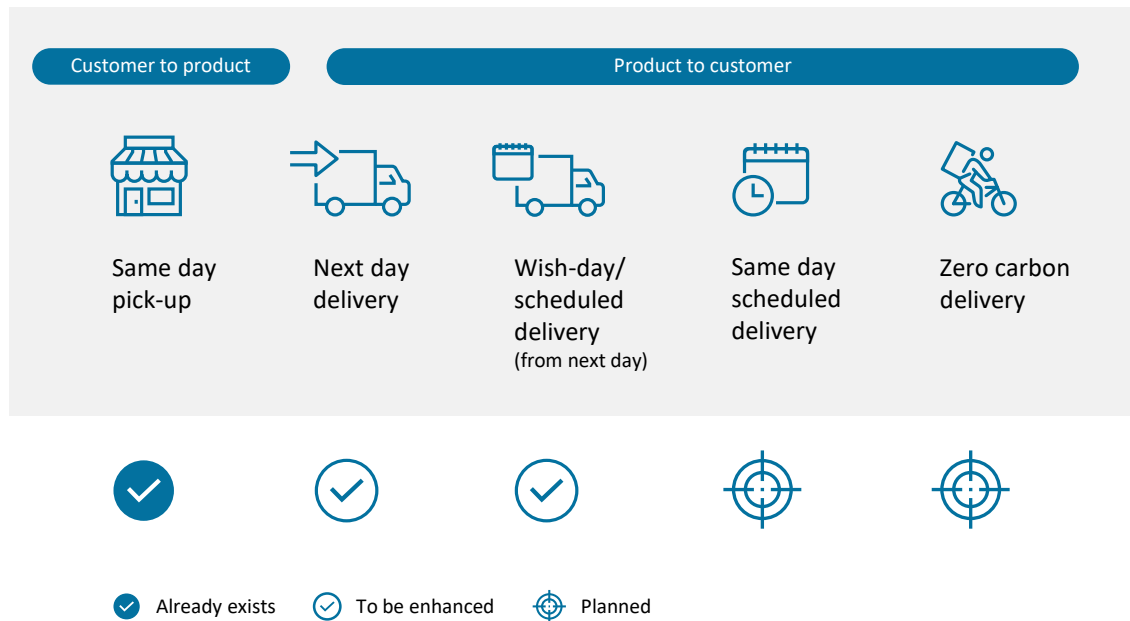


Enhanced capabilities and lower cost per unit

Logistics

Our delivery promise is geared towards maximum customer satisfaction

Our target delivery options



Achievements



+5p.

NPS related to delivery
from Apr to Nov '20



>80%

eCom parcels delivered
next day in Germany
since May '20

Accelerate Growth Path



New income pools

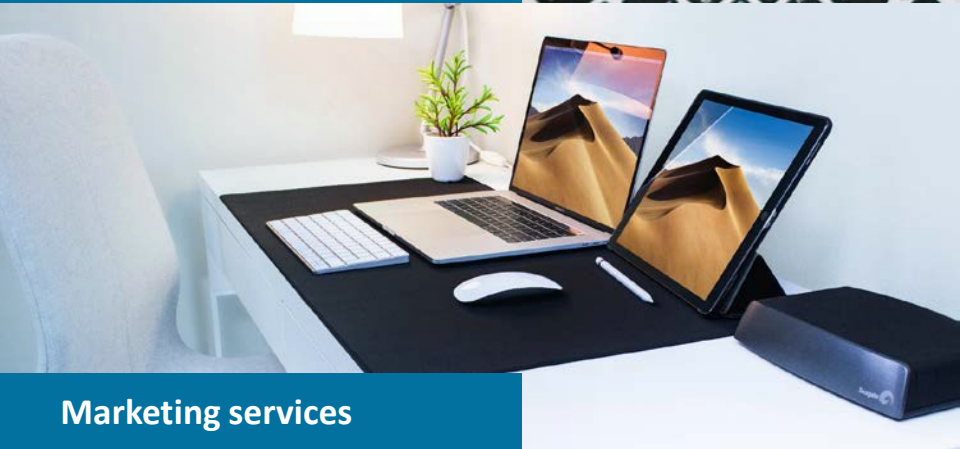
We build platforms for new income pools to accelerate our growth 2023+



Marketplace



B2B solutions



Marketing services



New membership club

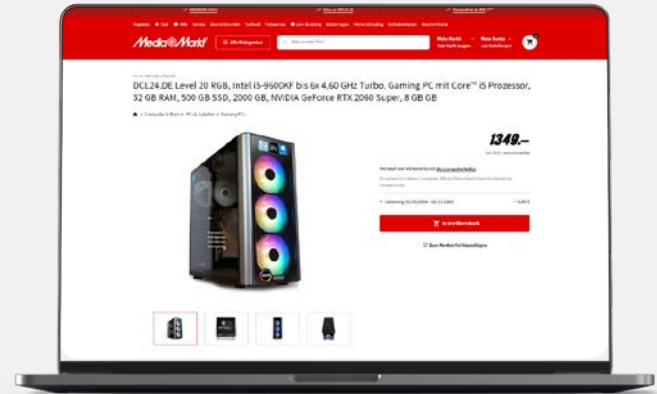
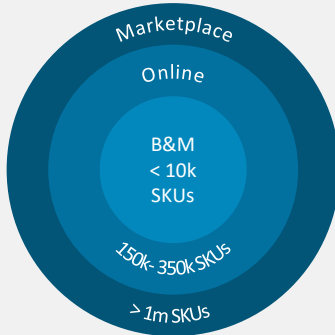
New income pools

Our marketplace makes us even more relevant for customers & suppliers

Opportunity

- ▶ Increase relevance to customers and suppliers
- ▶ Boost organic traffic
- ▶ Push own retail and services sales
- ▶ Test new categories / products

Strategy



Key takeaways

Test phase since July:

- ▶ Onboarded >70 sellers with >50k SKUs
- ▶ Successfully filled existing gaps in several categories and significantly increased time-to-market for innovations



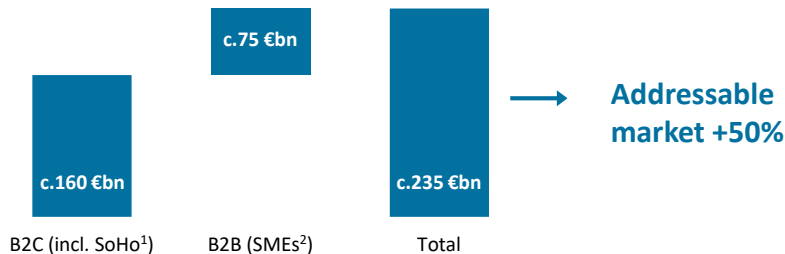
> 1 €bn

GMV opportunity by 2025

New income pools

We will expand our B2B business and step into the SME² segment

Opportunity (indicative)



Strategy

- ▶ Dedicated B2B organization, marketing and go-to-market
- ▶ Solutions tailored to SMEs²
- ▶ Customer retention through recurring revenue models

Source: IDC MarketScape.

¹SoHo: Small office, Home office (<25 employees). ²SME: Small and Medium Enterprise (25-250 employees).



Key takeaways

- ▶ Strong position in SoHo¹ segment
- ▶ Dedicated B2B store employees in c. 500 stores
- ▶ SMEs² as opportunity to scale our B2B business



> 1 €bn
opportunity
by 2025

New income pools

We monetize our advertising space through marketing services

Opportunity



Germany

Top 3 eCom destination in Germany¹

Strategy

- ▶ Online & offline advertising space monetization



Europe

Display internet advertising market 2020²

- ▶ Expanded partnerships with suppliers

¹Referring to the MediaMarkt and Saturn webshop combined. Source: EHI – E-Commerce Markt Deutschland 2020.
²PwC Global Entertainment & Media Outlook 2020–2024, includes DE, AT, CH, ES, IT, NL, BE, PO.



Key takeaways

- ▶ Head start into ecosystem through relationships with key media agencies and suppliers
- ▶ Leading marketing services team established with proven track record to launch in 2021

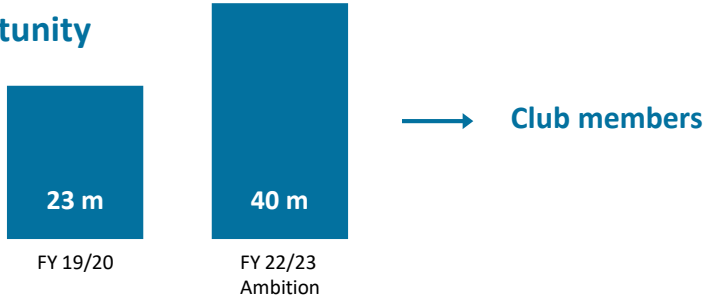


> 0.5 €bn
opportunity
by 2025

New income pools

Our new membership club creates a completely new service offering

Opportunity



Strategy

- ▶ Redesign and relaunch of membership club
- ▶ Easy sign-up freemium model with tiered benefits
- ▶ Highly personalized offering of digital content



Key takeaways

- ▶ Existing loyalty program led to significant performance uplift
- ▶ Our new membership club will take loyalty performance to the next level



> 1 €bn
opportunity
by 2025

We have set out a roadmap with clear priorities and will take you along the transformation journey

		FY20/21	FY21/22	FY22/23
Create an Efficient Organization	New Operating Model	Implement centralized & standardized org structure incl. shared service center	Centralize further activities (e.g. Finance/ HR), realize PEX & indirect spend savings	→
Build a Unique Value Proposition	Category Management	Launch CatMan concept in countries, new categories	Roll-out of modularization , accelerating reduction of SKUs , increasing scale-up of private label sales	→
	Services & Solutions	Scale service across countries, roll-out new services (e.g. cloud)	Increasing customer relationships with recurring revenues , additionally scale-up of services@home and after sales	→
	Omnichannel	Roll new webshop to countries, test new store formats	Implement enhanced x-channel customer journeys , roll-out new store formats and standardized core format	→
	Logistics	Deploy new logistics backbone in Germany & Netherlands	Deploy one inventory / one transport across countries, introduce new enhanced delivery options for customers	→
Accelerate Growth Path	New Income Pools	Scale marketplace and new B2B approach in Germany	Expand marketplace and new B2B approach to other countries, launch marketing services and roll-out new membership club	→



Key success factors for our way forward

01

We have the right team
on board.

02

We have demonstrated
our **ability to execute.**

03

We have strong
growth opportunities.

04

We will build the **biggest
omnichannel platform**
in Europe.



3.1

HOW THE CE MARKET
IS EVOLVING

3.2

OUR WAY FORWARD

3.3

FINANCIAL AMBITION

Our financial ambition for FY 22/23

- ▶ Market share gains
- ▶ Gross margin uplift
- ▶ Ongoing EBIT margin improvement
- ▶ Return to normalized CAPEX level
- ▶ Positive FCF development

¹Adj. for portfolio change effects.

²Adj. for portfolio changes, excl. non-recurring effects and associates.



>22 €bn

Group sales¹



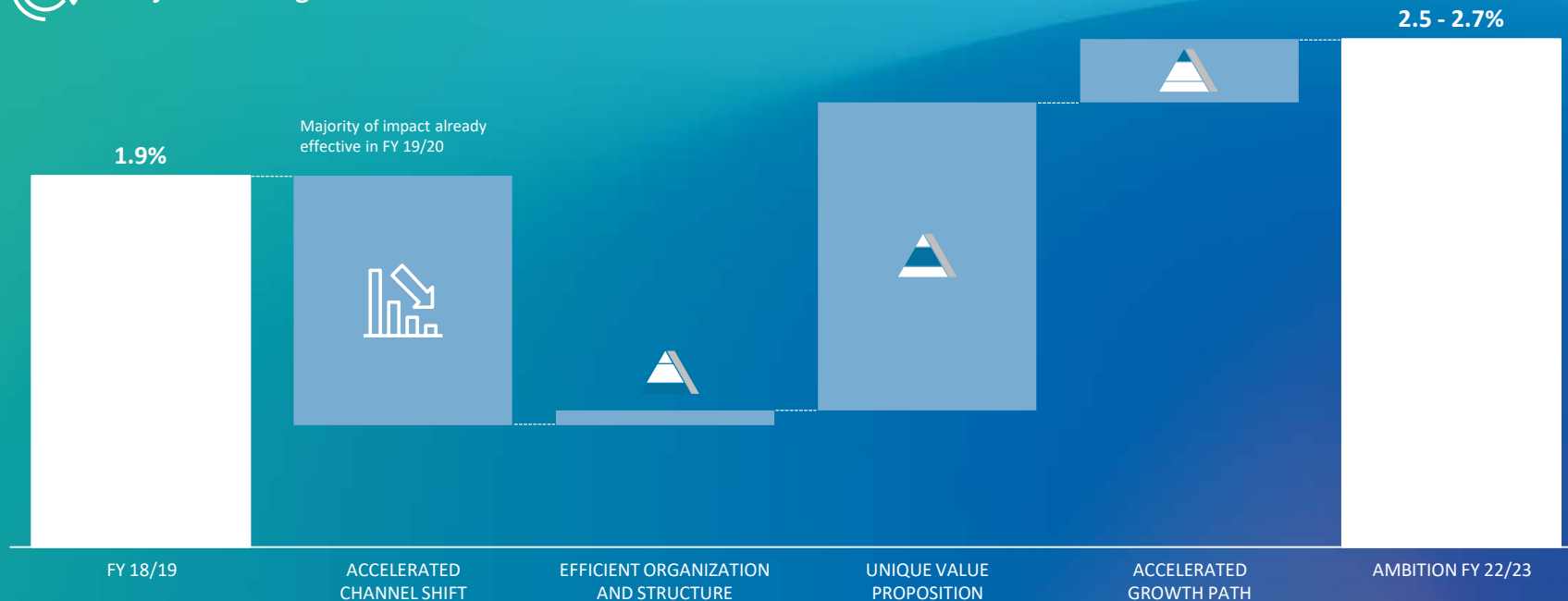
2.5 - 2.7%

Adj. EBIT² margin

This is the expected impact of the strategic initiatives on our Group financials



Adj. EBIT¹ margin



¹Adj. for portfolio changes, excl. non-recurring effects and associates.

We have analysed different post-COVID-19 macro scenarios



Base Scenario (FY 22/23)

- ▶ Mild recessions in some countries
- ▶ Accelerated channel shift

2.5 - 2.7%

Adj. EBIT¹ margin



Upside Scenario (FY 22/23)

- ▶ Strong consumer climate
- ▶ Moderate channel shift

+20bps



Downside Scenario (FY 22/23)

- ▶ Deeper COVID-19-related recession
- ▶ More pronounced channel shift

-20bps

¹Adj. for portfolio changes, excl. non-recurring effects and associates.

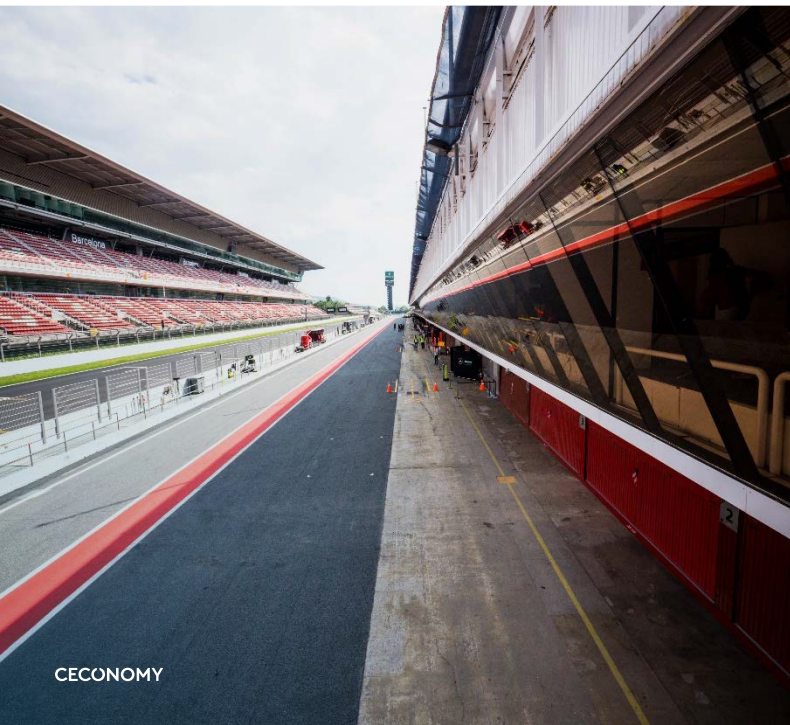


Our capital allocation policy

- ▶ We invest to grow our business.
- ▶ We recognize the importance of dividend payments to shareholders.
- ▶ One condition of the KfW loan is the suspension of dividend payments for the duration of the credit facility.
- ▶ We intend to consider future dividend payments with a clearer view on the macro environment and COVID-19 impacts on the business.

Our set of KPIs to track our progress

- Accelerate Growth Path
- Create an Efficient Organization & Structure
- Build a Unique Value Proposition



CECONOMY

KPI

Marketplace
GMV



AMBITION

KPI

Sales uplift
new categories



AMBITION

KPI

B2B
sales share



AMBITION

KPI

Marketing
services uplift



AMBITION

KPI

Pick-up
ratio

39%

FY 19/20



AMBITION

KPI

Online
transactions

24m

FY 19/20



AMBITION

KPI

Service &
Solutions
income uplift



AMBITION

KPI

Total contracts



AMBITION

KPI

Smartbar
repairs

600k

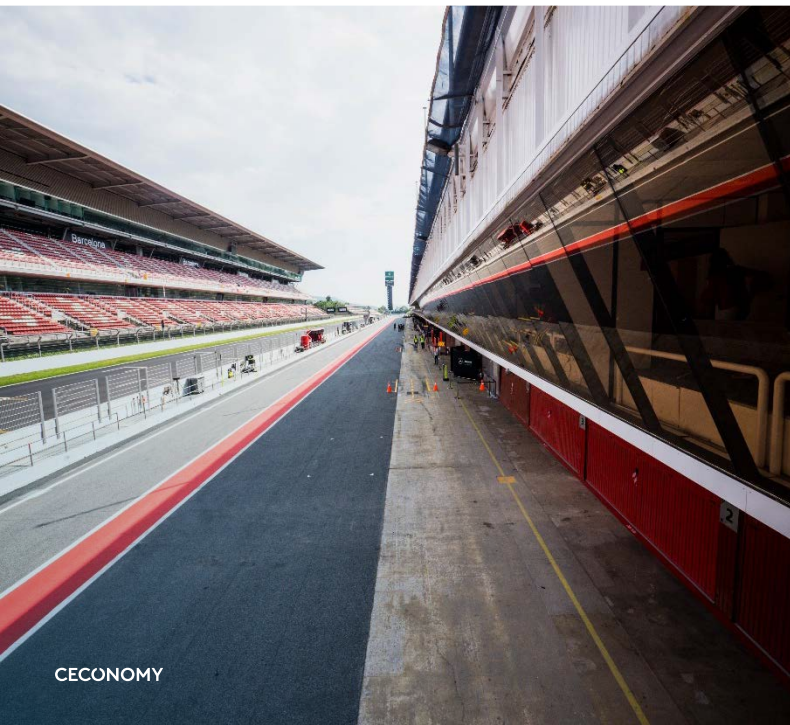
FY 19/20



AMBITION

Our set of KPIs to track our progress

- Accelerate Growth Path
- Create an Efficient Organization & Structure
- Build a Unique Value Proposition



CECONOMY

KPI

Availability
Top 300

89%

FY 19/20



AMBITION

KPI

Share of central
inbound



AMBITION

KPI

Loyalty
members

23m

FY 19/20



AMBITION

KPI

NPS

42

FY 19/20



AMBITION

KPI

Location
costs in %
of sales

4.6%

FY 19/20



AMBITION

KPI

Average
store size

2,601m²

FY 19/20



AMBITION

KPI

New Operating
Model savings

5 €m

FY 19/20



AMBITION

We also have ambitious sustainability targets for FY 22/23 (Examples)

0

Zero direct carbon
emissions of own
operations (scope 1+2)

>80%

Sales supplier-audited
for labor and human rights
compliance

>2x

Number of sustainable
products in our assortment
vs. today



1

REVIEW

2

FY 2019/20

Results & Outlook

3

STRATEGY UPDATE

Becoming the first choice

4

SUMMARY



We delivered again a successful peak season so far despite COVID-19 restrictions

- ▶ We stretched out the peak trading period and executed successful pre-Black Friday campaigns (Singles Day, Black November, Black Week)
- ▶ Black week including Cyber Monday was very strong on the back of an already successful 2019 campaign
- ▶ Online was the main sales driver reaching a sales share of roughly 30%
- ▶ Demand for in-store services impacted by declining B&M traffic and COVID-19-related restrictions



Why to invest in CECONOMY?

01

We operate in an **attractive market** fuelled by innovation and increasing demand for solutions.

02

We are the **leading category authority** with great assets to succeed in the **omnichannel world**.

03

We have the **right platform** to expand into new income pools and accelerate our growth path.

04

We have a **sizeable EBIT improvement** potential over a tangible time horizon.

Q&A



Dr Bernhard Düttmann
CEO



Karin Sonnenmoser
CFO



Ferran Reverter
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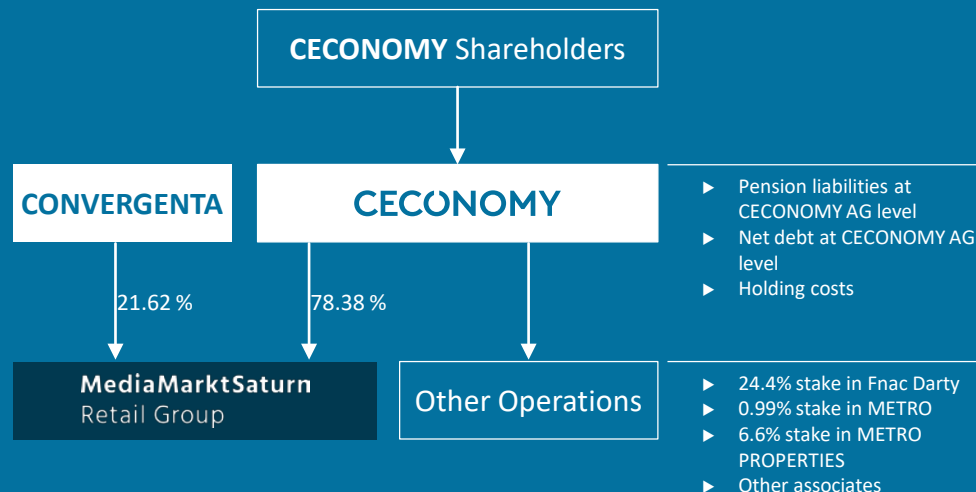
EMAIL IR@ceconomy.de

<https://www.ceconomy.de/en/investor-relations/>



Basis of valuation/exchange ratio: see-through approach and values

Structure



See-through perspective

CECONOMY market cap [based on 3M VWAP] c. 1,500 €m

+ Liabilities and costs at CECONOMY AG level c. 730 €m

— Other operations c. 330 €m

= See-through value of 78.38% stake in MediaMarktSaturn c. 1,900 €m

Details on consideration components

125.8m new ordinary CECONOMY shares to be issued c. 525¹ €m

- ▶ New ordinary CECONOMY shares against contribution in kind
- ▶ To be issued under exclusion of the subscription rights of the current shareholders
- ▶ The new ordinary shares are subject to a lock-up period of 6 months from the date of closing, at the latest until end of 2021, except four percent of the ordinary shares issued by CECONOMY
- ▶ Stand-still undertaking from Convergenta for a period of 6 months from the date of closing, at the latest until end of 2021

New CECONOMY convertible bonds c. 160² €m

- ▶ New CECONOMY convertible bonds against contribution in kind
- ▶ To be issued under exclusion of the subscription rights of the current shareholders
- ▶ Convertible into up to 27.9 million CECONOMY shares initially
- ▶ Maturity: 5 Years
- ▶ Interest: 0.05% p.a.
- ▶ Conversion right: Anytime after issuance
- ▶ Conversion premium: 30%³; initial conversion price: 5.42 €

Cash component of 130 €m

- ▶ 1st tranche: 80 €m payable upon closing
- ▶ 2nd tranche: 50 €m payable at the latest by end of 2023

¹3-months VWAP of CECONOMY shares 4.17 €. ²Issue price; nominal amount 151 €m. ³Over 3-months VWAP.
CECONOMY

Sales & number of stores by country

	Sales (€m)	
	FY 18/19	FY 19/20
Germany	10,472	10,155
Austria	1,150	1,203
Switzerland	578	591
Hungary	364	375
DACH	12,565	12,323
Belgium	697	698
Greece	193	40
Italy	2,157	2,060
Luxembourg	65	56
Netherlands	1,495	1,546
Portugal	151	160
Spain	2,050	1,871
Western/S. Europe	6,807	6,431
Poland	970	912
Turkey	596	699
Eastern Europe	1,567	1,611
Sweden	439	460
Others	516	465
CECONOMY	21,455	20,831

30/09/2019	Number of Stores		30/09/2020
	Openings	Closures	
431	–	–6	425
52	1	–	53
26	–	–1	25
32	–	–	32
541	1	–7	535
27	–	–	27
12	–	–12	0
117	1	–1	117
2	–	–	2
49	1	–	50
10	–	–	10
88	–	–	88
305	2	–13	294
90	–	–2	88
78	–	–	78
168	–	–2	166
28	–	–	28
28	–	–	28
1,042	3	–22	1,023

Financial calendar

Q1 2020/21 results 9 FEBRUARY 2021 →	Annual General Meeting 17 FEBRUARY 2021 →	Q2/H1 2020/21 results 11 MAY 2021 →
Q3/9M 2020/21 results 12 AUGUST 2021 →	Q4/FY 2020/21 trading statement 26 OCTOBER 2021 →	FY 2020/21 results 14 DECEMBER 2021 →

Upcoming events

**Baader Bank
Virtual Investor
Meetings**

16 DECEMBER 2020



**Bryan Garnier
Virtual Investor
Meetings**

17 DECEMBER 2020



**Rothschild
Virtual Investor
Meetings**

18 DECEMBER 2020



**BofA Securities
SMID Cap
Conference**

13 JANUARY 2021



**KeplerCheuvreux
& Unicredit
20th German Corporate Conference**

20 JANUARY 2021



CECONOMY