

CECONOMY



General Meeting 2021

17 February 2021

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Historical financial information contained in this presentation is mostly based on or derived from the consolidated (interim) financial statements for the respective period. Financial information with respect to the business of MediaMarktSaturn Retail Group is particularly based on or derived from the segment reporting contained in these financial statements. The information contained in this presentation may comprise financial and similar information which is neither audited nor reviewed and should be considered preliminary and subject to change.

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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.

Our financial year 2019/20 was...

**...challenging and
directional.**

Overall, it was characterized by light and shade – but we successfully mastered this situation



OCTOBER 19 - FEBRUARY 20

Pre-COVID

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



MARCH 20 - MAY 20

Lockdown Phase

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



JUNE 20 - SEPTEMBER 20

Post-Lockdown

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

In conclusion, despite COVID-19 implications, we have shown a robust performance in FY 2019/20



-1.8%

Sales¹ development



20.8 €bn

Total Sales¹



236 €m

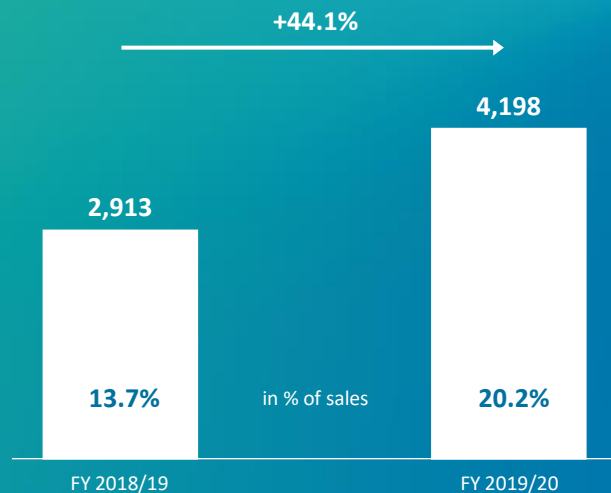
Adj. EBIT² excl. associates

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.

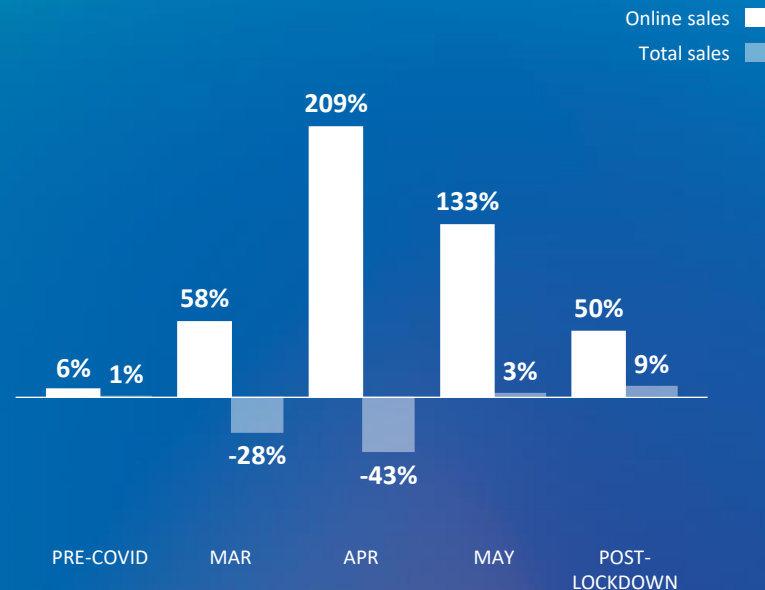
Accelerated growth in online business driven by COVID-19



Online sales¹
(in €m)



Online sales¹ vs. total sales² growth
(yoy change)

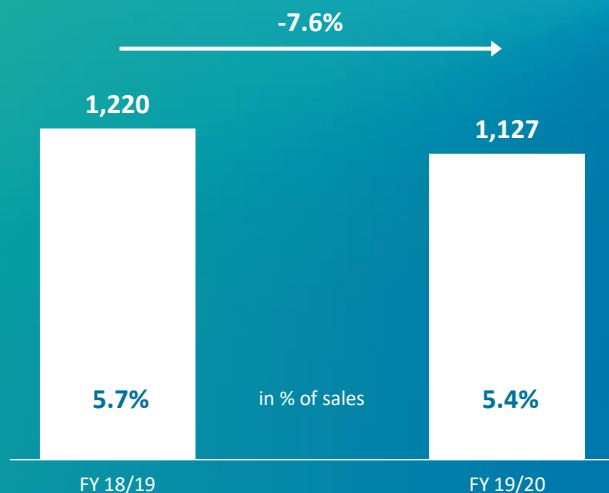


Note: Pre-COVID period: Oct 2019-Feb 2020; Post-Lockdown: Jun-Sep 2020. ¹Excl. Greek MediaMarkt business (portfolio adjustment). ²Adj. for currency and portfolio change effects.

Services & Solutions sales impacted by COVID-19, but still with plenty of potential



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



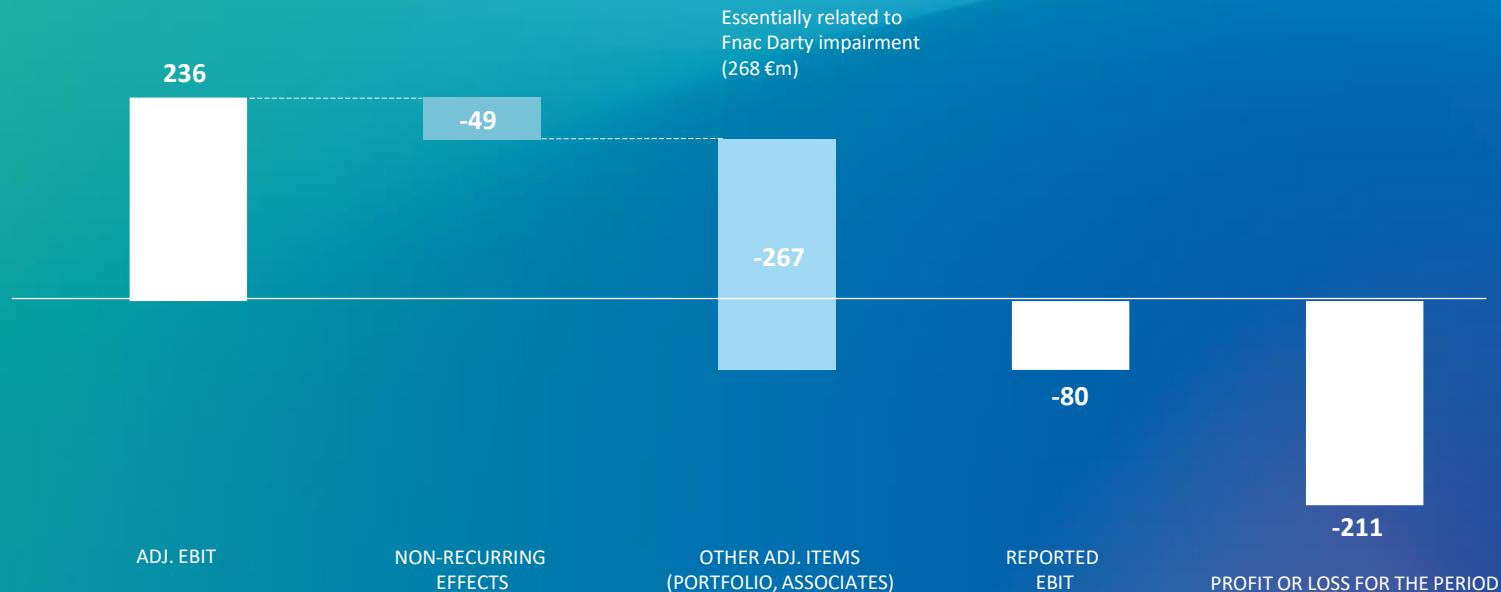
Financing impacted by COVID-19-related store closures and reduced 0% interest offers

¹Excl. Greek MediaMarkt business (portfolio adjustment).

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.



We are coming out of the last financial year with a lot of **confidence and tailwind**.

The pandemic was both a test and an opportunity driver for us.

Today, we are no longer the company we were before the beginning of 2019. **We have made great strides in a relatively short time.**

Strong first quarter of the new financial year despite increasing COVID-19-related restrictions and local temporary store closures



+11.4%

Sales¹ development



346 €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, (2) the introduction of the new Operating Model and (3) transaction costs related to acquisition of minority shareholding in MediaMarktSaturn.

Outlook for the rest of FY 2020/21, however, subject to significantly increased uncertainties due to prolonged temporary store closures



Initial assumptions¹

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



Knowns

- ▶ Q1 results are a major step to reach FY guidance
- ▶ In- and outbound logistics impacted



Unknowns

- ▶ Duration of the pandemic & associated length of temporary store closures
- ▶ General conditions of possible openings (incidence 35)
- ▶ Possible effects on consumer demand



Current situation²

- ▶ Recent decisions of the Länder conference in Germany have led to additional uncertainties
- ▶ Therefore: Suspension of the original outlook for the financial year 2020/21

¹As communicated on 15 December 2020. ²As communicated on 11 February 2021.

In the last financial year, we have also set a decisive course for the future

Strategy update

**Transaction with
Convergenta**

In 2019, we have already done a reset and put the focus on relentless execution



**OMNI-
CHANNEL**



**SERVICES &
SOLUTIONS**

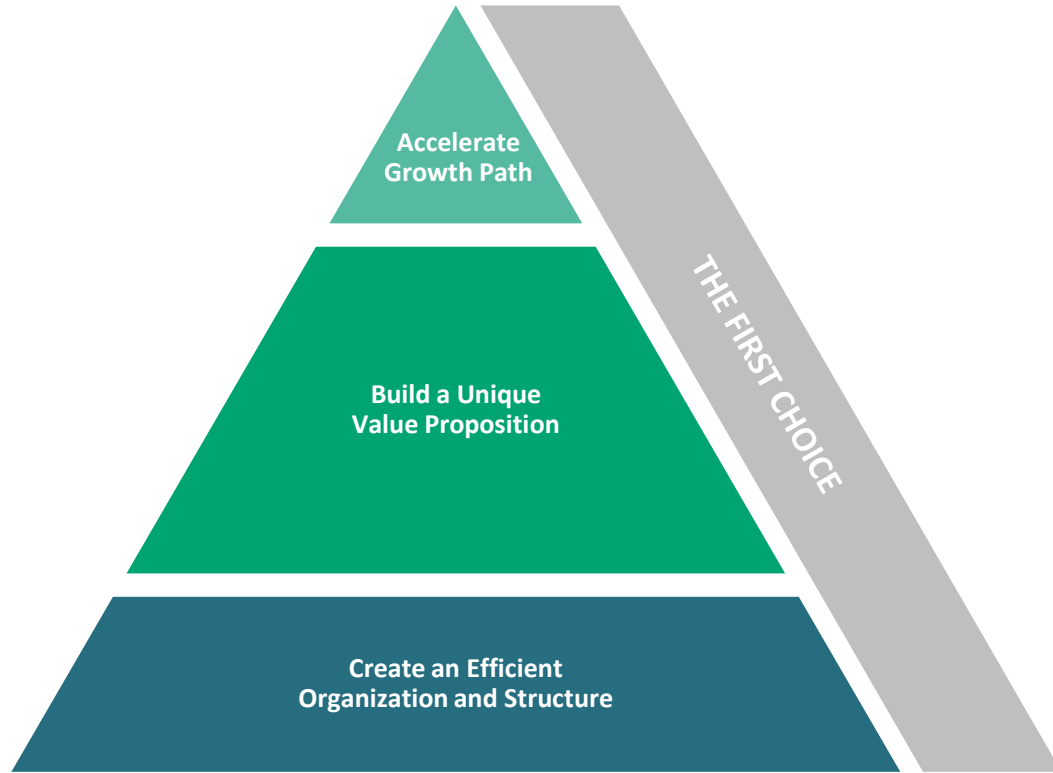


**CATEGORY &
SUPPLY CHAIN
MANAGEMENT**



**ORGANIZATION &
COST STRUCTURES**

Strategy update: Our way forward



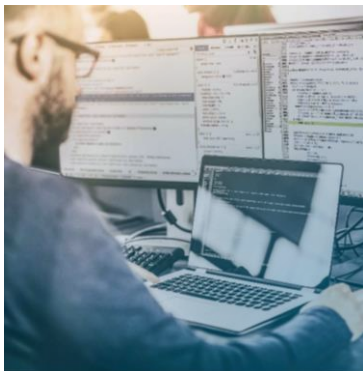
We continue to build Europe's largest omnichannel network as basis for our future growth

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

Already implemented:



Reorganization & Efficiency Program 2019

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



Category Management



Services & Solutions



Omnichannel experience



Logistics

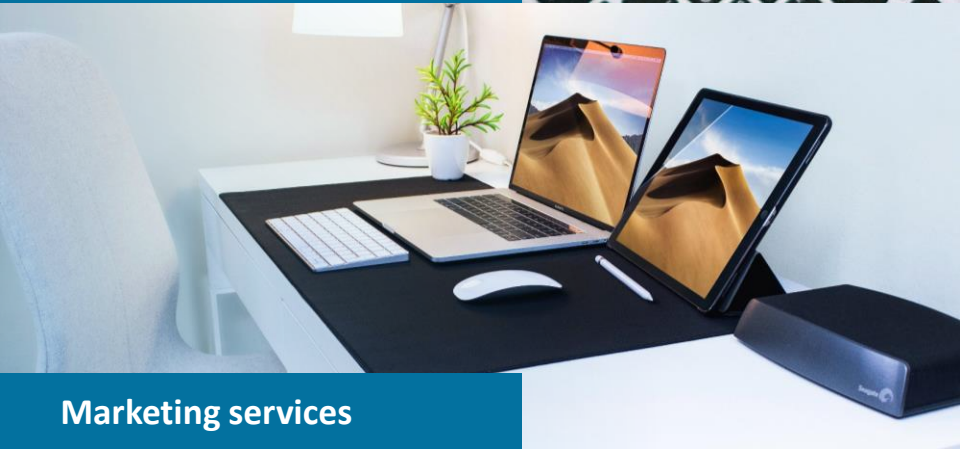
We build platforms for new income pools to accelerate our growth



Marketplace



B2B business



Marketing services



New membership club

Sustainability moves further into focus

Environmental

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

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

Social

▶ **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

Governance

▶ **97%**
Imtron production sites audited for labor and human rights protection

¹In terms of Scope 1 and 2.

In the last financial year, we have also set a decisive course for the future

Strategy update

**Transaction with
Convergenta**

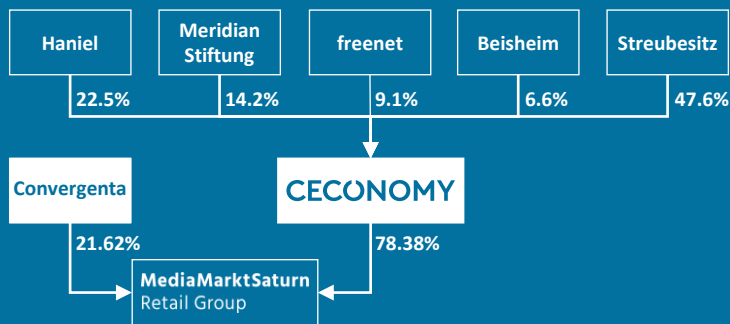


Message from Jürgen Kellerhals

„Our agreement marks a new stage of long-term cooperation.

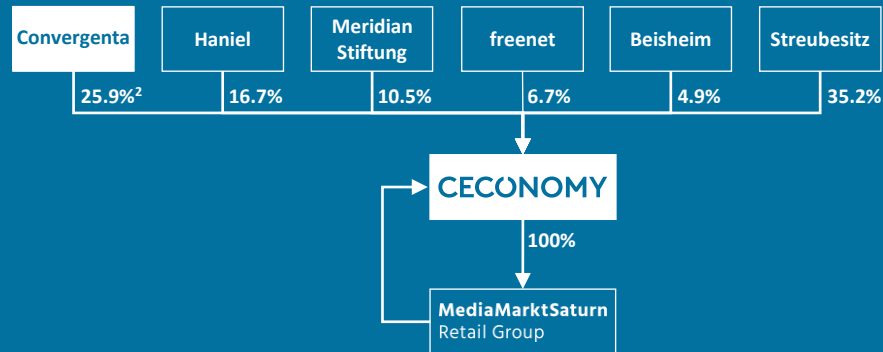
Convergenta wants to continue to accompany the company's successful path.“

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



Current situation based on voting rights

Post-closing situation based on voting rights¹



¹ The percentage figure relates to the share capital. ²Convergenta can increase its shareholding further by exercising the conversion right of the convertible bonds via conversion of new convertible bonds. This corresponds to Convergenta's CECONOMY intention of becoming a long-term anchor shareholder with a stake of up to 29.9% of ordinary shares.

Analyst comments after the announcement of the Convergenta transaction on 14 December 2020

*"In our view, the **price paid** (EUR815m total consideration) is **reasonable**."*

Exane BNP Paribas, 18 December 2020



*"This is a **game-changer for the group** as it means **simplification**, an **easier decision making processes** and, finally, it **unlocks values** within the group (for example, the use of tax loss carried forward)."*

Baader Helvea Equity Research, 18 December 2020

*"By reaching an **agreement** with the **Kellerhals family**, **sooner-than-expected** and with a **more attractive valuation** than feared, **Ceconomy responded to a long-standing investors' concern** related to governance."*

Bryan, Garnier & CO, 18 December 2020

*"**Long awaited agreement** reached with **Convergenta** on the MMS stake. Convergenta to become minority CEC shareholder."*

HSBC, 17 December 2020

*"This **simplifies the structure**, which is **more than welcome**, and **optimises the tax structure**."*

Kepler Cheuvreux, 15 December 2020

Company valuation of Media-Saturn-Holding GmbH (MSH)

in €m

DISCOUNTED CASHFLOW CALCULATION – MSH

	2020/21 (Proj.)	2021/22 (Plan)	2022/23 (Plan)	from 2023/24 (TV ¹)
EBITDA	907.5	1,268.5	1,323.5	1,330.1
After deduction of fictitious corporate taxes, capital expenditures, change in NWC and profit attributable to non-controlling shareholders:				
Free cash flow to be discounted	35.2	264.8	284.5	443.1

CALCULATION MARKET VALUE CONVERGENTA-SHARE

Enterprise value as of 30 September 2020 **6,294.6**

After deduction of net debt and profit participation right of CECONOMY 2019/20:

Market value of **equity** as of 30 September 2020, before special values **3,775.5**

Plus shareholdings:

Market value of **equity** as of 30 September 2020, after special values **4,022.0**

Market value of **equity** as of 17 February 2021, after special values **4,177.0**

Market value share of **Convergenta Invest** as of 17 February 2021 (21.62%) **903.1**

Present value of minimum synergies from transaction **444.0**

Market value share of Convergenta Invest incl. minimum synergies as of 17 February 2021 **1,347.1**

Company valuation of CECONOMY

in €m

DISCOUNTED CASHFLOW CALCULATION – CECONOMY

	2020/21 (Proj.)	2021/22 (Plan)	2022/23 (Plan)	from 2023/24 (TV ¹)
EBITDA	907.5	1,268.5	1,323.5	1,330.1
After deduction of fictitious corporate taxes, capital expenditures, change in NWC and profit attributable to non-controlling shareholders:				
Free Cashflow to be discounted	0.0	235.6	255.3	411.9

CALCULATION FAIR VALUE EQUITY CECONOMY

Total enterprise value as of 30 September 2020, before special values **5,804.2**

After deduction of net debt:

Fair value of equity of CECONOMY as of 30 September 2020, before special values **2,706.6**

Plus shareholdings:

Fair value of **equity** of CECONOMY as of 30 September 2020, after special values **3,339.8**

Fair value of **equity** of CECONOMY as of 17 February 2021, after special values and before deduction of market value Convergenta Invest share **3,468.6**

Fair value of equity attributable to shareholders of CECONOMY as of 17 February 2021 **2,565.5**

Assessment of the appropriateness of the issue price

CECONOMY DCF VALUE PER SHARE OF EXISTING SHAREHOLDERS BEFORE TRANSACTION

Equity value of CECONOMY (in €m)	2,565.5
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Number of shares before transaction (in mio.)	359.4
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CECONOMY value per share (in €)	7.14
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REASONABILITY CHECK BASED ON CECONOMY STOCK EXCHANGE VALUE

CECONOMY stock exchange value, 3M VWAP – 11 december 2020 (in €m)	1,498.8
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Number of shares before transaction (in mio.)	359.4
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CECONOMY value per share (in €)	4.17
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DCF value per share after transaction

CECONOMY DCF VALUE PER SHARE AFTER TRANSACTION

Equity value of CECONOMY (in €m)	2,565.5
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Plus value of MSH minority share incl. minimum synergies and after deduction of cash component:	
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Equity value of CECONOMY after transaction (in €m)	3,782.6
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CECONOMY value per share (in €)	7.37
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Value inflow from capital increase through contributions in kind and convertible bonds

Value of the MSH minority interest incl. minimum synergies (in m€)	1,347.1
After deduction of cash component:	
Value inflow (in €m)	1,217.1
Value of consideration (in €m)	1,057.9



Summary

01

We operate in an attractive market

02

We have excellent foundations through our omnichannel model

03

We have laid the right foundations for further transformation

04

We have a lot of potential for growth



**Thank you,
Jürgen Fitschen**

CECONOMY