

CECONOMY

CECONOMY AG “Equity Story”

Investor Presentation,
August 2018



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CECONOMY at a glance: Europe's largest CE platform

CECONOMY acts as a platform that brings together various businesses, concepts, formats and brands active in the area of Consumer Electronics. All these activities are based on a customer community monetisation business model.

We are the

No. 1

in Europe



22.2

bn € sales

704

m € EBITDA



2.4

bn € online sales

1.4

bn € services & solutions sales



65,000

employees across Europe



Present in

15

countries



6.2

m

daily customer contacts



Note: All figures before special items and based on FY 2016/17.

What we have achieved so far in FY 2017/18



Recovery of unexpected Q1 EBIT/DA decline



Strong growth in **Online** with sustained **high pick-up rate**



Accelerated growth in **Services & Solutions** helped by roll-out of “smart bars”



Substantial **earnings improvement in Italy**



Resolved 3 out of 4 **portfolio issues**: redcoon, Russia, and Turkey



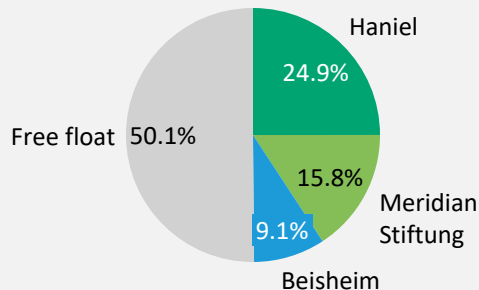
Agreement to set up the **European Retail Alliance**



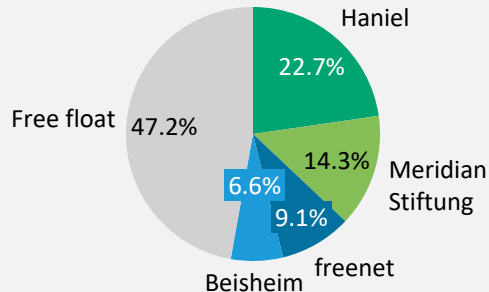
**Further progress
envisaged for the
coming years**

CECONOMY executed 10% capital increase with freenet AG joining as new anchor investor

Pre-transaction structure based on voting rights*



Post-transaction structure based on voting rights*



* Calculated on the basis of the number of voting rights in disclosures pursuant to section 40 para. 1 sentence 1 WpHG

Highlights

- // Issuance of around 32.6m new ordinary shares (approx. 10% of the former share capital) under exclusion of subscription rights
- // New total number of voting rights: 356,743,118
- // freenet AG acquired all newly issued shares in a private placement at €8.50 per share
- // Proceeds of around €277m used to strengthen the balance sheet increase the financial power for the continued implementation of the strategic agenda
- // Successful and long-term partnership between MediaMarktSaturn and freenet's wholly owned subsidiary Mobilcom-Debitel for more than 25 years

Our agenda for the upcoming months



Growth

- // Further drive online sales
- // Execute a number of closely steered sales-oriented actions
- // Continue preparations for Black Friday in close partnership with suppliers



Services & Solutions

- // Full roll-out of “smart bars” until end of 2018
- // Expand financial services and insurance products
- // Launch care plans in countries other than BeNeLux



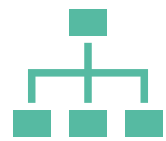
Free cash flow focus

- // Aim to reduce €250m net costs in total over 5 years
- // Sustained improvement of cost structures through process optimization and automation
- // Review of investments may lead to even more selective store expansion



European Retail Alliance

- // Set-up legal entity
- // Analyze potential synergies
- // Jointly negotiate and harmonize internat. “on top” conditions with suppliers
- // Create a joint private label organization



Corporate Structure

- // Find a solution with MediaMarktSaturn’s minority shareholder
- // Decide on option to make best use of the METRO stake

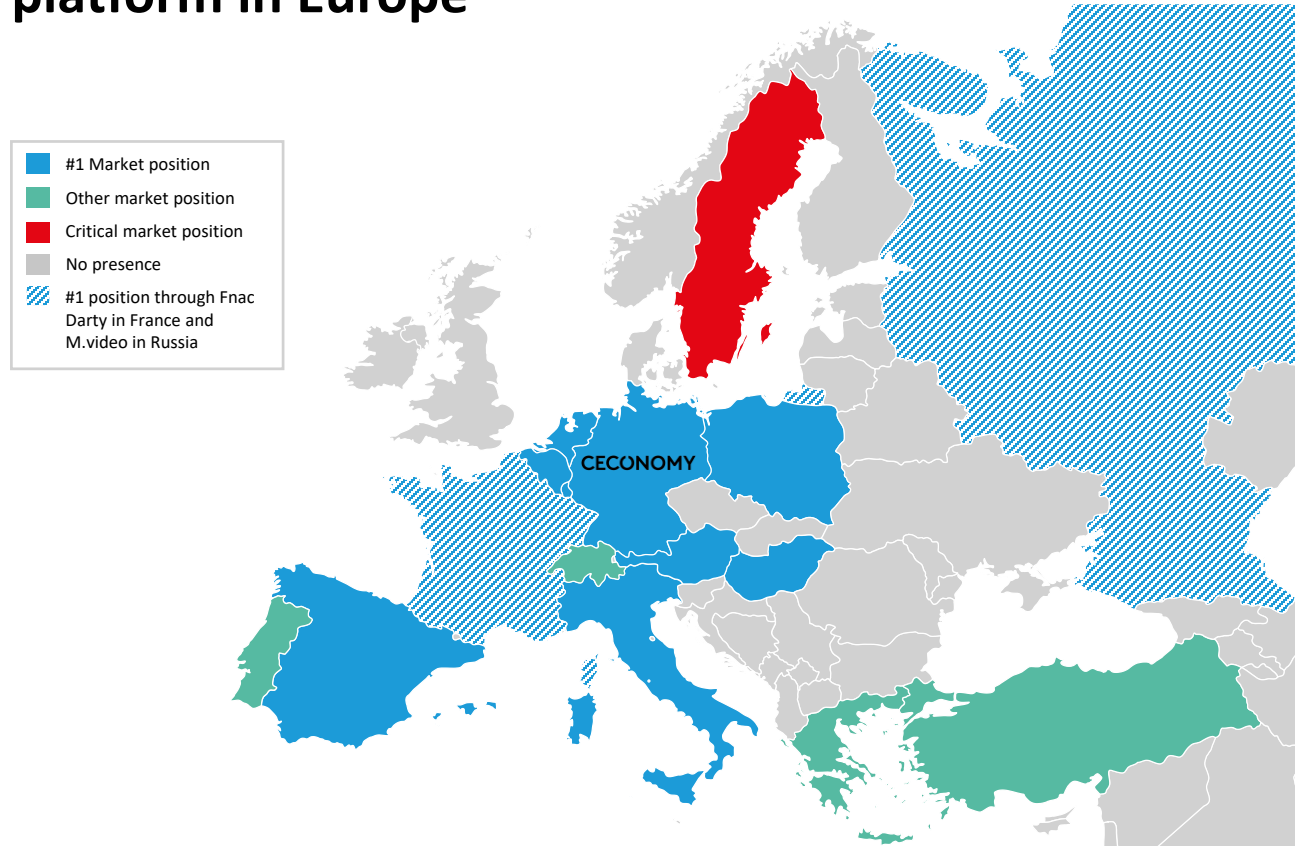
Why invest in CECONOMY?

#1	#2	#3	#4
CECONOMY LEADS THE CONSOLIDATION AND TRANSFORMATION IN A DYNAMIC RETAIL CATEGORY	CECONOMY IS THE LEADER IN MULTI-CHANNEL AND SCALE	CECONOMY HAS A STRONG FINANCIAL PROFILE	CECONOMY HAS THE POTENTIAL TO INCREASE MARGINS AND FREE CASH FLOW GENERATION

//

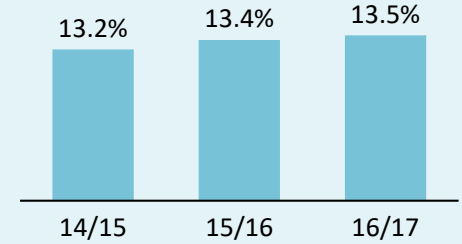
CECONOMY Strategy

CECONOMY is the largest Consumer Electronics platform in Europe



FACT BOX

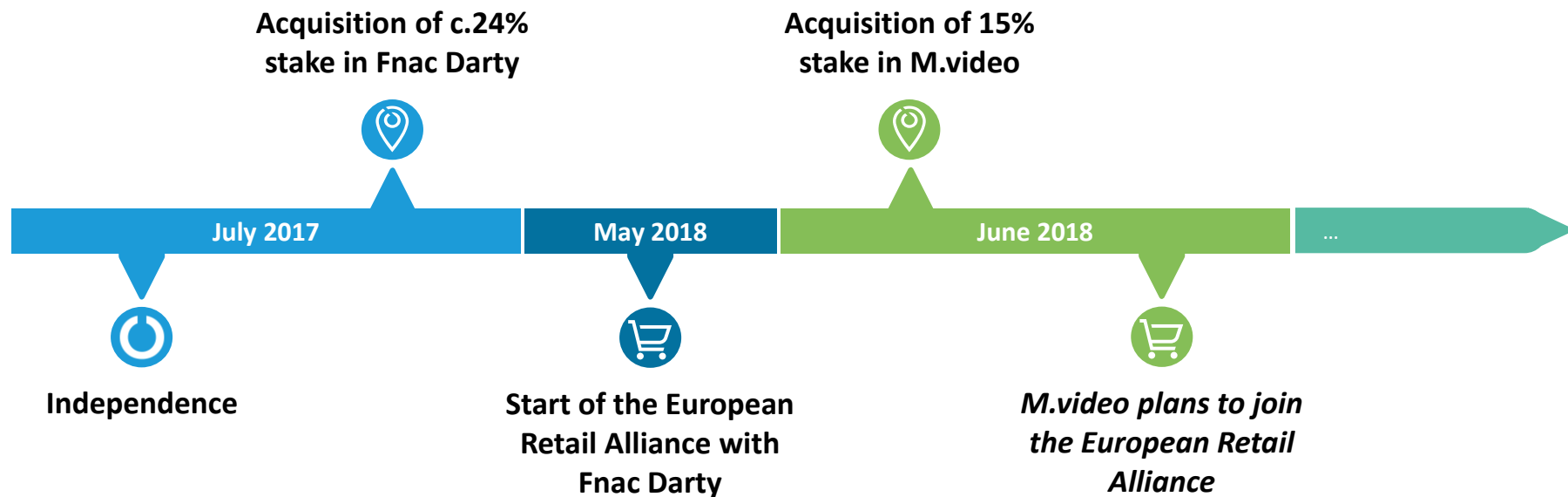
CECONOMY's European market share



- // Leading in 9 out of 14 countries
- // Portfolio optimization on track
- // Critical market position in 1 market remaining: Sweden (7.8%)
- // Portfolio optimization driven by the “lead or leave” principle as being national leader in both scale and store density is an indisputable prerequisite to operate the business sustainably profitable

Source: Own CECONOMY analysis based on market research data by GfK. Panel data for Consumer Electronics based on retail panel as of September 2017.

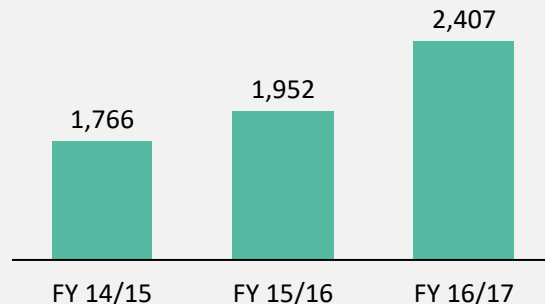
CECONOMY actively drives consolidation in the Consumer Electronics industry



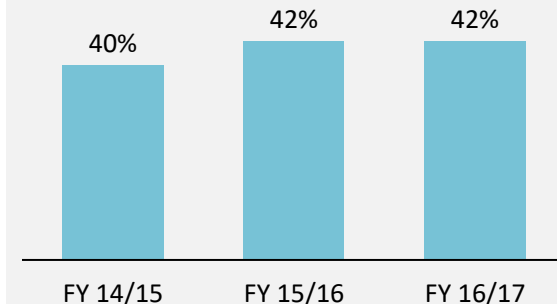
One of the leading multi-channel players in Europe



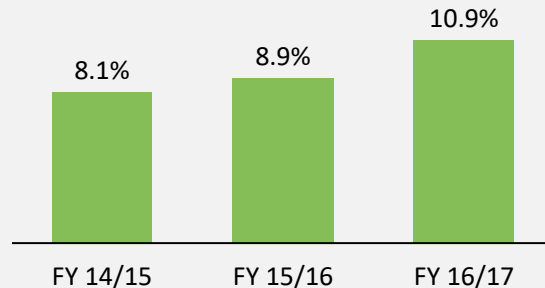
Online Sales (in € million)



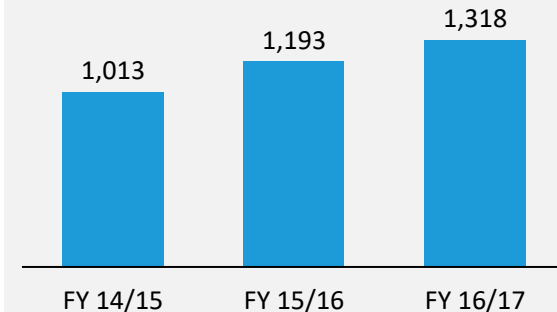
Pick-up rate (in % of online orders)



Online Sales Share (in %)



Online Visitors (in million)



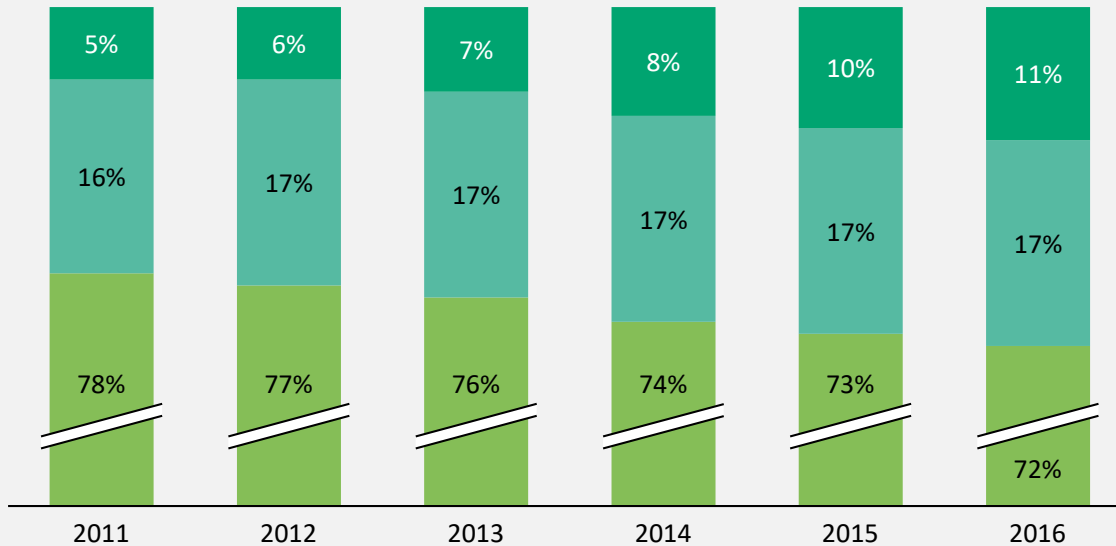
We are multi-channel



Multi-channel is the winning model

Where do German consumers buy CE products?

Sales share in Germany (in %)



- Online business of brick&mortar retailers
- Online Pure Player
- Brick&mortar shops - convenience & specialised (w/o online business)



**Multi-channel offering
with increasing relevance
for consumers**

Source: GfK Handelspanel in BVT Fakten 2017.

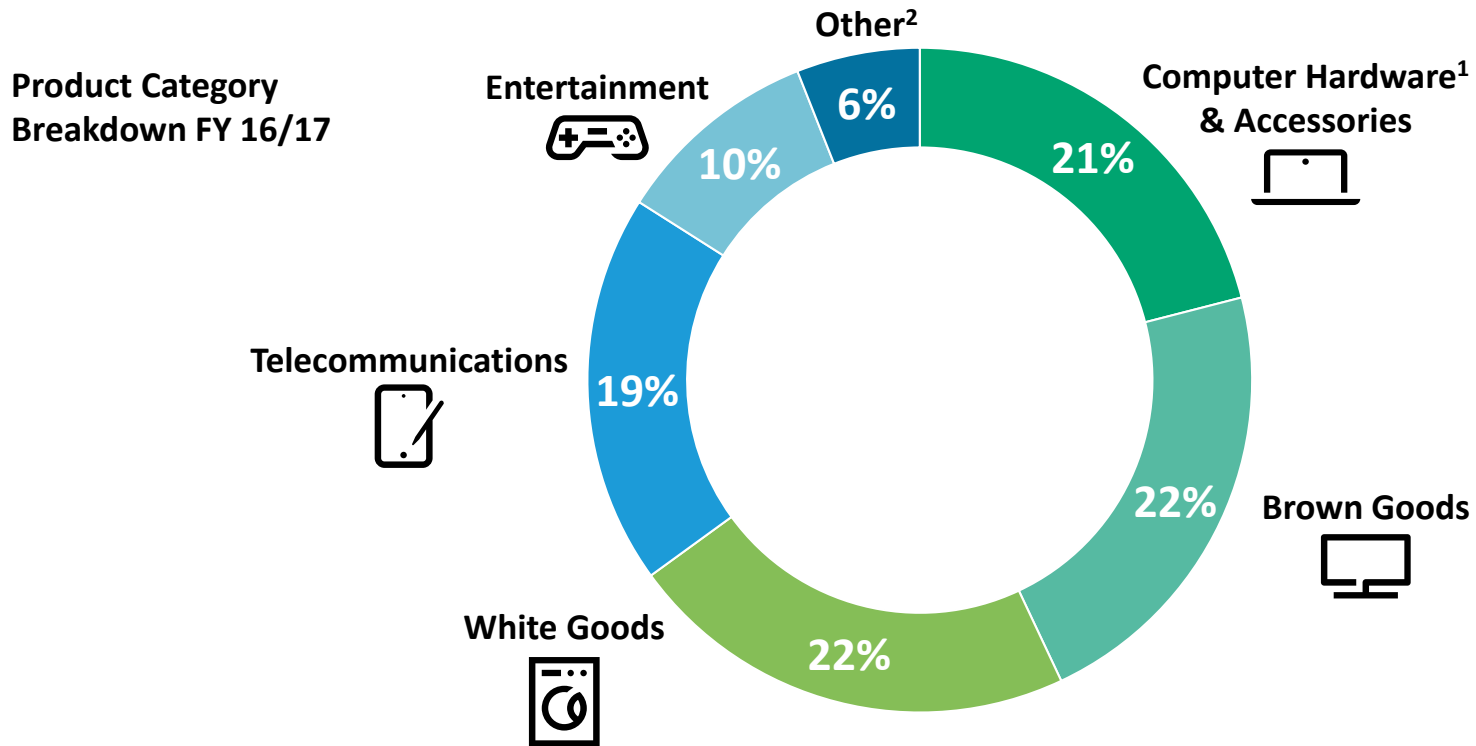
The store network is an asset again and integral part of CECONOMY's multi-channel and services strategy

Advantages of CECONOMY's strong physical presence

- // Offering customers **tangible product experiences**
- // **Showroom** for exclusive and high-end products offering suppliers **visibility of brands**
- // **Instant in-store repairs** of mobile devices
- // Personal contact and **personalised customer service**
- // **Delivery hubs & pick-up places/return points** for online orders

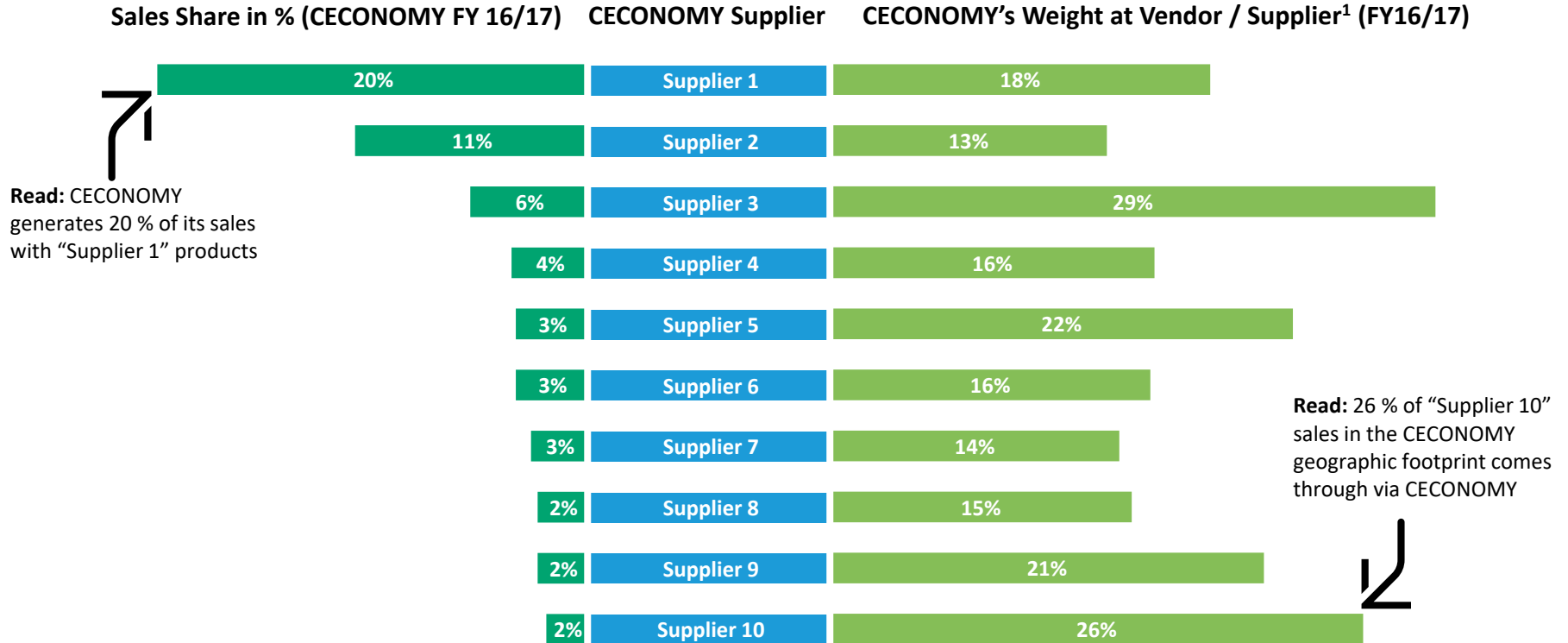


CECONOMY offers the full CE assortment, reflecting a truly “connected world”



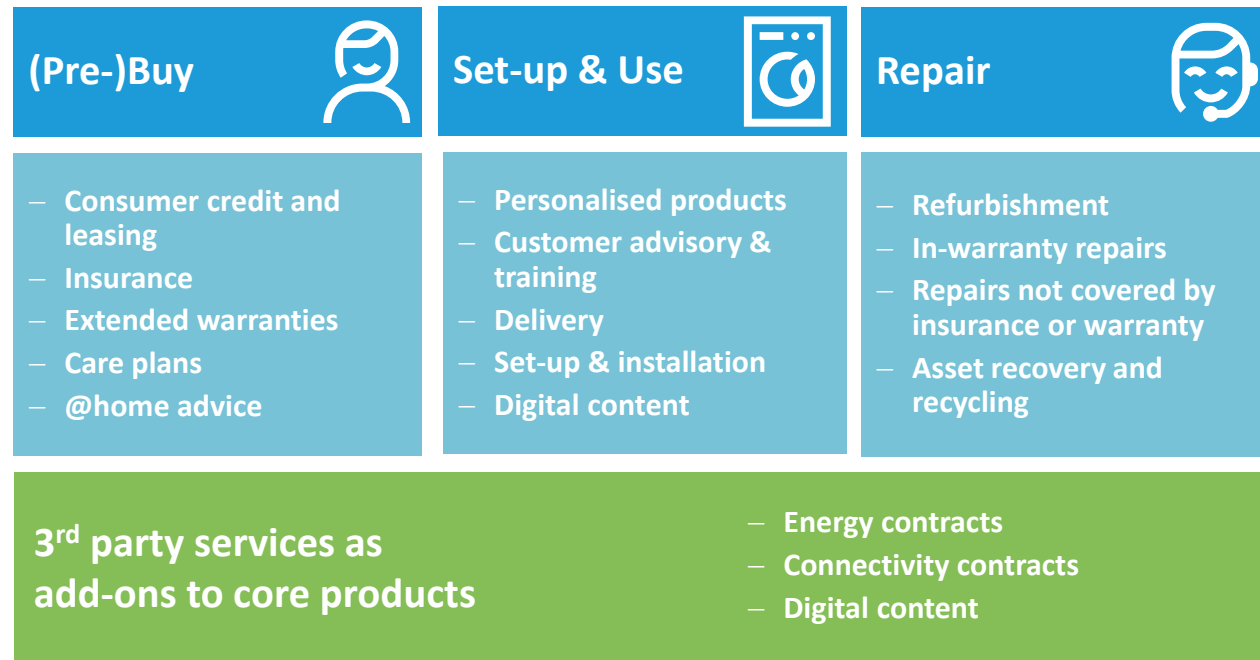
¹ Telecommunication devices such as iPads without SIM card included; ² Includes in essence Photo & Office equipment.

CECONOMY is highly relevant to its suppliers and a strategic partner of choice



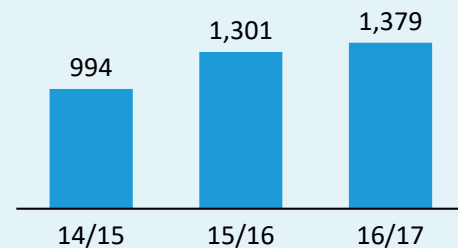
Source: Key figures TOP 10 Manufacturers (own CECONOMY analysis based on GfK), total in retail (excl. entertainment) FY16/17. ¹ Within CECONOMY's geographic footprint.

We are solutions: a full range of Services & Solutions along the customer journey



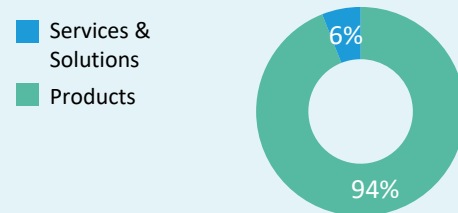
FACT BOX

Services & Solutions Sales
(in € million)



FACT BOX

% of sales (FY 16/17)



We are customer-centric: >14.5 million loyal members in our customer programmes



>14.5m

members in our customer programmes
across all countries

25%

of all sales in Germany are generated by
German MediaMarkt Club members



3.8m

customer program members in
Germany

>600k

Saturn Card holders in just 4 months
after nation-wide roll-out

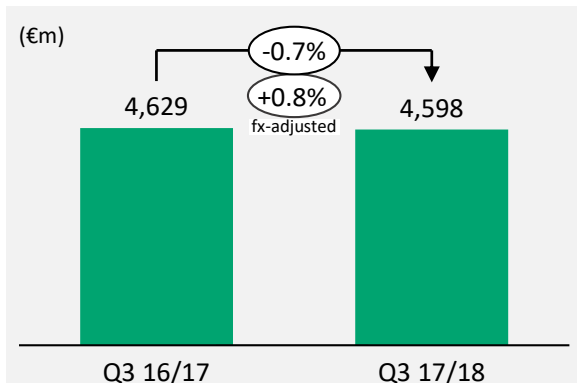


CECONOMY Q3/9M 2017/18



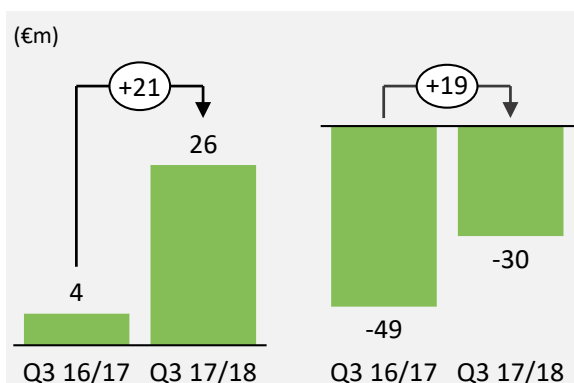
Note: All figures represent the continuing operations of CECONOMY.

EBITDA and NWC catch-up continued in Q3



Sales

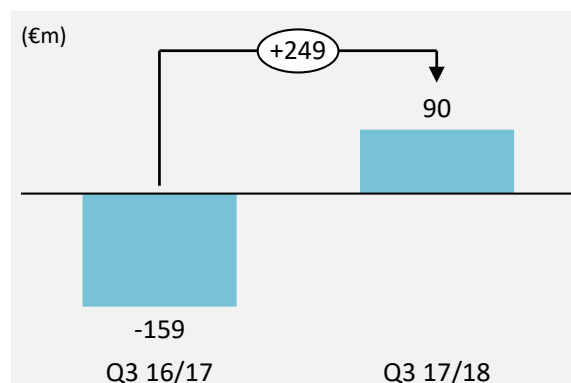
- // Fx-adjusted sales increased by 0.8% (-0.7% on a reported basis)
- // Positive impact from World Cup campaigns offset shift of Easter business into Q2
- // Online sales up +21% yoy
- // Services & Solutions grew by +26% yoy



EBITDA

EBIT

- // EBITDA increased by €21m yoy
- // Broadly stable gross margin at 20.2%
- // Positive impact from a change in the valuation of gift card liabilities in Germany
- // Earnings improvements in Italy
- // Russia classified as discontinued operations in accordance with IFRS 5



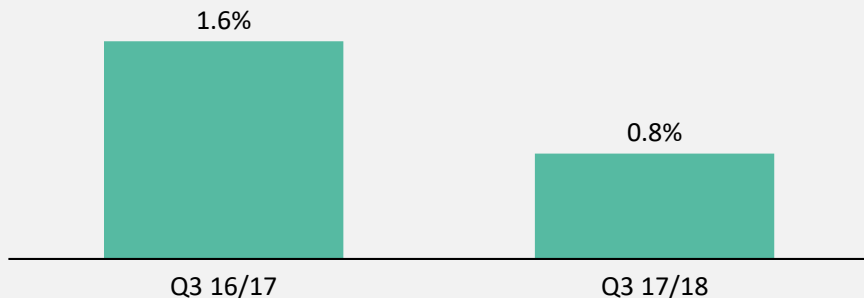
Change in Net Working Capital (NWC)

- // Positive €249m change in NWC
- // Improved change largely attributable to temporary optimization of payment terms
- // Over nine months, Free Cash Flow €87m higher vs. prior year mainly due to improvement of Operating Cash Flow

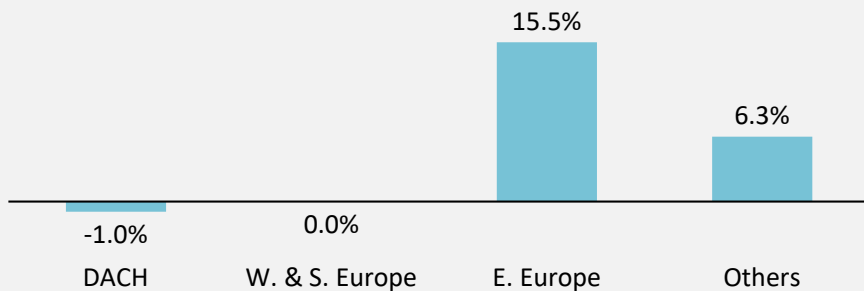
Note: EBITDA & EBIT incl. Fnac Darty; EBITDA & EBIT in Q3 2016/17 before special items. NWC = Net Working Capital acc. to Cash Flow Statement.

Positive impact from World Cup campaigns offset shift of Easter business into Q2

Total Sales (fx-adjusted, yoy change)



Total Sales in Q3 17/18 per Segment (fx-adjusted, yoy change)

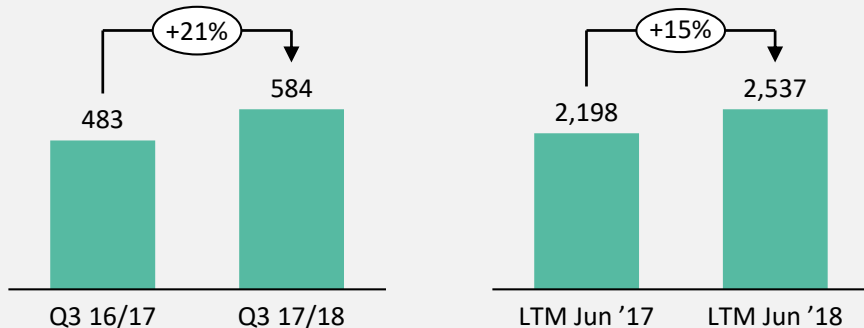


Highlights

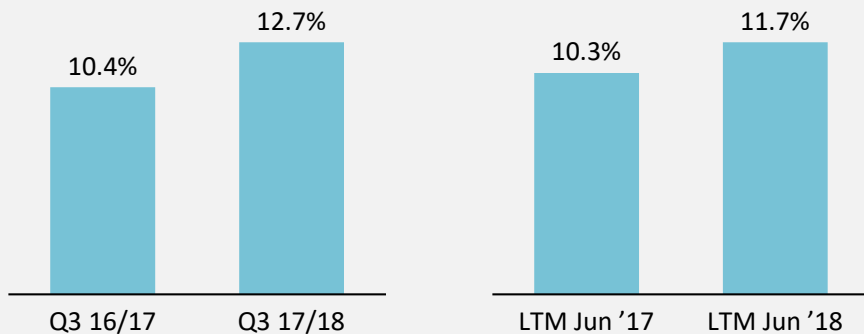
- // Declining sales in Germany also impacted by lacklustre Consumer Electronic environment and closure of redcoon operations; nevertheless, broadly stable market position over the nine-months period
- // Spain supported by World Cup campaigns, Online and Services & Solutions, largely compensating decline in majority of remaining countries in Western & Southern Europe
- // Turkey with sustainable double-digit sales growth, also driven by inflation
- // Ongoing stabilization in Sweden
- // Hot weather currently negatively impacting store frequency

Online key growth driver, accounting for 13% of total sales

Online Sales (in €m)



Online Sales (% of total sales)

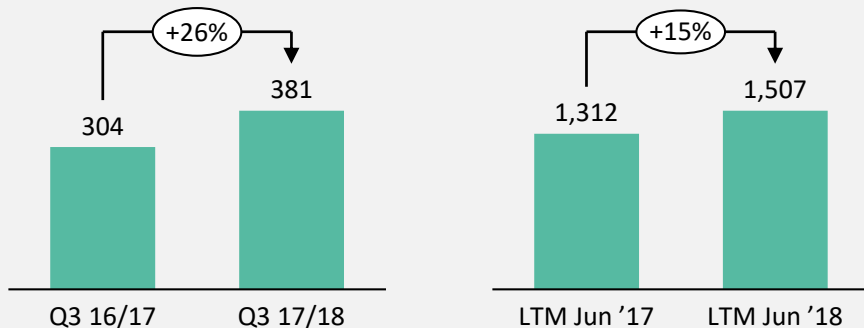


Highlights

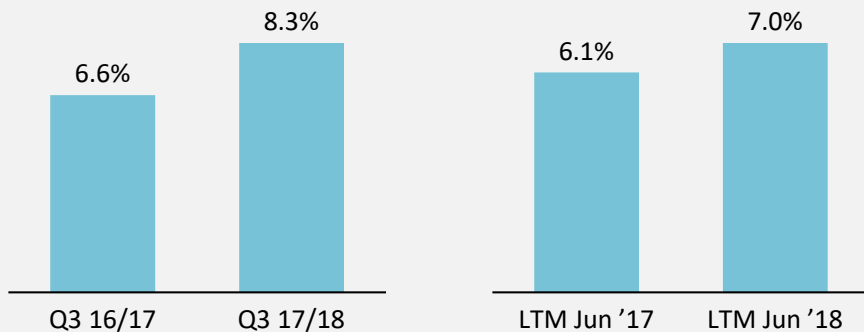
- // Online sales increased by +21% yoy
- // Online now accounts for 12.7% of total sales vs. 10.4% in the prior-year period
- // Strong online growth rates across all segments
- // Slight increase in pick-up rate to around 40% vs. 39% in the prior-year period
- // Online assortment increased to c. 375k SKUs

Accelerated growth of Services & Solutions sales

Services & Solutions Sales (in €m)



Services & Solutions Sales (% of total sales)

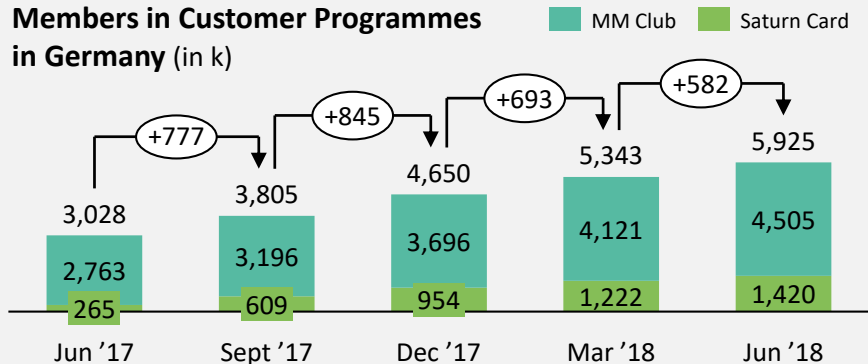


Highlights

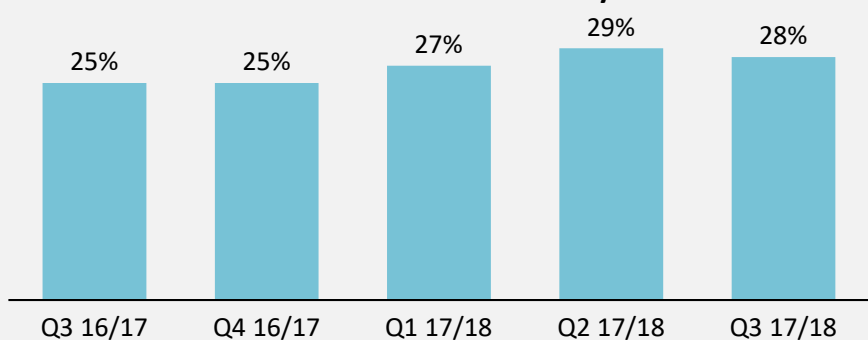
- // Services & Solutions sales up +26% yoy, driven especially by telco contracts, insurances, extended warranties and repair services
- // Services & Solutions now account for 8.3% of total sales vs. 6.6% one year ago
- // Service “smart bars” now implemented in 821 stores (+71 vs. March 2018)
- // Full roll-out of “smart bars” until end of 2018 expected
- // Roll-out of at home consultation and installation service of Deutsche Technikberatung (DTB) in Germany completed

Sustained growth in the number of members of our customer programmes

Members in Customer Programmes in Germany (in k)



Sales Penetration MediaMarkt Club Germany

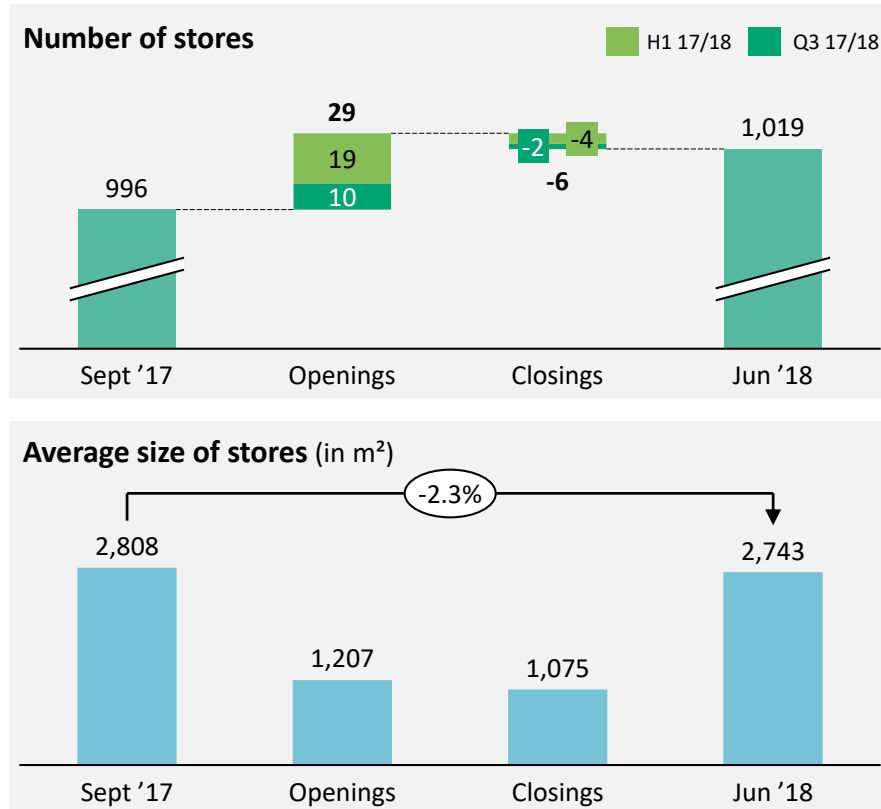


Note: Data for MM Club Poland not included for May and June 2018 due to change to new CRM IT platform.

Highlights

- // German MediaMarkt Club with sustained growth in the number of members, counting 4.5m in June 2018 (+384k vs. March 2018)
- // 28% of sales are generated by MediaMarkt Club members in Germany
- // Saturn Card in Germany counted more than 1.4m members in June 2018 (+198k vs. March 2018)
- // All customer programmes counted more than 16.6m members in total internationally (+1.4m vs. March 2018)
- // Launch of MediaMarkt Club in Austria and further roll-out to additional countries planned for this year

Selective store expansion with a focus on small-area store formats

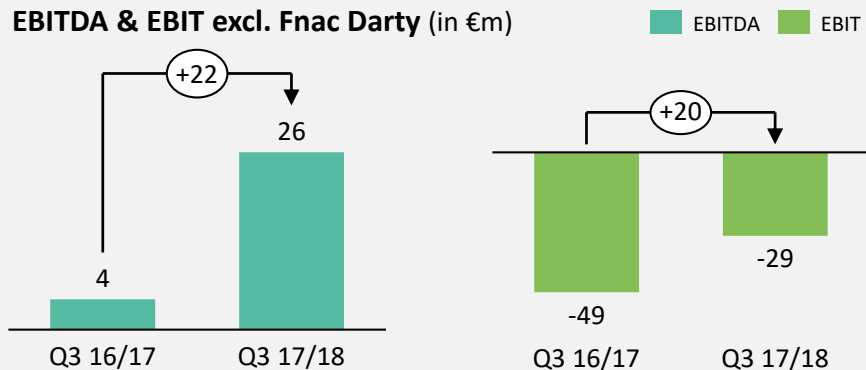


Highlights

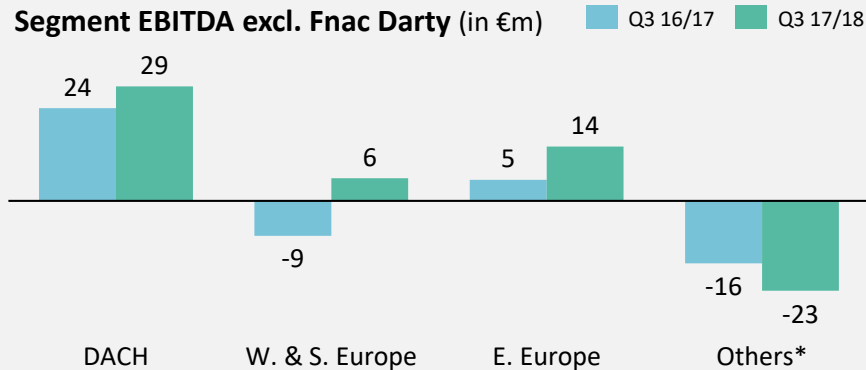
- // Selective store expansion continued with 10 openings
- // Out of this, 6 small-scale stores opened in Turkey and 1 store each in Germany, Poland, Italy and Spain
- // 2 store closures in Italy
- // Average store size reduced by c. -2.3% since September 2017, mainly due to openings of small-area store formats and further store rightsizings
- // 29 openings and 6 closures in 9M 2017/18

EBITDA catch-up in Western & Southern Europe and Eastern Europe

EBITDA & EBIT excl. Fnac Darty (in €m)



Segment EBITDA excl. Fnac Darty (in €m)



Note: EBITDA & EBIT in Q3 2016/17 before special items. *Others: Including consolidation.

Highlights

- // Broadly stable gross margin at 20.2% (-0.1%p.)
- // Positive effect from a change in the valuation of gift card liabilities following a revision in the prevailing legal norms in Germany
- // Support from higher Services & Solutions income, the wind-down of redcoon and improvements in Italy
- // Majority of cost savings of announced additional €30m full-year cost measures already realized
- // 'Others' impacted by higher CECONOMY HQ and project costs; in total, slightly more than €40m for the full-year expected

Underlying EPS improved due to higher EBIT/DA; reported EPS impacted by impairment of METRO AG stake

€m	Q3 2016/17	Q3 2017/18	Change
EBITDA	4	26	21
<i>EBITDA margin</i>	<i>0.1%</i>	<i>0.6%</i>	<i>0.5%p.</i>
EBIT	-49	-30	19
<i>EBIT margin</i>	<i>-1.1%</i>	<i>-0.6%</i>	<i>0.4%p.</i>
Net financial result	-11	-154	-142
Earnings before taxes	-61	-184	-123
Income taxes	29	93	64
Tax rate	47.6%	50.8%	3.2%p.
Profit or loss for the period	-32	-90	-59
attributable to non-controlling interest	-2	13	16
attributable to shareholders of CECONOMY AG	-29	-104	-74
EPS (in Euro)	-0.09	-0.32	-0.23

Note: All figures shown from continued operations and include Fnac Darty; Q3 2016/17 figures shown before special items.

Highlights

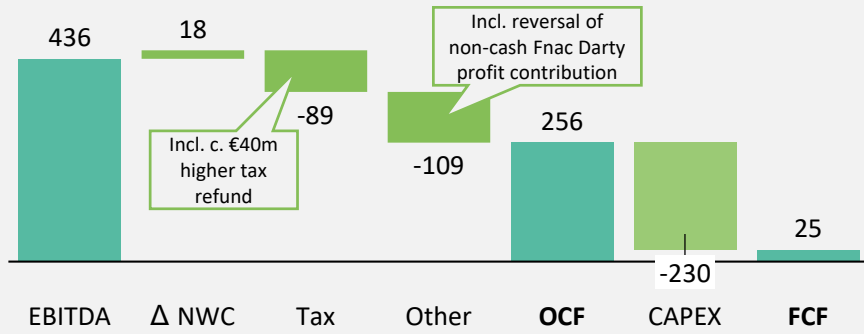
Includes €138m impairment of Metro AG stake to €10.59 per ordinary and €11.95 per preference share

Deterioration in 9M attributable to non-tax deductible impairment of Metro AG stake; underlying tax rate improved to around 38% in 9M, mainly due to the elimination of Russian losses

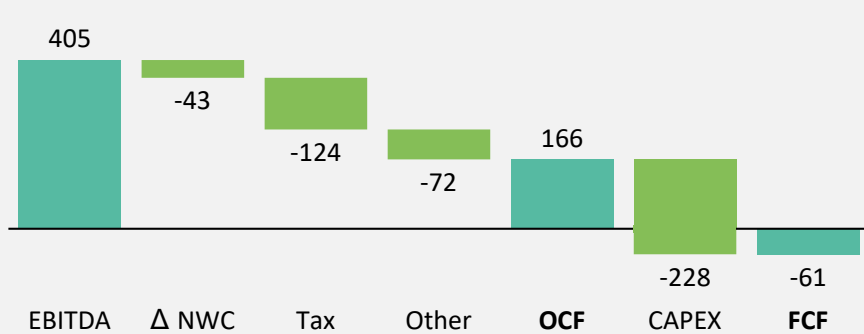
Higher minorities due to improved operational profit and temporary tax differences; FY expectation of 25-30% of underlying profit or loss for the period unchanged

Slight improvement of Free Cash Flow

9M 2017/18: Free Cash Flow (in €m)



9M 2016/17: Free Cash Flow (in €m)

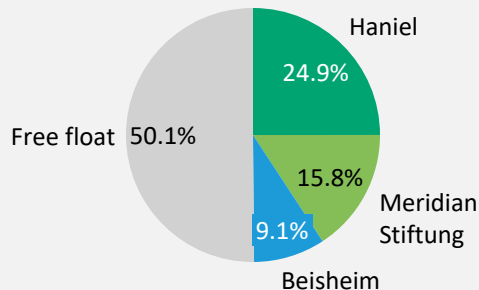


Highlights

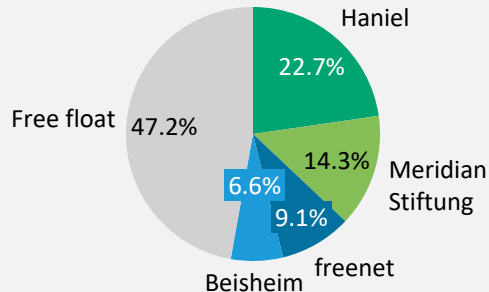
- // NWC catch-up thanks to favourable development in Q3, particularly due to improved trade payables
- // On a nine-months basis, change in NWC was €61m better vs. prior year, while after the first 6 months, change in NWC was still a negative €188m
- // Lower cash taxes due to tax refunds for dividends received in prior years
- // CAPEX on previous year's level
- // Free Cash Flow improved by €87m mainly due to improvement of Operating Cash Flow (OCF)

CECONOMY executed 10% capital increase with freenet AG joining as new anchor investor

Pre-transaction structure based on voting rights*



Post-transaction structure based on voting rights*



* Calculated on the basis of the number of voting rights in disclosures pursuant to section 40 para. 1 sentence 1 WpHG

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- // New total number of voting rights: 356,743,118
- // freenet AG acquired all newly issued shares in a private placement at €8.50 per share
- // Proceeds of around €277m used to strengthen the balance sheet and increase the financial power for the continued implementation of our strategic agenda
- // Successful and long-term partnership between MediaMarktSaturn and freenet's wholly owned subsidiary Mobilcom-Debitel for more than 25 years

Outlook

The outlook is adjusted for currency effects and portfolio changes.

	FY 2016/17 ¹	FY 2017/18
€m		
Total sales	21,628	Slight increase ²
EBITDA (excl. Fnac Darty)	714	Low to mid single-digit % growth
EBIT (excl. Fnac Darty)	494	Low to mid single-digit % growth
Fnac Darty profit share	n.a.	Around €20m

Note: Adjusted outlook due to the full disposal of the Russian MediaMarkt business and the subsequent classification as discontinued operations.

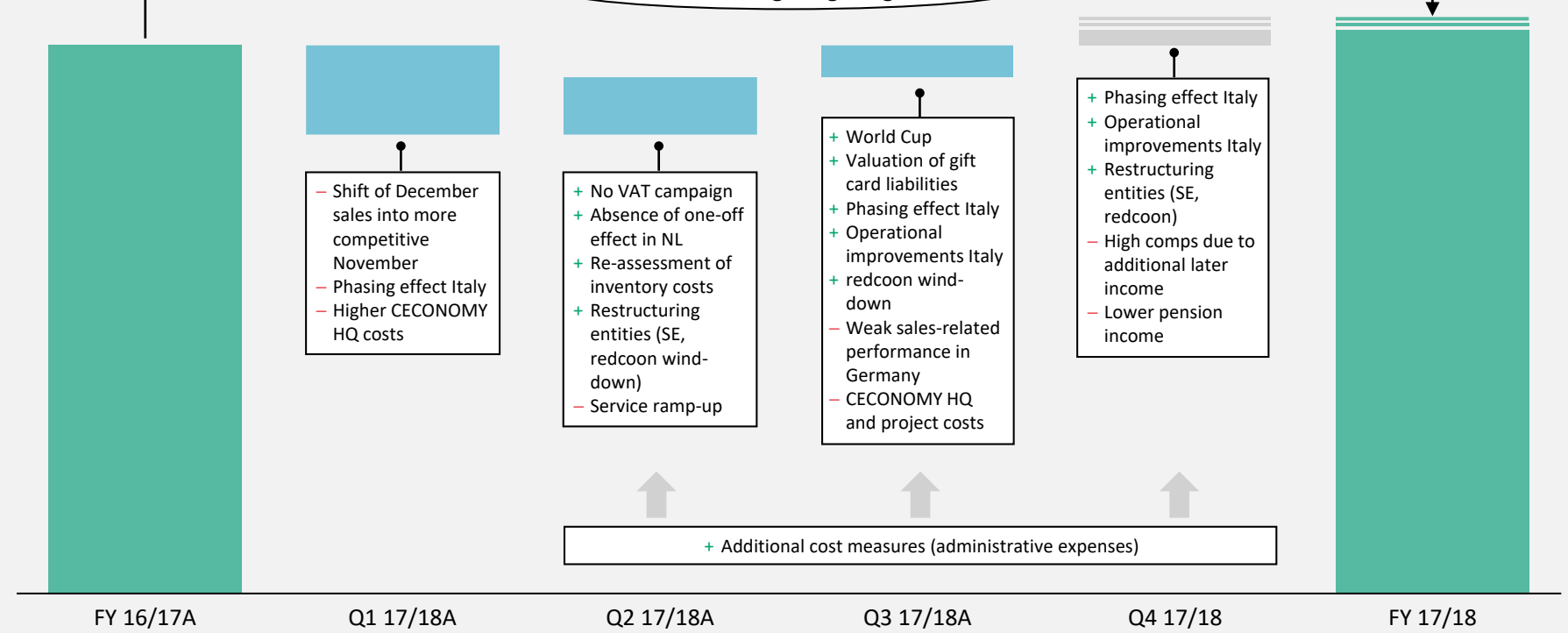
Final adjusted baseline FY 2016/17 figures post-application of IFRS 5 of €714m EBITDA and €494m EBIT vs. €717m EBITDA and €498m EBIT as per Ad hoc release on 20 June 2018. Baseline subject to FX-effects as of 30 Sept. 2018.

¹ EBITDA & EBIT in FY 2016/17 before special items. EBITDA & EBIT in FY 2017/18 as reported. ² Correspondingly, a slight improvement in NWC compared with the previous year is expected.

Quarterly building blocks 2017/18

Illustrative EBIT (excl. Fnac Darty)

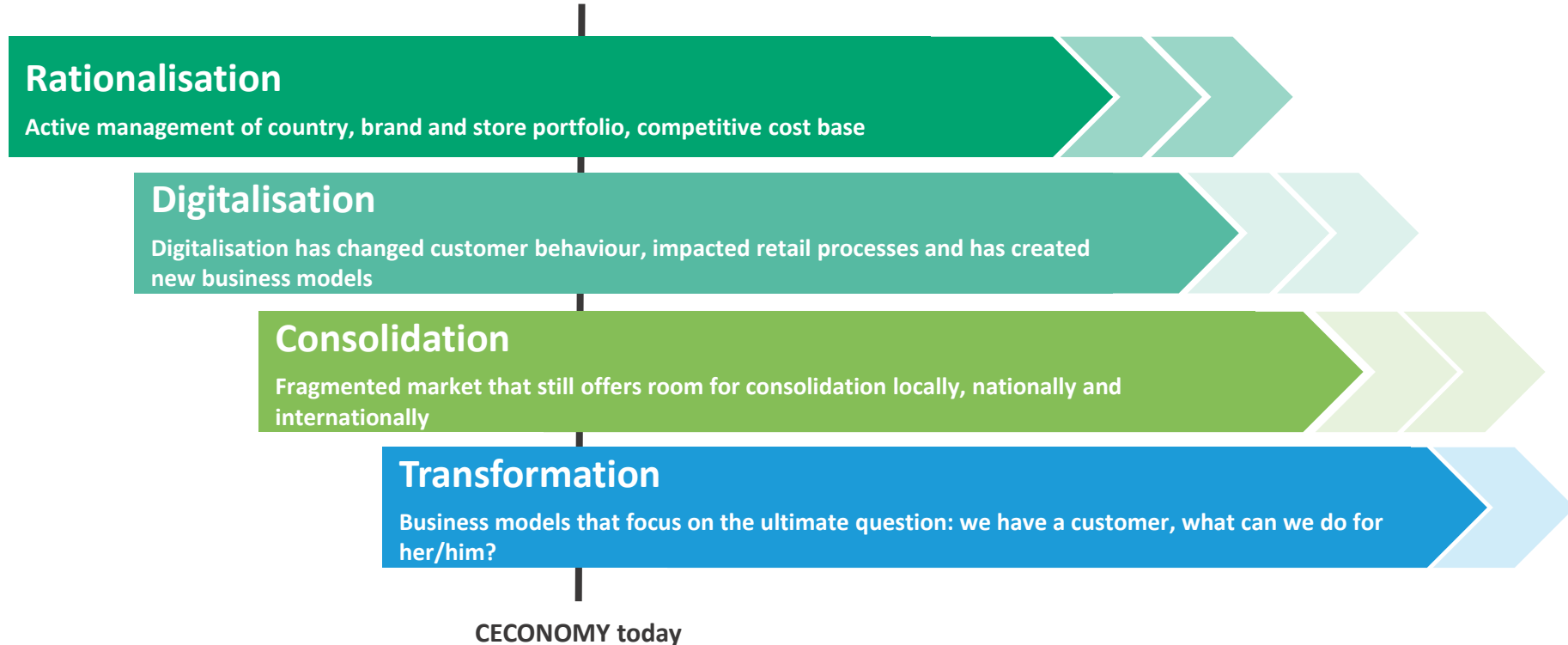
Low to mid-single digit % growth



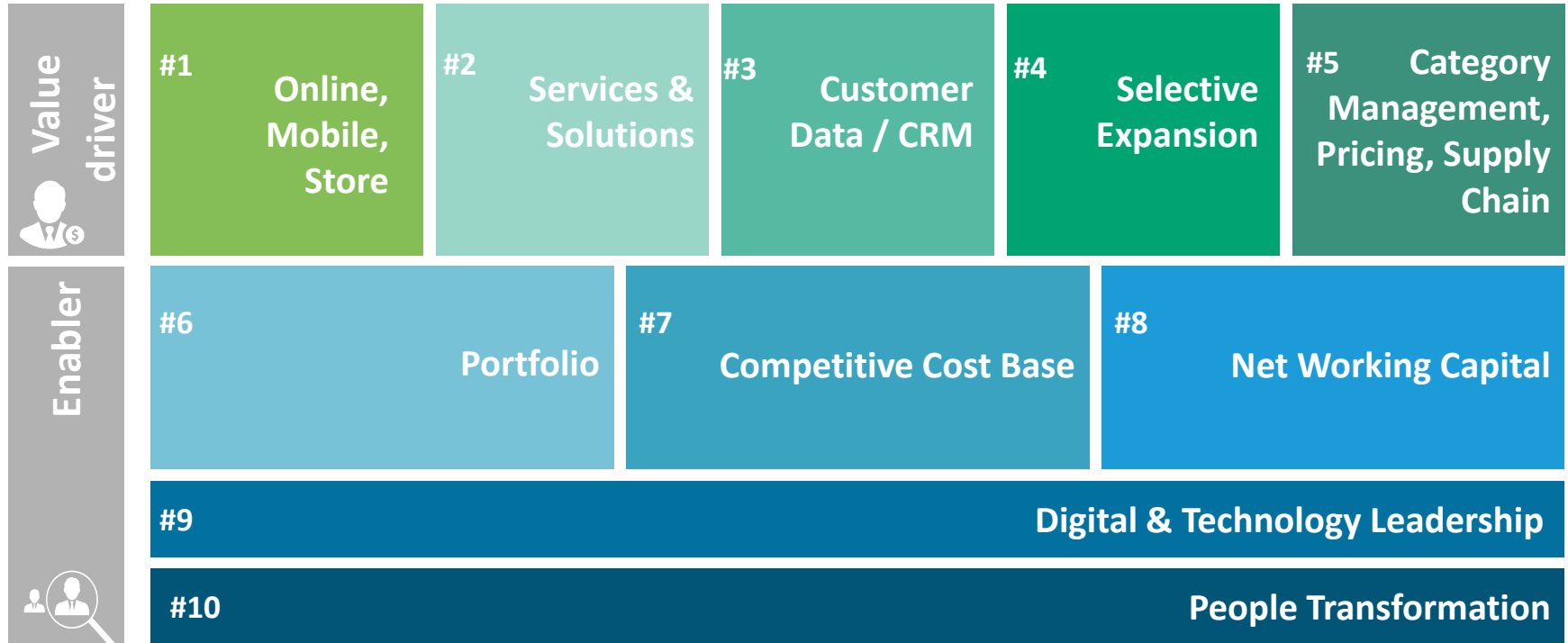
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CECONOMY Targets, Value Drivers & Enablers

CECONOMY is well progressing in the different change phases in the Consumer Electronics space



CECONOMY's plans show a clear and strong value creation potential



What we plan to do in FY 2017/18



Key initiatives to further grow online/mobile/store

Assortment

- // Expansion of online CE assortment from currently c. 350k SKUs to **1m SKUs**
- // **Dropshipment** initiatives to increase assortment without capital locked

Usability

- // Taking advantage of our high traffic we **include more data into decision making** processes to improve usability
- // Optimising every single customer contact and **drive (micro-) conversions** onsite

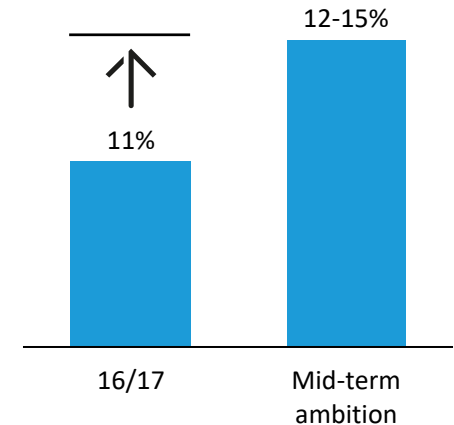
Availability

- // Making **assortment available at all touchpoints** with full multi-channel capabilities (digital shelf extensions)
- // Optimising access to stock across stores, warehouses, suppliers

Price

- // Optimise **pricing strategy** by e.g. introducing automated lifecycle pricing to ensure timely and effective price management
- // Using price optimisation algorithms

Online Sales¹ (% of total sales)



Initiatives have been identified and are currently implemented to reach mid-term ambition of 12-15% online sales target

¹ Including pick-up.

Increased services penetration will also drive CECONOMY's sales and margin targets

In-store services

- // Full roll-out of in-store service and repair **“smart bars”** until the end of 2018 (642 already in place)
- // **Additional services** to be added: e.g. trade in, personalisation of products

At-home and remote services

- // Full roll-out of Deutsche Technikberatung (DTB) **at-home consultation and installation services across Germany** by end of next year (>200 already in place)
- // Build up of **remote service capabilities** (call centre including social web care, chat, messenger) to offer 24/7 seamless support

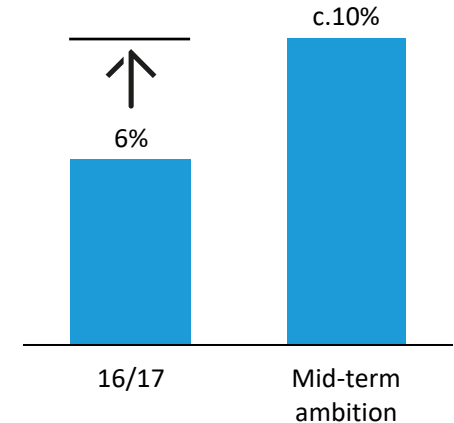
Subscription models

- // Introduction of **subscription model “always on”** providing unlimited support and protection against failure of mobile devices in additional countries (75,000 contracts sold in the Netherlands in 1st year)

Services processes

- // Roll-out of **“repair hubs”** to guarantee our customers a much faster repair delivery to other countries next to existing pilot repair hub in Benelux
- // **Reducing turn-around times** through implementation of new service software

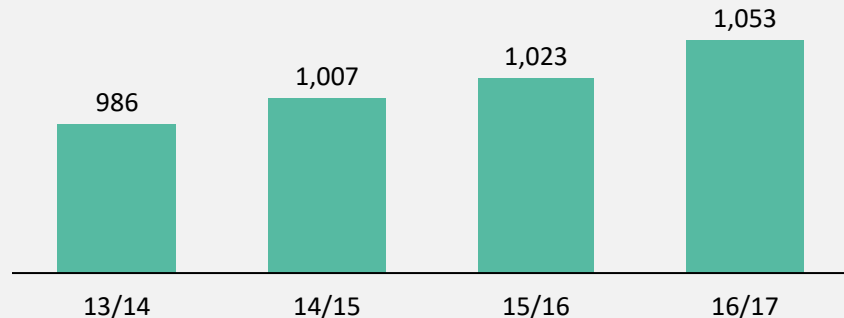
Services & Solutions Sales (% of total sales)



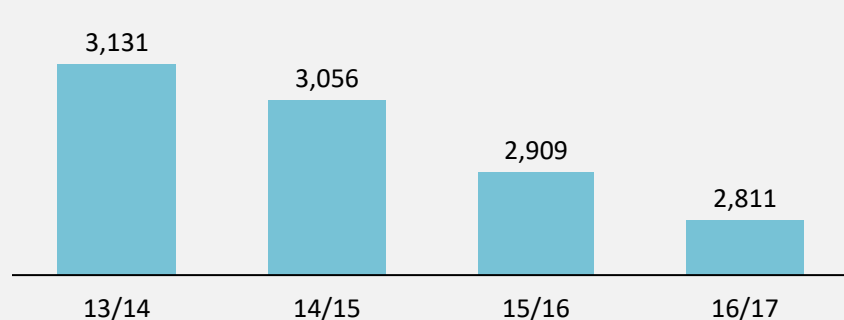
Relentless focus on strengthening service value proposition – in-store, remote & at home of customers

CECONOMY also continues selective store expansion contributing to the overall sales growth target

Number of stores (at period end)



Average size of stores (in square meters)











Formats and measures

- // Roll-out especially of smaller store formats such as **proximity and shop-in-shop concepts**
- // Focus on smaller formats leads to **reduced store size** but still access to full assortment via multi-channel offering
- // **Consolidation:** Opportunities in core countries to acquire existing profitable competitor outlets and integrate them into the MediaMarkt and Saturn store network
- // Modest growth in **number of stores** expected, excluding roll-out of shop-in-shop

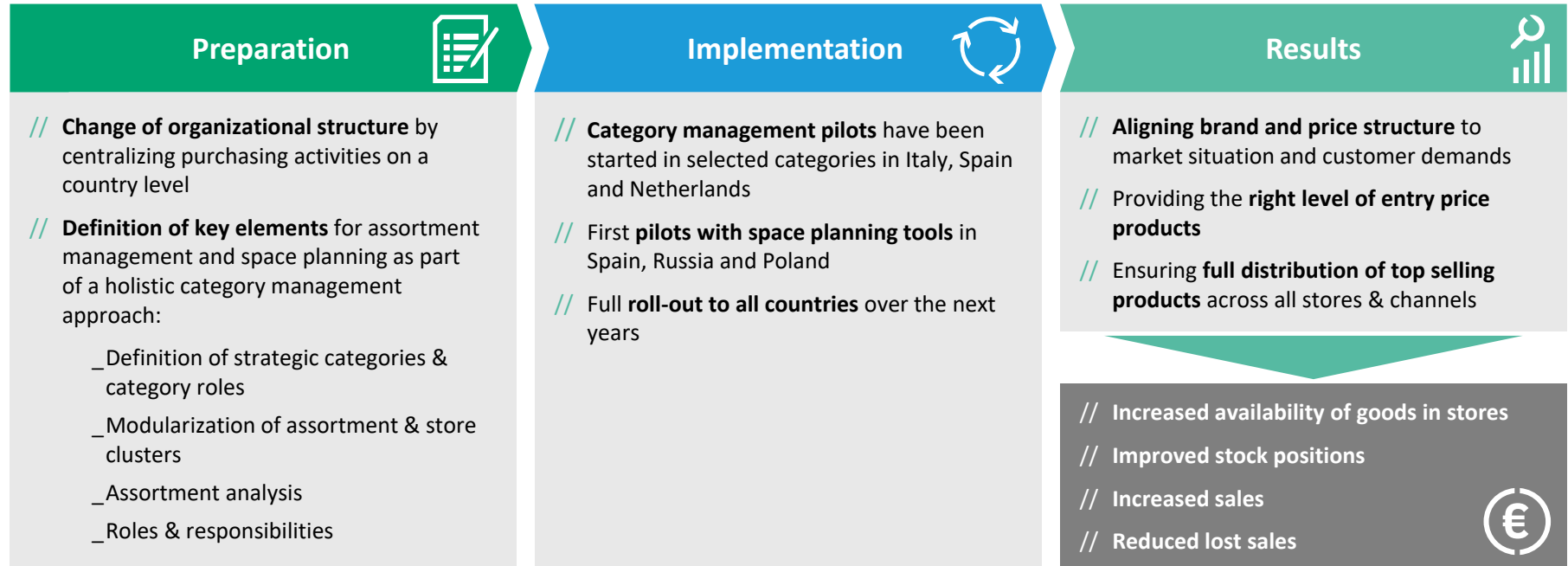


Ongoing selective expansion, yet at a lower pace and with smaller formats

CECONOMY has resolved 3 portfolio issues with 1 critical market position remaining

redcoon 	Turkey 	Russia 	Sweden 
<ul style="list-style-type: none">// Restructuring of redcoon completed// Closures of redcoon operations in 6 countries// Closure and liquidation of redcoon Germany// Polish operations integrated in local country organisation	<ul style="list-style-type: none">// Succeeded in turning around Turkey: profitable in 2016/17// Significant growth through operational excellence// Sales & Service push// 100% centralized procurement	<ul style="list-style-type: none">// Faced strong pressure over the past years due to its sub-scale positioning and strong national competition// MediaMarktSaturn transfers Russian business to Safmar, controlling shareholder of M.video// MediaMarktSaturn acquires strategic stake of 15% in M.video from Safmar	<ul style="list-style-type: none">// Initiated cost savings program// Ongoing rightsizing of existing stores// Improving logistics, supply chain and stock management// Service & Solutions push
Solved 	Solved 	Solved 	Solution planned in 2018 

New category management initiatives aim offering the right range and assortment at the right price



 **Initiatives also provide the foundation for additional efficiencies in purchasing, supply chain and operations**

Introducing multi-level logistics concepts with central warehouses, cross-docking platforms and regional delivery hubs

Central warehouses



- // **Pilot central warehouses** introduced in Sweden and Switzerland
- // **Cross-docking platforms** introduced in Spain, Italy and Turkey
- // Pilot activities to **build-up expertise in logistics, demand planning and forecasting** in Germany and Poland
- // **Roll-out of central warehouses** to Netherlands and Austria in 2018 and Germany in 2019

Regional delivery hubs



- // Regional warehouses especially for larger items such as white goods
- // **1st stage: Consolidation** of regional delivery structures into delivery hubs across almost all countries
- // **2nd stage: Upgrade** delivery hubs to regional warehouses
- // **Germany:** Two delivery hubs piloted

Online warehouses (Parcel factory)



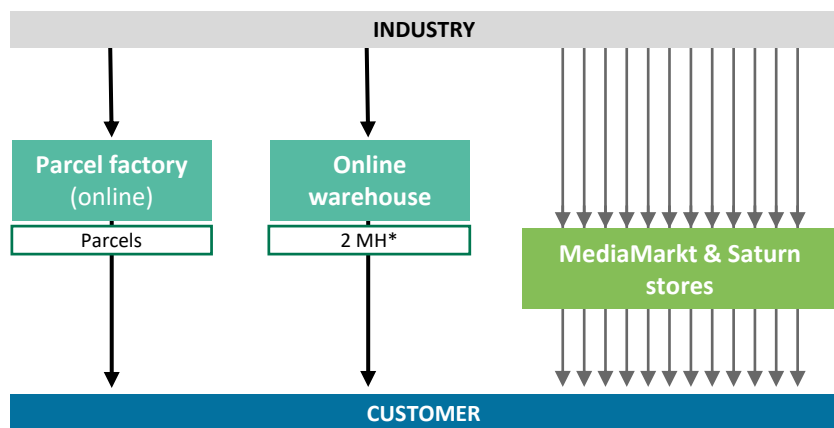
- // **Expansion of eCommerce logistics** capacity in all countries as necessary
- // **Integration of existing online warehouses** into multi-level logistics concept
- // **Germany:** Four online warehouses up and running and at least one addition in FY17/18



Benefits: Improved delivery times, better availability with reduced lost sales, cost savings through economies of scale and optimized inventories levels

Centralisation of supply chain processes from predominantly direct store delivery to a more central and regional structure

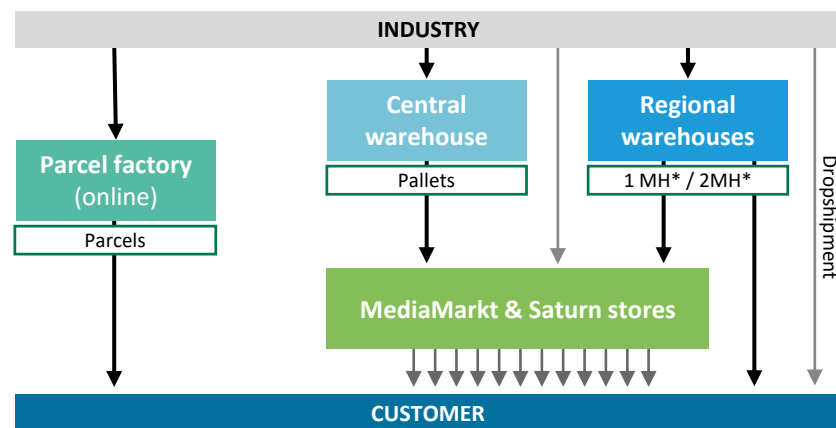
Product flows and logistics locations: Today



// Direct delivery to more than 400 individual stores in Germany

// High coordinating efforts for suppliers and higher operational costs

Product flows and logistics locations: Target picture



// New central warehouse and regional structure for MediaMarktSaturn Germany

// One central inventory for both brands

// Efficient automated store replenishment

*1 MH = 1 man handling, 2MH = 2man handling.

End-to-end supply chain set-up including centralisation of procurement and systems infrastructure offers great value potential

Optimisation levers

1	Product availability	
2	Product inventory & stock structure	
3	Process costs	
4	External storage area	
5	Service quality (deliveries)	
6	Transport costs	
7	Purchasing conditions	

Roadmap to achieve target picture

- // Solution based on 3 interlinked pillars (**procurement, logistics infrastructure and systems infrastructure**)
- // **2 regional warehouses** recently piloted in Northern Germany
- // Current focus on development of **systems infrastructure** (including central SAP-ERP)
- // First **central warehouse** in Germany planned for early 2019
- // Gradual set-up of **additional regional warehouses** thereafter

CECONOMY's overall mid-term ambitions

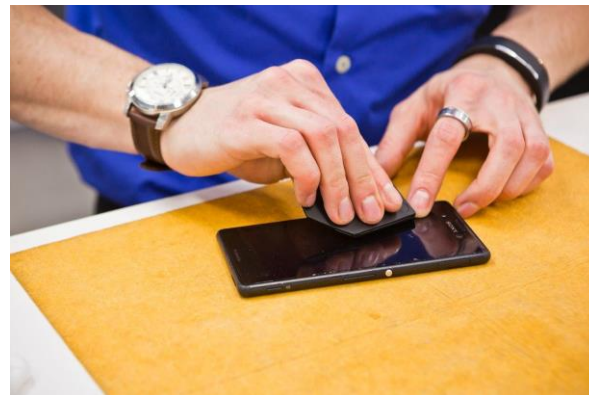
CORE METRICS	2015/16	2016/17		MID-TERM AMBITIONS	COMMENTARY
Sales ¹	€21.9bn (1.5% yoy)	€22.2bn (1.4% yoy)	↗	> 3% CAGR	// Moderate market growth expected // Further increase in market shares in core markets // Online, mobile, multi-channel, CRM and Services & Solutions as main drivers
EBITDA Margin ²	3.3%	3.2%	↗	direction 5%	// Growing sales to support EBITDA margin development // Additional improvements from Portfolio Optimisation, Category Management and Supply Chain Initiatives
Tax Rate ²	49%	44%	↘	direction 40%	// Reduction in non-tax deductible special items // Profitability improvement of underperforming countries
Investments ³ (% of sales)	1.5%	1.4%	→	1.5%	// Well-invested state-of-the-art asset base // Low amount of maintenance investments
FCF Conversion ⁴	44%	62%	→	60 – 70%	// Tight control of Net Working Capital // Sustainable positive Free Cash Flow generation
Dividend pay-out ratio ⁵	NM	45%	→	45 – 55%	// Normalised pay-out ratio of 45–55% targeted // Higher or lower depending on profitability investment opportunities

¹ At constant currency before portfolio effects. CAGR = Compound Annual Growth Rate. ² Before special items. ³ Cash investments; adjusted for investment in digital shelf labels (2015/16); adjusted for investment in Fnac Darty stake (2016/17). ⁴ Free Cash Flow conversion defined as EBITDA less cash investments plus/minus changes in net working capital divided by EBITDA; EBITDA before special items, based on reported segment investments and adjusted for changes in net working capital (2015/16); EBITDA before special items and adjusted for investment in Fnac Darty stake (2016/17). ⁵ % of EPS; EPS before special items (2016/17).

//

Impressions

Smart Bars



In-store experience areas



Pick-up points for online orders



Digital shelf labels



//

Back Up

Sales & store network per 30 September 2017

	Sales (€m)	
	FY 2015/16	FY 2016/17
Germany	10,273	10,556
Austria	1,139	1,169
Switzerland	674	635
Hungary	272	302
DACH	12,358	12,662
Belgium	681	686
Greece	189	187
Italy	2,096	2,087
Luxembourg	58	63
Netherlands	1,567	1,590
Portugal	124	133
Spain	1,894	1,967
Western & Southern Europe	6,609	6,714
Poland	1,004	1,033
Russia	566	526
Turkey	612	666
Eastern Europe	2,181	2,226
Sweden	503	474
Others (incl. Sweden)	722	553
CECONOMY	21,870	22,155

	Number of Stores			
	FY 2015/16	Openings	Closures	FY 2016/17
	424	5	-	429
	49	1	-	50
	28	-	-1	27
	22	2	-	24
	523	8	-1	530
	23	7	-2	28
	11	1	-	12
	111	5	-	116
	2	-	-	2
	49	-	-	49
	9	1	-	10
	79	4	-	83
	284	18	-2	300
	83	3	-	86
	61	1	-5	57
	45	10	-2	53
	189	14	-7	196
	27	-	-	27
	27	-	-	27
	1,023	40	-10	1,053

Store network as per 30 June 2018

	30/03/2018	Openings Q3 2017/18	Closings Q3 2017/18	30/06/2018
Austria	52			52
Belgium	29			29
Germany	431	1		432
Greece	12			12
Hungary	24			24
Italy	116	1	-2	115
Luxembourg	2			2
Netherlands	49			49
Poland	85	1		86
Portugal	10			10
Spain	84	1		85
Sweden	27			27
Switzerland	28			28
Turkey	62	6		68
Total	1,011	10	-2	1,019

Net Working Capital

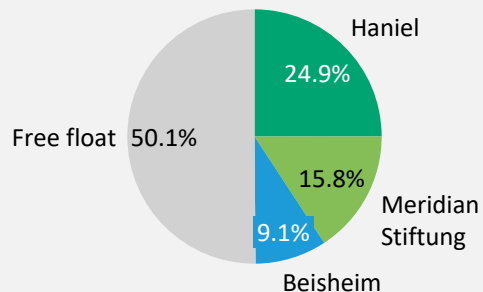
€m	30/09/2016	30/06/2017	Change	30/09/2017	30/06/2018	Change
Inventories	2,293	2,788	495	2,449	2,819	371
Trade receivables	322	418	97	497	545	48
Receivables due from suppliers ¹	1,157	1,005	-151	1,197	1,102	-95
Receivables from credit cards	28	40	13	66	57	-9
Advance payments on inventories	0	0	0	0	0	0
Trade payables	-4,359	-4,739	-380	-4,817	-5,151	-333
Liabilities to customers	-134	-138	-4	-129	-32	97
Deferred revenues from vouchers and customer loyalty programmes	-51	-64	-14	-63	-144	-81
Provisions for customer loyalty programmes and rights of return	-18	-18	0	-19	-17	2
Prepayments received on orders	-32	-37	-5	-39	-38	1
Net Working Capital	-795	-744	51	-858	-857	1

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

¹ Includes €29m as of 30 September 2016, which was reported in the balance sheet under the other financial assets item in non-current assets.

CECONOMY's new shareholder structure

Pre-transaction structure based on voting rights*

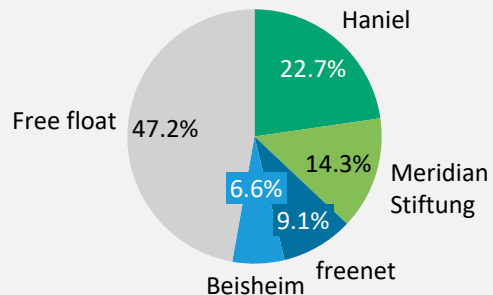


Beisheim reported 23,615,334 voting rights to METRO Wholesale & Food Specialist AG (now METRO AG) on 12 July 2017

Shareholder	Number of voting rights	% of voting rights	Date of publication
Haniel	81,015,280	24.99%	13 May 2015
Meridian Stiftung	51,117,363	15.77%	02 June 2017
Beisheim	29,493,970	9.10%	12 August 2013
Total	324,109,563		

In addition: 2,677,966 non-voting preference shares outstanding

Post-transaction structure based on voting rights*








Shareholder	Number of voting rights	% of voting rights*	Date of publication
Haniel	81,015,280	22.71%	13 May 2015
Meridian Stiftung	51,117,363	14.33%	16 July 2018
freenet	32,633,555	9.15%	12 July 2018
Beisheim	23,615,334	6.62%	18 July 2018
Total	356,743,118		

In addition: 2,677,966 non-voting preference shares outstanding






* Calculated on the basis of the number of voting rights in disclosures pursuant to section 40 para. 1 sentence 1 WpHG

Deep-dive: Back Margin Accounting Method for Variable Purchase Conditions






Step 1: Purchase of inventory

Assets (EURm)		Liabilities (EURm)	
 Cash	0	 Equity	0
 Receivables	10	 Payables	100
 Inventory	90		
		Reduced by back margin of -10	
Total	100	Total	100

Step 2: Sale of goods

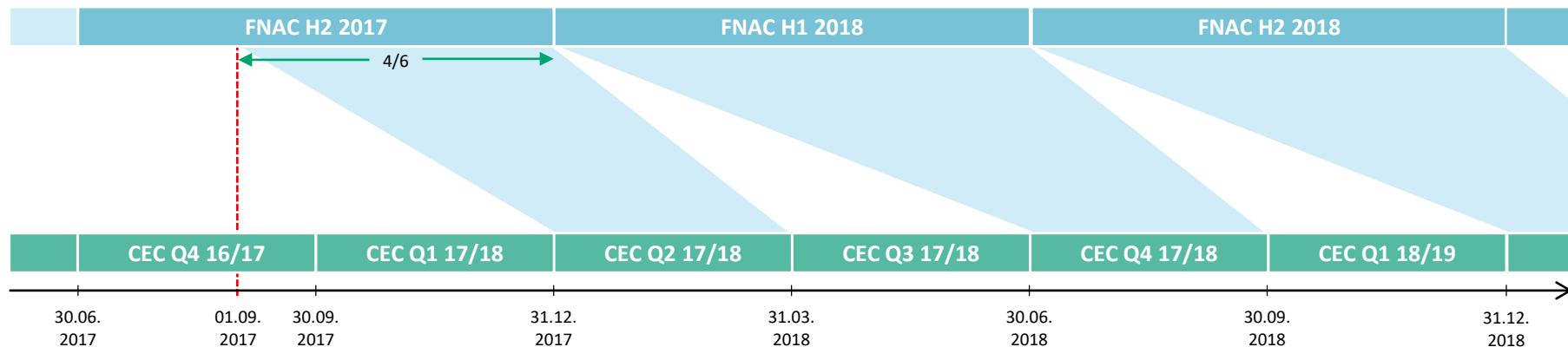
Assets (EURm)		Liabilities (EURm)	
 Cash	110	 Equity	20
 Receivables	10	 Payables	100
 Inventory	0		
Total	120	Total	120

Step 3: Settlement of payables & receivables

Assets (EURm)		Liabilities (EURm)	
 Cash	20	 Equity	20
 Receivables	0	 Payables	0
 Inventory	0		
Total	20	Total	20

- // CECONOMY agrees to purchase TVs from TV Co. for €100m (100,000 units at a unit cost of €1,000)
- // If CECONOMY purchases 100,000 or more units over the coming 12 months, the cost per device will reduce by 10% to €900
- // The agreement runs from Jan 1 to Dec 31 and CECONOMY assumes that in total 100,000 devices will be purchased (and sold)
- // The net selling price per TV is €1,100, resulting in revenues of €110m and a profit of €20m once all 100,000 units have been sold

Fnac Darty consolidation



// Our 24.33% stake in Fnac Darty is accounted for as “**Investment accounted for using the equity method**” on the balance sheet

// The share of Fnac Darty’s **net income** will be reported **in our EBITDA and EBIT**

// Due to Fnac Darty’s **semi-annual reporting of net income**, we will report our earnings share semi-annually **in Q2 and Q4**

— **First-time consolidation:** in our Q2 17/18, we will recognize our earnings share of $\frac{4}{6} \times$ Fnac Darty’s full H2 net income (Sep-Dec), because 01 September 2017 is the date of first consolidation

// Our share of **dividends**, should there be any dividends, will be recognised **earnings-neutral** in our cash flow statement

MediaMarktSaturn and Fnac Darty start “European Retail Alliance”



Partnerships



- // Establish a joint strategic supplier partnership management on an international level
- // Jointly negotiate and harmonize international “on top” conditions with suppliers¹
- // Improving service counterparts to suppliers as well as co-develop new services



Private Label Sourcing



- // Creation of a single private label sourcing entity and organization
- // Generate efficiencies in sourcing, by combining the parties’ entire private label and licensing activities
- // Co-development and sourcing of new private label products



Innovation



- // Cooperation in relation to the Retailtech Hub (i.e. Fnac Darty to participate in MediaMarktSaturn’s accelerator program)
- // Learn and get insights into new concepts and technologies²
- // Share experiences to allow all participants to learn faster and more efficient²



Insights



- // Gain insights from CRM data, market data and product related data relevant for suppliers, advertisers and other strategic partners

¹ With a dedicated and ring-fenced team. ² Subject to appropriate safe guards regarding information sharing.

Upcoming events

Q4/FY 2017/18 Trading Statement

Thursday, 25 October 2018

FY 2017/18 Results

Wednesday, 19 December 2018

CECONOMY

We empower life in the digital world