

CECONOMY

CECONOMY AG “Equity Story”

Investor Presentation,
May/June 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.

Why invest in CECONOMY?

#1

CECONOMY LEADS THE CONSOLIDATION AND TRANSFORMATION IN A DYNAMIC RETAIL CATEGORY

#2

CECONOMY IS THE LEADER IN MULTI-CHANNEL AND SCALE

#3

CECONOMY HAS A STRONG FINANCIAL PROFILE

#4

CECONOMY HAS THE POTENTIAL TO INCREASE MARGINS AND FREE CASH FLOW GENERATION

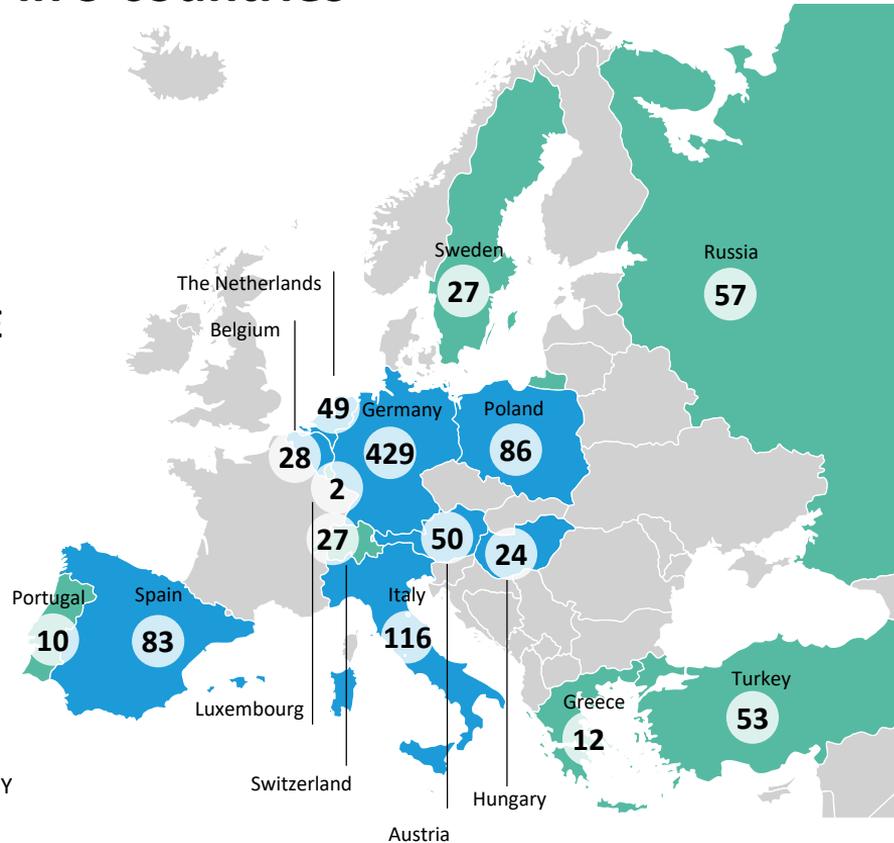


CECONOMY Strategy

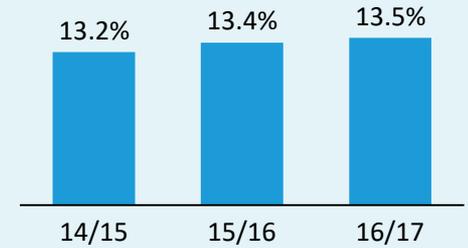


The largest Consumer Electronics Player in Europe with #1 positions in 9 countries

DIVERSIFIED EXPOSURE WITH 1,053 STORES & WEBSHOPS ACROSS 15 COUNTRIES IN EUROPE



FACT BOX
Market shares



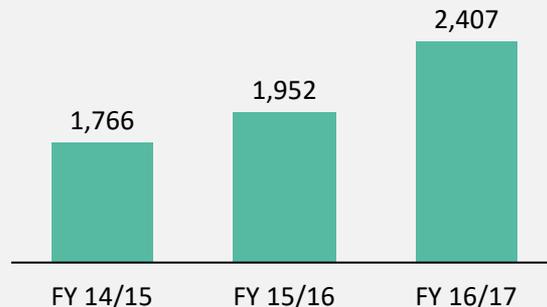
CECONOMY is leading in Europe at an all-time high market share

Source: Overview of store network (FY 16/17); Own CECONOMY analysis based on market research data by GfK. Panel data for consumer electronics based on retail panel as of September 2016 (for total market share September 2017).

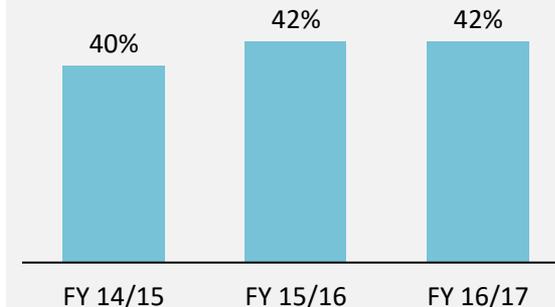
One of the leading multi-channel players in Europe



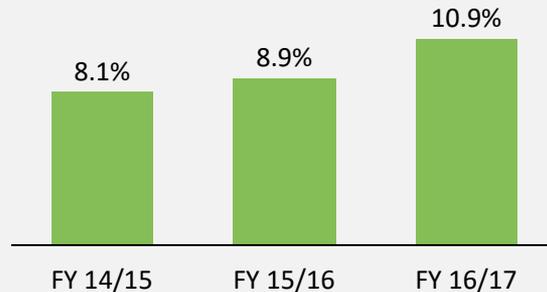
Online Sales (in € million)



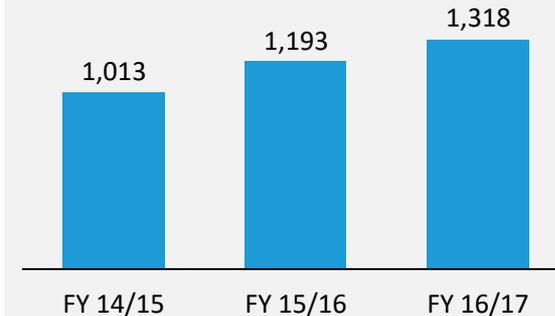
Pick-up rate (in % of online orders)



Online Sales Share (in %)



Online Visitors (in million)



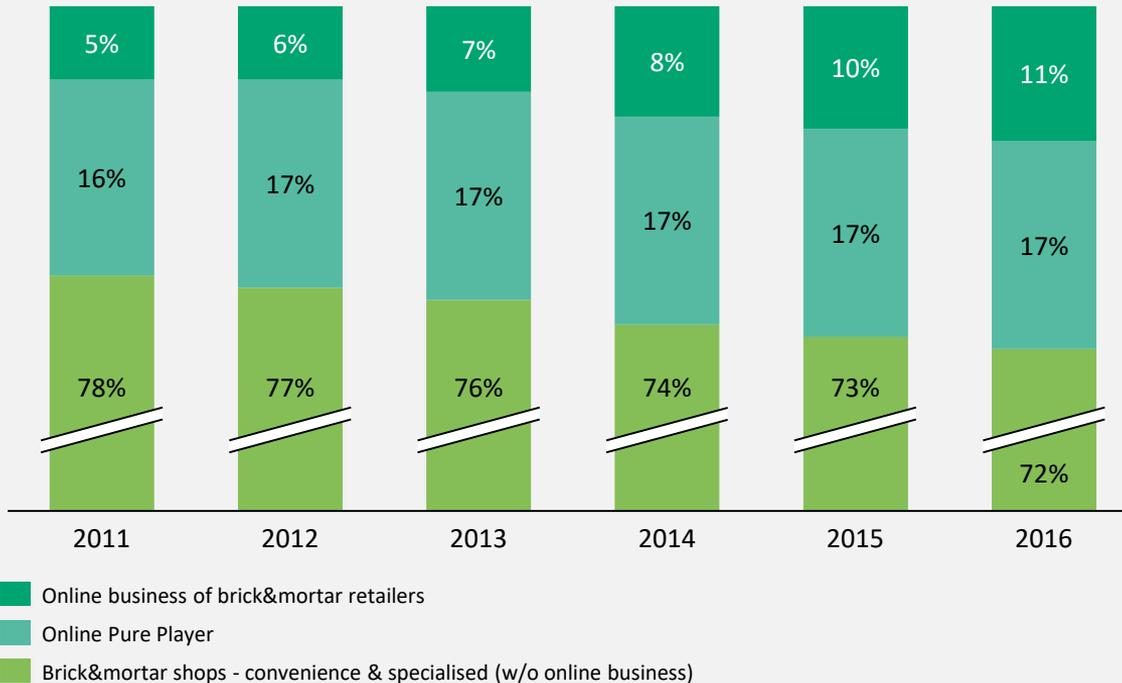
We are multi-channel



Multi-channel is the winning model

Where do German consumers buy CE products?

Sales share in Germany (in %)



**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

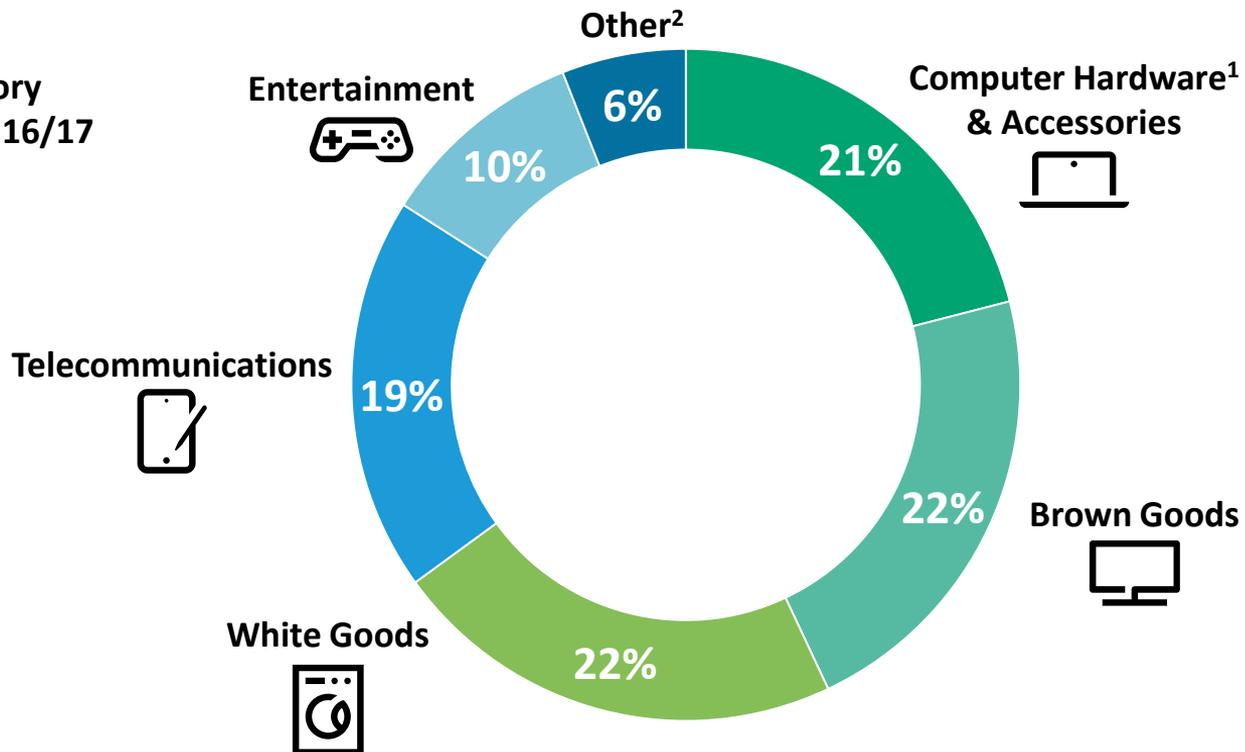
Advantages of CECONOMY's strong physical presence

- // 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



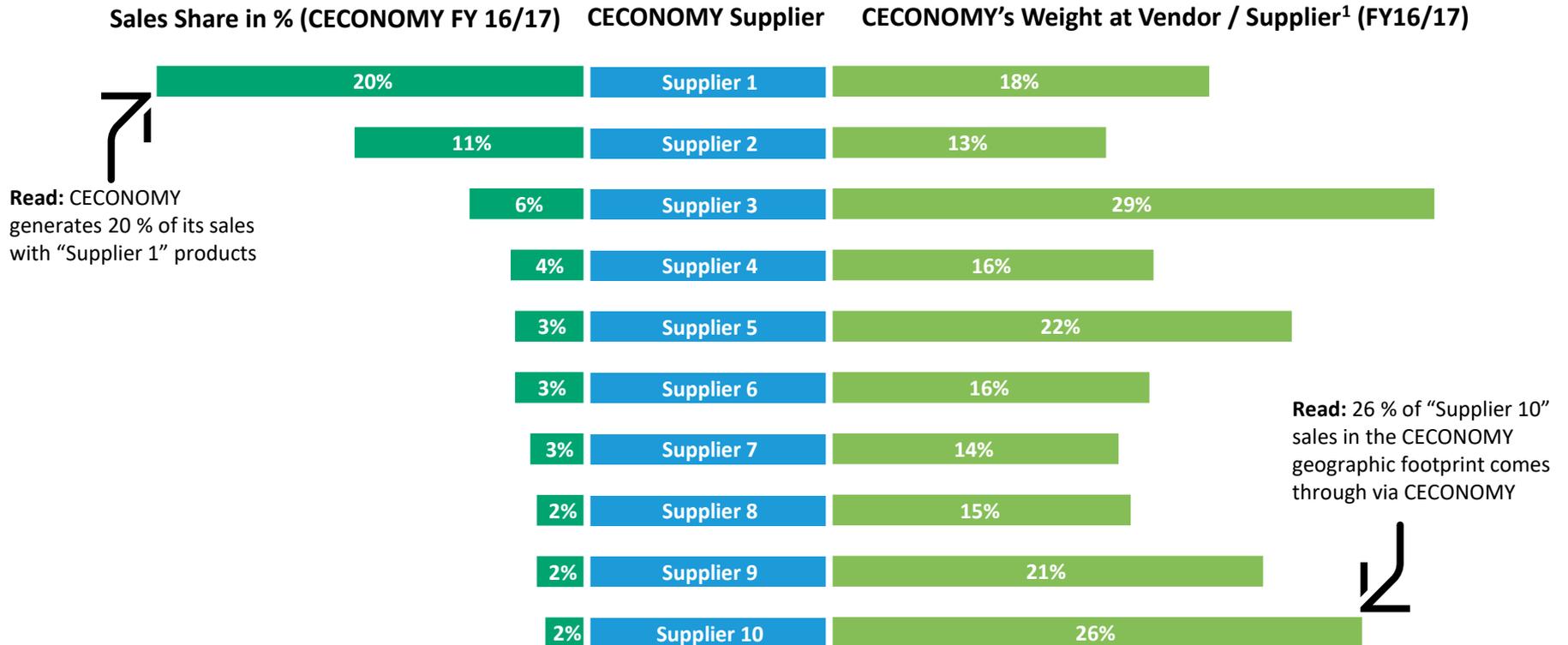
CECONOMY offers the full CE assortment, reflecting a truly “connected world”

Product Category
Breakdown FY 16/17



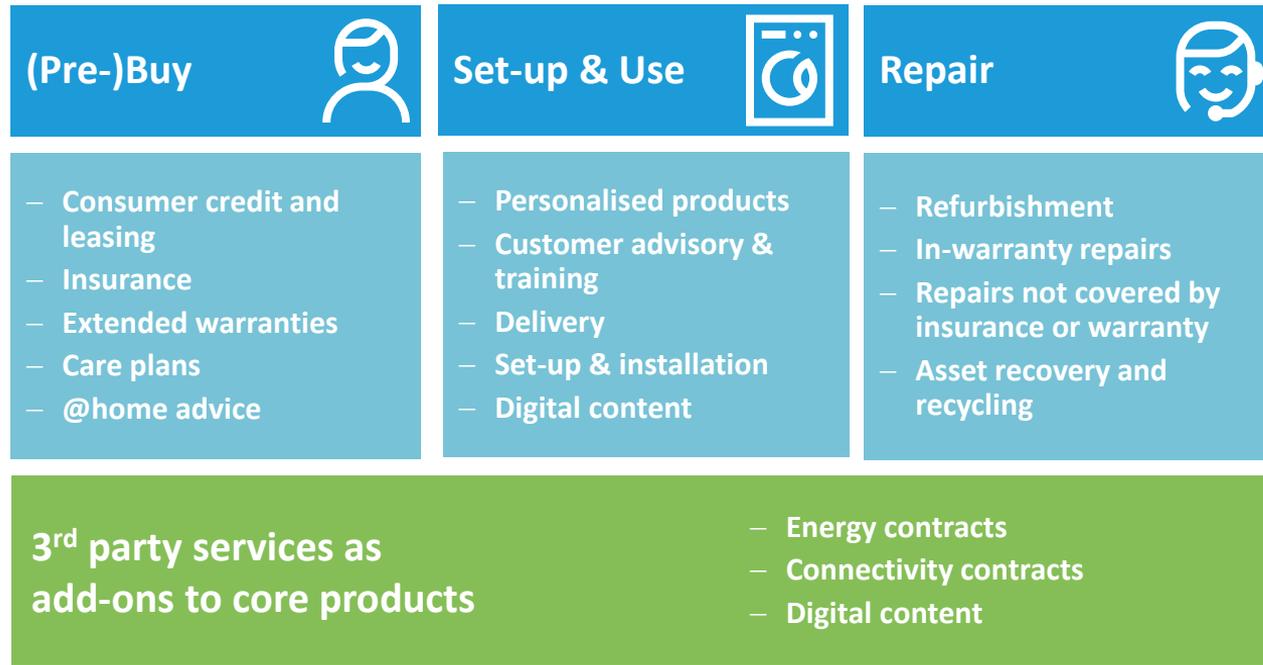
¹ Telecommunication devices such as iPads without SIM card included; ² Includes in essence Photo & Office equipment.

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



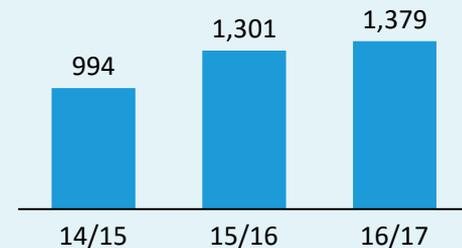
Source: Key figures TOP 10 Manufacturers (own CECONOMY analysis based on GfK, total in retail (excl. entertainment) FY16/17. ¹ Within CECONOMY's geographic footprint.

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



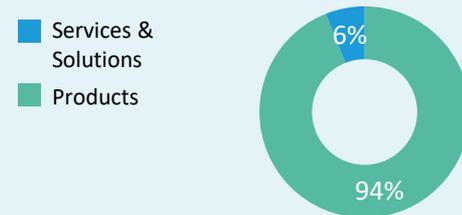
FACT BOX

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

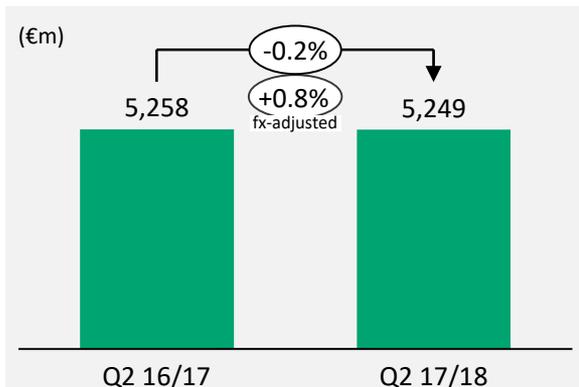
Saturn Card holders in just 4 months
after nation-wide roll-out

*Base: September 2017.

//

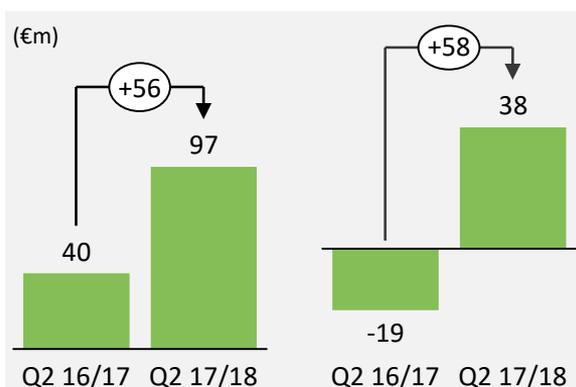
CECONOMY Q2/H1 2017/18

Majority of Q1 EBITDA decline has been recovered in Q2, supported by anticipated non-recurring effects



Sales

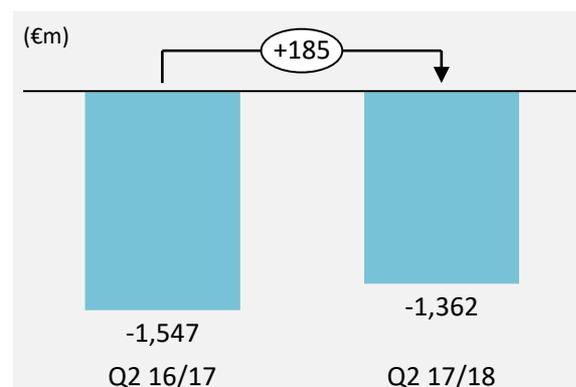
- // Fx-adjusted sales increased by **+0.8%** (-0.2% on a reported basis)
- // Fx-adjusted sales +1.8% excl. the Saturn VAT campaign in the prior year & positive Easter effect in current year
- // Online sales up +5% yoy
- // Services & Solutions grew by +15% yoy



EBITDA*

EBIT*

- // EBITDA increased by **€+56m yoy** (incl. €21m Fnac Darty contribution)
- // Broadly stable gross margin at 20.0%
- // Support from absence of anticipated non-recurring effects in the prior year
- // Positive effects from inventory valuation, higher Services & Solutions income and the wind-down of redcoon



Change in Net Working Capital (NWC)

- // **Positive €185m change in NWC**
- // Driven by lower rise in inventories and higher cash-in of supplier receivables
- // Trade payables temporarily supported by weekday effect
- // Over the six-months period, Free Cash Flow (FCF) €125m lower than prior year due to NWC

* EBITDA and EBIT incl. Fnac Darty; EBITDA & EBIT in Q2 2016/17 before special items. Note: NWC = Net Working Capital acc. to 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

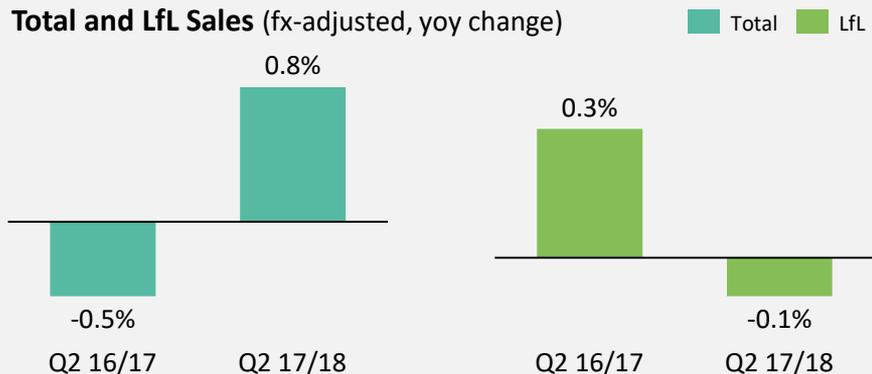


- // Gain insights from CRM data, market data and product related data relevant for suppliers, advertisers and other strategic partners

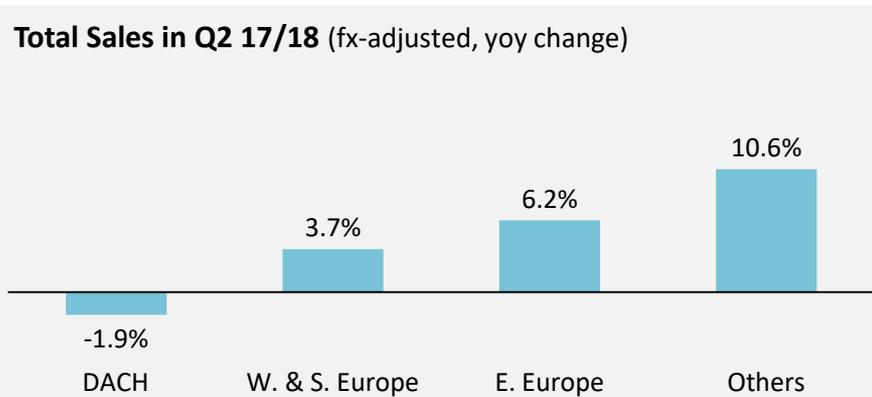
¹ With a dedicated and ring-fenced team. ² Subject to appropriate safe guards regarding information sharing.

Group sales growth driven by Turkey and Italy

Total and LfL Sales (fx-adjusted, yoy change)



Total Sales in Q2 17/18 (fx-adjusted, yoy change)

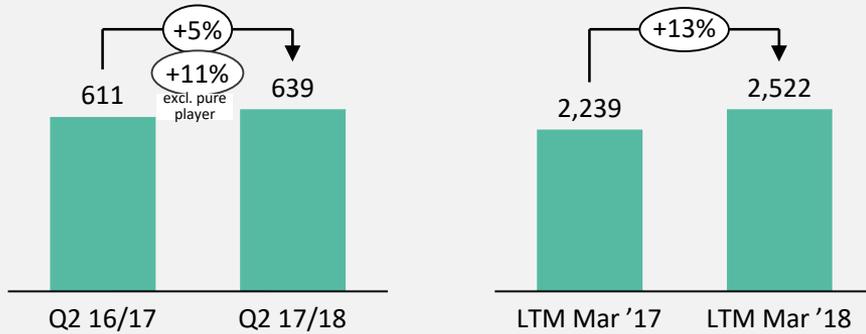


Highlights

- // Negative impact from absence of the Saturn VAT campaign in the previous year partly offset by early Easter business in current year
- // Adjusted for both effects, fx-adjusted sales growth at +1.8%
- // Stable to slightly positive development in Germany excl. Saturn VAT campaign, but lower sales in Switzerland
- // Sound performance in Italy, supporting the ongoing stabilisation in the country
- // Turkey led again sales growth on fx-adjusted basis
- // Increase in 'Others' driven by Sweden

Core online sales grew +11%, in total accounting for 12% of sales

Online Sales (in €m)



Online Sales (% of total sales)

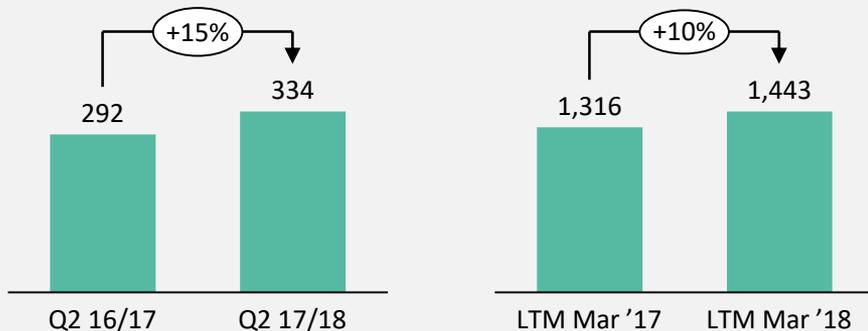


Highlights

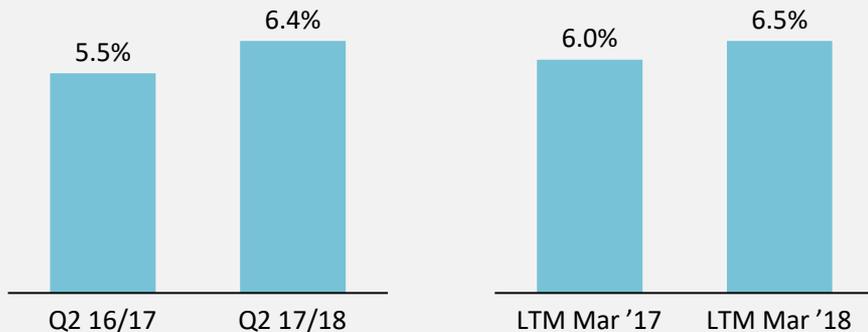
- // Online generated sales of MediaMarkt and Saturn increased by +11% yoy (or 5% incl. pure player)
- // Online now accounts for 12.2% of total sales vs. 11.6% in the prior-year period
- // Online growth rate impacted by ramp-down of remaining redcoon operations and the strong online business during prior year's Saturn VAT campaign
- // Final closure and liquidation of redcoon Germany
- // Pick-up rate remained high at around 42% vs. 41% in the prior-year period
- // Online assortment increased to c. 360k SKUs

Strong growth of Services & Solutions sales

Services & Solutions Sales (in €m)



Services & Solutions Sales (% of total sales)

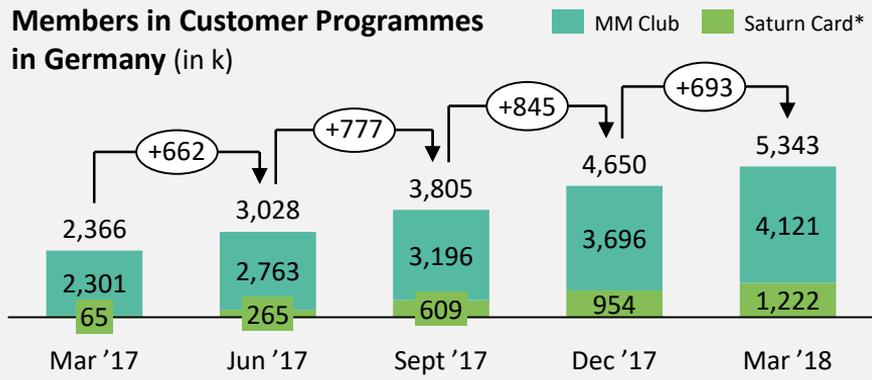


Highlights

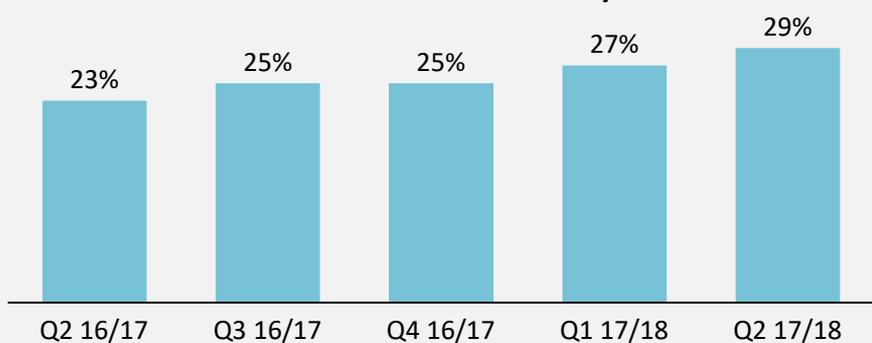
- // Services & Solutions sales up +15% yoy, driven by all categories, incl. insurances, financing, extended warranties, telco contracts and repair services
- // Services & Solutions now account for 6.4% of total sales vs. 5.5% one year ago
- // Service “smart bars” now implemented in 750 stores (+68 vs. December 2017)
- // At home consultation and installation service of Deutsche Technikberatung (DTB) now offered at 303 stores in Germany (+77 vs. December 2017); full roll-out by mid-2018 expected

Sustained growth in the number of members of our customer programmes

Members in Customer Programmes in Germany (in k)



Sales Penetration MediaMarkt Club Germany

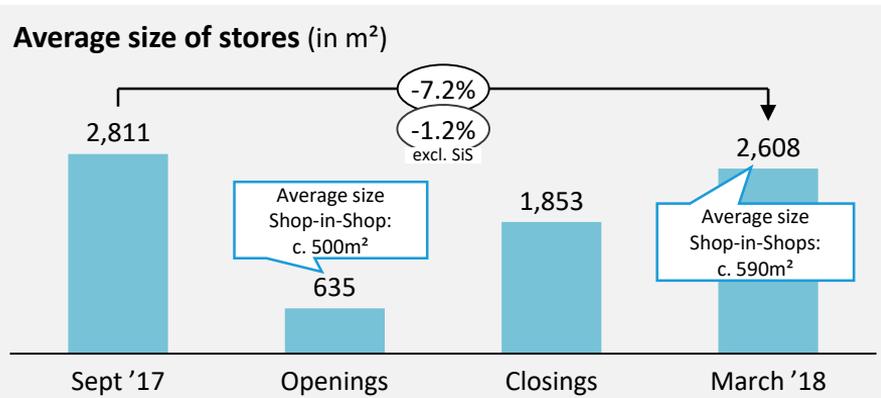


*Nov 16-Apr 17: Saturn Card pilot running with 14 pilot stores; nation-wide roll-out of Saturn Card on 29 May 2017. Note: Figures for MediaMarkt Club Spain not yet included.

Highlights

- // German MediaMarkt Club with sustained growth in the number of members, counting 4.1m in March 2018 (+425k vs. December 2017)
- // 29% of sales are generated by MediaMarkt Club members in Germany
- // Saturn Card counted more than 1.2m members in March 2018 (+270k vs. December 2017)
- // All customer programmes counted close to 17.5m members in total internationally (+3.0m vs. September 2017); hence, full-year target of 2m new members already exceeded
- // Further roll-out to additional countries planned for this year

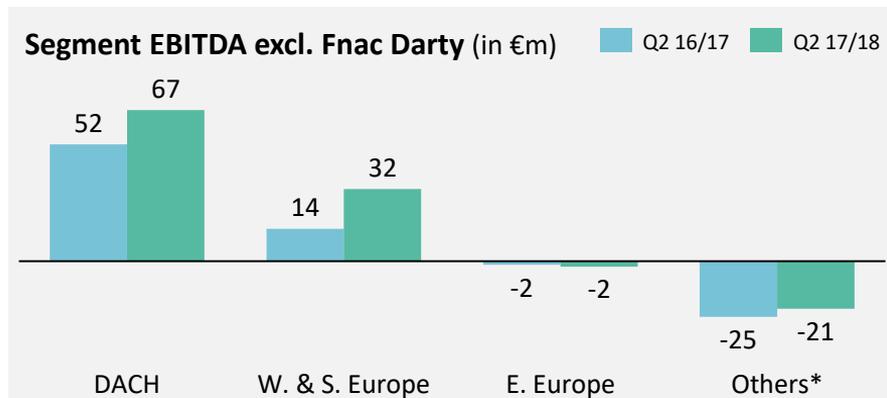
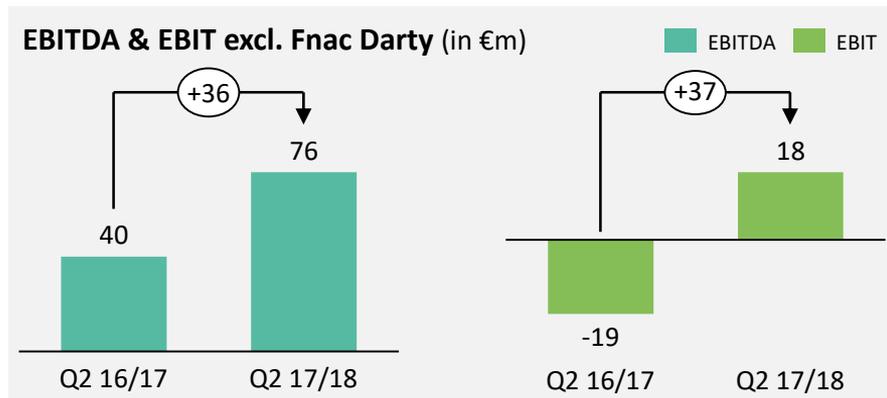
Continued reduction in average store size



Highlights

- // Selective store expansion continued with 7 openings (excl. Shop-in-Shops)
- // Out of this, 5 stores opened in Turkey and 1 store each in Germany and Poland, respectively
- // 1 additional Shop-in-Shop opened in METRO Cash & Carry store in Russia
- // 10 store closures, thereof 6 in Russia, 3 in Poland and 1 in Germany
- // Average store size reduced by c. -7% since September 2017, mainly due to openings of Shop-in-Shops, closure of large-scale stores in Russia and rightsizings
- // Low to mid double-digit number of net openings in FY 2017/18 planned, excl. Shop-in-Shops

Majority of Q1 EBITDA decline has been recovered in Q2, including anticipated non-recurring effects



Note: EBITDA & EBIT in Q2 2016/17 before special items. *Others: Including consolidation.

Highlights

- // Broadly stable gross margin at 20.0% (+0.1%p.)
- // Support from anticipated non-recurring effects such as the absence of the Saturn VAT campaign and losses related to the insolvency of a business partner in the Netherlands in the prior year
- // Positive effects from inventory valuation, higher Services & Solutions income and the wind-down of redcoon
- // First cost savings of announced additional €30m full-year cost measures realised
- // CECONOMY HQ costs broadly on previous-year's level

EPS impacted by impairment of METRO AG stake, despite positive EBIT development

EURm	Q2 2016/17	Q2 2017/18	Change
EBITDA	40	97	56
EBITDA excl. Fnac Darty	40	76	36
<i>EBITDA excl. Fnac Darty margin</i>	0.8%	1.4%	0.7%p.
EBIT	-19	38	58
EBIT excl. Fnac Darty	-19	18	37
<i>EBIT excl. Fnac Darty margin</i>	-0.4%	0.3%	0.7%p.
Net financial result	-1	-110	-109
Earnings before taxes	-20	-71	-51
Income taxes	7	16	9
Tax rate	32.8%	22.1%	-10.7%p.
Profit or loss for the period	-14	-55	-42
attributable to non-controlling interest	-1	13	14
attributable to shareholders of CECONOMY AG	-13	-68	-56
EPS (€)	-0.04	-0.21	-0.17

Note: All figures in Q2 2016/17 before special items.

Highlights

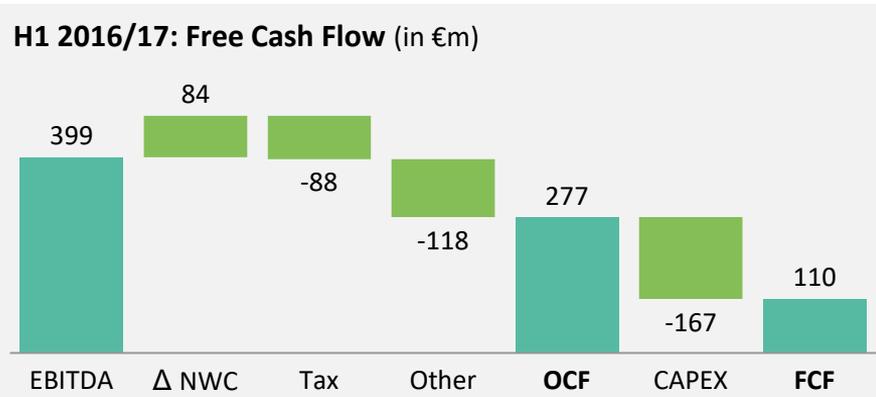
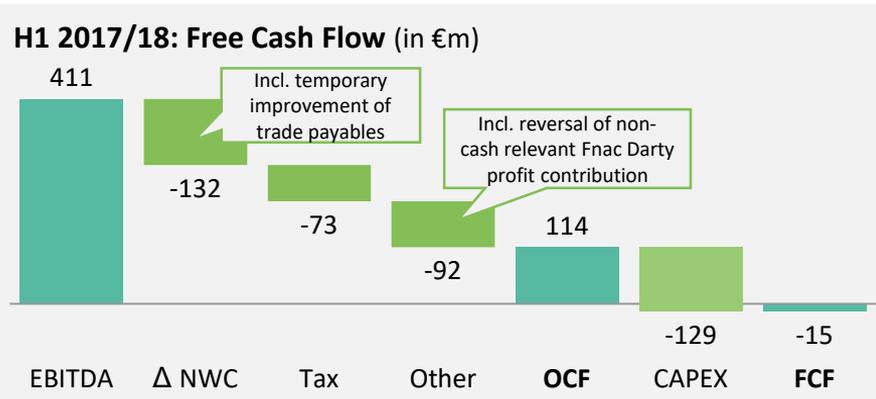
Includes our share of Fnac Darty's H2 2017 net income in the amount of €21m

Includes €131m impairment of our METRO AG stake; partially offset by METRO AG dividend of €25m

Share of minority interest in-line with FY expectation of 25-30% of underlying profit or loss for the period

Adjusted for the impairment of our METRO AG stake, underlying EPS would be €0.13

Higher NWC outflow in H1 2017/18 weighed on Free Cash Flow

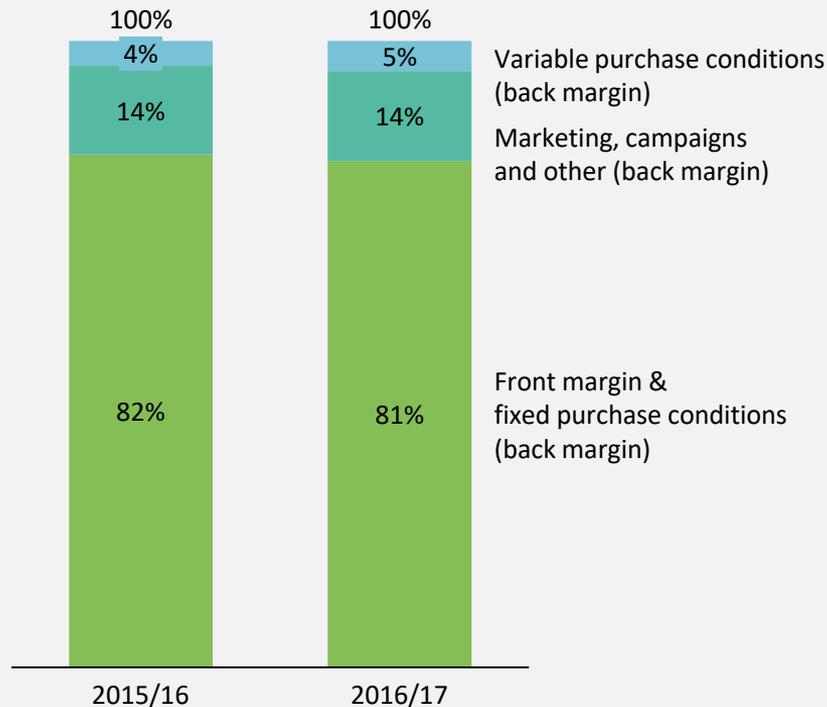


Highlights

- // NWC in Q2 supported by temporary improvement of trade payables (low triple-digit €m amount) due to weekday effects
- // Over the six-months period, change in NWC still around €216m lower vs. prior year
- // Lower cash taxes due to trade tax refunds for previous years
- // Other OCF benefiting from positive FX effects
- // CAPEX decreased by €38m driven by cash-out for Digital Shelf Labels in the prior year, lower expansion investments and absence of investments in the Dutch service company ZES
- // Free Cash Flow €125m lower than prior year due to NWC development

Sales-target dependent supplier contributions account for only about 5% of the group's combined front and back margin

Front Margin and Back Margin Split ¹



¹ Before other COGS items such as ancillary purchasing expenses or inventory revaluation.

Comments

- // The vast majority of our gross profit relates to either straight front margin gains or fixed purchase conditions in the back margin, neither of which depend on reaching specific annual targets
- // Most fixed purchase conditions are cashed in on a quarterly basis, some on an annual basis
- // About 14% relate to marketing, campaign and other supplier contributions which typically have a short duration of just a few weeks
- // Variable purchase conditions, which usually depend on meeting annual target achievements, account for only about 5% of our combined front and back margin

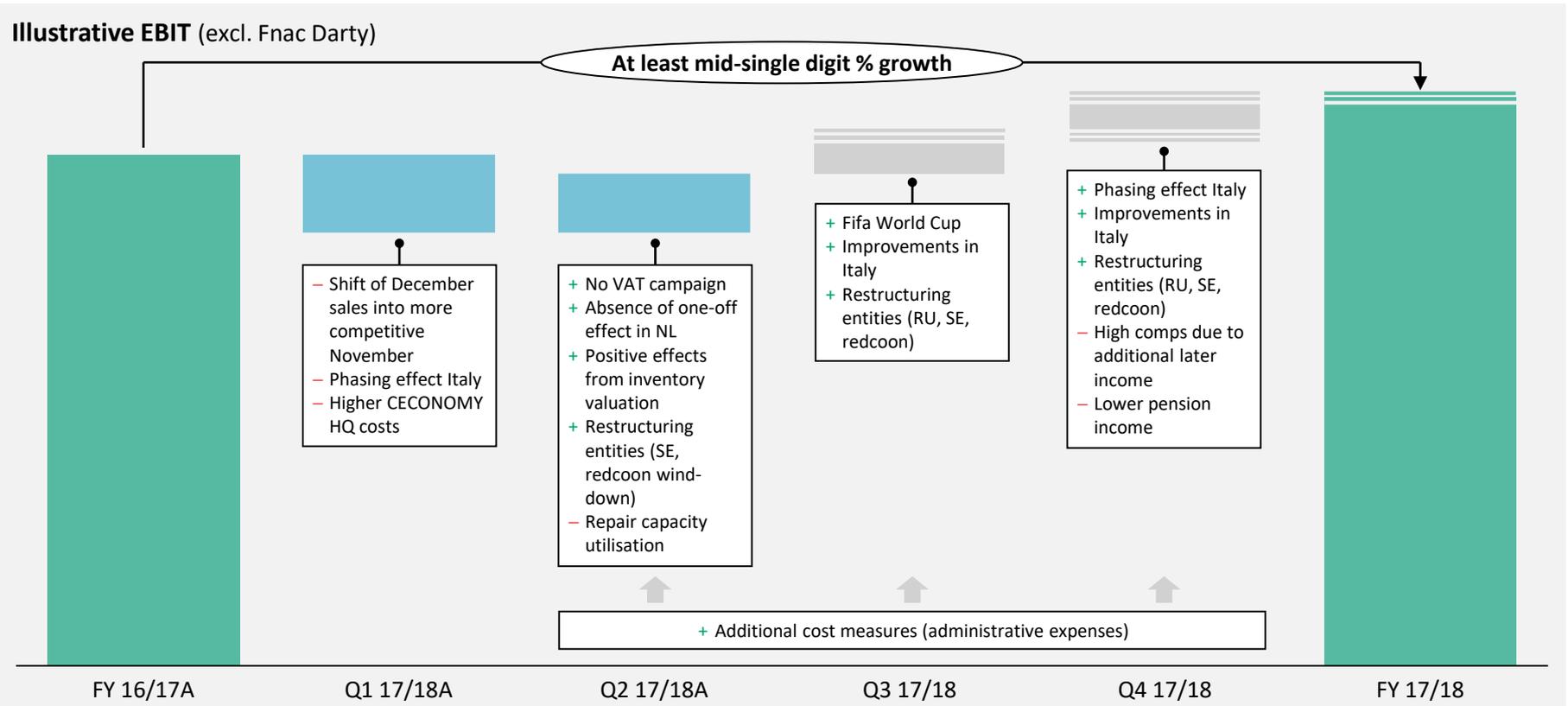
Outlook

The outlook is adjusted for currency effects and portfolio changes.

	FY 2016/17 ¹	FY 2017/18	Confirmed
€m			
Total sales	22,155	Slight increase ²	✓
EBITDA (excl. Fnac Darty)	704	At least mid single-digit % growth	✓
EBIT (excl. Fnac Darty)	471	At least mid single-digit % growth	✓
Fnac Darty profit share (consensus)	n.a.	Low to mid double-digit €m amount	✓

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.

Building blocks for Q3 and Q4 2017/18

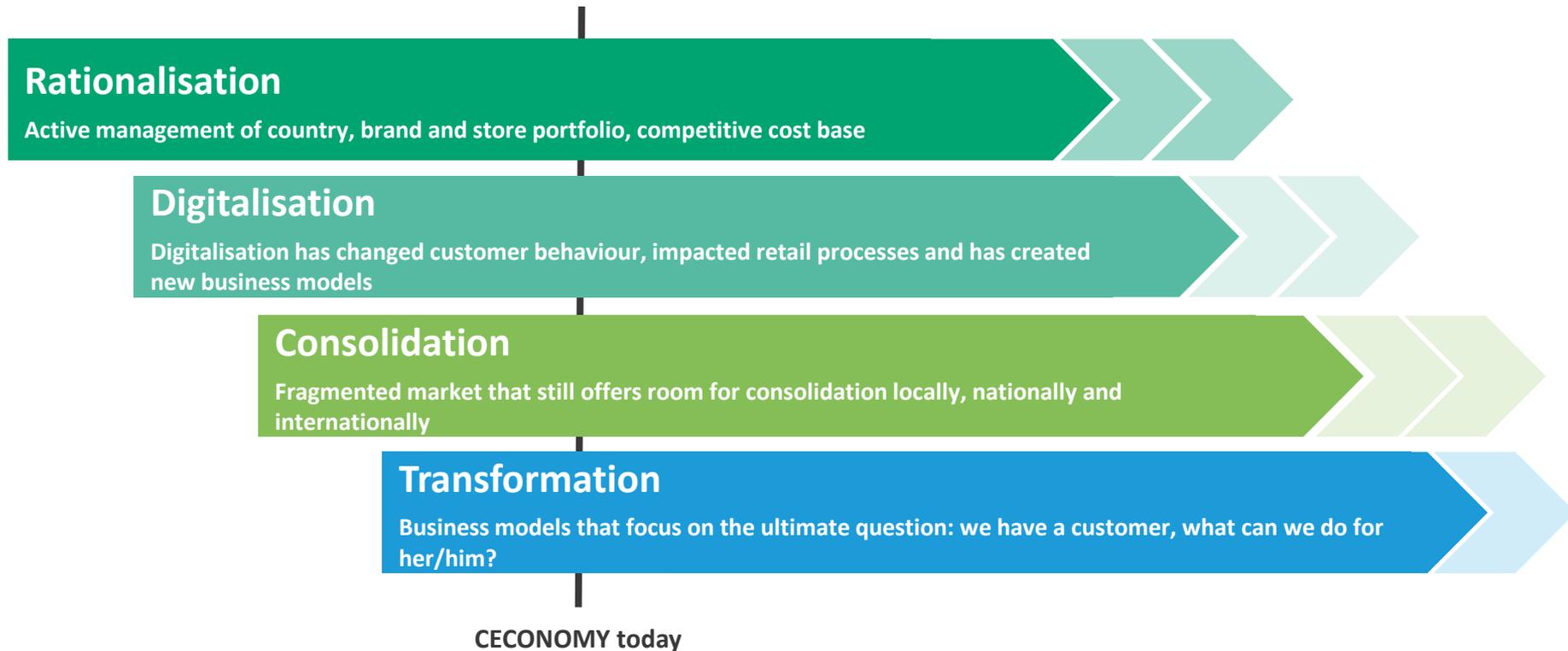




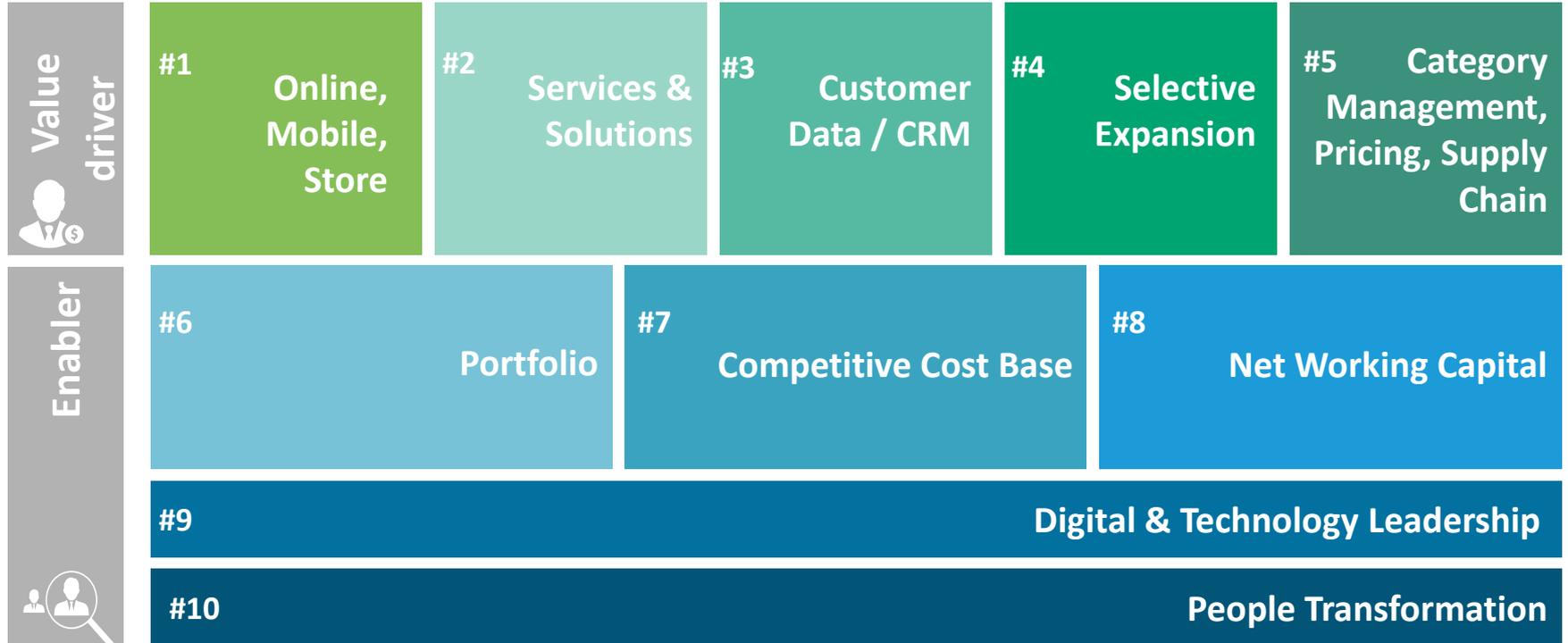
CECONOMY Targets, Value Drivers & Enablers



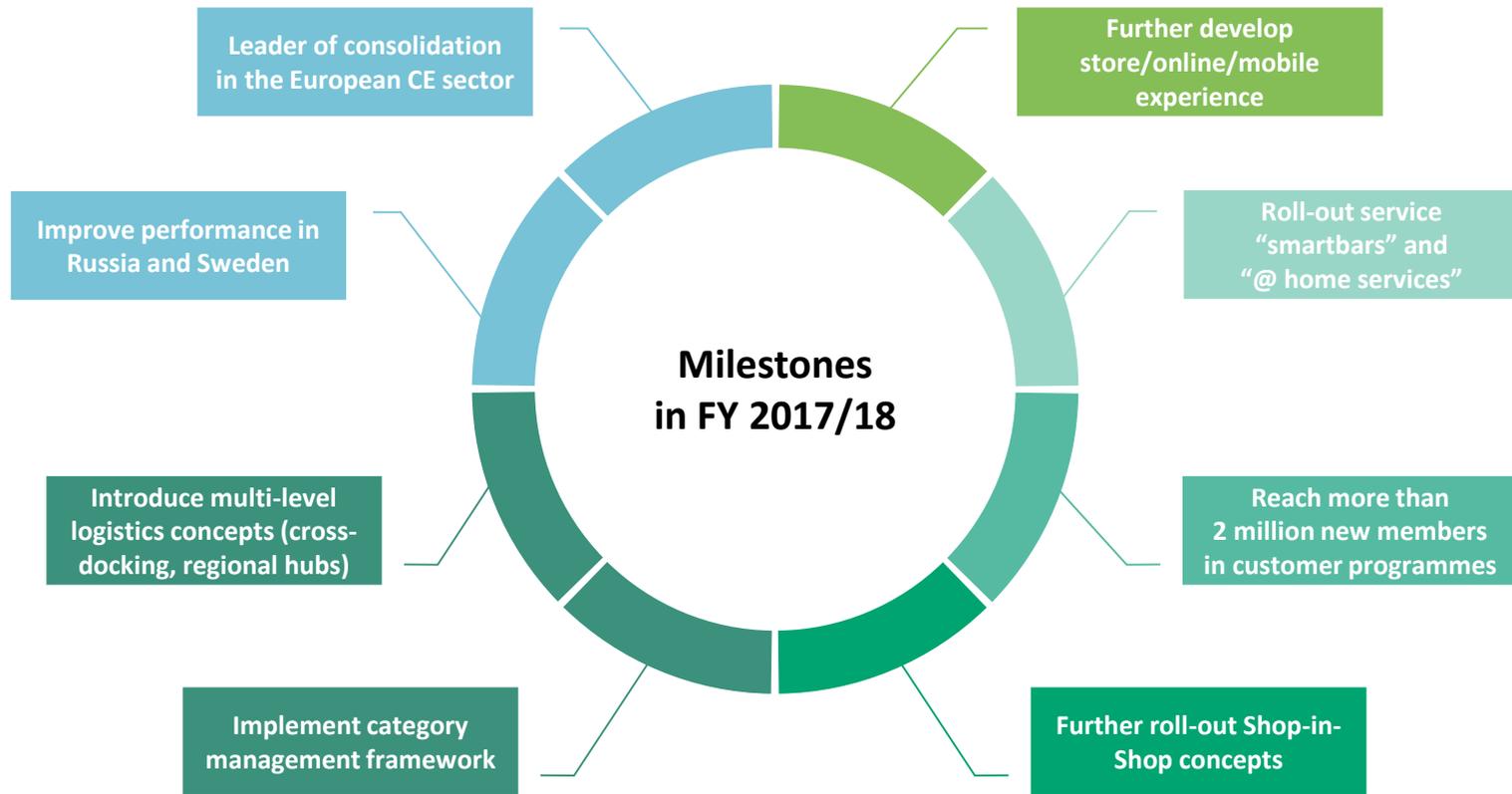
CECONOMY is well progressing in the different change phases in the Consumer Electronics space



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

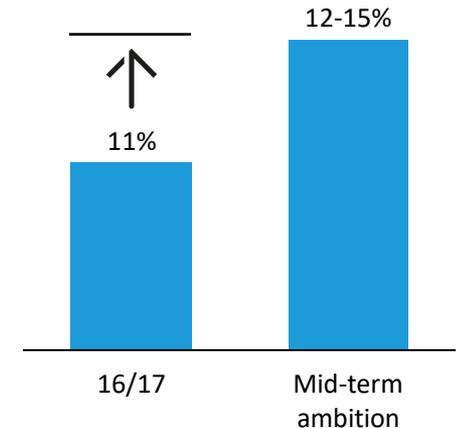
Availability

- // 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

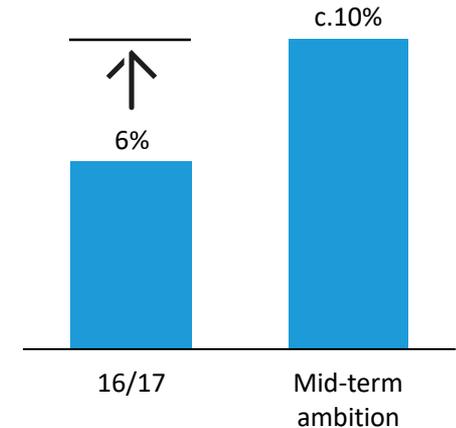
Subscription models

- // 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

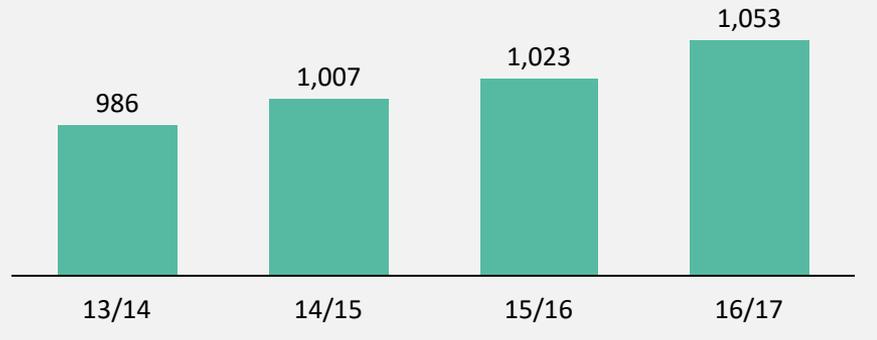
Services & Solutions Sales (% of total sales)



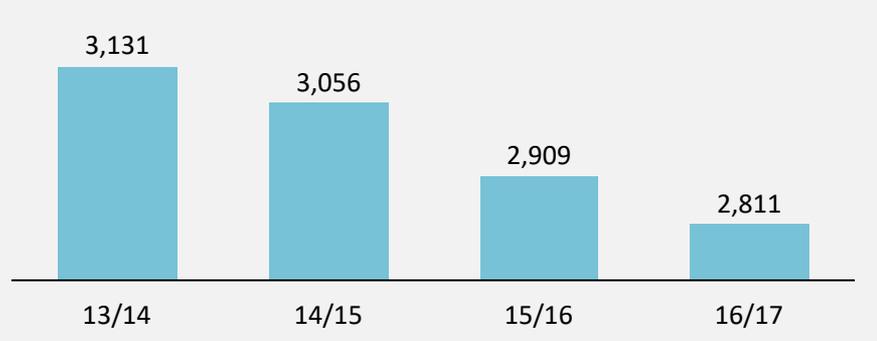
Relentless focus on strengthening service value proposition – in-store, remote & at home of customers

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

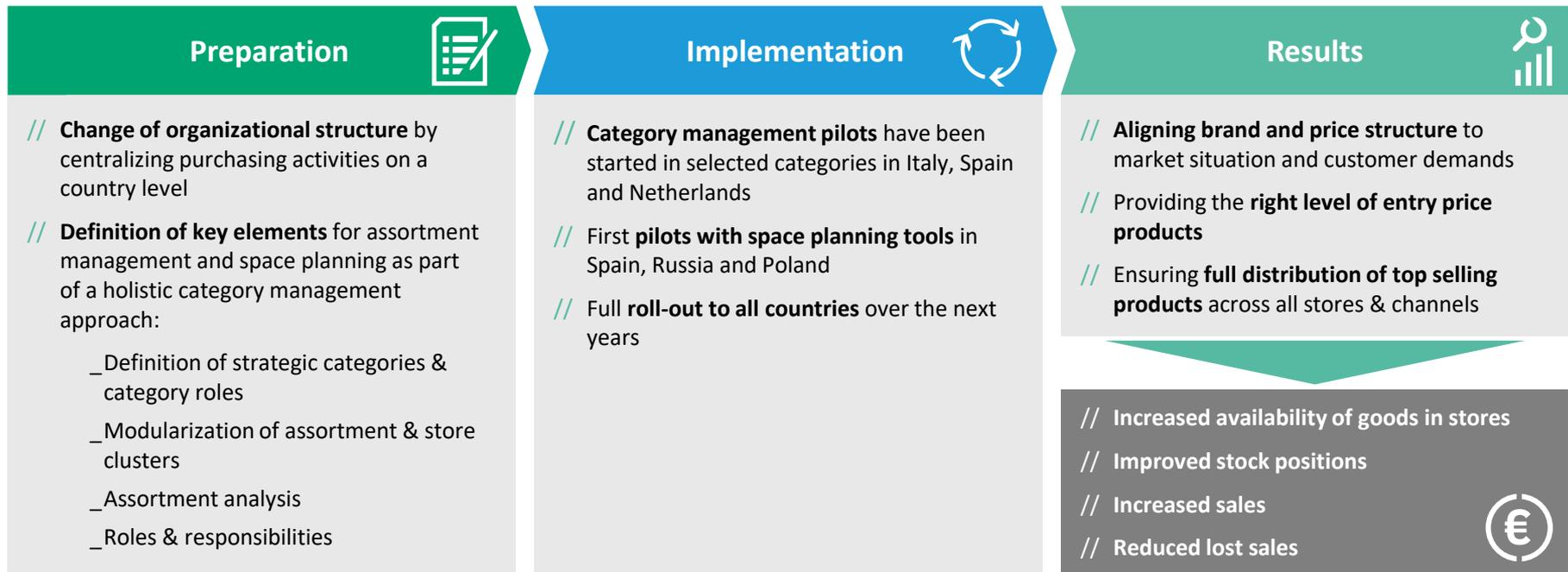
➤ **Ongoing selective expansion, yet at a lower pace and with smaller formats**

Ongoing portfolio improvement is well on track; we are committed to find strategic answers for Russia and Sweden until end of 2018

redcoon 	Turkey 	Russia 	Sweden 
<ul style="list-style-type: none">// Restructuring of redcoon completed// Closures of redcoon operations in six 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// Significant growth through operational excellence// Sales & Service push// 100% centralized procurement	<ul style="list-style-type: none">// Initiated cost savings and margin management programs// Ongoing rightsizing of existing stores// Sales push with roll-out of shop-in-shops at Metro Cash & Carry	<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 	Strategic answer until end of 2018 	Strategic answer until end of 2018 

 **Portfolio improvements provide margin uplift to reach mid-term ambition of EBITDA margin in the direction of 5%**

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)



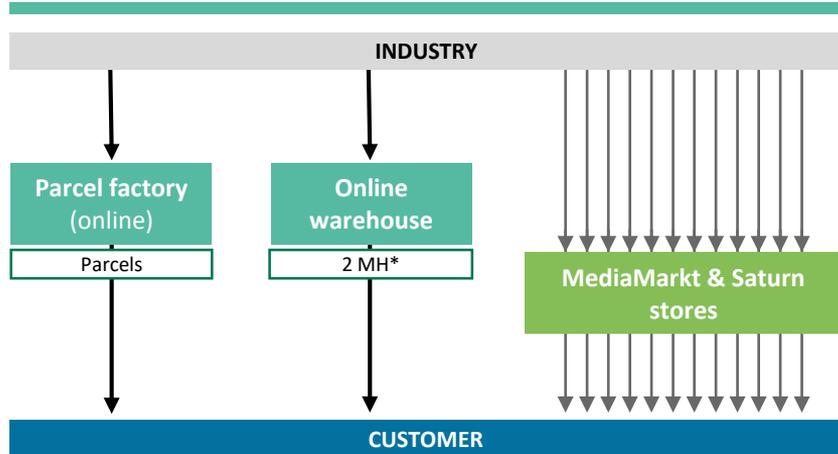
- // **Expansion of eCommerce logistics** capacity in all countries as necessary
- // **Integration of existing online warehouses** into multi-level logistics concept
- // **Germany:** Four online warehouses up and running and at least one addition in FY17/18



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

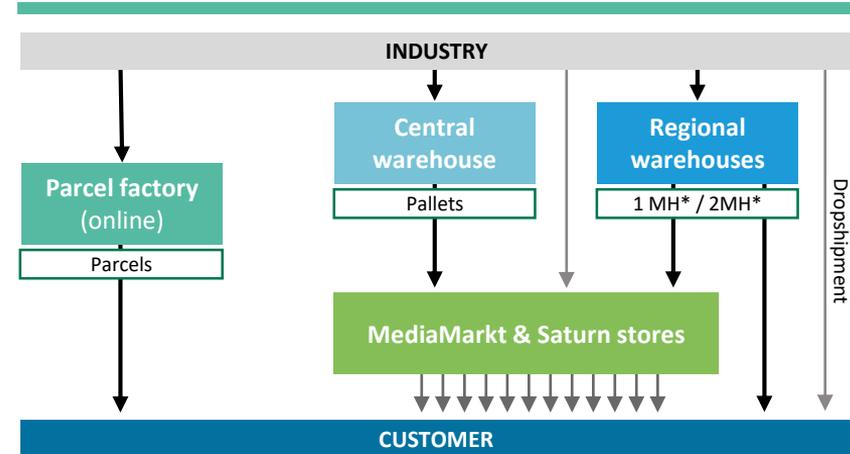
Product flows and logistics locations: Today



// 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



//

Back Up

Sales & store network per 30 September 2017

	Sales (€m)		Number of Stores			
	FY 2015/16	FY 2016/17	FY 2015/16	Openings	Closures	FY 2016/17
Germany	10,273	10,556	424	5	-	429
Austria	1,139	1,169	49	1	-	50
Switzerland	674	635	28	-	-1	27
Hungary	272	302	22	2	-	24
DACH	12,358	12,662	523	8	-1	530
Belgium	681	686	23	7	-2	28
Greece	189	187	11	1	-	12
Italy	2,096	2,087	111	5	-	116
Luxembourg	58	63	2	-	-	2
Netherlands	1,567	1,590	49	-	-	49
Portugal	124	133	9	1	-	10
Spain	1,894	1,967	79	4	-	83
Western & Southern Europe	6,609	6,714	284	18	-2	300
Poland	1,004	1,033	83	3	-	86
Russia	566	526	61	1	-5	57
Turkey	612	666	45	10	-2	53
Eastern Europe	2,181	2,226	189	14	-7	196
Sweden	503	474	27	-	-	27
Others (incl. Sweden)	722	553	27	-	-	27
CECONOMY	21,870	22,155	1,023	40	-10	1,053

Store network per 31 March 2018

	31/12/2017	Openings Q2 2017/18	Closures Q2 2017/18	30/03/2018
Austria	52			52
Belgium	29			29
Germany	431	1	-1	431
Greece	12			12
Hungary	24			24
Italy	116			116
Luxembourg	2			2
Netherlands	49			49
Poland	87	1	-3	85
Portugal	10			10
Russia	141	1	-6	136
Spain	84			84
Sweden	27			27
Switzerland	28			28
Turkey	57	5		62
Total	1,149	8	-10	1,147

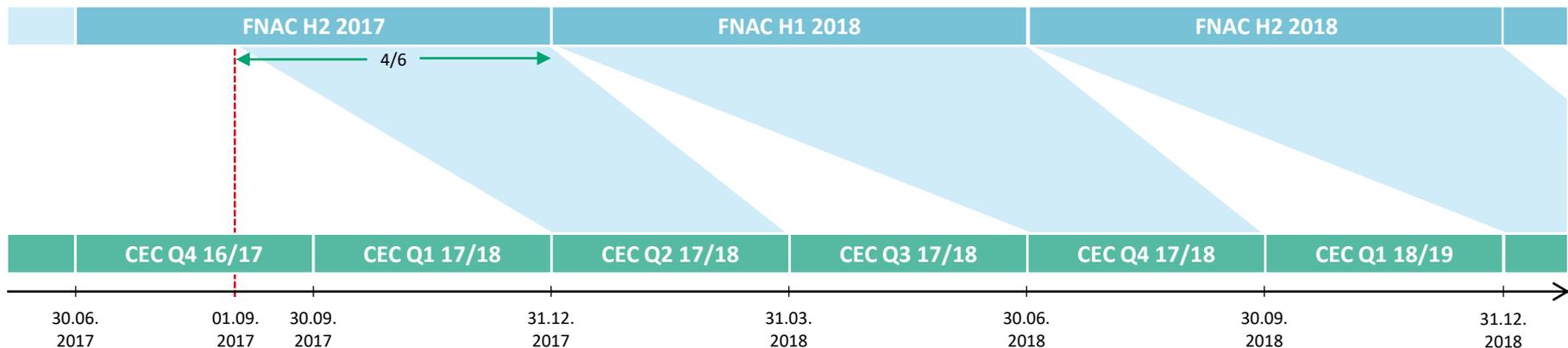
Shop-in-Shop

Net Working Capital

€m	30/09/2016	31/03/2017	Change	30/09/2017	31/03/2018	Change
Inventories	2,393	2,956	563	2,553	2,972	419
Trade receivables	324	307	-17	498	517	19
Receivables due from suppliers ¹	1,212	1,184	-28	1,246	1,183	-63
Receivables from credit cards	28	24	-4	68	65	-3
Advance payments on inventories	0	1	1	0	0	0
Trade payables	-4,494	-5,056	-562	-4,929	-5,159	-230
Liabilities to customers	-135	-143	-8	-129	-124	5
Deferred revenues from vouchers and customer loyalty programmes	-56	-70	-14	-69	-81	-12
Provisions for customer loyalty programmes and rights of return	-18	-16	2	-19	-17	2
Prepayments received on orders	-33	-34	-1	-39	-38	1
Net Working Capital	-780	-847	-67	-820	-681	139

¹ Includes €29m per 30/09/2016 and €28m per 31/03/2017, which are shown in the statement of financial position under “other financial assets” (non-current).

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 $4/6 \times$ 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

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

Step 1: Purchase of inventory				Step 2: Sale of goods				Step 3: Settlement of payables & receivables			
Assets (EURm)		Liabilities (EURm)		Assets (EURm)		Liabilities (EURm)		Assets (EURm)		Liabilities (EURm)	
	Cash		Equity		Cash		Equity		Cash		Equity
	0		0		110		20		20		20
	Receivables		Payables		Receivables		Payables		Receivables		Payables
	10		100		10		100		0		0
	Inventory				Inventory				Inventory		
	90				0				0		
		<div style="border: 1px solid green; padding: 2px; display: inline-block;">Reduced by back margin of -10</div>									
Total	100	Total	100	Total	120	Total	120	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

Upcoming events

Q3/9M 2017/18 Results

Tuesday, 14 August 2018

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