

CECONOMY



General Meeting
CECONOMY AG

Dr Bernhard Düttmann
Düsseldorf, 12 February 2020

Agenda



01

Performance FY 2018/19

In a year of transition CECONOMY has made significant operational and structural progress

Where we come from

Decline in profitability

Depreciations and portfolio losses

Complex structures and a high cost base

No implementation of the strategic initiatives



What we have achieved

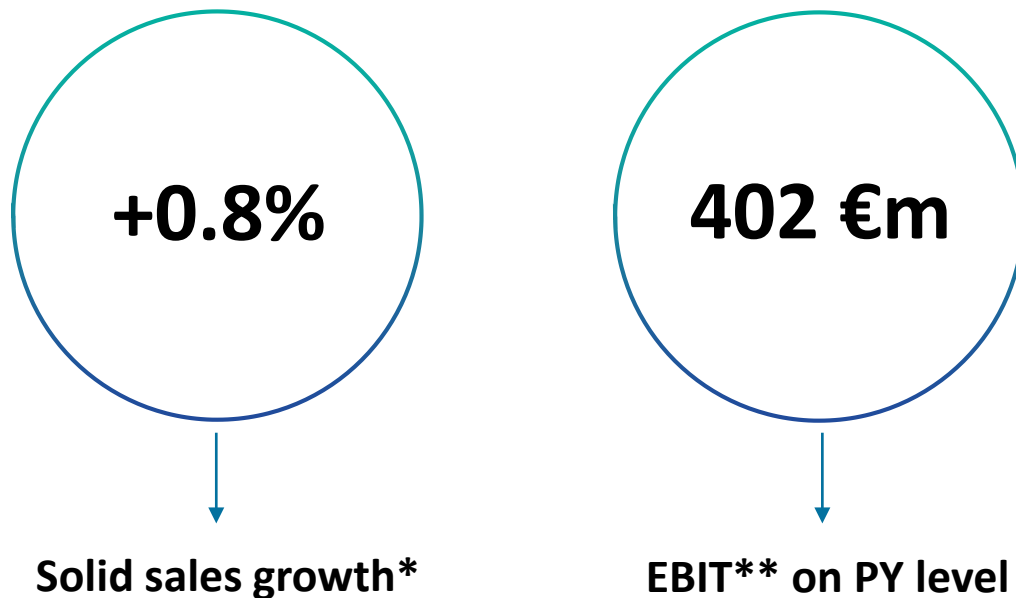
Stabilisation of profitability

Already some solutions for countries, portfolio companies and investments

Clearer responsibilities and a more competitive cost base

Progress on all initiatives, detailing of the strategy ongoing

CECONOMY has reached its financial targets



*fx-adjusted **EBIT excl. Fnac Darty and excl. expenses in connection with the reorganization and efficiency program and management changes

Online business still key sales driver in 2018/19, Services & Solutions impacted by high comps

Online sales

2,935 €m

13.7% share of sales

Services sales*

1,498 €m

7.0% share of sales

*According to IAS 18

Results slightly above expectations thanks to active cost management, higher income from Services and good sales development

	Adjusted EBIT*	Change to PY
DACH	320 €m	+21 €m
Western/Southern Europe	146 €m	+23 €m
Eastern Europe	10 €m	-33 €m
Others**	-74 €m	-6 €m
Total	402 €m	+4 €m

*Adjusted EBIT excl. Fnac Darty and excl. expenses in connection with the reorganization and efficiency program and management changes **Others: Incl. consolidation

Earnings per share influenced by restructuring expenses, net financial result with positive contribution

	FY 2018/19	Change to PY
Adjusted EBIT*	402 €m	+4 €m
Reported EBIT	224 €m	-196 €m
Net financial result	12 €m	+210 €m
Earnings before taxes	235 €m	+14 €m
Net result	121 €m	-99 €m
Earning per share	0.34 €	+0.27 €

*Adjusted EBIT excl. Fnac Darty and excl. expenses in connection with the reorganization and efficiency program and management changes

No dividend distribution foreseen for Financial Year 2018/19

- Implementation of reorganization and efficiency program to increase competitiveness
- Strengthening of equity and balance sheet



**No
dividend
distribution**

02

Status of the transformation

Strategic initiatives in Financial Year 2018/19



**DIGITAL
GROWTH**

ONGOING



**SERVICES &
SOLUTIONS**

ONGOING



**CATEGORY &
SUPPLY CHAIN
MANAGEMENT**

GRADUAL PROGRESS



**ORGANISATION &
COST STRUCTURE**

SHORT TERM

Reduction of complexity and costs especially in Germany

Reorganization and efficiency program

Administrative functions



Reorganisation of administrative functions at CECONOMY, Media-Saturn Holding and the German country organisation

Portfolio



Review of activities not being part of the core business



Savings amounting to 110 – 130 €m p.a.

Activities to digitise our business model



Financial Year 2018/19

**New webshop
platform developed**

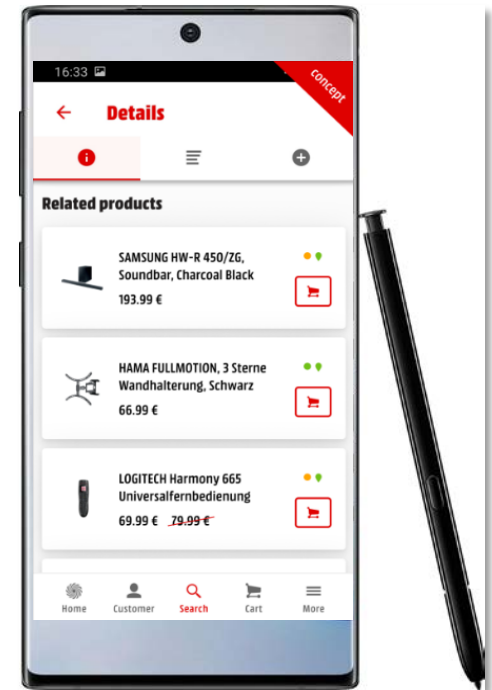
**App user interface
improved**

Financial Year 2019/20

**Roll-out new
webshop platform**

**Introduction assisted
selling**

**Piloting online
market place**





Focus on close customer relationship in all countries

Financial Year 2018/19

New offer insurances and warranties in Germany

Consistent service offer at the Smartbars

Financial Year 2019/20

Internat. roll-out new offer insurances and warranties

Introduction own billing platform, for example for software



Centralisation of category and supply chain management



Financial Year 2018/19

**Pilot store for
Category
Management**

**Central pricing
system in Germany**

**Central logistics
platform in
Germany and the
Netherlands**

Financial Year 2019/20

**Increase of central
buying**

**Automation of space
and assortment
planning**

**Transformation of
supply chain**



26 MARCH 2020

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**STRATEGIC
UPDATE**

03

Outlook FY 2019/20

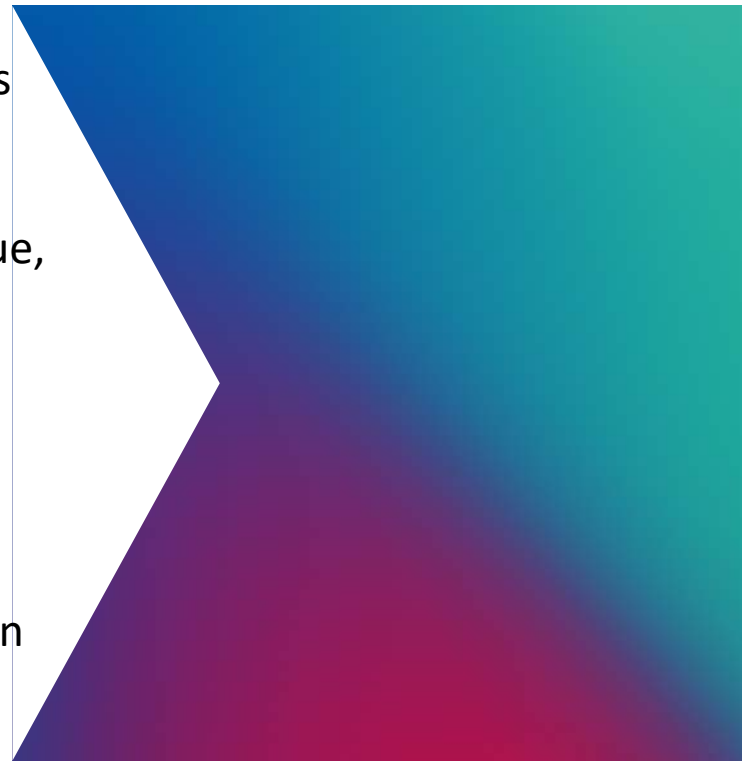
Our assumptions for Financial Year 2019/20

Sales: Driven mainly by Online and Services & Solutions business

Gross margin: Pressure on goods margin still to continue, but overall gross margin trend improvement

Costs: Strong cost decline in line with communicated targets

Strategic initiatives: ongoing consistent implementation of all initiatives



Outlook

	FY 2018/19	FY 2019/20
Sales growth (fx-adjusted)	+0.8%	slight increase
EBIT	402 €m	445 – 475 €m

Note: Outlook adjusted for portfolio changes, non-recurring earnings effects in connection with the reorganization and efficiency program as well as associates. EBIT 2019/20 incl. positive effect between 5 €m and 15 €m from the adoption of the new accounting standard IFRS 16.

04

Performance Q1 2019/20

In the first quarter of 2019/20 we focused on Black Friday and further executed our initiatives...



Noticeable Group earnings improvement

... and built the foundations for a successful full year



*Adjusted for currency effects and portfolio changes ** EBIT including effects from IRFS 16 adoption. Adjusted EBIT excl. non-recurring earnings effects in connection with the reorganization and efficiency program, adjusted for portfolio changes and excl. associates

05

Summary

Summary

FOCUS

FIXING THE BASICS



EXECUTE

**TRANSFORMING THE
BUSINESS**



**We want to be customers' first choice
with our omni-channel business model**

CECONOMY