Press Release

2020 General Meeting: CECONOMY has stabilised both financially and operationally

- **Full-year targets for 2018/19 achieved, progress in implementing strategic initiatives**
- **No dividend distribution foreseen in order to strengthen equity**
- **Outlook for the current financial year 2019/20 confirmed**

Düsseldorf, 12 February 2020 – At today's General Meeting of CECONOMY AG ("CECONOMY"), the Management Board and Supervisory Board will inform the shareholders on the past financial year 2018/19. As previously indicated, the Company has achieved its financial targets. In addition, CECONOMY made noticeable operational and structural progress in a year of transition. "We streamlined our portfolio, redefined responsibilities, optimised processes and created the conditions for a more competitive cost structure. We have thus succeeded in stopping the negative trend with regard to our profitability. At the same time, we worked on our strategic initiatives that are important for the future of CECONOMY," said Dr Bernhard Düttmann, CEO of CECONOMY AG.

Many different projects related to digital growth, services, category management & supply chain as well as the organisation and cost structure were driven forward in financial year 2018/19. The reorganization and efficiency program announced on 29 April 2019 that is aimed at streamlining the Group's processes, structures and business activities and reducing costs was a decisive factor in this regard. CECONOMY is also making progress on centralising and standardising processes in the areas of supply chain and category management. In addition, the Company continues to improve its omnichannel capabilities and is expanding its Services & Solutions range.

The focus is now not only on the further consistent implementation of the initiatives, but also on the strategic development of the Company and the definition of corresponding milestones. CECONOMY will present its strategic update on 26 March 2020.

No dividend is forseen to be distributed for financial year 2018/19. “We would like to use the funds to strengthen our equity. After all, we must make the company fit for the intense competition, upheavals in the market and the challenges of the coming years,” said Dr Bernhard Düttmann. In general, CECONOMY aims to distribute a dividend again in the future, however.

Good development in the first quarter – outlook confirmed

In view of the good development in the first quarter, CECONOMY confirms its outlook for the current financial year. The outlook is adjusted for portfolio changes. Non-recurring earnings effects in connection with the reorganization and efficiency program announced on 29 April 2019 are not included. For financial year 2019/20 CECONOMY expects a slight increase in total sales adjusted for exchange rate effects compared to the previous year and an EBIT between €445 million and €475 million, not taking into account the earnings effects from companies accounted for using the equity method. This is expected to include a positive effect between €5 million to €15 million due to the introduction of IFRS 16.

Besides informing its shareholders about current developments and the formal discharge of the Management Board and Supervisory Board for financial year 2018/19, Christoph Vilanek is to be elected to the Supervisory Board at the General Meeting. He has been a member of the Supervisory Board of CECONOMY AG since May 2019 and was initially appointed by the court.

Voting results on the Internet

The detailed voting results on the individual items on the agenda of the General Meeting will be published on Thursday, 13 February 2020, at around 10:00 a.m. at: www.ceconomy.de/general-meeting.

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About CECONOMY

CECONOMY AG empowers life in the digital world. It is leading for concepts and brands in the field of consumer electronics. The companies in the current CECONOMY portfolio have billions of consumer contacts per year and provide products, services and solutions that make life in the digital world easy and enjoyable, creating value for consumers and shareholders alike.

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