

Press release

## MediaMarktSaturn parent company CECONOMY increases profitability and customer satisfaction

- Sales<sup>1</sup> up 3.7 %
- Profitability increased further, adjusted EBIT<sup>2</sup> up 8 %
- Customer satisfaction – NPS (net promoter score) reaches new high of 56
- MediaMarktSaturn Club – number of members passes 40 million
- Online share of total sales increased to 26.4 %<sup>3</sup>
- Marketplace sales (GMV) more than doubled

Dr Karsten Wildberger, CEO of CECONOMY AG and MediaMarktSaturn, says:

“We have delivered a strong performance for the fourth quarter in a row – a consistent trend that is also reflected in the excellent results for the first quarter. The improved profitability is the result of our strategic measures. Investments in growth areas such as Marketplace and retail media and effective inventory management are paying off. We continue to gain momentum thanks to the targeted implementation of our transformation strategy, which is centred on customers. In the very challenging retail environment, we are demonstrating strength and innovation. We are a force for change. I would like to take this opportunity to extend my warmest thanks to all our employees. They brought about this success with their extraordinary dedication and engagement during the challenging peak season, including the Black Friday period and Christmas business. The successful start to the new financial year 2023/24 confirms our positive outlook for this financial year and strengthens our resolve to achieve our goal of future renewal.”

**Düsseldorf, 9 February 2024** – CECONOMY AG (“CECONOMY”), Europe’s leading company for consumer electronics, started the new financial year with good customer demand, generating sales of €7.0 billion in the first quarter of 2023/24 (Q1 2022/23: €7.1 billion). Adjusted for currency effects and portfolio changes, sales were therefore up 3.7 % year-on-year. In the reporting period, adjusted operating earnings (EBIT<sup>2</sup>) amounted to around €248 million, up around €18 million on the previous year’s figure (Q1 2022/23: €230 million). CECONOMY benefited from high customer demand in the Black Friday period and in Christmas business as well as positive development in the Western/Southern Europe and Eastern Europe segments.

<sup>1</sup> Sales adjusted for currency effects and portfolio changes.

<sup>2</sup> Adjusted EBIT before non-recurring effects, associates and portfolio changes and before IAS 29.

<sup>3</sup> Excluding Sweden and Portugal, before IAS 29 and including Marketplace.

## Press release

### **Further recovery in Western/Southern Europe, tough market environment in DACH region**

CECONOMY's business performance in the individual segments was largely positive in the first quarter. In the Western/Southern Europe segment, sales rose by 2.4 %<sup>1</sup> compared with the prior-year period. In particular, the Netherlands saw sales growth because of good development in the online business and strong demand in the Black Friday period. The Eastern Europe segment also achieved substantial growth again thanks to strong sales development in Türkiye. In contrast, sales in the DACH segment declined, which is due to a weak retail and market environment and lower customer demand in Germany.

### **Successful peak season with growing online share**

For CECONOMY and MediaMarktSaturn, the first quarter is traditionally characterized by the important Black Friday and Christmas business. This was very successful for the company in the current financial year. Although demand in the brick-and-mortar business declined slightly, CECONOMY registered slight sales growth of 0.2 % to a total of €1.8 billion in the online business. The online share of total sales therefore increased to 26.4 %<sup>3</sup> in the first quarter (Q1 2022/23: 25.8 %). Across Europe, gaming, floor care and white goods were particularly popular product groups among customers doing their Christmas shopping.

### **Good Marketplace and retail media business, stable Services & Solutions business**

The Marketplace offering, as an extension of MediaMarktSaturn's product range, is developing well: In the first quarter, CECONOMY more than doubled its Marketplace sales (gross merchandise value) to €81 million (Q1 2022/23: €36 million). At the end of December, the company already had over 1,200 sellers with a total of nearly 1.6 million products on its platform.

The Services & Solutions share of total sales was stable at 5.6 % (Q1 2022/23: 5.6 %). Extended warranties performed well.

Sales in the retail media business grew significantly in the first quarter, increasing by 92 % compared with the previous year. This improvement was mainly driven by Germany and the Netherlands. CECONOMY is continually expanding its range of retail media products and solutions in all its markets.

### **Strong free cash flow generation in Q1, liquidity position above €2 billion**

Despite high product availability for the peak season, CECONOMY had a strong liquidity position of €2.4 billion at the end of the first quarter. This is in line with the Group's medium-term financial projection. Free cash flow resulted in cash inflow of around €1.5 billion.

---

<sup>1</sup> Sales adjusted for currency effects and portfolio changes.

<sup>2</sup> Adjusted EBIT before non-recurring effects, associates and portfolio changes and before IAS 29.

<sup>3</sup> Excluding Sweden and Portugal, before IAS 29 and including Marketplace.

## Press release

“We are still focusing on significantly higher profitability and cash generation with strict cost discipline. And we continue to deliver in this regard,” said Dr Kai-Ulrich Deissner, CFO of CECONOMY AG. “Our improved EBIT in the first quarter is due among other things to an increased gross margin and effective cost control. Step by step, we are working to achieve the medium-term targets we presented at Capital Markets Day.”

### **New record for customer satisfaction; number of MediaMarktSaturn Club members passes 40 million**

In the implementation of their strategy, CECONOMY and MediaMarktSaturn are doing everything to further improve the customer experience and customer satisfaction across all channels. A benchmark for measuring their progress is the net promoter score (NPS). In the first quarter, the company increased its NPS to 56, the highest figure since measurements began.

The Group also set a new record for the number of MediaMarktSaturn Club members: For the first time, the MyMediaMarkt and MySaturn customer loyalty programmes counted a total of around 40 million members in the first quarter of this financial year.

### **Generative AI for employees and MediaMarktSaturn customers**

CECONOMY and MediaMarktSaturn are working continuously to make the shopping and working experience even more attractive for customers and employees. In this light, the company has spent the last few months developing business-relevant tools based on generative AI (artificial intelligence). With their own “GenAI Sandbox”, for example, employees will soon be able to test generative AI in the company’s own secure environment and use it for their everyday work. In the future, customers will also benefit from artificial intelligence, for instance in the form of real-time translation in contact centres and online-based sales assistants. CECONOMY plans to roll out the first tools to individual countries in early 2024.

### **Outlook: Slight increase in total sales adjusted for currency and portfolio change effects and clear improvement in adjusted EBIT**

CECONOMY has set itself the following targets for 2023/24: The company again expects a slight increase in total sales adjusted for currency and portfolio change effects and a clear improvement in adjusted EBIT. All segments will contribute to sales growth. The expected improvement in adjusted EBIT is thanks to the DACH and Western/Southern Europe segments.

<sup>1</sup> Sales adjusted for currency effects and portfolio changes.

<sup>2</sup> Adjusted EBIT before non-recurring effects, associates and portfolio changes and before IAS 29.

<sup>3</sup> Excluding Sweden and Portugal, before IAS 29 and including Marketplace.

## Press release

### **About CECONOMY**

CECONOMY AG makes it easier to live in the digital world. It is the leading company in Europe for concepts and brands such as MediaMarkt, Mediamarkt and Saturn in the consumer electronics sector. The companies in the CECONOMY portfolio have billions of consumer contacts each year and offer products, services and solutions that make living in the digital world as easy and enjoyable as possible. This helps them create added value for customers and for investors.

### **Press contact**

Jacqueline Casini

+49 (0)151 27 79 7164

casinij@mediamarktsaturn.com

<sup>1</sup> Sales adjusted for currency effects and portfolio changes.

<sup>2</sup> Adjusted EBIT before non-recurring effects, associates and portfolio changes and before IAS 29.

<sup>3</sup> Excluding Sweden and Portugal, before IAS 29 and including Marketplace.