

Press release

## **CECONOMY delivers successful first quarter despite COVID-19 restrictions in the pre-Christmas period**

- Sales of €7.5 billion represent growth of 11.4 %<sup>1</sup> in year-on-year comparison; adjusted EBIT<sup>2</sup> comes to €346 million
- Persistently strong customer demand, successful campaign days and stretched out peak trading period ensured strong sales development
- Online business remains dynamically; online share nearly doubled to around 30 % of total sales in the first quarter (Q1 2019/20: 15.4 %)
- But extension of temporary store closures after the end of the quarter creates substantial rise in uncertainties over business performance for the rest of the year
- “We delivered an outstanding first quarter. And we did so despite all the circumstances standing in the way of our business at present,” says Dr Bernhard Düttmann, CEO of CECONOMY

**Düsseldorf, 9 February 2021** – CECONOMY AG (“CECONOMY”) performed very well in the first quarter of financial year 2020/21. Despite the worsening COVID-19 situation linked with pandemic-related restrictions and temporary closures of MediaMarkt and Saturn stores, sales<sup>1</sup> for the period from October to December 2020 increased by around 11.4 %<sup>1</sup> year-on-year to €7.5 billion (Q1 2019/20: €6.8 billion). The first two months were particularly critical, featuring successful “Black November” promotions and the deliberate decision to stretch out the peak trading season by extending the campaign period into October and November. The strong sales trend continued thanks to successful “Cyber Week” campaigns and Christmas promotions until nationwide lockdowns were imposed in Germany and the Netherlands in mid-December. The Group generated an adjusted EBIT<sup>2</sup> of €346 million (Q1 2019/20: €289 million), an increase of €56 million on the previous year.

The increase in adjusted EBIT is primarily attributable to the strong sales development in all segments, as well as lower personnel and location costs and COVID-19-related government

## Press release

subsidies. In addition, first savings associated with the introduction of a harmonised group-wide organisational structure (“Operating Model”) took effect, supporting earnings for the quarter.

“We started very successfully into the new financial year with the first quarter. And we did so despite all the circumstances standing in the way of our business in these challenging times. We already had a successful Black Friday period last year. This year, we made even better use of our opportunities, by deliberately stretching out the peak trading season by extending the campaign period,” says Dr Bernhard Düttmann, CEO of CECONOMY. “Our good earnings also confirm that we are on the right strategic track. Nevertheless, we will focus on our further transformation.”

### **Unbroken online momentum in the first quarter; slight decline for Services & Solutions**

Reaching a total of €2.3 billion (Q1 2019/20: €1.1 billion), the company generated record quarterly online sales. The year-on-year growth was around 116 %. All in all, the online business accounted for approximately 30 % of total sales in the first quarter, almost double that of the previous year (Q1 2019/20: 15.4 %). Around 3 million new customers registered online in the first quarter. This impressive growth in online business more than made up for the sales losses in the brick-and-mortar business as a result of COVID-19-related temporary store closures in the first quarter.

Services & Solutions business contracted as a result of COVID-19. Sales here declined by around 9 % year-on-year, amounting to €343 million (Q1 2019/20: €375 million). Lower customer footfall and temporary COVID-19-related store closures in some countries were mainly attributable for this development. By contrast, the provision of extended warranties – known as “PlusGarantie” services – continued to do well.

### **Strong start to the year establishes good basis for the financial year, but far higher COVID-19-related uncertainties as temporary store closures prolonged**

“Our omnichannel model again proved successful. Nevertheless, the development of the pandemic linked with several restrictions still holds numerous uncertainties. We began to notice this in multiple countries starting midway through the quarter, mainly in connection with further local orders to temporarily close stores. It is difficult to predict how COVID-19 will develop moving

## Press release

forward. We are therefore constantly reassessing the situation, including in terms of our outlook,” says Karin Sonnenmoser, CFO of CECONOMY.

### **CECONOMY calls for clear plan regarding store reopenings in Germany**

As a result of national governments’ measures to halt the spread of COVID-19, the first quarter of 2020/21 was shaped by local lockdowns, a return to temporary store closures and severe restrictions in the brick-and-mortar business. The situation developed differently in the countries in which MediaMarktSaturn operates, depending on local conditions and requirements. In total, around 57 % of our stores in Europe were affected by temporary closures as of 31 December 2020, including in Germany. Many countries allow “click & collect” services to continue during lockdowns, i.e. in-store collection of goods ordered online.

“The successful start to the year puts wind in our sails for the year ahead. Despite this, ongoing store closures remain a major challenge for us at present. We would like to have a clear plan as to when and under what conditions we will be able to reopen our stores. For, as for many others, everyday counts,” says Dr Bernhard Düttmann. “We want to be there on site for all of our customers as quickly as possible – of course with all available hygiene and safety standards.”

Footfall quickly picked up again after the first temporary phase of store closures in March and April of financial year 2019/20, but it remained below pre-pandemic levels. Infection rates were not found to be higher in stores.

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

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

### **Financial calendar**

**General Meeting** 17 February 2021

**Half-year financial report** Q2/H1 2020/21, 11 May 2021

**Quarterly statement** Q3/9M 2020/21, 12 August 2021

**Annual report** FY 2020/21, 14 December 2021

## 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 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**

Max Niklas Gille

+49 (0)151 5822-4202

Maxniklas.gille@ceconomy.de