CECONOMY

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in the digital world

Press release

CECONOMY proves resilient despite ongoing restrictions

- **Q2 sales of €4.3 billion only around 5.7 per cent[1] lower than in previous year despite continued temporary store closures at MediaMarkt and Saturn due to COVID-19; adjusted EBIT[2] at €–146 million (Q2 2019/20: €–131 million) as a result of COVID-19 pandemic**
- **High customer demand in countries not affected or not as severely affected by lockdowns**
- **Half-year sales[1] (€11.8 billion) and adjusted EBIT[2] (€199 million; H1 2019/20: €158 million) up significantly on previous year**
- **Online business again enjoying dynamic growth; online share of total sales almost tripled to 49.0 per cent (Q2 2019/20: 18.6 per cent)**
- **"The second lockdown is far longer and further-reaching than the first lockdown a year ago. The fact that we managed the second quarter well overall despite everything proves the resilience of our omnichannel business model," said Dr Bernhard Düttmann, CEO of CECONOMY**

Düsseldorf, 11 May 2021 - CECONOMY AG ("CECONOMY") closed the second quarter of financial year 2020/21 below the previous year, mainly due to the ongoing lockdown in Germany and the Netherlands. Sales for the period from January to March 2021 came to €4.3 billion, about 5.7 per cent[1] lower than in the previous year (Q2 2019/20: €4.6 billion). The Group generated total adjusted EBIT[2] of €–146 million during the period (Q2 2019/20: €–131 million).

In countries such as Italy, Turkey, Sweden and Spain, where there were no nationwide temporary store closures, business performed very well in the second quarter of 2020/21, as it had in the first quarter. Countries such as Austria and Poland benefited from significant catch-up effects after stores reopened.

The decline in adjusted Group EBIT[2] in the second quarter of 2020/21 mainly reflects lower sales from brick-and-mortar business at MediaMarkt and Saturn in Germany as well as at MediaMarkt in the Netherlands. Stores in these two countries were largely closed in the reporting period and opened only briefly under severe restrictions. By way of comparison, the Group was affected by store closures for only two weeks in the same period of 2020. Government support such as the short-time working allowance, lower personnel expenses and further cost savings limited the sales and margin decline but did not entirely compensate for this.

Given the positive performance of the Fnac Darty S.A. share, the impairment recognized in the second quarter of 2019/20 was reviewed. This resulted in an impairment reversal of around €150 million in the second quarter of 2020/21, which had a positive impact on reported EBIT.

First half-year results of 2020/21 up year-on-year thanks to strong Q1

Thanks to a strong first quarter of 2020/21, CECONOMY closed the first half of financial year 2020/21 with total sales of €11.8 billion, an increase of 4.5 per cent[1]. The company's adjusted EBIT[2] also improved significantly in a half-year comparison. At €199 million, it is €41 million higher than in the previous year (H1 2019/20: €158 million).

"The second lockdown is far longer and further-reaching than the first lockdown a year ago. The fact that, despite everything, we managed the second quarter well overall and closed the period only slightly below the previous year is proof of the resilience of our omnichannel business model," said Dr Bernhard Düttmann, CEO of CECONOMY. "The good performance in countries not affected by store closures shows that we have a lot of potential. Despite massive government-mandated restrictions, our transformation process remains on track."

Persistently strong online momentum in second quarter

CECONOMY's online sales increased significantly by 146.5 per cent in the second quarter of 2020/21, accounting for almost half (49.0 per cent) of total sales at €2.1 billion. The Services & Solutions business also saw its online share grow considerably in the reporting period, although this did not make up for the decline from brick-and-mortar business. As a result, sales in this segment declined to €199 million (Q2 2019/20: €279 million).

Channel shift and restrictions in brick-and-mortar business lead to decrease in gross margin

The gross margin was 2.3 percentage points lower than in the previous year period in the second quarter of 2020/21, attributable mainly to the increased shift to the online channel during the COVID-19 pandemic. It was also attributable to product mix effects, higher delivery costs and temporary closure-related write-downs on inventories driven by stock aging. Lower sales from Services & Solutions also impacted the gross margin.

"The continued impact of the COVID-19 pandemic on our company's business performance remains difficult to predict. It is not possible to provide a specific forecast under the current conditions," said Florian Wieser, CFO of CECONOMY. "In particular, the further extension of the lockdown in Germany confronts us with considerable challenges. Nevertheless, the past year has shown that we are well prepared to benefit from catch-up effects once our stores reopen."

[1] Sales adjusted for currency effects and portfolio changes

[2] Adjusted EBIT before non-recurring effects, associates and portfolio changes.

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Financial calendar

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

Annual report FY 2020/21 14 December 2021

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.

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