

Press release

CECONOMY grows significantly in the second quarter; outlook confirmed

- **Q2 2021/22: Significant growth thanks to recovery in brick-and-mortar business**
 - Sales¹ up 18.8 % to €5.0 billion (Q2 2020/21: €4.3 billion)
 - EBIT² improved by €84 million to €–62 million (Q2 2020/21: €–146 million)
 - Services & Solutions increased by 54.5 % to €307 million (Q2 2020/21: €199 million)
 - Online share remains at high level (25.3 % of total sales)

- **H1 2021/22: Sales and earnings above previous year**
 - Sales¹ increased to €11.9 billion (H1 2020/21: €11.8 billion)
 - EBIT² increased to €212 million (H1 2020/21: €199 million)

- **Outlook 2021/22 confirmed:**
Very significant EBIT improvement and slight sales increase targeted despite continuing imponderables

- **CEO Dr Karsten Wildberger:**
“We have always said that we will grow again as soon as the conditions for the retail industry return to semi-normal. This is confirmed by our performance in the second quarter. We have made progress with the execution of our customer-oriented omnichannel strategy, and this is paying off. We remain optimistic for the year ahead, even though external factors are currently weighing down consumer sentiment.”

Düsseldorf, 13 May 2022 – After most COVID-19 restrictions were lifted, CECONOMY AG (“CECONOMY”) achieved significant sales growth in the second quarter of the current financial year. In the first half of the financial year as a whole, the company therefore more than compensated for the primarily pandemic-driven declines of the first quarter. Driven by a recovery in the brick-and-mortar business, sales¹ grew by 18.8 % to €5.0 billion in the second quarter of 2021/22 (Q2 2020/21: €4.3 billion). Adjusted operating earnings (EBIT²) improved by €84 million to €–62 million in the same period (Q2 2020/21: €–146 million). The figures for the first half of the financial year are up slightly year-on-year: CECONOMY increased sales¹ by 2.1 % to €11.9 billion overall in the first six months (H1 2020/21: €11.8 billion), while EBIT² increased by €12 million to €212 million (H1 2020/21: €199 million).

Focus on execution in a continuingly strained environment pays off

“We have always said that we will grow again as soon as the conditions for the retail industry return to semi-normal. This is confirmed by our performance in the second quarter,” said Dr Karsten Wildberger, CEO of CECONOMY and MediaMarktSaturn. “At the same time, our eyes are not closed to the fact that we must continue to operate in a very strained environment. The brutal Russian

¹ Sales adjusted for currency effects and portfolio changes.

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

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war on Ukraine, which is utterly unjustifiable, also has far-reaching consequences for the economy as a whole. It is causing a severe rise in energy costs, an overall increase in inflation, and uncertainty for many consumers. We cannot influence these external factors. Even more important that we continue to do our homework and rapidly implement our customer-oriented omnichannel strategy. We are well on the way here.”

Customer satisfaction continuously increased by attractive shopping experiences

The company is getting increasingly better at offering its customers a consistent, simple and attractive shopping experience – in the webshop, via the app or in store. In order to further strengthen this approach, MediaMarktSaturn successfully began the company-wide roll-out of the “Omnichannel Spine” initiative in the Netherlands in April. The programme forms the backbone for the further optimization, centralization and harmonization of logistics, IT and ordering processes across all channels. These achievements are increasingly garnering recognition: Google and the German Retail Federation (HDE) have awarded MediaMarkt first place in the renowned “Omnichannel Excellence Study” for a consistently attractive customer experience.

The net promoter score (NPS) – the figure the company uses to measure customer satisfaction – has also continuously improved in recent quarters. At the end of the first half of 2021/22, the group-wide score was 4 points higher compared to the previous year across all sales channels.

Growth in all regions

In the second quarter of the current financial year, CECONOMY reported increasing sales in all regions. The DACH segment saw strong growth of 22.6 %. This was driven in particular by the recovery in brick-and-mortar business in Germany. Sales also grew by double digits in the Western/Southern Europe segment in the reporting period. Here, the company benefited – especially in the Netherlands – from the gradual lifting of temporary store closures and a normalization of opening hours.

Adjusted for currency effects and portfolio changes, CECONOMY saw the biggest sales growth in the Eastern Europe segment at 35.4 % in the second quarter. This dynamic development was primarily driven by continuously strong customer demand in Turkey. The company seamlessly continued its growth trajectory in this region, opening the country’s 88th MediaMarkt store in April.

Online share of total sales stabilized at high level

As in the previous quarters, the online business again made a significant contribution to the company’s good performance in the reporting period. In light of the recovery in brick-and-mortar business after stores reopened, online sales amounted to around €1.3 billion in the second quarter of the current financial year (Q2 2020/21: €2.1 billion). This equates to 25.3 % of total sales. To put this into context: the online share has therefore nearly doubled compared to the second quarter of

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2018/19, the last directly comparable period before the COVID-19 pandemic (Q2 2018/19: 13.9 %). The medium-term ambition remains a share of around 30% of total sales.

Further expansion of Services & Solutions business

In the strategically important Services & Solutions business, CECONOMY increased sales by 54.5 % to €307 million in the second quarter (Q2 2020/21: €199 million). The share of total sales thus increased from 4.6 % to 6.1 %. This encouraging development was supported among other things by the recovery in brick-and-mortar business. For example, there was high demand for Smartbar services in the stores.

Outlook: Very significant earnings improvement and slight sales growth targeted

Despite the ongoing imponderables, CECONOMY remains optimistic about the rest of the financial year. “The extent of the impact of currently negative external factors – including the war on Ukraine – is difficult to estimate at this time. In the challenging environment of recent months, however, we have held our own and made further operating progress,” said Florian Wieser, CFO of CECONOMY and MediaMarktSaturn. “Despite the persisting, extremely adverse conditions, we confirm our expectation of a very clear increase in adjusted EBIT and a slight increase in sales adjusted for currency effects and portfolio changes in the full year 2021/22.” In financial year 2020/21, CECONOMY achieved sales of €21.4 billion, and adjusted EBIT amounted to €237 million.

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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