

CECONOMY



# Results Presentation Q1 2020/21

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9 February 2021

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All numbers shown are as reported, unless otherwise stated. All amounts are stated in million euros (€ million) unless otherwise indicated. Amounts below €0.5 million are rounded and reported as 0. Rounding differences may occur.

In the document, the term "CECONOMY" will be used (for simplicity reasons) also in situations where the business of MediaMarktSaturn Retail Group is concerned.



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**HIGHLIGHTS**

2

**FINANCIAL PERFORMANCE &  
OUTLOOK**



1

**HIGHLIGHTS**

2

**FINANCIAL PERFORMANCE &  
OUTLOOK**

# Excellent start into the new financial year 20/21 despite rising COVID-19-related challenges



Continued strong customer demand and high online dynamics supported by attractive marketing campaigns



We deliberately pulled forward Christmas demand to mitigate lockdown risks



Near-term trading subject to significantly increased uncertainties



# We delivered again a successful peak season – key was the extension of the campaign period

**+21% yoy**

Pre-Black Friday period<sup>1</sup>

**+8% yoy**

Black Friday period<sup>2</sup>

**+30% yoy**

Post-Black Friday period<sup>3</sup>



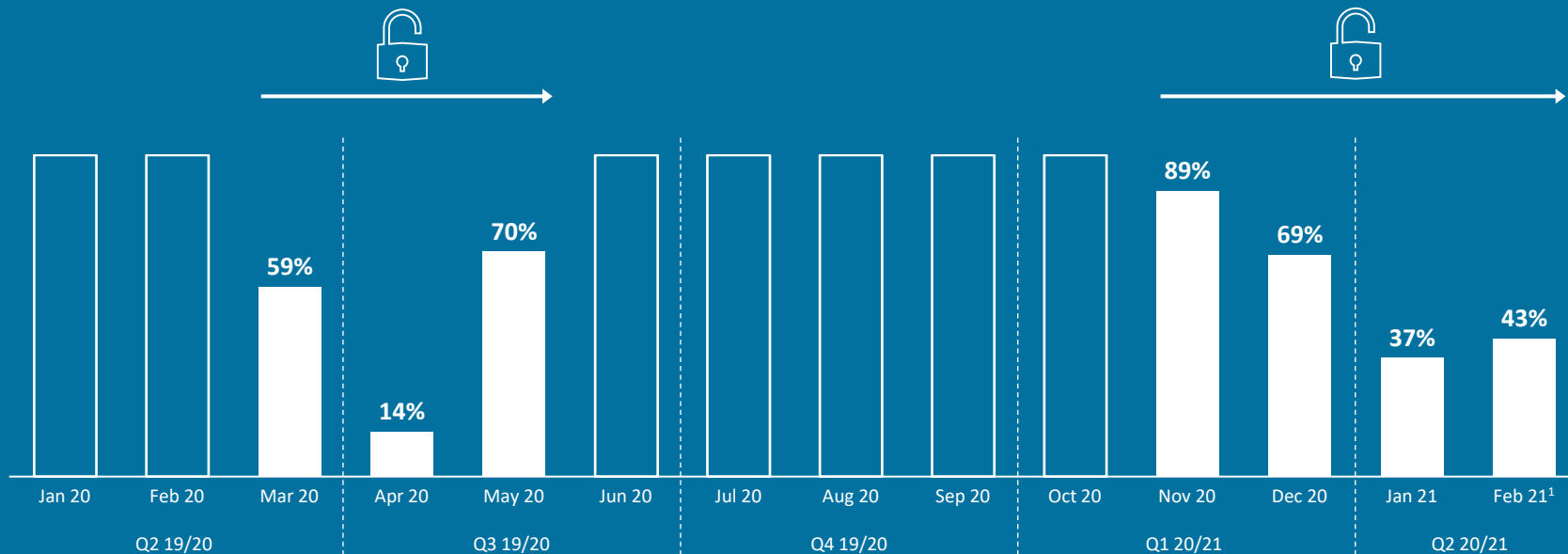
Note: Sales development adj. for currency & portfolio change effects.

<sup>1</sup>Pre-Black Friday period: 30/10/2020 – 22/11/2020. <sup>2</sup>Black Friday period: 23/11/2020 – 30/11/2020. <sup>3</sup>Post-Black Friday period: 01/12/2020 – 15/12/2020.

# Stationary business again affected by temporary store closures in many countries



Monthly average of open stores  
(% of total stores)



<sup>1</sup>Month-to-date average.

# Our omnichannel-model is a key advantage during the lockdown

- ▶ **Webshop** can partly compensate temporary closure of stationary business, but in- and outbound logistics impacted by lockdowns
- ▶ **Pick-up** remains available for customers in many cases
- ▶ **Ship-from-store** gives access to store inventory during lockdown
- ▶ **In-store services** such as repairs are still available in many stores

**ZUSAMMEN DA DURCH!**

*Wir sind weiterhin für Sie da.*



**Im Markt abholen**

Oder



**Vom Markt  
liefern lassen**





# Strong sales and earnings development despite increasing COVID-19-related B&M restrictions and local lockdowns



**+11.4%**

Sales<sup>1</sup> development



**346 €m**

Adj. EBIT<sup>2</sup> excl. associates

<sup>1</sup>Adj. for currency & portfolio change effects. <sup>2</sup>Adj. for portfolio changes and excl. non-recurring effects in connection with (1) COVID-19-related store closures, (2) the introduction of the new Operating Model and (3) transaction costs related to acquisition of minority shareholding in MediaMarktSaturn.



1

## HIGHLIGHTS

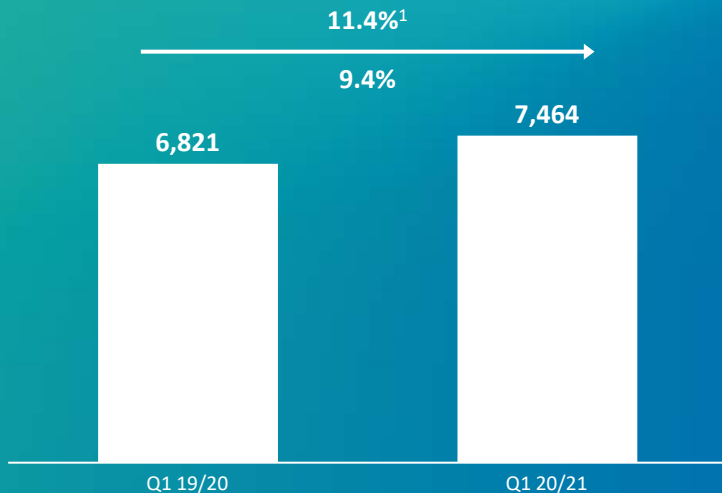
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## FINANCIAL PERFORMANCE & OUTLOOK

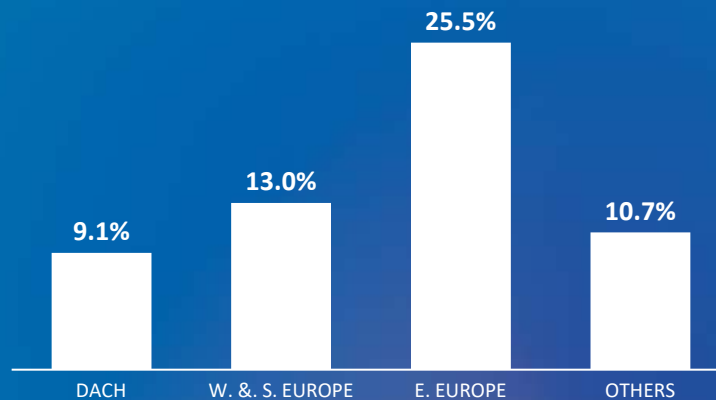
# Excellent sales growth in the peak period despite increasing COVID-19-related lockdowns, driven by successful campaigns and online business



Total sales  
(in €m)



Sales<sup>1</sup> by segment  
(yoy change)

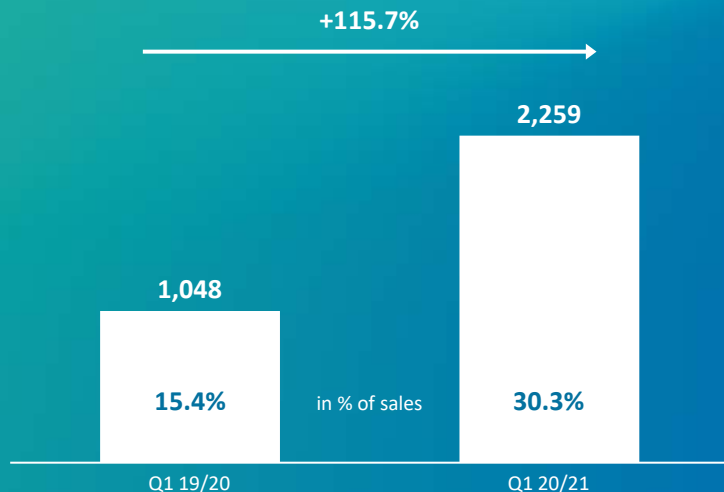


<sup>1</sup>Adj. for currency and portfolio change effects.

# Online sales more than doubled in the first quarter, generating 30% of total sales



**Online sales**  
(in €m)



▶ Online share reached even 35% in December as growing COVID-19 restrictions accelerate channel shift

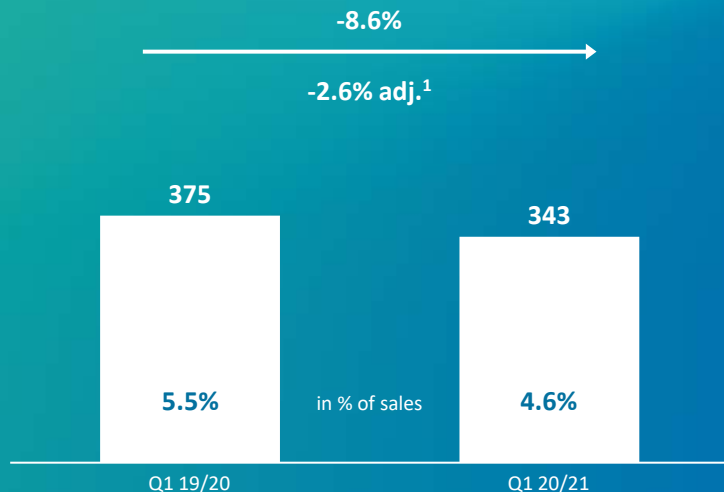
▶ Number of registered online customers increased by c. 3 million in Q1

▶ Decline in pick-up rate to 32%, influenced by lockdowns and partial pick-up bans

# Services & Solutions business impacted by COVID-19-related store closures and associated drop in customer footfall



## Services & Solutions sales (in €m)



▶ Sales growth in October cannot be continued due to rising COVID-19 restrictions

▶ Continued strong demand for extended warranties

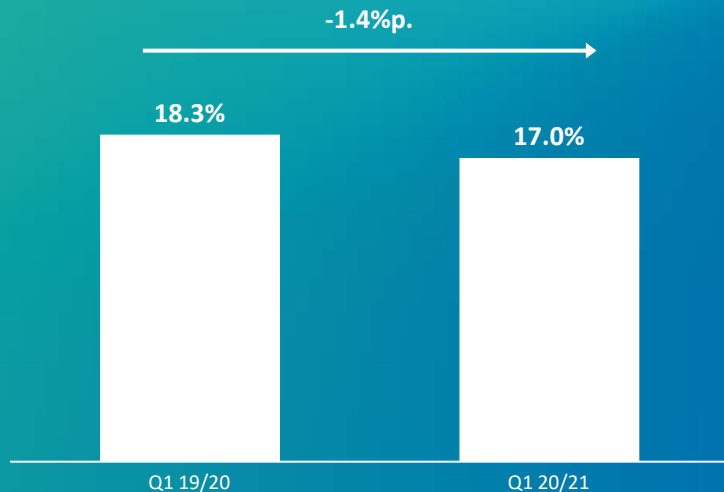
▶ Financing and GSM mobile significantly below PY, mainly due to lower store frequency

<sup>1</sup>Excl. MediaMarkt Greece business (portfolio change) and excl. a technical effect due to switch from agent to principal model for online sales of mobile phones and related contracts as a bundle in Germany.

# Lower gross margin essentially driven by channel shift and logistics costs



Gross margin<sup>1</sup>  
(in % of sales)



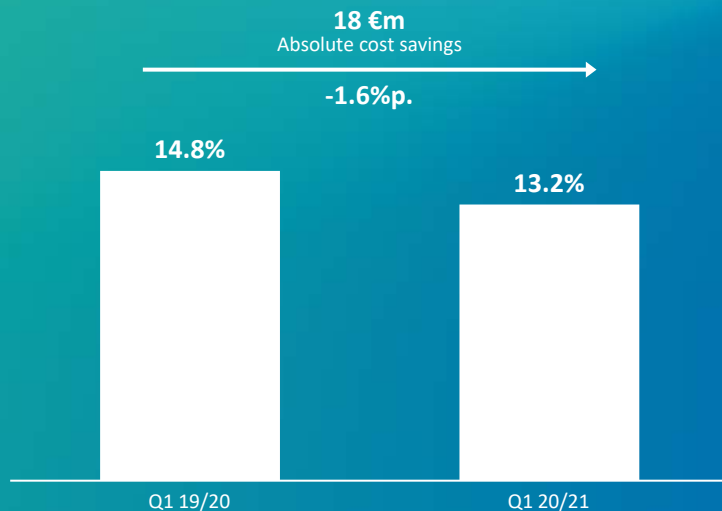
- ▶ Accelerated channel shift coupled with product mix effects and increased delivery costs
- ▶ Partial pick-up bans additionally weighed on gross margin
- ▶ Lower income contribution from Services & Solutions business due to decline in B&M traffic

<sup>1</sup>Excl. non-recurring effects and adj. for portfolio changes.

# Further progress in the optimization of the cost structure in addition to COVID-19 cost measures



OPEX<sup>1,2</sup>  
(in % of sales)



▶ Lower personnel expenses driven by FTE reduction and higher cost efficiency

▶ First savings from introduction of new Operating Model

▶ COVID-19-related cost measures mainly related to short-time work

<sup>1</sup>Excl. non-recurring effects and adj. for portfolio changes.

<sup>2</sup>Sum of SG&A expenses and other operating expenses (excl. associates).

# Strong EBIT increase due to strong sales performance and cost discipline

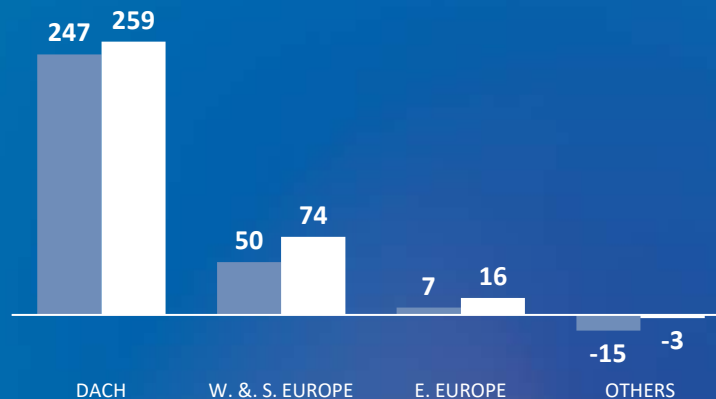
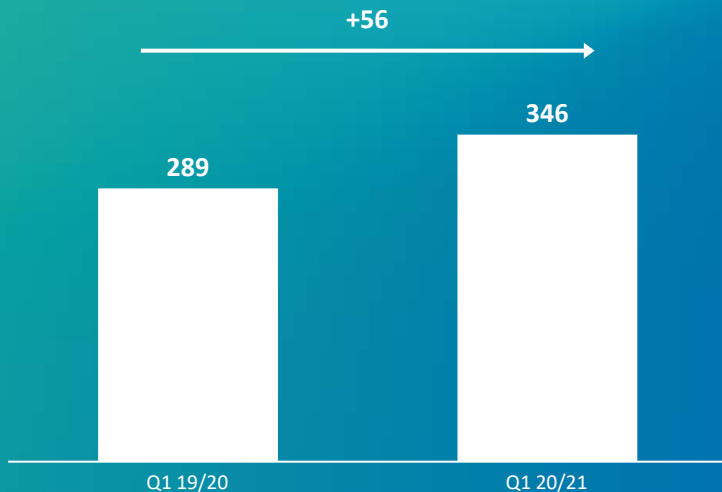


Adj. EBIT<sup>1</sup> excl. associates  
(in €m)



Adj. EBIT<sup>1</sup> excl. associates by segment  
(in €m)

■ Q1 19/20  
■ Q1 20/21



<sup>1</sup>Excl. non-recurring effects and adj. for portfolio changes.



## EPS slightly below prior year's level – EBIT increase offset by lower financial result and higher taxes



**EBITDA to EPS**  
(in €m)

€m	Q1 19/20	Q1 20/21	Change
<b>EBITDA</b>	<b>509</b>	<b>521</b>	<b>11</b>
<b>EBIT</b>	<b>319</b>	<b>340</b>	<b>21</b>
Net financial result	9	-10	-19
<b>Earnings before taxes</b>	<b>327</b>	<b>330</b>	<b>3</b>
Income taxes	-105	-126	-21
<i>Tax rate</i>	<i>32.0%</i>	<i>38.1%</i>	<i>6.0%p.</i>
<b>Profit or loss for the period</b>	<b>222</b>	<b>204</b>	<b>-18</b>
Non-controlling interest	53	51	-2
Net result	170	153	-17
<b>EPS (in €)</b>	<b>0.47</b>	<b>0.43</b>	<b>-0.05</b>



Transaction costs (6 €m) related to acquisition of MMS minority stake included in reported EBIT in CY



Net financial result affected among others by provision fee for syndicated loan and lower M.video dividend (-4 €m yoy)



Higher tax rate due to anticipated restructuring expenses; benefits related to acquisition of MMS minority stake not yet included

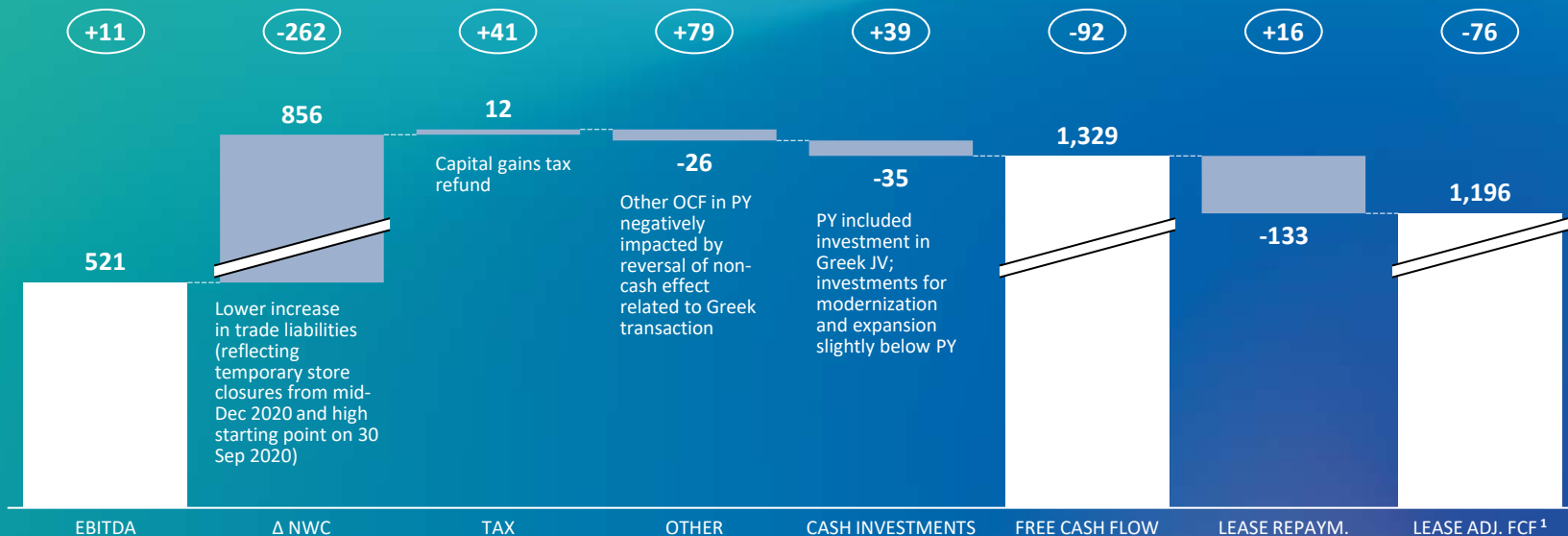
Note: From continuing operations and based on reported figures.

# Adjusted Free Cash Flow slightly below PY due to lower NWC inflow, while tax refunds and lower investments were supportive



## Free Cash Flow in Q1 20/21 (in €m)

○ Yoy change



<sup>1</sup>Lease adjusted FCF subtracts the repayment of lease liabilities for better FCF comparability under IFRS 16.

# Outlook for FY 20/21 subject to significantly increased uncertainties due to prolonged temporary store closures



## Initial assumptions<sup>1</sup>

- ▶ No further extensive temporary closures of the stationary business
- ▶ No serious deterioration of consumer confidence
- ▶ Supply chains remain largely intact



## Knowns

- ▶ Q1 results are a major step to reach FY guidance
- ▶ In- and outbound logistics impacted



## Unknowns

- ▶ Duration of the pandemic & associated length of temporary store closures
- ▶ Possible effects on consumer demand



## Current outlook

- ▶ Near-term trading remains challenging
- ▶ Uncertainty for the further business development and outlook in FY 20/21 has increased significantly

<sup>1</sup>As communicated on 15 December 2020.

# Key take-aways

- ▶ Successful peak season and strong resilience against COVID-19 headwinds
- ▶ Uncertain environment characterized by challenging operating conditions
- ▶ Relentless focus on pursuit of our strategy and execution of our transformation





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# Net Working Capital

€m	30/09/2019	31/12/2019	Change	30/09/2020	31/12/2020	Change
Inventories	2,548	3,348	801	2,949	3,668	719
Trade receivables and similar claims	455	543	87	488	493	4
Receivables due from suppliers	1,295	1,851	556	1,302	1,834	532
Trade liabilities and similar liabilities	-5,321	-7,857	-2,536	-5,996	-8,109	-2,113
<b>Net Working Capital</b>	<b>-1,023</b>	<b>-2,115</b>	<b>-1,092</b>	<b>-1,256</b>	<b>-2,114</b>	<b>-858</b>

# Store network

	30/09/2020	Openings	Closures	31/12/2020
Germany	425	–	-5	420
Austria	53	–	–	53
Switzerland	25	–	–	25
Hungary	32	–	–	32
<b>DACH</b>	<b>535</b>	<b>–</b>	<b>-5</b>	<b>530</b>
Belgium	27	–	–	27
Italy	117	–	–	117
Luxembourg	2	–	–	2
Netherlands	50	–	–	50
Portugal	10	–	–	10
Spain	88	1	–	89
<b>Western/S. Europe</b>	<b>294</b>	<b>1</b>	<b>–</b>	<b>295</b>
Poland	88	–	–	88
Turkey	78	2	–	80
<b>Eastern Europe</b>	<b>166</b>	<b>2</b>	<b>–</b>	<b>168</b>
Sweden	28	–	–	28
<b>Others</b>	<b>28</b>	<b>–</b>	<b>–</b>	<b>28</b>
<b>CECONOMY</b>	<b>1,023</b>	<b>3</b>	<b>-5</b>	<b>1,021</b>



**3 store openings**, thereof 1 store in Spain and 2 stores in Turkey



**5 store closures** in Germany



**Average store size** reduced by -0.7% to 2,584 sqm at the end of December 2020 vs. September 2020



# Status on COVID-19 lockdowns by country (as of 8 February 2021)

	# stores as of 31/12/2020	Opened stores	Closed stores
Germany	420	–	420
Austria	53	53	–
Switzerland	25	–	25
Hungary	32	32	–
<b>DACH</b>	<b>530</b>	<b>85</b>	<b>445</b>
Belgium	27	27	–
Italy	117	117 <sup>1</sup>	–
Luxembourg	2	2	–
Netherlands	50	–	50
Portugal	10	10	–
Spain	89	89	–
<b>Western/S. Europe</b>	<b>295</b>	<b>245</b>	<b>50</b>
Poland	88	88	–
Turkey	80	80 <sup>2</sup>	–
<b>Eastern Europe</b>	<b>168</b>	<b>168</b>	<b>–</b>
Sweden	28	28	–
<b>Others</b>	<b>28</b>	<b>28</b>	<b>–</b>
<b>CECONOMY</b>	<b>1,021</b>	<b>526 (52%)</b>	<b>495 (48%)</b>



52% of our stores are currently opened



48% of our stores are still temporary closed

<sup>1</sup>Italy: Stores in shopping centres closed on weekends, holidays and pre-holidays (affecting 87 stores). <sup>2</sup>Turkey: Stores closed on weekends.

# Financial calendar

**Annual General Meeting**

17 FEBRUARY 2021



**Q2/H1 2020/21 results**

11 MAY 2021



**Q3/9M 2020/21 results**

12 AUGUST 2021



**Q4/FY 2020/21 trading statement**

26 OCTOBER 2021



**FY 2020/21 results**

14 DECEMBER 2021



## Upcoming events

**Morgan Stanley  
Virtual Roadshow post-Q1**

11 FEBRUARY 2021



**Baader Bank  
Virtual Roadshow post-Q1**

11 MARCH 2021



**CECONOMY**