



Results Presentation Q2/H1 2021/22

13 May 2022

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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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SUMMARY

Q2 21/22: strong uplift vs. PY

Sales¹

+18.8%

vs. PY



Adj. EBIT²

+84 €m

vs. PY



**Guidance³
confirmed**



“Slight increase in sales
and very clear increase in
Adj. EBIT² expected”

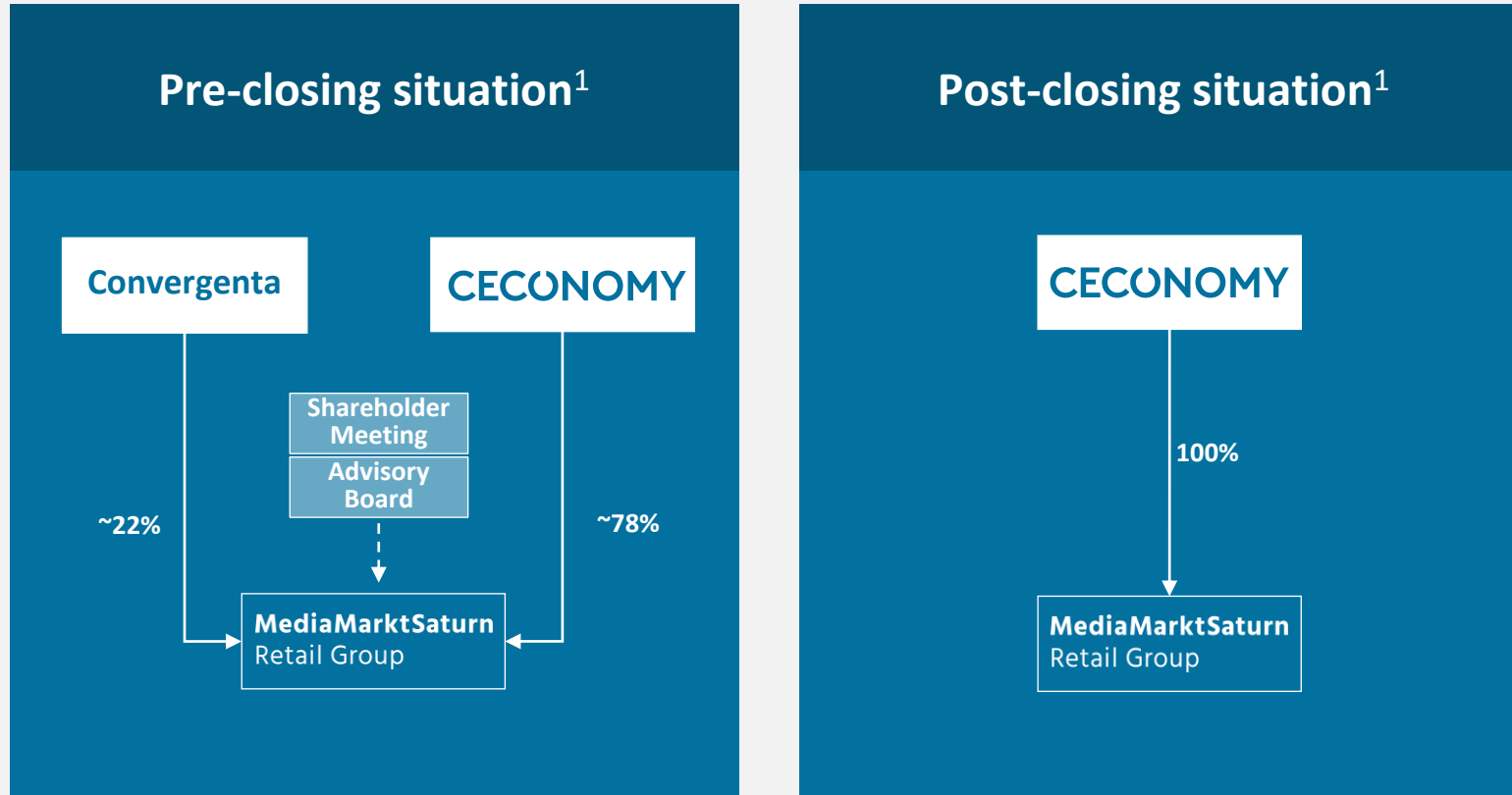
¹Adj. for currency and portfolio change effects. ²Excl. associates, adj. for portfolio changes and excl. non-recurring effects. ³Based on the assumption that negative impacts of external factors (such as the Russian war of aggression against Ukraine, inflationary pressure, COVID-19 or availability of goods) will not change materially compared to today.

We are addressing the global business challenges proactively

Most frequently discussed external influence factors and CEECONOMY's response

| COVID-19 PANDEMIC | SUPPLY SHORTAGES | HIGH INFLATION | RUSSIAN WAR ON UKRAINE |
|---|--|--|-----------------------------------|
| Footfall still below pre-pandemic level | Slightly improved but risk of CN lockdowns | Unclear impact on consumer sentiment | No direct operational exposure |
| Targeted campaigns and retail space optimization | Higher inventory and diversification of suppliers | Adaptive price setting and strict cost discipline | |

Convergenta transaction: We are simplifying our structure and governance



Closing of transaction in FY 21/22 expected

Simplification & strong value creation

- ▶ Fewer committees, accelerated decision-making and full focus on operations
- ▶ Unified shareholder structure
- ▶ Use of existing tax loss carry-forwards amounting to ~1.1 €bn for corporate income tax and ~1.5 €bn for trade tax²

¹Simplified presentation. ²Partly relating to assessment periods still subject to usual tax audits.

We are continuing to execute our omnichannel strategy

Key strategic areas



Continuous improvement of **customer experience** through new service standards & processes



Growing **online business** and expansion of **marketplace**



Strengthening of our B&M business by **modernizing** our **store landscape**



Building an integrated, **customer-centric logistics network**



Evolving **sustainability** from hygiene factor to **differentiating factor**

Our customer experience initiatives are showing clear positive impact



“Delivery Promise” initiative:

Program to improve delivery promise for online ordering in Germany

How the measures affect various categories

Δ NPS²

Proactive communication in the event of changes

+28

Clarity & completeness of information provided

+28

Satisfaction with online delivery status tracking

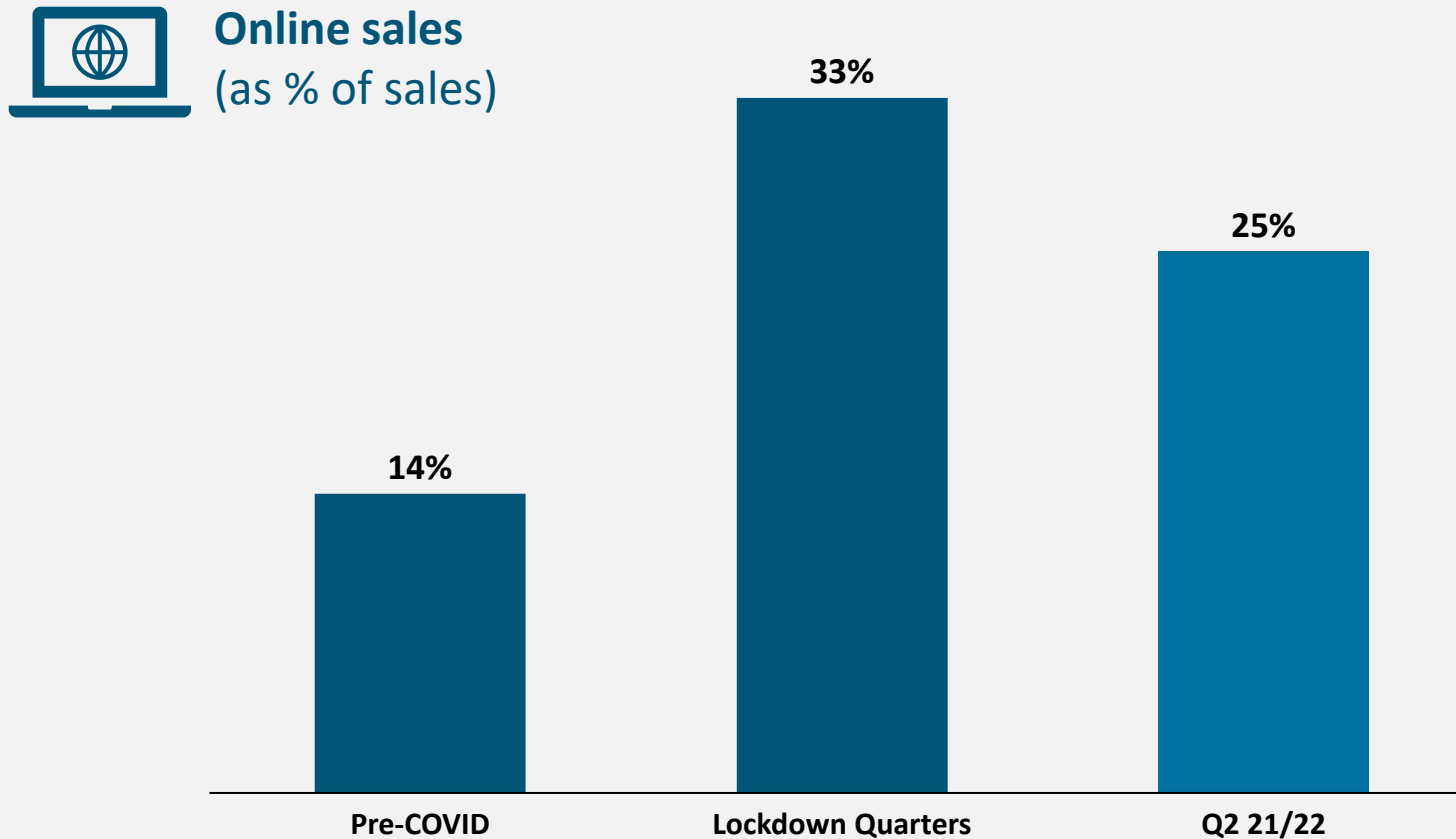
+31

NPS development

- ▶ In Q2 21/22 our NPS¹ improved to 49 – highest score since measurement began
- ▶ Better customer experience empowers Services & Solutions business, supports conversion rate and strengthens loyalty

¹New measurement logic now including incomplete feedbacks. ²NPS impact in Germany, average of pick-up & home delivery: Pre-initiative (Oct 2021) vs. actual (March 2022).

Online business substantially above pre-pandemic levels



Online dynamics

- ▶ COVID-19 as a catalyst for strong growth in online business
- ▶ Online sales spiked during lockdowns and remained at elevated levels afterwards
- ▶ Continuous improvement of UX will fuel further growth
- ▶ 3rd largest webshop in Germany¹, 2nd largest CE webshop in Europe²

¹This refers to the MediaMarkt and Saturn webshops combined. Source: EHI – E-Commerce Markt Deutschland 2021. ²Own analysis based on company reports.

We are modernizing our store landscape



Store refresh program includes >500 core format stores by FY 22/23



Remodelled since
start of program



Plan for H2 21/22



Plan for FY 22/23

Clear benefits

- ▶ Capex-light remodelling
- ▶ Increased flexibility regarding usage of retail space
- ▶ Improved store economics and lifted profitability expected
- ▶ Positive customer feedback shows relevance



We are creating a resilient omnichannel logistics and systems platform



Omnichannel Spine = Smart linking and synchronization of logistics, IT and order processes across all channels



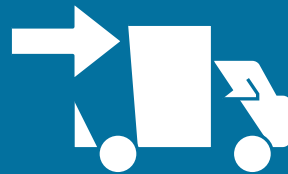
Overarching
basket



Integrated
order



Transparent
inventory



Efficient
transport

Capability & efficiency gains

- ▶ Better customer experience due to e.g. faster fulfilment and wider range of delivery options
- ▶ Increased product availability and optimized stocks
- ▶ Optimized last mile delivery and carbon footprint

April 2022:

Omnichannel Spine go-live in the Netherlands - a major milestone

We are pushing the circular economy forward



Our “more-life-per-cycle” promise



Product-as-a-service



Aftersales & repairs



Refurbishment & second life



Recycling

Achievements in H1 21/22



Took back **~20,000t** of old electrical appliances in Germany and organized their recycling or reuse



Repaired **~275,000** devices in store at our Smartbars



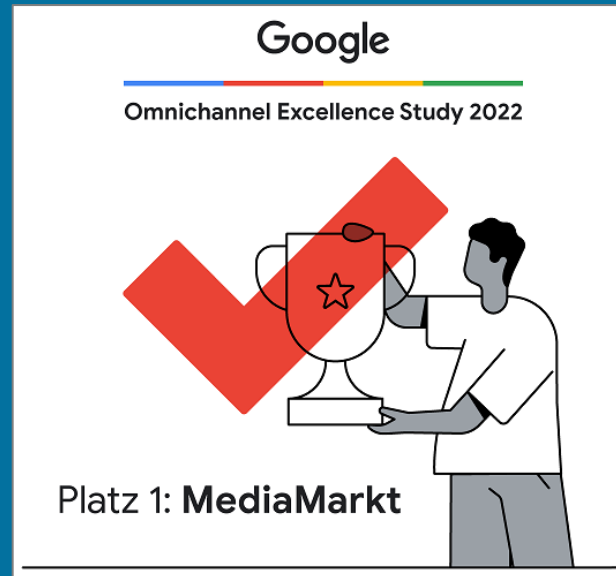
~25,000 mobile phones collected with our trade-in kiosks and issued vouchers worth **700,000 €**

We are receiving recognition for our efforts and our progress

#1 in customer satisfaction



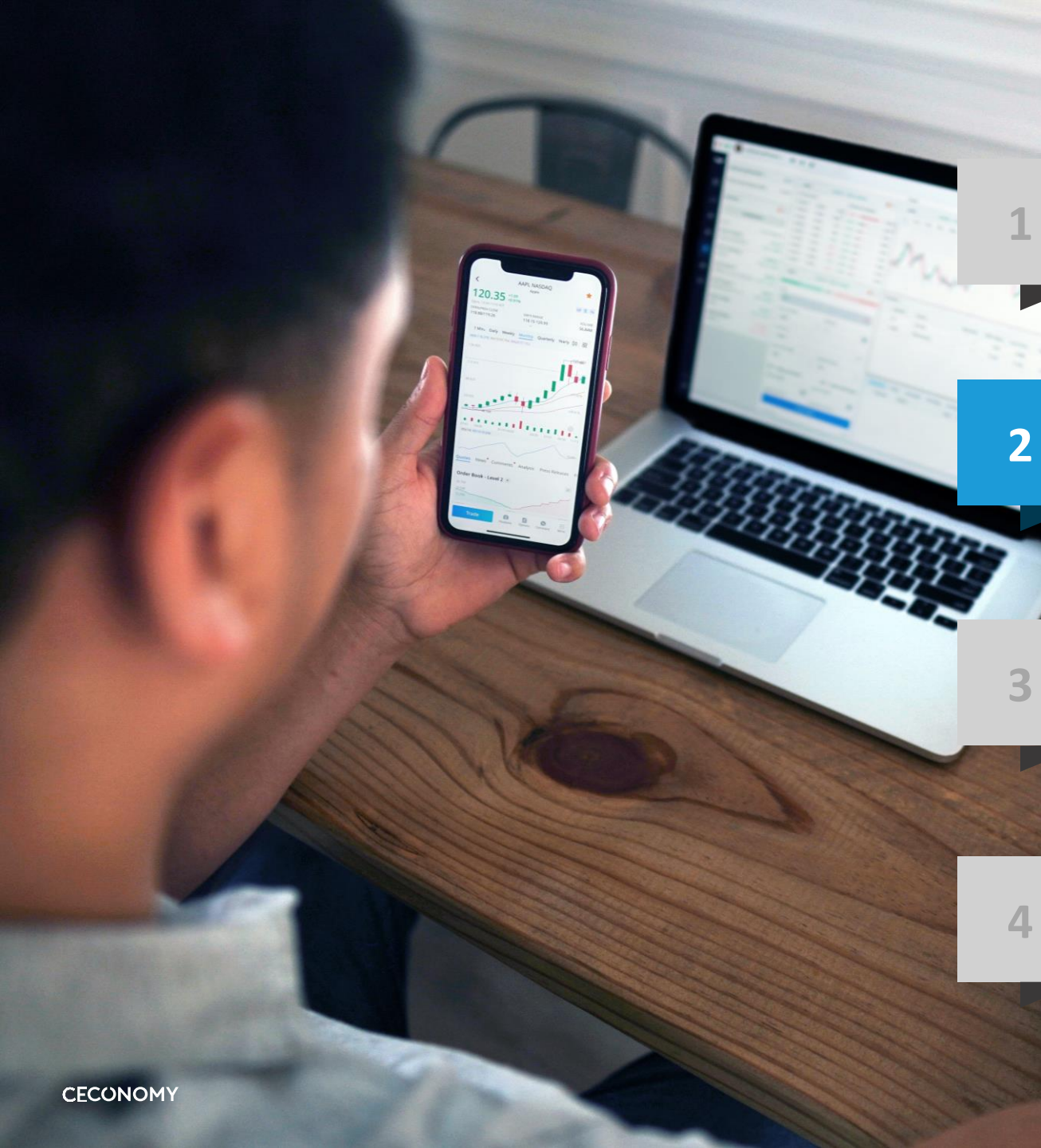
Omnichannel player



Leading ESG player

Best German ESG Retailer 2022





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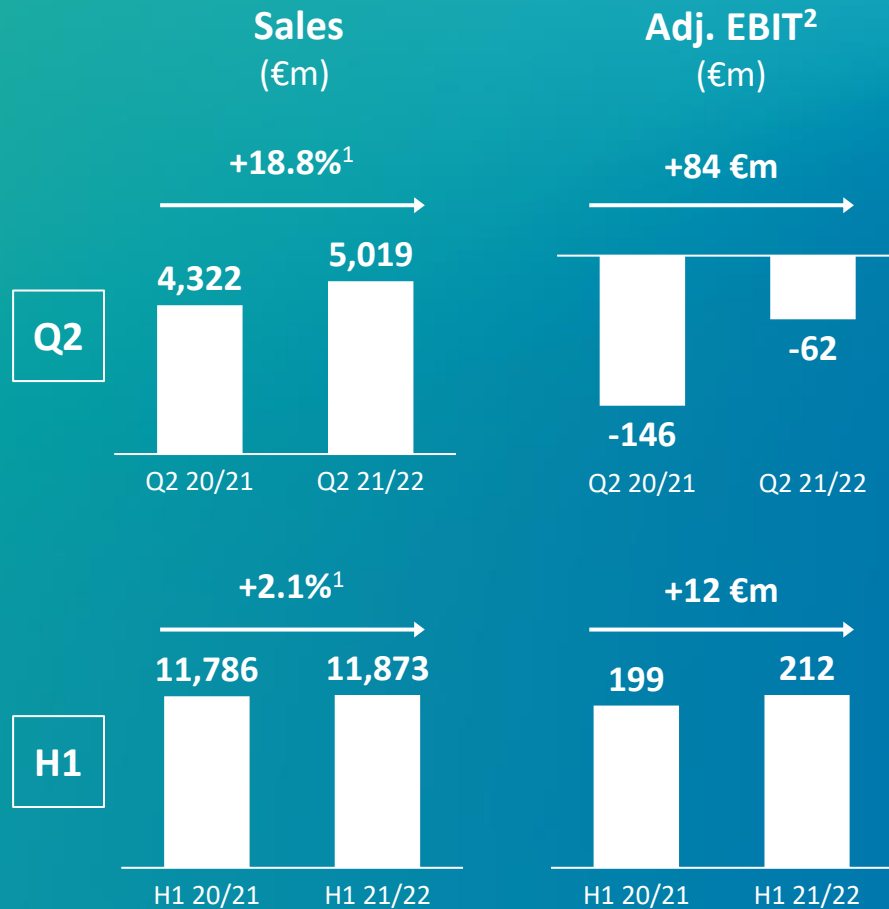
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SUMMARY

Q2: Sales and EBIT increased very clearly – H1 above PY



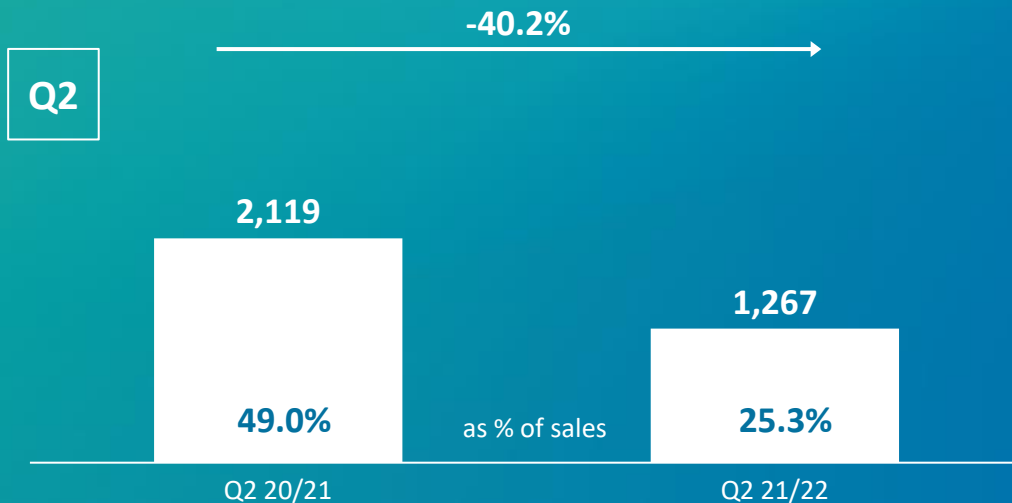
- ▶ Sales improvement supported by gradual lifting of COVID-19 restrictions; Q2 21/22 sales¹ above pre-COVID-19 level
- ▶ Increase in adjusted EBIT in Q2 mainly driven by Germany and the Netherlands, which were both affected by temporary store closures in PY
- ▶ H1 21/22 sales slightly above PY due to recovery of B&M business in Q2; back to more balanced channel mix
- ▶ Adjusted EBIT in H1 21/22 improved moderately following the positive sales development

¹Adj. for currency and portfolio change effects. ²Excl. associates, 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) expenses in connection with the acquisition of the minority shareholding in MediaMarktSaturn as well as the reorganization and simplification of the corporate structure.

Online sales on continuously elevated level and with expected decline vs. PY

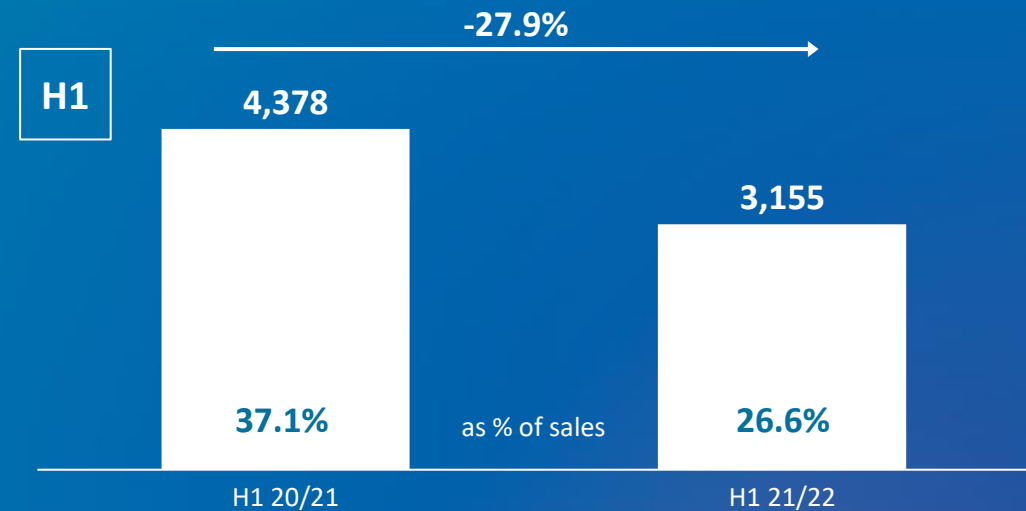


Online sales (€m)



▶ Online sales share below record-breaking PY performance, but almost doubled compared to pre-pandemic levels

▶ Majority of countries with online sales share >20%, pick-up ratio for the group at 36% (Q2 20/21: 38%)



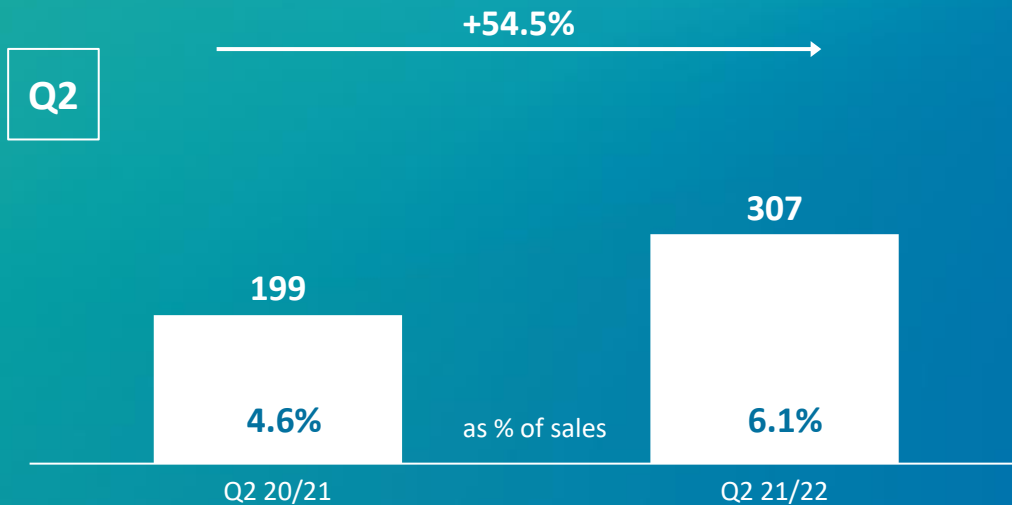
▶ Online sales and sales share declined as expected, due to easing of COVID-19 restriction measures, which were affecting B&M

▶ Ambition to grow online sales share to 30% and above remains valid and realistic

Operational improvements in Services & Solutions business fuel growth

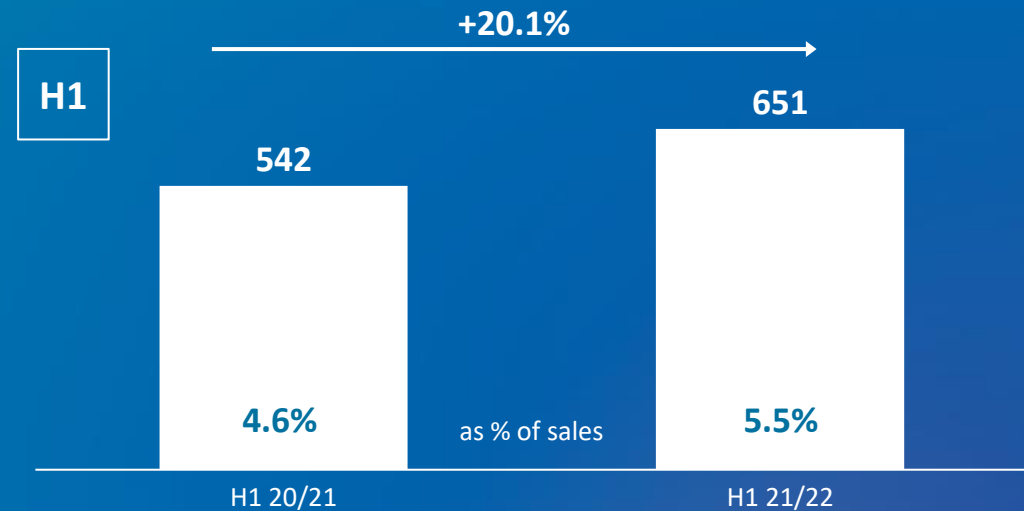


Services & Solutions sales (€m)



► Services & Solutions almost back to pre-pandemic levels; very strong sales and income uplift following recovery of B&M business

► Sales growth in all service categories, online attachment rate improved strongly yoy, reaching its highest level since significant expansion of the online business kick-started by the pandemic



► Improved functionalities and service enhancements supported online and offline attachment rate and fueled sales uplift

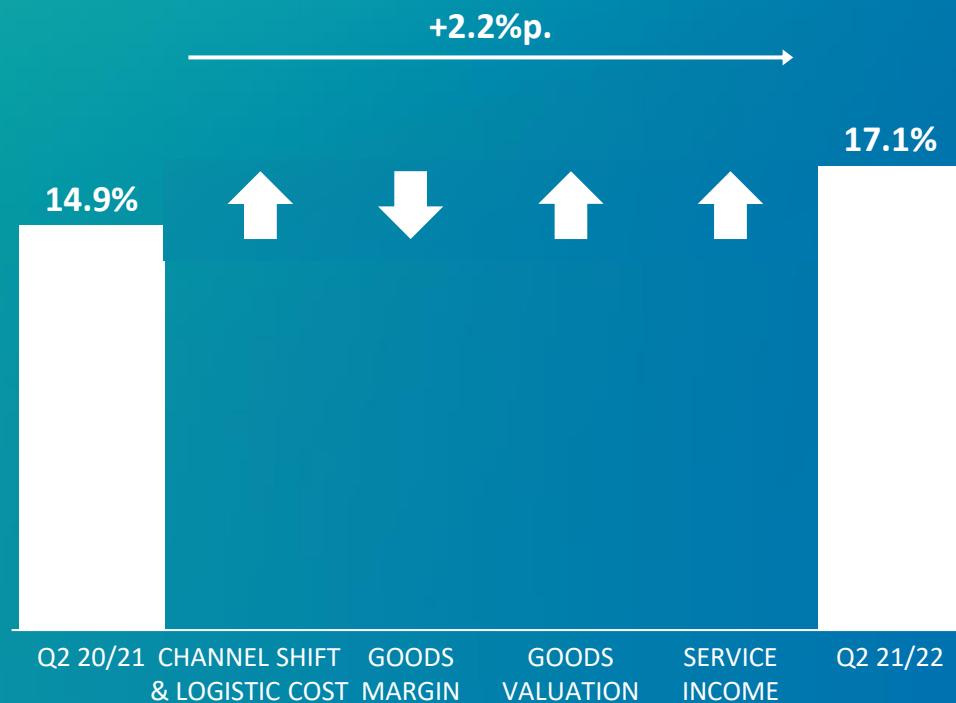
► Sales share above 5% in all segments except Eastern Europe despite comparably low group sales in Q1 21/22

Gross margin improved noticeably



Gross margin¹
(as % of sales)

Q2



- ▶ Positive contribution from recovery in B&M business and reduced logistic costs in line with lower online share
- ▶ Goods margin decrease mainly due to high competition, inflationary environment and intensified campaign level
- ▶ Goods valuation supported by yoy improved stock aging structure
- ▶ Recovery of Services & Solutions business with strong margin improvement in Q2

¹Excl. non-recurring effects and adj. for portfolio changes.

Stable OPEX-ratio in Q2 despite increasing inflationary pressure



OPEX¹
(as % of sales)

Q2

-0.1%p.

19.3%

19.2%

Q2 20/21

Q2 21/22

833 €m

(absolute)

965 €m



Stable OPEX ratio despite strong COVID-19-related cost mitigation of around 100 €m in PY (COVID-19-related subsidies and lockdown related operational cost savings)



Cost savings in transportation and payment fees due to lower online share partly offset by higher IT costs



Wage inflation and higher energy costs overcompensated by further improved cost structure

¹Excl. associates and non-recurring effects and adj. for portfolio changes.

Strong growth in DACH and Eastern Europe

DACH

| €m / % | Q2 21/22 |
|------------------------------|--------------|
| Total sales | 2,815 |
| Growth in LC ¹ | 22.6% |
| Reported yoy change | 22.9% |
| Adj. EBIT² | -43 |
| Adj. EBIT margin | -1.5% |
| Adj. EBIT yoy change | 54 |

EASTERN EUROPE

| €m / % | Q2 21/22 |
|------------------------------|------------|
| Total sales | 416 |
| Growth in LC ¹ | 35.4% |
| Reported yoy change | 3.5% |
| Adj. EBIT² | 6 |
| Adj. EBIT margin | 1.6% |
| Adj. EBIT yoy change | 6 |

WESTERN & SOUTHERN EUROPE

| €m / % | Q2 21/22 |
|------------------------------|--------------|
| Total sales | 1,679 |
| Growth in LC ¹ | 11.9% |
| Reported yoy change | 11.9% |
| Adj. EBIT² | -17 |
| Adj. EBIT margin | -1.0% |
| Adj. EBIT yoy change | 21 |

OTHERS

| €m / % | Q2 21/22 |
|-------------------------------|------------|
| Total sales | 108 |
| Growth in LC ¹ | -11.5% |
| Reported yoy change | -15.6% |
| Adj. EBIT² | -9 |
| Adj. EBIT margin ³ | - |
| Adj. EBIT yoy change | 2 |

▶ **DACH** benefited from a recovery in B&M business, particularly driven by Germany, and a low comparison base

▶ **W. & S. Europe** showed sales and margin related EBIT growth, with Netherlands, Italy and Spain being the best performing countries

▶ **E. Europe** characterized by continued sales growth in Turkey; earnings increase primarily resulting from a release of provisions in Poland

▶ **Others** with lower sales against high PY base; slight EBIT improvement thanks to cost savings at CECONOMY level

¹Adj. for currency and portfolio change effects. ²Excl. associates and non-recurring effects and adj. for portfolio changes. ³Segment Others includes CECONOMY AG holding, hence respective EBIT margin would not offer a reasonable comparison.

EPS decrease mainly due to Fnac Darty impairment reversal in PY



EBITDA to EPS
(€m)

Q2

H1

| | Q2 20/21 | Q2 21/22 | H1 20/21 | H1 21/22 |
|--------------------------------------|-------------|--------------|-------------|-------------|
| EBITDA | 54 | 132 | 575 | 578 |
| EBIT | -2 | -35 | 338 | 241 |
| Net financial result | 4 | -7 | -6 | -17 |
| Earnings before taxes | 2 | -42 | 332 | 224 |
| Income taxes | 64 | 8 | -61 | -97 |
| Profit or loss for the period | 66 | -33 | 271 | 127 |
| Non-controlling interest | -27 | -13 | 24 | 25 |
| Net result | 94 | -21 | 247 | 102 |
| EPS (€) | 0.26 | -0.06 | 0.69 | 0.28 |



Reported EBIT in PY impacted by Fnac Darty impairment reversal (150 €m) in Q2/H1



Financial result supported by dividend from METRO Properties in PY



Reported tax rate H1 at 43.4%; benefits related to acquisition of MMS minority stake not yet included

Note: From continuing operations and based on reported figures.

CECONOMY

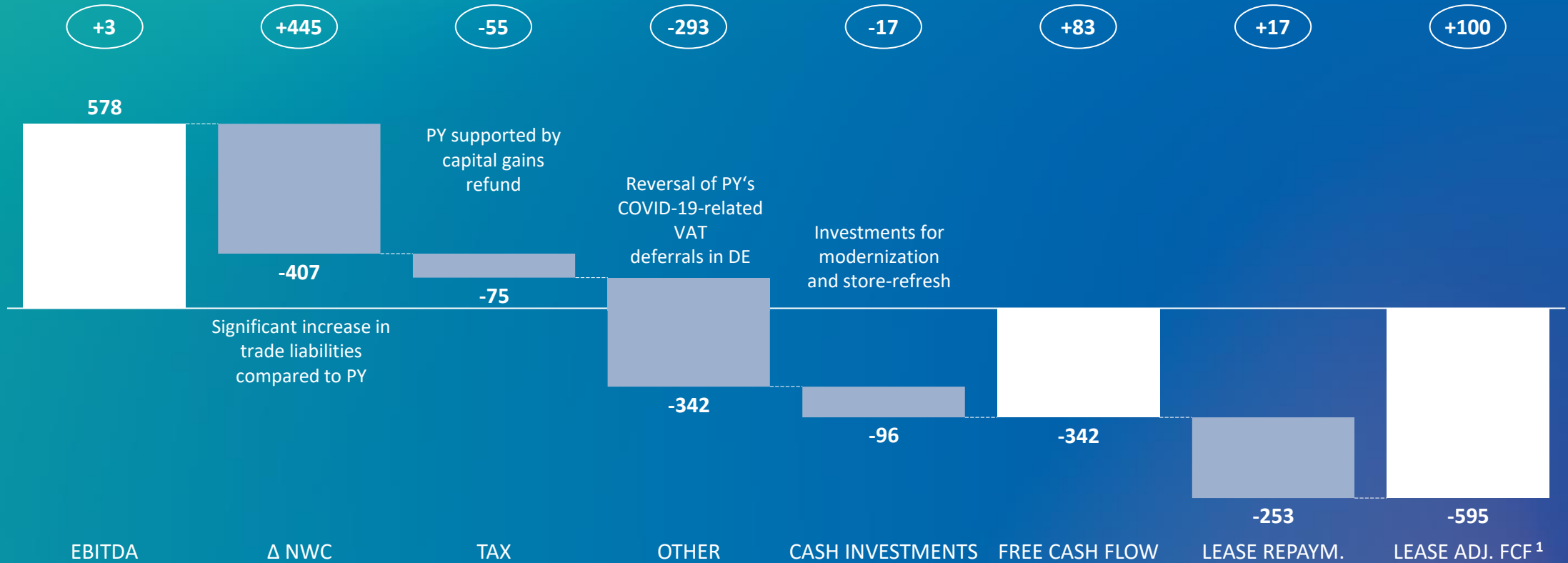
Results Presentation Q2/H1 2021/22 on 13 May 2022

Adjusted FCF above weak PY, underlying NWC burdened by high stock levels

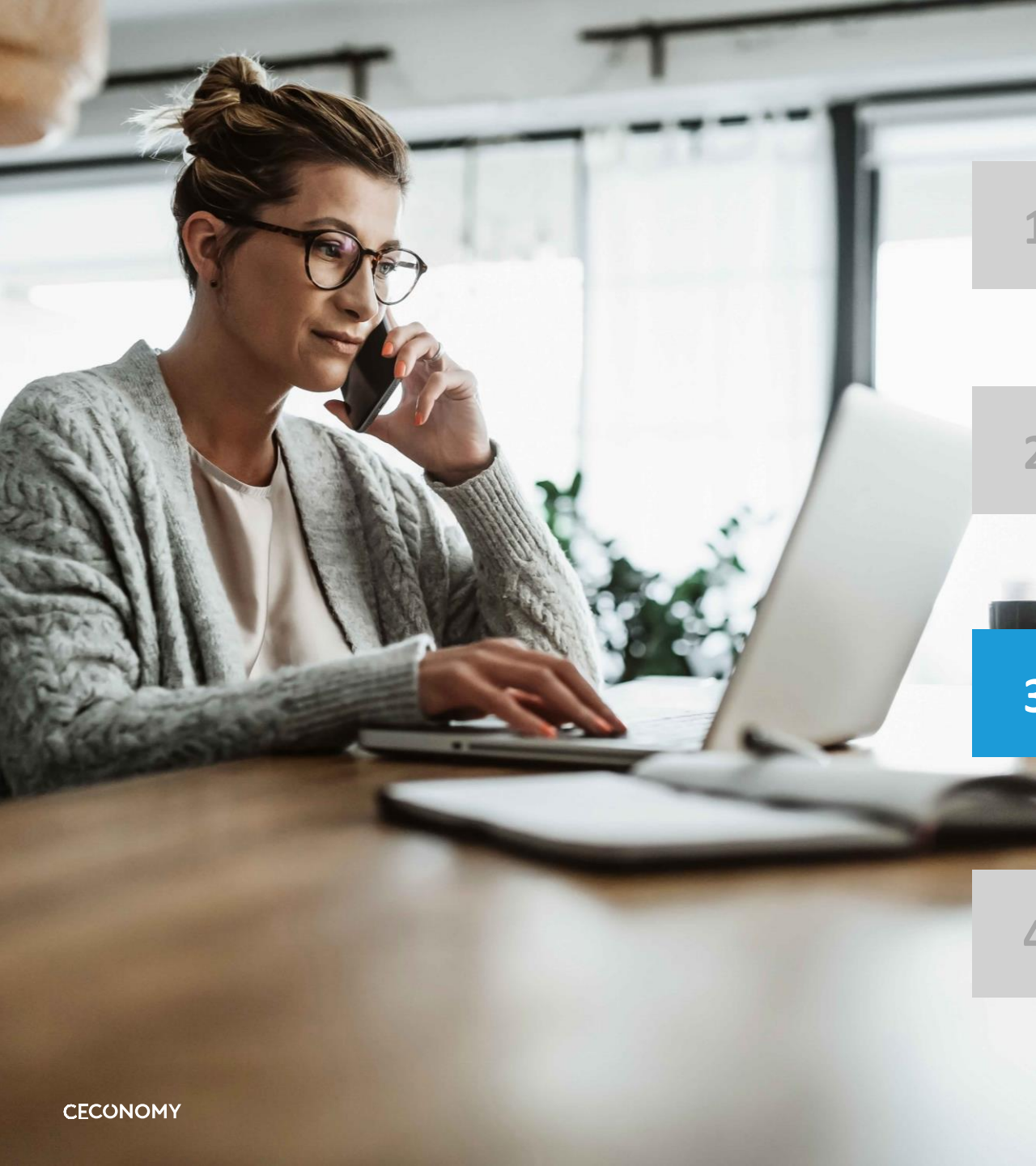


Free Cash Flow in H1 21/22 (€m)

○ YOY change



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



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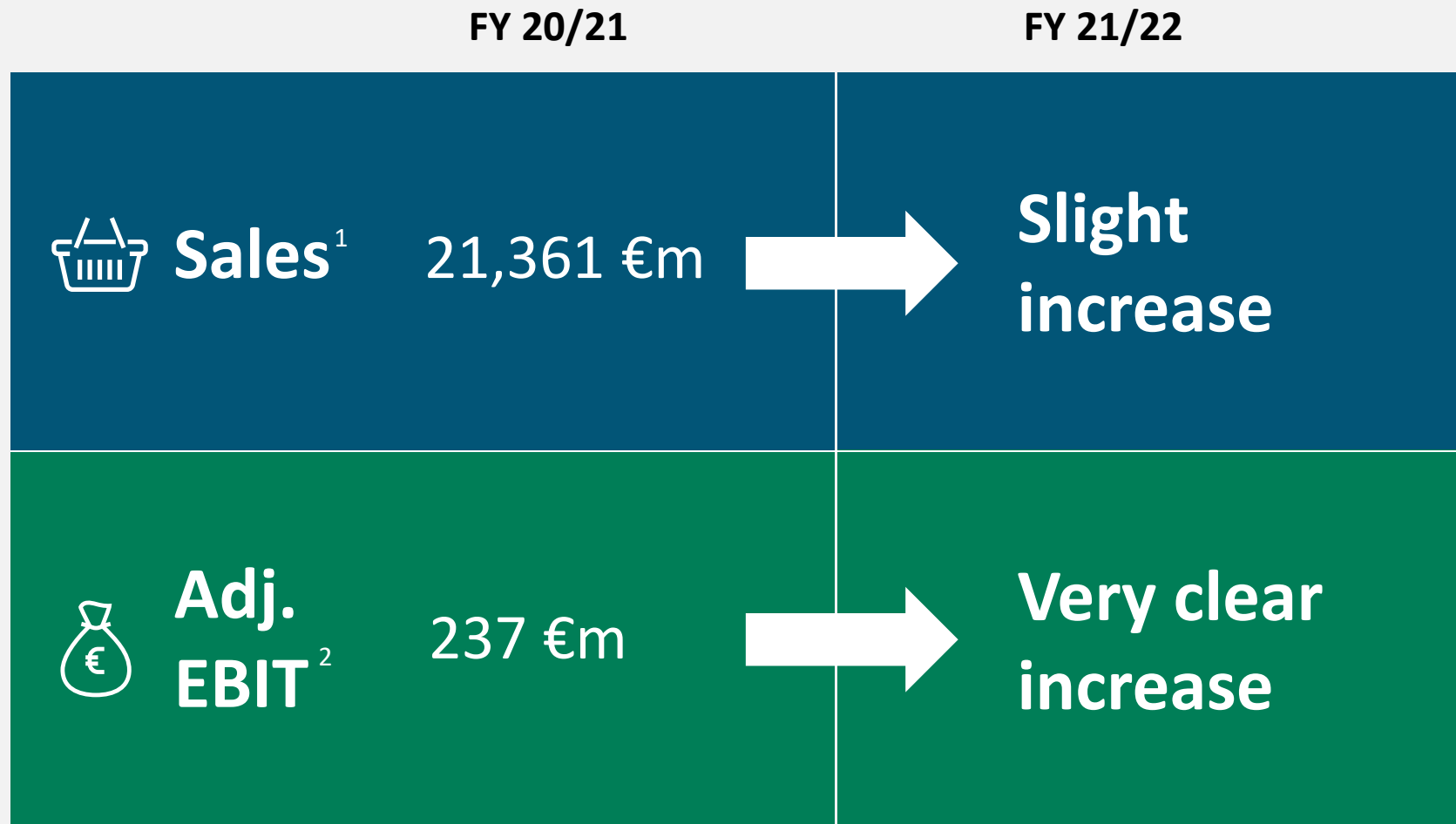
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CECONOMY's outlook for FY 21/22



Key Assumptions

- ▶ Influence of the COVID-19 pandemic less harmful as in FY 20/21 (e.g., fewer and shorter closure of stores), availability of goods expected to normalize over the course of the year
- ▶ Inflation and Russian war of aggression against Ukraine to weigh on consumer sentiment – extent unclear, but gradual recovery expected
- ▶ Further drivers: elevated Services & Solutions contribution, recovery in goods margin and cost savings from efficient organizational structures

¹Adj. for currency and portfolio change effects. ²Excl. associates, adj. for portfolio changes and excl. non-recurring effects.



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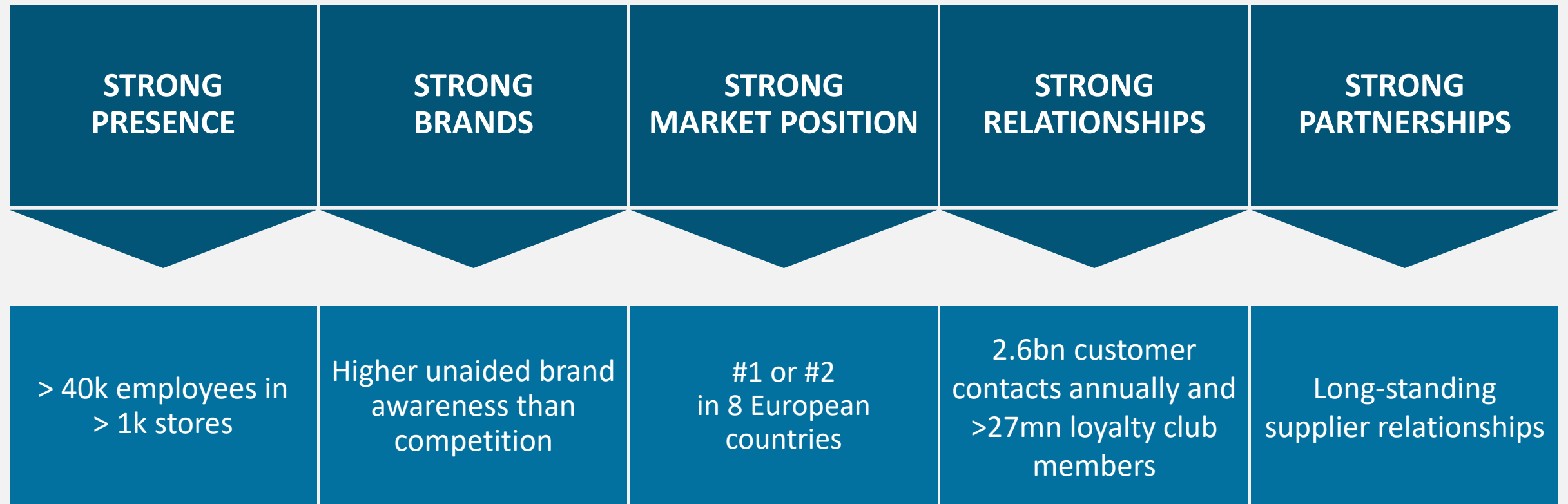
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Our winning formula





In a nutshell

- ▶ We delivered a solid Q2 and strongly increased both sales and EBIT. H1 slightly above PY
- ▶ We confirm our guidance, assuming important external factors will stabilize and gradually recover
- ▶ Omnichannel model with strong customer centricity and sustainability will fuel our future growth
- ▶ We will continue to improve customer experience by focusing on refreshing our stores, extending our reach online and improving our logistic networks
- ▶ Acceleration will be facilitated by simplified shareholder and organizational structure

Q&A



Dr Karsten Wildberger



Florian Wieser

Financial calendar

**Q3/9M 21/22
results**

11 AUGUST 2022



**Q4/FY 21/22
trading statement**

26 OCTOBER 2022



**Q4/FY 21/22
results**

15 DECEMBER 2022



Upcoming events

Corporate Governance Roadshow

17 MAY 2022



CEO post-Q2 Roadshow

25 MAY 2022



Erste Group CEE Consumer Conference

14 JUNE 2022



Contact

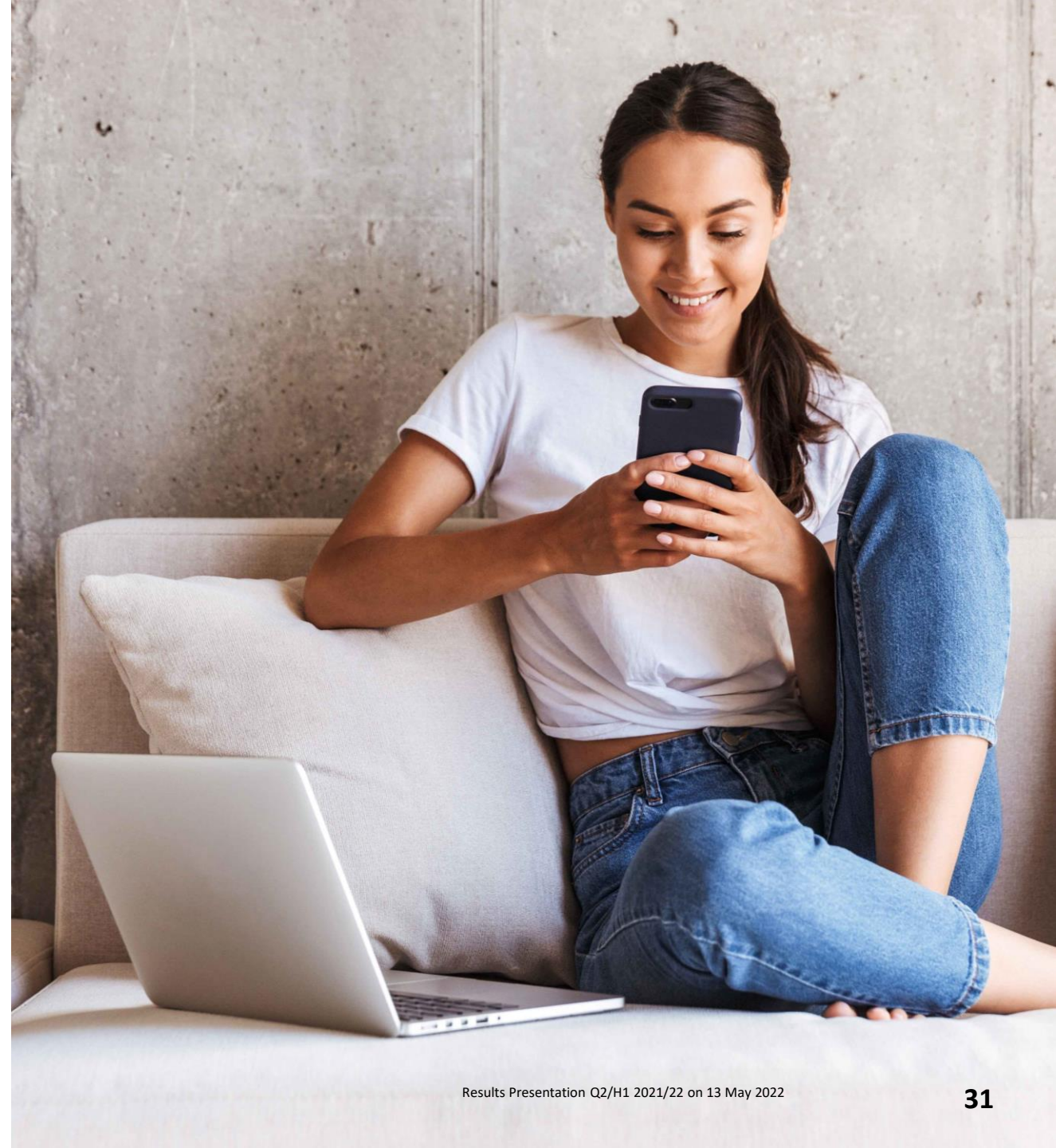
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APPENDIX

Heterogenous segment developments, profitability below pre-pandemic levels

DACH

| €m / % | H1 21/22 |
|------------------------------|--------------|
| Total sales | 6,733 |
| Growth in LC ¹ | 0.1% |
| Reported yoy change | 0.3% |
| Adj. EBIT² | 137 |
| Adj. EBIT margin | 2.0% |
| Adj. EBIT yoy change | -25 |

EASTERN EUROPE

| €m / % | H1 21/22 |
|------------------------------|------------|
| Total sales | 969 |
| Growth in LC ¹ | 20.6% |
| Reported yoy change | -0.2% |
| Adj. EBIT² | 29 |
| Adj. EBIT margin | 3.0% |
| Adj. EBIT yoy change | 13 |

WESTERN & SOUTHERN EUROPE

| €m / % | H1 21/22 |
|------------------------------|--------------|
| Total sales | 3,896 |
| Growth in LC ¹ | 2.6% |
| Reported yoy change | 2.6% |
| Adj. EBIT² | 56 |
| Adj. EBIT margin | 1.4% |
| Adj. EBIT yoy change | 19 |

OTHERS

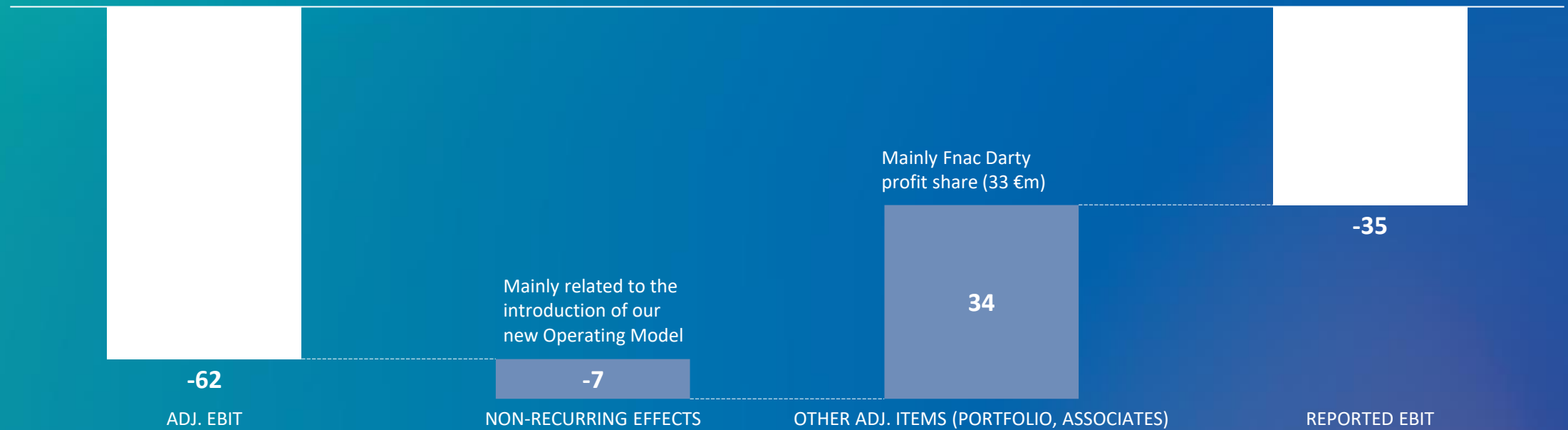
| €m / % | H1 21/22 |
|-------------------------------|------------|
| Total sales | 275 |
| Growth in LC ¹ | -8.9% |
| Reported yoy change | -9.8% |
| Adj. EBIT² | -11 |
| Adj. EBIT margin ³ | - |
| Adj. EBIT yoy change | 3 |

¹Adj. for currency and portfolio change effects. ²Excl. associates and non-recurring effects and adj. for portfolio changes. ³Segment Others includes CECONOMY AG holding, hence respective EBIT margin would not offer a reasonable comparison.

Reported EBIT Q2



Adj. EBIT¹ excl. associates to reported EBIT in Q2 21/22
(€m)

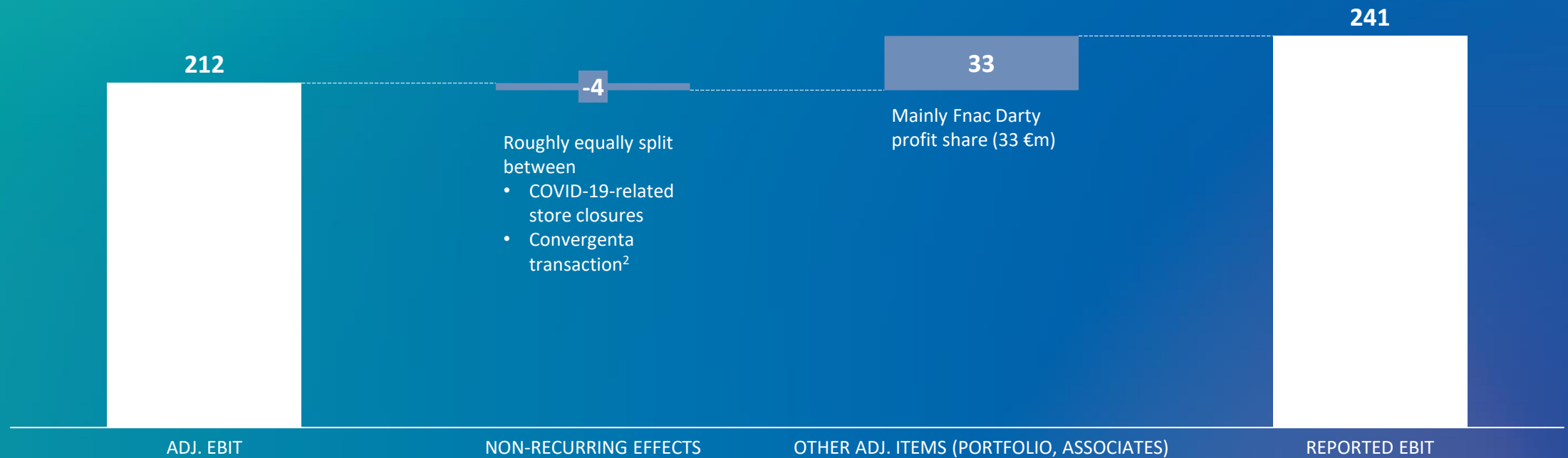


¹Excl. non-recurring effects and adj. for portfolio changes.

Reported EBIT H1



Adj. EBIT¹ excl. associates to reported EBIT in H1 21/22
(€m)

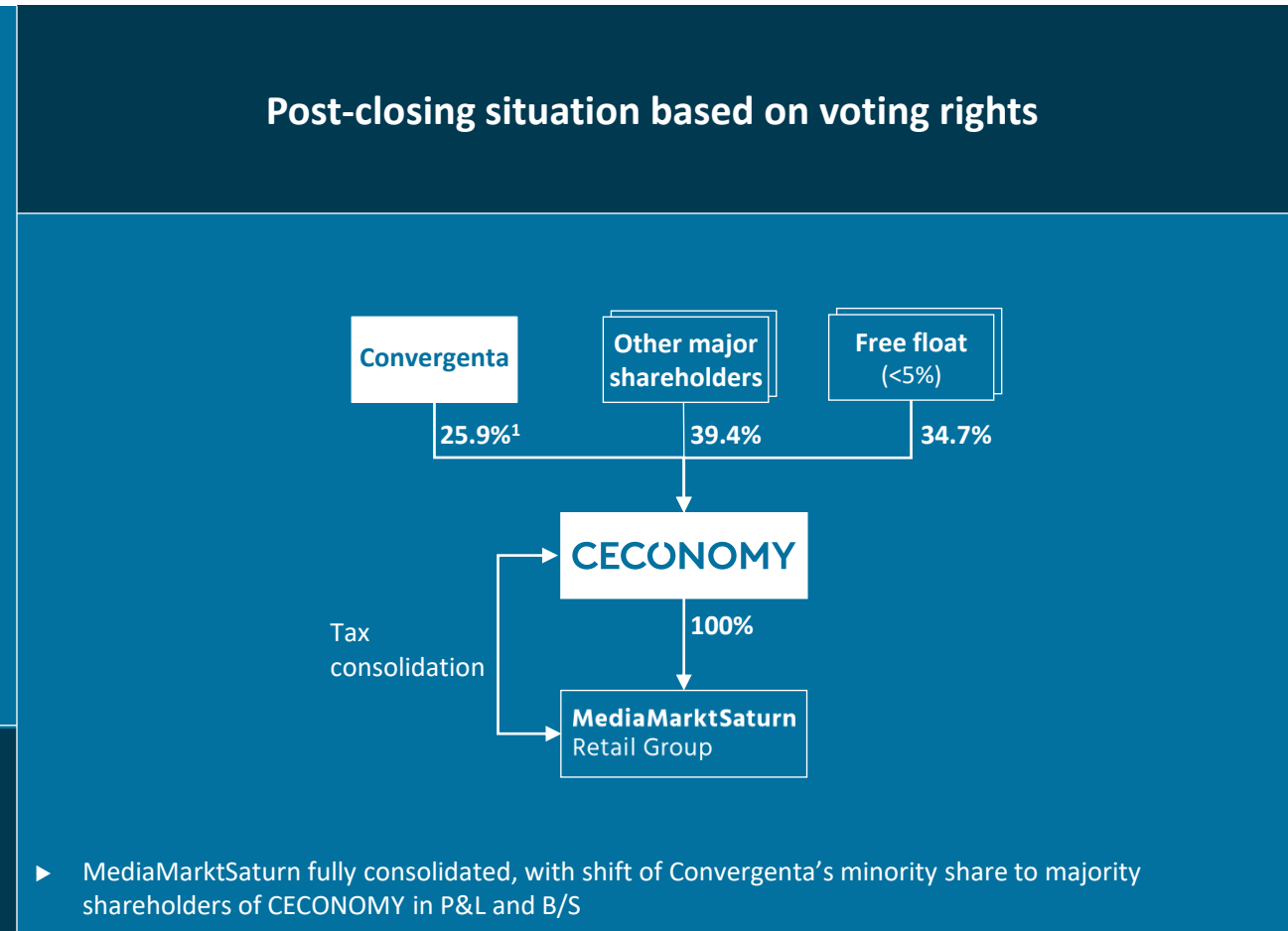
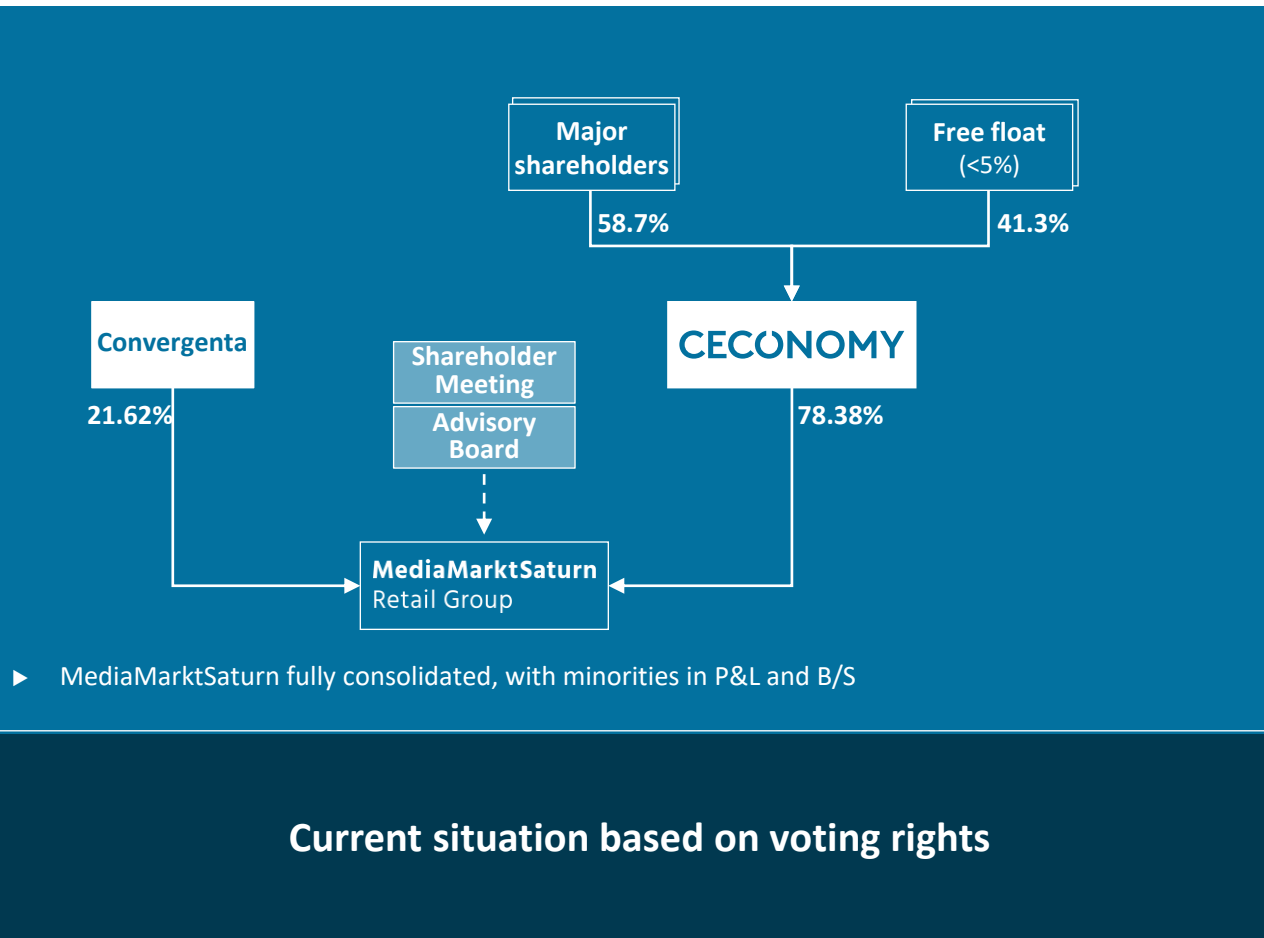


¹Excl. non-recurring effects and adj. for portfolio changes. ²Expenses in connection with the acquisition of the minority shareholding in MediaMarktSaturn as well as the reorganization and simplification of the corporate structure.

Net Working Capital

| €m | 30/09/2020 | 31/03/2021 | Change | 30/09/2021 | 31/03/2022 | Change |
|---|---------------|-------------|------------|-------------|-------------|------------|
| Inventories | 2,949 | 3,512 | 562 | 3,111 | 3,618 | 507 |
| Trade receivables and similar claims | 488 | 322 | -166 | 361 | 396 | 35 |
| Receivables due from suppliers | 1,302 | 1,094 | -208 | 1,142 | 1,163 | 20 |
| Trade liabilities and similar liabilities | -5,996 | -5,310 | 686 | -5,470 | -5,588 | -118 |
| Net Working Capital | -1,256 | -382 | 874 | -855 | -411 | 444 |

Simplified structure & governance with MediaMarktSaturn as a wholly-owned subsidiary and Convergenta as an anchor shareholder of CECONOMY



¹Only including the issuing of 125,800,000 new no-par value ordinary bearer shares. Convergenta can increase its shareholding further via conversion of new convertible bonds. This corresponds to Convergenta's intention of becoming a long-term anchor shareholder with a stake of up to 29.9% of ordinary shares

Transaction is a liberating blow for CECONOMY reducing historical complexity

Governance simplification

- ▶ **Reduction of complexity** entailed by the current structure
- ▶ Optimization and **acceleration of decision-making** processes allowing **full focus on operational business**

Tax savings

- ▶ **Use of existing tax loss carry-forwards** at CECONOMY level in the new structure,
- ▶ **Further tax optimization** through tax deductibility of CECONOMY holding costs; resulting in a sustainable underlying tax rate improvement

Cost savings

- ▶ Further **administrative cost savings** at holding levels from simplified governance structure

Additional potential

not quantified for valuation purposes

Tax loss carry-forwards of around 2.6 €bn in total

related to c. 1.1 €bn for corporate income tax and c. 1.5 €bn for trade tax¹

Around 4 €m p.a.

targeted, partially already realized

¹Partly relating to assessment periods still subject to usual tax audits.

Key parameters of transaction and consideration components



The **commercial terms** have essentially remained **the same**



Designed to **limit cash-out and debt**, complying with CECONOMY's conservative financing strategy



Reflects Convergenta's intention to be a **long-term anchor shareholder**

Consideration components



125.8m new ordinary CECONOMY shares to be issued



c. 1,510 new CECONOMY convertible bonds¹



130 €m
Cash component

¹Nominal amount of 151 €m; 160 €m market value at time of announcement. Grants conversion rights for c. 27.9m conversion shares at a conversion price of 5.42 €.

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