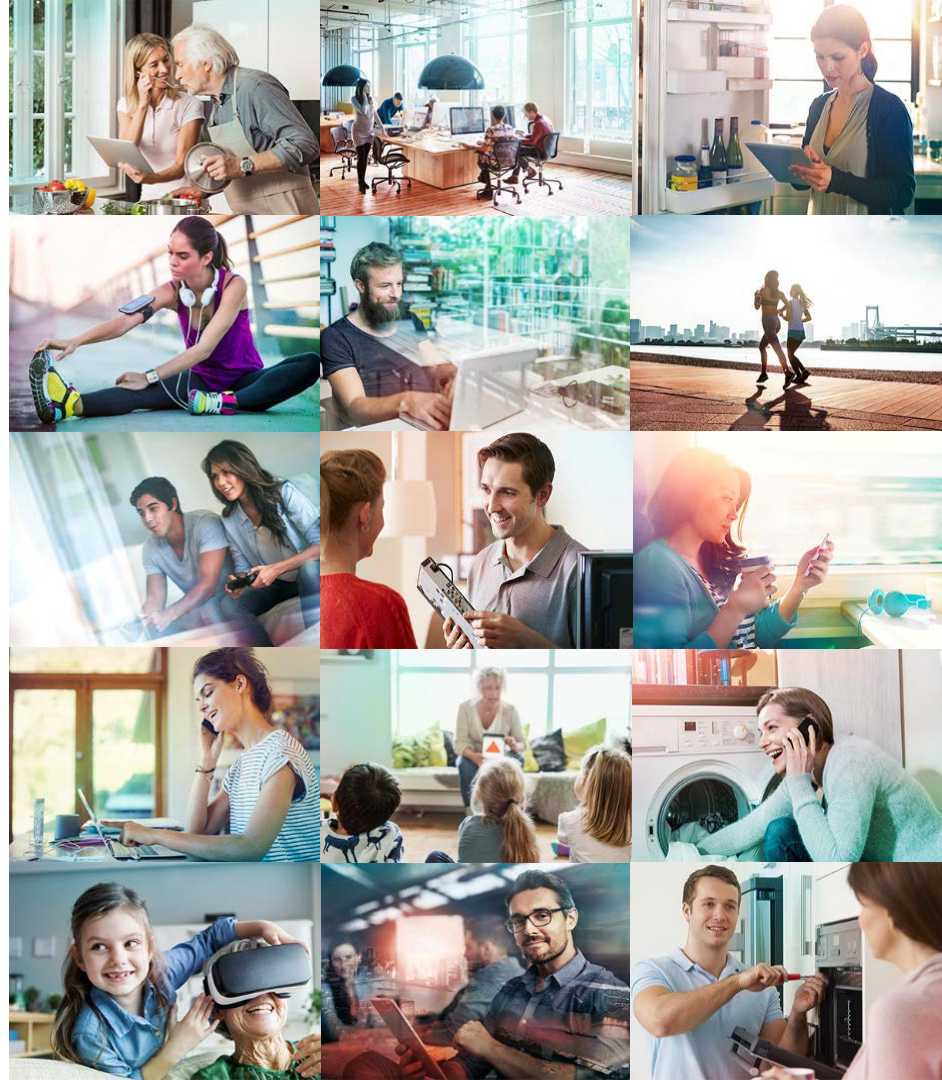


CECONOMY

Results Presentation Q3/9M 2017/18

Dusseldorf, 14 August 2018



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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.

Overview



01

Highlights



02

Performance



03

Outlook



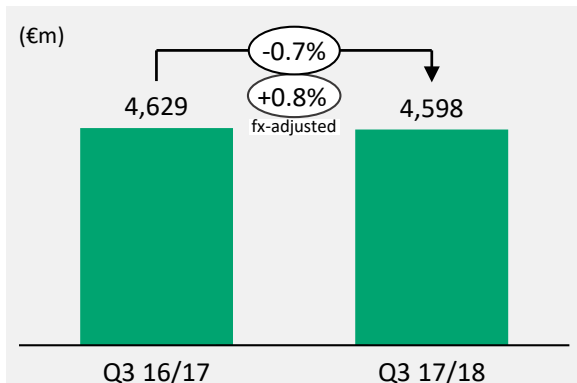
01

Highlights

Pieter Haas, CEO

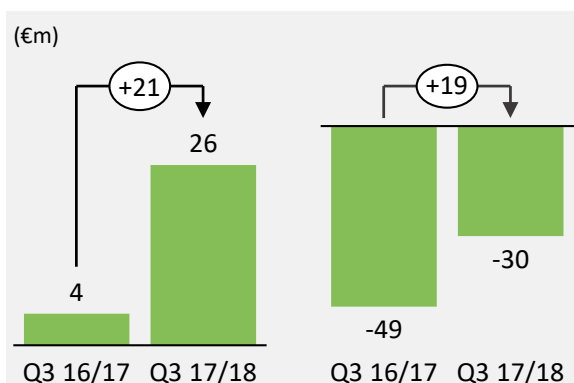
Note: All figures represent the continuing operations of CECONOMY.

EBITDA and NWC catch-up continued in Q3



Sales

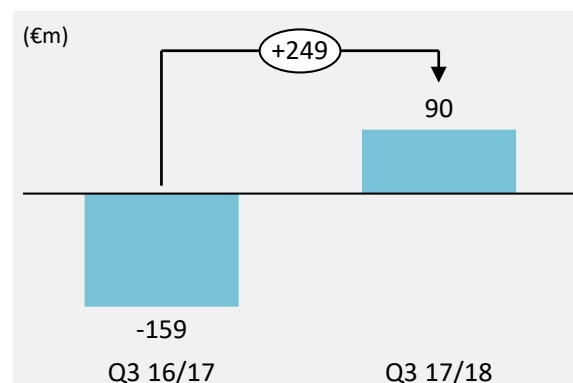
- // Fx-adjusted sales increased by 0.8% (-0.7% on a reported basis)
- // Positive impact from World Cup campaigns offset shift of Easter business into Q2
- // Online sales up +21% yoy
- // Services & Solutions grew by +26% yoy



EBITDA

EBIT

- // EBITDA increased by €21m yoy
- // Broadly stable gross margin at 20.2%
- // Positive impact from a change in the valuation of gift card liabilities in Germany
- // Earnings improvements in Italy
- // Russia classified as discontinued operations in accordance with IFRS 5



Change in Net Working Capital (NWC)

- // Positive €249m change in NWC
- // Improved change largely attributable to temporary optimization of payment terms
- // Over nine months, Free Cash Flow €87m higher vs. prior year mainly due to improvement of Operating Cash Flow

Note: EBITDA & EBIT incl. Fnac Darty; EBITDA & EBIT in Q3 2016/17 before special items. NWC = Net Working Capital acc. to Cash Flow Statement.

What we have achieved so far in FY 2017/18



Recovery of unexpected Q1 EBIT/DA decline



Strong growth in **Online** with sustained **high pick-up rate**



Accelerated growth in **Services & Solutions** helped by roll-out of “smart bars”



Substantial **earnings improvement in Italy**



Resolved 3 out of 4 **portfolio issues**: redcoon, Russia, and Turkey



Agreement to set up the **European Retail Alliance**



Further progress envisaged for the coming years

Our agenda for the upcoming months



Growth



- // Further drive online sales
- // Execute a number of closely steered sales-oriented actions
- // Continue preparations for Black Friday in close partnership with suppliers



Services & Solutions



- // Full roll-out of “smart bars” until end of 2018
- // Expand financial services and insurance products
- // Launch care plans in countries other than BeNeLux



Free cash flow focus



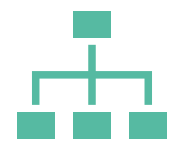
- // Aim to reduce €250m net costs in total over 5 years
- // Sustained improvement of cost structures through process optimization and automation
- // Review of investments may lead to even more selective store expansion



European Retail Alliance



- // Set-up legal entity
- // Analyze potential synergies
- // Jointly negotiate and harmonize internat. “on top” conditions with suppliers
- // Create a joint private label organization



Corporate Structure



- // Find a solution with MediaMarktSaturn’s minority shareholder
- // Decide on option to make best use of the METRO stake

02

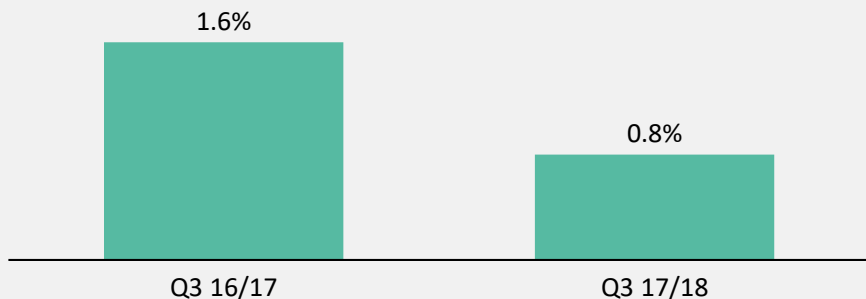
Performance

Mark Frese, CFO

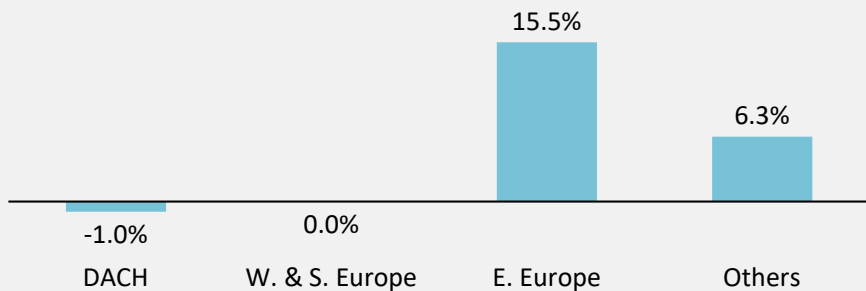
Note: All figures represent the continuing operations of CECONOMY.

Positive impact from World Cup campaigns offset shift of Easter business into Q2

Total Sales (fx-adjusted, yoy change)



Total Sales in Q3 17/18 per Segment (fx-adjusted, yoy change)

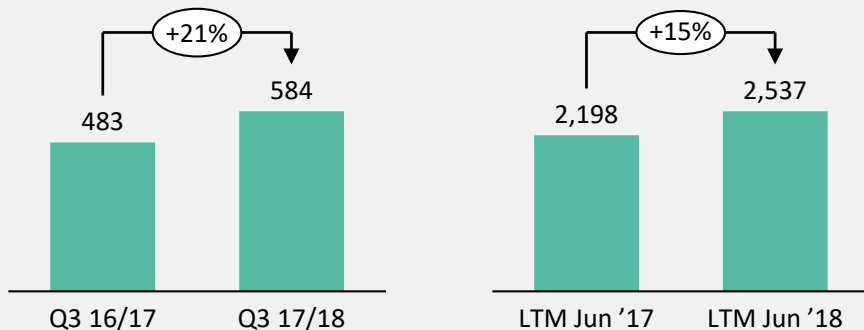


Highlights

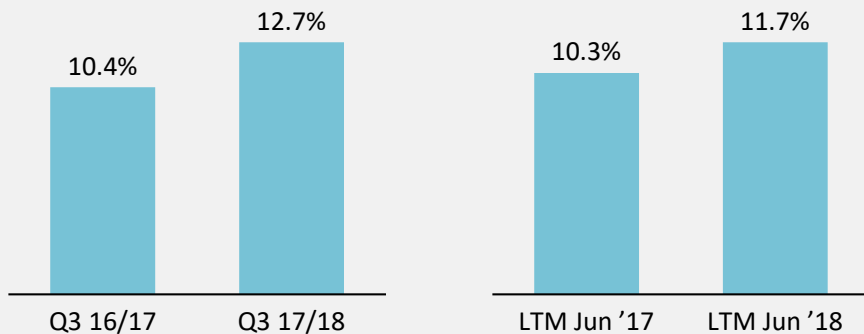
- // Declining sales in Germany also impacted by lacklustre Consumer Electronic environment and closure of redcoon operations; nevertheless, broadly stable market position over the nine-months period
- // Spain supported by World Cup campaigns, Online and Services & Solutions, largely compensating decline in majority of remaining countries in Western & Southern Europe
- // Turkey with sustainable double-digit sales growth, also driven by inflation
- // Ongoing stabilization in Sweden
- // Hot weather currently negatively impacting store frequency

Online key growth driver, accounting for 13% of total sales

Online Sales (in €m)



Online Sales (% of total sales)

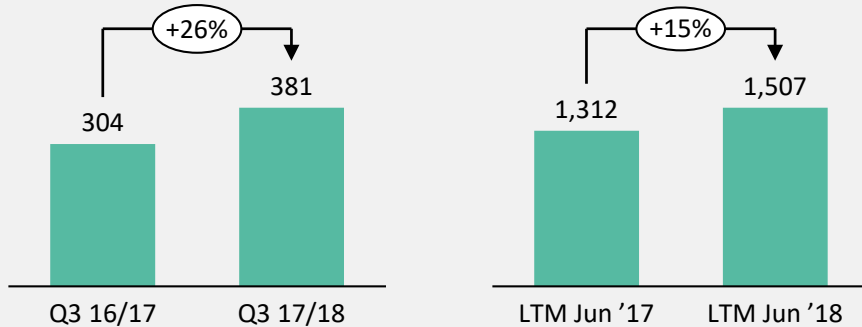


Highlights

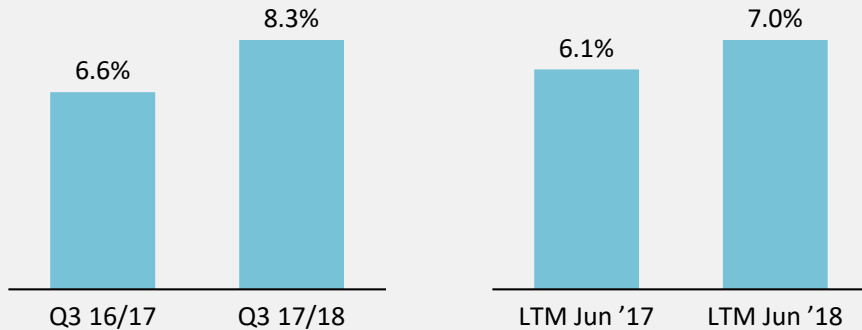
- // Online sales increased by +21% yoy
- // Online now accounts for 12.7% of total sales vs. 10.4% in the prior-year period
- // Strong online growth rates across all segments
- // Slight increase in pick-up rate to around 40% vs. 39% in the prior-year period
- // Online assortment increased to c. 375k SKUs

Accelerated growth of Services & Solutions sales

Services & Solutions Sales (in €m)



Services & Solutions Sales (% of total sales)

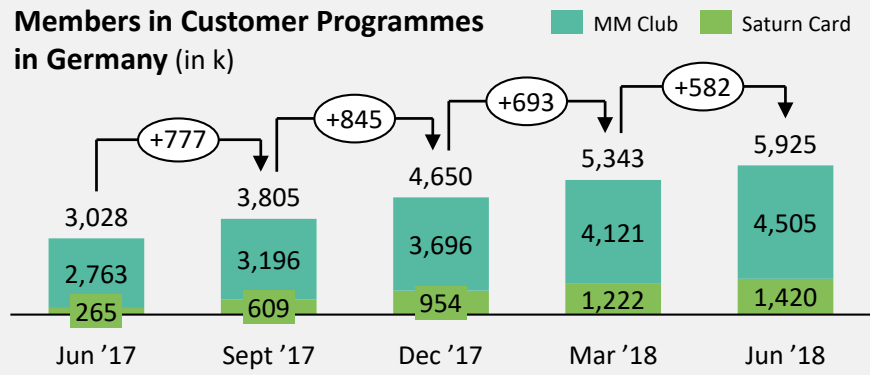


Highlights

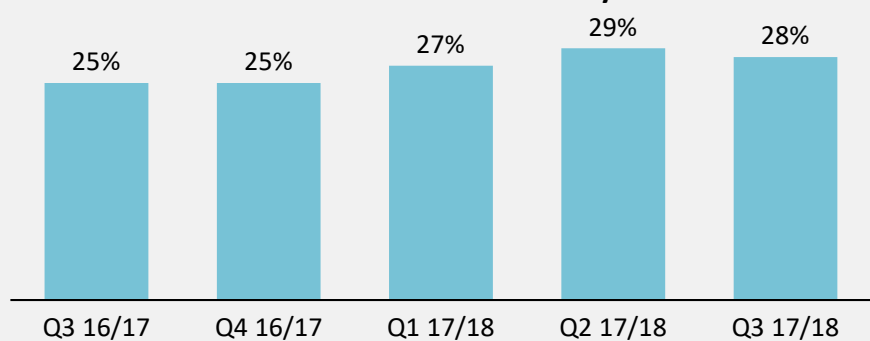
- // Services & Solutions sales up +26% yoy, driven especially by telco contracts, insurances, extended warranties and repair services
- // Services & Solutions now account for 8.3% of total sales vs. 6.6% one year ago
- // Service “smart bars” now implemented in 821 stores (+71 vs. March 2018)
- // Full roll-out of “smart bars” until end of 2018 expected
- // Roll-out of at home consultation and installation service of Deutsche Technikberatung (DTB) in Germany completed

Sustained growth in the number of members of our customer programmes

Members in Customer Programmes in Germany (in k)



Sales Penetration MediaMarkt Club Germany

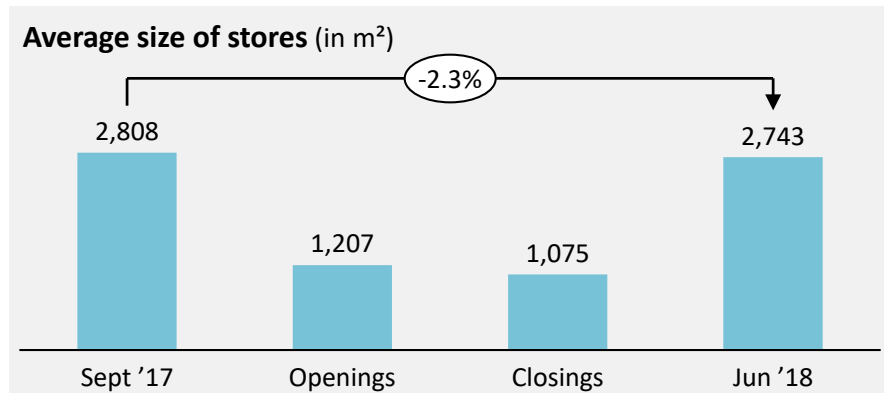
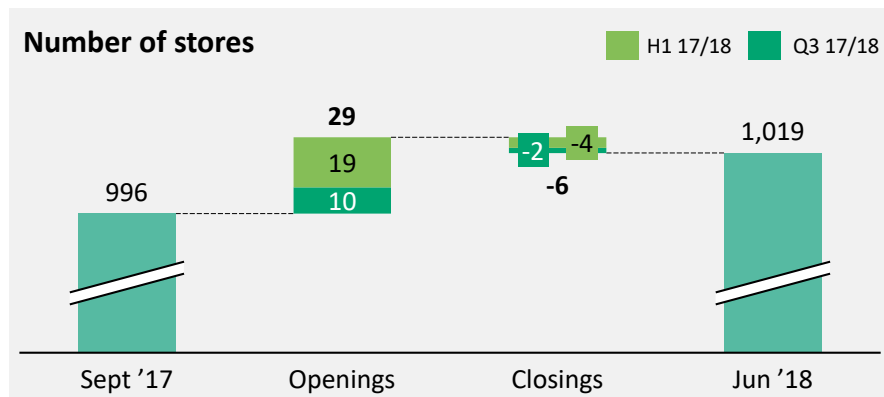


Note: Data for MM Club Poland not included for May and June 2018 due to change to new CRM IT platform.

Highlights

- // German MediaMarkt Club with sustained growth in the number of members, counting 4.5m in June 2018 (+384k vs. March 2018)
- // 28% of sales are generated by MediaMarkt Club members in Germany
- // Saturn Card in Germany counted more than 1.4m members in June 2018 (+198k vs. March 2018)
- // All customer programmes counted more than 16.6m members in total internationally (+1.4m vs. March 2018)
- // Launch of MediaMarkt Club in Austria and further roll-out to additional countries planned for this year

Selective store expansion with a focus on small-area store formats

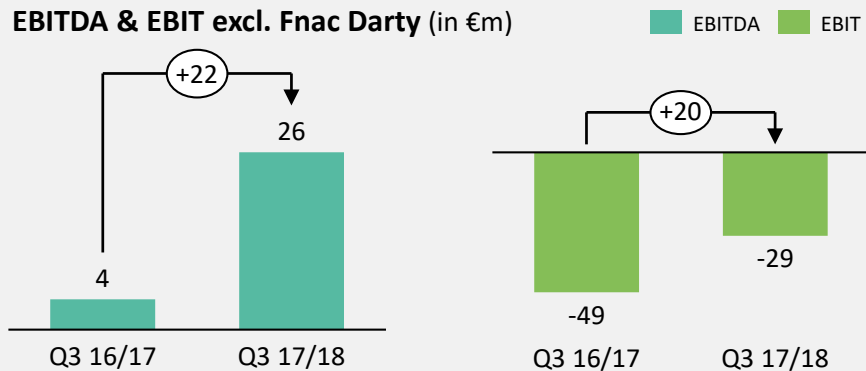


Highlights

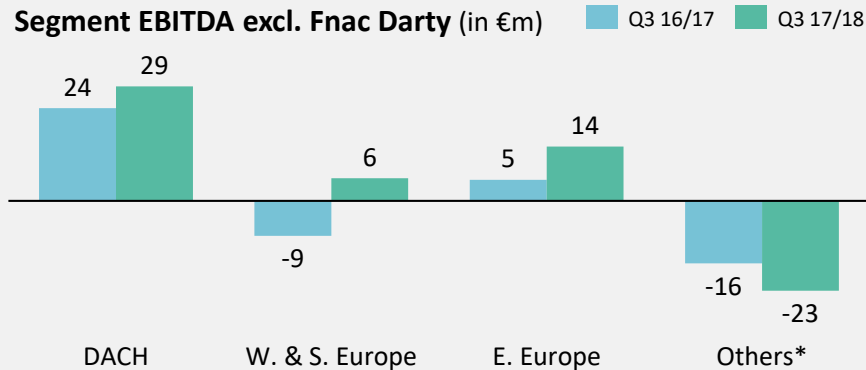
- // Selective store expansion continued with 10 openings
- // Out of this, 6 small-scale stores opened in Turkey and 1 store each in Germany, Poland, Italy and Spain
- // 2 store closures in Italy
- // Average store size reduced by c. -2.3% since September 2017, mainly due to openings of small-area store formats and further store rightsizings
- // 29 openings and 6 closures in 9M 2017/18

EBITDA catch-up in Western & Southern Europe and Eastern Europe

EBITDA & EBIT excl. Fnac Darty (in €m)



Segment EBITDA excl. Fnac Darty (in €m)



Note: EBITDA & EBIT in Q3 2016/17 before special items. *Others: Including consolidation.

Highlights

- // Broadly stable gross margin at 20.2% (-0.1%p.)
- // Positive effect from a change in the valuation of gift card liabilities following a revision in the prevailing legal norms in Germany
- // Support from higher Services & Solutions income, the wind-down of redcoon and improvements in Italy
- // Majority of cost savings of announced additional €30m full-year cost measures already realized
- // 'Others' impacted by higher CECONOMY HQ and project costs; in total, slightly more than €40m for the full-year expected

Underlying EPS improved due to higher EBIT/DA; reported EPS impacted by impairment of METRO AG stake

€m	Q3 2016/17	Q3 2017/18	Change
EBITDA	4	26	21
<i>EBITDA margin</i>	0.1%	0.6%	0.5%p.
EBIT	-49	-30	19
<i>EBIT margin</i>	-1.1%	-0.6%	0.4%p.
Net financial result	-11	-154	-142
Earnings before taxes	-61	-184	-123
Income taxes	29	93	64
Tax rate	47.6%	50.8%	3.2%p.
Profit or loss for the period	-32	-90	-59
attributable to non-controlling interest	-2	13	16
attributable to shareholders of CECONOMY AG	-29	-104	-74
EPS (in Euro)	-0.09	-0.32	-0.23

Note: All figures shown from continued operations and include Fnac Darty; Q3 2016/17 figures shown before special items.

Highlights

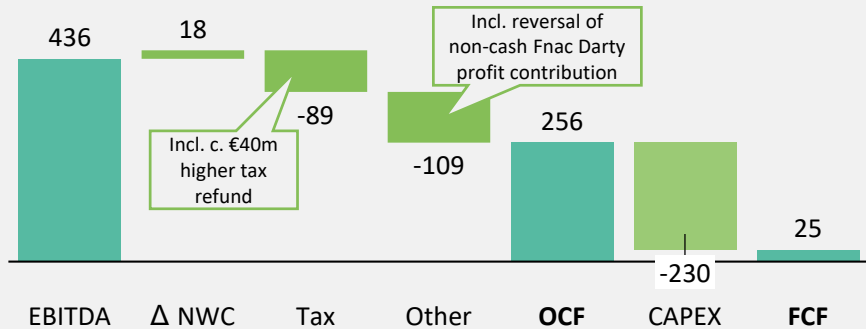
Includes €138m impairment of Metro AG stake to €10.59 per ordinary and €11.95 per preference share

Deterioration in 9M attributable to non-tax deductible impairment of Metro AG stake; underlying tax rate improved to around 38% in 9M, mainly due to the elimination of Russian losses

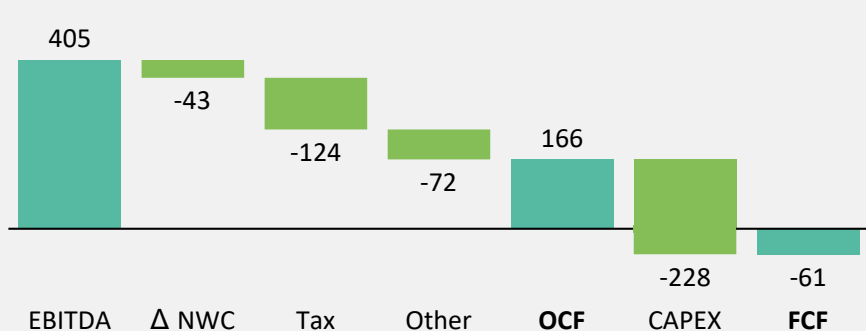
Higher minorities due to improved operational profit and temporary tax differences; FY expectation of 25-30% of underlying profit or loss for the period unchanged

Slight improvement of Free Cash Flow

9M 2017/18: Free Cash Flow (in €m)



9M 2016/17: Free Cash Flow (in €m)

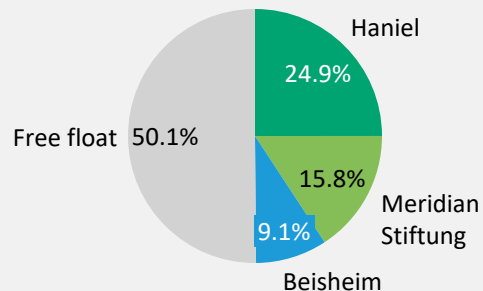


Highlights

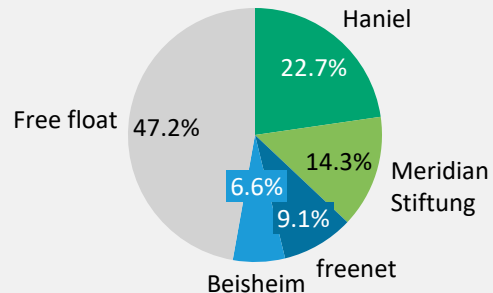
- // NWC catch-up thanks to favourable development in Q3, particularly due to improved trade payables
- // On a nine-months basis, change in NWC was €61m better vs. prior year, while after the first 6 months, change in NWC was still a negative €188m
- // Lower cash taxes due to tax refunds for dividends received in prior years
- // CAPEX on previous year's level
- // Free Cash Flow improved by €87m mainly due to improvement of Operating Cash Flow (OCF)

CECONOMY executed 10% capital increase with freenet AG joining as new anchor investor

Pre-transaction structure based on voting rights*



Post-transaction structure based on voting rights*



Highlights

- // Issuance of around 32.6m new ordinary shares (approx. 10% of the former share capital) under exclusion of subscription rights
- // New total number of voting rights: 356,743,118
- // freenet AG acquired all newly issued shares in a private placement at €8.50 per share
- // Proceeds of around €277m used to strengthen the balance sheet and increase the financial power for the continued implementation of our strategic agenda
- // Successful and long-term partnership between MediaMarktSaturn and freenet's wholly owned subsidiary Mobilcom-Debitel for more than 25 years

* Calculated on the basis of the number of voting rights in disclosures pursuant to section 40 para. 1 sentence 1 WpHG

03

Outlook

Mark Frese, CFO

Note: All figures represent the continuing operations of CECONOMY.

Outlook

The outlook is adjusted for currency effects and portfolio changes.

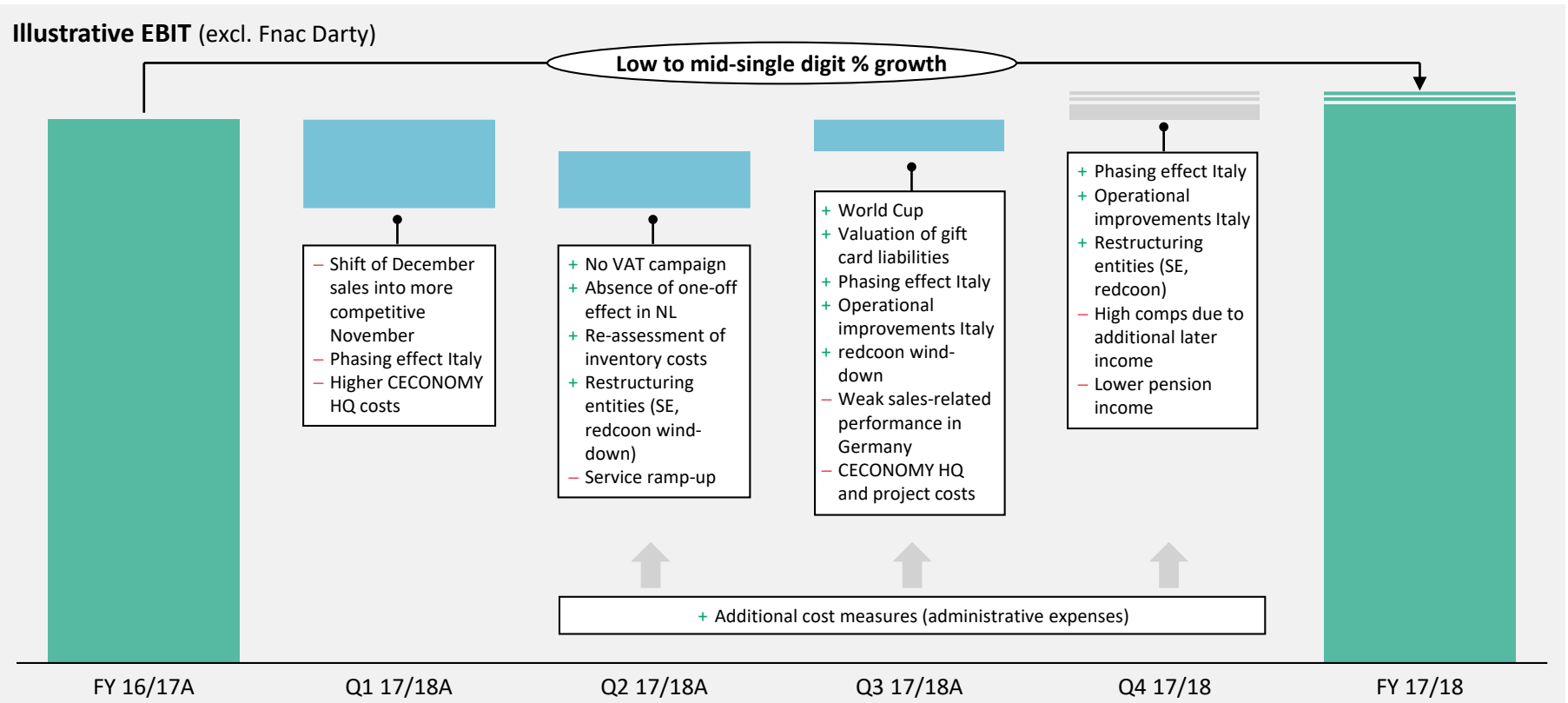
	FY 2016/17 ¹	FY 2017/18
€m		
Total sales	21,628	Slight increase ²
EBITDA (excl. Fnac Darty)	714	Low to mid single-digit % growth
EBIT (excl. Fnac Darty)	494	Low to mid single-digit % growth
Fnac Darty profit share	n.a.	Around €20m

Note: Adjusted outlook due to the full disposal of the Russian MediaMarkt business and the subsequent classification as discontinued operations.

Final adjusted baseline FY 2016/17 figures post-application of IFRS 5 of €714m EBITDA and €494m EBIT vs. €717m EBITDA and €498m EBIT as per Ad hoc release on 20 June 2018. Baseline subject to FX-effects as of 30 Sept. 2018.

¹ EBITDA & EBIT in FY 2016/17 before special items. EBITDA & EBIT in FY 2017/18 as reported. ² Correspondingly, a slight improvement in NWC compared with the previous year is expected.

Quarterly building blocks 2017/18



Q&A



Pieter Haas, CEO



Mark Frese, CFO

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Store network as per 30 June 2018

	30/03/2018	Openings Q3 2017/18	Closings Q3 2017/18	30/06/2018
Austria	52			52
Belgium	29			29
Germany	431	1		432
Greece	12			12
Hungary	24			24
Italy	116	1	-2	115
Luxembourg	2			2
Netherlands	49			49
Poland	85	1		86
Portugal	10			10
Spain	84	1		85
Sweden	27			27
Switzerland	28			28
Turkey	62	6		68
Total	1,011	10	-2	1,019

Net Working Capital

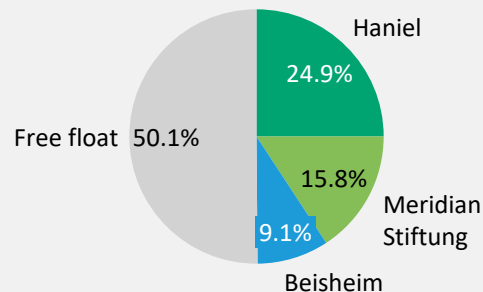
€m	30/09/2016	30/06/2017	Change	30/09/2017	30/06/2018	Change
Inventories	2,293	2,788	495	2,449	2,819	371
Trade receivables	322	418	97	497	545	48
Receivables due from suppliers ¹	1,157	1,005	-151	1,197	1,102	-95
Receivables from credit cards	28	40	13	66	57	-9
Advance payments on inventories	0	0	0	0	0	0
Trade payables	-4,359	-4,739	-380	-4,817	-5,151	-333
Liabilities to customers	-134	-138	-4	-129	-32	97
Deferred revenues from vouchers and customer loyalty programmes	-51	-64	-14	-63	-144	-81
Provisions for customer loyalty programmes and rights of return	-18	-18	0	-19	-17	2
Prepayments received on orders	-32	-37	-5	-39	-38	1
Net Working Capital	-795	-744	51	-858	-857	1

Note: Balance sheet figures were adjusted for discontinued operations to enable comparison.

¹ Includes €29m as of 30 September 2016, which was reported in the balance sheet under the other financial assets item in non-current assets.

CECONOMY's new shareholder structure

Pre-transaction structure based on voting rights*

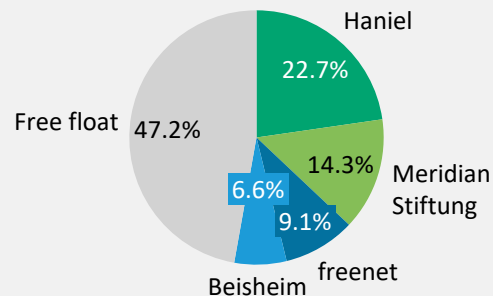


Beisheim reported 23,615,334 voting rights to METRO Wholesale & Food Specialist AG (now METRO AG) on 12 July 2017

Shareholder	Number of voting rights	% of voting rights	Date of publication
Haniel	81,015,280	24.99%	13 May 2015
Meridian Stiftung	51,117,363	15.77%	02 June 2017
Beisheim	29,493,970	9.10%	12 August 2013
Total	324,109,563		

In addition: 2,677,966 non-voting preference shares outstanding

Post-transaction structure based on voting rights*



Shareholder	Number of voting rights	% of voting rights*	Date of publication
Haniel	81,015,280	22.71%	13 May 2015
Meridian Stiftung	51,117,363	14.33%	16 July 2018
freenet	32,633,555	9.15%	12 July 2018
Beisheim	23,615,334	6.62%	18 July 2018
Total	356,743,118		

In addition: 2,677,966 non-voting preference shares outstanding

* Calculated on the basis of the number of voting rights in disclosures pursuant to section 40 para. 1 sentence 1 WpHG

Financial calendar and events

Financial calendar

Q4/FY 2017/18 Trading Statement	25 October 2018
FY 2017/18 Results	19 December 2018

Upcoming events

Roadshow	London	15 – 16 August 2018
Roadshow	Paris	29 August 2018
Commerzbank Conference	Frankfurt	30 August 2018
Goldman Sachs Conference	New York	05 September 2018
Roadshow	Boston	06 September 2018

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