



Results Presentation Q3/9M 2020/21

12 August 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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OUTLOOK



What I've seen so far – strengths

01

Highly motivated people and team spirit to win

02

Commitment to execute our strategy

03

Passion for CE products and solutions

04

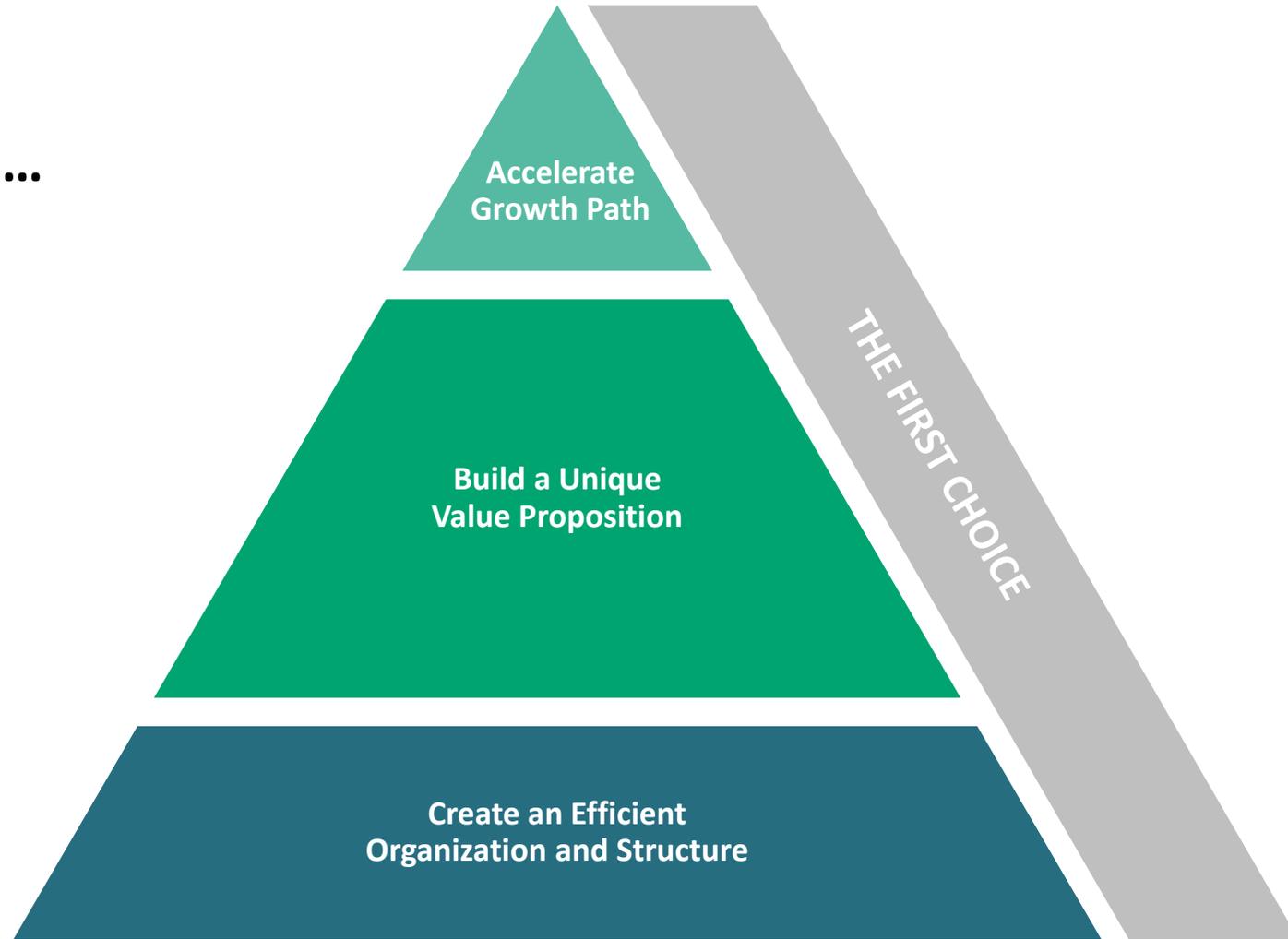
Exciting growth opportunities

What I've seen so far – opportunities

- ▶ Implement a more **consistent, customer-centric shopping experience** that's “easy” and “effortless”
- ▶ **Accelerate the omnichannel experience**, connecting better online and in-store
- ▶ Establish **leadership in category management**
- ▶ Enhance capabilities in **selling and delivering services**
- ▶ Strengthen the **customer relationship** and **improve CRM**



**We have made
visible progress...**

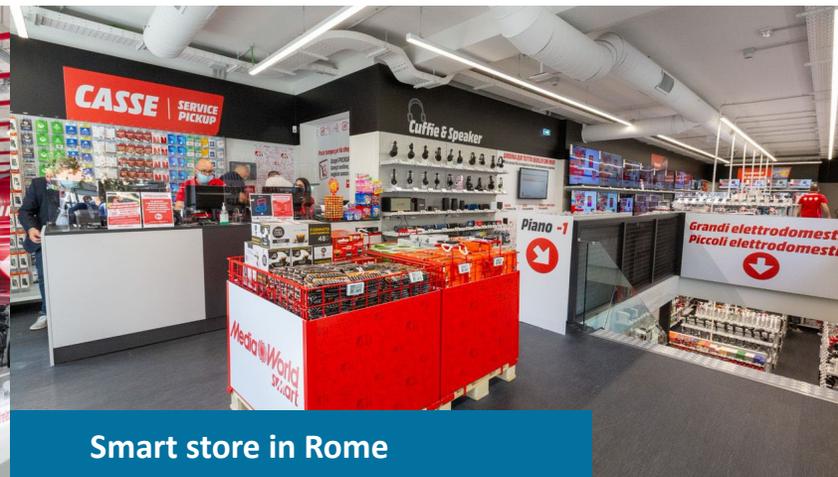


**...and will
continue to
relentlessly
execute this
strategy.**

Stores: We are continuing to roll out new store formats to meet customers' changing needs and increase market impact



Lighthouse store in Milan



Smart store in Rome



Lighthouse store in Rotterdam

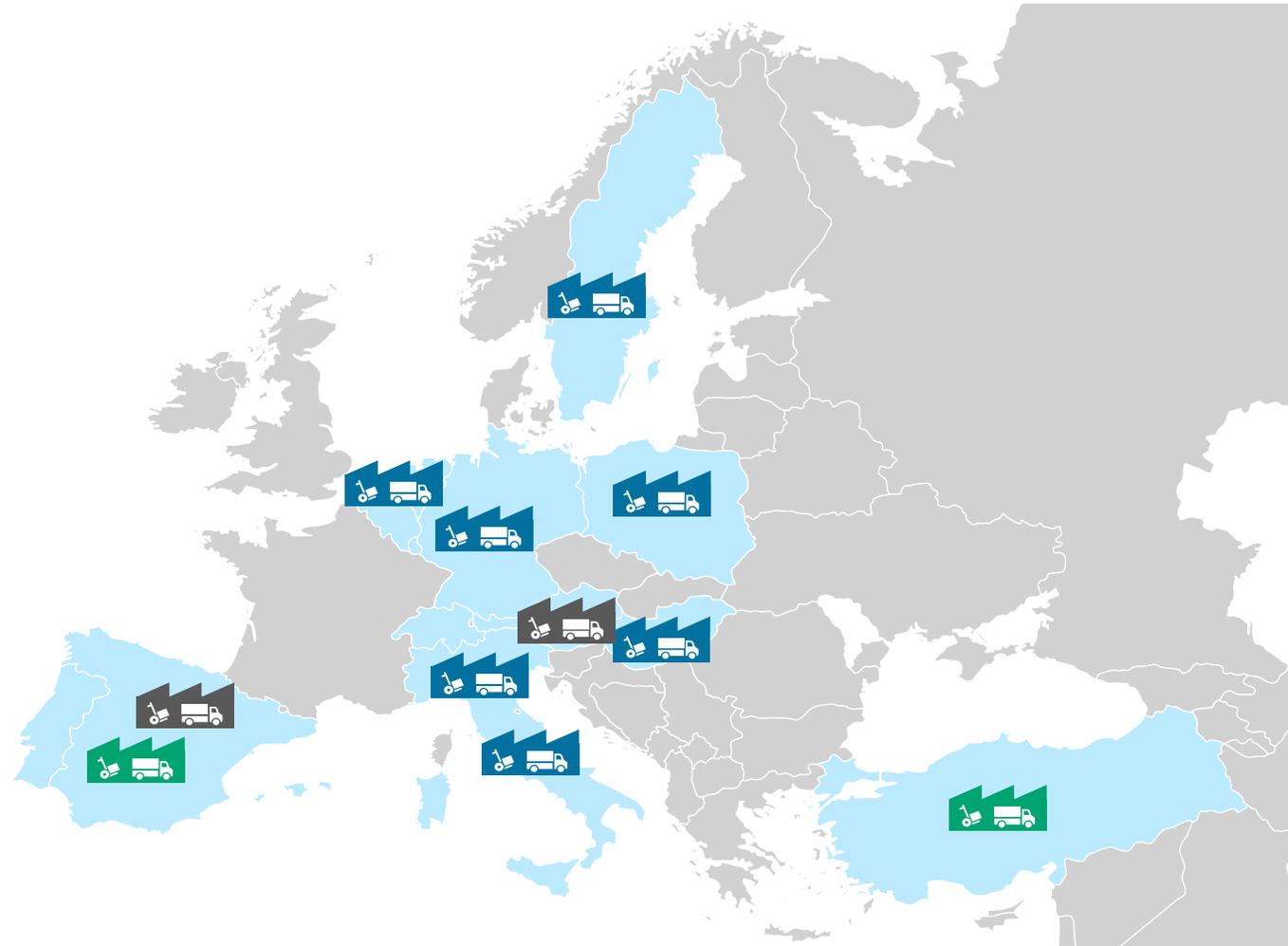


Smart store in Turin

Key takeaways

- ▶ Lighthouse concept for inspiration with shop-in-shop and fantastic range
- ▶ Planned opening of Lighthouse store in Rotterdam
- ▶ Smart concept for proximity, convenience and fulfillment
- ▶ New Smart stores opened in Rome and Turin

Logistics: We have reinforced our supply chain



 Central NDC established

 Central NDC planned

 Cross dock platform established

Key takeaways

- ▶ Roll-out and enhancement of NDCs – preparing for go-live of NDC Göttingen
- ▶ Improved availability and direct supply capability
- ▶ Increased warehouse capacity for upcoming peak season
- ▶ Greater flexibility due to multi-sourcing approach

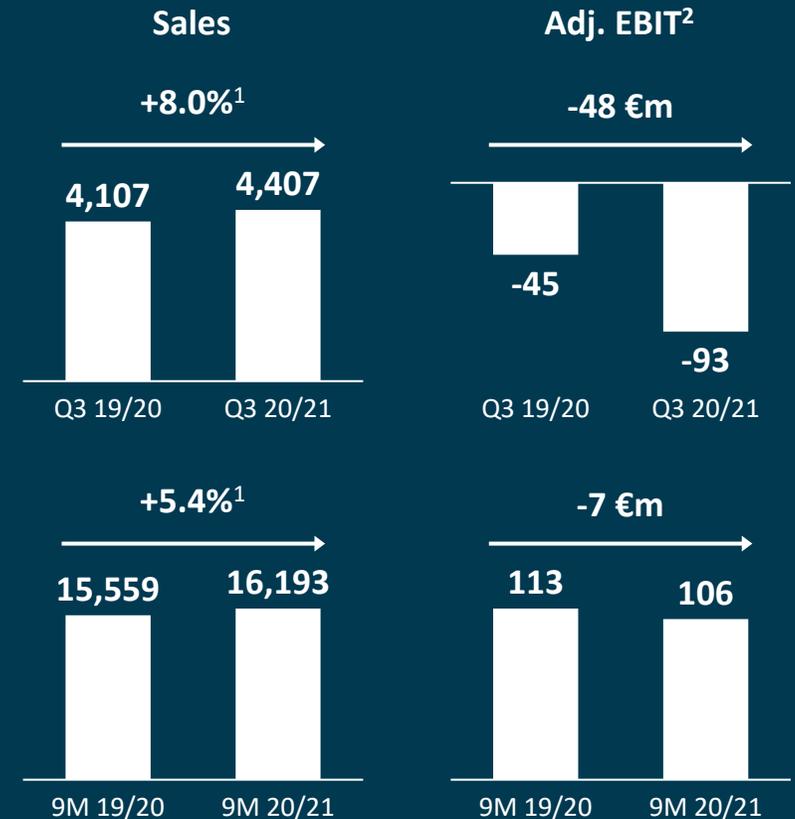
NDC = National Distribution Centre

Resilient 9M performance in a challenging COVID-19 year

Key developments

- ▶ Strong start into the new financial year, which was interrupted by store closures and severe restrictions in several countries due to COVID
- ▶ Encouraging, sustained sales momentum continued in Q3; YOY earnings impacted by reduced subsidies, product margin pressure and COVID restrictions in Germany
- ▶ Over the first 9 months of this financial year, business showed resilience and clearly remains on a profitable track
- ▶ Focused execution of transformation strategy regardless of exogenous factors

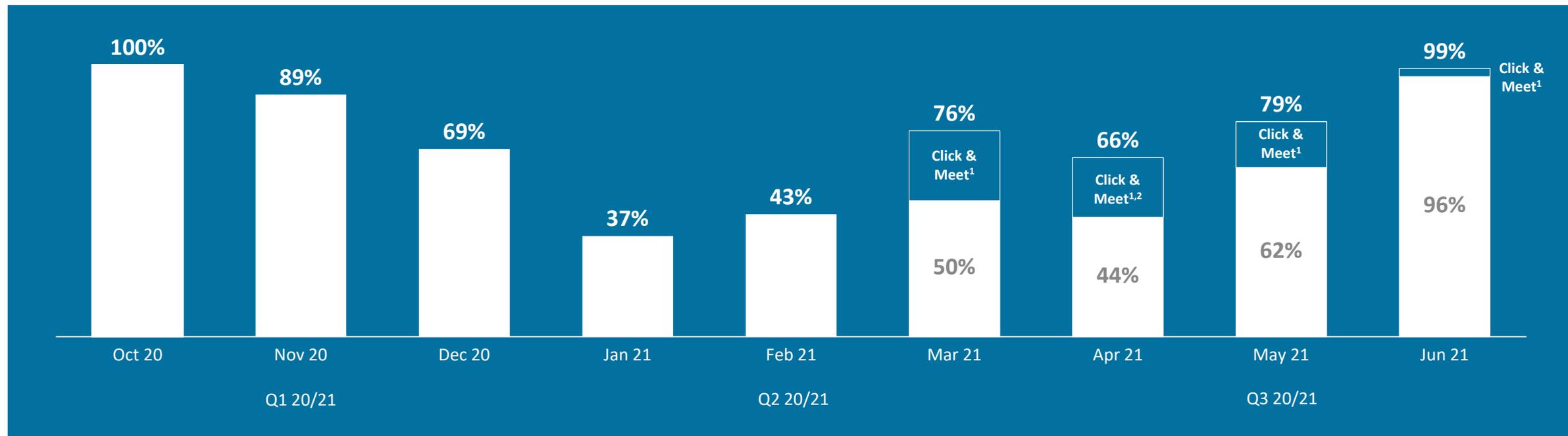
Key financials (€m)



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.

Our business was impacted by COVID restrictions and store closures in almost all 9 months

Monthly average of open stores (% of total stores)



Countries impacted by temporary store closures³



¹Several stores in Germany were only open to customers with appointments ("Click & Meet"). Openings/closures in Germany were incidence-based and thus the number of stores open changed daily.

²Stores in Belgium and the Netherlands were only open to customers with appointments ("Click & Meet"). ³Including individual store closures on weekends.

Despite difficult COVID impact in Q3, our business remained resilient thanks to sustained execution and improving omnichannel capabilities

Key achievements

- ▶ Encouraging sales growth fuelled by high customer demand for consumer electronics and our omnichannel model
- ▶ Continued growth online driven by 1.5 million new registered online customers and high pick-up sales
- ▶ Noticeable recovery of Services & Solutions business and improved attachment of online services
- ▶ Steady progress of transformation efforts with operational cost efficiencies on track

Core challenges

- ▶ German and Dutch business impacted by long lockdown period and severe restrictions
- ▶ Slow but steady recovery of customer store frequency, mitigated by improved conversion rate and higher basket value
- ▶ Gross margin impacted by higher promotional activity, online share and supplier price increases
- ▶ Non-recurrence of last year's level of COVID subsidies



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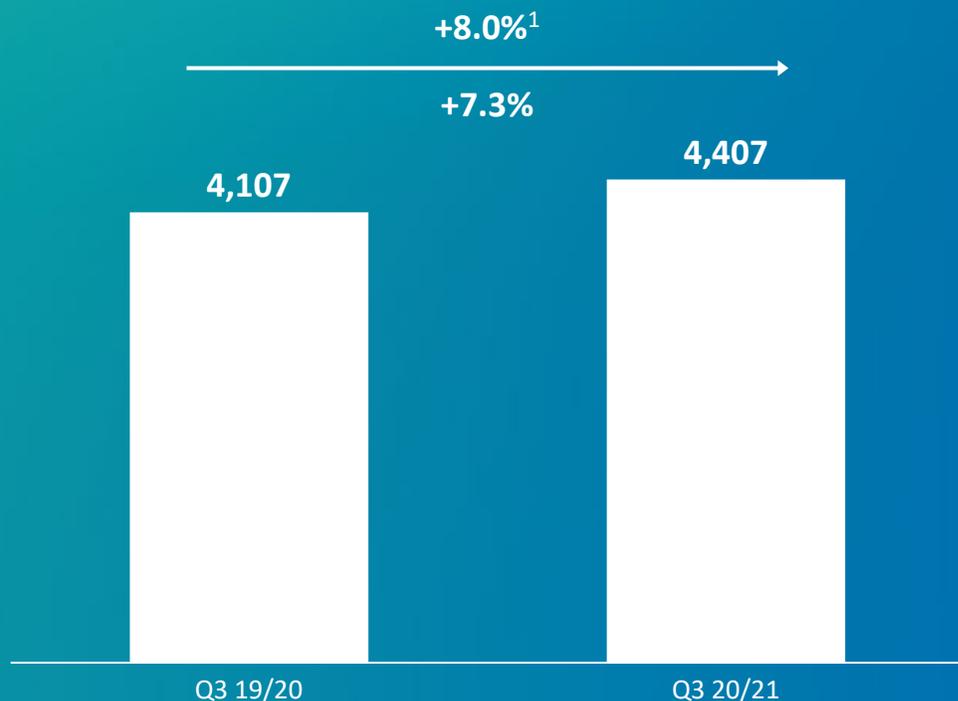
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OUTLOOK

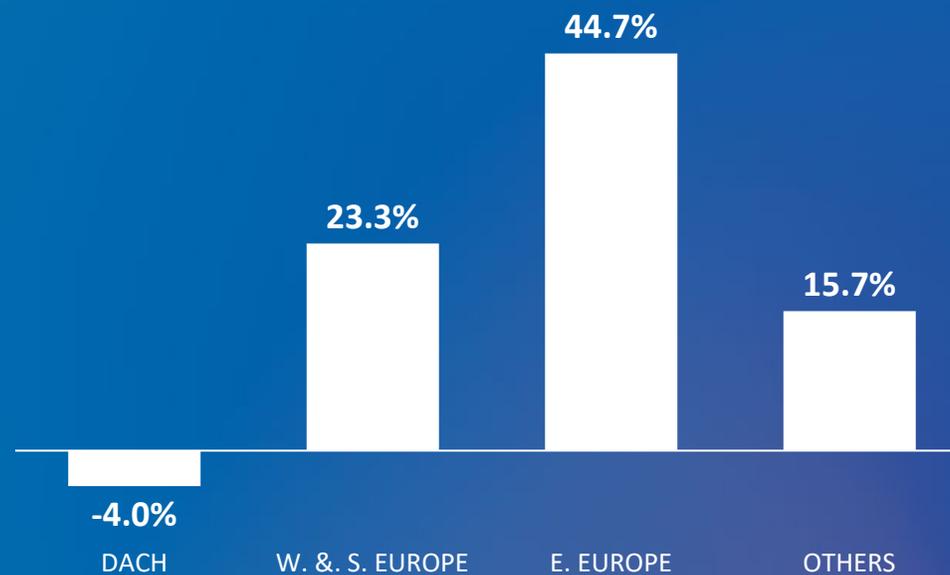
Encouraging, sustained sales growth in countries less affected by COVID restrictions driven by continued strong customer demand for our CE offerings



Total sales
(€m)



Sales¹ in Q3 20/21 by segment
(YOY change)

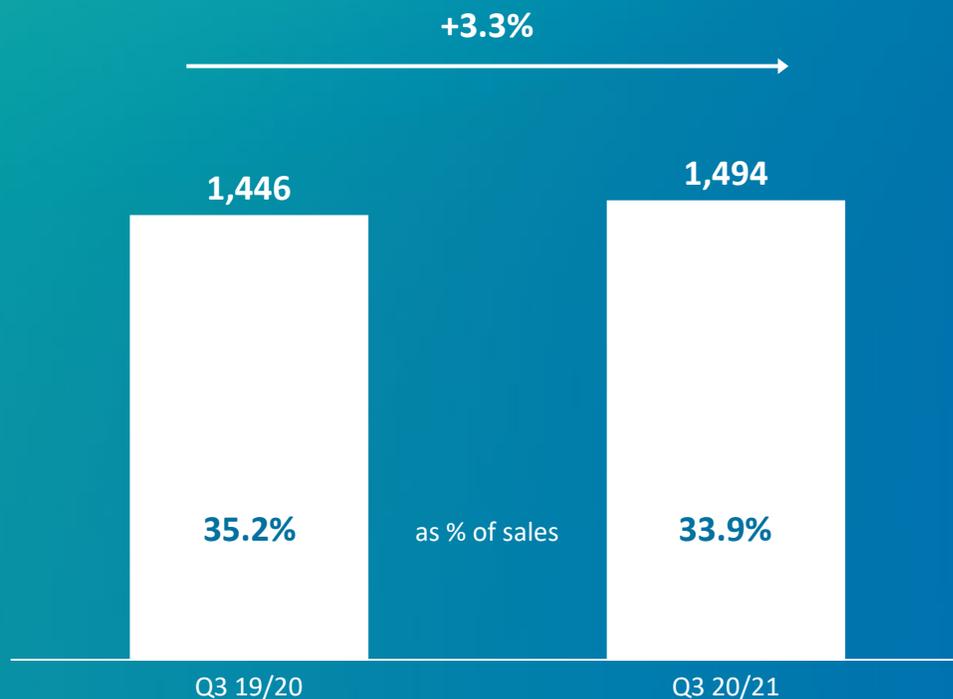


¹Adj. for currency and portfolio change effects.

Online sales continued to grow on the back of the high level of the previous year, partly thanks to improving omnichannel capabilities



Online sales
(€m)

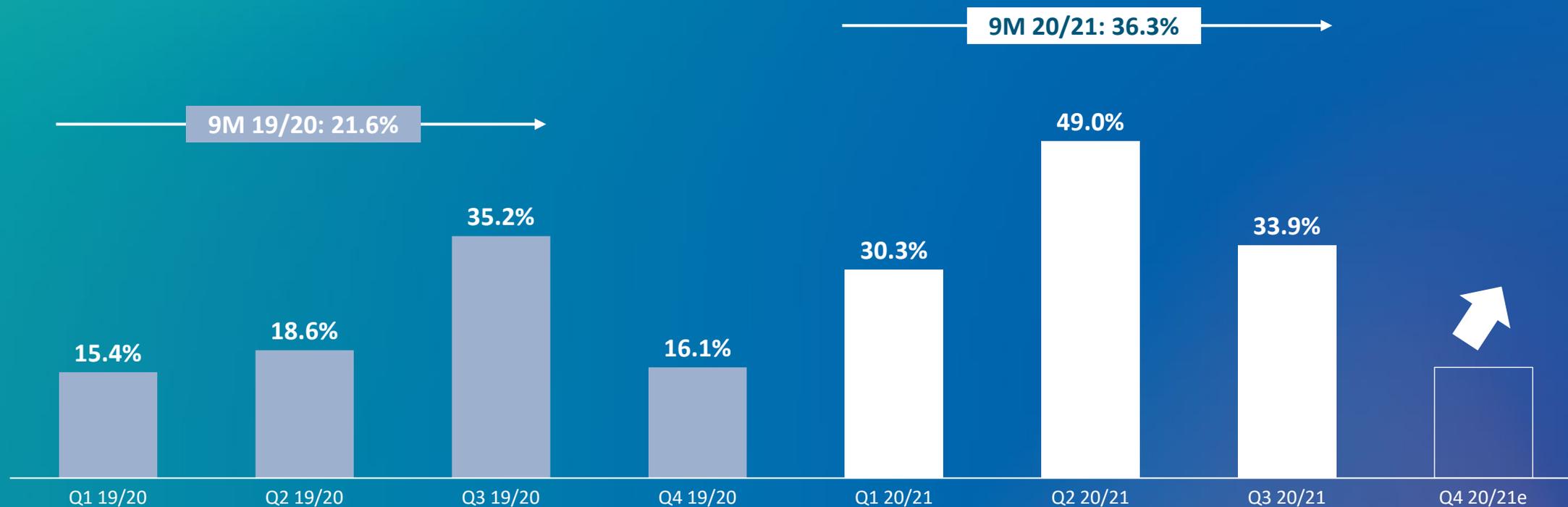


- ▶ Double-digit online growth in lockdown countries like Germany and the Netherlands
- ▶ Average basket value at sustainable high level and continued uplift in conversion
- ▶ Online growth also driven by 1.5 million new registered online customers
- ▶ Pick-up ratio at 43% (+10%p. YOY), demonstrating customer convenience and improving omnichannel capabilities

Online sales share remains high and is expected to stay above pre-pandemic levels



Online¹ sales
(as % of sales)

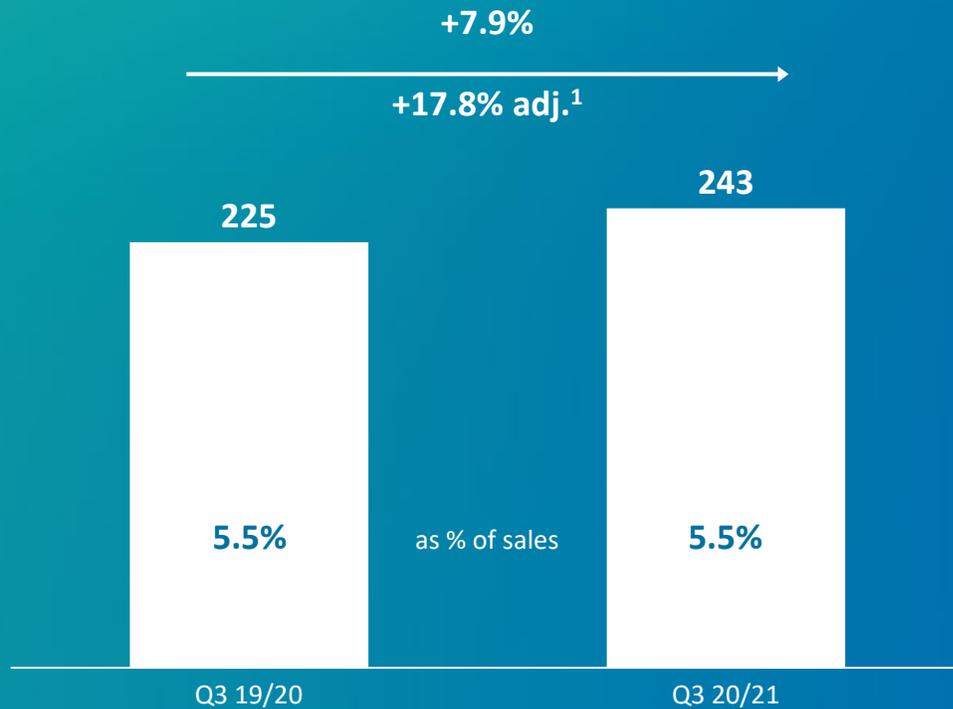


¹Excl. MediaMarkt Greece business (portfolio change).

Services & Solutions sales supported by recovery of B&M sales and increasing online attach rate



Services & Solutions sales (€m)



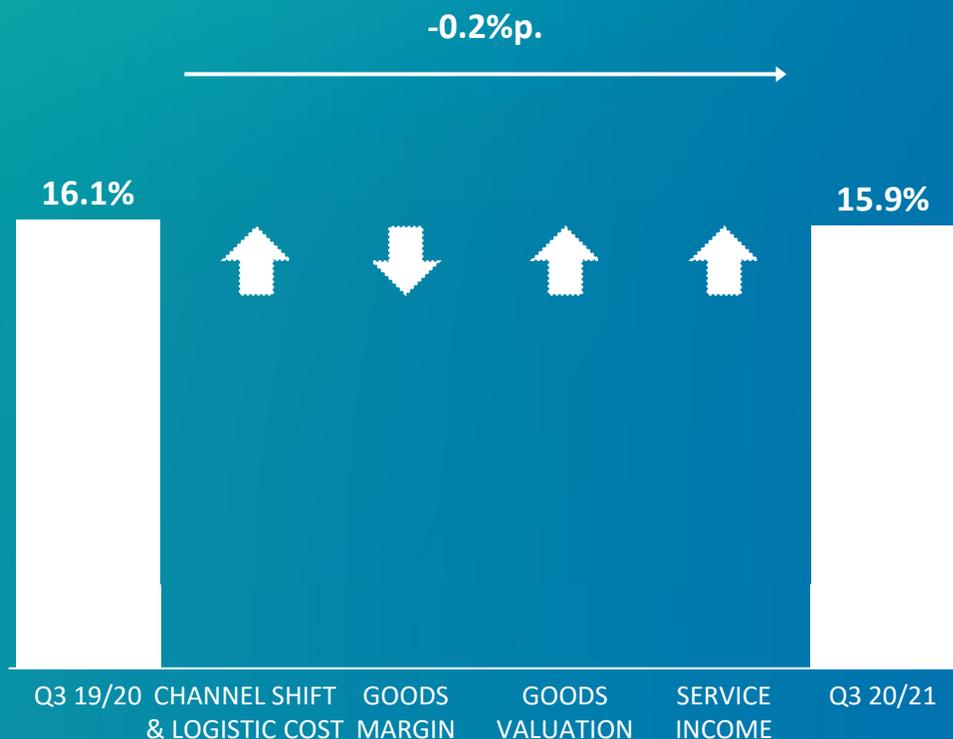
- ▶ Double-digit Services & Solutions sales growth in non-restricted countries; Germany impacted by lockdown and lower store traffic
- ▶ Extended warranties and Smartbar services in higher demand
- ▶ Online service attach rate continued to grow considerably

¹Excl. 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.

Gross margin roughly on prior year level but still below pre-pandemic levels



Gross margin¹
(as % of sales)



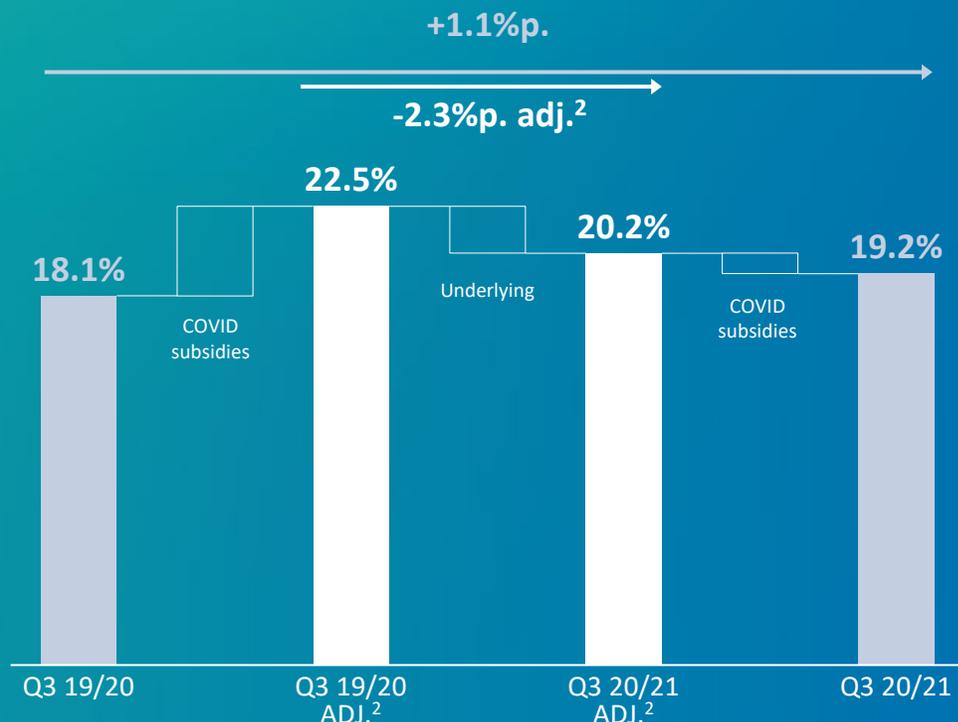
- ▶ Slightly lower online share in Q3 vs. PY led to small positive impact from channel shift
- ▶ Product mix effects and promotional market environment put pressure on goods margin
- ▶ Improved stock level and ageing structure during the last quarter as anticipated
- ▶ Higher income from Services & Solutions business

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

OPEX development characterized by normalization of cost base after the end of COVID lockdowns and clear improvement in underlying operating cost performance



OPEX¹
(as % of sales)



▶ Non-recurrence of last year's COVID subsidies: about 180 €m in PY vs. about 40 €m in CY

▶ Lower personnel savings due to substantially less short-time work in CY

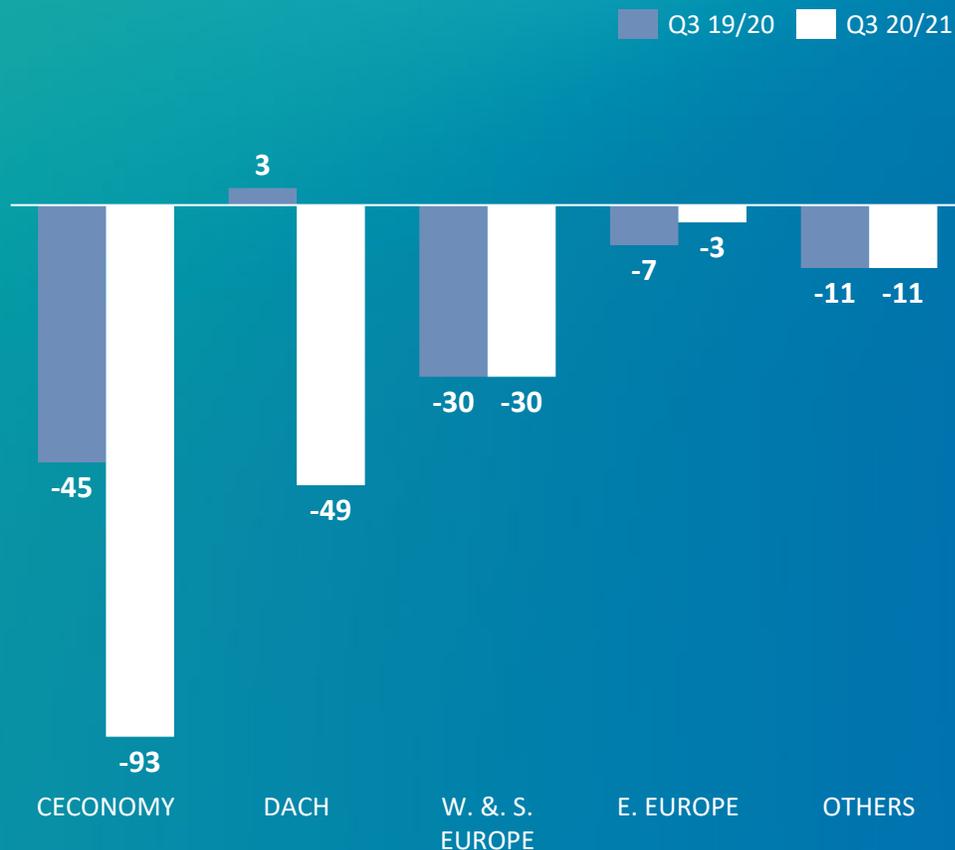
▶ Improvement in underlying operating cost performance mainly due to new Operating Model and location cost savings

¹Excl. non-recurring effects and adj. for portfolio changes. ²Adj. for COVID subsidies booked as OPEX.

Adjusted EBIT below PY mainly driven by continued restrictions in the DACH region, pressure on goods margin, and normalization of cost base



Adj. EBIT¹ excl. associates
(€m)



Positive sales-related earnings impact



Slightly negative margin contribution (-0.2%p.): earnings marked by product mix effects and promotional environment



OPEX ratio (+1.1%p. or +c.100 €m YOY): Normalization of cost base due to lower COVID subsidies in CY, most pronounced in Germany, Italy and Spain



Performance in Germany and the Netherlands heavily impacted by long lockdown and complex restrictions

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

Slight EPS improvement driven by better financial result and income taxes



EBITDA to EPS (€m)

	Q3 19/20	Q3 20/21	Change
EBITDA	154	74	-81
EBIT	-64	-106	-41
Net financial result	-13	9	22
Earnings before taxes	-77	-97	-20
Income taxes	-54	14	68
Profit or loss for the period	-131	-82	49
Non-controlling interest	-27	-16	11
Net result	-104	-67	37
EPS (€)	-0.29	-0.19	0.10

- ▶ Reported EBIT in PY impacted by non-recurring effects of -18 €m vs. -12 €m in CY
- ▶ Financial result mainly supported by M.video dividend (11 €m) in CY and positive fx-effects
- ▶ Tax rate in 9M at 20.0% mainly due to Fnac Darty impairment reversal
- ▶ EPS in Q3 increased to -0.19 € due to better financial result and income taxes; in 9M, EPS at 0.50 € (+1.14 € YOY)

Note: From continuing operations and based on reported figures.

Free Cash Flow on 9M basis around 400 €m below PY, mainly due to deliberately higher inventory to ensure stock availability in an environment of increasing supply shortages



Free Cash Flow in 9M 20/21
(€m)

○ YOY change

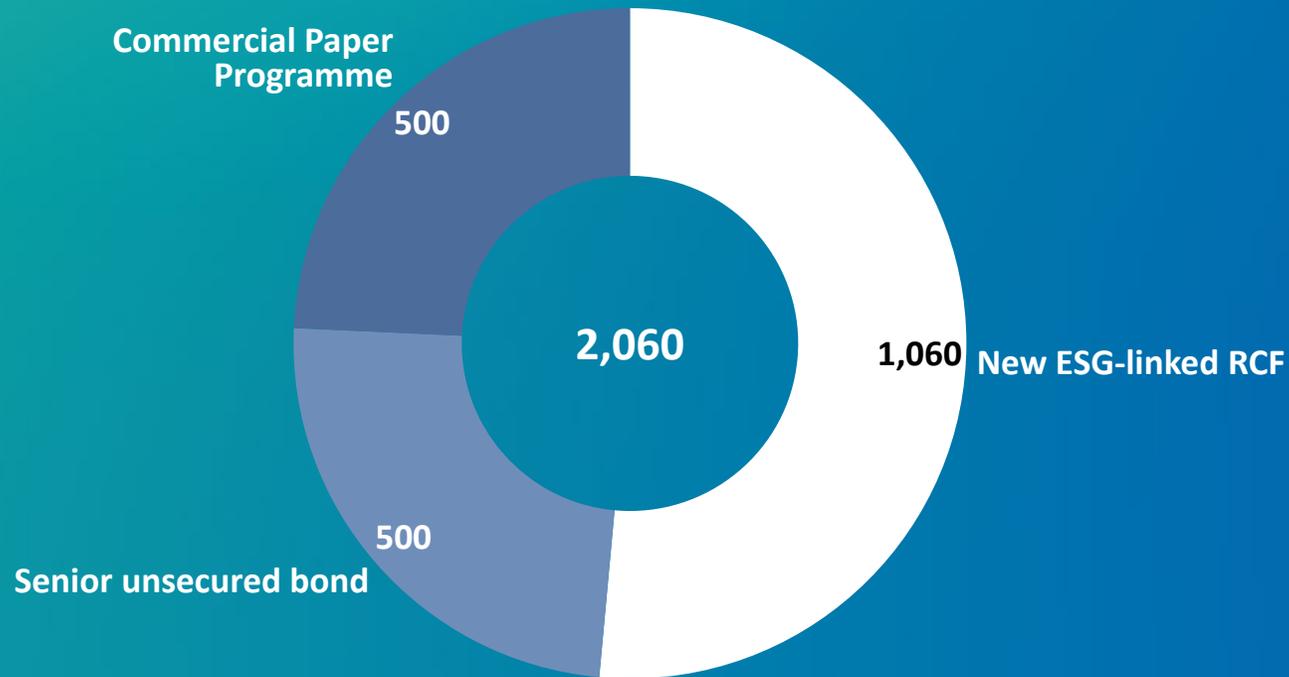


¹Lease adjusted FCF subtracts the repayment of lease liabilities for better FCF comparability under IFRS 16.

CECONOMY has secured its post-pandemic financing structure with diverse financing sources and an extended maturity profile



New post-pandemic financing structure (€m)



Commercial Paper Programme:
For short-term funding



New ESG-linked syndicated RCF:
Serves as back-up line



Senior unsecured bond:
For refinancing of promissory notes
and to compensate for cash outflow
from Convergenta transaction



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Current underlying trading assumptions for the remainder of FY 20/21

Current trends and trading

- ▶ Current sales momentum significantly above pre-pandemic level, but below PY's catch-up demand boost (underlying sales +9.8%¹ YOY in Q4 19/20)
- ▶ Continued strong growth in online, higher online share vs. Q4 19/20 expected
- ▶ Customer store frequency recovering in Germany, albeit slowly
- ▶ Continued contribution from Services & Solutions
- ▶ Non-recurrence of COVID subsidies in CY (vs. about 20 €m in subsidies in Q4 19/20)

Underlying assumptions

- ▶ Stores remain open without new restrictions
- ▶ No further negative impact due to COVID-19
- ▶ Global supply chain imbalances including maritime freight capacity constraints remain at current level

¹Adj. for currency and portfolio change effects and excluding 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.

Outlook for FY 20/21



Sales¹

- ▶ Slight to moderate increase
- ▶ PY: 20,790 €m



Adj. EBIT²

- ▶ 210 €m – 250 €m
- ▶ PY: 236 €m

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.

My key takeaways

- ▶ Our **business showed resilience** and we **focused on executing our transformation strategy** during the disruptive period of the pandemic
- ▶ Looking ahead, we are confident that our **transformation continues to bear fruit** and that **business is continuing to recover** after the pandemic
- ▶ The **CE market remains very attractive** and **offers multiple opportunities** due to trends in consumer behaviour accelerated by COVID as well as internal scope for improvement



Q&A



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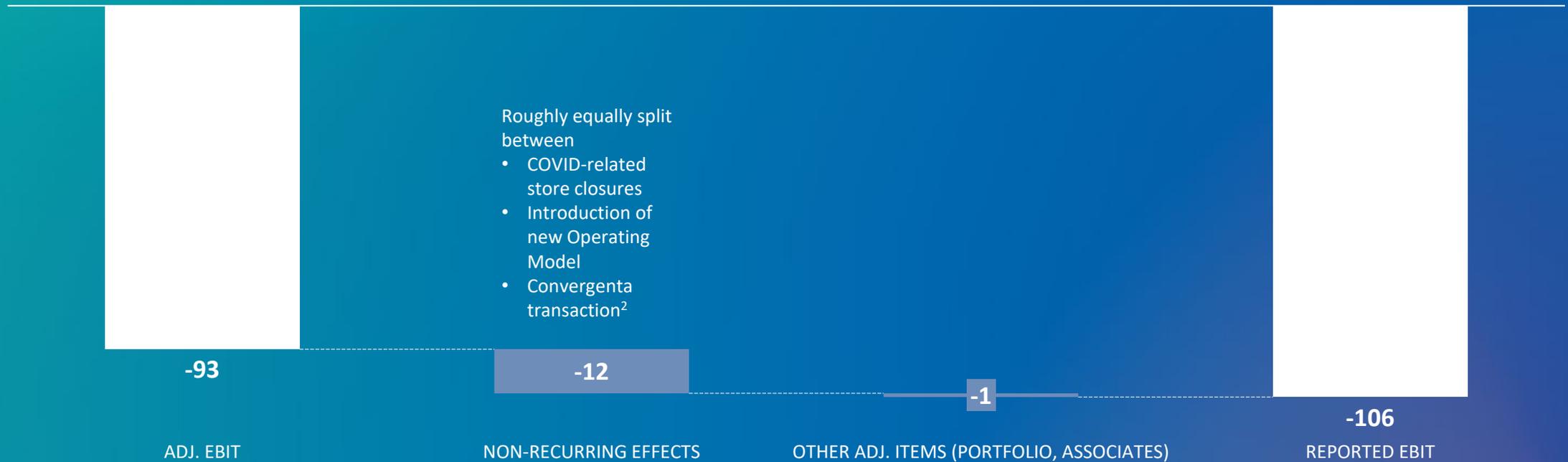
<https://www.ceconomy.de/en/investor-relations/>



Reported EBIT included non-recurring expenses of 12 €m; remainder of anticipated expenses likely to be incurred in Q4 20/21 and trailing in Q1 21/22



Adj. EBIT¹ excl. associates to reported EBIT in Q3 20/21
(€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	30/09/2019	30/06/2020	Change	30/09/2020	30/06/2021	Change
Inventories	2,548	2,780	232	2,949	3,439	489
Trade receivables and similar claims	455	467	12	488	320	-168
Receivables due from suppliers	1,295	970	-325	1,302	938	-364
Trade liabilities and similar liabilities	-5,321	-4,557	763	-5,996	-5,052	944
Net Working Capital	-1,023	-340	683	-1,256	-356	900

Store network

	31/03/2021	Openings/ Additions	Closures/ Disposals	30/06/2021
Germany	419	–	-3	416
Austria	53	–	–	53
Switzerland	25	–	–	25
Hungary	32	–	–	32
DACH	529	–	-3	526
Belgium	27	–	–	27
Italy	117	–	–	117
Luxembourg	2	–	–	2
Netherlands	50	–	-1	49
Portugal	10	–	–	10
Spain	106	–	–	106
Western/S. Europe	312	–	-1	311
Poland	86	–	-5 ¹	81
Turkey	82	1	–	83
Eastern Europe	168	1	-5¹	164
Sweden	28	–	–	28
Others	28	–	–	28
CECONOMY	1,037	1	-9¹	1,029



1 store opening in Turkey



9 store closures: 3 in Germany, 5¹ in Poland and 1 in the Netherlands



Average retail floorspace per store: 2,562 square metres (30 June 2021)

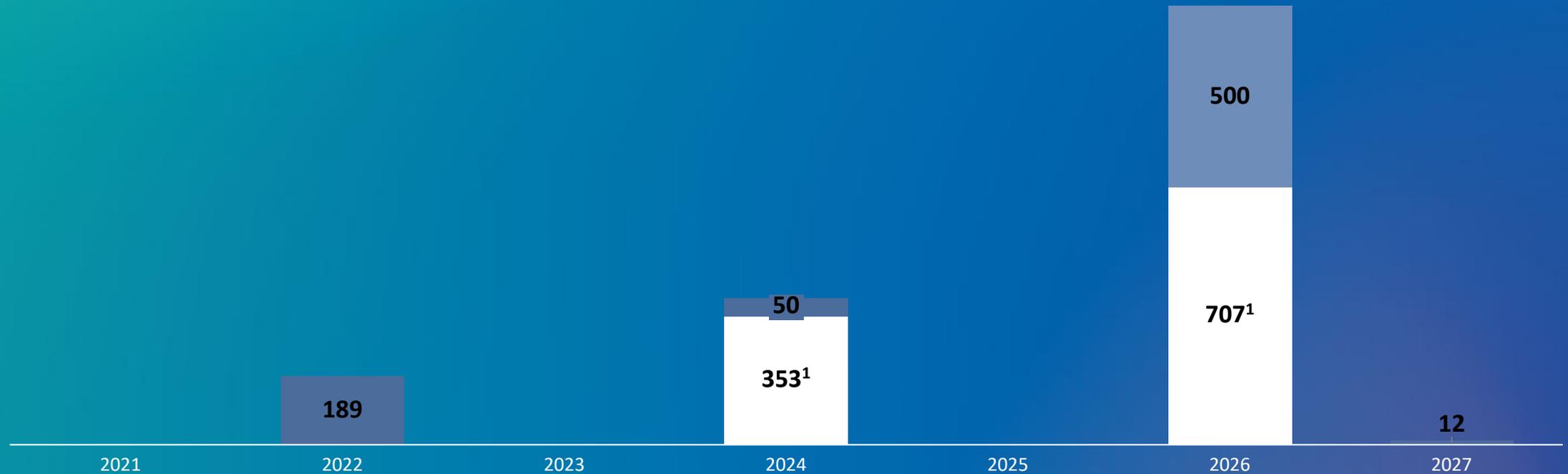
¹Including subsequent reporting of 2 closures from Q2 20/21.

Extended, long-term maturity profile of new post-pandemic financing structure



New post-pandemic financing structure (€m)

■ New ESG-linked RCF ■ Senior unsecured bond ■ Promissory notes



¹With two one-year extension options.

Financial calendar

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

26 OCTOBER 2021



**FY 2020/21
results**

14 DECEMBER 2021



Upcoming events

Commerzbank Corporate Conference

2 SEPTEMBER 2021



Sell-Side Analyst Group Meeting

7 SEPTEMBER 2021



Berenberg and Goldman Sachs German Corporate Conference

22 SEPTEMBER 2021



Baader Investment Conference

23 SEPTEMBER 2021



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