



Results Presentation Q3/9M 2021/22

11 August 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.



1

BUSINESS UPDATE

2

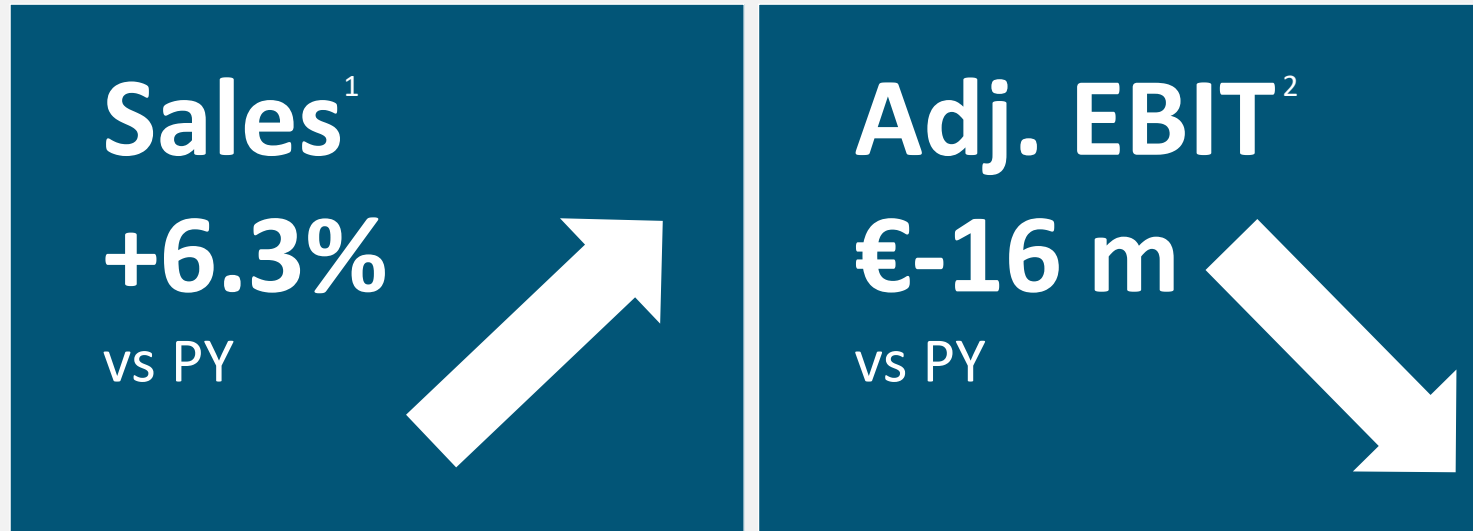
FINANCIAL PERFORMANCE

3

SUMMARY

Q3 21/22: Gloomy market climate

Results Q3 21/22



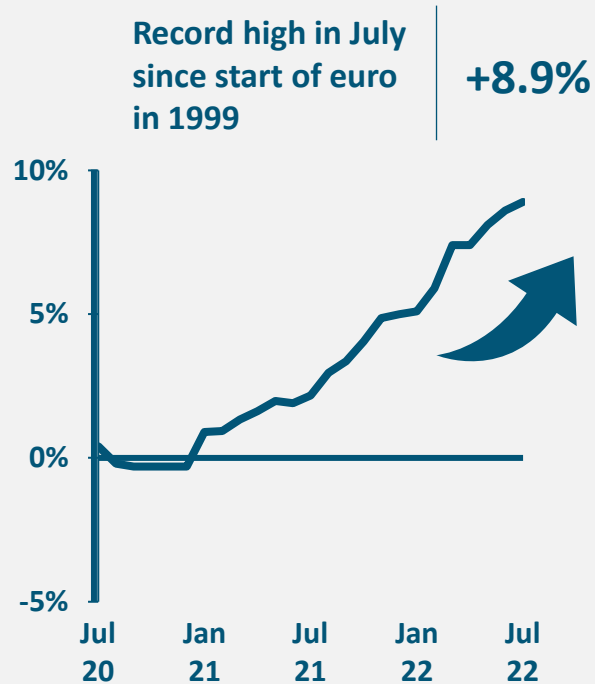
Key developments in Q3

- + Market share gain of 0.4%-points³
- + NPS improved by 6 point to 53
- + Convergenta transaction closed
- Macro environment deteriorated
- Sales trend slowed down considerably since June
- Lack of governmental subsidies; COVID-19 support of €45 m in PY

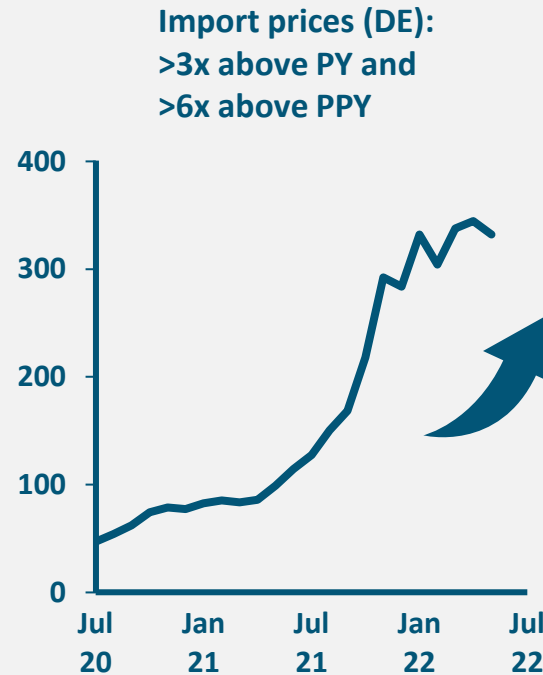
¹Adj. for currency and portfolio change effects, pre IAS 29. ²Excl. associates, adj. for portfolio changes, pre IAS 29 and excl. non-recurring effects. ³Based on information published by the market research institute GfK.

Macroeconomic environment characterized by accelerating inflation and declining consumer confidence

European inflation¹

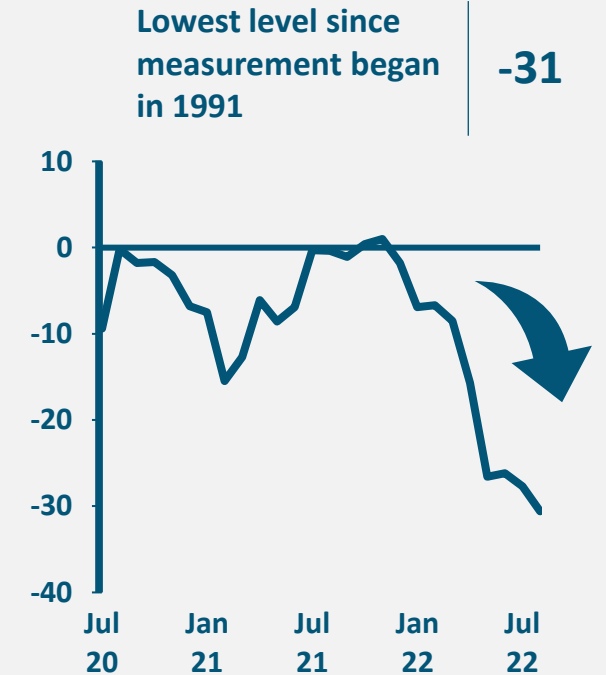


Gas price development²



Calendar year 2015 = 100

German consumer sentiment³



Long-term average = 0

¹Eurostat – Harmonised index of consumer prices (HICP) for Euro area. ²Statistisches Bundesamt – Index for natural gas import prices to Germany. ³GfK – consumer climate index for Germany (estimate for August).

Outlook FY 21/22: Adjusted due to adverse macro conditions

Updated guidance FY 21/22

**Sales¹:
On PY level**

[20/21: €21,361 m]

**Adj. EBIT²:
€150 m to €210 m**

[20/21: €237 m]

Underlying assumptions

The previous outlook assumed that consumer sentiment would improve after COVID-19 and that inflation would return to normal. The situation has been deteriorating since May, and so these assumptions were no longer valid.

The updated outlook assumes for Q4 21/22

- ▶ Adverse macro conditions to remain
- ▶ Russian war against Ukraine will not reach another crisis level and will not cause additional negative impact in Europe
- ▶ Energy supply shortages will not lead to new far-reaching restrictions on the retail sector
- ▶ Future COVID-19 restrictions will not affect the retail sector

¹Adj. for currency and portfolio change effects, pre IAS 29. ²Excl. associates, adj. for portfolio changes, pre IAS 29 and excl. non-recurring effects.

Targeted action plan to manage current challenges

Task force set up to manage the crisis

Cost control & margin protection	Create market momentum	NWC and stock management	Prepare for potential gas restrictions (DE/AT)
<p>Reasonable price increases</p> <p>OPEX reduction wherever possible</p>	<p>New promotions and campaign formats</p> <p>Additional supplier support</p>	<p>Active stock management</p> <p>Combination of high product availability and improved stock ageing</p>	<p>Energy-saving measures in stores</p> <p>Alternative heating solution to gas</p>

We are continuing to execute our omnichannel strategy

Key strategic areas and selected recent achievements

- ✓ **Customer experience** – NPS improved to 53 (highest value so far)
- ✓ **Services & Solutions** – Attach rate further increased online and offline
- ✓ **Online business** – New webshop in Italy, now 80% of online sales on group-wide tech platform
- ✓ **Store landscape** – Modernization of core format stores progressed according to plan
- ✓ **Customer-centric logistics network** – Density in drop-off and pick-up points increased
- ✓ **ESG** – Expansion of repair, refurbishment and trade-in services in stores and online



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BUSINESS UPDATE

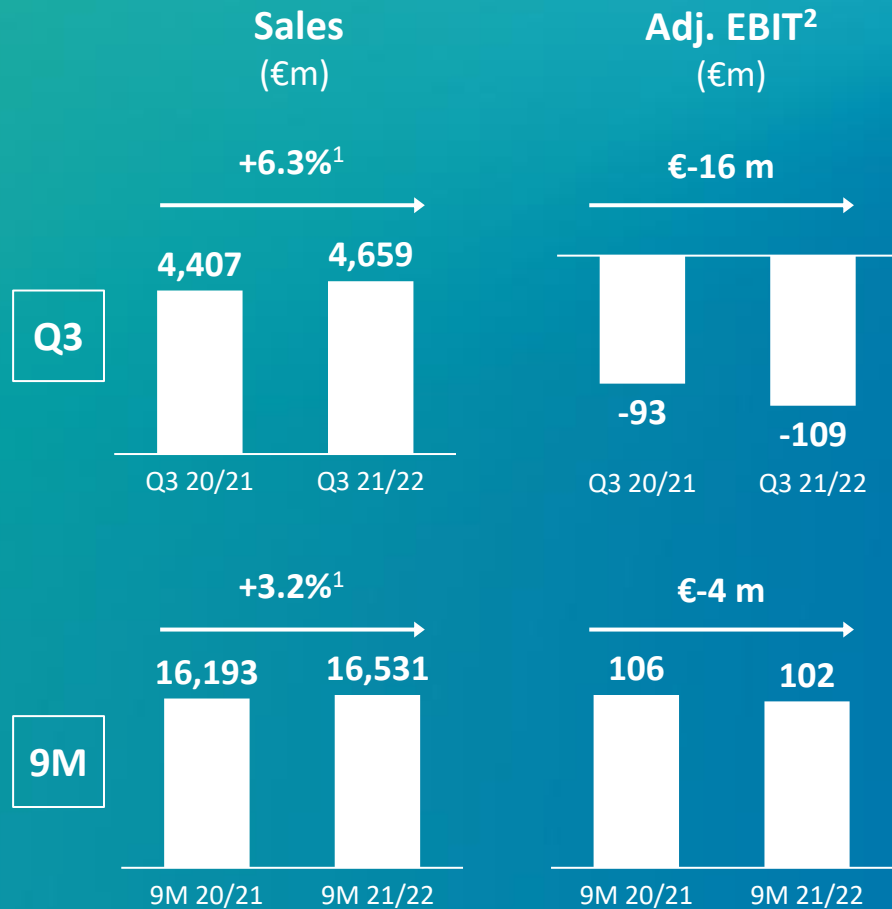
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FINANCIAL PERFORMANCE

3

SUMMARY

Deteriorating consumer sentiment after solid start into Q3



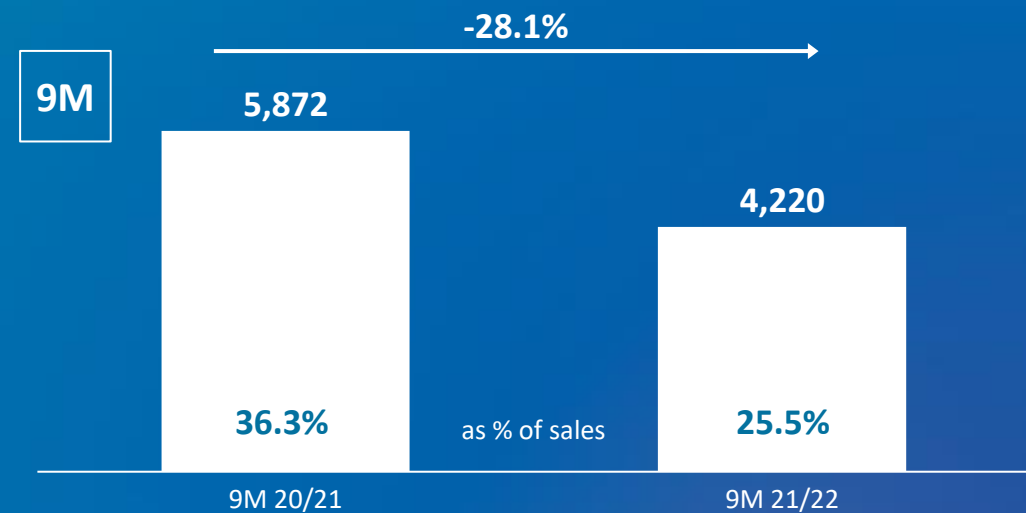
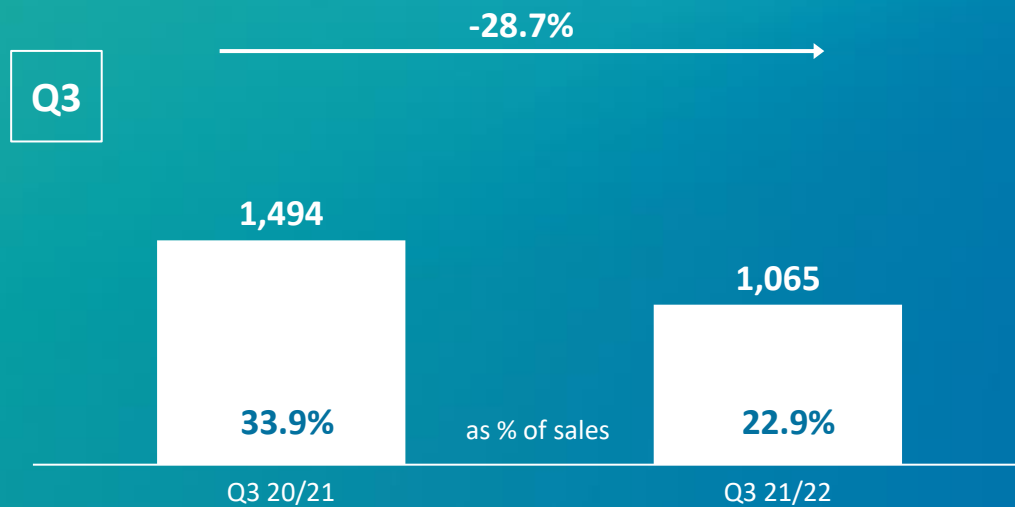
- ▶ Sales growth driven by Eastern Europe and DACH against a COVID-19 impacted PY base; however, sales trend reversed during Q3 due to deteriorating consumer sentiment
- ▶ EBIT negatively impacted by DACH, where sales growth was outweighed by a challenging competitive environment, inflationary cost increases and COVID-19 subsidies in PY
- ▶ 9M sales above PY driven by recovery of brick & mortar business
- ▶ 9M adj. EBIT broadly on PY level; earnings growth in Western & Southern Europe and Eastern Europe almost offsets the decline in DACH

¹Adj. for currency and portfolio change effects, pre IAS 29. ²Excl. associates, adj. for portfolio changes, pre IAS 29 and excl. non-recurring effects.

Online sales share remains clearly above pre-COVID-levels



Online sales
(€m)



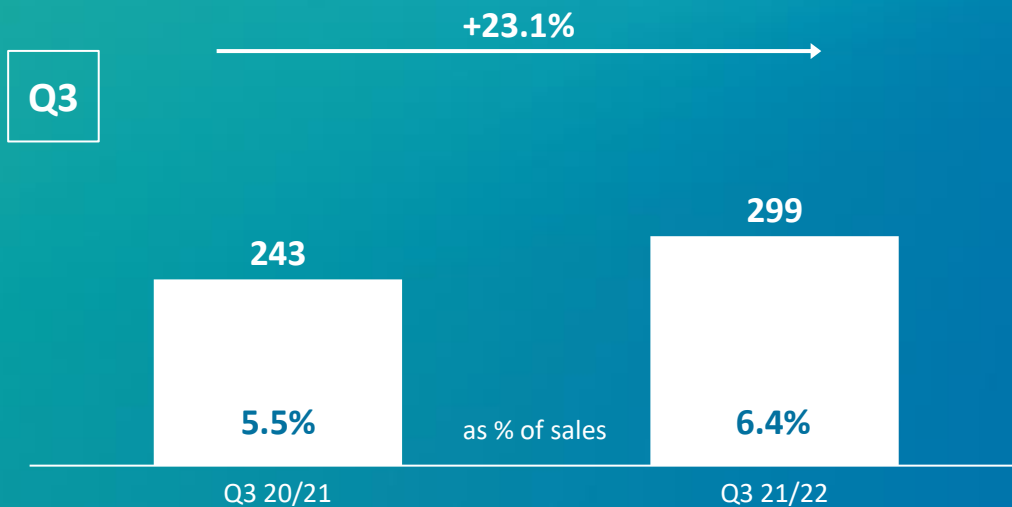
- ▶ Online sales in line with expectations and nearly doubled compared to pre-pandemic levels (Q3 18/19: 13.0%)
- ▶ Higher offline share in current year thanks to no COVID-19 restrictions in Q3

- ▶ Online sales benefit from higher order value; continued elevated online sales share in an environment with few COVID-19 restrictions
- ▶ Online affinity of customers remains especially high in DE and NL; pick-up ratio for the group at 36% (9M 20/21: 37%)

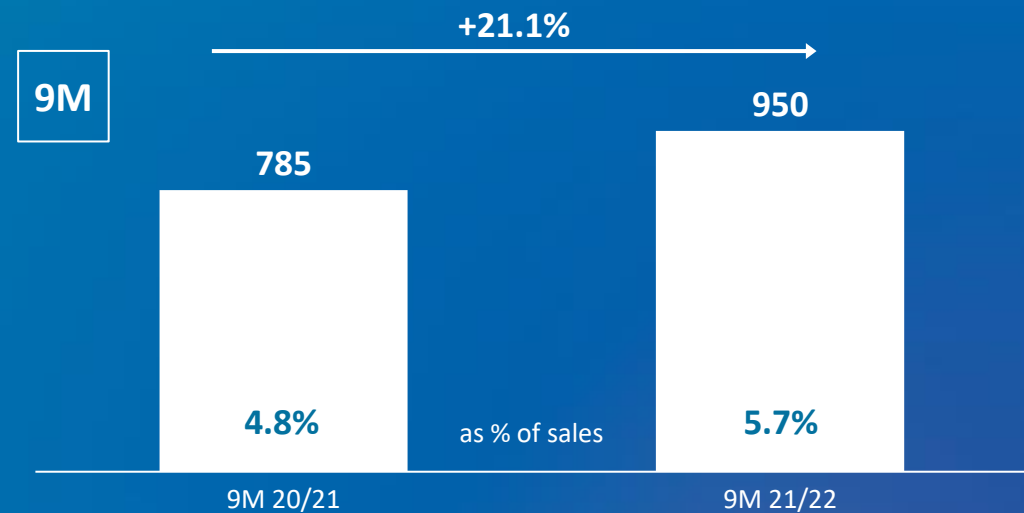
Services & Solutions business with continued encouraging development



Services & Solutions sales (€m)



- ▶ Strong growth in Services & Solutions continued in Q3 and resulted in the highest sales share since Q4 18/19
- ▶ Services & Solutions sales increased in all service categories, especially mobile contracts and financing



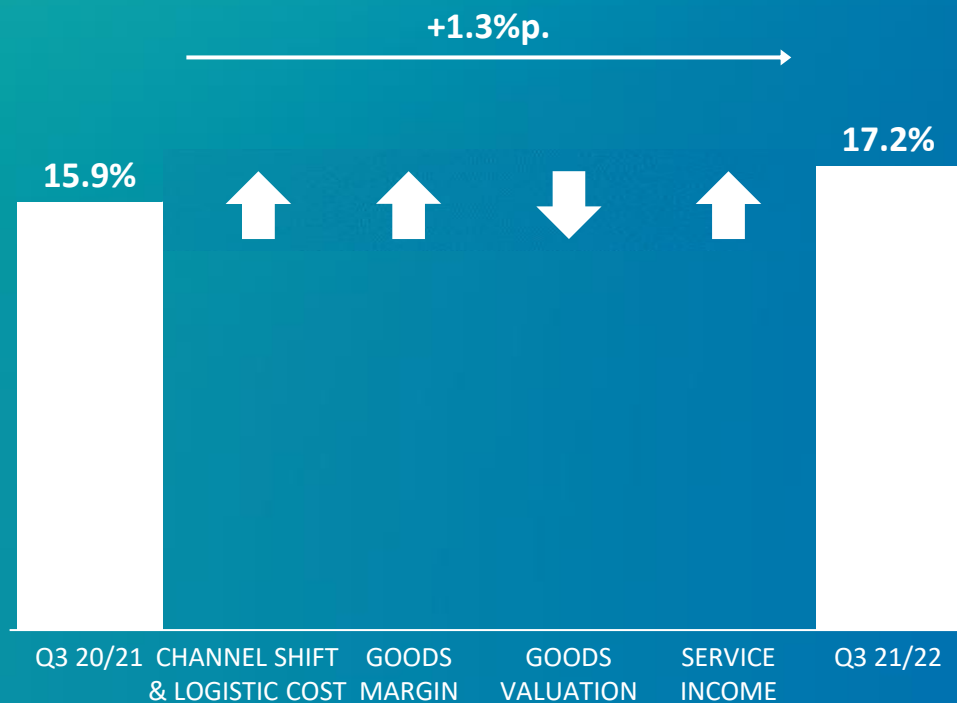
- ▶ Double digit sales growth in Services & Solutions as a result of the recovery of B&M business and operational progress
- ▶ Attach rate of Services & Solutions increased significantly, driven by both, online and offline

Services & Solutions fuelled gross margin improvement versus weak prior year



Gross margin¹
(as % of sales)

Q3



- ▶ Recovery of stationary business in Q3 influenced gross margin positively
- ▶ Goods margin slightly improved vs COVID-19 affected PY; margin recovery dampened by rising inflation and competitive environment
- ▶ Stock ageing leading to slight deterioration of goods valuation
- ▶ Continued growth of Services & Solutions drives gross margin improvement

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

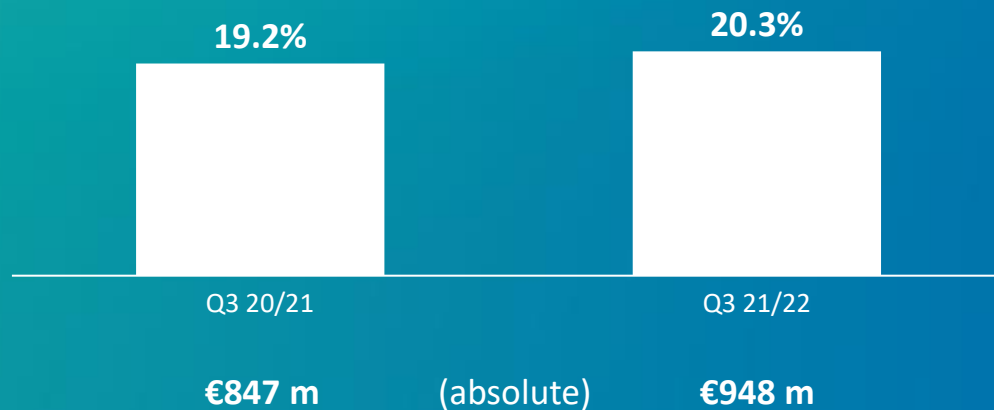
OPEX ratio in Q3 slightly higher compared to previous year's low level



OPEX¹
(as % of sales)

Q3

+1.1%p.



- ▶ In Q3, OPEX ratio increased in line with the absence of COVID-19 subsidies, which were still relevant in previous year's Q3
- ▶ A notable inflation-related increase of our operative cost base (e.g. energy) has been partially compensated by lower online-induced costs.
- ▶ Continued strong focus on reducing operational costs

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

All segments match previous year's earnings level except DACH

DACH

€m / %	Q3 21/22
Total sales	2,492
Growth in LC ¹	5.3%
Reported yoy change	5.3%
Adj. EBIT²	-67
Adj. EBIT margin	-2.7%
Adj. EBIT yoy change	-18

EASTERN EUROPE

€m / %	Q3 21/22
Total sales	529
Growth in LC (pre IAS 29) ¹	63.6%
Reported yoy change	48.3%
Adj. EBIT²	-2
Adj. EBIT margin	-0.3%
Adj. EBIT yoy change	2

WESTERN & SOUTHERN EUROPE

€m / %	Q3 21/22
Total sales	1,522
Growth in LC ¹	-2.8%
Reported yoy change	-2.8%
Adj. EBIT²	-30
Adj. EBIT margin	-2.0%
Adj. EBIT yoy change	-1

OTHERS

€m / %	Q3 21/22
Total sales	116
Growth in LC ¹	0.4%
Reported yoy change	-3.0%
Adj. EBIT²	-11
Adj. EBIT margin ³	-
Adj. EBIT yoy change	0

▶ **DACH** benefitted from a recovery in B&M business; yet, noticeable decline of consumer sentiment, inflation related cost increases and lack of subsidies

▶ **W. & S. Europe** showed a mixed performance; Italy continued its positive trend, Netherlands with weaker business performance

▶ **E. Europe** characterized by continued growth in Turkey, partly compensated by earnings decrease in Poland

▶ **Others** with flat development

¹Adj. for currency and portfolio change effects. ²Excl. associates, adj. for portfolio changes, pre IAS 29 and excl. non-recurring effects. ³Segment Others includes CECONOMY AG holding, hence respective EBIT margin would not offer a reasonable comparison.

EPS decrease mainly caused by impairment of Fnac Darty stake



EBITDA to EPS
(€m)

Q3

9M

	Q3 20/21	Q3 21/22	9M 20/21	9M 21/22
EBITDA	74	49	649	627
EBIT	-106	-180	233	61
Net financial result	9	-11	3	-28
Earnings before taxes	-97	-191	235	32
Income taxes	14	74	-47	-23
Profit or loss for the period	-82	-117	188	9
Non-controlling interest	-16	-22	8	3
Net result	-67	-95	180	6
EPS undiluted (€)	-0.19	-0.24	0.50	0.02



Reported EBIT impacted by Fnac Darty impairment (€-56 m) while previous year's Q2 benefitted from an impairment reversal (€150 m)



Financial result in PY supported by dividends from METRO Properties and M.video



Tax rate at 71.1% in 9M, influenced by non-tax effective Fnac Darty impairment; benefits related to acquisition of Convergenta stake to be considered from Q4 onwards

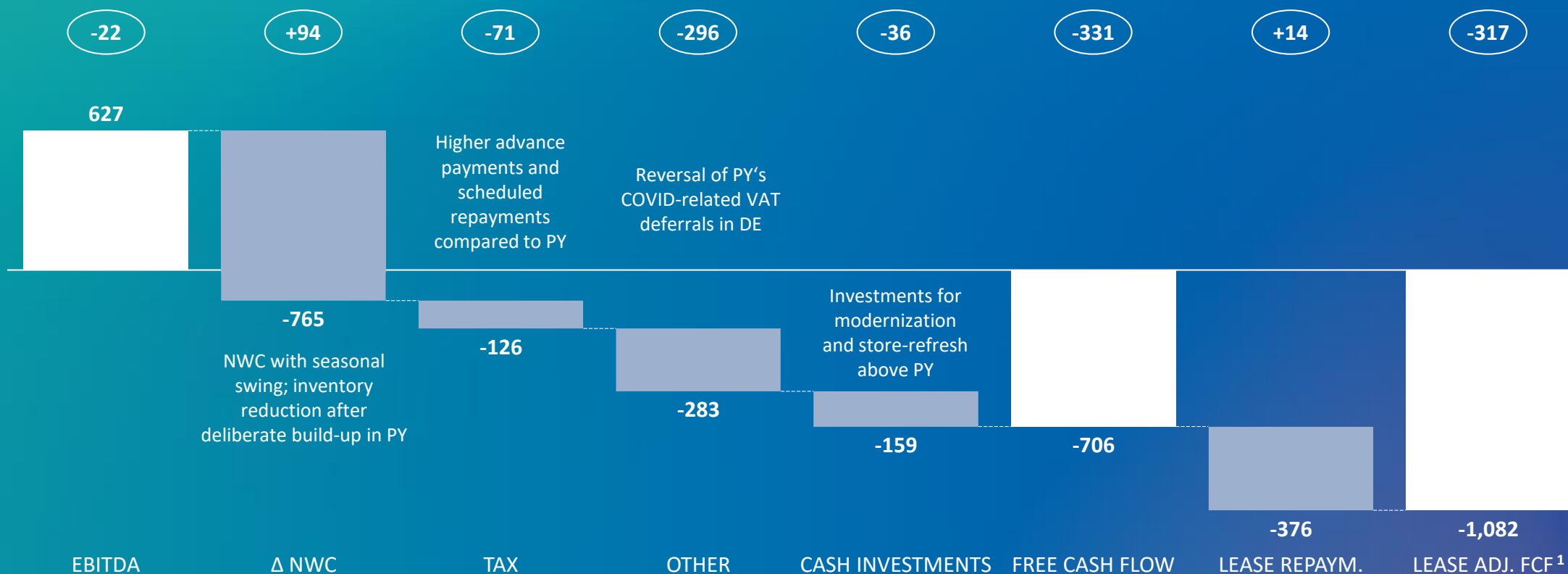
Note: From continuing operations and based on reported figures. Number of shares: 485,221,084 ordinary shares outstanding since 3 June 2022.

FCF seasonally low in 9M; year-on-year decrease due to VAT deferrals in PY



Free Cash Flow in 9M 21/22 (€m)

○ YOY change



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



1

BUSINESS UPDATE

2

FINANCIAL PERFORMANCE

3

SUMMARY

CECONOMY's focus for Q4 21/22 and beyond: Strengthening our competitive position and gain market share

Navigating through the storm

Cost & margin protection

- Leveraging market position in campaigning and negotiations
- Adjustment of cost structure

Liquidity management

- RCF of €1.06 bn entirely undrawn
- Extended maturity profile

Executing our omnichannel strategy

Customer experience

- Continued focus on NPS
- New global brand campaign
- New MM membership program in Germany

Online expansion

- Go-live marketplace in Austria
- Launch of new functionalities

Store landscape

- 4 new lighthouses until Oct
- 275 refreshed stores at the end of Q4 and additional 250 stores scheduled for FY 22/23

ESG

- Trade-in proposition available in all countries
- Campaigns to guide customer towards sustainable offering



In summary

- ▶ We have been dealing with a deteriorating consumer climate in the course of Q3
- ▶ We are preparing ourselves for further macroeconomic headwinds and have crisis management in place
- ▶ We are increasing efficiency in our operations, in stores, online and in our logistic networks
- ▶ We are relentlessly executing our omnichannel strategy to strengthen our competitive position and gain market share

Q&A



Dr Karsten Wildberger



Florian Wieser

Financial calendar

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

26 OCTOBER 2022



**Q4/FY 21/22
results**

15 DECEMBER 2022



Upcoming events

**Commerzbank and ODDO BHF -
Corporate Conference**

8 SEPTEMBER 2022



**SdK virtual company presentation
(in German)**

14 SEPTEMBER 2022



Baader Investment Conference

20 SEPTEMBER 2022



Contact

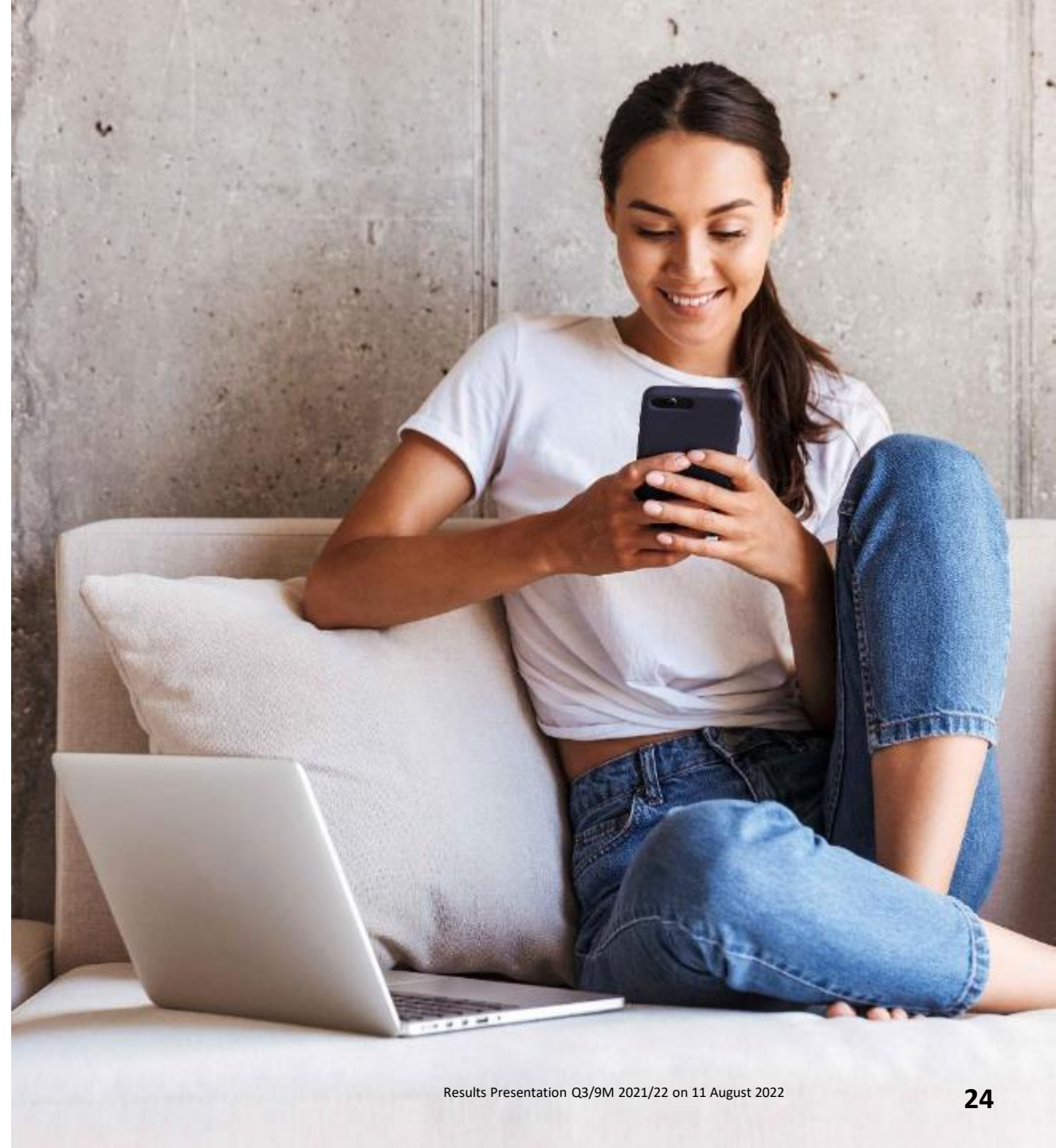
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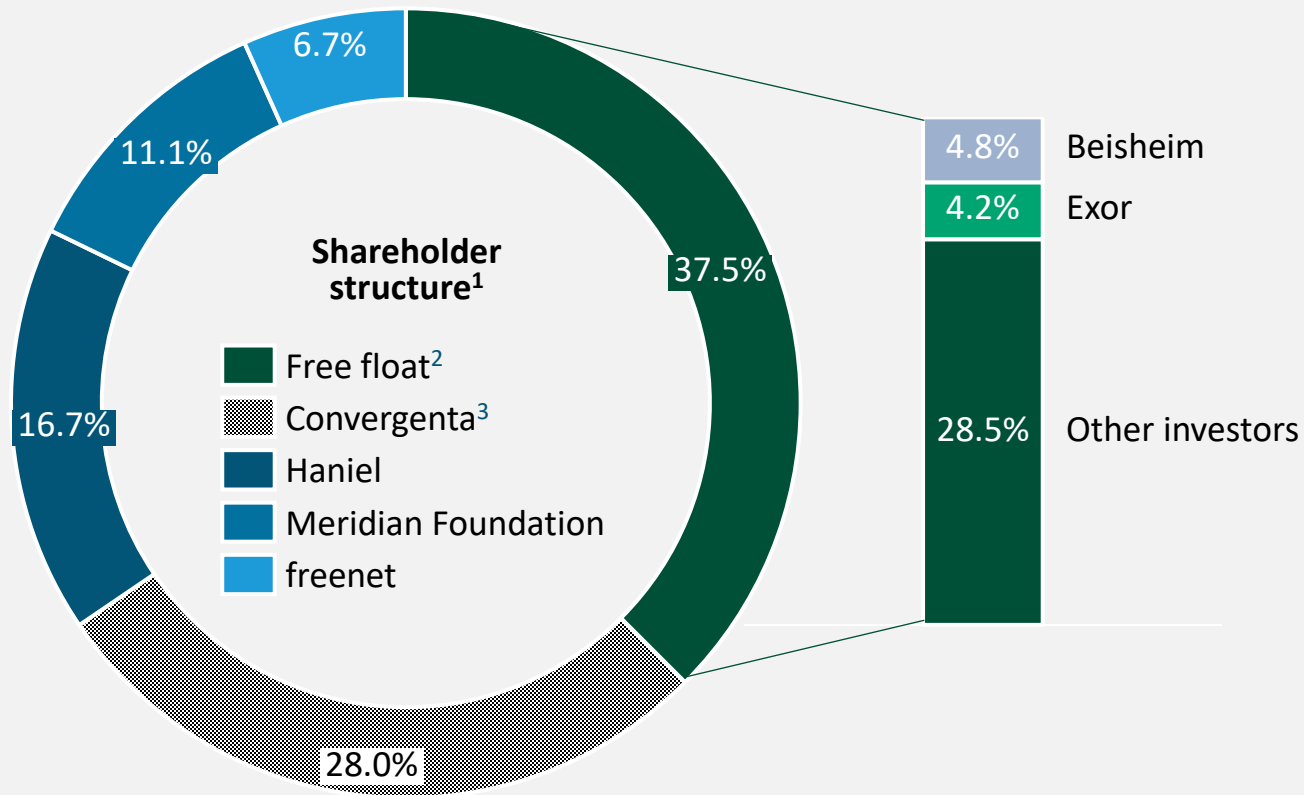
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APPENDIX

Shareholder structure and number of shares after conversion of preference shares and Convergenta transaction



Original # of ordinary shares:	356,743,118
# of converted preference shares:	2,677,966
# of new ordinary shares:	125,800,000
}	
Total # of ordinary shares:	485,221,084

¹Shareholder structure with 485,221,084 shares totalling from capital increase against contributions in kind (incl. ordinary and converted preference shares); based on voting rights notifications pursuant to sections 33 et. Sec WpHG (excl. instruments); as of 09/06/2022.

²Free float as defined by Deutsche Börse (German Stock Exchange).

³Convergenta 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.

Heterogenous segment developments, profitability below pre-pandemic levels except Eastern Europe

DACH

€m / %	9M 21/22
Total sales	9,225
Growth in LC ¹	1.5%
Reported yoy change	1.6%
Adj. EBIT²	70
Adj. EBIT margin	0.8%
Adj. EBIT yoy change	-43

EASTERN EUROPE

€m / %	9M 21/22
Total sales	1,498
Growth in LC (pre IAS 29) ¹	31.9%
Reported yoy change	12.8%
Adj. EBIT²	28
Adj. EBIT margin	1.9%
Adj. EBIT yoy change	15

WESTERN & SOUTHERN EUROPE

€m / %	9M 21/22
Total sales	5,418
Growth in LC ¹	1.1%
Reported yoy change	1.1%
Adj. EBIT²	25
Adj. EBIT margin	0.5%
Adj. EBIT yoy change	19

OTHERS

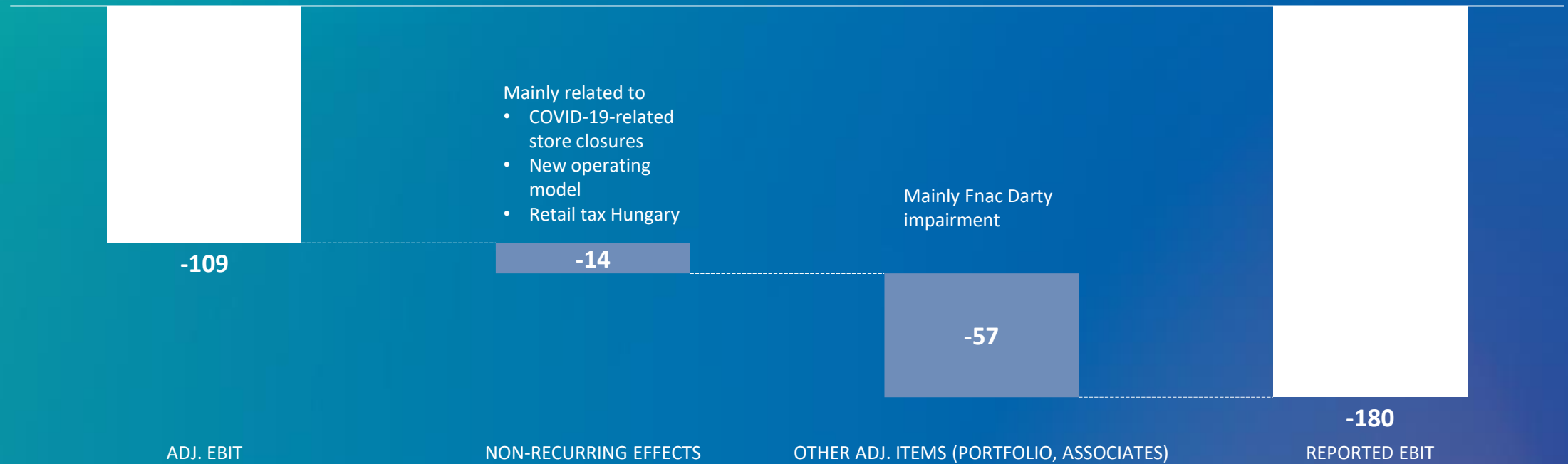
€m / %	9M 21/22
Total sales	391
Growth in LC ¹	-6.3%
Reported yoy change	-7.9%
Adj. EBIT²	-22
Adj. EBIT margin ³	-
Adj. EBIT yoy change	3

¹Adj. for currency and portfolio change effects. ²Excl. associates, adj. for portfolio changes, pre IAS 29 and excl. non-recurring effects. ³Segment Others includes CECONOMY AG holding, hence respective EBIT margin would not offer a reasonable comparison.

Reported EBIT Q3



Adj. EBIT¹ excl. associates to reported EBIT in Q3 21/22
(€m)

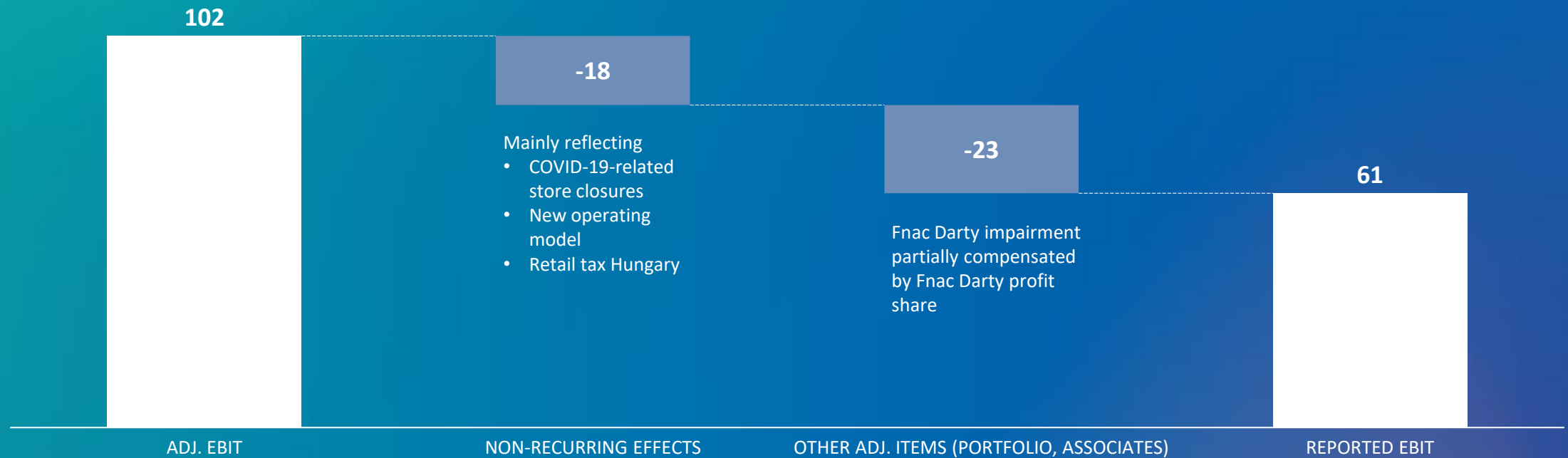


¹Excl. associates, adj. for portfolio changes, pre IAS 29 and excl. non-recurring effects.

Reported EBIT 9M



Adj. EBIT¹ excl. associates to reported EBIT in 9M 21/22
(€m)



¹Excl. associates, adj. for portfolio changes, pre IAS 29 and excl. non-recurring effects.

Net Working Capital

€m	30/09/2020	30/06/2021	Change	30/09/2021	30/06/2022	Change
Inventories	2,949	3,439	489	3,111	3,378	267
Trade receivables and similar claims	488	320	-168	361	405	44
Receivables due from suppliers	1,302	938	-364	1,142	1,067	-75
Trade liabilities and similar liabilities	-5,996	-5,052	944	-5,470	-4,890	580
Net Working Capital	-1,256	-356	900	-855	-40	-815

CECONOMY