

TRADING STATEMENT Q3 2020/21

CECONOMY WITH STRONG TRADING IN COUNTRIES LESS AFFECTED BY COVID-19 IN THE THIRD QUARTER – GERMAN BUSINESS MARKED BY LONG LOCKDOWN AND RESTRICTIONS

Düsseldorf, 19 July 2021

- Strong trading continued in all countries less affected by COVID-19 restrictions, thanks to continued high customer demand for Consumer Electronics
- German in-store sales impacted by long lockdown period and severe restrictions; slight trend improvement since full reopening mid-June
- Higher customer checkout value and improved conversion rate overcompensated muted store traffic
- Online sales in Q3 remained on high level and accounted for around 34% of total sales, demonstrating successful execution of omnichannel strategy
- Q3 sales adjusted for currency effects and portfolio changes up +8.0% and adjusted EBIT¹ excl. associates -48 €m below prior year due to normalization of the cost base (especially discontinuation of short-time work)
- On 9M basis, sales adjusted for currency effects and portfolio changes up +5.4% and adjusted EBIT¹ excl. associates only slightly below prior year, despite almost 6 months of store closures and restrictions in Germany

“Almost the entire current financial year so far has been marked by the COVID-19 pandemic and associated temporary store closures, particularly in Germany. The third quarter was no exception. The pandemic development coupled with the incidence-based regulations in Germany only enabled the full reopening of our German MediaMarkt and Saturn stores at the end of the third quarter. Customer frequency following the openings is still below pre-pandemic levels and we see more transactional business. Yet, the sales trend in Germany is slightly improving. In countries where we were not or less impacted by COVID-19-related restrictions, the high level of buying interest for consumer electronics continued in the third quarter. I am also pleased with the sustained strong level of our online sales despite the high comparison basis and that demand for Services and Solutions picked up, particularly in the online channel. We therefore continue to reap the benefits of our omnichannel approach and the strategy behind it,” **Bernhard Düttmann, CEO of CECONOMY.**

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Q3 2020/21 preliminary results

- **Sales** adjusted for currency effects and portfolio changes increased by +8.0% (+8.1% on a like-for-like basis) thanks to continued high demand for Consumer Electronics and successful marketing campaigns; April 2020 heavily affected by Group-wide lockdowns, leading to low comparison base

_Countries: All countries except Germany and Portugal posted a year-on-year increase in sales; Spain, Italy and Turkey performed particularly well overcompensating sales decline in Germany which suffered from the long lockdown and opening restrictions

_Product categories: Demand was especially strong for new media (computer hardware, telco products and accessories), TVs and home appliances, while the entertainment and photo category remained below prior year's level

- **Online sales** rose by +3.3% yoy to 1.5 €bn despite high comparison basis; online sales share reached 33.9% of total sales (Q3 2019/20: 35.2%); average bon at sustainable high level and continued uplift in conversion; pick-up ratio came in at 43% despite ongoing restrictions
- **Services & Solutions sales** increased by +7.9% yoy, accounting for 5.5% of total sales (Q3 2019/20: 5.5%); Services & Solutions business supported by strong demand for extended warranties and Smartbar services as well as better adoption of online services
- **Gross margin**¹ with 15.9% roughly on prior-year's level (Q3 2019/20: 16.1%); higher income from Services & Solutions and improved stock level and aging during the last quarter largely offset by negative product mix effects and promotional market environment
- **OPEX**¹ ratio came in at 19.2% due to normalization of cost base (Q3 2019/20: 18.1%); PY heavily supported by COVID-19-related cost measures (especially short-time work); continued improvement in underlying operative cost performance thanks to new Operating Model and location cost savings
- **Adjusted EBIT**¹ excl. associates declined by -48 €m yoy to -93 €m (Q3 2019/20: -45 €m), mainly due to normalization of the cost base, while sales development had a positive effect; strong EBIT decline in DACH driven by severe lockdown in Germany; Eastern Europe with slight yoy improvement while the segments Western/Southern Europe and Others came in on prior year's level
- **Reported EBIT** declined by -41 €m yoy to -106 €m (Q3 2019/20: -64 €m); PY included 18 €m non-recurring expenses compared to 12 €m in CY, roughly equally split for COVID-19-related store closures, the introduction of the new Operating Model and transaction costs

All figures and statements reported herein are preliminary and unaudited. Full financial disclosure for Q3/9M 2020/21 will be published on 12 August 2021 at 07:00 am CEST.

¹Excluding non-recurring effects and adjusted for portfolio changes.

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APPENDIX

Preliminary sales development

	Sales (€ million)		Change Q3 2020/21	Currency effects Q3 2020/21	Sales adjusted for currency and portfolio change effects		Like-for-like sales (local currency) Q3 2020/21
	Q3 2019/20	Q3 2020/21			Q3 2020/21	Q3 2020/21	
Total	4,107	4,407	7.3%	-0.7%	8.0%	8.1%	
DACH	2,468	2,365	-4.2%	-0.2%	-4.0%	-2.8%	
Western/Southern Europe	1,270	1,565	23.3%	0.0%	23.3%	21.1%	
Eastern Europe	271	357	31.7%	-12.9%	44.7%	46.3%	
Others	98	119	21.7%	6.0%	15.7%	14.4%	

	Sales (€ million)		Change 9M 2020/21	Currency effects 9M 2020/21	Sales adjusted for currency and portfolio change effects		Like-for-like sales (local currency) 9M 2020/21
	9M 2019/20	9M 2020/21			9M 2020/21	9M 2020/21	
Total	15,559	16,193	4.1%	-1.1%	5.4%	5.9%	
DACH	9,300	9,079	-2.4%	-0.2%	-2.2%	-1.2%	
Western/Southern Europe	4,751	5,362	12.8%	0.0%	13.8%	13.5%	
Eastern Europe	1,155	1,328	15.0%	-17.5%	32.5%	32.6%	
Others	353	424	20.0%	5.3%	14.7%	15.0%	

Online and Services & Solutions

	Sales (€m)		Change (%)	in % of total sales		Sales (€m)		Change (%)	in % of total sales	
	Q3 2019/20	Q3 2020/21		9M 2019/20	9M 2020/21	9M 2019/20	9M 2020/21			
Online	1,446	1,494	3.3	33.9	3,353	5,872	75.1	36.3		
Services & Solutions	225	243	7.9	5.5	879	785	-10.7	4.8		

Monthly average of open stores (% of total stores)

	Q3 2019/20			Q3 2020/21		
	April 2020	May 2020	June 2020	April 2021	May 2021	June 2021
Open	14%	70%	100%	44%	62%	96%
"Click & Meet" ¹	-	-	-	3%	17%	3%
Closed	86%	30%	-	34%	21%	1%

¹Several stores in Germany were only open with prior appointment ("Click & Meet"). Openings/Closures in Germany were incidence-based and thus the number of opened/closed stores changed daily.

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Store network

	31/03/2021	Openings	Closures	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

¹Including subsequent reporting of 2 closures from Q2 2020/21.

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