

## TRADING STATEMENT

### CECONOMY ACHIEVES SALES TARGET FOR FY 2018/19; FULL-YEAR EARNINGS ON PRIOR-YEAR'S LEVEL

Düsseldorf, 23 October 2019

**Dr Bernhard Düttmann, CEO of CECONOMY:** “We made noticeable progress in financial year 2018/19. Nevertheless, it is clear that we need to continue with the further development and execution of the strategy. This includes a customer-centric business model as well as central initiatives such as supply chain and category management. We will present the results of the ongoing strategy process as planned around the turn of the calendar year.”

**Karin Sonnenmoser, CFO of CECONOMY:** “We achieved both our full-year sales and NWC targets. Earnings came in slightly ahead of expectations, which is essentially due to a better than expected business development in Spain, Italy and Germany in the fourth quarter. We are also pleased to see the reorganization and efficiency program fully on track.”

**Ferran Reverter, CEO of MediaMarktSaturn:** “We have succeeded in stopping the negative trend and at the same time setting the first course for a sustainably successful future. We will drive profitable growth by further improving our digital capabilities and expanding our Services & Solutions offering. Moreover, progress on centralization is steadily building. This also supports the business to even better plan and steer the upcoming Black Friday season.”

	Sales (€ million)		Change FY 2018/19	Currency effects FY 2018/19	Sales adjusted for currency and portfolio change effects		Like-for-like sales (local currency) FY 2018/19
	FY 2017/18	FY 2018/19			FY 2018/19	FY 2018/19	
<b>Total</b>	<b>21,418</b>	<b>21,455</b>	<b>0.2%</b>	<b>-0.6%</b>	<b>0.8%</b>	<b>0.4%</b>	
DACH	12,410	12,565	1.2%	0.1%	1.1%	1.3%	
Western/Southern Europe	6,777	6,807	0.4%	0.0%	0.4%	0.0%	
Eastern Europe	1,689	1,567	-7.2%	-7.4%	0.2%	-3.6%	
Others	542	516	-4.7%	-3.0%	-1.7%	-1.2%	

Note: All figures in the previous year are from continuing operations only.

	Sales (€ million)		Change Q4 2018/19	Currency effects Q4 2018/19	Sales adjusted for currency and portfolio change effects		Like-for-like sales (local currency) Q4 2018/19
	Q4 2017/18	Q4 2018/19			Q4 2018/19	Q4 2018/19	
<b>Total</b>	<b>4,953</b>	<b>4,996</b>	<b>0.9%</b>	<b>0.3%</b>	<b>0.5%</b>	<b>0.2%</b>	
DACH	2,843	2,891	1.7%	0.2%	1.5%	1.3%	
Western/Southern Europe	1,622	1,614	-0.5%	0.0%	-0.5%	-0.9%	
Eastern Europe	362	374	3.3%	3.6%	-0.3%	-4.0%	
Others	126	117	-7.3%	-1.8%	-5.5%	0.7%	

Note: All figures in the previous year are from continuing operations only.

## TRADING STATEMENT

## FY 2018/19

- **Sales** adjusted for currency effects and portfolio changes increased by +0.8% (+0.4% on a like-for-like basis); reported sales increased by +0.2% to 21,455 €m; sales growth driven by successful activities around Black Friday in November 2018 and further positive momentum from other successful marketing campaigns

**\_Countries:** Germany, Italy, Turkey and Spain made a significant contribution to the increase in sales, while the Netherlands and Poland in particular faced a negative sales development

**\_Product categories:** White goods and telco products performed particularly well; entertainment category continued to decline, while brown goods were impacted by absence of successful football World Cup advertising campaigns in prior year

**\_Channels:** Online was once again the main growth driver; store traffic still declining but with clearly improving trend

- **Online** sales increased by +13% yoy to 13.7% of total sales (FY 17/18: 12.1%); excl. the online business in the Netherlands, which was strongly impacted by temporary difficulties with product availability due to switch to new online warehouse, online sales increased by +15% yoy; pick-up rate increased strongly to 47% vs. 42% in the prior year
- **Services & Solutions** sales excl. IFRS 15 grew by +1% yoy, accounting for 7.0% of total sales (FY 17/18: 6.9%); extended warranties due to an improved offer as well as repair services driven by in-store smartbars developed positively; mobile business impacted by high comps due to successful GSM campaign “Tarifsensation” in the prior year
- **Selective store expansion** with 28 openings (incl. 10 shop-in-shops in Poland and Hungary) and 8 closures (incl. 1 shop-in-shop); average store size reduced by c. –3% to 2,636 sqm since September 2018, mainly due to openings of smaller store formats and store rightsizings
- **Outlook: Sales and NWC targets** achieved; full-year **earnings** on prior-year’s level and thus slightly better than expected. The outlook is adjusted for exchange rate effects and before portfolio changes. Expenses in connection with the reorganization and efficiency program announced on 29 April 2019 are not included. Expenses for top management changes in the first quarter of 2018/19 are also not included.

## TRADING STATEMENT

## Q4 2018/19

- **Sales** adjusted for currency effects and portfolio changes increased by +0.5% (+0.2% on a like-for-like basis); reported sales increased by +0.9% to 4,996 €m; solid sales growth driven by online business, successful campaigns and a low comparable basis

**\_DACH** (+1.5% fx-adj.): Positive momentum from successful campaigns (e.g. MediaMarkt 40 years anniversary) more than compensated strong VAT campaigns in prior year in Germany; Hungary continued to grow strongly, also due to expansion

**\_Western/Southern Europe** (–0.5% fx-adj.): Strong development in Spain driven by successful campaign activity could not compensate declining sales in the Netherlands, which were largely impacted by temporary difficulties with product availability due to switch to new online warehouse coupled with a challenging competitive environment, especially in the Online segment

**\_Eastern Europe** (–0.3% fx-adj.): Turkey with ongoing solid sales development also due to store openings; in Poland the negative sales trend continued especially as a result of tense competition

**\_Others** (–5.5% fx-adj.): Declining sales at other smaller operating businesses (sale of iBood in August); sales in Sweden almost on prior-year's level

- **Online** sales rose by +4% yoy, accounting for 12.7% of total sales (Q4 17/18: 12.3%); excl. the online business in the Netherlands, online sales increased by +9% yoy; strong demand for pick-up option, which increased to 50% vs. 43% in the prior year
- **Services & Solutions** sales excl. IFRS 15 grew by +1% yoy, accounting for 8.0% of total sales (Q4 17/18: 8.0%); strong demand for extended warranties and repair services more than compensated weaker mobile and financing business
- **Selective store expansion** continued; 7 stores were opened, thereof 5 in Turkey, while 2 stores were closed in the same period; average store size reduced by c. –1% to 2,636 sqm since June 2019

## TRADING STATEMENT

### Online and Services & Solutions

	Sales (€m)		Change (%)	in % of total sales	Sales (€m)		Change (%)	in % of total sales
	Q4 2017/18	Q4 2018/19			FY 2017/18	FY 2018/19		
Online	608	635	4.4	12.7	2,592	2,935	13.2	13.7
Services & Solutions (acc. to IAS 18)	396	401	1.2	8.0	1,478	1,498	1.3	7.0
Services & Solutions (acc. to IFRS 15)	-	329	-	-	-	1,229	-	-

### Store network as of 30 September 2019

	30/06/2019	Openings Q4 2018/19	Closures Q4 2018/19	30/09/2019	30/09/2018	Openings FY 2018/19	Closures FY 2018/19	30/09/2019
Germany	431	1	-1	431	432	2	-3	431
Austria	52	-	-	52	52	-	-	52
Switzerland	26	-	-	26	27	-	-1	26
Hungary	32	-	-	32	24	8	-	32
<b>DACH</b>	<b>541</b>	<b>1</b>	<b>-1</b>	<b>541</b>	<b>535</b>	<b>10</b>	<b>-4</b>	<b>541</b>
Belgium	28	-	-1	27	29	-	-2	27
Greece	12	-	-	12	12	-	-	12
Italy	117	-	-	117	115	2	-	117
Luxembourg	2	-	-	2	2	-	-	2
Netherlands	49	-	-	49	49	-	-	49
Portugal	10	-	-	10	10	-	-	10
Spain	87	1	-	88	85	3	-	88
<b>Western/S. Europe</b>	<b>305</b>	<b>1</b>	<b>-1</b>	<b>305</b>	<b>302</b>	<b>5</b>	<b>-2</b>	<b>305</b>
Poland	90	-	-	90	86	5	-1	90
Turkey	73	5	-	78	71	8	-1	78
<b>Eastern Europe</b>	<b>163</b>	<b>5</b>	<b>-</b>	<b>168</b>	<b>157</b>	<b>13</b>	<b>-2</b>	<b>168</b>
Sweden	28	-	-	28	28	-	-	28
<b>Others</b>	<b>28</b>	<b>-</b>	<b>-</b>	<b>28</b>	<b>28</b>	<b>-</b>	<b>-</b>	<b>28</b>
<b>CECONOMY</b>	<b>1,037</b>	<b>7</b>	<b>-2</b>	<b>1,042</b>	<b>1,022</b>	<b>28</b>	<b>-8</b>	<b>1,042</b>

### Financial calendar

Q4/FY 2018/19 results	Tuesday	17 December 2019
Q1 2019/20 results	Friday	7 February 2020
Annual General Meeting	Wednesday	12 February 2020
Q2/H1 2019/20 results	Thursday	14 May 2020
Q3/9M 2019/20 results	Thursday	13 August 2020
Q4/FY 2019/20 trading statement	Friday	23 October 2020
Q4/FY 2019/20 results	Tuesday	15 December 2020

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