

## TRADING STATEMENT Q4/FY 2020/21

**RESILIENT PERFORMANCE IN FY 2020/21: SUCCESSFUL OMNICHANNEL MODEL ENABLED CECONOMY TO NAVIGATE THROUGH THE PANDEMIC WITH GROWING SALES AND STABLE EBIT**

Dusseldorf, 26 October 2021

- Sales growth<sup>1</sup> and adjusted EBIT<sup>2</sup> well within guidance range; full-year sales exceed both prior year and even the pre-pandemic FY 2018/19
- FY 2020/21 sales rose by +3.8% despite longer and tighter COVID-19 restrictions; adjusted EBIT matches previous year's level (FY 2019/20: 236 €m)
- Q4 2020/21 sales remained high; only slight decline of -1.0% against the backdrop of prior year's catch-up demand boost; sales rose by +6.0% compared to pre-pandemic Q4 2018/19; adjusted EBIT up slightly (Q4 2019/20: 123 €m)
- Online sales continued to grow strongly, reaching 6.9 €bn (FY +64.9% and Q4 +24.7%) driven by higher number of visits, higher conversion rate and an increased average basket, and accounting for 32.5% of total sales in FY 2020/21
- Focus now on upcoming Black Friday period and Christmas trading as well as accelerating the omnichannel strategy; organization is well prepared to manage supply chain uncertainties

*"In the 2020/21 financial year, we served the high demand for consumer electronics and grew our business beyond pre-pandemic levels. This is a great achievement since COVID-19 restrictions lasted much longer than in the previous year, particularly in Germany. However, our results for the financial year demonstrate our relevance to customers and the resilience of our business model. I would like to thank all our people for their hard work and dedication when coping with the pandemic and serving our customers. This performance provides a healthy, robust foundation on which we further execute and accelerate our omnichannel strategy. Our focus is now on the upcoming peak season. Looking ahead to Black Friday and the Christmas period, we recognize the existence of supply chain uncertainties currently affecting our industry. Nevertheless, we are well prepared to serve our customers in the best possible way – and are determined to do so,"* **Dr Karsten Wildberger, CEO of CECONOMY.**

<sup>1</sup>Sales growth = Total sales growth adjusted for currency effects and portfolio changes

<sup>2</sup>Adjusted EBIT = EBIT excluding associates and non-recurring effects, and adjusted for portfolio changes

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## FY 2020/21 preliminary results

- **Sales<sup>1</sup>** increased by +3.8% (+4.1% on a like-for-like basis) thanks to strong customer demand for consumer electronics and successful campaigns; significant growth in online business partially offset by decline in brick & mortar sales due to significantly longer temporary store closures
- **Countries:** Italy, Spain and Turkey performed particularly well, more than making up for the challenges in Germany and the Netherlands, which suffered from long lockdowns and opening restrictions
- **Product categories:** Demand was especially high for gaming consoles, TVs and computer hardware as well as telco products and accessories, while the entertainment and photo category remained down on the prior year
- **Online sales** rose +64.9% to 6.9 €bn, demonstrating the success of our omnichannel strategy; online sales reached 32.5% of total sales (FY 2019/20: 20.2%); average basket value further increased from an already high level; strong uplift in conversion; pick-up ratio came in at 38%; around 8 million new webshop customers
- **Services & Solutions sales** declined by -2.4% due to temporary store closures and lower store traffic; against this trend, solid demand for extended warranties and Smartbar services as well as fast-growing online attachment rate; Services & Solutions sales share came in at 5.2% of total sales (FY 2019/20: 5.4%)
- **Adjusted EBIT** matched prior year's level (FY 2019/20: 236 €m), which is well within the guidance range of 210 €m to 250 €m; gross margin down, but fully offset by sales increase and ongoing cost savings

## Q4 2020/21 preliminary results

- **Sales<sup>1</sup>** remained high and declined only slightly by -1.0% (down -1.2% on a like-for-like basis) against the backdrop of prior year's high catch-up demand; sales increased strongly by +6.0% compared to pre-pandemic level of Q4 2018/19
- **Countries:** Lower sales in Germany and Spain, while Italy exceeded previous year; heterogenous development among other countries
- **Product categories:** Positive development in gaming consoles and telco products, offset mainly by white goods and computer hardware
- **Online sales** rose +24.7% to 1.1 €bn driven largely by an increased average basket; online sales share at 20.5% of total sales (Q4 2019/20: 16.1%); pick-up ratio above 40%
- **Services & Solutions sales** increased by +27.0%, amounting to 6.1% of total sales (Q4 2019/20: 4.7%); continuous recovery of Services & Solutions business following store

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reopening; online attachment rate grew particularly strongly, plus sound demand for extended warranties and Smartbar services

- **Adjusted EBIT** improved slightly compared to prior year (Q4 2019/20: 123 €m); gross margin stable, while sales decrease was more than made up for by operating cost savings

All figures reported herein are preliminary and unaudited. Full financial disclosure of the results for the 2020/21 financial year will be published on 14 December 2021 at 07:00 CET.

Financial ratios: Further background regarding the financial ratios referred to can be found on pages 28 to 30 of the annual report for the 2019/20 financial year published on the company's website:

[https://www.ceconomy.de/media/ceconomy\\_annual\\_report\\_2019\\_20.pdf](https://www.ceconomy.de/media/ceconomy_annual_report_2019_20.pdf)

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### APPENDIX

#### Preliminary sales development

	Sales (€m)		Change Q4 2020/21	Currency effects Q4 2020/21	Sales adjusted for currency and portfolio change effects	Like-for-like sales (local currency)
	Q4 2019/20	Q4 2020/21			Q4 2020/21	Q4 2020/21
<b>Total</b>	<b>5,271</b>	<b>5,168</b>	<b>-2.0%</b>	<b>-0.9%</b>	<b>-1.0%*</b>	<b>-1.2%</b>
DACH	3,024	2,924	-3.3%	0.0%	-3.3%*	-2.4%
Western/Southern Europe	1,680	1,664	-1.0%	0.0%	-1.0%	-3.3%
Eastern Europe	456	453	-0.6%	-12.2%	11.7%	12.3%
Others	111	127	14.2%	1.8%	12.4%	13.1%

\*Excluding a technical effect in Q4 2019/20 due to switch from agent to principal model for online sales of mobile phone and contract bundles in Germany. Underlying Group sales in Q4 2020/21 came in at -2.6% and underlying sales in DACH at -6.0%. FY 2020/21 sales growth unaffected

	Sales (€m)		Change FY 2020/21	Currency effects FY 2020/21	Sales adjusted for currency and portfolio change effects	Like-for-like sales (local currency)
	FY 2019/20	FY 2020/21			FY 2020/21	FY 2020/21
<b>Total</b>	<b>20,831</b>	<b>21,361</b>	<b>2.5%</b>	<b>-1.0%</b>	<b>3.8%</b>	<b>4.1%</b>
DACH	12,323	12,003	-2.6%	-0.2%	-2.4%	-1.5%
Western/Southern Europe	6,431	7,026	9.2%	0.0%	9.9%	9.1%
Eastern Europe	1,611	1,781	10.6%	-15.6%	26.2%	26.5%
Others	465	551	18.6%	4.5%	14.2%	14.5%

#### Online and Services & Solutions

	Sales (€m)		Change	in % of total sales	Sales (€m)		Change	in % of total sales
	Q4 2019/20	Q4 2020/21			FY 2019/20	FY 2020/21		
Online	850	1,060	24.7%*	20.5%	4,203	6,932	64.9%	32.5%
Services & Solutions	250	318	27.0%*	6.1%	1,129	1,102	-2.4%	5.2%

\*Excluding a technical effect in Q4 2019/20 due to switch from agent to principal model for online sales of mobile phone and contract bundles in Germany. Underlying Online sales in Q4 2020/21 came in at +13.2% and underlying Service & Solutions sales at +4.7%. FY 2020/21 sales growth unaffected

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### Store network

	30/06/2021	Openings/ additions Q4 2020/21	Closures/ disposals Q4 2020/21	30/09/2021	30/09/2020	Openings/ additions FY 2020/21	Closures/ disposals FY 2020/21	30/09/2021
Germany	416	0	-11	405	425	0	-20	405
Austria	53	0	-1	52	53	0	-1	52
Switzerland	25	0	0	25	25	0	0	25
Hungary	32	0	0	32	32	0	0	32
<b>DACH</b>	<b>526</b>	<b>0</b>	<b>-12</b>	<b>514</b>	<b>535</b>	<b>0</b>	<b>-21</b>	<b>514</b>
Belgium	27	0	-3	24	27	0	-3	24
Italy	117	3	-1	119	117	3	-1	119
Luxembourg	2	0	0	2	2	0	0	2
Netherlands	49	0	0	49	50	0	-1	49
Portugal	10	0	0	10	10	0	0	10
Spain	106	0	0	106	88	18	0	106
<b>Western/Southern Europe</b>	<b>311</b>	<b>3</b>	<b>-4</b>	<b>310</b>	<b>294</b>	<b>21</b>	<b>-5</b>	<b>310</b>
Poland	81	0	0	81	88	0	-7	81
Turkey	83	2	0	85	78	7	0	85
<b>Eastern Europe</b>	<b>164</b>	<b>2</b>	<b>0</b>	<b>166</b>	<b>166</b>	<b>7</b>	<b>-7</b>	<b>166</b>
Sweden	28	0	0	28	28	0	0	28
<b>Others</b>	<b>28</b>	<b>0</b>	<b>0</b>	<b>28</b>	<b>28</b>	<b>0</b>	<b>0</b>	<b>28</b>
<b>CECONOMY</b>	<b>1,029</b>	<b>5</b>	<b>-16</b>	<b>1,018</b>	<b>1,023</b>	<b>28</b>	<b>-33</b>	<b>1,018</b>

### Financial calendar

Q4/FY 2020/21 results	Tuesday	14 December 2021
Q1 2021/22 results	Monday	7 February 2022
Annual General Meeting	Wednesday	9 February 2022
Q2/H1 2021/22 results	Friday	13 May 2022
Q3/9M 2021/22 results	Thursday	11 August 2022
Q4/FY 2021/22 trading statement	Wednesday	26 October 2022
Q4/FY 2021/22 results	Thursday	15 December 2022

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**Contact**

CECONOMY AG  
Kaistr. 3  
40221 Düsseldorf, Germany

**Investor Relations**

Telephone +49 (0) 211-5408-7222  
Email [IR@ceconomy.de](mailto:IR@ceconomy.de)  
Website <https://www.ceconomy.de/en/investor-relations/>

**Communications, Public Policy & Sustainability**

Telephone +49 (0)151 5822-4202  
Email [presse@ceconomy.de](mailto:presse@ceconomy.de)  
Website <https://www.ceconomy.de/en/press/>

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