

## FACT SHEET Q4 & FY 2016/17

### Q4 2016/17: CECONOMY delivered strong sales and solid earnings improvement

- // **Total sales** were up +4.6%, supported by a favourable comparison base, new product launches in the mobile phone and entertainment segments and investments to strengthen our position in selected markets
- // **Online** sales grew by +21% (+39% excl. pure player); pick-up rate slightly higher at around 44%
- // **Services & Solutions** sales increased +16% yoy, largely driven by mobile and financing services
- // **German MediaMarkt Club** now counting around 3.2m members in September vs. 2.8m in June; Saturn Card in Germany with more than 600k members after 4 months; all customer programmes counted more than 14.5m members in total internationally
- // Selective **store expansion** continued with 13 openings and 1 closure; average store size further reduced by -3.4% in the past 12 months to now 2,811sqm
- // **EBITDA** before special items increased by €+14m yoy to €302m, supported by a substantial improvement in the gross margin of 0.8%p. to 22.6%
- // Considerable earnings uplift in Germany supported by additional later income; particularly positive performance also in the Netherlands and a stabilisation in Russia, but lower earnings in Italy
- // **EBIT** before special items improved €+37m yoy to €244m as **D&A** declined due to c. €20m higher unscheduled write-downs in the previous year
- // **EBITDA special items** of €71m were broadly flat vs. prior year in Q4 2016/17

### FY 2016/17: CECONOMY reached all targets in a transitional year

- // **Total sales** increased by +1.3% to €22.2bn (FY 2015/16: €21.9bn) with like-for-like sales up +1.9%
- // **Online** was the key growth driver; online sales rose by +23% yoy (+40% excl. pure player) and now represent 10.9% of total sales vs. 8.9% last year

- // **Services & Solutions** sales were up +6% yoy, accounting for 6.2% of total sales vs. 6.0% one year ago
- // Rising operational **EBITDA** before special items offset by planned lower pension income and additional expenses for the formation of a listed holding company, leading to an EBITDA reduction of €-15m yoy to €704m
- // **EBIT** before special items increased by €+6m to €471m or €+10m before FX-effects as **D&A** declined due to c. €20m higher unscheduled write-downs in the previous year
- // **EBITDA special items** amounted to €107m (€+7m yoy), primarily due to restructuring efforts in Russia, the completed restructuring of redcoon and charges for the Group-wide restructuring and efficiency improvement programme
- // **EPS** before special items improved considerably by €+0.11 to €0.58, helped by a substantial improvement in the tax rate from 48.8% to 44.1%
- // **Dividend** proposal of €0.26 per ordinary share, equivalent to a pay-out ratio before special items of 45%
- // **Net Working Capital** improved by €52m year-on-year; strong rise in payables, which more than compensated for higher inventories and higher receivables
- // **CAPEX** (excl. acquisition of Fnac Darty stake) decreased by €-79m to €319m, mainly due to absence of previous year's investments in Digital Shelf Labels
- // As a result, **underlying Free Cash Flow** (FCF) improved by around €420m; **reported FCF** negatively impacted by loans repayment in the previous year and the acquisition of our Fnac Darty stake, but positively impacted by higher tax refund

## Outlook FY 2017/18

The outlook is adjusted for currency effects and portfolio changes.

€m	FY 2016/17 <sup>1</sup>	FY 2017/18
<b>Total sales</b>	22,155	Slight increase <sup>2</sup>
<b>EBITDA (excl. Fnac Darty)</b>	704	At least mid-single digit % growth
<b>EBIT (excl. Fnac Darty)</b>	471	At least mid-single digit % growth
<b>Fnac Darty profit share (consensus)</b>	n.a.	Low to mid double-digit €m amount

<sup>1</sup> EBITDA & EBIT in FY 2016/17 before special items. EBITDA & EBIT in FY 2017/18 as reported.

<sup>2</sup> Correspondingly, a slight improvement in NWC compared with the previous year is expected.

## Income statement Q4/FY 2016/17

EURm	Before special items <sup>1)</sup>		Before special items <sup>1)</sup>	
	Q4 2015/16	Q4 2016/17	FY 2015/16	FY 2016/17
<b>Sales</b>	<b>5,032</b>	<b>5,264</b>	<b>21,870</b>	<b>22,155</b>
<i>Sales yoy change (%)</i>	-1.0%	4.6%	0.6%	1.3%
DACH	2,768	2,968	12,358	12,662
Western & Southern Europe	1,541	1,639	6,609	6,714
Eastern Europe	532	517	2,181	2,226
Others <sup>4)</sup>	191	141	722	553
<b>Gross profit</b>	<b>1,096</b>	<b>1,190</b>	<b>4,472</b>	<b>4,561</b>
<i>Gross margin (%)</i>	21.8%	22.6%	20.4%	20.6%
<b>EBITDA <sup>2)</sup></b>	<b>288</b>	<b>302</b>	<b>719</b>	<b>704</b>
<i>EBITDA margin <sup>3)</sup> (%)</i>	5.7%	5.7%	3.3%	3.2%
DACH	173	201	493	539
Western & Southern Europe	90	76	230	169
Eastern Europe	-2	15	9	34
Others <sup>4)</sup>	27	9	-12	-38
<b>EBIT <sup>2)</sup></b>	<b>207</b>	<b>244</b>	<b>466</b>	<b>471</b>
<i>EBIT margin <sup>3)</sup> (%)</i>	4.1%	4.6%	2.1%	2.1%
DACH	127	169	359	421
Western & Southern Europe	72	57	158	91
Eastern Europe	-21	9	-35	3
Others <sup>4)</sup>	28	8	-16	-44
<b>Net financial result</b>	<b>-10</b>	<b>-14</b>	<b>-22</b>	<b>-26</b>
<b>Earnings before taxes</b>	<b>197</b>	<b>229</b>	<b>444</b>	<b>446</b>
Income taxes	-109	-84	-217	-197
Tax rate (%)	55.3%	36.5%	48.8%	44.1%
<b>Profit or loss for the period</b>	<b>88</b>	<b>146</b>	<b>227</b>	<b>249</b>
attributable to non-controlling interest	36	27	75	60
attributable to shareholders of CECONOMY AG	52	119	152	189
<b>EPS (in Euro)</b>	<b>0.16</b>	<b>0.36</b>	<b>0.47</b>	<b>0.58</b>

<sup>1)</sup> All figures before special items with the exception of sales and gross profit.

<sup>2)</sup> See for this alternative performance indicator CECONOMY's Annual Report 2016/17, pages 49-52.

<sup>3)</sup> Ratio EBIT or EBITDA to total sales.

<sup>4)</sup> Including consolidation and discontinued country operations.

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