

General Meeting CECONOMY AG

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Duesseldorf, 13 February 2019



Agenda

- 01 | **Financial Year 2017/18**
- 02 | **Strategy and Status of the Transformation**
- 03 | **Outlook Financial Year 2018/19**
- 04 | **Performance Q1 2018/19**
- 05 | **Summary**

01

Financial Year 2017/18

Slight sales growth – profitability significantly below previous year

Total sales

21,418 €m

+0.2%

EBITDA

630 €m

-11.8%

EBIT

399 €m

-19.3%

Note: Business figures represent the continuing operations of CECONOMY, i.e. excl. the Russian MediaMarkt business. Sales growth adjusted for exchange rate effects and before portfolio changes. EBIT/DA excl. earnings contribution Fnac Darty. EBIT/DA previous year basis before special items.

Operational business far below expectations

**Low to mid
single-digit
% growth**

Earnings forecast FY 2017/18¹

- **Poor planning of Black Friday sales period November 2017 and afterwards**
- **Low sales due to long and hot summer 2018**
- **Lower than expected operating earnings contributions**
- **Slow implementation of strategic initiatives**



**EBIT 399 €m
–19.3% vs. PY**

Earnings FY 2017/18

Note: Business figures represent the continuing operations of CECONOMY, i.e. excl. the Russian MediaMarkt business. EBIT excl. earnings contribution Fnac Darty. EBIT/DA previous year basis before special items. ¹Before revised guidance per Sept. 18, 2018.


Earnings per share (EPS) additionally under pressure due to impairment of METRO AG stake

Financial result

-198 €m

EPS

0.07 €

- 
- Impairment of METRO AG stake by 268 €m
 - No basis for the payment of a dividend for FY 17/18

Note: Business figures represent the continuing operations of CECONOMY, i.e. excl. the Russian MediaMarkt business.

Further strong development of online sales

Online Sales

2,593 €m

+12.7%

in % of total sales

12.1 %

+1.5%p.

Note: Business figures represent the continuing operations of CECONOMY, i.e. excl. the Russian MediaMarkt business.

Continuous growth of Services & Solutions business

**Services &
Solutions sales**

1,478 €m

+10.0%

in % of total sales

6.9%

+0.7%p.


Note: Business figures represent the continuing operations of CEECONOMY, i.e. excl. the Russian MediaMarkt business.


Total sales grew in all regions except for DACH

	Sales (in €m)	Change ¹
DACH	12,410	-1.6%
Western & Southern Europe	6,777	+1.3%
Eastern Europe	1,689	+9.7%
Other	542	+2.4%

Note: Business figures represent the continuing operations of CECONOMY, i.e. excl. the Russian MediaMarkt business. Sales figures for Italy for 16/17 and 17/18 were restated to present revenues related to extended warranties on a net basis. ¹ Before exchange rate effects and before portfolio changes.

We made substantial operational and structural progress

- 
- Implementation of strategic initiatives below expectations
 - No strategic solution in Sweden

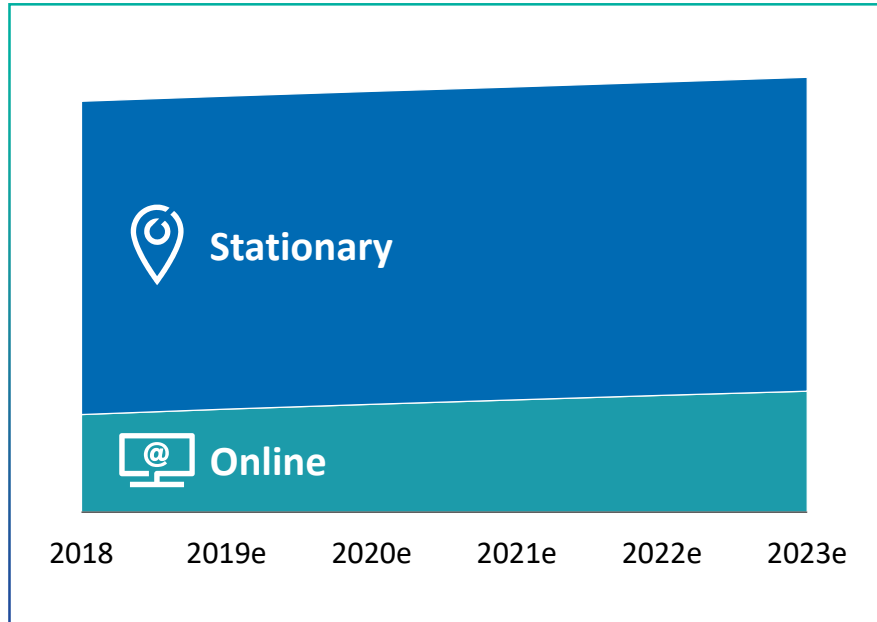
- 
- Exit from loss-making Russian business
 - Closed sale of 3.6 % stake in METRO AG
 - Secured option for further sale of 5.4 % stake in METRO AG
 - Balance sheet strengthened by capital increase
 - Constructive relationship with minority shareholder at MSH level

02

Strategy and
Status of the Transformation

Online drives the development in the Consumer Electronics market

Market development of Consumer Electronics in countries where CECONOMY is active



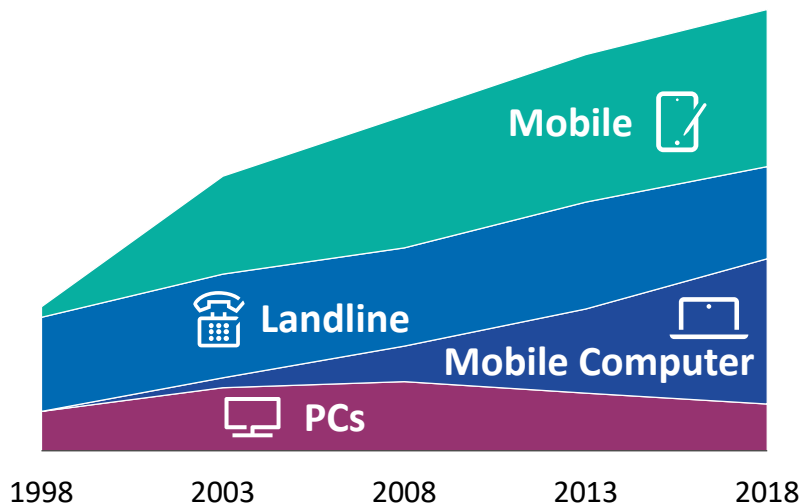
- Market for Consumer Electronics to grow approx. 1 % p.a. until 2023
- Online growth at approx. 4 % p.a.
- Stationary sales slightly declining, but still substantial part of the market

Full market coverage requires both – stationary and online presence

Note: Indicative illustration

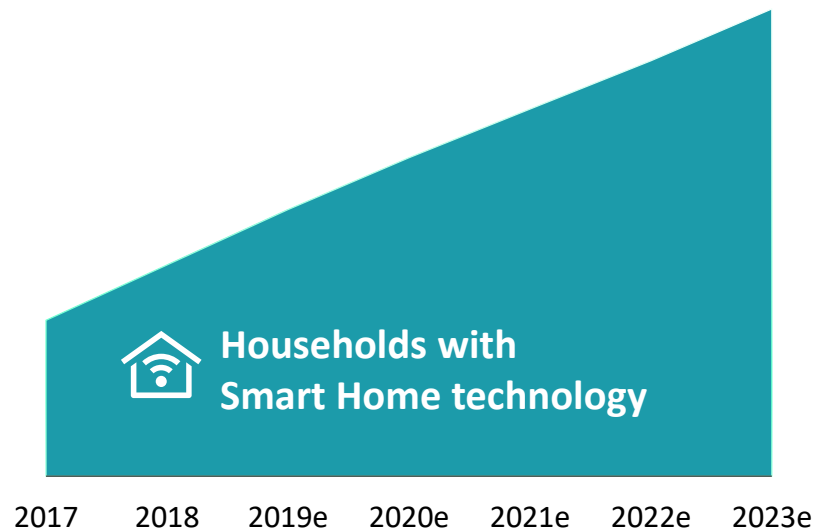
The complexity of new technologies increases the need for services and advice

Equipment of private households with information and communication technology – development



Source: destatis

Number of German households with Smart Home technology – expected development



Note: Indicative illustration

Full focus on the implementation and acceleration of our strategic initiatives



**DIGITAL
GROWTH**

ONGOING



**SERVICES &
SOLUTIONS**

ONGOING



**CATEGORY &
SUPPLY CHAIN
MANAGEMENT**

**GRADUAL
PROGRESS**



**ORGANIZATION
& COST
STRUCTURE**

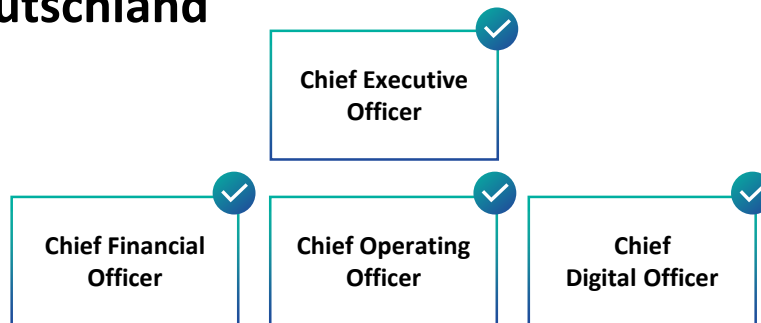
SHORT TERM

New leadership team implemented

MediaMarktSaturn Retail Group

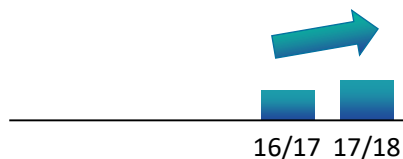


MediaMarktSaturn Deutschland

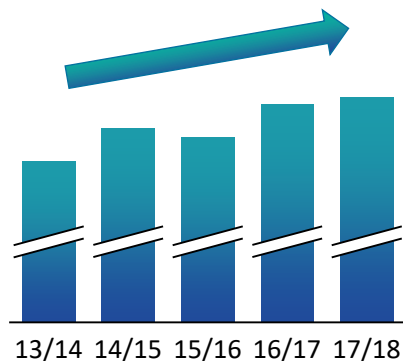


Cost analysis of selected CECONOMY entities

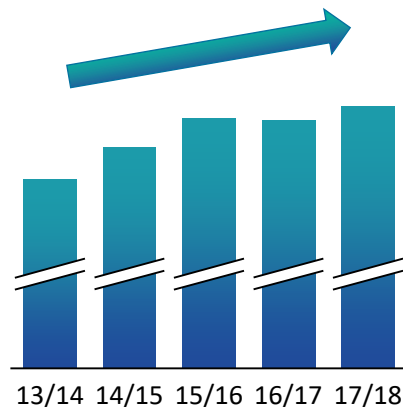
CECONOMY HQ
(in €m)



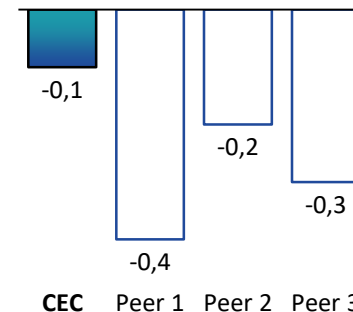
MMSRG HQ
(in €m)



MMS Germany
(in €m)

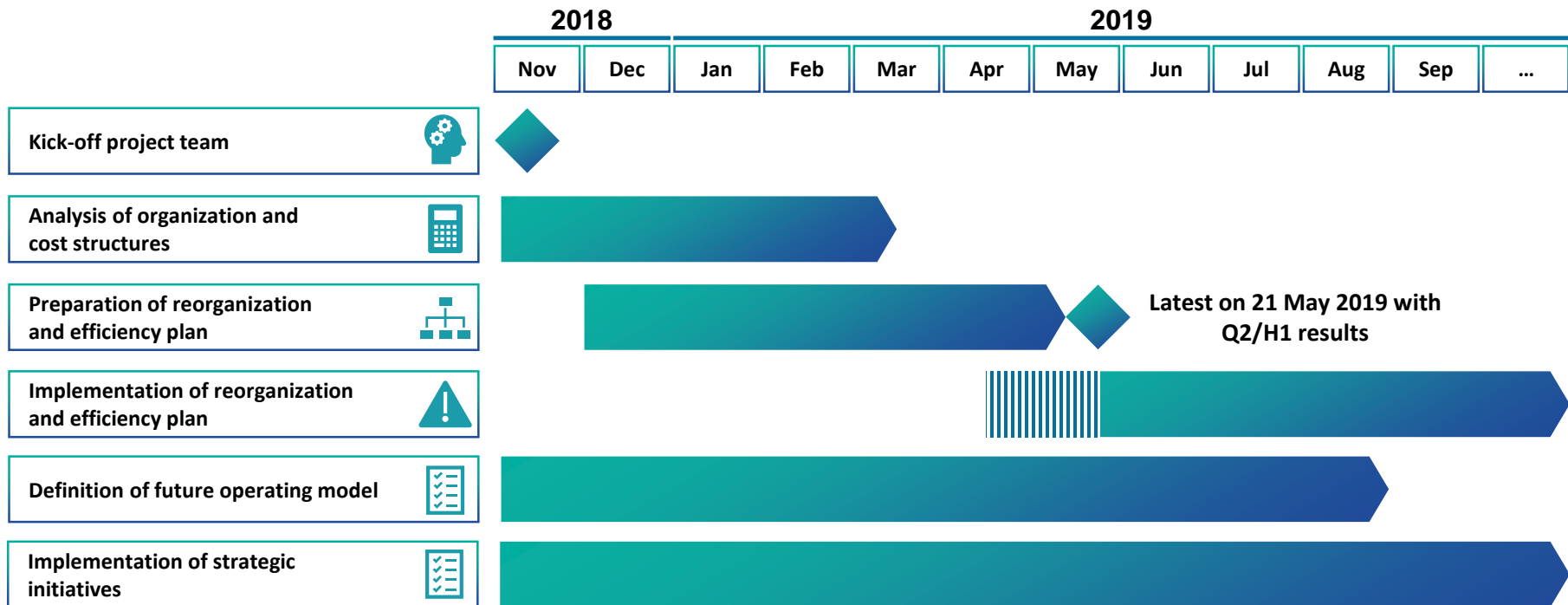


SG&A to Sales Ratio
(Δ Last fiscal year vs. prior year in %p.)



Our cost structures need to be improved!

We have initiated a program to reorganize and optimize our structures



03

Outlook Financial Year 2018/19

Outlook

€m	<u>FJ 2017/18</u>	<u>FJ 2018/19</u>
Total sales	21,418	▲ Slight increase
EBITDA (excl. Fnac Darty)	630	▼ Slight decline
EBIT (excl. Fnac Darty)	399	▼ Slight decline
Fnac Darty profit share (consensus)	21	Mid double-digit €m amount
Net Working Capital (NWC)	21	Moderate decline

Note: Adjusted for exchange rate effects and before portfolio changes. Still to be specified expenses in connection with the restructuring and optimization of structures and business processes at administrative and central units are not included. Expenses for already announced management changes in top management are also not included.

04

Performance Q1 2018/19

Increased sales, stabilized earnings

Total sales

6,879 €m

+2.8%

EBITDA

326 €m

+5.7%

EBIT

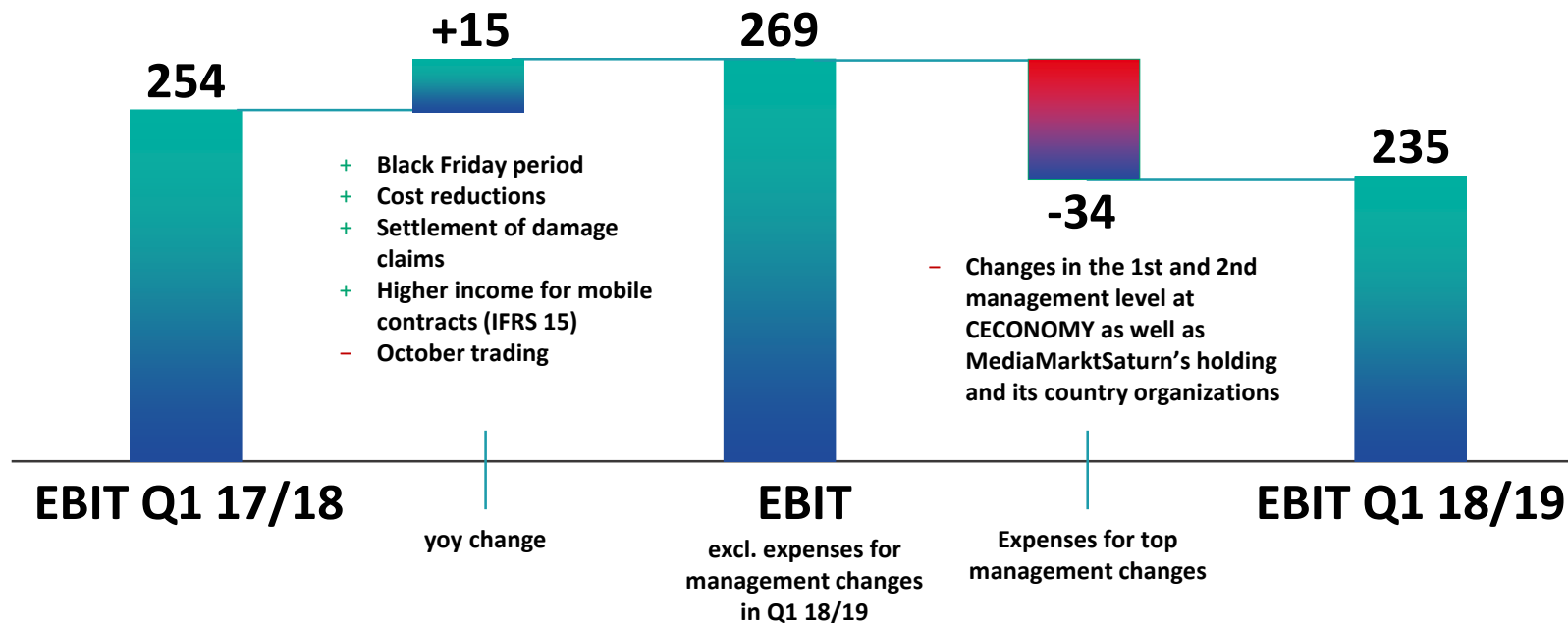
269 €m

+5.9%

Note: Sales adjusted for exchange rate effects and before portfolio changes. EBIT/DA excl. earnings contribution Fnac Darty and excl. expenses for management changes at CECONOMY and MediaMarktSaturn.

About half of the earnings increase is due to operational improvements

EBIT excl. Fnac Darty (€m)



05

Summary

2018/19: Year of transition – the transformation has already begun

1

Our company has great potential, which has not yet been fully leveraged.

2

We stabilized our earnings, especially in Germany.

3

The personnel changes in the top management haven been almost fully implemented.

4

The implementation of the strategic initiatives is being accelerated.

CECONOMY

We empower life in the digital world