

PRESS RELEASE

CECONOMY AG achieves targets in the financial year 2016/17 and plans further growth

- // Sales in FY 2016/17 increased by 1.3% year-on-year to €22.2 billion, mainly driven by growth in online/mobile and services business
- // EBIT before special items increased by around €6 million to €471 million
- // Dividend proposal of €0.26 per ordinary share
- // Clear growth targets for sales, EBITDA and EBIT in FY 2017/18
- // CEO Pieter Haas: “CECONOMY is by far the number one in the European CE industry and has further expanded this position in the past year. We are ready for the future and in an excellent position to take advantage of the opportunities presented by the fundamental transformation of the CE industry.”

Duesseldorf, 19 December 2017 - CECONOMY AG has achieved its targets in the financial year 2016/17 (as of 30 September 2017) and plans further growth. In the financial year 2017/18, CECONOMY expects a slight increase in total sales and increases in EBITDA and EBIT in at least the mid-single-digit percent range. The Company also made good progress with the implementation of the strategic agenda. This enabled CECONOMY to further strengthen its position as the leading consumer electronics platform in Europe in its first year of independence. In view of the good performance, CECONOMY intends to propose a dividend of €0.26 per ordinary share to the Annual General Meeting, which corresponds to a pay-out ratio of 45% of the Earnings per Share.

“We keep to our promises and will deliver what we have announced,” said Pieter Haas, CEO of CECONOMY AG. “Our approach to intelligently link all channels – i.e. online, mobile, in-store and home – is and remains the right response to the changes in customer behaviour and the retail industry. This includes our focus on services, and thus on offering solutions rather than just products. CECONOMY is by far the number one in the European CE industry and has further

PRESS RELEASE

expanded this position in the past year. We are ready for the future and in an excellent position to take advantage of the opportunities presented by the fundamental transformation of the CE industry.”

Total sales and like-for-like sales increased

In the 2016/17 financial year, CECONOMY increased its **total sales** by 1.3% to €22.2 billion (previous year: €21.9 billion). Like-for-like sales even increased by 1.9%. CECONOMY recorded particularly strong growth in Germany, Spain and Turkey. The Company's online sales increased 23% year-on-year (plus 40% excluding pure player, especially redcoon). **Online/mobile** thus already accounted for 10.9% of sales in the past financial year.

Sales in **Services & Solutions** also continued to develop positively. At €1.4 billion in the financial year, they were around 6% higher than the previous year's figure and thus at 6.2% of total sales. This was supported by the expansion of “SmartBars”, which now offer repair and other services in 642 stores. Mobile and financing services also posted strong growth. In the fourth quarter of 2016/17, CECONOMY achieved an increase of 4.6% in total sales to €5.3 billion.

Development of Group sales¹

EURm	Q4 2015/16	Q4 2016/17	FY 2015/16	FY 2016/17
Total sales	5,032	5,264	21,870	22,155
<i>Change in % year-on-year</i>	<i>-1.0%</i>	<i>4.6%</i>	<i>0.6%</i>	<i>1.3%</i>
Online sales (as % of total sales)	9.3%	10.7%	8.9%	10.9%
Services & Solutions sales (as % of total sales)	6.8%	7.5%	6.0%	6.2%

¹ All figures exclusively from continuing operations, i.e. CECONOMY.

Growth in all regions

Driven by the positive development in Germany, sales increased by 2.5% in the “**DACH**” region to €12.7 billion in the 2016/17 financial year.

In **Western & Southern Europe**, revenues increased by 1.6% to €6.7 billion. Spain and the Netherlands were the main contributors to this increase. In Italy, the decline in sales of the first nine months was stopped and even reversed in the fourth quarter.

PRESS RELEASE

Eastern Europe posted an increase in sales of 2.0% to €2.2 billion. Demand for consumer electronics remains strong in Turkey. Among other things, the continuous optimisation of the assortment and pricing strategy has significantly improved the Company's market share, which also more than compensated for the continuing decline in performance in Russia.

Development of Group sales by region¹

EURm	Q4 2015/16	Q4 2016/17	FY 2015/16	FY 2016/17
Sales	5,032	5,264	21,870	22,155
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	191	141	722	553

¹ All figures exclusively from continuing operations, i.e. CECONOMY.

EBIT* slightly above previous year, as planned

Operationally, CECONOMY was able to significantly improve its profitability. This was mainly due to the 0.2 percentage point increase in gross margin to 20.6%. Earnings were adversely affected by additional expenses for the formation of CECONOMY Holding. Additionally, the previous year's earnings also included higher income from the redemption of pension obligations. Against this background **EBITDA** fell slightly to €704 million (previous year: €719 million). At the same time, unscheduled write-downs were €20 million lower than in the prior-year comparable period. At €471 million, **EBIT** was slightly above the previous year's level of €466 million, as expected. In particular due to the lower tax rate, **earnings per share** made a significant increase of €0.11 to €0.58. **Net working capital** improved by €52 million.

CECONOMY once again significantly increased its profitability in the fourth quarter of the financial year. EBIT increased by around €37 million to €244 million. In addition to an increased gross margin, this was due in part to the significantly improved earnings situation in Germany and good performance in Eastern Europe. The Netherlands also made progress in terms of profitability in the fourth quarter thanks to sales and margin improvements.

* All information on EBITDA, EBIT and earnings per share (EPS) in the 2016/17 financial year before special items; gross margin and gross profit as reported.

PRESS RELEASE

Earnings development in the Group^{1,2}

	Before special items		Before special items	
EURm	Q4 2015/16	Q4 2016/17	FY 2015/16	FY 2016/17
Gross profit	1,096	1,190	4,472	4,561
<i>Gross margin (%)</i>	<i>21.8%</i>	<i>22.6%</i>	<i>20.4%</i>	<i>20.6%</i>
EBITDA	288	302	719	704
<i>EBITDA margin (%)</i>	<i>5.7%</i>	<i>5.7%</i>	<i>3.3%</i>	<i>3.2%</i>
EBIT	207	244	466	471
<i>EBIT margin (%)</i>	<i>4.1%</i>	<i>4.6%</i>	<i>2.1%</i>	<i>2.1%</i>
EPS (in Euro)	0.16	0.36	0.47	0.58

¹ All figures exclusively from continuing operations, i.e. CECONOMY. ² All figures before special items except gross profit.

Implementation of strategic agenda fully on track

During the past financial year, CECONOMY has implemented its strategy based on defined **value drivers**: “Our aim is to make our customers’ lives in the digital world as easy and enjoyable as possible. As we provide solutions rather than just products, we are a partner and daily companion for our customers,” said CEO Pieter Haas.

The success of the multichannel approach, i.e. the correct and seamless integration of **online, mobile, in-store** and **home** channels, shows, among other things, the attractiveness of the pick-up option. Virtually half of all customers collect goods they have ordered online in-store. At the end of September, the number of articles available online was around 350,000 and had thus once again increased significantly (previous year: around 280,000).

CECONOMY has already integrated Deutsche Technikberatung's services into more than 200 German stores in the past financial year, thereby making further progress in the expansion of its services (**Services & Solutions**). The Company pressed ahead with similar concepts in many other markets, such as the Netherlands, Spain and Belgium.

Another key element of CECONOMY's strategy is to expand its two customer programmes, MediaMarkt Club and Saturn Card (**Customer Relationship Management**). In Germany alone, the MediaMarkt Club increased its membership by around 2.0 million within twelve months, reaching a total of 3.2 million members on 30 September 2017. The recently introduced Saturn Card already had around 600,000 members as of the end of the financial year. Across Europe,

PRESS RELEASE

CECONOMY had over 14.5 million members in its customer programmes as of the end of the reporting period.

As of the end of the financial year, the number of stores was 1,053. As part of the “**selective expansion**” strategy module, ten stores were closed and 40 opened. Nine of these are innovative shop-in-shop concepts with strategic partners such as Tesco or METRO Cash & Carry. For the financial year 2017/18, CECONOMY is planning to add a low to mid double-digit number of stores to its portfolio (excluding Shop-in-Shop formats and adjusted for closures).

The optimisation of the **portfolio** has also been systematically continued. The measures which have been introduced are increasingly bearing fruit. For example, Turkey has achieved a turnaround at the operating level (EBIT) in 2016/17. The restructuring of the online pure player redcoon has also been successfully completed.

Further increase in sales and earnings planned in 2017/18

CECONOMY will continue to implement its strategic goals as planned in the new financial year 2017/18. Among other things, the customer experience when shopping in-store, online, on a smartphone and at home are to be further optimised and the customer programmes are expected to attract more than two million new members by the end of the year. “SmartBars” and “@home Services” will be further rolled out. CECONOMY is also working in a disciplined way on the sustainable improvement of profitability in Russia and Sweden.

“Despite the good performance in the past financial year, we are actively tackling our challenges and continue positioning ourselves for a successful future,” said Mark Frese, CFO of CECONOMY AG. “We have set ourselves ambitious goals once again for the current financial year 2017/18 and we will do our utmost to achieve them in a challenging market environment.”

CECONOMY expects a slight year-on-year increase in total sales for the financial year 2017/18. Western & Southern Europe region in particular will contribute to this. Correspondingly, the Company expects a slight improvement in net working capital. Both in terms of EBITDA and EBIT, CECONOMY expects an increase at least in the mid-single-digit percentage range, not taking into account the earnings contributions from the investment in Fnac Darty S.A. The Western & Southern Europe region in particular will contribute to this.

PRESS RELEASE

The respective comparative figures for financial year 2016/17 have been adjusted for special items. The forecast has also been currency-adjusted and is shown before portfolio changes. In addition, EBITDA and EBIT for 2017/18 include our share of the profit or loss for the period for Fnac Darty S.A.

About CECONOMY

CECONOMY AG is the leading platform for companies, concepts and brands in the field of consumer electronics in Europe. The market position of CECONOMY is based above all on the strong brands MediaMarkt and Saturn. With more than two billion contacts per year, the CECONOMY companies are to provide consumers with orientation and solutions, thus allowing consumers to make optimum use of the possibilities of innovative technologies. To this end, CECONOMY intends to develop new concepts and business models that provide decisive added value for consumers and tap new economic success potential for the Company and its shareholders.

Webcast of the annual results press conference

CECONOMY AG will host its annual results press conference on **19 December 2017** from **11.00 a.m. – c. 12.30 a.m. CET**. A webcast of the conference will also be available at <https://www.ceconomy.de/en/press/>.

Further information and an online version of the annual report can be found at <https://www.ceconomy.de/en/>.

Press contacts

Andrea Koepfer
+49 (151) 1511 5314

andrea.koepfer@ceconomy.de

Simone Fuchs
+49 (151) 1511 4790

simone.fuchs@ceconomy.de