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**CECONOMY AG with good third quarter**

- // Q3 2016/17 sales up 1.1% year on year to €4.74 billion; online sales boosted to 10.6% of total sales
- // EBITDA improved by €22 million to €–4 million due to strong online business, tight cost control and focused marketing spend
- // CEO Pieter Haas: “We are focused on online and service. Our goals are profitable growth and operational excellence.”

**Duesseldorf, 31 August 2017** – In the third quarter of the financial year 2016/17 CECONOMY AG strengthened its position as Europe’s leading consumer electronics platform, and reaffirmed that it is well positioned for further growth as an independent company. The Company continued to benefit from its multichannel business model as well as its continuous focus on online and service as key value drivers. Robust growth in the online business, increased service sales and tight cost control combined with focused marketing spend contributed materially to the marked improvement in CECONOMY’s earnings development against the first half-year. With the acquisition of a minority stake in French market leader Fnac Darty CECONOMY additionally stands to gain from growth in another major European market from which it was previously absent.

**Development auf Group Sales**

EURm	Q3 2015/16	Q3 2016/17	9M 2015/16	9M 2016/17
Sales	4,689	4,739	16,838	16,891
% Sales year-on-year change	n/a	1.1%	n/a	0.3%
Online sales (% of total sales)	9.3%	10.6%	8.8%	10.9%
Services & Solutions sales (% of total sales)	6.4%	6.5%	5.7%	5.8%

Note: All figures from continuing operations only; n/a: not available

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**Sales** increased in the third quarter compared with the same period of the previous year by 1.1% to €4.74 billion (previous year: €4.69 billion). This was notably an outcome of strong growth in online sales (by 33% at MediaMarktSaturn and 16% across the Group to €504 million or 10.6% of total sales). The pick-up rate remained high at 41%. This development confirms the sustained positive customer response to the close integration of online platforms with digitally enhanced stores.

### Development of Group earnings

EURm	before special items <sup>1</sup>		before special items <sup>1</sup>	
	Q3 2015/16	Q3 2016/17	9M 2015/16	9M 2016/17
Gross profit	916	959	3,376	3,371
Gross margin	19.5%	20.2%	20.0%	20.0%
EBITDA <sup>2</sup>	-26	-4	431	402
EBITDA margin <sup>3</sup> (%)	-0.5%	-0.1%	2.6%	2.4%
EBIT	-83	-61	259	228
EBIT margin (%)	-1.8%	-1.3%	1.5%	1.3%
Net working capital	-123	-150	-266	-66

Note: All figures from continuing operations only

<sup>1</sup> All figures before special items except for sales and gross profit

<sup>2</sup> For further information on this alternative performance indicator, see the METRO GROUP 2015/16 Annual Report, pages 54–55.

<sup>3</sup> Ratio of EBIT/EBITDA to total sales

**EBITDA before special items** was €–4 million, compared with €–26 million in the previous year (an improvement of €22 million). **EBIT before special items** likewise increased, from €–83 million in the previous year to €–61 million. Strong online sales and a 0.7 percentage point rise in the gross margin also enabled CECONOMY to improve profitability in the third quarter. This was additionally helped by tight cost control and focused marketing spend. Over the nine-month period, CECONOMY generated sales of €16.89 billion (previous year: €16.84 billion) and an EBITDA of €402 million (previous year: €431 million). Net working capital outflow in the first nine months was €200 million lower.

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“Multichannel is increasingly proving the model of the future and we are very well positioned in this area. This confirms our place as Europe’s largest and leading consumer electronics platform. We are also focusing on online and service. Our goals are profitable growth and operational excellence,” said Pieter Haas, CEO of CECONOMY AG. “The acquisition of the stake in Fnac Darty additionally underlines our ambition to actively participate in the European market consolidation.”

On 26 July 2017, CECONOMY signed an agreement to acquire from Artémis approximately 24.33% of the outstanding shares in Fnac Darty as of 30 June 2017. The transaction was closed on 24 August 2017. CECONOMY thus also gained exposure to the attractive French Market.

**Clear focus on online sales and services, customer retention and selective expansion**

Alongside the online business, **Services & Solutions** also performed positively. Third-quarter sales, at €306 million, were 2% higher than in the previous year (€299 million), accounting for 6.5% of total sales at MediaMarktSaturn. A key driver here is the roll-out of “smart bars” for service and repairs at some 565 stores.

In **customer relationship management**, MediaMarkt Club Germany likewise continued its strong growth, with 2.8 million members at the end of June 2017. MediaMarkt Club’s total membership is over 13 million. The Saturn Card rolled out across Germany in late May had already attracted some 200,000 additional members by the end of June.

Continuing the company’s **selective expansion** policy in the third quarter, a total of seven new stores opened in Belgium, Spain, Turkey and Greece. The average store size was reduced by 2.3% relative to September 2016 as a result of rightsizing and the opening of smaller store formats.

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**CECONOMY also grows internationally**

Sales in Germany increased by 1.3% to €2.25 billion. The main sales drivers here were white goods and mobile sales. These were supplemented by stronger sales in the TV receivers business due to the switch from analogue to digital cable television.

## Development of Group sales by segment

€ million	Q3 2015/16	Q3 2016/17	9M 2015/16	9M 2016/17
<b>Sales</b>	4,689	4,739	16,838	16,891
% Sales year-on-year change	n/a	1.1%	n/a	0.3%
DACH	2,635	2,690	9,591	9,694
Western and Southern Europe	1,426	1,445	5,068	5,075
Eastern Europe	470	491	1,649	1,709
Other <sup>1</sup>	158	114	531	412

Note: All figures from continuing operations only; n/a: not available

<sup>1</sup> Including discontinued country operations; for EBITDA/EBIT, "other" comprises the headquarters of CECONOMY AG and discontinued country operations

Notably due to the good performance in Germany, there was an increase in the **DACH** region both in terms of sales (by 2.1% to €2.69 billion, versus €2.64 billion in the previous year) and in EBITDA (€26 million, versus €2 million in the previous year).

Sales performance in the **Western and Southern Europe** region was slightly positive (up 1.4% to €1.45 billion; year-on-year: €1.43 billion). EBITDA in the region was €6 million down on the previous year, at €-9 million. In Spain, marked gains in sales and earnings were driven by expansion of the services business, effective marketing campaigns and efficient cost management. Business in Italy and Switzerland suffered as a result of decreasing store traffic. In Italy, where competition remains intense, the lower sales were also reflected in earnings.

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Sales in **Eastern Europe** went up by 4.3% in the third quarter to €491 million (previous year: €470 million). In Turkey, sales once again rose substantially on the back of strong demand for consumer electronics and the improved category management. This more than compensated the decline in Russia. EBITDA in the region improved slightly compared with the prior-year period by €1 million to €–6 million.

### **Outlook: full-year targets confirmed**

“Overall, based on the first nine months of the financial year, we expect that the favourable trend will continue and we will thus attain the targets we set for the full year,” said Mark Frese, CFO of CECONOMY AG.

CECONOMY expects a slight increase in total sales for financial year 2016/17. The Company expects also like-for-like sales to trend slightly higher again. CECONOMY expects EBIT before special items to increase slightly compared with the figure of €466 million for financial year 2015/16. Investments are to amount to around €300–350 million.

### **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 which provide consumers with vital added value and which tap the potential for the economic success of the Company and its shareholders.

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