

Research Update:

Consumer Electronics Retailer Ceconomy On CreditWatch Positive On Announced Acquisition By JD.com

August 6, 2025

Rating Action Overview

- Ceconomy and JD.com (A-/Positive/--) announced on July 30 that they have entered into an investment agreement whereby JD.com will launch a voluntary takeover offer for Ceconomy, for which it has secured irrevocable commitments for 31.7% of shares.
- Convergenta, Ceconomy's largest shareholder, is expected to retain a 25.4% stake and enter a shareholder agreement with JD.com to combine their voting rights, together exercising control with at least 57.1% votes so that Ceconomy will be part of a group headed by a higher-rated entity.
- We therefore placed our 'BB-' long-term issuer and issue credit ratings on Ceconomy and its debt on CreditWatch with positive implications.
- The positive CreditWatch reflects our view that the transaction is expected to enhance Ceconomy's creditworthiness, given the acquisition by a higher-rated entity, and that we may raise the rating on Ceconomy.

Rating Action Rationale

JD.com will have at least 57.1% of voting rights through its shareholder agreement with Convergenta, allowing JD.com to exercise control over Ceconomy after the takeover is complete. On July 30, 2025, JD.com and Ceconomy announced an investment agreement that outlines the proposed voluntary takeover offer for Ceconomy and cooperation after the completion of the offer. As part of the voluntary takeover offer, JD.com has entered into irrevocable agreements to acquire 31.7% of shares from Ceconomy's anchor shareholders, including Haniel, Beisheim, and Freenet, and an additional 3.8% from Convergenta. Notwithstanding the outcome of the public offer, once it is closed, JD.com is likely to take control over Ceconomy through its shareholder agreement with the current largest shareholder, Convergenta, which is expected to retain a 25.4% stake after the transaction.

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If the higher-rated JD.com group completes the takeover and takes control over Ceconomy, and depending on our assessment of Ceconomy's status within the group, we could raise the ratings on Ceconomy and its debt. With at least 57.1% of combined voting rights and the expectation that the JD.com group will take control, on completion of the takeover, as per our group rating methodology, our ratings on Ceconomy will reflect the influence of the higher-rated JD.com, and potential for extraordinary support from the new controlling shareholder. As part of the analysis, we will assess the future relationship between Ceconomy and JD.com, including the impact of funding the takeover at the acquisition vehicle, JINGDONG Holding Germany GmbH.

We expect to resolve the CreditWatch placement in the first half of 2026. We anticipate the voluntary takeover offer will launch in the next few weeks and conclude by the end of December 2025. Due to customary regulatory approvals, we expect closing of the transaction in the first half of 2026, at which point we would resolve the CreditWatch.

In the meantime, we will continue monitoring Ceconomy's operating performance and our ratings based on its stand-alone creditworthiness. Our forecast remains unchanged compared with the base case published May 13, 2025. We forecast a material improvement in S&P Global Ratings-adjusted EBITDA increasing 14.1% to €1,012 million in fiscal 2025 from €887 million in fiscal 2024 on the back of revenue growth through margin-accretive revenue streams and lower fixed and efficiency-program-related exceptional costs. The recent preliminary nine-months-of-fiscal-2025 results show currency and portfolio-adjusted revenue growth of 5.5% in the period, and were complemented by the full-fiscal-year guidance for company-adjusted EBIT of around €375 million, revised from the previous guidance of a "clear increase" from €305 million in fiscal 2024. While current trading and the updated fiscal-year-end guidance support our forecast for fiscal 2025, we still see an elevated execution risk over the next 12-18 months because of volatile macroeconomic developments in Ceconomy's end markets and their potentially negative impact on demand.

CreditWatch

We expect to resolve the CreditWatch placement on Ceconomy when the transaction closes in the first half of 2026. Pending our assessment of Ceconomy's group status within JD.com and the transaction's funding, we may raise our rating on Ceconomy. In the meantime, we will continue to monitor the operating performance and the creditworthiness of Ceconomy stand alone.

Company Description

Ceconomy is Europe's largest electronics retailer, generating €22.4 billion of revenue and €887 million of adjusted EBITDA in fiscal 2024. The company operates under two brands:

- MediaMarkt, which was founded in 1979 and operates across 11 countries in Europe with 943 stores and 36,000 employees, including 309 stores and 12,000 employees in Germany; and
- Saturn, which was founded in 1961 and operates only in Germany, with 87 stores and about 4,000 employees (as of Sept. 30, 2024).

The company operates in three key regions: Germany, Austria, Switzerland, and Hungary (52.9% of sales in fiscal 2024); Western and Southern Europe (32.3%); and Eastern Europe and Other

(14.8%). The company holds a 21.9% minority stake in Fnac Darty, which is valued at about €189 million based on its market capitalization as of Aug. 4, 2025.

Before the takeover, the company's key shareholders are Convergenta (29.2%) with its ultimate beneficiary being the Kellerhals family (founders of MediaMarkt), Haniel (16.7%), Palatin Verwaltungsgesellschaft (11.1%), and freenet AG (6.7%). The residual 36.3% of shares are in free float, with Prof. Otto Beisheim Foundations owning 4.8% and Exor Financial Investments 4.2%.

Rating Component Scores

Rating Component Scores

Component	
Foreign currency issuer credit rating	BB-/Watch Pos/--
Local currency issuer credit rating	BB-/Watch Pos/--
Business risk	Fair
Country risk	Low risk
Industry risk	Intermediate risk
Competitive position	Fair
Financial risk	Significant
Cash flow/leverage	Significant
Anchor	bb
Modifiers	
Diversification/portfolio effect	Neutral/Undiversified
Capital structure	Neutral
Financial policy	Neutral
Liquidity	Adequate
Management and governance	Neutral
Comparable rating analysis	Negative
Stand-alone credit profile	bb-

Related Criteria

- [Criteria | Corporates | General: Sector-Specific Corporate Methodology](#), July 7, 2025
- [General Criteria: Hybrid Capital: Methodology And Assumptions](#), Feb. 10, 2025
- [Criteria | Corporates | General: Corporate Methodology](#), Jan. 7, 2024
- [Criteria | Corporates | General: Methodology: Management And Governance Credit Factors For Corporate Entities](#), Jan. 7, 2024
- [General Criteria: Environmental, Social, And Governance Principles In Credit Ratings](#), Oct. 10, 2021
- [General Criteria: Group Rating Methodology](#), July 1, 2019
- [Criteria | Corporates | General: Corporate Methodology: Ratios And Adjustments](#), April 1, 2019
- [Criteria | Corporates | General: Recovery Rating Criteria For Speculative-Grade Corporate Issuers](#), Dec. 7, 2016

- [Criteria | Corporates | Recovery: Methodology: Jurisdiction Ranking Assessments](#), Jan. 20, 2016
- [Criteria | Corporates | General: Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers](#), Dec. 16, 2014
- [General Criteria: Country Risk Assessment Methodology And Assumptions](#), Nov. 19, 2013
- [General Criteria: Methodology: Industry Risk](#), Nov. 19, 2013
- [General Criteria: Principles Of Credit Ratings](#), Feb. 16, 2011

Related Research

- [JD.com Inc.](#), July 20, 2025
- [Industry Credit Outlook Update Europe: Retail and Restaurants](#), July 16, 2025
- [Tear Sheet: Ceconomy AG](#), May 13, 2025

Ratings List

Ratings list

Ratings Affirmed; CreditWatch Action

	To	From
Ceconomy AG		
Issuer Credit Rating	BB-/Watch Pos/--	BB-/Stable/--

Ratings Affirmed; CreditWatch Action; Recovery Ratings Unchanged

	To	From
Ceconomy AG		
Senior Unsecured	BB-/Watch Pos	BB-
Recovery Rating	3(65%)	3(65%)

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