

Press Release

MediaMarktSaturn parent company CECONOMY continues to grow and increases operating profit by more than a third

- Sales¹ increased by 5.2 per cent to €17.1 billion in the nine-month period (9M 2022/23: €16.9 billion)
- Adjusted EBIT² grew by €53 million to €202 million on a nine-month basis (9M 2022/23: €149 million)
- Services & Solutions sales^{3,4} up 18.1 per cent in the quarter
- Marketplace sales (GMV) more than doubled in the quarter
- Private Label sales up 22 per cent in the quarter
- Online sales³ grew by almost 10 per cent in the quarter
- Customer satisfaction reaches new high in the quarter
- Free cash flow increased by around €100 million in the quarter
- Outlook for 2023/24 adjusted slightly upwards

CEO Dr Karsten Wildberger:

“We had a strong third quarter, with substantial sales growth and increased profitability. Our growth strategy is paying off, and I'm thrilled to see further progress in our growth areas Services & Solutions, Marketplace, Retail Media as well as our Private Label. We scored with higher sales during the European Football Championship, especially with a notable demand for TV sets. And we've reached a new peak in customer satisfaction. Concurrently, we are expanding our omnichannel platform: in Switzerland, we are expanding our store presence through the planned acquisition of 20 Melectronics stores, and in Italy, we are growing our store partnership with the food retailer Bennett. None of this would be possible without the commitment of our employees. I would like to thank them for driving our development forward every day.”

Dusseldorf, 14 August 2024 – CECONOMY AG (“CECONOMY”), Europe's leading consumer electronics company, increased its sales by 6.6 per cent¹ to €4.9 billion in the third quarter of 2023/24 (Q3 2022/23: €4.5 billion). In the first nine months of the year, the company increased its sales by 5.2 per cent year-on-year¹ to € 17.1 billion (9M 2022/23: € 16.9 billion).

¹ Currency and portfolio-adjusted sales, before IAS 29.

² Adjusted EBIT before non-recurring effects, associates and portfolio changes.

³ Excluding portfolio changes (Sweden, Portugal), before IAS 29. Growth additionally adjusted for currency effects.

⁴ Including Operative Services & Solutions, Retail Media, Marketplace commissions and fees, deliveries.

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On the earnings side, adjusted EBIT² increased in the quarter compared to the previous year by €9 million to € -51 million. In the first nine months of the year, adjusted EBIT² was at €202 million, around €53 million above the previous year (9M 2022/23: €149 million).

On course for growth: renewed market share gains in almost all countries

CECONOMY recorded market share gains in ten out of eleven countries in the third quarter, including Germany. There, the company is currently preparing the integration of selected Gravis stores to expand its compact Smart store format in the German market.

Significant sales increases were achieved in Turkey, Spain, the Benelux countries, Austria and Hungary. Profitability also improved in Spain, the Benelux countries and Germany, the largest single market. The Group will also increase its presence in Switzerland and take over 20 Melectronics stores from Migros. The successful completion of the acquisition is subject to the approval of the competition authorities and is expected to take place in autumn 2024.

Across countries: online business grows significantly in the third quarter

In the third quarter, the online business of CECONOMY and MediaMarktSaturn grew in all regions and recorded an increase of 9.7 per cent¹ to sales of €1.0 billion (Q3 2022/23: €963 million). In the first nine months of 2023/24, the Group's online share rose to 24.2 per cent (9M 2022/23: 23.1 per cent).

Growth areas on the rise: Operational Services & Solutions and Marketplace businesses continue to grow, Private Label sales rise sharply

The Services & Solutions segment has developed into an important growth driver for CECONOMY, which also further strengthens the company's earning power. This is also underlined by the developments in the third quarter: Services & Solutions^{3,4} sales increased by 18.1 per cent to €348 million (Q3 2022/23: € 301 million), e.g. with its offers for extended warranties and GSM contracts. The company is also continuously working on expanding the range of services it offers its customers. For example, the new direct delivery within 90 minutes service in cooperation with Uber has been very well received by customers in major cities.

The Marketplace offering, an extension of MediaMarktSaturn's product range, is also developing favourably: CECONOMY more than doubled its Marketplace sales (gross merchandise value) in the third quarter. By the end of June, around 1,470 sellers with a total of over 1.6 million products were already represented on the platform. Since May

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2024, MediaMarktSaturn has been piloting a pop-up store in Tübingen, where refurbished devices from Marketplace sellers are being brought from the online world to the physical sales floor for the first time.

CECONOMY also achieved strong growth with its Private Label business: In the third quarter, Private Label sales rose by 22 per cent, in particular due to growth in sales volume. The share of Private Label sales in the same period was just under 3 per cent.

The Retail Media segment developed positively in the third quarter. In May, the Group expanded its international Retail Media offering to include Sponsored Brand Ads. Partners can choose the new product in eight out of eleven countries to give their brand more visibility and relevance on the MediaMarktSaturn platforms.

Customer satisfaction rises to new high

CECONOMY and MediaMarktSaturn are focusing on continuously improving the customer experience and customer satisfaction (measured by the NPS = Net Promoter Score). During the third quarter, the NPS reached 61 points, surpassing the previous year result by 6 points.

Future-proof financial structure: solid financing until 2029

With the successful placement of our sustainability-linked bond on the capital market at the beginning of July, the company has secured its financing structure for the long-term. In the third quarter of 2023/24, it improved its free cash flow by around €100 million compared to the previous year.

Dr Kai-Ulrich Deissner, CFO of CECONOMY and MediaMarktSaturn: “We have increased sales and earnings again – for the sixth quarter in a row. Through careful liquidity management and rigorous cost control, we have fortified our financial stability. The successful launch of our sustainability-linked bond on the capital market ensures top-notch financing for the future and reflects investors' trust in our efforts. With focus and security, we are achieving our strategic goals step by step.”

Outlook slightly adjusted: Moderate increase in currency and portfolio-adjusted total sales and adjusted EBIT in the range between €290 million and €310 million

CECONOMY has adjusted its outlook for the full financial year 2023/24 slightly upwards: The company now expects a moderate increase in currency- and portfolio-adjusted total sales and an adjusted EBIT in the range between €290 million and €310 million. The

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Western and Southern Europe and Eastern Europe segments in particular will contribute to sales growth. The improvement in adjusted EBIT is expected to result primarily from the Western/Southern Europe segment.

CEO Dr Karsten Wildberger: “Based on our impressive performance over the past nine months, I am confident about the rest of the year. We remain true to our motto: actions speak louder than words. In this way, we are making consistent progress towards our goal of being the Experience Champion.”

About CECONOMY

CECONOMY AG simplifies life in the digital world. The company is a leader for concepts and brands such as MediaMarkt, Mediamarkt and Saturn in the consumer electronics sector in Europe. The companies in the CECONOMY portfolio have billions of consumer contacts per year and offer products, services and solutions that make life in the digital world as easy and convenient as possible. In this way, they create added value for customers and investors alike.

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