CECONOMY

Q3/9M 2020/21
QUARTERLY STATEMENT

12 August 2021

SELECTED KEY FIGURES

Q3 2020/21

8.0%

Sales growth[1] thanks to sustained high demand for consumer electronics

–93 €m

Adjusted EBIT[2] €48 million below prior year due to normalization of cost base

[1] Sales adjusted for currency effects and portfolio changes
[2] Adjusted EBIT before non-recurring effects, associates and portfolio changes

SELECTED KEY FIGURES

9M 2020/21

5.4%

Sales growth[1] thanks to sustained high demand for consumer electronics and despite ongoing temporary store closures in response to COVID-19

106 €m

Adjusted EBIT[2] only €7 million below previous year's level despite severe impacts of the COVID-19 pandemic

[1] Sales adjusted for currency effects and portfolio changes
[2] Adjusted EBIT before non-recurring effects, associates and portfolio changes

THE THIRD QUARTER IN REVIEW

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The third quarter of 2020/21 was again characterized by the pandemic and the accompanying restrictions on our business. Footfall remained below pre-pandemic level after the opening in Germany in mid-June. Overall, we managed to increase sales. Despite the already high comparison basis of the previous year, we also saw slight growth in the online business due to slightly larger baskets and an improved conversion rate. In the Services & Solutions business, demand for our online services increased in particular.
Our omnichannel approach provided resilience during the crisis. By consistently implementing our strategy, we aim to and will successfully harness the further economic potential offered by our omnichannel approach.
«

Dr Karsten Wildberger,
Chief Executive Officer

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Many countries saw strong sales performance in the third quarter of 2020/21 thanks to high customer demand for consumer electronics. In Germany, however, the extensive lockdown closures and their consequences remained noticeable and led to a decline in earnings. However, we are looking ahead. For example, we have reorganized our financing structure in a sustainable way. This includes the conclusion of a new credit facility with an ESG component and the issuance of an unsecured bond. This provides us with financial flexibility for the time after the “KfW loan”, which we have not used at any time.
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Florian Wieser,
Chief Financial Officer

Contents

This document is a quarterly statement according to Section 53 Frankfurt Stock Exchange Regulations.

CECONOMY is generally steered on the basis of performance indicators derived from IFRS (International Financial Reporting Standards). In addition, the following key performance indicators apply: total sales growth adjusted for currency effects and portfolio changes and EBIT adjusted for portfolio changes and earnings effects from companies accounted for using the equity method. The transaction closed on 29 November 2019 relating to the MediaMarkt Greece business constitutes a portfolio change, as it involves the disposal of a country organization. For the forecast key figures, the previous year's figures are adjusted accordingly. In financial year 2020/21, an adjusted EBIT also applies; the adjustment relates to non-recurring earnings effects in connection with (1) COVID-19-related store closures, (2) the introduction of a harmonized group-wide organizational structure ("Operating Model") and (3) the transaction announced on 14 December 2020 regarding the acquisition of the minority shareholding in MediaMarktSaturn as well as reorganization and simplification of the corporate structure. Details of the programs are explained below:

(1) The COVID-19-related store closures relate to the permanent closures of MediaMarkt and Saturn stores in several European countries which have lower footfall as a result of the COVID-19 pandemic and cannot be brought back into the profit zone from the company's point of view.

(2) The Operating Model focuses in particular on the harmonization of structures and standardized, efficient processes and procedures for the administrative functions in the country organizations of MediaMarktSaturn. In addition, the management structures in the stores will be unified throughout Europe and the relief from administrative tasks will enable employees to focus on the customer experience to the greatest extent possible.

(3) The transaction relates to CECONOMY AG's acquisition of the 21.62 per cent minority stake in Media-Saturn-Holding GmbH ("MediaMarktSaturn") held by Convergenta Invest GmbH. The parties thereby intend to reorganize their shareholdings in MediaMarktSaturn and to achieve, among other things, a stronger focus on the operating business and the realization of considerable synergies based on a simplified company structure and governance.

The adjustment also affects the previous year's figures, which in addition to (1) and (2) also include non-recurring earnings effects in connection with the reorganization and efficiency program announced on 29 April 2019.

For more details on the management-relevant key performance indicators, please refer to pages 28 to 30 of CECONOMY's Annual Report 2019/20.

Recognized tax expenses were calculated in accordance with the regulations governing interim financial reporting using the so-called integral approach. Commercial rounding is used for the figures shown in this quarterly statement. This may result in some individual figures not adding up to the totals shown.

FINANCIAL FIGURES AT A GLANCE[1]

Sales and earnings

€ million	Q3 2019/20	Q3 2020/21	Change	9M 2019/20	9M 2020/21	Change
Sales	4,107	4,407	7.3%	15,559	16,193	4.1%
Sales development adjusted for currency effects and portfolio changes	−8.4%	8.0%	–	−4.6%	5.4%	–
Like-for-like sales development	−7.6%	8.1%	–	−4.2%	5.9%	–
Online sales	1,446	1,494	3.3%	3,353	5,872	75.1%
Services & Solutions sales	225	243	7.9%	879	785	−10.7%
Gross margin	15.9%	15.9%	0.0%p.	17.4%	16.1%	−1.2%p.
EBIT	−64	−106	−64.5%	−113	233	–
Adjusted EBIT	−45	−93	<−100%	113	106	−6.1%
Adjusted EBIT margin	−1.1%	−2.1%	−1.0%p.	0.7%	0.7%	−0.1%p.
Net financial result	−13	9	–	−28	3	–
Tax rate	−69.1%	14.9%	84.0%p.	−54.5%	20.0%	74.4%p.
Profit or loss for the period attributable to non-controlling interests	−27	−16	42.0%	11	8	−24.4%
Net result	−104	−67	35.9%	−229	180	–
Earnings per share (€)	−0.29	−0.19	0.10	−0.64	0.50	1.14

Cash flow

€ million	9M 2019/20	9M 2020/21	Change
Cash flow from operating activities	182[2]	−252	−435
Cash flow from investing activities	−127	−23	103
Cash flow from financing activities	−311[2]	325	636
Change in net working capital[3]	−639[2]	−859	−220
Free cash flow	42[2]	−375	−417

Statement of financial position

€ million	30/06/2020	30/06/2021	Change
Net working capital	−340	−356	−16
Net liquidity (+)/Net debt (−)	−1,625	−1,560	65

Other operating key figures (as of 30/06)

	30/06/2020	30/06/2021	Change
Number of stores	1,024	1,029	5
Total selling space (thousand m²)	2,670	2,636	−34
Workforce by full-time equivalents	45,162	45,254	92

[1] Business figures represent the continuing operations of CECONOMY
[2] Restated prior-year figure as a result of factoring transactions now reported on a gross basis
[3] Change in net working capital shown from the related statement of financial position items, mainly adjusted for non-cash items

OUTLOOK

The outlook for the financial year 2020/21 published on 15 December 2020 was based on the assumption that the further impact of the COVID-19 pandemic on both the overall economic situation and the Group's situation would not deviate significantly from the extent known at the time of its publication. In particular, the achievement of the outlook required that during the course of the COVID-19 pandemic there would be no further prolonged, widespread temporary closures of a significant portion of CECONOMY's brick-and-mortar business or a serious deterioration in consumer confidence, and that supply chains would remain largely intact. Prolonged, widespread temporary closures of a significant portion of the brick-and-mortar business, as materialized in Germany, Austria, the Netherlands and Switzerland, were not yet foreseeable when the outlook was issued and were therefore not taken into account in the outlook. Against this backdrop – despite the strong start in the first quarter of 2020/21 – the further course of business as well as the outlook for the full year 2020/21 were subject to significantly increased uncertainties in view of the difficult-to-estimate duration of the COVID-19 pandemic and the new and extended lockdowns in a large number of countries in which CECONOMY operates.

Since mid-December 2020, the new and extended local lockdowns, especially in Germany and the Netherlands, made an increasingly substantial impact on CECONOMY's business activities. Because the German federal government – contrary to general expectations – extended the lockdown in Germany into March 2021 on 10 February 2021, and at this date the next step to relax the lockdown depended on a stable infection rate (seven-day incidence rate of no more than 35 new infections per 100,000 people), the original planning for the further course of financial year 2020/21 was subject to additional uncertainties in spring 2021. As a precaution, the Management Board therefore suspended the outlook for financial year 2020/21 on 11 February 2021.

Based on the business performance to date and the current insights, particularly with regards to catch-up effects and customer behavior since the reopening of stores, the Management Board of CECONOMY has updated its outlook for current financial year 2020/21 on 11 August 2021. Uncertainties regarding further pandemic developments remain, also in light of the volatility of regulatory measures. The outlook is therefore based on the assumption that there will be no new restrictions from the COVID-19 pandemic in the remainder of the financial year that will again impact the stationary business.

SALES

For financial year 2020/21, CECONOMY now expects a slight to moderate increase in total sales adjusted for exchange rate effects compared to the previous year (2019/20: €20,790 million). The Western/Southern Europe and Eastern Europe segments are expected to contribute to this increase, while the DACH segment, which has been affected for the longest time due to temporary store closures and strict restrictions in Germany in connection with COVID-19, is expected to show a slight decline.

EARNINGS

For financial year 2020/21, CECONOMY now expects adjusted EBIT between €210 million and €250 million (2019/20: €236 million). Overall, a heterogeneous development is expected among the segments, with the earnings development in the DACH segment, which was impacted by the long lockdown, shaping the Group result.

The outlook is adjusted for portfolio changes and does not take into account the earnings effects from companies accounted for using the equity method. Non-recurring earnings effects in connection with COVID-19-related store closures as well as the introduction of a harmonized group-wide organizational structure ("Operating Model") announced on 12 August 2020 are not included. Expenses in connection with the transaction announced on 14 December 2020 regarding the acquisition of the minority shareholding in MediaMarktSaturn as well as the reorganization and simplification of the corporate structure are also not taken into account.

EVENTS IN THE THIRD QUARTER

On 19 April 2021, CECONOMY AG announced that the Supervisory Board of CECONOMY AG had decided to appoint Florian Wieser, Chief Financial Officer (CFO) of MediaMarktSaturn Retail Group (MediaMarktSaturn) since November 2018, as CFO and member of the Management Board of CECONOMY AG with effect from 1 May 2021. He is assuming the mandate of Karin Sonnenmoser, who left the company on 30 April 2021. The Supervisory Board and Karin Sonnenmoser have decided to part ways by mutual agreement. In addition to his function as CFO of CECONOMY AG, Florian Wieser continues to act as Managing Director Finance of MediaMarktSaturn. The appointment of Florian Wieser as Group CFO is an important step in establishing a uniform management structure of the CECONOMY Group in the run-up to the upcoming simplification of the governance structures.

On 6 May 2021, CECONOMY AG signed a new syndicated revolving credit agreement with its partner banks in order to secure the company's liquidity in the long term, including for the time after the termination of the current credit facility with the involvement of KfW (Kreditanstalt für Wiederaufbau), at an early stage. The new syndicated revolving credit facilities totalling €1,060 million provide for a diversification of maturities over three and five years, each with two one-year extension options. One third of the total volume is attributable to the three-year tranche, and two thirds to the five-year tranche. The new agreement also includes a price mechanism, which is tied to the achievement of sustainability targets and conforms to the CECONOMY Group's sustainability strategy. The syndicated revolving credit agreement came into effect on 9 August 2021 following the termination of the previously existing syndicated credit facility with the involvement of KfW on 29 July (see also Events after the reporting date).

On 10 May 2021, CECONOMY AG announced in an ad hoc release that the Supervisory Board of CECONOMY AG had appointed Dr Karsten Wildberger as a member of the Management Board with effect from 1 August 2021 and also appointed him as the new Chairman of the Management Board (CEO) and Labour Director of CECONOMY AG. By mutual agreement with Dr Bernhard Düttmann, his appointment as Chairman of the Management Board of CECONOMY AG ended at the same date. Dr Karsten Wildberger will simultaneously perform the role of Chairman of the Management of Media-Saturn-Holding GmbH. The management structure of the CECONOMY Group was thus unified and the double management structure eliminated.

On 19 May 2021, Moody's changed the outlook of CECONOMY AG's Ba1 rating from negative to stable, in particular due to the robust sales performance in the last financial year and in the first half of the current financial year 2020/21, despite the ongoing store closures as a result of COVID-19, especially in the core market Germany. The stable outlook also underlines Moody's expectation that retail conditions ought to improve in the second half of 2021.

On 10 June 2021, CECONOMY AG joined the "Green Consumption Pledge Initiative" of the European Commission. In doing so, the company commits itself to concrete sustainability targets and transparent communication about the progress made on each topic. CECONOMY is one of the first European retail companies to join the voluntary initiative launched as part of the European Climate Pact. CECONOMY is committed to improving its carbon footprint and promoting sustainable business practices, and has set measurable goals in this regard:

- CECONOMY aims to increase the annual sourcing of electricity from renewable energies to 100 per cent by the end of 2023. By comparison, this figure was around 80 per cent in 2020.
- In addition, CECONOMY aims to become climate neutral in terms of "Scope 1 emissions" and "Scope 2 emissions" (this refers to direct and indirect greenhouse gas emissions of a company) by the end of 2023 on the calculation basis of net zero carbon emissions.
- CECONOMY aims to reduce the net CO_2 intensity[1] of its "Scope 3 emissions" by 30 per cent by the end of 2033 compared to the base year 2019[2]. Relevant Scope 3 categories are purchased goods and services (indirect spent, private label products) as well as transport and distribution.
- The number of sustainably labelled products in the company's own assortment is also to be continuously increased. By the end of 2023, the company wants to double this number.

On 18 June 2021, CECONOMY AG announced that it was issuing a five-year senior unsecured bond of €500 million and thus further enhancing its post-pandemic financing structure. The notes will mature in June 2026 and carry an annual fixed coupon of 1.75 per cent. The issue price was 99.409, equivalent to a yield of 1.875 per cent. The new notes were issued on 24 June 2021. The notes were issued under German law (Reg S) and listed on the Luxembourg stock exchange (Euro MTF market). The net proceeds from the issuance of the notes will be used for general corporate purposes, including refinancing of existing indebtedness. With the first bond transaction since the spin-off and demerger of today's METRO AG, CECONOMY AG has thus further diversified its post-pandemic financing structure. With an extended, long-term maturity profile, the issuance of the senior unsecured notes also strengthens CECONOMY's financial flexibility. The company has received a "BBB–" rating from Scope and a "Ba1" rating from Moody's for the bond.

Like the first half of 2020/21, the third quarter of 2020/21 was still characterized by local lockdowns with temporary store closures and severe restrictions as a result of national governments' measures to fight the spread of coronavirus. Details of the restrictions in the affected countries are explained below:

- Germany: On 21 April 2021, the German Bundestag approved the nationwide coronavirus emergency brake in Germany. The change to the law was enacted on 23 April 2021 and took effect from 24 April 2021. The amendment of the Infection Prevention Act required closure or ongoing restrictions for most retail companies if the incidence rate exceeded 100. For brick-and-mortar business in Germany, the nationwide coronavirus emergency brake meant that in-store shopping was possible with a negative COVID-19 test if the incidence rate was below 150. In the event of more than 150 new infections per 100,000 people, stores in Germany had to remain closed. The pick-up option remained allowed regardless of the incidence rate. At the beginning of June 2021, most stores in Germany reopened as a result of declining incidence rates. The measures of the nationwide coronavirus emergency brake expired on 30 June 2021. Due to the lengthy closures in the retail sector, selected store entities in Germany petitioned the German Constitutional Court (Bundesverfassungsgericht) for temporary legal protection against the new federal law in the third quarter. However, their application was denied. The constitutional complaint (Verfassungsbeschwerde) is being pursued in principal proceedings.
- Austria: The government again imposed a hard lockdown in parts of Austria, which meant that 23 stores were temporarily closed between 1 April 2021 and 2 May 2021.
- Hungary: In Hungary, all stores resumed operations on 8 April 2021.
- Belgium: At the start of the third quarter, all stores in Belgium were open, albeit exclusively with a prior appointment for "Click & Meet". Since 26 April 2021, all stores have been open again and shopping is possible without prior appointment.
- Italy: In the third quarter, all Italian stores in shopping centres were affected by temporary closures at weekends and public holidays until the beginning of June 2021. Thereafter, all stores were open again without further restrictions.
- Netherlands: All stores were open, albeit exclusively with a prior appointment for "Click & Meet". From 28 April 2021, in-store shopping was again possible without prior appointment.
- Poland: On 27 March 2021, a new lockdown was imposed in Poland, resulting in the temporary closure for the majority of stores. Since 4 May 2021, all stores have been open again.
- Turkey: On 29 April 2021, a new lockdown came into effect in Turkey, which led to the temporary closure of all stores until 16 May 2021. The pick-up option was not allowed during this time. Thereafter, some stores were affected by temporary closures at weekends, which was restricted to Sundays from mid-June 2021.

Depending on the country, there were also restrictions on customer capacity in stores and/or opening hours and product range. Overall, all stores were open again as of 30 June 2021.

[1] Net CO_2 emissions in relation to total sales
[2] Baseline for private label products is the year 2021

EVENTS AFTER THE REPORTING DATE

On 8 July 2021, CECONOMY AG announced in an ad hoc release that the Düsseldorf Higher Regional Court had expressed its preliminary legal views in the clearance proceedings regarding agenda item 8 of the Annual General Meeting of CECONOMY AG on 17 February 2021. The subject of agenda item 8 was the adoption of a resolution on (i) the increase of the CECONOMY AG share capital though a mixed contribution in kind under exclusion of the statutory subscription rights of the shareholders, (ii) the issue of convertible bonds against a mixed contribution in kind under exclusion of the statutory subscription rights of the shareholders and the creation of a new Contingent Capital 2021/I and (iii) the relevant changes to the Articles of Association. Individual shareholders have filed actions for rescission and annulment against the resolution approved by 98.94 per cent of the votes cast under agenda item 8. The actions filed currently prevent the entry of the capital increases resolved in agenda item 8 into the commercial register of CECONOMY AG. The resolution of the General Meeting under agenda item 8 serves to implement the acquisition, transfer and contribution of the stake in Media-Saturn-Holding GmbH held by Convergenta Invest GmbH to CECONOMY AG. CECONOMY AG announced that it now no longer sees sufficient certainty that the transaction can be completed in the current financial year 2020/21.

Following the issuance of the five-year subordinated unsecured bond, the potential credit volume of the B/KfW facility of the existing syndicated credit agreement was reduced by the amount of the funds received on 24 June 2021 less allowable exemptions. In total a partial amount of €258 million was terminated with effect from 14 July 2021.

On 15 July 2021, CECONOMY AG announced in an ad hoc release that, against the background of the preliminary legal views of the Düsseldorf Higher Regional Court, CECONOMY AG is currently considers resubmitting the transaction to a General Meeting, whereby in particular further evaluation is necessary, whether the company's shareholders should potentially vote within their respective classes or the (outstanding) preference of the preference shareholders should initially be paid in full. Against this background, CECONOMY AG has also withdrawn its motion for clearance before the Düsseldorf Higher Regional Court. CECONOMY AG still intends to implement the transaction, although CECONOMY AG no longer expects the transaction to be completed in the current financial year 2020/21.

On 19 July 2021, CECONOMY AG published a trading statement with preliminary figures for the third quarter of 2020/21.

On 29 July 2021, the CECONOMY AG terminated its existing syndicated credit agreement with the participation of KfW effective 9 August 2021 and replaced it with new, ESG-linked syndicated revolving credit facilities. The B/KfW facility was not utilized at any time. As a result, syndicated credit facilities totalling €1,060 million are available to CECONOMY AG as of this date.

On 11 August 2021, CECONOMY AG issued an ad hoc release announcing an update to the outlook for financial year 2020/21.

RESULTS IN DETAIL

Earnings position

Quarter		Sales (€ million)	Change	Currency effects	Sales adjusted for currency effects and portfolio changes	Like-for-like sales (local currency)
	Q3 2019/20	Q3 2020/21	Q3 2020/21	Q3 2020/21	Q3 2020/21	Q3 2020/21
Total	**4,107**	**4,407**	**7.3%**	**−0.7%**	**8.0%**	**8.1%**
DACH	2,468	2,365	−4.2%	−0.2%	−4.0%	−2.8%
Western/Southern Europe	1,270	1,565	23.3%	0.0%	23.3%	21.1%
Eastern Europe	271	357	31.7%	−12.9%	44.7%	46.3%
Others	98	119	21.7%	6.0%	15.7%	14.4%

9M		Sales (€ million)	Change	Currency effects	Sales adjusted for currency effects and portfolio changes	Like-for-like sales (local currency)
	9M 2019/20	9M 2020/21	9M 2020/21	9M 2020/21	9M 2020/21	9M 2020/21
Total	**15,559**	**16,193**	**4.1%**	**−1.1%**	**5.4%**	**5.9%**
DACH	9,300	9,079	−2.4%	−0.2%	−2.2%	−1.2%
Western/Southern Europe	4,751	5,362	12.8%	0.0%	13.8%	13.5%
Eastern Europe	1,155	1,328	15.0%	−17.5%	32.5%	32.6%
Others	353	424	20.0%	5.3%	14.7%	15.0%

The transaction closed on 29 November 2019 relating to the MediaMarkt Greece business constitutes a portfolio change, as it involves the disposal of a country organization. For the forecast key figures, the previous year's figures are adjusted accordingly.

IN THE THIRD QUARTER GROUP SALES ADJUSTED FOR CURRENCY EFFECTS AND PORTFOLIO CHANGES ABOVE PRIOR YEAR AS A RESULT OF SUSTAINED HIGH CUSTOMER DEMAND AND DESPITE TEMPORARY STORE CLOSURES DUE TO COVID-19

In the **first nine months of 2020/21**, CECONOMY generated Group sales of €16.2 billion, an increase of 4.1 per cent compared with the prior-year period. Adjusted for currency effects and portfolio changes, sales were up 5.4 per cent year-on-year. On a like-for-like basis, Group sales recorded an increase of 5.9 per cent compared to the prior-year period.

In the **third quarter of 2020/21**, Group sales increased by 7.3 per cent, totalling €4.4 billion. Adjusted for currency effects and portfolio changes, sales grew by 8.0 per cent. On a like-for-like basis, Group sales recorded an increase of 8.1 per cent compared to the prior-year period. The positive sales development in the third quarter is mainly attributable to sustained high customer demand for consumer electronics, especially in Spain, Italy and Turkey. This significantly more than compensated for the sales decline in the core market Germany due to the continued COVID-19 lockdown of brick-and-mortar business in the third quarter. The performance of the brick-and-mortar business in the third quarter benefitted from the previous year's low comparison basis due to the Europe-wide lockdown of the majority of stores in April and May 2020. The online business posted a positive performance in the reporting period after an already very strong prior-year quarter. Overall, all countries apart from Germany and Portugal reported positive sales growth compared to the prior-year period.

EXPLANATION OF SALES IN THE DACH SEGMENT

In **the first nine months of 2020/21**, the DACH segment generated sales of €9.1 billion, which corresponds to a decline of 2.4 per cent. Adjusted for currency effects and portfolio changes, sales were 2.2 per cent below the comparable figure of the previous year.

In the **third quarter of 2020/21**, sales in the DACH segment declined by 4.2 per cent, totalling €2.4 billion. Adjusted for currency effects and portfolio changes, sales decreased by 4.0 per cent compared to the same quarter of the previous year. This was driven exclusively by the sales decline in Germany due to longer temporary store closures and restrictions (“Click & Meet”) than in the previous year in response to COVID-19. When stores fully reopened, sales in Germany finally began to recover in the second half of June 2021, driven by catch-up effects and successful marketing campaigns. Austria saw a strong rise in sales thanks to strong buying interest and catch-up effects once stores reopened and benefitted from the previous year’s low comparison basis.

EXPLANATION OF SALES IN THE WESTERN/SOUTHERN EUROPE SEGMENT

In **the first nine months of 2020/21**, the Western/Southern Europe segment generated sales of €5.4 billion, an increase of 12.8 per cent. Adjusted for currency effects and portfolio changes, sales were 13.8 per cent above the comparable figure of the previous year.

In the **third quarter of 2020/21**, sales in the Western/Southern Europe segment increased by 23.3 per cent compared with the prior-year period to €1.6 billion. Adjusted for currency effects and portfolio changes, sales likewise increased by 23.3 per cent. The positive sales trend was mainly driven by high growth of a double-digit percentage in Spain and Italy. This is attributable to continued high customer demand for consumer electronics and various successful marketing campaigns. It should also be noted that Italy and Spain were affected by temporary store closures in response to COVID-19 in the previous year. Spain also benefitted from the sales contributions of the 17 former Worten stores, which opened under the MediaMarkt brand in April 2021. Belgium likewise posted solid sales development. In the Netherlands, which were not impacted by temporary closures in the previous year, quarterly sales were slightly higher than in the previous year despite severe restrictions in the brick-and-mortar business in April 2021 thanks to successful marketing campaigns and dynamic growth in the online business.

EXPLANATION OF SALES IN THE EASTERN EUROPE SEGMENT

In **the first nine months of 2020/21**, sales increased by 15.0 per cent to around €1.3 billion. Adjusted for currency effects and portfolio changes, sales were 32.5 per cent above the comparable figure of the previous year.

In the **third quarter of 2020/21**, sales in the Eastern Europe segment increased by 31.7 per cent to around €0.4 billion. The strong depreciation of the Turkish lira also continued to negatively impact segment sales. Adjusted for currency effects and portfolio changes, sales in the segment increased by 44.7 per cent on the same quarter of the previous year. Business in Turkey once again saw very high growth rates. Turkey benefitted from continuously strong customer demand and dynamic growth in the brick-and-mortar business, which was impacted to a greater extent by temporary store closures in response to COVID-19 in the previous year. Solid sales growth, also benefitted from the previous year’s low basis for comparison, was likewise seen in Poland.

EXPLANATION OF SALES IN THE OTHERS SEGMENT

In **the first nine months of 2020/21**, sales in the Others segment increased by 20.0 per cent compared with the prior-year period to €0.4 billion. Adjusted for currency effects and portfolio changes, sales were up 14.7 per cent year-on-year.

In the **third quarter of 2020/21**, sales in the Others segment grew by 21.7 per cent to €0.1 billion. Adjusted for currency effects and portfolio changes, sales improved by 15.7 per cent compared to the same quarter of the previous year. Sweden, which was not affected by temporary store closures in response to COVID-19 either in the previous year or in the current year, continued the positive sales trend of recent quarters driven by strong consumer confidence and dynamic online growth.

Quarter	Sales (€ million)		Change (%)	In % of total sales
	Q3 2019/20	Q3 2020/21		
Online	1,446	1,494	3.3	33.9
Services & Solutions	225	243	7.9	5.5

9M	Sales (€ million)		Change (%)	In % of total sales
	9M 2019/20	9M 2020/21		
Online	3,353	5,872	75.1	36.3
Services & Solutions	879	785	−10.7	4.8

SLIGHT GROWTH IN THE ONLINE BUSINESS IN THE THIRD QUARTER DESPITE PREVIOUS YEAR'S HIGH BASIS FOR COMPARISON

In the **first nine months of 2020/21**, online sales increased by 75.1 per cent to approximately €5.9 billion. The online share of total sales amounted to around 36.3 per cent and thus nearly doubled compared to the prior-year period (9M 2019/20: 21.5 per cent). In the first nine months of the reporting period, the pick-up rate was approximately 37 per cent and thus level with the previous year (9M 2019/20: approximately 37 per cent).

In the **third quarter of 2020/21**, online business achieved growth of 3.3 per cent despite the high basis for comparison. As a result, sales reached a figure of €1.5 billion. The online share of total sales amounted to around 33.9 per cent (Q3 2019/20: 35.2 per cent). The online sales growth was driven in particular by the pick-up option (pick-up of goods ordered online). The pick-up rate recovered compared to the same quarter of the previous year despite sustained restrictions in the brick-and-mortar business and was around 43 per cent (Q3 2019/20: 32 per cent).

DEMAND FOR SERVICES & SOLUTIONS INCREASED AGAIN IN THE THIRD QUARTER

In **the first nine months of 2020/21**, Services & Solutions sales declined by 10.7 per cent to around €785 million. This equates to a Services & Solutions share of total sales of 4.8 per cent (9M 2019/20: 5.7 per cent).

In the **third quarter of 2020/21**, the Services & Solutions business increased by 7.9 per cent to around €243 million. Services & Solutions accounted for 5.5 per cent of total sales (Q3 2019/20: 5.5 per cent). The sale of extended warranties and the services offered at the in-store Smartbars developed particularly positively. Business from brokering mobile phone contracts and financing was nearly stable year-on-year in the third quarter.

Quarter	Reported EBIT	Reported EBIT	Change compared to prior year	Adjusted EBIT[1]	Adjusted EBIT[1]	Change compared to prior year
€ million	Q3 2019/20	Q3 2020/21	Q3 2020/21	Q3 2019/20	Q3 2020/21	Q3 2020/21
Total[2]	**−64**	**−106**	**−41**	**−45**	**−93**	**−48**
DACH	−1	−49	−48	3	−49	−51
Western/Southern Europe	−41	−38	3	−30	−30	0
Eastern Europe	−10	−3	7	−7	−3	4
Others	−11	−15	−4	−11	−11	0

[1] Before non-recurring effects, associates and portfolio changes
[2] Including consolidation.

9M	Reported EBIT	Reported EBIT	Change compared to prior year	Adjusted EBIT[1]	Adjusted EBIT[1]	Change compared to prior year
€ million	9M 2019/20	9M 2020/21	9M 2020/21	9M 2019/20	9M 2020/21	9M 2020/21
Total[2]	**−113**	**233**	**346**	**113**	**106**	**−7**
DACH	189	91	−98	197	113	−84
Western/Southern Europe	7	−11	−18	−13	7	20
Eastern Europe	−27	13	40	−23	13	36
Others	−282	140	422	−47	−25	21

[1] Before non-recurring effects, associates and portfolio changes
[2] Including consolidation.

ADJUSTED GROUP EBIT IN THE THIRD QUARTER BELOW PREVIOUS YEAR DUE TO NORMALIZATION OF COST BASE

In the **first nine months of 2020/21**, reported Group EBIT increased by €346 million to €233 million (9M 2019/20: €−113 million). This includes non-recurring effects amounting to approximately €−51 million in connection with the introduction of a harmonized organizational structure ("Operating Model"), permanent store closures as a result of COVID-19 and in connection with the acquisition of the minority shareholding in MediaMarktSaturn and reorganization and simplification of the corporate structure announced on 14 December 2020. In the previous year, reported Group EBIT included non-recurring effects in connection with the reorganization and efficiency program and permanent store closures as a result of COVID-19 of around €9 million. Earnings effects from companies accounted for using the equity method totalled €178 million in the reporting period (9M 2019/20: €−235 million). Adjusted for non-recurring effects, earnings effects from companies accounted for using the equity method, and portfolio changes, Group EBIT declined by €−7 million to €106 million (9M 2019/20: €113 million).

In the **third quarter of 2020/21**, reported Group EBIT decreased by €41 million to €−106 million (Q3 2019/20: €−64 million). This includes non-recurring effects amounting to approximately €−12 million in connection with the introduction of a harmonized organizational structure ("Operating Model"), permanent store closures as a result of COVID-19 and in connection with the acquisition of the minority shareholding in MediaMarktSaturn and reorganization and simplification of the corporate structure announced on 14 December 2020. In the same quarter of the previous year, reported Group EBIT included non-recurring effects in connection with the reorganization and efficiency program and permanent store closures as a result of COVID-19 of around €−18 million. Adjusted for non-recurring effects, earnings effects from companies accounted for using the equity method, and portfolio changes, Group EBIT declined by €48 million to €−93 million (Q3 2019/20: €−45 million).

The decline in adjusted Group EBIT in the third quarter is mainly attributable to a normalization of the cost base after a prior-year quarter characterized by government support in response to COVID-19 (especially short-time working allowance). The underlying operating cost trend is characterized by declining personnel expenses as a result of increased cost efficiency and savings in connection with the introduction of a harmonized group-wide organizational structure ("Operating Model"). The gross margin was level with the previous year at 15.9 per cent. While the gross margin was primarily impacted by product mix effects and more intense competition, the improved inventory compared with the previous quarter, the merchandise age structure and higher income from the Services & Solutions business compensated for this. The normalization of the cost base counteracted the positive sales development.

EXPLANATION OF THE RESULT IN THE DACH SEGMENT

In the **first nine months of 2020/21**, EBIT in the DACH segment was €91 million and therefore declined by €98 million year-on-year (9M 2019/20: €189 million). This includes non-recurring effects amounting to approximately €−22 million (9M 2019/20: €−8 million). Adjusted for these effects, EBIT in the DACH segment decreased by €84 million to €113 million (9M 2019/20: €197 million).

In the **third quarter of 2020/21**, EBIT in the DACH segment declined by €48 million to €–49 million (Q3 2019/20: €–1 million). This includes non-recurring effects at a very low level of approximately €0 million (Q3 2019/20: €–3 million). Adjusted for these effects, EBIT in the DACH segment decreased by €51 million to €–49 million (Q3 2019/20: €3 million). This was primarily the result of significantly negative sales development in Germany due to the temporary store closures and "Click & Meet" restrictions in response to COVID-19 in the quarter. The margin was additionally negatively impacted by the associated shift to the online channel, coupled with higher delivery costs, and product mix effects, especially in the offline channel. On the cost side, lower government support (especially short-time working allowance) compared to the prior-year quarter contributed to the decline in earnings in Germany. In Austria, a cost increase led to a decline in earnings, especially due to the previous year's low base as result of government support. The very positive sales development coupled with an improvement in the gross margin had the opposite effect. Earnings in Hungary increased year-on-year as a result of sales and margins and in Switzerland increased slightly year-on-year as a result of margins.

EXPLANATION OF THE RESULT IN THE WESTERN/SOUTHERN EUROPE SEGMENT

In **the first nine months of 2020/21**, the Western and Southern Europe segment generated an EBIT of €–11 million, €18 million below the previous year's level (9M 2019/20: €7 million). This includes non-recurring effects amounting to approximately €–17 million (9M 2019/20: €20 million). Adjusted for these earnings effects and portfolio changes, EBIT increased by €20 million to €7 million (9M 2019/20: €–13 million).

In the **third quarter of 2020/21**, EBIT in the Western/Southern Europe segment improved by €3 million to €–38 million (Q3 2019/20: €–41 million). This includes non-recurring effects amounting to approximately €–8 million (Q3 2019/20: €–11 million). Adjusted for these earnings effects and portfolio changes, EBIT amounted to €–30 million and was thus at the previous year's level (Q3 2019/20: €–30 million) despite a provision for legal risks in connection with contractual penalties. Spain recorded a significant increase in earnings. This was driven by both the strong sales development and a margin improvement, due in particular to the recovery of income from the Services & Solutions business compared to the prior-year quarter, which was influenced by COVID-19. Operating earnings in Italy improved as a result of sales and margins. Earnings in Belgium were lower than in the previous year despite a positive sales increase due to margin losses as a result of product mix effects and high campaign intensity. Earnings were additionally negatively impacted by the normalization of the cost base after the prior-year quarter, which was influenced by COVID-19. In the Netherlands, earnings were also lower than in the previous year as a result of margins as well as higher campaign intensity.

EXPLANATION OF THE RESULT IN THE EASTERN EUROPE SEGMENT

In the **first nine months of 2020/21**, EBIT in the Eastern Europe segment at €13 million was €40 million above the previous year's level (9M 2019/20: €–27 million). This includes non-recurring effects at a very low level of approximately €0 million (9M 2019/20: €–3 million). Adjusted for these effects, EBIT in the Eastern Europe segment increased by €36 million to €13 million (9M 2019/20: €–23 million).

In the **third quarter of 2020/21**, EBIT in the Eastern Europe segment increased by €7 million to €–3 million (Q3 2019/20: €–10 million). This includes non-recurring effects at a very low level of approximately €0 million (Q3 2019/20: €–3 million). Adjusted for these effects, EBIT in the Eastern Europe segment increased by €4 million to €–3 million (Q3 2019/20: €–7 million). In Poland, the positive sales and margin growth had a positive effect on earnings. In Turkey, the positive sales and margin development, also supported by an improvement in income from the Services & Solutions business, resulted in earnings slightly above the previous year despite a higher absolute cost base.

EXPLANATION OF THE RESULT IN THE OTHERS SEGMENT

The Others segment covers, in particular, the activities of CECONOMY AG, the earnings effects from companies accounted for using the equity method, Sweden and the activities of smaller companies. In the **first nine months of 2020/21**, EBIT increased by €422 million year-on-year to €140 million (9M 2019/20: €–282 million). This includes expenses in connection with the transaction announced on 14 December 2020 relating to the acquisition of the minority shareholding in MediaMarktSaturn and reorganization and simplification of the corporate structure amounting to around €–10 million (9M 2019/20: €0 million). Other non-recurring effects are included at a low level of approximately €–2 million (9M 2019/20: €0 million). Earnings effects from companies accounted for using the equity method totalled €178 million in the reporting period (9M 2019/20: €–235 million). Adjusted for non-recurring effects and earnings effects from companies accounted for using the equity method, EBIT rose by €21 million to €–25 million (9M 2019/20: €–47 million). Earnings in Sweden, at €–8 million, were €12 million higher than in the previous year (9M 2019/20: €–21 million). Other, smaller operating companies in the Others segment generated an EBIT of €1 million (9M 2019/20: €–3 million).

In the **third quarter of 2020/21**, EBIT in the Others segment decreased by €4 million year-on-year to €–15 million (Q3 2019/20: €–11 million). This includes expenses in connection with the transaction announced on 14 December 2020 relating to the acquisition of the minority shareholding in MediaMarktSaturn and reorganization and simplification of the corporate structure amounting to around €–3 million (Q3 2019/20: €0 million). Other non-recurring effects are included at a low level of approximately €0 million (Q3 2019/20: €0 million). Adjusted for non-recurring effects and earnings effects from companies accounted for using the equity method, EBIT was level with the previous year at €–11 million (Q3 2019/20: €–11 million). Earnings in Sweden, at €–5 million, were likewise at the previous year's level (Q3 2019/20: €–5 million). In Sweden, the positive sales development compensated for both a low cost increase and a slight margin decline. Other, smaller operating companies in the Others segment generated an EBIT of €–1 million (Q3 2019/20: €–2 million).

	Q3 2019/20					Q3 2020/21					
		Non-recurring					Non-recurring				
€ million	Reported EBIT	Earnings effects from the reorganization and efficiency program	Effects of store closures	Earnings effects from companies accounted for using the equity method and portfolio changes	Adjusted EBIT	Reported EBIT	Effects of store closures	Effects of the introduction of the Operating Model	Transaction costs from minority stake acquisition	Earnings effects from companies accounted for using the equity method and portfolio changes	Adjusted EBIT
Total[1]	**–64**	**1**	**–19**	**–1**	**–45**	**–106**	**–4**	**–4**	**–3**	**–1**	**–93**
DACH	–1	3	–6	0	3	–49	0	0	–1	0	–49
Western/ Southern Europe	–41	–2	–10	0	–30	–38	–4	–4	0	0	–30
Eastern Europe	–10	0	–3	0	–7	–3	0	0	0	0	–3
Others	–11	0	0	–1	–11	–15	0	0	–3	–1	–11

[1] Including consolidation

	9M 2019/20					9M 2020/21					
		Non-recurring					Non-recurring				
€ million	Reported EBIT	Earnings effects from the reorganization and efficiency program	Effects of store closures	Earnings effects from companies accounted for using the equity method and portfolio changes	Adjusted EBIT	Reported EBIT	Effects of store closures	Effects of the introduction of the Operating Model	Transaction costs from minority stake acquisition	Earnings effects from companies accounted for using the equity method and portfolio changes	Adjusted EBIT
Total[1]	**–113**	**28**	**–19**	**–235**	**113**	**233**	**–29**	**–12**	**–11**	**178**	**106**
DACH	189	–2	–6	0	197	91	–20	–1	–1	0	113
Western/Southern Europe	7	30	–10	0	–13	–11	–9	–9	0	0	7
Eastern Europe	–27	0	–3	0	–23	13	0	0	0	0	13
Others	–282	0	0	–235	–47	140	0	–2	–10	178	–25

[1] Including consolidation

Financial and asset position

CASH FLOW

€ million	9M 2019/20	9M 2020/21	Change
Cash flow from operating activities	182[1]	−252	−435
Cash flow from investing activities	−127	−23	103
Cash flow from financing activities	−311[1]	325	636
Change in net working capital[2]	−639[1]	−859	−220
Free cash flow	42[1]	−375	−417

[1] Restated prior-year figure as a result of factoring transactions now reported on a gross basis
[2] Change in net working capital shown from the related statement of financial position items, mainly adjusted for non-cash items

In the first nine months of financial year 2020/21, **cash flow from operating activities** of continuing operations resulted in a cash outflow of €252 million. This compares with a cash inflow of €182 million in the previous year. The €435 million lower cash flow from operating activities is primarily due to the €220 million lower change in net working capital, which is mainly due to higher inventories as of 30 June 2021 and significantly lower trade liabilities and similar liabilities. The higher inventories are mainly due to the prolonged lockdown situation, especially in Germany, and the continued deliberate build-up of inventory levels to ensure the availability of goods. The lower trade liabilities are also attributable to the comparatively high basis as of 30 September 2020. Higher tax payments also had a negative effect on cash flow from operating activities in the reporting period. The previous year included pandemic-related tax deferrals and reductions of tax prepayments, which are now resulting in a reversal effect this year.

In the first nine months of financial year 2020/21, **cash flow from investing activities** resulted in a cash outflow of €23 million. This compares with a cash outflow of €127 million in the prior-year period. The change in the reporting period is mainly driven by lower net investment in financial investments and securities, while the net divestments of financial investments and securities were roughly on par with the previous year. The previous year's cash outflow also included a cash investment in the joint venture PMG Retail Market Ltd. in Greece of €29 million. The expenses for expansion and modernization were higher than in the same period of the previous year, which is particularly attributable to the acquisition of 17 Spanish stores from Worten Equipamentos do Lar S.A. this year and the suspension of planned modernizations and new stores in light of the COVID-19 pandemic in the previous year.

In the first nine months of 2020/21, **cash flow from financing activities** resulted in a cash inflow of €325 million, compared with a cash outflow of €311 million in the same period of the previous year. As the credit facilities utilized in the second quarter of 2019/20 against the backdrop of the COVID-19 pandemic were paid back almost entirely in the third quarter of 2019/20, the cash inflow of the previous year is mainly due to the redemption of lease liabilities. This compares with proceeds from borrowings of €779 million (primarily issuance of five-year bond with a nominal volume of €500 million) and a significantly lower redemption of other borrowings in the current year. In the reporting period, cash outflows for the redemption of lease liabilities of €390 million had an opposite effect (9M 2019/20: cash outflow of €403 million).

In the first nine months of financial year 2020/21, **free cash flow** amounted to €−375 million and was thus €417 million below the previous year's figure of €42 million. This decline is mainly due to the more negative change in net working capital than in the previous year.

NET WORKING CAPITAL ON 30 JUNE 2021 LEVEL WITH THE PREVIOUS YEAR

Net working capital as of 30 June 2021 increased by €16 million compared with 30 June 2020. Net working capital therefore amounted to €−356 million as of 30 June 2021, around the level of the previous year (30 June 2020: €−340 million). The significantly higher inventories are due firstly to the prolonged lockdown situation, especially in Germany, and secondly to a deliberate build-up of inventory levels to ensure the availability of goods. This development is counteracted by higher trade liabilities, which reflect a higher order volume compared to the relevant period of the previous year. Another contrary effect results from lower trade receivables due to lower commissions, likewise as a result of the prolonged lockdown situation, as well as higher factoring overall.

NET DEBT ON 30 JUNE 2021 SLIGHTLY BELOW THE PREVIOUS YEAR

As of 30 June 2021, **net debt** amounted to €1,560 million. In the previous year, net debt of €1,625 million was reported. Increased sales led to higher cash and cash equivalents, which in turn resulted in lower net debt. Adjusted for lease liabilities, net liquidity as of 30 June 2021 amounted to €470 million (30 June 2020: €504 million).

INVESTMENTS HIGHER THAN PREVIOUS YEAR DUE TO RENTAL AGREEMENT EXTENSIONS

Investments totalled €484 million in the first nine months of 2020/21, €167 million above the previous year's level (9M 2019/20: €317 million). The considerable increase is mainly attributable to the addition of rental right-of-use assets of €360 million, which was €166 million higher than in the prior-year period (9M 2019/20: €194 million). This development was driven primarily by extensions to existing rental agreements for stores and logistics centres especially in Germany and the Netherlands as well as the acquisition of 17 Spanish stores from Worten Equipamentos do Lar S.A., while rental agreement extensions planned in the previous year were paused as a result of the uncertain COVID-19 situation. On the other hand, in the current year there were no additions from investments accounted for using the equity method, while in the previous year the key factor was the addition of the joint venture investment in Greece (9M 2019/20: €31 million). In the third quarter of 2020/21, investments totalled €202 million, €117 million above the previous year's level (Q3 2019/20: €85 million). The increase was based primarily on the extension of existing rental agreements especially in Germany and normalized modernization activity compared to the same quarter of the previous year, which was impacted by COVID-19.

In the first nine months of 2020/21, the store network was expanded by one store in Spain and five stores in Turkey. Furthermore, 17 stores were added in connection with the acquisition of Worten Equipamentos do Lar S.A. stores in Spain. The 17 Worten stores were successively reopened under a new name in April 2021. However, nine stores in Germany, seven stores in Poland and one store in the Netherlands were closed in the reporting period. In the third quarter of 2020/21, one store was opened in Turkey. On the other hand, three stores in Germany, five stores in Poland and one store in the Netherlands were closed in the third quarter of 2020/21. At the end of the third quarter of 2020/21, the total number of stores was therefore 1,029. The average selling space per store was 2,562 square metres as of 30 June 2021, unchanged as against 31 March 2021.

FINANCING

CECONOMY AG uses issues on the capital market for medium- and long-term financing. As of 30 June 2021, CECONOMY AG had several outstanding promissory notes together totalling €250 million with a remaining term of up to six years. For obtaining short-term financial funding, CECONOMY AG has a euro-denominated commercial paper programme with a maximum volume of €500 million. As of 30 June 2021, commercial paper of €265 million was outstanding (30 June 2020: €0 million).

In addition, a syndicated credit facility was available to CECONOMY AG in a total amount of €2,680 million as of 30 June 2021, which was not utilized. As of 30 June 2020, €75 million of this was utilized and €74 million was borrowed via local credit facilities in various countries, so credit facilities totalling approximately €149 million were drawn in the previous year. The tranche of €1,700 million with the involvement of KfW included in the syndicated credit facility totalling €2,680 million and concluded in mid-May 2020 was not utilized at any time.

In addition, on 6 May 2021, CECONOMY AG concluded a new syndicated revolving credit agreement with its partner banks for a total volume of €1,060 million. This came into effect on 9 August 2021 following the termination of the previously existing syndicated credit facility with the involvement of KfW on 29 July 2021 (see also Events after the reporting date).

CECONOMY AG also issued a five-year senior unsecured bond of €500 million and thus further enhanced its post-pandemic financing structure. The notes will mature in June 2026 and carry an annual fixed coupon of 1.75 per cent. The new notes were issued on 24 June 2021.

CECONOMY AG is assessed by international rating agencies Moody's and Scope. As of 30 June 2021, CECONOMY had an investment grade rating (BBB–, outlook "stable") from Scope and a non-investment grade rating from Moody's (Ba1, outlook "stable"). The company has received a "BBB–" rating from Scope and a "Ba1" rating from Moody's for the bond.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Income statement

€ million	Q3 2019/20	Q3 2020/21	9M 2019/20	9M 2020/21
Sales	**4,107**	**4,407**	**15,559**	**16,193**
Cost of sales	−3,453	−3,706	−12,858	−13,580
Gross profit on sales	**654**	**701**	**2,701**	**2,613**
Other operating income	39	53	160	157
Selling expenses	−651	−714	−2,341	−2,305
General administrative expenses	−102	−139	−370	−404
Other operating expenses	−2	−2	−25	−5
Earnings share of investments accounted for using the equity method	−1	−1	−235	178
Net impairments on operating financial assets and contract assets	−3	−2	−4	−2
Earnings before interest and taxes (EBIT)	**−64**	**−106**	**−113**	**233**
Other investment result	0	11	20	48
Interest income	1	2	6	10
Interest expenses	−13	−15	−43	−48
Other financial result	−2	11	−11	−7
Net financial result	**−13**	**9**	**−28**	**3**
Earnings before taxes (EBT)	**−77**	**−97**	**−141**	**235**
Income taxes	−54	14	−77	−47
Profit or loss for the period from continuing operations	**−131**	**−82**	**−218**	**188**
Profit or loss for the period from discontinued operations	−1	0	2	13
Profit or loss for the period	**−132**	**−82**	**−216**	**201**
Profit or loss for the period attributable to non-controlling interests	−27	−16	11	11
from continuing operations	**−27**	**−16**	**11**	**8**
from discontinued operations	0	0	0	3
Profit or loss for the period attributable to shareholders of CECONOMY AG	−105	−67	−227	190
from continuing operations	**−104**	**−67**	**−229**	**180**
from discontinued operations	−1	0	2	10
Earnings per share in € (basic = diluted)	**−0.29**	**−0.19**	**−0.63**	**0.53**
from continuing operations	**−0.29**	**−0.19**	**−0.64**	**0.50**
from discontinued operations	0.00	0.00	0.00	0.03

Statement of financial position

Assets

€ million	30/09/2020	30/06/2020	30/06/2021
Non-current assets	**3,857**	**3,858**	**3,871**
Goodwill	524	524	524
Other intangible assets	102	118	118
Property, plant and equipment	567	587	505
Right-of-use assets	2,021	2,009	1,902
Financial assets	280	233	280
Investments accounted for using the equity method	266	310	433
Other financial assets	2	6	3
Other assets	11	14	9
Deferred tax assets	84	57	98
Current assets	**6,598**	**5,497**	**6,556**
Inventories	2,949	2,780	3,439
Trade receivables and similar claims	488	467	320
Receivables due from suppliers	1,302	970	938
Other financial assets	151	65	105
Other assets	154	192	169
Income tax assets	69	89	62
Cash and cash equivalents	1,484	933	1,525
	10,455	**9,354**	**10,428**

Equity and liabilities

€ million	30/09/2020	30/06/2020	30/06/2021
Equity	**548**	**530**	**694**
Share capital	919	919	919
Capital reserve	321	321	321
Reserves retained from earnings	−753	−746	−592
Non-controlling interests	61	36	46
Non-current liabilities	**2,472**	**2,436**	**2,653**
Provisions for pensions and similar obligations	513	496	476
Other provisions	28	16	30
Borrowings	1,850	1,835	2,070
Other financial liabilities	36	39	36
Other liabilities	11	8	8
Deferred tax liabilities	33	42	33
Current liabilities	**7,435**	**6,388**	**7,081**
Trade liabilities and similar liabilities	5,996	4,557	5,052
Provisions	151	136	122
Borrowings	573	723	1,015
Other financial liabilities	378	330	399
Other liabilities	231	581	386
Income tax liabilities	106	60	106
	10,455	**9,354**	**10,428**

Cash flow statement

€ million	9M 2019/20	9M 2020/21
EBIT	−113	233
Scheduled depreciation/amortization, reversals of impairment losses and impairment on intangible assets, property, plant and equipment, right-of-use assets and impairment losses and reversals of impairment losses on investments accounted for using the equity method	879	416
Change in provisions for pensions and similar obligations	−71	−42
Change in net working capital[1]	−639[2]	−859
Income taxes paid	6	−55
Reclassification of gains (−)/losses (+) from the disposal of fixed assets	2	2
Other	119	53
Cash flow from operating activities of continuing operations	**182**[2]	**−252**
Cash flow from operating activities of discontinued operations	0	0
Cash flow from operating activities	**182**[2]	**−252**
Acquisition of subsidiaries	0	0
Investments in property, plant and equipment	−83	−87
Other investments	−58	−36
Financial investments and securities	−160	−68
Disposals of financial investments and securities	160	153
Disposals of companies	0	0
Disposal of long-term assets and other disposals	15	15
Cash flow from investing activities of continuing operations	**−127**	**−23**
Cash flow from investing activities of discontinued operations	0	0
Cash flow from investing activities	**−127**	**−23**
Dividends paid	−23	−20
thereof dividends paid to the shareholders of CECONOMY AG	0	0
Payment received from capital increase	0	0
Equity transactions with change in equity interest without obtaining/relinquishing control	−7	1
Redemption of liabilities from put options of non-controlling interests	−2	−2
Proceeds from long-term borrowings	1,437	779
Redemption of lease liabilities	−403	−390
Redemption of other borrowings	−1,283[2]	−30
Interest paid	−41	−48
Interest received	6	9
Profit and loss transfers and other financing activities	6	28
Cash flow from financing activities of continuing operations	**−311**[2]	**325**
Cash flow from financing activities of discontinued operations	0	0
Cash flow from financing activities	**−311**[2]	**325**
Total cash flows	**−255**	**50**
Currency effects on cash and cash equivalents	−11	−8
Total change in cash and cash equivalents	**−266**	**41**
Total cash and cash equivalents as of 1 October	1,199	1,484
Less cash and cash equivalents recognized in assets in accordance with IFRS 5	15	0
Cash and cash equivalents as of 1 October	**1,184**	**1,484**
Total cash and cash equivalents as of 30 June	933	1,525
Less cash and cash equivalents recognized in assets in accordance with IFRS 5	0	0
Cash and cash equivalents as of 30 June	**933**	**1,525**

[1] Change in net working capital shown from the related statement of financial position items, mainly adjusted for non-cash items
[2] Restated prior-year figure as a result of factoring transactions now reported on a gross basis

FINANCIAL CALENDAR

Annual report FY 2020/21	Tuesday	14 December 2021	7:00 a.m.

All time specifications according to German time.

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GENERAL INFORMATION

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Disclaimer

This quarterly statement contains forward-looking statements that are based on certain assumptions and expectations at the time of its publication. These statements are therefore subject to risks and uncertainties, which means that actual results may differ substantially from the future-oriented statements made here. Many of these risks and uncertainties relate to factors that are beyond CECONOMY AG's ability to control or estimate precisely. This includes future market conditions and economic developments, the behaviour of other market participants, the achievement of expected cost savings and productivity improvements, as well as legal and political decisions. CECONOMY AG does not undertake any obligation to publicly correct or update these forward-looking statements to reflect events or circumstances that have occurred after the publication date of this quarterly statement and associated material.

Please note in case of doubt the German version shall prevail.