



EURONEXT STAR CONFERENCE
Milano, 24 March 2021



Disclaimer

IFRS-16

One year after the first adoption of IFRS 16, the transitional phase during which Unieuro's financial reporting was based on adjusted data and in continuity with the previous accounting standard IAS 17 and the interpretations thereof has ended.

Therefore, in line with practices that were gradually established among retailers listed on international markets, from 1st March 2020 the Company has been commenting only on the economic figures after the application of the above accounting standard, focusing on Adjusted EBIT and Adjusted Net Profit.

On the other hand, net debt and cash flow do not include the notional component linked to the application of IFRS 16.

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New record in sales, both for the company and its reference market:
more than **2.9 €bn**

- **Retail channel above Euro 2 billion (+17.3%)**
- **E-commerce further increasing** despite last year's extraordinary performance
- Indirect Channel back to historical trends

FY 2021/22 profitability and cash generation guidance confirmed

Dividend expected to be in line with the Dividend Policy, despite uncertainties linked to the current international and macroeconomic context

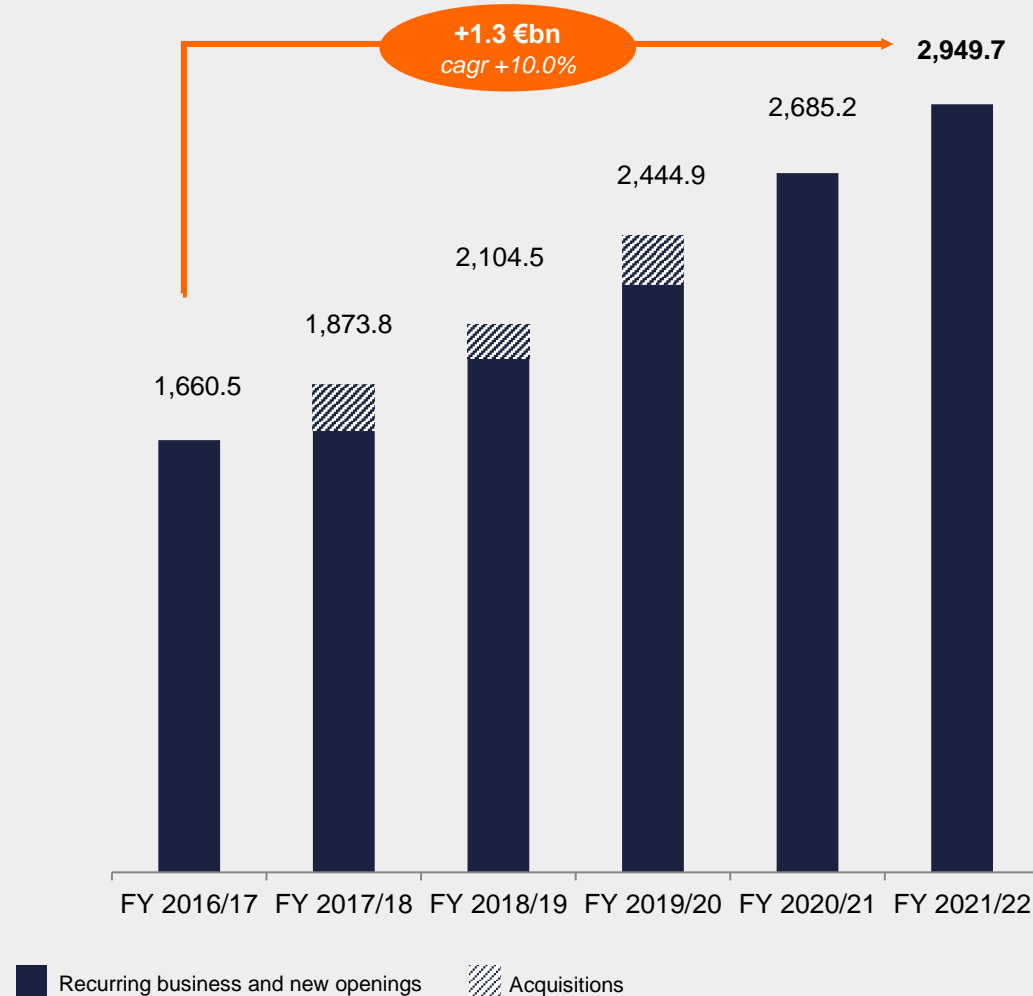
Agenda



- **FY 2021/22 Preliminary Sales**
- **9M 2021/22 Financials**
- **“Our Omni-Journey to 2026” Strategic Plan**
- **Company Overview**

Sales close to 3 €bn, new historical high

Constant growth since the IPO



- **Yearly performance perfectly in line with FY 2020/21:**

- Sales +264 €m (+9.9%), after adding 240 €m in FY 2020/21 (+9.8% on FY 2019/20, before Covid)
- +20.6% aggregate performance in the 2-year Covid period
- +77.6% in 5 years, corresponding to a 10% cagr

- **Undergoing after-Covid normalisation:**

- Favourable consumer trends until November
- Store network back to normal, Online keeping growing despite LY extraordinary performance
- Booming TV sales, boosted by the start of frequency switch-off and the introduction of TV-Bonus

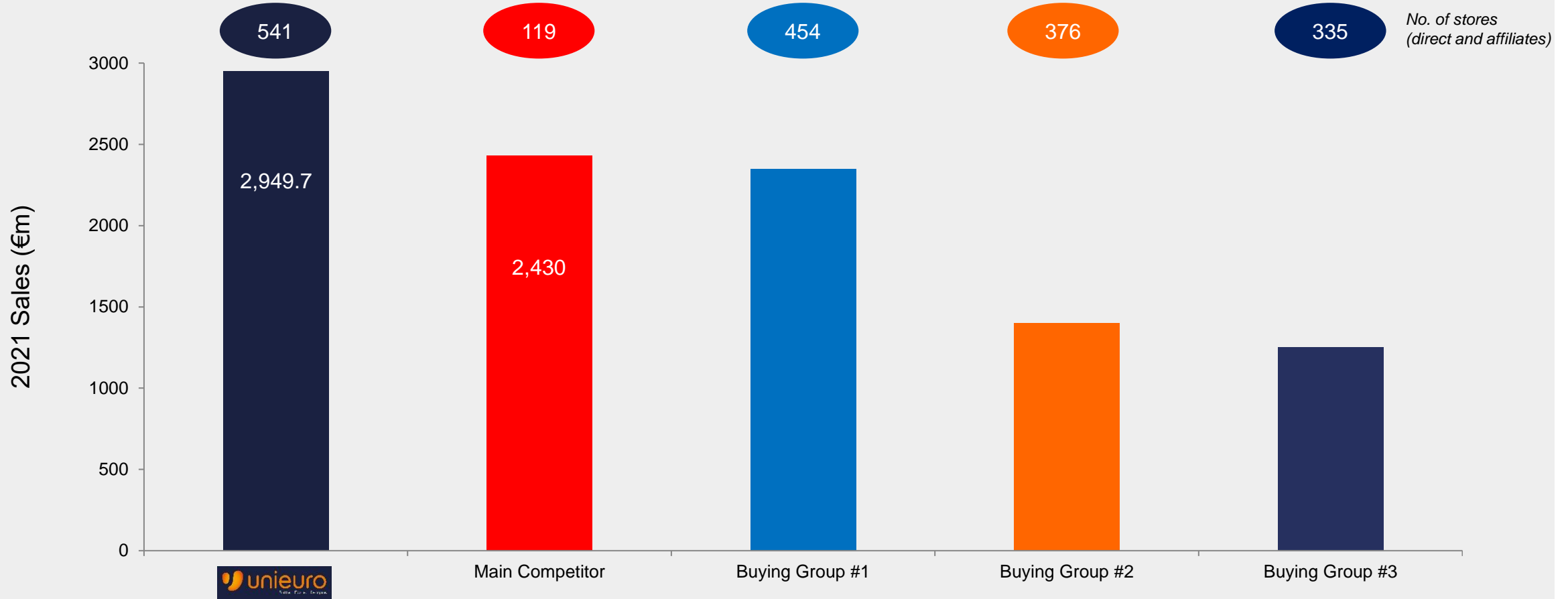
- **Like-for-like sales growth: +8,8%**

- +9.0% excluding from the scope the stores adjacent to newly opened stores, and therefore not included in the like-for-like computation

- **Business perimeter positively impacted by 10 new store openings only** (vs. 1 closing)

Market Leadership Confirmed for the 3rd Year in a Row

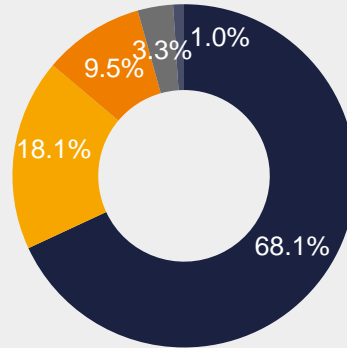
Leadership in the Consumer Segment (Retail+Travel+Online) also confirmed, with sales over 2,570 €bn



Sales Breakdown

Sales per channel - FY 2021/22

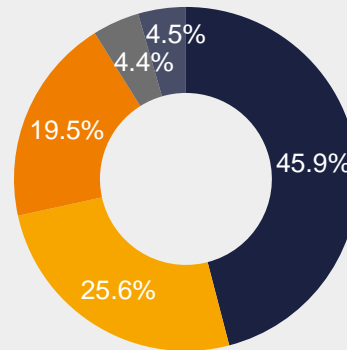
		vs FY 20/21	vs FY 19/20 pre-Covid
Retail	2,008.1 €m	+17.3%	+17.5%
Online	532.8 €m	+1.4%	+79.3%
Indirect	280.5 €m	-8.8%	+6.6%
B2B	98.5 €m	-15.7%	-27.8%
Travel	29.9 €m	+24.2%	-24.6%



- **Retail in sustained growth:** gradual lifting of restrictions, transition to direct management of 18 Unieuro by lper shop-in-shops starting from 2H 2020/21, 10 new openings and renewal of 8 stores
- **Online still growing** after the exceptional 2020/21: trend reversal compared to 9M thanks to the 6.5% increase recorded in Q4. Success for the renewed unieuro.it platform
- **Indirect Channel downsizing** in light of post-Covid normalization and the sharp decline recorded in Q4 (-37.5%). Annual performance in line with the channel's long-term trends
- **B2B** penalized by precise managerial choices related to the lower availability of products with which to feed the channel in certain periods of the year
- **Travel recovering** but still below the levels reached before the pandemic heavily penalized airport traffic

Sales per category⁽¹⁾ - FY 2021/22

		vs FY 20/21	vs FY 19/20 pre-Covid
Grey	1,355.2 €m	+3.5%	+16.8%
White	755.8 €m	+3.7%	+10.5%
Brown	576.2 €m	+42.5%	+49.9%
Other products	130.1 €m	-3.0%	+14.2%
Services	132.5 €m	+22.3%	+29.5%



- **Grey in progress** thanks to telephones and related accessories, wearable products and tablets. Weakness of the IT segment in 2H, in light of a highly challenging 2020 comparison basis, which had benefited from the purchasing trends related to the pandemic
- **White in moderate growth**, slowing down from 9M due to a weak 4Q. However, double-digit performance compared to pre-Covid
- **Brown in strong increase**, driven by the TV segment: restart of sporting events in H1, start of the switch-off and introduction of the TV Bonus in H2. Switch-off effect destined to last throughout 2022
- **Other products penalized by the weak 4Q (-19.8%)**, in light of the extraordinarily strong 4Q 2020/21
- **Services: positive trend**, supported by the continuous focus on warranty extensions, delivery and transport

Agenda

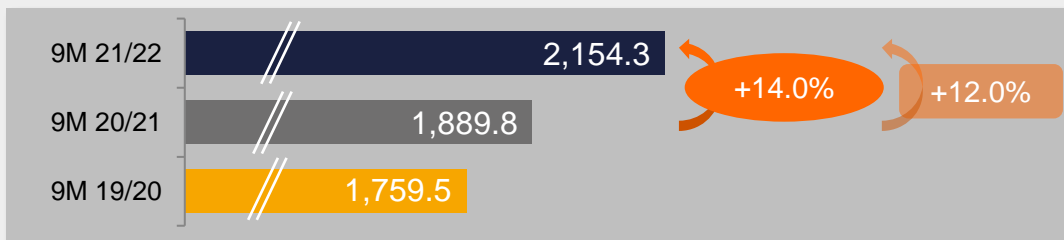


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- **Company Overview**

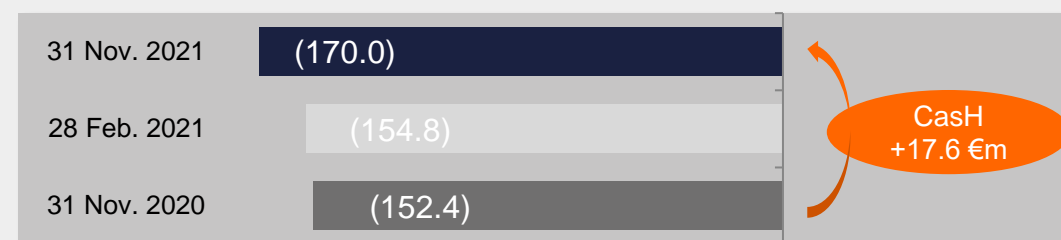
9M 2021/22 Key Financials

Sales (€m)

Like-for-like growth

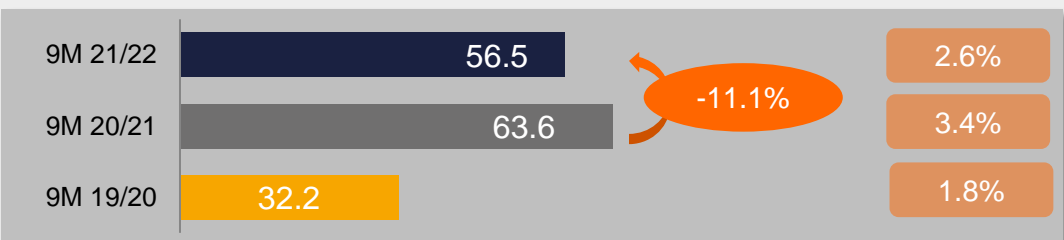


Net Financial Debt/(Cash) (€m)

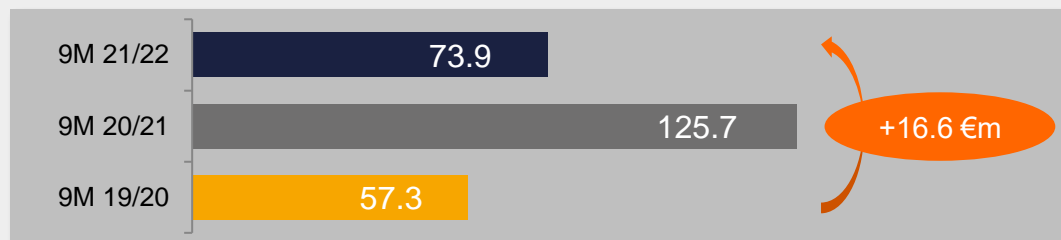


Adj. EBIT (€m)

Adj. EBIT margin

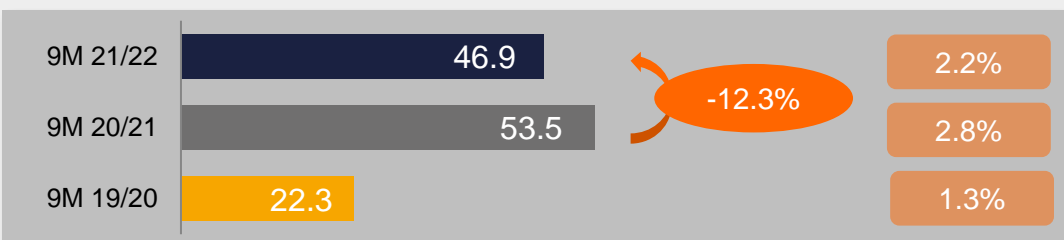


Adj. Free Cash Flow (€m)

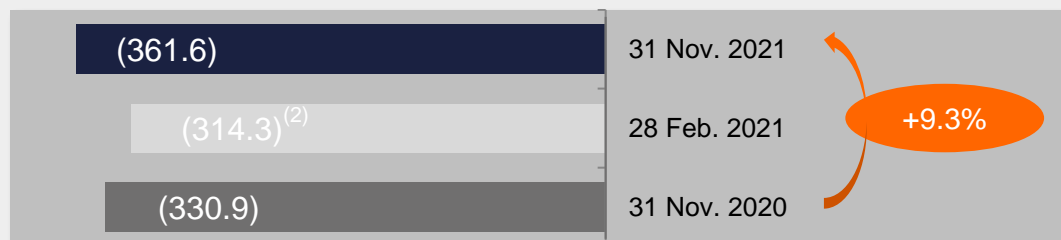


Adj. Profit Before Taxes⁽¹⁾ (€m)

Adj. PBT margin

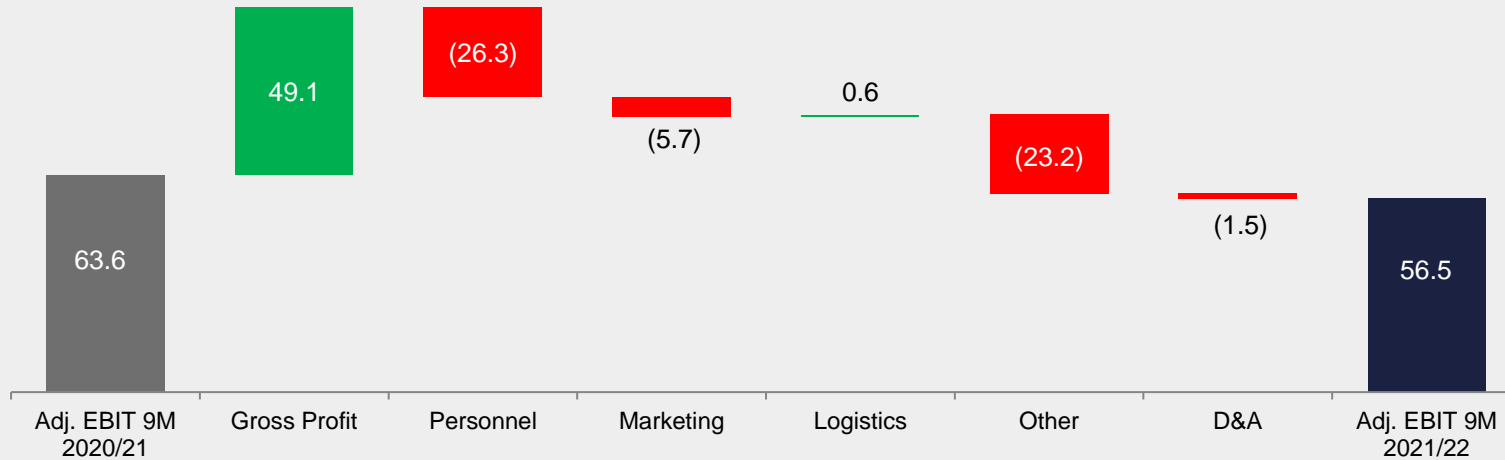


Net Working Capital (€m)

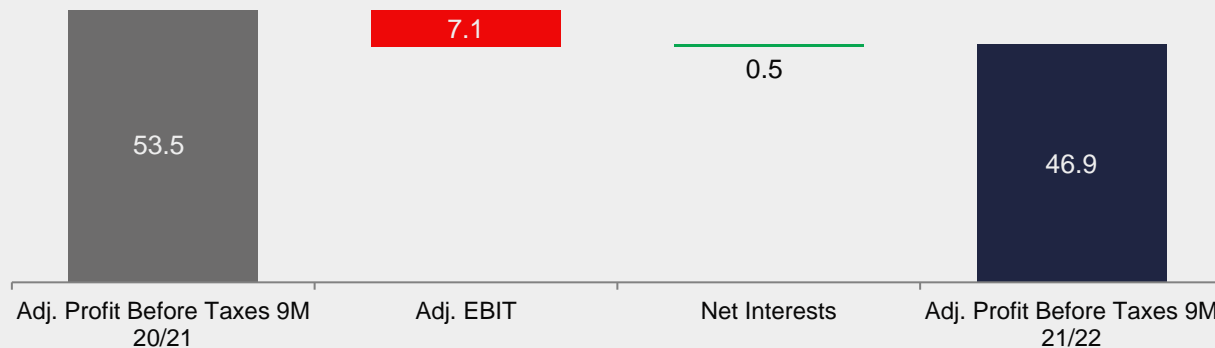


Profitability

Adj. EBIT



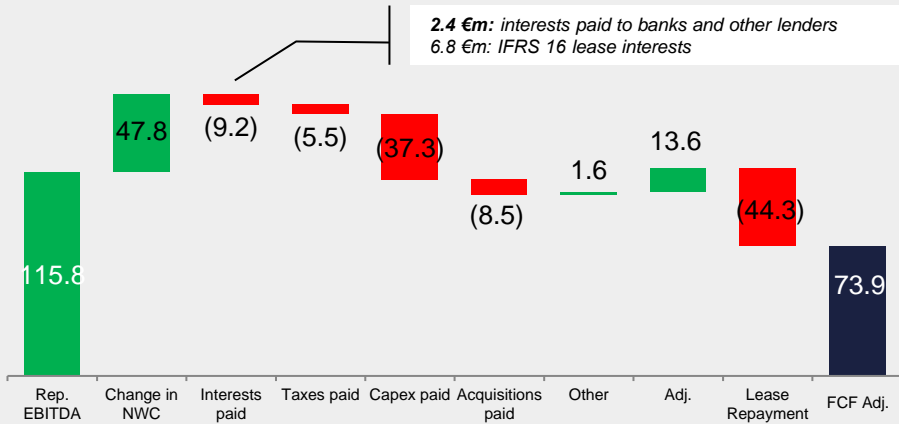
Adj. Profit Before Taxes ⁽¹⁾



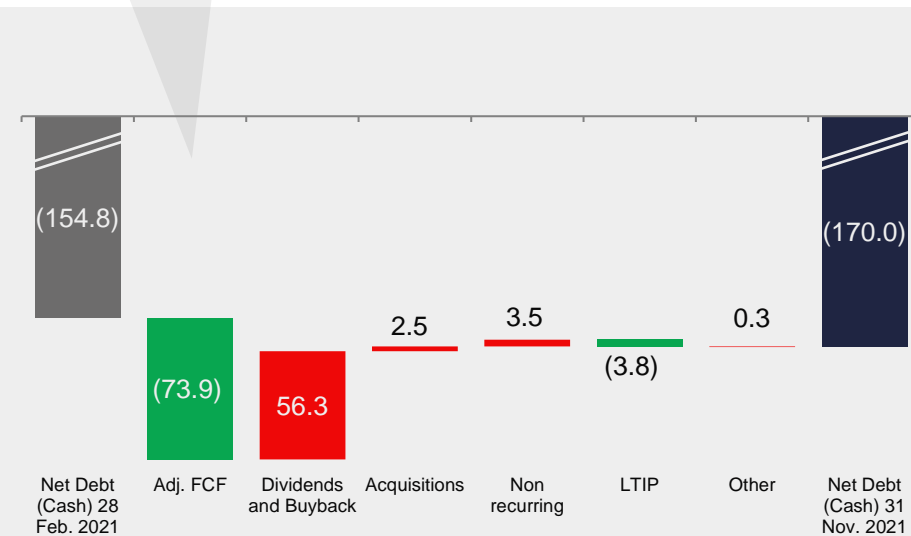
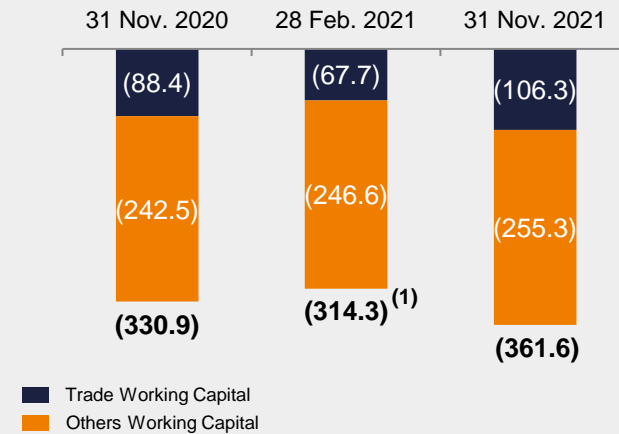
- **Gross Margin at 21,4%**, down from 21.7% in 9M 2020/21 mainly due to different supplier mix and despite rebalancing of channel mix
- **Personnel Costs +26,3 €m, incidence up from 6,5% to 6,9%** as a result of extraordinary savings in H1 2020/21 related to furloughs, and other personnel related initiatives and the transition to direct management of Unieuro by Iper shop-in-shops
- **Marketing Costs +5,7 €m, stable at 2% of revenues.** Restarting of promotional campaigns and increased investment on the internet, radio and TV
- **Logistic cost stable (+0,6 €m), down from 3,3% to 2,9% of revenues** in the light of the rebalancing of the channel mix and the following reduction in home deliveries
- **Other costs +23,2 €m, impact from 2,9% to 3,6%:** extraordinary reduction in rentals in H1 2020/21, higher variable rentals, payment commissions, operating costs (utilities, store maintenance) and consultancies (IT, new projects)
- **Depreciation and amortization slightly increasing (+1,5 €m)**, but marking a decline as a percentage of revenues from 3.6% to 3.3%

Financial Overview

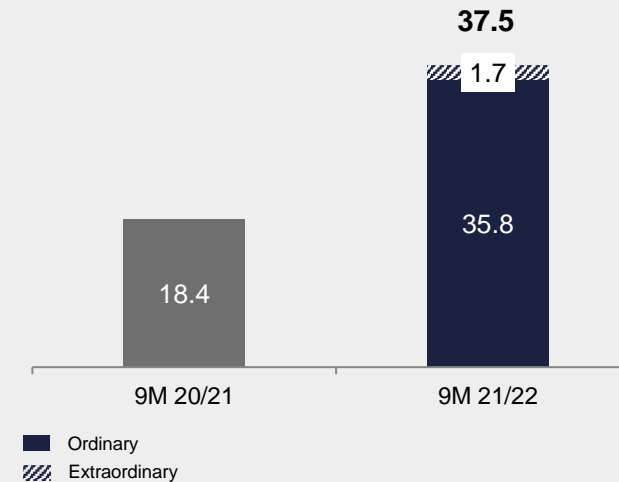
Adj. Free Cash Flow



Net Working Capital



Capex



- **Net cash as of Nov. 30, 2021 up to €170.0m** despite dividend payment (€53.8m)
- **Modest impact of buyback in 9M (€2.5m)**, as it was only launched on Nov. 15
- **Strong cash generation compared to pre-Covid levels**, also thanks to the success of the Black Friday campaign: Free Cash Flow Adj. +29% in 9M, +7.9% in Q3. Cash absorption expected in Q4
- Key drivers of FCF:
 - Strong operating profitability
 - Capex acceleration
 - Net Working Capital expanding again, in all its components
- **Capex almost doubled:**
 - direct network improvement (10 openings, 3 relocations, 5 modernizations)
 - implementation of the new SAP S/4HANA ERP
 - launch of the new e-commerce website ("Revolution" project)

9M 2021/22 Key Operational Data

Unieuro's Retail Network

	30 Nov. 2021	Openings	Closings	28 Feb. 2021	o/w Click & Collect
DOS:	282	+10	-1	273	273
- Malls and free standing stores	245	+10	-1	236	
- Shop-in-shops	26			26	
- Travel stores	11			11	
Affiliated stores:	257	+11	-8	254	203
- Traditional	257	+11	-8	254	
- Shop-in-shops	0			0	
TOTAL STORES:	539	+21	-9	527	476

Net Promoter Score⁽¹⁾ (direct channel only)



Active Loyalty Cards⁽²⁾ (thousands)

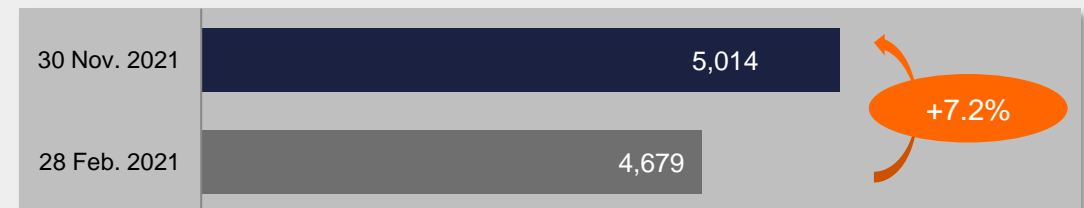


Total Retail Area (sqm, DOS only)

Sales density
(€/sqm, LTM)



Workforce (FTEs)



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NEXT CHAPTER: BECOME THE «MARKET SETTER»

1

Set market trends,
anticipating customer
needs and influencing
the entire value chain

2

Create value for all
stakeholders ensuring
a profitable and
sustainable growth

3

Become the
«natural destination»
for technological needs
along the customer
“omni-journey”



Refocusing consumption habits

MANY CUSTOMERS WILL PAY MORE ATTENTION TO PRICES, WHILE OTHERS WILL BE LOOKING FOR A GREATER VALUE



of customers state essential goods will own a higher share of their wallet



of customers state higher value is the key purchasing driver, compared with 20% who favor lower prices



of customers plan to cut down purchase frequency



FURTHER MARKET GROWTH EXPECTED LED BY **MDA, SDA AND IT**

LEGEND >+10% +2//+10% -2%//+2% -2// -10% <-10%

	PRE COVID TREND	FUTURE TREND (2025/26)	
MAJOR DOMESTIC APPLIANCES			Return to historical trends also thanks to a slight increase in currently underpenetrated categories (i.e. drying machines)
SMALL DOMESTIC APPLIANCES			Return to historical trends, further accelerated by the spread of new consumption habits (i.e. more home-cooked meals)
TV AND ACCESSORIES			Boost in 2021/22 for DTT ¹ replacement, followed by a demand stabilization compared to the historical negative trend
IT / OFFICE EQUIPMENT			Progressive market growth due to higher demand resulting from new consumer habits and device substitution
TELECOM			Return to historical trends

Note: (1) Digital terrestrial television



Life at-home

AS A RESULT, THE **MARKET** IS EXPECTED TO **GROW BY 1-2% P.A.**



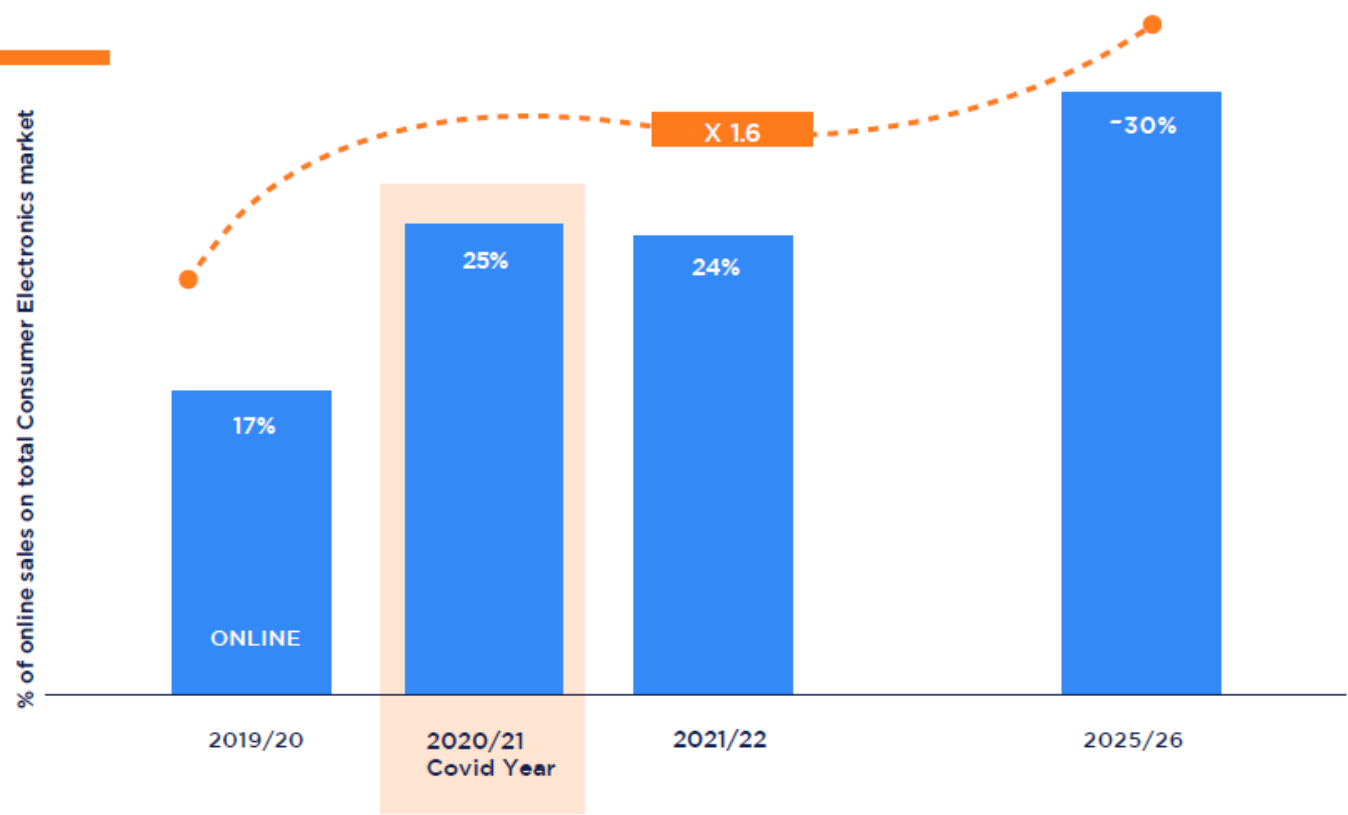
- **Working from home** and the need to experience entertainment at home will continue **over the next years (at least partially)**
- The **overall market value will remain stable**, partly closing the gap in terms of average per capita expenditure compared to other European countries

Note: excluding Music and Video



Digitalization boost

IN THE «NEW NORMAL», A FURTHER BOOST OF ONLINE IS EXPECTED



~2.5 years

Acceleration of eCommerce in 2020/21 alone compared to pre-COVID expectations (at its peak, online penetration reached levels not expected until after 2024)

up to ~x2

maximum expected increase in eCommerce penetration in 2025/26 compared to pre-COVID forecasted

The channel shift **will reduce the price gap between online and offline**, as in more mature markets, increasing **pressure on retailers' profitability**.

Notes: excluding Music and Video



Sustainability first

IN THIS MARKET, CUSTOMERS ARE INCREASINGLY EXPECTING COMPANIES **TO TAKE A STAND ON SUSTAINABILITY ISSUES**



of Italians have energy-saving behaviors



of Italians reward brands with a responsible approach



of Italians find energy labels 'very useful'



of Italians consider energy efficiency a key purchasing driver

THE ITALIAN MARKET IS PECULIAR: WE ARE THE ONLY ONE WITH THE RIGHT ASSETS TO WIN

FRAGMENTED MARKET

The Italian Consumer Electronics Market is still fragmented (Tech Superstores with a market share of ~50%)

FOCUS ON PROXIMITY

Customers still prefer proximity for physical purchases (confirmed in the year of Covid)

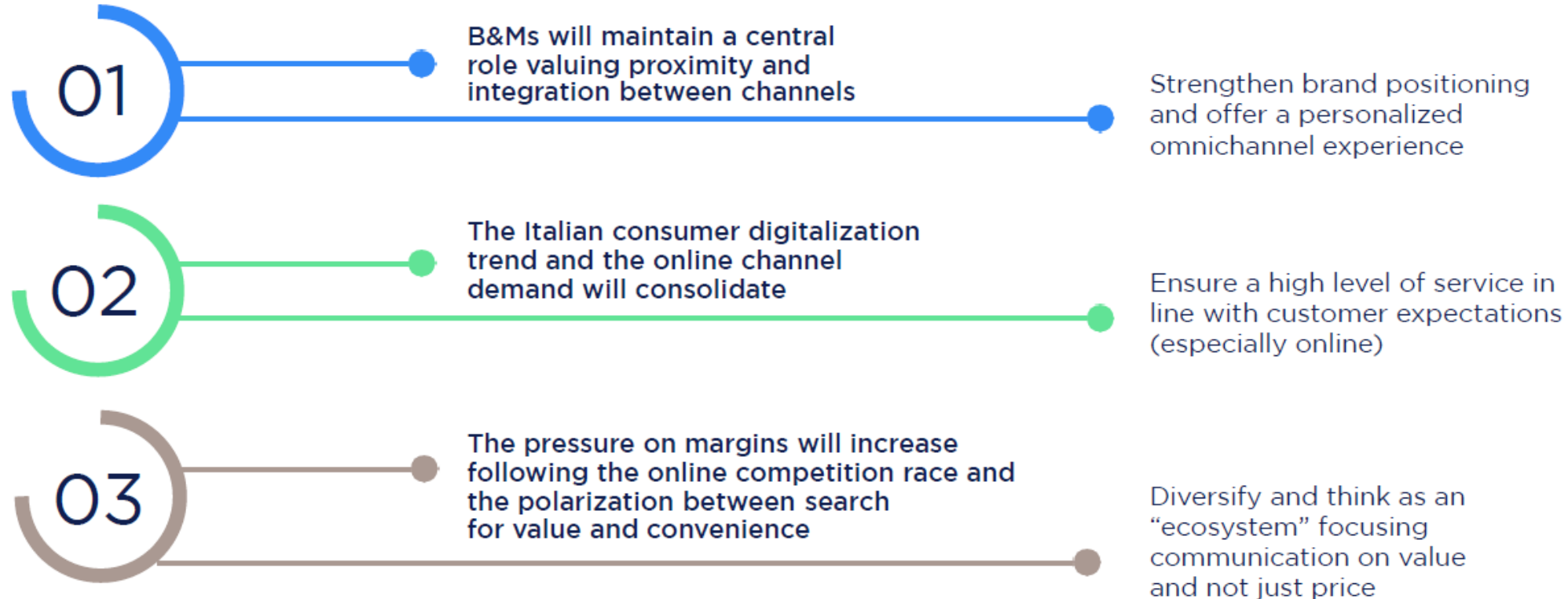
ONLINE PENETRATION

Online penetration is still low despite the Covid spike (17% 2019/20; 25% 2020/21) vs. other mature markets, but expected to grow (~30% by 2025/26)

THIS CONTEXT CREATES CHALLENGES AND OPPORTUNITIES FOR RETAILERS

WHAT WE EXPECT FOR THE FUTURE OF THIS MARKET

IMPACT ON CONSUMER ELECTRONICS RETAILERS



WE HAVE **3 GOALS** TO LEVERAGE MARKET DYNAMICS

MARKET DYNAMICS

01

Strengthen brand positioning and offer a personalized omnichannel experience

02

Ensuring a high level of service in line with customer expectations (especially online)

03

Diversify and think as an “ecosystem”, focusing communication on value and not just price

OUR GOALS

STRENGTHENING THE “CORE”

Increasing leadership by leveraging touchpoints proximity and ensuring a seamless, one-to-one experience through investments in Digital Transformation

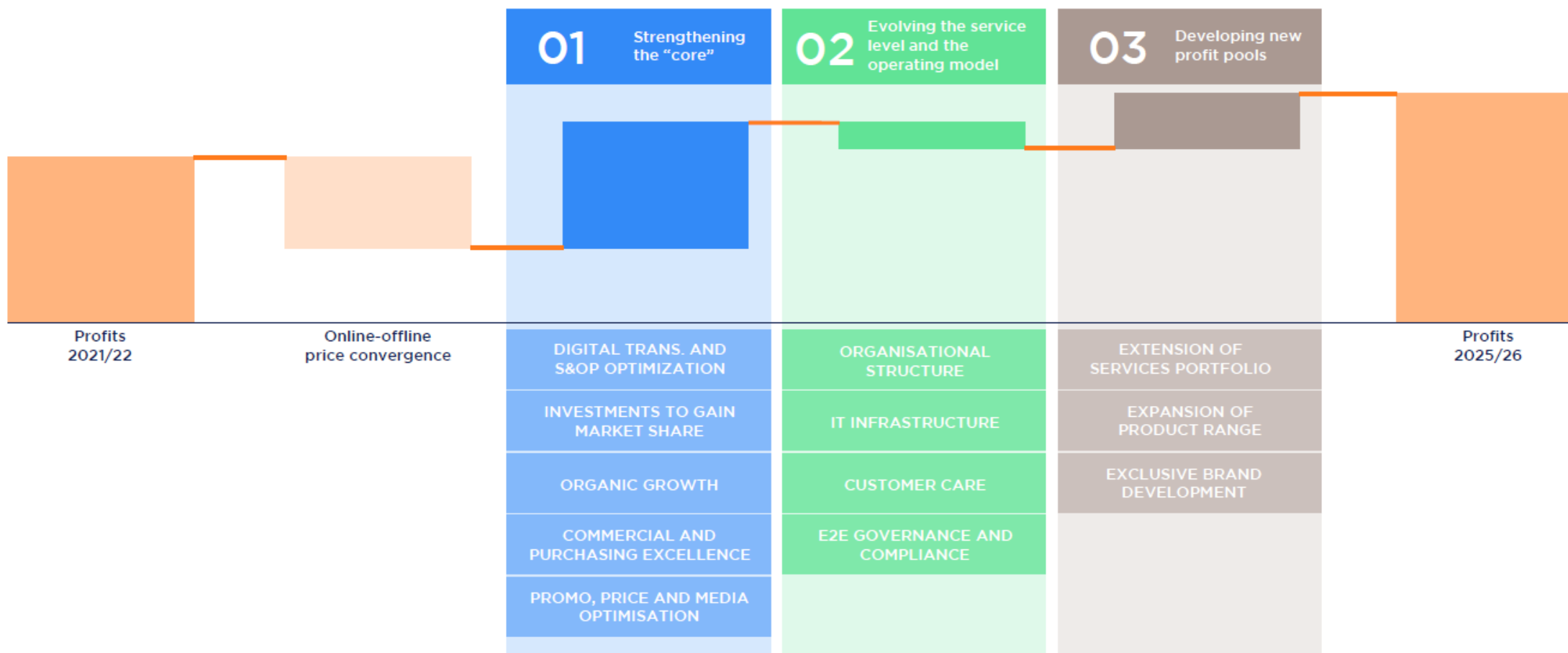
EVOLVING THE OPERATING MODEL

Adapting the operating model to meet emerging customer needs throughout the “OMNI-JOURNEY”

DEVELOPING NEW PROFIT POOL

Expanding the range of products and services - also in partnership - to support a profitable business growth

WE HAVE IDENTIFIED **TANGIBLE INITIATIVES** TO ENSURE PROFITABLE GROWTH



WHY ARE WE THE UNIQUE CANDIDATE TO WIN IN THIS MARKET?

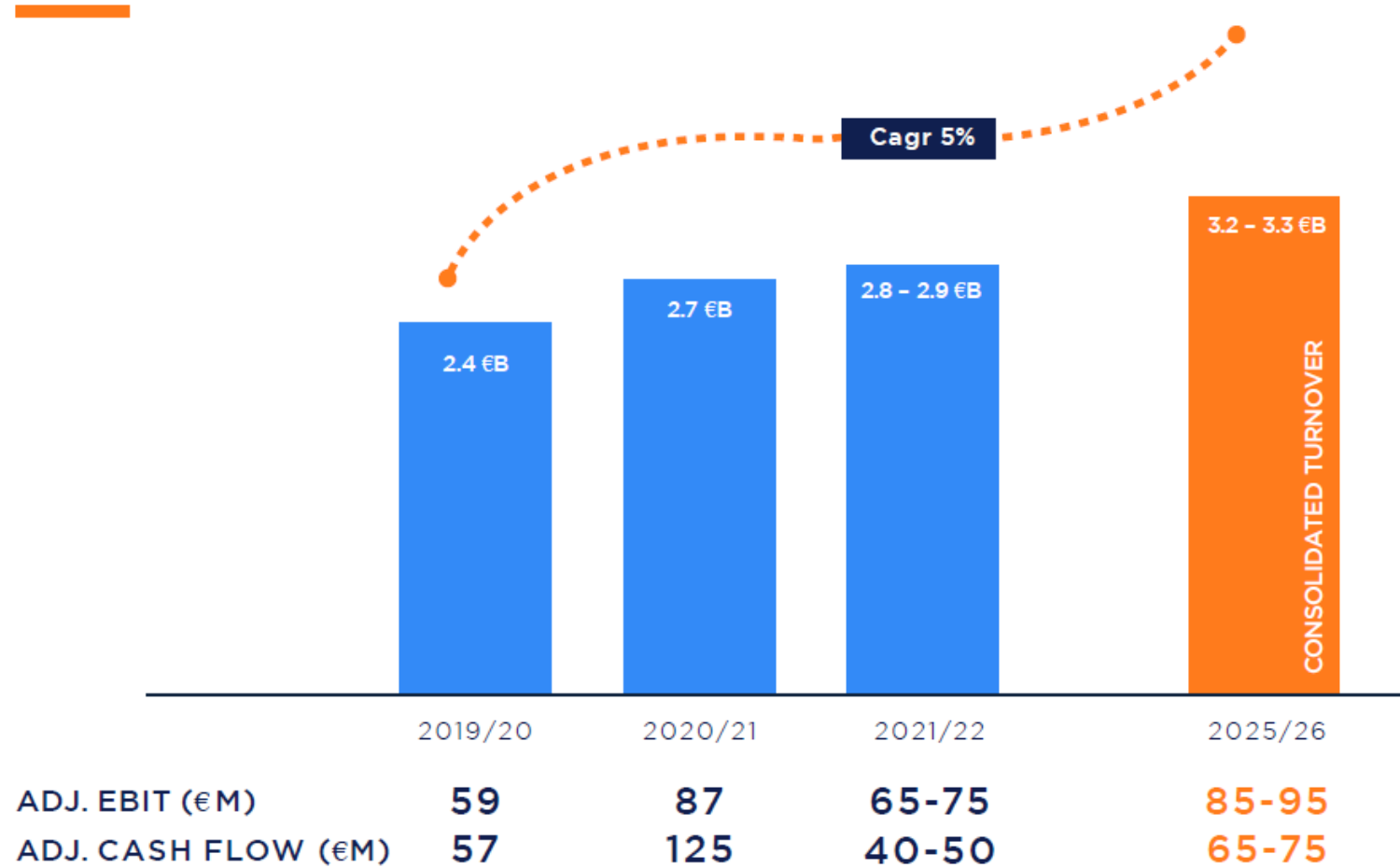
We are the market leader with the proven capacity **to profitably outperform the market** also through successful integrations

We have an omnichannel and proximity positioning supported by an ambitious **digital transformation** plan as a further competitive advantage

We are able to anticipate customer needs through a deep understanding of their demands and behaviors

We have solid management skills which will be further enriched through **talents development and acquisition**

2025/26: TURNOVER 3.2-3.3€B AND ADJ. EBIT 85-95€M



Objective to further consolidate our market leadership with a turnover increase between 4%-6% p.a. vs. 2019/20 (vs. +1-2% market growth)

Constantly higher growth vs. the market:

OFFLINE

~ +3%

for direct stores vs. ~ -1% market trend

ONLINE

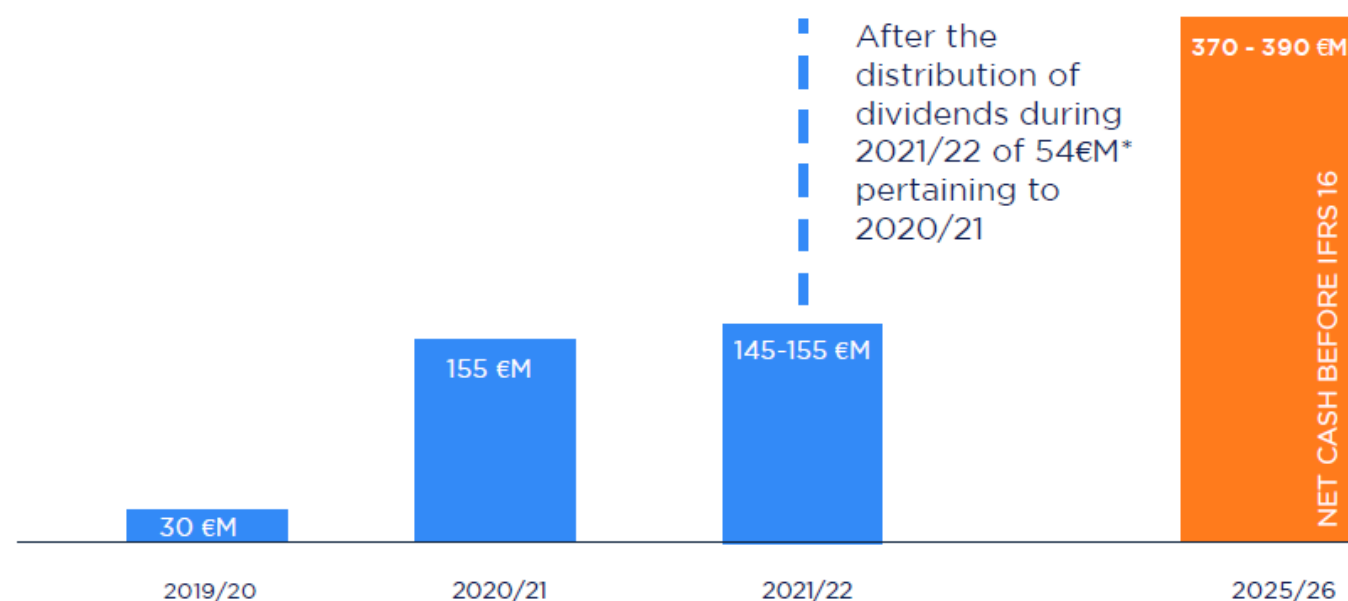
~ +15-20%

vs. ~ +10% market trend

All-time record Adj. EBIT in 2025/26

Relevant cash flows, mainly operating, supporting a significant investment plan (around 245-265€M)

2025/2026: NET CASH BEFORE DIVIDENDS DISTRIBUTION 370-390€M



Significant improvement of our financial position before IFRS 16 compared with 2020/21

Relevant operating flows will be employed in:



Potential M&A transactions (both in Italy and abroad)



Payment of dividends, even beyond the current corporate policy (minimum provision equal to 50% of the adjusted net profit)

* Expected to be approved in the next Shareholders' Meeting (June 15th 2021)

WE HAVE MAJOR OPPORTUNITIES TO CREATE ADDITIONAL VALUE



M&A IN ITALY



M&A OUTSIDE ITALY



"SCOPE" DEALS

CONCLUSION: UNIEURO IN 2026

” THE ITALIAN “**MARKET SETTER**” WITH **UNDISPUTED LEADERSHIP** POSITION

” **TRULY OMNICHANNEL** ALONG THE OMNI-JOURNEY, ENSURING **MAXIMUM PROXIMITY**

” AT THE FOREFRONT OF **DIGITAL INNOVATION** AND **DATA INTELLIGENCE**

” **OVERCOMING BOUNDARIES** IN TERMS OF GEOGRAPHIES AND OFFERING

” **SUSTAINABLE** ACROSS ALL THE DIMENSIONS: **PEOPLE-PLANET-PROFIT**

” **PROFITABLY GROWING** WITH **SOLID CASH GENERATION** AND **FINANCIAL POSITION**

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Unieuro at a glance

Established by the end of 1930s, Unieuro is **the Italian leader in the retail market of consumer electronics and household appliances**, with FY 2020/21 sales of 2.7 €bn

Broad product range across multiple categories

**Grey goods
(48.8%)**

- phones, tablets, accessories for phones, cameras and all wearable technology products
- Information Technology

**White goods
(27.1%)**

- MDA, e.g. washing machines, dryers, refrigerators or freezers, and stoves
- SDA, e.g. vacuum cleaners, kettles, coffee machines
- Home comfort, e.g. air conditioning

**Brown goods
(15.1%)**

- TV, media storage, car accessories

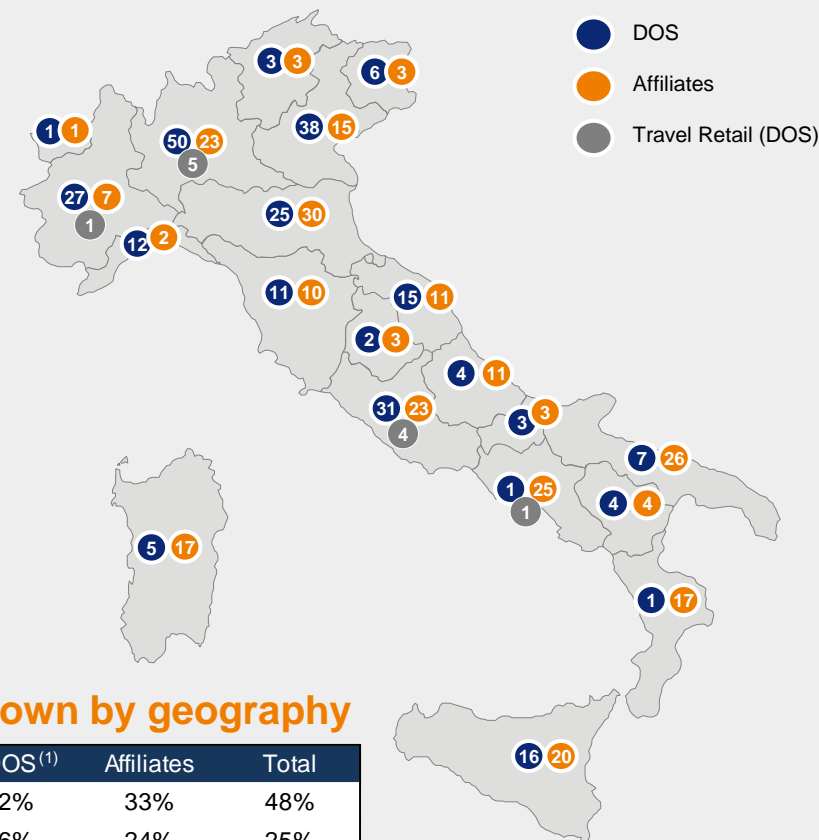
**Other Products
(5.0%)**

- Entertainment, e.g. consoles, videogames, music, movies
- Non electronic products, e.g. bicycles, drones, hover boards

**Services
(4.0%)**

- Delivery and installation
- Extended warranties
- Brokerage for financial services
- Commissions from subscription to telecom contracts

Full nationwide coverage



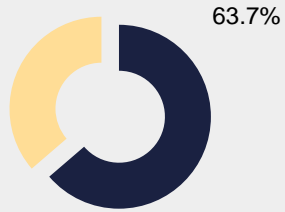
Store breakdown by geography

	DOS ⁽¹⁾	Affiliates	Total
North	62%	33%	48%
Centre	26%	24%	25%
South	12%	43%	27%
Total	273	254	527

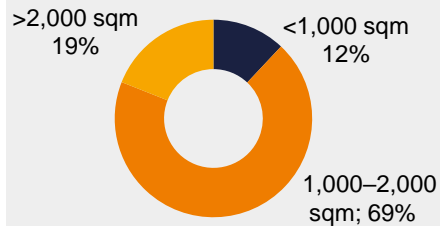
Integrated omnichannel presence across offline and online

Contribution to FY
2020/21 total sales

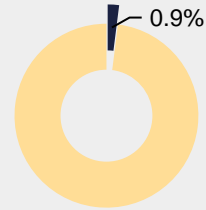
Retail: 262 DOS



- **Focus on malls and city centre** locations with store average size of c.1,500 sqm
- Wide range of store formats
- Modern, engaging store layout designed to maximise product visibility
- Favourable lease terms with short notice break clause permitting rapid response to local market trends

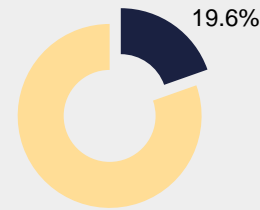


Travel Retail: 11 DOS



- Stores located in **main Italian airports** in Torino **train station** and Milano **underground**
- Focus on “grey” and “brown” goods
- Exposure to favourable travel dynamics
- Reduced space (c. 100 sqm) allowing proximity to products
- On-the-go impulse purchases
- Enhancing brand visibility

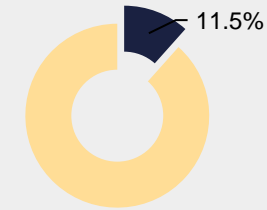
Online



- **Digital platform launched in 2016:**
 - new website optimised for mobile navigation with additional functionality (e.g. mirroring, smart assistant, instant search)
 - new native mobile App
- “Click & Collect” driving traffic to stores: 410 pick up points, 80% of total stores
- Integration of online and offline channels
- **Pure player Monclick** acquired in 2017



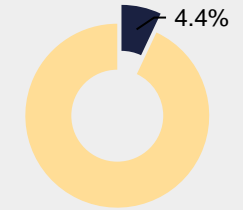
Indirect: 254 stores



- **Affiliated stores** in smaller and more remote catchment areas
- Unieuro brand / store format
- Exclusive supply
- Limited central costs, no capex and positive impact on profitability



B2B



- Opportunistic business
- Includes agreements with companies producing vouchers to be used at Unieuro stores
- Direct bulk supply to:
 - Corporate customers
 - Electronics traders
 - Foreign customers
- Unieuro as a first mover in the **B2B2C** adjacent market segment, thanks to Monclick acquisition

Summary Overview

A Winning Business Model...

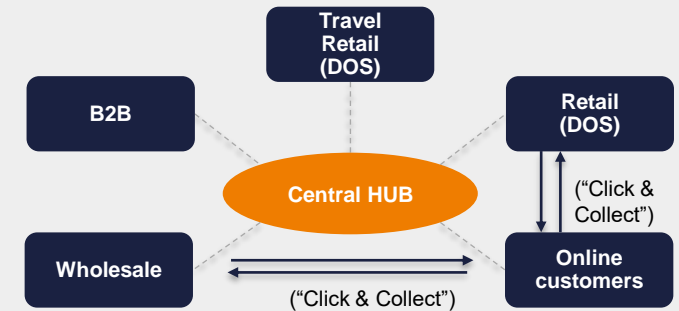
One, centralised HQ

- All corporate functions centralised and managed by ~275 FTEs based in the Forlì:
 - Procurement
 - Finance
 - Supply Chain
 - Legal
 - Property
 - HR
 - Security
 - Tax
 - CRM
 - Investor Relations
 - ICT
 - Communication
 - Marketing
 - Business Development
 - Administration
- A lean organisational structure...
- managing and coordinating over 4,100 FTEs in the store network



A centralised logistics HUB, supported by a secondary platform serving Sicily and Calabria only

- 104,000 sqm of total surface area, newly opened on 12 October 2018
- Located in Piacenza, one of the main Italian logistics hubs, within 600 km from 90% of Unieuro's DOS
 - Serving all channels



...Centralised & Scalable

A Strong and Universally Recognized Brand

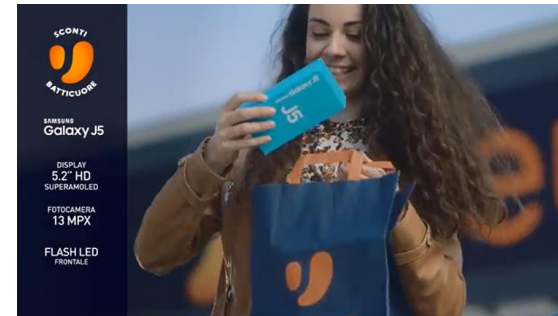


An innovative, integrated & distinctive marketing ecosystem

- **Offline, Online, In-Store marketing activities** together with **Customer Insight** efforts to support **omnichannel strategic approach**
- **Digital and traditional marketing as a unique and future-facing framework**, covering all the core offline and online disciplines

One of the strongest brands in the retail sector

- **Successful rebranding in 2014** following UniEuro acquisition
- **One of the most recognisable brand** in the Italian landscape, empowered by a **unique and memorable claim** ("Batte. Forte. Sempre"), able to create a lasting value in the customer's mind



A brand new communications strategy enabling «the bigger picture», where customer communications and interactions are aligned across multiple channels

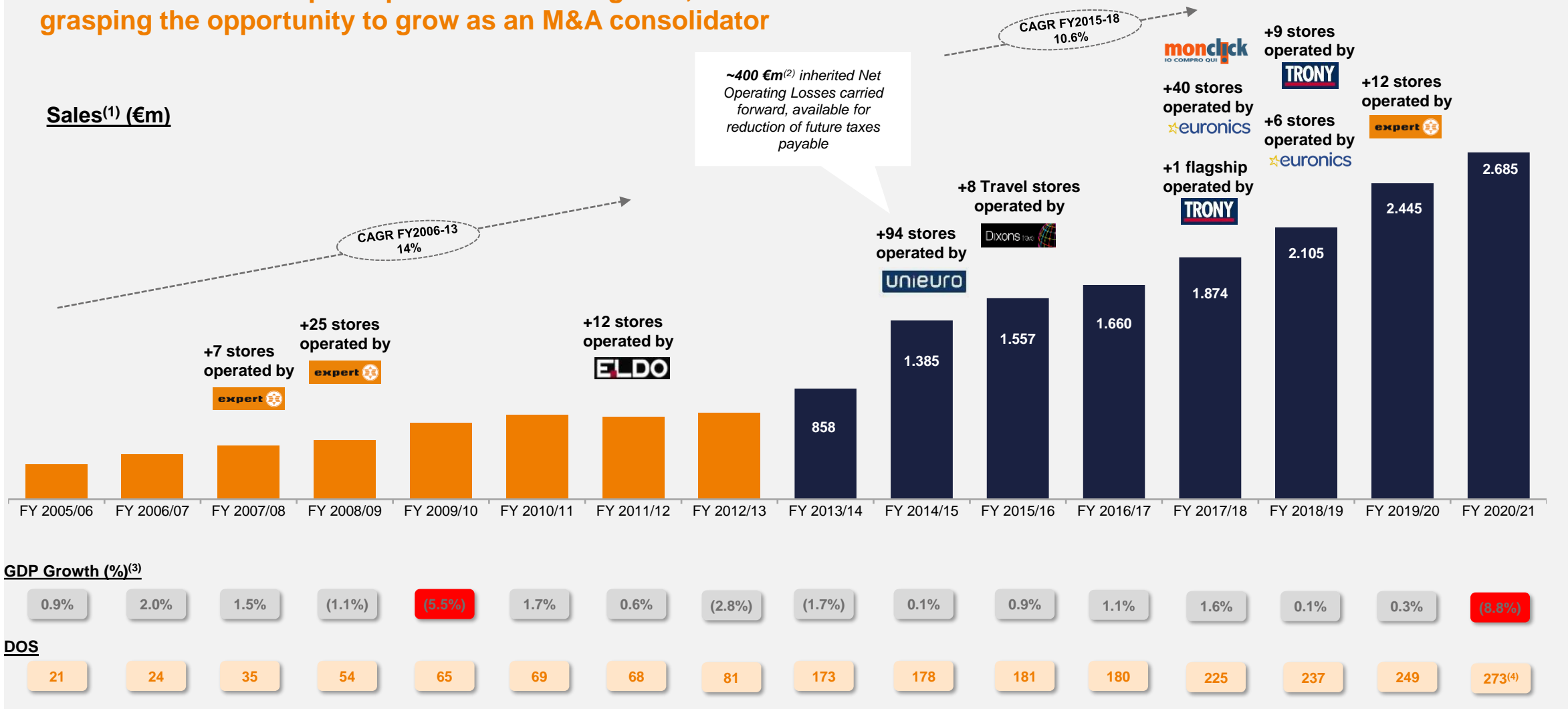


Multichannel, integrated, massive marketing campaign for the 2018 Black Friday

Innovative TV format in partnership with Samsung and RTI/Mediaset

15 years of consistent long-term growth...

Growth achieved despite a period of declining GDP, grasping the opportunity to grow as an M&A consolidator



NEXT CORPORATE AND IR EVENTS

FY 2021/22 Results

11 May 2022

Italian Investment Conference

by Kepler Cheuvreux

19-18 May 2022

Annual Shareholders' Meeting

21 June 2022

Potential Ex-Dividend Date

27 June 2022



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