

Unieuro S.p.A.

Investor Presentation

October 2017



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Italo Valenti, the manager in charge of preparing the corporate accounting documents, declares that, pursuant to art.154-bis, paragraph 2, of the Legislative Decree no. 58 of February 24, 1998, the accounting information contained herein correspond to document results, books and accounting records.

Summary

- **Overview of Unieuro**
- **Consumer Insight and Market Scenario**
- **Strategic Goals and Achievements**
- **H1 2017/18 Financials**
- **Closing Remarks**

Unieuro at a glance

Established by the end of 1930s, Unieuro is Italy's leading omnichannel consumer electronics retailer by number of outlets, with sales of about €1.7bn in FY 2016/17

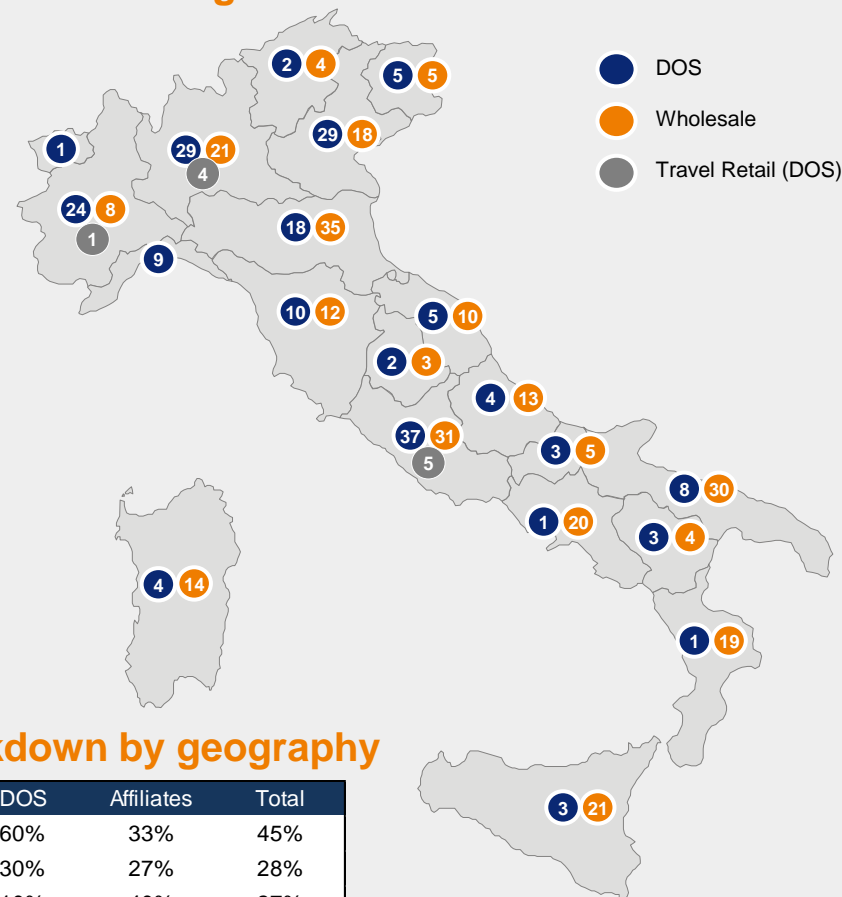
Omnichannel presence maximizing proximity to consumer

- Retail (DOS) (70%)**
 - Nationwide coverage with network of 193 DOS in strategic locations
- Travel Retail (DOS) (2%)**
 - 10 stores located in main Italian airports and train stations
- Wholesale (12%)**
 - 273 wholesale partners operating exclusively under Unieuro banner
 - Further extended coverage in smaller catchment areas
 - Wholesale supply to supermarkets and other retailers
- Online (9%)**
 - In-store collection and home delivery options
 - Distinctive online platform among electronics retailers in Italy
 - E-tailer Monclick consolidated from 1 June 2017
- B2B (7%)**
 - Supply of bulk quantities to non-retail electronics traders and hotels

Broad product range across multiple categories

- Grey goods (47%)**
 - Mobile, IT, accessories, photography, wearables
- White goods (28%)**
 - MDA, e.g. washing machines, cooking appliances, dishwashers
 - SDA, e.g. coffee machines, microwaves
 - Home comfort, e.g. air conditioning
- Brown goods (17%)**
 - TV, media storage, car accessories
- Services (4%)**
 - Delivery and installation
 - Extended warranties
 - Brokerage for financial services
 - Commissions from subscription to telecom contracts
- Other Products (5%)**
 - Entertainment, e.g. consoles, videogames, music, movies
 - Non electronic products, e.g. bicycles, drones, hover boards

Full nationwide coverage



Store breakdown by geography

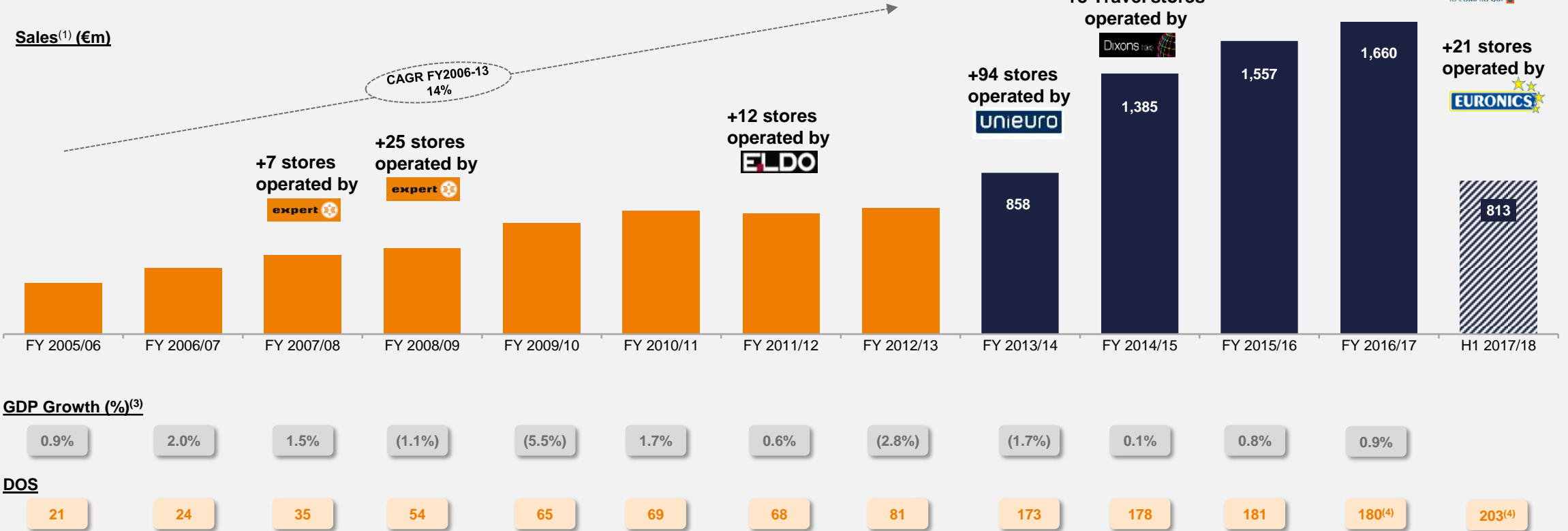
	DOS	Affiliates	Total
North	60%	33%	45%
Centre	30%	27%	28%
South	10%	40%	27%
Total	203	273	476

Italy's leading omnichannel consolidator



1 - Consistent long-term growth...

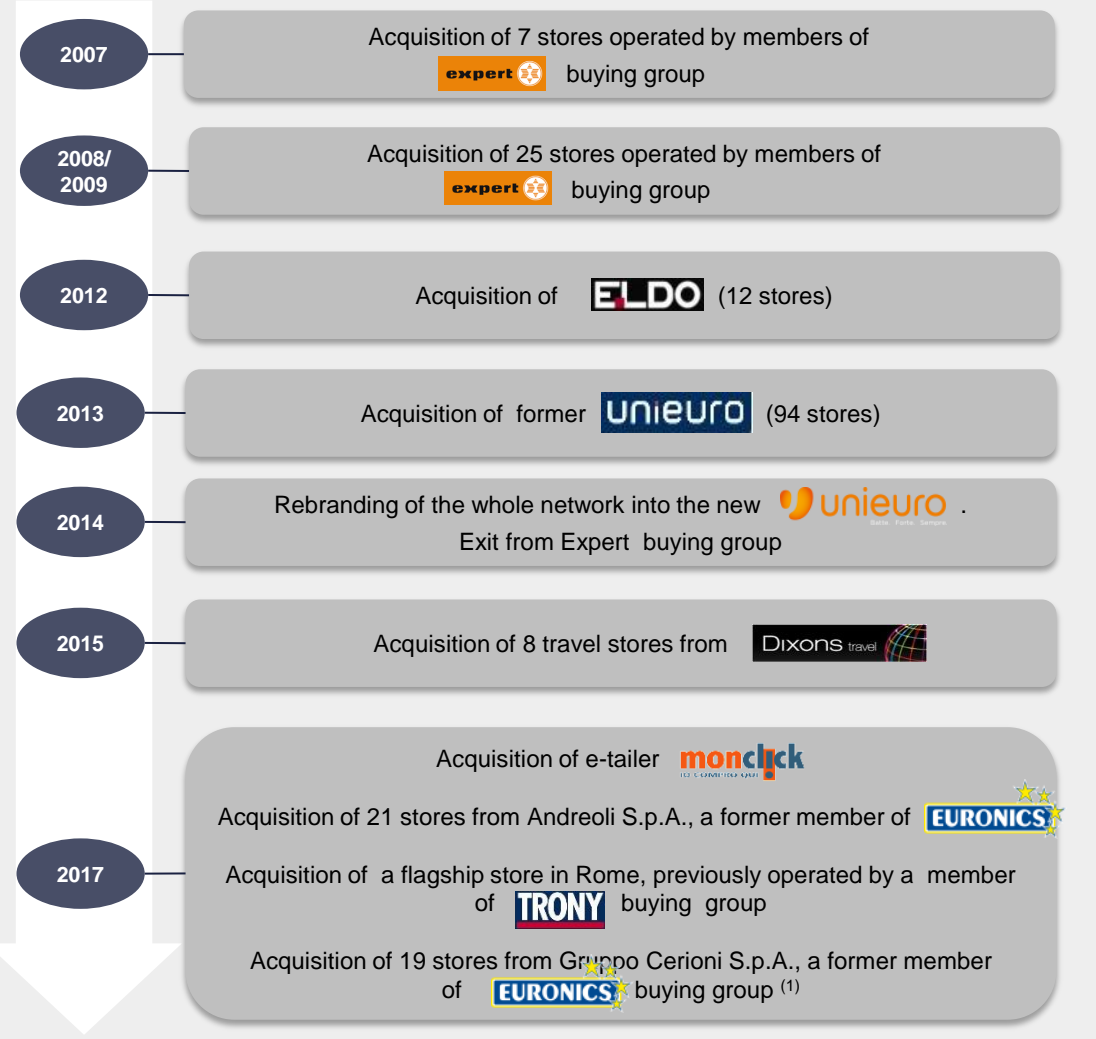
Consistent growth achieved despite a period of declining GDP, grasping the opportunity to grow as an M&A consolidator



- In September 2017, Unieuro announced the acquisition of 19 stores from Gruppo Cerioni S.p.A., operating under the Euronics banner, which will add c.€90m of sales⁽⁵⁾
- At run rate, 2017 new acquisitions (Monclick, Andreoli/Euronics stores, Euroma2 flagship store and Cerioni/Euronics stores⁽⁵⁾) will add c. 300 €m sales at run rate

...comprising M&A consolidation in both offline and online...

Unieuro driving consolidation in the Italian market...



...and extracting value through integration...

• Sales initiatives:

- ✓ New store procedures (e.g. better selling practices through staff training)
- ✓ New commercial policies (e.g. store layout)
- ✓ Enhanced marketing (e.g. digital)
- ✓ Rationalisation of store organisation (e.g. store refurbishment / branding)

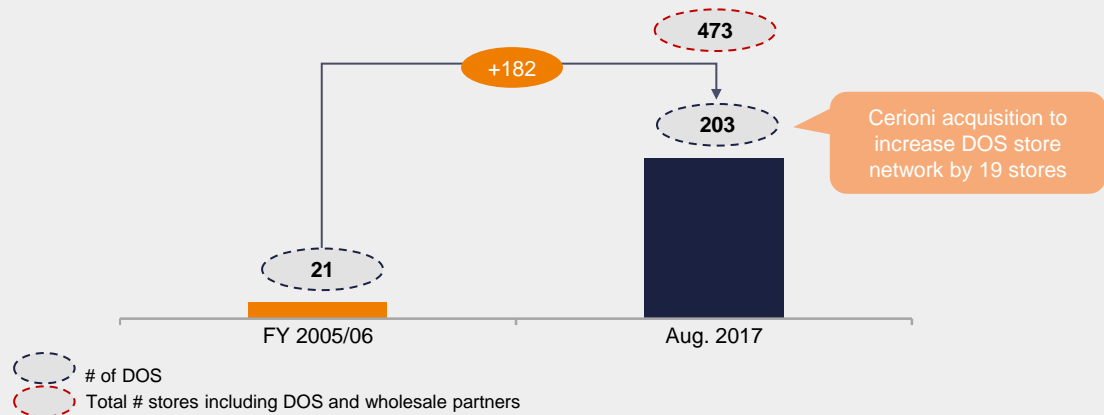
• Cost improvements:

- ✓ Headquarters consolidation
- ✓ Logistics savings following warehouse integration
- ✓ Reduction of overheads
- ✓ Optimisation of personnel (incl. employee relocations)
- ✓ Increased purchasing power vis-à-vis suppliers
- ✓ Renegotiation of rental contracts
- ✓ IT systems migration
- ✓ Website & App consolidation
- ✓ Marketing cost synergies

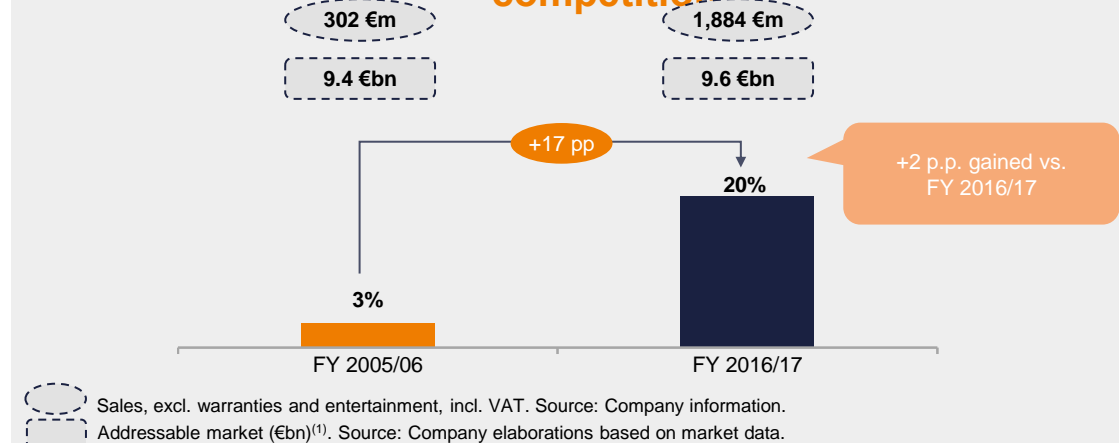
...also thanks to its centralized business model

...to create Italy's leading consumer electronics retailer

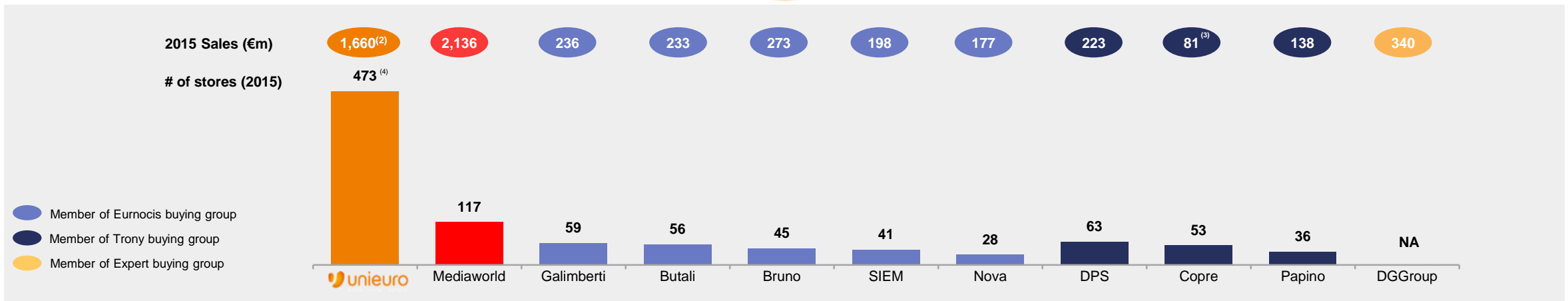
Expansion of DOS store network by 10x since 2006 with total stores reaching 473 today...



...and large share gains of 17pp at expense of competition



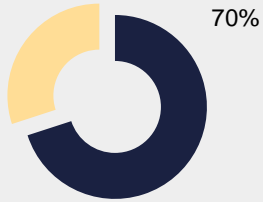
...resulting in the leading company in the Italian CE market by number of stores



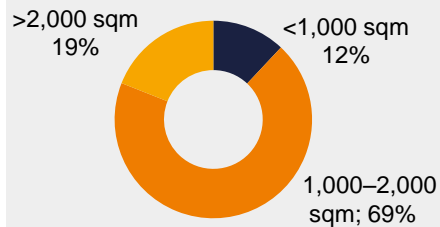
2 - Integrated omnichannel presence across offline and online

Contribution to H1 17/18 total sales

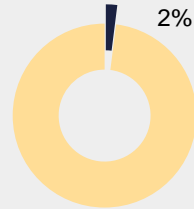
Retail (DOS)



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



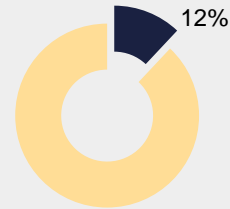
Travel Retail (DOS)



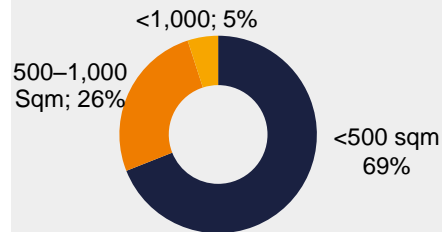
- 10 stores located in main Italian airports and train stations
- Focus on “grey” and “brown” goods
- Exposure to favourable travel dynamics
- Reduced space (c. 100 sqm) allowing proximity to products
- On-the-go impulse purchases
- Marketing tool to increase brand visibility



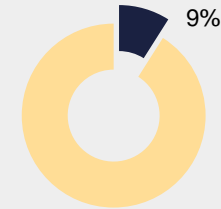
Wholesale



- Stores in smaller and more remote catchment areas
- Allows further penetration across whole Italian territory
- Unieuro brand / store format
- Exclusive supply
- Limited central costs, no capex and positive impact on profitability

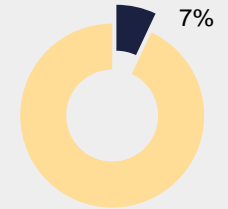


Online



- Brand-new website optimised for mobile navigation with additional functionality from 2016 (e.g. mirroring, smart assistant, instant search)
- “Click & Collect” driving traffic to stores: 385 pick up points, 83% of total stores
- Integration of online and offline channels
- New mobile app launched in November 2016
- Pure player Monclick acquired

B2B

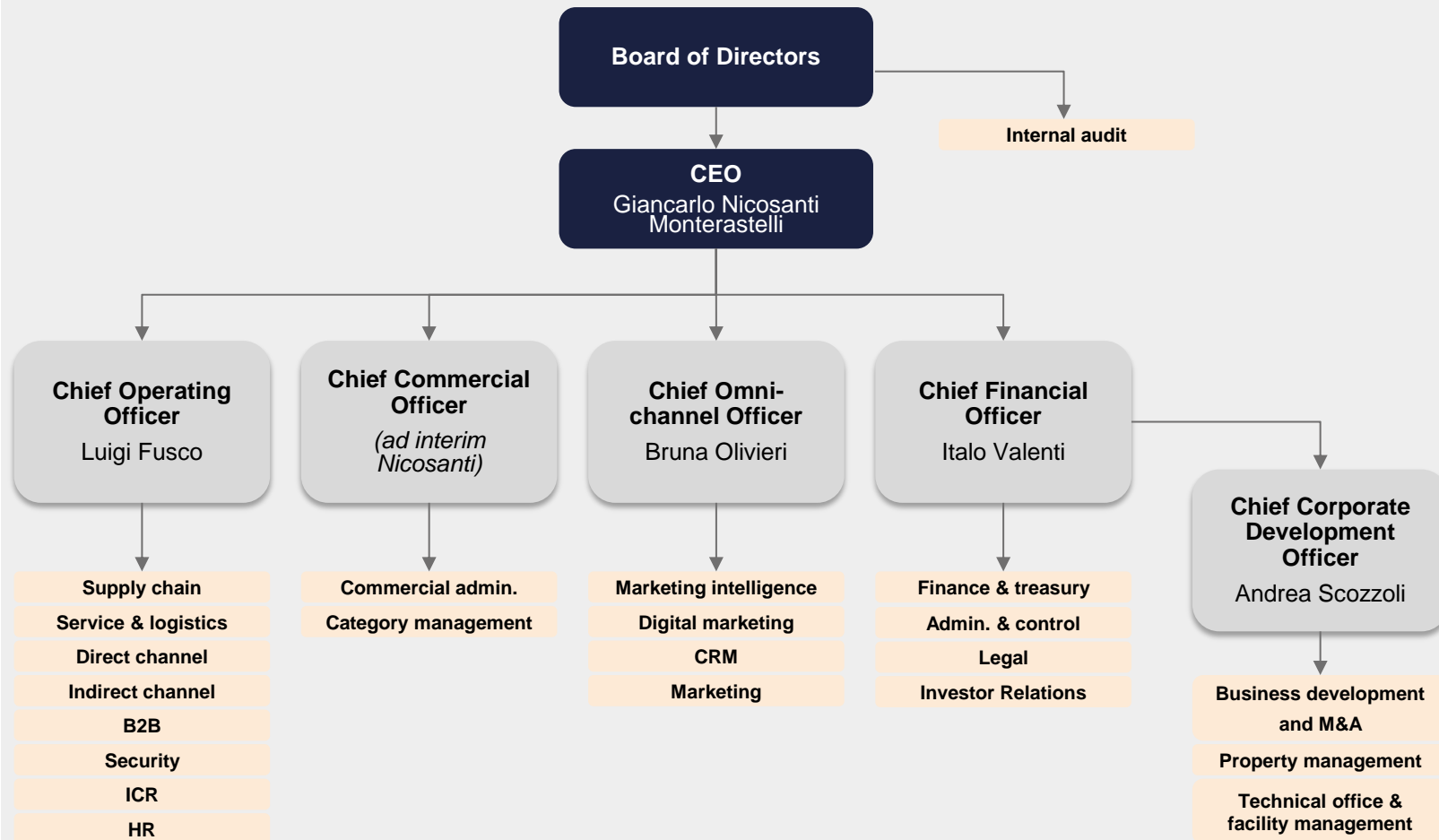


- Opportunistic business
- Includes agreements with companies producing vouchers to be used at Unieuro stores
- Direct bulk supply to:
 - Corporate customers
 - Electronics traders
 - Foreign customers
- Announced Monclick acquisition positions Unieuro as a first mover in the B2B2C adjacent market segment

Summary Overview

3 – Lean and centralised organisational structure...

Centralised decision-making in the Forlì HQ allowing for fast execution and efficient decision making process



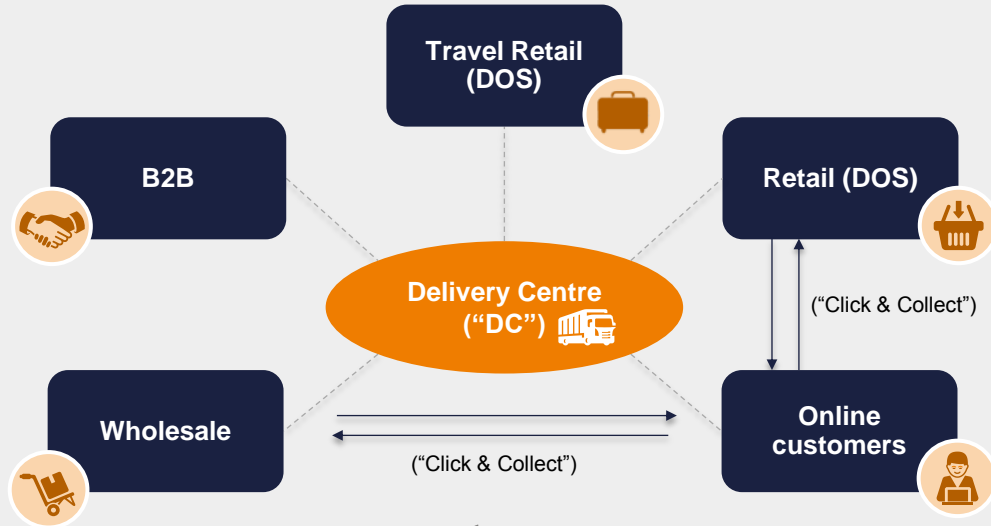
- **5 Key decision makers at central level**
 - CEO (and interim Chief Commercial Officer)
 - Chief Operating Officer
 - Chief Omnichannel Officer
 - Chief Financial Officer
 - Chief Corporate Development Officer

- **275 FTEs in the HQ**, growing proportionally less than sales

- **3,543 in the stores and 10 agents⁽¹⁾**: highly flexible workforce permitting Unieuro to preserve maximum productivity and adjust labour costs

...supported by unique and scalable centralised logistics platform

A unique logistic platform...



...providing key advantages

✓ Centralised warehouse located in one of main Italian logistics hubs (Piacenza)

✓ National coverage to all stores and channels (Retail, Wholesale, Online and B2B)

✓ Favourable solution for suppliers – avoids multiple shipments and lowers Unieuro procurement costs

✓ Significant capacity headroom through site expansion

✓ 89% of DOS stores within 600 km from Piacenza

✓ 50,400 sqm of current total surface area. Capacity to double in 2018

4 - Highly effective customer engagement...

Successful re-branding...

From...



...to

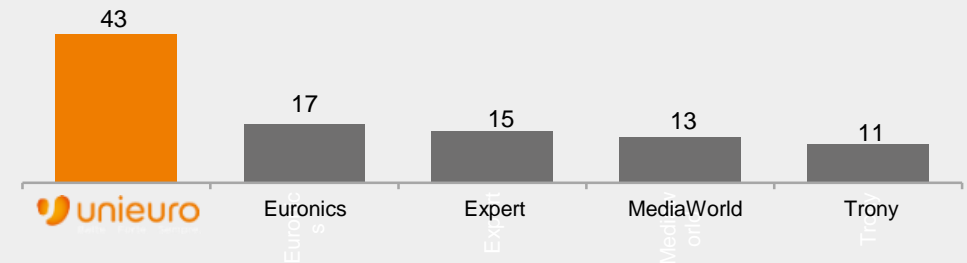


- ✓ Re-branding programme launched after UniEuro acquisition
- ✓ New store layout implemented in June – September 2014
- ✓ New brand campaign launched in October 2014
- ✓ Improved brand recognition

...and effective marketing & communication strategy



% of advertising recall lift of main CE retailers, 14-20 December 2015⁽¹⁾

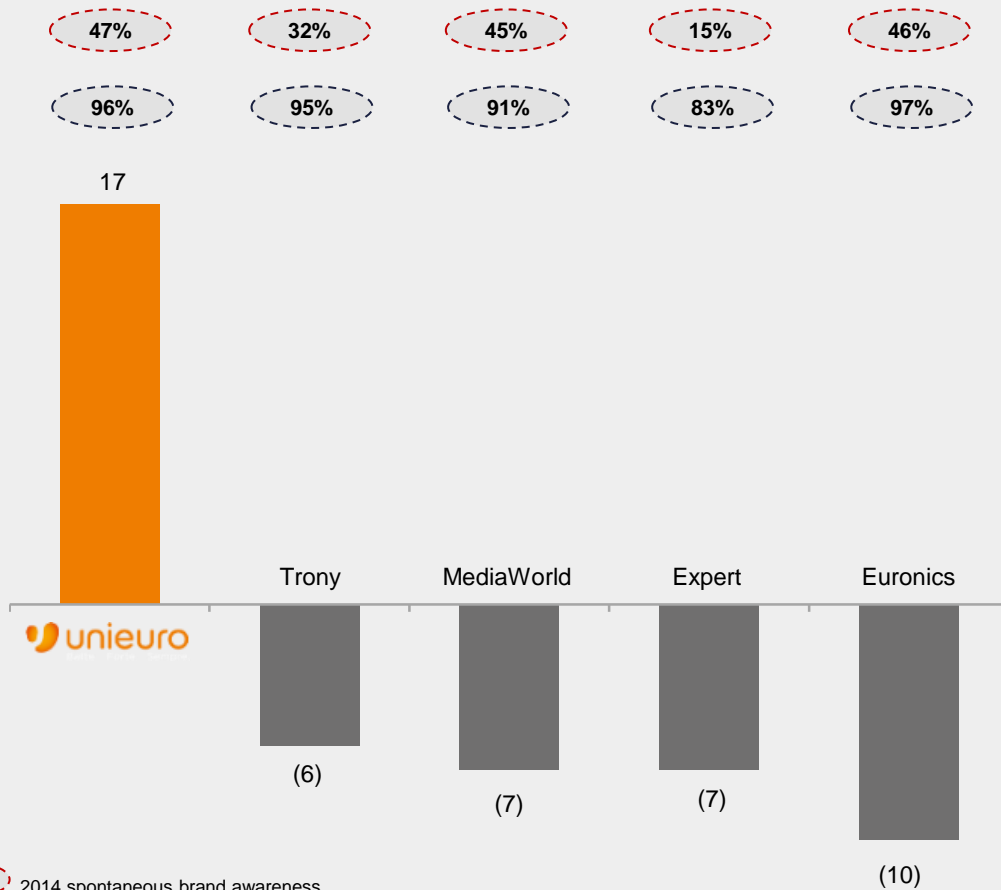


- ✓ 43% of CE advert recalls are related to UniEuro vs. an average of 14% for competitors⁽¹⁾
- ✓ Major marketing effort post UniEuro acquisition
- ✓ Advertising campaigns launched in festive season for maximum brand building effect

...resulting in leading brand recognition

Fastest-growing brand awareness...

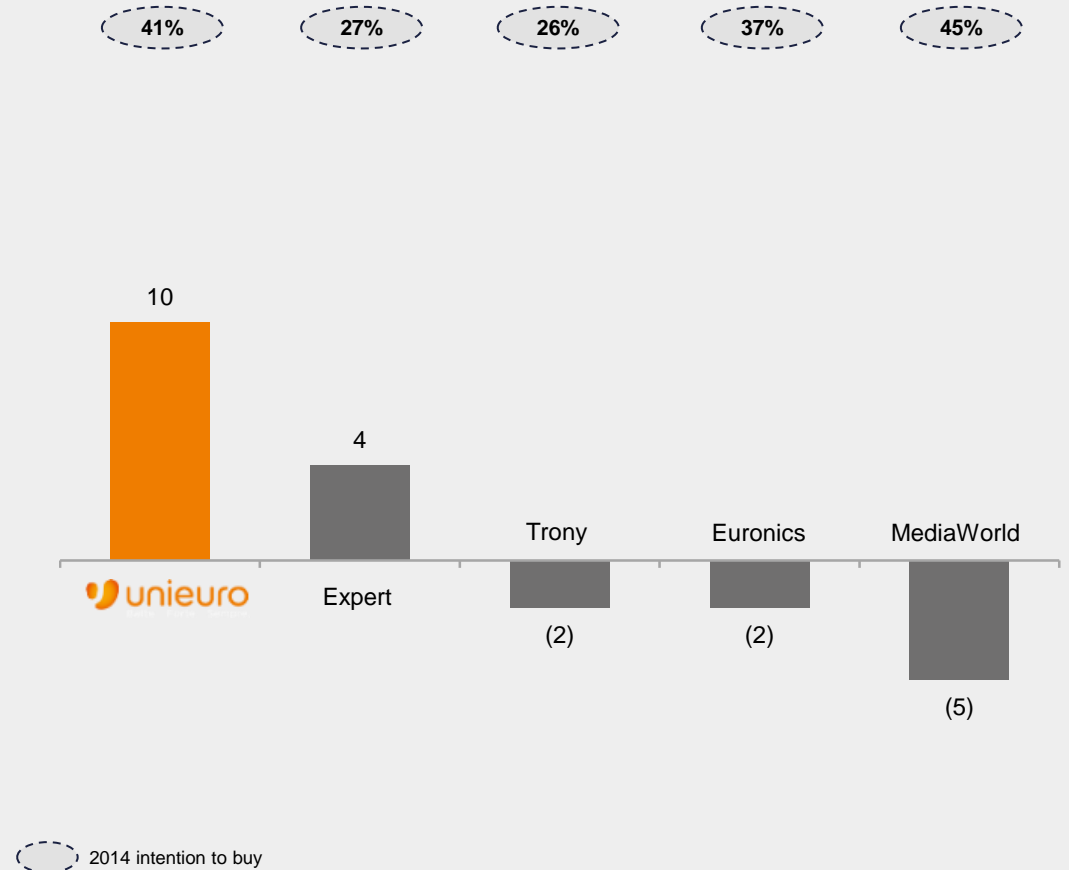
Change in spontaneous brand awareness post campaign (2013-2014 (pp))⁽¹⁾



2014 spontaneous brand awareness
 2014 total brand awareness

...and intention to buy

Change in intention to buy (2013-2014 (pp))⁽²⁾



2014 intention to buy

Shareholding Structure Evolution

IPO (April 2017)

- Listing venue: Italian Stock Exchange, **STAR Segment**
- Offer size: **6.9 million shares**, equal to 34,5% of the Company's issued share capital, sold to institutional investors (37% of demand from Italian Investors; 63% from US, UK and Continental Europe investors)
- Price: **11.00 €** per share
- Total consideration: **76 €m**
- Market capitalization at IPO: **220 €m**

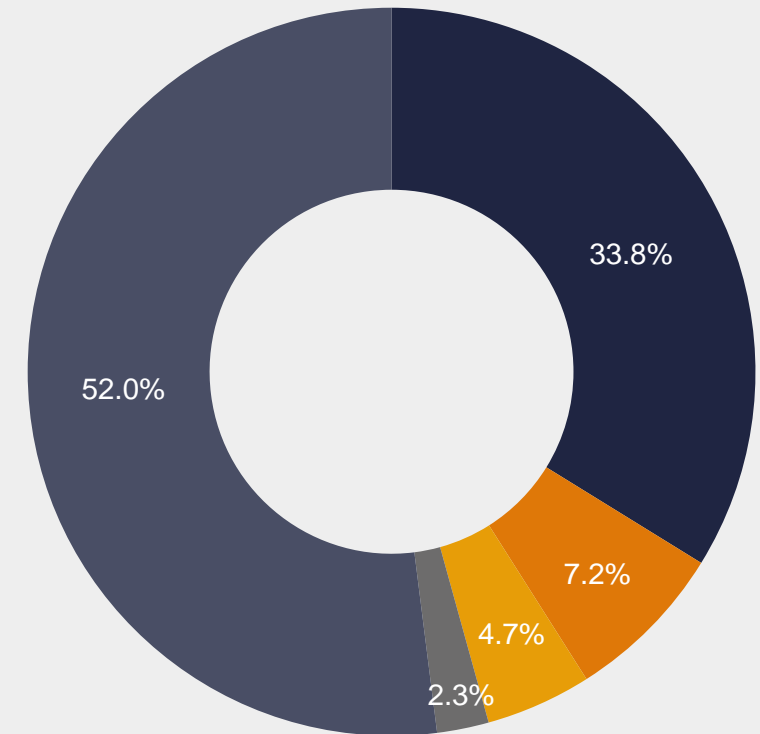
Placement (September 2017)

- Offer size: **3.5 million shares**, equal to 17.5% of the Company's issued share capital, sold to institutional investors
- Price: **16.00 €** per share
- Total consideration: **56 €m**
- **90 days lock-up** agreement
- Market capitalization at Placement price: **320 €m**

Demerger of IEH (October 2017)

- Non-proportional demerger of majority shareholder
- Improved **transparency** of Unieuro chain of control
- **Direct involvement of the Top Management** in the shareholding structure

Updated shareholding structure



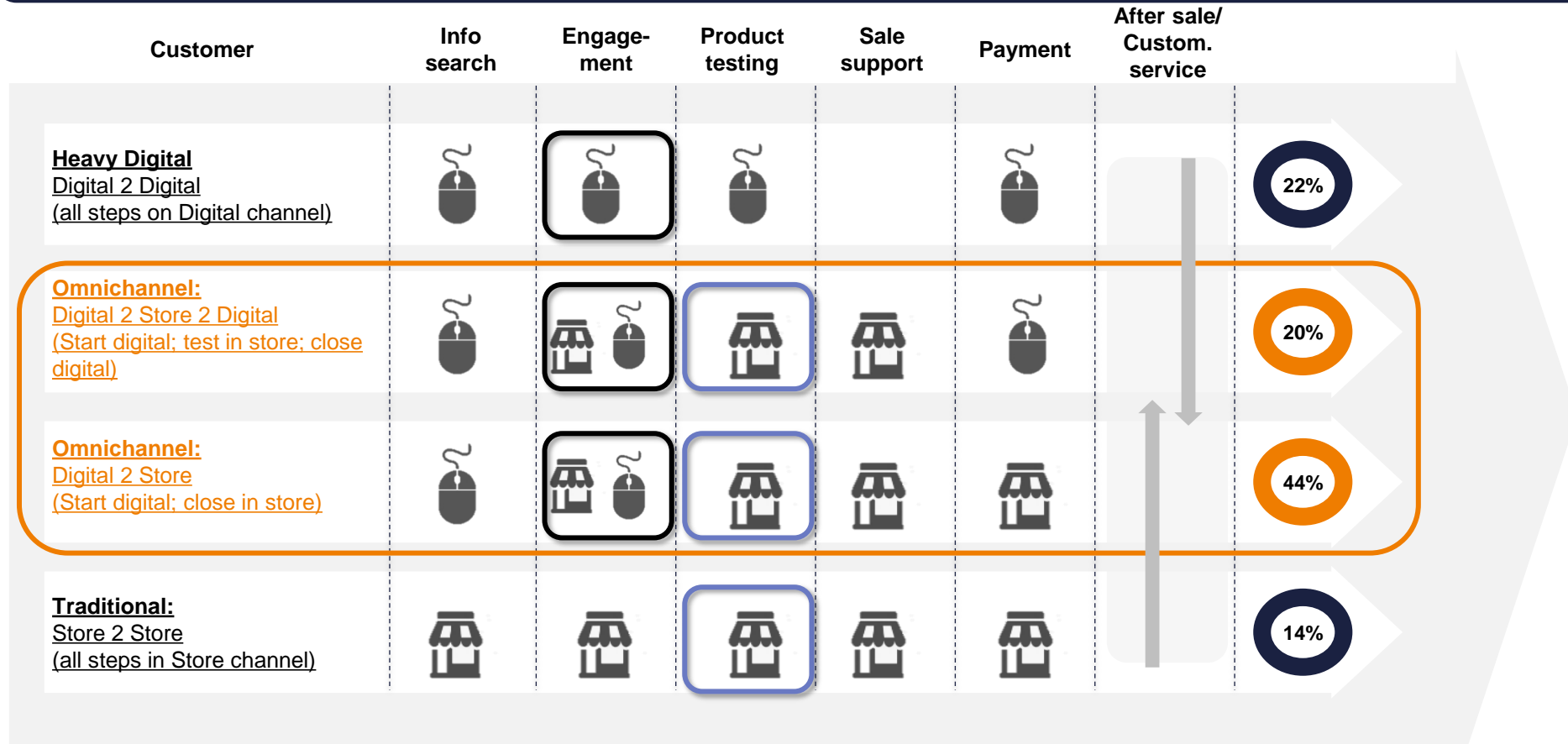
- Italian Electronics Holdings S.r.l.
- DSG European Investments Limited
- Silvestrini Family
- Unieuro's Top Management
- Free float

Summary

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Omnichannel approach: the key route to success

64% of customers are omni-channel... and it is still growing



64% of customers are omnichannel

86% of customers collect information online

78% of customers test products in traditional stores

Omnichannel customers characterized by higher lifetime value

Loyalty customers are the proxy of omnichannel customers...

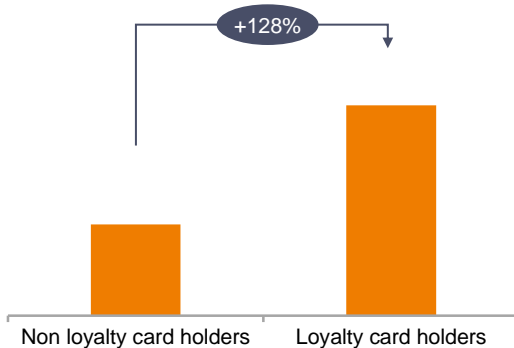
Loyalty program highlights

- ✓ 6.8 million members⁽¹⁾
- ✓ Customised awards, discounts, promotions
- ✓ Frequent engagement via SMS and newsletter
- ✓ Average ticket of loyalty card holders **128% higher** vs. non card holders

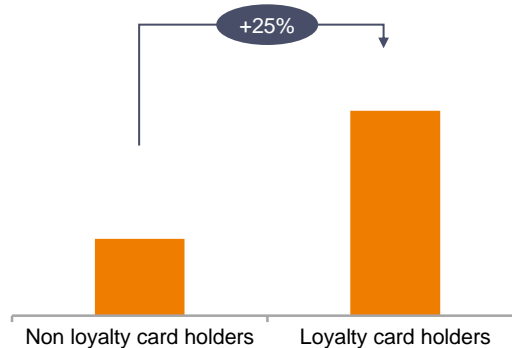
Sales split by customer type⁽²⁾



Average transaction value⁽²⁾ (€)

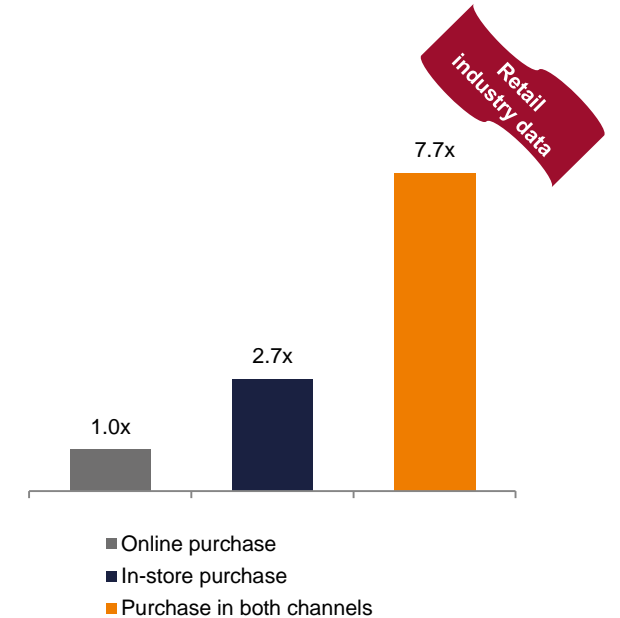


Average # items per transaction⁽²⁾ (# items)



...omnichannel customers are more valuable to retailers

Customer lifetime value (indexed to "Online purchase")

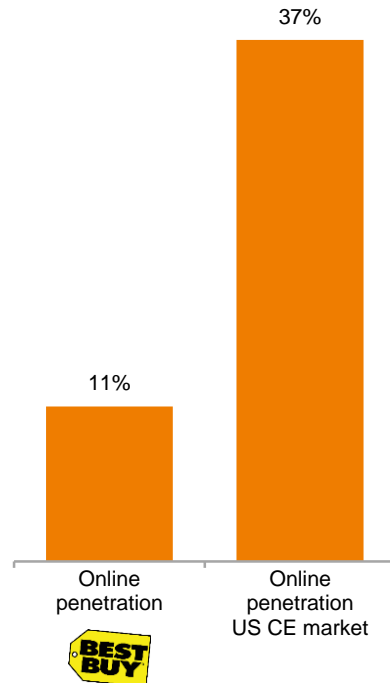


- In the global retail industry, the expected purchases attributed to the entire future relationship with a customer (customer lifetime value) is higher for omnichannel customers

What happened in mature markets

In mature markets, leading retailers with physical stores have managed to define successful responses

Online penetration
Best Buy vs. US CE market (2015)



Best buy response (Nov-12):
"Renew Blue" omnichannel plan



1 Redefining the role of stores



- Increased focus on "showrooms" allowing customers to feel and test products
- Convenience focused store footprint with a greater share of small format stores

2 Integrated experience across channels



- Focus on building a world class e-commerce platform with multiple fulfilment options and linked with the store experience
- Incorporate rewards system to promote loyalty and reinforce desired behaviours

3 Focus on service and experience to drive store traffic



- Geek Squad allows for upselling of additional services and high margin accessories
- Service offering helps drive store traffic and promote customer loyalty

Current US CE market online penetration is >3x online penetration on Best Buy revenues

Best Buy implemented an omnichannel strategy in order to exploit growth opportunities deriving from further penetration of online channel

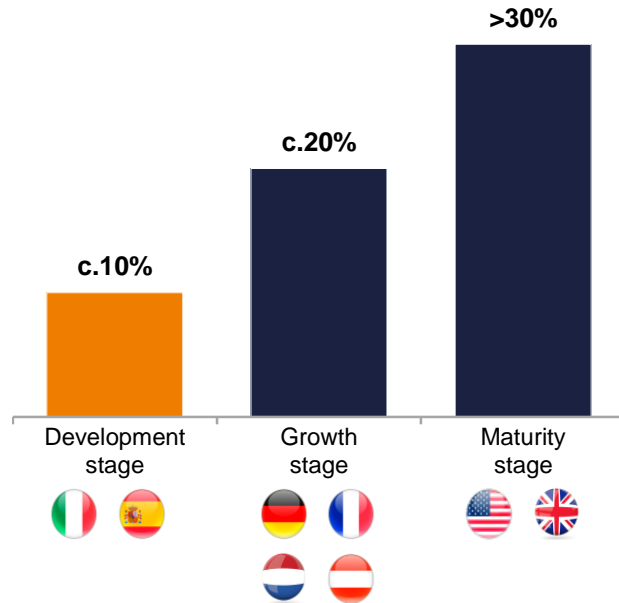
Best Buy operating profit almost doubled in the two years following the omnichannel plan implementation

Key trends in the Italian CE market

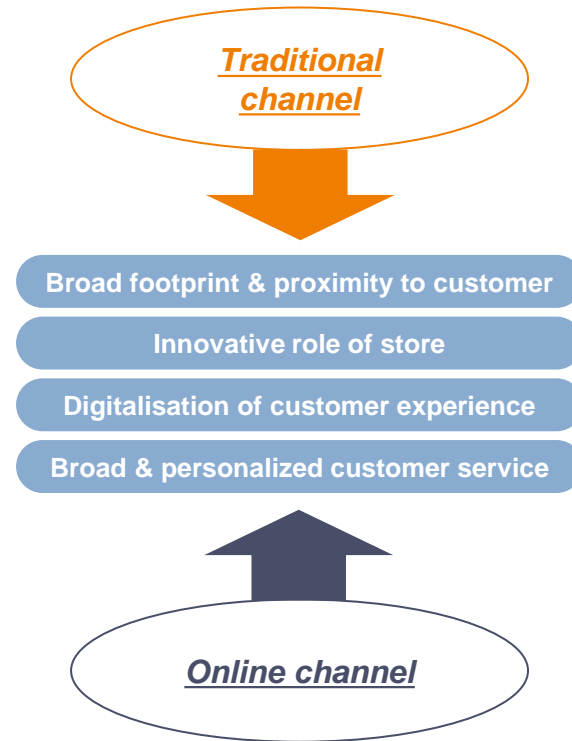


Different stages of online penetration in selected countries

Penetration of online channel (%)



Convergence of traditional and online channel



Relevant case studies in mature markets

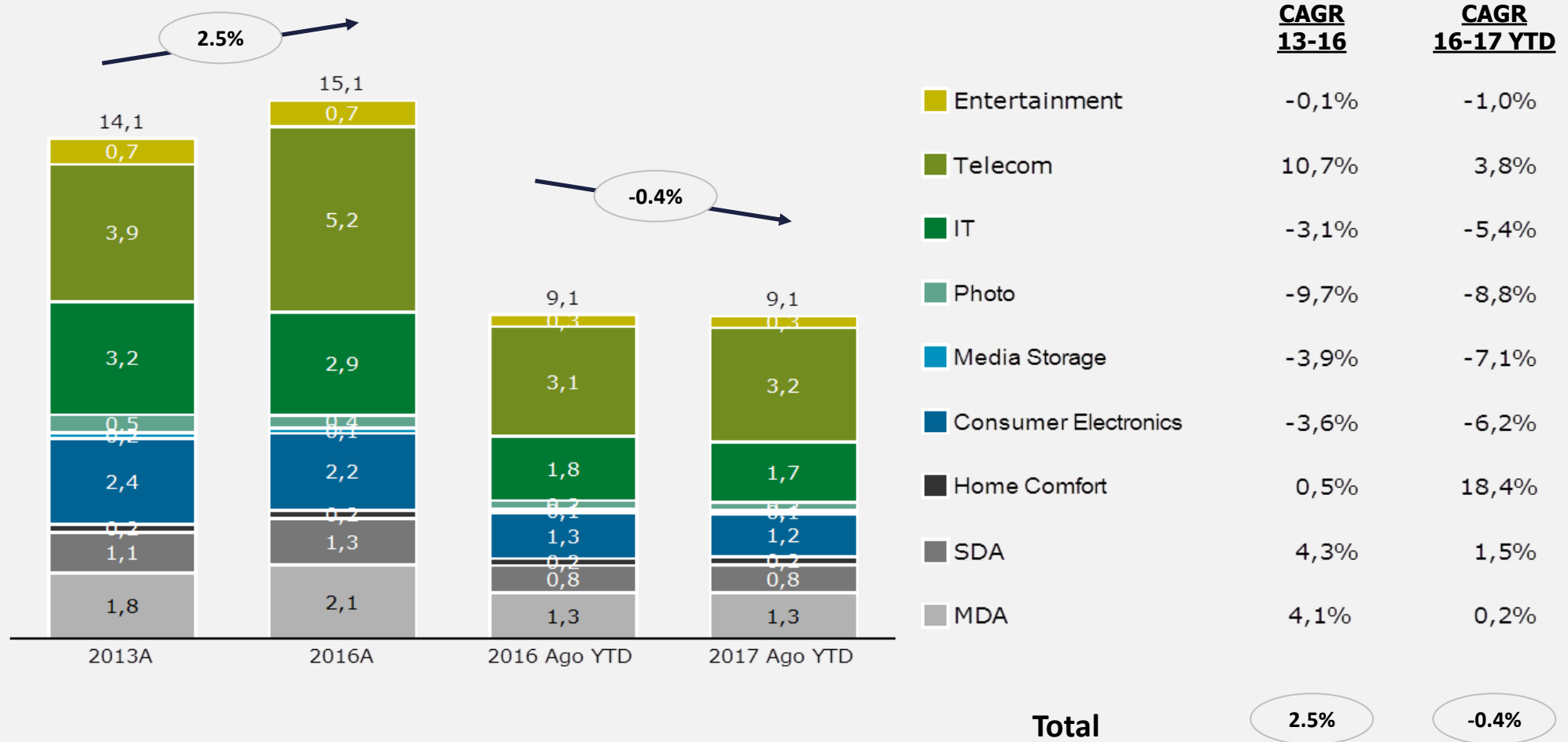


↑ # stores

↓ Avg. store size

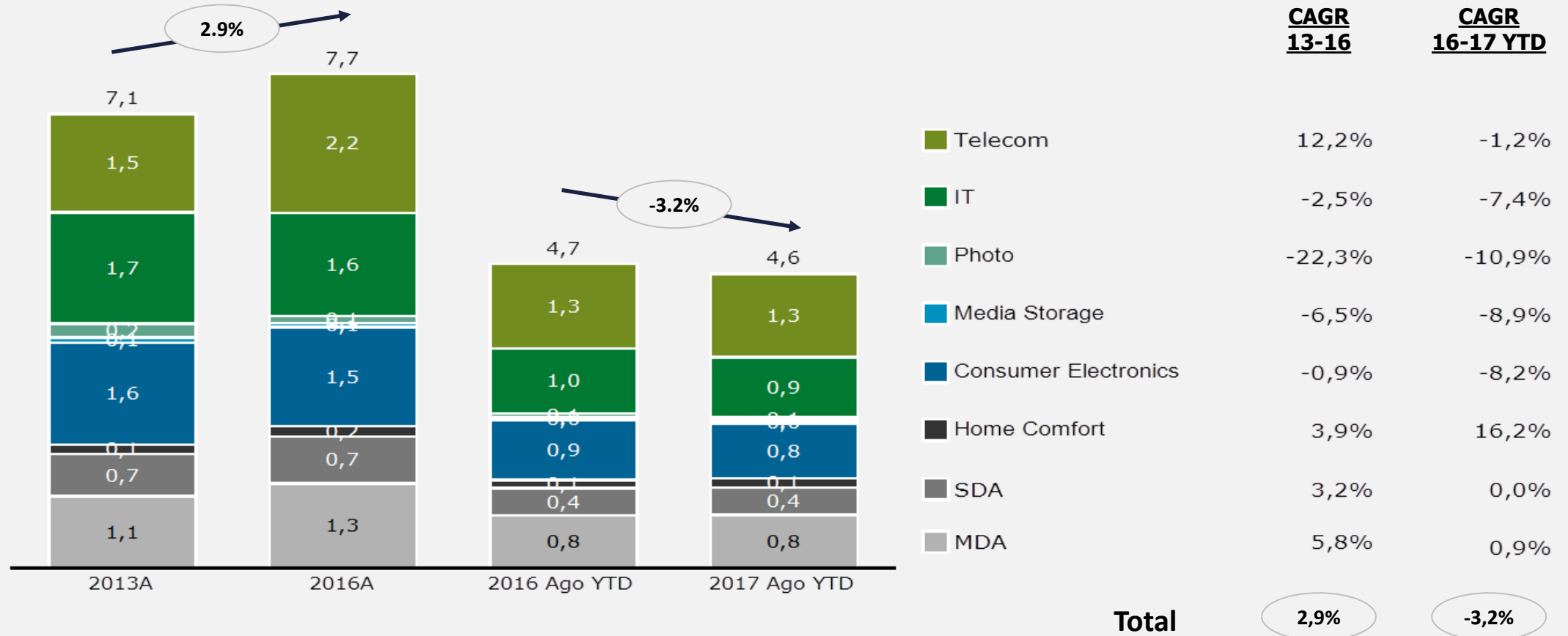
Market growth from 2013 to 2016. Slight downturn in 2017 YTD

2013-2016 and YTD Consumer Electronics market evolution by category, €b



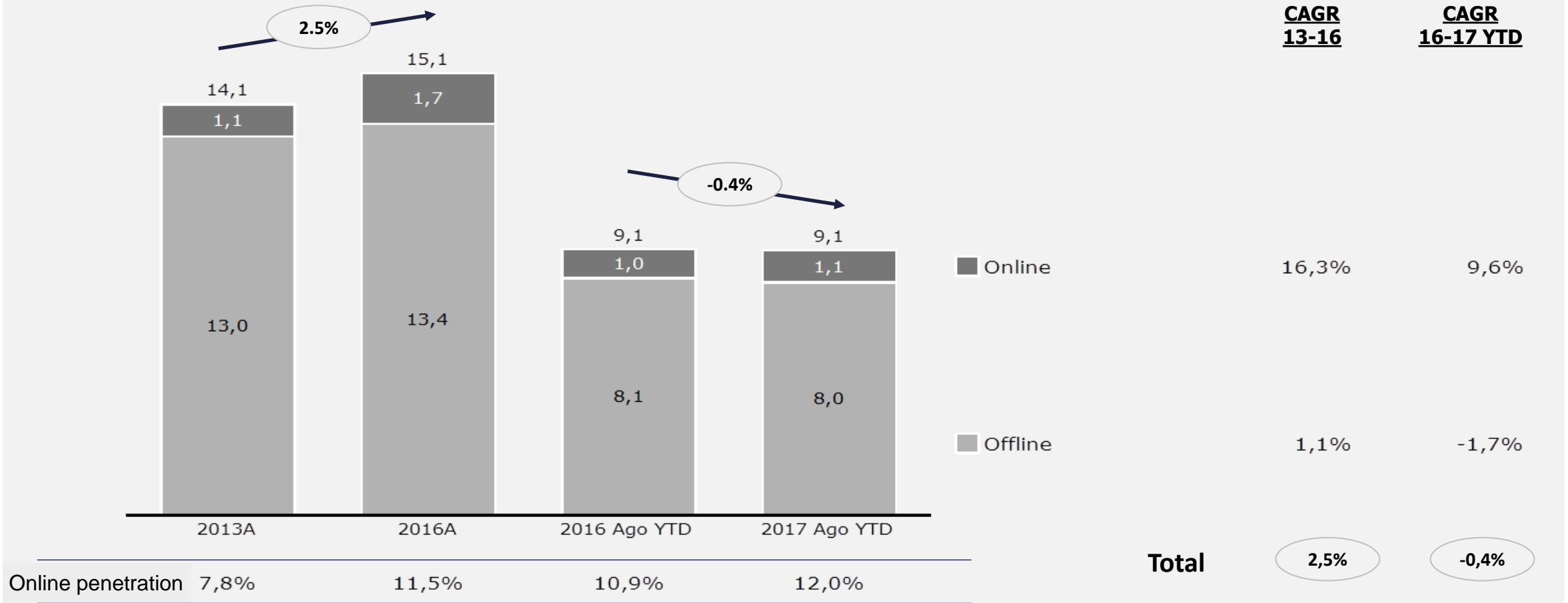
YTD Decrease in Technical Superstore Market

2013-2016 and YTD Technical Superstore market evolution by category, €b

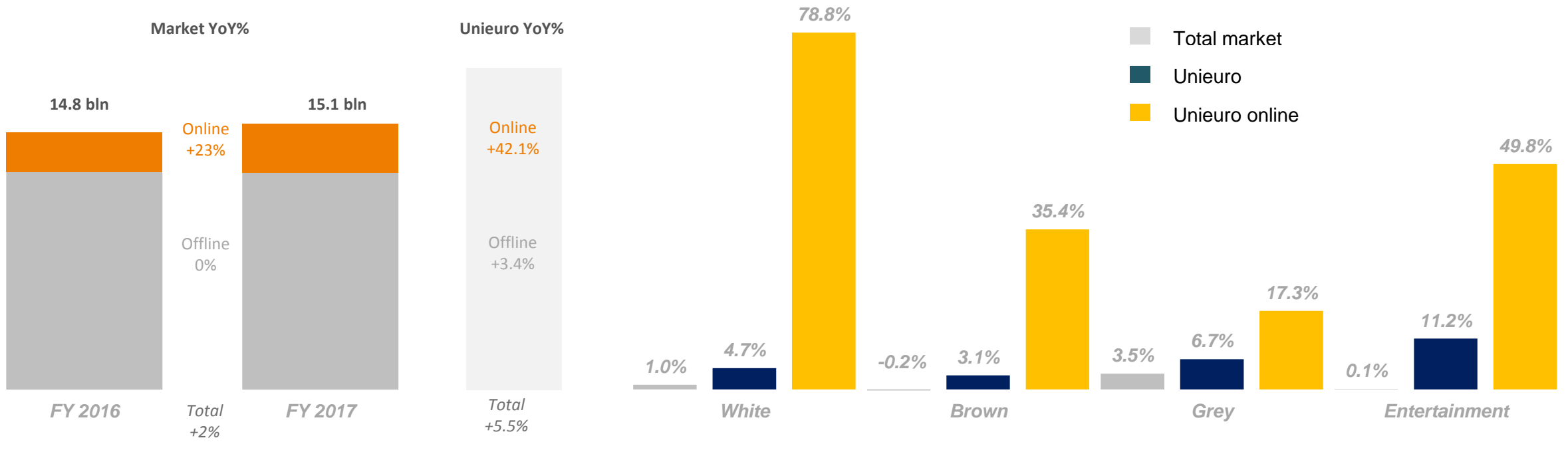


Weak Offline facing increasing Online penetration

2013-2016 and YTD Consumer Electronics market evolution by channel, €b



Unieuro overperforming the market in FY 2016/17...



Growth: total Market up by 2.1%

- offline segment stable
- online sales +23%

Competitive Scenario: increase in competitive pressure due to:

- consolidation of the offline segment
- online segment dynamics

Internet penetration: approx. 12% in FY 2017

Unieuro: faster-paced growth compared to the market in both channels

- online segment: growth rate approx. twice the market's.

White goods:

- MDA: growth driven by recovery in consumption: the kitchen category, dishwashers, and dryers confirmed the positive trend especially in the online channel
- SDA: positive performance positive, also driven by the online channel (especially home and kitchen care)

Brown goods: stable sales; large TV-sets growth

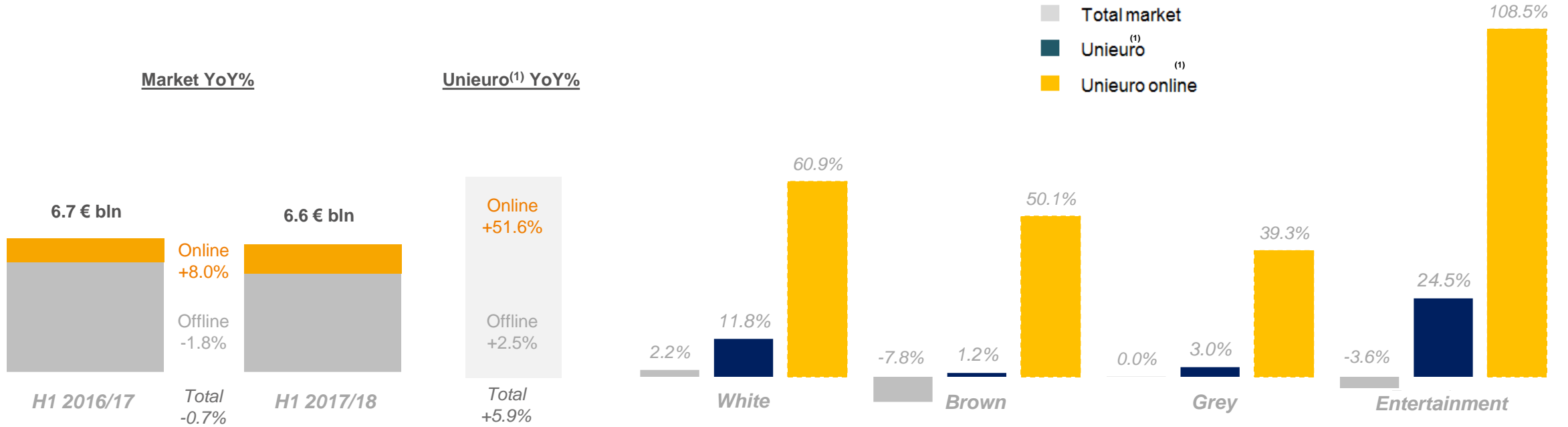
Grey goods:

- Telecom: average price increase (launches of high-end models, i.e. Samsung S7); competitive pressure coming from telecom retailers
- IT: laptop segment contraction vs. excellent performances of slate PCs.

Unieuro⁽¹⁾: market share significantly growing in all product segments.

White sales booming, especially MDA.

...as well as in H1 2017/18



Market trend: total market down by 0.7%. Q2 better than Q1

- offline segment: positive trend in July and August
- online sales: higher growth rate in Q2

Competitive Scenario: increasing competitive pressure, especially in the Brown category

Internet penetration: approx. 13% in H1 2017/18

Unieuro⁽¹⁾: outperforming the market in both channels thanks to acquisitions and unieuro.it organic growth, exceeding +30%

White goods:

- Kitchen category: positive trend, especially on the online channel
- Air conditioning: strong contribution to category performance

Brown goods: worsening performance mainly due to middle-segment TVs volume reduction

Grey goods:

- Telecom: growth in value driven by high-end smartphones launched in the last months
- IT: decrease in tablet and PC sales, undertaken by new products such as slate tablet PCs. Unfavorable new mix

Unieuro⁽¹⁾: material market share increase in all product segments

Strengthened positioning of IT and MDA products on the online channel, also thanks to Monclick consolidation

Significant growth in Brown despite market downturn and competitive pressure from Telecom Retailers

2017 Expected Trends

Offline channel -1,5%, while Online (excl. Entertainment) +10%

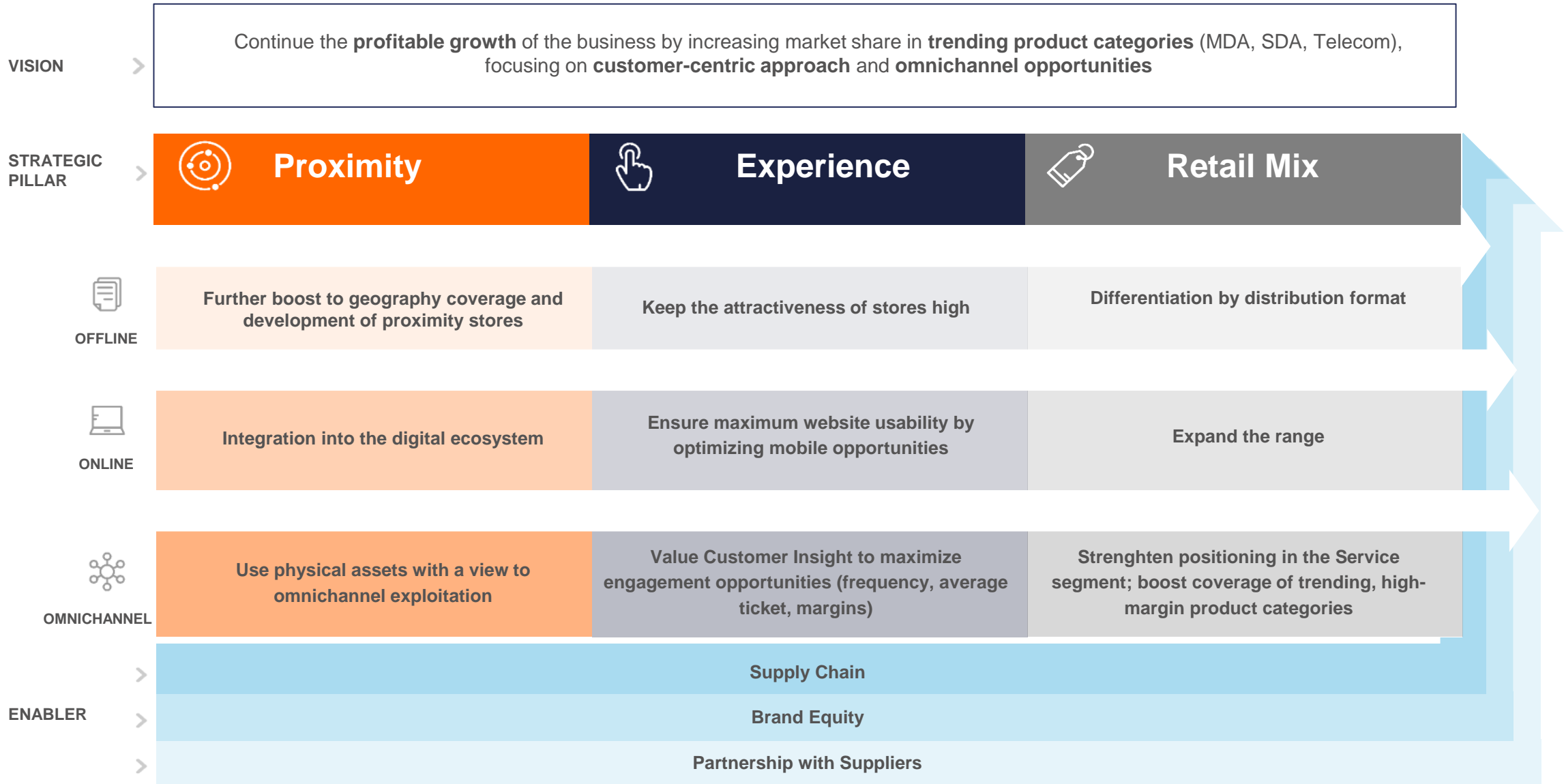
CATEGORY	DEVELOPING DRIVER	Est. YoY 17 vs 16 – Offline (Calendar year)			Est. YoY 17 vs 16 – Online (Calendar year)		
		Value	Volume	Price	Value	Volume	Price
White	MDA	~-(3,5%)	=	↘	~+35,0%	↗↗	↘
	SDA	~(-1,0%)	↗	↘	~+20%	↗↗	↘↘
	Home Comfort	0,0%	=	=	0,0%	=	=
Brown	Consumer Electronics	~(-4,0%)	↘↘	↗↗	~(-2%)	↗	↘↘
	Media Storage	~(-9,0%)	↘↘	↗↗	~+7,0%	↘↘	↗↗
Grey	Photo	~(-8,0%)	↘↘	↗↗	~(-0,5%)	↘↘	↗↗
	IT	~(-7,0%)	↘↘	↘	~+8,0%	↗↗	↘
	Telecom	~%3	↘	↗↗	~+5,0%	↗↗	↘
Total Market		~(-1,5%)	↘	↗	~+10,0%	↗	=

↗↗ >5% ↗ >1% = -1%<x>1% ↘ <-1% ↘↘ <-5%




Summary

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Unieuro's Strategic Goals



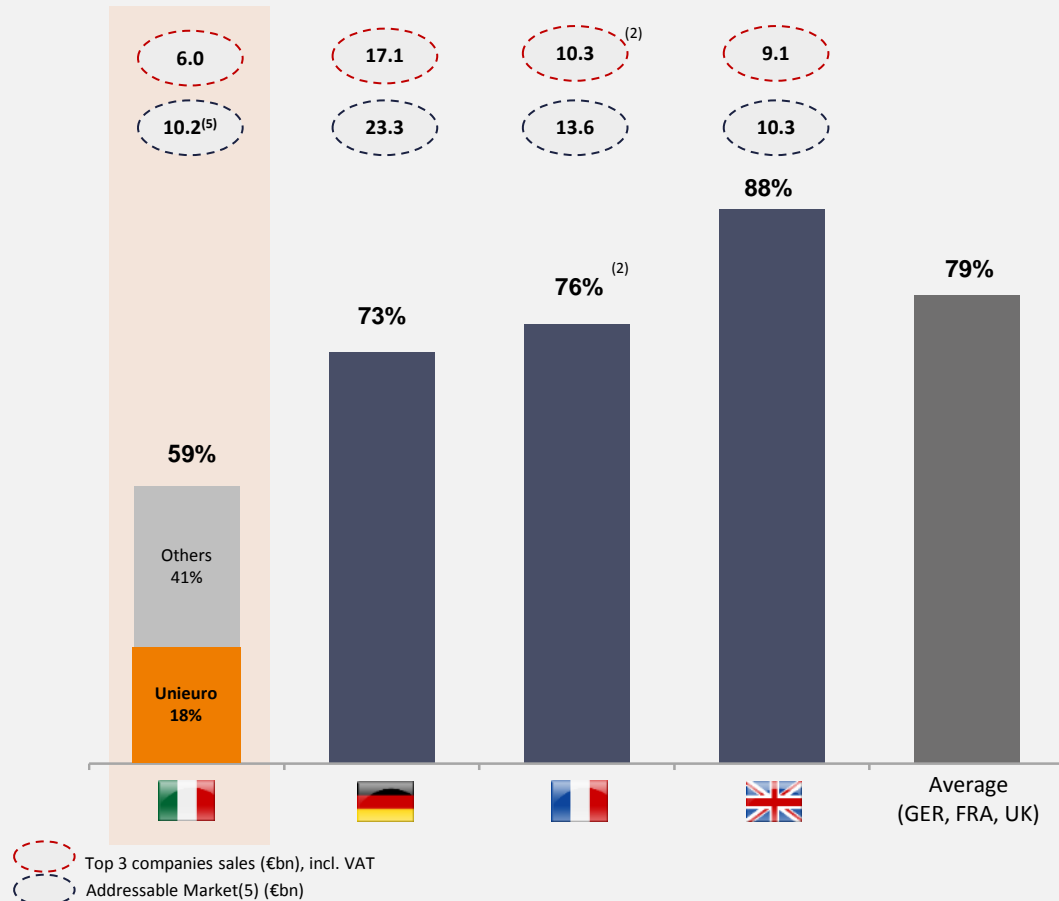
H1 2017/18 Achievements

STRATEGIC PILLAR	 Proximity	 Experience	 Retail Mix
	<ul style="list-style-type: none"> • Reopening of 21 former Andreoli stores (1 July 2017), now Unieuro • 2 new openings in Q1: <ul style="list-style-type: none"> – Bergamo: travel DOS at Orio al Serio airport – Bergamo: store in the Oriocenter mall • Contract signed for the acquisition of a megastore in Rome (formerly operating under the Trony banner), inside the Euroma2 mall 	<ul style="list-style-type: none"> • 22 refurbishments (9 DOS, 13 affiliates); 2 DOS relocations • Launch of Apple Pay • Start of NPS measurement • Customer Feedback Loop projects implementation • Several awards for digital and traditional marketing activities: <ul style="list-style-type: none"> – Netcomm e-Commerce Award – Interactive Key Award – Mediastars Award – Mediakey Award) 	<ul style="list-style-type: none"> • Online sales substantially boosted by: <ul style="list-style-type: none"> – continuous broadening of the product range – Growth in the White Goods category, especially in the MDA segment
	<p>> Supply Chain: purchase of Oracle Retail suite to improve Unieuro's centralized supply chain by optimizing stock levels across all channels</p>		
ENABLER	<p>> Brand Equity: working on the launch of a new ATL advertising campaign</p>		
	<p>> Partnership with Suppliers: huge convention in Milan to present Unieuro's new strategic approach and prospects</p>		

Ambition to create Italy's leading CE retailer...

Italy considerably less consolidated than other Western European markets...

Combined addressable market share of top 3 companies⁽¹⁾ (2015)



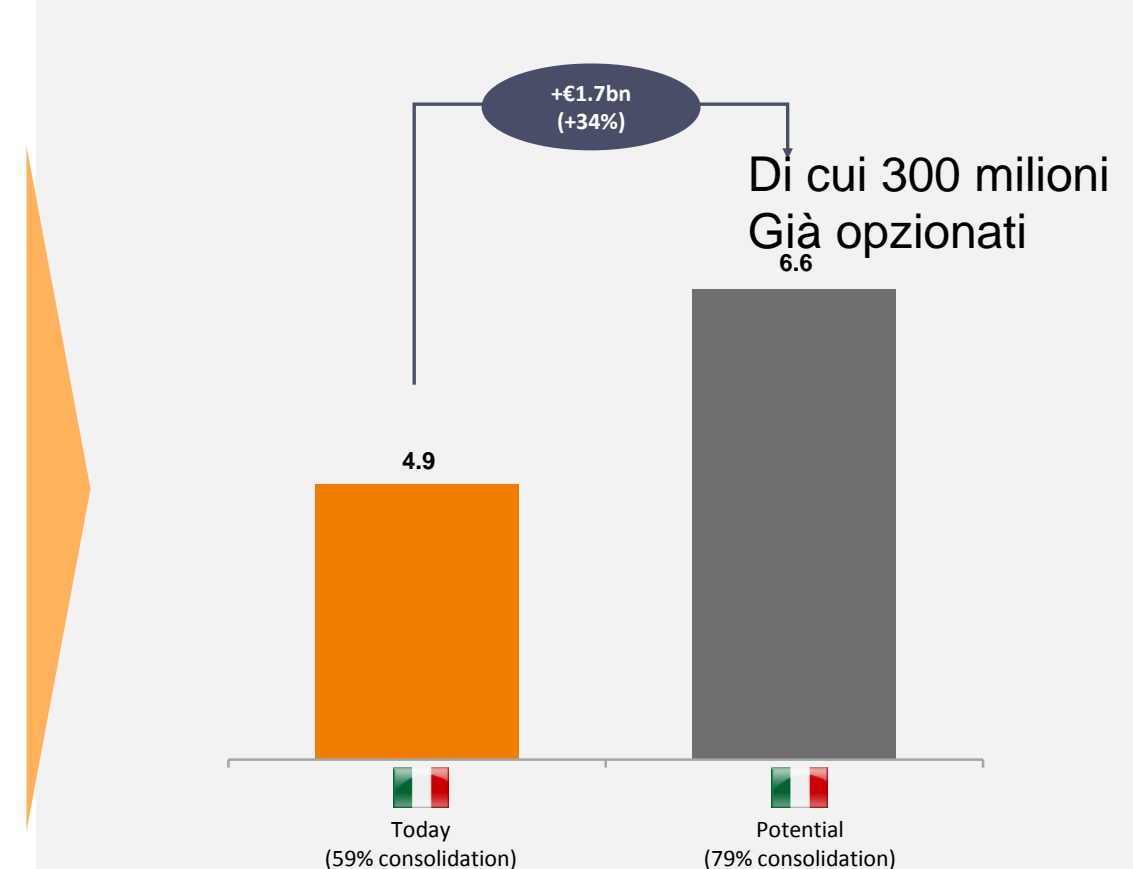
Source: Planet Retail and Company information (Top 3 companies sales), Company elaborations based on market data (addressable market).



...presenting a €1.7bn consolidation opportunity

Italy consolidation potential:

Top 3 companies combined sales today vs. potential (€bn)⁽³⁾⁽⁴⁾



Source: Company information, Planet Retail, Company elaborations based on market data.

Notes: (1) By buying group of entities operating under a single brand; (2) Pro-forma for the acquisition of Darty by Fnac; (3) Excluding VAT; (4) Top 3 companies combined addressable market share today vs. potential top 3 companies combined market share based on average of Germany, France and UK markets. Potential top 3 companies combined market share calculated by applying average consolidation level (79%) to 2015 Italian addressable market value. This is meant to illustrate the consolidation potential in the Italian market and is by no means a market consolidation projection; (5) In order to present addressable market size on a comparable basis for international markets the addressable market perimeter in Italy is calculated on a modified basis (see difference vs. figures presented on page 8) including mobile phones sold at full price vs. subsidised price (explaining €0.241bn gap), an adjusted retailer perimeter (explaining €0.231bn gap) and an adjusted category perimeter (explaining €0.128bn gap).

...through offline expansion in big cities...

EUROMA2: a new flagship store in Rome

- **3,000 sqm store in the Euroma2 shopping mall**, one of the biggest and most visited in Rome:
 - 230 stores, over 50,000 sqm
 - Over 11 million visitors per year
 - Situated in the EUR district, amongst the most important in Rome
- **Formerly, the main Trony store in town**
- **No significant overlapping** with Unieuro's other stores (11, among which the Muratella flagship)
- **Opened on 20 September**. All-time daily record sales for a Unieuro single store
- **20-25 €m yearly sales** expected at run-rate



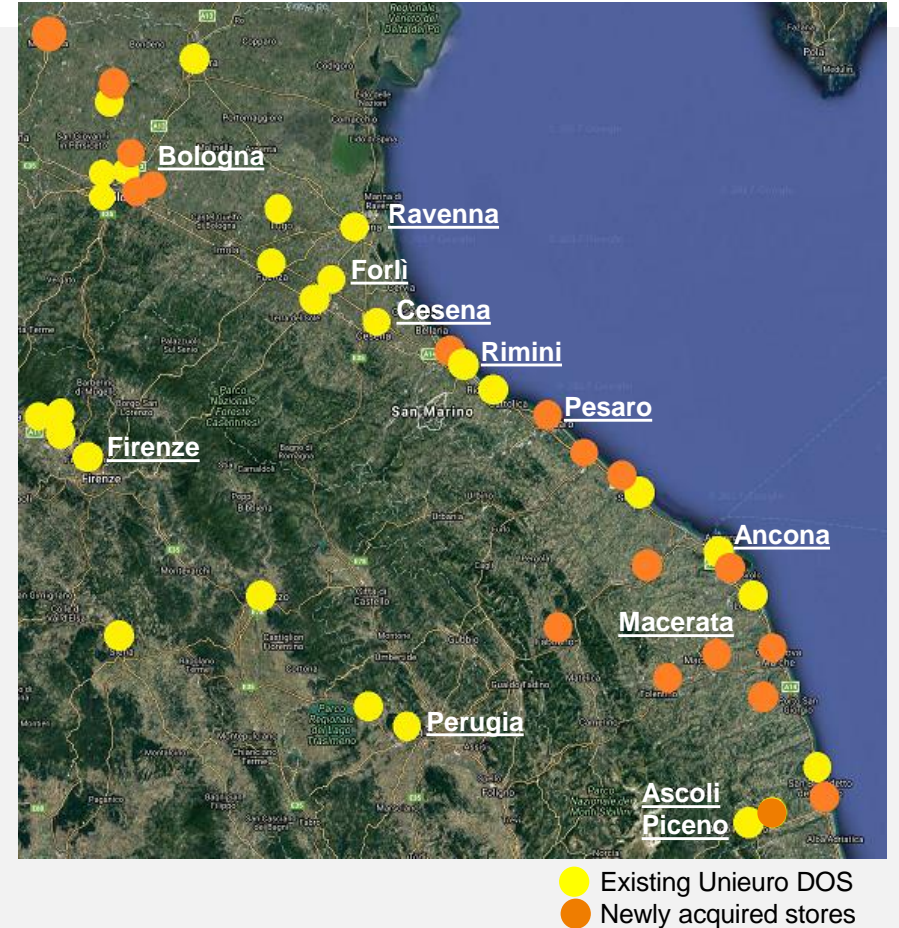
Strategic Rationale

- **Expanding the Unieuro store network in big cities, currently underpenetrated**
- **Further consolidating the offline market, taking advantage of competitors' weaknesses**

...as well as in the Italian province...

Further DOS network expansion in Central Italy through the acquisition of assets belonging to Gruppo Cerioni S.p.A.

- **19 direct stores**, currently operated under the Euronics brand:
 - 12 stores in Marche, 7 in Emilia Romagna
 - Ranging from 500 to 4,000 sqm each for 25,000 sqm sales area in total
 - Over 200 headcounts
- **Limited and perfectly manageable overlaps**, to be managed through retail network optimization actions
- **Total consideration of 8.0 €m**, 1.6 m of which at closing and 6.4 €m in semi-annual instalments over the next three years. Stores acquired without stock
- **Transaction closing to be finalized in several stages, mostly by the end of November**. Stores to be ready for the peak season
- **Integration plan** to be immediately run up, leveraging on Unieuro's strong expertise in external growth
- Target: over **€90m of additional sales** at run-rate within 12-18 months, with a profitability in line with the Company's targets.



Strategic Rationale

- Reaching a leadership position in target regions
- Further consolidating the offline market, still fragmented and very competitive
- Strengthening Unieuro's position vis-a-vis a direct competitor (buying group)

...while focusing on customer-centric approach

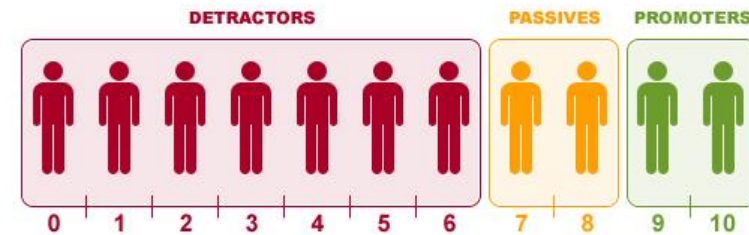
Net Promoter Score (NPS) measurement to continuously monitor Voice of Customer

- Project started in **February 2017**
- **490 stores involved** (both DOS and wholesale partners), i.e. the entire store network as well as the **digital platform** (website and app)
- 180,000 emails sent, 19,000 feedbacks obtained: excellent result in terms of response rate
- Outstanding average score: **8.2**
- Unieuro overall NPS (direct channel): **40.5⁽¹⁾**
- **Data segmentation** according to touch points used by customers during their shopping experience (pure traditional, multichannel, pure digital)
- Implementation of general and local projects to build up a Feedback Loop, thus improving customer experience, thanks to obtained insights

Net Promoter Score (NPS) measures customer experience and predicts business growth.

It is based on the answer to a key question: "How likely are you to recommend Unieuro to a friend or colleague?"

Respondents use a 0-10 score and are grouped as follows:



Subtracting the percentage of Detractors from the percentage of Promoters yields the Net Promoter Score, which can range from -100 (if every customer is a Detractor) to 100 (if every customer is a Promoter).

$$\text{Net Promoter Score} = \% \text{ Promoters} - \% \text{ Detractors}$$

Strategic Rationale

- **Becoming market leader in terms of customer experience**
- **Continuously improving service quality**
- **Analyzing insights to maximize engagement opportunities of the customer base**

Summary

- Overview of Unieuro
- Consumer Insight and Market Scenario
- Strategic Goals and Achievements
- **H1 2017/18 Financials**
- Closing Remarks

Key Financials

Consolidated Sales (€m)

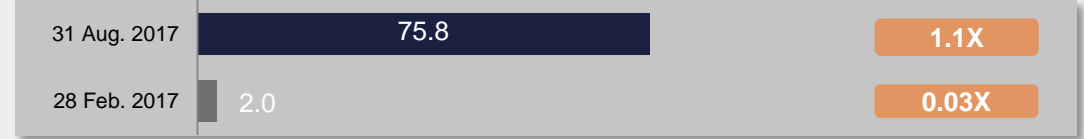
LFL growth⁽¹⁾



- LFL sales penalized by tough comparison basis; overperforming the offline market if net of major refurbishments in H1 16/17 (i.e. Roma Muratella)
- Andreoli, Monclick and new openings largely offsetting LFL decrease

Net Financial Debt (€m)

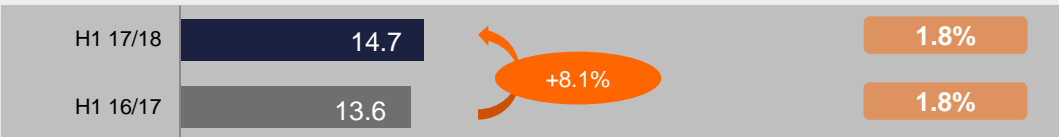
Leverage⁽²⁾



- H1 impacted by typical negative seasonality effects
- Acquisitions effect in H1 amounting to 26.9 €m (total consideration and capex)
- Improvement in NFP vs. 31 Aug. 2016 (79.0 €m) despite dividends and acquisitions

Consolidated Adj. EBITDA (€m)

EBITDA margin



- H1 profitability not very significant due to typical seasonality effects
- EBITDA up 8.1% driven by gross profit increase, margin at the same level of the prior year

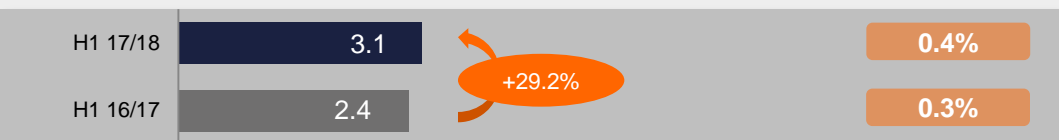
Adj. Levered Free Cash Flow (€m)



- Strong FCF performance boosted by Net Working Capital management and lower interests; +54% vs. prior year

Consolidated Adj. Net Income (€m)

Net Income margin



- Net interests efficiency and lower taxes partially offset by higher D&A

Net Working Capital (€m)



- NWC at the same level as 28 Feb. 2017 (+2.5 €m) vs. +46.0 €m in H1 last year
- Acquisitions and continuous NWC control offsetting seasonality effect

Key Operational Data

Unieuro's Retail Network

DOS (units)

	31 Aug. 2018	28 Feb. 2017
DOS (units)	203	180

Openings: +23
Closures: -
Pick-up Points: 192

WHOLESALE PARTNERS (units)

	31 Aug. 2017	28 Feb. 2017
WHOLESALE PARTNERS (units)	273	280

Openings: +2
Closures: -9
Pick-up Points: 203

- 21 new DOS in central Italy, formerly Euronics managed by Andreoli S.p.A., in Q2
- 2 new openings in Q1 (Oriocenter and Orio al Serio Airport)
- Ongoing rationalization of wholesale partners network
- Pick-up points: 395 (83% of total stores)

Total Retail Area (sqm DOS only)

Sales density
(€/sqm, LTM)

	31 Aug. 2017	28 Feb. 2017
Total Retail Area (sqm DOS only)	~302,800	~276,000
Sales density (€/sqm, LTM)	~4,618	~4,630

-0.3%

- Andreoli effect increasing total sales area
- New stores average size: around 1,200 sqm, in line with resizing strategy

Loyalty Card Holders (millions)

	31 Aug. 17	28 Feb. 17
Loyalty Card Holders (millions)	6.8	6.4

+6.2%

- Card holders base growing
- 1.5 million active loyalty customers⁽¹⁾

Workforce (FTEs)

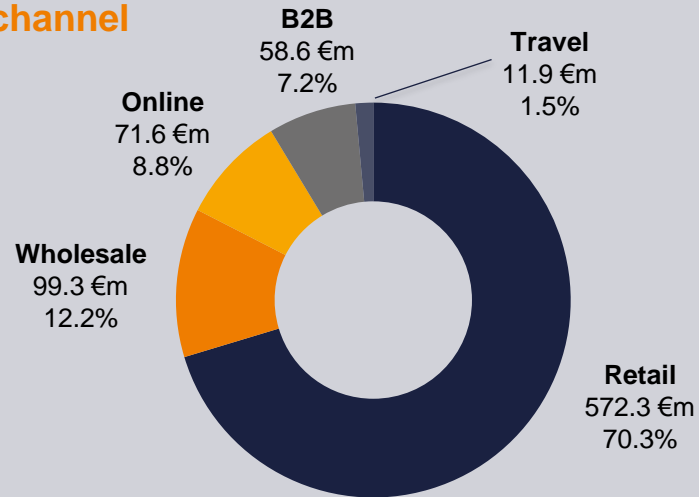
	31 Aug. 2017	28 Feb. 2017
Workforce (FTEs)	3,818	3,395

+12.5%

- Andreoli (270), Monclick (47) and new openings (75) effect, including Euroma2
- HQ headcount growing proportionally less than sales

Sales Breakdown

Sales by channel



- **Retail: 572.3 €m**
 - Boost from acquisitions (Andreoli) and new openings
- **Wholesale: 99.3 €m**
 - Weak trend, also impacted by rationalization of wholesale partners network and inventory optimization
- **Online: 71.6 €m**
 - Strong organic growth (+30%) and MC consolidation (10.5 €m)
- **B2B: 58.6 €m**
 - Strong increase underpinned by Monclick acquisition (10.0 €m)
- **Travel: 11.9 €m**
 - New openings contribution

YoY change

+3.4%

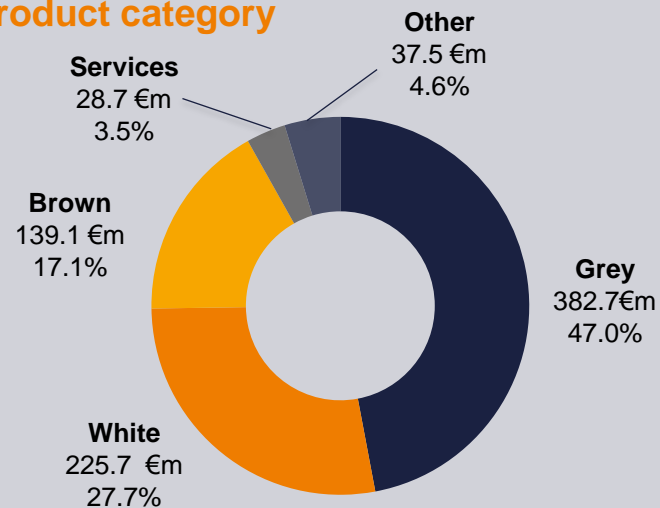
-3.0%

+52.3%

+11.8%

+88.9%

Sales by product category



- **Grey: 382.7 €m**
 - Good performance in consumer segment, partially offset by B2B
- **White: 225.7 €m**
 - Retail mix optimization; broader product range
- **Brown: 139.1 €m**
 - Positive impact from Monclick's B2B2C consolidation
- **Services: 28.7 €m**
 - Positive H1 driven by extended warranties services
- **Other: 37.5 €m**
 - Strong performance for hoverboards, bicycles and games

+1.6%

+12.2%

+8.4%

+7.5%

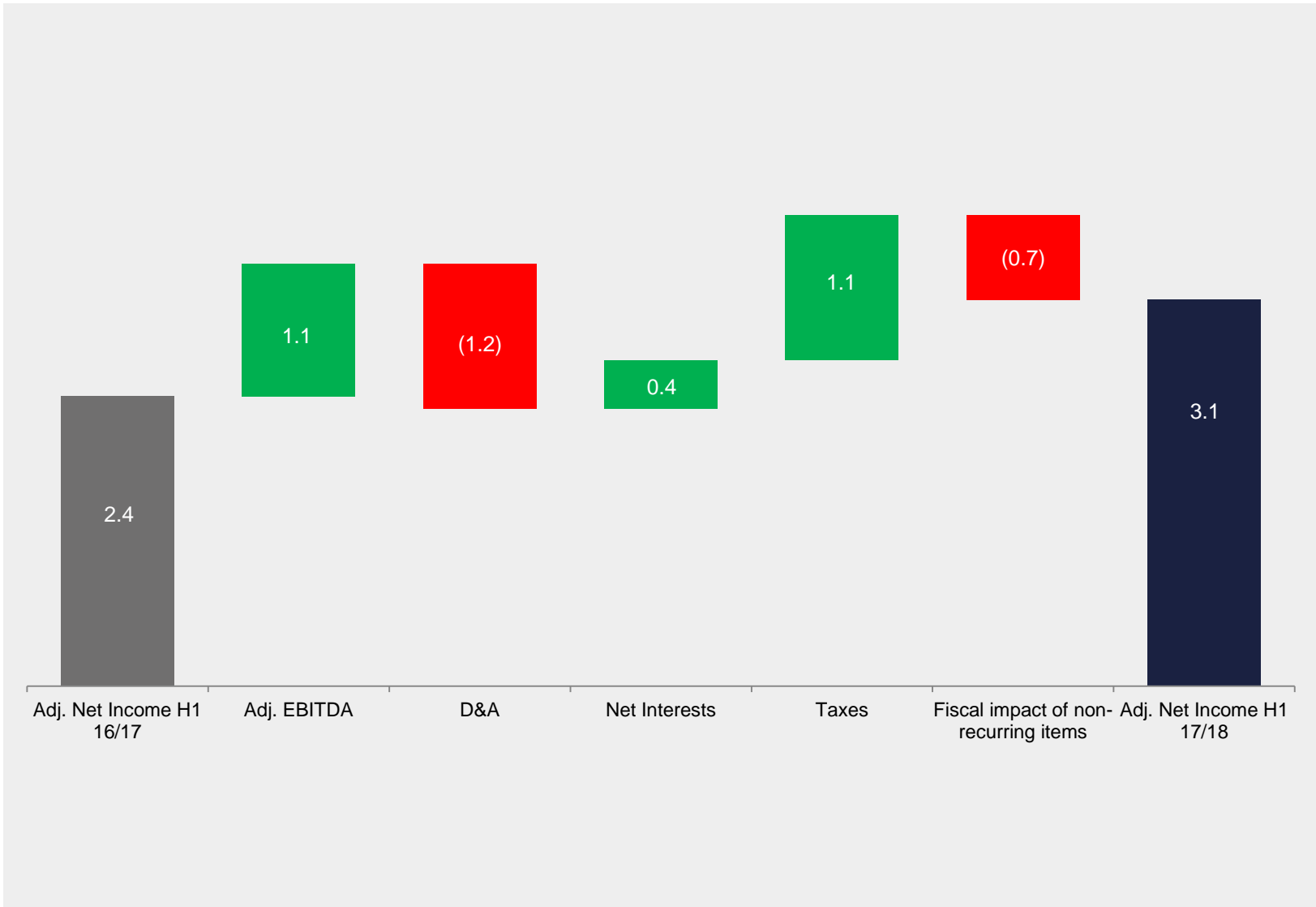
+30.2%

Adjusted EBITDA Walk



- **Increase in Gross Profit** mainly driven by both organic sales growth and acquisitions; gross margin in line with previous year
- **Rental Costs increase** fully ascribable to acquisitions
- **Personnel costs** increase driven by both acquisitions and HQ reinforcement
- **Reduction in Marketing costs** (over 1 €m), mainly related to a different promotional calendar
- **Increase in Logistics costs** connected to higher sales volume, especially MDA, and home delivery growth
- **Other costs increase** also connected to the new status of listed company

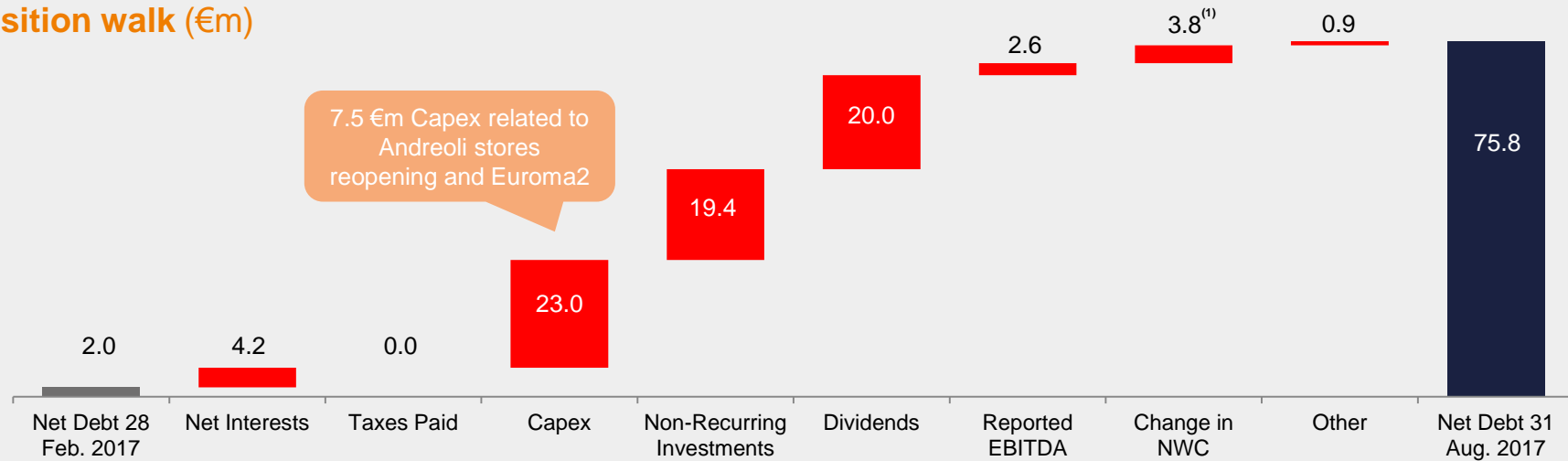
Adjusted Net Income Walk



- **Increase in D&A** due to higher capex, also connected to new openings
- **Net interests efficiency** mainly driven by yoy improvement in average NFP as well as lower interest rates
- **Positive contribution by Income Taxes** (from positive 1.1 €m in H1 16/17 to positive 2.2 €m in H1 17/18)

Financial Overview

Net Financial Position walk (€m)



- **Net Financial Position** impacted by:

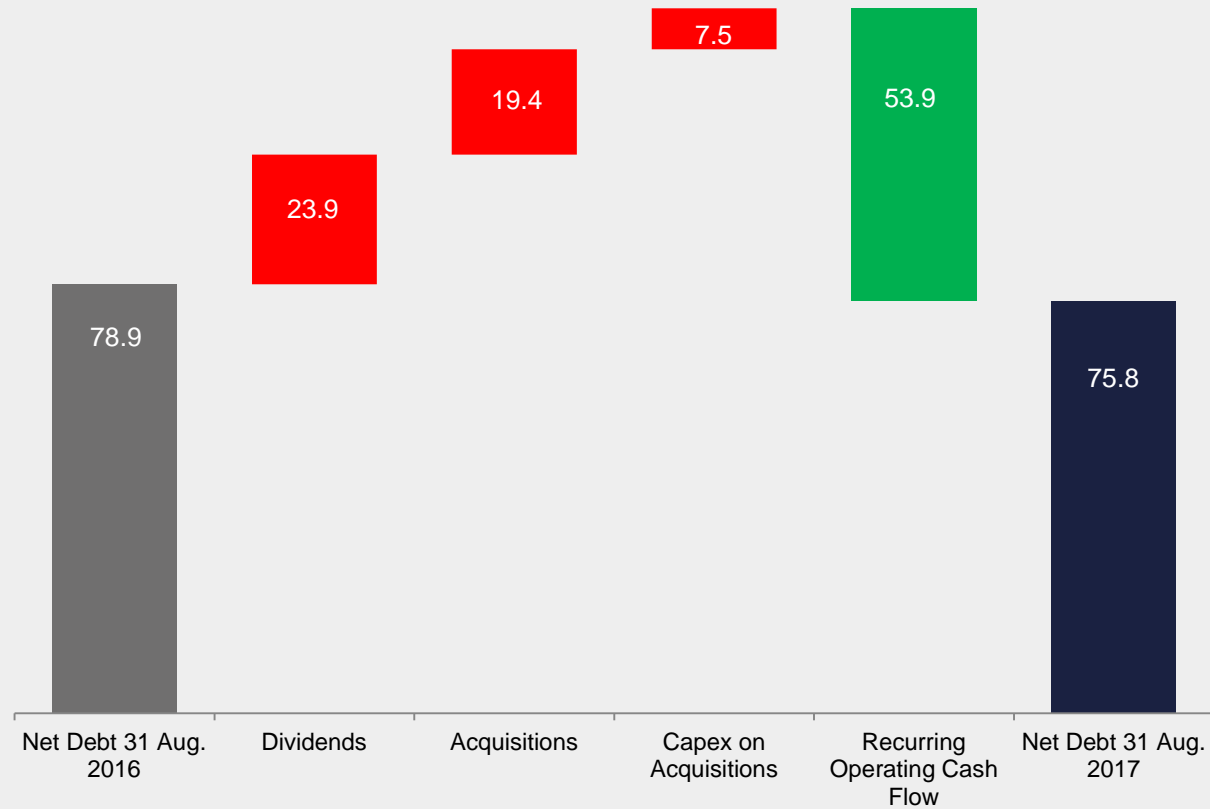
- **Dividend payment**
- **Non-recurring investments**, including Andreoli (9.4 €m) and Monclick (10.0 €m, 6.5 of which postponed over the next 5 years)
- **Capex**, partially related to recently acquired assets
- **Net interests**, including non-recurring financing fees related to the new Acquisition Facilities (2.3 €m)

- **NWC almost stable** in H1 despite seasonal cash absorption due to the new stores fitting effect

Net Working Capital (€m)

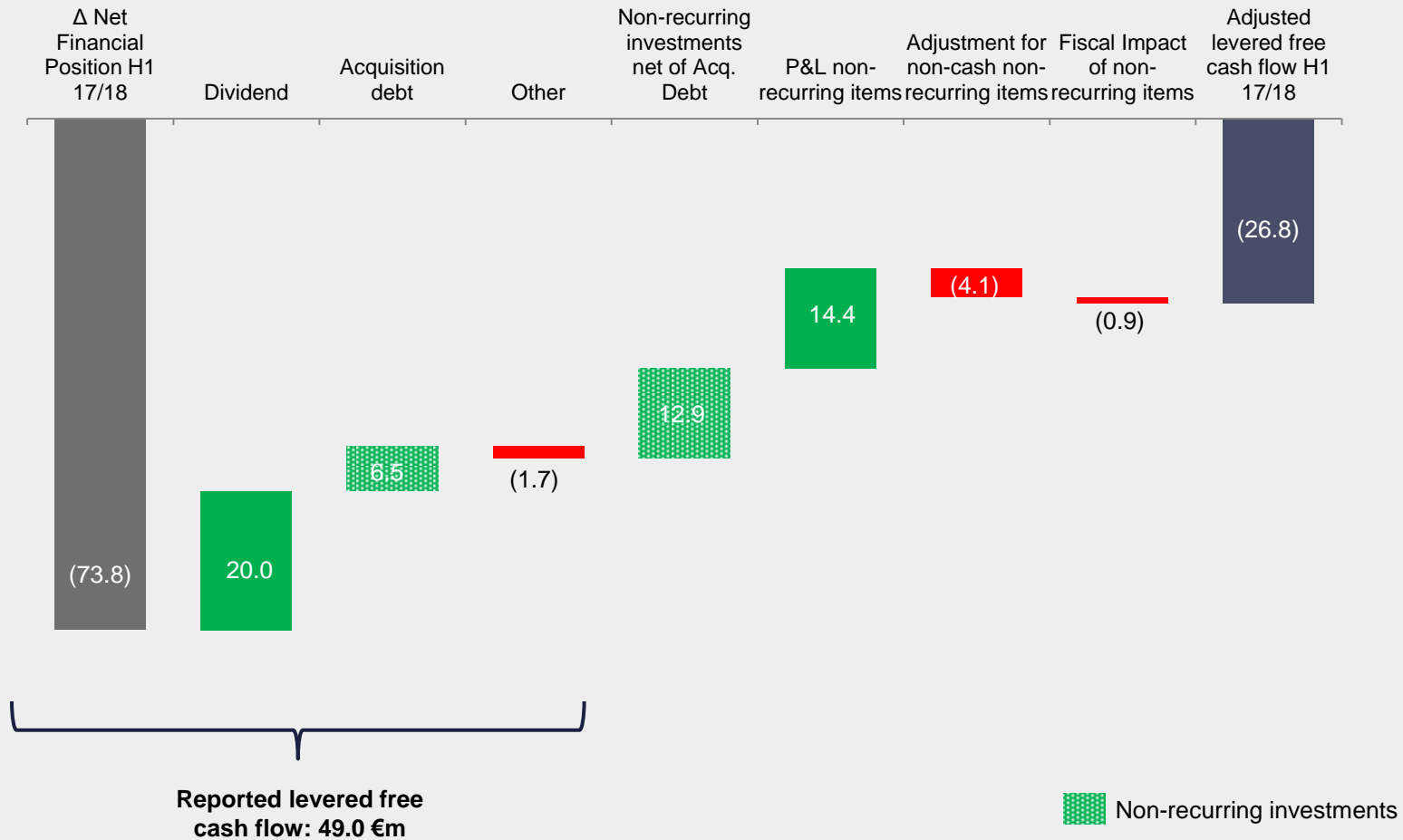
	31 Aug. 2017	28 Feb. 2017
Trade receivables	54.2	35.2
Inventories	312.4	269.6
Trade payables	(388.5)	(334.5)
Trade working Capital	(21.9)	(29.8)
Other NWC	(125.3)	(119.9)
Net Working Capital	(147.2)	(149.7)

LTM Net Financial Position Walk



- **Impressive operating cash flow generation** in the last twelve months
- **Lower Net financial** debt despite dividend payment and acquisitions

Adjusted Levered Free Cash Flow Walk



- **Acquisition debt** related to Monclick postponed cash-out
- **Non-recurring investments** including Andreoli and Monclick cash-out
- **P&L non-recurring items** as listed on slide 29

Future growth drivers

Category	Product	Growth driver	
White goods	Major Domestic appliances	<ul style="list-style-type: none"> Further consolidation of 2013-15 growth trend Increasing penetration in selected categories (dryers, dishwashers) and alignment to European average 	↑ ↑
	Small Domestic appliances	<ul style="list-style-type: none"> MDA and SDA manufacturers focused on increasing number of entry points and changing consumer habits 	
	Home comfort	<ul style="list-style-type: none"> Highly volatile market, driven by weather conditions 	→
Brown goods	Consumer electronics	<ul style="list-style-type: none"> Normalisation of TV category following digitalisation break-through in 2009 and 2010 	→
	Media storage	<ul style="list-style-type: none"> Negative performance expected: decreasing prices and volumes 	↓ ↓
Grey goods	Telecom	<ul style="list-style-type: none"> Increasing prices and volumes, at lower rates vs. recent years: growth led by innovation and penetration of selected categories (e.g. wearables) 	↑ ↑
	IT	<ul style="list-style-type: none"> Limited growth, with price increase offset by volume reduction Laptops expected to register further growth, fuelled by convergence with tablet category Traditional PCs to register slight decrease in overall value 	↑
	Photo	<ul style="list-style-type: none"> Strong volume reduction Photo equipment manufacturers focused on innovation to drive price increase 	↓ ↓
Other consumer electronics (entertainment)	Consoles, games, others	<ul style="list-style-type: none"> Growth in line with recent years' performance 	↑

Summary

- Overview of Unieuro
- Consumer Insight and Market Scenario
- Strategic Goals and Achievements
- H1 2017/18 Financials
- **Closing Remarks**

Closing Remarks

- Unieuro as the only omnichannel consolidator in the Italian consumer electronics market, through organic growth and M&A operations

- Competitive advantage strengthening thanks to the sales channel integration strategy

- Customer Centrality at the heart of the business model, starting with CRM building
- Voice of Customer as a pillar of decision-making and customer touchpoints continuous improvement process

- Further value creation thanks to cash generation, future tax savings and debt reimbursement
- Dividend policy confirmed: 50% of Adjusted Net Income

Annex



Non-IFRS and Other Performance Measures

This presentation contains certain items as part of the financial disclosure which are not defined under IFRS. Accordingly, these items do not have standardized meanings and may not be directly comparable to similarly-titled items adopted by other entities.

Unieuro Management has identified a number of “Alternative Performance Indicators” (“APIs”). These APIs are (i) derived from historical results of Unieuro S.p.A. and are not intended to be indicative of future performance, (ii) non-IFRS financial measures and, although derived from the Financial Statements, are unaudited and (iii) are not an alternative to financial measures prepared in accordance with IFRS.

The APIs presented herein are Adjusted EBITDA, Adjusted EBITDA margin, Adjusted Net Income (loss) for the year, Adjusted levered free cash flow, Cash conversion index, Net financial debt, Net financial debt to Adjusted EBITDA ratio, Leverage ratio.

In addition, this presentation includes certain measures that have been adjusted by us to present operating and financial performance net of any non-recurring events and non-core events. The adjusted indicators are: Adjusted EBITDA, Adjusted EBITDA margin, Adjusted Net Income (loss) for the year, Adjusted levered free cash flow and Net financial debt to Adjusted EBITDA ratio.

In order to facilitate the understanding of our financial position and financial performance, this presentation contains other performance measures, such as Net working capital.

These measures are not indicative of our historical operating results, nor are they meant to be predictive of future results.

These measures are used by our management to monitor the underlying performance of our business and operations. Similarly entitled non-IFRS financial measures reported by other companies may not be calculated in an identical manner, consequently our measures may not be consistent with similar measures used by other companies. Therefore, investors should not place undue reliance on this data.

Profit & Loss

H1 17/18	%	H1 16/17	%		Q2 17/18	%	Q2 16/17	%
813.7		761.5		Sales	446.9		399.1	
813.7		761.5		Sales	446.9		399.1	
(638.2)	(78.4%)	(596.0)	(78.3%)	Purchase of goods - Change in Inventory	(350.2)	(78.4%)	(311.0)	(77.9%)
(30.6)	(3.8%)	(28.9)	(3.8%)	Rental Costs	(16.1)	(3.6%)	(14.4)	(3.6%)
(25.8)	(3.2%)	(26.5)	(3.5%)	Marketing costs	(12.3)	(2.7%)	(12.3)	(3.1%)
(18.9)	(2.3%)	(15.4)	(2.0%)	Logistic costs	(10.9)	(2.4%)	(8.0)	(2.0%)
(28.7)	(3.5%)	(22.9)	(3.0%)	Other costs	(14.9)	(3.3%)	(11.2)	(2.8%)
(72.0)	(8.8%)	(65.6)	(8.6%)	Personnel costs	(38.1)	(8.5%)	(32.6)	(8.2%)
(2.1)	(0.3%)	(0.6)	(0.1%)	Other operating costs and income	(1.0)	(0.2%)	(0.5)	(0.1%)
(2.6)	(0.3%)	5.6	0.7%	EBITDA Reported	3.4	0.8%	9.1	2.3%
14.4	1.8%	3.8	0.5%	Adjustments	9.3	2.1%	2.2	0.6%
2.9	0.4%	4.2	0.6%	Change in Business Model	1.5	0.3%	2.0	0.5%
14.7	1.8%	13.6	1.8%	Adjusted EBITDA	14.1	3.2%	13.4	3.3%
(9.8)	(1.2%)	(8.6)	(1.1%)	D&A	(5.1)	(1.1%)	(4.2)	(1.0%)
(2.5)	(0.3%)	(2.9)	(0.4%)	Financial Income - Expenses	(1.3)	(0.3%)	(1.4)	(0.3%)
(14.9)	(1.8%)	(5.9)	(0.8%)	Profit before Tax	(3.0)	(0.7%)	3.6	0.9%
2.2	0.3%	1.1	0.1%	Taxes	0.4	0.1%	(0.7)	(0.2%)
(1.5)	(0.2%)	(0.8)	(0.1%)	Fiscal impact of non-recurring items	(0.9)	(0.2%)	(0.5)	(0.1%)
3.1	0.4%	2.4	0.3%	Adjusted Net Income	7.2	1.6%	6.6	1.6%
(14.4)	(1.8%)	(3.8)	(0.5%)	Adjustments	(9.3)	(2.1%)	(2.2)	(0.6%)
(2.9)	(0.4%)	(4.2)	(0.6%)	Change in Business Model	(1.5)	(0.3%)	(2.0)	(0.5%)
1.5	0.2%	0.8	0.1%	Fiscal impact of non-recurring items	0.9	0.2%	0.5	0.1%
(12.6)	(1.5%)	(4.8)	(0.6%)	Net Income Reported	(2.6)	(0.6%)	2.9	0.7%

Profit & Loss Adjustments by Line Item

Δ H1 Reported EBITDA	H1 17/18 Adjustments	H1 16/17 Adjustments	Δ H1 Adjusted EBITDA		Δ Q2 Reported EBITDA	Q2 17/18 Adjustments	Q2 16/17 Adjustments	Δ Q2 Adjusted EBITDA
10.0	2.7	(0.1)	12.6	Gross Profit	8.6	2.7	(0.1)	11.2
	2.9	(4.2)	(1.3)	Change in Business Model	-	1.5	(2.0)	(0.6)
10.0	5.6	(4.3)	11.3	Gross profit including change in Business Model	8.6	4.2	(2.1)	10.6
(1.7)	0.7	0.1	(0.9)	Rental Costs	(1.7)	0.4	0.3	(0.9)
0.7	1.0	(0.3)	1.4	Marketing costs	(0.0)	0.6	(0.2)	0.4
(3.5)	0.7	(0.1)	(2.9)	Logistic costs	(2.9)	0.7	(0.1)	(2.3)
(5.8)	5.7	(2.1)	(2.2)	Other costs	(3.7)	2.6	(1.0)	(2.1)
(6.4)	3.3	(1.5)	(4.6)	Personnel costs	(5.6)	2.5	(0.8)	(3.9)
(1.5)	0.3	0.2	(1.0)	Other operating costs and income	(0.6)	(0.1)	(0.4)	(1.1)
(18.2)	11.7	(3.7)	(10.2)	Total Costs	(14.3)	6.6	(2.1)	(9.9)
(8.2)	17.3	(8.0)	1.1	Total	(5.7)	10.7	(4.2)	0.7

€m, unless otherwise stated

Balance Sheet

	31 Aug. 2017	28 Feb. 2017
Trade Receivables	54.2	35.2
Inventory	312.4	269.6
Trade Payables	(388.5)	(334.5)
Operating Working Capital	(21.9)	(29.8)
Current Tax Assets (1)	11.3	8.0
Current Assets (2)	16.2	13.9
Current Liabilities (3)	(147.6)	(140.3)
Short Term Provisions	(5.2)	(1.4)
Net Working Capital	(147.2)	(149.7)
Tangible and Intangible Assets	93.2	72.6
Net Deferred Tax Assets and Liabilities	26.4	29.1
Goodwill	170.8	151.4
Other Long Term Assets and Liabilities (4)	(14.3)	(16.5)
Total Invested Capital	128.9	86.9
Net financial Debt	75.8	2.0
Equity	53.1	85.0
Total Sources	128.9	86.9

(1) **Current Tax Assets:** Includes Current Tax Assets and Fiscal Consolidation Receivables

(2) **Current Assets:** Includes mainly Accrued Income related to rental costs, etc

(3) Current Liabilities

	31 Aug. 2017	28 Feb. 2017
Accrued expenses (mainly Extended Warranties)	(85.5)	(88.7)
Personnel debt	(30.9)	(28.2)
VAT debt	(18.1)	(15.7)
Other	(13.0)	(7.7)
Current Liabilities	(147.6)	(140.3)

(4) Other Long Term Assets and Liabilities

	31 Aug. 2017	28 Feb. 2017
Deposits	3.2	2.1
Deferred Benefit Obligation (TFR)	(10.9)	(9.8)
Long Term Provision for Risks	(5.2)	(7.2)
Store Loss Provision	(0.4)	(0.6)
Other Provisions	(1.0)	(1.0)
Other Long Term Assets and Liabilities	(14.3)	(16.5)

€m, unless otherwise stated

Cash Flow Statement

H1 17/18	H1 16/17		Q2 17/18	Q2 16/17
(2.6)	5.6	Reported EBITDA	3.4	9.1
-	-	Taxes Paid		
(4.2)	(1.8)	Interests Paid	(3.2)	(0.8)
(3.8)	(45.0)	Change in NWC	17.2	(10.7)
(2.8)	1.1	Change in Other Assets and Liabilities	(3.5)	0.5
(13.4)	(40.1)	Reported Operating Cash Flow	13.9	(1.8)
(17.0)	(10.3)	Purchase of Tangible Assets	(11.2)	(6.1)
(6.0)	(1.6)	Purchase of Intangible Assets	(4.5)	(1.0)
(12.9)	-	Acquisitions	(3.5)	-
0.2	-	Monclick NFP 01.06.2017	0.2	-
(49.0)	(52.0)	Levered Free Cash Flow	(5.1)	(9.0)
9.4	2.4	Adjustments	5.3	1.4
12.9	-	Non recurring investments	3.5	-
(26.8)	(49.6)	Adjusted Levered Free Cash Flow	3.7	(7.6)
(9.4)	(2.4)	Adjustments	(5.3)	(1.4)
(12.9)	-	Non recurring investments	(3.5)	-
(20.0)		Debt to Shareholders (non cash effect)	(20.0)	-
(6.5)		Debt Acquisition Monclick (non cash effect)	(6.5)	-
1.7	(1.0)	Other Changes	1.9	(0.5)
(73.8)	(53.0)	Δ Net Financial Position	(29.7)	(9.5)

€m, unless otherwise stated

“Reported EBITDA” To “Adjusted EBITDA” Reconciliation

H1 17/18	H1 16/17		Q2 17/18	Q2 16/17
(2.6)	5.6	EBITDA Reported	3.4	9.1
2.7	0.7	<i>IPO</i>	0.0	0.5
0.7	1.2	<i>Call options agreement</i>	(0.0)	0.6
1.3	1.0	<i>Stores opening - relocations (ex UE) - closing costs</i>	0.7	0.4
2.7	-	<i>Accidental events</i>	2.7	-
6.1	0.1	<i>Merger and Acquisition</i>	5.4	0.2
0.9	0.8	<i>Other</i>	0.4	0.4
14.4	3.8	Non-Recurring Items	9.3	2.2
2.9	4.2	Extended warranties adjustment	1.5	2.0
14.7	13.6	EBITDA Adjusted	14.1	13.4

€m, unless otherwise stated

“Net Income” To “Adjusted Net Income” Reconciliation

H1 17/18	H1 16/17		Q2 17/18	Q2 16/17
(12.6)	(4.8)	Reported Net Income	(2.5)	2.9
14.4	3.8	Non-Recurring Items <i>(see previous slide)</i>	9.3	2.2
2.9	4.2	Extended warranties adjustment	1.5	2.0
(1.5)	(0.8)	Fiscal Impact of non-recurring items and extended warranties adjustment	(0.9)	(0.5)
3.1	2.4	Adjusted Net Income	7.2	6.6

€m, unless otherwise stated

Levered FCF To Adjusted Levered FCF Reconciliation

H1 17/18	H1 16/17		Q1 17/18	Q1 16/17
(49.0)	(52.0)	Levered Free Cash Flow	(5.1)	(9.0)
14.4	3.8	P&L non-recurring items	9.3	2.2
(4.1)	(1.2)	Adjustment for non-cash non-recurring items	(3.5)	(0.7)
(0.9)	(0.2)	Fiscal Impact of non-recurring items	(0.5)	(0.1)
12.9	-	Non recurring investments	3.5	-
22.3	2.4	Total Adjustments	8.8	1.4
(26.8)	(49.6)	Adjusted levered free cash flow	3.7	(7.6)

€m, unless otherwise stated

Net Financial Position

	31 Aug. 2017	28 Feb. 2017
Bilateral Facility	3.6	-
Revolving Credit Facility	21.0	-
Other Short Term Bank Debt		-
Short-Term Bank Debt	24.6	-
Term Loan A	4.5	6.0
Term Loan B	13.3	13.3
Capex Facility	13.5	14.3
Acquisition Facility	20.0	
Financing Fees	(3.6)	(1.8)
Long-Term Bank Debt	47.7	31.8
Bank Debt	72.3	31.8
Shareholder Debt (Dividends)	20.0	-
Debt To other lenders	6.1	6.8
Acquisition Debt	6.5	
Other Financial Debt	32.6	6.8
Cash and Cash Equivalents	(29.1)	(36.7)
Net Financial Debt	75.8	2.0

€m, unless otherwise stated



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