



PRESS RELEASE

UNIEURO S.P.A.: FY 2017/18 PRELIMINARY RESULTS

REVENUES INCREASED

EXPECTED GROWTH IN ADJUSTED EBITDA¹

DIVIDEND PAY-OUT ANTICIPATED

- **Preliminary consolidated revenues up 12.8% at €1,874.8 million, driven by acquisitions, new openings and e-commerce**
- **Online business at 10% of revenues**
- **Adjusted EBITDA¹ also expected to growing compared to €65.4 million recorded in the previous fiscal year**
- **Advance dividend pay-out at the beginning of June 2018, in a lump sum in the interest of shareholders, for an amount expected to be similar to the amount distributed in 2017. Related amendments to financial calendar**

Forlì, 26 March 2018 – The Board of Directors of Unieuro S.p.A. (MTA: UNIR), the largest omnichannel distributor of consumer electronics and household appliances by number of stores in Italy, met today to view consolidated preliminary revenues and some preliminary results for the fiscal year ended at 28 February 2018, unaudited.

With an annual increase of €213.3 million, accounting for 12.8%, the company's consolidated revenues amounted to €1,873.8 million, driven by the acquisitions made during the fiscal year, the opening of 7 new stores, as well as the growth of the online business, while sales of the store network performed well.

Unieuro expects that the higher revenues, combined with continual attention to the cost structure, will make it possible for the company to achieve a growth in adjusted EBITDA¹ with respect to €65.4 million, as reported for the previous fiscal year. The final data will be approved by the meeting of the Board of Directors to be scheduled on 26 April 2018.

In light of the Company's positive economic and financial performance, the Board of Directors also decided to anticipate the payment of dividend for fiscal year 2017/18, if approved by the Shareholders' Meeting, and to pay out the same in a lump sum, with ex-dividend date indicatively scheduled for 11 June 2018. The Company expects that the dividend amount will not differ significantly from the amount distributed last year.

¹ Adjusted EBITDA is EBITDA adjusted (i) for non-recurring expenses/(income) and (ii) the impact from the adjustment of revenues for extended warranty services net of related estimated future costs to provide the assistance service, as a result of the change in the business model for directly managed assistance services.



Giancarlo Nicosanti Monterastelli, Chief Executive Officer of Unieuro, said: *“Having grown by 12.8% to almost €1.9 billion in revenues, despite a competitive market, is a source of great satisfaction and pride for us, unequivocally confirming the unique and distinctive quality of our business model and consolidation strategy.*

Unieuro is now looking to becoming the market leader thanks to its unique profitability and ability to remunerate shareholders. In this regard, the advance dividend pay-out in June is our way of rewarding shareholders, who have accompanied us in this intense first year in which the IPO was launched,” concluded Nicosanti Monterastelli.

Preliminary consolidated revenues at 28 February 2018

Unieuro **consolidated revenues** amounted to €1,873.8 million in fiscal year 2017/18, up 12.8% compared to €1,660.5, as reported for fiscal year 2016/17.

In addition to the 7 new openings and the massive organic growth of the online business (up 36.5 % net of Monclick’s B2C contribution), the performance was positively influenced by 4 acquisitions made during the year - Monclick, 21 former Andreoli / Euronics stores, the former Edom / Trony flagship store in the Euroma2 shopping centre and 19 former Cerioni / Euronics stores - for a total contribution of €175.4 million.

Like-for-like revenues – i.e. the performance of stores open for at least 26 months at 28 February 2018, including both retail and *click & collect* sales – was down 1.9%, also due to the predicted impact of new stores (not included in the like-for-like indicator) on the pre-existing network. Excluding stores affected from the scope of analysis, as being located close to newly acquired or re-launched stores (in particular Rome Muratella, renovated in May 2016), like-for-like sales grew by 0.4%.

Revenues by sales channel

<i>(millions of Euro and percentage of revenues)</i>	Period ended				Changes	
	28-Feb-18	%	28-Feb-17	%	2018 vs. 2017	%
<i>Retail</i>	1,327.9	70.9%	1,202.5	72.4%	125.4	10.4%
<i>Wholesale</i>	218.5	11.7%	227.9	13.7%	(9.4)	(4.1%)
<i>Online</i>	185.0	9.9%	111.3	6.7%	73.7	66.2%
<i>B2B</i>	118.9	6.3%	102.7	6.2%	16.2	15.8%
<i>Travel</i>	23.6	1.3%	16.2	1.0%	7.4	45.7%
Total revenues by channel	1,873.8	100.0%	1,660.5	100.0%	213.3	12.8%



The **Retail channel** (70.9% of total sales) – made up of 225 directly operated stores located in areas deemed commercially strategic and characterised by different sizes in terms of surface area – recorded an increase of 10.4% in revenues, standing at €1,327.9 million, compared to €1,202.5 million for the previous fiscal year.

The increase is mainly attributable to the reopening of 21 stores acquired from Andreoli S.p.A., which became operational as from 1 July 2017; the acquisition of the flagship store in the Euroma2 shopping centre, opened on 20 September; the progressive re-opening, starting from 16 November, of 19 stores acquired from Gruppo Cerioni S.p.A.; and finally, the new openings in the period under review for a total of 5 Retail stores, i.e. Bergamo, Novara, Genova, Roma Trastevere and, the latest occurred on 8 December, Modena.

The **Wholesale channel** (11.7% of total sales) – made up of 272 affiliated stores, characterised by small surface areas and located in areas with a limited target market – recorded revenues of €218.5 million, down 4.1% compared to €227.9 million for the previous fiscal year.

The expected continuous network streamlining led to a decrease of 8 units in the number of stores compared to 28 February 2017, which was compounded by the estimated impact of new directly operated stores on the Wholesale network. However, considering the sales developed by the channel in pick-and-pay mode, which in accounting terms pertain to the Online channel, the Wholesale channel recorded a positive performance that was significantly better than that of the reference market.

The **Online channel**, now close to 10% of total sales (9.9%), recorded €185.0 million in revenues, an increase of 66.2% compared to €111.3 million in the same period of the previous year, an impressive performance given the slowdown in the growth trend of the online consumer electronics and home appliances market in 2017.

The digital platform unieuro.it, re-launched in October 2016, contributed to growth, generating incremental revenues of €40.6 million, up 36.5%. This success was, among other things, due to the Black Friday marketing initiatives, the constant expansion of the pick-up point network – also thanks to Unieuro's acquisition and re-launching of stores with an omnichannel approach – as well as the positive results of the growth strategy for product categories with high margins, White Goods in particular. The constant release of new features and platform improvements, essential for retaining customers and attracting new ones at the same time, contributed to this situation, also aiming at increasing operations in the important mobile segment.

The acquisition of Monclick, one of the leading Italian pure players specialised in consumer electronics and household appliances, consolidated starting from 1 June, contributed to this channel €33.1 million in revenues.

The **Business-to-Business channel** (6.3% of total sales) – which caters to business customers, including foreign customers, operating in sectors other than that of Unieuro, such as hotels and banks, as well as operators purchasing electronic products to be distributed to their regular customers or employees for loyalty points, prize contests, or incentive plans (referred to as B2B2C segment) – recorded revenues of €118.9 million, up



15.8% compared to €102.7 million for fiscal year 2016/17, also thanks to the contribution of the subsidiary Monclick.

Finally, the **Travel channel** (1.3% of total sales) – made up of 11 directly operated stores located at main public transport hubs such as airports and railway stations – recorded an increase of 45.7%, amounting to €23.6 million, thanks to the new openings at the Capodichino and Orio al Serio airports and of the store located at the Turin Porta Nuova railway station, opened towards the end of the previous fiscal year.

Revenues by product category

<i>(millions of Euro and percentage of revenues)</i>	Period ended				Changes	
	28-Feb-18	%	28-Feb-17	%	2018 vs. 2017	%
Grey goods	862.5	46.0%	798.8	48.1%	63.8	8.0%
White goods	494.3	26.4%	421.9	25.4%	72.4	17.2%
Brown goods	348.4	18.6%	301.4	18.1%	47.0	15.6%
Other products	102.6	5.5%	79.9	4.8%	22.9	28.7%
Services	65.8	3.5%	58.6	3.5%	7.2	12.3%
Total revenues by category	1,873.8	100.0%	1,660.5	100.0%	214.3	12.8%

The fiscal year ended at 28 February 2018 recorded a growth in sales across all product categories.

Grey goods (46% of total revenues) – i.e. photo cameras, video cameras, smartphones, tablets, desktop and laptop computers, monitors, printers, telephony accessories and all wearable technology products – generated revenues of €862.5 million, up 8% compared to €798.8 million in the previous fiscal year, thanks to the good performance of consumer revenues and despite market weakness in the IT segment.

White goods – representing 26.4% of sales and comprising major domestic appliances (MDA), such as washing machines, dryers, refrigerators or freezers, and stoves, small domestic appliances (SDA), such as vacuum cleaners, kettles, coffee machines, as well as the air conditioning segment – generated revenues of €494.3 million, up 17.2% compared to €421.9 million for the previous fiscal year.

The foregoing is attributable to the success of Unieuro's strategy, which focused on high-margin product classes, the expansion of the product range and the strong performance of dishwashers, dryers and refrigerators. In particular, the segments of dryers and dishwashers in Italy have not been sufficiently penetrated and will therefore be the target of the Company's significant marketing actions.



Brown goods (18.6% of total revenues) – which include televisions sets and related accessories, smart TV devices and car accessories, as well as storage devices such as CDs/DVDs and USB flash drives – achieved revenues of €348.4 million, up 15.6% compared to €301.4 million for the previous year. This category benefited from the growing success of high-end television sets, especially Ultra HD and OLED TVs, as well as the positive contribution of Monclick's B2B2C sales.

Other products (5.5% of total revenues) – which include sales in the entertainment sector and other products not included in the consumer electronics market, such as electric mobility – recorded revenues of €102.8 million, up 28.7% compared to €79.9 million in the previous fiscal year. The performance was driven by the strong growth in the personal mobility segment, in particular hoverboards, and sales of videogame consoles.

Lastly, **Services** (3.5% of total revenues), which posted a growth of 12.3%, amounting to €65.8 million, also performed very well thanks to the Company's continued focus on the provision of services to its customers, especially with regard to warranty extensions.

Anticipated dividend pay-out

The Board of Directors of Unieuro decided to bring forward the ex-dividend date, with regard to fiscal year 2017/18, to the beginning of June 2018, and to pay out dividends in a lump sum, contrary to the dividend policy currently in force.

The decision, made possible by Unieuro's favourable economic and financial performance, was taken in the shareholders' interest in order to bring forward the total distribution of dividends by four months.

On the base of 2017/18 preliminary results, the amount of dividend - which, consistently with the dividend policy, will amount to at least 50% of adjusted net profit² posted for fiscal year 2017/18 - is expected to be similar to the amount paid out in 2017.

The proposal of the dividend distribution will be examined by the Board of Directors to be called, among others, to approve the final data for the fiscal year, on 26 April 2018.

The ex-dividend date is currently tentatively scheduled for 11 June 2018.

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² The adjusted net profit (loss) for the period is calculated as the profit (loss) for the period adjusted (i) for adjustments incorporated in adjusted EBITDA covered in Note 1 above and (ii) for the theoretical tax impact of those adjustments.



Other resolutions of the Board of Directors

In line with the resolution regarding the dividend, the Board of Directors of Unieuro made some changes to the 2018/19 financial calendar, as lately amended on 23 February 2018.

The new company calendar for the current fiscal year is therefore as follows:

Date	Event
26 April 2018	Board of Directors for the approval of the Draft Financial Statements for the year ended on 28 February 2018
5 June 2018	Shareholders' Meeting to approve the financial statements for the year ended on 28 February 2018
12 July 2018	Board of Directors to approve the interim report as of 31 May 2018
14 November 2018	Board of Directors to approve the first-half financial report as of 31 August 2018
10 January 2019	Board of Directors to approve the interim report as of 30 November 2018

The annual financial calendar is publicly available on the company website www.unieurospa.com under "Investor Relations", as well as on the authorized storage platform eMarket STORAGE (www.emarketstorage.it).

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For the transmission, storage and filing of the Regulatory Information to be made public, Unieuro S.p.A. has chosen the platforms "eMarket SDIR" and "eMarket STORAGE" managed by Spafid Connect S.p.A., with offices in Foro Buonaparte 10, Milan.

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Mr Italo Valenti, the Director responsible for preparing the accounting and corporate documents, hereby declares that, pursuant to and in accordance with Article 154-bis, paragraph 2, of Legislative Decree No. 58 of 1998, the information contained in this press release matches the Company's documentation, books and accounting records.

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**Unieuro S.p.A.**

Listed on the STAR segment of the Italian Stock Exchange, Unieuro is now the largest omnichannel distributor of consumer electronics and household appliances by number of stores in Italy, with a widespread network of approximately 500 outlets throughout the country, including direct stores (230) and affiliated stores (270), its digital platform unieuro.it as well as the e-tailer Monclick. The Company is headquartered in Forlì and has a logistics hub in Piacenza. It has more than 4,600 employees and revenues that reached € 1.9 billion for the fiscal year ending 28 February 2018.

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