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Oggetto : Unieuro S.p.A.: Ordinary dividend of € 2.60
per share thanks to staggering 2020/21
results

Testo del comunicato

Vedi allegato.



UNIEURO S.P.A.: ORDINARY DIVIDEND OF € 2.60 EURO PER SHARE THANKS TO STAGGERING 2020/21 RESULTS

- **Fully organic growth for revenues (+9.8%), at an all-time high of €2.7 billion in the year marked by Covid-19**
- **Record-breaking financial results, thanks in part to the non-recurring effects of actions taken to contain the impact of the pandemic¹:**
 - **EBIT Adjusted² of €86.8 million, +48% compared to €58.7 million in FY 2019/20**
 - **Net profit Adjusted³ of EUR 66.9 million, +58.8% compared to EUR 42.1 million in FY 2019/20**
 - **Net cash⁴ of €154.8 million compared to €29.6 million on 29 February 2020**
- **Ordinary dividend of € 2.60 per share proposed: up to €54.2 million in total, also compensating shareholders for the coupon not paid in 2020 due to the uncertainty brought about by the pandemic**
- **Significant investments expected in the 2021/22 financial year to support Unieuro's digital transformation in an omnichannel perspective**
- **New Strategic Plan under preparation, to be presented to the market for the first time**

Forlì, 7 May 2021 – The Board of Directors of Unieuro S.p.A. (MTA: UNIR), the Italian leader in the retail market of consumer electronics and household appliances, met yesterday in the late afternoon chaired by Stefano Meloni to examine and approve the consolidated financial statements and the draft statutory financial statements as at 28 February 2021.

In a year made extremely complex and volatile by the pandemic, the growth in sales volumes, the boom in e-commerce and the effectiveness of the actions taken by management to manage the emergency¹ enabled the Company to largely offset the impact of the restrictive measures enforced by the Authorities and to close the year with record results.

With revenues of €2.7 billion, an all-time high for Unieuro and the whole related industry, profitability reached extraordinary levels, thanks also to the benefits of management action, some of which cannot be replicated¹. EBIT Adjusted² therefore rose 48% to €86.8 million, while Net Profit Adjusted³ performed even better, reaching €66.9 million (+58.8%).

All data contained in this press release are consolidated data. The scope of consolidation includes the Parent Company Unieuro S.p.A., the wholly-owned subsidiary Monclick S.r.l. (consolidated from 1 June 2017) and the wholly-owned subsidiary Carini Retail S.r.l. (consolidated from 1 March 2019 and finally merged into Unieuro S.p.A., effective as from 1 September 2020).

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On the back of the exceptional profitability and cash generation⁵, of EUR 124.7 million, the Board of Directors resolved to propose to the Shareholders' Meeting the distribution of an ordinary dividend of € 2.60 per share, corresponding to a coupon yield of 10%⁶, and ideally consisting of two components added together: € 1.60 from the profits of the financial year just ended, pursuant to the Dividend Policy, and € 1,00 to compensate Shareholders for the missed 2020 coupon, which they had prudently and responsibly waived in light of the economic scenario impacted by the pandemic.

The net cash position⁴, which will remain very sound even after the distribution of the proposed dividend, will allow – already in the current year – the funding of the significant investments needed to digitally transform Unieuro into an omnichannel business. These projects will be a key part of the Strategic Plan currently being drawn up.

“The record results of the 2020/21 financial year fill us with pride - for having protected Unieuro and all its stakeholders from the dramatic effects of the pandemic - and with gratitude towards the latter, who with responsibility and sacrifice made it possible for the company to overcome the tough times.

In the light of unprecedented profitability and cash generation, and after rewarding all our people with an extraordinary bonus, the conditions are there for us to do the same for our shareholders, proposing them a very high dividend of 2.60 Euros per share, which will also compensate for the lack of a 2020 coupon.

The large amount of cash we will continue to have available will also enable us to speed up Unieuro's digital transformation, which will be the main pillar of Strategic Plan currently being defined and which we expect to present to the market in the near future.”

Giancarlo Nicosanti Monterastelli, CEO of Unieuro.

Revenues for the 2020/21 financial year

In the financial year ending 28 February 2021, Unieuro reported revenues of €2,685.2 million, up 9.8% compared to the €2,444.9 million posted in the previous year.

Following a first quarter in significant decline (revenues at -13.4%) due to the sudden outbreak of the emergency and the first lockdown, the following quarters - closed with an increase of 15.2%, 15.8% and 16% respectively - allowed for a robust recovery, favoured by the effectiveness of Unieuro's omnichannel strategy and the consumer trends triggered by the pandemic.



In the absence of significant changes to the company's perimeter, performance in the year was entirely organic. The evolution of like-for-like revenues⁷ that is, the comparison of sales with those of the previous year based on a homogeneous perimeter of activity - was indeed equal to +8.7%. Excluding from the analysis the pre-existing stores adjacent to the new ones, like-for-like sales would have reported an even more staggering growth of 10.3%.

Revenues by sales channel

<i>(in millions of Euro and as a percentage of revenues)</i>	Period ended on				Changes	
	28 February 2021	%	29 February 2020	%	Δ	%
Retail	1,711.6	63.7%	1,708.6	69.9%	3.0	0.2%
Online	525.2	19.6%	297.1	12.2%	228.1	76.8%
Indirect	307.5	11.5%	263.2	10.8%	44.4	16.9%
B2B	116.9	4.4%	136.5	5.6%	(19.6)	(14.4%)
Travel	24.1	0.9%	39.6	1.6%	(15.5)	(39.3%)
Total revenues	2,685.2	100.0%	2,444.9	100.0%	240.3	9.8%

The **Retail channel** (63.7% of total revenues) - which at 28 February 2021 comprised 262 direct shops - reported sales of €1,711.6 million, in line with the previous financial year. After the difficulties faced during the first lockdown, the significant growth registered in the second (+10.3%) and in the third quarter (+9.1%) continued in the fourth quarter as well (+8.3%), despite the persisting limitations to the direct network accessibility to customers. The transition to the Retail channel of 18 Unieuro by Iper shop-in-shops, previously affiliated and internalised during the financial year, positively contributed to the channel performance.

The **Online channel** (19.6% of total revenues) posted a growth of 76.8%, pushing revenues to €525.2 million compared to €297.1 million of the previous year. This downright exceptional performance is the result of the emergency situation that has arisen, which has led customers to favour e-commerce over physical stores. The Company's dual presence on the web, guaranteed by two well-known and distinct brands such as Unieuro and Monclick, has further contributed to the success achieved by the channel.

The **Indirect channel** (11.5% of total revenues) - which includes sales to the network of affiliated stores and revenues generated in the segment of Mass Merchandisers through partnerships with leading industry operators, for a total of 254 stores at 28 February 2021 - reported revenues of €307.5 million, up 16.9% compared to 263.2 million of the previous year. In general, the distinctive features of the affiliated shops - small-medium sized and focused on proximity service - have resulted in a significant resilience of the business, only



marginally impacted by the restrictions, as well as the full recovery - already starting from the second quarter - of the revenues missed during the first wave of the pandemic. In addition, the partnership with Partenope Group was launched in November, and this has led to the arrival of the Unieuro brand in the city of Naples and has partially offset the transition to the Retail channel of the Unieuro by Iper shop-in-shops previously affiliated.

The **Business-to-Business channel** (4.4% of total revenues) - 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 to employees for loyalty points, prize contests, or incentive plans (referred to as B2B2C segment) - reported sales of €116.9 million, down 14.4% compared to 136.5 million euros in the same period of the previous year. This confirms the uncertainty of revenues from this channel, which features an opportunistic approach and is influenced by a multiplicity of exogenous factors.

Lastly, the **Travel channel** (0.9% of total revenues) - made up of 11 directly operated stores located at main public transport hubs such as airports and railway or metro stations - recorded a decrease in revenues to €24.1 million (-39.3%). The performance was inevitably affected by the collapse of air traffic brought about by the pandemic and the total or partial closure of some airports, while the decrease in turnover of the stores in Milan San Babila (underground station) and Turin Porta Nuova (railway station) was more contained.

Revenues by product category⁸

<i>(in millions of Euro and as a percentage of revenues)</i>	Period ended on				Changes	
	28 February 2021	%	29 February 2020	%	Δ	%
Grey	1,309.6	48.8%	1,160.2	47.5%	149.4	12.9%
White	728.8	27.1%	684.0	28.0%	44.8	6.6%
Brown	404.4	15.1%	384.5	15.7%	19.9	5.2%
Other products	134.1	5.0%	113.9	4.7%	20.2	17.7%
Services	108.4	4.0%	102.3	4.2%	6.0	5.9%
Total revenues	2,685.2	100.0%	2,444.9	100.0%	240.3	9.8%

The category of **Grey Goods** (48.8% of total revenues) - i.e. phones, tablets, information technology, accessories for phones, cameras and all wearable technology products – reported revenues of €1,309.6 million, up 12.9% compared to 1,160.2 million euros of the previous year thanks to the continuation of positive purchasing trends linked to remote working, distance learning and communication, emphasised by the emergency context

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experienced during the period. In particular, in the fourth quarter, Grey continued to grow significantly, with revenues up 16.6% driven by smartphones and notebooks.

The category of **White Goods** (27.1% of total revenues) - comprising major domestic appliances (MDA), such as washing machines, dryers, refrigerators or freezers, and stoves, small domestic appliances (SDA), such as vacuum cleaners, food mixers, coffee machines, as well as the air conditioning segment - generated sales of €728.8 million, up 6.6% compared to 684 million of the previous year. During the last quarter, this category grew thanks to the positive results of vacuuming and major domestic appliances.

The category of **Brown Goods** (15.1% of total revenues) - which include television sets and related accessories, audio devices, smart TV devices and car accessories, as well as storage devices - recorded total revenues of €404.4 million, up 5.2% compared to the €384.5 million of the previous year. After the buoyant performance in the third quarter, the category continued to grow also in the fourth (13.9%), finally offsetting the weakness recorded in the first part of the financial year, which was also due to the cancellation of sporting events due to Covid-19. T

he category of **Other products** (5% of total revenues) - which include sales in the entertainment sector and sales of other products not included in the consumer electronics market, such as hover boards and bicycles – recorded revenues up 17.7% to €134.1 million compared to last year. The turnover generated by electric mobility products was buoyant, as a consequence of the incentives and the enforcement of social distancing rules. The entertainment segment, including consoles and video games, also drove sales in a phase characterised by the search for maximum home comfort.

The **Services category** (4% of total revenues) rose by 5.9% to €108.4 million: the positive performance in the third and fourth quarters (+13.5% and +12.2% respectively) offset the weakness displayed in the first six months of the year, also benefiting from Unieuro's continued focus on the provision of services to its customers, in particular the warranty extension service.

Operating profitability

<i>(in millions and as a percentage of revenues)</i>	Period ended						Changes	
	28 February 2021			29 February 2020				
	Adjusted amounts	%	Adj.	Adjusted amounts	%	Adj.	Δ	%
Revenues	2,685.2			2,444.9			240.3	9.8%

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Sales revenues	2,685.2			2,444.9		240.3	9.8%	
Purchase of goods and Change in inventories	(2,113.5)	(78.7%)	0.0	(1,924.6)	(78.7%)	3.2	(188.9)	9.8%
Marketing costs	(49.5)	(1.8%)	0.3	(50.6)	(2.1%)	2.4	1.1	(2.2%)
Logistics costs	(90.7)	(3.4%)	0.2	(68.1)	(2.8%)	1.0	(22.6)	33.2%
Other costs	(77.3)	(2.9%)	8.7	(74.8)	(3.1%)	3.2	(2.5)	3.3%
Personnel costs	(175.5)	(6.5%)	0.3	(184.1)	(7.5%)	1.3	8.6	(4.6%)
Other operating income and costs	(5.9)	(0.2%)	0.0	(4.2)	(0.2%)	(2.0)	(1.7)	41.9%
Revenues from extended warranty services net of related estimated future costs to provide the assistance service - change in the business model for directly managed assistance services	5.2	0.2%	5.2	8.8	0.4%	8.8	(3.7)	(41.3%)
Adjusted EBITDA	178.0	6.6%	14.6	147.4	6.0%	18.0	30.7	20.8%
Amortisation, depreciation and write-downs of fixed assets	(91.2)	(3.4%)	-	(88.5)	(3.6%)	0.1	(2.5)	2.8%
Adjusted EBIT²	86.8	3.2%	14.6	58.7	2.4%	18.1	28.2	48.0%

In financial year 2020/21, Unieuro reported **Adjusted EBIT²** of €86.8 million, 3.2% of revenues, up 48% from €58.7 million in the previous year, when the ratio was 2.4%.

In addition to the non-recurring measures on the cost base¹, which followed the evolution of revenues in the first quarter, the performance was boosted by the trend in the gross margin: thanks to the improvement recorded in the third quarter (+0.7 percentage points) and the alignment in the fourth quarter, the gross margin stood indeed at 21.5% (21.6% in FY 2019/20), thus offsetting the dilution suffered in the first part of the year due to the unfavourable channel and product mix brought about by the pandemic.

Personnel costs decreased by €8.6 million, ascribable to the effect of the actions implemented by management in the first part of the year, including the use of the Cassa Integrazione Guadagni in Deroga (extraordinary redundancy fund). As a result, the ratio to revenues fell year on year from 7.5% to 6.5%, despite the increase in the workforce as a result of the internalisation of the *Unieuro by Iper* shop-in-shops and the recruitment linked to the new openings during the year.

Logistics costs went up by €22.6 million to €90.7 million, with the ratio to revenues rising to 3.4%. This trend is mainly ascribable to the boom in online sales and, in this regard, to the increasing importance of home deliveries, also as a result of the surge in requests for non-standard delivery services (by appointment, on the floor) and promotional campaigns involving free shipping.



The item **Other costs** increased by €2.5 million, affected by costs related to the e-commerce boom (payment commissions, call centres), the pandemic (remote working, store cleaning and sanitising, purchase of personal protective equipment), as well as the payment of an extraordinary bonus to each of the approximately 5,400 employees. These costs were partially offset by one-off savings on rents (€9.9 million), which helped to curb the incidence on revenues of this item to 2.9% compared to 3.1% in the previous year.

Marketing costs dropped by 2.2% to €49.5 million, thus bringing the incidence on revenues from 2.1% to 1.8%. The decrease is mainly ascribable to Unieuro's decision to focus more on digital consumption, making a gradual cut in paper and leaflet distribution and partially reinvesting the ensuing savings to strengthen the visibility of its digital version and to consolidate communication both in the digital channel and in more traditional communication media, such as TV and radio.

Depreciation, amortisation and impairment of fixed assets amounted to €91.2 million, with an incidence on revenues that fell from 3.6% to 3.4%, although impacted by the write-down of some tangible assets following the decision to relocate the Forlì headquarters.

Net income Adjusted³

<i>(in millions and as a percentage of revenues)</i>	Period ended						Changes	
	28 February 2021			29 February 2020				
	Values adjusted	%	Adjustments	Values adjusted	%	Adjustments	Δ	%
EBIT Adjusted ²	86.8	3.2%	14.6	58.7	2.4%	18.1	28.2	48.0%
Financial income and expenses	(13.3)	(0.5%)	-	(14.2)	(0.6%)	-	0.9	(6.3%)
Income taxes	(6.6)	(0.2%)	(1.3)	(2.4)	(0.1%)	(1.6)	(4.3)	182.0%
Adjusted profit/Loss for the period ³	66.9	2.5%	13.4	42.1	1.7%	16.5	24.8	58.8%

The **Adjusted Net income³** for the period increased sharply to €66.9 million compared to the €42.1 million achieved in financial year 2019/20, with the margin on revenue jumping from 1.7% to 2.5%

The positive performance can be ascribed to the increase in Adjusted EBIT² and to the reduction of the financial expenses connected to the IFRS 16 adjustment, in the face of an impact of income expenses of €6.6 million compared to €2.4 million of 2019/20.



Investments

Capital expenditure in the period amounted to €31.6 million, entirely related to ordinary capex, compared to €48.4 million of the previous year, which included the €17.4 million⁹ purchase of Carini Retail S.r.l. and the extraordinary capex for the integration of the 12 Sicilian shops belonging to it into the Unieuro network (€3.8 million). Excluding extraordinary investments, ordinary capex therefore increased by 16%.

The trend in capex accelerated in the third and fourth quarter, due to the development of the direct store network, investments in the new headquarters and the improvement of the technological infrastructure, including the project to adopt the new ERP system “SAP S/4HANA”, operational since 1 March 2021 and instrumental to Unieuro's future omnichannel development.

Net Financial Position⁴

As at 28 February 2021, Unieuro reported a record **net cash position⁴** of €154.8 million, up sharply compared to the net cash of €29.6 million as at 29 February 2020 and further improved compared to 30 November (€152.4 million)

The above was mainly the result of **Adjusted Free Cash Flow⁶**, the indicator that the Company considers most appropriate to measure cash generation as it does not take into account non-recurring cash-ins and disbursements, which generated €124.7 million compared to €56.5 million of the previous year.

The good performance of operating profitability was compounded by the benefits of the non-recurring actions taken by management to deal with the epidemic¹, including lower rental outlays and structural improvements in inventory management, as well as the non-payment of the dividend for the financial year 2019/20, another decision aimed at preserving and strengthening corporate solidity in an unprecedented and highly uncertain environment.

Employees

On 28 February 2021, Unieuro had 5,385 employees on its payroll, compared to 5,034 on 29 February 2020 (+7%). The increase, amounting to 350 units, is mainly ascribable to the internalisation of the “Unieuro by Iper” shop-in-shops, of which Unieuro has directly hired its workforce, as well as the new direct stores opened throughout the year.



Significant events during the period

Temporary closure of the sales network

On 14 March, following the worsening of the health situation and the extension of the restrictive measures to the entire national territory, Unieuro closed the entire network of direct stores to the public in order to protect the health of customers and collaborators, although not there were regulatory obligations in this regard. On 30 March, the Company started reopening its direct sales points, in order to guarantee customers the most urgent or necessity purchases.

The use of social safety nets

On 30 March, in light of the limited company operations and in order to contain the economic and financial impact of the crisis, Unieuro announced the application of the exceptional redundancy payments (CIGD), in the terms indicated by the Cura Italia Decree, to almost all employees. As a gesture of solidarity with the corporate population, the CEO has announced the full and voluntary renunciation of his salary for April and May. Similarly, the entire company management has decided to cut its salary.

The donation of smartphones to hospitals and nursing homes

On 2 April, Unieuro announced its intention to donate over 2,000 smartphones for the benefit of the patients and people affected by the Covid-19 epidemic, unable to maintain contact with their loved ones. The initiative testified to the concrete commitment of Unieuro to supporting the community in a time of serious national emergency.

Relaunch of the network expansion

On 11 June, the inauguration of the new store in Milan Portello symbolically marked the restart of the expansion plan of the Unieuro network, after having passed the acute phase of the Covid emergency.

The Shareholders' Meeting in June

On 12 June, the Shareholders' Meeting of Unieuro, which met in ordinary and extraordinary session, in single call: approved the financial statements as at 29 February 2020; resolved to allocate the profit for the year to the extraordinary reserve, and therefore, not to distribute dividends for the 2019/20 financial year; approved the first section of the Remuneration Report and cast a favourable vote on the second; confirmed the three directors previously co-opted by the Board of Directors, including the Chairman Stefano Meloni; amended the Articles of Association in order to implement the new gender balance legislation in the composition of the administration and control bodies.

The new omnichannel services



In response to the new customer safety requirements dictated by the post-Covid context, on 19 June, Unieuro launched a vast and innovative omnichannel project aimed at rethinking the customer experience, with the aim of supporting drive-to-store exploiting the engagement opportunities generated by the e-commerce channel. The first phase of the project involved the release of two service formulas, "aTUpperTU" and "CIAOfila", designed to rationalise customer flows in stores. The project was subsequently enhanced through the launch of "AUTOritiro", a new service designed to allow customers to pick up their online purchases at the point of sale, without getting out of their vehicle.

The incorporation of Carini Retail

On 5 August, the deed pursuant to which the subsidiary Carini Retail S.r.l. was merged into the parent company Unieuro S.p.A. was signed. The statutory effects of the merger take effect on 1 September 2020, while the accounting and tax effects take effect on the first day of the financial year.

The internalisation of all "Unieuro by Iper" stores

On 2 October, Unieuro announced the changeover to direct management of 16 "Unieuro by Iper" shop-in-shops located in "Iper, La grande i" hypermarkets, previously managed by the Finiper Group under the affiliate regime. The transaction resulted in all 21 Unieuro by Iper points of sale becoming an integral part of Unieuro 's direct network, which has now exceeded 270 points of sale.

The new headquarters

On 14 October, Unieuro signed a convenient (both from an operating and economic point of view) multi-year lease agreement with UnipolSai Assicurazioni S.p.A. for Palazzo Hercolani, an important building located in the historic centre of Forlì, where the Group has officially moved its headquarters as at 1 April 2021.

The Unieuro brand lands in the city of Naples

On 19 October, Unieuro and the Partenope Group signed a multi-year partnership whereby the five Partenope Group stores, previously operating under the banner of a competing purchasing group, joined Unieuro's indirect network, adopting its brand and format in view of the start of the 2020 peak season. The agreement allowed the Unieuro brand to land with force in the city of Naples, where it was under-represented.

The resurgence of the Covid-19 epidemic

Following a relatively quiet summer, starting from October the epidemiological context in Italy has rapidly worsened, leading the Government, starting from 4 November, to issue a number of decrees that imposed new restrictions on commercial activities and the free movement of people. For Unieuro, this meant extending the closure of about 50% of its direct stores at weekends, on public holidays and on the days before public holidays, a measure currently still in force.



The expiry of the Liquidity Provider contract

On 28 October, Unieuro announced the expiry and the decision not to renew the Liquidity Provider contract conferred on Intermonte SIM on 29 October 2019 in relation to its ordinary shares. The decision was taken in the light of the expansion of the free float and the consequent sharp increase in trading volumes on the stock.

The Shareholders' Meeting in December

On 17 December, the Shareholders' Meeting of Unieuro, which met in ordinary and extraordinary session, in single call: approved the amendments and additions to the first section of the Report on remuneration policy and compensation paid approved by the Shareholders' Meeting on 12 June; approved the new incentive plan called "2020-2025 Performance Shares Plan"; approved the authorization to purchase and dispose of treasury shares up to a maximum of 2,000,000 ordinary Unieuro shares for the purpose, among other things, of serving the Plan; approved the mandate to increase the share capital to serve the Plan, up to a maximum of 900,000 ordinary shares.

The exit of Dixons Carphone

On 15 January, Dixons Carphone plc, an indirect shareholder of the Company through Alfa S.r.l., announced the sale of its entire stake in Unieuro, equal to approximately 7.17% of the share capital, through an accelerated book-building procedure.

The #Cuoriconnessi event and the new book

On 9 February, on Safer Internet Day, Unieuro organised, together with the State Police, a huge digital event on the fight against cyberbullying, attended via streaming by over 260,000 students. The new #Cuoriconnessi book was also presented.

The Futura project

On 11 February, the ambitious remote working project called 'Futura' was presented to over 300 central function employees. It is intended to revolutionise working methods and interaction between people, placing them at the centre of an innovative and rewarding work experience.

Appointment of the General Manager

On 17 February, the Board of Directors decided to establish the Office of General Manager and entrust it to Bruna Olivieri with effect from 1 March 2021. Already Chief Omni-Channel Officer of the Company, Mrs. Olivieri will report directly to the Chief Executive Officer, taking on leadership and responsibility for all corporate functions except Finance, in order to ensure maximum coordination and development in an omnichannel perspective and to accelerate the increasingly essential digital transformation, already underway.



Events subsequent to the end of the financial year

Adoption of SAP management software

The transition to the new SAP S/4HANA management software began on 1 March. The adoption of the new ERP (Enterprise Resource Planning) was planned some time ago in order to radically evolve the company's information systems, making them technologically advanced and functional to Unieuro's omnichannel growth strategy.

The acquisition of the Limbiate shop

Following its participation in the competitive bidding process called by the Court, Unieuro was awarded the contract and, on March 1, 2020, acquired the business unit of Galimberti S.p.A. – a company in composition with creditors – consisting of a shop located in Limbiate (Monza Brianza).

Expansion in the Turin metropolitan area

On March 31, Unieuro announced a significant strengthening of its network in the Piedmontese capital, thanks to the acquisition from 2C S.r.l. of a business unit consisting of two stores and the signing of an affiliation contract concerning the third shop managed by the same company. The three shops, which were previously part of the Expert buying group, reopened under the Unieuro banner in April.

Iliad's entry into the capital

On 6 April, Unieuro took note of the purchase by Iliad Italia of a stake of around 12% of the share capital. Unieuro already has a successful commercial relationship with Iliad, and the latter declared its intention to accompany the Company in its long-term growth.

Consensual termination of the employment relationship with the CFO

On 9 April, Unieuro and Italo Valenti signed an agreement for the consensual termination of their employment relationship, effective 31 May, as a result of which Italo Valenti will leave his role as Chief Financial Officer and the positions of manager in charge of drafting corporate accounting documents and investor relator of Unieuro, and will depart to pursue other professional opportunities.

Update on the Covid-19 emergency

The restrictions on commercial activities imposed by the Government on 4 November 2020 are still in force, with the following effects on Unieuro's sales channels:



- **Retail channel:** on weekdays, direct shops are fully operational and performing. On weekends and on holidays and pre-holidays, about 50% of them are closed in compliance with the measures in force;
- **Online channel:** the digital platform unieuro.it and the monclick.it website continue to report high growth in the volume of orders, although lower than the quite exceptional peaks reached during the first lockdown;
- **Indirect channel:** thanks to the favourable location in city centres, the affiliated stores are not particularly affected by the restrictions in force and the vast majority of them continue to operate regularly, outperforming the market;
- **B2B channel:** business continues regularly and is not particularly affected by the current healthcare situation;
- **Travel channel:** shops located in airports are by far the most affected by the emergency, suffering from the collapse in air traffic generated by the pandemic and the total or partial closure of some airports, while the drop in turnover in shops in Milan San Babila (Underground station) and Turin Porta Nuova (railway station) is more limited.

Despite the persisting emergency measures, the company's business continues to benefit from the unfailing interest of consumers in the products marketed by Unieuro, which enable remote work and education, communication between people, as well as home well-being.

The variety of sales channels through which the Company operates, together with the omnichannel services launched last summer with the aim of making the in-store purchasing process safer and faster, have also made it possible to mitigate the impact of lockdowns.

Foreseeable operating evolution

The 2021/22 financial year will be largely influenced by the speed and outcome of the ongoing vaccination campaign aimed at containing and ultimately eradicating the Covid-19 epidemic. As the emergency continues, the related restrictions also persist, but this means a continuation of favourable consumption trends in the product categories managed by Unieuro, the positive impact of which has been evident since the second quarter of the 2020/21 financial year.

Once these trends, which are exceptional to all intents and purposes, have come to an end, a slowdown in the demand for products in the Grey category (particularly IT and telephony) is likely, although this will be offset by an acceleration in the White category, which is historically correlated with GDP trends and is expected to recover in the post-pandemic



period. From September, the Brown category will also benefit from the migration to the Dvb-T2 Hevc standard, decided by the government to free up TV frequencies for the benefit of 5G telephony and destined to give a strong boost to the TV segment.

At the channel level, the end of restrictions on commerce and people's mobility will boost physical stores, while e-commerce will slow down its growth, without however going back to pre-Covid levels, in the light of a consumer behaviour that has now profoundly changed.

In general, in 2021/22 the Italian market is therefore expected to make further progress compared to the previous year, sustained by growth in value rather than an increase in volumes, a phenomenon that will translate into a reduction in the gap that still exists compared to the more mature European markets.

On the strength of its consolidated market leadership and a strategy that has proved to be successful even during a pandemic, Unieuro will continue to grow at a higher rate than the market, confirming its soundness and its ability to generate value despite the absence of the non-replicable benefits that characterised its performance in the previous year.

* * *

Other resolutions of the Board of Directors

Proposed allocation of profits

Unieuro's Board of Directors resolved to submit a proposal to the Shareholders' Meeting to be convened to allocate the profit for the year of the Parent Company Unieuro S.p.A., amounting to EUR 54.4 million as resulting from the financial statements as at 28 February 2021, to the distribution of a gross unit dividend of € 2.60 to each of the ordinary shares in circulation on the ex-dividend date, in addition to the mandatory allocation to the legal reserve as provided for by Article 2430 of the Italian Civil Code and to the extraordinary reserve available and distributable for an amount that will be defined in relation to the final exact number of ordinary shares in circulation on the ex-dividend date.

The amount of € 2.60 compares to €1.07 of the last coupon paid, in June 2019, and has been calculated by applying to the Adjusted Net Income³ for both financial years 2019/20 and 2020/21 the Dividend Policy of the Company, which provides for the annual payment of dividends in an amount not less than 50% of the Adjusted Net Income³ reported, until the maximum amount of distributable profit for the year is exhausted.

The decision to settle the unpaid coupon from 2019/20 profits stems from the Board of Directors' desire to reward Shareholders, who in 2020 - in light of the serious uncertainty



induced by the pandemic - have prudently and responsibly waived the remuneration of capital in order to help preserve the company's solidity.

If approved by the Shareholders' Meeting, the dividend, which implies a very significant coupon yield of 10%⁶, will be paid on 23 June 2021 (with ex-dividend date on 21 June 2021, in accordance with Italian Stock Exchange's calendar, and record date on 22 June 2021).

Approval of the Non-Financial Statement

The Board of Directors also approved the Consolidated Non-Financial Statement – for the first time as a separate document from the Annual Financial Report upon input of Unieuro's Sustainability Committee – drawn up pursuant to Legislative Decree 254/2016, implementing Directive 2014/95/EU.

The Non-Financial Statement 2020/21, drafted in accordance with the Global Reporting Initiative Sustainability Reporting Standards defined in 2016 and subsequent versions by GRI - Global Reporting Initiative ("GRI Standards"), reports the initiatives undertaken and the results achieved by Unieuro in the different areas of sustainability - Environment, Society and Governance -, expressing the Company's growing involvement towards a development that takes into account the interests of all its stakeholders.

Proposals to the Shareholders' Meeting to amend the Articles of Association

The Board of Directors has assessed, in exercising its power to assess the corporate governance system, that it deems it appropriate to amend the Articles of Association of Unieuro S.p.A. in order to align with the best practices of listed companies the list voting process for the appointment of the Board of Directors, the presentation of the list by the outgoing Board of Directors as well as the appointment of the Chairman by the same Board of Directors.

These changes are submitted to proposals to the Shareholders' Meeting.

* * *

Conference call

Unieuro informs that at 09:00 am (CET) today, a conference call will be held by the Management to present the Company's financial and economic results for the financial year ended 28 February 2021.



To join the conference call, please dial one of the following numbers:

- Analysts and investors: Italy: +39 02 805 88 11
UK: + 44 121 281 8003
USA: +1 718 7058794
- Media: +39 02 8058827

A **slide presentation** will be available for download from Unieuro's corporate website www.unieurospa.com, section Investors Relations / Results and Presentations, shortly before the start of the conference call.

A **digital playback** of the conference call, both in Italian and in English, will be available for download at the same link, starting from the second day following the event.

* * *

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

* * *

Mr Italo Valenti, the manager responsible for preparing the company's accounting 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.

* * *

This press release may contain forecasts on Unieuro's future events and results that are based on current expectations, estimates and projections about the industry and on the reasonable judgement of the management. Evidently, these elements have a component of risk and uncertainty because they depend on the occurrence of future events. It should be noted that the actual results might deviate significantly from those announced, owing to a range of factors including: global economic conditions, the impact of competition, political, economic and regulatory developments in Italy.



* * *

Unieuro S.p.A.

Unieuro is the Italian leader in the distribution of consumer electronics and household appliances, thanks to an omnichannel approach that integrates directly operated stores (about 270), affiliated stores (about 250) and the unieuro.it digital platform. The company is based in Forlì, has a central logistics hub in Piacenza and has a staff of about 5,400 employees. Listed on the STAR segment of the Italian Stock Exchange since 2017, Unieuro reported revenues of approximately Euro 2.7 billion in the fiscal year ended at 28 February 2021.

Corporate website: www.unieurospa.com

LinkedIn: www.linkedin.com/company/unieuro

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Summary tables:

Income statement
(in millions of Euro)

	FY 20/21				FY 19/20				% change (Adjusted)
	Adjusted	%	Reported	%	Adjusted	%	Reported	%	
Sales	2.685,2	100,0%	2.685,2	100,0%	2.444,9	100,0%	2.444,9	100,0%	9,8%
Purchase of goods - Change in Inventory	(2.108,3)	(78,5%)	(2.113,5)	(78,7%)	(1.915,8)	(78,4%)	(1.927,8)	(78,8%)	10,1%
Gross profit	576,9	21,5%	571,8	21,3%	529,1	21,6%	517,1	21,2%	9,0%
Personnel costs	(175,5)	(6,5%)	(175,8)	(6,5%)	(184,1)	(7,5%)	(185,4)	(7,6%)	(4,6%)
Logistic costs	(90,7)	(3,4%)	(90,9)	(3,4%)	(68,1)	(2,8%)	(69,2)	(2,8%)	33,2%
Marketing costs	(49,5)	(1,8%)	(49,8)	(1,9%)	(50,6)	(2,1%)	(53,0)	(2,2%)	(2,2%)
Other costs	(77,3)	(2,9%)	(86,0)	(3,2%)	(74,8)	(3,1%)	(78,1)	(3,2%)	3,3%
Other operating costs and income	(5,9)	(0,2%)	(5,9)	(0,2%)	(4,2)	(0,2%)	(2,1)	(0,1%)	41,9%
EBITDA	178,0	6,6%	163,4	6,1%	147,4	6,0%	129,4	5,3%	20,8%
D&A	(91,2)	(3,4%)	(91,2)	(3,4%)	(88,7)	(3,6%)	(88,8)	(3,6%)	2,8%
EBIT	86,8	3,2%	72,2	2,7%	58,7	2,4%	40,6	1,7%	48,0%
Financial Income - Expenses	(13,3)	(0,5%)	(13,3)	(0,5%)	(14,2)	(0,6%)	(14,2)	(0,6%)	(6,3%)
Adjusted Profit before Tax	73,6	2,7%	58,9	2,2%	44,5	1,8%	26,4	1,1%	65,3%
Taxes	(6,6)	(0,2%)	(5,4)	(0,2%)	(2,4)	(0,1%)	(0,8)	(0,0%)	182,0%
Net Income	66,9	2,5%	53,6	2,0%	42,1	1,7%	25,6	1,0%	58,8%



Balance sheet
(in millions of Euro)

	28 Feb. 2021	29 Feb. 2020
Trade Receivables	65,3	51,3
Inventory	372,1	369,8
Trade Payables	(505,1)	(479,6)
Trade Working Capital	(67,7)	(58,5)
Current Tax Assets	(3,8)	(1,4)
Current Assets	18,0	24,5
Current Liabilities	(261,2)	(222,0)
Short Term Provisions	(0,8)	(1,2)
Net Working Capital	(315,4)	(258,7)
Tangible and Intangible Assets	104,5	111,9
Right of Use	451,6	478,3
Net Deferred Tax Assets and Liabilities	37,1	35,2
Goodwill	195,2	195,2
Other Long Term Assets and Liabilities	(30,9)	(17,7)
TOTAL INVESTED CAPITAL	442,1	544,2
Net Financial Debt	154,8	29,6
Lease liabilities	(443,7)	(477,6)
Net Financial Debt (IFRS 16)	(288,8)	(448,0)
Equity	(153,3)	(96,2)
TOTAL SOURCES	(442,1)	(544,2)



Cashflow statement

(in millions of Euro):

	FY 20/21	FY 19/20	% change
Reported EBITDA	163,4	129,4	26,3%
Taxes Paid	(2,5)	(3,7)	(31,1%)
Interests Paid	(12,4)	(13,5)	(8,6%)
Change in NWC	62,1	19,1	225,0%
Change in Other Assets and Liabilities	0,4	1,4	(75,5%)
Reported Operating Cash Flow	210,9	132,7	58,9%
Purchase of Tangible Assets	(18,6)	(18,8)	(1,3%)
Purchase of Intangible Assets	(13,0)	(12,2)	6,6%
Change in capex payables	(0,9)	3,2	(127,7%)
Acquisitions	(8,4)	(12,0)	(29,6%)
Free Cash Flow	170,1	92,9	83,0%
Cash effect of adjustments	1,1	4,0	(72,8%)
Non recurring investments	8,4	15,5	(45,6%)
Other non recurring cash flows	1,1	(1,5)	(171,6%)
Adjusted Free Cash Flow (IFRS 16)	180,7	110,9	62,9%
Lease Repayment	(55,9)	(54,4)	2,7%
Adjusted Free Cash Flow	124,7	56,5	120,9%
Cash effect of adjustments	(2,2)	(2,5)	(13,1%)
Acquisition Debt	-	(22,7)	(100,0%)
Dividends	-	(21,4)	(100,0%)
Log Term Incentive Plan	3,3	-	100,0%
Other Changes	(0,6)	(0,7)	(13,9%)
Δ Net Financial Position	125,3	9,1	1272,5%



¹ See Unieuro's press releases issued on 13th March, 18th March, 30th March, 14th April and 6th May 2020.

² **Adjusted EBIT** is EBIT adjusted for: (i) non-recurring expenses/(income), (ii) depreciation, amortisation and non-recurring writedowns, and (iii) 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.

³ **Adjusted Net Income** is calculated as Net Income adjusted for (i) the adjustments incorporated in the Consolidated Adjusted EBIT, (ii) the adjustments of the non-recurring financial expenses/(income) and (iii) the theoretical tax impact of these adjustments.

⁴ **Net debt (cash)**, or **Net financial position**, is financial debt – not including Lease liabilities (IFRS 16) – net of cash and cash equivalents.

⁵ Cash flow is measured by the **Adjusted Free Cash Flow**, defined as the consolidated cash flow generated/absorbed by operating and investing activities including financial expenses. Adjusted Free Cash Flow is adjusted for non-recurring operating and investment cash flows, and includes adjustments for non-recurring charges (income), their non-monetary component and the related tax impact.

⁶ Coupon yield calculated on the closing price of the Unieuro shares on 6 May 2021.

⁷ **Growth of like-for-like Revenues** is calculated by including: (i) retail stores and travel agencies in operation for at least one full year at the end of the reference period, after taking into account stores affected by discontinued operations in a significant manner (e.g. temporary closures and major refurbishments) and (ii) the entire online channel.

⁸ The segmentation of sales by product category takes place on the basis of the classification adopted by the main sector experts. Note therefore that the classification of revenues by category is revised periodically in order to guarantee the comparability of Group data with market data.

⁹ Net of Identified Liabilities amounting to 1.9 €m.

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