



Q1 2023/24 RESULTS

12 July 2023

SAFE HARBOUR STATEMENT

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Mr Marco Deotto, 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 presentation matches the Company's documentation, books and accounting records.

HIGHLIGHTS

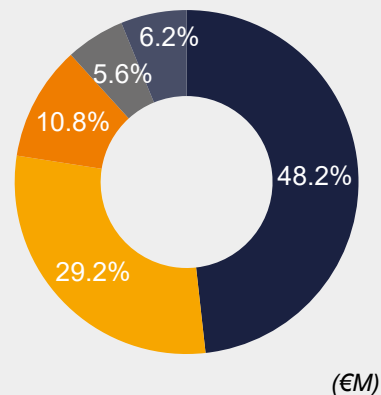
- **Revenues of Euro 589.3 million (-3.7% on Q1 2022/23), in a quarter that is traditionally not representative for the consumer electronics sector, which contracted 4.6%¹ in the same period**
- **In line with FY 2022/23, growth across all product categories, in particular the White (+7.1%), Other Products (+27.1%) and Services (+7.5%) categories - with the exception of the Brown category, contracting in view of the exceptional television and decoder sales in Q1 2022/23, due to the frequency switch-off**
- **Private label revenue growth: +10.3% vs Q1 2022/23**
- **Net Promoter Score (NPS) significantly improves to 58.2 (from 51.9 at the end of the previous FY)**
- **Important initiatives relating to both increase in revenues and cost savings are at an advanced stage in line with the Strategic Plan**
- **Adjusted EBIT reports a loss of Euro 9.4 million, substantially in line with expectations, compared to breakeven for Q1 2022/23, in a traditionally less representative quarter due to business seasonality**
- **Net cash of Euro 79.7 million, significantly up on Euro 24.7 million at May 31, 2022, due to close working capital management, and reducing on Euro 124.4 million at the beginning of the FY, in view of typical Q1 seasonality**

Q1 2023/24 – SALES BREAKDOWN

Sales by Category – Q1 2023/24

Grey	284.3	+4.6	+1.6%
White	172.2	+11.4	+7.1%
Brown	63.6	(48.1)	(43.1%)
Other Products	32.7	+7.0	+27.1%
Services	36.5	+2.5	+7.5%
TOTAL	589.3	(22.6)	(3.7%)

vs Q1 2022/23

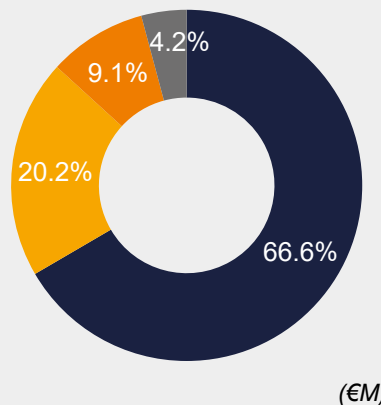


- **Grey in growth**, driven by the telephony segment, partially offset by lower information technology segment volumes
- **White**: in progress from greater major domestic appliance sales, partially offset by the home comfort segment, which benefited in the comparative period from the government incentive
- **Brown**: in reduction due to the extraordinary TV segment performance in Q1 2022/23, thanks to the frequency switch-off
- **Other products**: in growth, thanks to the strong entertainment segment sales
- **Services**: positive performance mainly from warranties, partially offset by the reduction of the installation services related to the lower home comfort segment sales

Sales by Channel – Q1 2023/24

Retail	392.4	(28.9)	(6.9%)
Online	118.9	+7.8	+7.1%
Indirect	53.4	(1.7)	(3.0%)
B2B	24.6	+0.2	+0.6%
TOTAL	589.3	(22.6)	(3.7%)

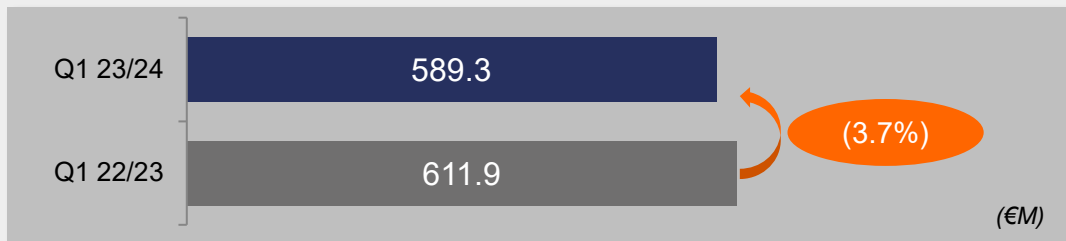
vs Q1 2022/23



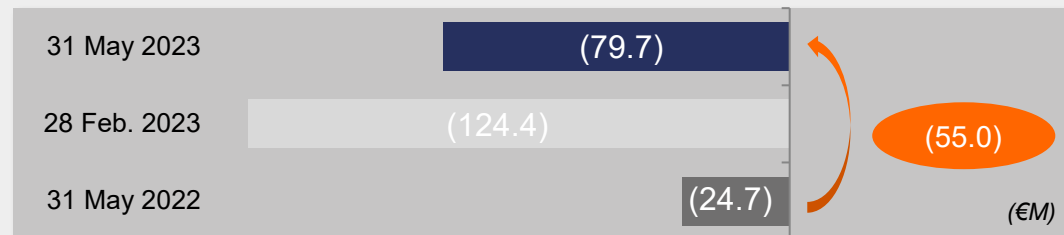
- **Retail**: in decline due to the previously indicated reduced TV sales
- **Online**: strong performance that confirms the strength of Unieuro's strategy to provide customers with a fully integrated experience between offline and online
- **Indirect**: slowing down from by the decline in Brown segment volumes, partially offset by higher telephony and large household appliance segment sales
- **B2B**: substantially in line with the comparative quarter

Q1 2023/24 – KEY FINANCIALS

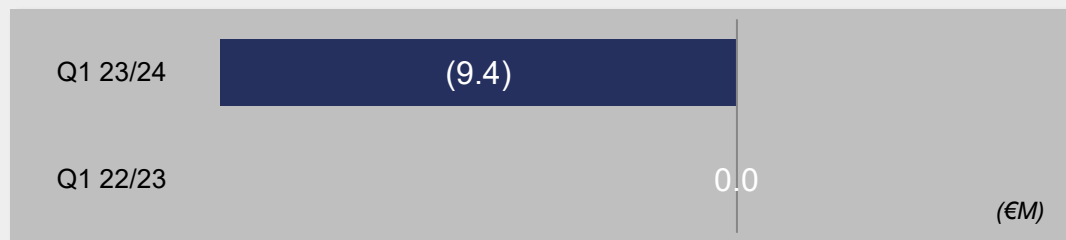
Sales



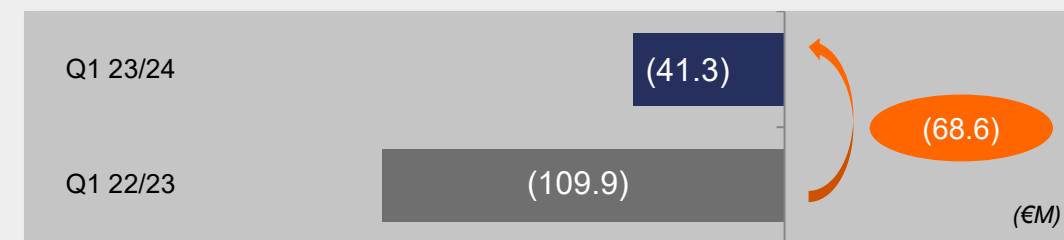
Net Financial Position / (Cash) – Excl. IFRS16



Adj. EBIT



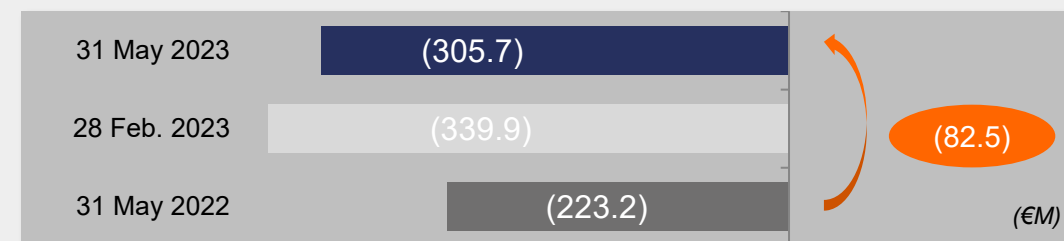
Adj. Free Cash Flow



Adj. Result Before Taxes



Net Working Capital

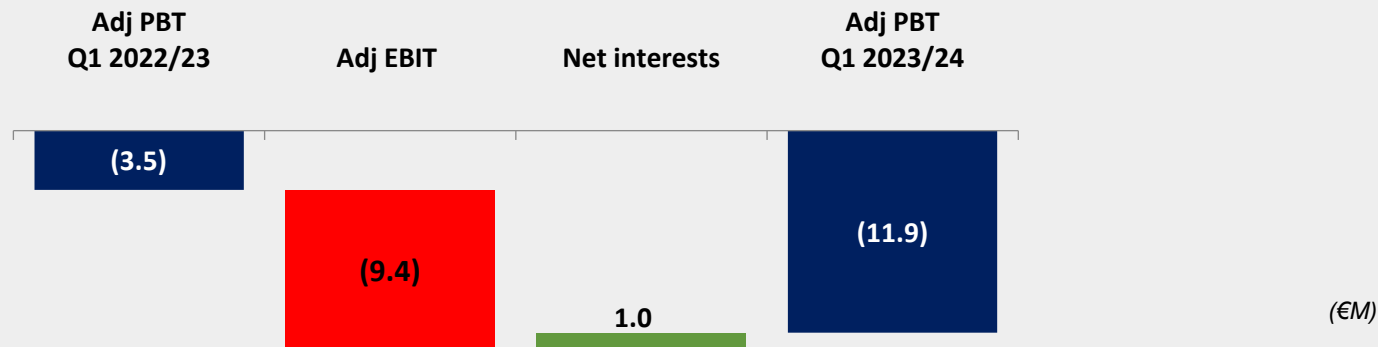


Q1 2023/24 – PROFITABILITY

Adj. EBIT



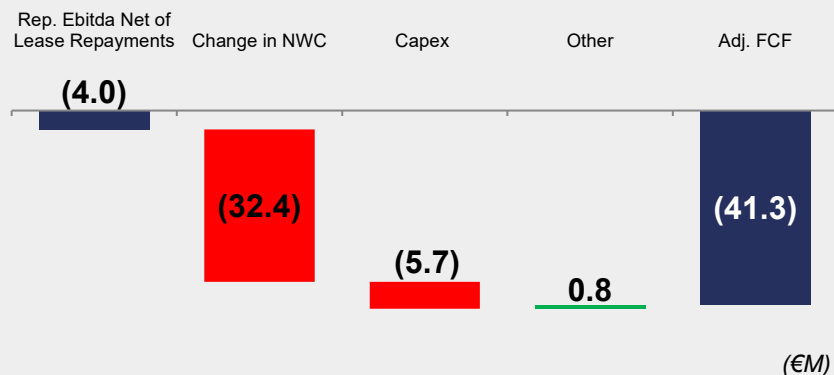
Adj. Profit (Loss) Before Taxes



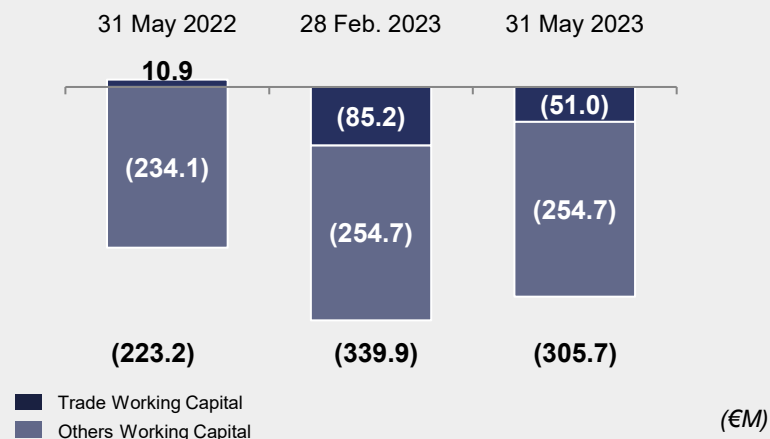
- **Gross Profit:** impacted mainly by the combined effect of lower sales volumes and a less favourable brand/product mix, in addition to the greater contribution of online channel sales
- **Personnel Costs:** non-proportional reduction in FTE against sales revenues
- **Marketing Costs:** in line with Q1 2022/23
- **Logistics Costs:** an increase in transport service rates, offset by lower sales volumes
- **Other costs:** (i) reduction in electricity costs due to a drop in the average market price of energy and lower consumption thanks to energy efficiency actions (ii) lower installation costs related to the reduction in air conditioning sales volumes
- **D&A:** increase due for approximately Euro 0.6 million to the amortisation and depreciation in view of the investments made in previous years, with the remainder concerning the depreciation of right-of-use assets

Q1 2023/24 – FINANCIAL OVERVIEW

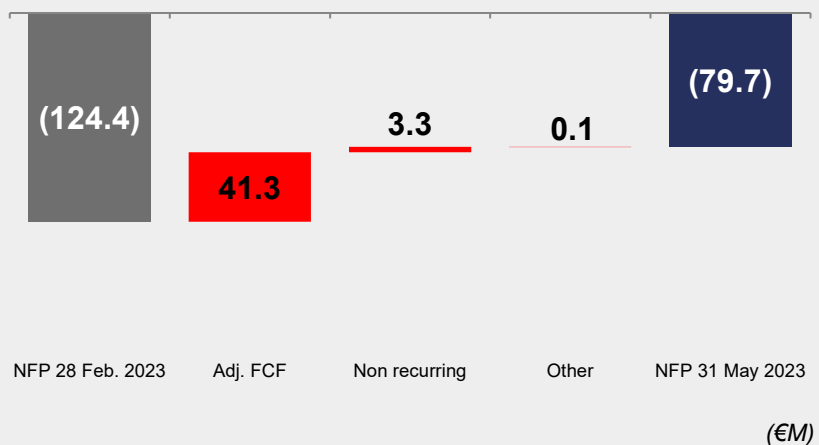
Adj. Free Cash Flow



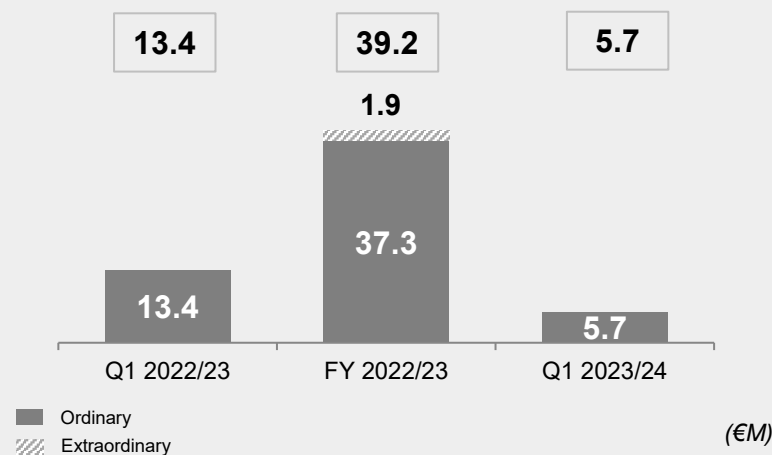
Net working capital



Net Financial Position / (Cash) – Excl. IFRS16



Capex



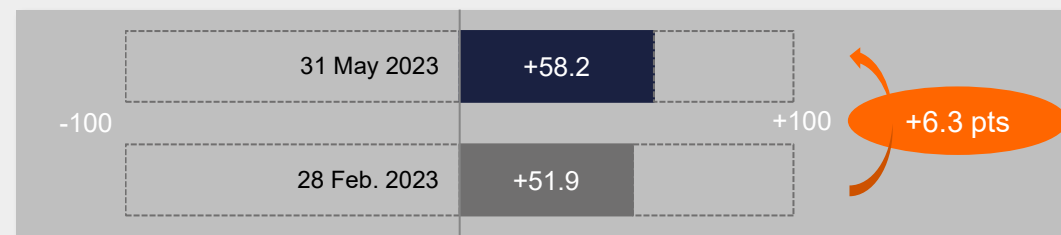
- **Adj Free Cash Flow** equal to Euro 41.3 million, following the operating performance and close working capital management
- **Net cash** of Euro 79.7 million, up on Euro 24.7 million at May 31, 2022, due to close working capital management, and reducing on Euro 124.4 million at the beginning of the FY, in view of typical Q1 seasonality
- **Net Working Capital** improvement compared to 28 February 2023 is mainly linked to the dynamics of trade receivables and payables
- **Investments** decreased because of a different phasing compared to Q1 2022/23 and are mainly referable to information technology projects, including the adoption of electronic labels

Q1 2023/24 – KEY OPERATIONAL DATA

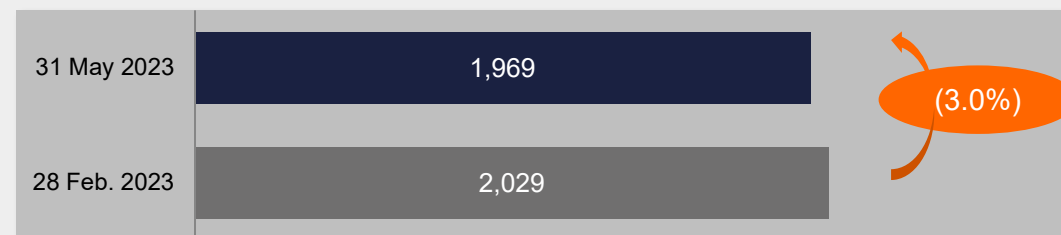
Unieuro's Retail Network

	Q1 2023/24	Openings	Closings	FY 2022/23	o/w C&C
DOS:	276		-2	278	273
- Malls and free standing stores	244		-1	245	
- Shop-in-shops	26			26	
- Negozi Travel	6		-1	7	
Affiliated stores:	257	+3	-1	255	212
- Traditional	255	+3	-1	255	
- Shop-in-shops	0			0	
TOTAL STORES:	533	+3	-3	533	485

Net Promoter Score⁽¹⁾ (direct channel only)

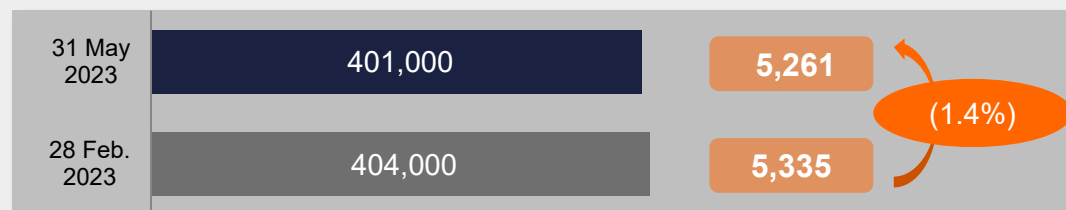


Active Loyalty Cards⁽²⁾ (thousands)



Total Retail Area (sqm, DOS only)

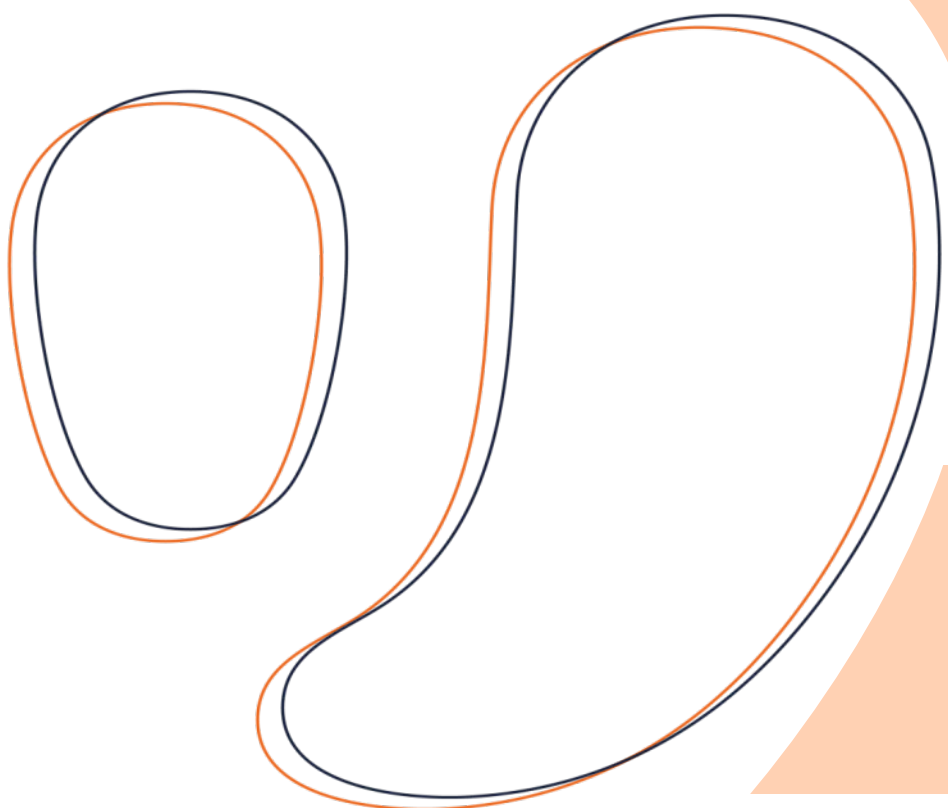
Sales Density (€/mq, LTM)



Workforce (FTEs)



FY 2023/24 OUTLOOK



Unieuro remains focused on **executing the “Beyond Omni-Journey” Strategic Plan** to strengthen its distinctive omnichannel positioning and based on the development pillars of the “Omnichannel Trade” offer and on expanding the “Beyond Trade” through an ambitious transformation plan

As of the effective date of July 1, 2023, the Group promptly complied with Legislative Decree No. 26 of March 7, 2023 implementing Directive (EU) 2019/2161 (“**Omnibus Directive**”) on price reduction announcements in online and offline channels and will monitor the resulting effects on the consumer

At the present the Group confirms the guidance announced to the market, and in particular for FY 2023/24:

- **Revenues of approximately Euro 2.9 billion**
- **Adjusted EBIT in a range of Euro 35-38 million**
- **Net Cash in a range of Euro 110-130 million at February 28, 2024**

Unieuro remains committed to assessing **external growth opportunities** arising from possible acquisitions and partnerships

ANNEX

NOTES AND GLOSSARY

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).

Economic and financial figures reflect the adoption of IFRS 16 accounting principle, unless otherwise indicated.

Growth of like-for-like Revenues is calculated by including: (i) Retail and Travel stores in operation for at least one full Fiscal 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.

EBIT Adjusted is EBIT adjusted for: (i) non-recurring expenses/(income), (ii) non-recurring depreciation, amortisation and write-downs, 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.

Profit Before Taxes Adjusted is calculated as Profit Before Taxes adjusted for (i) the adjustments incorporated in the Adjusted EBIT and (ii) the adjustments of the non-recurring financial expenses/(income)

Free Cash Flow Adjusted is defined as cash flow generated/absorbed by operating activities net of investment activities inclusive of financial expenses and lease flows and adjusted for non-recurring investments and other non-recurring operating flows and including adjustments for non-recurring expenses (income) and their non-cash component and the related tax impact.

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

Net Promoter Score (NPS) measures customer experience and predicts business growth. It can range from -100 (if every customer is a Detractor) to 100 (if every customer is a Promoter).

Q1 2023/24 – PROFIT & LOSS

(€m)	Q1 2023/24				Q1 2022/23				% change (Adjusted)
	Adjusted	%	Reported	%	Adjusted	%	Reported	%	
Sales	589.3	100.0%	589.3	100.0%	611.9	100.0%	611.9	100.0%	(3.7%)
Purchase of goods - Change in Inventory	(468.9)	(79.6%)	(472.2)	(80.1%)	(479.2)	(78.3%)	(480.5)	(78.5%)	(2.2%)
Gross profit	120.4	20.4%	117.1	19.9%	132.7	21.7%	131.4	21.5%	(9.2%)
Personnel costs	(51.1)	(8.7%)	(51.2)	(8.7%)	(49.7)	(8.1%)	(49.8)	(8.1%)	2.8%
Logistic costs	(19.2)	(3.3%)	(19.4)	(3.3%)	(19.2)	(3.1%)	(19.2)	(3.1%)	0.1%
Marketing costs	(9.2)	(1.6%)	(9.2)	(1.6%)	(9.3)	(1.5%)	(9.3)	(1.5%)	(0.8%)
Other costs	(23.2)	(3.9%)	(23.3)	(4.0%)	(27.4)	(4.5%)	(27.6)	(4.5%)	(15.2%)
Other operating costs and income	(0.7)	(0.1%)	(0.7)	(0.1%)	(1.5)	(0.2%)	(2.0)	(0.3%)	(53.3%)
EBITDA	17.0	2.9%	13.3	2.3%	25.6	4.2%	23.5	3.8%	(33.7%)
D&A	(26.4)	(4.5%)	(26.4)	(4.5%)	(25.6)	(4.2%)	(25.6)	(4.2%)	3.0%
EBIT	(9.4)	(1.6%)	(13.1)	(2.2%)	(0.0)	(0.0%)	(2.1)	(0.3%)	(100.0%)
Financial Income - Expenses	(2.5)	(0.4%)	(2.5)	(0.4%)	(3.5)	(0.6%)	(3.5)	(0.6%)	(27.2%)
Adjusted Profit before Tax	(11.9)	(2.0%)	(15.6)	(2.7%)	(3.5)	(0.6%)	(5.6)	(0.9%)	(241.7%)

Q1 2023/24 – ADJUSTMENTS TO P&L

(€m)	Q1 2023/24	Q1 2022/23	% change
M&A Costs	0.0	0.6	(95.8%)
Stores opening, relocations and closing costs	0.1	0.3	(72.2%)
Other non recurring costs	3.2	(0.0)	(100.0%)
Accidental events	0.0	0.0	na
Non-recurring items	3.3	0.9	275.3%
Change in business model (extended warranties adjustments)	0.4	1.3	(65.4%)
Total adjustments to EBIT	3.7	2.1	73.8%
Other adjustments	0.0	0.0	na
Total adjustments to PBT	3.7	2.2	69.8%

Q1 2023/24 – BALANCE SHEET

(€m)	31 May 2023	28 Feb. 2023
Trade Receivables	48.9	66.1
Inventory	498.3	446.0
Trade Payables	(598.2)	(597.3)
Trade Working Capital	(51.0)	(85.2)
Current Tax Assets	4.2	4.2
Current Assets	26.1	22.5
Current Liabilities	(283.9)	(280.3)
Short Term Provisions	(1.1)	(1.1)
Net Working Capital	(305.7)	(339.9)
Tangible and Intangible Assets	121.7	126.3
Right of Use	409.5	422.7
Net Deferred Tax Assets and Liabilities	41.2	41.2
Goodwill	196.1	196.1
Other Long Term Assets and Liabilities	1.8	1.3
TOTAL INVESTED CAPITAL	464.5	447.6
Net Financial Position	79.7	124.4
Lease liabilities	(435.4)	(447.5)
Net Financial Position (IFRS 16)	(355.7)	(323.1)
Equity	(108.8)	(124.5)
TOTAL SOURCES	(464.5)	(447.6)

(€m)	31 May 2023	28 Feb. 2023
Accrued expenses (mainly Extended Warranties)	(203.4)	(204.1)
Personnel debt	(48.7)	(42.3)
VAT debt	(11.9)	(10.9)
Other	(19.8)	(22.9)
LTIP Personnel debt	(0.2)	(0.2)
Current Liabilities	(283.9)	(280.3)

(€m)	31 May 2023	28 Feb. 2023
Lease assets	14.1	13.6
Other non current assets	11.3	11.3
Deferred Benefit Obligation (TFR)	(11.3)	(11.3)
Long Term Provision for Risks	(8.6)	(8.5)
Other Provisions	(2.8)	(2.8)
LTIP Personnel debt	(1.0)	(1.0)
Other Long Term Assets and Liabilities	1.8	1.3

Q1 2023/24 – CASH FLOW STATEMENT

(€m)	31 May 2023	31 May 2022	% Change
Reported EBITDA	13.3	23.5	(43.4%)
Taxes Paid	-	-	na
Interests Paid	(2.7)	(3.4)	(20.8%)
Change in NWC	(32.4)	(102.8)	(68.5%)
Change in Other Assets and Liabilities	0.2	1.1	(83.7%)
Reported Operating Cash Flow	(21.6)	(81.6)	(73.5%)
Purchase of Tangible Assets	(1.2)	(4.4)	(72.4%)
Purchase of Intangible Assets	(2.7)	(2.6)	6.1%
Change in capex payables	(1.7)	(6.4)	(73.5%)
Acquisitions	-	(0.1)	(100.0%)
Free Cash Flow	(27.3)	(95.1)	(71.3%)
Cash effect of adjustments	3.3	0.9	277.3%
Non recurring investments	-	0.1	(100.0%)
Other non recurring cash flows	-	-	na
Adjusted Free Cash Flow (IFRS 16)	(24.0)	(94.2)	(74.5%)
Lease Repayment	(17.3)	(15.8)	9.9%
Adjusted Free Cash Flow	(41.3)	(109.9)	(62.4%)
Cash effect of adjustments	(3.3)	(0.9)	277.3%
Acquisition Debt	-	(0.1)	(100.0%)
Dividends and Buybacks	-	-	na
Log Term Incentive Plan	-	-	na
Other Changes	(0.1)	(0.1)	(45.0%)
Δ Net Financial Position	(44.7)	(111.0)	(59.7%)

Q1 2023/24 – NET FINANCIAL POSITION

(€m)	31 May 2023	28 Feb. 2023
Short-Term Bank Debt	0.0	0.0
Long-Term Bank Debt	0.0	0.0
Bank Debt	0.0	0.0
Debt to Other Lenders	(2.6)	(2.6)
Acquisition Debt	0.0	0.0
Other Financial Debt	(2.6)	(2.6)
Cash and Cash Equivalents	72.2	66.7
Investments in current FVOCI securities	10.1	60.3
Net Financial Position	79.7	124.4
Lease liabilities	(435.4)	(447.5)
Net Financial Position (IFRS 16)	(355.7)	(323.1)

IFRS 16 IMPACT

Main Effects on Unieuro's Q1 2023/24 Results (management data, unaudited)

		31 May 2023 (Ex -IAS 17)	IFRS 16 impacts	31 May 2023 (IFRS 16)
(€m)				
ADJ EBITDA	Reduction in operating costs (rents paid on stores, headquarters, warehouses and vehicles), net of income from sub-leases of stores	(1.8)	+18.8	17.0
ADJ EBIT	Increase in D&A on right-of-use assets	(11.2)	+1.8	(9.4)
ADJ. RESULT BEFORE TAXES	Increase in Financial expenses for interests related to rights-of-use liabilities	(11.3)	(0.6)	(11.9)
NET FINANCIAL DEBT (CASH)	Recognition of rights-of-use liabilities (other current and non-current financial payables), net of non-current financial receivables relating to sub-lease agreements	79.7	(435.4)	(355.7)



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