



17 October 2023



# COVERCARE ACQUISITION

THE MOST SIGNIFICANT TRANSACTION IN  
UNIEURO'S HISTORY

A crucial step to execute our «Beyond  
Omni-Journey» Strategic Plan



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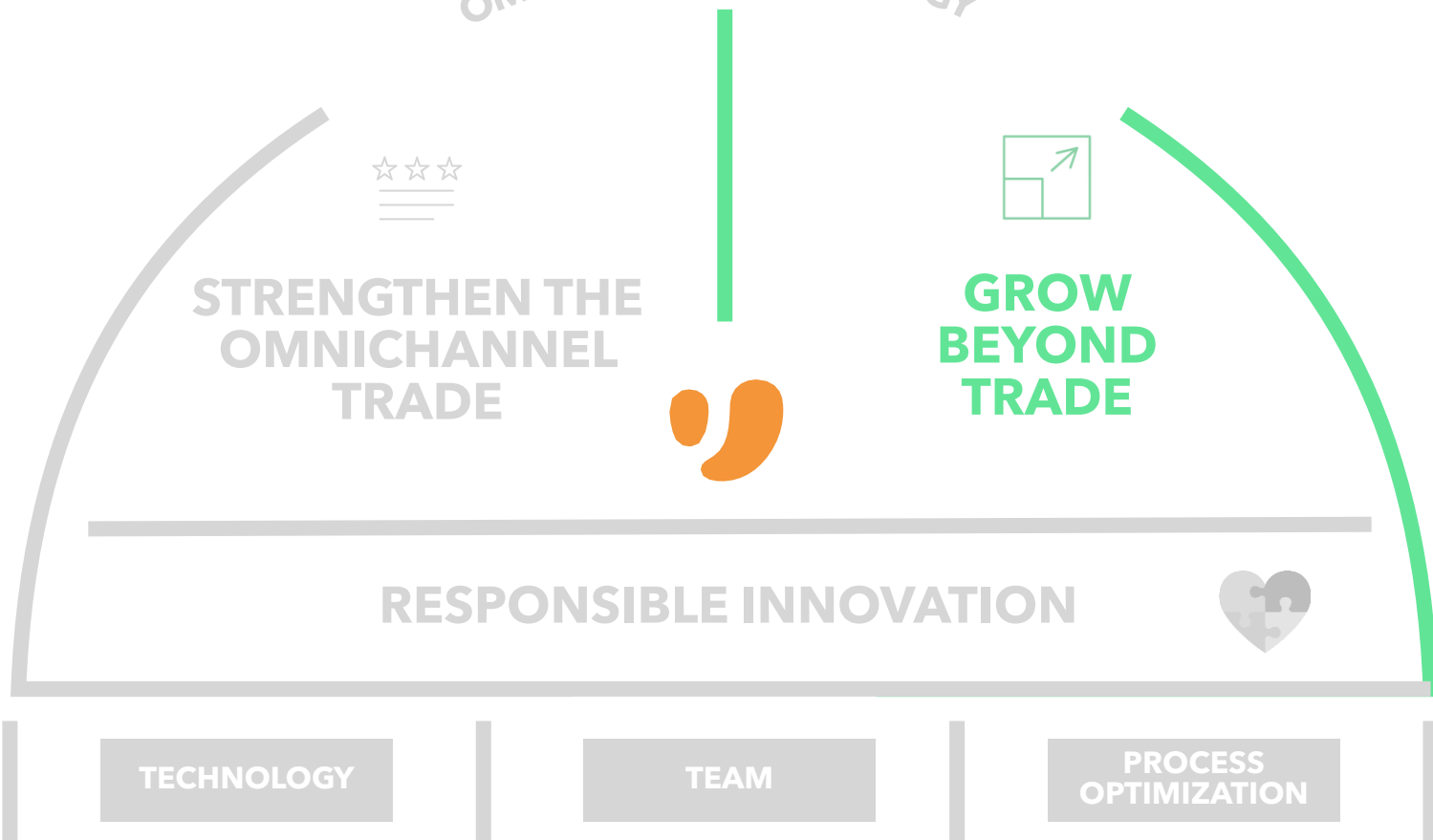
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# Covercare acquisition **PERFECTLY FITS** with our “**BEYOND OMNI-JOURNEY**” Strategic Plan...

OMNI-JOURNEY STRATEGY



## OMNICHANNEL TRADE

Delivering the best business offering, optimized based on data, and making it seamlessly accessible at an omnichannel level

## BEYOND TRADE

Focusing on the customer by building an ecosystem of solutions around them, beyond the pure sale of products

## RESPONSIBLE INNOVATION

Activating responsible behavior on all dimensions of sustainability, people-planet-profit, and along the value chain

## TECHNOLOGY

Investing in technological transformation to ensure the best level of service at all phases of the journey

## TEAM

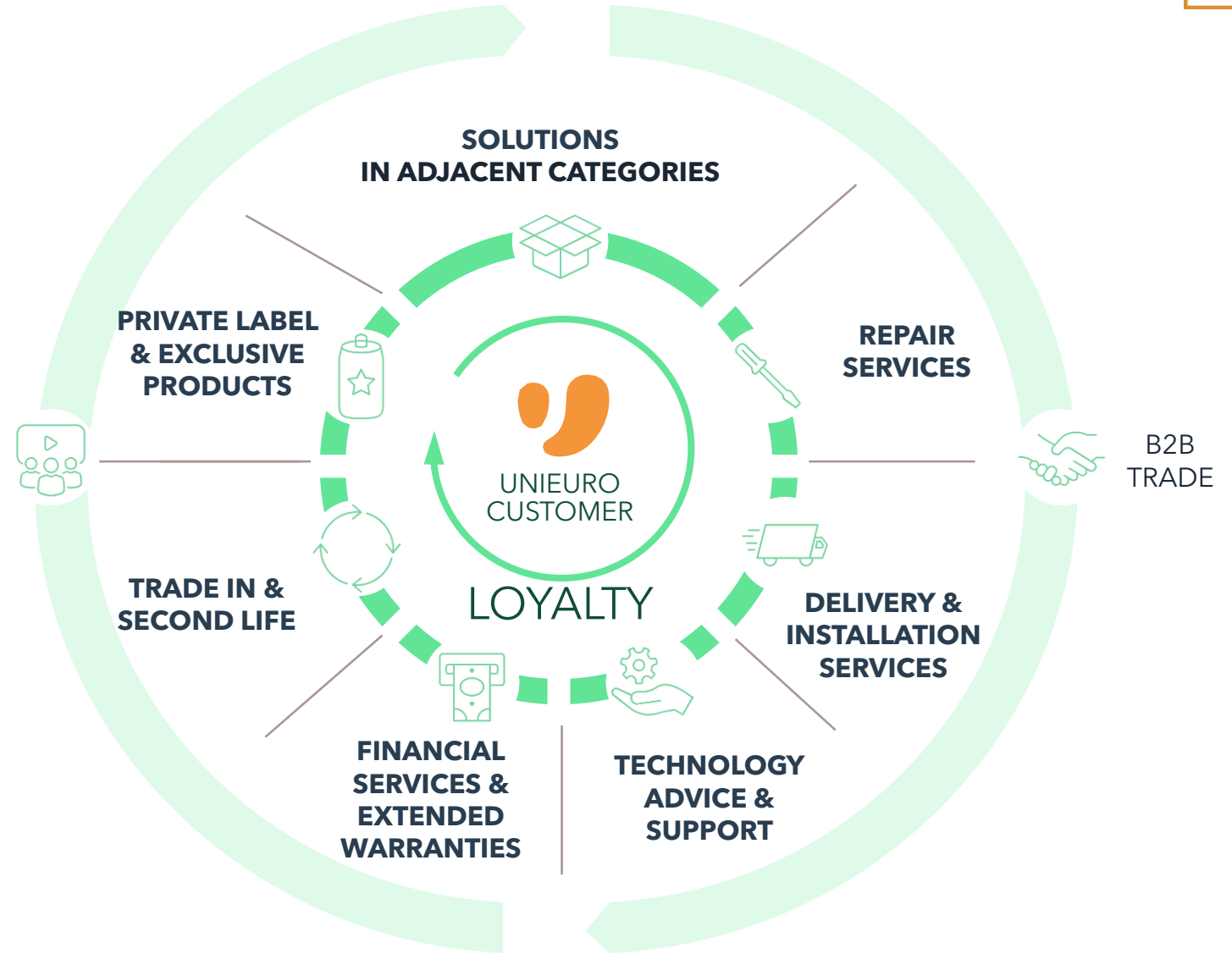
Attracting new talents and strengthening/enhancing existing ones, also through a new leadership model

## PROCESS OPTIMIZATION

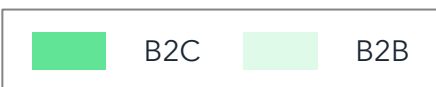
Making business processes more efficient by focusing on higher value-added activities with expected cost benefits

# ... to expand BEYOND TRADE

DATA  
MONETIZATION &  
RETAIL MEDIA



Legend



# The acquisition is consistent with our **M&A STRATEGY**

## SCALE M&A



Acquisitions in Italy to cover "white spaces" (limited overlap with current network) by taking advantage of consolidation opportunities in the market

## SCOPE M&A AND PARTNERSHIPS



Acquisitions and partnerships to expand into value-added activities and services and implement the "Beyond Trade" strategy accelerating the development of new capabilities

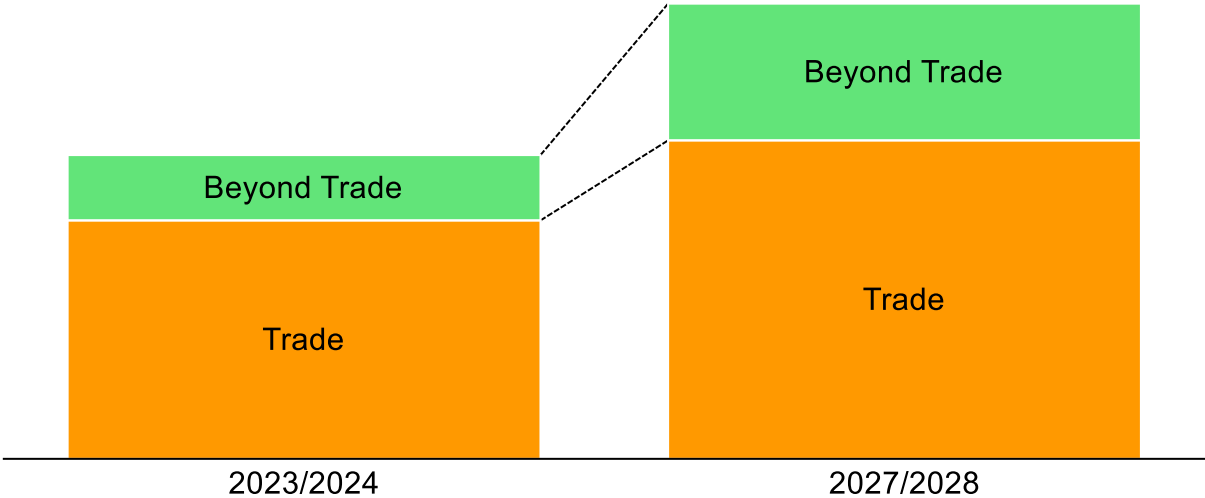
## INTERNATIONAL M&A AND PARTNERSHIPS



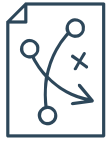
Acquisitions in other markets to diversify "country risk" and strengthen international expertise and partnerships

# Covercare's acquisition will significantly contribute to the transformation of Unieuro's **PROFIT POOL**

## UNIEURO'S "BEYOND OMNI-JOURNEY" STRATEGIC PLAN PROFIT POOL EVOLUTION



# TRANSACTION HIGHLIGHTS



## Strategic rationale

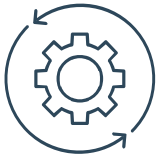
The acquisition of the Covercare Group (Covercare S.p.A. and its subsidiaries) represents **a fundamental step towards the achievement of the goals of Unieuro's "Beyond Omni-Journey" Strategic Plan** and in particular, the strategy to grow in the services area, accelerating the execution of the Beyond Trade strategic pillar

The Transaction will allow Unieuro to **extend its presence in growing market segments of the value chain** unleashing strong potential synergies with its core business



## Company profile

Covercare Group is a leading player in Italy in **the repair services of mobile phones, other portable devices and household appliances**, as well as in the **installation of air conditioners and boilers and in home assistance services**



## Transaction structure & price

Unieuro has signed a contract aimed at the acquisition of 100% of Covercare S.p.A. ("Covercare") for **consideration of Euro 60 million**, in addition to a positive net financial position (cash) at closing, **and an earn-out of up to Euro 10 million**, which would be paid contingent to achieving a specific target in terms of FY 2025/26 EBITDA



## Financing

Unieuro intends to finance the Transaction using a **mix of available liquidity and term bank loans**, with the aim of optimising the financial structure to **tap into any further growth opportunities through external lines** and guarantee an adequate level of operational flexibility



## Approval and timing

The completion of the Transaction is subject, among other matters, to the obtaining, **by and no later than 30 April 2024**, of the necessary authorisations pursuant to and for the purposes of the applicable Antitrust regulations

# Covercare is a **LEADING** player in the market...

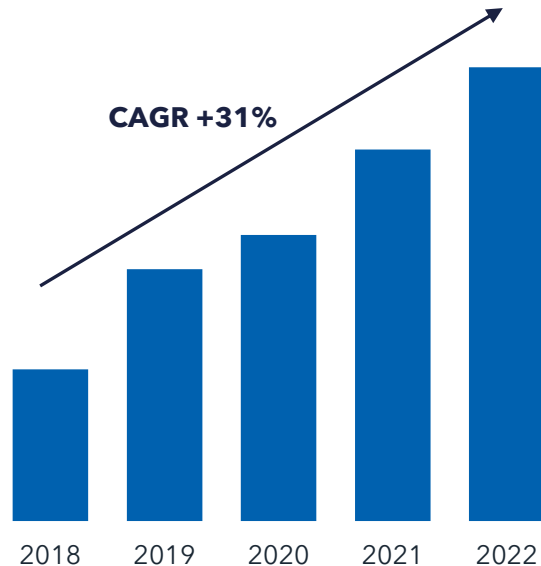
## Company Overview



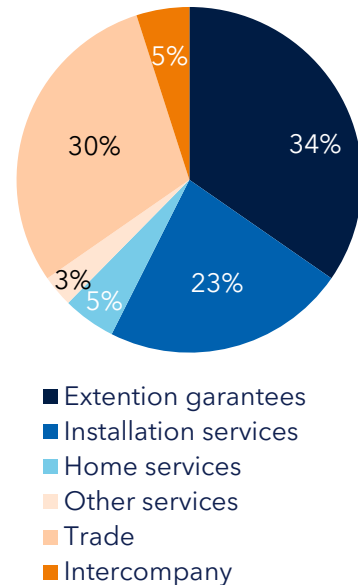
Established in 2011, Covercare has reached a leading position in Italy in the repair and multi-home services serving primary customers in different sectors with over 30% revenue CAGR<sup>1</sup> in 2018-22

The Group has over 140 employees<sup>2</sup>, a solid organisational structure and a management team with extensive experience and significant expertise

### Revenue Trend



### Revenue Breakdown by Business Line<sup>3</sup>



### Key Financials<sup>4</sup>

Revenues € 58.7 million

EBITDA € 10.8 million  
EBITDA margin 18.4%

Net profit € 6.0 million

Positive net financial position

### Key Assets



Internal laboratory with operational best practices



Comprehensive CAT affiliated network throughout the country



High consumer satisfaction in terms of service quality

### Sustainability



Extension of useful life of technological devices



Installation services for energy efficiencies applications



# ... with a **UNIQUE** and **DIVERSIFIED** business model

Covercare is currently the only player in the market with a cross-cutting offer by providing **"turnkey" and customised solutions**

Covercare has a unique and diversified business model based on two main business lines: **extended warranty and multi-home service (installation and home services)**

**Customers are leading companies** operating mainly in three sectors which, through Covercare, integrate their offer to clients with flexible and customised solutions



**RETAILERS,  
INCLUDING  
UNIEURO**



**TELCO**



**MULTI-  
UTILITY**

The end consumer activates Covercare's services upon the occurrence of events such as an electronic device breakage, a cyber attack, an installation or and maintenance request of HVAC (Heating Ventilation and Air Conditioning) systems, an intervention by tradespeople etc.



## Extended Warranty

Retailer  
Telco

Sale of consumer electronics and telco services B2C and B2B



Extension warranty  
Assistance  
Repair / Replacement  
Cybersecurity

## Multi-home services

Retailer  
Telco

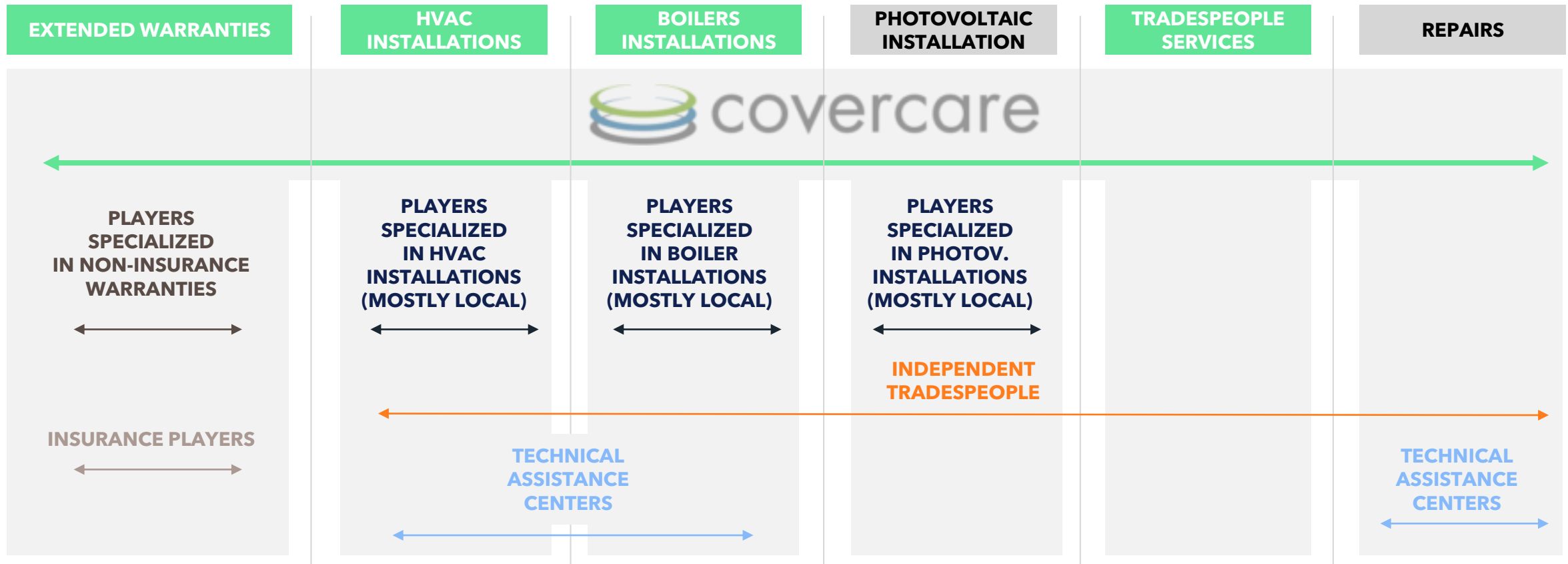
Sale of multi-utility services B2C



Tradespeople assistance  
Installation

# Covercare is currently the **ONLY PLAYER** in the market with a **CROSS-CUTTING OFFER**

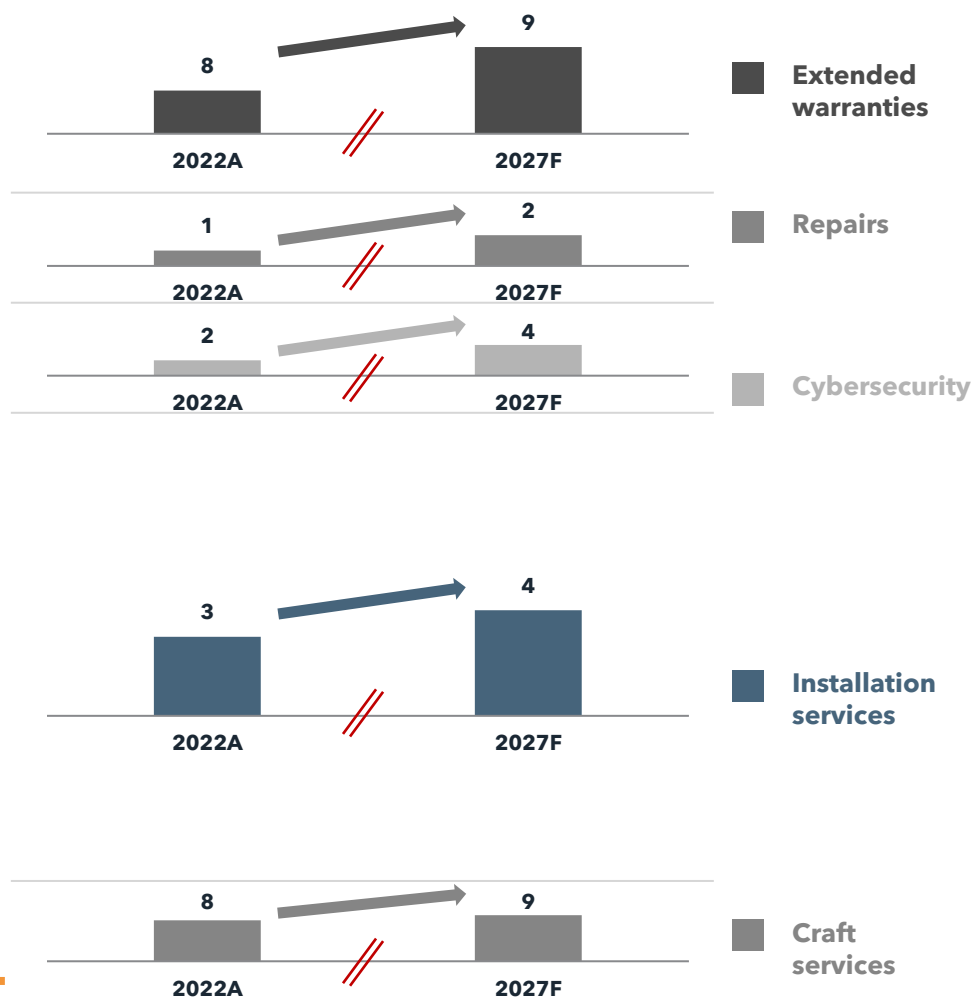
## Main players by type of service offered in the Italian market



**Lack of large-scale players with national coverage that can work on behalf of major retail / multi-utility companies**

# Covercare operates in **EXPANSIVE, DIVERSIFIED** **GROWING** markets

## Market Value in Italy (€bn)



<b>Extended warranties</b>	<p><b>Expected increased promotion</b> by retailers (in store and online) because of good profitability</p> <p><b>Personalised offering</b>, in bundle and through digital tools</p>
<b>Repairs</b>	<b>Growth</b> , mainly thanks to focus on sustainability and costs
<b>Cybersecurity</b>	<b>Growth</b> , because of incentives and increasing focus
<b>Installation services</b>	<p><b>Air conditioners</b> Flat growth due to the interruption of discount on the invoice Push redevelopment of systems due to energy transition</p>
	<p><b>Boilers</b> Growth due to sales increase of heat pumps thanks to the push towards energy transition</p>
	<p><b>Photovoltaic</b> Acceleration for push towards energy transition Increased energy efficiency due to continuous development of new technologies</p>
	<p><b>Wall boxes</b> Acceleration of the transition to electric cars</p>
<b>Craft services</b>	<b>Moderate growth</b> , in line with pre-Covid, given continued demand for craft services

Source: Unieuro's management estimates

# STRATEGIC RATIONALES

## of the acquisition of Covercare

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Crucial enabler to **accelerate the execution of Unieuro's "Beyond Omni-Journey"** Strategic Plan and in particular, our vision to evolve **from "traditional retailer" to "natural destination for any technology-related need"**

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A step forward towards our objective to provide comprehensive solutions that seamlessly integrate products and services, **accompanying our customers throughout their entire journey** - before, during and after the purchase

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Strategic, diversified and complementary business model to extend our presence in **high-growth and profitable market segments** of the value chain unleashing **strong potential synergies**

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Strengthening market leadership with enhanced **value proposition combining products and services**

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**Complementary, diversified and resilient offering** with high growth potential and profitability

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Further improving Unieuro's customer journey and satisfaction maintaining a **direct relationship after the purchase**

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Strengthen Unieuro's sustainable profile through **product life extension and installation of more efficient HVAC**

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# WE SEEK TO MAXIMISE VALUE CREATION

through potential **SYNERGIES**



## **EVOLVING CURRENT SERVICE OFFERING TO UNIEURO CUSTOMERS**

unlocking new business models, such as "warranty as-a-service" (subscription)

## **DEVELOPING TOGETHER NEW "BEYOND TRADE" REVENUES STREAMS,**

such as second hand

## **ENHANCING THE LINK BETWEEN PRODUCTS & SERVICES,**

by fostering a direct customer relationship post-purchase, boosting attachment rates and loyalty

## **LEVERAGING THE COMBINED CUSTOMER BASE**

to gain a broader reach and to cross-sell products and services more effectively

### **AREAS OF SYNERGIES**

# TRANSACTION DETAILS

- **Purchase price is Euro 60 million, plus an earn-out of up to Euro 10 million on 30 June 2026**, subject to a specific profitability target - in terms of EBITDA - in FY 2025/26
- **Adj EV/EBITDA multiple 2022 equal to 5.6x (or 6.4x including earn-out) on a stand-alone basis**
- The total consideration will be paid
  - **At signing, Euro 4.5 million**
  - **At the closing, Euro 42.1 million**
  - **Euro 10.0 million by 31 October 2024**
  - **Euro 3.4 million** according to the deadlines set for certain declarations of guarantee
- The **completion of the Transaction** is subject, among other matters, to the obtaining, **by and no later than 30 April 2024**, of the necessary authorisations pursuant to and for the purposes of the applicable Antitrust regulations
- **Managing Directors will retain a key role in the top management** of Covercare, aiming at managing fast and successful integration into Unieuro and ensuring further development of the business

# Other initiatives to **IMPROVE PROFITABILITY** through **PARTNERSHIPS** and **COST OPTIMISATION**

## **COLLABORATION AGREEMENT WITH GOOGLE ITALY**



The **new Google Pixel ecosystem devices** are available from 12 October 2023 in Unieuro's stores and on [www.unieuro.it](http://www.unieuro.it) with a massive omnichannel communication plan

## **PARTNERSHIP IN HOMEWARE SECTOR**



Strategic partnership signed for the creation of a **network of Kasanova shop-in-shops at Unieuro's stores to strengthen the home product proposition and offer a more comprehensive customer experience**

## **ELECTRICITY PRICE HEADGING**



**Three-year CFD (Contract For Differences) signed** on the price of energy on at least 36 GWh/y (around 60% of annual energy needs) aimed at **optimising costs, mitigating risks** and constant compliance with the Sustainability Plan

## **WIND UP OF MONCLICK**



Start of the procedure to wind up the wholly-owned subsidiary Monclick S.r.l. to rationalise the corporate structure, following worsening of operating, equity and financial data, caused by market performance and its business model of digital pure player

# CLOSING REMARKS



**ACQUISITION**  
**CONSISTENT WITH THE EXECUTION**  
**OF UNIEURO'S BEYOND TRADE**  
**STRATEGIC PILLAR**



**ATTRACTIVE FINANCIAL PROFILE,**  
**ACCRETIVE IN TERMS OF EBITDA**  
**MARGIN**



**TRANSFORMATIONAL DEAL**  
**EXPANSION IN COMPLEMENTARY**  
**AND VERY ATTRACTIVE SEGMENTS**  
**OF THE VALUE CHAIN**



Q&A



The logo for unieuro features an orange icon of two overlapping curved shapes to the left of the word "unieuro" in a lowercase, sans-serif font.

unieuro