unieuro

November 14, 2023

H1 2023/24 RESULTS

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.

EMARKET SDIR CERTIFIED

HIGHLIGHTS

- **Q2 2023/24 Adj EBIT at €12.1M, flat vs Q2 2022/23 and a turn-around vs previous quarters**, also thanks to a significant rationalization plan to protect margins – with total operating costs down €15.7M, 13% vs Q2 2022/23 in the face of a 6.2% reduction in revenues in a sharply declining consumer electronics market

- **In H1 2023/24**
  - **Revenues of €1,227.9M** (-5.0% vs H1 2022/23), within a market contracting 6% driven by a challenging economic environment and the saturation of a number of products categories following years of record growth
  - **Adj EBIT of €2.7M** vs €12.1M in H1 2022/23, with the decrease due to the trend in margins in Q1 of the current FY
  - **Net cash of €78.5M**, up compared to €71.0M at 31 August 2022 and down compared to €124.4M at the beginning of the FY, mainly due to the typical seasonality which determines an absorption of liquidity in the first half-year

- **Many initiatives undertaken to support the "Beyond Omni-Journey" Strategic Plan that will support improved profitability over time**, both improving the profile of revenues and reducing operating costs

AGENDA

- ***Implementation of "Beyond Omni-Journey" Strategic Plan***
- **Market trend**
- **Financials**
- **Outlook**

COVERCARE ACQUISITION

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 **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.** In 2022 Covercare had Revenues of €58.7M, **EBITDA of € 10.8 million (EBITDA margin 18.4%) and a positive net financial position**
Transaction structure & price	On 16 October 2023, Unieuro signed a contract for the acquisition of 100% of Covercare S.p.A. for **consideration of €60M**, in addition to a positive net financial position (cash) at closing, **and an earn-out of up to €10M**, which would be paid on 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

OTHER INITIATIVES IN EXECUTION OF STRATEGIC PLAN

OMNI-JOURNEY STRATEGY

STRENGTHEN THE OMNICHANNEL TRADE

GROW BEYOND TRADE

RESPONSIBLE INNOVATION

TECHNOLOGY

TEAM

PROCESS OPTIMIZATION

COLLABORATION AGREEMENT WITH GOOGLE ITALY

PARTNERSHIP IN HOMEWARE SECTOR

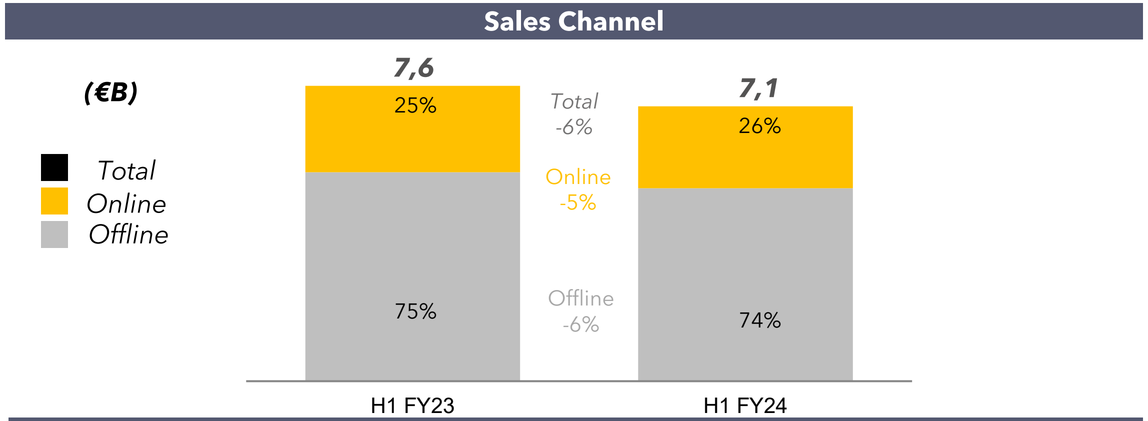
ELECTRICITY PRICE HEDGING

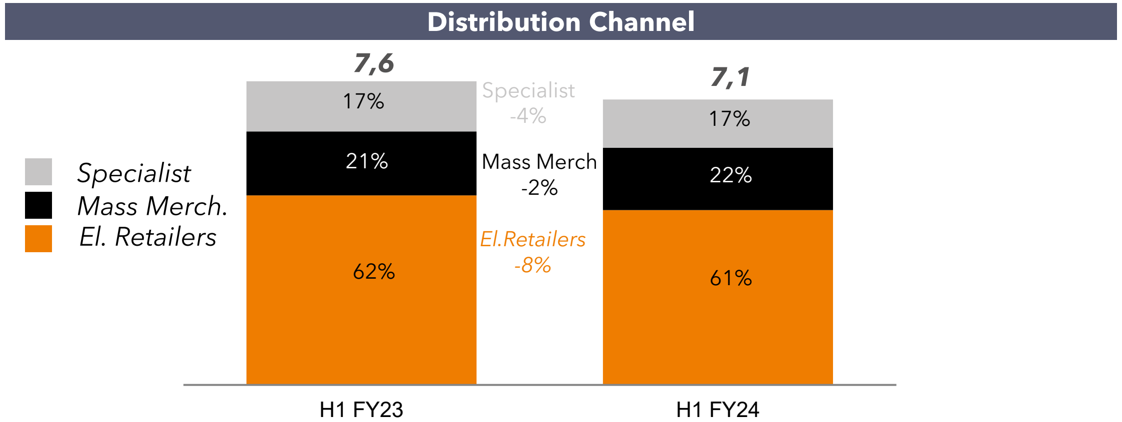
WIND UP OF MONCLICK

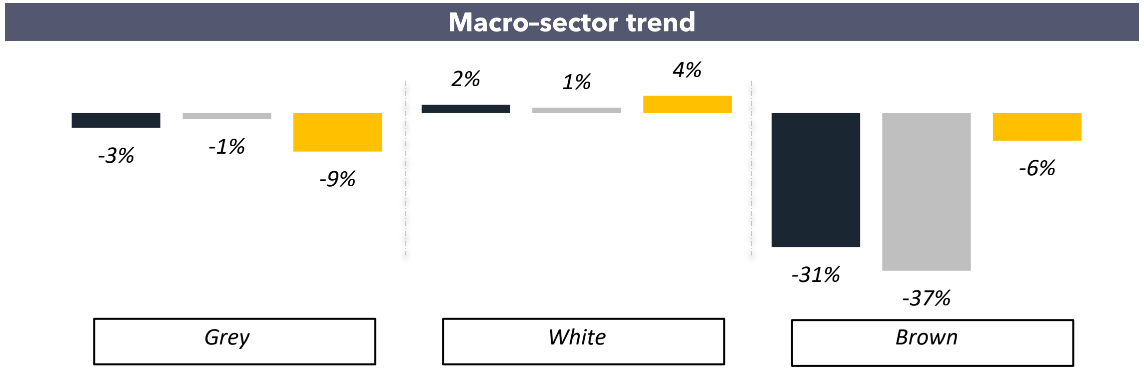
AGENDA

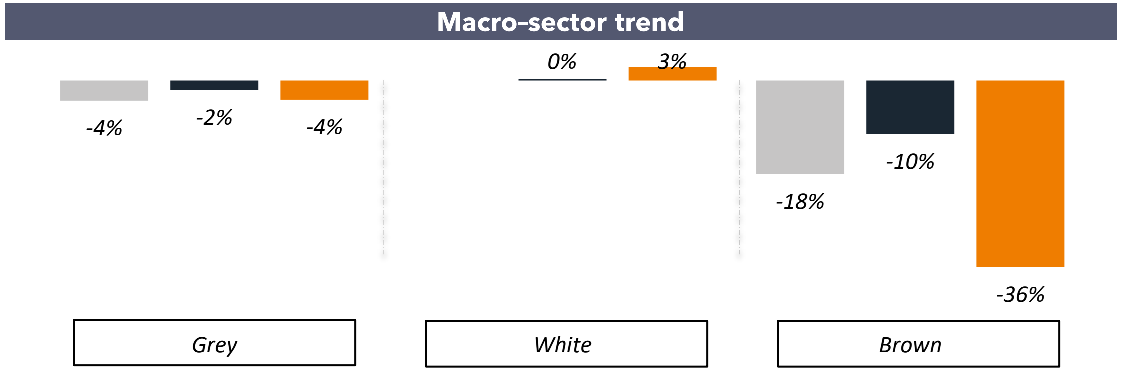
- **Implementation of “Beyond Omni-Journey” Strategic Plan**
- ***Market trend***
- **Financials**
- **Outlook**

MARKET SCENARIO (1/2)









Market

The consumer electronics market reduced by 6% in H1, although still in excess of pre-pandemic levels in value terms.

- ***Grey:*** decline mainly driven by IT (-7%) and Telecom (-1%) sectors. The telephony segment - following two years of demand-driven growth - decreased in value by 1%, attributable to the online channel.
- ***White:*** the improvement was driven mainly by large domestic appliances (+5%), following the increase in the average price. For the PED segment (unchanged), the strong online channel results (+4%) partially offset the decline on the traditional channel. Increased online penetration is confirmed, mainly due to the rise of new brands and trade brands in the vacuum cleaner segment. Air conditioning product demand contracted, impacted by the performance in H1 of the previous FY based on ecobonus incentives.
- ***Brown:*** volumes continued to contract following the strong performane in the comparative period, driven by TV switch off. Demand dynamics have also changed with a return to a mix more focused on larger screens and with rising average prices.

Competitive scenario

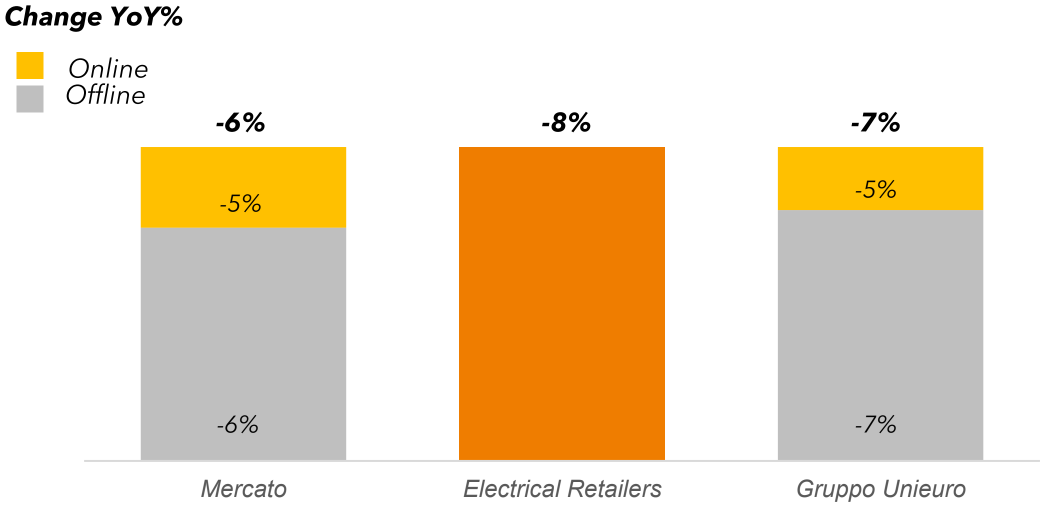
The demand slowdown - which follows years of consumer electronics market growth - has impacted all operators.

- The ***Electrical Retailers*** segment - which includes all the major consumer electronics retailers and purchasing groups – is the main contributor to the reduction in sales in terms of both values and volumes. The higher average price, reflecting inflation and the shift in demand towards the premium end of the market for certain product categories, partially offsets the reduction in sales volumes.
- The reduction of ***Mass Merchandiser*** channel - concerning the online Pure Players – is partially offset by the improvement for small domestic appliances, thanks to the double-digit growth for vacuum cleaner products.
- The ***Specialists*** were impacted mainly by the decline in smartphone demand, the channel's main product category.

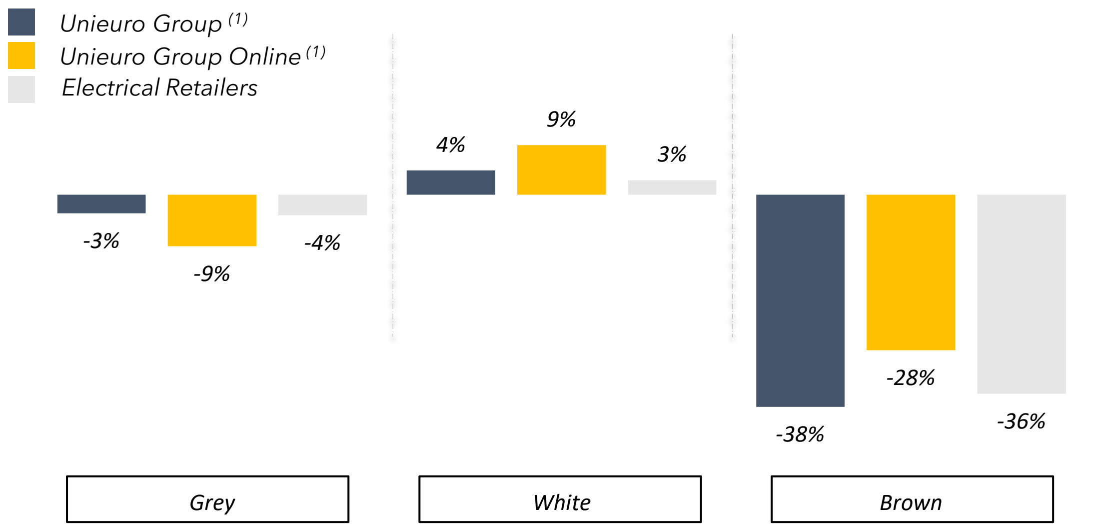
Source Company elaborations on Gfk data.

MARKET SCENARIO (2/2)

Market Scenario



Focus on Product Category



Gruppo Unieuro

Against the backdrop in which the large consumer electronic retailers and purchasing groups have weighed most on the sector, the Unieuro Group has outperformed its peers.

The Group focused on leadership of the high-margin strategic categories (White) and on maintaining Grey category market share.

Unieuro Group: Category

- **Grey**: Unieuro's performance in line with the overall market, maintaining its market share and outperforming the general market (Electrical Retailers) despite the complex scenario (generalized declines in the IT sector and growing competition in the Telecom sector). The brand recorded an increase in share in the Telephony sector, thanks to a growing trend compared to a declining market.
- **White**: Unieuro recorded an increase in market share thanks to the overperformance in strategic categories with high margins (large domestic appliances and home comfort). Excellent results also compared to the overall market (Unieuro +4% vs. total mkt +2%).
- **Brown**: Unieuro impacted by a challenging comparison with the comparable period and market slowdown of TV sets.

(1) Unieuro's growth per product category and single channel only concerns the Consumer segment net of Services, Entertainment and products outside the scope of consumer electronics, while including Travel sales.

AGENDA

- **Implementation of “Beyond Omni-Journey” Strategic Plan**
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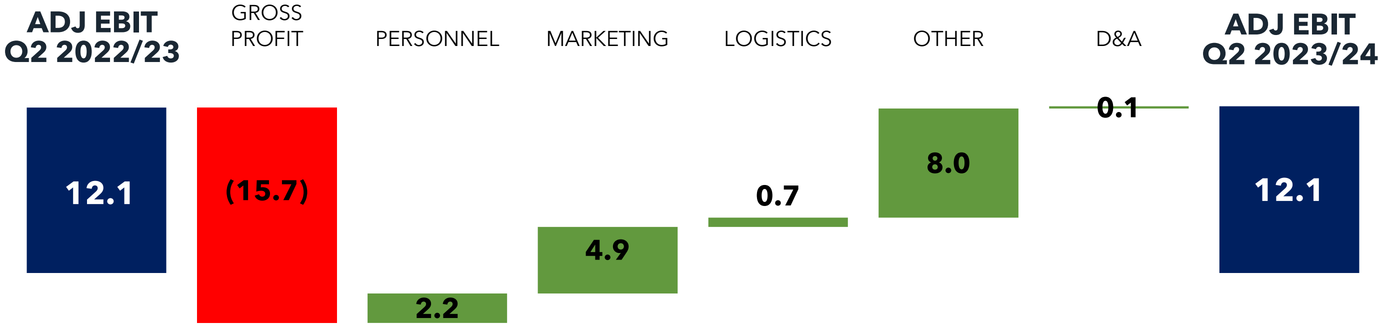
Q2 2023/24 – FINANCIAL HIGHLIGHTS

REVENUES

ADJ. EBIT

ADJ. EBIT BRIDGE



- **Revenues** decrease following the negative market trend, particularly in Brown and Grey segments
- **Adj. EBIT** was flat, despite weak volumes, thanks to cost reduction initiatives

Notes: consolidated results in millions of Euro, unless otherwise stated.

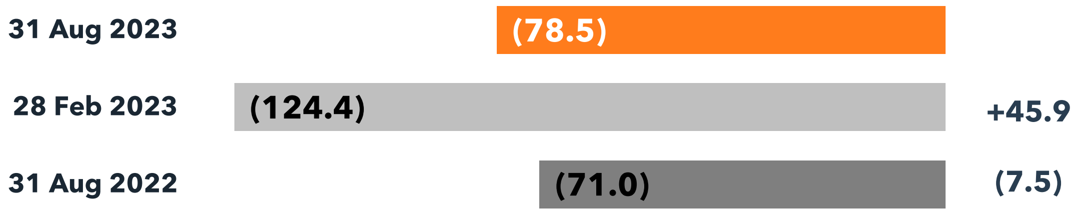
H1 2023/24 - FINANCIAL HIGHLIGHTS

REVENUES

ADJ. FREE CASH FLOW

ADJ. EBIT

NET FINANCIAL DEBT / (CASH) – Excl. IFRS16



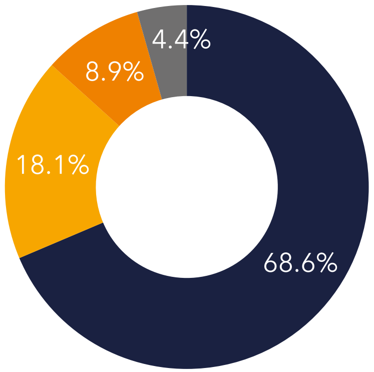
- **Revenues** decreased within a market impacted by the challenging economic environment and the saturation of a number of products categories following years of record growth
- **Adjusted Ebit** reduction was due to the trend of profitability in Q1 of the current FY
- **Net cash** was up compared to 31 August 2022 and down compared to the beginning of the year, mainly due to the typical seasonality which determines an absorption of liquidity in H1

Notes: consolidated results in millions of Euro, unless otherwise stated.

H1 2023/24 – REVENUES BREAKDOWN

REVENUES BY CHANNEL

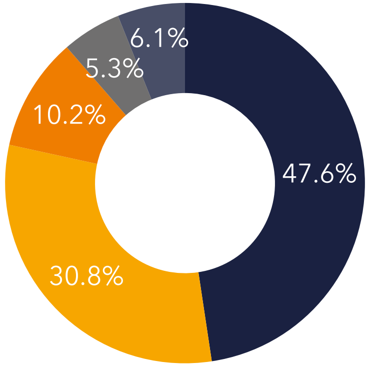
		vs H1 2022/23	
Retail	842.5	(57.7)	(6.4%)
Online	222.0	(9.0)	(3.9%)
Indirects	109.3	(3.1)	(2.8%)
B2B	54.1	5.1	10.4%
TOTAL	1,227.9	(64.8)	(5.0%)



- **<u>Retail</u> slowing down**, affected by the trend in the Brown and IT segments, partially offset by the large domestic appliances, entertainment and telephony segments performances
- **<u>Online</u> in decline**, reflecting the general market environment, with sales reducing, particularly in Q2, mainly on the Consumer Electronics and Information Technology segments
- **<u>Indirect Channel</u> down** because of lower volumes in the Brown segment, partially offset by the White category growth and, against the general market, of IT
- **<u>B2B</u> in growth** thanks to greater product availability

REVENUES BY CATEGORY

		vs H1 2022/23	
Grey	584.7	(14.1)	(2.3%)
White	378.2	14.7	4.0%
Brown	124.9	(77.2)	(38.2%)
Other Products	65.5	9.3	16.6%
Services	74.6	2.5	3.5%
TOTAL	1,227.9	(64.8)	(5.0%)



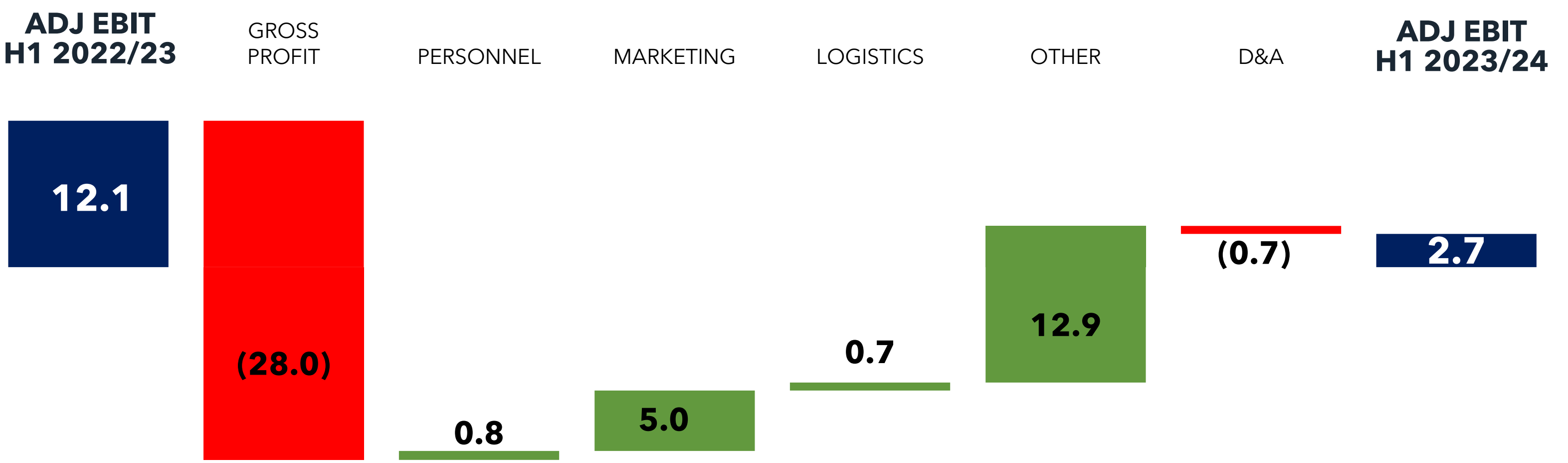
- **<u>Grey</u> in decline**, particularly in Q2, because of settling back of consumption levels in IT, partially offset by the good performance of the telephony segment
- **<u>White</u> in progress**: mainly attributable to large domestic appliance category sales, which saw a shift in demand towards energy-efficient premium products
- **<u>Brown</u> down**: attributable to the extraordinary performance of the TV sector in the comparative period, thanks to the switch-off of television frequencies and the Government's TV bonus
- **<u>Other products</u> in growth**, driven by the entertainment segment, thanks to sales of consoles and video games
- **<u>Services</u>**: **positive trend** from consumer credit and warranty services, which offset the decline in installation services

Private label *sales, spread across all categories, were €58.3M, +12.5% vs H1 2022/23)*

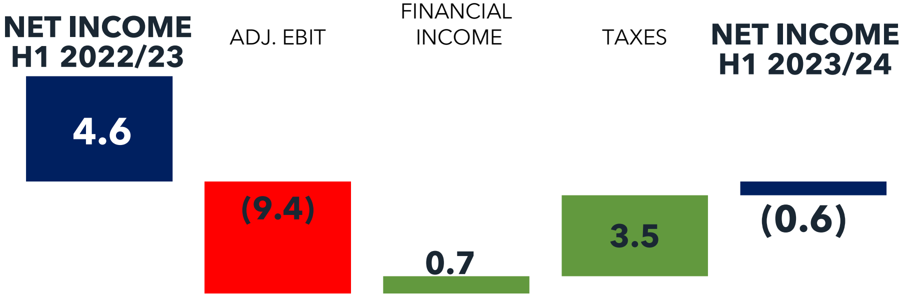
Notes: consolidated results in millions of Euro, unless otherwise stated.

H1 2023/24 – PROFITABILITY BRIDGE

ADJ. EBIT



NET INCOME

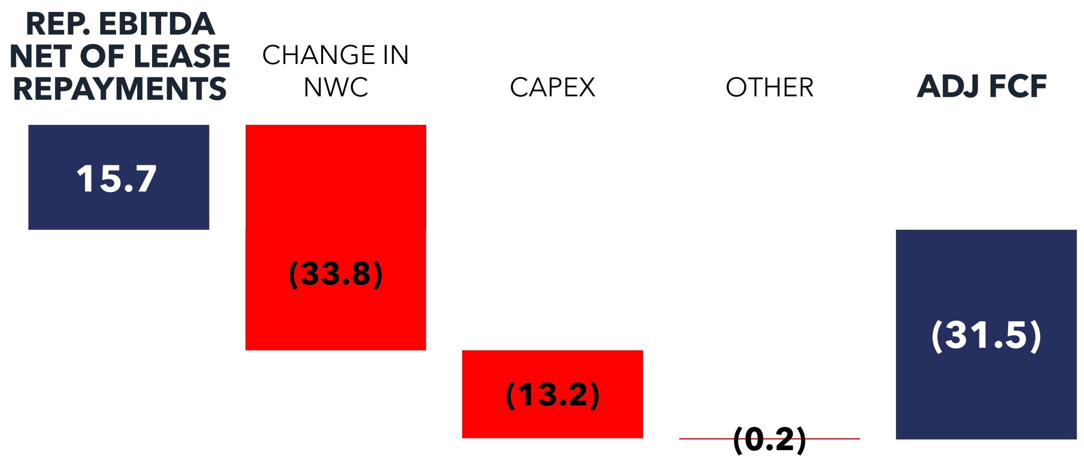


- **Gross Profit** decrease mainly attributable to lower volumes and a less favourable brand/product sales mix
- **Personnel Costs** reduction thanks to optimization of sales network personnel costs
- **Marketing costs** decrease due to close cost management and an altered mix of marketing initiatives
- **Logistics costs** reduction attributable to lower sales volumes, partially offset by a greater weight of online revenues
- **Other costs** decrease because of lower electricity cost and, to a lesser extent, lower costs for the installation of air-conditioning systems
- **D&A** equal to €53.5m (€52.9m in H1 2022/23)

Notes: consolidated results in millions of Euro, unless otherwise stated.

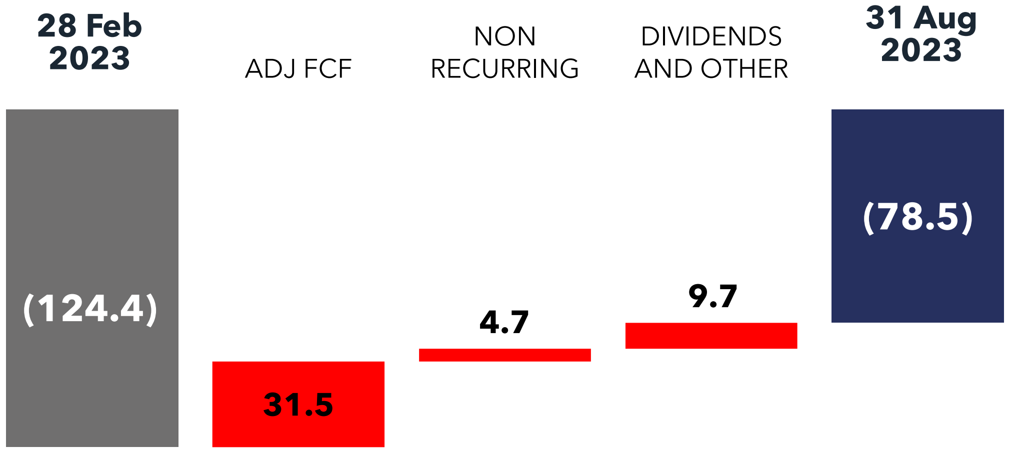
H1 2023/24 – FINANCIAL OVERVIEW (1/2)

ADJ. FREE CASH FLOW



Adj Free Cash Flow was mostly influenced by the typical seasonality of the business, besides the postponement of Q2 tax and contribution payments

NET FINANCIAL DEBT / (CASH) – Excl. IFRS16

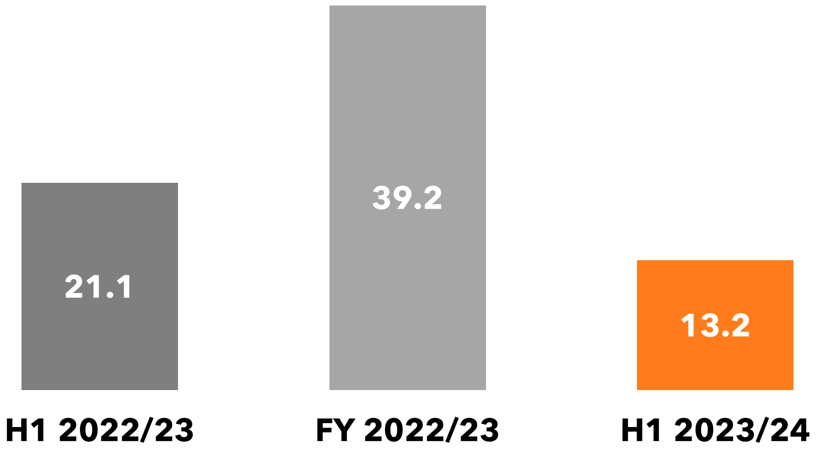


Net cash change mainly due to Adj free cash flow and dividend payment

Notes: consolidated results in millions of Euro, unless otherwise stated.

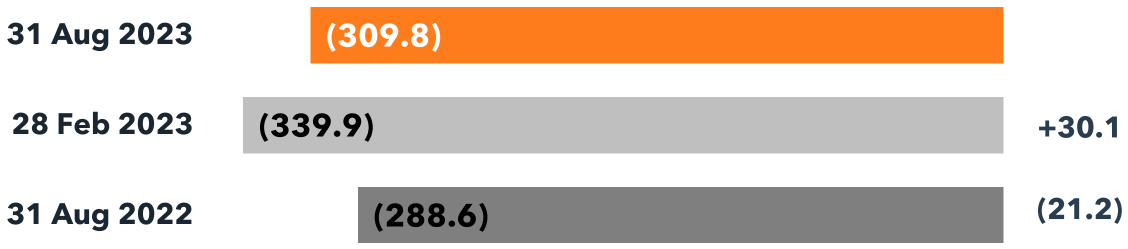
H1 2023/24 – FINANCIAL OVERVIEW (2/2)

CAPEX



Investments mainly relating to information technology projects, including the progressive adoption of electronic labels at direct points of sale

NET WORKING CAPITAL



Change in **Net Working Capital** compared to FY end is the result of the typical seasonality of the business which determines, as well as a different calendar, the postponement of tax and contribution payments in Q2 of the current FY

Notes: consolidated results in millions of Euro, unless otherwise stated.

H1 2023/24 – KEY OPERATING DATA

UNIEURO'S RETAIL NETWORK

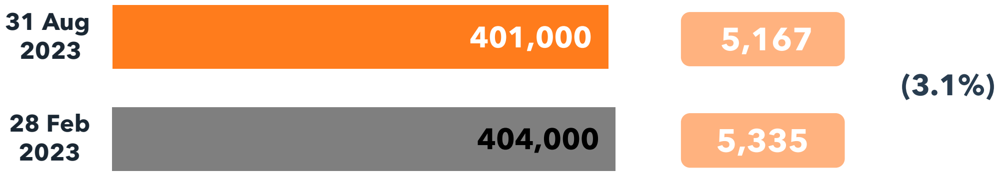
	31 Aug 2023	Openings	Closures	28 Feb 2023	Of which C&C
DOS	**276**		**-2**	**278**	**273**
- Malls and free standing stores	*244*		*-1*	*245*	
- Shop-in-shops	*26*			*26*	
- Travel stores	*6*		*-1*	*7*	
Affiliated stores	**256**	**+3**	**-2**	**255**	**211**
- Traditional	*255*	*+3*	*-2*	*255*	
- Shop-in-shops	*0*			*0*	
TOTAL STORES	**532**	**+3**	**-4**	**533**	**484**

NET PROMOTER SCORE[1] (direct channel only)

ACTIVE LOYALTY CARDS[2] (thousands)

TOTAL RETAIL AREA (sqm, DOS only)

Sales Density *(€/sqm, LTM)*



WORKFORCE (FTEs)[3]

Notes: Consolidated data. Unieuro FY period ends on 28 February, Unieuro Q1 ends on 31 May. (1) 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). (2) Active loyalty cards defined as customers who made at least a transaction within the last 12 months. (3) calculated as the average of the last 12 months

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OUTLOOK

- The persistence of a challenging general economic environment and its impact on household spending power resulted in a greater-than-expected contraction of the consumer electronics market in H1, and the expectation that a consumer recovery will be delayed
- Against this backdrop, for this FY we forecast revenues within a range of €2.70-2.75B. Thanks to the initiatives to protect the Group margin, **Adjusted EBIT is therefore expected in the low-end of the range previously communicated, i.e. approximately €35M**. Net cash is estimated at FY-end in a range of €90-110M, based on the forecast operating performance and non-recurring costs
- At consolidated financial statement level, non-recurring costs for the liquidation of the subsidiary Monclick are estimated for the present FY within a range of €16-18M, mainly concerning the write-down of goodwill and brand, in addition to closure-related costs
- Unieuro remains totally focused on the **execution of the "Beyond Omni-Journey" Strategic Plan aimed** at consolidating its leadership, through the strengthening of its distinctive omnichannel positioning, the continuous enrichment of the customer experience and the development of "Beyond Trade", key to ensuring the growth of profitability over time

Note: The acquisition of Covercare was not included in the guidance, which the company intends to update on completion of the transaction.

ANNEX

NOTES AND GLOSSARY

Economic and financial figures reflect the adoption of IFRS 16 accounting standard, 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.

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.

Adjusted Free Cash Flow 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.

Unless otherwise indicated, all amounts are stated in millions of Euro. Amounts and percentages were calculated on amounts in thousands of Euro and, thus, any differences found in certain tables are due to rounding.

Q2 2023/24 – PROFIT & LOSS

	Q2 FY24				Q2 FY23				% change
	Adjusted	%	Reported	%	Adjusted	%	Reported	%	(Adjusted)
Sales	**638.6**	**100.0%**	**638.6**	**100.0%**	**680.8**	**100.0%**	**680.8**	**100.0%**	**(6.2%)**
Purchase of goods - Change in Inventory	(497.1)	(77.8%)	(498.6)	(78.1%)	(523.5)	(76.9%)	(524.9)	(77.1%)	(5.0%)
Gross profit	**141.5**	**22.2%**	**140.0**	**21.9%**	**157.2**	**23.1%**	**155.9**	**22.9%**	**(10.0%)**
Personnel costs	(48.8)	(7.6%)	(48.9)	(7.7%)	(51.0)	(7.5%)	(51.1)	(7.5%)	(4.2%)
Logistic costs	(20.1)	(3.1%)	(20.4)	(3.2%)	(20.8)	(3.0%)	(20.8)	(3.1%)	(3.3%)
Marketing costs	(7.6)	(1.2%)	(7.6)	(1.2%)	(12.5)	(1.8%)	(12.5)	(1.8%)	(39.3%)
Other costs	(24.1)	(3.8%)	(25.6)	(4.0%)	(32.2)	(4.7%)	(32.8)	(4.8%)	(25.4%)
Other operating costs and income	(1.7)	(0.3%)	(1.7)	(0.3%)	(1.5)	(0.2%)	(1.5)	(0.2%)	14.9%
EBITDA	**39.2**	**6.1%**	**35.9**	**5.6%**	**39.3**	**5.8%**	**37.2**	**5.5%**	**(0.0%)**
D&A	(27.1)	(4.3%)	(27.1)	(4.2%)	(27.3)	(4.0%)	(27.8)	(4.1%)	(0.4%)
EBIT	**12.1**	**1.9%**	**8.7**	**1.4%**	**12.1**	**1.8%**	**9.4**	**1.4%**	**0.1%**
Financial Income - Expenses	(2.9)	(0.4%)	(2.9)	(0.4%)	(2.6)	(0.4%)	(2.7)	(0.4%)	10.7%
Profit before Tax	**9.3**	**1.4%**	**5.9**	**0.9%**	**9.5**	**1.4%**	**6.7**	**1.0%**	**(2.8%)**

Notes: consolidated results in millions of Euro, unless otherwise stated.

H1 2023/24 – PROFIT & LOSS

	H1 FY24				H1 FY23				% change
	Adjusted	%	Reported	%	Adjusted	%	Reported	%	(Adjusted)
Sales	**1,227.9**	**100.0%**	**1,227.9**	**100.0%**	**1,292.7**	**100.0%**	**1,292.7**	**100.0%**	**(5.0%)**
Purchase of goods - Change in Inventory	(966.0)	(78.7%)	(970.9)	(79.1%)	(1,002.8)	(77.6%)	(1,005.4)	(77.8%)	(3.7%)
Gross profit	**261.9**	**21.3%**	**257.1**	**20.9%**	**289.9**	**22.4%**	**287.3**	**22.2%**	**(9.6%)**
Personnel costs	(99.9)	(8.1%)	(100.1)	(8.2%)	(100.7)	(7.8%)	(100.9)	(7.8%)	(0.8%)
Logistic costs	(39.3)	(3.2%)	(39.7)	(3.2%)	(40.0)	(3.1%)	(40.0)	(3.1%)	(1.7%)
Marketing costs	(16.8)	(1.4%)	(16.8)	(1.4%)	(21.8)	(1.7%)	(21.8)	(1.7%)	(22.9%)
Other costs	(47.3)	(3.8%)	(48.9)	(4.0%)	(59.6)	(4.6%)	(60.3)	(4.7%)	(20.7%)
Other operating costs and income	(2.4)	(0.2%)	(2.4)	(0.2%)	(3.0)	(0.2%)	(3.5)	(0.3%)	(19.0%)
EBITDA	**56.2**	**4.6%**	**49.2**	**4.0%**	**64.9**	**5.0%**	**60.7**	**4.7%**	**(13.3%)**
D&A	(53.5)	(4.4%)	(53.5)	(4.4%)	(52.9)	(4.1%)	(53.5)	(4.1%)	1.2%
EBIT	**2.7**	**0.2%**	**(4.3)**	**(0.4%)**	**12.1**	**0.9%**	**7.2**	**0.6%**	**(77.7%)**
Financial Income - Expenses	(5.4)	(0.4%)	(5.4)	(0.4%)	(6.1)	(0.5%)	(6.2)	(0.5%)	(11.1%)
Profit before Tax	**(2.7)**	**(0.2%)**	**(9.7)**	**(0.8%)**	**6.0**	**0.5%**	**1.1**	**0.1%**	**(144.5%)**
Taxes	2.1	0.2%	2.7	0.2%	(1.4)	(0.1%)	0.1	0.0%	(243.7%)
Net Income	**(0.6)**	**(0.1%)**	**(7.1)**	**(0.6%)**	**4.6**	**0.4%**	**1.1**	**0.1%**	**(113.5%)**

Notes: consolidated results in millions of Euro, unless otherwise stated.

Q2 / H1 2023/24 – ADJUSTMENTS TO P&L

	H1 FY24	H1 FY23	% change	Q2 FY24	Q2 FY23	% change
M&A Costs	1.4	1.6	(11.5%)	1.4	1.0	57.3%
Stores opening, relocations and closing costs	0.1	0.2	(49.8%)	0.0	(0.1)	(68.0%)
Other non recurring costs	4.5	0.4	100.0%	1.3	0.4	84.3%
Accidental events	0.0	0.0	na	0.0	0.0	(100.0%)
Non-recurring items	**6.0**	**2.2**	**173.3%**	**2.7**	**1.3**	**20.7%**
Change in business model (extended warranties adjustments)	**1.1**	**2.6**	**(59.0%)**	**0.6**	**1.4**	**(9.8%)**
Total adjustments to EBIT	**7.1**	**4.8**	**46.7%**	**3.4**	**2.7**	**7.1%**
Other adjustments	0.0	0.1	(100.0%)	0.0	0.1	(9.3%)
Total adjustments to PBT	**7.1**	**4.9**	**44.0%**	**3.4**	**2.7**	**7.0%**
Fiscal effect of above-listed adjustments	(0.6)	(1.5)	(58.2%)	(0.6)	(1.5)	(51.6%)
Total adjustments to Net Income (Loss)	**6.4**	**3.4**	**87.6%**	**2.7**	**1.3**	**12.5%**

Notes: consolidated results in millions of Euro, unless otherwise stated.

H1 2023/24 – BALANCE SHEET

	31 Aug 2023	28 Feb 2023
Trade Receivables	63.9	66.1
Inventory	453.9	446.0
Trade Payables	(517.0)	(597.3)
Trade Working Capital	**0.8**	**(85.2)**
Current Tax Assets	7.3	4.2
Current Assets	24.3	22.5
Current Liabilities	(341.1)	(280.3)
Short Term Provisions	(1.1)	(1.1)
Net Working Capital	**(309.8)**	**(339.9)**
Tangible and Intangible Assets	125.8	126.3
Right of Use	400.8	422.7
Net Deferred Tax Assets and Liabilities	40.8	41.2
Goodwill	196.1	196.1
Other Long Term Assets and Liabilities	3.3	1.3
TOTAL INVESTED CAPITAL	**457.0**	**447.6**
Net Financial Position	78.5	124.4
Lease liabilities	(427.7)	(447.5)
Net Financial Position (IFRS 16)	**(349.3)**	**(323.1)**
Equity	**(107.7)**	**(124.5)**
TOTAL SOURCES	**(457.0)**	**(447.6)**

	31 Aug 2023	28 Feb 2023
Accrued expenses (mainly Extended Warranties)	(203.6)	(204.1)
Personnel debt	(40.5)	(42.3)
VAT debt	(60.5)	(10.9)
Other	(36.5)	(22.9)
LTIP Personnel debt	0.0	(0.2)
Current Liabilities	**(341.1)**	**(280.3)**

	31 Aug 2023	28 Feb 2023
Lease assets	13.2	13.6
Other non current assets	12.7	11.3
Deferred Benefit Obligation (TFR)	(11.0)	(11.3)
Long Term Provision for Risks	(8.2)	(8.5)
Other Provisions	(2.8)	(2.8)
LTIP Personnel debt	(0.6)	(1.0)
Other Long Term Assets and Liabilities	**3.3**	**1.3**

Notes: consolidated results in millions of Euro, unless otherwise stated.

Q2 2023/24 – CASH FLOW STATEMENT

	Q2 FY24	Q2 FY23	% change
Reported EBITDA	**35.9**	**37.2**	**(3.6%)**
Taxes Paid	-	-	na
Interests Paid	(2.5)	(2.1)	21.9%
Change in NWC	(1.4)	61.9	(102.3%)
Change in Other Assets and Liabilities	0.1	0.6	(78.7%)
Reported Operating Cash Flow	**32.1**	**97.6**	**(67.2%)**
Purchase of Tangible Assets	(5.2)	(5.3)	(2.0%)
Purchase of Intangible Assets	(7.9)	(4.8)	63.9%
Change in capex payables	5.6	2.4	128.9%
Acquisitions	-	-	na
Free Cash Flow	**24.5**	**89.9**	**(72.7%)**
Cash effect of adjustments	1.5	0.6	153.7%
Non recurring investments	-	0.8	(100.0%)
Other non recurring cash flows	-	-	na
Adjusted Free Cash Flow (IFRS 16)	**26.0**	**91.2**	**(71.5%)**
Lease Repayment	(16.1)	(15.8)	1.9%
Adjusted Free Cash Flow	**9.8**	**75.4**	**(86.9%)**
Cash effect of adjustments	(1.5)	(0.6)	153.7%
Acquisition Debt	-	(0.8)	(100.0%)
Dividends	(9.8)	(27.1)	(63.7%)
Log Term Incentive Plan	-	-	na
Other Changes	0.2	(0.6)	(141.5%)
Δ Net Financial Position	**(1.2)**	**46.3**	**(102.6%)**

Notes: consolidated results in millions of Euro, unless otherwise stated.

H1 2023/24 – CASH FLOW STATEMENT

	H1 FY24	H1 FY23	% Change
Reported EBITDA	**49.2**	**60.7**	**(19.0%)**
Taxes Paid	-	-	na
Interests Paid	(5.2)	(5.5)	(4.6%)
Change in NWC	(33.8)	(40.9)	(17.4%)
Change in Other Assets and Liabilities	0.3	1.7	(82.0%)
Reported Operating Cash Flow	**10.5**	**16.0**	**(34.5%)**
Purchase of Tangible Assets	(6.4)	(9.8)	(33.9%)
Purchase of Intangible Assets	(10.6)	(7.4)	43.7%
Change in capex payables	3.9	(3.9)	(198.7%)
Acquisitions	-	(0.1)	(100.0%)
Free Cash Flow	**(2.7)**	**(5.2)**	**(47.7%)**
Cash effect of adjustments	4.7	1.4	224.7%
Non recurring investments	-	0.9	(100.0%)
Other non recurring cash flows	-	-	na
Adjusted Free Cash Flow (IFRS 16)	**2.0**	**(2.9)**	**(166.5%)**
Lease Repayment	(33.5)	(31.6)	5.9%
Adjusted Free Cash Flow	**(31.5)**	**(34.5)**	**(8.8%)**
Cash effect of adjustments	(4.7)	(1.4)	224.7%
Acquisition Debt	-	(0.9)	(100.0%)
Dividends	(9.8)	(27.1)	(63.7%)
Log Term Incentive Plan	-	-	na
Other Changes	0.2	(0.7)	(127.8%)
Δ Net Financial Position	**(45.9)**	**(64.7)**	**(29.1%)**

Notes: consolidated results in millions of Euro, unless otherwise stated.

H1 2023/24 – NET FINANCIAL POSITION

	31 Aug 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	(1.2)	(2.6)
Acquisition Debt	0.0	0.0
Other Financial Debt	**(1.2)**	**(2.6)**
Cash and Cash Equivalents	79.7	66.7
Investments in current FVOCI securities	0.0	60.3
Net Financial Position	**78.5**	**124.4**
Lease liabilities	**(427.7)**	**(447.5)**
Net Financial Position (IFRS 16)	**(349.3)**	**(323.1)**

Notes: consolidated results in millions of Euro, unless otherwise stated.

IFRS 16 IMPACT

Main Effects on Unieuro's H1 FY 2023/24 Results (management data, non-audited)

		31 Aug 2023 (Ex -IAS 17)	IFRS 16 impacts	31 Aug 2023 (IFRS 16)
ADJ EBITDA	Reduction in operating costs (rents paid on stores, headquarters, warehouses and vehicles), net of income from sub-leases of stores	17.5	+38.7	56.2
ADJ. EBIT	Increase in D&A on right-of-use assets	(0.8)	+3.6	2.7
ADJ. PROFIT BEFORE TAXES	Increase in Financial expenses for interests related to rights-of-use liabilities	(1.2)	(1.5)	(2.7)
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	78.5	(427.8)	(349.3)

Notes: consolidated results in millions of Euro, unless otherwise stated.

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