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Oggetto : Unieuro S.p.A.: Board of Directors approves 9M
2023/24 results

Testo del comunicato

Vedi allegato

UNIEURO S.P.A.: BOARD OF DIRECTORS APPROVES 9M 2023/24 RESULTSⁱ

- **Adjusted EBIT¹ of Euro 10.9 million in Q3 2023/24, up 31.5%** on the same period of the previous fiscal year, representing a significant acceleration compared to previous quarters, thanks to an incisive margin management policy and the major cost restructuring plan to protect profits, despite a reduction in revenue of 7.8%. The consumer electronics market saw a significant contraction of 11%² for the Black Friday week.
- **9M 2023/24 Results**
 - **Revenues of Euro 1,926.5 million**, compared to Euro 2,048.6 million in the same period of the previous fiscal year, in view of the challenging macroeconomic environment and the reduction of certain product categories following years of record growth.
 - **Adjusted EBIT of Euro 15.5 million**, compared to Euro 21.2 million in the same period of FY 2022/23, due to the significant improvement in the third quarter, which partially offsets the result for the first three months of the fiscal year.
 - **Net cash³ of Euro 104.0 million**, compared to Euro 124.4 million at the beginning of the fiscal year, following the payment of dividends for Euro 9.8 million, and with a Euro 4.5 million outlay for the contract to acquire Covercare.
- **Outlook 2023/24:** on conclusion of the Christmas period, revenues expected in the Euro 2.65-2.70 billion range; confirmation of Adjusted EBIT guidance of approximately Euro 35 million and of net cash in the Euro 20-40 million range at fiscal year-end, following the closure of the Covercare acquisition.

Forlì, January 12, 2024 – The Board of Directors of Unieuro S.p.A. (Euronext STAR Milan: UNIR), Italy's leading distributor of consumer electronics and household appliances, at a meeting today chaired by Stefano Meloni, has reviewed and approved the Interim Report at November 30, 2023.

Giancarlo Nicosanti Monterastelli, Chief Executive Officer of Unieuro, stated:

“Within a market still shaped by slowing demand and promotional pressure, we are satisfied with the significant improvement of the third quarter results, which proves the effectiveness of actions put in place.

We are even more determined to deliver the actions set out in our Strategic Plan: continuing to offer our customers the best purchasing experience on the market, while speeding up the growth of services and profits, also thanks to the recent acquisition of Covercare.”

ⁱ In application of IFRS 5, the financial indicators for the quarter and the first nine months to November 30, 2023 do not include the contribution of Monclick S.r.l. in liquidation; the comparative figures for the previous period are therefore restated, where required. For further details, reference should be made to the Interim Report at November 30, 2023.

In Q3 2023/24 **the consumer electronics market contracted further**, impacted by the macroeconomic environment - featuring a higher cost of living - and the reduction of demand of a number of product categories following the record growth over recent years. In particular, on Black Friday week (from November 20 to 26, 2023), the value of the market declined 11% compared to the same period of the previous fiscal year. The preceding weeks similarly saw a contraction, resulting in a month of November - traditionally very important for the sector - that did not provide a lift to the trend in the consumer technology market during the year.

Unieuro reviewed the length of the promotional campaign compared to the previous year and maintained a **focus on strategic product categories and on higher margin sales channels**. The “Black Friday Bello Bello” promotional campaign offered customers a series of baskets of discounted products, with sales in the final week driven by the entertainment segment. The company in the quarter continued to roll out the **major cost restructuring plan upon all operating levers**.

These actions allowed us to deliver 31.5% operating profitability growth compared to the same quarter of 2022/23, against a revenue reduction of 7.8%.

In 9M 2023/24, Adjusted EBIT was Euro 15.5 million, compared to Euro 21.2 million in the same period of the previous year, despite the 6.0% reduction in revenues.

Net cash of Euro 104.0 million compared to Euro 124.4 million at the beginning of the fiscal year, following the issue of dividends for Euro 9.8 million in June, and with an Euro 4.5 million outlay for the contract to acquire Covercare in October.

“BEYOND OMNI-JOURNEY” STRATEGIC PLAN

During Q3 2023/24, major initiatives were introduced in execution of the 2024-2028 “Beyond Omni-Journey” Plan, within the scope of the “Beyond Trade” strategic pillar and in terms of operating cost optimisation.

Closing of Covercare acquisition

On December 4, 2023, Unieuro announced the closing of the acquisition of the entire share capital of Covercare S.p.A., a leading player in Italy for repair services for mobile phones, other portable devices, and household appliances, in addition to the installation of air conditioners and boilers and in home assistance services. Following the determination of the provisional net financial position, the price is Euro 72.5 million, including cash of Euro 12.5 million, which will be subject to adjustment based on the actual cash position. In addition, the payment of an amount of up to Euro 10 million as earn-out by June 30, 2026 is also stipulated.

Strategic partnership with Kasanova

On October 4, 2023, the Company announced the signing of a partnership with Kasanova, Italy's homeware and household goods leader, involving the creation of a network of Kasanova shop in shops inside Unieuro stores. The transaction strengthens and expands the commercial proposition in the homeware segment.

Agreement with Google Italy

On October 4, 2023, Unieuro announced a collaboration agreement with Google Italy involving the sale of its new Pixel ecosystem devices from October 12, 2023 at Unieuro's outlets and on the www.unieuro.it portal, supported by a major multichannel communication plan.

Private Labels

During the quarter, private label initiatives included the complete overhaul of the telephony accessories range, with packaging measures also introduced through adopting FSC cardboard. The Company has also been working on the upcoming launch of a new line of technology products under the new IOPLEE brand.

Electricity price hedging

On October 4, 2023, Unieuro announced the signing of a CFD (Contract For Differences) on the price of electricity of three-year duration, from October 1, 2023, on a quantity of at least 36 GWh/year, equal to 60% of the Company's annual energy needs. The agreement reduces the exposure to market volatility, within a period of high tariff volatility and persistent global geopolitical tensions.

Liquidation of Monclick

On October 24, 2023, as part of the corporate restructuring, the Shareholders' Meeting of Monclick S.r.l., the wholly-owned subsidiary, approved the liquidation of the company and appointed the liquidator. In the first nine months of FY 2023/24, the Result before tax of discontinued operations was a loss of Euro 20.1 million, reflecting the result for the period of the subsidiary in liquidation, the effects of the fair value measurement of the activities and the costs related to the procedure.

9M 2023/24 REVENUES

Unieuro reports revenues of Euro 1,926.5 million for 9M 2023/24, compared to Euro 2,048.6 million for the same period of the previous year (-6.0%). Looking to the individual product categories, the reduction in revenues was substantially due to the Brown segment, which was impacted by the decrease of demand following the significant growth over the preceding years driven by the tax incentives and the television frequencies switch off.

Like-for-like revenues⁴ – comparing sales with the corresponding period of the previous fiscal year on the basis of the same scope of activity - were down 7.0%.

In Q3 2023/24, revenues totalled Euro 727.0 million, decreasing 7.8% on Euro 788.5 million for the same period of the previous fiscal year.

Revenues by sales channel

(in Euro millions and as a percentage of revenues)	Period ended				Changes	
	November 30, 2023	%	November 30, 2022	%	Δ	%
Retail	1,343.1	69.7%	1,436.2	70.1%	(93.1)	(6.5%)
Online	318.0	16.5%	352.5	17.2%	(34.5)	(9.8%)
Indirect	179.4	9.3%	175.7	8.6%	3.6	2.1%
B2B	86.0	4.5%	84.3	4.1%	1.7	2.1%
Total revenues by channel	1,926.5	100.0%	2,048.6	100.0%	(122.2)	(6.0%)

The **Retail channel** (69.7% of total revenues) - which at November 30, 2023 comprised 272 direct sales points, including the “Unieuro by Iper” shop-in-shops and the direct sales points located at major public transport hubs such as airports, railway stations and metro stations (former Travel channel) - reported revenues of Euro 1,343.1 million, decreasing 6.5% on the same period of the previous fiscal year. The contraction in the channel reflects the consumer electronics market performance, impacted by the reduction of demand for Brown and Information Technology category products, partially offset by the strong entertainment, large domestic appliance and telecom segment performance.

The **Online channel** (16.5% of total revenues) - which includes the sales through the unieuro.it platform - generated revenues of Euro 318.0 million, contracting 9.8% on the same period of the previous fiscal year. This decrease on the comparative period mainly owes to the Brown and Grey categories, offset by large domestic appliance and entertainment segment growth.

The **Indirect channel** (9.3% of total revenues) - which includes sales made to the network of affiliated stores comprising a total of 254 sales points at November 30, 2023 - reports revenues of Euro 179.4 million, up 2.1% on the first nine months of the previous fiscal year, mainly owing to the incremental benefit of the new openings and the renewals of the affiliate network. Specifically, the third quarter of the fiscal year saw revenue growth across all product categories, which more than offset the decline on the Consumer Electronics segment.

The **B2B channel** (4.5% of total revenues) - which caters to professional customers (including overseas) operating in sectors other than Unieuro's, such as hotel chains and banks, in addition to those purchasing electronic products to distribute to regular customers or employees for point collections, prize contests or incentive plans (B2B2C segment) - reported revenues of Euro 86.0 million, up 2.1% on the comparative period of the previous fiscal year, thanks to greater product availability.

Revenues by product category⁵

<i>(in millions of Euro and as a percentage of revenues)</i>	Period ended				Changes	
	November 30, 2023	%	November 30, 2022	%	Δ	%
Grey	938.6	48.7%	973.4	47.5%	(34.9)	(3.6%)
White	568.7	29.5%	562.0	27.4%	6.7	1.2%
Brown	200.5	10.4%	311.8	15.2%	(111.3)	(35.7%)
Other products	104.1	5.4%	89.9	4.4%	14.3	15.9%
Services	114.5	5.9%	111.5	5.4%	3.0	2.7%
Total revenues by category	1,926.5	100.0%	2,048.6	100.0%	(122.2)	(6.0%)

The **Grey** category (48.7% of total revenues) - comprising phones, tablets, information technology, phone accessories, cameras, in addition to all wearable products - reported revenues of Euro 938.6 million, decreasing 3.6% on the comparative period of the previous fiscal year. The category continues to be affected by the settling of consumption in the Information Technology segment, due to the reduction of demand following the pandemic, in addition to - after years of growth - a slight decline in the telephony segment.

The **White** category (29.5% of total revenues) - comprising major domestic appliances (MDA), such as washing machines, dryers, refrigerators or freezers and stoves, small home appliances (SDA), such as vacuum cleaners, food processors and coffee machines, in addition to the air conditioning segment, generated revenues of Euro 568.7 million, up 1.2% on the comparative period. The sales in the first nine months of the fiscal year were driven by the strong large domestic appliance performance, which offset the decline for small domestic appliances and of the home comfort segment.

The **Brown** category (10.4% of revenues) - including televisions and related accessories, audio devices, smart TV devices, car accessories and data storage systems - totalled Euro 200.5 million, a contraction of 35.7% against the same period of the previous fiscal year. The decrease in category revenues is due to the reduction of TV segment demand, which had benefited from the extraordinary sales related to the TV frequency switch-off in the previous two fiscal years.

The **Other Products** category (5.4% of total revenues), which includes sales of both the entertainment segment and other products not included in the consumer electronics market, such as hoverboards or bicycles, reported revenues of Euro 104.1 million, increasing 15.9% on the same period of the previous fiscal year. The entertainment segment, again in the third quarter of 2023/24, saw strong gaming console sales growth.

The **Services** category (5.9% of total revenues) reported revenues of Euro 114.5 million, up 2.7% on the first nine months of the previous fiscal year, thanks to the strong consumer credit services sales which offset the drop in installation services.

In the first nine months of the year, **private label** sales across all product categories totalled Euro 84.0 million, up 10.1% on the same period of FY 2022/23.

Operating profitability

(in millions and as a percentage of revenues)	Period ended						Changes	
	November 30, 2023			November 30, 2022			Δ	%
	Adjusted amounts	%	Adjustments	Adjusted amounts	%	Adjustments		
Revenues	1,926.5			2,048.6			(122.2)	(6.0%)
Sales revenues	1,926.5			2,048.6			(122.2)	(6.0%)
Purchase of goods and Change in inventories	(1,518.7)	(78.8%)	3.8	(1,611.1)	(78.6%)	-	92.5	(5.7%)
Marketing costs	(28.8)	(1.5%)	-	(34.0)	(1.7%)	0.2	5.2	(15.2%)
Logistics costs	(60.1)	(3.1%)	0.5	(62.8)	(3.1%)	0.1	2.7	(4.3%)
Other costs	(71.8)	(3.7%)	2.5	(90.1)	(4.4%)	4.1	18.3	(20.3%)
Personnel costs	(149.7)	(7.8%)	0.2	(150.8)	(7.4%)	0.5	1.1	(0.7%)
Other operating income and costs	(3.8)	(0.2%)	-	(4.9)	(0.2%)	0.6	1.1	(22.7%)
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	1.7	0.1%	1.7	4.4	0.2%	4.4	(2.7)	(60.6%)
Adjusted EBITDA	95.4	5.0%	8.7	99.4	4.9%	9.9	(4.0)	(4.0%)
Amortisation, depreciation and write-downs of fixed assets	(80.0)	(4.2%)	-	(78.1)	(3.8%)	0.6	(1.8)	2.3%
Adjusted EBIT	15.5	0.8%	8.7	21.2	1.0%	10.5	(5.7)	(26.9%)

Adjusted EBIT for the first nine months of FY 2023/24 was Euro 15.5 million, compared to Euro 21.2 million for the same period of the previous fiscal year.

The **gross profit** decreased 32.4 million on the nine months to November 30, 2022, with a 21.3% margin (21.6% in the nine months to November 30, 2022), mainly owing to the reduction in sales volumes and a less favourable brand/product mix. The gross profit margin improved 1.0% in the third quarter compared to the third quarter of the previous fiscal year, despite the reduction in volumes, thanks to the focus on strategic product categories and higher margin sales channels.

Marketing costs decreased Euro 5.2 million, accounting for 1.5% of revenues (1.7% in the nine months to November 30, 2022), thanks to prudent cost management and an altered marketing initiatives mix.

Logistics costs decreased Euro 2.7 million on the same period of the previous fiscal year, in view of lower sales volumes, accounting for 3.1% of revenues, unchanged on the first nine months of FY 2022/23.

Other costs decreased by Euro 18.3 million compared to the same period of the previous fiscal year, accounting for 3.7% of revenues (4.4% in the first nine months of FY 2022/23). In continuity with the preceding quarters, electricity costs significantly reduced due to a drop in the average market price of energy, and to a lesser extent, lower consumption thanks to the energy efficiency actions introduced and the lower installation costs related to the reduction in air conditioning sales volumes.

Personnel costs decreased Euro 1.1 million, mainly due to the optimisation of sales network personnel. They accounted for 7.8% of consolidated revenues in 9M 2023/24 (7.4% in the same period of the previous fiscal year).

Amortisation, depreciation and write-downs totalled Euro 80.0 million, increasing Euro 1.8 million on the first nine months of FY 2022/23, mainly due to the amortisation of intangible assets in view of the information technology investments made over the preceding years.

Adjusted result before tax⁶

<i>(in millions and as a percentage of revenues)</i>	Period ended							
	November 30, 2023			November 30, 2022				
	Adjusted amounts	%	Adjustments	Adjusted amounts	%	Adjustments	Δ	%
Adjusted EBIT	15.5	0.8%	8.7	21.2	1.0%	10.5	(5.7)	(26.9%)
Financial income and charges	(8.0)	(0.4%)	-	(9.6)	(0.5%)	0.1	1.6	(16.8%)
Adjusted Result before tax	7.5	0.4%	8.7	11.6	0.6%	10.5	(4.1)	(35.1%)

The **Adjusted result before tax** was a profit of Euro 7.5 million (Euro 11.6 million in the nine months to November 30, 2022). This decrease relates to the Adjusted EBIT performance.

Investments

Investments paid in the first nine months of FY 2023/24 totalled Euro 29.3 million (Euro 33.9 million in the nine months to November 30, 2022) and mainly concerned the development of the direct store network and information technology investments, including the introduction of electronic labelling.

Net Financial Position

Unieuro reports **Net cash** at November 30, 2023 of Euro 104.0 million, net of the dividend paid in June (Euro 9.8 million) and the outlay of Euro 4.5 million following the signing of the Covercare acquisition contract, compared to Euro 124.4 million at February 28, 2023.

The **Adjusted Free Cash Flow**⁷ was Euro 3.6 million in the first nine months of the current fiscal year, reducing on Euro 29.6 million, mainly due to the reduced cash flows generated by operations.

OUTLOOK

The persistence of a challenging general economic environment and its impact on household spending power affected the Black Friday promotional campaign and the Christmas season. In view of this backdrop, revenues for this fiscal year are therefore now forecasted within a range of Euro 2.65-2.70 billion. Thanks to the initiatives to protect the Group margin, Adjusted EBIT of approximately Euro 35 million is confirmed, as well as Net cash in a range of Euro 20-40 million at fiscal year-end.

The guidance includes the newly-acquired Covercare, consolidated from the closing date of December 4, 2023.

Unieuro remains fully focused on the execution of the "Beyond Omni-Journey" Strategic Plan to consolidate its leadership through the strengthening of its distinctive omnichannel positioning, the continuous enrichment of the customer experience and the development of the "Beyond Trade" channel, which is key to ensuring the growth of profitability and the creation of value for the benefit of all Stakeholders over time.

The EMARKET SDIR circulation system and the EMARKET STORAGE mechanism were used to send and store Unieuro S.p.A.'s regulated information, available at www.emarketstorage.com, managed by Teleborsa S.r.l. - with registered office in Piazza di Priscilla, 4 - Rome - following authorisation and the CONSOB motions No. 22517 and 22518 of November 23, 2022.

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The Executive Officer for Financial Reporting Marco Deotto declares, in accordance with Article 154-bis, paragraph 2, of Legislative Decree No. 58 of 1998, that the information contained in this press release corresponds to the underlying accounting documents, records and accounting entries.

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This press release contains forward-looking elements of Unieuro's future events and results, which are based on current expectations, estimates and projections on Unieuro's sector and on current management opinions. These elements by nature contain an element of risk and uncertainty in that they depend on future events. The actual results may even diverge significantly from those announced, due to a range of factors, including: global economic conditions, competitive impacts and political, economic and regulatory developments in Italy.

Unieuro S.p.A.

Unieuro is Italy's leading distributor of consumer electronics and household appliances, thanks to an omnichannel approach which integrates direct stores (approx. 280), affiliated sales points (approx. 260) and the unieuro.it digital platform, in addition to the pure digital player Monclick. The company is headquartered in Forlì and has a central logistics platform in Piacenza and approx. 5,700 employees. Listed on the Euronext STAR Milan since 2017, Unieuro reports revenues of Euro 2.9 billion for the fiscal year ending February 28, 2023.

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Summary tables⁸

Income Statement

(data in Euro millions)

	9M FY24				9M FY23				% change (Adjusted)
	Adjusted	%	Reported	%	Adjusted	%	Reported	%	
Sales	1,926.5	100.0%	1,926.5	100.0%	2,048.6	100.0%	2,048.6	100.0%	(6.0%)
Purchase of goods - Change in inventory	(1,516.9)	(78.7%)	(1,522.5)	(79.0%)	(1,606.7)	(78.4%)	(1,611.1)	(78.6%)	(5.6%)
Gross profit	409.6	21.3%	404.0	21.0%	442.0	21.6%	437.6	21.4%	(7.3%)
Personnel costs	(149.7)	(7.8%)	(149.9)	(7.8%)	(150.8)	(7.4%)	(151.3)	(7.4%)	(0.7%)
Logistic costs	(60.1)	(3.1%)	(60.6)	(3.1%)	(62.8)	(3.1%)	(62.9)	(3.1%)	(4.3%)
Marketing costs	(28.8)	(1.5%)	(28.8)	(1.5%)	(34.0)	(1.7%)	(34.2)	(1.7%)	(15.2%)
Other costs	(71.8)	(3.7%)	(74.3)	(3.9%)	(90.1)	(4.4%)	(94.2)	(4.6%)	(20.4%)
Other operating costs and income	(3.8)	(0.2%)	(3.8)	(0.2%)	(4.9)	(0.2%)	(5.5)	(0.3%)	(22.7%)
EBITDA	95.5	5.0%	86.7	4.5%	99.4	4.9%	89.5	4.4%	(3.9%)
D&A	(80.0)	(4.2%)	(80.0)	(4.2%)	(78.1)	(3.8%)	(78.7)	(3.8%)	2.3%
EBIT	15.5	0.8%	6.7	0.3%	21.2	1.0%	10.7	0.5%	(26.9%)
Financial Income - Expenses	(8.0)	(0.4%)	(8.0)	(0.4%)	(9.6)	(0.5%)	(9.7)	(0.5%)	(16.8%)
Result before tax from continuing operations	7.5	0.4%	(1.2)	(0.1%)	11.6	0.6%	1.1	0.1%	(35.1%)
Result before tax from discontinued operations	0.0	0.0%	(20.1)	(1.0%)	0.0	0.0%	(2.6)	(0.1%)	na
RESULT BEFORE TAX	7.5	0.4%	(21.4)	(1.1%)	11.6	0.6%	(1.6)	(0.1%)	(35.1%)

Balance Sheet

(data in Euro millions)

	30 Nov 2023	28 Feb 2023
Trade Receivables	76.2	66.1
Inventory	503.5	446.0
Trade Payables	(636.9)	(597.3)
Trade Working Capital	(57.3)	(85.2)
Current Tax Assets	4.7	4.2
Current Assets	18.8	22.5
Current Liabilities	(306.3)	(280.3)
Short Term Provisions	(2.0)	(1.1)
Net Working Capital	(342.0)	(339.9)
Tangible and Intangible Assets	129.0	126.3
Right of Use	393.7	422.7
Net Deferred Tax Assets and Liabilities	41.2	41.2
Goodwill	188.9	196.1
Other Long Term Assets and Liabilities	6.3	1.3
Total invested capital - Discontinued operation	(6.3)	0.0
TOTAL INVESTED CAPITAL	410.8	447.6
Net Financial Position	104.0	124.4
Lease liabilities	(419.4)	(447.5)
Net Financial Position (IFRS 16)	(315.4)	(323.1)
Net Financial Position (IFRS 16) - Discontinued operation	0.3	0.0
Equity	(95.7)	(124.5)
TOTAL SOURCES	(410.8)	(447.6)

Cash Flow Statement

(data in Euro millions)

	9M FY24	9M FY23	% Change
Reported EBITDA	86.7	87.3	(0.7%)
Taxes Paid	-	-	na
Interests Paid	(8.1)	(9.0)	(9.5%)
Change in NWC	(2.7)	25.0	(110.9%)
Other Changes	0.8	1.9	(57.9%)
Reported Operating Cash Flow	76.7	105.2	(27.2%)
Purchase of Tangible Assets	(19.4)	(16.5)	17.3%
Purchase of Intangible Assets	(10.0)	(11.4)	(12.6%)
Change in capex payables	0.1	(6.0)	(101.6%)
Acquisitions	(4.5)	(0.1)	4400.0%
Free Cash Flow	42.9	71.2	(39.8%)
Cash effect of adjustments	6.1	2.5	142.8%
Non recurring investments	4.5	1.8	150.0%
Other non recurring cash flows	-	-	na
Adjusted Free Cash Flow (IFRS 16)	53.5	75.6	(29.1%)
Lease Repayment	(49.9)	(46.0)	8.6%
Adjusted Free Cash Flow	3.6	29.6	(87.8%)
Cash effect of adjustments	(6.1)	(2.5)	142.8%
Acquisition Debt	(4.5)	(1.8)	150.0%
Dividends	(9.8)	(27.1)	(63.7%)
Log Term Incentive Plan	-	-	na
Other Changes	0.1	(0.7)	(114.3%)
Change in NWC - Discontinued operation	(3.6)	-	na
Δ Net Financial Position	(20.4)	(2.6)	692.6%
Δ Net Financial Position - Discontinued operation	0.3	-	na

¹ **Adjusted EBIT** is the Consolidated EBIT adjusted for (i) non-recurring expenses/(income), (ii) the effects of adjusting revenue for extended warranty services net of the related estimated future service costs as a result of the change in the business model for directly managed support services, and (iii) non-recurring depreciation and amortisation.

² Source: GfK.

³ **(Net financial debt) / Net cash or Net Financial Position** - Ex IAS 17, indicates consolidated (net debt) / net cash without incorporating the effects of applying IFRS 16.

⁴ The **growth in like-for-like revenues** is calculated including: (i) retail and travel stores operating for at least an entire year from the closing date of the reference period, excluding sales outlets affected by significant business discontinuity (e.g. temporary closures and major refurbishments) and (ii) the entire online channel.

⁵ The segmentation of sales by product category is based on the classification adopted by leading industry experts. It should therefore be noted that the classification of revenues by category is periodically reviewed in order to ensure the comparability of Unieuro's figures with those of the market.

⁶ **Adjusted Earnings Before Taxes** is calculated as Consolidated Earnings Before Taxes adjusted for (i) the adjustments incorporated in Consolidated Adjusted EBITDA, (ii) adjustments of non-recurring depreciation and amortisation and (iii) adjustments of non-recurring financial expenses/(income). It should be noted that on 20 December 2021, Unieuro's Board of Directors approved an amendment to the Policy for the Disclosure of Periodic Financial Information on a Quarterly Basis whereby, starting from the same date, the impact of direct taxes was excluded from the calculation of economic and financial data in the interim management reports for the first quarter and first nine months of the year.

⁷ **Adjusted Free Cash Flow** indicates the consolidated cash flow generated/absorbed by operating and investing activities including financial expenses, pre-IFRS 16. Adjusted Free Cash Flow is adjusted for non-recurring operating and investment flows, and includes adjustments for non-recurring expenses (income), their non-cash component, and the related tax impact.

⁸ Reclassified Income Statement, Balance Sheet and Cash Flow Statement are unaudited.

All data contained in this notice is consolidated.

The economic and financial data reflect the adoption of IFRS 16, which entered into force on or after 1 January 2019. The Company presents and comments on such quantities, unless otherwise stated.

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.

Fine Comunicato n.1944-2

Numero di Pagine: 14