

Q1 FY25 RESULTS

AS AT 31 MAY 2024

July 12, 2024



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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.



Disclaimer

- In application of **IFRS 5**, the financial indicators for the first quarter to May 31, 2024 do not include the contribution of MONCLICK S.R.L. IN LIQUIDATION. The figures for the comparable FY are restated, where required. In particular, pursuant to IFRS 5:
 - The asset and liability items of the subsidiary in liquidation were reclassified to the item "Assets/Liabilities from discontinued operations";
 - The income statement items were reclassified to the item "Result from discontinued operations".
- The financial statements of the subsidiary **COVERCARE** S.p.A. and its subsidiaries Covercare Center S.r.l. and Cybercare S.r.l. were included in the consolidated financial statements from December 1, 2023.



Q1 FY25 Highlights

In Q1, an unrepresentative period for the consumer electronics sector, results **in line with expectations, while operating profitability improves** for the fourth consecutive quarter

REVENUES

€533.9M

-7.0% vs Q1 FY24, in a contracting market,
as in previous quarters

ADJUSTED EBIT

(€4.1M)

(€8.5M) in Q1 FY24, improving thanks to
continued careful management to protect
margins and Covercare contribution

NET CASH

€0.4M

Decreasing €44.1M on February 29, 2024
(€44.7M reduction in Q1 FY24), due to typical
seasonality

SERVICES

+6.1% vs Q1 FY24
7.3% of total revenues

Thanks to the contribution of the newly acquired Covercare

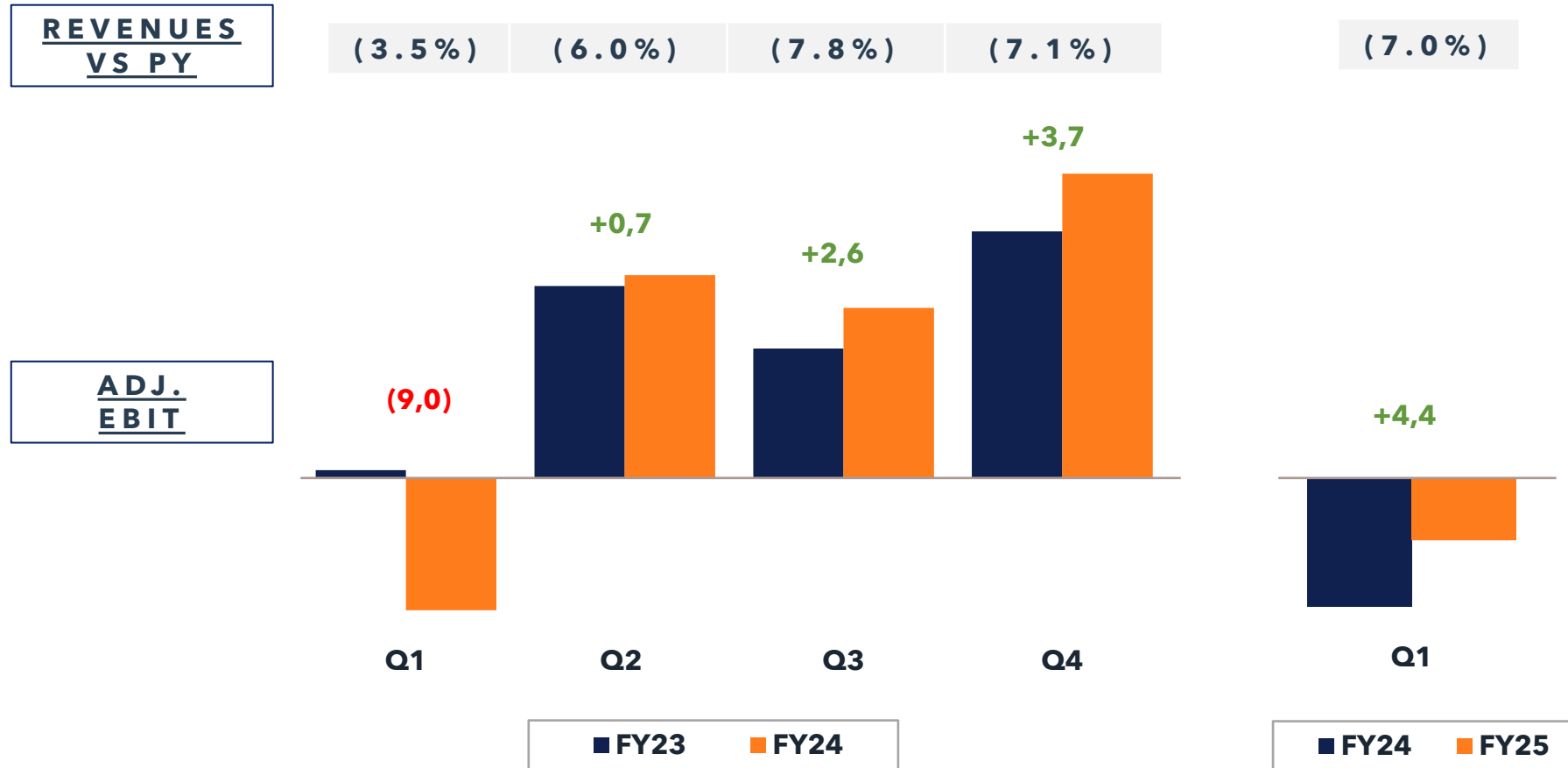
PRIVATE LABEL

+10.3% vs Q1 FY24
4.5% of total revenues

Following the continued expansion of product range



Fourth Q/Q profitability improvement despite revenue decrease



Ongoing **Covercare Integration**

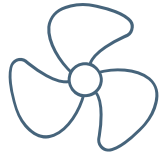
- Continued **integrated offer of services and products** for major multi-utility and telecom companies
- **Auditel surveys**: set up concluded and full implementation
- Continuing **integration programme**
- Among services expansion projects, successful launch in pilot mode of **subscription-based payment** for
 - Extended warranties for telephones and tablets
 - Sale of home care services

KEY PERFORMANCE INDICATORS	Q1 FY25
Revenues	13.7
Adj. EBIT	2.2
Adj. EBIT margin	16.1%
Capex	0.3
Adj. free cash flow	3.8
Net Working Capital	(14.9)



Private Label Growth

Q1 FY25 **Private Label revenues: +10.3%** vs Q1 FY24 and **4.5% of total** (3.8% in Q1 FY24)



Home Comfort

Electroline No. 1 best-selling brand in terms of **value**



Bicycles

Tekli 2nd best-selling brand on the Italian retail market¹



White

Electroline No. 1 best-selling brand in terms of **quantity** and 4th best-selling brand in terms of **value** in **April**



Gaming Chairs

loplee No. 1 best-selling brand in the Product Group



Small Domestic Appliances

Electroline 2nd best-selling brand in terms of **quantity** - experiencing strong growth



Monitors

Launch of **loplee** brand monitors: 2nd best-selling brand in terms of **quantity** and 3rd best-selling brand in terms of **value**

Q1 FY25 - P&L Highlights

REVENUES



- Contraction in a declining market, in line with expectations, as in previous quarters

ADJ. EBIT



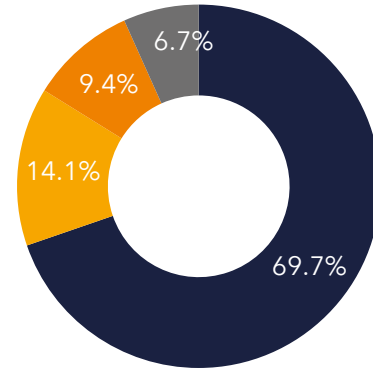
- Improvement thanks to the continuing focus on profitability and Covercare contribution



Q1 FY25 – Revenues Breakdown

REVENUES BY CHANNEL

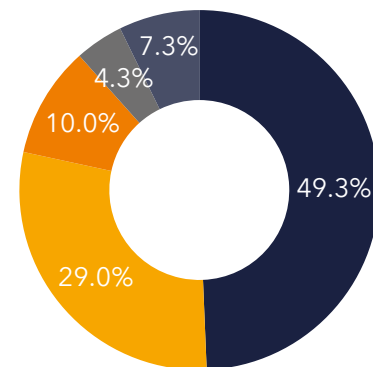
		vs Q1 FY24	
Retail	372.2	(20.3)	(5.2%)
Online	75.4	(29.4)	(28.1%)
Indirects	50.4	(3.0)	(5.7%)
B2B	35.9	12.8	55.5%
TOTAL	533.9	(39.9)	(7.0%)



- **Retail decrease:** consumer electronics market slowdown
- **Online contraction:** focus on sales channels with higher margins and strong performance in the comparative quarter
- **Indirect Channel reduces**
- **B2B reports progress:** Covercare contribution and, to a lesser extent, greater product availability

REVENUES BY CATEGORY

		vs Q1 FY24	
Grey	263.4	(15.0)	(5.4%)
White	155.1	(11.0)	(6.6%)
Brown	53.4	(8.0)	(13.0%)
Other Products	23.2	(8.1)	(26.0%)
Services	38.7	2.2	6.1%
TOTAL	533.9	(39.9)	(7.0%)

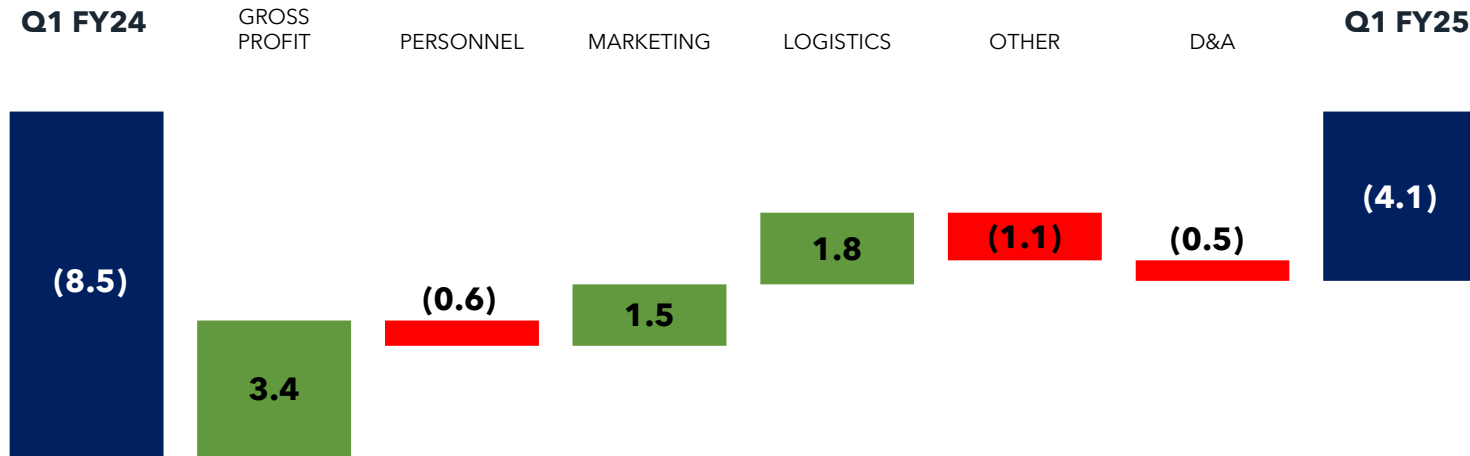


- **Grey contraction:** settling of IT consumption and decrease in the telephony segment
- **White reduces**, driven by all product categories
- **Brown contracts** with lower reduction vs previous quarters
- **Other products decline:** strong gaming console performance in Q1 FY24
- **Services: positive trend** thanks to Covercare



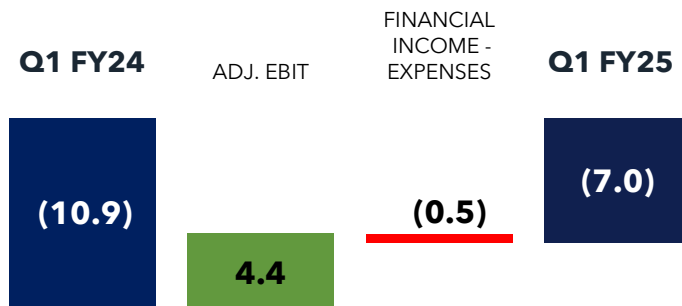
Q1 FY25 - Profitability Bridge

ADJ. EBIT



- **Gross Profit** increases: focus on high-margin sales channels and product categories, alongside growing contribution of services
- **Personnel Costs** rise: consolidation of Covercare and cost increase from national collective bargaining contract renewal, partially offset by optimisation of sales network personnel
- **Marketing costs** decrease: prudent cost management and a differing marketing initiatives mix
- **Logistics costs** reduction: lower volumes and online share
- **Other costs** increase: Covercare consolidation, partially offset by lower volumes and rental fees
- **D&A** rise: higher amortisation

ADJ. RESULT BEFORE TAXES



Q1 FY25 – Financial Highlights

ADJ FREE CASH FLOW



- Cash absorption of operating activities and investments

NET CASH – Excl. IFRS16



- Normal business seasonality, in line with comparable quarters (reduction of €44.7M in Q1 FY24)

CAPEX



- Mainly IT projects, which continue from previous FYs

NET WORKING CAPITAL

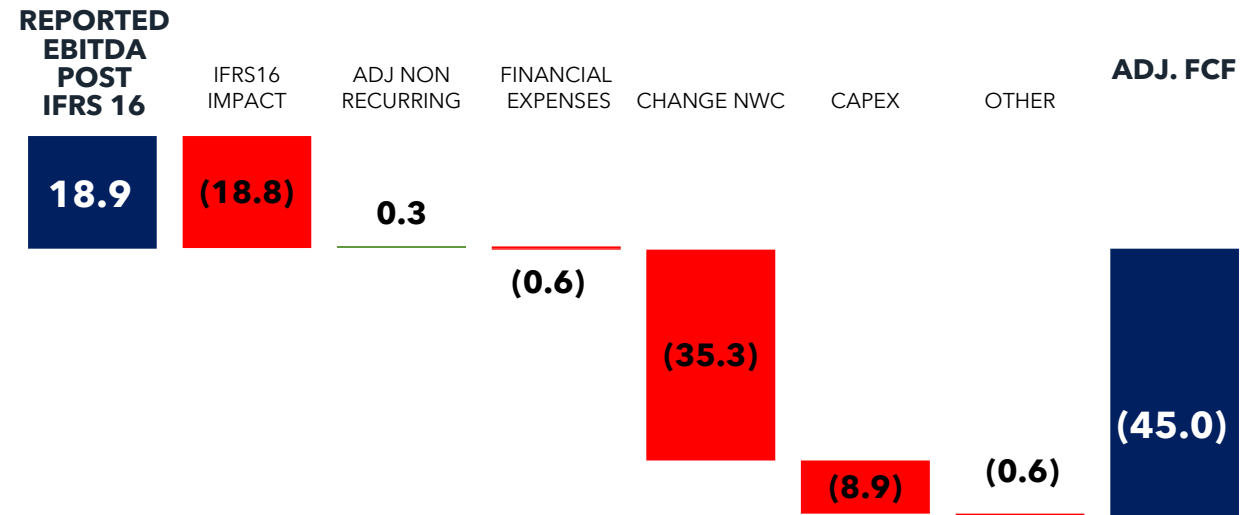


- Change vs year-end mainly attributable to the different calendar: business seasonality results in an absorption of capital in the first half of FY



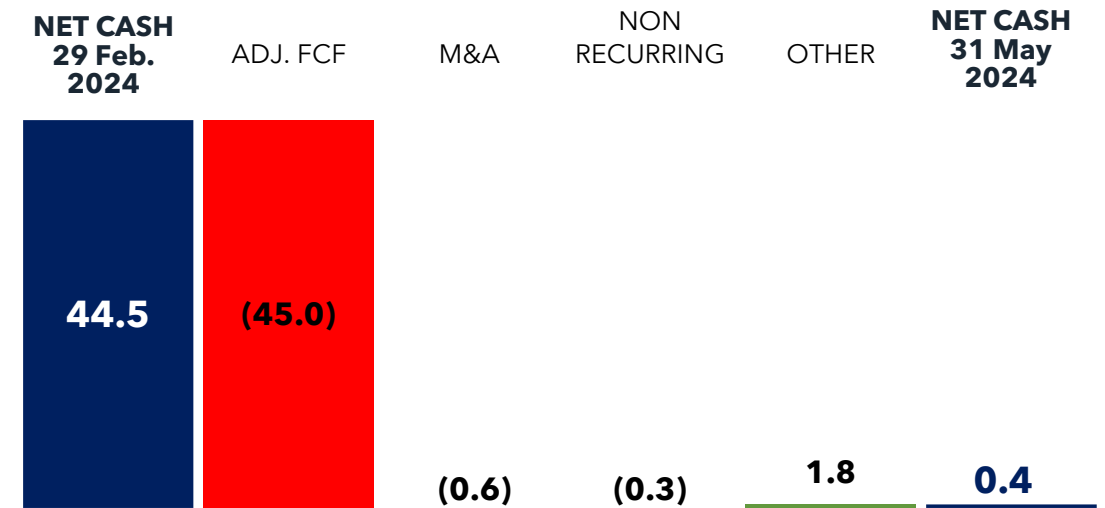
Q1 FY25 – Financial Overview

ADJ. FREE CASH FLOW



- Driven by cash absorption from operating activities and investments

NET CASH – Excl. IFRS16



- Influenced by seasonal business dynamics with capital absorption in the first part of the FY



Q1 FY25 – Key Operational Data

UNIEURO RETAIL NETWORK

	31 May 2024	Openings	Closures	29 Feb. 2024	Of which C&C
DOS⁽¹⁾	270		-1	271	268
- Malls and free standing stores	238		-1	239	
- Shop-in-shops	26			26	
- Travel stores	6			6	
Affiliated stores	253	+3	-4	254	213
TOTAL STORES	523	+3	-5	525	481

NET PROMOTER SCORE⁽²⁾ (direct channel only)

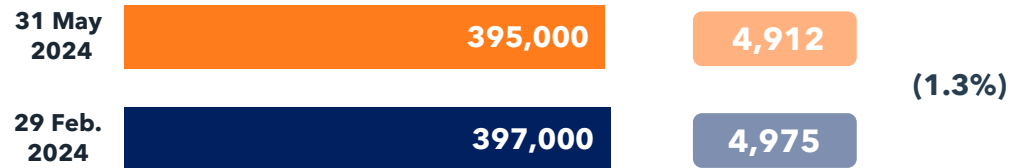


ACTIVE LOYALTY CARDS⁽³⁾ (thousands)



TOTAL RETAIL AREA (sqm, DOS only)

Sales Density
(€/mq, LTM)



WORKFORCE (FTEs)⁽⁴⁾



Notes: figures related to Unieuro S.p.A., unless otherwise stated. (1) Direct Operating Store (2) 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). (3) Active loyalty cards defined as customers who made at least a transaction within the last 12 months. (4) Calculated as the average of the last 12 months; including temporary employees, Monclick in liquidation and Covercare. FY24 FTE data, already published, was recalculated including Covercare Group.



FY25 Outlook

- In **Q1 FY25** market performance and results **in line with expectations**
- Against a still unstable geopolitical and macroeconomic backdrop, **Consumer Electronics market expected to recover in H2**, supported by easing inflation, the renewal of electronics products purchased during the pandemic, in addition to technological innovation
- **Guidance confirmed**
 - **Revenues** in line with FY24
 - **Adjusted EBIT** €35-40M thanks to continuing margin management policy and close operating cost control
 - **Net cash**¹ in line with year-end FY24
- Ongoing execution of "Beyond Omni-Journey" Strategic Plan and development of **increasingly services-focused business model**, also thanks to the continuing Covercare integration





ANNEX

Notes and Glossary

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

EBIT Adjusted is EBIT adjusted for: (i) non-recurring expenses/(income), (ii) the effects of adjusting extended warranty services revenues, net of the related estimated future service costs, as a result of the change in the business model for directly operated service support services (iii) non-recurring depreciation, amortisation and write-downs, and (iv) amortisation, depreciation and write-downs deriving from the Purchase Price Allocation.

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.

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.



Q1 FY25 - Profit & Loss

	Q1 FY25				Q1 FY24				% change (Adjusted)
	Adjusted	%	Reported	%	Adjusted	%	Reported	%	
Revenues	533.9	100.0%	533.9	100.0%	573.8	100.0%	573.8	100.0%	(7.0%)
Purchase of goods - Change in Inventory	(413.3)	(77.4%)	(416.8)	(78.1%)	(456.6)	(79.6%)	(460.0)	(80.2%)	(9.5%)
Gross profit	120.5	22.6%	117.1	21.9%	117.2	20.4%	113.8	19.8%	2.9%
Personnel costs	(51.2)	(9.6%)	(51.3)	(9.6%)	(50.6)	(8.8%)	(50.7)	(8.8%)	1.2%
Logistic costs	(16.6)	(3.1%)	(16.6)	(3.1%)	(18.3)	(3.2%)	(18.5)	(3.2%)	(9.6%)
Marketing costs	(6.6)	(1.2%)	(6.6)	(1.2%)	(8.1)	(1.4%)	(8.1)	(1.4%)	(18.5%)
Other costs	(22.0)	(4.1%)	(22.2)	(4.1%)	(21.7)	(3.8%)	(21.8)	(3.8%)	1.4%
Other operating costs and income	(1.5)	(0.3%)	(1.5)	(0.3%)	(0.7)	(0.1%)	(0.7)	(0.1%)	128.5%
EBITDA	22.7	4.2%	18.9	3.5%	17.8	3.1%	14.1	2.5%	27.3%
D&A	(26.8)	(5.0%)	(27.4)	(5.1%)	(26.3)	(4.6%)	(26.3)	(4.6%)	1.9%
EBIT	(4.1)	(0.8%)	(8.5)	(1.6%)	(8.5)	(1.5%)	(12.2)	(2.1%)	(51.4%)
Financial Income - Expenses	(2.9)	(0.6%)	(3.5)	(0.7%)	(2.4)	(0.4%)	(2.5)	(0.4%)	20.9%
Result before tax from continuing operations	(7.0)	(1.3%)	(12.0)	(2.3%)	(10.9)	(1.9%)	(14.7)	(2.6%)	(35.8%)
Result from discontinued operations	0.0	0.0%	(0.3)	(0.1%)	0.0	0.0%	(0.9)	(0.2%)	ns
Consolidated result before tax	(7.0)	(1.3%)	(12.4)	(2.3%)	(10.9)	(1.9%)	(15.6)	(2.7%)	(35.8%)



Q1 FY25 - P&L Adjustments and IFRS 5 Impact

	Q1 FY25	Q1 FY24	% change
M&A Costs	0.6	0.0	ns
Stores opening, relocations and closing costs	0.3	0.1	308.5%
Other non recurring costs	0.0	3.2	(100.0%)
Non-recurring items	0.9	3.3	(72.6%)
Change in business model (extended warranties adjustments)	3.5	0.4	698.8%
Total adjustments to EBIT	4.4	3.7	18.2%
Other non recurring financial expenses / incomes	0.6	0.1	512.4%
Total adjustments to PBT	5.0	3.8	31.2%
Result from discontinued operations	0.3	0.9	(66.0%)



Q1 FY25 – Balance Sheet

	31 May 2024	29 Feb. 2024
Trade Receivables	52.0	52.8
Inventory	479.8	435.8
Trade Payables	(535.2)	(552.8)
Trade Working Capital	(3.4)	(64.2)
Current Tax Assets	4.0	1.3
Current Assets	23.8	22.5
Current Liabilities	(331.4)	(308.4)
Short Term Provisions	(1.7)	(1.8)
Net Working Capital	(308.6)	(350.6)
Tangible and Intangible Assets	146.4	153.1
Right of Use	368.5	384.6
Net Deferred Tax Assets and Liabilities	30.9	30.9
Goodwill	249.6	249.6
Other Long Term Assets and Liabilities	(1.6)	(1.3)
Total invested capital - Discontinued operation	(3.5)	(3.2)
TOTAL INVESTED CAPITAL	481.7	463.1
Net Financial Position	0.4	44.5
Lease liabilities	(395.7)	(411.4)
Net Financial Position (IFRS 16)	(395.3)	(366.9)
Net Financial Position (IFRS 16) - Discontinued operation	0.6	0.6
Equity	(86.9)	(96.9)
TOTAL SOURCES	(481.7)	(463.1)

	31 May 2024	29 Feb. 2024
Accrued expenses (mainly Extended Warranties)	(238.3)	(229.9)
Personnel debt	(53.3)	(44.4)
VAT debt	(14.5)	(13.0)
Other	(25.2)	(21.0)
LTIP Personnel debt	0.0	0.0
Current Liabilities	(331.4)	(308.4)

	31 May 2024	29 Feb. 2024
Lease assets	10.9	11.3
Other non current assets	11.5	11.5
Deferred Benefit Obligation (TFR)	(10.8)	(11.0)
Long Term Provision for Risks	(9.7)	(9.7)
Other Provisions	(2.8)	(2.9)
LTIP Personnel debt	(0.6)	(0.6)
Other Long Term Assets and Liabilities	(1.6)	(1.3)



Q1 FY25 - Cash Flow Statement

	Q1 FY25	Q1 FY24	% Change
Reported EBITDA	18.9	13.3	42.0%
Taxes Paid	-	-	ns
Interests Paid	(2.9)	(2.7)	10.0%
Change in NWC	(35.3)	(32.4)	9.0%
Other Changes	0.3	0.2	50.2%
Reported Operating Cash Flow	(19.1)	(21.6)	(11.5%)
Purchase of Tangible Assets	(1.8)	(1.2)	43.9%
Purchase of Intangible Assets	(1.7)	(2.7)	(39.6%)
Change in capex payables	(5.5)	(1.7)	223.8%
Acquisitions	(5.6)	-	ns
Free Cash Flow	(33.6)	(27.3)	23.4%
Cash effect of adjustments	0.3	3.3	(91.1%)
Non recurring investments	5.6	-	ns
Adjusted Free Cash Flow (IFRS 16)	(27.7)	(24.0)	15.5%
Lease Repayment	(17.2)	(17.3)	(0.5%)
Adjusted Free Cash Flow	(45.0)	(41.3)	8.8%
Cash effect of adjustments	(0.3)	(3.3)	(91.1%)
Acquisition Debt	(0.6)	-	ns
Non recurring investments	-	-	ns
Dividends	-	-	ns
Log Term Incentive Plan	-	-	ns
Other Changes	1.8	(0.1)	(1862.0%)
Change in NWC - Discontinued operation	(0.0)	-	ns
Δ Net Financial Position	(44.1)	(44.7)	ns
Δ Net Financial Position - Discontinued operation	0.6	0.6	(7.5%)



Q1 FY25 - Net Financial Position

	31 May 2024	29 Feb. 2024
Short-Term Bank Debt	(19.9)	(19.8)
Long-Term Bank Debt	(10.0)	(15.0)
Bank Debt	(29.8)	(34.8)
Debt to Other Lenders	(0.4)	(0.5)
Acquisition Debt	(24.3)	(24.3)
Short Hedge Derivatives	0.0	(0.7)
Long Hedge Derivatives	0.0	(1.1)
Other Financial Debt	(24.7)	(26.6)
Cash and Cash Equivalents	54.6	105.6
Investments in current FVOCI securities	0.3	0.3
Net Financial Position	0.4	44.5
Net Financial Position - Discontinued operation	0.6	0.6
Lease liabilities	(395.7)	(411.4)
Net Financial Position (IFRS 16)	(395.3)	(366.9)





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