



PRESS RELEASE

UNIEURO S.P.A.: GROWING RESULTS IN THE FIRST HALF OF 2017/18

- Consolidated revenues amounting to € 813.7 million, up 6.9% compared to € 761.5 million the first half of the previous year
- Adjusted EBITDA amounting to € 14.7 million, up 8.1% from € 13.6 million in the first half of 2016/17, which is however scarcely representative of the performance for the full year in light of the seasonality of the business
- Adjusted consolidated net result amounting to € 3.1 million, up 29.2% compared to € 2.4 million in the first half of the previous year
- Revenues generated by the Online Channel amounting to € 71.6 million, up 52.3% compared to the first half of the previous year
- Outperforming the market, thanks to successful acquisitions and the omnichannel growth strategy

Forlì, 12 October 2017 - The Board of Directors Unieuro S.p.A. (MTA: UNIR), the largest omnichannel distributor of consumer electronics and household appliances by number of outlets in Italy, met today to review and approve the Interim Financial Report at 31 August 2017.

Giancarlo Nicosanti Monterastelli, Chief Executive Officer of Unieuro, stated: *“The half year that has just ended closed in growth with positive results. In an unexpectedly weak market environment, the push forward of new acquisitions, the excellent performance of e-commerce and the steady results of the offline channel led Unieuro’s revenues to a new record level.*

We are confident that the second part of the year, usually the most important in terms of revenues and profitability, will confirm this trend, also thanks to the important contribution of the 19 new shops acquired from Cerioni, which will be re-opened by Christmas.”

Consolidated revenues at 31 August 2017

In the first half of 2017/18, ended at 31 August 2017, Unieuro achieved consolidated revenues of € 813.7 million, up 6.9% compared to € 761.5 million in the same period in the previous year, with an increase of € 52.2 million, mainly generated by greater sales volumes in most distribution channels, especially in the online segment thanks to the omnichannel strategy.



The like-for-like revenues – i.e. the performance of stores open for at least 26 months at the end of the period, including both retail sales and *click & collect* sales - contracted by 2.3%, being affected by a particularly challenging comparison. In the first half of 2016/17, the promotional activities accompanying the restructuring and relaunch of numerous stores, in particular the flagship store of Roma Muratella, had exceptionally driven the revenues of those retail outlets. Without considering such effect, the dynamics of Unieuro's like-for-like revenues outperformed the consumer market, which dropped by 0.7% in the half year.

Consolidated revenues by sales channel at 31 August 2017

(in Euro million and percentage of revenues)	Half year ended at				Changes	
	31-Aug-17	%	31-Aug-16	%	2017 vs. 2016	%
<i>Retail</i>	572.3	70.3%	553.4	72.7%	18.9	3.4%
<i>Wholesale</i>	99.3	12.2%	102.4	13.4%	(3.1)	(3.0%)
<i>B2B</i>	58.6	7.2%	52.4	6.9%	6.2	11.8%
<i>Online</i>	71.6	8.8%	47.0	6.2%	24.6	52.3%
<i>Travel</i>	11.9	1.5%	6.3	0.8%	5.6	88.9%
Total revenues by category	813.7	100.0%	761.5	100.0%	52.2	6.9%

During the period, Unieuro continued its strategy by developing the existing channels, strengthening and improving the portfolio of directly operated stores through new store openings and acquisitions, and streamlining the network of affiliates. This was accompanied by a significant growth of the online channel thanks to the success of the new website built according to a mobile-first approach and to the continuous extension of pick-up points, which favored the increase in click-and-collect sales both in directly and in indirectly operated stores.

The **Retail channel** (70.3% of total sales) - which is made up of 193 directly operated stores located in areas deemed commercially strategic and characterized by different sizes in terms of surface area - recorded a 3.4% increase in sales amounting to € 572.3 million due to the extensive stores portfolio optimization plan and the opening of 21 outlets acquired from Andreoli S.p.A. and operational since 1 July.

The **Wholesale channel** (12.2% of total sales) - made up of 273 affiliated retail outlets and characterized by small sizes and located in areas with a limited customer catchment zone - recorded revenues of € 99.3 million, with a decrease of 3.0% mainly due to the streamlining of the affiliates' network and optimization of inventories in accordance with the Group.

The **Business-to-Business Channel** (7.2% of total sales) - which caters to business customers, including foreign entities, operating in sectors other than those of Unieuro, as well as operators who need to buy electronic products to be distributed to their regular customers or employees at the time of point collections, prize contests, or incentive plans – recorded revenues of € 58.6 million, (up 11.8% over the first half of the previous financial year). The performance of the channel was positively influenced by the sales of the subsidiary Monclick S.r.l., consolidated since 1 June, which had an impact on the channel for about € 10.0 million.

The **Online Channel** (8.8% of total sales) generated € 71.6 million (up 52.3% over the first half of the previous financial year), a strong increase compared to € 47 million in the same period last year. The considerable increase is attributable to the effect of the strategic actions taken by the Group over the last twelve months, such as the restyling of the website and the extension of the pick-up points network in addition to specific customer relationship management (CRM) initiatives and customization of the commercial offer, which found favor among consumers, bringing sales to increase by € 14.1 million, representing an organic growth of 30.0%. A further positive effect is attributable to the acquisition of 100% of Monclick S.r.l., one of the leading online operators in Italy, whose sales in the period June-August 2017 amounted to about € 10.5 million.

Finally, the **Travel channel** (1.5% of total sales) - made up of 10 directly operated stores located at some of the main public transport hubs, such as airports and railway stations - recorded a growth of 88.9%, equal to € 11.9 million, benefiting from the new store opening in the airport of Orio al Serio, and of the retail outlet located within the Torino Porta Nuova railway station, which had been opened at the end of the financial year 2016/17.

Consolidated revenues by product category

<i>(in Euro million and percentage of revenues)</i>	Half year ended				Changes %	
	31-Aug-17	%	31-Aug-16	%	2017 vs. 2016	%
<i>Grey goods</i>	382.7	47.0%	376.6	49.5%	6.1	1.6%
<i>White goods</i>	225.7	27.7%	201.1	26.4%	24.6	12.2%
<i>Brown goods</i>	139.1	17.1%	128.3	16.8%	10.8	8.4%
<i>Other products</i>	37.5	4.6%	28.8	3.8%	8.7	30.2%
<i>Services</i>	28.7	3.5%	26.7	3.5%	2.0	7.5%
Total revenues by category	813.7	100.0%	761.5	100.0%	52.2	6.9%

The half year ended at 31 August 2017 recorded increases in sales for each product category.



The category of **Grey goods** (47.0% of total revenues) - i.e. photo cameras, video cameras, smartphones, tablets, desktop and laptop computers, monitors, printers, telephony accessories and all wearable technology products - generated revenues of € 382.7 million, up by 1.6% in light of the good performance of consumer revenues, partially offset by the expected reduction in sales in the B2B segment of Unieuro.

The category of **White goods**, - representing 27.7% of sales and comprising major domestic appliances (MDA) such as washing machines, dryers, refrigerators or freezers and stoves, small domestic appliances (SDA) such as microwave ovens, vacuum cleaners, kettles, coffee machines, as well as the air conditioning segment -, generated revenues of € 225.7 million, up by 12.2% thanks to the Company's strategy to extend the range of products for sale in such category.

The category of **Brown goods** (17.1% of total revenues) - which includes television sets and related accessories, smart-TV devices and car accessories (referred to as consumer electronics), as well as storage systems such as CDs/DVDs or USB flash drives (referred to as media storage) -, despite the lack of innovations in the industry, achieved revenues of € 139.1 million for the semester, up by 8.4% compared to the previous half year, thanks to the positive contribution of Monclick's B2B sales segment.

The category of **Other products** (4.6% of total revenues) recorded an excellent performance. This includes both sales in the entertainment sector and other products not included in the consumer electronics market such as, for example, bicycles or household ware. This category benefited from product innovations in personal mobility (hover boards) and from the good performance of the Entertainment segment, posting revenues of € 37.5 million (up 30.2%).

Lastly, a good performance was also recorded in the category of **Services** (3.5% of total revenues), which posted a growth of 7.5% standing at € 28.7 million thanks to the Company's continual focus on the provision of services to its customers, especially warranty extensions.

Adjusted EBITDA

(in Euro million and percentage of revenues)	Half year ended at						Changes	
	31-Aug-17			31-Aug-16			2017 vs. 2016	%
	Adjusted value	%	Adjustments ¹	Adjusted value	%	Adjustments		
Revenues	813.7			761.5			52.2	6.9%
Revenues from sales	813.7			761.5			52.2	6.9%
Purchase of goods and change in inventories	(635.5)	(78.1%)	2.7	(595.9)	(78.3%)	0.1	(39.6)	6.6%
Rental Costs	(29.9)	(3.7%)	0.7	(29.0)	(3.8%)	(0.1)	(0.9)	3.1%
Marketing Costs	(24.8)	(3.0%)	1.0	(26.2)	(3.4%)	0.3	1.4	(5.3%)
Logistics Costs	(18.2)	(2.2%)	0.7	(15.3)	(2.0%)	0.1	(2.9)	19.0%
Other costs	(23.0)	(2.8%)	5.7	(20.8)	(2.7%)	2.1	(2.2)	10.6%
Personnel costs	(68.7)	(8.4%)	3.3	(64.1)	(8.4%)	1.5	(4.6)	7.2%
Other operating income and charges	(1.8)	(0.2%)	0.3	(0.8)	(0.1%)	(0.2)	(1.0)	125.0%
Revenues for warranty extension services net of related future estimated costs for support services – new business model for directly managed support services	2.9	0.4%	2.9	4.2	0.6%	4.2	(1.3)	(31.0%)
Adjusted EBITDA	14.7	1.8%	17.3	13.6	1.8%	8.0	1.1	8.4%

During the half year ended at 31 August 2017, the **Adjusted EBITDA** of Unieuro stood at € 14.7 million, an increase of € 1.1 million (up 8.1%) compared to € 13.6 million in the previous half year. The sales margin remained steady at 1.8%.

Profitability is influenced by seasonal phenomena that are typical of the consumer electronics market, which records strong revenues and costs of purchasing goods in the second half of each financial year, while operating costs show a steadier trend due to the presence of the fixed cost component (personnel, rentals and overheads), which have a uniform distribution throughout the financial year. Consequently, the Adjusted EBITDA is weaker in the first half and is not representative of the performance of the entire financial year.

¹ The item adjustments includes non-recurring income / (charges) and the adjustment for the new warranty business model, classified under the item “New business model for directly managed support services”. The adjustment is therefore intended to represent the estimated margin, in each reference year, arising from the sale of extended warranty services already sold (and received) starting from the adoption of the New Business Model as if the Group had always operated according to the current business model. In particular, the margin estimate is represented by revenues that had been suspended in deferred income in order to be deferred to the financial year in which the conditions for their recognition would apply, net of future costs for the provision of the warranty extension service, assumed by the Group on the basis of historical information about the nature, frequency and cost of support actions.



Adjusted consolidated net result

The adjusted consolidated net result of Unieuro in the first half of 2017/18 was equal to € 3.1 million, an increase of 29.2% compared to € 2.4 million achieved in the same period of 2016/17, with an incidence on revenues of 0.4% (0.3% in the first half of 2016/17). The benefits of financial and tax management were partially canceled by the increase in depreciation.

Net financial position

In the half year under consideration, the Group's net financial debt increased by € 73.8 million compared to € 2.0 million at 28 February 2017, reaching € 75.8 million.

This is mainly due to the resolution concerning the pay-out of dividends of € 20.0 million and the investment relating to the acquisition and turnaround of companies and business units, whose amount stood at a total of € 26.9 million.

In light of the foregoing and of the amount posted at the end of same period in the previous year (€ 78.9 million at 31 August 2016), the dynamics of net financial debt substantially improved.

Significant events and transactions for the period

Stock market listing

On 4 April 2017, Unieuro's shares were listed for the first time with the ticker symbol UNIR in the STAR segment of *Mercato Telematico Azionario* organized and managed by Borsa Italiana S.p.A. following a placement reserved for Italian and foreign institutional investors.

Acquisition of 21 stores in central Italy from Andreoli S.p.A.

On 18 April 2017, Unieuro announced the acquisition of a business unit from Andreoli S.p.A., undergoing insolvency proceedings, comprising 21 directly operated stores in central Italy. The acquisition, worth € 12.2 million, was finalized on 17 May 2017.

Apple Pay

On 16 May 2017 - with the aim of introducing new solutions to ensure its customers the best shopping experience - Unieuro was among the first Italian companies to make available the Apple Pay service on its own e-commerce platform. This is a simple, secure and personal payment method that simplifies the payment system by iPhone mobile devices.



New store opening at Orio al Serio

On 25 May 2017 Unieuro opened a new 1,750-square-meter store within Oriocenter, one of the most popular shopping centers in Italy, located in Orio al Serio (Bergamo).

Closing of the acquisition of Monclick

On 9 June 2017, Unieuro closed the acquisition of 100% of Monclick S.r.l., one of the leading online operators in Italy, active in the consumer electronics market and in the B2B2C online market, from Project Shop Land S.p.A..

The value of the transaction was € 10 million, including € 3.5 million paid at the closing and the remaining part deferred over 5 years.

Subscription of a new credit facility

On 16 June 2017, Unieuro subscribed for a new credit facility with a bank syndicate for a maximum amount of € 50 million for a three-year period, aimed at providing the company with additional resources to finance growth through acquisitions and new store openings thereby confirming the Company's intention to become a leader and consolidator in the Italian consumer electronics market.

The 2017 General Meeting of Shareholders

On 20 June 2017, the General Meeting of Shareholders of Unieuro, convened as an ordinary session by single notice of call, approved the Financial Statements at 28 February 2017; resolved the allocation of the profit for the year and the pay-out of dividends of € 1 per share for a total of € 20 million, in September 2017; and gave a favorable vote on the first section of the Remuneration Report.

Euroma2

In June 2017, Unieuro announced an agreement with the owners of Euroma2 shopping center to manage a retail outlet of about 3,000 square meters. The new store, which previously operated under the Trony brand, allowed Unieuro to strengthen its operations in a highly strategic market such as the Roman market. At run-rate, revenues are estimated at around € 20-25 million.

Reopening of 21 Andreoli retail outlets

On 1 July 2017, following an intense relaunch plan involving the adoption of the brand, space reallocation, new product assortment and the adoption of new information systems, Unieuro reopened to the public the 21 retail outlets acquired from Andreoli.



Events after the end of the financial year

Pay-out of dividends

On 27 September 2017, Unieuro paid out dividends of € 1 per share, for a total of € 20 million approved by the Ordinary Meeting of Shareholders held on 20 June 2017.

Accelerated Bookbuild transaction by majority shareholder Italian Electronics Holdings S.r.l.

On 5 September 2017, Italian Electronics Holdings S.r.l. launched an accelerated bookbuild transaction on 3.5 million Unieuro S.p.A. ordinary shares representing 17.5% of the Company's share capital. The shares were sold at a price of € 16.00 per share, for a total consideration of approximately € 56 million. Following the end of the Offering, Italian Electronics Holdings continued to hold a majority stake in the Company, representing 48% of the existing share capital.

Acquisition of 19 stores in central Italy from Gruppo Cerioni S.p.A.

On 5 October 2017, Unieuro announced the acquisition of a business unit of Gruppo Cerioni S.p.A. consisting of 19 directly operated stores, currently operating under the Euronics banner.

As with the previous acquisitions, Unieuro will be able to leverage its business model to quickly and effectively integrate the new retail outlets, gaining € 90 million in incremental revenue over a period of 12-18 month, against a profitability already positive today and destined to align with the Company's targets over a time horizon of 18-24 month.

The transaction, subject to meeting certain suspense conditions typical of this type of dealings, took place without incurring any financial debt and/or debt with suppliers, for a total consideration of € 8 million, including € 1.6 million at closing and € 6.4 million to be paid in semi-annual installments over the next three years.

Other Board decisions

The Board of Directors also resolved to co-opt Uwe Ernst Bufe as non-executive Director of the Company in replacement of Nancy Arlene Cooper, who resigned with effect from the date of approval of the Interim Report as at 31 August 2017.

Uwe Ernst Bufe, 73, has had a prestigious international career in management, which led him to hold the office of Chairman and CEO of the German company Degussa AG.



Lastly, the Board of Directors decided – in part changing the 2017 calendar of corporate events issued on 12 April 2017 - that the meeting of the Board of Directors for the approval of the Interim Management Report at 30 November 2017 will be held on 11 January 2018 instead of Wednesday 20 December 2017.

Conference Call

Please be informed that at 16:30 (CET) today, Thursday, 12 October 2017, a conference call will be held by the Unieuro management to present the Company's financial and economic results for the half year ended 31 August 2017 to investors and financial analysts.

To participate, simply dial one of the following numbers:

Italy: +39 02 805 88 11
UK: + 44 121 281 8003
USA: +1 718 7058794

Journalists may listen to the conference call by dialing:

+39 02 8058827

The **presentation** may be downloaded from the section Investor Relations / Results and Presentations from the website www.unieurocorporate.it a little before the beginning of the conference call at the following link:

<http://unieurocorporate.it/it/investor-relations/risultati-e-presentazioni/>

A **recording** of the conference call, in Italian and English, may be downloaded in mp3 format clicking on the same link starting from two days later.

* * *

For the transmission, storage and filing of the Regulatory Information to be made public, Unieuro S.p.A. has chosen the platforms "eMarket SDIR" and "eMarket STORAGE" managed by Spafid Connect S.p.A., with offices in Foro Buonaparte 10, Milan.

* * *

Mr. Italo Valenti, Chief Financial Officer, 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 press release matches the Company's documentation, books and accounting records.



* * *

Unieuro S.p.A.

Listed on the STAR segment of the Italian Stock Exchange, Unieuro is now the largest omnichannel distributor of consumer electronics and household appliances by number of outlets in Italy, with a widespread network of 476 outlets throughout the country, including direct stores (203) and affiliated stores (273), its digital platform unieuro.it as well as the e-tailer Monclick. The Company is headquartered in Forlì and has a logistics hub in Piacenza. It has more than 4,300 employees and revenues that exceeded € 1.6 billion for the fiscal year ending 28 February 2017.

For information:

Investor Relations

Italo Valenti

CFO & Investor Relations Officer

+39 0543 776769

investor.relations@unieuro.com

Andrea Moretti

Investor Relations Manager

+39 335 5301205

+39 0543 776769

amoretti@unieuro.com

Media Relations

iCorporate

Arturo Salerni

+39 335 1222631

Rita Arcuri

+39 333 2608159

unieuro@icorporate.it



Summary Tables:

Income Statement
(millions of Euro)

	H1 17/18	%	H1 16/17	%
Sales	813.7		761.5	
Sales	813.7		761.5	
Purchase of goods - Change in Inventory	(638.2)	(78.4%)	(596.0)	(78.3%)
Rental Costs	(30.6)	(3.8%)	(28.9)	(3.8%)
Marketing costs	(25.8)	(3.2%)	(26.5)	(3.5%)
Logistic costs	(18.9)	(2.3%)	(15.4)	(2.0%)
Other costs	(28.7)	(3.5%)	(22.9)	(3.0%)
Personnel costs	(72.0)	(8.8%)	(65.6)	(8.6%)
Other operating costs and income	(2.1)	(0.3%)	(0.6)	(0.1%)
EBITDA Reported	(2.6)	(0.3%)	5.6	0.7%
<i>Adjustments</i>	14.4	1.8%	3.8	0.5%
<i>Change in Business Model</i>	2.9	0.4%	4.2	0.6%
Adjusted EBITDA	14.7	1.8%	13.6	1.8%
D&A	(9.8)	(1.2%)	(8.6)	(1.1%)
Financial Income - Expenses	(2.5)	(0.3%)	(2.9)	(0.4%)
Profit before Tax	(14.9)	(1.8%)	(5.9)	(0.8%)
Taxes	2.2	0.3%	1.1	0.1%
<i>Fiscal impact of non-recurring items</i>	(1.5)	(0.2%)	(0.8)	(0.1%)
Adjusted Net Income	3.1	0.4%	2.4	0.3%
<i>Adjustments</i>	(14.4)	(1.8%)	(3.8)	(0.5%)
<i>Change in Business Model</i>	(2.9)	(0.4%)	(4.2)	(0.6%)
<i>Fiscal impact of non-recurring items</i>	1.5	0.2%	0.8	0.1%
Net Income Reported	(12.6)	(1.5%)	(4.8)	(0.6%)



Balance Sheet
(millions of Euro)

	31 Aug. 2017	28 Feb. 2017
Trade Receivables	54.2	35.2
Inventory	312.4	269.6
Trade Payables	(388.5)	(334.5)
Operating Working Capital	(21.9)	(29.8)
Current Tax Assets (1)	11.3	8.0
Current Assets (2)	16.2	13.9
Current Liabilities (3)	(147.6)	(140.3)
Short Term Provisions	(5.2)	(1.4)
Net Working Capital	(147.2)	(149.7)
Tangible and Intangible Assets	93.2	72.6
Net Deferred Tax Assets and Liabilities	26.4	29.1
Goodwill	170.8	151.4
Other Long Term Assets and Liabilities (4)	(14.3)	(16.5)
Total Invested Capital	128.9	86.9
Net financial Debt	75.8	2.0
Equity	53.1	85.0
Total Sources	128.9	86.9

Cash Flow Statement

(millions of Euro)

	H1 17/18	H1 16/17
Reported EBITDA	(2.6)	5.6
Taxes Paid	-	-
Interests Paid	(4.2)	(1.8)
Change in NWC	(3.8)	(45.0)
Change in Other Assets and Liabilities	(2.8)	1.1
Reported Operating Cash Flow	(13.4)	(40.1)
Purchase of Tangible Assets	(17.0)	(10.3)
Purchase of Intangible Assets	(6.0)	(1.6)
Acquisitions	(12.9)	-
Monclick NFP 01.06.2017	0.2	-
Levered Free Cash Flow	(49.0)	(52.0)
Adjustments	9.4	2.4
Non recurring investments	12.9	-
Adjusted Levered Free Cash Flow	(26.8)	(49.6)
Adjustments	(9.4)	(2.4)
Non recurring investments	(12.9)	-
Debt to Shareholders (non cash effect)	(20.0)	
Debt Acquisition Monclick (non cash effect)	(6.5)	
Other Changes	1.7	(1.0)
Δ Net Financial Position	(73.8)	(53.0)