

Unieuro S.p.A.

Investor Presentation

January 2020



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No IFRS and Other Performance Measures

This investor presentation contains measures that were not prepared in accordance with IAS/IFRS.

This presentation contains certain items as part of the financial disclosure which are not defined under IFRS. Accordingly, these items do not have standardized meanings and may not be directly comparable to similarly-titled items adopted by other entities.

Unieuro Management has identified a number of "Alternative Performance Indicators" ("APIs"). These APIs are (i) derived from historical results of Unieuro S.p.A. and are not intended to be indicative of future performance, (ii) no IFRS financial measures and, although derived from the Financial Statements, are unaudited and (iii) are not an alternative to financial measures prepared in accordance with IFRS.

The APIs presented herein are Adjusted EBITDA, Adjusted EBITDA margin, Adjusted Net Income (loss) for the year, Adjusted levered free cash flow, Cash conversion index, Net financial debt, Net financial debt to Adjusted EBITDA ratio, Leverage ratio.

In addition, this presentation includes certain measures that have been adjusted by us to present operating and financial performance net of any non-recurring events and non-core events. The adjusted indicators are: Adjusted EBITDA, Adjusted EBITDA margin, Adjusted Net Income (loss) for the year, Adjusted levered free cash flow and Net financial debt to Adjusted EBITDA ratio.

In order to facilitate the understanding of our financial position and financial performance, this presentation contains other performance measures, such as Net working capital.

These measures are not indicative of our historical operating results, nor are they meant to be predictive of future results.

These measures are used by our management to monitor the underlying performance of our business and operations. Similarly entitled no IFRS financial measures reported by other companies may not be calculated in an identical manner, consequently our measures may not be consistent with similar measures used by other companies. Therefore, investors should not place undue reliance on this data.

Italo Valenti, the manager in charge of preparing the corporate accounting documents, declares that, pursuant to art.154-bis, paragraph 2, of the Legislative Decree no. 58 of February 24, 1998, the accounting information contained herein correspond to document results, books and accounting records.

Agenda

- **Overview of Unieuro**
- What's New
- 9M 2019/20 Results
 - Highlights
 - Sales Performance
 - Achievements on Strategic Goals
 - Financials

Unieuro at a glance

Established by the end of 1930s, Unieuro is **the Italian leader in the retail market of consumer electronics and household appliances**, with FY 2018/19 sales of 2.1 €bn

Broad product range across multiple categories

Grey goods (47.2%)

- phones, tablets, accessories for phones, cameras and all wearable technology products
- Information Technology

White goods (28.5%)

- MDA, e.g. washing machines, dryers, refrigerators or freezers, and stoves
- SDA, e.g. vacuum cleaners, kettles, coffee machines
- Home comfort, e.g. air conditioning

Brown goods (15.6%)

- TV, media storage, car accessories

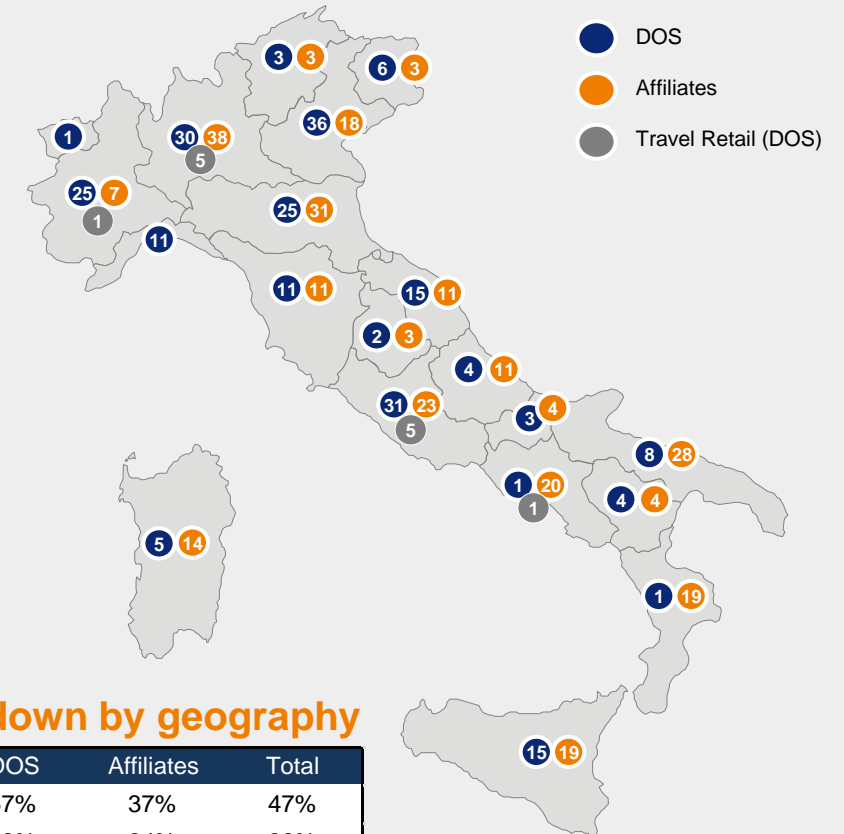
Other Products (4.4%)

- Entertainment, e.g. consoles, videogames, music, movies
- Non electronic products, e.g. bicycles, drones, hover boards

Services (4.3%)

- Delivery and installation
- Extended warranties
- Brokerage for financial services
- Commissions from subscription to telecom contracts

Full nationwide coverage



Store breakdown by geography

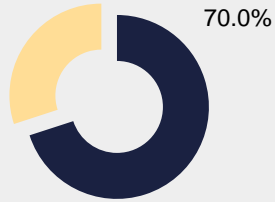
	DOS	Affiliates	Total
North	57%	37%	47%
Centre	29%	24%	26%
South	14%	39%	27%
Total	249	262	511

Integrated omnichannel presence across offline and online

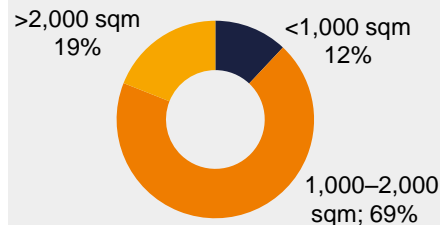
Contribution to 9M
2019/20 total sales

Summary Overview

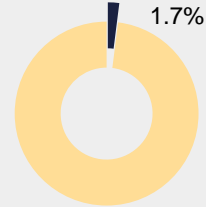
Retail: 237 DOS



- **Focus on malls and city centre** locations with store average size of c.1,500 sqm
- Wide range of store formats
- Modern, engaging store layout designed to maximise product visibility
- Favourable lease terms with short notice break clause permitting rapid response to local market trends

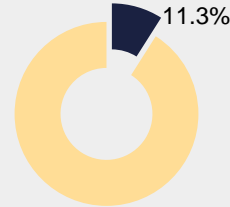


Travel Retail: 12 DOS



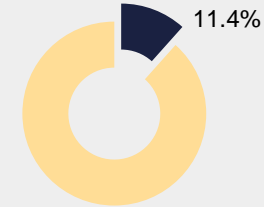
- Stores located in **main Italian airports** in **Torino train station** and **Milano underground**
- Focus on “grey” and “brown” goods
- Exposure to favourable travel dynamics
- Reduced space (c. 100 sqm) allowing proximity to products
- On-the-go impulse purchases
- Enhancing brand visibility

Online



- **Digital platform launched in 2016:**
 - new website optimised for mobile navigation with additional functionality (e.g. mirroring, smart assistant, instant search)
 - new native mobile App
- “Click & Collect” driving traffic to stores: 410 pick up points, 80% of total stores
- Integration of online and offline channels
- **Pure player Monclick** acquired in 2017

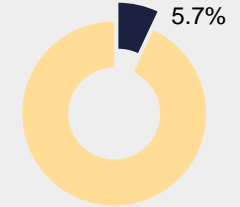
Indirect: 262 stores



- **Affiliated stores** in smaller and more remote catchment areas
- **Shop-in-shops in “Iper, la Grande I” hypermarkets**
- Unieuro brand / store format
- Exclusive supply
- Limited central costs, no capex and positive impact on profitability



B2B



- Opportunistic business
- Includes agreements with companies producing vouchers to be used at Unieuro stores
- Direct bulk supply to:
 - Corporate customers
 - Electronics traders
 - Foreign customers
- Unieuro as a first mover in the **B2B2C** adjacent market segment, thanks to Monclick acquisition

A Winning Business Model...

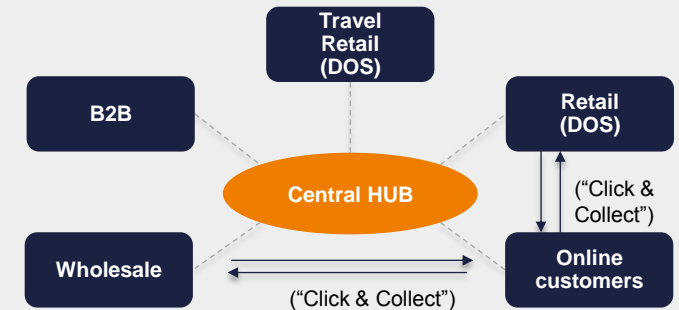
One, centralised HQ

- All corporate functions centralised and managed by ~275 FTEs based in the Forlì:
 - Procurement
 - Supply Chain
 - Property
 - Security
 - CRM
 - ICT
 - Marketing
 - Administration
 - Finance
 - Legal
 - HR
 - Tax
 - Investor Relations
 - Communication
 - Business Development
- A lean organisational structure...
- managing and coordinating over 4,100 FTEs in the store network



A centralised logistics HUB,
supported by a secondary platform
serving Sicily and Calabria only

- 104,000 sqm of total surface area, newly opened on 12 October 2018
- Located in Piacenza, one of the main Italian logistics hubs, within 600 km from 90% of Unieuro's DOS
 - Serving all channels



...Centralised & Scalable

A Strong and Universally Recognized Brand



An innovative, integrated & distinctive marketing ecosystem

- **Offline, Online, In-Store marketing activities** together with **Customer Insight** efforts to support **omnichannel strategic approach**
- **Digital and traditional marketing as a unique and future-facing framework**, covering all the core offline and online disciplines

One of the strongest brands in the retail sector

- **Successful rebranding in 2014** following UniEuro acquisition
- **One of the most recognisable brand** in the Italian landscape, empowered by a **unique and memorable claim** ("Batte. Forte. Sempre"), able to create a lasting value in the customer's mind



A brand new communications strategy enabling «the bigger picture», where customer communications and interactions are aligned across multiple channels

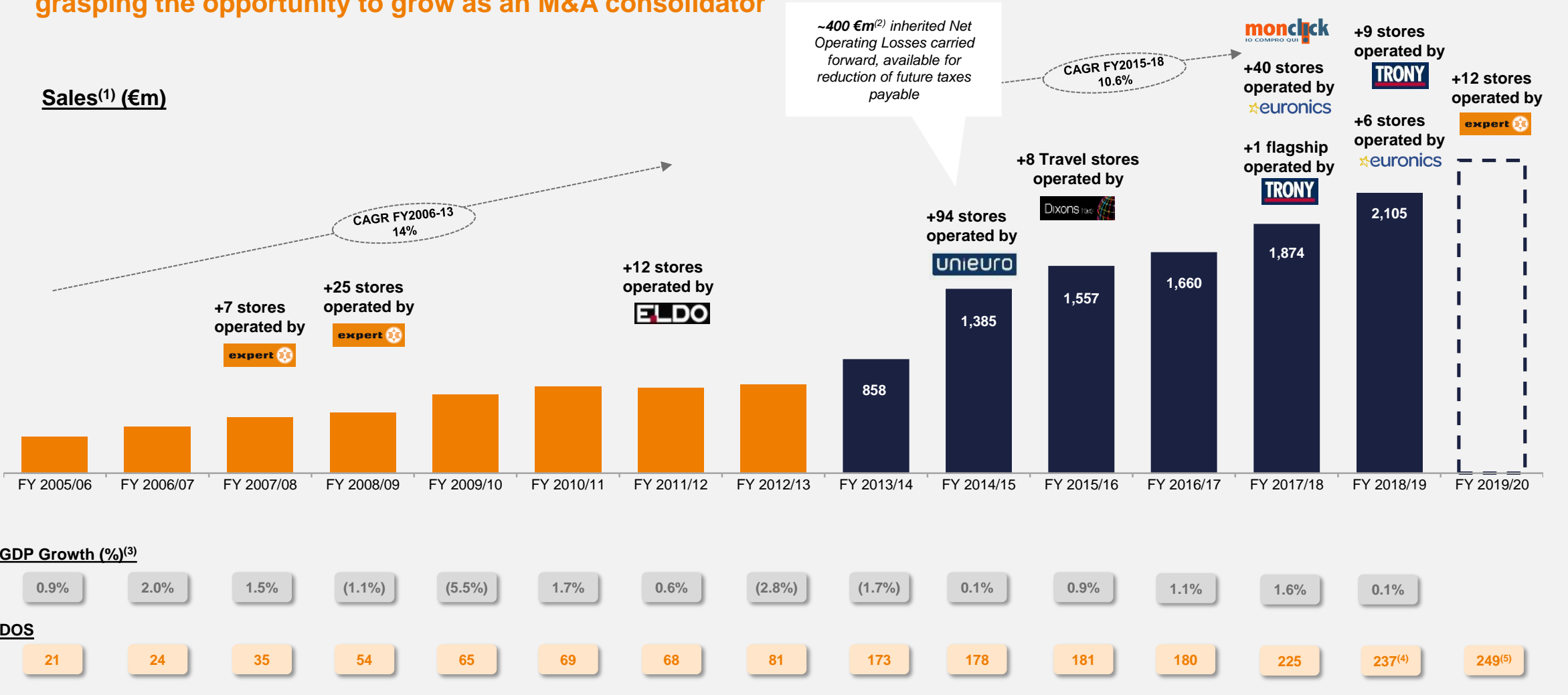


Multichannel, integrated, massive marketing campaign for the 2018 Black Friday

Innovative TV format in partnership with Samsung and RTI/Mediaset

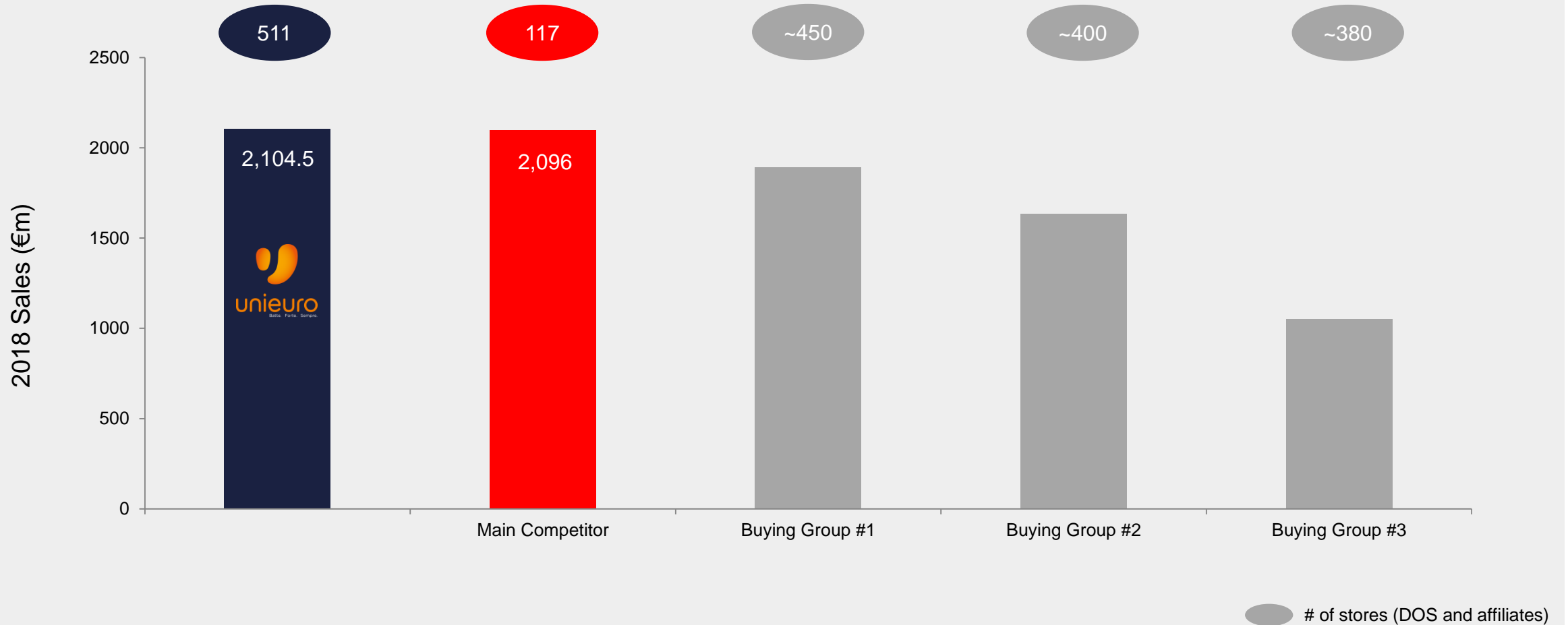
13 years of consistent long-term growth...

Growth achieved despite a period of declining GDP, grasping the opportunity to grow as an M&A consolidator



...leading to Market Leadership in 2018/19

Unieuro is the new leader of Italian CE market for the first time in its history, no longer only in terms of number of stores and profitability, but also in terms of business volume



Agenda

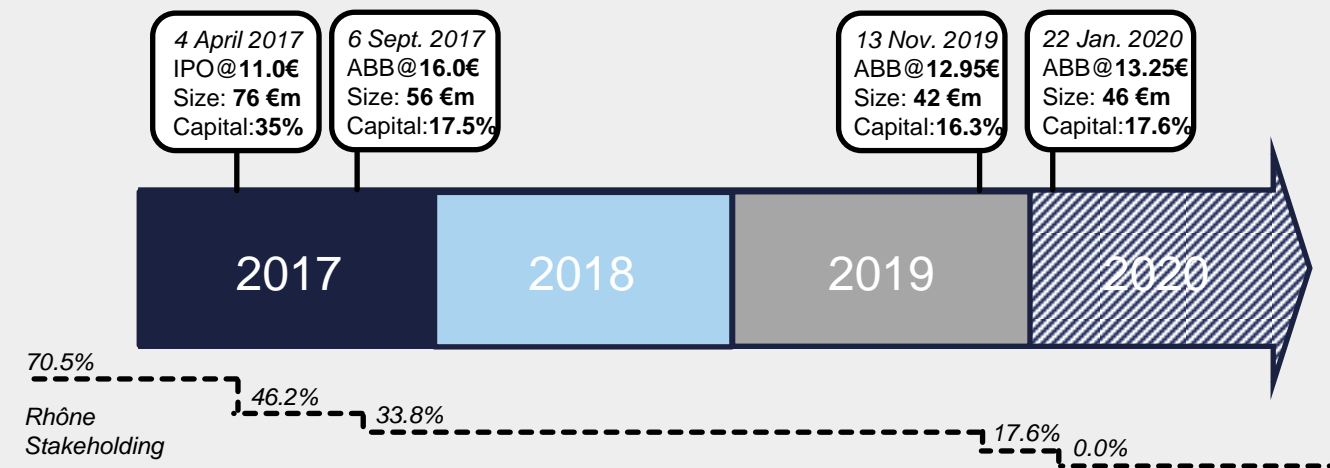
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A True Public Company

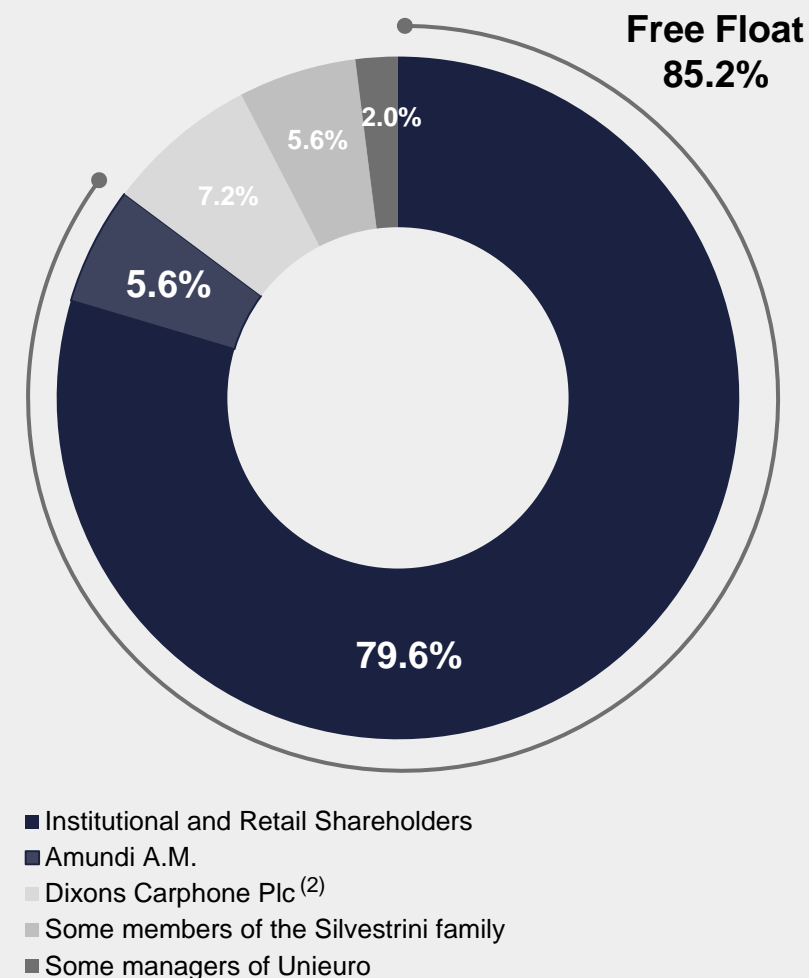
Free float greater than 85% of capital, following the complete exit of private equity firm Rhône, majority shareholder since 2005

- **Final placement** of remaining stake on **22 January 2020**:
 - Offer size: **3.5 million shares**, equal to 17.6% of the Company's issued share capital, sold to Italian and international institutional investors
 - Price: **13.25 €** per share, **46 €m** total consideration
- **Greater liquidity on the stock** for the benefit of all shareholders
- **Resignation of three Directors**, including the Chairman, following the placement
- **Management Team fully on board**, even more cohesive and motivated to achieve the strategic objectives defined at the time of the IPO

Rhône divesting path



Updated shareholding structure⁽¹⁾



Senior Management Team Strengthened

New Chief Commercial Officer appointed



**Giancarlo
Nicosanti
Monterastelli**
*Chief Executive
Officer*



**Luigi
Fusco**
*Chief Operations
Officer*



**Bruna
Olivieri**
*Chief Omni-
Channel Officer*



**Italo
Valenti**
*Chief Financial
Officer*



**Andrea
Scozzoli**
*Chief Development
Officer*

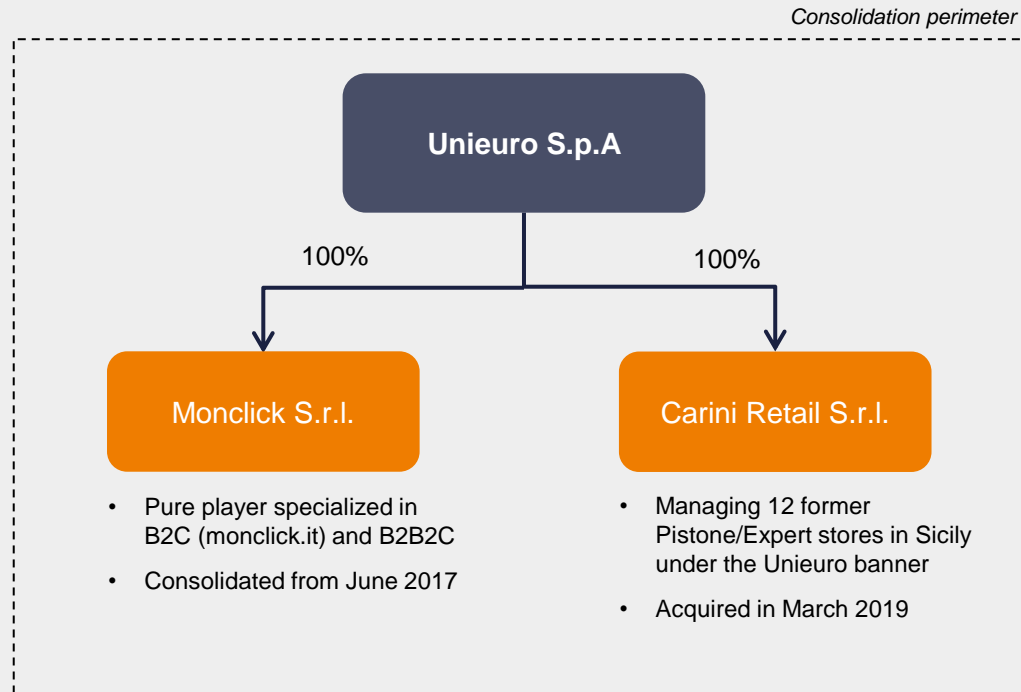
Gabriele Gennai
Chief Commercial Officer



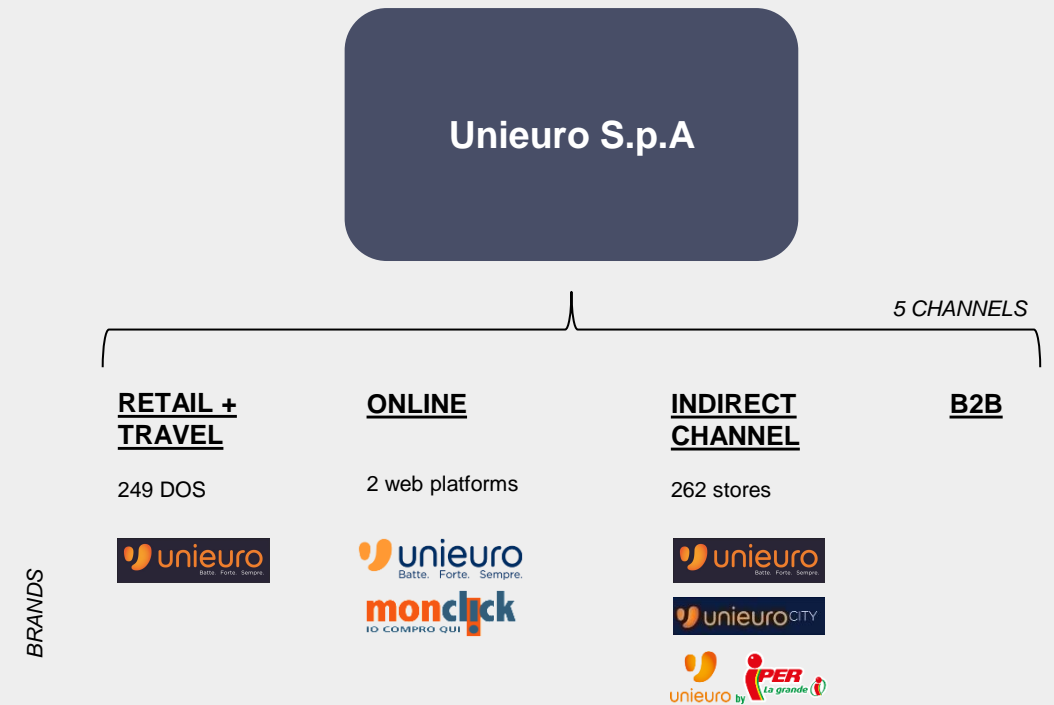
- Main responsibilities:
 - **Relationships with suppliers**
 - **Category management**
 - **Commercial strategy**
- Extensive experience in commercial operations:
 - **Prénatal Retail Group** (2011-2020):
 - General Manager of Prénatal BU
 - Hard Goods Director
 - **Mercatone Uno** (2009-2011):
 - Purchasing & Supply Chain Dir.
 - **Castorama Italy, Kingfisher** (2007-2009):
 - Purchasing Director
 - **OBI** (1991-2007):
 - Purchasing Director Italy & Corporate Category Manager
 - Russian Market Development Man.
 - Product & Category Manager
 - Store Manager
- Appointment effective as at **1st March 2020**
- Role previously covered by CEO on an interim basis

Proposed Incorporation of Fully-Owned Subsidiaries

From a group of companies...



...to a single legal entity, managing the whole business



Strategic
Rationale

- **Streamlining corporate organization and internal processes**
- **No more need of consolidated accounting**
- **Cost savings** (i.e. audit, compliance)
- **Enabling more synergies between Unieuro and Monclick**

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Highlights

- Total sales up by 15.2%, benefitting from organic and external growth actions
 - Like-for-like⁽¹⁾ sales +4.2%
 - Another record Black Friday campaign boosting 3Q revenues

- Retail channel sales +15.7%, increasing incidence to 70%
 - Important contribution from Pistone/Expert, DPS/Trony and Galimberti/Euronics asset acquisition
 - Black Friday pushing volumes and traffic
- Online accelerating (+16.7%)
- Indirect Channel double-digit performance driven by Unieuro by Iper shop-in-shops

- Adj. EBITDA⁽²⁾ improving by 13.7% to 49.6 €m
- Adj. Net Income⁽³⁾ up by 14.0% to 23.9 €m
- IFRS 16 not considered in the presentation in order to grant comparability with 9M 18/19

- Very strong seasonal cash generation, to be partially reabsorbed in Q4
- Record positive Net Financial Position (31.5 €m) despite dividends, capex and Pistone acquisition

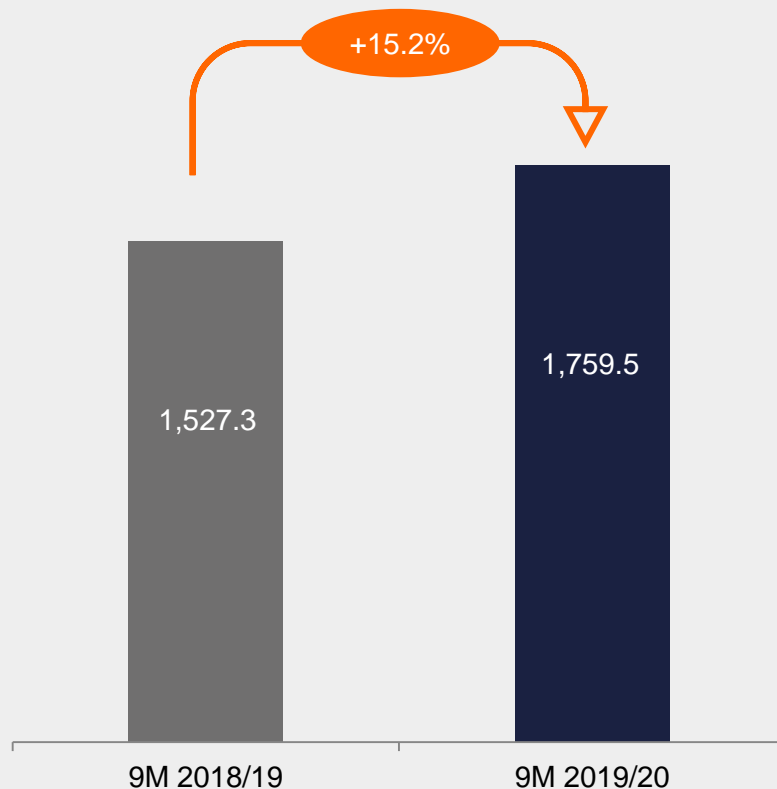
- Excellent commercial results in December, crucial in view of the imminent end of the financial year

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Sales

Double-digit increase, supported by both organic growth and external expansion



- **12 former Pistone/Expert stores** quickly and successfully integrated since 1st March
- **Recent acquisitions** also impacting business perimeter:
 - 8 former DPS/Trony stores, including the Verona location, in three different steps from 15 September 2018
 - 6 former Galimberti/Euronics stores, including the Trieste location, in November/December 2018
- **Strong like-for-like growth**, pushed by:
 - Successful Black Friday campaign
 - Positive performance of retail stores at constant perimeter
 - Online sales performance accelerating in Q3
- **Partnership with Finiper** pushing Indirect sales
- **All product categories performing well**, especially White goods and Services

Success Beyond Expectations for the Addams Black Friday



November sales marked by another record campaign⁽¹⁾

- **The longest Black Friday campaign ever:** 22 days, from 11/11 to Cyber Monday (2/12)
- **Theme: the Addams Family**, another special and funny family, coherent with Unieuro's brand values and its communication strategy
- Strong sales results, a further improvement vs. 2018 outstanding performance:
 - **Retail channel sales:** +15% with 6.7 million store visitors
 - **Sell-out of affiliated stores:** +18%
 - **Online orders:** Unieuro.it +77%. Success for the Monclick Fra-I-Dei campaign
- Exceptional exploit of Dyson products; Google Home Mini once again the best-selling product (45,000 pieces)
- **Winning promotional strategy**, purposely planned in advance thanks to a close partnership with the industry thus safeguarding margins

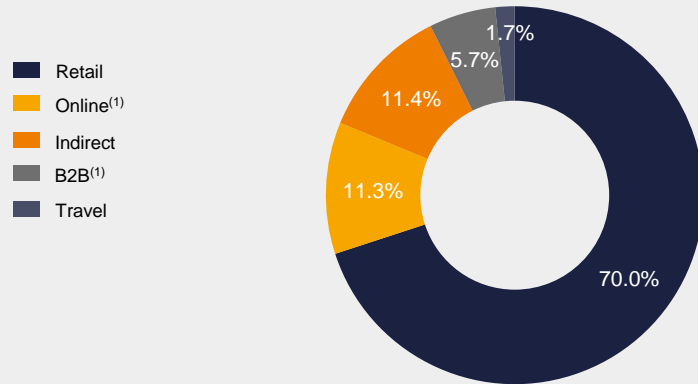
Unieuro.it marking new all time records on 2019 Singles' Day

- Singles' Day (11/11): introduced in Italy by Unieuro in 2017, marking the start of the Black Friday season since then
- **An order every 3 seconds on Unieuro.it:** 3X Singles' Day 2018; **+60% vs. Black Friday 2018**
- **600,000+ visitors**, more than half of whom on their first visit ever
- No service disruptions or technical issues
- **Strong revenues for direct and affiliated stores** as well
- Traffic at direct stores +44% vs. the average of the previous four Mondays

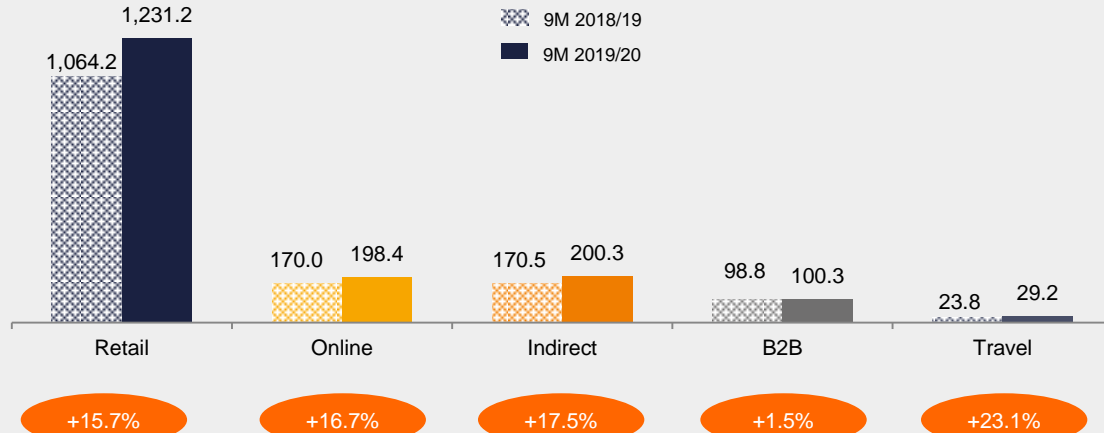


Sales by Channel

9M 2019/20 Breakdown



YoY Change (€m)



• Retail

- Store network expansion: +11 DOS yoy, including 12 ex-Pistone stores
- Positive performance at constant perimeter
- Black Friday campaign boosting sales and traffic

• Online⁽¹⁾ accelerating in Q3 (+19.1% YoY)

- Strong performance although late Black Friday (29 Nov.) will turn some orders into revenues only in Q4
- New all-time record for Unieuro.it on Singles' Day
- Positive revenue trend for Monclick.it

• Indirect channel strong increase

- 18 affiliated Unieuro by Iper shop-in-shops fully operational and contributing to channel performance
- Ongoing affiliate network streamlining

• B2B⁽¹⁾ reversing H1 negative trend

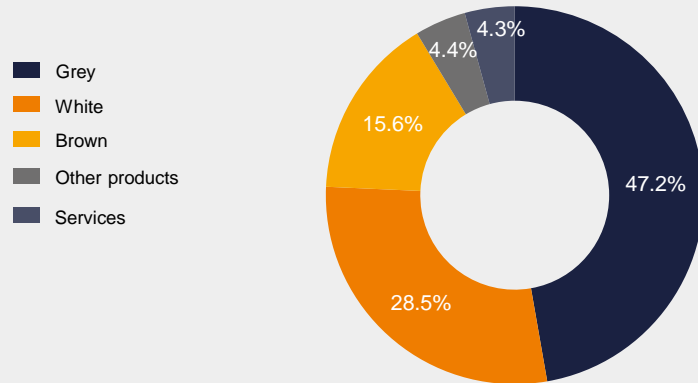
- Volatile and opportunistic business, driven by external factors

• Travel

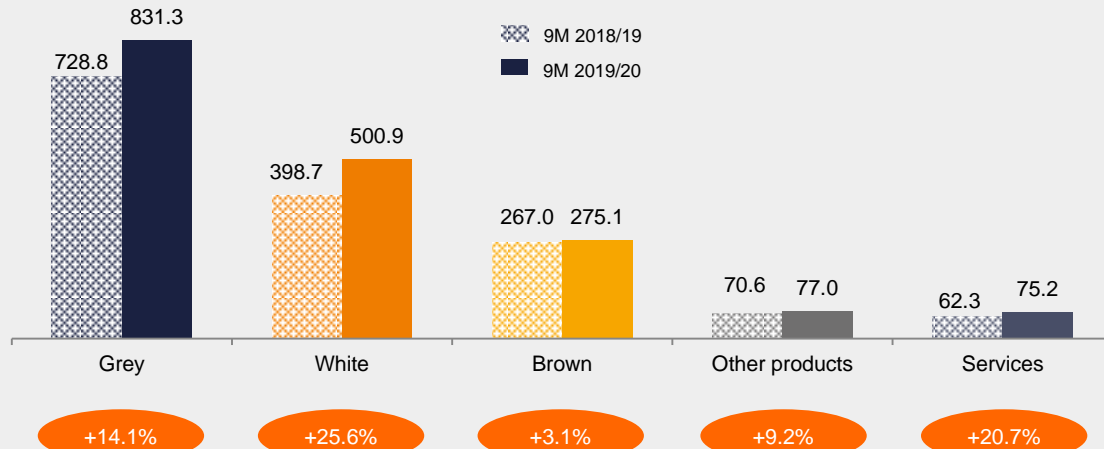
- Milano San Babila new opening effect (6 October 2018)
- Very good performance for Torino railway station store

Sales by Product Category

9M 2019/20 Breakdown



YoY Change (€m)



• Grey

- Positive performance of new smartphones launched
- Notebook sales shifting towards top-of-range products
- Tablets declining

• White: excellent performance, driving to a better product mix

- Category weight from 26.1% to 28.5% of total sales
- Contribution from ex-Pistone stores, traditionally strong in the sale of household appliances
- Favourable weather boosting air-conditioning segment
- Growing success for vacuum cleaners

• Brown

- Tough comparison base for TV-sets (World Cup in June 2018)
- Market registering a reduction in TV-sets average price

• Other products

- Good performance of cooking accessories and tableware
- Luggage segment growing success




• Services

- Growth still led by consumer credit and extended warranties
- Other services increasing incidence

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9M 19/20 Achievements

STRATEGIC PILLAR			
	 Proximity	 Experience	 Retail Mix
	<ul style="list-style-type: none"> • 12 new DOS from the acquisition of former Pistone/Expert stores • 2 of the most important Unieuro by Iper shop-in-shops switched from affiliates to DOS to better exploit top locations. From April 2019 • 3 new DOS openings (Portogruaro, Gela, Misterbianco), 5 closings aiming at network rationalization • 6 new affiliated Unieuro by Iper shop-in-shops, newly opened in March/April 2019 	<ul style="list-style-type: none"> • 8 stores refurbished (3 DOS, 5 affiliates), 3 DOS relocations. • Average NPS (direct channel) standing at 46, +3.3 points compared to 9M 18/19 • Augmented reality feature added to the Unieuro App to provide an even more customized customer journey 	<ul style="list-style-type: none"> • Reiterating and reinforcing focus on Services through innovation: <ul style="list-style-type: none"> – “Casa Sicura Multiplan” to protect all MDAs at home, even if not purchased at Unieuro – “Helpy”, Unieuro’s digital assistant, providing installation and configuration of technology devices at home – Express delivery service, launched in December to allow offline customers to have their purchases delivered anywhere in Italy • Working on reinforcing Unieuro’s private label(s)
ENABLER	> <u>Supply Chain</u> : launch of Carini secondary hub to better serve DOS, affiliates and online customers in Sicily and Calabria		
	> <u>Brand Equity</u>		
	> <u>Partnership with Suppliers</u> : reinforced commercial agreements with suppliers to better manage the Black Friday campaign		

Retail Mix: Accelerating on Private Label(s)

Restyling of logo and broader product range for «Electroline»

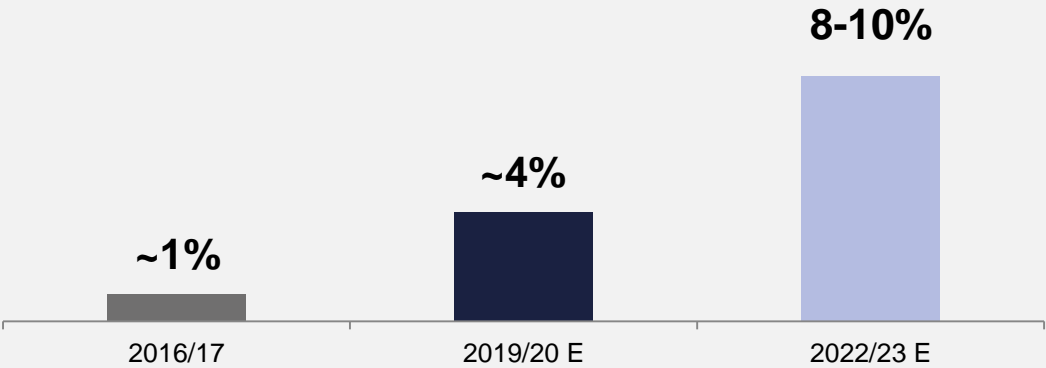
- Products imported directly, mainly from China and Turkey. Service provider in charge of quality compliance and customer service
- **Significantly higher margins** vs. third parties' same products
- First introduction in the 1996, restyled in 2015, now ready to be renovated again from 2020
- **New brand image, renewal and expansion of product range**
- More private labels to be launched for **e-bikes, travel and home accessories**

Logo:		
Product range:	Air conditioning, some SDAs, some MDAs, other products	Extended to all White goods (i.e. washing machines)
Positioning:	Entry point ("every day low price")	Low-to-medium design and quality at the right price
Packaging:	Basic	Contemporary
Marketing	None	Yes, in accordance with brand positioning

electroline



Targeted incidence evolution of private labels and exclusive brands (i.e. Ignis, Hitachi) on total sales:



Strategic Rationale

- Capturing part of the manufacturer's margin while providing the customer with good quality products
- Differentiating Unieuro's offer from competitors' through distinctive design and marketing
- Avoiding channel conflict, thus sustaining profitability

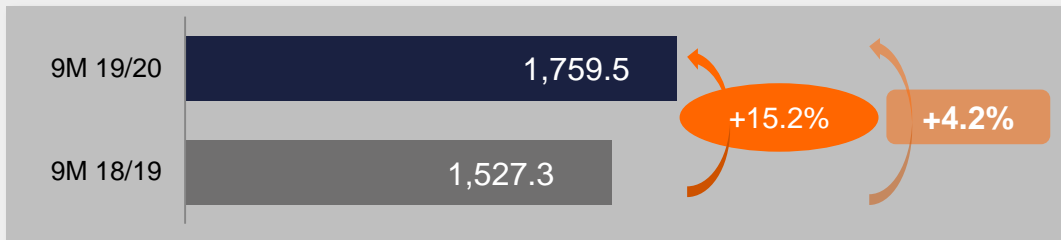
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Key Financials (no-IFRS 16) / 1

Sales (€m)

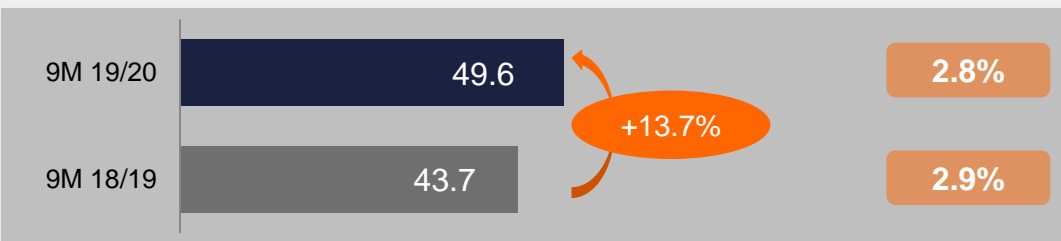
Like-for-like growth⁽¹⁾



- Strong Retail sales growth. November impacted by long and successful Black Friday campaign
- Acquisitions and new openings effect on perimeter
- Like-for-like sales⁽¹⁾ +4.2%. Net of new stores effect on pre-existing network, LFL sales⁽¹⁾ even stronger: +5.2%
- Double-digit growth for Indirect channel and Online. Better trend in B2B sales vs. H1

Adj. EBITDA⁽²⁾ (€m)

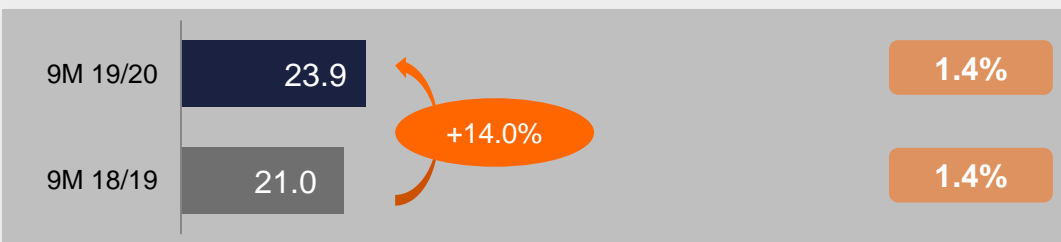
Adj. EBITDA margin



- Profitability still influenced by seasonality, awaiting the Q4, traditionally strong in terms of margins
- Black Friday effect on Gross margin
- Scale effect and efficiencies driving operating costs' incidence down

Adj. Net Income/(Loss)⁽³⁾ (€m)

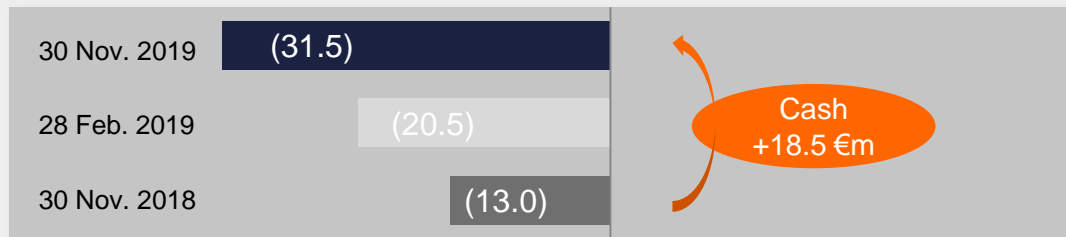
Adj. Net margin



- Increase in Adj. Net income in line with Adj. EBITDA performance
- Higher D&A connected to increased capex over the last years
- Lower net financial charges

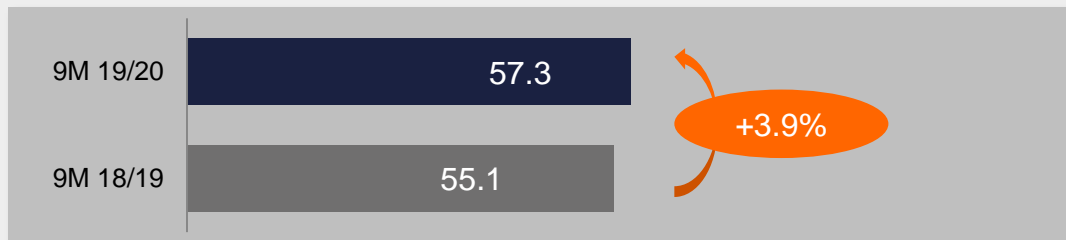
Key Financials (no-IFRS 16) / 2

Net Financial Debt/(Cash) (€m)



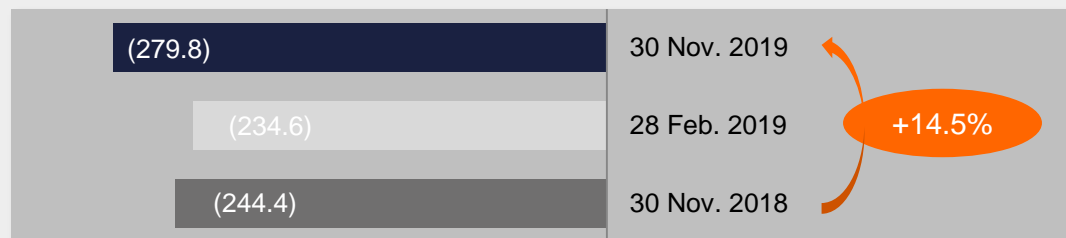
- Long and strong Black Friday campaign leading to outstanding cash generation in the first 9M
- Dividend payment (21.4 €m), capex (20.8 €m) and Pistone acquisition (17.4 €m) all funded by free cash flow
- Temporary seasonal effect (i.e. Black Friday inflows) likely to be reabsorbed in Q4

Adj. Levered Free Cash Flow⁽¹⁾ (€m)



- Strong cash generation, above 9M 18/19
- Nevertheless, strong Black Friday revenues leading to a stronger cash absorption in Q4 connected to payment of payables

Net Working Capital (€m)

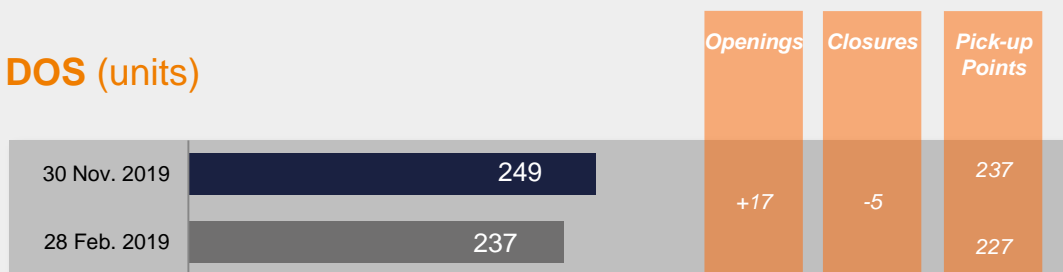


- New record high for (negative) Net Working Capital
- Strong boost by extended warranty accruals, boosted by business scope expansion and Services performance

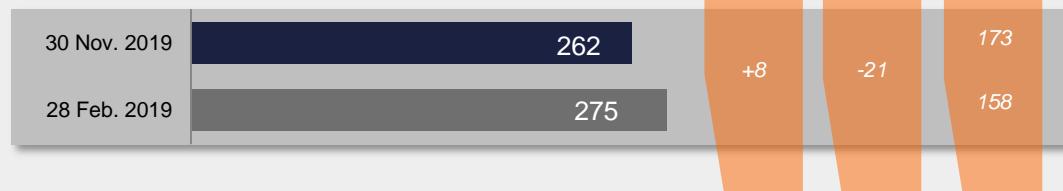
Key Operational Data

Unieuro's Retail Network: 511 stores

- DOS (units)



- AFFILIATED STORES (units)



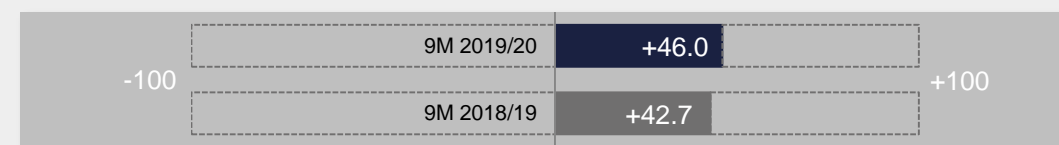
- **12 former Pistone/Expert stores** acquired and immediately reopened in Sicily (March 2019)
- **2 Unieuro by Iper shop-in-shops** switched from affiliates to DOS (April 2019)
- **3 new DOS openings** (2 of which in Sicily) and **5 closures**, none of which in Q3
- **6 new Unieuro-by-Iper shop-in-shops** reinforcing the indirect store network
- **Affiliates under rationalisation:** 2 openings, 21 closures
- **Pick-up points: 410** (80.2% of total stores)

Total Retail Area (sqm, DOS only)

Sales density
(€/sqm, LTM)



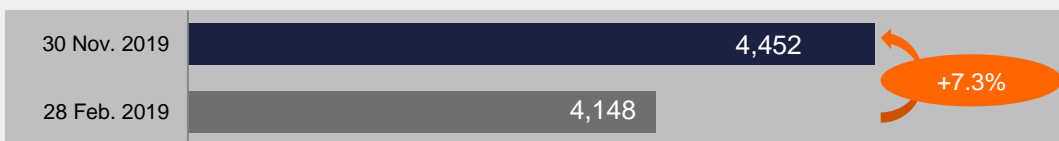
Net Promoter Score⁽¹⁾ (direct channel only)



Active Loyalty Cards⁽²⁾ (thousands)



Workforce (FTEs)



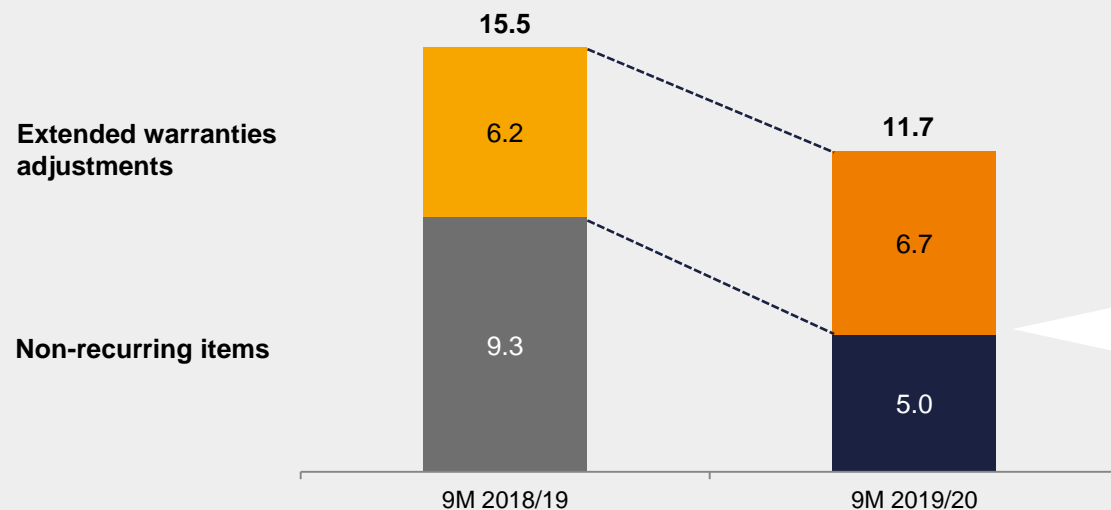
Adjusted EBITDA⁽¹⁾ Bridge (no-IFRS 16)



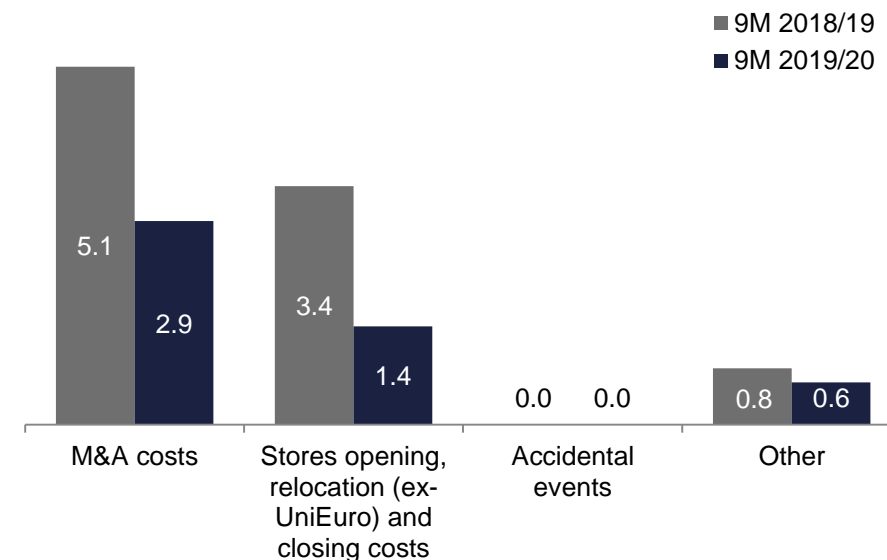
- **Strong increase in Gross Profit⁽²⁾** boosted by volumes expansion, also connected to Black Friday campaign. Incidence down to 22.0% (from 22.4%)
- **Retail rents up**, following store network and logistics platforms expansion, but reflecting a lower incidence (3.3% vs. 3.5%) thanks to Carini Retail consolidation
- **Personnel costs up**, pushed by acquisitions and new openings. Incidence on sales down from 8.0% to 7.8%
- **Marketing costs** reflecting incremental activities to promote new stores (i.e. fliers). Incidence slightly down from 2.4% to 2.3%
- **Significant increase in Logistics costs** led by sales volumes, the ever-increasing weighting of home deliveries, promotional campaigns which include free delivery, as well as temporary effects of Carini warehouse start-up. Incidence up to 2.8%
- **Other costs up** pushed by utilities, maintenance and general sales expenses. Incidence down from 3.1% to 2.9%.

Explaining EBITDA adjustments (no-IFRS 16)

Adjustments YoY evolution

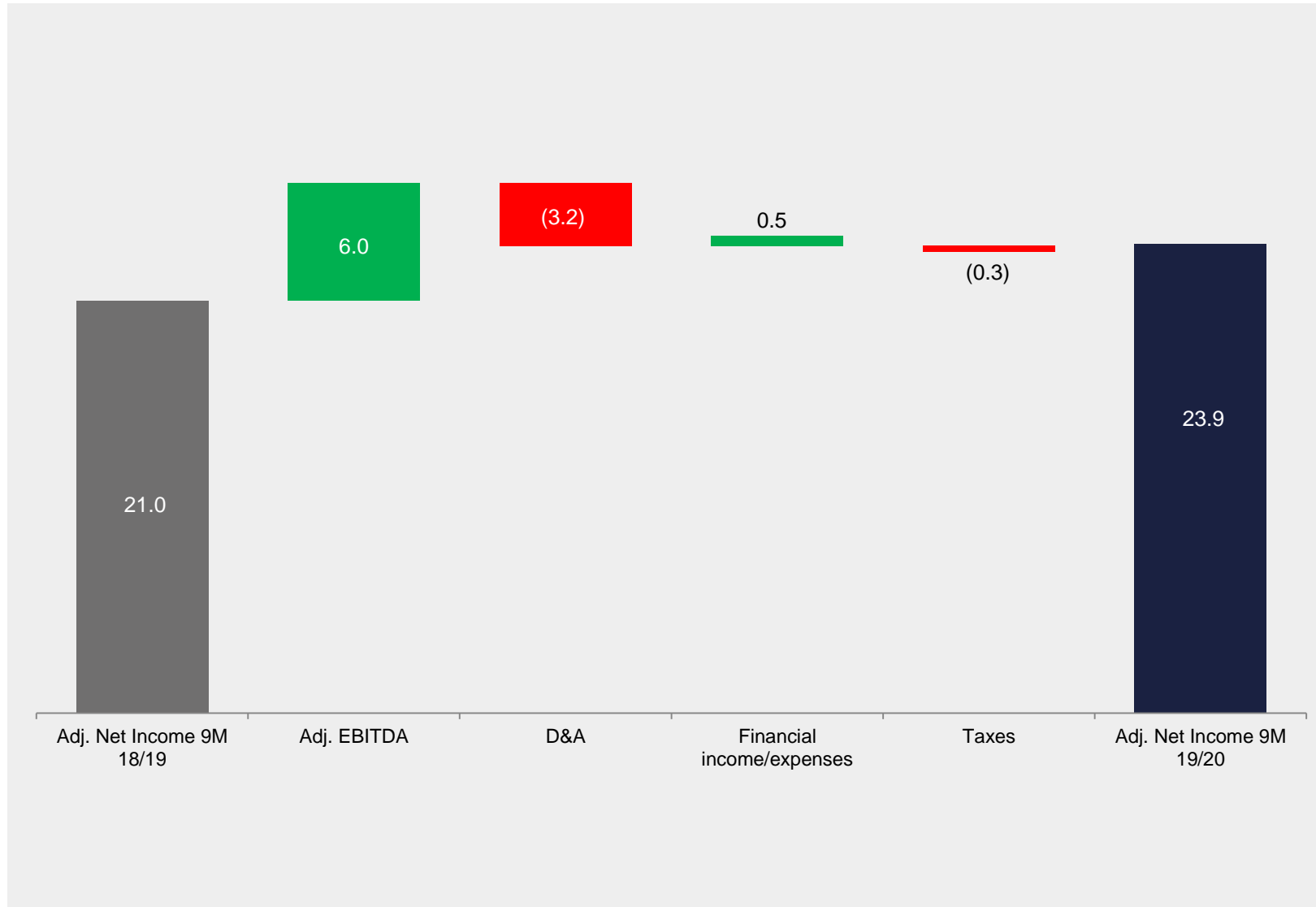


Non-recurring items breakdown



- **No impact from Non-recurring items in Q3**
- **Significant decrease in 9M 2019/20 adjustments vs. 2018/19 thanks to:**
 - Minimized M&A costs related to the Carini Retail acquisition vs. DPS and Galimberti deals
 - 9M 18/19 impacted by non-recurring costs concerning the new central logistics hub, included in relocation costs
- **Change in business model** impacting slightly more to reflect the first adoption of Unieuro's extended warranty internalized business model by Carini Retail stores

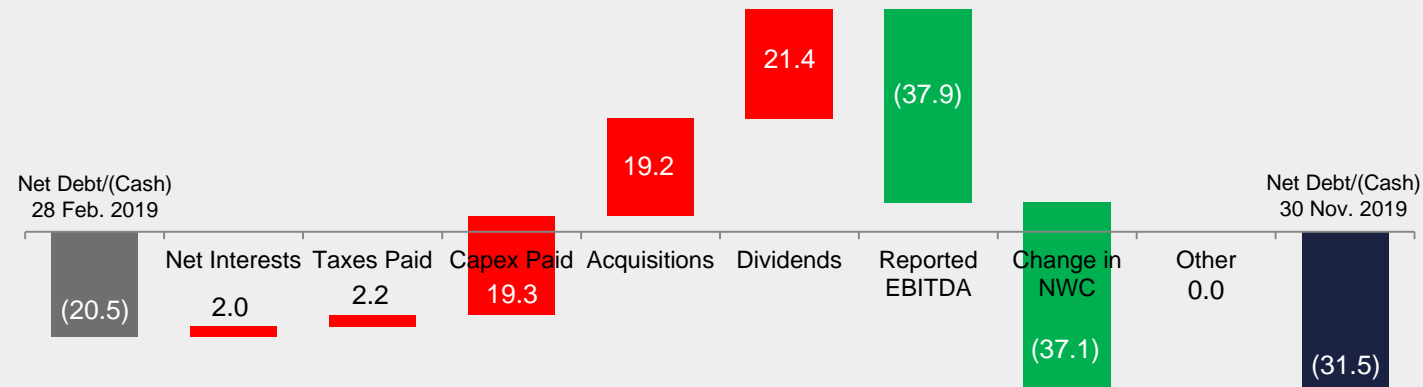
Adjusted Net Income⁽¹⁾ Bridge (no-IFRS 16)



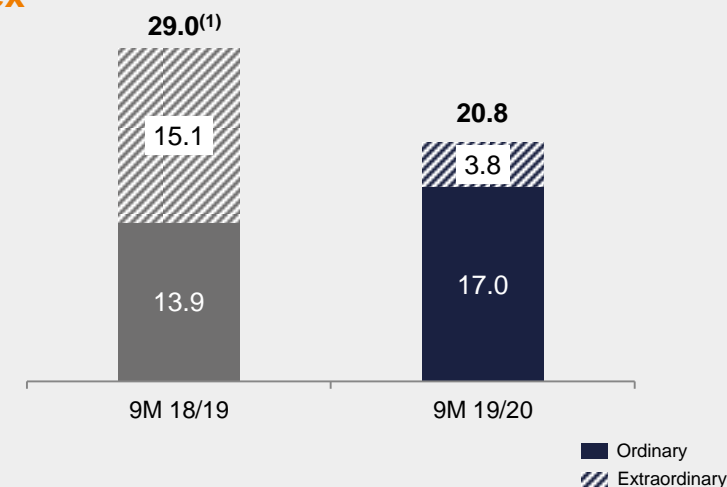
- **D&A increase** due to growing capex activities in the last years, also connected to:
 - acquisitions
 - new openings and closings
 - logistics (Piacenza and Carini)
- **Net interests savings** allowed by cash flow management optimisation

Financial Overview (no-IFRS 16)

Net Financial Debt/(Cash) Walk

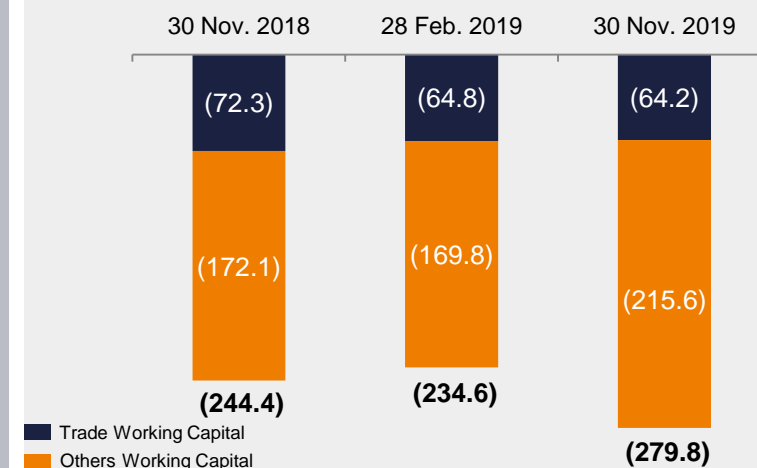


Capex



- **Net Financial Position** boosted by strong operating cash flows, despite dividends, acquisitions and capex
- **Significant decrease of Total capex** despite the second biggest acquisition in Unieuro's history and ongoing investments on IT infrastructure:
 - **Ordinary capex** (17.0 €m), related to store maintenance and refurbishment, ITC, digital platform improvement and store digitalization
 - **Extraordinary capex** at 3.8 €m (0€ in Q3) vs. 15.1 €m in 9M 2018/19 (impacted by the new Piacenza central logistics hub)
- **Net Working Capital strongly pushed** by Other Working Capital items, including extended warranty accruals

Net Working Capital

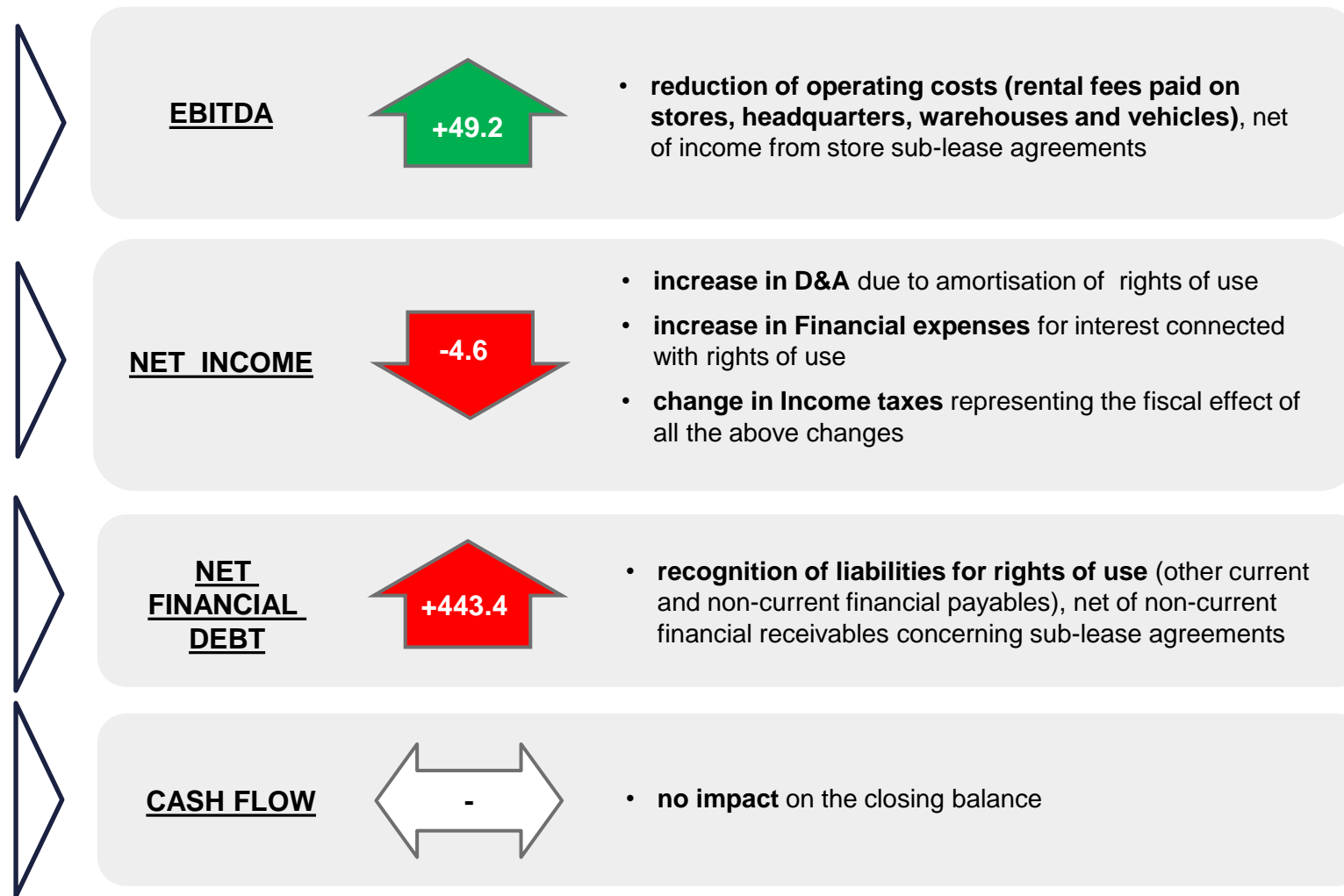


IFRS 16 impact

What IFRS 16 is

- The new standard requires to recognize in **Balance Sheet** all lease with a term exceeding 12 months
- Unieuro - in line with the vast majority of listed companies - chose to apply this standard using the **modified retrospective approach** - IFRS16 C8, b), ii)
- Main impacts:
 - **Balance Sheet:** recognition of an asset (“Right of Use”) and the liabilities arising from the lease (“Lease Liability”)
 - **P&L:** replacement of Renting Costs with depreciation of Right of Use and interests on Lease Liability
- First time adoption: **1st March 2019**
- **No restatement of 2018 financials** according to IFRS16

Main Effects on Unieuro's 9M 2019/20 Results (€m)



Post-IFRS 16 results

as reported in the Interim Directors' Report
as at 30 November 2019



Profit & Loss (IFRS 16 impact)

9M 19/20 post IFRS16	9M 19/20 no IFRS16		Q3 19/20 post IFRS16	Q3 19/20 no IFRS16
1,759.5	1,759.5	Sales	699.9	699.9
1,759.5	1,759.5	Sales	699.9	699.9
(1,379.8)	(1,379.8)	Purchase of goods - Change in Inventory	(553.6)	(553.6)
(8.4)	(58.3)	Rental Costs	(3.0)	(19.4)
(41.4)	(41.4)	Marketing costs	(14.3)	(14.3)
(50.1)	(50.1)	Logistic costs	(18.5)	(18.5)
(49.3)	(49.9)	Other costs	(16.0)	(16.2)
(138.8)	(138.8)	Personnel costs	(47.7)	(47.7)
(4.6)	(3.3)	Other operating costs and income	(1.8)	(1.4)
87.1	37.9	Reported EBITDA	45.0	28.8
(66.7)	(21.8)	D&A	(21.9)	(7.2)
20.5	16.2	Reported EBIT	23.0	21.6
(9.9)	(2.8)	Net Interests	(3.3)	(1.0)
10.6	13.4	Reported Profit before Tax	19.7	20.7
(2.0)	(0.2)	Taxes	(2.0)	(0.8)
8.7	13.2	Reported Net Income	17.8	19.8

Balance Sheet (IFRS 16 impact)

	30 Nov. 2019 post-IFRS16	30 Nov. 2019 no IFRS16
Trade Receivables	81.0	81.0
Inventory	518.1	518.1
Trade Payables	(663.2)	(663.2)
Operating Trade Capital	(64.2)	(64.2)
Current Tax Assets	0.9	0.9
Current Assets ⁽¹⁾	17.1	17.4
Current Liabilities ⁽²⁾	(230.4)	(232.6)
Short Term Provisions	(1.3)	(1.3)
Net Working Capital	(278.0)	(279.8)
Tangible and Intangible Assets	556.1	116.6
Net Deferred Tax Assets and Liabilities	33.8	35.6
Goodwill	195.3	195.3
Other Long Term Assets and Liabilities ⁽³⁾	(16.8)	(16.1)
Total Invested Capital	490.4	51.5
Net financial Debt	(411.9)	31.5
Equity	(78.5)	(83.0)
Total Sources	(490.4)	(51.5)

⁽¹⁾ **Current Assets:** Includes mainly Accrued Income related to rental costs, etc

⁽²⁾ Current Liabilities

	30 Nov. 2019 post-IFRS16	30 Nov. 2019 no IFRS16
Accrued expenses (mainly Extended Warranties)	(138.7)	(140.9)
Personnel debt	(43.4)	(43.4)
VAT debt	(20.3)	(20.3)
Other	(25.6)	(25.6)
LTIP Personnel debt	(2.5)	(2.5)
Current Liabilities	(230.4)	(232.6)

⁽³⁾ Other Long Term Assets and Liabilities

	30 Nov. 2019 post-IFRS16	30 Nov. 2019 no IFRS16
Financial assets (deposits)	2.9	2.9
Deferred Benefit Obligation (TFR)	(12.7)	(12.7)
Long Term Provision for Risks	(4.4)	(4.6)
Other Provisions	(2.6)	(1.7)
LTIP Personnel debt	(0.0)	(0.0)
Other Long Term Assets and Liabilities	(16.8)	(16.1)

No-IFRS 16 results and reconciliations



Profit & Loss (no-IFRS 16)

9M 19/20 no IFRS16	%	9M 18/19	%		Q3 19/20 no IFRS16	%	Q3 18/19	%
1,759.5		1,527.3		Sales	699.9		618.7	
1,759.5		1,527.3		Sales	699.9		618.7	
(1,379.8)	(78.4%)	(1,191.5)	(78.0%)	Purchase of goods - Change in Inventory	(553.6)	(79.1%)	(487.4)	(78.8%)
(58.3)	(3.3%)	(53.7)	(3.5%)	Rental Costs	(19.4)	(2.8%)	(18.5)	(3.0%)
(41.4)	(2.4%)	(38.1)	(2.5%)	Marketing costs	(14.3)	(2.0%)	(14.3)	(2.3%)
(50.1)	(2.8%)	(40.2)	(2.6%)	Logistics costs	(18.5)	(2.6%)	(16.4)	(2.7%)
(49.9)	(2.8%)	(47.4)	(3.1%)	Other costs	(16.2)	(2.3%)	(16.5)	(2.7%)
(138.8)	(7.9%)	(125.1)	(8.2%)	Personnel costs	(47.7)	(6.8%)	(43.8)	(7.1%)
(3.3)	(0.2%)	(3.3)	(0.2%)	Other operating costs and income	(1.4)	(0.2%)	(1.9)	(0.3%)
37.9	2.2%	28.2	1.8%	Reported EBITDA	28.8	4.1%	19.9	3.2%
5.0	0.3%	9.3	0.6%	Adjustments	0.0	0.0%	5.0	0.8%
6.7	0.4%	6.2	0.4%	Change in Business Model	2.8	0.4%	3.1	0.5%
49.6	2.8%	43.7	2.9%	Adjusted EBITDA	31.6	4.5%	28.0	4.5%
(21.8)	(1.2%)	(18.6)	(1.2%)	D&A	(7.2)	(1.0%)	(6.3)	(1.0%)
(2.8)	(0.2%)	(3.2)	(0.2%)	Financial Income - Expenses	(1.0)	(0.1%)	(1.0)	(0.2%)
25.1	1.4%	21.8	1.4%	Adjusted Profit before Tax	23.5	3.4%	20.7	3.3%
(0.2)	(0.0%)	0.5	0.0%	Taxes	(0.8)	(0.1%)	0.6	0.1%
(1.0)	(0.1%)	(1.3)	(0.1%)	Fiscal impact of non-recurring items	(0.2)	(0.0%)	(0.7)	(0.1%)
23.9	1.4%	21.0	1.4%	Adjusted Net Income	22.4	3.2%	20.6	3.3%
(5.0)	(0.3%)	(9.3)	(0.6%)	Adjustments	(0.0)	(0.0%)	(5.0)	(0.8%)
0.0	--	(0.3)	(0.0%)	Non-recurring D&A	0.0	--	--	--
0.0	--	1.5	0.1%	Non-recurring financial (expenses)/income	0.0	--	0.0	--
(6.7)	(0.4%)	(6.2)	(0.4%)	Change in Business Model	(2.8)	(0.4%)	(3.1)	(0.5%)
1.0	0.1%	1.3	0.1%	Fiscal impact of non-recurring items	0.2	0.0%	0.7	0.1%
13.2	0.8%	7.9	0.5%	Reported Net Income	19.8	2.8%	13.2	2.1%

9M Profit & Loss Adjustments by Line Item (no-IFRS 16)

	9M 19/20 Reported EBITDA	9M 19/20 Adjustments	9M 19/20 Adjusted EBITDA	9M 18/19 Reported EBITDA	9M 18/19 Adjustments	9M 18/19 Adjusted EBITDA	Δ 9M Adjusted EBITDA
Gross Profit	379.7	0.0	379.7	335.8	0.0	335.8	43.9
Change in Business Model		6.7	6.7		6.2	6.2	0.5
Gross profit including change in Business Model	379.7	6.7	386.4	335.8	6.2	342.0	44.4
Rental Costs	(58.3)	0.3	(58.0)	(53.7)	0.9	(52.8)	(5.2)
Marketing costs	(41.4)	1.3	(40.1)	(38.1)	1.1	(37.0)	(3.1)
Logistics costs	(50.1)	0.9	(49.2)	(40.2)	1.5	(38.7)	(10.5)
Other costs	(49.9)	1.6	(48.3)	(47.4)	3.5	(43.9)	(4.4)
Personnel costs	(138.8)	0.9	(137.9)	(125.1)	2.4	(122.6)	(15.3)
Other operating costs and income	(3.3)	(0.1)	(3.4)	(3.3)	(0.1)	(3.4)	(0.0)
Total Costs	(341.7)	5.0	(336.7)	(307.6)	9.3	(298.3)	(38.4)
EBITDA	37.9	11.7	49.6	28.2	15.5	43.7	6.0

Q3 Profit & Loss Adjustments by Line Item (no-IFRS 16)

	Q3 19/20 Reported EBITDA	Q3 19/20 Adjustments	Q3 19/20 Adjusted EBITDA	Q3 18/19 Reported EBITDA	Q3 18/19 Adjustments	Q3 18/19 Adjusted EBITDA	Δ Q3 Adjusted EBITDA
Gross Profit	146.3	0.0	146.3	131.3	0.0	131.3	15.0
Change in Business Model		2.8	2.8		3.1	3.1	(0.3)
Gross profit including change in Business Model	146.3	2.8	149.1	131.3	3.1	134.4	14.7
Rental Costs	(19.4)	(0.1)	(19.5)	(18.5)	0.8	(17.7)	(1.8)
Marketing costs	(14.3)	0.0	(14.3)	(14.3)	0.9	(13.4)	(0.9)
Logistics costs	(18.5)	0.0	(18.5)	(16.4)	1.1	(15.3)	(3.1)
Other costs	(16.2)	(0.1)	(16.3)	(16.5)	1.2	(15.3)	(1.0)
Personnel costs	(47.7)	0.2	(47.6)	(43.8)	0.9	(42.9)	(4.7)
Other operating costs and income	(1.4)	(0.0)	(1.4)	(1.9)	0.0	(1.8)	0.4
Total Costs	(117.5)	0.0	(117.4)	(111.4)	5.0	(106.4)	(11.1)
EBITDA	28.8	2.8	31.6	19.9	8.1	28.0	3.6

Balance Sheet (no-IFRS 16)

	30 Nov. 2019 no IFRS16	28 Feb. 2019
Trade Receivables	81.0	41.3
Inventory	518.1	362.3
Trade Payables	(663.2)	(468.5)
Trade Working Capital	(64.2)	(64.8)
Current Tax Assets	0.9	2.1
Current Assets ⁽¹⁾	17.4	19.8
Current Liabilities ⁽²⁾	(232.6)	(190.3)
Short Term Provisions	(1.3)	(1.3)
Net Working Capital	(279.8)	(234.6)
Tangible and Intangible Assets	116.6	113.3
Net Deferred Tax Assets and Liabilities	35.6	31.5
Goodwill	195.3	178.0
Other Long Term Assets and Liabilities ⁽³⁾	(16.1)	(17.7)
Total Invested Capital	51.5	70.4
Net financial Debt	31.5	20.5
Equity	(83.0)	(90.9)
Total Sources	(51.5)	(70.4)

⁽¹⁾ **Current Assets:** Includes mainly Accrued Income related to rental costs, etc

⁽²⁾ Current Liabilities

	30 Nov. 2019 no IFRS16	28 Feb. 2019
Accrued expenses (mainly Extended Warranties)	(140.9)	(126.3)
Personnel debt	(43.4)	(35.4)
VAT debt	(20.3)	(14.7)
Other	(25.6)	(13.9)
LTIP Personnel debt	(2.5)	
Current Liabilities	(232.6)	(190.3)

⁽³⁾ Other Long Term Assets and Liabilities

	30 Nov. 2019 no IFRS16	28 Feb. 2019
Financial assets (deposits, leases)	2.9	2.5
Deferred Benefit Obligation (TFR)	(12.7)	(11.0)
Long Term Provision for Risks	(4.6)	(6.0)
Other Provisions	(1.7)	(1.7)
LTIP Personnel debt	(0.0)	(1.5)
Other Long Term Assets and Liabilities	(16.1)	(17.7)

Cash Flow Statement (no-IFRS 16)

9M 19/20 no IFRS16	9M 18/19		Q3 19/20 no IFRS16	Q3 18/19
37.9	28.2	Reported EBITDA	28.8	19.9
(2.2)	(0.7)	Taxes Paid	(2.2)	-
(2.0)	(2.1)	Interests Paid	(0.5)	(0.5)
37.1	40.4	Change in NWC	59.9	66.3
0.9	0.8	Change in Other Assets and Liabilities	0.6	0.5
71.8	66.5	Reported Operating Cash Flow	86.6	86.2
(13.8)	(27.3)	Purchase of Tangible Assets	(4.1)	(12.6)
(4.7)	(4.8)	Purchase of Intangible Assets	(1.4)	(2.3)
(0.8)	8.8	Change in capex payables	-	-
(11.0)	(5.9)	Acquisitions	-	(2.5)
41.4	37.3	Levered Free Cash Flow	81.2	68.9
4.0	6.1	Cash effect of adjustments	(0.2)	3.5
14.5	12.6	Non recurring investments	0.0	5.1
(2.5)	(0.8)	Other non recurring cash flows	(1.0)	-
57.3	55.1	Adjusted Levered Free Cash Flow	80.0	77.5
(1.4)	(5.3)	Cash effect of adjustments	1.2	(3.5)
(14.5)	(12.6)	Non recurring investments	(0.0)	(5.1)
(21.4)	(20.0)	Dividend/Change in Shareholders Debt	-	-
(8.2)	-	Acquisition Debt	-	-
(0.9)	0.3	Other Changes	(0.2)	(0.5)
11.0	17.5	Δ Net Financial Position	80.9	68.3

Net Financial Debt (no-IFRS 16)

	30 Nov. 2019	28 Feb. 2019
Short-Term Bank Debt	0.0	(3.0)
Long-Term Bank Debt	(46.0)	(40.5)
Bank Debt	(46.0)	(43.5)
Debt To Other Lenders	(9.5)	(10.6)
Acquisition Debt	(17.9)	(9.9)
Other Financial Debt	(27.4)	(20.5)
Cash and Cash Equivalents	104.8	84.5
Net Financial Debt	31.5	20.5

FY 2018/19 Results



Profit & Loss

FY 18/19	%	FY 17/18	%		Q4 18/19	%	Q4 17/18	%
2,104.5		1,873.8		Sales	577.3		545.4	
2,104.5		1,873.8		Sales	577.3		545.4	
(1,635.7)	(77.7%)	(1,459.2)	(77.9%)	Purchase of goods - Change in Inventory	(444.2)	(77.0%)	(424.3)	(77.8%)
(71.5)	(3.4%)	(64.1)	(3.4%)	Rental Costs	(17.8)	(3.1%)	(17.3)	(3.2%)
(50.0)	(2.4%)	(50.4)	(2.7%)	Marketing costs	(11.9)	(2.1%)	(10.1)	(1.9%)
(54.0)	(2.6%)	(42.8)	(2.3%)	Logistic costs	(13.9)	(2.4%)	(10.9)	(2.0%)
(64.1)	(3.0%)	(57.8)	(3.1%)	Other costs	(16.7)	(2.9%)	(14.7)	(2.7%)
(169.9)	(8.1%)	(156.3)	(8.3%)	Personnel costs	(44.8)	(7.8%)	(43.8)	(8.0%)
(2.1)	(0.1%)	(2.1)	(0.1%)	Other operating costs and income	1.2	0.2%	(0.3)	(0.1%)
57.2	2.7%	41.0	2.2%	EBITDA Reported	29.0	5.0%	23.9	4.4%
8.4	0.4%	19.9	1.1%	Adjustments	(0.9)	(0.1%)	2.2	0.4%
7.9	0.4%	8.0	0.4%	Change in Business Model	1.7	0.3%	3.1	0.6%
73.6	3.5%	68.9	3.7%	Adjusted EBITDA	29.9	5.2%	29.2	5.4%
(27.2)	(1.3%)	(21.7)	(1.2%)	D&A	(8.7)	(1.5%)	(7.2)	(1.3%)
(4.2)	(0.2%)	(4.5)	(0.2%)	Financial Income - Expenses	(0.9)	(0.2%)	(0.7)	(0.1%)
42.2	2.0%	42.7	2.3%	Adjusted Profit before Tax	20.3	3.5%	21.3	3.9%
1.9	0.1%	(0.7)	(0.0%)	Taxes	1.5	0.3%	(0.5)	(0.1%)
(1.4)	(0.1%)	(2.6)	(0.1%)	Fiscal impact of non-recurring items	(0.1)	(0.0%)	(0.6)	(0.1%)
42.7	2.0%	39.4	2.1%	Adjusted Net Income	21.7	3.8%	20.2	3.7%
(8.4)	(0.4%)	(19.9)	(1.1%)	Adjustments	0.9	0.1%	(2.2)	(0.4%)
(0.3)	(0.0%)	--	--	D&A non-recurring	0.0	--	--	--
1.5	0.1%	(3.1)	(0.2%)	Non-recurring financial (expenses)/income	0.0	--	(3.1)	(0.6%)
(7.9)	(0.4%)	(8.0)	(0.4%)	Change in Business Model	(1.7)	(0.3%)	(3.1)	(0.6%)
1.4	0.1%	2.6	0.1%	Fiscal impact of non-recurring items	0.1	0.0%	0.6	0.1%
28.9	1.4%	11.0	0.6%	Net Income Reported	20.9	3.6%	12.4	2.3%

Balance Sheet

	28 Feb. 2019	28 Feb. 2018
Trade Receivables	41.3	39.6
Inventory	362.3	313.5
Trade Payables	(468.5)	(411.5)
Operating Working Capital	(64.8)	(58.4)
Current Tax Assets	2.1	3.1
Current Assets ⁽¹⁾	19.8	16.2
Current Liabilities ⁽²⁾	(190.3)	(163.4)
Short Term Provisions	(1.3)	(3.0)
Net Working Capital	(234.6)	(205.4)
Tangible and Intangible Assets	113.3	99.9
Net Deferred Tax Assets and Liabilities	31.5	27.7
Goodwill	178.0	174.8
Other Long Term Assets and Liabilities ⁽³⁾	(17.7)	(15.2)
Total Invested Capital	70.4	81.7
Net financial Debt	20.5	(4.5)
Equity	(90.9)	(77.2)
Total Sources	(70.4)	(81.7)

⁽¹⁾ **Current Assets:** Includes mainly Accrued Income related to rental costs, etc

⁽²⁾ Current Liabilities

	28 Feb. 2019	28 Feb. 2018
Accrued expenses (mainly Extended Warranties)	(126.3)	(101.3)
Personnel debt	(35.4)	(34.9)
VAT debt	(14.7)	(17.1)
Other	(13.9)	(10.1)
Current Liabilities	(190.3)	(163.4)

⁽³⁾ Other Long Term Assets and Liabilities

	28 Feb. 2019	28 Feb. 2018
Deposits	2.5	2.4
Deferred Benefit Obligation (TFR)	(11.0)	(11.2)
Long Term Provision for Risks	(6.0)	(4.6)
Store Loss Provision	-	(0.1)
Other Provisions	(1.7)	(1.0)
LTIP Personnel debt	(1.5)	(0.7)
Other Long Term Assets and Liabilities	(17.7)	(15.2)

Cash Flow Statement

FY 18/19	FY 17/18		Q4 18/19	Q4 17/18
57.2	41.0	Reported EBITDA	29.0	23.9
(0.7)	-	Taxes Paid	-	-
(3.2)	(8.8)	Interests Paid	(1.1)	(3.5)
27.8	51.6	Change in NWC	(12.6)	16.7
1.3	1.4	Change in Other Assets and Liabilities	0.5	0.6
82.3	85.2	Reported Operating Cash Flow	15.9	37.6
(30.2)	(28.4)	Purchase of Tangible Assets	(5.6)	(2.5)
(8.0)	(8.8)	Purchase of Intangible Assets	(3.9)	(0.0)
6.0	(5.6)	Change in capex payables	0.7	(9.5)
(5.6)	(14.5)	Acquisitions	0.3	(0.0)
-	0.2	Monclick NFP 01.06.2017	-	-
44.6	28.1	Levered Free Cash Flow	7.3	25.5
8.0	16.8	Adjustments	1.9	3.8
17.0	25.8	Non recurring investments	4.4	4.1
(0.8)	(4.0)	Other non recurring cash flows	-	-
68.7	66.7	Adjusted Levered Free Cash Flow	13.6	33.4
(7.2)	(12.8)	Adjustments	(1.9)	0.2
(17.0)	(25.8)	Non recurring investments	(4.4)	(4.1)
(20.0)	(20.0)	Dividend/Change in Shareholders Debt	-	-
-	(11.6)	Monclick Acquisition Debt	-	0.1
0.4	1.0	Other Changes	0.2	(0.5)
25.0	(2.5)	Δ Net Financial Position	7.4	29.1

NEXT EVENTS

2nd Italian Mid Cap Conference (Mediobanca)
Milano, 16 January 2020

4th Italian Day in Frankfurt (Alantra)
Frankfurt, 28 January 2020

2019/20 Preliminary Revenues
18 March 2020

STAR Conference
Milan, 25/26 March 2020

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