

Unieuro S.p.A.

STAR Conference Presentation
26-27 May 2020



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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 EBIT, Adjusted EBIT 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 EBIT, Adjusted EBIT 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

- **Highlights**
- **Responding to Covid-19 outbreak**
- **FY 2019/20 Results**
 - Market Scenario and Sales Performance
 - Strategic Goals and Actions Undertaken
 - Financials
- **Closing Remarks & CSR**
- **Overview of Unieuro**

Highlights

- FY 2019/20 sales up 16.2% to another **all-time record level: 2.44 €bn**
 - Sector leadership strengthened by widening the gap between Unieuro and competitors

- Outstanding like-for-like⁽¹⁾ sales performance: +6.5%
- Former Pistone stores driving Retail channel expansion
- Online channel rising by 23.5%, reaching 12.2% of total revenues

- **Long-term strategy paying off:**
- Adjusted EBITDA⁽²⁾ at 82.1 €m, Adjusted Net Income⁽³⁾ at 45.7 €m
- Net cash position increasing again to **29.6 €m**
- Strong results achieved whilst satisfying customers: **NPS⁽⁴⁾ up at +46.3**

- Covid-19 outbreak sharply impacting current trading
- Management actions put in place immediately to protect people, company profitability and soundness
- 98% of DOS⁽⁵⁾ now reopened, Online sales growing triple-digit and outperforming the market again

- Proposal to refrain from **dividend distribution** in light of deep uncertainty deriving from current scenario

Notes: Consolidated results. Unieuro Fiscal Year ends on 29 February. Data in millions of Euro, unless otherwise stated. (1) The like-for-like KPI is calculated including: (i) the retail and travel stores operating for at least an entire financial year at the closing date of the reference period, excluding sales outlets affected by significant business discontinuity (e.g. temporary closures and large-scale refurbishments) and (ii) the entire direct online channel. (2) Adjusted EBITDA is EBITDA adjusted for: (i) non-recurring expenses/(income) and (ii) the impact from the adjustment of revenues for extended warranty services net of related estimated future costs to provide the assistance service, as a result of the change in the business model for directly managed assistance services. (3) Adjusted Net Income is calculated as Net Income adjusted for (i) any corrections incorporated in adjusted EBITDA, (ii) corrections to D&A and non-recurring write-downs, (iii) corrections to non-recurring financial charges/(income) and (iv) the theoretical tax impact of such adjustments. (4) 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). (5) Excluding the Travel channel.

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Covid-19: A Threat Under Management

Pandemic strongly hitting the CE retail sector since March 2020.

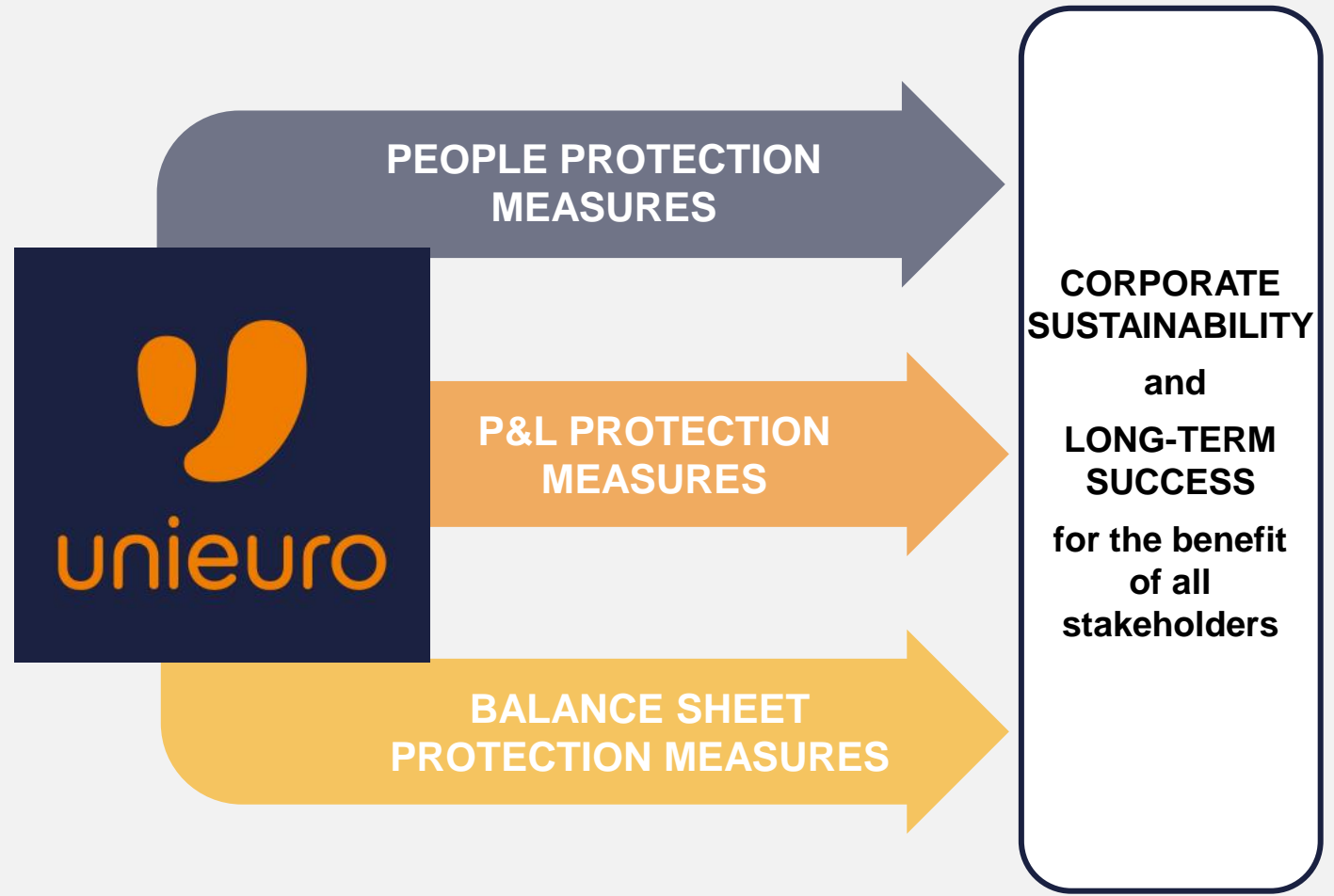
Unieuro actively managing all available levers to safeguard people, current business and future perspectives

Covid-19 impact so far...

- Confinement, ban on people movement
- Partial store lockdown, limiting retail activity
- Strong boost to e-commerce, increasing pressure on logistics
- No significant effect on procurement

...and going forward:

- Strict health measures and social distancing, impacting traffic in store
- Fall in consumer spending



Covid-19: People Protection Measures

PURPOSE	ACTION		EFFECT
To enable operational continuity by safeguarding employees' health and wellbeing	1	<u>Health and safety measures</u> adopted in stores and logistics hubs	No discontinuity in central and logistics activities. Stores operational also during the voluntary closure to the public in order to serve affiliates, online and B2B customers
	2	<u>Smart working</u> extended to all white collars	
To concretely support employees directly hit by Covid-19	3	<u>Health insurance policy</u> covering all costs related to Covid-19, extended to all 5,000 employees	Positive feedback from stakeholders, reflecting on corporate reputation
To safeguard clients' and employees' health during the epidemic peak, while implementing advanced safety measures	4	<u>Voluntary closure of all DOS</u> from 13th to 29th March 2020	
To be close to the Italian people, in line with Unieuro's mission and values	5	<u>Donation of over 2,000 smartphones</u> to hospitals and retirement homes in Emilia Romagna and Lombardy regions	

Covid-19: Profit & Loss Protection Measures

PURPOSE	ACTION	EFFECT
To sustain revenues despite the unfavourable scenario	1 <u>Gradual reopening of DOS</u> from 30 March 98% of direct network now in operation mostly 11 hours/day, 6 days/week	Slow but constant improvement in Retail Channel revenues i.e. week 18: -46% yoy
	2 <u>Online channel reinforced</u> through refocusing of marketing activities, both mainstream and digital, and free delivery over 49€	Triple-digit increase since the outbreak of the crisis, constantly outperforming the market i.e. week 18: Unieuro.it and Monclick.it total orders +193%
To reshape the cost base in the short term, quickly reacting to new revenue level and mix	3 <u>Social safety nets activated</u> granted to almost all employees, as provided for by the “Cura Italia” Decree	Labour cost savings for a maximum of 9 weeks
	4 <u>Voluntary cut of BoD and management remuneration</u> , in April and May CEO -100%, BoD and Chiefs -20%, Managers -10%	Cost savings, as well as a concrete display of solidarity towards the corporate workforce
	5 <u>Cost cutting</u> Negotiation under way with landlords Store operating costs and advisory services under review Increasing safety & compliance costs	Upcoming material savings

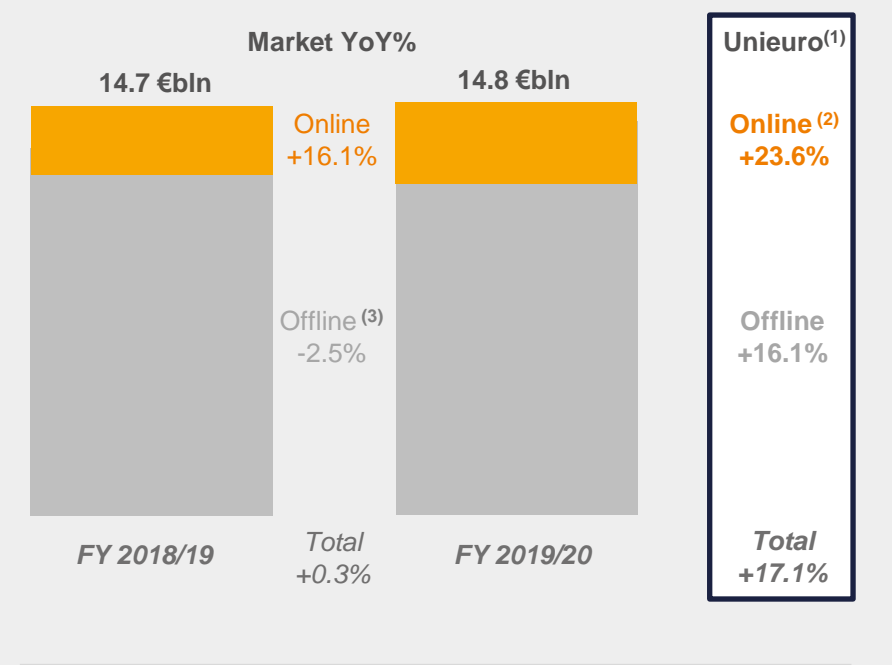
Covid-19: Balance Sheet Protection Measures

PURPOSE		ACTION	EFFECT
To reschedule payments and purchases to preserve current liquidity position	1	<u>Undergoing discussions with product suppliers and landlords</u>	Better inflow/outflow balance going forward Improved stock rotation
To secure liquidity in light of temporary cash inflows reduction	2	<u>Deferrable capex and acquisitions postponed</u> , particularly those relating to the network of shops	M&A activities temporarily suspended Focus on digitisation. New ERP adoption process still in place
	3	<u>Pre-existing credit facilities for 125 €m partially drawn down</u> on a preventive basis	All drawn down liquidity still available
	4	<u>Currently considering access to “Liquidity Decree” measures</u> , i.e. new credit lines partially granted by SACE S.p.A.	Possibility of incremental financing, if needed
To strengthen the capital structure in view of a challenging FY 2020/21 To facilitate access to “Liquidity Decree” measures	5	<u>Proposal of no dividend payout, allocating Net Profit to Equity reserve</u>	Equity to be strengthened ~23 €m cash outflows to be avoided

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Market Scenario



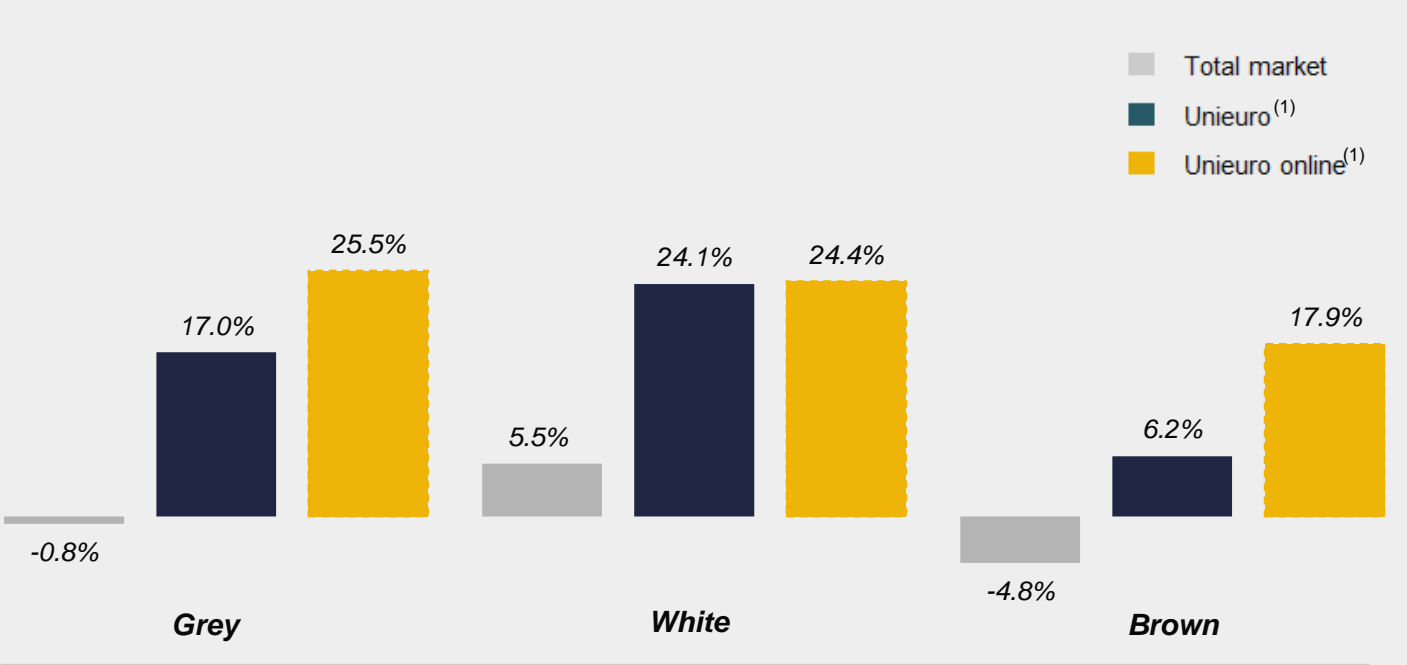
Growth: sales acceleration in H2, reversing H1 general trend, thanks to peak season and January strong performances

- offline decline slowing in H2
- online sales slightly accelerating in H2

Competitive Scenario: telephony partially shifting from Electrical Specialists to Tech Superstores and Mass Merchandisers

Internet penetration: approx. 17% in FY 2019/20, another +2 p.p. yoy

Unieuro: significantly outperforming against the market in both channels. Strong online performance in H2, benefitting from peak season campaigns



Grey goods: negative trend slowing down in H2, thanks to telephony business

- Telecom: smartphones underpinning the whole category
- IT: still negative (-0.4%), but improving in H2

White goods: positive H1 trends confirmed:

- MDA: boosted by driers (+15.4%) and dishwashers (+6.6%)
- SDA: growing over 5% in H2, in line with H1

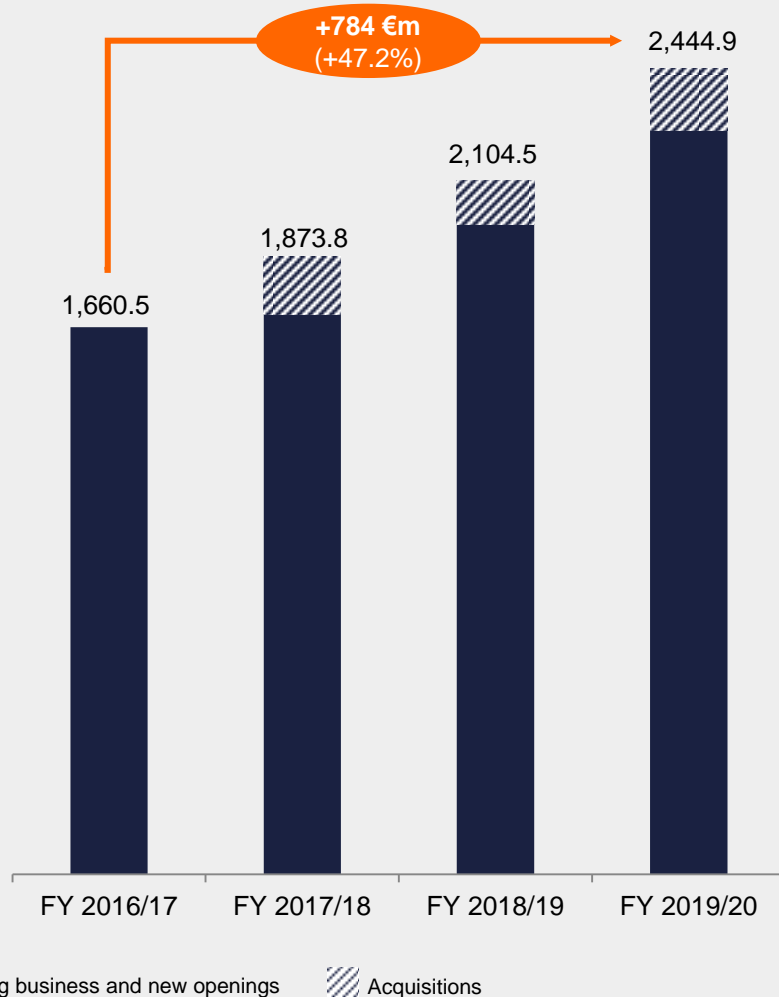
Brown goods: despite a better H2, shift from middle-segment to premium price and change in channel mix impacted again the TV segment as seen in FY 2018/19

Unieuro⁽¹⁾: another year of market share growth in all product segments, with a clear focus on highly profitable White goods. External and internal growth overwhelming negative market trends in Grey and Brown categories.

Notes: Unieuro Fiscal Year ends on 29 February. Source: Company elaborations on GfK data. (1) Unieuro's growth per product category and single channel only concerns the Consumer segment net of Services, Entertainment and products outside the scope of consumer electronics, while including Travel sales. (2) For a better representation, supplies of business-related goods were reclassified from the Online channel to the B2B channel. (3) Source: GfK.

FY 19/20 Sales Setting New Sector Records

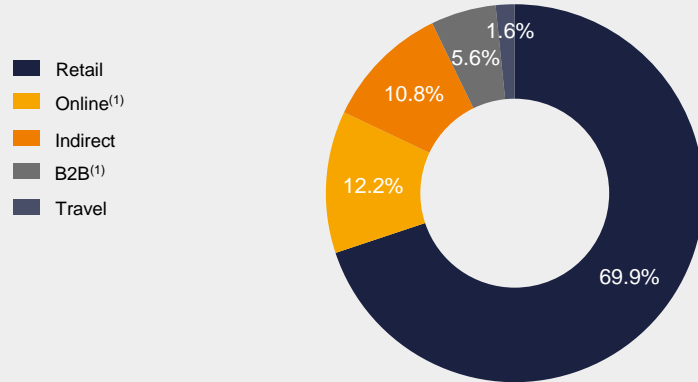
Strengthening market leadership



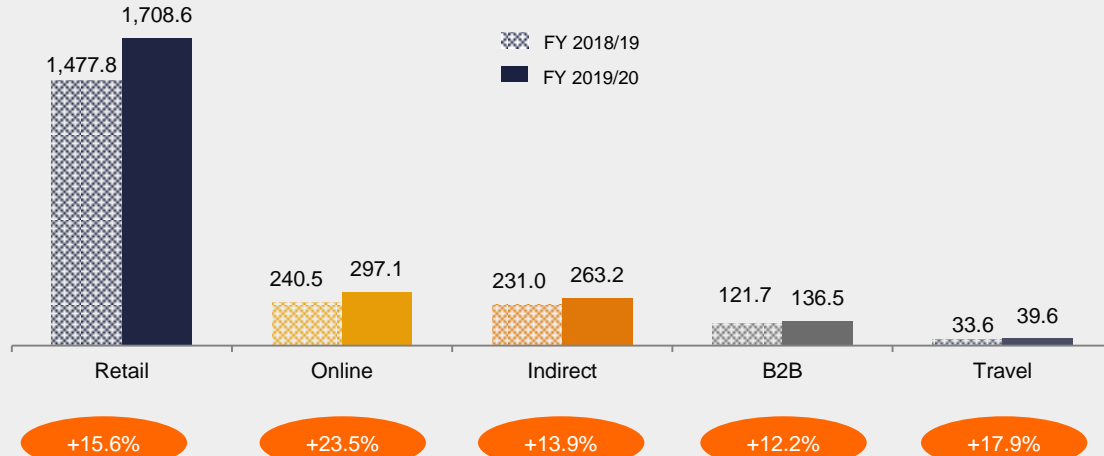
- **Another record FY sales: 2,444.9 €m (+16.2%)**, spreading the gap between Unieuro and direct competitors
- **The strongest like-for-like¹ growth in recent years, +6,5%** (even stronger, +7,6%, if net of new stores effect on pre-existing network), pushed by:
 - Successful Black Friday campaign
 - Positive performance of retail stores at constant perimeter
 - Accelerating Online sales performance (+23.5%), strongly accelerating in H2
- **Different business scope** impacting for **187.5€m** and resulting from the acquisition of:
 - 12 former Pistone/Expert stores, quickly and successfully integrated since 1st March
 - 8 former DPS / Trony stores, in Q3 2018/19
 - 6 former Galimberti / Euronics stores, in November/December 2018
- **Partnership with Finiper** pushing Indirect Channel sales
- **All product categories posting positive performance**, especially White goods (+24.7%) and Services (+21.1%)

Sales by Channel

FY 2019/20 Breakdown



YoY Change (€m)



• Retail

- Store network expansion: +12 DOS yoy (12 ex-Pistone stores, 6 new openings, 6 closures)
- Positive performance at constant perimeter, also boosted by successful peak season

• Online⁽¹⁾ outperforming the market once again

- Strong H2 sales increase (+29.4% YoY) vs. +15.0% in H1
- Very successful Black Friday campaign
- Acceleration at FY end in response to Covid-19 spread

• Indirect channel

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

• B2B⁽¹⁾ growing double-digit, overturning H1 trend

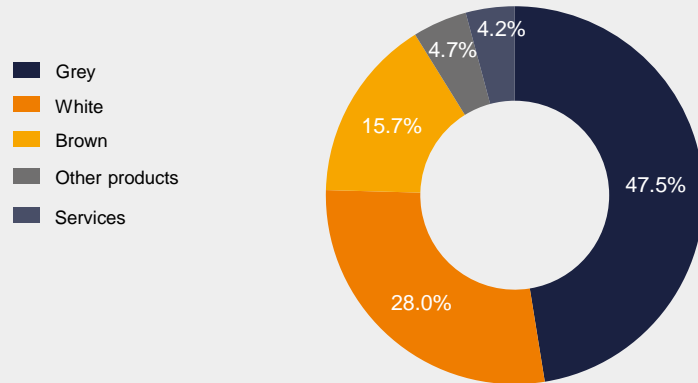
- Volatile and opportunistic business, driven by external factors

• Travel

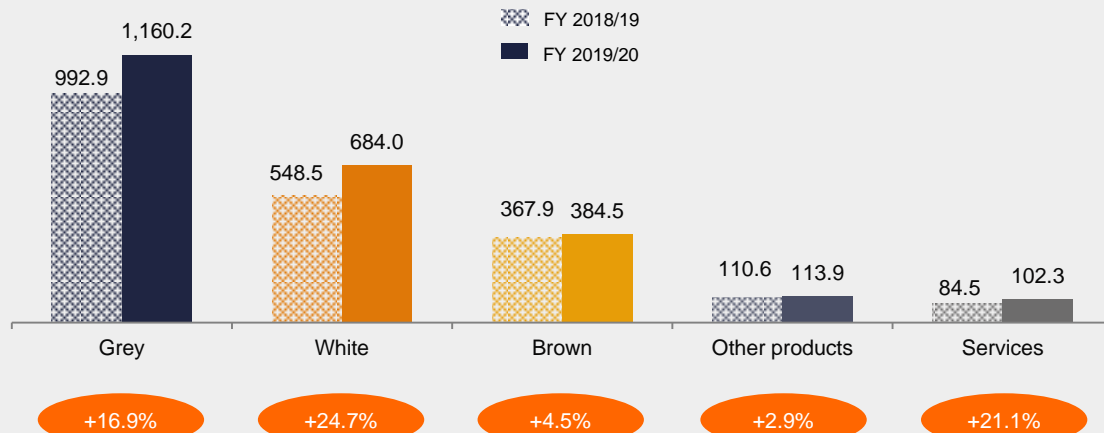
- Positive but weakening perimeter effect (Milano San Babila opened on 6 October 2018, no more openings since then)
- Very good performance for Torino railway station store

Sales by Product Category

FY 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 28.0% of total sales
- Contribution from ex-Pistone stores, traditionally strong in the sale of household appliances
- Good performance of driers, vacuum cleaners and air conditioning

• Brown

- Q4 performance (+8.3%) higher than 9M (+3.1%)
- Market registering a reduction in TV-sets average price
- Tough comparison base for TV-sets (World Cup in June 2018)




• Other products

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

• Services

- Growth still led by extended warranties and consumer credit

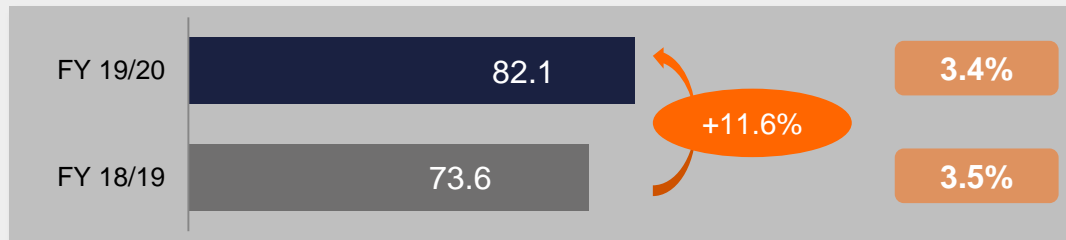
FY 19/20 Achievements

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 • 4 new DOS openings, the last one (Curno) being the first shop inside a Spazio Conad mall • 6 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"> • 9 stores refurbished (3 DOS, 6 affiliates), 5 DOS relocations. • Augmented reality feature added to the Unieuro App to provide an even more customized customer journey • GolnStore project in partnership with HP to provide web customers with live consulting from store over HP products • Average NPS⁽¹⁾ (direct channel) standing at 46.3, +3.8 points compared to FY18/19 • Unieuro “Retailer of the Year 2019/20”, thus confirming it as the “top of mind” brand within the CE market 	<ul style="list-style-type: none"> • Reiterating and reinforcing focus on Services through innovation: <ul style="list-style-type: none"> – “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	Supply Chain: launch of Carini secondary hub to better serve DOS, affiliates and online customers in Sicily and Calabria		
	Brand Equity: first ever corporate adv campaign focusing on Unieuro’s CSR campaign #Cuoriconnessi		
	Partnership with Suppliers: reinforced commercial agreements with suppliers to better manage the Black Friday campaign		

Key Financials (no-IFRS 16) / 1

Adj. EBITDA⁽¹⁾ (€m)

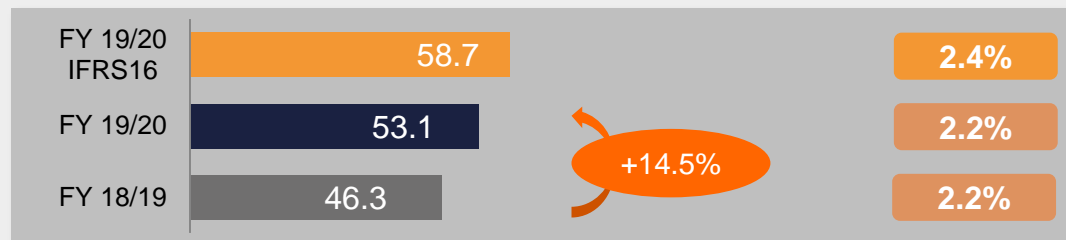
Adj. EBITDA margin



- Adj. EBITDA⁽¹⁾ double-digit increase, led again by volumes
- Gross margin and logistics costs effect almost compensated by operating costs' incidence down, thanks to scale effect and efficiencies

Adj. EBIT⁽¹⁾ (€m)

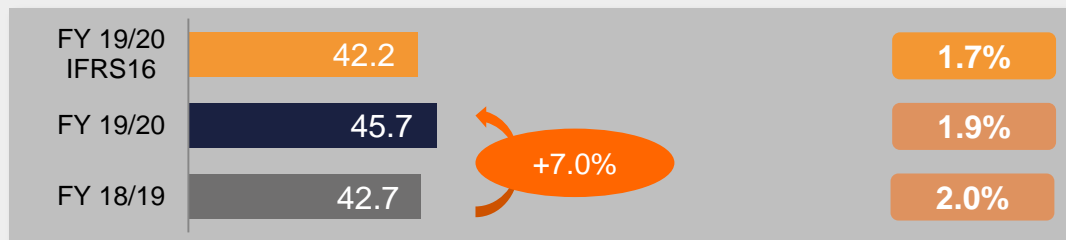
Adj. EBIT margin



- **Introducing Adj. EBIT⁽¹⁾ (post-IFRS 16)** as the future main KPI to measure Unieuro's profitability, in line with peers and global trends: **58.7 €m⁽³⁾, 2.4% of sales**
- Adj. EBIT⁽¹⁾ (no-IFRS 16) growing faster (+14.5%) than Adj. EBITDA thanks to soft D&A increase (+6.7%)
- Adj. EBIT margin stable yoy

Adj. Net Income⁽²⁾ (€m)

Adj. Net margin



- **Introducing Adj. Net Income⁽²⁾ (post-IFRS 16)** as the future main KPI to measure Unieuro's net profitability: **42.2 €m⁽³⁾, 1.7% of sales**
- Adj. Net Income⁽²⁾ (no-IFRS 16) margin slightly down because of taxes, despite lower net financial charges

Key Financials (no-IFRS 16) / 2

Net Financial Debt/(Cash) (€m)

29 Feb. 2020	(29.6)
28 Feb. 2019	(20.5)

- Another record Net Cash position at FY end
- Capex paid (27.8 €m), dividend payment (21.4 €m), and Pistone acquisition (19.2 €m) ⁽²⁾
- Very limited cash absorption in Q4, despite the effects on working capital of a strong peak season

Adj. Levered Free Cash Flow⁽¹⁾ (€m)

FY 19/20	56.5	-17.7%
FY 18/19	68.7	

- Lower cash generation vs. record 2018/19
- Trade Working Capital decrease and investment outflows weighting on Adj. Levered Free Cash Flow⁽¹⁾

Net Working Capital (€m)

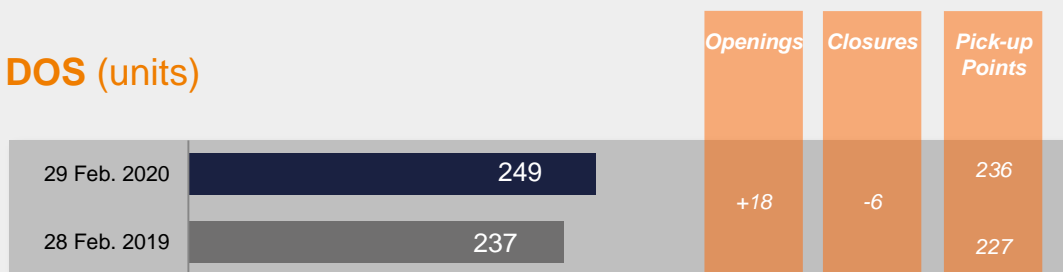
(261.7)	29 Feb. 2020	+11.6%
(234.6)	28 Feb. 2019	

- New record high for (negative) Net Working Capital
- Indirect channel expansion impacting on Trade Net Working Capital
- Strong boost by extended warranty accruals, led by business scope expansion and Services performance

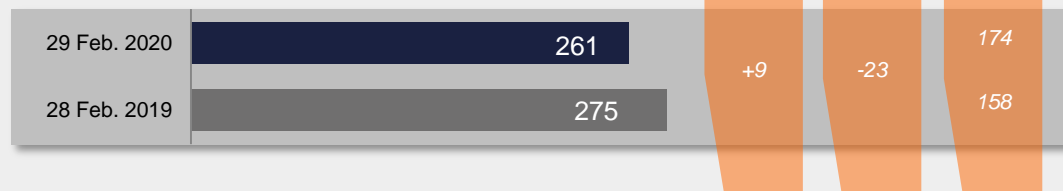
Key Operational Data

Unieuro's Retail Network: 510 stores

- DOS (units)



- AFFILIATED STORES (units)



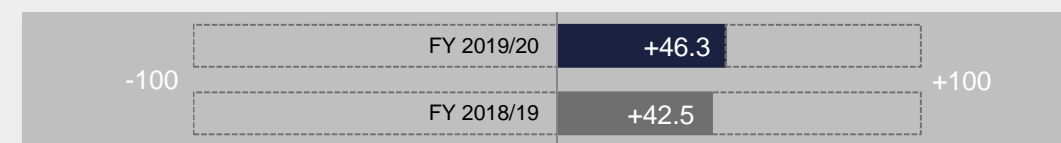
- **12 former Pistone/Expert stores** in Sicily (March 2019)
- **2 Unieuro by Iper shop-in-shops switched from affiliates to DOS** (April 2019)
- **4 new DOS openings**, 2 of which in Sicily, including the first shop inside a "Spazio Conad" mall as part of the agreement with CIA Conad (February 2020)
- **6 DOS closures** to improve the quality of the territorial coverage
- **6 new Unieuro-by-Iper shop-in-shops** reinforcing the indirect store network
- **Affiliates under rationalisation**: 3 openings, 23 closures
- **Pick-up points: 410** (80.4% of total stores)

Total Retail Area (sqm, DOS only)

Sales density
(€/sqm, LTM)



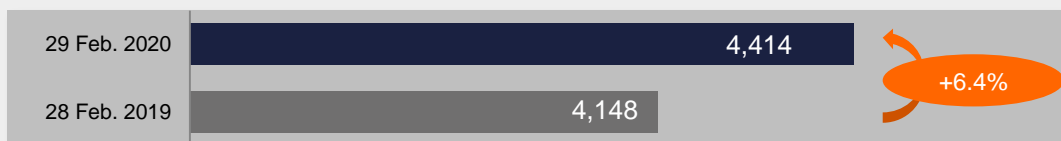
Net Promoter Score⁽¹⁾ (direct channel only)



Active Loyalty Cards⁽²⁾ (thousands)

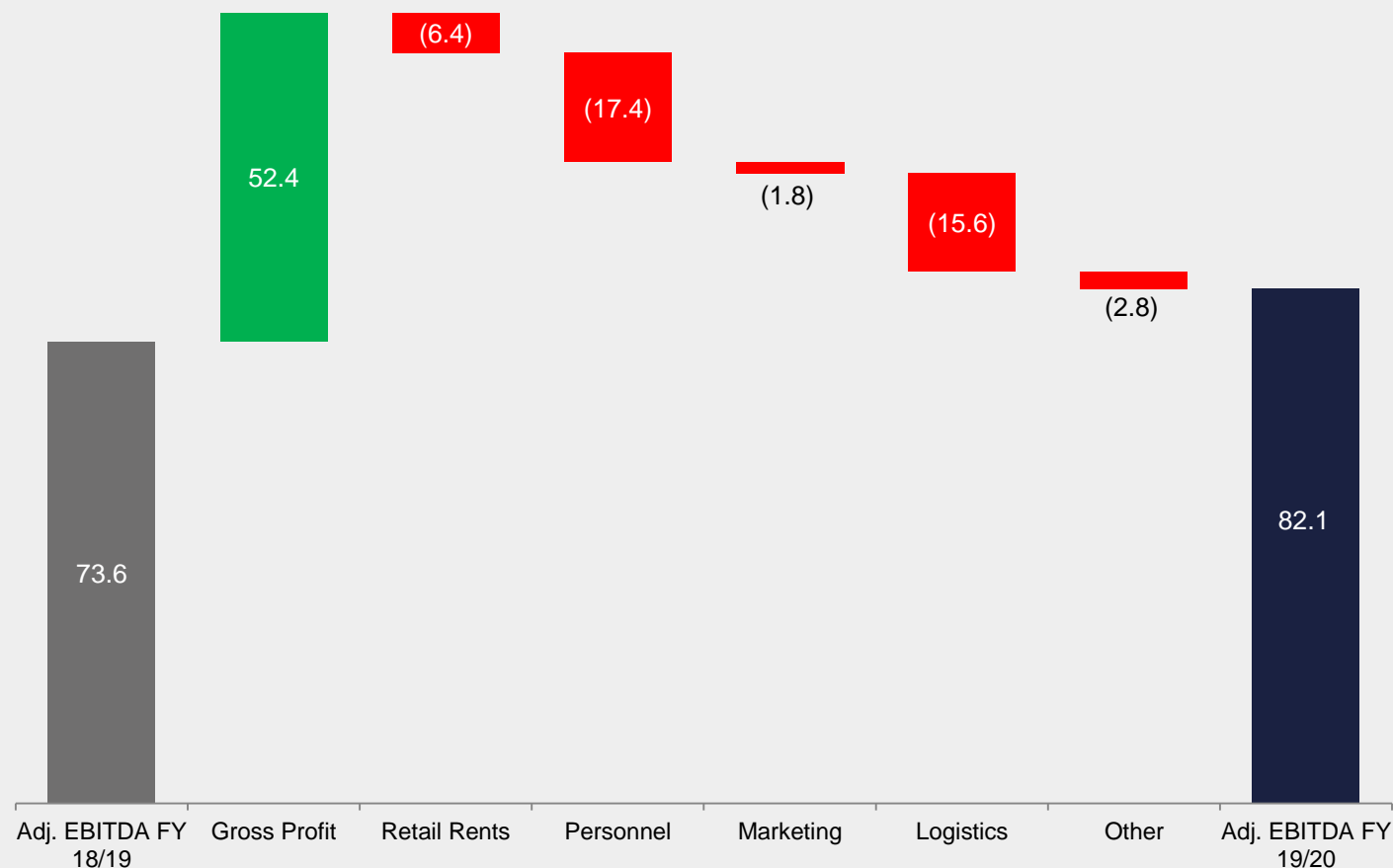


Workforce (FTEs)



Adjusted EBITDA Bridge (no-IFRS 16)

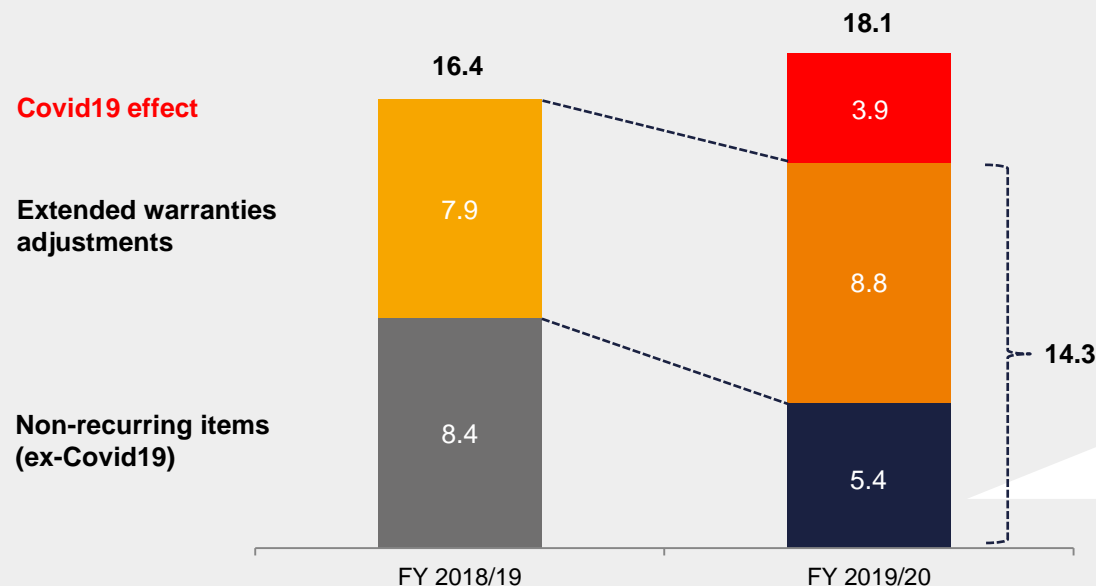
Adj. EBITDA⁽¹⁾



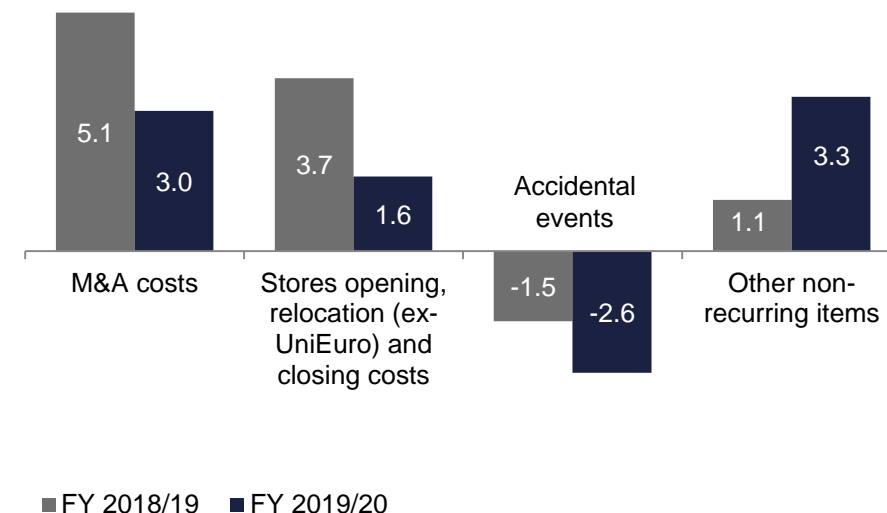
- **Strong increase in Gross Profit⁽²⁾** boosted by volumes expansion. Gross margin down by 1 p.p. to 21.3%
- **Retail rents up**, following store network and logistics platforms expansion, but reflecting a lower incidence (3.2% vs. 3.4%) thanks to Carini Retail consolidation
- **Personnel costs up**, pushed by acquisitions and new openings. Incidence on sales down from 7.9% to 7.5%
- **Marketing costs** reflecting incremental activities to promote new stores (i.e. fliers). Incidence slightly down from 2.3% to 2.1%
- **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 credit card fees. Incidence down from 3.1% to 2.7%.

Explaining EBITDA adjustments (no-IFRS 16)

Adjustments YoY evolution



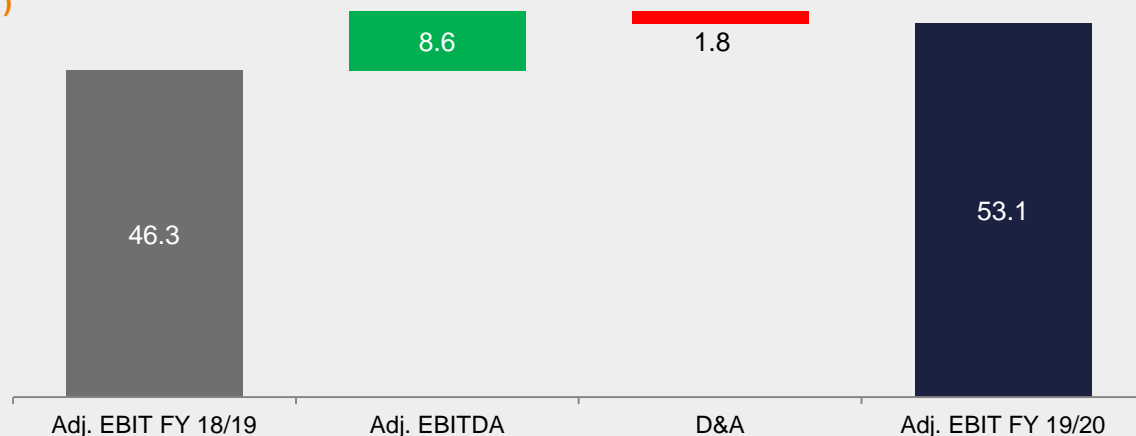
Non-recurring items breakdown (excluding Covid-19 effect)



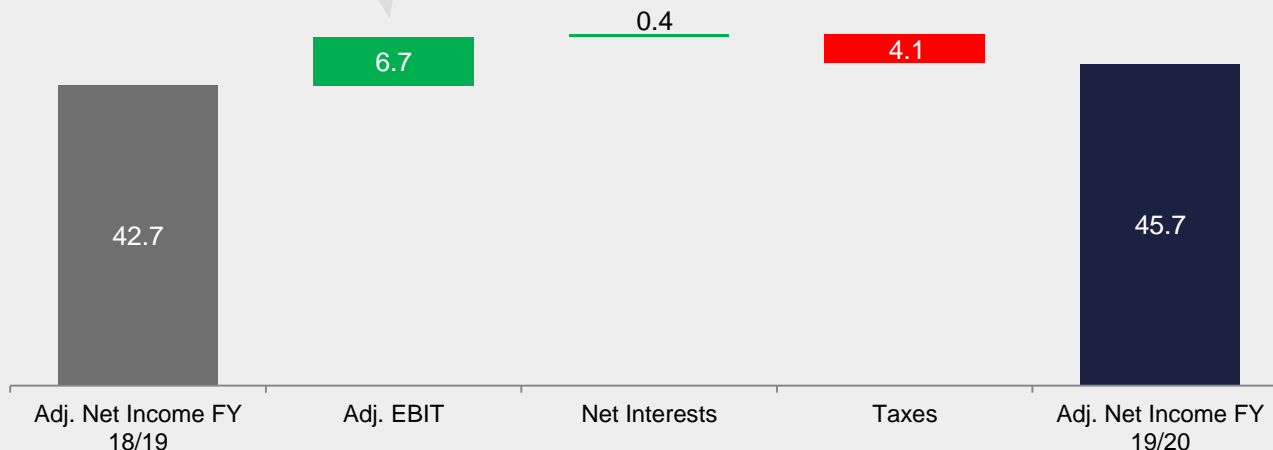
- **Unforeseeable impact from Covid-19 pandemic**, in terms of credit and stock devaluation
- **Significant decrease in adjustments ex-Covid19 vs. 2018/19 thanks to:**
 - Minimized M&A costs related to the Carini Retail acquisition vs. DPS and Galimberti deals
 - FY18/19 impacted by non-recurring costs concerning the new central logistics hub, included in relocation costs
 - 2.6 €m insurance reimbursement for a theft in the former logistics hub, occurred in August 2017 and adjusted in FY 2017/18 results
 - Other items also including extraordinary provisions relating to a legal litigation
- **Change in business model** impacting more to reflect the first adoption of Unieuro's extended warranty internalized business model by Carini Retail stores

Adjusted EBIT and Net Income Bridge (no-IFRS 16)

Adj. EBIT⁽¹⁾



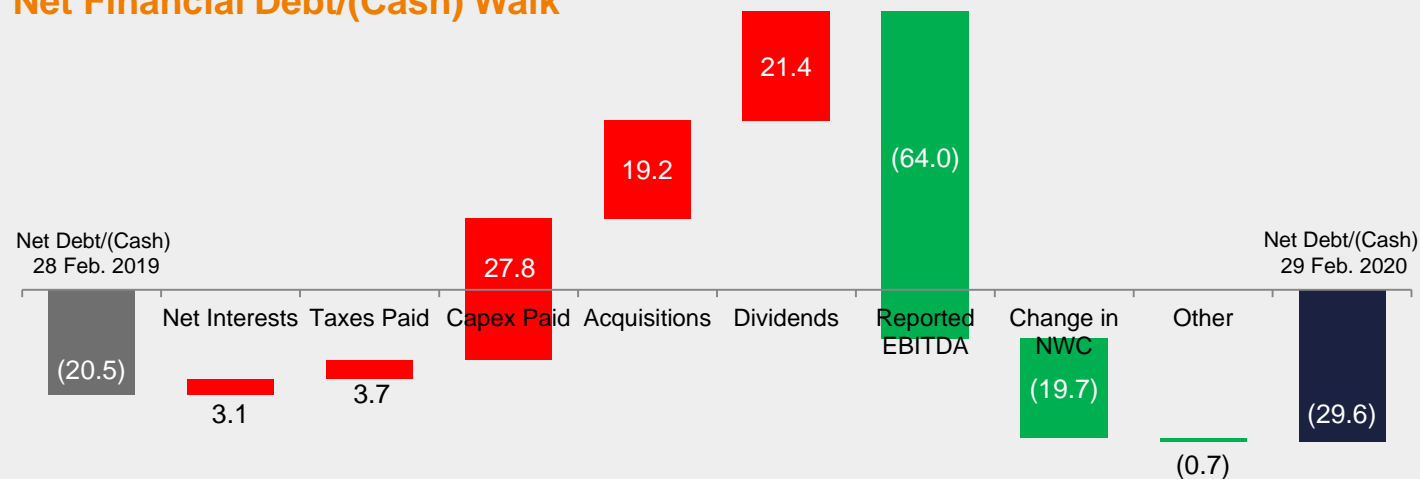
Adj. Net Income⁽²⁾



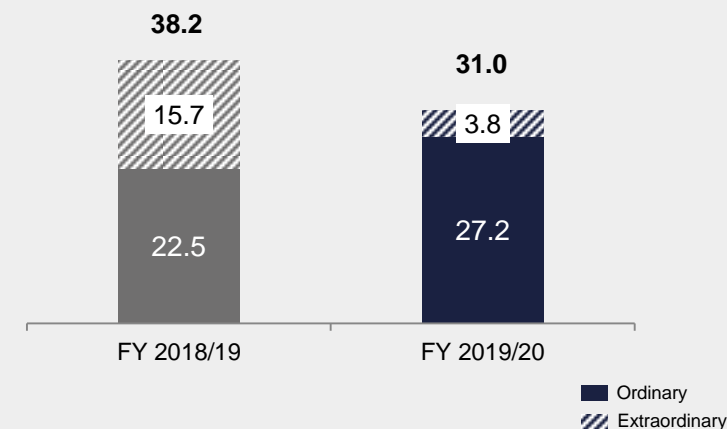
- **D&A increase** due to growing capex activities in the last years, also connected to:
 - acquisitions
 - new openings and closings
 - logistics (Piacenza and Carini)
- **Net interests savings** allowed by treasury management
- **Taxes increase** reflecting lower deferred taxes accruals vs. last year
- **345.8 €m past Net Operating Losses** still available to generate future tax savings, from 377.9 €m at the end of FY 18/19

Financial Overview

Net Financial Debt/(Cash) Walk

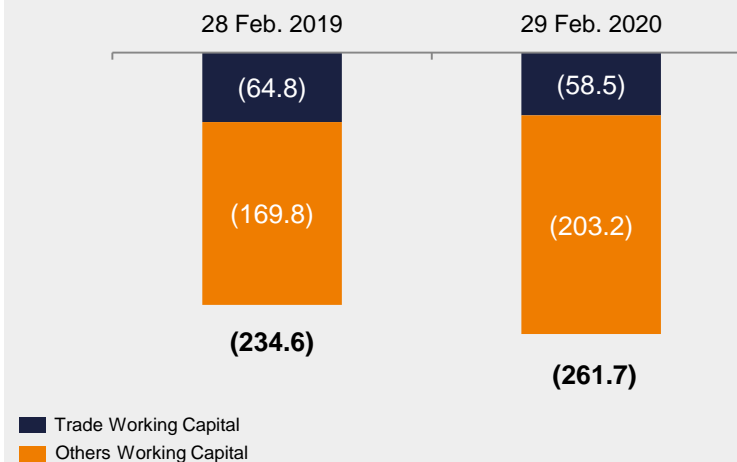


Capex



- **Net Cash Position** increasing again, boosted by strong operating cash flows, despite capex, dividends and acquisitions
- **Total capex down by 18.8% yoy**, as a result of:
 - **Higher Ordinary capex** (27.2€m), including the start of a new ERP adoption project, in order to support a scaled-up organization through its omnichannel evolution path
 - **Lower Extraordinary capex** (3.8 €m), all related to Carini Retail integration, while FY 18/19 was impacted by the launch of the new Piacenza central logistics hub
- **Net Working Capital strongly pushed** by Other Working Capital items, including extended warranty accruals. Trade Net Working Capital impacted by Indirect channel expansion

Net Working Capital

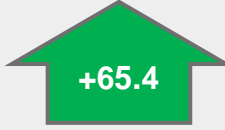
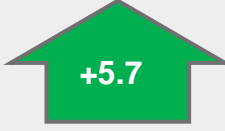


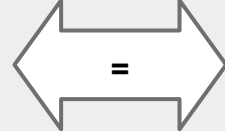


IFRS 16 impact

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 FY 2019/20 Results (€m)

▶	<u>EBITDA</u>		<ul style="list-style-type: none"> • reduction of operating costs (rental fees paid on stores, headquarters, warehouses and vehicles), net of income from store sub-lease agreements
▶	<u>EBIT</u>		<ul style="list-style-type: none"> • effects on EBITDA • increase in D&A due to amortisation of rights of use
▶	<u>NET INCOME</u>		<ul style="list-style-type: none"> • effects on EBIT • increase in Financial expenses for interests connected with rights of use • fiscal effect of all the above changes
▶	<u>NET FINANCIAL DEBT</u>		<ul style="list-style-type: none"> • recognition of liabilities for rights of use (other current and non-current financial payables), net of non-current financial receivables concerning sub-lease agreements
▶	<u>CASH FLOW</u>		<ul style="list-style-type: none"> • no impact on the closing balance

Agenda

- **Highlights**
- **Responding to Covid-19 outbreak**
- **FY 2019/20 Results**
 - Market Scenario and Sales Performance
 - Strategic Goals and Actions Undertaken
 - Financials
- **Closing Remarks & CSR**
- **Overview of Unieuro**

#Cuoriconnessi: Stepping Up Our CSR Project



A book and a communication campaign to promote Unieuro's fight against cyberbullying

- “**#Cuoriconnessi – Stories of online life and cyberbullying**”, by writer and storyteller Luca Pagliari, presented in February during the Sanremo music festival
- A collection of the most moving stories presented to over 30,000 students during 4 years of #couriconnessi tour around Italy (42 locations)
- **200,000 paper copies** made available for free at Unieuro stores and sent to Italian schools. **Free e-book** on cuoriconnessi.it
- Book totally out of stock, thousands of requests still arriving
- **Omnichannel communication campaign** (radio, tv, press, digital media) on-air during the week of “National day against bullying and cyberbullying” (7 February)
- Unieuro's first campaign ever **to communicate the Company's social activism**, in accordance with its mission and values and in partnership with the State Police



www.cuoriconnessi.it

Rationale

- Raising the awareness of new generations of technology consumers about the risks resulting from an incorrect and disrespectful use of new devices being sold at Unieuro, too
- Expressing responsibility and commitment towards the Community Unieuro operates in

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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 2019/20 sales of 2.44 €bn

Broad product range across multiple categories

Grey goods (47.5%)

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

White goods (28.0%)

- 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 (15.7%)

- TV, media storage, car accessories

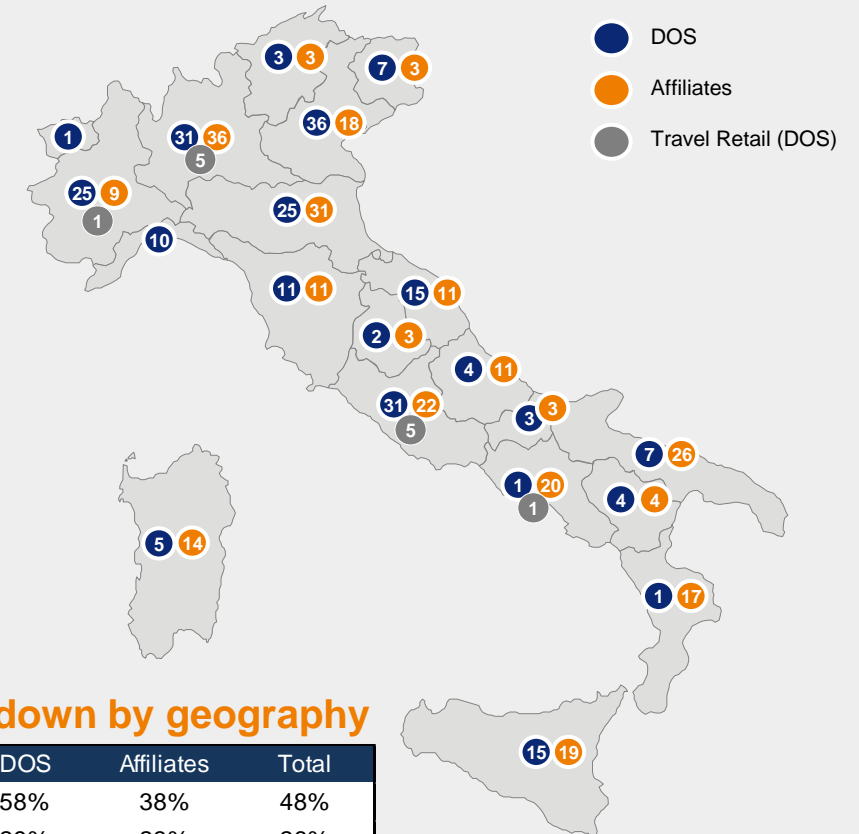
Other Products (4.7%)

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

Services (4.2%)

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

Full nationwide coverage



Store breakdown by geography

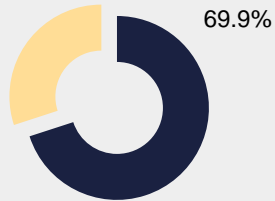
	DOS	Affiliates	Total
North	58%	38%	48%
Centre	29%	23%	26%
South	13%	38%	26%
Total	249	261	510

Integrated omnichannel presence across offline and online

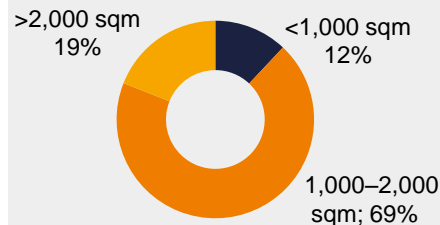
Contribution to FY
2019/20 total sales

Summary Overview

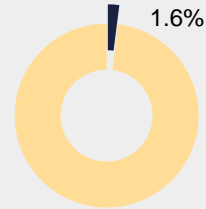
Retail: 237 DOS



- **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

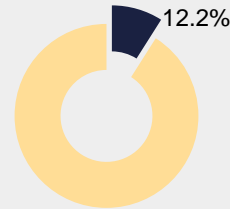


Travel Retail: 12 DOS



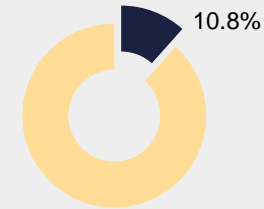
- Stores located in **main Italian airports** in **Torino train station** and **Milano underground**
- Focus on “grey” and “brown” goods
- Exposure to favourable travel dynamics
- Reduced space (c. 100 sqm) allowing proximity to products
- On-the-go impulse purchases
- Enhancing brand visibility

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

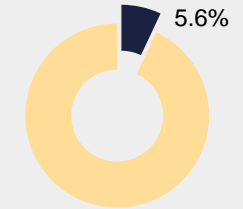
Indirect: 261 stores



- **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...

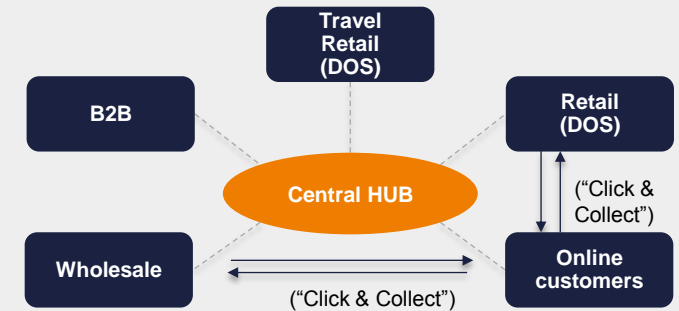
One, centralised HQ

- All corporate functions centralised and managed by ~275 FTEs based in the Forlì:
 - Procurement
 - Finance
 - Supply Chain
 - Legal
 - Property
 - HR
 - Security
 - Tax
 - CRM
 - Investor Relations
 - ICT
 - Communication
 - Marketing
 - Business Development
 - Administration
- 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

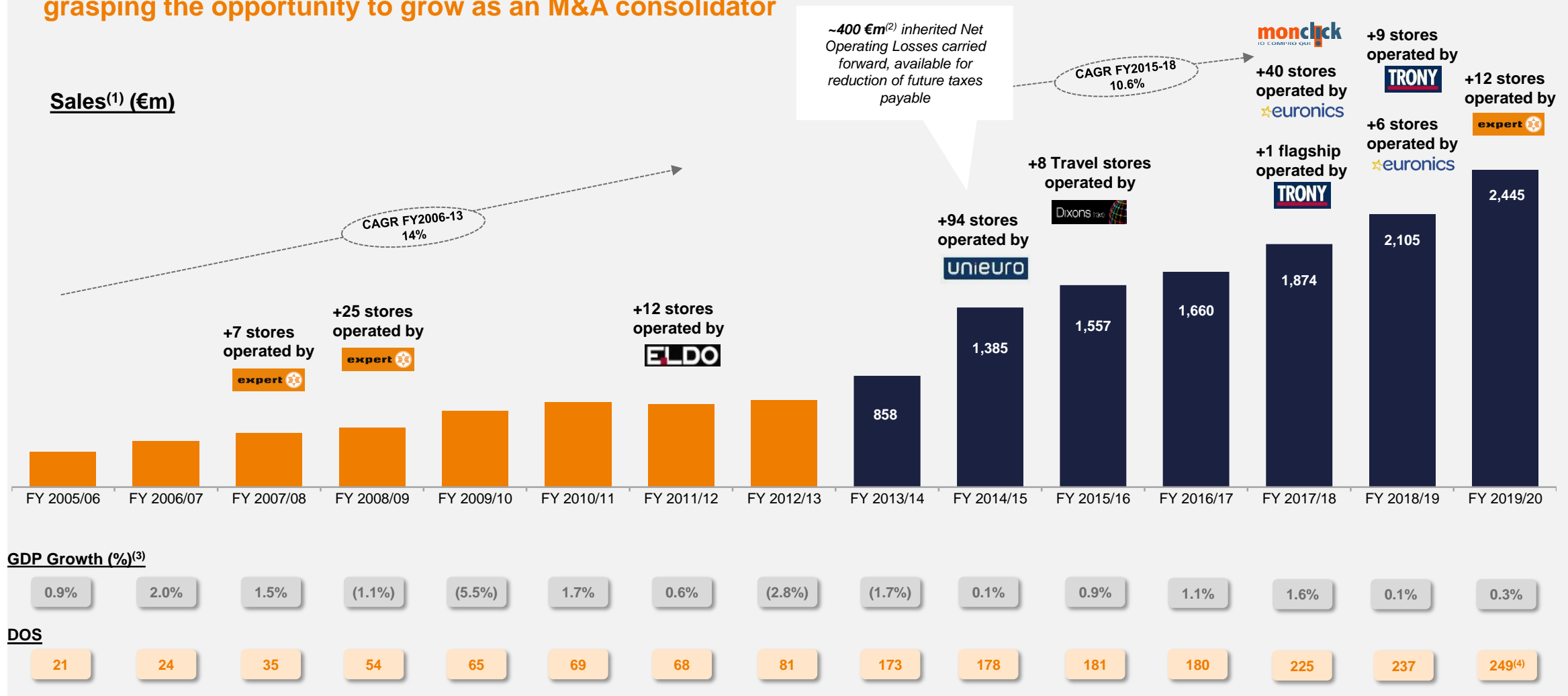


Multichannel, integrated, massive marketing campaign for the 2018 Black Friday

Innovative TV format in partnership with Samsung and RTI/Mediaset

14 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

Unieuro is the 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

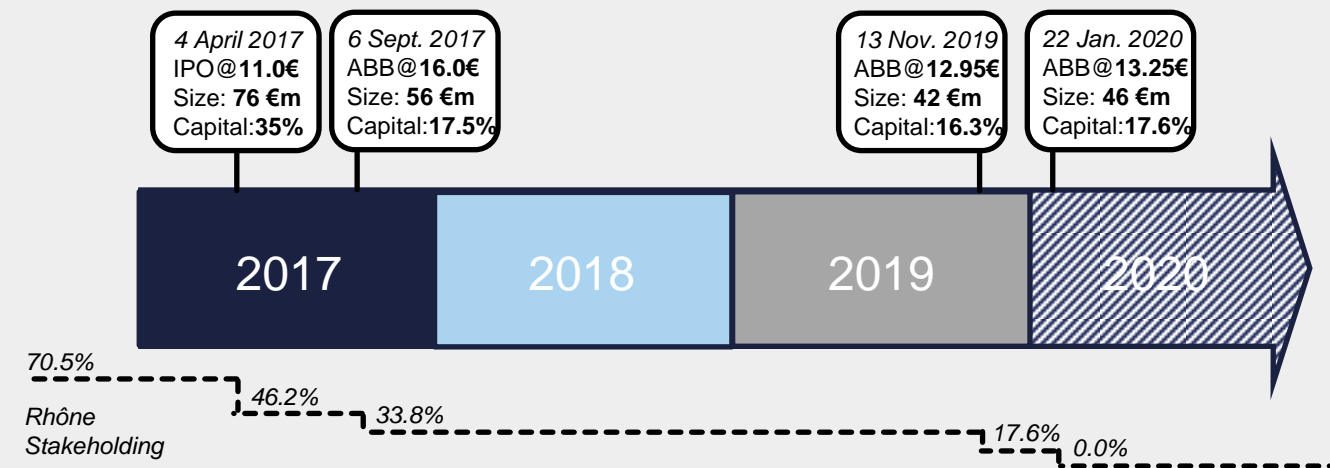


A True Public Company

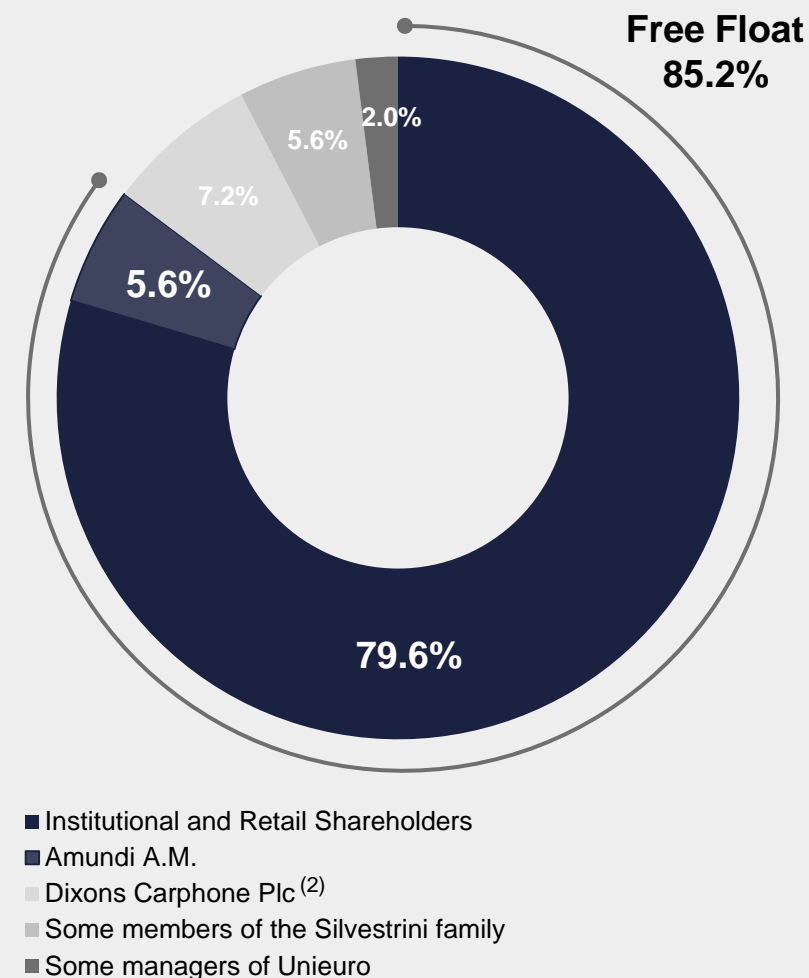
Free float greater than 85% of capital, following the complete exit of private equity firm Rhône, majority shareholder since 2005

- **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⁾



NEXT EVENTS

Virtual STAR Conference
26, 27 May 2020

Annual Shareholders' Meeting
12 June 2020

Q1 2020/21 Results
10 July 2020

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