



## UNIEURO S.P.A.: SHARP GROWTH IN RESULTS AND CASH FLOW IN THE FIRST NINE MONTHS OF 2020/21 DESPITE THE COVID-19 EMERGENCY

- Revenues up 7.4% to €1,889.8 million in the first nine months of fiscal year 2020/21, driven by positive performance across all product categories
- Strongly improved financial results, including non-recurring effects of actions taken to contain the impact of the pandemic<sup>1</sup>:
  - EBIT Adjusted<sup>2</sup> of €63.6 million, +97.7% compared to €32.2 million in the first nine months of 2019/20
  - Net income Adjusted<sup>3</sup> more than doubled to €49.6 million from €19.3 million in the same period last year
  - Net cash<sup>4</sup> at €152.4 million compared to €29.6 million at the beginning of the year
- Revenues in December also positive and in line with the third quarter, despite continuing restrictions on commercial activities and personal mobility

Forlì, 13 January 2021 – The Board of Directors of Unieuro S.p.A. (MTA: UNIR), the Italian leader in the retail market of consumer electronics and household appliances, met today chaired by Stefano Meloni to examine and approve the Interim Financial Report of the Group at 30 November 2020<sup>5</sup>.

The growth in sales volumes since May, the boom in e-commerce and the effectiveness of the actions taken by management to deal with the Covid-19 emergency<sup>1</sup> enabled the Company to more than offset the effects of the restrictive measures adopted by the authorities in the first and third quarters.

The first nine months of the year therefore closed with a new revenue record, up more than 7% to €1.89 billion on a purely organic basis and thanks to the positive contribution of all product categories, particularly Grey (telephony and IT), as well as the "Change Black Friday" promotional campaign, the success of which boosted sales in November.

Even during the peak season, the company's business was able to take advantage of consumers' continued interest in the products marketed by Unieuro, particularly those which enable people to work and study remotely, communicate with each other, and enjoy well-being in the home. The multiplicity of sales channels, together with the omnichannel services launched over the summer with the aim of making the in-store purchasing process safer and faster, have also allowed Unieuro to mitigate the impact of lockdowns.

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All data contained in this press release are consolidated data. The scope of consolidation includes the Parent Company Unieuro S.p.A., the wholly-owned subsidiary Monclick S.r.l. (consolidated from 1 June 2017) and the wholly-owned subsidiary Carini Retail S.r.l. (consolidated from 1 March 2019 and finally merged into Unieuro S.p.A., effective as from 1 September 2020).

Economic and financial figures reflect the adoption of IFRS 16 accounting principle, which came into force on 1st January 2019. Unieuro presents and comments on such measures, unless otherwise indicated.



Profitability in turn settled at record levels, with EBIT Adjusted<sup>2</sup> almost doubling to €63.6 million and Net income Adjusted<sup>3</sup> increasing 157% to €49.6 million from €19.3 million in the first nine months of 2019/20, thanks in part to the non-recurring benefits of the actions taken to address the epidemic<sup>1</sup>.

Net cash was up sharply, settling at €152.4 million at the end of November compared to €29.6 million at the end of February, the result of Adjusted Free Cash Flow<sup>6</sup> of €125.6 million (€57.3 million had been generated in the first nine months of 2019/20).

*"An excellent third quarter, helped by robust consumer trends that also benefited the month of December, brings us closer to the end of a financial year that is as complex and volatile as it is positive.*

*Despite the closure of about half of our direct store network holidays and pre-holidays, we have been able to take advantage of the distinctive potential of our dual presence on the web and of an effective and expanding network of affiliates, making the right decisions with the right timing.*

*We are proud of all this and we aim to take further advantage of it from a competitive and strategic point of view also in the immediate future".*

**Giancarlo Nicosanti Monterastelli, CEO of Unieuro.**

## **Revenues of first nine months 2020/21**

In the period from March to November 2020, Unieuro accounted Revenues of €1,889.8 million, an increase of 7.4% compared to €1,759.5 million in the same period of the previous year, despite the pervasive impact of the Covid-19 pandemic on the Italian economy and on the Company's business.

Following a first quarter featuring a significant decline (revenues -13.4%) due to the sudden spread of the emergency and the first lockdown, the second quarter (+15.2%) and third quarter (+15.8%) saw a robust recovery, helped by favourable consumer trends triggered by the pandemic and the effectiveness of Unieuro's omnichannel strategy.

The good performance in November, which follows the equally positive trend in September and October, is linked in particular to the success of the promotional campaign called "Change Black Friday", the Black Friday of "life-changing" technology, which started on 3 November and ended on 3 December, thus marking another record duration in Unieuro's history.



In the absence of significant changes to the company's perimeter, performance in the first 9 months of the year was entirely organic. The evolution of the **like-for-like revenues**<sup>7</sup> - i.e. the comparison of sales with those in the same period last year based on the same scope of operations - amounts in fact to +7.9%. Excluding from the scope of analysis sales outlets adjacent to newly opened stores, like-for-like sales recorded an even stronger growth of +10%.

### **Revenues by sales channel**

<i>(in millions of Euro and as a percentage of revenues)</i>	Period ended				Changes	
	30 November 2020	%	30 November 2019	%	Δ	%
Retail	1,194.7	63.2%	1,231.2	70.0%	(36.6)	(3.0%)
Online	367.4	19.4%	198.4	11.3%	169.0	85.2%
Indirect	220.2	11.7%	200.3	11.4%	19.9	10.0%
B2B	91.1	4.8%	100.3	5.7%	(9.2)	(9.1%)
Travel	16.4	0.9%	29.2	1.7%	(12.9)	(44.0%)
<b>Total revenues</b>	<b>1,889.8</b>	<b>100.0%</b>	<b>1,759.5</b>	<b>100.0%</b>	<b>130.4</b>	<b>7.4%</b>

The **Retail channel** (63.2% of total revenues) - which at 30 November 2020 comprised 262 direct shops, including the recently internalised Unieuro by Iper shop-in-shops - reported sales of €1,194.7 million, down 3% compared with the €1,231.2 million recorded in the corresponding period of 2019/20. In the third quarter of the current financial year, sales grew significantly (+9.1%), also thanks to the good performance of the "Change Black Friday" promotional campaign, despite a context made complex once again by the Covid-19 epidemic, which impacted the direct network accessibility to customers. The success of the campaign, together with the easing of restrictions in the May-August period, helped to partially offset the sharp decline recorded during the first wave of the pandemic.

The **Online channel** (19.4% of total revenues) posted a growth of 85.2%, pushing revenues to €367.4 million compared to €198.4 million in the same period of the previous year. This downright exceptional performance is the result of both the emergency situation that has arisen - which has led customers to favour e-commerce over physical stores - as well as of the prompt response by Unieuro, which tackled the lockdown by tactically refocusing its marketing activities, both mainstream and digital, on the Online channel. Its dual presence on the web, guaranteed by two well-known and distinct brands such as Unieuro and Monclick, has further contributed to the success achieved by the channel.

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The **Indirect channel** (11.7% of total revenues) - which includes sales to the network of affiliated stores and revenues generated in the segment of Mass Merchandisers through partnerships with leading industry operators, for a total of 250 stores at 30 November 2020 - reported revenues of €220.2 million, up 10% compared to 200.3 million in the same period of the previous year. In general, the distinctive features of the affiliated shops - small-medium sized and focused on proximity service - have resulted in a significant resilience of the business, only marginally impacted by the restrictions, as well as the full recovery - already starting from the second quarter - of the revenues missed during the first wave of the pandemic. In addition, the partnership with Partenope Group was launched in November, and this has led to the arrival of the Unieuro brand in the city of Naples and has partially offset the transition to the Retail channel of the last 16 Unieuro by Iper shop-in-shops still managed under affiliation, completed in September.

The **Business-to-Business channel** (4.8% of total revenues) - which caters to business customers, including foreign customers, operating in sectors other than that of Unieuro, such as hotels and banks, as well as operators purchasing electronic products to be distributed to their regular customers or to employees for loyalty points, prize contests, or incentive plans (referred to as B2B2C segment) - reported sales of €91.1 million, down 9.1% compared to 100.3 million euros in the same period of the previous year. This confirms the uncertainty of revenues from this channel, which features an opportunistic approach and is influenced by a multiplicity of exogenous factors.

Lastly, the **Travel channel** (0.9% of total revenues) - made up of 11 directly operated stores located at main public transport hubs such as airports and railway or metro stations - recorded a decrease in revenues to €16.4 million (-44%). The performance was inevitably affected by the collapse of air traffic brought about by the pandemic and the total or partial closure of some airports.

### **Revenues by product category<sup>8</sup>**



<i>(in millions of Euro and as a percentage of revenues)</i>	Period ended				Changes	
	30 November 2020	%	30 November 2019	%	Δ	%
Grey	925.9	49.0%	831.3	47.2%	94.6	11.4%
White	515.1	27.3%	500.9	28.5%	14.2	2.8%
Brown	279.9	14.8%	275.1	15.6%	4.7	1.7%
Other products	91.1	4.8%	77.0	4.4%	14.0	18.2%
Services	77.8	4.1%	75.2	4.3%	2.7	3.6%
<b>Total revenues</b>	<b>1,889.8</b>	<b>100.0%</b>	<b>1,759.5</b>	<b>100.0%</b>	<b>130.4</b>	<b>7.4%</b>

The category of **Grey Goods** (49% of total revenues) - i.e. phones, tablets, information technology, accessories for phones, cameras and all wearable technology products – reported revenues of €925.9 million, up 11.4% compared to 831.3 million euros in the same period of the previous year thanks to the continuation of positive purchasing trends linked to remote working, distance learning and communication, emphasised by the emergency context experienced during the period. In particular, in the third quarter, Grey was one of the fastest-growing categories, with revenues up 19.5%, with IT and accessories leading the way.

The category of **White Goods** (27.3% of total revenues) - comprising major domestic appliances (MDA), such as washing machines, dryers, refrigerators or freezers, and stoves, small domestic appliances (SDA), such as vacuum cleaners, food mixers, coffee machines, as well as the air conditioning segment - generated sales of €515.1 million, up 2.8% compared to 500.9 million in the same period of the previous year. During the period concerned, this category grew thanks to the positive results of household care products, particularly in the vacuuming and food preparation segments.

The category of **Brown Goods** (14.8% of total revenues) - which include television sets and related accessories, audio devices, smart TV devices and car accessories, as well as storage devices - recorded total revenues of €279.9 million, up 1.7% compared to the €275.1 million of the same period of the previous year. The buoyant performance in the third quarter (+18.2%), a further improvement on the second quarter, offset the weakness recorded in the first part of the financial year, which was also due to the cancellation of sporting events due to Covid-19.

The category of **Other products** (4.8% of total revenues) - which include sales in the entertainment sector and sales of other products not included in the consumer electronics market, such as hover boards and bicycles – recorded revenues up 18.2% to €91.1 million compared to the same period of last year. The entertainment segment, including consoles



and video games, drove sales in a phase characterised by the search for maximum home comfort. The turnover generated by electric mobility products was buoyant too, as a consequence of the incentives and the enforcement of social distancing rules.

The **Services** category (4.1% of total revenues) rose by 3.6% to €77.8 million: the positive performance in the third quarter (+13.5%) offset the weakness displayed in the first six months of the year, also benefiting from Unieuro's continued focus on the provision of services to its customers, in particular the warranty extension service.

### Operating profitability

<i>(in millions and as a percentage of revenues)</i>	Period ended						Changes	
	30 November 2020			30 November 2019			Δ	%
	Adjusted amounts	%	Adj.	Adjusted amounts	%	Adj.		
Revenues	1,889.8			1,759.5			130.4	7.4%
<b>Sales revenues</b>	<b>1,889.8</b>			<b>1,759.5</b>			<b>130.4</b>	<b>7.4%</b>
Purchase of goods and Change in inventories	(1,482.4)	(78.4%)	0.0	(1,379.8)	(78.4%)	0.0	(102.6)	7.4%
Marketing costs	(37.5)	(2.0%)	0.3	(40.1)	(2.3%)	1.3	2.6	(6.5%)
Logistics costs	(62.8)	(3.3%)	0.2	(49.2)	(2.8%)	0.9	(13.6)	27.7%
Other costs	(50.3)	(2.7%)	5.7	(56.1)	(3.2%)	1.6	5.8	(10.4%)
Personnel costs	(123.4)	(6.5%)	0.3	(137.9)	(7.8%)	0.9	14.5	(10.5%)
Other operating income and costs	(4.9)	(0.3%)	0.0	(4.6)	(0.3%)	(0.1)	(0.3)	5.9%
Revenues from extended warranty services net of related estimated future costs to provide the assistance service - change in the business model for directly managed assistance services	3.5	0.2%	3.5	6.7	0.4%	6.7	(3.2)	(47.3%)
<b>Adjusted EBITDA</b>	<b>132.1</b>	<b>7.0%</b>	<b>10.1</b>	<b>98.5</b>	<b>5.6%</b>	<b>11.4</b>	<b>33.6</b>	<b>34.1%</b>
Amortisation, depreciation and write-downs of fixed assets	(68.6)	(3.6%)	-	(66.4)	(3.8%)	0.3	(2.2)	3.3%
<b>Adjusted EBIT<sup>2</sup></b>	<b>63.6</b>	<b>3.4%</b>	<b>10.1</b>	<b>32.2</b>	<b>1.8%</b>	<b>11.7</b>	<b>31.4</b>	<b>97.7%</b>

In the first nine months of the year, Unieuro reported an **EBIT Adjusted<sup>2</sup>** of €63.6 million, almost double the €32.2 million of the same period of the previous year. As a percentage of

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revenues, it rose to 3.4%.

The actions taken by management<sup>1</sup>, together with the rise in sales volumes, brought about a strong recovery in margins in the second and third quarters, which largely offset the impact of the epidemic and pushed operating profitability to record levels.

In addition to the non-recurring actions on the cost base, which followed the evolution of turnover in the first quarter, the performance was aided by the dynamics of the gross margin: thanks to the improvement of 0.7 percentage points recorded in the third quarter, the gross margin in the nine months rose to 21.7% compared to 22% in the same period last year, thus recovering much of the dilution suffered in the first part of the year due to the unfavourable channel and product mix induced by the pandemic.

**Personnel costs** fell by €14.5 million, mainly due to the actions taken by management during the first part of the financial year, such as the use of the furlough scheme (*Cassa Integrazione Guadagni in Deroga*), for a total of around €8 million, the obligation to use up all the allocated leave and holidays, the non-renewal of expired temporary contracts, and the voluntary reduction of management compensation. As a result, the ratio to revenues moved from 7.8% in the first nine months 2019/20 to the current 6.5%, despite an increase in the workforce due to the internalisation of the Unieuro by Iper shop-in-shops.

**Logistics costs** increased by €13.6 million to €62.8 million, with the margin on sales rising to 3.3%. The trend is mainly ascribable to the boom in online sales and, in this regard, to the increasing importance of home deliveries, also as a result of the increase in requests for non-standard delivery services (by appointment, on the floor) and promotional campaigns that include free shipping.

**Other costs** dropped by €5.8 million, benefiting from the renegotiation of rents (€9.8 million) and the reduction in operating costs arising from utilities and store maintenance. Despite the increase in payment fees linked to the e-commerce boom, the incidence of this item has dropped from 3.2% to 2.7%.

Lastly, **marketing costs**, which fell from 2.3% to 2% of revenues, benefited from the decision to focus more on digital consumption, by progressively cutting back on paper and leaflet distribution and partially reinvesting the savings thus obtained to strengthen the visibility of its digital version.

**Depreciation, amortisation and impairment of fixed assets** amounted to €68.6 million, with a ratio to revenues that dropped from 3.8% to 3.6%, despite the writedown of some tangible assets following the decision to relocate the Forlì headquarters.



## **Net income Adjusted<sup>3</sup>**

<i>(in millions and as a percentage of revenues)</i>	Period ended						Changes	
	30 November 2020			30 November 2019			Δ	%
	Values adjusted	%	Adjustments	Values adjusted	%	Adjustments		
EBIT Adjusted	63.6	3.4%	10.1	32.2	1.8%	11.7	31.4	97.7%
Financial income and expenses	(10.1)	(0.5%)	-	(9.8)	(0.6%)	0.0	(0.2)	2.5%
Income taxes	(3.8)	(0.2%)	(0.9)	(3.0)	(0.2%)	(1.0)	(0.9)	29.4%
Adjusted Profit/Loss for the period <sup>3</sup>	49.6	2.6%	9.2	19.3	1.1%	10.7	30.3	156.6%

The **Net income Adjusted<sup>3</sup>** for the period increased sharply to €49.6 million compared to €19.3 million recorded in the first nine months of FY 2019/20, with the margin on revenue jumping from 1.1% to 2.6%

The positive performance can be ascribed to the increase in EBIT Adjusted<sup>2</sup>, only minimally offset by the increase in net financial expenses and income taxes.

## **Investments**

Capital expenditure in the period amounted to €18.4 million, entirely related to ordinary capex, compared to €38.2 million in the first nine months of last year, which included the €17.4 million<sup>9</sup> purchase of Carini Retail S.r.l. and the extraordinary capex for the integration of the 12 Sicilian shops belonging to it into the Unieuro network (€3.8 million). Excluding extraordinary investments, ordinary capex therefore increased by 8% in the nine months.

The trend in capex accelerated in the third quarter, due to the development of the direct store network, investments in the new headquarters and the improvement of the technological infrastructure, including the project to adopt a new ERP system, better suited to the company's size and instrumental to Unieuro's future omnichannel development.

## **Net Financial Position<sup>4</sup>**

As at 30 November 2020, Unieuro reported a net cash position<sup>4</sup> of €152.4 million, which compares with net cash of €31.5 million as at 30 November 2019 and net cash of €29.6 million as at 29 February 2020.





The above was mainly the result of **Adjusted Free Cash Flow<sup>6</sup>**, the indicator that the Company considers most appropriate to measure cash generation as it does not take into account non-recurring cash-ins and disbursements. In the nine months it generated €125.6 million compared to €57.3 million in the corresponding period of 2019/20.

The good performance of operating profitability was compounded by the benefits of the non-recurring actions taken by management to deal with the epidemic<sup>1</sup>, including lower rental outlays and structural improvements in inventory management, as well as the non-payment of the dividend as an exception to the dividend policy currently in force, another decision aimed at preserving and strengthening corporate solidity in an unprecedented and highly uncertain environment.

### **Update on the Covid-19 emergency**

The restrictions on commercial activities and the free movement of people decided by the Italian Government to curb the second wave of the Covid-19 pandemic, initially valid from 6 November to 3 December 2020, were then extended on two successive occasions until 15 January 2021, thus ending up affecting the entire peak season.

For Unieuro, this meant extending the closure of about 50% of its direct stores at weekends, on public holidays and on the days before public holidays, whereas the majority of its affiliated stores – thanks to their location in city centres - continued to operate regularly, outperforming the market. The online channel has once again become the natural destination for customers, who are limited in their movements and visits to the store, so much so that during the Change Black Friday campaign (3 November - 3 December) there was a 63% leap in the number of orders compared to the corresponding period in 2019.

Even during the peak season, the company's business was able to take advantage of consumers' continued interest in the products marketed by Unieuro, which enable remote work and study, communication between people, and home well-being. The variety of sales channels through which the Company operates, together with the omnichannel services launched over the summer with the aim of making the in-store purchasing process safer and faster, have also made it possible to mitigate the impact of lockdowns.

At the date of this press release, the situation of the sales channels is unchanged compared to what was disclosed in November<sup>10</sup>.

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## **Other resolutions of the Board of Directors**

### ***Transfer of the registered office***

Unieuro's Board of Directors resolved, pursuant to article 2365, second paragraph, of the Italian Civil Code, to transfer the company's registered office from via Schiaparelli 31 to Palazzo Hercolani, on via Piero Maroncelli 10, also in Forlì, without the need to amend the Articles of Association.

The transfer will take effect on a date to be established.

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*Unieuro S.p.A. has chosen to use the “eMarket SDIR” and “eMarket STORAGE” platforms managed by Spafid Connect S.p.A., with offices at Foro Buonaparte 10, Milan, for the transmission, storage and filing of Regulatory Information made public.*

\* \* \*

*Mr Italo Valenti, the manager responsible for preparing the company's accounting documents, hereby declares that, pursuant to and in accordance with Article 154-bis, paragraph 2, of Legislative Decree No. 58 of 1998, the information contained in this press release matches the Company's documentation, books and accounting records.*

\* \* \*

*This press release may contain forecasts on Unieuro's future events and results that are based on current expectations, estimates and projections about the industry and on the reasonable judgement of the management. Evidently, these elements have a component of risk and uncertainty because they depend on the occurrence of future events. It should be noted that the actual results might deviate significantly from those announced, owing to a range of factors including: global economic conditions, the impact of competition, political, economic and regulatory developments in Italy.*

\* \* \*



**Unieuro S.p.A.**

*Unieuro is the Italian leader in the distribution of consumer electronics and household appliances, thanks to an omnichannel approach that integrates directly operated stores (about 250), affiliated stores (about 260) and the unieuro.it digital platform. The company is based in Forlì, has a central logistics hub in Piacenza and has a staff of about 5,000 employees. Listed on the STAR segment of the Italian Stock Exchange since 2017, Unieuro reported revenues of Euro 2.4 billion in the fiscal year ended at 29 February 2020.*

Corporate website: [www.unieurospa.com](http://www.unieurospa.com)

LinkedIn: [www.linkedin.com/company/unieuro](https://www.linkedin.com/company/unieuro)

**Contacts:**

**Investor Relations**

**Andrea Moretti**

Investor Relations & Corporate  
Communications Director

+39 335 5301205

[amoretti@unieuro.com](mailto:amoretti@unieuro.com)

[investor.relations@unieuro.com](mailto:investor.relations@unieuro.com)

**Corporate Media Relations**

**iCorporate**

Arturo Salerni  
+39 335 1222631

Sonia Hason

+39 331 8394343

[unieuro@icorporate.it](mailto:unieuro@icorporate.it)



**Summary tables:**

**Income statement**  
(in millions of Euro)

	9M 20/21				9M 19/20				% change (Adjusted)
	Adjusted	%	Reported	%	Adjusted	%	Reported	%	
<b>Sales</b>	<b>1.889,8</b>	<b>100,0%</b>	<b>1.889,8</b>	<b>100,0%</b>	<b>1.759,5</b>	<b>100,0%</b>	<b>1.759,5</b>	<b>100,0%</b>	<b>7,4%</b>
Purchase of goods - Change in Inventory	(1.478,9)	(78,3%)	(1.482,4)	(78,4%)	(1.373,1)	(78,0%)	(1.379,8)	(78,4%)	7,7%
<b>Gross profit</b>	<b>410,9</b>	<b>21,7%</b>	<b>407,4</b>	<b>21,6%</b>	<b>386,4</b>	<b>22,0%</b>	<b>379,7</b>	<b>21,6%</b>	<b>6,4%</b>
Personnel costs	(123,4)	(6,5%)	(123,7)	(6,5%)	(137,9)	(7,8%)	(138,8)	(7,9%)	(10,5%)
Logistic costs	(62,8)	(3,3%)	(63,0)	(3,3%)	(49,2)	(2,8%)	(50,1)	(2,8%)	27,7%
Marketing costs	(37,5)	(2,0%)	(37,8)	(2,0%)	(40,1)	(2,3%)	(41,4)	(2,4%)	(6,5%)
Other costs	(50,3)	(2,7%)	(56,0)	(3,0%)	(56,1)	(3,2%)	(57,7)	(3,3%)	(10,4%)
Other operating costs and income	(4,9)	(0,3%)	(4,9)	(0,3%)	(4,6)	(0,3%)	(4,6)	(0,3%)	5,9%
<b>EBITDA</b>	<b>132,1</b>	<b>7,0%</b>	<b>122,0</b>	<b>6,5%</b>	<b>98,5</b>	<b>5,6%</b>	<b>87,1</b>	<b>5,0%</b>	<b>34,1%</b>
D&A	(68,6)	(3,6%)	(68,6)	(3,6%)	(66,4)	(3,8%)	(66,7)	(3,8%)	3,3%
<b>EBIT</b>	<b>63,6</b>	<b>3,4%</b>	<b>53,5</b>	<b>2,8%</b>	<b>32,2</b>	<b>1,8%</b>	<b>20,5</b>	<b>1,2%</b>	<b>97,7%</b>
Financial Income - Expenses	(10,1)	(0,5%)	(10,1)	(0,5%)	(9,8)	(0,6%)	(9,9)	(0,6%)	2,5%
<b>Adjusted Profit before Tax</b>	<b>53,5</b>	<b>2,8%</b>	<b>43,4</b>	<b>2,3%</b>	<b>22,3</b>	<b>1,3%</b>	<b>10,6</b>	<b>0,6%</b>	<b>139,6%</b>
Taxes	(3,8)	(0,2%)	(3,0)	(0,2%)	(3,0)	(0,2%)	(2,0)	(0,1%)	29,4%
<b>Net Income</b>	<b>49,6</b>	<b>2,6%</b>	<b>40,4</b>	<b>2,1%</b>	<b>19,3</b>	<b>1,1%</b>	<b>8,7</b>	<b>0,5%</b>	<b>156,6%</b>



**Balance sheet**  
(in millions of Euro)

	30 Nov. 2020	29 Feb. 2020
Trade Receivables	101,3	51,3
Inventory	424,9	369,8
Trade Payables	(614,7)	(479,6)
<b>Trade Working Capital</b>	<b>(88,4)</b>	<b>(58,5)</b>
Current Tax Assets	(4,0)	(1,4)
Current Assets	19,1	24,5
Current Liabilities	(256,6)	(222,0)
Short Term Provisions	(1,1)	(1,2)
<b>Net Working Capital</b>	<b>(330,9)</b>	<b>(258,7)</b>
Tangible and Intangible Assets	108,6	111,9
Right of Use	454,9	478,3
Net Deferred Tax Assets and Liabilities	36,9	35,2
Goodwill	195,2	195,2
Other Long Term Assets and Liabilities	(24,2)	(17,7)
<b>TOTAL INVESTED CAPITAL</b>	<b>440,6</b>	<b>544,2</b>
Net Financial Debt	152,4	29,6
Lease liabilities	(455,6)	(477,6)
<b>Net Financial Debt (IFRS 16)</b>	<b>(303,2)</b>	<b>(448,0)</b>
<b>Equity</b>	<b>(137,4)</b>	<b>(96,2)</b>
<b>TOTAL SOURCES</b>	<b>(440,6)</b>	<b>(544,2)</b>



## Cashflow statement

(in millions of Euro):

	9M 20/21	9M 19/20	% change
<b>Reported EBITDA</b>	<b>122,0</b>	<b>87,1</b>	<b>40,0%</b>
Taxes Paid	(0,9)	(2,2)	(57,0%)
Interests Paid	(9,1)	(9,1)	0,0%
Change in NWC	78,0	37,6	107,6%
Change in Other Assets and Liabilities	0,5	0,9	(43,6%)
<b>Reported Operating Cash Flow</b>	<b>190,5</b>	<b>114,3</b>	<b>66,6%</b>
Purchase of Tangible Assets	(11,0)	(14,5)	(24,1%)
Purchase of Intangible Assets	(7,4)	(6,4)	15,7%
Change in capex payables	(6,5)	1,5	(519,8%)
Acquisitions	(8,3)	(11,0)	(24,7%)
Free Cash Flow	157,3	83,9	87,4%
Cash effect of adjustments	0,8	3,9	(78,7%)
Non recurring investments	8,3	14,5	(42,5%)
Other non recurring cash flows	1,1	(2,5)	(142,6%)
<b>Adjusted Free Cash Flow (IFRS 16)</b>	<b>167,6</b>	<b>99,8</b>	<b>67,9%</b>
Lease Repayment	(41,9)	(42,5)	(1,4%)
<b>Adjusted Free Cash Flow</b>	<b>125,6</b>	<b>57,3</b>	<b>119,3%</b>
Cash effect of adjustments	(1,9)	(1,4)	34,8%
Acquisition Debt	-	(22,7)	(100,0%)
Dividends	-	(21,4)	(100,0%)
Other Changes	(0,8)	(0,9)	(0,1%)
<b>Δ Net Financial Position</b>	<b>122,9</b>	<b>11,0</b>	<b>1020,6%</b>



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<sup>1</sup> See Unieuro's press releases issued on 13th March, 18th March, 30th March, 14th April and 6th May 2020

<sup>2</sup> **Adjusted EBIT** is EBIT adjusted for: (i) non-recurring expenses/(income), (ii) depreciation, amortisation and non-recurring writedowns, and (iii) 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.

<sup>3</sup> **Adjusted Net Income** is calculated as Net Income adjusted for (i) the adjustments incorporated in the Consolidated Adjusted EBIT, (ii) the adjustments of the non-recurring financial expenses/(income) and (iii) the theoretical tax impact of these adjustments.

<sup>4</sup> **Net debt (cash), or Net financial position**, is financial debt – not including Lease liabilities (IFRS 16) – net of cash and cash equivalents.

<sup>5</sup> As of 1 March 2020, in line with practices that were gradually established among retailers listed on international markets, the Company has been commenting only on the economic figures after the application of the IFRS 16 accounting standard, focusing on Adjusted EBIT and Adjusted Net Income. On the other hand, Net debt and Free cashflow still do not include the notional component linked to the application of IFRS 16.

<sup>6</sup> Cash flow is measured by the **Adjusted Free Cash Flow**, defined as the consolidated cash flow generated/absorbed by operating and investing activities including financial expenses. Adjusted Free Cash Flow is adjusted for non-recurring operating and investment cash flows, and includes adjustments for non-recurring charges (income), their non-monetary component and the related tax impact.

<sup>7</sup> **Growth of like-for-like Revenues** is calculated by including: (i) retail stores and travel agencies in operation for at least one full year at the end of the reference period, after taking into account stores affected by discontinued operations in a significant manner (e.g. temporary closures and major refurbishments) and (ii) the entire online channel.

<sup>8</sup> The segmentation of sales by product category takes place on the basis of the classification adopted by the main sector experts. Note therefore that the classification of revenues by category is revised periodically in order to guarantee the comparability of Group data with market data.

<sup>9</sup> Net of Identified Liabilities amounting to 1.9 €m.

<sup>10</sup> See Unieuro's press release issued on 12<sup>th</sup> November 2020.