



VIRTUAL STAR CONFERENCE

23-24 March 2021

Disclaimer

IFRS-16

One year after the first adoption of IFRS 16, the transitional phase during which Unieuro's financial reporting was based on adjusted data and in continuity with the previous accounting standard IAS 17 and the interpretations thereof has ended.

Therefore, in line with practices that were gradually established among retailers listed on international markets, from 1st March 2020 the Company has been commenting only on the economic figures after the application of the above accounting standard, focusing on Adjusted EBIT and Adjusted Net Profit.

On the other hand, net debt and cash flow do not include the notional component linked to the application of IFRS 16.

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Due to rounding, numbers presented throughout this presentation may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

Agenda

- **FY 2020/21 Preliminary Sales**
- **9M 2020/21 Financials**
- **Going Forward**
- **Company Overview**

An Unexpectedly Complex and Volatile Fiscal Year

Epidemic outbreak in Italy	Phase 1: Total lockdown (not concerning CE sector) (9 March)	Phase 2: Gradual reopening & social distancing (4 May)	Wave 2 of pandemic (October)	New lockdowns: Italy divided into red, orange and yellow areas (6 November)
	Q1 2020/21	Q2 2020/21	Q3 2020/21	Q4 2020/21

- **Sales -13.4%** (March and April -30% y/y, May +20%)
- Lockdown effect on physical channels, partially offset by **booming e-commerce** (+142.8%)
- Limited impact of the emergency on profitability thanks to **management timely actions**
- Corporate soundness intact
- **Sales +15.2%**: exceptional performance across all channels and product categories
- **Gradual recovery in store traffic** coupled with high conversion rate
- **Strong growth in profitability and cash flow**, also thanks to the non-replicable benefits of undertaken actions
- **Sales +15.8%**
- **Success for “Change Black Friday” campaign** sustaining November sales
- Limited impact on Retail channel from restrictive measures imposing the **closure on public holidays and pre-holidays of ca. 50% of DOS** up to 15 January
- **Sales +16.0%** despite continuous temporal extension of Covid-related restrictions
- Favourable consumer trends registered in Q3 still in place



 PEOPLE PROTECTION MEASURES

 P&L PROTECTION MEASURES

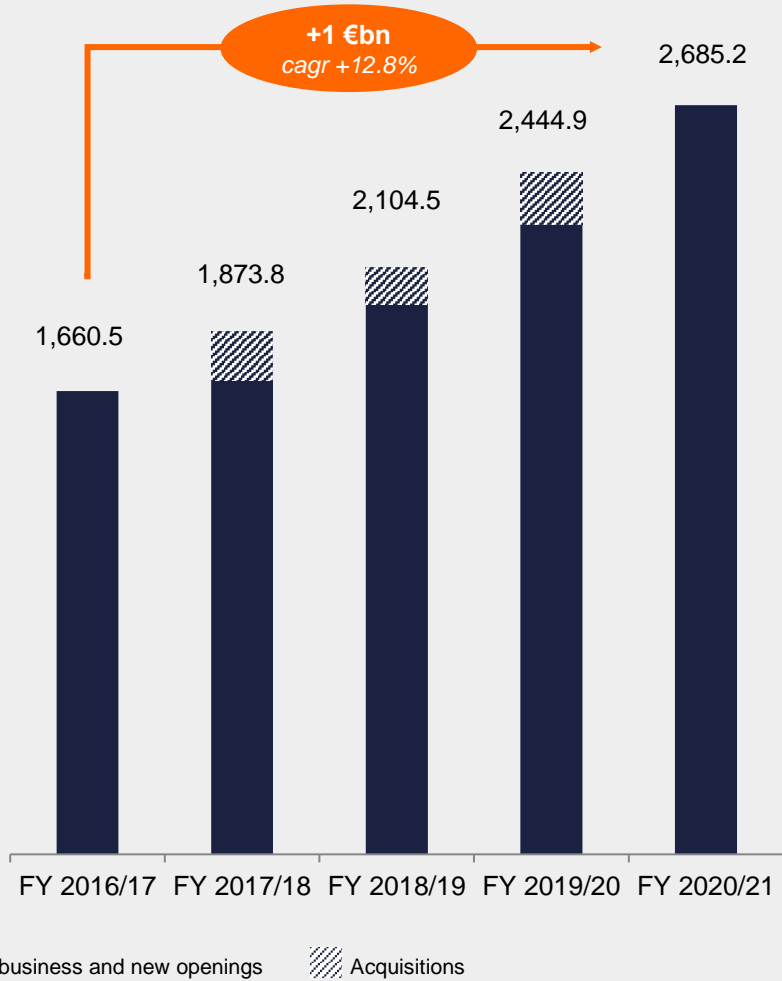
 BALANCE SHEET PROTECTION MEASURES

LONG-TERM POSITIVE OUTCOME
(i.e. digital flyer, variable rents)

STRUCTURAL BENEFITS EMERGED
(i.e. lower sustainable inventory level)

Sales at New Record High...

+1 €bn in only four years since the IPO



- **FY 2020/21 sales growing by 9,8%:**

- Organic growth adding 240 €m in 1 year
- +62% in 4 years, equal to a 12.8% cagr

- **Like-for-like sales growth: +8.7%**

- +10.3% excluding from the scope the stores adjacent to newly opened stores, and therefore not included in the like-for-like computation
- Strong underlying consumer trends supporting IT (smart working, e-learning), electric mobility and entertainment products (home comfort)
- Online +76.8%, favoured by consumer trends during the emergency

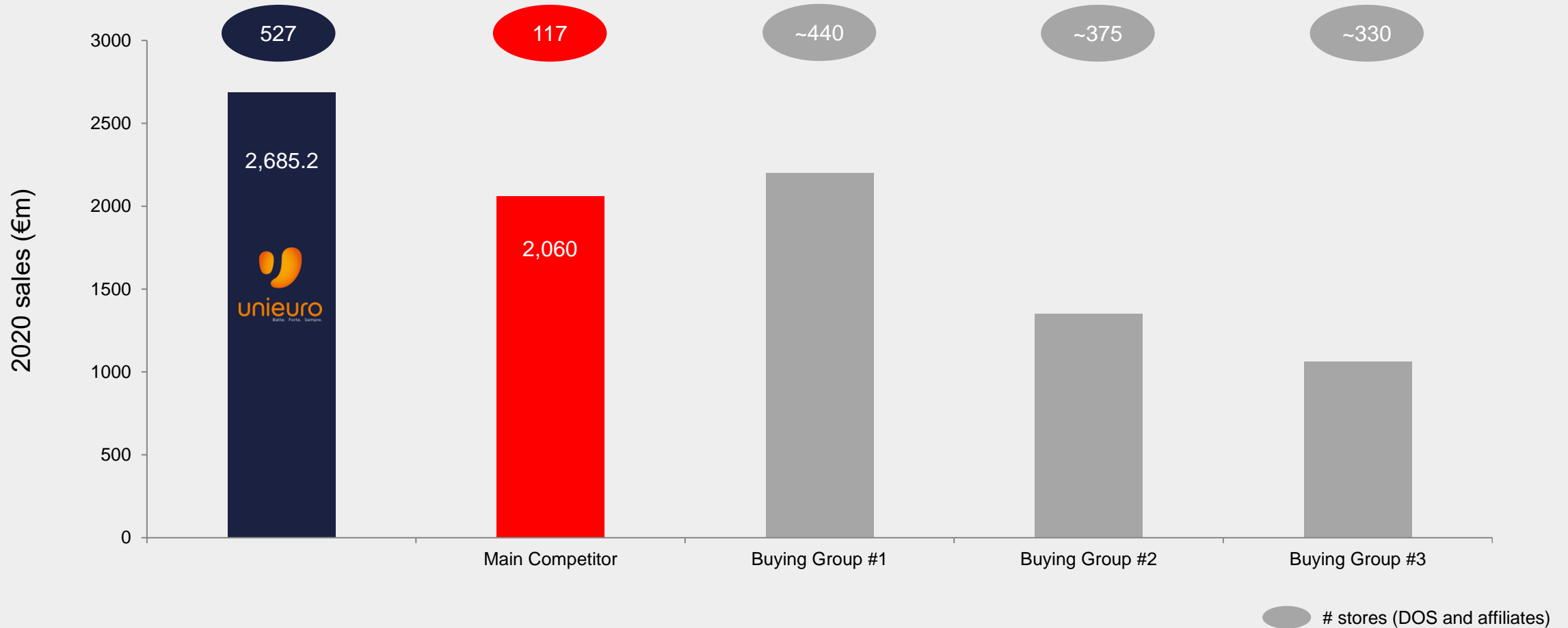
- **No significant perimeter change**

- **4Q +16%, in line with previous quarters**

- Good sales performance in December
- Consumption trends similar to previous quarters too, also in light of restrictions still in place

...Strengthening an Undisputable Sector Leadership

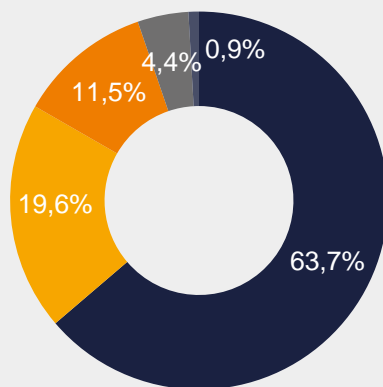
Gap between Unieuro and its main competitor from 8 to 600 €m in 2 years
Leadership achieved also in the consumer segment (no B2B, no affiliates)



Sales Boosted by Online and Grey Goods

Sales per channel - FY 2020/21

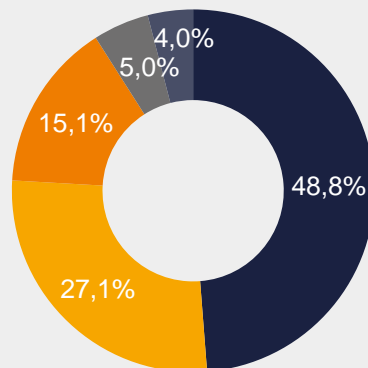
Retail	1,711.6 €m	+0.2%
Online	525.2 €m	+76.8%
Indirect	307.5 €m	+16.9%
B2B	116.9 €m	-14.4%
Travel	24.1 €m	-39.3%



- **Retail flat despite restrictions in Q1, Q3 and Q4.** Positive contribution from the internalisation of Unieuro by Iper shop-in-shops, previously affiliated
- **Online experiencing an extraordinary growth**, supported by:
 - changes in consumer behaviour
 - Unieuro strong online presence (Unieuro.it and Mondclick)
- **Indirect channel growing steadily** despite Unieuro by Iper shop-in-shops shift to Retail Channel (-29.2 m), mainly thanks to
 - small dimension and local focus helping during lockdown
 - partnership with Partenope Group to strengthen Unieuro's presence in Naples
- **B2B** confirming itself as an opportunistic and volatile business segment
- **Travel strongly hit by Covid-19 effect on airports.** Smaller effect on Turin Porta Nuova (railway station) and Milan San Babila (underground station) stores

Sales per category⁽¹⁾ - FY 2020/21

Grey	1,309.6 €m	+12.9%
White	728.8 €m	+6.6%
Brown	404.4 €m	+5.2%
Other products.	134.1 €m	+17.7%
Services	108.4 €m	+5.9%



- **Grey pushed by consumer trends emerging from pandemic:**
 - communication, e-work and e-learning
 - Q4 (+16.6%) sustained by smartphones and notebooks
- **White increasing slower** because of Covid-19 restrictions hitting physical stores:
 - MDA (especially washing machines) and SDA (home cleaning and food preparation) as the main contributors to growth
- **Brown running fast in Q3 (+18.2%) and Q4 (+13.9%),** thus compensating the negative effect from sport events cancellation in H1
- **Other products strong increase**, pushed by e-mobility and home entertainment trends,
- **Services turning positive yoy** thanks to +13.5% in Q3 and +12.2% in Q4

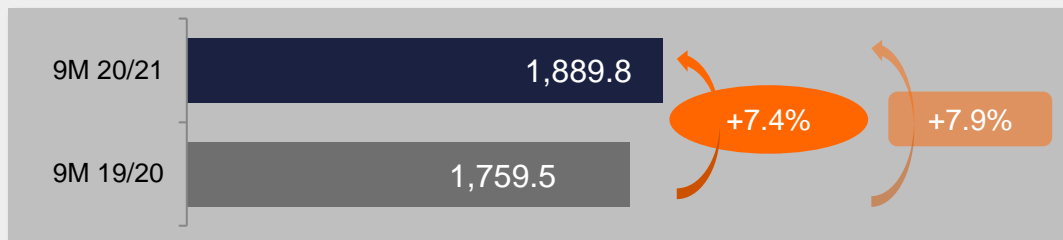
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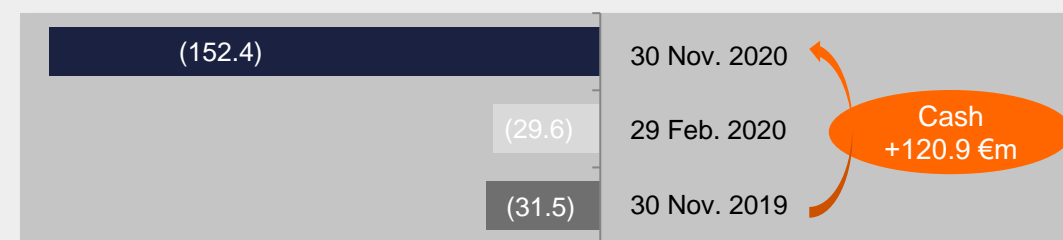
9M 2020/21 Key Financials

Sales (€m)

Like-for-like growth

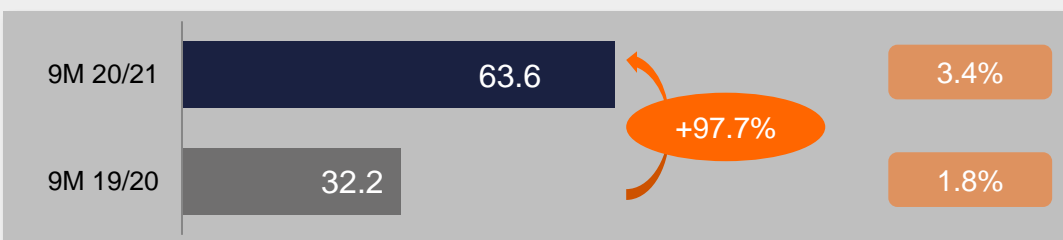


Net Financial Debt/(Cash) (€m)

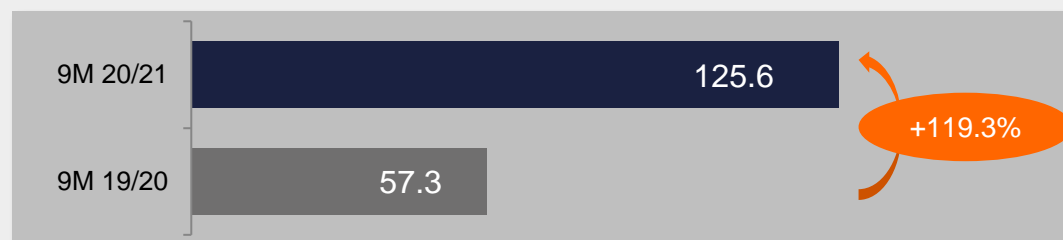


Adj. EBIT (€m)

Adj. EBIT margin

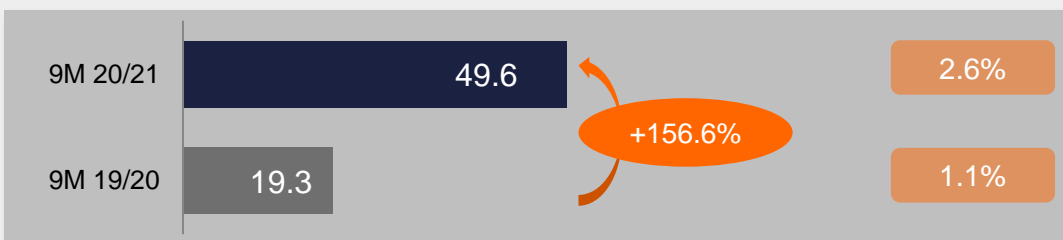


Adj. Free Cash Flow (€m)

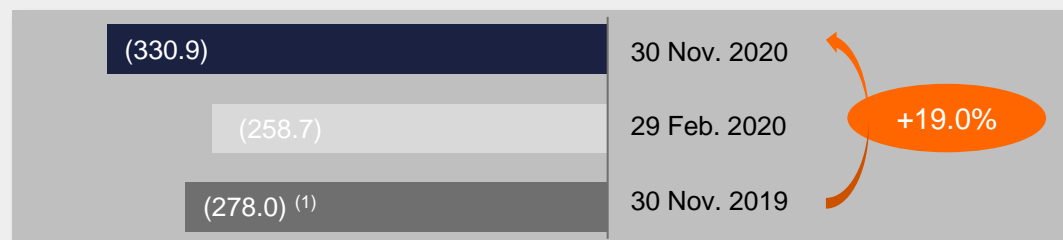


Adj. Net Income/(Loss) (€m)

Adj. Net margin

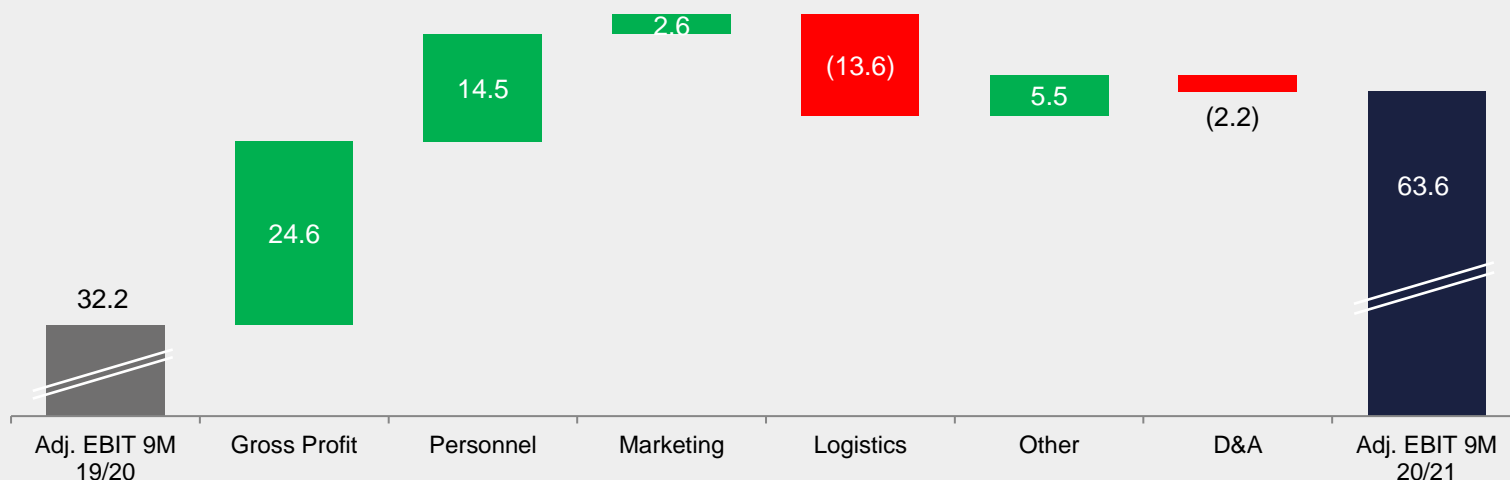


Net Working Capital (€m)

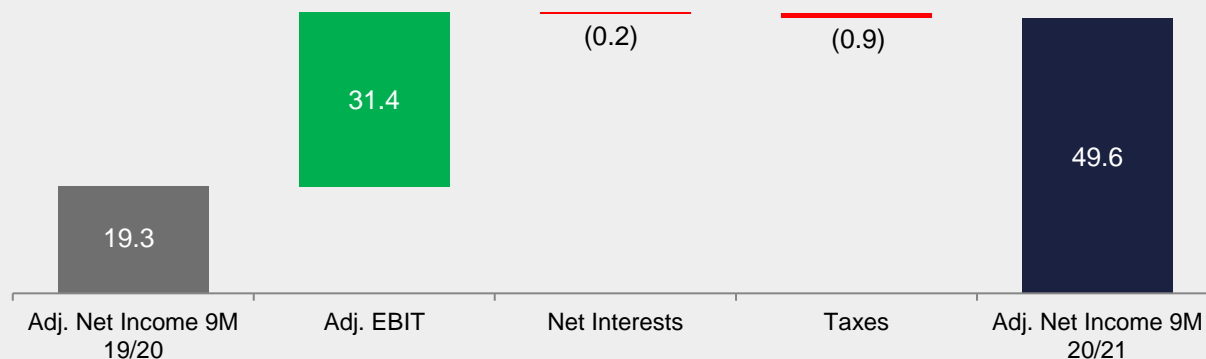


Profitability

Adj. EBIT



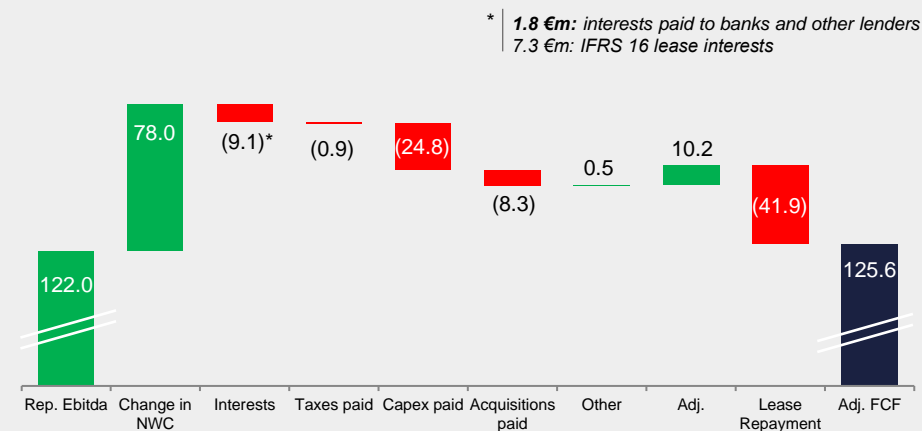
Adj. Net Income



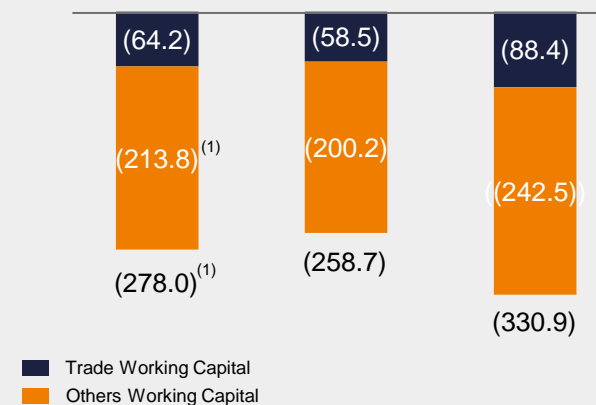
- **Covid-19 impact overcompensated by volume increase and non-replicable benefits** of undertaken actions
- **Gross Margin at 21.7%, sharply recovering** despite worsened channel and category mix. Q3 +0.7 p.p.
- **Effective cost control measures**, boosting profitability:
 - **Personnel costs decreasing:** savings in H1 (i.e. social safety nets, organizational efficiencies), internalization of shop-in-shops in Q3. Incidence on sales down from 7.8% to 6.5%
 - **Marketing costs down** from 2.3% to 2.0% of sales, benefitting from the temporary shift from paper to digital fliers. Higher digital marketing spending in Q3
 - **Significant increase in Logistics costs** (from 2.8% to 3.3%) due to booming home deliveries, both from Piacenza central hub and direct stores
 - **Other costs savings** (incidence from 3.5% to 3.0%) reflecting extraordinary cut in renting costs (9.8 €m) as well as lower maintenance and utility costs. Digital payment fees up
- **D&A incidence down** from 3.8% to 3.6% of sales, despite devaluation of physical assets in view of the relocation of Forlì HQ

Financial Overview

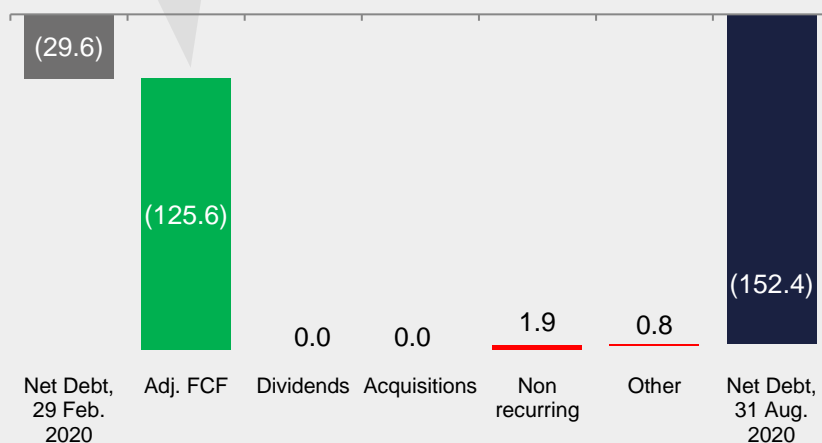
Adj. Free Cash Flow



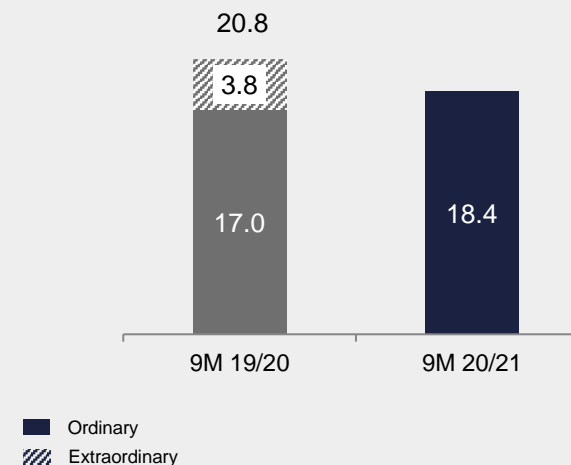
Net Working Capital



Net Financial Debt (Cash)



Capex



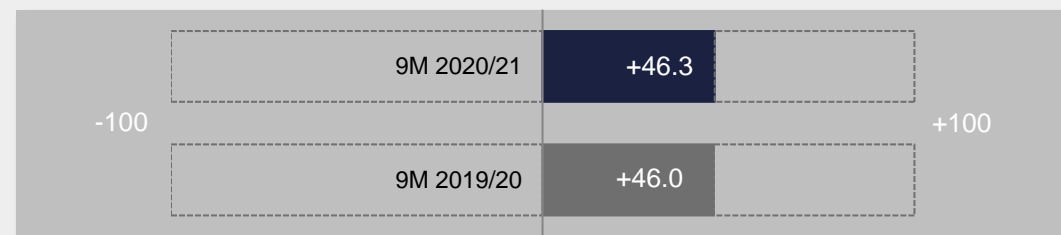
- **Outstanding Adj Free Cash Flow of 125.6 €, more than doubled** compared to 9M 19/20 (57.3 €m)...
- **...leading to a 152.4 €m Net cash position at 30 Nov. 2020** vs. 29.6 on 29 Feb. 2020 and 31.5 on 30 Nov. 2019
- Main drivers:
 - **Strong operating profitability**
 - **Financial effect of non-replicable benefits** (i.e. social safety nets activated in Q1, extraordinary cut in renting costs)
 - **Exceptional Net Working Capital expansion**, also led by stock level optimization (-93.1 €m vs. 30 Nov. 2019) connected to:
 - Inventory management structural benefits
 - Manageable product shortage on some product categories
- **Total capex decreasing**, despite :
 - restart of store network upgrade
 - new ERP project in progress

9M 2020/21 Key Operational Data

Unieuro's Retail Network

	30 Nov. 2020	Openings	Closures	29 Feb. 2020	o/w Click & Collect
DOS:	273	+25	-1	249	261
- Malls and free standing stores	236	+3		233	
- Shop-in-shops	26	+22		4	
- Travel stores	11		-1	12	
Affiliated stores:	250	+16	-27	261	116
- Traditional	250	+16	-9	243	
- Shop-in-shops	0		--18	18	
TOTAL STORES:	523	+41	-28	510	377

Net Promoter Score (direct channel only)

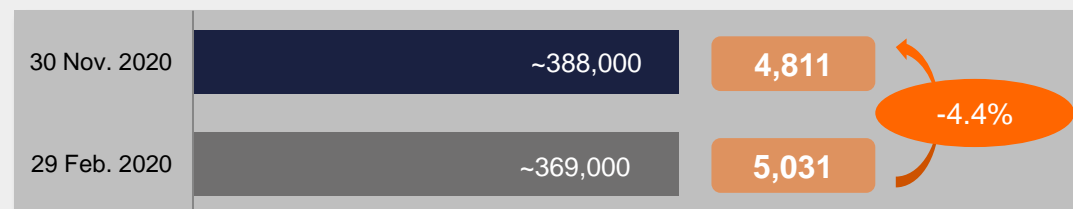


Active Loyalty Cards⁽¹⁾ (thousands)



Total Retail Area (sqm, DOS only)

Sales density
(€/sqm, LTM)



Workforce (FTEs)



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Looking Beyond the Covid Emergency



Accelerating the omnichannel strategy

A strong digital platform serving and being served by stores as the surest way to grant consumers the best post-Covid customer experience

Quickly reacting to changes

Velocity demonstrated while facing the epidemic as an asset of the Company in a rapidly evolving scenario

Leveraging on Unieuro brand and marketing skills

Active engagement of all consumer categories – including heavy digital – to fully exploit the omnichannel platform

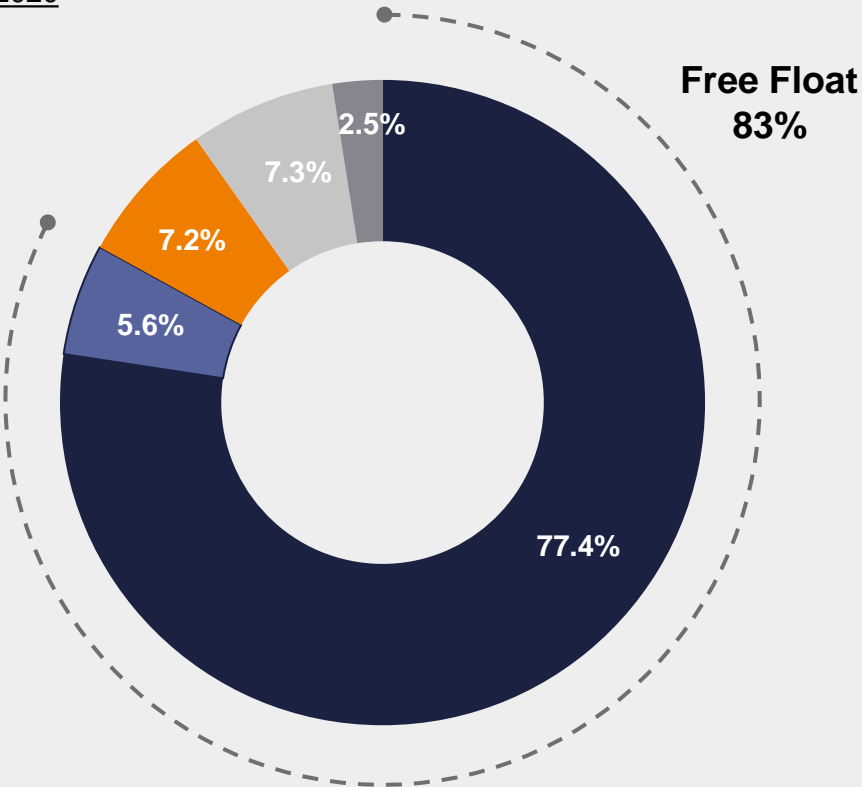
Focusing on capital allocation

Ready to restart shareholders' remuneration, in accordance with future plans and capital needs

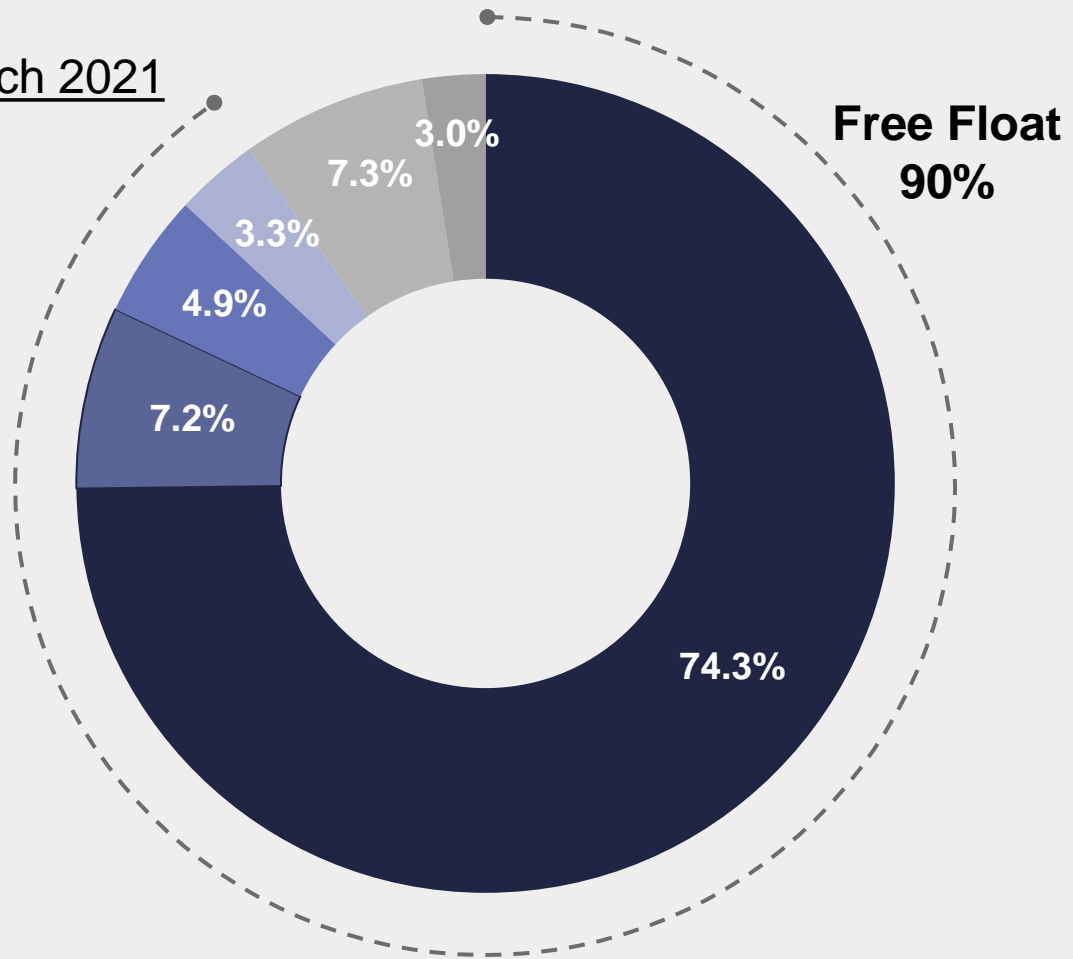
Further Expansion of Free Float

Exit of Dixons Carphone removing any residual overhang risk

Dec. 2020



March 2021



- Institutional and Retail Shareholders
- Amundi A.M.
- Mediolanum Fondi Sgr
- J.P. Morgan A.M.
- Dixons Carphone plc
- Some members of the Silvestrini family
- Some managers of Unieuro



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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 2020/21 sales of 2.7 €bn

Broad product range across multiple categories

Grey goods (48.8%)

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

White goods (27.1%)

- 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 (15.1%)

- TV, media storage, car accessories

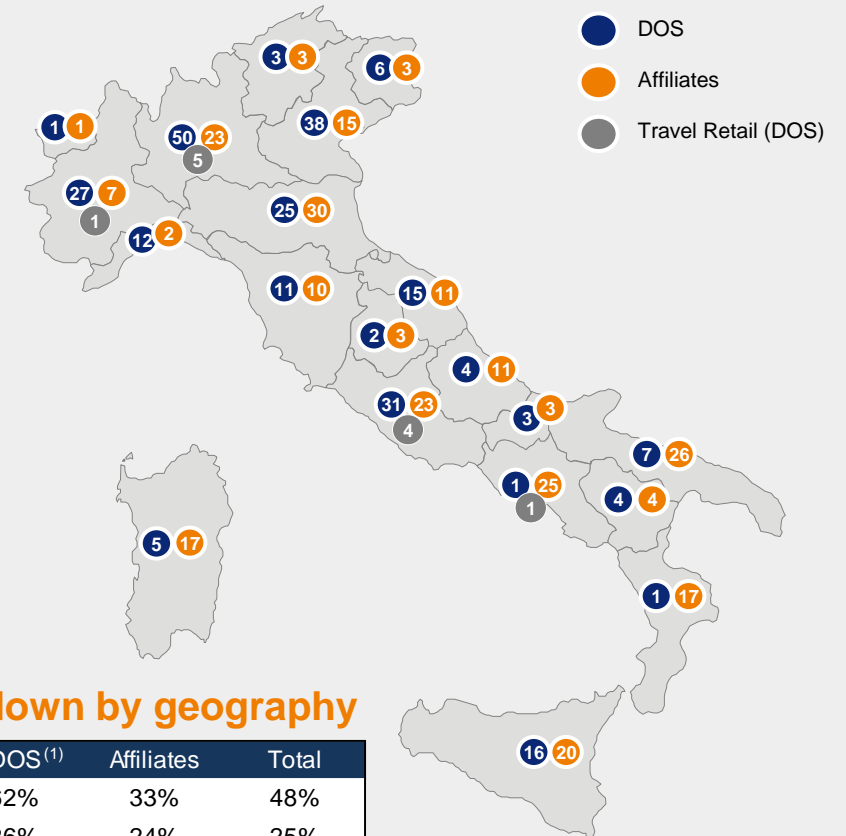
Other Products (5.0%)

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

Services (4.0%)

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

Full nationwide coverage



Store breakdown by geography

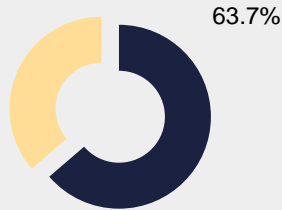
	DOS ⁽¹⁾	Affiliates	Total
North	62%	33%	48%
Centre	26%	24%	25%
South	12%	43%	27%
Total	273	254	527

Integrated omnichannel presence across offline and online

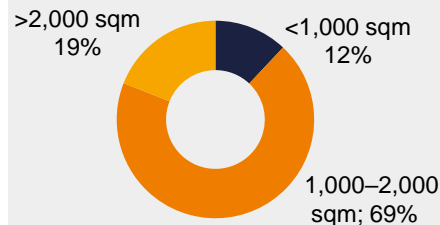
Contribution to FY
2020/21 total sales

Summary Overview

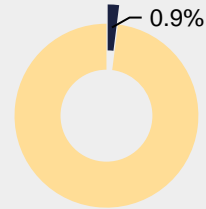
Retail: 262 DOS



- **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

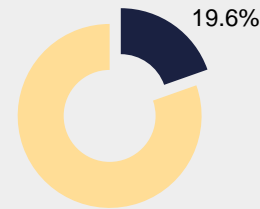


Travel Retail: 11 DOS



- 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

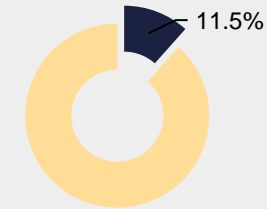
Online



- **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

monclick
IO COMPRO QUI

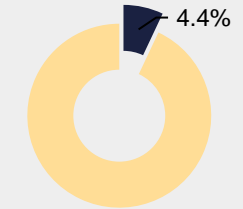
Indirect: 254 stores



- **Affiliated stores** in smaller and more remote catchment areas
- Unieuro brand / store format
- Exclusive supply
- Limited central costs, no capex and positive impact on profitability

unieuroCITY
Belle. Forte. Sempre.

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...

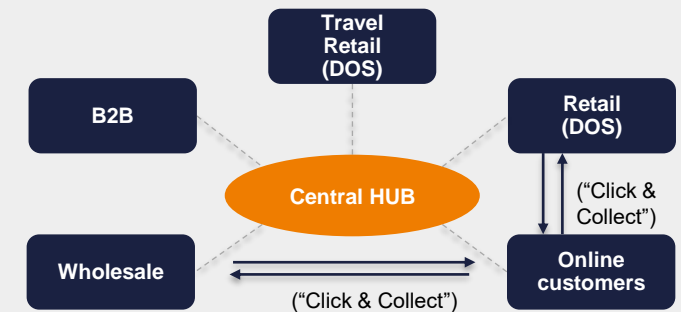
One, centralised HQ

- 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

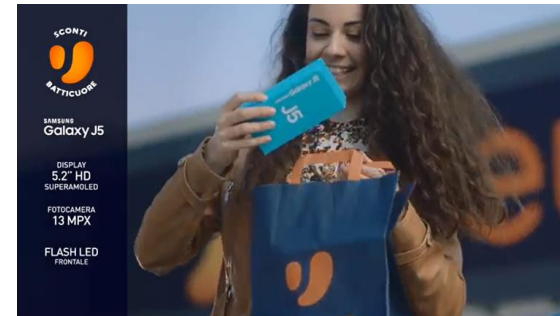


An innovative, integrated & distinctive marketing ecosystem

- **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

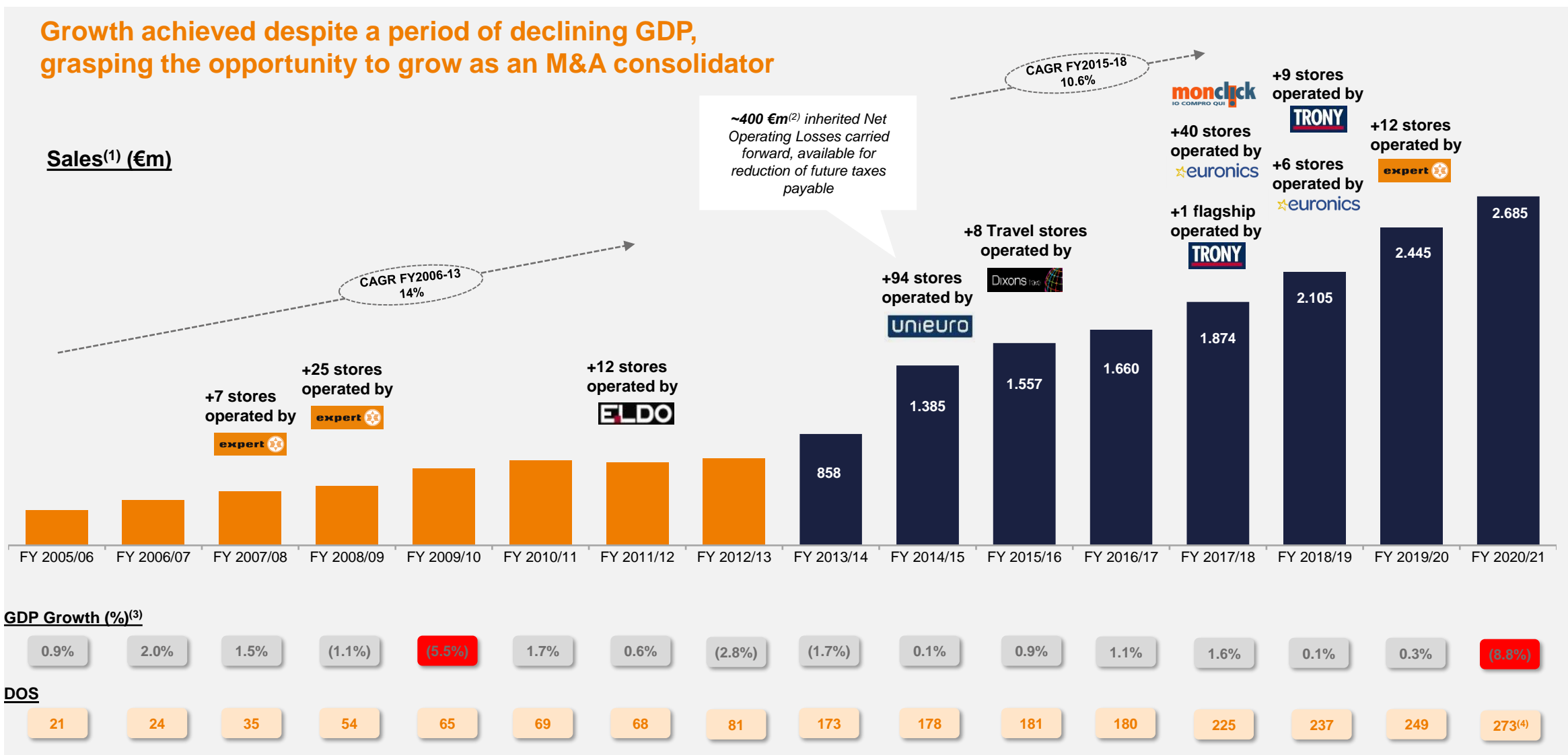


Multichannel, integrated, massive marketing campaign for the 2018 Black Friday

Innovative TV format in partnership with Samsung and RTI/Mediaset

15 years of consistent long-term growth...

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



NEXT CORPORATE AND IR EVENTS

FY 2020/21 Results

6 May 2021

Italian Investment Conference

by Kepler Cheuvreux

19,20,21 May 2021

Annual Shareholders' Meeting

15 June 2021

Potential Ex-Dividend Date

21 June 2021



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