



*STRONGLY REBOUNDED  
COMPARED TO PANDEMIC PEAK*

Q1 2021/22 Results  
14 July 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 1<sup>st</sup> 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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# Highlights

## Record-breaking performance in Q1 2021/22 :

- Vs. Q1 20/21, deeply impacted by the pandemic
- Vs. Q1 19/20, pre-Covid and with no material perimeter changes

## Sales at 581.8 €m: +35,7% y/y (+17.5% vs. pre-Covid)

- Physical network excellent recovery
- E-commerce normalisation after booming home delivery in Q1 20/21

Despite typical business seasonality affecting Q1:

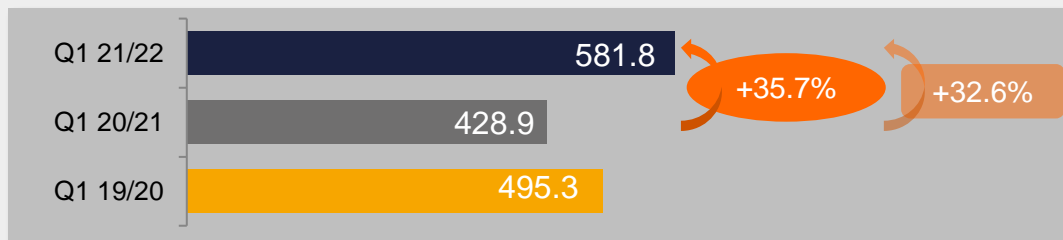
- **Positive Adjusted EBIT of 6.5 €m**, compared to -11.1 €m in Q1 20/21
- **Positive Adjusted Net Income of 3 €m**, compared to -13.8 €m
- Cash absorption limited to 36.5 €m (40 €m in Q1 20/21) leading to a **Net Cash Position of 121.4 €m**

**Guidance confirmed for current FY**, as announced on Investor Day

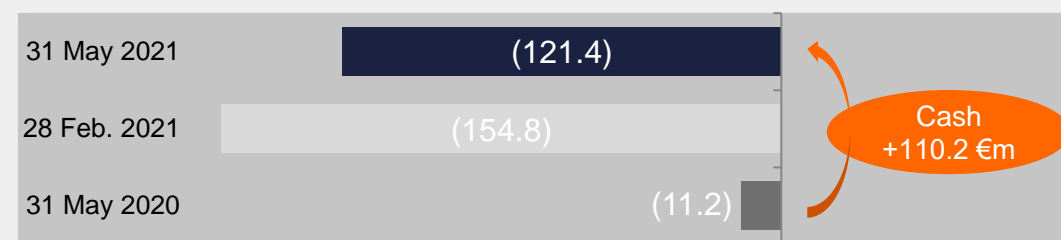
# Q1 2021/22 Key Financials

## Sales (€m)

Like-for-like growth

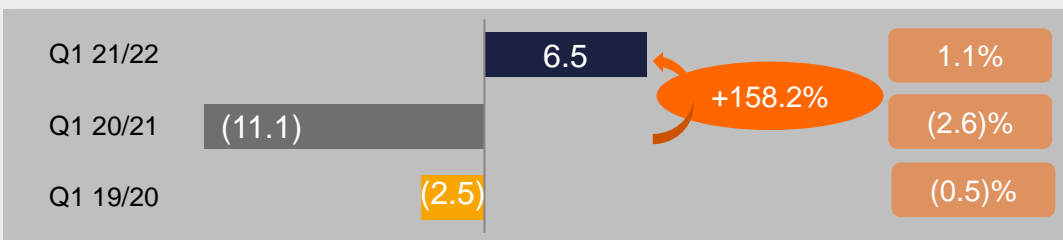


## Net Financial Debt/(Cash) (€m)

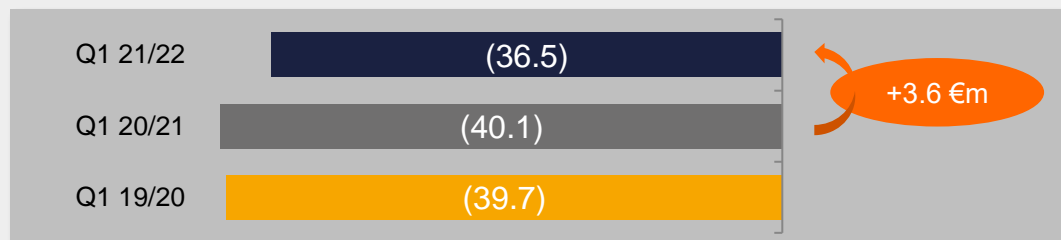


## Adj. EBIT (€m)

Adj. EBIT margin

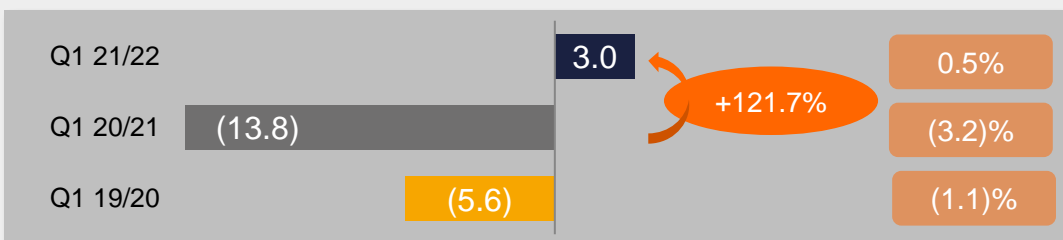


## Adj. Free Cash Flow (€m)

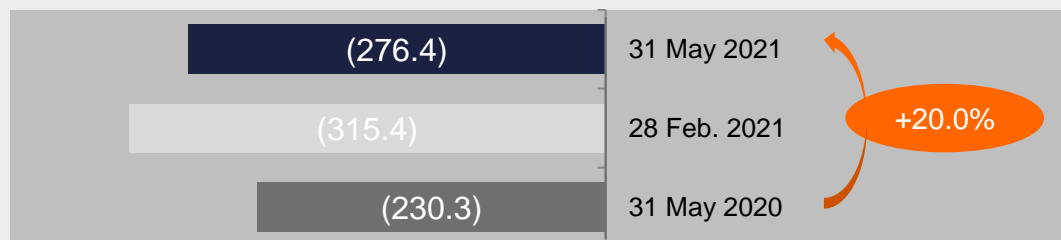


## Adj. Net Income (€m)

Adj. Net margin

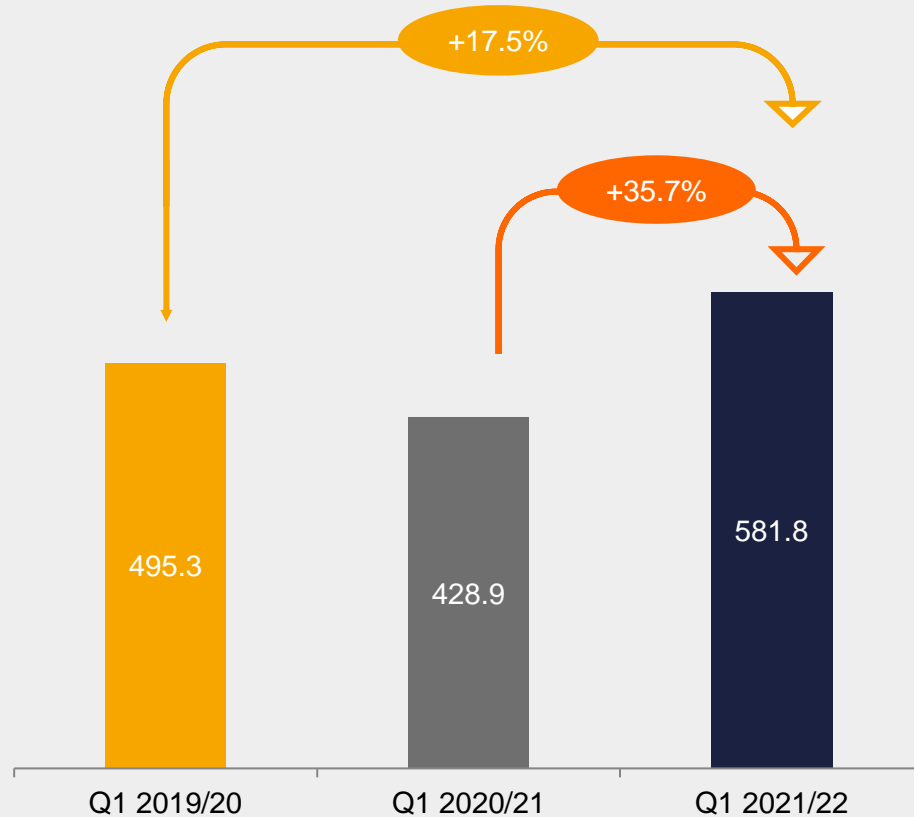


## Net Working Capital (€m)



# Sales

## Strong performance even compared to pre-Covid

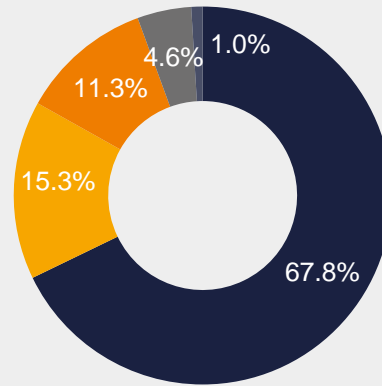


- **Excellent start of the year**, still led by:
  - effective omnichannel strategy
  - consumer trends triggered by the pandemic
- **Easy comparison base**: extraordinarily weak Q1 2020/21 due to the impact of the peaking Covid emergency
- **Like-for-like sales: +32.6%**
  - strong rebound of physical stores, impacted by lockdown and voluntary closures Q1 20/21
  - Online normalization (-27.7%)
- **Sales increase also vs. Q1 2019/20 (pre-Covid): +17.5%**
- **No significant perimeter change over the 2 years**

# Sales Breakdown

## Sales per channel – Q1 2021/22

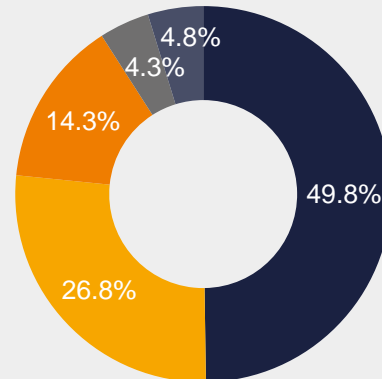
		vs Q1 20/21	vs Q1 19/20 pre-Covid
Retail	394.6 €m	+75.3%	+13.7%
Online	89.0 €m	-27.7%	+75.6%
Indirect	65.7 €m	+33.4%	+9.8%
B2B	26.9 €m	-5.7%	-7.4%
Travel	5.6 €m	+82.7%	-34.1%



- **Retail growing sharply**, thanks to gradual lifting of restrictions, internalisation of Unieuro by Iper shop-in-shops, opening of further Spazio Conad shops as well as important new openings over the last 12 months
- **Online channel dropping** compared to the extraordinary results of the previous Financial Year. Normalisation under way
- **Indirect channel growing steadily** despite the transition of Unieuro by Iper shop-in-shops to the retail channel
- **B2B** confirming itself as an opportunistic and volatile business segment
- **Travel** benefiting from the gradual resumption of traffic in train stations and airports, which had been partly or totally closed down during the pandemic. Still down vs. pre-Covid context

## Sales per category <sup>(1)</sup> – Q1 2021/22

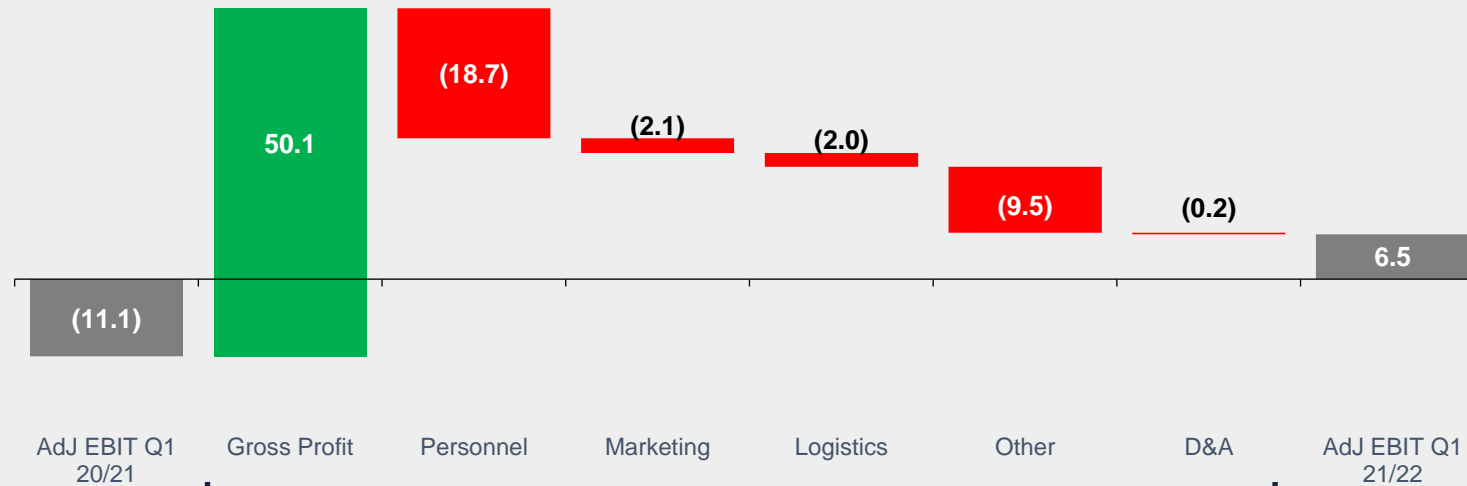
		vs Q1 20/21	vs Q1 19/20 pre-Covid
Grey	289.5 €m	+29.5%	+19.2%
White	156.1 €m	+42.1%	+19.6%
Brown	83.4 €m	+44.7%	+4.3%
Other products.	25.1 €m	+26.3%	+28.5%
Services	27.7 €m	+53.5%	+24.9%



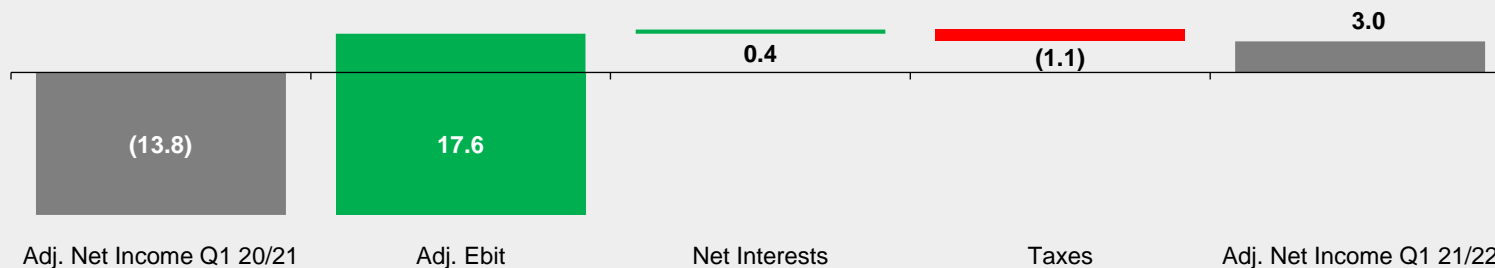
- **Grey still driven by undergoing consumer trends** linked to communication, smart working and e- learning
- **White recording significant growth** thanks to consumer trends linked to home care and the contribution of the “*Passione Casa*” promotional campaign (not carried out last year)
- **Brown strong performance** boosted by TV-sets, which benefit from the upcoming switch-off, to start on 1 September 2021
- **Other products up**, driven by electric mobility
- **Services growing significantly** mainly thanks to an increase in extended warranties sales

# Profitability

## Adj. EBIT



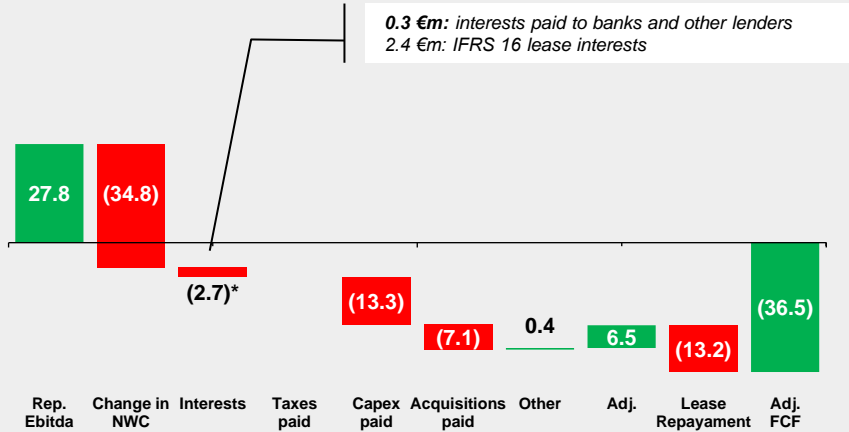
## Adj. Net Income



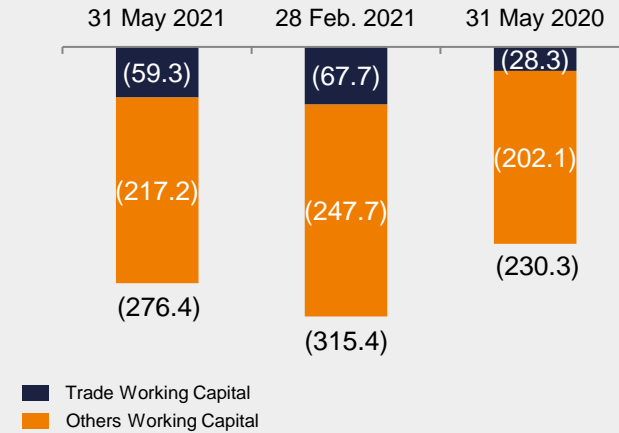
- **Gross Margin at 22.4%:** profitability increased compared to the Q1 20/21 (22.4% vs 18.7%) mainly due to a more favourable mix of channels
- **Personnel Costs +18.7 €m;** incidence up from 7.1% to 8.4% due to extraordinary savings in Q1 20/21 (i.e. social safety nets) and the internalisation of Unieuro by Iper shop-in-shops
- **Marketing costs +2.1 €m,** with the restart of promotional campaigns that were suspended Q1 20/21. Incidence on revenue slightly down from 1.9% to 1.8%
- **Logistics costs +2.0 €m** driven by the rise in volumes. Incidence on revenue dropped from 3.9% to 3.2% following the normalisation of channel mix
- **Other costs +9.5 €m,** with an incidence on revenue from 3.1% to 3.9%. Lower discounts on rents, higher variable rents and increase in operating costs, mainly relating to utilities and maintenance fees as a consequence of increased stores activity
- **Amortisations and depreciations of fixed assets basically in line** with Q1 20/21

# Financial Overview

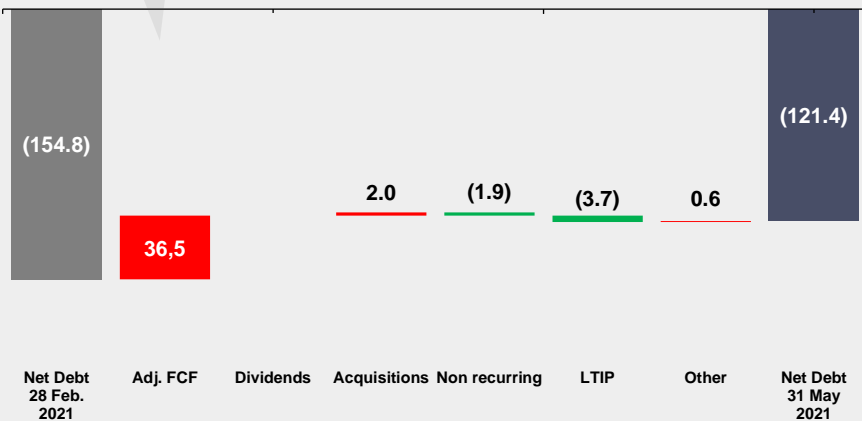
## Adj. Free Cash Flow



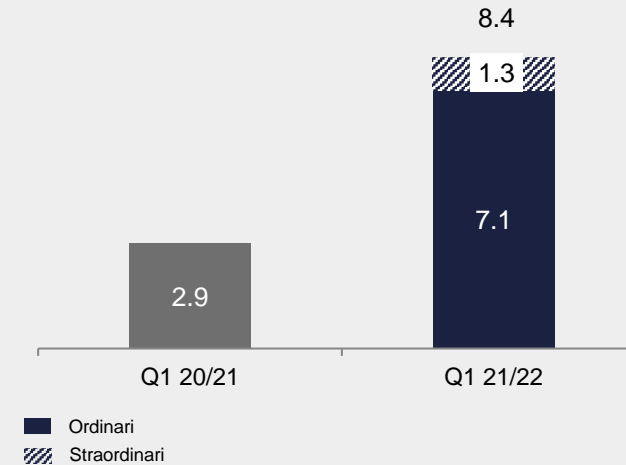
## Net Working Capital



## Net Financial Debt (Cash)



## Capex



- **Cash absorption in line with Unieuro seasonality** (Free Cash Flow Adj. -36.5 €m, -40.1 €m in Q1 20/21)
- **Net Cash standing at 121,4 €m** vs. 11.2 €m at 31 May 2020 (when Balance Sheet protection measures were put in place)
- Main drivers:
  - **Strong operating profitability**
  - **Normalisation of Capex**
  - **Net Working Capital contraction** mainly due to calendar effects on accruals and temporary phenomena penalising Trade Working Capital
- **Total Capex at 8.4 €m** :
  - 1.3 €m connected to M&A activities (mainly 2C S.r.l./Expert in the Turin area)
  - Investments on the store network restarted at a regular pace
  - Digital transformation projects

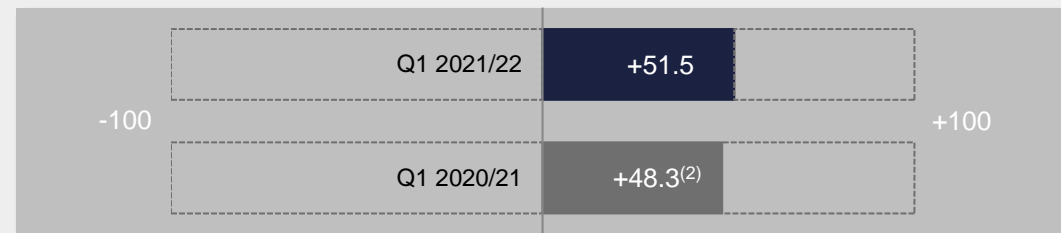


# Q1 2021/22 Key Operational Data

## Unieuro's Retail Network

	31 May 2021	Openings	Closings	28 Feb. 2021	o/w Click & Collect
<b>DOS:</b>	<b>276</b>	<b>+3</b>		<b>273</b>	<b>267</b>
- Malls and free standing stores	239	+3		236	
- Shop-in-shops	26			26	
- Travel stores	11			11	
<b>Affiliated stores:</b>	<b>258</b>	<b>+8</b>	<b>-4</b>	<b>254</b>	<b>138</b>
- Traditional	258	+8	-4	254	
- Shop-in-shops	0			0	
<b>TOTAL STORES:</b>	<b>534</b>	<b>+11</b>	<b>-4</b>	<b>527</b>	<b>405</b>

## Net Promoter Score<sup>(1)</sup> (direct channel only)

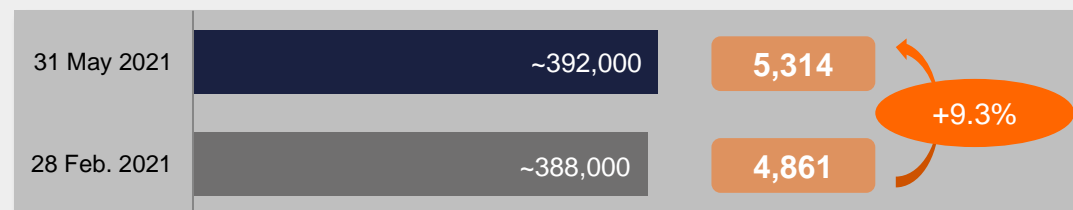


## Active Loyalty Cards<sup>(3)</sup> (thousands)



## Total Retail Area (sqm, DOS only)

Sales density  
(€/sqm, LTM)



## Workforce (FTEs)



***ANNEX***

# Notes and Glossary

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, unless otherwise indicated.

**Growth of like-for-like Revenues** is calculated by including: (i) Retail and Travel stores in operation for at least one full Fiscal 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.

**Adjusted EBIT** is EBIT adjusted for: (i) non-recurring expenses/(income), (ii) non-recurring depreciation, amortisation and write-downs, 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.

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

**Adjusted Free Cash Flow** is defined as cash flow generated/absorbed by operating activities net of investment activities inclusive of financial expenses and lease flows and adjusted for non-recurring investments and other non-recurring operating flows and including adjustments for non-recurring expenses (income) and their non-cash component and the related tax impact.

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

**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).

# Q1 Profit & Loss

	Q1 21/22				Q1 20/21				% change (Adjusted)
	Adjusted	%	Reported	%	Adjusted	%	Reported	%	
<b>Sales</b>	<b>581,8</b>	<b>100,0%</b>	<b>581,8</b>	<b>100,0%</b>	<b>428,9</b>	<b>100,0%</b>	<b>428,9</b>	<b>100,0%</b>	<b>35,7%</b>
Purchase of goods - Change in Inventory	(451,5)	(77,6%)	(452,4)	(77,8%)	(348,6)	(81,3%)	(349,1)	(81,4%)	29,5%
<b>Gross profit</b>	<b>130,4</b>	<b>22,4%</b>	<b>129,5</b>	<b>22,2%</b>	<b>80,3</b>	<b>18,7%</b>	<b>79,8</b>	<b>18,6%</b>	<b>62,4%</b>
Personnel costs	(49,0)	(8,4%)	(49,2)	(8,5%)	(30,3)	(7,1%)	(30,4)	(7,1%)	61,6%
Logistic costs	(18,8)	(3,2%)	(18,9)	(3,3%)	(16,8)	(3,9%)	(16,9)	(3,9%)	11,8%
Marketing costs	(10,2)	(1,8%)	(10,4)	(1,8%)	(8,1)	(1,9%)	(8,2)	(1,9%)	26,2%
Other costs	(21,1)	(3,6%)	(21,3)	(3,7%)	(12,1)	(2,8%)	(12,1)	(2,8%)	74,3%
Other operating costs and income	(1,9)	(0,3%)	(1,9)	(0,3%)	(1,3)	(0,3%)	(1,3)	(0,3%)	39,0%
<b>EBITDA</b>	<b>29,4</b>	<b>5,0%</b>	<b>27,8</b>	<b>4,8%</b>	<b>11,6</b>	<b>2,7%</b>	<b>10,9</b>	<b>2,5%</b>	<b>153,5%</b>
D&A	(22,9)	(3,9%)	(23,0)	(4,0%)	(22,7)	(5,3%)	(22,7)	(5,3%)	0,9%
<b>EBIT</b>	<b>6,5</b>	<b>1,1%</b>	<b>4,7</b>	<b>0,8%</b>	<b>(11,1)</b>	<b>(2,6%)</b>	<b>(11,8)</b>	<b>(2,7%)</b>	<b>158,2%</b>
Financial Income - Expenses	(3,2)	(0,5%)	(3,2)	(0,5%)	(3,6)	(0,8%)	(3,6)	(0,8%)	(10,7%)
<b>Adjusted Profit before Tax</b>	<b>3,3</b>	<b>0,6%</b>	<b>1,5</b>	<b>0,3%</b>	<b>(14,7)</b>	<b>(3,4%)</b>	<b>(15,3)</b>	<b>(3,6%)</b>	<b>122,4%</b>
Taxes	(0,3)	(0,0%)	(0,1)	(0,0%)	0,9	0,2%	0,9	0,2%	(133,5%)
<b>Net Income</b>	<b>3,0</b>	<b>0,5%</b>	<b>1,4</b>	<b>0,2%</b>	<b>(13,8)</b>	<b>(3,2%)</b>	<b>(14,4)</b>	<b>(3,4%)</b>	<b>121,7%</b>

# Q1 Adjustments to P&L

	Q1 21/22	Q1 20/21	% change
M&A Costs	0,5	0,0	na
Stores opening, relocations and closing costs	0,3	0,2	39,8%
Other non recurring costs	0,0	(0,0)	(100,0%)
Accidental events	0,0	0,0	0,0%
<b>Non-recurring items</b>	<b>0,8</b>	<b>0,2</b>	<b>311,6%</b>
<b>Change in business model (extended warranties adjustments)</b>	<b>0,9</b>	<b>0,5</b>	<b>100,0%</b>
<b>Total adjustments to EBIT</b>	<b>1,7</b>	<b>0,7</b>	<b>161,8%</b>
<b>Other adjustments</b>	0,0	0,0	na
<b>Fiscal effect of above-listed adjustments</b>	(0,2)	(0,1)	162,1%
<b>Total adjustments to Net Income (Loss)</b>	<b>1,6</b>	<b>0,6</b>	<b>164,5%</b>

# Balance Sheet

	31 May 2021	28 Feb. 2021
Trade Receivables	86,6	65,3
Inventory	493,5	372,1
Trade Payables	(639,3)	(505,1)
<b>Trade Working Capital</b>	<b>(59,3)</b>	<b>(67,7)</b>
Current Tax Assets and Liabilities	(3,3)	(3,8)
Current Assets <sup>(1)</sup>	35,6	18,0
Current Liabilities <sup>(2)</sup>	(246,4)	(261,2)
Short Term Provisions	(3,1)	(0,8)
<b>Net Working Capital</b>	<b>(276,4)</b>	<b>(315,4)</b>
Tangible and Intangible Assets	105,2	104,5
Right of Use	440,5	451,6
Net Deferred Tax Assets and Liabilities	36,6	37,1
Goodwill	196,1	195,2
Other Long Term Assets and Liabilities <sup>(3)</sup>	(30,1)	(30,9)
<b>TOTAL INVESTED CAPITAL</b>	<b>471,9</b>	<b>442,1</b>
Net financial Debt	121,4	154,8
Lease liabilities	(434,8)	(443,7)
<b>Net Financial Debt (IFRS 16)</b>	<b>(313,4)</b>	<b>(288,8)</b>
<b>Equity</b>	<b>(158,4)</b>	<b>(153,3)</b>
<b>TOTAL SOURCES</b>	<b>(471,9)</b>	<b>(442,1)</b>

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

<sup>(2)</sup> **Current Liabilities**

	31 May 2021	28 Feb. 2021
Accrued expenses (mainly Extended Warranties)	(167,7)	(179,9)
Personnel debt	(47,6)	(42,9)
VAT debt	(6,7)	(17,5)
Other	(22,7)	(19,1)
LTIP Personnel debt	(1,7)	(1,7)
<b>Current Liabilities</b>	<b>(246,4)</b>	<b>(261,2)</b>

<sup>(3)</sup> **Other Long Term Assets and Liabilities**

	31 May 2021	28 Feb. 2021
Financial assets (deposits, leases)	2,9	2,9
Deferred Benefit Obligation (TFR)	(13,6)	(13,0)
Long Term Provision for Risks	(16,2)	(17,6)
Other Provisions	(3,1)	(3,1)
LTIP Personnel debt	-	-
<b>Other Long Term Assets and Liabilities</b>	<b>(30,1)</b>	<b>(30,9)</b>

# Cash Flow Statement

	Q1 21/22	Q1 20/21	% change
<b>Reported EBITDA</b>	<b>27,8</b>	<b>10,9</b>	<b>154,3%</b>
Taxes Paid	-	-	na
Interests Paid	(2,7)	(2,8)	(2,3%)
Change in NWC	(34,8)	(25,0)	39,2%
Change in Other Assets and Liabilities	0,4	0,1	177,6%
<b>Reported Operating Cash Flow</b>	<b>(9,4)</b>	<b>(16,7)</b>	<b>(43,8%)</b>
Purchase of Tangible Assets	(5,5)	(1,5)	259,6%
Purchase of Intangible Assets	(2,9)	(1,4)	108,5%
Change in capex payables	(4,9)	(6,7)	(26,1%)
Acquisitions	(7,1)	(6,0)	17,6%
Free Cash Flow	(29,8)	(32,3)	(8,0%)
Cash effect of adjustments	0,7	0,2	313,5%
Non recurring investments	8,3	6,0	39,0%
Other non recurring cash flows	(2,6)	(0,1)	1811,8%
<b>Adjusted Free Cash Flow (IFRS 16)</b>	<b>(23,3)</b>	<b>(26,3)</b>	<b>(11,4%)</b>
Lease Repayment	(13,2)	(13,8)	(4,7%)
<b>Adjusted Free Cash Flow</b>	<b>(36,5)</b>	<b>(40,1)</b>	<b>(9,1%)</b>
Cash effect of adjustments	1,9	(0,0)	(4754,2%)
Acquisition Debt	(2,0)	-	(100,0%)
Dividends	-	-	na
Log Term Incentive Plan	3,7	-	100,0%
Other Changes	(0,6)	(0,7)	(6,2%)
<b>Δ Net Financial Position</b>	<b>(33,5)</b>	<b>(40,8)</b>	<b>(18,1%)</b>





# Net Financial Debt

	31 May 2021	28 Feb. 2021
Short-Term Bank Debt	(0,7)	(0,1)
Long-Term Bank Debt	(48,8)	(48,7)
<b>Bank Debt</b>	<b>(49,5)</b>	<b>(48,7)</b>
Debt to Other Lenders	(6,4)	(6,8)
Acquisition Debt	(3,0)	(9,0)
<b>Other Financial Debt</b>	<b>(9,4)</b>	<b>(15,8)</b>
<b>Cash and Cash Equivalents</b>	180,3	219,4
<b>Net Financial Debt</b>	<b>121,4</b>	<b>154,8</b>
<b>Lease liabilities</b>	<b>(434,8)</b>	<b>(443,7)</b>
<b>Net Financial Debt (IFRS 16)</b>	<b>(313,4)</b>	<b>(288,8)</b>



# IFRS 16 Impact

## Main Effects on Unieuro's Q1 2021/22 Results (management data, non-audited)

		31 May 2021 (IAS 17)		31 May 2021 (IFRS 16)
<b><u>ADJ. EBITDA</u></b>	<ul style="list-style-type: none"> <li>reduction of operating costs (rental fees paid on stores, headquarters, warehouses and vehicles), net of income from store sub-lease agreements</li> </ul>	12.4		29.4
<b><u>ADJ. EBIT</u></b>	<ul style="list-style-type: none"> <li>effects on Adj. EBITDA</li> <li>increase in D&amp;A due to amortisation of rights of use</li> </ul>	4.9		6.5
<b><u>ADJ. PROFIT BEFORE TAXES</u></b>	<ul style="list-style-type: none"> <li>effects on Adj. EBIT</li> <li>increase in Financial expenses for interests connected with rights of use</li> </ul>	4.1		3.3
<b><u>NET FINANCIAL DEBT (CASH)</u></b>	<ul style="list-style-type: none"> <li>recognition of liabilities for rights of use (other current and non-current financial payables), net of non-current financial receivables concerning sub-lease agreements</li> </ul>	(121.4)		(313.4)

## NEXT CORPORATE AND IR EVENTS

### ITALIAN EQUITY WEEK | CONSUMER DAY (virtual)

by Borsa Italiana  
*7 September 2021*

### NEW MILAN OFFICES OPENING CEREMONY

*Milano, via Marghera, Autumn 2021*

### H1 2021/22 RESULTS

*11 November 2020*

### 9M 2020/21 RESULTS

*13 January 2022*



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