

UNIEURO S.P.A.: RECORD-BREAKING ECONOMIC-FINANCIAL PERFORMANCE IN Q1 2021/22, EVEN COMPARED TO PRE-COVID LEVELS

- **Quarterly revenue growing by 35.7% to 581.8 million euros compared with the same period of 2020/21, deeply impacted by the lockdown. Performance at +17.5% compared to Q1 2019/20, pre-Covid**
- **Excellent recovery of direct sales network (+75.3%) and great performance of affiliates (+33.4%), while ecommerce runs back to expected normal trends (-27.7%)**
- **Positive Adjusted EBIT¹ of 6.5 million Euros, compared to the -11.1 million caused by the health emergency in Q1 2020/21**
- **Adjusted Net Profit² of 3 million Euros (-13.8 million Euros in the same period the year before), the first positive one in a quarter that is structurally impacted by seasonal dynamics**
- **Net cash³ of 121.4 million Euros compared to 154.8 million Euros at start of FY in the light of typical first-quarter absorption**
- **Guidance confirmed for current FY, as announced on Investor Day, 10 June**

Forlì, 14 July 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 yesterday chaired by Stefano Meloni to examine and approve the Interim Financial Report of the Group at 31 May 2021.

In the first quarter of the financial year 2021/22, Unieuro reported sound and strongly growing economic-financial results, not just compared to the same period of the previous financial year – extraordinarily weak due to the impact of the peaking Covid emergency – but also compared with the first quarter 2019/20, the last before the epidemic changed the market scenario.

The revenue, amounting to 581.8 million Euros, hit a new record in a quarter that has been seasonally weak in the sales of electronics and electric household appliances. The 35.7% growth has been driven by the physical network (+75.3% direct stores, +33.4% affiliates), which from March to May 2020 was affected by the dramatic drop in traffic during the first lockdown, as well as by the Company's decision to close direct stores for two weeks to protect customers and employees. Conversely, the online channel suffered a physiological drop (-27.7%), which however is not bound to significantly affect the high levels of turnover that are being consolidated.

A comparison with the first quarter of the pre-Covid FY is quite revealing and positive too: though without any major acquisition, the quarter's total turnover progressed by 17.5% – +13.7% from Retail, +9.8% from the indirect channel and +75.6% from the online channel – compared to the same period of 2019/20.

Unieuro S.p.A.

Sede legale e amministrativa: Palazzo Hercolani
via Piero Maroncelli, 10 - 47121 Forlì (FC)

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High sales volumes also drove profitability to reach new record-breaking levels: in a quarter that is structurally weak due to the typical seasonal dynamics of the market Unieuro works in, the Company reported an Adjusted EBIT¹ of 6.5 million Euros (a year before it was -11.1 million Euros) and an Adjusted Net Profit² of 3 million Euros (from -13.8 million Euros), the first positive one in its history.

Against the backdrop of cash dynamics⁴ that are also affected by seasonal factors, the Management confirmed its guidance about the current financial year in terms of economic results (an expected turnover of 2.8 to 2.9 billion Euros and an Adjusted EBIT¹ of 65 to 75 million Euros) as well as financial results (an Adjusted Free Cash Flow⁴ of 40 to 50 million Euros).

“The quarter just ended - although less important than those to follow from a seasonal point of view - confirms our expectations of a stepwise return to normality, thus highlighting a successful rebalancing of our channel mix.

The positive revenue and margin trends are strengthening, confirming the trend of the last few months of last year. This gives us optimism in hitting the growth targets we have recently shared with the market.

Giancarlo Nicosanti Monterastelli, CEO of Unieuro.

Revenues for the first quarter 2021/22

In the quarter ended 31 May 2021, Unieuro’s revenue amounted to 581.8 million Euros, which is as much as 152.9 million Euros more (equivalent to +35.7%) than the 428.9 million Euros of the first quarter of the previous financial year, which was deeply impacted by the Covid emergency.

The performance is extremely positive even compared to the first quarter of the last pre-Covid financial year ended 31 May 2019, boosted by Unieuro’s effective omnichannel strategy and by the consumer trends triggered by the pandemic boosting sales by 17.5%.

The evolution of **like-for-like revenues**⁵, that is the comparison of sales with those of the previous year based on a homogeneous perimeter of activity, reflected the favourable basis of comparison and reported a staggeringly high +32.6% increase.

Revenues by sales channel

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<i>(in millions of Euro and as a percentage of revenues)</i>	Period ended				Changes	
	31 May 2021	%	31 May 2020	%	Δ	%
<i>Retail</i>	394.6	67.8%	225.1	52.5%	169.6	75.3%
<i>Online</i>	89.0	15.3%	123.0	28.7%	(34.0)	(27.7%)
<i>Indirect</i>	65.7	11.3%	49.3	11.5%	16.5	33.4%
<i>B2B</i>	26.9	4.6%	28.5	6.6%	(1.6)	(5.7%)
<i>Travel</i>	5.6	1.0%	3.1	0.7%	2.5	82.7%
Total revenues	581.8	100.0%	428.9	100.0%	152.9	35.7%

The **Retail channel** (67.8% of total revenue) – which as at 31 May 2021 consisted of 265 direct stores, including the Unieuro by Iper shops-in-shop – reported 394.6 million Euros of sales, which is a powerful growth (+75.3%) compared to the 225.1 million Euros of the same period in 2020/21. The dynamics of revenue has been favourably affected by the gradual lifting of restrictions on customers' access to the direct network, while the first quarter 2020/21 was deeply impacted by the total closure of direct stores from 14 to 29 March. It should also be considered the transition to the direct management of 18 Unieuro by Iper shops-in-shop, previously run as affiliates and insourced as from the second half of the previous financial year, as well as the new openings in the Spazio Conad superstores, Milano Portello (June 2020), Savona (November 2020), Torino Orbetello, Pino Torinese and Messina (April 2021). Such effects propelled the channel to a positive performance even compared to that of the first quarter of the last pre-Covid FY (+13.7%).

The **Online channel** (15.3% of total revenue) totalled a 27.7% drop to 89 million Euros, compared with the 123 million Euros reported for the same period of the previous financial year, as a consequence of the progressive normalisation of market dynamics. The performance of the first quarter ended 31 May 2020 was actually due to the pandemic emergency, which had led customers to prefer e-commerce over physical stores. Compared with the first pre-Covid quarter ended 31 May 2019, the channel's revenue is still remarkably increasing (+75.6%), boosted by the mainstream and digital marketing campaigns focused on the Company's ecommerce as well as to its double presence on the web through two well-known but clearly separate brands such as Unieuro and Monclick.

The **indirect channel** (11.3% of total revenue) – which includes the turnover from the network of affiliate stores, totalling 258 stores as at 31 May 2021 – reported 65.7 million Euros of sales, which is 33.4% higher than the 49.3 million Euros of the same period of the previous financial year. The gradual relaxation of restrictions and the distinctive features of the affiliate stores – medium-small in size and targeted to local customers – contributed to such success, as they benefited from the closing of the shopping malls in the weekends. Add to this the contribution made by the new openings, mainly driven by the start of the partnership with Gruppo Partenope in November 2020, which took the Unieuro brand over to Naples, partly making up for the transition of the previously affiliated Unieuro by Iper shops-in-shop to the Retail channel in the second half of the previous financial year. The

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channel's performance is positive even compared to the first quarter of the last pre-Covid financial year (+9.8%).

The **B2B channel** (4.6% of total revenue) – 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 a turnover of 26.9 million Euros, which is 5.7% less than the 28.5 million Euros of the same period in the previous financial year. This therefore confirms the random nature of the revenue generated by such channel, which typically has an opportunistic approach and is affected by multiple exogenous factors, so that even a comparison with the first quarter of the last pre-Covid financial year would be fairly irrelevant (-7.2%).

Lastly, the **Travel channel** (1% of total revenue) – consisting of 11 direct stores located in some of the busiest hubs, such as airports, train stations and underground stations – reported an 82.7% recovery and 5.6 million Euros of sales. Such performance benefited from the gradual resumption of traffic in train stations and airports, which had been partly or totally closed down during the pandemic. The level of pre-Covid turnover (8.5 million Euros in the first quarter of 2019/20) remains significantly higher, though.

Revenues by product category⁶

<i>(in millions of Euro and as a percentage of revenues)</i>	Period ended				Changes	
	31 May 2021	%	31 May 2020	%	Δ	%
Grey	289.5	49.8%	223.6	52.1%	66.0	29.5%
White	156.1	26.8%	109.8	25.6%	46.3	42.1%
Brown	83.4	14.3%	57.6	13.4%	25.8	44.7%
Other products	25.1	4.3%	19.9	4.6%	5.2	26.3%
Services	27.7	4.8%	18.0	4.2%	9.7	53.5%
Total revenues	581.8	100.0%	428.9	100.0%	152.9	35.7%

The **Grey** category (49.8% of total revenue) – i.e. telephones, tablets, information technology, telephone accessories, cameras, as well as any wearable technology – generated a turnover of 289.5 million Euros, which is 29.5% higher than the 223.6 million Euros for the same period in the previous financial year. The quarter's sales have been mainly driven by telephones, which in the first quarter 2020/21 had been burdened by the poor mobility induced by the lockdown, and by IT, due to the continuation of the positive buying trends influenced by smart working, e-learning and communication. The same trends underlie the remarkable +19.2% performance compared to the first quarter of the last pre-Covid financial year.

The **White** category (26.8% of total revenue) – i.e. major domestic appliances (MDA), such as washing machines, refrigerators or freezers and cookers, small domestic appliances (SDA), such as vacuum cleaners, automatic multi-cookers, coffee machines as well as air conditioning units – generated a turnover of 156.1 million Euros, growing 42.1% from the 109.8 million Euros of the same period of the previous financial year and 19.6% from the 130.6 million Euros of the first quarter of the last pre-Covid financial year. Over such time, the category was bumped up by the positive results of home care products, especially major domestic appliances, which benefited from the success of the “Passione Casa” promotional campaign, which did not take place last year. Vacuum cleaners and coffee machines performed well too.

The **Brown** category (14.3% of revenue) – consisting of TVs and TV accessories, audio and sound equipment, Smart TV devices, car accessories and storage systems – reported a total revenue of 83.4 million Euros, that is, +44.7% compared to the 57.6 million Euros of the same period of the previous financial year. Such great performance was driven by TVs, which are making the most of the major switch-off due to start on 1 September 2021, its effects brought forward and amplified by the resumption of the sports events that had been cancelled because of the pandemic. The category, hit the hardest in the first quarter 2020/21, performed better even compared to the first quarter 2019/20, with a positive performance of +4.3%.

The **Other Products** category (4.3% of total revenue) – which includes both entertainment products and other products that fall outside of consumer electrics, such as hoverboards and bicycles – reported revenues of 25.1 million Euros, up 26.3% from the same period in the previous financial year and 28.5% from the first quarter of the pre-Covid financial year. The rise in turnover generated by electric vehicles, hit hard by the restrictions due to the Covid emergency in 2020, is also due to social distancing rules, which encourage the use of sustainable vehicles.

The **Services** category (4.8% of total revenue) saw a 53.5% growth to 27.7 million Euros, running to even higher levels than pre-Covid ones (turnover of the first quarter of FY 2019/20 amounted to 22.2 million Euros). Such positive trend benefited from Unieuro’s continued focus on customer services, especially the extended warranty service.

Operating profitability

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via Piero Maroncelli, 10 - 47121 Forlì (FC)

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(in millions and as a percentage of revenues)	Period ended						Changes	
	31 May 2021			31 May 2020			Δ	%
	Adjusted amounts	%	Adj.	Adjusted amounts	%	Adj.		
Revenues	581.8			428.9			152.9	35.7%
Sales revenues	581.8			428.9			152.9	35.7%
Purchase of goods and Change in inventories	(452.4)	(77.8%)	0.0	(349.1)	(81.4%)	0.0	(103.3)	29.6%
Marketing costs	(10.2)	(1.8%)	0.1	(8.1)	(1.9%)	0.1	(2.1)	26.2%
Logistics costs	(18.8)	(3.2%)	0.1	(16.8)	(3.9%)	0.0	(2.0)	11.8%
Other operating income and costs	(21.1)	(3.6%)	0.3	(12.1)	(2.8%)	0.0	(9.0)	74.3%
Personnel costs	(49.0)	(8.4%)	0.2	(30.3)	(7.1%)	0.1	(18.7)	61.6%
Other operating income and costs	(1.9)	(0.3%)	0.0	(1.3)	(0.3%)	(0.0)	(0.5)	39.0%
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	0.9	0.2%	0.9	0.5	0.1%	0.5	0.5	100.0%
Adjusted EBITDA	29.4	5.0%	1.6	11.6	2.7%	0.7	17.8	153.5%
Amortisation, depreciation and write-downs of fixed assets	(22.9)	(3.9%)	0.2	(22.7)	(5.3%)	-	(0.2)	0.9%
Adjusted EBIT	6.5	1.1%	1.7	(11.1)	(2.6%)	0.7	17.6	158.2%

In a quarter that is traditionally weakened by well-known seasonal dynamics, Unieuro reported a positive **Adjusted EBIT**¹ of 6.5 million Euros, recovering as much as 17.6 million Euros since the outstandingly negative first quarter of 2020/21. Its incidence on revenue runs to 1.1%.

Such positive performance was boosted by the dynamics of gross margin, increased by 3.8 percentage points and running to 22.4% compared to the 18.7% of the same period of the last FY. Such gross margin benefited from a more favourable channel and product mix than that of March-May 2020, that had been deeply impacted by the pandemic-induced consumer trends.

Personnel costs increased by 18.7 million Euros, whereas in the first quarter 2020/21 they had been affected by the measures taken by the management to mitigate the impact of the pandemic, such as the redundancy fund known as *Cassa Integrazione Guadagni in Deroga*, giving out all unused holiday entitlements, non-renewal of expired fixed-term contracts and voluntary reduction of the managers' salaries. Such increase also resulted from the transition to the direct management of Unieuro by Iper shops-in-shop and the new openings over such period. The incidence on revenue for the quarter amounts to 8.4%, versus the

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outstanding 7.1% for the same period of the previous financial year and the 9.3% of the first quarter 2019/20.

Logistics costs reported a 2 million Euros' increase, mainly related to the rise in overall sales. The incidence on revenue dropped to 3.2%, instead, in the first three months of 2021/22 compared to the 3.9% for the same period in the previous financial year, when the emergency had made a staggering number of customers turn to home delivery.

Other Costs bumped up by 9.3 million Euros, with a 3.7% incidence on revenue compared to the 2.8% of the first three months of FY 2020/21. Such trend has been mainly influenced by the loss of extraordinary savings on rents, to the higher variable rents linked to the turnover and percent weight of the agreements that contained such a variable component. In such a period, the operating costs increased too, mainly to pay for the bills and maintenance fees of the stores, as a direct consequence of the greater amount of work they did.

Marketing costs reported a 26.2% increase, mainly arising from the costs of the promotional campaigns, which – in the first quarter of 2020/21 – had been cancelled because of the pandemic. Investments in digital, radio and TV campaigns increased as well, due to the Company's decision to focus mainly on digital consumption, thus progressively cutting down on paper and leaflets. The incidence on revenue dropped from 1.9% to 1.8% over such period.

Amortisations and depreciations of fixed assets amounted to 22.9 million Euros, which is basically in line with the previous financial year (22.7 million Euros).

Net income Adjusted²

<i>(in millions and as a percentage of revenues)</i>	Period ended						Changes	
	31 May 2021			31 May 2020			Δ	%
	Values adjusted	%	Adjustments	Values adjusted	%	Adjustments		
Adjusted EBIT	6.5	1.1%	1.7	(11.1)	(2.6%)	0.7	17.6	(158.2%)
Financial income and expenses	(3.2)	(0.5%)	0.0	(3.6)	(0.8%)	-	0.4	(10.7%)
Income taxes	(0.3)	(0.0)%	(0.2)	0.9	0.2%	(0.1)	(1.1)	(133.5%)
Adjusted profit/Loss for the period	3.0	0.5%	1.6	(13.8)	(3.2%)	0.6	16.8	121.7%

The period's **Adjusted Net Profit²** amounted to 3 million Euros, which is equal to 0.5% of the revenue, whereas historically it had always run to negative figures so far, merely due to the seasonal nature of the business.

Compared to the first quarter of the previous financial year, which, because of the Covid emergency, had reported a net loss of 13.8 million Euros, it has improved by as much as

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16.8 million Euros, as a consequence of an increased Adjusted EBIT¹ and decreased net financial expenses, only partly counterbalanced by an increased income tax.

Investments

Investments over the period amounted to 8.4 million Euros, a remarkable improvement compared with the 2.9 million Euros of the first quarter 2020/21, when Unieuro's Management had opted for a temporary downsizing of its investments in the retail, in the attempt to reduce cash disbursements at the most critical time in the health emergency.

The quarter's capex mainly arises from work done on the retail network and investments in information technology, and it is bound to further accelerate in the current financial year, boosted by the ongoing digital transformation plan.

Net Financial Position³

As at 31 May 2021, Unieuro reported a **Net Cash Position³** of 121.4 million Euros, with an absorption of 33.5 million Euros since 28 February 2021, when Net Cash was 154.8 million Euros.

The cash dynamics, which translated into a negative **Adjusted Free Cash Flow⁴** of 36.5 million Euros for the quarter (higher than both the negative 40.1 million Euros of the first quarter 2020/21 and then the 39.7 million Euros absorbed in Q1 2019/20), is also affected by the seasonal trends of the business, which absorb a remarkable amount of capital in the first part of the financial year and generate strong cash flows in the second half.

Update on the Covid-19 emergency

A new decree was issued by the Italian Government on 24 May 2021, following the positive progress made by the vaccination campaign and the ensuing improvement in epidemiological data, whereby shopping malls could reopen on or before public holidays, thus lifting the last major restriction on Unieuro's business.

As of today, leaving aside the persisting problems of the Travel channel, due to a significant shrinking of airport traffic, the situation of the sales channels can therefore be considered to be back to pre-Covid normality.

Outlook

In the next few months, the good progress of the vaccination campaign, though hindered by the outbreak of new Covid variants, will impact on consumers trends, which – as from the

second quarter of FY 2020/21 – had a positive impact on the sale of those product categories sold by Unieuro.

When such absolutely extraordinary trends have run their course, the demand for Grey products (especially IT and telephones) might very likely slow down, though it may be made up for by a surge in the White category, as is already the case. In addition, the Brown category will keep benefiting from the migration to the Dvb-T2 Hevc TV standard, starting next September and decided by the Italian Government to replace a few TV frequencies with 5G mobile frequency bands.

In terms of channels, the lifting of restrictions on sales and people's mobility will keep injecting new life into the physical stores, while ecommerce will keep slowing down, though without ever reverting to pre-Covid levels, in light of completely new consumer behaviour trends.

Generally speaking, the expected further progress from the previous financial year is confirmed for the Italian market, as it will be supported by a positive growth in volumes, helping reduce the existing gap with the more mature European markets.

In the light of the above, Unieuro's Management confirms the expected growth announced to the financial markets on Investor Day, 10 June 2021, which, for the current financial year, entail:

- a revenue of 2.8 to 2.9 billion Euros;
- an Adjusted EBIT¹ of 65 to 75 million Euros;
- an Adjusted Free Cash Flow⁴ of 40 to 50 million Euros;

against the backdrop of a remarkable increase in investments to speed up Unieuro's digital transformation and its natural evolution into the *Market Setter* in the retail of consumer electronics and electric household appliances in Italy.

* * *

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.

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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 270), affiliated stores (about 250) 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 5,400 employees. Listed on the STAR segment of the Italian Stock Exchange and member of the FTSE Italy Mid Cap index, Unieuro reported revenues of approximately Euro 2.7 billion in the fiscal year ended at 28 February 2021.

Contacts:

Investor Relations

Andrea Moretti

Investor Relations & Corporate
Communications Director
+39 335 5301205
amoretti@unieuro.com
investor.relations@unieuro.com

Corporate Media Relations

iCorporate

Arturo Salerni
+39 335 1222631
Sonia Hason
+39 331 8394343
unieuro@icorporate.it

Unieuro S.p.A.

Sede legale e amministrativa: Palazzo Hercolani
via Piero Maroncelli, 10 - 47121 Forlì (FC)

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Summary tables:
Income statement

(in millions of Euro)

	Q1 21/22				Q1 20/21				% change (Adjusted)
	Adjusted	%	Reported	%	Adjusted	%	Reported	%	
Sales	581,8	100,0%	581,8	100,0%	428,9	100,0%	428,9	100,0%	35,7%
Purchase of goods - Change in Inventory	(451,5)	(77,6%)	(452,4)	(77,8%)	(348,6)	(81,3%)	(349,1)	(81,4%)	29,5%
Gross profit	130,4	22,4%	129,5	22,2%	80,3	18,7%	79,8	18,6%	62,4%
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%
EBITDA	29,4	5,0%	27,8	4,8%	11,6	2,7%	10,9	2,5%	153,5%
D&A	(22,9)	(3,9%)	(23,0)	(4,0%)	(22,7)	(5,3%)	(22,7)	(5,3%)	0,9%
EBIT	6,5	1,1%	4,7	0,8%	(11,1)	(2,6%)	(11,8)	(2,7%)	158,2%
Financial Income - Expenses	(3,2)	(0,5%)	(3,2)	(0,5%)	(3,6)	(0,8%)	(3,6)	(0,8%)	(10,7%)
Adjusted Profit before Tax	3,3	0,6%	1,5	0,3%	(14,7)	(3,4%)	(15,3)	(3,6%)	122,4%
Taxes	(0,3)	(0,0%)	(0,1)	(0,0%)	0,9	0,2%	0,9	0,2%	(133,5%)
Net Income	3,0	0,5%	1,4	0,2%	(13,8)	(3,2%)	(14,4)	(3,4%)	121,7%

Balance sheet
(in millions of Euro)

	31 May 2021	28 Feb. 2021
Trade Receivables	86,6	65,3
Inventory	493,5	372,1
Trade Payables	(639,3)	(505,1)
Trade Working Capital	(59,3)	(67,7)
Current Tax Assets	(3,3)	(3,8)
Current Assets	35,6	18,0
Current Liabilities	(246,4)	(261,2)
Short Term Provisions	(3,1)	(0,8)
Net Working Capital	(276,4)	(315,4)
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	(30,1)	(30,9)
TOTAL INVESTED CAPITAL	471,9	442,1
Net Financial Debt	121,4	154,8
Lease liabilities	(434,8)	(443,7)
Net Financial Debt (IFRS 16)	(313,4)	(288,8)
Equity	(158,4)	(153,3)
TOTAL SOURCES	(471,9)	(442,1)

Cashflow statement

(in millions of Euro):

	Q1 21/22	Q1 20/21	% change
Reported EBITDA	27,8	10,9	154,3%
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%
Reported Operating Cash Flow	(9,4)	(16,7)	(43,8%)
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%
Adjusted Free Cash Flow (IFRS 16)	(23,3)	(26,3)	(11,4%)
Lease Repayment	(13,2)	(13,8)	(4,7%)
Adjusted Free Cash Flow	(36,5)	(40,1)	(9,1%)
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%)
Δ Net Financial Position	(33,5)	(40,8)	(18,1%)

¹ **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.

² **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.

³ **Net debt (cash)**, or **Net financial position**, is financial debt – not including Lease liabilities (IFRS 16) – net of cash and cash equivalents.

⁴ 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.

⁵ **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.

⁶ 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.

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.