



*THE UNDISPUTED ITALIAN
LEADER IN CE RETAIL*

*Virtual STAR Conference
12 October 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

- **Company Overview**
 - **New Strategic Plan: Our Omni-Journey To 2026**
 - **Q1 2021/22 Results**

Unieuro at a glance

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

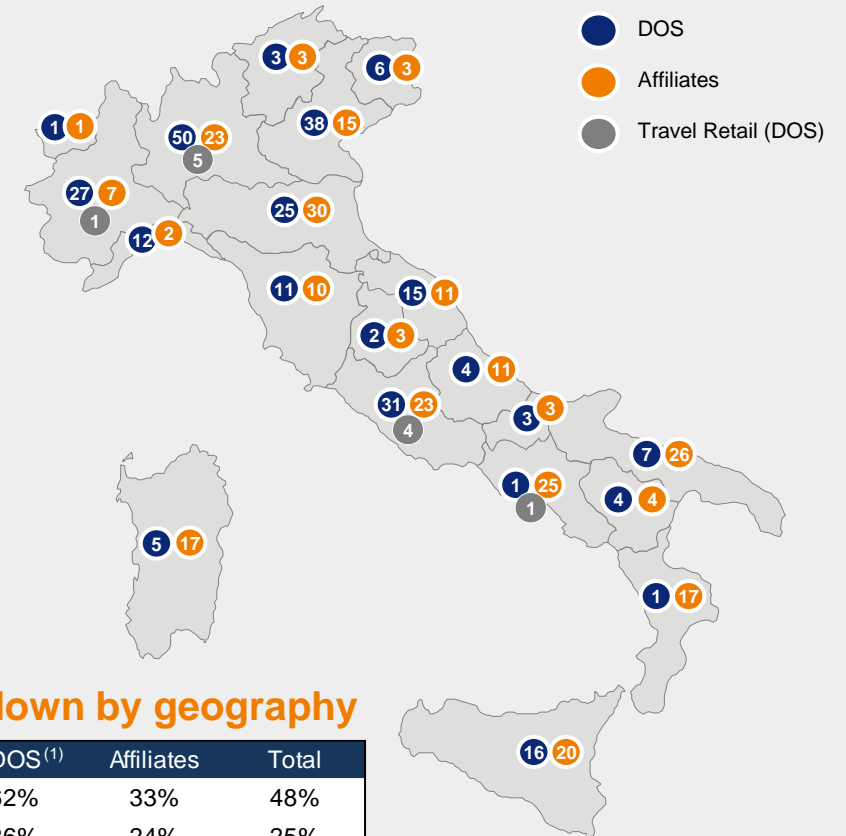
Other Products (5.0%)

- 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

History Snapshots

From Brisighella to a Public Company leading the Italian CE sector

Late '30s The foundation

- Opening of a store in Brisighella (Ravenna), by **Vittorio Silvestrini**



- Retail sales of gas ovens, wood-fired stoves, radios and sewing machines.
- 1958 - Launch of the first retail and wholesale point of sale

Late '70s The second generation

- Generational change and launch of the path of growth
- Establishment of C.I.D.E.L. s.n.c. di Silvestrini Maria Grazia & C. which, in 1980, became **S.G.M. Distribuzione S.r.l.** (the current Unieuro S.p.A.).

2000-01 Marco Polo/Expert

- Entrance into buying group Expert Italy S.p.A. Consortile
- Adoption of Marco Polo-Expert banner



- Launch of marcopoloshop.it platform, the website in Italy that pioneered the multichannel approach thanks to the in-store pick up service

2005 The entry of private equity

- Acquisition of the entire share capital of S.G.M. Distribuzione S.r.l. by international investment fund **Rhône Capital II L.P.**
- Control later going to Venice Holdings S.r.l., controlled by Rhône and invested in by the Silvestrini family and management through a minority shareholding.

R H Ô N E

2013-14 The new Unieuro

- Acquisition from Dixons of former UniEuro, a chain of 94 points of sale founded in 1967 in Alba, Piedmont.
- Integration of S.G.M. Distribuzione and UniEuro**, leading to the new Unieuro.



- Unification of the headquarters in the sole centre of Forlì and of the centralised logistics centre in Piacenza.
- Exit from Expert buying group
- Focus on Unieuro brand and launch of a huge rebranding campaign

2017 The IPO

- Listing of Unieuro shares on the STAR segment of **Italian Stock Exchange** through a placement aimed at Italian and international institutional investors.



- Strong acceleration of the expansion strategy: **Monclick, Andreoli, Cerioni (2017), DPS, Galimberti (2018) and Pistone (2019)** deals completed.

2019-20 The market leadership

- Achievement of **market leadership** in terms of sale for the first time ever
- Completion of Rhône exit from Unieuro's capital and **evolution into a true public company**

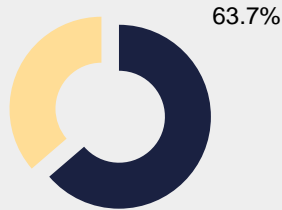


Integrated omnichannel presence across offline and online

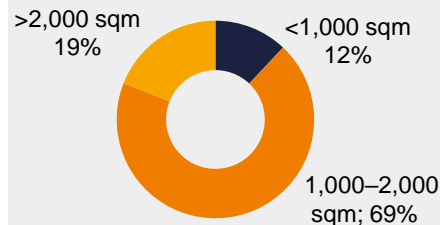
Contribution to FY
2020/21 total sales

Summary Overview

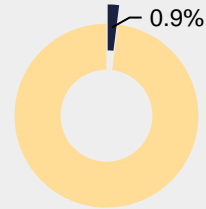
Retail: 262 DOS



- **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

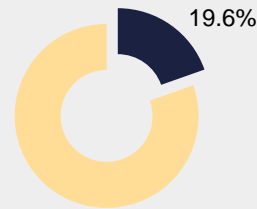


Travel Retail: 11 DOS



- 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

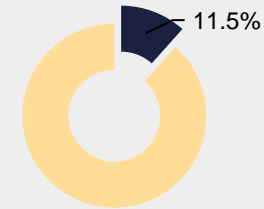
Online



- **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

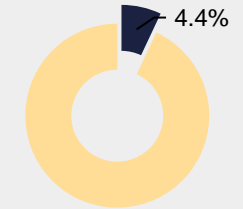
Indirect: 254 stores



- **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...

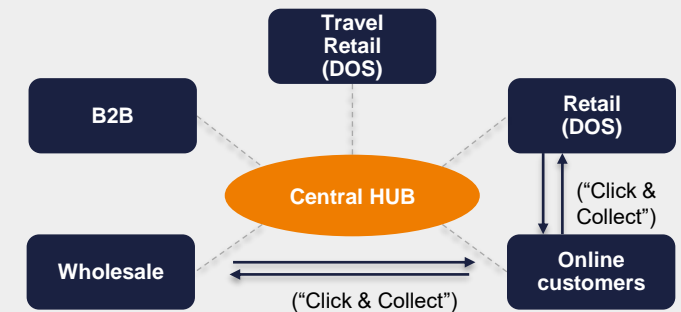
One, centralised HQ

- All corporate functions centralised and managed by ~275 FTEs based in the Forlì:
 - OmniChannel:
 - CRM, Marketing, Traditional Mktg
 - Strategic Marketing
 - Advanced Analytics
 - Operations:
 - DOS, affiliates, B2B
 - Procurement
 - Human Resources
 - Information Technology
 - Finance & Administration
 - Business Development
 - Legal & Corporate Affairs
 - Investor Relations
- A lean organisational structure...
- ...managing and coordinating ~4,400 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

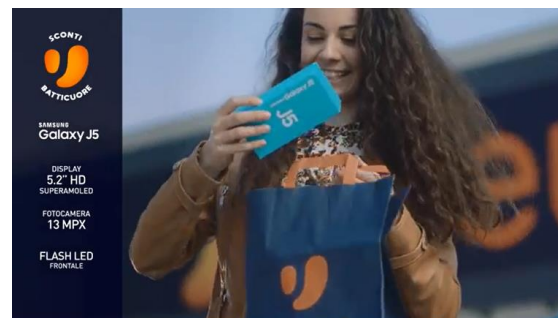


An innovative, integrated & distinctive marketing ecosystem

- **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

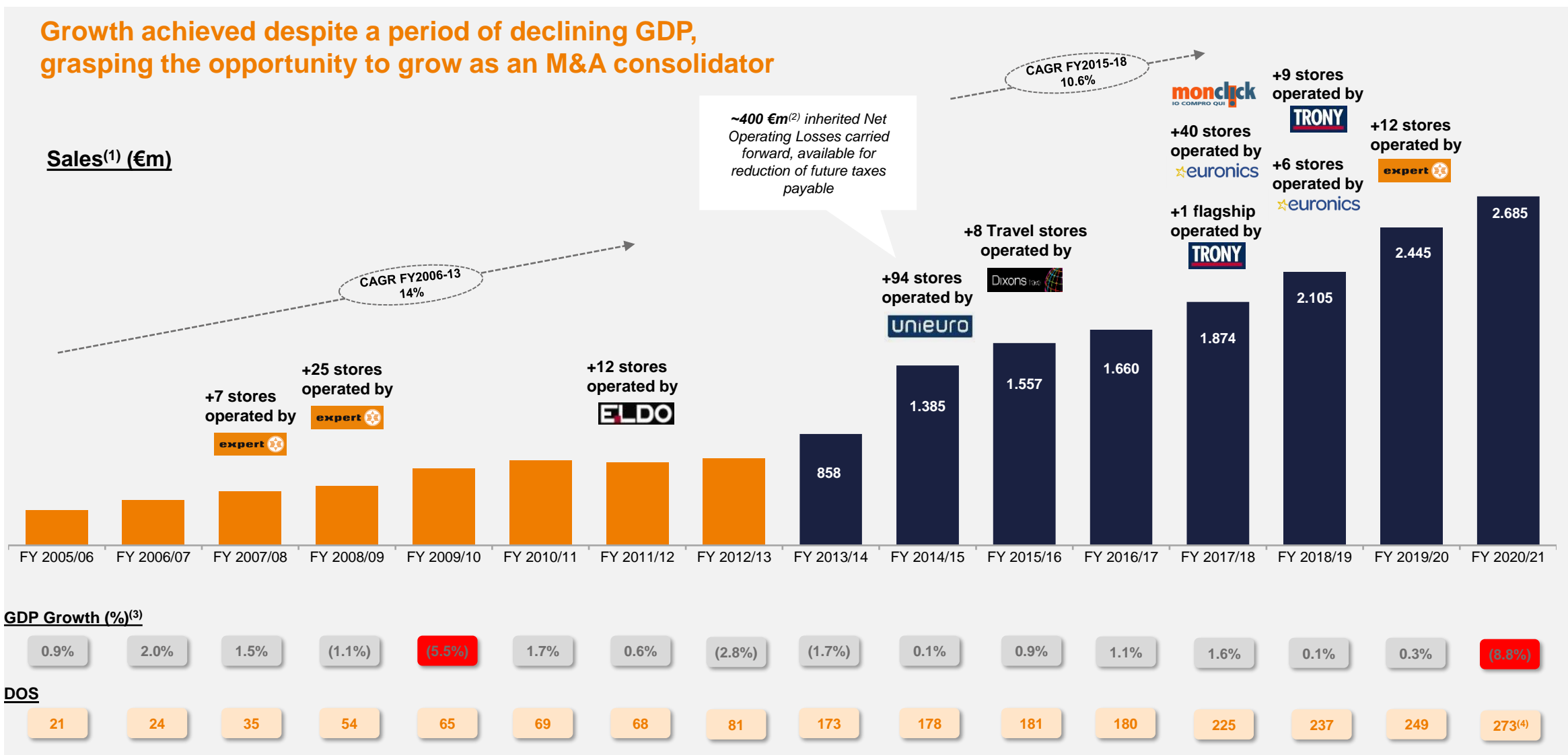


Multichannel, integrated, massive marketing campaign for the 2018 Black Friday

Innovative TV format in partnership with Samsung and RTI/Mediaset

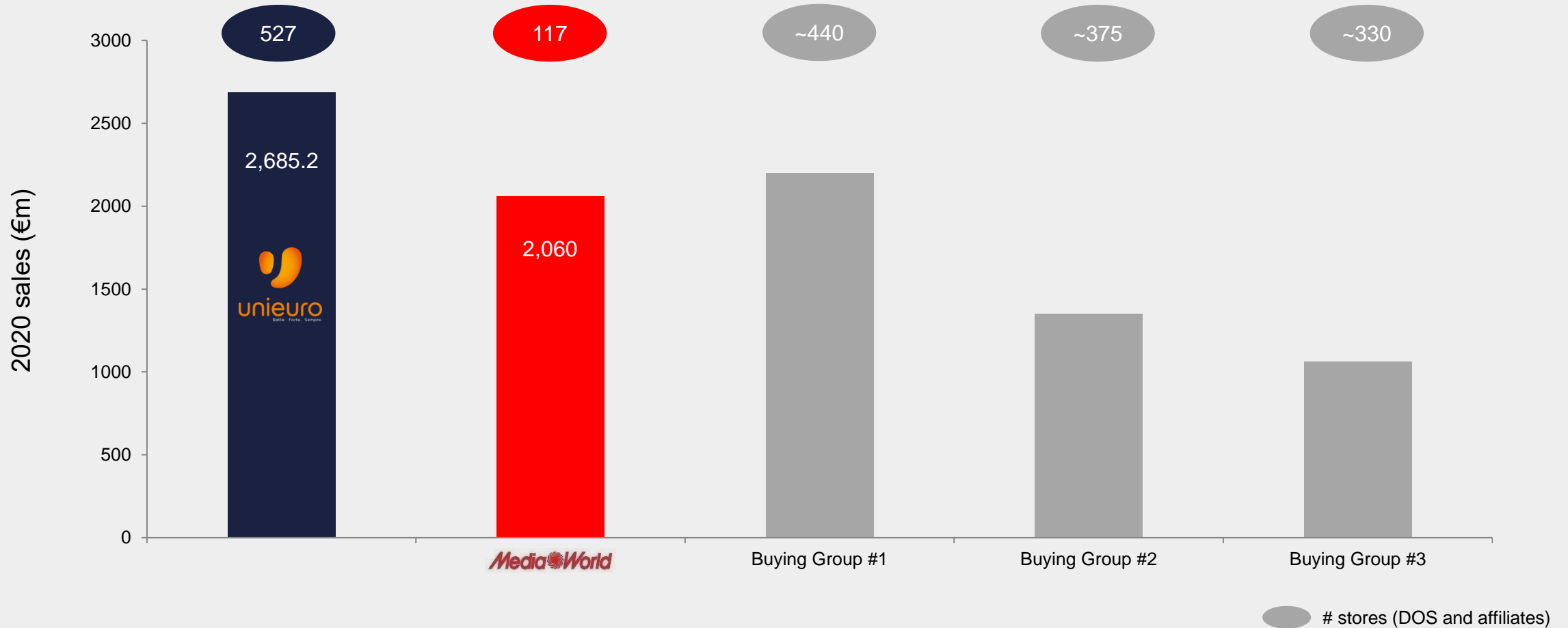
15 years of consistent long-term growth...

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



...Leading to 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)

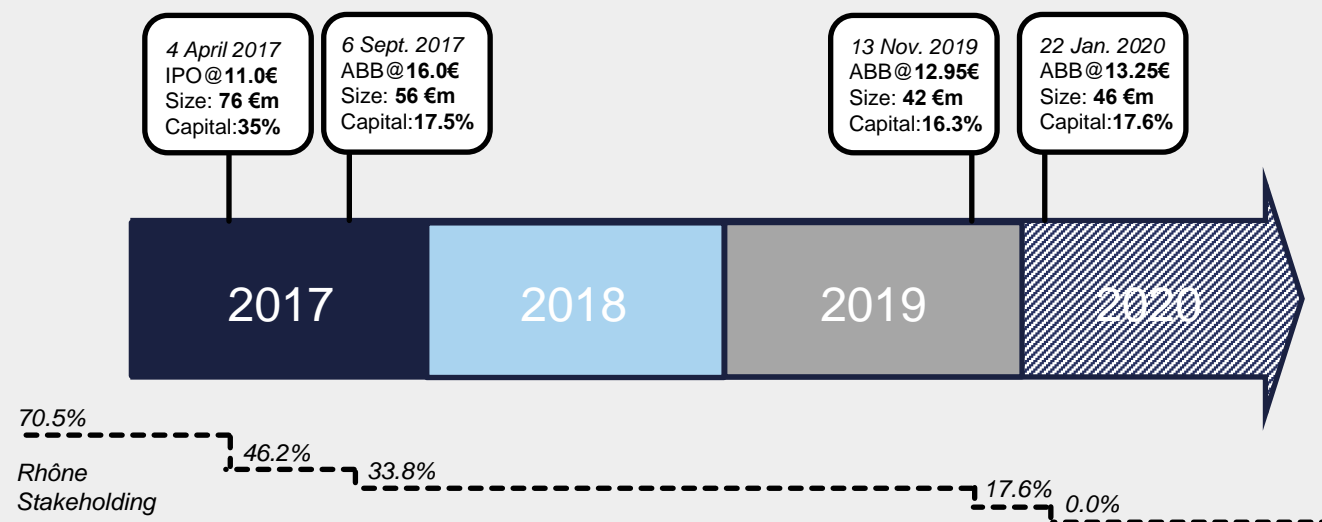


A True Public Company Since January 2020

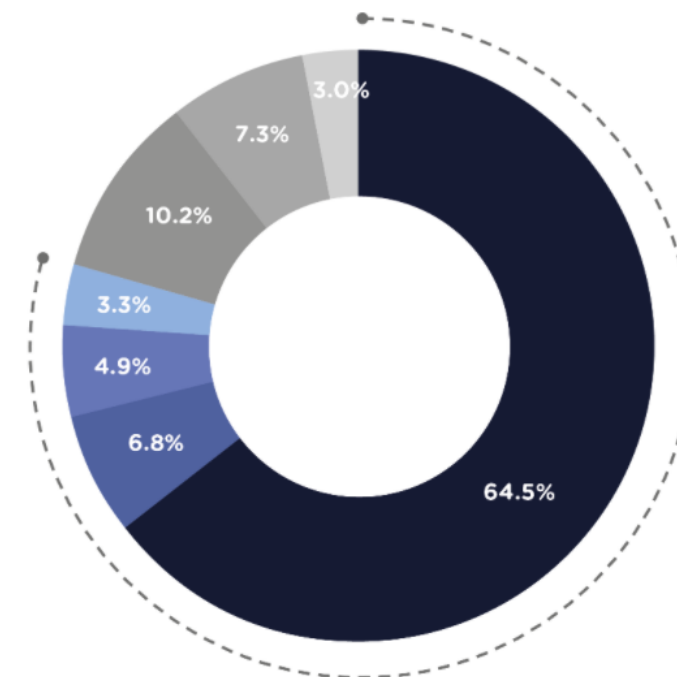
Free float around 80% after the exit of Dixons Carphone and the entrance of Iliad in the share capital

- **No more overhang risk** after 5 placements over 4 years
- **Greater liquidity on the stock** for the benefit of all shareholders
- **Independent Governance:** BoD appointed in June 2019 and integrated in June 2021, made of 11 members (7 men, 4 women), out of which 7 are independent

Rhône divesting path



Updated shareholding structure



FREE FLOAT
79.5%

- Institutional and Retail Shareholders
- Amundi A.M.
- Mediolanum Gestione Fondi Sgr
- J.P. Morgan AM
- Iliad S.A.
- Some members of the Silvestrini family
- Some managers of Unieuro

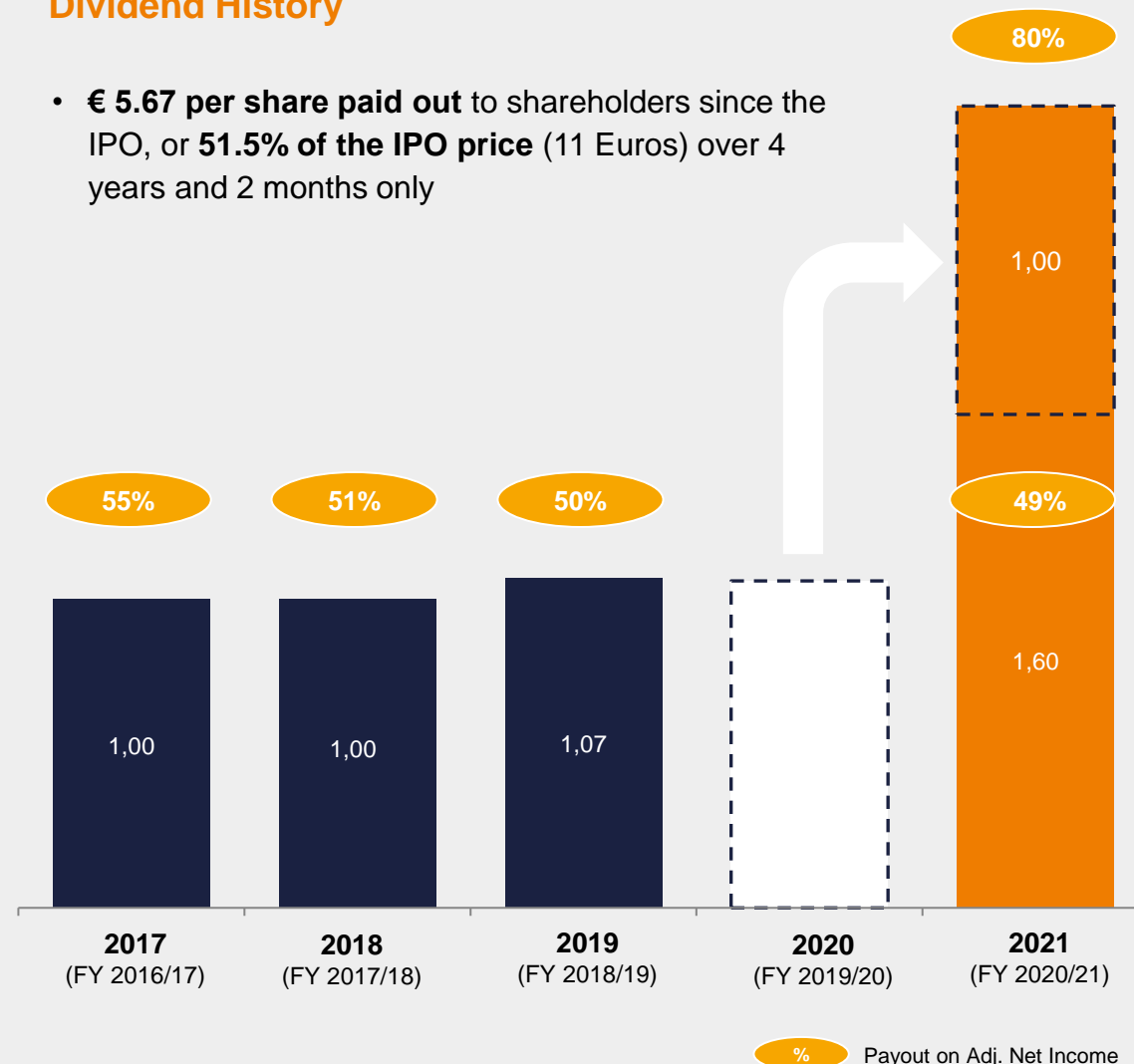
Focusing on Shareholders' Remuneration

2021 distributed dividend: € 2.60 per share

- **Ordinary dividend**, no use of reserves
- **€ 2.60** per share, ideally including:
 - **€ 1.60 on 2020/21 profits**, registering a pay-out consistent with Unieuro's current dividend policy (pay-out of at least 50% of Adj. Net Income)
 - **€ 1.00 on 2019/20 profits**, as a compensation for missed 2020 dividend, whose cancelation was decided to safeguard Unieuro and its financial soundness
- **+143%** vs. FY 2018/19 dividend (1.07 Euro), paid in June 2019
- Total dividend distribution: 54.2 €m
- **Dividend yield of 10%⁽¹⁾**

Dividend History

- **€ 5.67 per share paid out** to shareholders since the IPO, or **51.5% of the IPO price** (11 Euros) over 4 years and 2 months only



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NEXT CHAPTER: BECOME THE «**MARKET SETTER**»

1

Set market trends,
anticipating customer
needs and influencing
the entire value chain

2

Create value for all
stakeholders ensuring
a profitable and
sustainable growth

3

Become the
«natural destination»
for technological needs
along the customer
“omni-journey”



Refocusing consumption habits

MANY CUSTOMERS WILL
PAY MORE ATTENTION
TO PRICES, WHILE OTHERS
WILL BE LOOKING FOR
A GREATER VALUE



of customers
state essential
goods will own a
higher share of
their wallet



of customers state
higher value is the
key purchasing
driver, compared
with 20% who favor
lower prices















of customers
plan to cut down
purchase
frequency



Life at-home

FURTHER MARKET GROWTH EXPECTED LED BY **MDA, SDA AND IT**

LEGEND  >+10%  +2//+10%  -2%//+2%  -2// -10%  <-10%

	PRE COVID TREND	FUTURE TREND (2025/26)	
MAJOR DOMESTIC APPLIANCES			Return to historical trends also thanks to a slight increase in currently underpenetrated categories (i.e. drying machines)
SMALL DOMESTIC APPLIANCES			Return to historical trends, further accelerated by the spread of new consumption habits (i.e. more home-cooked meals)
TV AND ACCESSORIES			Boost in 2021/22 for DTT ¹ replacement, followed by a demand stabilization compared to the historical negative trend
IT / OFFICE EQUIPMENT			Progressive market growth due to higher demand resulting from new consumer habits and device substitution
TELECOM			Return to historical trends
			

Note: (1) Digital terrestrial television



Life at-home

AS A RESULT, THE **MARKET** IS
EXPECTED TO **GROW BY 1-2% P.A.**



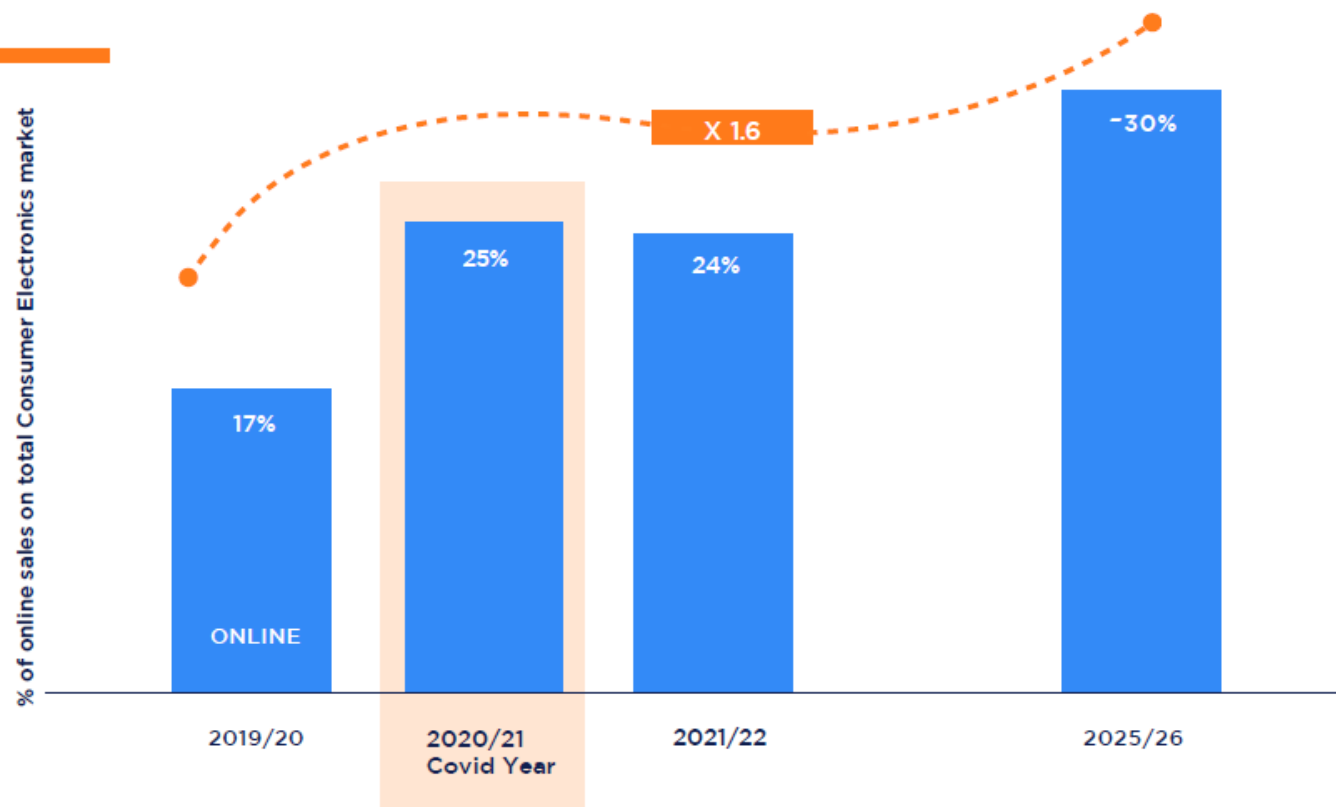
- Working from home and the need to experience entertainment at home will continue **over the next years (at least partially)**

- The **overall market value will remain stable**, partly closing the gap in terms of average per capita expenditure compared to other European countries



Digitalization boost

IN THE «NEW NORMAL», A FURTHER BOOST OF ONLINE IS EXPECTED



~2.5
years

Acceleration of eCommerce
in 2020/21 alone compared
to pre-COVID expectations
(at its peak, online penetration reached
levels not expected until after 2024)

up to
~x2

maximum expected increase
in eCommerce penetration
in 2025/26 compared to
pre-COVID forecasted

The channel shift **will reduce the price gap between online and offline**,
as in more mature markets, increasing **pressure on retailers' profitability**.

Notes: excluding Music and Video



Sustainability first

IN THIS MARKET, CUSTOMERS
ARE INCREASINGLY EXPECTING
COMPANIES **TO TAKE A STAND**
ON SUSTAINABILITY ISSUES

+40%

of Italians
have energy-
saving
behaviors

+62%

of Italians
reward brands
with a
responsible
approach

+75%

of Italians
find energy
labels
'very useful'

+66%

of Italians consider
energy efficiency
a key purchasing
driver

THE ITALIAN MARKET IS PECULIAR: WE ARE THE ONLY ONE WITH THE RIGHT ASSETS TO WIN

A background image of a business meeting with several people sitting around a round table, looking at laptops and talking. The image is dimmed and has orange vertical lines separating the text blocks.

FRAGMENTED MARKET

The Italian Consumer Electronics Market is still fragmented (Tech Superstores with a market share of ~50%)

FOCUS ON PROXIMITY

Customers still prefer proximity for physical purchases (confirmed in the year of Covid)

ONLINE PENETRATION

Online penetration is still low despite the Covid spike (17% 2019/20; 25% 2020/21) vs. other mature markets, but expected to grow (~30% by 2025/26)

THIS CONTEXT CREATES CHALLENGES AND OPPORTUNITIES FOR RETAILERS



WE HAVE **3 GOALS** TO LEVERAGE MARKET DYNAMICS

MARKET DYNAMICS

01

Strengthen brand positioning and offer a personalized omnichannel experience

02

Ensuring a high level of service in line with customer expectations (especially online)

03

Diversify and think as an “ecosystem”, focusing communication on value and not just price

OUR GOALS

STRENGTHENING THE “CORE”

Increasing leadership by leveraging touchpoints proximity and ensuring a seamless, one-to-one experience through investments in Digital Transformation

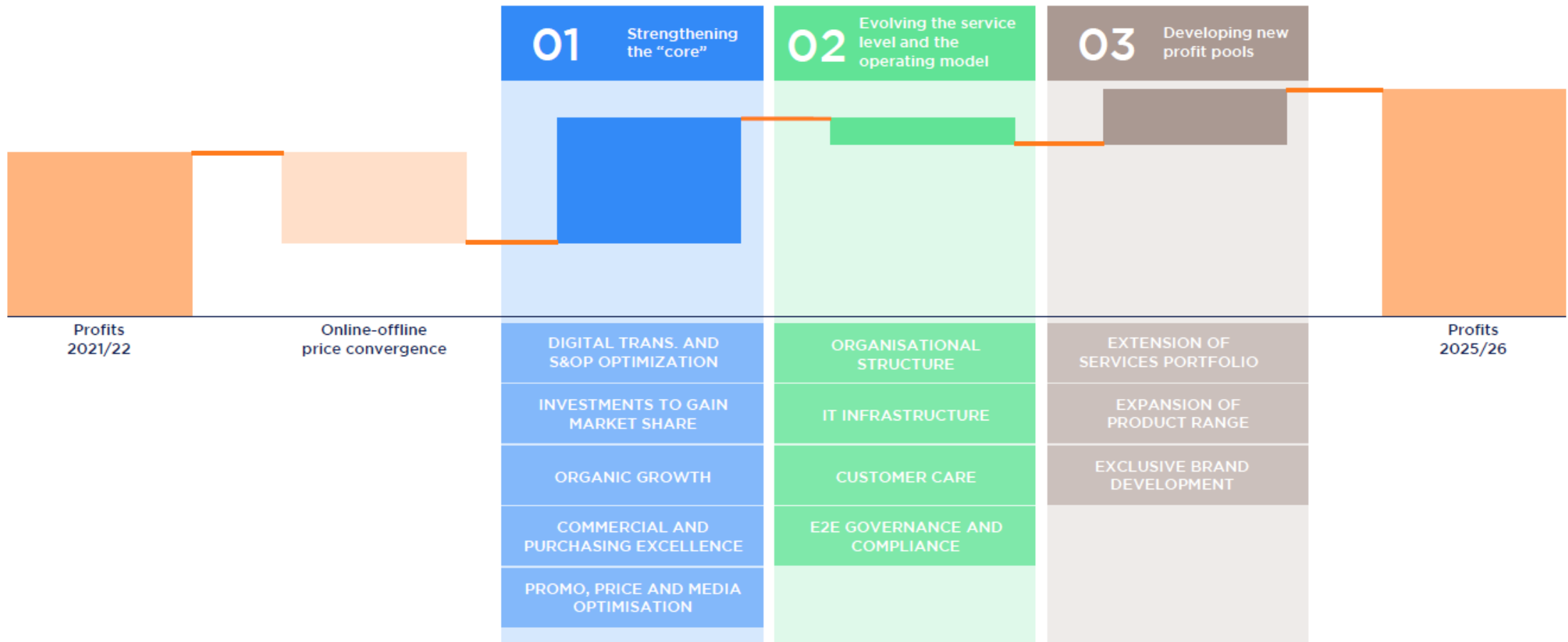
EVOLVING THE OPERATING MODEL

Adapting the operating model to meet emerging customer needs throughout the “OMNI-JOURNEY”

DEVELOPING NEW PROFIT POOL

Expanding the range of products and services - also in partnership - to support a profitable business growth

WE HAVE IDENTIFIED **TANGIBLE INITIATIVES** TO ENSURE PROFITABLE GROWTH



WHY ARE WE THE UNIQUE CANDIDATE TO WIN IN THIS MARKET?

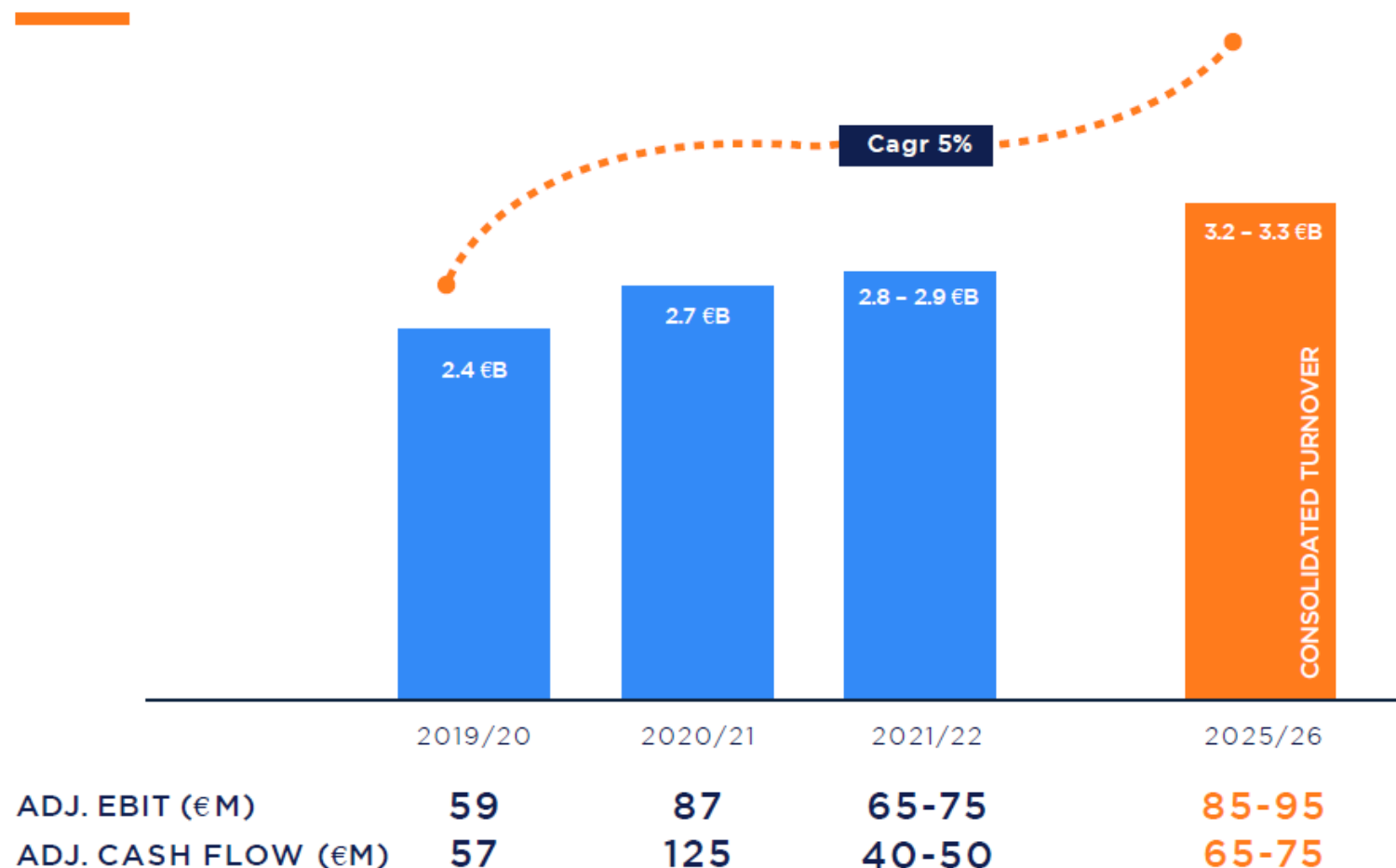
We are the market leader with the proven capacity **to profitably outperform the market** also through successful integrations

We have an omnichannel and proximity positioning supported by an ambitious **digital transformation** plan as a further competitive advantage

We are able to anticipate customer needs through a deep understanding of their demands and behaviors

We have solid management skills which will be further enriched through **talents development and acquisition**

2025/26: **TURNOVER 3.2-3.3€B** AND **ADJ. EBIT 85-95€M**



Objective to further consolidate our market leadership with a turnover increase between 4%-6% p.a. vs. 2019/20 (vs. +1-2% market growth)

Constantly higher growth vs. the market:

OFFLINE

~ +3%

for direct stores vs. ~ -1% market trend

ONLINE

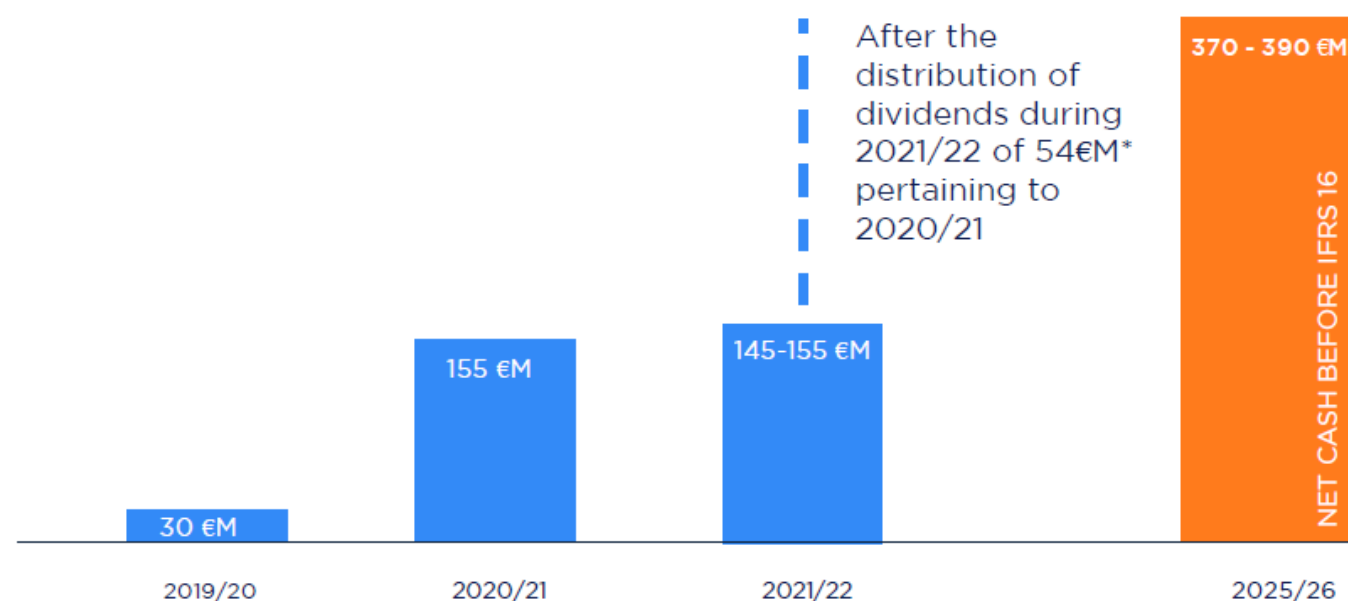
~ +15-20%

vs. ~ +10% market trend

All-time record Adj. EBIT in 2025/26

Relevant cash flows, mainly operating, supporting a significant investment plan (around 245-265€M)

2025/2026: NET CASH BEFORE DIVIDENDS DISTRIBUTION 370-390€M



Significant improvement of our financial position before IFRS 16 compared with 2020/21

Relevant operating flows will be employed in:



Potential M&A transactions (both in Italy and abroad)



Payment of dividends, even beyond the current corporate policy (minimum provision equal to 50% of the adjusted net profit)

* Expected to be approved in the next Shareholders' Meeting (June 15th 2021)

WE HAVE **MAJOR OPPORTUNITIES** TO CREATE **ADDITIONAL VALUE**



M&A IN ITALY



M&A OUTSIDE ITALY



"SCOPE" DEALS

CONCLUSION: UNIEURO IN 2026

” THE ITALIAN “**MARKET SETTER**” WITH **UNDISPUTED LEADERSHIP** POSITION

” **TRULY OMNICHANNEL** ALONG THE OMNI-JOURNEY, ENSURING **MAXIMUM PROXIMITY**

” AT THE FOREFRONT OF **DIGITAL INNOVATION** AND **DATA INTELLIGENCE**

” **OVERCOMING BOUNDARIES** IN TERMS OF GEOGRAPHIES AND OFFERING

” **SUSTAINABLE** ACROSS ALL THE DIMENSIONS: **PEOPLE-PLANET-PROFIT**

” **PROFITABLY GROWING** WITH **SOLID CASH GENERATION** AND **FINANCIAL POSITION**

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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:

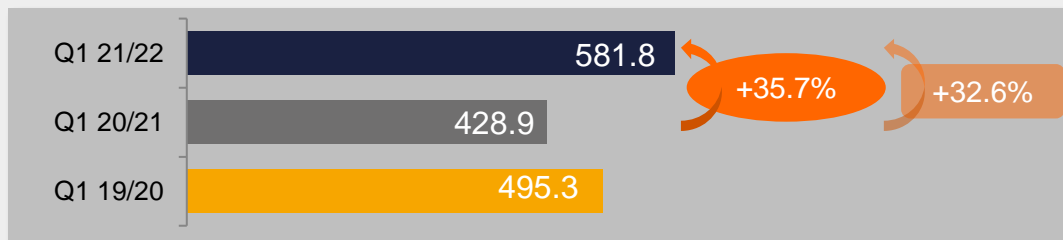
- **Positive Adjusted EBIT of 6.5 €m**, compared to -11.1 €m in Q1 20/21
- **Positive Adjusted Net Income of 3 €m**, compared to -13.8 €m
- Cash absorption limited to 36.5 €m (40 €m in Q1 20/21) leading to a **Net Cash Position of 121.4 €m**

Guidance confirmed for current FY, as announced on Investor Day

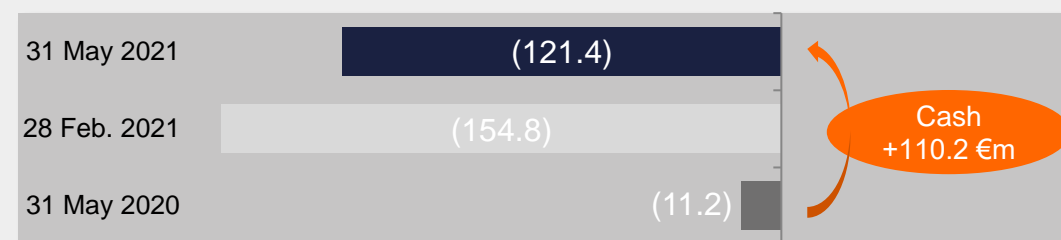
Q1 2021/22 Key Financials

Sales (€m)

Like-for-like growth

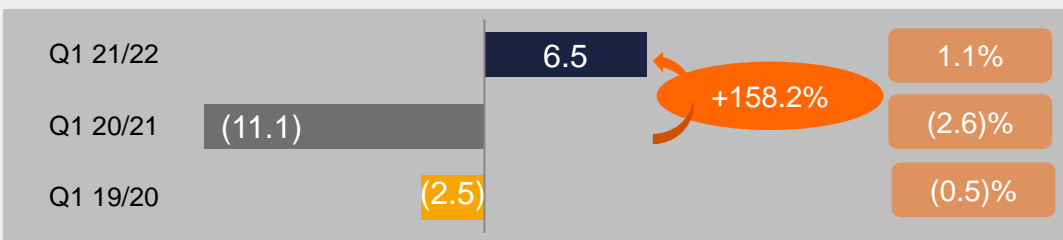


Net Financial Debt/(Cash) (€m)

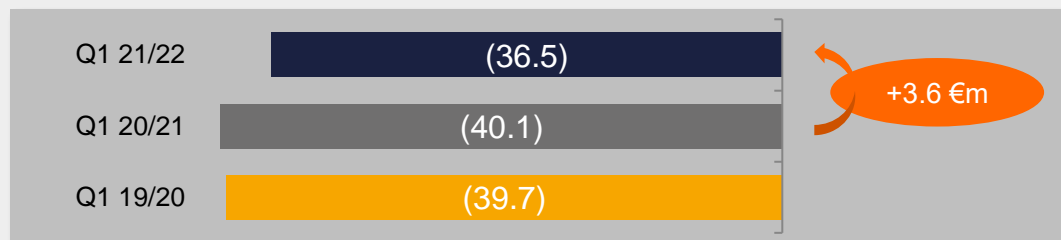


Adj. EBIT (€m)

Adj. EBIT margin

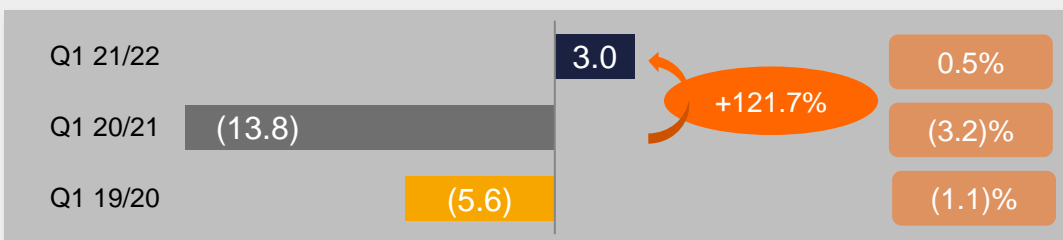


Adj. Free Cash Flow (€m)

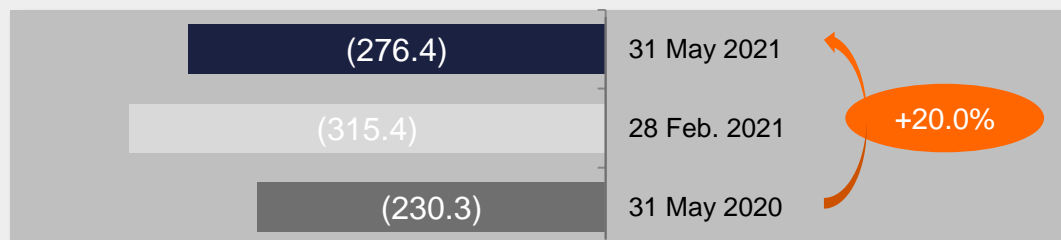


Adj. Net Income (€m)

Adj. Net margin

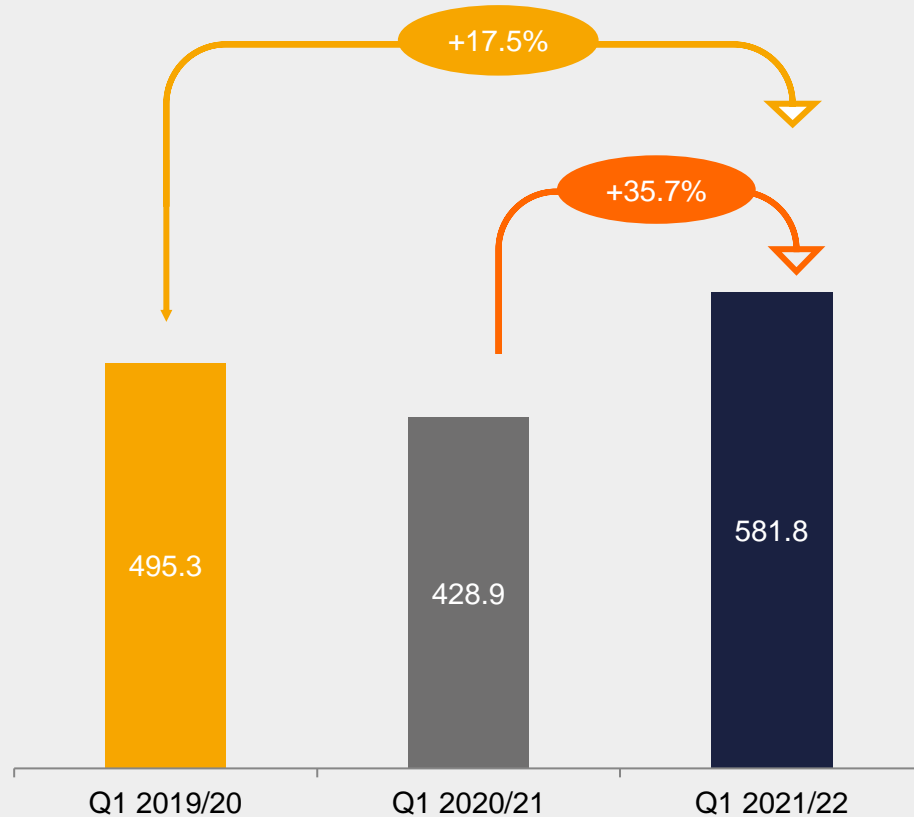


Net Working Capital (€m)



Sales

Strong performance even compared to pre-Covid

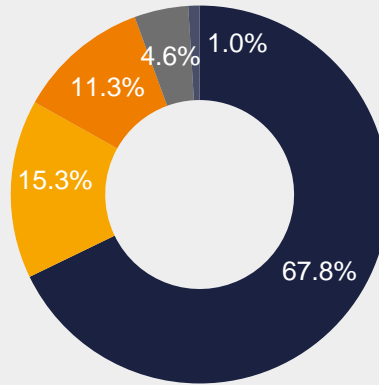


- **Excellent start of the year**, still led by:
 - effective omnichannel strategy
 - consumer trends triggered by the pandemic
- **Easy comparison base**: extraordinarily weak Q1 2020/21 due to the impact of the peaking Covid emergency
- **Like-for-like sales: +32.6%**
 - strong rebound of physical 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

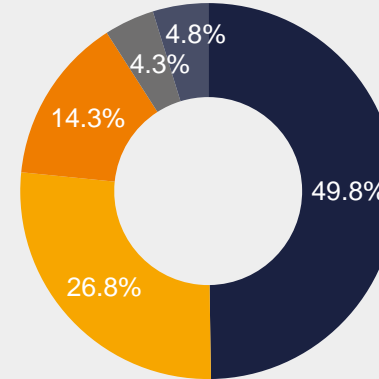
			vs Q1 20/21	vs Q1 19/20 pre-Covid
Retail	394.6 €m		+75.3%	+13.7%
Online	89.0 €m		-27.7%	+75.6%
Indirect	65.7 €m		+33.4%	+9.8%
B2B	26.9 €m		-5.7%	-7.4%
Travel	5.6 €m		+82.7%	-34.1%



- **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 ⁽¹⁾ – 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%



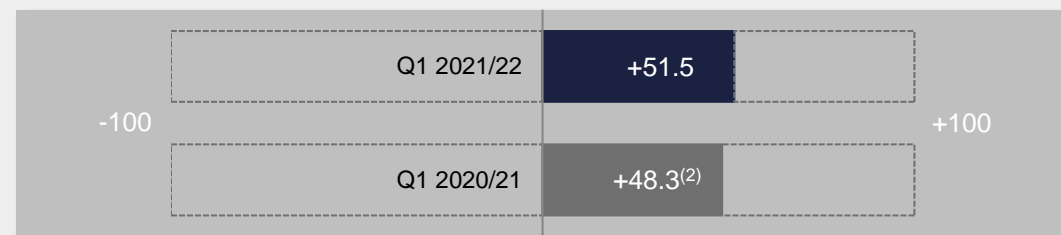
- **Grey still driven by undergoing consumer trends** linked to communication, smart working and e- learning
- **White recording significant growth** thanks to consumer trends linked to home care and the contribution of the “Passione Casa” promotional campaign (not carried out last year)
- **Brown strong 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

Q1 2021/22 Key Operational Data

Unieuro's Retail Network

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

Net Promoter Score⁽¹⁾ (direct channel only)



Active Loyalty Cards⁽³⁾ (thousands)



Total Retail Area (sqm, DOS only)

Sales density
(€/sqm, LTM)



Workforce (FTEs)



NEXT CORPORATE AND IR EVENTS

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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