



9M 2022/23 RESULTS

12 January 2023

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Gabriella Giocondo and Luca Mazzotti, the managers responsible for preparing the company's accounting documents, hereby declare that, pursuant to and in accordance with Article 154-bis, paragraph 2, of Legislative Decree No. 58 of 1998, the information contained in this presentation matches the Company's documentation, books and accounting records.

Agenda

- **Highlights**
- **9M 2022/23 Results**
- **Outlook**

Highlights

- **Fair performance of "Temptation Black Friday" campaign and 9M 2022/23 results in line with expectations** in a market with declining consumption driven by reduced household purchasing power
- Continuing **normalisation of TV set revenues** after booming sales driven by frequency switch off and Government Bonus (-100.1 €m vs 9M 2021/22)

Sales at 2.10 €bn, -2.4% vs 9M 2021/22

- Good momentum of Grey, White and Services Product Categories, offset however by the decline of TV sets in a context of high comparison basis
- Ongoing positive performance of Online channel : +10.0%; Indirect channel slowing down: -22.2%

CAGR equal to +6.1% from 9M pre-Covid 2019/20

Profitability affected by lower sales and increased costs from high inflation

- **Adj. EBIT at 19.9 €m** (56.5 €m in 9M 2021/22)
- **Adj. PBT at 10.2 €m** (46.9 €m in 9M 2021/22)

Net Cash at 133.1 €m vs 135.7 as at 28 Feb. 2022, after dividend payout

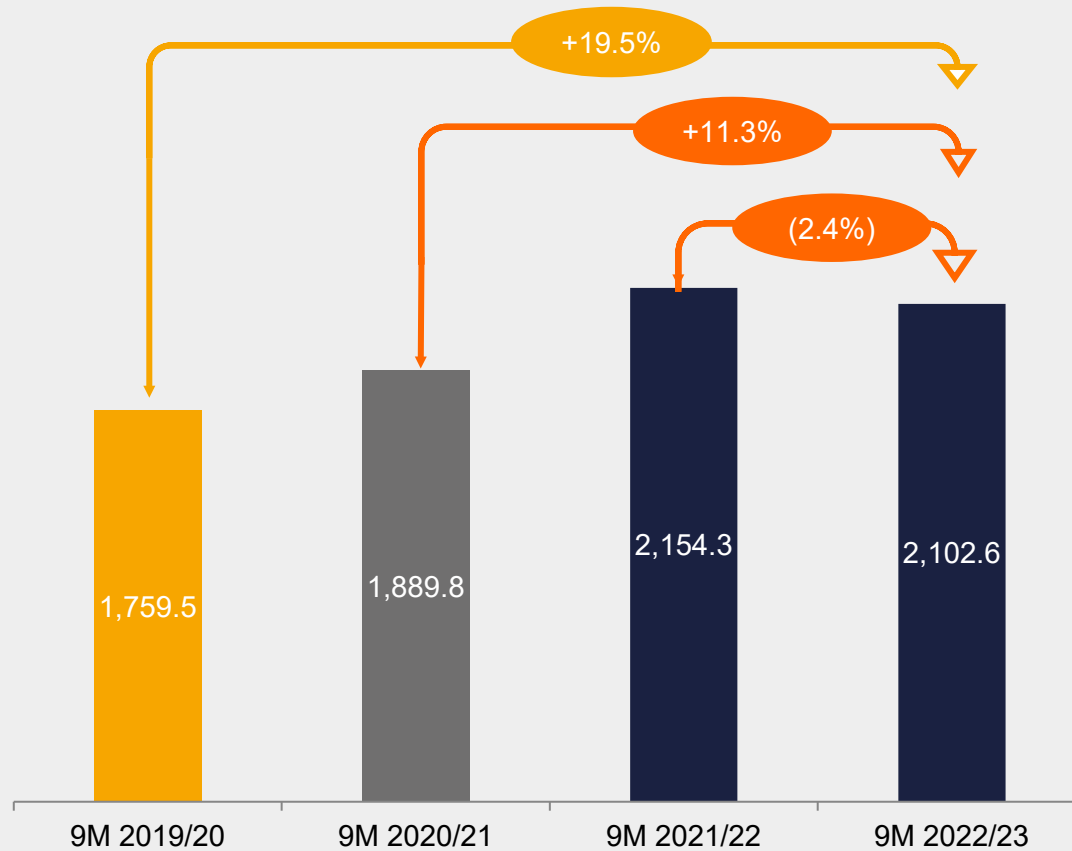
FY 2022/23 Adj. EBIT guidance refined, after Christmas season

Agenda

- Highlights
- **9M 2022/23 Results**
- Outlook

Sales

Normalization of turnover after two years of extraordinary growth



- **9M 2022/23 revenue growth**

- **Consumer sentiment** deteriorated following high inflation and pressure on purchasing power
- **Challenging comparison** with two periods of non-recurring growth
- **In 9M 2021/22 booming sales of TV sets** following the expected frequency switch-off, affecting the comparison of **the Black Friday campaign** as well

- **Like-for-like sales growth: -3.2%** compared with 9M 2021/22

- **CAGR equal to 6.1%** from 9M pre-Covid 2019/20

“Temptation Black Friday”

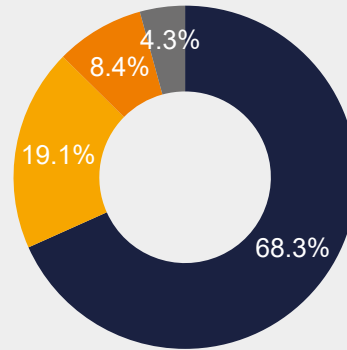


- Fair performance of **“Temptation Black Friday” campaign** in a context of high comparison basis and challenging economic environment
- **Duration for an entire month** (from 28 October to 28 November) in line with the length of last year’s campaign (from 1 November to 2 December), as an established industry practise
- **A succession of discounted products through an omnichannel communication** that featured the actor couple Nuzzo and Di Biase as testimonials
- Throughout the entire campaign, further growth of **telecom, media tablets and home comfort segments** year-on-year, while demand for **TV sets** matched last year's extraordinary levels

Sales Breakdown

Sales by Channel – 9M 22/23

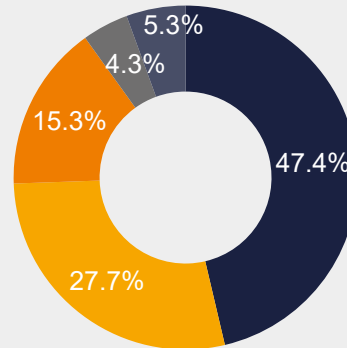
		vs 9M 21/22
■ Retail (1)	1,436.2 €m	(3.4)%
■ Online	401.3 €m	+10.0%
■ Indirect	175.7 €m	(22.2)%
■ B2B	89.4 €m	+16.3%



- **Retail⁽¹⁾ in decline:** contribution of new openings and acquisitions offset by lower TV sales
- **Online: good performance** both on home delivery and click & collect channels
- **Indirect channel slowing down** in comparison with 9M 2021/22, which had benefited from the weekend closures of shopping centres and switch-off of TV frequencies
- **B2B in growth**, thanks to greater availability of products

Sales by Category – 9M 22/23

		vs 9M 21/22
■ Grey	996.9 €m	+2.4%
■ White	582.5 €m	+3.3%
■ Brown	320.8 €m	(23.8)%
■ Other Products	90.5 €m	(5.3)%
■ Service	112.0 €m	+11.7%

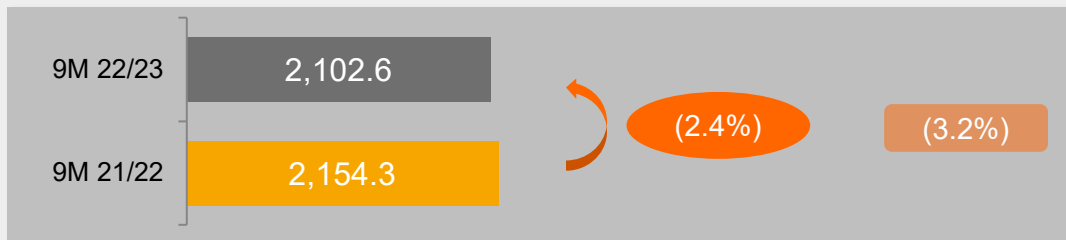


- **Grey increasing:** telecom segment rise offset by a decline in IT segment that benefitted by extraordinary sales in 9M 2021/22
- **White in growth**, thanks to the positive contribution of Home Comfort segment, driven by tax incentives and consumers' search for energy-efficient appliances
- **Brown in decline**, in comparison with TV and decoder booming sales in 9M 2021/22
- **Other products slowing down**, penalised by limited product availability in the market, particularly in H1
- **Services: in growth**, thanks to higher air conditioning installations and consumer credit

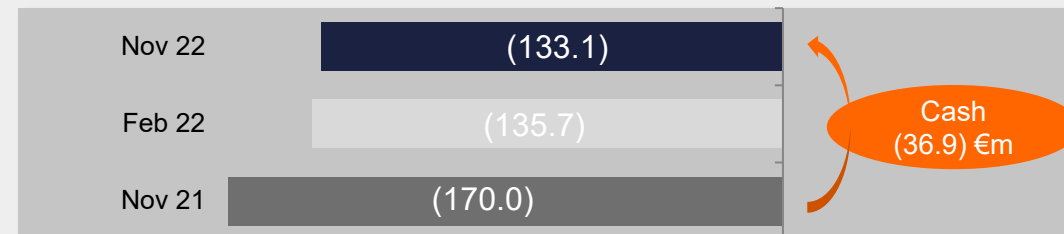
9M 2022/23 Key Financials

Sales

like-for-like growth

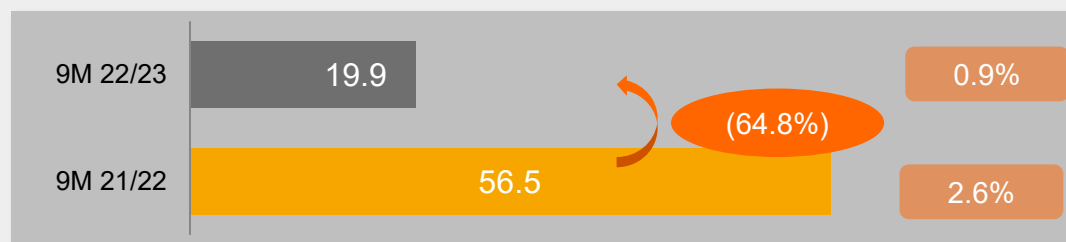


Net Financial Debt/(Cash) – EX IAS 17

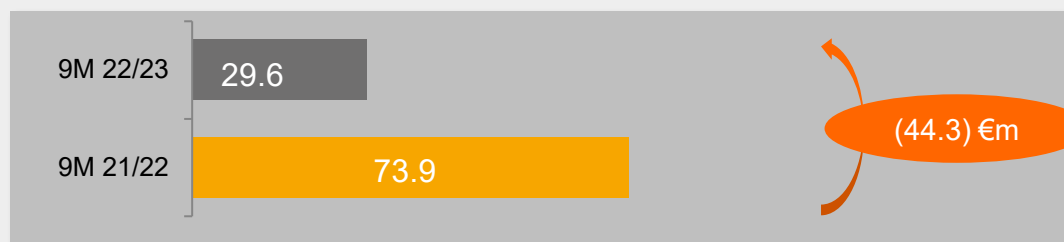


Adj. EBIT

Adj. EBIT Margin

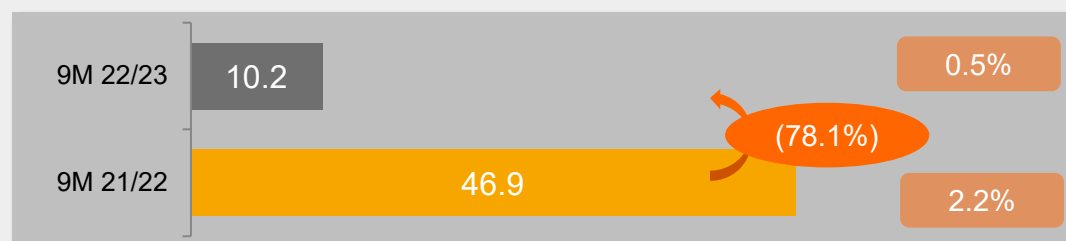


Adj. Free Cash Flow

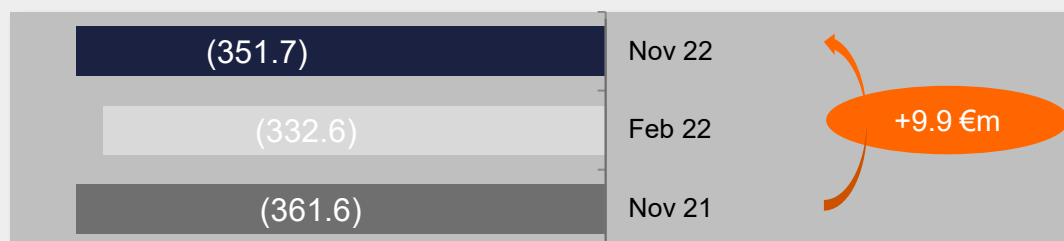


Adj. Profit Before Taxes

Adj. Net Margin

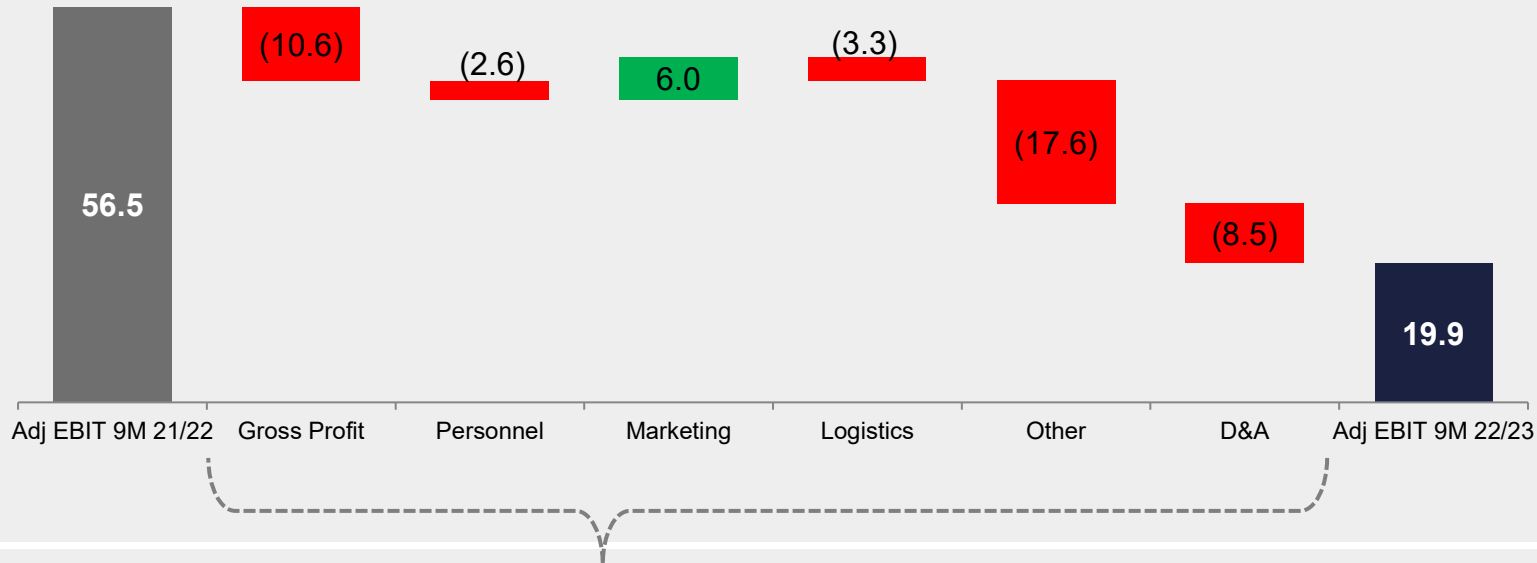


Net Working Capital

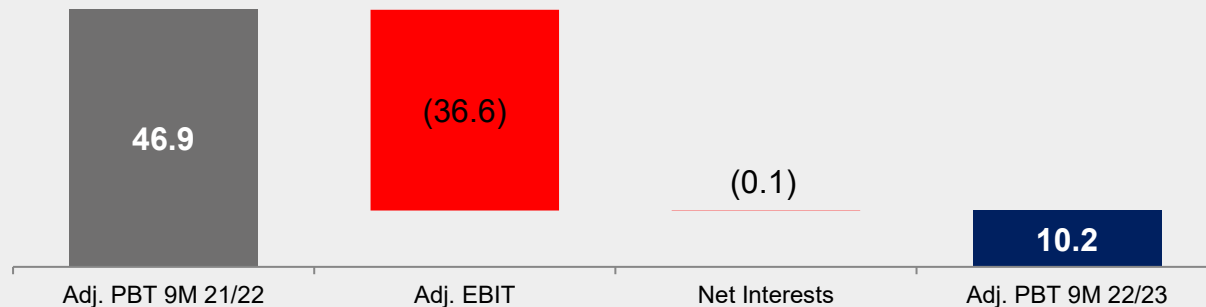


Profitability

Adj. EBIT



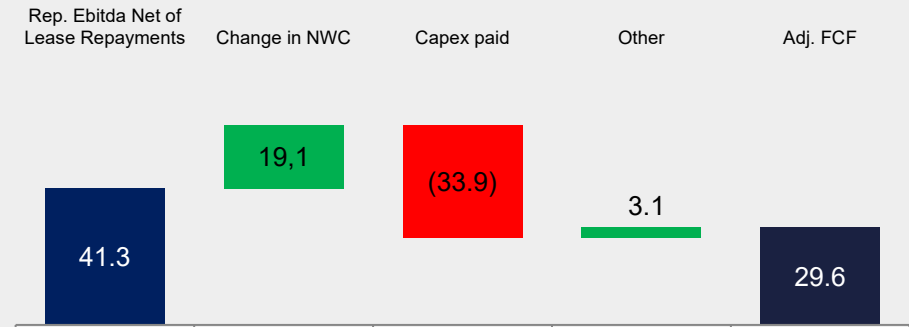
Adj. Profit Before Taxes



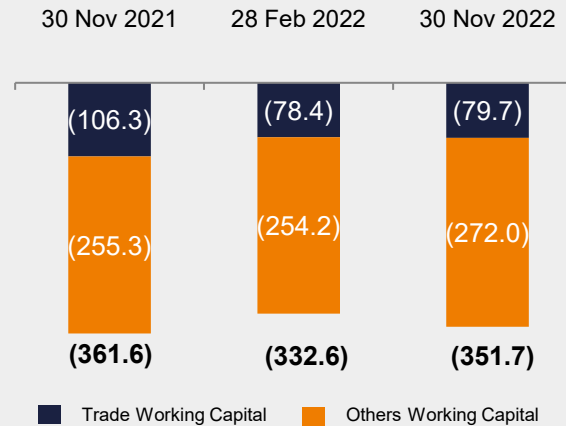
- **Gross Profit -10.6 €m** compared to 9M 2021/22 following lower sales; **margin at 21.4%, unchanged**
- **Personnel costs +2.6 €m, incidence on sales up by 0.3%** as a result of new openings and acquisitions, besides assignment of rights of LTI Plan
- **Marketing costs -6,0 €m, incidence on sales down by 0.2%** as a result of more initiatives co-financed by suppliers
- **Logistic cost +3.3 €m, incidence up by 0.2%** because of higher transport tariffs and greater weight of web turnover
- **Other costs* +17.6 €m, incidence from 3.6% to 4.6%** attributable to the increase in energy costs (7.9 M€) and higher installations of air-conditioning systems; extraordinary reduction in rentals in 9M 2021/22 due to the pandemic
- **D&A +8.5 €m**, as a percentage of revenues from 3.3% to 3.7%; attributable to right-of-use assets linked to lease instalments (4.3 €m) and higher investments made in previous years

Financial Overview

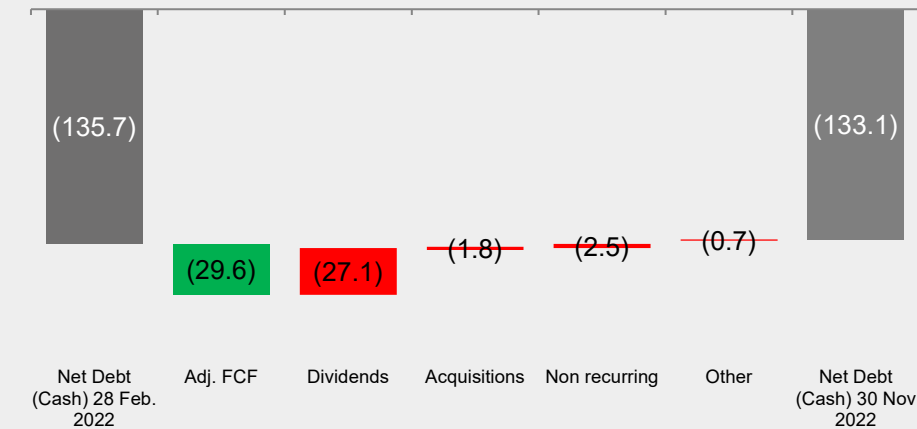
Adj. Free Cash Flow



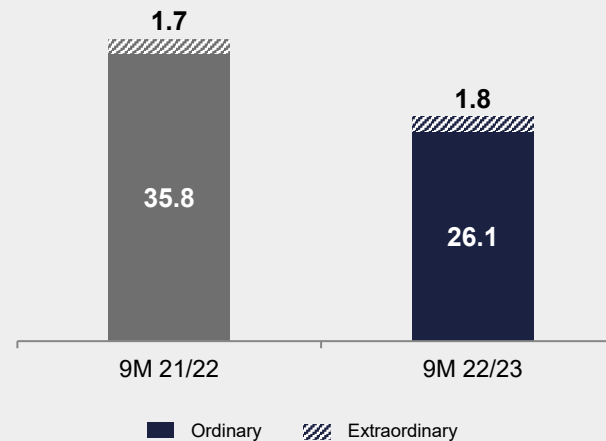
Net Working Capital



Net Financial Debt/(Cash)



Capex



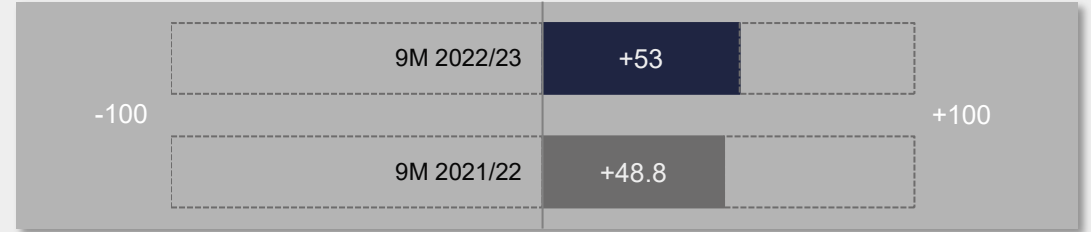
- **Net cash as of Nov. 30, 2022 at 133.1 €m** vs. 135.7 €m as at 28 February 2022, after dividend payout of 27.1 €m
- **Adj Free Cash Flow** of 29.6 €m vs 73.9 €m in 9M 2021/22 following lower cash flows generated by operations
- **NWC** change is due to the typical seasonality of the period
- **Capex** related to the development of the network of direct stores and IT projects to support the digital transformation plan, including the adoption of electronic labels

9M 2022/23 Key Operational Data

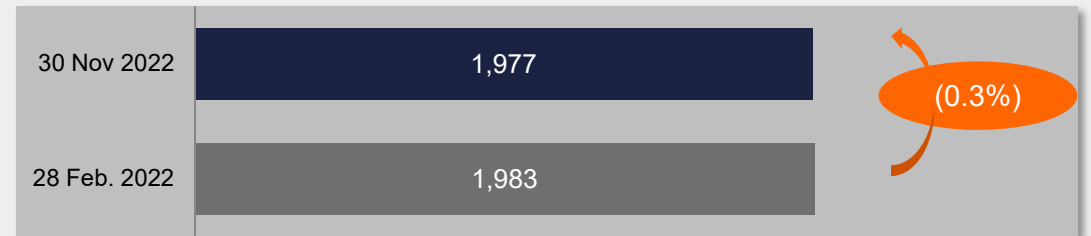
Unieuro's Retail Network

	30 Nov 2022	Aperture	Chiusure	28 Feb 2022	Di cui C&C
DOS:	279	+3	-6	282	273
- Malls and free standing stores	246	+3	-2	245	
- Shop-in-shops	26			26	
- Travel stores	7		-4	11	
Affiliated stores:	258	+6	-7	259	210
- Traditional	258	+6	-7	259	
- Shop-in-shops	0			0	
TOTAL STORES:	537	+9	-13	541	483

Net Promoter Score⁽¹⁾ (direct channel only)



Active Loyalty Cards⁽²⁾ (thousands)



Total Retail Area (sqm, DOS only)

Sales Density
(€/mq, LTMi)



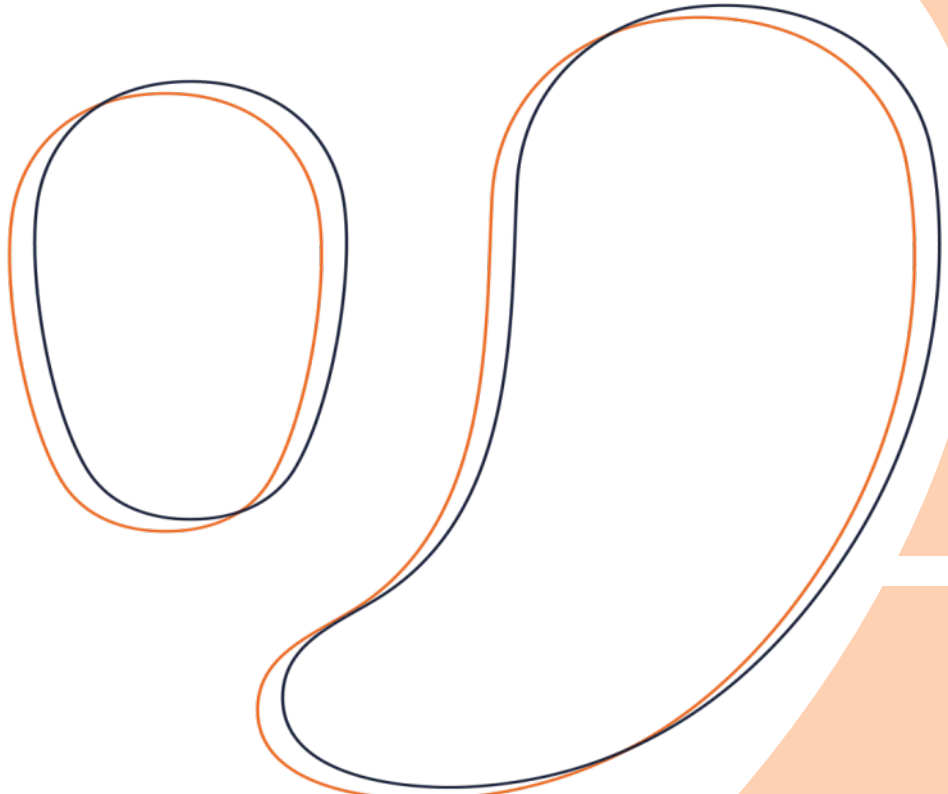
Workforce (FTEs)



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Events after the end of the quarter and Outlook



On 28 December 2022, the AGCM – Autorità Garante della Concorrenza e del Mercato (the Italian Antitrust Authority) – notified **the conclusion of the IP359 Non-compliance Proceedings**, filed on 21 June 2022

Unieuro S.p.A. acknowledges that **all the initiatives put in place have been recognised as suitable by AGCM to counter the objections** contained therein

In any case, the Company considers the sanction to be unfounded and will therefore proceed to **appeal against it in the relevant courts**

After the end of the quarter, **the promotional drive of the reference sector and the current macroeconomic environment have affected the Christmas season to a greater extent than expected**

FY 2022/23 guidance

- **Revenues** confirmed at ~ 2.9 €bn
- **Adj. EBIT** in the low end of the previously communicated 35-40 €m range
- **Net Cash** confirmed in the range of 110-130 €m at the end of FY

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).

Economic and financial figures reflect the adoption of IFRS 16 accounting principle, unless otherwise indicated.

On 20 December 2021, the Board of Directors approved an amendment to the quarterly financial reporting policy, according with - starting from such a date - the impact of direct taxes will be excluded from the calculation of economic and financial figures in the interim management reports for the first quarter and the first nine months of the fiscal year. The decision aims to fully reflect any effects on the Company's accounts of the Budget Laws, in light of the timing of approval with respect to the date of approval of Unieuro's nine-month results (January of each year).

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.

As of the first quarter ending 31 May 2022, direct sales outlets located at some of the major public transport hubs such as airports, railway stations and subways - formerly the Travel channel – were reclassified and included in the Retail 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 Profit Before Taxes is calculated as Profit Before Taxes adjusted for (i) the adjustments incorporated in the Adjusted EBIT and (ii) the adjustments of the non-recurring financial expenses/(income).

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).

9M Profit & Loss

	9M 22/23				9M 21/22				% change (Adjusted)
	Adjusted	%	Reported	%	Adjusted	%	Reported	%	
Sales	2,102.6	100.0%	2,102.6	100.0%	2,154.3	100.0%	2,154.3	100.0%	(2.4%)
Purchase of goods - Change in Inventory	(1,653.2)	(78.6%)	(1,657.6)	(78.8%)	(1,694.2)	(78.6%)	(1,697.6)	(78.8%)	(2.4%)
Gross profit	449.5	21.4%	445.0	21.2%	460.0	21.4%	456.7	21.2%	(2.3%)
Personnel costs	(152.4)	(7.2%)	(152.9)	(7.3%)	(149.7)	(6.9%)	(150.6)	(7.0%)	1.8%
Logistic costs	(65.5)	(3.1%)	(65.6)	(3.1%)	(62.2)	(2.9%)	(62.7)	(2.9%)	5.3%
Marketing costs	(37.2)	(1.8%)	(37.4)	(1.8%)	(43.2)	(2.0%)	(44.3)	(2.1%)	(13.9%)
Other costs	(90.9)	(4.3%)	(96.2)	(4.6%)	(74.8)	(3.5%)	(80.5)	(3.7%)	21.4%
Other operating costs and income	(5.1)	(0.2%)	(5.7)	(0.3%)	(3.5)	(0.2%)	(2.8)	(0.1%)	44.6%
EBITDA	98.4	4.7%	87.3	4.2%	126.6	5.9%	115.8	5.4%	(22.2%)
D&A	(78.6)	(3.7%)	(79.2)	(3.8%)	(70.1)	(3.3%)	(70.3)	(3.3%)	12.1%
EBIT	19.9	0.9%	8.1	0.4%	56.5	2.6%	45.5	2.1%	(64.8%)
Financial Income - Expenses	(9.6)	(0.5%)	(9.7)	(0.5%)	(9.6)	(0.4%)	(9.7)	(0.4%)	0.5%
Adjusted Profit before Tax	10.2	0.5%	(1.6)	(0.1%)	46.9	2.2%	35.8	1.7%	(78.1%)

Q3 Profit & Loss

	Q3 21/22				Q3 20/21				% change (Adjusted)
	Adjusted	%	Reported	%	Adjusted	%	Reported	%	
Sales	810.0	100.0%	810.0	100.0%	886.0	100.0%	886.0	100.0%	(8.6%)
Purchase of goods - Change in Inventory	(650.4)	(80.3%)	(652.3)	(80.5%)	(705.7)	(79.6%)	(706.0)	(79.7%)	(7.8%)
Gross profit	159.5	19.7%	157.7	19.5%	180.3	20.4%	180.0	20.3%	(11.5%)
Personnel costs	(51.7)	(6.4%)	(51.9)	(6.4%)	(52.4)	(5.9%)	(52.7)	(6.0%)	(1.4%)
Logistic costs	(25.6)	(3.2%)	(25.6)	(3.2%)	(25.0)	(2.8%)	(25.3)	(2.9%)	2.2%
Marketing costs	(15.4)	(1.9%)	(15.6)	(1.9%)	(19.8)	(2.2%)	(20.7)	(2.3%)	(22.1%)
Other costs	(31.3)	(3.9%)	(35.8)	(4.4%)	(28.9)	(3.3%)	(34.0)	(3.8%)	8.1%
Other operating costs and income	(2.1)	(0.3%)	(2.1)	(0.3%)	(1.3)	(0.1%)	(0.6)	(0.1%)	64.5%
EBITDA	33.5	4.1%	26.6	3.3%	53.0	6.0%	46.7	5.3%	(36.8%)
D&A	(25.7)	(3.2%)	(25.7)	(3.2%)	(23.5)	(2.7%)	(23.5)	(2.7%)	9.1%
EBIT	7.8	1.0%	0.9	0.1%	29.4	3.3%	23.1	2.6%	(73.4%)
Financial Income - Expenses	(3.6)	(0.4%)	(3.5)	(0.4%)	(3.6)	(0.4%)	(3.6)	(0.4%)	(0.3%)
Adjusted Profit before Tax	4.3	0.5%	(2.6)	(0.3%)	25.9	2.9%	19.5	2.2%	(83.5%)

9M, Q3 Adjustments to P&L

	9M 22/23	9M 21/22	% change	Q3 22/22	Q3 21/22	% change
M&A Costs	1.9	1.2	57.3%	0.3	0.2	38.3%
Stores opening, relocations and closing costs	0.7	2.3	(68.0%)	0.5	1.8	(71.0%)
Other non recurring costs	4.7*	2.5	84.3%	4.3*	2.3	85.2%
Non-recurring items	7.3	6.1	20.7%	5.1	4.4	17.2%
Change in business model (extended warranties adjustments)	4.4	4.9	(9.8%)	1.8	1.9	(5.4%)
Total adjustments to EBIT	11.8	11.0	7.1%	7.0	6.3	10.3%
Other adjustments	0.1	0.1	(9.3%)	(0.0)	0.0	n.s.
Total adjustments to PBT	11.8	11.1	7.0%	6.9	6.3	9.8%

* Including 4.2 m€ sanction by AGCM

Balance Sheet

	30 Nov 22	28 Feb 2022
Trade Receivables	72.6	43.0
Inventory	501.0	462.1
Trade Payables	(653.3)	(583.5)
Trade Working Capital	(79.7)	(78.4)
Current Tax Assets and Liabilities	3.6	3.2
Current Assets ⁽¹⁾	35.2	27.6
Current Liabilities ⁽²⁾	(308.6)	(282.8)
Short Term Provisions	(2.2)	(2.2)
Net Working Capital	(351.7)	(332.6)
Tangible and Intangible Assets	125.6	124.9
Right of Use	430.3	433.3
Net Deferred Tax Assets and Liabilities	40.8	40.8
Goodwill	196.1	196.1
Other Long Term Assets and Liabilities ⁽³⁾	(8.8)	(9.8)
TOTAL INVESTED CAPITAL	432.5	452.9
Net financial Debt	133.1	135.7
Lease liabilities	(452.1)	(450.2)
Net Financial Debt (IFRS 16)	(318.9)	(314.5)
Equity	(113.6)	(138.3)
TOTAL SOURCES	(432.5)	(452.9)

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

⁽²⁾ **Current Liabilities**

	30 Nov 22	28 Feb 2022
Accrued expenses (mainly Extended Warranties)	(200.6)	(202.7)
Personnel debt	(47.1)	(45.7)
VAT debt	(28.9)	(16.0)
Other	(31.5)	(17.9)
LTIP Personnel debt	(0.5)	(0.5)
Current Liabilities	(308.6)	(282.8)

⁽³⁾ **Other Long Term Assets and Liabilities**

	30 Nov 22	28 Feb 2022
Lease assets	14.0	15.1
Financial assets (deposits, leases)	2.9	2.8
Deferred Benefit Obligation (TFR)	(12.1)	(13.1)
Long Term Provision for Risks	(9.6)	(10.9)
Other Provisions	(2.9)	(3.0)
LTIP Personnel debt	(1.1)	(0.5)
Other Long Term Assets and Liabilities	(8.8)	(9.8)

9M Cash Flow Statement

	9M 22/23	9M 21/22	% change
Reported EBITDA	87.3	115.8	(24.6%)
Taxes Paid	-	(5.5)	(100.0%)
Interests Paid	(9.0)	(9.2)	(2.3%)
Change in NWC	25.0	47.8	(47.7%)
Change in Other Assets and Liabilities	1.9	1.6	21.5%
Reported Operating Cash Flow	105.3	150.4	(30.0%)
Purchase of Tangible Assets	(16.5)	(21.4)	(22.8%)
Purchase of Intangible Assets	(11.4)	(16.0)	(28.8%)
Change in capex payables	(6.0)	0.1	(7490.1%)
Acquisitions	(0.1)	(8.5)	(98.8%)
Free Cash Flow	71.2	104.6	(31.9%)
Cash effect of adjustments	2.5	6.1	(59.4%)
Non recurring investments	1.8	10.1	(82.0%)
Other non recurring cash flows	-	(2.6)	(100.0%)
Adjusted Free Cash Flow (IFRS 16)	75.5	118.2	(36.1%)
Lease Repayment	(46.0)	(44.3)	3.8%
Adjusted Free Cash Flow	29.6	73.9	(60.0%)
Cash effect of adjustments	(2.5)	(3.5)	(29.3%)
Acquisition Debt	(1.8)	(2.5)	(27.0%)
Dividends	(27.1)	(56.3)	(51.8%)
Long Term Incentive Plan	-	3.8	(100.0%)
Other Changes	(0.7)	(0.3)	148.4%
Δ Net Financial Position	(2.5)	15.2	(116.5%)

Q3 Cash Flow Statement

	Q3 22/23	Q3 21/22	% change
Reported EBITDA	26.6	46.7	(43.0%)
Taxes Paid	-	-	na
Interests Paid	(3.5)	(3.5)	0.3%
Change in NWC	65.9	72.5	(9.1%)
Change in Other Assets and Liabilities	0.3	0.7	(60.9%)
Reported Operating Cash Flow	89.3	116.4	(23.3%)
Purchase of Tangible Assets	(6.8)	(4.6)	46.6%
Purchase of Intangible Assets	(4.0)	(9.2)	(56.4%)
Change in capex payables	(2.0)	(5.5)	(62.9%)
Acquisitions	-	(0.2)	(100.0%)
Free Cash Flow	76.5	97.0	(21.1%)
Cash effect of adjustments	1.0	4.6	(78.7%)
Non recurring investments	1.0	0.6	59.9%
Other non recurring cash flows	-	-	na
Adjusted Free Cash Flow (IFRS 16)	78.4	102.2	(23.3%)
Lease Repayment	(14.4)	(15.8)	(9.1%)
Adjusted Free Cash Flow	64.1	86.4	(25.9%)
Cash effect of adjustments	(1.0)	(4.6)	(78.3%)
Acquisition Debt	(1.0)	(0.6)	59.9%
Dividends	-	(2.5)	(100.0%)
Long Term Incentive Plan	-	0.0	(100.0%)
Other Changes	0.0	0.1	(53.2%)
Δ Net Financial Position	62.2	78.8	(21.1%)

Net Financial Debt

	30 Nov 22	28 Feb 2022
Short-Term Bank Debt	0.0	0.0
Long-Term Bank Debt	0.0	0.0
Bank Debt	0.0	0.0
Debt to Other Lenders	(3.1)	(4.6)
Acquisition Debt	0.0	(1.2)
Other Financial Debt	(3.1)	(5.8)
Cash and Cash Equivalents	96.2	141.5
Government Bonds at Fair Value	40.1	0.0
Net Financial Debt	133.1	135.7
Lease liabilities	(452.1)	(450.2)
Net Financial Debt (IFRS 16)	(318.9)	(314.5)

IFRS 16 Impact

Main Effects on Unieuro's 9M 2022/23 Results (management data, unaudited)

		30 Nov 2022 (IAS 17)		30 Nov 2022 (IFRS 16)
<u>ADJ. EBITDA</u>	<ul style="list-style-type: none"> Reduction in operating costs (rents paid on stores, headquarters, warehouses and vehicles), net of income from sub-leases of stores 	44.5	+53.9	98.4
<u>ADJ. EBIT</u>	<ul style="list-style-type: none"> Increase in D&A on right-of-use assets 	16.6	+3.3	19.9
<u>ADJ. PROFIT BEFORE TAXES</u>	<ul style="list-style-type: none"> Increase in Financial expenses for interests related to rights-of-use liabilities 	13.5	(3.3)	10.2
<u>NET FINANCIAL DEBT (CASH)</u>	<ul style="list-style-type: none"> Recognition of rights-of-use liabilities (other current and non-current financial payables), net of non-current financial receivables relating to sub-lease agreements 	133.1	(452.1)	(318.9)

NEXT CORPORATE AND IR EVENTS

MEDIOBANCA ITALIAN MID CAP CONFERENCE
Milan, 19 January 2023

FY 2022/23 PRELIMINARY SALES
22 March 2023

STAR CONFERENCE
Borsa Italiana
Milan, 23 March 2023

FY 2022/23 RESULTS
9 May 2023

TP ICAP MIDCAP
Paris, 12 May 2023



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